

RESOLUTION NO. 2006 -29

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT, RESCINDING
RESOLUTION NO. 2006-7 ESTABLISHING A REVISED POLICY
ON BUSINESS EXPENSE REIMBURSEMENT, TRAVEL,
MEETING ATTENDANCE, AND REPRESENTATION

WHEREAS, the Board of Directors of Irvine Ranch Water District, by adoption of Resolution No. 2006-7 established a Policy with Respect to Allowance of Expenses; and

WHEREAS, the Board of Directors of Irvine Ranch Water District, by adoption of Resolution No. 2006-7 on February 13, 2006 established a revised policy on business expense reimbursement, travel, meeting attendance, and representation; and

WHEREAS, there are revisions to include in the Policy as follows: 1) Clarification of mileage that constitutes "commuting" mileage is excluded from reimbursable mileage expenses; 2) The inclusion of a provision for reimbursement of legitimate business expenses in situations where it is impractical to "receipt" the expense; 3) The separation of requirements for compensation and expense reimbursement to Board members; and 4) The addition of new activities to the list of possibly compensable meetings attended by Board members on District-related business.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Irvine Ranch Water District as follows:

Section 1. That Resolution No. 2006-7 be and hereby are rescinded.

Section 2. That the Policy of the Irvine Ranch Water District with respect to the allowance of expenses shall be as more particularly set forth in Exhibit "A" – "Policy Regarding Business Expense Reimbursement, Travel, Meeting Attendance and Representation" attached hereto and by this reference made a part hereto.

Signed document dated August 28, 2006 is on file at District office.

IRVINE RANCH WATER DISTRICT

POLICY REGARDING BUSINESS EXPENSE REIMBURSEMENT, TRAVEL, MEETING COMPENSATION AND REPRESENTATION

I. BUSINESS EXPENSE REIMBURSEMENT

SECTION 1 – General

The District will authorize conferences, seminars, meetings and travel and will reimburse business expenses in accordance with the Accountable Plan requirements of the IRS publication for Travel, Entertainment, Gift and Car Expenses and in accordance with District policies. Travel and business expenses will only be approved as they are necessary to further the accomplishment of District goals and objectives.

This policy applies to all District Employees, officers, Board Members, Committee Members and others authorized to represent the District through travel or business activities. At all times, District Representatives serve the public and must do so within the ethical and business performance standards expected of a public agency. (See Personnel Policies and Procedures Manual, Policy No. 48 – Business Conduct Standards.) Prudent judgment and full compliance with District policies is required. Failure to use discretion in the incurring of business expenses may result in the loss of discretionary travel/expense privileges.

Expense reimbursements covered under separate policies include, but are not limited to, the following:

- Expenses related to ongoing, formal training reimbursed under Personnel Policy No. 23, Education and Training. See this separate policy regarding such reimbursement.
- Association memberships that are paid directly by the District on behalf of individual employees or officers.
- Credit card usage. See the District Procurement Procedures. Appropriate usage of District credit cards for business-related expenses is covered by these procedures.
- Petty cash, which is used only by non-exempt employees. See the District Petty Cash Procedures.

All payments or reimbursements of travel and other business expenses under this policy are subject to inclusion of sufficient departmental funds in the current fiscal year's operating or capital budget. Non-compliance with this policy or falsification of reports or documentary evidence may result in disciplinary action, including termination and/or criminal prosecution.

For Board Members, the determination of whether an attended conference, meeting or other activity shall qualify the Board Member to receive expense reimbursement shall be made under Article I of this Policy, separately from the determination of whether an attended conference, meeting or other activity shall qualify the Board Member to receive compensation

under Article II. The intent of the foregoing is that an attended conference, meeting or other activity may qualify for expense reimbursement whether or not it qualifies for compensation.

SECTION 2 – Definitions

As used in this policy, the following terms shall have the meanings so indicated:

- a. Accountable Plan (IRS Publication for Travel, Entertainment, Gift and Car Expenses) – shall mean:
 - Expenses must have a business connection.
 - Expenses must be adequately documented and include evidence such as receipts, canceled checks or bills to support expenses. Expenses must be submitted within 60 days after they were paid or incurred.
 - Any excess reimbursement must be returned within 60 days after they were paid or incurred.
- b. Approval by the Board or Approval by the Full Board – shall mean Board approval at a regularly scheduled Board meeting with a quorum present and acting.
- c. Board Member – shall mean a member of the District Board of Directors, whether such member is acting as a member of the Board of Directors or as a Committee Member
- d. Committee Member – shall mean any member of a standing or ad hoc Committee established by an action of the Board or Board President to act in an advisory capacity.
- e. District – shall mean Irvine Ranch Water District.
- f. Employee – shall mean any full-time, part-time, regular, temporary or contracted staff employed by the District.
- g. Expense Report Reviewer – shall mean the District Controller, or the person designated by the District Controller, who performs a review of all projected expenses prior to travel as well as expenses incurred following travel, in conformance with District policies and procedures.
- h. Incidentals – shall mean any minor, miscellaneous expenses incurred during Travel including, but not limited to, local bus fare, telephone calls, non-meal gratuities and snacks.

- i. Representative –
shall mean any Employee, Board Member, Committee Member, or other authorized person incurring business expenses while conducting District business.
- j. Travel –
shall mean transportation, lodging, meals and incidentals associated with attending a seminar, conference, or meeting requiring an overnight stay.
- k. Travel Liaison –
shall mean the person or persons selected within each District department to process expense authorizations prior to travel, arrange travel accommodations and process expense reports following travel, in conformance with District policies and procedures.

SECTION 3 – Responsibilities

Accounts Payable shall pay registration fees and reimburse travelers for out-of-pocket expenses upon receipt of an approved and verified expense report form provided by the District.

Board Member and Committee Members shall be familiar with and in compliance with this policy; ensure all travel and other reimbursable expenses are reasonable; coordinate multiple Representative participation at conferences; and promote economic means of travel. The Board can approve or deny requests for travel or other business activities and reimbursements for Board and Committee Members.

The **District Controller** shall be familiar with and in compliance with this policy; enforce its provisions; and approve or deny requests for Representative reimbursement.

Expense Report Reviewers shall perform a review of all projected expenses prior to travel as well as expenses incurred following travel, checking for conformance with District policies and procedures. In addition, the Reviewer shall notify Travel Liaisons or Controller of all non-compliant projected and/or incurred expenses.

The **General Manager and Department Directors** shall be familiar with and in compliance with this policy; ensure all travel and other reimbursable expenses are reasonable; coordinate multiple Representative participation at conferences; and promote economic means of travel. The General Manager can approve or deny requests for travel or business activities and reimbursements for Department Directors and department Representatives. Department Directors can approve or deny requests for travel or business activities and reimbursements for their department Representatives.

Representatives shall be familiar with and in compliance with this policy; obtain prior authorization for travel; and submit documentary evidence for expenses incurred.

Travel Liaisons shall be familiar with and in compliance with this policy; promote economic and reasonable means of travel; and inform Supervisors or Department Directors of all unreconciled expenses regarding travel matters.

SECTION 4 – Travel Liaison

The Travel Liaison shall arrange all travel, lodging accommodations and seminar/conference registrations in accordance with District policies and procedures.

SECTION 5 – Seminars/Conferences/Meetings - Approval

Employee attendance at seminars, conferences, meetings or other activities must be approved in advance using forms provided by the District.

A Board Member's attendance at a seminar, conference, meeting or other activity shall qualify for reimbursement of expenses incurred in connection with such activity, where the activity is either of the following: (1) an activity included in category A or category B of Section 2 of Article II, below, *or* (2) an activity authorized by the Board in the manner specified in Section 3 of Article II.

SECTION 6 – Seminars/Conferences/Meetings – Business Purpose

There must be a business reason for attendance at conferences and meetings. Such reasons would include, but are not limited to, presentation of technical findings, attendance at meetings, committees or technical sessions dealing with issues related to District business, or participation as an officer of the association.

On occasion, District Representatives are requested to be a presenter at a seminar, conference or meeting. One presenter should provide multiple District presentations, if possible. Association involvement as an officer or committee member, which requires the use of District staff time, must be approved by the General Manager prior to a commitment being made.

Seminars must be selected based on value to the District. Benefits would include improved efficiency and effectiveness, as well as meeting new regulatory standards. In addition to the costs estimated on the District's authorization form for conferences and seminars, the cost of an Employee's work time for travel to, from and during the seminar must be considered. Free, local seminars attended during work time must also be authorized in advance.

Preference will be given to seminars that are provided within the Southern California region. Attendance at seminars, conferences, or meetings in "destination resort" areas outside California or areas outside the continental United States is discouraged.

On occasion, Representatives may elect to extend their stay at travel destinations or travel with family members. All expenses including, but not limited to, airfare, extra meals, extended car rental or lodging, related to such extended or family travel must be paid by the Representative.

SECTION 7 - Transportation

The most economical mode and class of transportation reasonably consistent with travel and scheduling requirements will be used. Mileage reimbursement for use of personally-owned vehicles shall be the rate set by the Board, which is equivalent to the current Internal Revenue Service (IRS) rate for travel deductions.

In no case shall the amount paid for mileage reimbursement for use of a personally owned vehicle used for travel in lieu of air travel exceed the cost of coach class or equivalent airfare. Use of a personally-owned vehicle for travel must be approved in advance by the Employee's department director.

Mileage for commuting is considered a personal expense pursuant to IRS Accountable Plan requirements and will not be reimbursed. Commuting is travel between a Representative's *residence* and any of the Representative's *regular work location(s)*. There may be multiple regular work locations. Pursuant to IRS requirements and guidance documents, facilities including the District's headquarters, the Operations Center/San Joaquin Marsh, and the Los Alisos Water Reclamation Plant shall be considered regular work locations. Commuting excludes travel between one work location and another. Different commuting expense rules may apply where an employee is assigned to a District-owned house to be used as a residence. Particular facts may require interpretation by the Controller, using Accountable Plan requirements.

Personally owned vehicles used in the conduct of District business must be insured for property and liability damage in an amount not less than the minimum limits required by the California Financial Responsibility Act.

Reasonable vehicle parking and storage costs will be allowed when District, rental, or personally owned vehicles are used for District business. Highway and bridge tolls are allowable expenses when incurred while conducting District business.

When traveling by air or utilizing rental vehicles, the District's Travel Liaisons will arrange air travel and car rentals. Travelers should only use rental cars for ground transportation as a last resort or when it is less expensive than other forms of transportation such as trains, buses, taxis or shuttles. Discretion must be used in selecting rental car size. They should be the smallest size that provides adequate safety and comfort for the time they are in use. To accommodate a group of travelers, a larger vehicle may be rented in-lieu of renting separate vehicles.

Representatives will not be reimbursed for any surplus insurance purchased for rental cars, because the Representative and the District are already sufficiently insured through existing District policies. Only Representatives are allowed to operate rental cars. Use of chauffeur-driven limousines is not allowed while conducting District business.

All air travel must be at coach class level. First class travel will only be allowed on an exception basis and must be approved in advance by the General Manager. Air transportation should be arranged as early as possible to take advantage of reduced fares for early reservations. Consideration should be given to alternative departure/arrival airports, dates, flight times and stopovers to minimize airfares. However, the total cost of the alternatives (e.g., ground transportation, employee work times, lodging) should also be considered in selecting an alternative. Internet booking services can be consulted to help in finding the optimum alternative; however, flights must still be reserved by the Travel Liaison. Government and group rates offered by a provider of transportation services shall be used when available.

Receipts are required for all transportation expenses, except as follows: For mileage incurred in the use of a personally owned vehicle, a MapQuest or similar verification of the distance traveled shall be submitted and shall serve as the receipt. For transportation expenses customarily incurred without a receipt, including valet gratuities, and for incidental business-related mileage incurred in connection with attendance at a non-local activity, a maximum of \$25.00 per day shall be reimbursed for all such expenses that are described in the expense report but are not accompanied by a receipt or MapQuest or similar verification.

SECTION 8 – Food and Lodging

Expenditures for food and lodging will be moderate and reasonable.

Meal expenses are allowed while Representatives are traveling. Expenses for other meals, not associated with travel, but with appropriate business purpose, are also allowed.

District Representatives will be reimbursed for actual meal expenses, including all taxes and gratuities, up to the amounts indicated below. Expenses will be reimbursed on a meal-by-meal basis, not a daily basis. If meal expenses exceed the amounts allowed as set forth below, the Representative will be reimbursed the allowance amount, with the remainder being paid by the Representative. However, in the event the Representative provides a reasonable written explanation adequately justifying why a meal(s) exceeded the allowable amount, this will be considered by the Controller and full reimbursement may be allowed. If meal expenses are less than the amount set forth below, the actual expense amount will be reimbursed. All meal expenses must be documented in detail in accordance with this policy.

Board Members must provide receipts for all expenses in order to be reimbursed. Employee Representatives of the District may be reimbursed for meals under either of two methods:

Method 1 -- "No Receipt Method"

When no receipts are provided, the maximum per meal/expense reimbursements are as follows:

Breakfast	\$ 6.00
Lunch	\$10.00
Dinner	\$18.00
Incidentals	\$ 6.00

During Travel, these amounts may be aggregated to allow a total per day maximum of \$40. For instance, multiple meal expenses may be combined to allow for a more expensive single meal. However, in no event will a Representative be reimbursed more than \$40 per Travel day under the "No Receipt Method". Board Members are not entitled to reimbursement for meals under the "No Receipt Method".

Method 2 -- "Receipt Method"

When receipts are provided, the maximum per meal/expense reimbursements are as follows:

Breakfast	\$15.00
Lunch	\$20.00
Dinner	\$30.00
Incidentals	\$10.00

Under this method, the maximum amounts for multiple meal expense cannot be combined to pay for a more expensive single meal. This method is applied strictly on an individual meal basis. In no event will a Representative be reimbursed more than \$75 per travel day under the "Receipt Method". In the case of a missing receipt, the Employee Representative will be reimbursed the maximum per meal amount allowed under Method 1 for that meal; a Board Member cannot receive reimbursement for any meal without a receipt.

Receipts must be an original, detailed receipt for actual costs. Restaurant bill stubs do not provide sufficient detail and are not acceptable for reimbursement under this method. If detailed receipts are not available, the Employee Representative can still be reimbursed at lower amounts under the "No Receipt Method." However, credit card receipts may be accepted for the Employee or Board Member Representative, subject to Controller approval, if itemized, detailed, meal receipts are not provided by the restaurant.

Non-travel business meals will only be reimbursed if taken in conjunction with a District business meeting. Meals for Representative guests will be reimbursed only if they have a legitimate business relationship with the District. Conflict of interest policies and applicable statutes must be considered when providing meals for or receiving meals from non-

Representatives. If meals are included in the cost of a conference or seminar, Representatives will not be reimbursed for meals eaten outside the conference or seminar in-lieu of the meal provided. The District will not reimburse for alcoholic beverages consumed by Representatives or their guests under any circumstances.

When travel is to a conference, the conference-sponsored hotel's maximum group rate published by the conference or activity sponsor shall be used if available at the time of booking. Some conferences require early booking to take advantage of reduced rates. If lodging cannot be arranged at the conference-sponsored hotel's maximum group rate, then the next most reasonably priced lodging must be used. Other lodging accommodations may also be arranged if the cost is less than the conference-sponsored hotel. Government and group rates offered by a provider of lodging shall be used when available.

SECTION 8 –Reimbursement Processing

Requests for reimbursement will be submitted within a reasonable period of time (60 days after they were paid or incurred).

Requests for reimbursement will be submitted on forms provided by the District, and must be accompanied by receipts or documentation evidencing each expense, except as otherwise specified herein for certain transportation expenses. All expense reports, in order to be in accordance with the IRS' Accountable Plan requirements, must include detailed receipts and must state the date, type of expense, District business purpose, those in attendance and their affiliations, and amounts expended.

Reimbursements to Representatives for meals, lodging and other actual and necessary expenses allowed under this Policy, but excluding conference registration fees and airfare(s), shall not exceed \$500 per day. However, in the event the Representative provides a reasonable written explanation adequately justifying why his/her daily expenses exceeded the allowable amount, it is within the Controller's discretion to authorize reimbursement in excess of the daily maximum. This maximum of \$500 per day shall apply *in addition to* all other specific limits, requirements and guidelines of this Policy, including but not limited to the maximum meal reimbursement rates set forth in Section 7 above.

Expenditures, which are improper or otherwise not adequately documented, will not be reimbursed. Alcoholic beverages and other non-essential expenses including, but not limited to, in-room movies, service bar, etc. will not be reimbursed.

All credit card expenditures must also be documented in accordance with the District's Credit Card Procedure.

Employee expense reports must be submitted to the Expense Report Reviewer within 60 days after expenses were paid or incurred. Any delinquent expenses will not be reimbursed unless justified in writing and approved by the General Manager at his/her sole discretion.

All Board Member and Committee Member expense reports must be submitted to the Expense Report Reviewer within 60 days after expenses were paid or incurred. Any delinquent requests for reimbursement will be submitted to the full Board for approval.

All Board Member and Committee Member expense reports will be reviewed for proper documentation and compliance with this policy by the Expense Report Reviewer prior to submittal for approval by two other Board Members. Committee Member expense reports must be approved by two Board Members. All General Manager, Board Member and Committee Member expense reports shall be submitted to the District's Finance and Personnel Committee each quarter for review.

II. BOARD MEMBER MEETING COMPENSATION

SECTION 1 – General

As Representatives of the District, Board Members shall be familiar with and in compliance with this policy regarding business expense reimbursement and meeting compensation. Each member of the Board of Directors is encouraged to participate in those outside activities and organizations that, in the judgment of the Board, further the interests of the District.

Article I, Section 1- General, Section 2 - Definitions and Section 3 – Responsibilities shall apply to this Article II.

SECTION 2 – Board Member Meeting Compensation

Board Members will be compensated at the rate determined by the Board of Directors and consistent with applicable law for attendance at meetings of the Board of Directors and for each day's service rendered as a member of the Board by request of the Board, including travel days to and from any approved conference, meeting or other event where service or representation is rendered as a member of the Board by request of the Board. \ For purposes of this Section and Water Code Section 20201, "by request of the Board" shall mean (a) for meetings and other services listed in A, below, authorization by adoption of this Policy; and (b) for meetings and other services listed in B, below, advance authorization from the Board at a regularly scheduled Board meeting or as otherwise authorized by Board resolution, or, if permitted under Section 3 below, advance authorization by the President with ratification at the next regularly scheduled Board meeting. Board approved compensation will be made pursuant to the Water Code Section 20202, and individual Board members will not be compensated for more than a total of ten days in any calendar month. Changes in compensation for Board Members will be implemented in compliance with IRWD Ordinance No. 1989-1.

Board members shall make a brief report on meetings attended at the expense of the District at the next regularly scheduled meeting of the Board.

- A. Meetings Specified By This Policy As “Requested By The Board”. No further authorization to receive compensation for the following is required.
1. Board Members shall receive compensation for attending Board meetings.
 2. Committee Members shall receive compensation for attending Committee meetings of which they are members (including designated alternate members attending in members’ absence).
 3. Board Members shall receive compensation for attendance as members of the board of directors at board meetings of nonprofit organizations created by or supported with funds or other contributions from the District (unless held concurrently with meetings of the District’s Board).
- B. Meetings and Other Activities Requiring Advance Approval of Compensation By The Board. Compensation for the following requires advance approval by the Board, except as permitted in Section 3 of this article
1. Nonprofit organization board meetings where the Board member is not a member of the organization’s board of directors, if the nonprofit organization is one created by or supported with funds or other contributions from the District.
 2. Service club meetings where a Board Member is making a presentation on behalf of the District.
 3. Social or ceremonial events pre-authorized by the Board.
 4. Meetings a Board member has with other elected officials or their employees, which do not include District staff.
 5. Meetings of the governing body of another agency, where a matter directly affecting the interests of the District is on the agenda and the Board Member is not a board member, employee or official compensated by the other agency.
 6. Meetings with District staff.
 7. Meetings with vendors/contractors.
 8. Conferences such as ACWA, CASA, WateReuse, CSDA, and Urban Water Institute.
 9. Meetings with property owners on matters in which the property owner is seeking District approval or other consideration or on matters otherwise affecting the interests of the District.
 10. Meetings of working coalitions of public and/or private entities in which the District is an active participant, stakeholder or interested party.
- C. Meetings and Other Activities Not Compensated By The Board. Board Members will not be compensated or receive expense reimbursement for the following:
1. Nonprofit organization meetings other than those included in A3 or B1, above.
 2. Nonprofit organization events.

3. District-sponsored employee events including, but not limited to, the Annual Holiday Breakfast, Holiday Luncheon, Employee Picnic or retirement events.
4. Purely social or ceremonial events not pre-authorized by the Board.
5. Service club meetings other than those included in B2, above.
6. Parades, festivals, holiday events, retirement dinners.
7. Meetings of partisan political organizations.

SECTION 3 – Authorization in Advance; Exceptions

Board Members may from time to time receive requests or elect to attend meetings or conferences pertaining to the water and wastewater utility industry, and may be asked to, or desire to, give presentations or otherwise represent the District at such events. Any Board Member wishing to attend such events and represent the District by providing a presentation or oral commentary shall request and receive advance authorization of compensation from the full Board of Directors. If expense reimbursement is also requested for such event, all requirements for such reimbursement under Article I of this Policy shall apply. In the event there is not sufficient time to submit a request for compensation to act as District Representative to the Board, the Board President has the authority to approve such a request in advance; this approval would then be subsequently submitted for ratification at the next regularly scheduled Board meeting.

SECTION 4 – Processing of Compensation Requests

_____ Requests for compensation shall be submitted on compensation reporting forms, separate from and in addition to any expense reimbursement reporting forms submitted under Section 8 of Article I. All Board Member and Committee Member compensation reports must be submitted to the Expense Report Reviewer within 60 days after the activity to be compensated. Any delinquent requests for compensation will be submitted to the full Board for approval.

All Board Member and Committee Member compensation reports will be reviewed for compliance with this policy by the Expense Report Reviewer prior to submittal for approval by two other Board Members. Committee Member compensation reports must be approved by two Board Members. All Board Member and Committee Member compensation reports shall be submitted to the District's Finance and Personnel Committee each quarter for review.

IRVINE RANCH WATER DISTRICT

POLICY REGARDING BUSINESS EXPENSE REIMBURSEMENT, TRAVEL, MEETING COMPENSATION AND REPRESENTATION

I. BUSINESS EXPENSE REIMBURSEMENT

SECTION 1 – General

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This policy applies to all District Employees, officers, Board Members, Committee Members and others authorized to represent the District through travel or business activities. At all times, District Representatives serve the public and must do so within the ethical and business performance standards expected of a public agency. (See Personnel Policies and Procedures Manual, Policy No. 48 – Business Conduct Standards.) Prudent judgment and full compliance with District policies is required. Failure to use discretion in the incurring of business expenses may result in the loss of discretionary travel/expense privileges.

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under Article II. The intent of the foregoing is that an attended conference, meeting or other activity may qualify for expense reimbursement whether or not it qualifies for compensation.

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- e. District – shall mean Irvine Ranch Water District.
- f. Employee – shall mean any full-time, part-time, regular, temporary or contracted staff employed by the District.
- g. Expense Report Reviewer – shall mean the District Controller, or the person designated by the District Controller, who performs a review of all projected expenses prior to travel as well as expenses incurred following travel, in conformance with District policies and procedures.
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On occasion, District Representatives are requested to be a presenter at a seminar, conference or meeting. One presenter should provide multiple District presentations, if possible. Association involvement as an officer or committee member, which requires the use of District staff time, must be approved by the General Manager prior to a commitment being made.

Seminars must be selected based on value to the District. Benefits would include improved efficiency and effectiveness, as well as meeting new regulatory standards. In addition to the costs estimated on the District's authorization form for conferences and seminars, the cost of an Employee's work time for travel to, from and during the seminar must be considered. Free, local seminars attended during work time must also be authorized in advance.

Preference will be given to seminars that are provided within the Southern California region. Attendance at seminars, conferences, or meetings in "destination resort" areas outside California or areas outside the continental United States is discouraged.

On occasion, Representatives may elect to extend their stay at travel destinations or travel with family members. All expenses including, but not limited to, airfare, extra meals, extended car rental or lodging, related to such extended or family travel must be paid by the Representative.

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In no case shall the amount paid for mileage reimbursement for use of a personally owned vehicle used for travel in lieu of air travel exceed the cost of coach class or equivalent airfare. Use of a personally-owned vehicle for travel must be approved in advance by the Employee's department director.

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Personally owned vehicles used in the conduct of District business must be insured for property and liability damage in an amount not less than the minimum limits required by the California Financial Responsibility Act.

Reasonable vehicle parking and storage costs will be allowed when District, rental, or personally owned vehicles are used for District business. Highway and bridge tolls are allowable expenses when incurred while conducting District business.

When traveling by air or utilizing rental vehicles, the District's Travel Liaisons will arrange air travel and car rentals. Travelers should only use rental cars for ground transportation as a last resort or when it is less expensive than other forms of transportation such as trains, buses, taxis or shuttles. Discretion must be used in selecting rental car size. They should be the smallest size that provides adequate safety and comfort for the time they are in use. To accommodate a group of travelers, a larger vehicle may be rented in-lieu of renting separate vehicles.

Representatives will not be reimbursed for any surplus insurance purchased for rental cars, because the Representative and the District are already sufficiently insured through existing District policies. Only Representatives are allowed to operate rental cars. Use of chauffer-driven limousines is not allowed while conducting District business.

All air travel must be at coach class level. First class travel will only be allowed on an exception basis and must be approved in advance by the General Manager. Air transportation should be arranged as early as possible to take advantage of reduced fares for early reservations. Consideration should be given to alternative departure/arrival airports, dates, flight times and stopovers to minimize airfares. However, the total cost of the alternatives (e.g., ground transportation, employee work times, lodging) should also be considered in selecting an alternative. Internet booking services can be consulted to help in finding the optimum alternative; however, flights must still be reserved by the Travel Liaison. Government and group rates offered by a provider of transportation services shall be used when available.

Receipts are required for all transportation expenses, except as follows: For mileage incurred in the use of a personally owned vehicle, a MapQuest or similar verification of the distance traveled shall be submitted and shall serve as the receipt. For transportation expenses customarily incurred without a receipt, including valet gratuities, and for incidental business-related mileage incurred in connection with attendance at a non-local activity, a maximum of \$25.00 per day shall be reimbursed for all such expenses that are described in the expense report but are not accompanied by a receipt or MapQuest or similar verification.

SECTION 8 – Food and Lodging

Expenditures for food and lodging will be moderate and reasonable.

Meal expenses are allowed while Representatives are traveling. Expenses for other meals, not associated with travel, but with appropriate business purpose, are also allowed.

District Representatives will be reimbursed for actual meal expenses, including all taxes and gratuities, up to the amounts indicated below. Expenses will be reimbursed on a meal-by-meal basis, not a daily basis. If meal expenses exceed the amounts allowed as set forth below, the Representative will be reimbursed the allowance amount, with the remainder being paid by the Representative. However, in the event the Representative provides a reasonable written explanation adequately justifying why a meal(s) exceeded the allowable amount, this will be considered by the Controller and full reimbursement may be allowed. If meal expenses are less than the amount set forth below, the actual expense amount will be reimbursed. All meal expenses must be documented in detail in accordance with this policy.

Board Members must provide receipts for all expenses in order to be reimbursed. Employee Representatives of the District may be reimbursed for meals under either of two methods:

Method 1 -- "No Receipt Method"

When no receipts are provided, the maximum per meal/expense reimbursements are as follows:

Breakfast	\$ 6.00
Lunch	\$10.00
Dinner	\$18.00
Incidentals	\$ 6.00

During Travel, these amounts may be aggregated to allow a total per day maximum of \$40. For instance, multiple meal expenses may be combined to allow for a more expensive single meal. However, in no event will a Representative be reimbursed more than \$40 per Travel day under the "No Receipt Method". Board Members are not entitled to reimbursement for meals under the "No Receipt Method".

Method 2 -- "Receipt Method"

When receipts are provided, the maximum per meal/expense reimbursements are as follows:

Breakfast	\$15.00
Lunch	\$20.00
Dinner	\$30.00
Incidentals	\$10.00

Under this method, the maximum amounts for multiple meal expense cannot be combined to pay for a more expensive single meal. This method is applied strictly on an individual meal basis. In no event will a Representative be reimbursed more than \$75 per travel day under the "Receipt Method". In the case of a missing receipt, the Employee Representative will be reimbursed the maximum per meal amount allowed under Method 1 for that meal; a Board Member cannot receive reimbursement for any meal without a receipt.

Receipts must be an original, detailed receipt for actual costs. Restaurant bill stubs do not provide sufficient detail and are not acceptable for reimbursement under this method. If detailed receipts are not available, the Employee Representative can still be reimbursed at lower amounts under the "No Receipt Method." However, credit card receipts may be accepted for the Employee or Board Member Representative, subject to Controller approval, if itemized, detailed, meal receipts are not provided by the restaurant.

Non-travel business meals will only be reimbursed if taken in conjunction with a District business meeting. Meals for Representative guests will be reimbursed only if they have a legitimate business relationship with the District. Conflict of interest policies and applicable statutes must be considered when providing meals for or receiving meals from non-

Representatives. If meals are included in the cost of a conference or seminar, Representatives will not be reimbursed for meals eaten outside the conference or seminar in-lieu of the meal provided. The District will not reimburse for alcoholic beverages consumed by Representatives or their guests under any circumstances.

When travel is to a conference, the conference-sponsored hotel's maximum group rate published by the conference or activity sponsor shall be used if available at the time of booking. Some conferences require early booking to take advantage of reduced rates. If lodging cannot be arranged at the conference-sponsored hotel's maximum group rate, then the next most reasonably priced lodging must be used. Other lodging accommodations may also be arranged if the cost is less than the conference-sponsored hotel. Government and group rates offered by a provider of lodging shall be used when available.

SECTION 8 –Reimbursement Processing

Requests for reimbursement will be submitted within a reasonable period of time (60 days after they were paid or incurred).

Requests for reimbursement will be submitted on forms provided by the District, and must be accompanied by receipts or documentation evidencing each expense, except as otherwise specified herein for certain transportation expenses. All expense reports, in order to be in accordance with the IRS' Accountable Plan requirements, must include detailed receipts and must state the date, type of expense, District business purpose, those in attendance and their affiliations, and amounts expended.

Reimbursements to Representatives for meals, lodging and other actual and necessary expenses allowed under this Policy, but excluding conference registration fees and airfare(s), shall not exceed \$500 per day. However, in the event the Representative provides a reasonable written explanation adequately justifying why his/her daily expenses exceeded the allowable amount, it is within the Controller's discretion to authorize reimbursement in excess of the daily maximum. This maximum of \$500 per day shall apply *in addition to* all other specific limits, requirements and guidelines of this Policy, including but not limited to the maximum meal reimbursement rates set forth in Section 7 above.

Expenditures, which are improper or otherwise not adequately documented, will not be reimbursed. Alcoholic beverages and other non-essential expenses including, but not limited to, in-room movies, service bar, etc. will not be reimbursed.

All credit card expenditures must also be documented in accordance with the District's Credit Card Procedure.

Employee expense reports must be submitted to the Expense Report Reviewer within 60 days after expenses were paid or incurred. Any delinquent expenses will not be reimbursed unless justified in writing and approved by the General Manager at his/her sole discretion.

All Board Member and Committee Member expense reports must be submitted to the Expense Report Reviewer within 60 days after expenses were paid or incurred. Any delinquent requests for reimbursement will be submitted to the full Board for approval.

All Board Member and Committee Member expense reports will be reviewed for proper documentation and compliance with this policy by the Expense Report Reviewer prior to submittal for approval by two other Board Members. Committee Member expense reports must be approved by two Board Members. All General Manager, Board Member and Committee Member expense reports shall be submitted to the District's Finance and Personnel Committee each quarter for review.

II. BOARD MEMBER MEETING COMPENSATION

SECTION 1 – General

As Representatives of the District, Board Members shall be familiar with and in compliance with this policy regarding business expense reimbursement and meeting compensation. Each member of the Board of Directors is encouraged to participate in those outside activities and organizations that, in the judgment of the Board, further the interests of the District.

Article I, Section 1- General, Section 2 - Definitions and Section 3 – Responsibilities shall apply to this Article II.

SECTION 2 – Board Member Meeting Compensation

Board Members will be compensated at the rate determined by the Board of Directors and consistent with applicable law for attendance at meetings of the Board of Directors and for each day's service rendered as a member of the Board by request of the Board, including travel days to and from any approved conference, meeting or other event where service or representation is rendered as a member of the Board by request of the Board. \ For purposes of this Section and Water Code Section 20201, "by request of the Board" shall mean (a) for meetings and other services listed in A, below, authorization by adoption of this Policy; and (b) for meetings and other services listed in B, below, advance authorization from the Board at a regularly scheduled Board meeting or as otherwise authorized by Board resolution, or, if permitted under Section 3 below, advance authorization by the President with ratification at the next regularly scheduled Board meeting. Board approved compensation will be made pursuant to the Water Code Section 20202, and individual Board members will not be compensated for more than a total of ten days in any calendar month. Changes in compensation for Board Members will be implemented in compliance with IRWD Ordinance No. 1989-1.

Board members shall make a brief report on meetings attended at the expense of the District at the next regularly scheduled meeting of the Board.

- A. Meetings Specified By This Policy As “Requested By The Board”. No further authorization to receive compensation for the following is required.
1. Board Members shall receive compensation for attending Board meetings.
 2. Committee Members shall receive compensation for attending Committee meetings of which they are members (including designated alternate members attending in members’ absence).
 3. Board Members shall receive compensation for attendance as members of the board of directors at board meetings of nonprofit organizations created by or supported with funds or other contributions from the District (unless held concurrently with meetings of the District’s Board).
- B. Meetings and Other Activities Requiring Advance Approval of Compensation By The Board. Compensation for the following requires advance approval by the Board, except as permitted in Section 3 of this article
1. Nonprofit organization board meetings where the Board member is not a member of the organization’s board of directors, if the nonprofit organization is one created by or supported with funds or other contributions from the District.
 2. Service club meetings where a Board Member is making a presentation on behalf of the District.
 3. Social or ceremonial events pre-authorized by the Board.
 4. Meetings a Board member has with other elected officials or their employees, which do not include District staff.
 5. Meetings of the governing body of another agency, where a matter directly affecting the interests of the District is on the agenda and the Board Member is not a board member, employee or official compensated by the other agency.
 6. Meetings with District staff.
 7. Meetings with vendors/contractors.
 8. Conferences such as ACWA, CASA, WateReuse, CSDA, and Urban Water Institute.
 9. Meetings with property owners on matters in which the property owner is seeking District approval or other consideration or on matters otherwise affecting the interests of the District.
 10. Meetings of working coalitions of public and/or private entities in which the District is an active participant, stakeholder or interested party.
- C. Meetings and Other Activities Not Compensated By The Board. Board Members will not be compensated or receive expense reimbursement for the following:
1. Nonprofit organization meetings other than those included in A3 or B1, above.
 2. Nonprofit organization events.

3. District-sponsored employee events including, but not limited to, the Annual Holiday Breakfast, Holiday Luncheon, Employee Picnic or retirement events.
4. Purely social or ceremonial events not pre-authorized by the Board.
5. Service club meetings other than those included in B2, above.
6. Parades, festivals, holiday events, retirement dinners.
7. Meetings of partisan political organizations.

SECTION 3 – Authorization in Advance; Exceptions

Board Members may from time to time receive requests or elect to attend meetings or conferences pertaining to the water and wastewater utility industry, and may be asked to, or desire to, give presentations or otherwise represent the District at such events. Any Board Member wishing to attend such events and represent the District by providing a presentation or oral commentary shall request and receive advance authorization of compensation from the full Board of Directors. If expense reimbursement is also requested for such event, all requirements for such reimbursement under Article I of this Policy shall apply. In the event there is not sufficient time to submit a request for compensation to act as District Representative to the Board, the Board President has the authority to approve such a request in advance; this approval would then be subsequently submitted for ratification at the next regularly scheduled Board meeting.

SECTION 4 – Processing of Compensation Requests

_____ Requests for compensation shall be submitted on compensation reporting forms, separate from and in addition to any expense reimbursement reporting forms submitted under Section 8 of Article I. All Board Member and Committee Member compensation reports must be submitted to the Expense Report Reviewer within 60 days after the activity to be compensated. Any delinquent requests for compensation will be submitted to the full Board for approval.

All Board Member and Committee Member compensation reports will be reviewed for compliance with this policy by the Expense Report Reviewer prior to submittal for approval by two other Board Members. Committee Member compensation reports must be approved by two Board Members. All Board Member and Committee Member compensation reports shall be submitted to the District's Finance and Personnel Committee each quarter for review.