



STAFF REPORT

Meeting Type: Board of Directors
Title: Approve Updates to Board Travel Reimbursement and Compensation Policies
From: Molly MacLean, General Counsel
Through: Ben Horenstein, General Manager
Meeting Date: May 21, 2024

TYPE OF ACTION: X Action Information Review and Refer

RECOMMENDATION: Approve revised Board Policy No. 41 (Travel Reimbursement) and Board Policy No. 42 (Compensation)

SUMMARY: At the January 25th Finance and Administration Committee Meeting, staff presented an initial review of Board Policy No. 41, which covers when a Director is eligible to seek reimbursement from the District for Directors' travel for District business activities, and Board Policy No. 42, as well as District Code section 2.10.060, which govern how much each Board member may receive for services rendered to the District as Board Directors. At the April 25, 2024 Finance and Administration Committee meeting, proposed revisions to both Board Policies were presented and the Committee reviewed and referred both revised Policies, with minor amendments, for approval at a future regularly scheduled meeting of the Board of Directors.

DISCUSSION: Board Policy No. 41, Travel Authorization & Reimbursement of Travel Expenses for Elected or Appointed Officials, was adopted in 2006 and provides details regarding travel reimbursement for Board Directors travelling on District business or to conferences or trainings that advance professional knowledge and provide opportunities to exchange information related to water district operations and policy issues. State law provisions also govern certain aspects of reimbursement.

The Board Compensation Policy, Board Policy No. 42, adopted in 2006, as well as District Code section 2.10.060 govern how much each Board member may receive for services rendered to the District as Board Directors. State law also governs the amount of compensation for municipal water district directors and requires that district director compensation be paid on a per diem basis, which rules out the adoption of a fixed month stipend. State law further addresses what service is appropriate for compensation and requires that the legislative body adopt a policy to cover any events not expressly addressed by state law.

Based on input received at the January 25th Finance and Administration Committee, staff prepared a revised version of both Board Policies for the purpose of addressing outdated information contained in the current policies and to achieve greater clarity as to which expenses incurred by a Director traveling for District business are appropriate for reimbursement and which activities are appropriate for compensation. These revised Board Policies were presented at the Finance and Administration Committee on April 25, 2024. At that meeting, both revised Board Policies, with minor amendments, were referred to a future regularly scheduled Board of Directors meeting for approval.

As directed at the April 25, 2024 Finance and Administration Committee meeting, minor amendments were made to the revised Board Policies. The summary of those amendment are as follows:

Board Policy No. 41 (Travel Reimbursement)

- Updated per diem information to acknowledge that the Federal General Service per diem rate is only applicable to travel within the 48 contiguous states and U.S. Department of States or U.S. Department of Defense per diem rates may apply to other travel within North America as permitted by the revised policy
- Increased the threshold from \$10 to \$25 for when a receipt is required to be submitted

Board Policy No. 42 (Compensation)



- Clarified that reimbursement only applies to “official” attendance at the events eligible for compensation

Staff recommends that the Board of Directors approve the revised Board Policies 41 (Travel Reimbursement) and 42 (Compensation).

FISCAL IMPACT: Negligible. Reimbursement of Board travel expenses are limited and vary from year to year. When analyzing reimbursement expenditures over the last several fiscal years, the total expenditures ranged from a low of \$1,195 in FY 2021 to a high of \$6,915 in FY 2019. The proposed revisions to the Board Policy No. 42 (Compensation) do not increase the per diem compensation amount of \$200 per day of service and do not substantially change the number events for which the Directors may seek compensation.

ATTACHMENT(S):

1. Revised Board Travel Reimbursement Policy No. 41
2. Revised Board Compensation Policy No. 42

DEPARTMENT OR DIVISION	DIVISION MANAGER	APPROVED
General Counsel’s Office	 Molly MacLean General Counsel	 Ben Horenstein General Manager