

Zone 7 Water Agency

Board of Directors Compensation and Expense Reimbursement Policy

(amended November 15, 2006; March 16, 2011; June 20, 2012)

The members of the Board of Directors will fully comply with the provisions of the following "Policy on Directors' Compensation and Expense Reimbursement."

A. Compensation for Attendance at Zone 7 Meetings:

Board Members will be compensated at the rate determined by the Board consistent with applicable law for attendance at regular and special meetings of the Board, including Board committee meetings and for attendance at biennial AB 1234 required ethics training courses approved by the Fair Political Practices Commission & Attorney General's Office.

B. Compensation for Attendance at Non-Zone 7 Meetings:

Each member of the Board of Directors is encouraged to participate in those outside activities and organizations which in the judgment of the Board further the interests of Zone 7. Board Members may request compensation for attending non-Zone 7 Board meetings, events or activities, including conferences and organized educational programs, pursuant to the following procedure:

1. Prior to attendance at a non-Zone 7-sponsored meeting, event or activity, Board Members shall submit his/her request for compensation for such attendance.
2. Requests for compensation shall be included as an agenda item for Board consideration at the next regularly scheduled public meeting of the Board of Directors.
3. Board Members shall provide to the General Manager or his designee, the Member's request for compensation no later than ten (10) days prior to the regularly scheduled Zone 7 Board of Directors public meeting at which the Member's request is to be considered by the full Board.
4. Board Members' request shall, at a minimum, include the following information:
 - i. a description of the meeting, event or activity
 - ii. the host/sponsor of the meeting, event or activity
 - iii. the date, time & place
 - iv. purpose of attendance

5. The General Manager shall prepare an Agenda Item to reflect the Board Member's request for compensation and place it on the agenda of the scheduled meeting of the Board of Directors at which the request will be considered.
6. When considering requests for compensation by Board Member(s), the Board of Directors shall take into account whether the Member's attendance is in furtherance of rendering service to Zone 7 and is clearly relevant to Zone 7 Activities.
7. Compensation for attendance at non-Zone 7 meetings, events or activities, shall only be permitted upon approval of the Board of Directors in conformity with this policy and procedure.
8. Notwithstanding other sections of this Policy, Board Member compensation for attendance at Zone 7 Board Meetings and approved non-Zone 7 Board meetings, events or activities, shall not be paid for more than a total of ten (10) days in any calendar month.

C. Amount of Compensation for Attendance:

The amount of compensation to Board Members for attendance at each meeting, event and activity authorized pursuant to Sections A & B above, shall be reviewed on a biennial basis. The amount of compensation shall be established in accordance with the provisions of Water Code Section 20200, *et seq.*, and shall be adopted by ordinance. Board members will be compensated for attendance at each board-approved meeting, event and activity.

D. Reimbursement of Actual and Necessary Board Member Expenses:

Board Members shall be entitled to reimbursement for meals, lodging and travel expenses incurred to attend a meeting, event or activity approved by the Board of Directors pursuant to Section B above; provided, however, no compensation will be paid to any Board Member unless an expense report has been submitted by that Board Member, as provided below. Note that the board approves a total travel budget for all directors (rather than for individual directors) each year as part of the final budget approval process.

Notwithstanding the foregoing, reimbursement of Actual and Necessary Expenses incurred by Board Members in connection with attendance at the following conference(s)/course(s) shall be permitted without prior Board approval:

1. Association of California Water Agency (ACWA) Conferences one time per calendar year.
2. Biennial Fair Political Practices Commissions & Attorney General approved Ethics training courses in connection with AB 1234 required ethics training.

a. General Rules Applicable to Directors' Expenses:

- i. All expenses will be reasonable and necessary and Directors are encouraged to exercise restraint in all expenditures.
- ii. Government and group rates shall be used when offered by a provider of transportation or lodging services for travel and lodging when available. 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 autos will be at the applicable County of Alameda Auditor-Controller approved rate.
- iii. Expenditures for food and lodging will be moderate and reasonable and in accordance with District policy.
- iv. The policy is intended to result in no personal gain or loss to a Director.

b. Transportation Expenses:

Subject to this provision, Directors will be reimbursed for all expenses consistent with Paragraph 1 above, incurred in traveling to and from conferences, meetings and other events, which are attended on behalf of the District in their capacity as Directors. Travel expenses will include round-trip air fare, actual 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 County of Alameda Auditor-Controller) for use by Directors of privately-owned vehicles in the conduct of District business.

Reimbursement for public transportation, parking and bridge tolls is based on the submission of receipts attached to the expense report, except that receipts are not required for metered parking (which should be designated on the claim).

c. Overnight Accommodations:

- i. Lodging costs are allowable if the time of the conference and the distance traveled justify the overnight stay. No reimbursement claim or request for overnight accommodations will be approved for expenses incurred within the District's service area, except upon approval of the Board.
- ii. If lodging is in connection with a conference or organized educational activity, lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor, provided that lodging at the group rate is available to the Board Member at the time of

booking. If the group rate is not available, the Board Member shall use comparable lodging.

- iii. Alcoholic beverages and other non-essential expenses (including, but not limited to, in-room movies, Service Bar, health club fees, etc.) will not be reimbursed.
- iv. Where reasonably possible, accommodations will be obtained in proximity to the conference or meeting site.
- v. Reimbursement for lodging costs requires a copy of the hotel statement and proof of payment.

d. Meal Expenses:

Directors will be entitled to receive reimbursement for actual cost of meals exclusive of alcoholic beverages consistent with Paragraph 1 above and subject to the following:

Meals may be reimbursed in one of the following ways:

- i. If receipts are provided with the expense reimbursement claim for all meals, the actual cost of each meal (within reason), tax and tip shall be reimbursed.
- ii. If receipts are not provided for all meals, the reimbursement amount is the lesser of actual cost or the flat rate for actual meal expense rates established by the Alameda County Auditor-Controller and is subject to the following individual limits in effect as of July 1, 2007 or at the limits as may be subsequently adjusted by the County Auditor-Controller, whichever is higher:

• Breakfast	\$11.00
• Lunch	\$16.00
• <u>Dinner</u>	<u>\$29.00</u>
Maximum Daily Rates: All Meals	\$56.00

Tips for meals (with receipts) will be reimbursed. Tips are reimbursed for reasonable amounts in accordance with community standards (currently 15%) and must be shown on the receipt. Tips for taxi service, porters and other services not directly connected to meals are not reimbursable.

NOTE: The maximum flat-rate reimbursement per day for meals of \$56.00 is **not** a per diem. To be reimbursed, the claimed meal must be purchased. If less than three meals in the day are purchased, the claim may not exceed the maximum amount reimbursable for those meals. Normally, only lunch would be reimbursed for a day conference.

e. Registration Fees:

For conferences and seminars, the Board Member claimant must provide a copy of the program announcement, agenda and registration form, showing the conference location, dates, times, activities, costs and any lodging or meals included in the registration fee.

E. Reimbursement Procedure:

All requests for reimbursement for actual and necessary expenses incurred on behalf of the District in the performance of official duties shall be submitted to the District's General Manager (or his designee) within 45 days after the expenses were incurred or expenditures made, unless circumstances warrant otherwise. Requests for reimbursement or accountings will be submitted, on expense report forms provided by the Alameda County Auditor-Controller's Office, and will be accompanied by receipts evidencing each expense or other documentation deemed satisfactory by the County Auditor-Controller. All out-of-pocket expenses must be supported by proof of payment (i.e., cash receipts, money orders, credit card charge slips, cancelled checks or copy of the bank statement showing the posted payment).

F. Board Member Reports:

Members of the Board of Directors shall provide brief written reports or presentations (less than five minutes) on meetings, events or activities attended at the expense of the District at the next regular Board of Directors meeting. Ideally, such reports should contain a summary of meetings attended and specific lessons learned with appropriate references so that additional information on selected topics can be obtained by other directors and staff, so that others who have not attended will be able to have access to the information made available during the meeting, event or activity.

G. Pre-Approval Exception:

Notwithstanding anything to the contrary contained herein, in the event there is insufficient time to comply with the pre-approval process for attendance at non-Zone 7 sponsored activities as set forth Section B of this Policy because Directors do not receive timely notice from the activity sponsor or as a result of circumstances reasonably beyond their control, Directors may choose to attend and seek the Board's approval thereafter. After such attendance, Directors shall at the next regularly scheduled meeting of the Board, request Board approval for compensation and/or reimbursement in conformity with the procedure set forth in Section B (3) through (6) herein together with a detailed explanation as to why timely compliance with the pre-approval process was not feasible. The Board shall have the right to reject any post-attendance request for approval if the failure to obtain pre-attendance approval results from a Director's own negligence or willful failure to timely submit his/her request.