

## CALAVERAS PUBLIC UTILITY DISTRICT POLICIES

Policy Name:	4130 – DIRECTOR COMPENSATION, BENEFITS AND REIMBURSEMENT OF EXPENSES		
Approval Authority:	CPUD BOARD OF DIRECTORS	Adopted:	3/19/2024
Resolution No.	Resolution No. 2024-4	Revised:	

### 4130.1 Purpose of the Policy

This document sets forth the policy of the Calaveras Public Utility District concerning Directors’ compensation, benefits and the payment of actual and necessary expenses incurred in the performance of official duties and is intended to comply with the requirements of Government Code sections 53201 *et seq.*; 53232 through 53232.4; and California Public Utilities Code Section 16002.

### 4130.2 Directors’ Compensation

Each member of the Board of Directors of the District will be entitled to receive \$100 per day for each day’s attendance at meetings of the Board, or for each day’s service rendered as a member of the Board by request of the Board, in accordance with Public Utilities Code section 16002(b). Internal Revenue Code section 3401(c) requires Directors of the District to be considered employees for income reporting purposes. A Director must complete form W-4 and are encouraged to sign up for direct deposit. A Director may choose to voluntarily serve on the board and receive no compensation for meeting attendance (Directors who voluntarily serve will still be eligible for health and welfare benefits and for expenses eligible for reimbursements).

### 4130.3 Types of Service for Which Compensation Will Be Provided

Applicable law (Public Utilities Code section 16002 and Government Code section 53232.1) permits the District to compensate Directors for each day’s attendance at meetings of the Board, or for each day’s service rendered as a Director, subject to a written policy adopted in a public meeting. A Director can be compensated for up to 10 days per calendar month of service in accordance with the Board’s adoption of Resolution No. 2021-13 The District encourages Directors to take advantage of opportunities to be informed concerning matters of interest to the District, and to inform others of the activities and interests of the District. The General Manager or his or her designee will provide to the Board monthly a list of meetings attended by each Director for which the Director has been compensated under this policy. Directors will be compensated (for up to 10 days per calendar month, \$4800 per year) for attending the following types of meetings:

(A) A meeting conducted pursuant to the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code).

(B) Representation of the District at a public event, if that representation has been previously approved at a meeting of the Board and the member delivers a written report regarding the member's representation to the Board at the board meeting immediately following the public event.

(C) Representation of the District at a public meeting or a public hearing conducted by another public agency, if that representation has been previously approved at a meeting of the Board and the member delivers a report regarding the member's representation to the Board at the board meeting immediately following the public meeting or public hearing.

(D) Representation of the District at a meeting of a public benefit nonprofit corporation on whose Board the District has membership if that representation has been previously approved at a meeting of the District's Board and the member delivers a written report regarding the member's representation to the Board at the Board meeting immediately following the corporation's meeting.

(E) Participation in a training program on a topic that is directly related to the District if that representation has been previously approved at a meeting of the Board and the member delivers a written report regarding the member's participation to the Board at the Board meeting immediately following the training program.

(F) Committee meetings of the Board, attended as a member of the committee;

(G) Other meetings necessary for the disposition of duties assigned to a Board committee, attended by a member of the committee;

(H) Meetings, water industry events or office visits of a substantial duration concerning substantive District business as requested and approved for payment by the General Manager or the Board President; and

(I) In connection with business, educational and ceremonial meetings, functions, and conferences for which the District has prepaid for a Director's attendance, the Director shall attend such events. If the Director is unable to attend the pre-paid event, the Director shall immediately notify the District. If the District cannot obtain a refund of fees paid, then the District shall bill the Director for reimbursement for all amounts paid, unless the Director's failure to attend the event arises from circumstances beyond the control of the Director.

#### **4130.4 Health and Welfare Benefits**

The District is authorized under California Government Code section 53200 *et seq.* to provide health and welfare benefits to its employees, retired employees, and current

Directors of the District. Under this policy, each active Director is entitled to receive Dental and Vision Insurance through the Association of California Water Agencies Joint Power Insurance Authority (ACWA JPIA). The benefit is for the Director plus eligible dependents.

#### **4130.5 Reimbursement of Directors' Expenses**

##### **Policy and General Rules**

The District encourages Directors to attend conferences, seminars and other meetings that require their participation or provide an opportunity to be informed concerning matters of interest to the District. Each Director is entitled to reimbursement for the reasonable and prudent expenditures (i.e., registration fees, travel, meals, lodging, and other actual and necessary expenses) incurred in the performance of his or her official duties. When a Director pre-pays expenses (e.g., registration, airfare, hotel), the Director may submit such items for expense reimbursement prior to the meeting occurrence.

A Director may use his or her personal funds for meeting registration. The District will reimburse the Director for the actual amount of the registration, if properly reported and documented in accordance with this policy.

The District's annual budget will set an appropriate level of funding for payment of Directors' expenses.

Any exceptions for expenses that do not come within the District's expense reimbursement policy must be approved by the Board in a public meeting in advance of the time when the expense will be incurred. (Government Code, §53232.2, subd. (f).) Any question concerning the propriety of a particular expense should be resolved by the Board before the expense is incurred.

#### **4130.6 Reimbursable Expenses**

Directors' direct expenses for attendance at meetings and events authorized by this policy, including registration fees, reasonable travel, lodging, and meal costs, and other actual necessary expenses, will be paid by the District in accordance with the guidelines and per diem rates for an accountable expense reimbursement plan as defined in the United States Internal Revenue Service's Publication 463 ("Travel, Entertainment, Gift and Car Expenses") and Publication 1542 ("Per Diem Rates (For Travel Within the Continental United States)") (collectively, the "IRS Publications"), as such may be amended from time to time.

The following expenses are authorized business-related expenditures:

- a. **Personal Vehicle Mileage.** A Director will be reimbursed for actual vehicle travel miles at the rate authorized under the IRS Publications for all meetings attended and services provided. A Director will be considered to have accounted for personal vehicle expenses by indicating the actual miles traveled, the business purpose of the travel, and the date of travel on the approved District expense reimbursement form and submitted. The District will not reimburse Directors for any other personal vehicle expenses.
- b. **Hotel Expenses.** A Director will be reimbursed for reasonable lodging expenses incurred in accordance with this Policy when a Director attends conferences, seminars, or meetings, if the Director stays at the hotel or other lodging listed in the event's registration materials at the group rate obtained for the event. If a Director travels on District business for which no hotel is designated or is unable to book lodging at a specified conference rate, he or she may either (a) be reimbursed at the per diem hotel rate provided in the IRS Publications for the city in which the hotel is located; or (b) use the Director's personal funds to pay for hotel charges, in which case the District will reimburse the Director for actual charges, but only up to three times the maximum per diem hotel rate provided for in the IRS Publications for the event location.
- c. **Meals.** A Director may be reimbursed for the cost of meals while attending authorized conferences, seminars, or meetings away from the District based on the per meal rate provided for in the IRS Publications. A Director may either (a) report meals at the IRS per diem rate or (b) use the Director's personal funds to pay for meals, in which case the District will reimburse the Director for actual charges, but only up to three times the maximum per diem meal rates provided for in the IRS Publications. If a Director is not traveling for a full day, defined as from 12:01 a.m. to 12:00 Midnight, the per diem meal/incidental allowance will be prorated according to the actual hours of travel unless a Director uses his or her personal funds to pay for meals, in which case the District will reimburse the Director for actual charges for meals incurred while traveling, but only up to three times the maximum meal rate provided for in the IRS Publications. If the District prepays the cost of one or more meals with a meeting, function or conference registration, a Director must attend the prepaid meals. If a Director fails to attend a pre-paid meal, a Director may not submit a claim for reimbursement for an alternative meal taken in lieu of the pre-paid meal.
- d. **Incidental Allowance.** Tips for meals will be reimbursed up to a maximum of 15% of the cost of the reimbursable portion of any meal in accordance with the tip shown on the receipt attached to an expense reporting form. The District will reimburse the Director for tips given to transportation drivers, baggage porters, bellhops and hotel housekeepers that are reasonable and customary for the area. A Director may be reimbursed for toll charges and parking fees up to the actual amount expended.

- e. Common Carrier Travel. When personal vehicle use for District business is impractical due to time and/or distance, a Director may use regularly scheduled commercial carriers for travel. Consistent with scheduling needs and the most-direct route, a Director traveling by plane, train, rental vehicle, bus, or taxi will travel at the least-expensive fare available for the date and time of the travel. When possible, travel should be planned to permit use to use advanced fares. Long-term parking must be used at airports for travel exceeding 24 hours. The District will reimburse the Director for the actual amount of the fare and related, necessary expenses (e.g., baggage fees), if properly reported in accordance with this policy.
- f. Telephone/Fax/Cellular/Internet. A Director will be reimbursed for actual telephone, fax and reasonable internet expenses incurred for District business. Telephone bills should identify which calls were made for District 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 for District business.

#### **4130.7** Types of Expenses for Which Reimbursement Will Not be Provided.

Director expenses that are not deemed to be reimbursable business expenses may include, but are not limited to:

- a. Barber and/or beauty shop charges;
- b. Fines for traffic or parking violations;
- c. Expenses of any person accompanying a Director on a District-approved trip or event;
- d. Personal telephone calls;
- e. Fitness/Health Facility or Massages;
- f. Alcoholic beverages;
- g. Entertainment expenses (movies, sporting events, etc.);
- h. Non-Mileage vehicle expenses; and
- i. Charitable contributions

#### **4130.8** Expense Reporting Procedures

To be reimbursed for any expense authorized under this Policy, within 60 days of incurring the expense, a Director must fill out and sign a District-provided expense report form. The expense report form is designed to ensure that Directors' expense reimbursements comply with the requirements of Government Code section 53232.3 and the IRS Publications. Accordingly, the General Manager will review each expense report form, and sign it to indicate compliance with the requirements of this policy. In all cases when a Director seeks reimbursement for expenses incurred while attending a conference, seminar or other meeting, a copy of the conference registration form must either be attached to his or her expense report or on file at the District (e.g. copy attached to check request or purchasing card paperwork). In addition, a Director will

be required to attach the following documentation to his or her expense reimbursement report as a condition of receiving reimbursement for an appropriately-incurred business expense:

- a. **Personal Vehicle Mileage.** To verify mileage, the General Manager or designee will document personal vehicle mileage, using tools such as Google or MapQuest, which will be attached to the Director's expense report.
- b. **Lodging Expenses.** If a Director wishes to be reimbursed for lodging expenses, he or she must attach to the expense report an itemized bill issued by the hotel and a copy of the credit card receipt or other proof of the Director's payment. Except when attending a conference, seminar or other meeting and using the available group rate booked for the event, the District will reimburse a Director only for the actual amount of the hotel expenses incurred up to a maximum amount equal to three times the applicable per diem rate shown in the IRS Publications.
- c. **Meal Expenses.** If a Director wishes to be reimbursed for meal expenses at the IRS per diem rate, he or she may fill out the expense report form and claim the expense without further documentation. If a Director pays for meals with his or her own funds, he or she must attach to the expense report an itemized bill, copy of a credit card receipt or other proof of the Director's payment. In such cases, the District will reimburse a Director only for the actual amount of the meal expense incurred up to a maximum amount of three times the applicable per diem rate shown in the IRS Publications.
- d. **Common Carrier Travel.** A Director must attach to his or her expense report the fare, coupon, or itemized bill from a travel agency, airline, rental vehicle, bus, or train showing the actual amount expended for such travel. A boarding pass, conference badge, business receipt from the destination or other documentation indicating the travel occurred must be attached to the Director's expense report.
- e. **Incidental Expenses.** Whenever possible, a Director should obtain a receipt for incidental expenses such as tolls and parking fees. For incidental expenses where no receipt is available, such as tips and parking meter costs, a reimbursement request for such expenses may be claimed on the District approved expense report. Certification that such expenses were related to District business, reasonable, appropriate, and actually incurred by the Director is made when signing the District approved expense report form.

In all cases, the Director will remain responsible for filing an expense report and attaching the appropriate documentation obtained by the Director in conformance with paragraphs a. through e. above. Flat-rate advances or payments of expenses are prohibited under Government Code section 53232.2, except for per diem payments authorized in accordance with the IRS Publications.

A Director must substantiate all expenses on an expense report with the appropriate documentation attached within 60 days of incurring or paying the expense. An expense report submitted after the 60 days will only be paid if approved by the Board at a regular meeting. Any mis- or late-reported expenses incurred by a Director will not meet the requirements of the IRS Publications and will be considered income to the affected Director. To comply with the applicable tax laws, the District will issue to a Director a Form W-2 including all mis- or late-reported expenses as income.

#### **4130.9 Disclosure**

To comply with reporting requirements of Government Code section 53232.3, the District will prepare a list of the meetings attended by each Director for which the District provided compensation, and a list of the amount and purpose of each expense reimbursement paid by the District to each Director. This information will be included with the agenda materials for each regular monthly Board of Directors meeting. At the next regular Board meeting, Directors also must provide either an oral or written report of meetings and other authorized events attended for which they were compensated by the District. If multiple officials attended the same event, a joint report may be made.

All expenses are subject to verification that they comply with this Policy. Directors should keep in mind that some expenditures may be subject to reporting under the Political Reform Act and other laws. All District expenditures are public records subject to disclosure under the Public Records Act, except that the District will ensure that no Director personal information, such as credit card numbers and home addresses, is provided to the public in the event of a request for such records.

#### **4130.10 Penalties**

Government Code Section 53232.4 defines the penalties for falsifying or misusing public funds. The penalties include: (1) loss of the violator's reimbursement privileges; (2) restitution of misused District funds; (3) civil penalties of up to \$1,000 per day for each day of violation and three times the value of the public resources misused; and (4) criminal prosecution and lifetime bar from holding public office. The Board will report any violation of this Policy to the appropriate authorities.

#### **4130.11 Payment of Compensation and Expenses**

All reimbursable expenses as outlined in this policy will be paid within the next payroll cycle upon receipt of a completed expense reporting form approved by the General Manager or designee.

#### **4130.12 Policy Review**

This Policy shall be reviewed at least biennially.