

YUBA COUNTY WATER AGENCY

Directors' Compensation and Expense Reimbursement Policy Adopted April 16, 2019

1.0 Purpose of the Policy

This document sets forth the policy of the Yuba County Water Agency ("Agency") concerning Directors' compensation and the payment of actual and necessary expenses incurred in the performance of official duties, and is intended to comply with the requirements of subdivision (c) of section 84-7 of the Agency Act (Chapter 84, West's Annotated Water Code Appendix) and Government Code sections 53232 through 53232.4.

2.0 Amount of Compensation

- A. Effective January 1, 2007, a member of the Board of Directors of the Agency will be entitled to receive a salary of \$500 per month. Effective January 1, 2008, a member of the Board of Directors of the Agency will be entitled to receive a salary of \$750 per month. Effective January 1, 2009, the per-month salary compensation under this subsection will be increased by 5% each year effective the first pay period in January.
- B. The Directors' monthly salary will be paid on a bi-weekly basis starting on May 9, 2019. The bi-weekly salary amount will be calculated by multiplying the monthly salary times 12 and dividing by 26.
- C. Effective January 1, 2007, the Chair of the Board of Directors will be entitled to receive (in addition to the compensation as a Director under subsection A) a salary of \$250 per month. Effective May 9, 2019, the Vice Chair of the Board of Directors will be entitled to receive (in addition to the compensation as a Director under subsection A) a salary of \$200 per month. Effective January 1, 2007, Directors appointed by the Board Chair to a significant special assignment (for example, assignment to substantial efforts such as representative to the Association of California Water Agencies, the Mountain Counties Water Resource Association, or the Northern California Water Association) will be entitled to receive (in addition to the compensation as a Director under subsection A) a salary of \$150 per month, subject to final approval of the appointment by a majority of the Agency Board. The Board Chair may designate and the Board may approve the appointment of a Director to more than one compensable special assignment.
- D. In cases where a newly elected or appointed Director takes or leaves office, the Agency shall pay the salary as follows:

Incoming Directors will begin being paid on the first day of the pay period in which he/she takes the oath of office.

1. Outgoing Directors will be paid through the last day of the pay period in which the last day in office is served.

The above salary pro-ration policies apply only to those Directors who are newly elected or who are appointed to office. Any incumbent Director who is re-elected to, and therefore continues in, such office will be paid as an ongoing Director.

3.0 Reimbursement of Actual and Necessary Expenses

- A. Government Code section 53232.2 authorizes the Agency to reimburse Directors for actual and necessary expenses incurred in the performance of their official duties. The Agency encourages Directors to take advantage of opportunities to be informed concerning matters of interest to the Agency, and to inform others of the activities and interests of the Agency. Under this section, the Agency will also reimburse the actual and necessary expenses of newly-elected Directors that have been approved in advance by the General Manager before they officially assume their office.
- B. Directors will receive \$200 per month auto allowance to compensate for use of his or her personal vehicle for travel within the County of Yuba while performing the duties of a Director.
- C. Directors' expenses for out-of-county travel to meetings and events relevant to the duties of a Director will be reimbursed for attending the following types of meetings:
 1. Meetings of joint powers authorities, governmental entities or commissions, associations (e.g., ACWA, NCWA, NHA), and other organizations on which the Agency is officially represented or of which the Agency is a member or participant, attended by the representative of the Board and/or the alternative representative who has been appointed to represent the Agency on the governmental entity or committee (if both the appointed representative and alternative representative attend a meeting to be informed on the issues, both will be reimbursed for expenses for attending those meetings);
 2. Conferences, seminars and other events held within the State of California (e.g., Local Government Commission Conference) that are sponsored by nonprofit entities for the purpose of discussing relevant water and public agency governance issues, including days while attending the conference, seminar or event; (attendance at conferences, seminars and events held outside the State of California will require approval by the Board of Directors on a case-by-case basis);

3. Educational training, seminars, courses, and new-Director orientation activities held within the State of California designed to improve Directors' understanding of Agency business and their obligations as public officials, including ethics training mandated under Government Code section 53235(a) (attendance at conferences, seminars and events held outside the State of California will require approval by the Board of Directors on a case-by-case basis);
4. Attendance at Cap-to-Cap Meetings in Washington, DC where substantial Agency issues will be covered at the meeting (e.g., flood control);
5. Attendance at meetings with federal and state legislators and/or their staffs concerning issues of interest to the Agency (these meetings may be within California or out of state);
6. Attendance at administrative and regulatory agency hearings concerning a subject matter of interest to the Agency (e.g., SWRCB);
7. Meetings or office visits of a substantial duration concerning substantive Agency business as requested by the General Manager; and
8. Travel days will be reimbursed only if the conference seminar or other event is of sufficient distance from the Agency office such that travel on the same day is unreasonable, in which case a Director may be reimbursed for expenses for no more than one travel day before and one travel day after the conference seminar or event.

D. 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 and necessary expenses, will be paid by the Agency 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 Form 463 ("Travel, Expenses, Gift and Car Expenses") and Publication 1542 ("Accountable Plan") (collectively, the "IRS Publications"). A copy of the current IRS Publications can be obtained from the Finance Manager. Upon request, YCWA staff will make arrangements for a Director traveling on Agency business and pre-pay certain expenses on a Director's behalf, such as airline tickets, in the actual amount of the expense. Lump-sum travel advances are prohibited. The following expenses are authorized business-related expenditures:

1. Travel Expenses. Directors will be reimbursed for expenses, incurred in traveling to and from conferences, meetings and other events that are attended on behalf of the Agency in their capacity as Directors. Travel expenses include: (1) round-trip air fare, actual, reasonable expenses for ground transportation

to and from airports and hotels, parking and car rental; and (2) mileage reimbursement (at the maximum allowable per mile rate established from time to time by the IRS) for a Director's use of his or her privately-owned vehicle in the conduct of Agency business. Reimbursement will be made for airfare at the lowest available rate. If Director chooses an alternative method of transportation, reimbursement of actual costs (rental car and fuel **or** mileage at the IRS rate) may not exceed that of the lowest airfare. 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 Statement of Reimbursable Expenses. The Agency will not reimburse Directors for any other personal vehicle expenses.

2. Overnight Accommodations. Where reasonably possible, accommodations will be obtained in proximity to the conference or meeting site. Every attempt will be made to secure lodging at the "group" or "conference" rate, provided that lodging at the group or conference rate is available to the Director at the time of booking. If such a rate is unavailable, a Director will use comparable lodging.
3. Meal Expenses. Directors will be entitled to receive reimbursement for the reasonable cost of meals, including tips, or at the daily rate as specified pursuant to an IRS Accountable Plan. The Agency will not reimburse for the cost of alcoholic beverages.
4. Telephone/Fax/Cellular: A Director will be reimbursed for actual telephone, internet and fax expenses incurred while on Agency business. Telephone bills should identify which calls were made for Agency 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 Agency business.

D. In accordance with California law, the Agency does not reimburse for expenses incurred by Directors' spouses, domestic partners or other family members, or other Director personal expenses such as charitable contributions, non-mileage vehicle expenses or the personal portion of any trip (e.g., in-room movies, haircuts or extra days' lodging for vacation) otherwise related to Agency business.

4.0 Expense Reporting Procedures

A. In order to be reimbursed for any expense authorized under this Policy, a Director must complete and sign the Agency "Statement of Reimbursable Expenses" (sample attached). The 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 or Administrative Manager will review each expense report form, and sign indicating compliance with the requirements of this policy.

B. Any expense that is not covered in this policy must be approved by the Board of Directors at a public meeting. (Government Code, §53232.2, subd. (f).)

C. Within 60 days of incurring or paying the expense, a Director must substantiate all expenses on a Statement of Reimbursable Expenses with the appropriate receipts or other documentation attached. Except as otherwise permitted by this policy, expenses submitted without documentation will not be reimbursed. Any misreported 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 Agency will be required to issue to a Director a Form W-2 or 1099 reporting all misreported or late-reported expenses as income.

5.0 Reporting Requirements

A. To implement the reporting requirements of Government Code section 53232.3(d), the Agency will prepare a list of the meetings attended by each Director for which the Agency provided reimbursement of expenses, and a list of the amount and purpose of each expense reimbursement paid by the Agency to each Director. This information will be included with the agenda materials for each regular monthly Board of Directors meeting.

B. 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 Agency expenditures are public records subject to disclosure under the Public Records Act, except that the Agency will ensure that no Director's personal information, such as credit card numbers and home addresses, is provided to the public in the event of a request for such records.

C. A Director whose expenses have been reimbursed for attending a meeting of the type listed in this policy will provide a brief report on the meeting attended at the next regular Board meeting of the Agency (except Board meetings or committee meetings for which minutes are kept).

6.0 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 Agency 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.

7.0 Policy Review

This Policy will be reviewed by the Board at least every two years.

7.1 Version History

Date	Version#	Description
December 12, 2006	1.0	Initial Release
April 13, 2010	2.0	Revision
December 11, 2014	3.0	Revision
April 16, 2019	4.0	Bi-Annual Review and Revision