

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:

- 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

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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 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

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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 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,

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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.
- 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.

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- 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.

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.