RESOLUTION NO. OCSD 18-20

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ORANGE COUNTY SANITATION DISTRICT ADOPTING A REVISED POLICY REGARDING BOARD OF DIRECTORS’ EXPENSE REIMBURSEMENT, MEETING ATTENDANCE AND COMPENSATION; AND REPEALING RESOLUTION NO. OCSD 15-06

WHEREAS, pursuant to Government Code section 53232.2, the Board of Directors adopted a written policy governing compensable activities and reimbursable expenses for travel, meals, lodging, and incidentals; and

WHEREAS, the Board of Directors desires to revise the policy;

NOW, THEREFORE, the Board of Directors of Orange County Sanitation District, DOES HEREBY RESOLVE, DETERMINE AND ORDER:

Section 1: Adoption of Policy and Establishment of Procedures. The Board of Directors hereby adopts the Directors Compensation and Expense Reimbursement Policy, set forth as Exhibit "A", attached hereto and incorporated herein by reference.

Section 2: Rescission of Inconsistent Resolutions and Policies. Resolution No. OCSD 15-06 is hereby repealed. In addition, any prior resolutions and/or policies established by the Board of Directors that conflict with the policy set forth in Exhibit “A” shall be deemed rescinded to the extent of such conflict.

PASSED AND ADOPTED at a regular meeting of the Board of Directors held 28th day of November 2018.

Gregory C. Sebourn, PLS
Chairman of the Board

ATTEST:

Kelly A. Lore, MMC
Clerk of the Board

OCSD 18-20-1
I, Kelly A. Lore, Clerk of the Board of Directors of the Orange County Sanitation District, do hereby certify that the foregoing Resolution No. OCSD 18-20 was passed and adopted at a regular meeting of said Board on the 28th day of November 2018, by the following vote, to wit:

**AYES:** Barnes; Bernstein; Collacott; Deaton; Ferryman; Hawkins; Jones; Kim; R. Murphy; Nagel; Nguyen; Parker; Peotter; Peterson; Sebourn; Shawver; T. Smith; Steel; Wagner; Wanke; and Yarc

**NOES:** None

**ABSTENTIONS:** None

**ABSENT:** Shaw; F. Smith; Tinajero; and Withers

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of Orange County Sanitation District this 28th day of November 2018.

[Signature]

Kelly A. Lore
Clerk of the Board of Directors
Orange County Sanitation District
EXHIBIT “A”

ORANGE COUNTY SANITATION DISTRICT

BOARD OF DIRECTORS’ COMPENSATION AND EXPENSE
REIMBURSEMENT POLICY

This Policy governs compensation and reimbursement of expenses for members of the District’s Board of Directors. The Policy applies to both regular members of the Board and alternate members.

ARTICLE I. DIRECTORS’ COMPENSATION

Pursuant to an ordinance adopted by the Board of Directors, the District is authorized to compensate Board members in a specified amount for (1) attending each meeting of the Board of Directors, and (2) otherwise providing a day of service to the District. The ordinance limits compensation to a specified maximum number of days per month. The Board of Directors may, from time to time, amend the ordinance to change the amount of compensation and/or the maximum number of compensable days per month.

As required by state law, ¹ this Article identifies those activities that are compensable.

Section 1: Compensable Activities

A. Meetings. Each regular Director shall be entitled to compensation for attendance at (1) each meeting of the Board of Directors; (2) each meeting of the Standing Committee on which the Director serves; (3) each meeting of an Ad Hoc Committee to which the Director has been duly appointed; and (4) each meeting of any joint governmental board, committee, or association to which the Director has been appointed as the District’s representative. Each alternate Director shall be entitled to compensation for attendance at a meeting when, and only when, the alternate Director attends the meeting in place of the regular Director.

B. Required Training. Each Director shall be entitled to compensation for attendance at the ethics training required by Government Code Section 53235 and the sexual harassment training and education required by Government Code Section 12950.1.

C. Other Activities. The Chair of the Board of Directors may, on a case-by-case basis, authorize compensation of individual Directors for participating in the following types of activities: (1) meetings with representatives of local, regional, state, or national government on issues affecting the District; (2) meetings, conferences, and seminars sponsored by the California Association of Sanitation Agencies or the California Special

¹ Health & Safety Code section 4733(c) and Government Code section 53232 et seq
Districts Association; (3) ceremonial events sponsored by the District; (4) ceremonial events sponsored by another organization if the Board Chair has authorized the Director to represent the District at the event; (5) meetings of a Standing Committee or Ad Hoc Committee when the Director is not a committee member; (6) meetings of agencies, nonprofit organizations, or service clubs when the Board Chair has authorized the Director to make a presentation on behalf of the District; and (7) meetings with District staff, including telephone conferences when physical attendance is impractical. In addition, the Steering Committee may, on a case-by-case basis, authorize compensation of individual Directors for attending meetings, conferences, or seminars relating to wastewater, local government, and/or other matters within the Board’s jurisdiction.

D. Considerations. The Board Chair and the Steering Committee shall approve compensation under Section C above only for activities that provides a benefit to the District. Benefits include, but are not necessarily limited to, the acquisition of information, education, training, and skills that will further the District’s ability to protect public health and the environment by providing effective wastewater collection, treatment, and recycling. Other benefits include positive changes to federal and state statutes and regulations that govern the District, and maintenance of positive relations with the public and other governmental agencies.

Section 2: Limitation.

In no event shall a Director receive compensation for more than one meeting or other activity on the same day.

Section 3: Non-Compensable Activities.

Notwithstanding Section 1 above, Board members shall not receive compensation for the following activities: (1) attendance at meetings or events of nonprofit organizations or service clubs, except when the Board Chair has authorized the Director to make a presentation on behalf of the District as described in Section 1.1.C. above; (2) District-sponsored employee events including, but not limited to, the annual employee holiday luncheon and retirement events; (3) parades, festivals, holiday events, or retirement dinners; (4) meetings with existing or potential contractors, vendors, or consultants; (5) meetings of partisan political organizations; (6) meetings, tours, and similar events conducted at the request of the Board member; or (7) any activity not described in Section 1.C. above.

ARTICLE II. REIMBURSEMENT OF DIRECTORS’ EXPENSES

Section 1: Approved Activities.

In accordance with the terms of this Policy, the District will reimburse Directors for certain expenses incurred in connection with the compensable activities described above in Article I. The District will not reimburse Directors for any other expenses.
Section 2: Reimbursable Expenses.

A. Transportation.

In travelling to and from events, Directors must use the most economical form of transportation that is reasonably consistent with the Director’s travel and scheduling requirements.

i. Mileage for Personal Vehicles.

The District will reimburse Directors for use of personal vehicles based on actual miles traveled at the then-current “standard mileage rate” adopted by the U.S. Internal Revenue Service for use in deducting the cost of operating an automobile for business purposes. The District will not reimburse Directors for any other personal vehicle expenses.

When calculating mileage traveled by a Director to attend an event, the District will use the lesser of (1) the distance from the administrative headquarters of the Director’s member agency to the event, and (2) the actual distance traveled. Mileage reimbursements shall not exceed the cost of the lowest available airfare.

ii. Other Transportation Expenses.

When travel by personal vehicle is impractical, the District will reimburse Directors for the actual cost of (1) regularly-scheduled travel by airplane, train, bus, or other commercial carrier, (2) rental cars, and (3) taxis and other comparably-priced for-hire vehicles. The District will also reimburse Directors for related necessary travel expenses such as baggage fees, toll charges, and parking fees. Directors must take advantage of any government or group rates offered by a transportation provider.

Before deciding to travel by air, each Director must consider the total cost of alternatives, including the cost of ground transportation and any necessary lodging. Each Director should also consider alternative departure times, departure and arrival airports, dates, departure times, and stopovers to minimize airfare. Directors should request travel arrangements as early as possible to take advantage of lower airfares.

Generally, the District will only reimburse Directors for air travel in coach class. When necessary based on a Director’s physical needs and/or the need to conduct meaningful work during a flight, the Board Chair has the discretion to approve reimbursement of first class air travel. For trips that will exceed 24 hours, Directors must use their personal cars to travel to and from the airport, and utilize long-term airport parking, rather than pay for a taxi or other transportation to and from the airport.

B. Lodging.

The District will reimburse Directors for actual and necessary lodging expenses incurred in attending a conference, seminar, or meeting. Directors must take advantage of any government rate or group rate for lodging whenever possible. If there is no
government or group rate, the District will reimburse Directors for lodging up to the per diem rate used by the U.S. Internal Revenue Service as the maximum allowable deduction for business-related lodging expenses. The per diem rates are set by the General Service Administration ("GSA") for federal employees. The rates are set forth at GSA.gov/per diem.

Lodging in connection with an activity that lasts only one day is considered "necessary" when the travel time to and from the activity exceeds two hours.

C. **Meals.**

The District will reimburse Directors for actual and necessary dining expenses incurred while attending (1) a conference, seminar, or meeting outside of the District, or (2) a District-related business meeting within the District. The District will reimburse Directors up to the applicable GSA per diem rate for each separate meal set forth at GSA.gov/per diem.

D. **Incidentals.**

The District will reimburse Directors for actual and necessary incidental expenses incurred while attending a conference, seminar, or meeting outside the District, up to the applicable GSA per diem rate set forth at GSA.gov/per diem. Reimbursable expenses include tips given to drivers, porters, bellhops, baggage carriers, and hotel housekeepers.

E. **Travel Arrangements.**

Each Director must utilize District staff to arrange all travel, lodging, and event registrations. The General Manager shall designate a District employee responsible for making these arrangements. The General Manager shall designate a single travel agency for use in making all travel arrangements.

**Section 3: Expenses That Are Not Reimburseable.**

The District will not reimburse Directors for the costs of: (1) barber and/or beauty shop services; (2) fines for traffic or parking violations; (3) any person accompanying a Director on a District-approved trip or event; (4) personal telephone calls; (5) fitness/health facility use; (6) massages; (7) alcoholic beverages; (8) entertainment (movies, sporting events, etc.); or (9) vehicle expenses other than the standard mileage charge.

**Section 4: Reimbursement Procedure.**

Each Director seeking reimbursement must file with the Clerk of the Board an expense report no later than three weeks after the conclusion of the compensable activity. The report shall attach detailed, actual receipts for all expenses. The report shall document that each expense meets the requirements for reimbursement set forth in this policy. Without limiting the foregoing, each report shall identify the compensable activity.
and the date, nature, and purpose of each expense for which reimbursement is sought. For reimbursement of a personal vehicle expense at the standard mileage rate, the expense report shall identify the date of the travel, the actual miles traveled, and the business purpose of the travel. The General Manager shall prepare a standard form of expense report for use by Directors in seeking reimbursement.

Section 5: Board Reports.

Each Director seeking reimbursement of expenses incurred in connection with an activity shall provide a brief report of the activity at the next regular meeting of the Board of Directors.

Section 6: Other Expenses.

Any expense that does not meet the requirements of this policy may be reimbursed only if the Board of Directors approves the expense at a public meeting before the expense is incurred.

ARTICLE III. PENALTIES.

Any Director that misuses public resources or falsifies an expense report required by this policy is subject to the following penalties: (1) loss of reimbursement privileges; (2) restitution of the District; (3) civil penalties for misuse of public resources pursuant to Government Code Section 8314; and/or (4) prosecution for misuse of public resources pursuant to Penal Code Section 424.