

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, CA
Board of Directors Engineering Workshop
Agenda
March 9, 2020 at 1:30 p.m.

1. **Call to Order, Flag Salute and Roll Call**
2. **Public Comment:** Members of the public may address the Board at this time concerning items relating to any matter within the Agency's jurisdiction. To comment on specific agenda items, please complete a speaker's request form and hand it to the board secretary. Speakers are requested to keep their comments to no more than five minutes. Under the Brown Act, no action or discussion shall take place on any item not appearing on the agenda, except that the Board or staff may briefly respond to statements made or questions posed for the purpose of directing statements or questions to staff for follow up.
3. **Further Discussion Regarding Water Delivery Charges and Revenues* (p. 2)**
4. **Discussion on Dispensation of Nickel Water**
5. **Discussion of Potential Revisions to Board Travel and Expense Policy* (p. 5)**
6. **Announcement:**
 - A. Water Conservation and Education Workshop, March 12, 2020 at 1:30 p.m.
 - B. Regular Board Meeting, March 16, 2020 at 1:30 p.m.
 - C. Finance and Budget Workshop, March 23, 2020 at 1:30 p.m.
7. **Adjournment**

***Information included in Agenda Packet**

(1) Materials related to an item on this Agenda submitted to the Board of Directors after distribution of the agenda packet are available for Public inspection in the Agency's office at 1210 Beaumont Avenue, Beaumont during normal business hours. (2) Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection at the Agency's office, located at 1210 Beaumont Avenue, Beaumont, California 92223, during regular business hours. When practical, these public records will also be made available on the Agency's Internet Web site, accessible at <http://www.sgpwa.com>." (3) Any person with a disability who requires accommodation in order to participate in this meeting should telephone the Agency (951 845-2577) at least 48 hours prior to the meeting in order to make a request for a disability-related modification or accommodation.

San Gorgonio Pass Water Agency		
Water Delivery Analysis 2019		
Projected vs. Actual		
Updated 2/28/20		
Item	Projected	Actual
Delivery Amount (AF)	15,000	14,220
Deliveries for Future Sales (AF)	0	258
SGPWA Operations	\$288,000	\$316,290
Yuba Water	\$180,000	\$0
DWR Variable (final melded: \$253/AF)	\$4,335,000	\$3,651,644
Nickel Water (50% of cost)	\$966,000	\$971,864
Total Expense for Items Included in Rate Projections	\$5,769,000	\$4,939,798
Total Income	\$5,985,000	\$5,500,471
Actual Total Expense		\$5,911,663
Difference - Income vs Expense, recover Nickel at 50%		\$560,674
Difference - Income vs Expense, recover Nickel at 100%		-\$411,192
Assumptions Made for Projections:		
Average DWR Variable Power Rate	\$289 per AF	
Agency pays for \$966,000 of Nickel water from reserves.		

San Gorgonio Pass Water Agency					
Water Rate 2020					
Projections - Income and Net Income					
Potential Levels of Allocation					
	15%	20%	25%	30%	35%
Potential Water Sales Income					
Delivery (AF) -->	8,195	9,060	9,925	10,790	11,655
Price \$ ↓	3,269,805	3,614,940	3,960,075	4,305,210	4,650,345
Stored Water	258	258	258	258	258
\$399	102,942	102,942	102,942	102,942	102,942
Potential Net Income - Not Using Stored Water					
Expenses	5,059,675	5,340,800	5,621,925	5,903,050	6,184,175
Income	3,269,805	3,614,940	3,960,075	4,305,210	4,650,345
Net Income	-1,789,870	-1,725,860	-1,661,850	-1,597,840	-1,533,830
Potential Net Income - Using Stored Water					
Expenses	5,059,675	5,340,800	5,621,925	5,903,050	6,184,175
Income	3,372,747	3,717,882	4,063,017	4,408,152	4,753,287
Net Income	-1,686,928	-1,622,918	-1,558,908	-1,494,898	-1,430,888

SAN GORGONIO PASS WATER AGENCY

DIRECTORS' TRAVEL AND EXPENSE REIMBURSEMENT POLICY

(Revised January 3, 2011)

1. GENERAL STATEMENT OF POLICY

The Board of Directors of San Gorgonio Pass Water Agency is charged with establishing and maintaining the policies of the Agency as set forth by State Law, and with providing general oversight of the administration of the Agency. The day-to-day operation of the Agency has been delegated to the General Manager who is responsible to the Board.

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 San Gorgonio Pass Water Agency law, its statutory powers and duties, and the general programs and policies of the Agency.

The Agency policy for travel and expense reimbursement is premised on a finding by the Board of Directors that activities which fulfill the Director's 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 of the Agency's purpose. Agency Directors must be informed about national, state-wide, and local water, groundwater, wastewater programs and issues. Ordinary and necessary business expenses are expenses that have a direct benefit to fulfill the legislative duties of the Agency.

2. 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 and subject to annual budget limitations set by the Board shall be as follows:

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DIRECTORS' TRAVEL AND EXPENSE REIMBURSEMENT POLICY
(Revised January 3, 2011)**

- a) Each Director shall be allocated a total amount per year for expenses subject to appropriation in the budget by the Board, however newly elected directors will be allocated a total of \$3,000 for travel and education. This 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 of Directors. 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. Subsequent to the reimbursement for travel being paid, any payment not approved by the Board of Directors for any reason will be deducted from the director's next check.

- b) Any Expense (including travel expenses) incurred in excess of the budgeted amount shall not be paid unless authorized by the Board of Directors prior to the expense being incurred. In the event that prior Board approval is not possible, then the President of the Board can authorize such expense.

3. 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. Expenses incurred as a result of a bona fide personal, family, or medical emergency that would not have been incurred were it not for Agency business are also reimbursable. Because the Pass 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. For example, ordinary expenses incurred in traveling by personal automobile, including gas mileage and repairs, maintenance, etc directly related to use of a car, for Agency purposes, shall be allowed at the Agency's then prevailing rate in accordance with the standard mileage rate set by the Internal Revenue Service. Air travel shall ordinarily be reimbursed at the advance purchase or coach fare unless such fares are unavailable. Hotel expenses incurred by overnight travel on behalf of the Agency shall be reimbursed, but such accommodations should be reasonable in nature, rather than extravagant. Business meals incurred as a result of travel out of town, or meals in town which are engaged in for bona fide Agency purposes and in which

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substantial business discussions involving the Agency take place, shall also be reimbursed, but only at a reasonable level of expense. Business telephone calls shall be reimbursed and telephone calls made by Directors to their residences (maximum of one call per day) or places of business when traveling on Agency business shall be reimbursed. Automobile rental, baggage handling, tips, etc., are reimbursable expenses. This listing is intended to be representative, but not exclusive. The Agency shall not pay for any alcoholic beverage of any type consumed by directors, staff or their guests. Actual, reasonable, ordinary and necessary business expenses incurred by attendance of events approved by the Board as days of service, and at educational events related to water issues in the area, region, or state, is necessary for education of the directors and shall be reimbursed by the Agency upon presentation of satisfactory evidence (receipts, including travel expense receipts) of the expenditures. Attendance at these events include, regular or special meetings of any organization in which San Gorgonio Pass Water Agency is a member, or at special events, programs, conferences, symposiums or seminars as deemed necessary by the director (s) for their continuing education and information.

4. SPECIFIC TRAVEL REIMBURSEMENT RULES:

Travel is a necessary operation of the Agency. The Agency has no intention of denying any director reimbursement for official Agency travel. The Agency will reimburse each director for their actual travel expenses associated with performing their duties.

- 1) Reimbursement for the use of a personal automobile will be made on the basis of actual mileage at the official mileage rate. The official mileage rate for the Agency is the Standard Mileage Rate set annually by the Internal Revenue Service. Mileage between a director's residence and the Agency's administration building is not reimbursed.
 - a) The Agency assumes no responsibility for any maintenance, operational costs, accidents, fines, etc., incurred by the owner of the vehicle while on official business.
 - b) The Agency is responsible for determining whether the traveler is properly insured while using a privately owned vehicle on official business. The

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traveler may be required to provide proof of adequate insurance before being allowed to use privately owned vehicle on official business.

- c) The Agency will not reimburse for mileage driven within the Agency's boundaries. In the event the destination of travel is outside the Agency's boundaries the actual miles will be calculated from the Director's residence to the destination.
 - d) When travelers interrupt travel or deviate from the direct route for personal convenience or personal leave, they will be reimbursed only at the rate for uninterrupted travel by the most direct route.
 - e) Allowable mileage will be determined and verified by going to www.mapquest.com, www.randmcnally.com, or a similar internet mileage calculator or by actual recorded odometer readings.
 - f) When travelers must use premium transportation, such as first class, for health or other medical reasons, those reasons must be affirmed in a statement by the director on the Request for Reimbursement Form.
 - g) A copy of the official conference brochure, registration form, or other documentation of the conference, showing information about designated conference hotels, must be attached to the Request for Reimbursement Form when requesting reimbursement. After attending the conference, meeting, etc, the director shall present an oral report of the event at the next Board meeting.
- 2) Car rental shall be limited to official business only and shall be allowed only for those situations when this mode of travel is more economical than taxi, airport shuttle, etc. Reimbursement for rental car shall be only for use on official business. Any portion of car rental expense that is determined to be personal in nature will be the responsibility of the traveler and the Agency will not reimburse the director for such expenses.

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- 3) Expense reimbursement for hotel and meals while traveling out of town will be paid only with original receipts for lodging, registration fees, rental cars, parking, phone calls, taxis and shuttles, and commercial travel and based on dates of travel.
 - a) An agency director is, normally, not entitled to lodging when travel distance is less than thirty-five miles (one-way mileage). The thirty-five mile radius starts from the Administration Building of the Agency. All exceptions to the thirty-five-mile limitation policy must be approved by the Board of Directors at a regularly scheduled Board meeting prior to travel.
 - b) Meals on the day of travel will be reimbursed to and from the event.
 - c) If a meal is provided by a common carrier without charge, such as on an airplane, reimbursement is not allowed for that meal.
 - d) Reimbursement is not allowed for personal entertainment, alcoholic beverages, valet services, flowers, laundry, cleaning or printed items.
 - e) Reimbursement may not be claimed for meals, lodging or any items provided free of charge by individuals or organizations.
 - f) Reimbursement may not be made for lodging in a private home. If the traveler stays overnight at no cost to the Agency, such as with family or friends, meals may be claimed.
- 4) Reimbursement for expenses incurred under any other circumstances may be made by the Board of Directors only after a specific finding that the expenses were reasonable, ordinary and necessary, and directly related to Agency purposes.
- 5) Directors are authorized to travel anywhere within the State of California, or to participate in any Water Education Foundation tour. Travel to other states outside of a WEF tour is allowed if approved in advance by the Board of Directors at a regularly scheduled Board meeting.

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5. EXPENSES INCURRED BY PERSONS OTHER THAN DIRECTORS

The additional travel expenses of spouses, family members or guests who accompany Directors are not reimbursable by the Agency, unless that person's presence on the trip has a bona fide Agency purpose; that is, that such person's presence is essential to the performance of a Director's duties. Nevertheless, for those expenses which remain the same regardless of the family member's or guest's presence, such as vehicle or hotel expenses, the Director shall be reimbursed the full amount even though the family member or guest may have received an incidental benefit.

SAN GORGONIO PASS WATER AGENCY
DIRECTORS' TRAVEL AND EXPENSE REIMBURSEMENT POLICY

(Revised _____, 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.