

RESOLUTION NO. 06-03

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE LA HABRA HEIGHTS COUNTY WATER DISTRICT
ADOPTING POLICIES FOR DIRECTOR
COMPENSATION AND TRAVEL EXPENSE REIMBURSEMENT

A. Recitals

(i) The Board of Directors of the La Habra Heights County Water District, by the adoption of Resolution No. 96-12, adopted, as Exhibit "A" to that Resolution, a policy for Director compensation, conference attendance and reimbursements.

(ii) Chapter 700 of the Statutes of 2005 (Assembly No. 1234) enacted regulations for local agencies, including county water districts, for compensation for members of board of directors, expense reimbursement and ethics training.

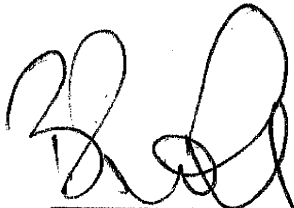
(iii) The Board of Directors has reviewed its existing policy on Director compensation, conference attendance, and expense reimbursement and desires to adopt new policies in conformance with Assembly Bill No. 1234.

B. Resolution

NOW, THEREFORE, the Board of Directors of the La Habra Heights County Water District does hereby resolve, determine and order as follows:

1. Adopt the attached policies for Director Compensation and Travel Expense Reimbursement, which are attached hereto respectively as Exhibit "A" and "B."
2. Repeal Resolution No. 96-12.

ADOPTED AND APPROVED this 20th day of June, 2006.




Brad Cooke, President

Board of Directors, La Habra
Heights County Water District

(SEAL)

ATTEST:



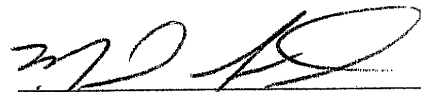
Michael Gualtieri
Secretary/General Manager

I, MICHAEL GUALTIERI, Secretary to the Board of Directors of the La Habra Heights County Water District, do hereby certify that the foregoing Resolution was introduced at a regular meeting of the Board of Directors of said District, held on the 20th day of June, 2006, and was adopted at that meeting by the following vote:

AYES: Directors Bolles, Cooke, Roach, Stewart, and Wilson

NOES: None

ABSENT:



Michael Gualtieri, Secretary
Board of Directors, La Habra
Heights County Water District

EXHIBIT "A"

DIRECTOR COMPENSATION POLICY FOR LA HABRA HEIGHTS COUNTY WATER DISTRICT

Pursuant to the provisions of Section 30507 of the California Water Code, each Director may receive compensation at a rate not to exceed \$100 per day for each day's attendance at meetings of the Board, or for each day's service rendered as a Director by request of the Board.

- a. Each Director shall determine his or her per day rate of compensation by notifying the District's General Manager in writing of the Director's selected per day rate of compensation. Each Director may change his or her per day rate of compensation by notifying the District's General Manager in writing.
- b. The minimum per day rate of compensation is \$0.00 and the maximum per day rate is \$100.00. The per day rate of compensation selected by a Director can only be in full dollar amounts.
- c. The maximum number of days per calendar month for which a Director may receive compensation is three (3).
- d. The maximum compensation that a Director may receive for a calendar month is his or her selected per day rate of compensation (\$0.00 to \$100.00) multiplied by three (3) days.
- e. A selected per day rate of compensation shall go into effect starting with the first full day of the month after the month in which the Director selects a rate of compensation.
- f. If a Director does not select a per day rate of compensation, then that Director's rate of compensation shall be \$100.00 per day.

EXHIBIT "B"

TRAVEL EXPENSE REIMBURSEMENT POLICY FOR THE LA HABRA HEIGHTS COUNTY WATER DISTRICT

I. PURPOSE

California Government Code Section 53232.2, effective January 1, 2006, requires that any local agency that reimburses members of a legislative body for actual and necessary expenses incurred in the performance of official duties adopt a written policy specifying the types of occurrences that qualify a member of the legislative body to receive payment and/or reimbursement of expenses relating to travel, meals, lodging, and other actual and necessary expenses.

II. POLICIES

A. Scope

The Board of Directors adopts this Travel Expense Reimbursement Policy (the "Policy") for the La Habra Heights County Water District (the "District").

This Policy shall apply to members of the Board of Directors and all appointed officers and employees (which are collectively referred to herein as "District officials" and individually referred to as "District official" or "official").

B. Authorized Expenses

Expenses for travel, meals, lodging, and other actual and necessary expenses incurred in connection with the following types of activities are authorized expenses. The District shall pay these expenses or reimburse an official for the expenses paid by the official if there is compliance with the requirements of this Policy.

1. Communicating directly or indirectly with representatives of local, county, regional, state and national government on District adopted policy positions and/or matters affecting the District;
2. Attending educational conferences, workshops, seminars and similar events designed to improve an official's expertise and information levels, including, but not limited to, ethics training required pursuant to California Government Code Section 53234;
3. Participating in local, county, regional, state and national organizations whose activities affect the District's interests, such as the Association of California Water Agencies, American Water Works Association, Southern

California Water Utilities Association, and Central Basin Water Association;

4. Attending meetings involving District business, including breakfast, lunch and dinner meetings;
5. Attending District sponsored events; and
6. Attending events sponsored by other public agencies or community organizations that provide services available to residents of the District.

All other expenditures require prior approval by the Board of Directors at a public meeting.

Expenses incurred for international travel require prior Board of Directors approval.

Examples of personal expenses that the District will not reimburse include, but are not limited to:

1. The personal portion of any trip;
2. Political contributions or events;
3. Family expenses, including expenses for partners and children when accompanying an official on District business.
4. Charitable contributions or events, unless the event has a direct relationship to District business.
5. Personal entertainment expenses that are not part of a professional or educational conference or seminar. Personal entertainment includes theater, movies (either in-room or at the theater), sporting events (including gym, massage and/or golf-related expenses), or other cultural events;
6. Non-mileage personal automobile expenses, including repairs, traffic citations, insurance or gasoline; and
7. Personal losses incurred while on District business.

Any questions regarding the propriety of a particular expense should be resolved before the expense is incurred.

C. Expense and Reimbursement Guidelines

For expenses for travel, meals, lodging and other actual and necessary expenses incurred in connection with the above-listed activities to be paid either directly by the District or to be reimbursed to a District official, there must be compliance with the following guidelines.

In the event that expenses are incurred which exceed these guidelines, the District will only pay for or reimburse an official the amount of the expenses that fall within the guidelines.

Attendance at Conferences by Directors

Any Director who desires to attend, at District expense, a conference, workshop, seminar or similar event that has as its subject one or more matters that are of interest to the Board of Directors and the District shall follow the following procedure.

1. Prior to attending a conference, workshop, seminar or similar event, a Director, at a meeting of the Board of Directors, shall request and obtain approval from the Board of Directors for his or her attendance.
2. In the event that there is not sufficient time for a Director to present his or her request at a meeting of the Board of Directors and obtain Board approval of the request, the President of the Board of Directors, or, in the absence of the President, the Vice President of the Board of Directors, is hereby authorized to approve District payment for the attendance at a conference, workshop, seminar or similar event. However, the maximum amount that may be approved is \$300.00.

Transportation

The most economical mode and class of transportation reasonably consistent with scheduling needs of the official and the most direct and time-efficient route must be used. In the event that a more expensive transportation form or route is used, the District will only pay the cost of the most economical, direct and time-efficient transportation form. Government and group rates offered by a provider of transportation services shall be used when available and when they don't exceed other more economical rates.

Use of personal automobiles for District business is reimbursable at the Internal Revenue Service rates in effect at the time that the expense is incurred. These rates are designed to compensate the driver for gasoline, insurance, maintenance, and other expenses associated with operating the vehicle. Automobile mileage shall not be payable or reimbursed for travel to and from meetings of the Board of Directors. This amount does not include bridge and road tolls. These are reimbursable.

Reimbursement for automobile mileage for use of a personal vehicle for out of town travel shall not exceed the coach airfare from Los Angeles, Ontario or Orange County to the out of town business destination.

Reasonable and necessary charges for public transportation, taxi, or shuttle service are reimbursable at actual cost.

Rental vehicles may be used during District travel outside of Los Angeles County. Rental vehicles may be used when the efficient conduct of District business precludes the use of other means of transportation or when car rental is the most economical mode available.

Lodging

Actual lodging costs will be paid for or reimbursed when travel on official District business reasonably requires an overnight stay. If such lodging is in connection with a conference or organized educational activity, lodging costs shall not exceed the group rate published by the conference or activity sponsor, provided that the group rate is available at the time of booking. Government and group rates offered by a provider of lodging services shall be used when available.

In the event that government or group rates are not available at the given time or in the given area, lodging rates that do not exceed \$200 per night excluding taxes and fees, are presumed reasonable and, hence, reimbursable. This rate shall be adjusted annually to reflect changes in the cost of living for Los Angeles County.

Meals

Meal expenses and associated gratuities should be moderate, taking into account community standards and the prevailing restaurant costs of the area. The District will pay the actual cost of the meals. The District will not pay for alcohol/personal bar expenses. Reimbursable meal expenses and associated gratuities will not exceed \$100 per day. This rate shall be adjusted annually to reflect changes in the cost of living for Los Angeles County.

Other Expenses

District officials will be reimbursed for actual and reasonable expenses incurred for the following.

1. Telephone and facsimile expenses incurred on District business. Telephone bills should identify which calls were made on District business.
2. Parking.
3. Bridge and toll fees.
4. Baggage handling fees.
5. Registration and tuition for conferences, workshops, seminars and similar events.

Expenses for which District officials receive reimbursement from another agency are not reimbursable.

D. Expense Report Content and Submission Deadline

Expense reports must document that each claimed expense meets the requirements of this Policy. Original receipts documenting each expense must accompany the expense report. Receipts for gratuities and tolls under \$5 are not required.

The General Manager shall develop a form expense report. The form expense report must be used for claiming reimbursement.

All expense reports must be submitted within 90 days of the claimed expenses being incurred.

Inability to provide the required documentation in a complete and timely fashion will result in the expense being borne by the official.

All expenses are subject to verification for compliance with this Policy.

Claims for expense reimbursement shall, prior to payment, be reviewed and approved by the Treasurer and the General Manager. The decision by the General Manager to approve or deny an expense claim shall be final.

E. Reports to Governing Board

As required by Government Code Section 53232.3(d), at the following Board of Directors meeting, each Board Member shall briefly report on conferences, seminars, workshops, meetings and similar events attended at District expense. If multiple Board Members attended, a joint report may be made.

F. Public Records

All documents related to reimbursable agency expenditures are public records subject to disclosure under the California Public Records Act.

G. Violation of this Policy

Violations of this Policy, including falsifying expense reports, may result in disciplinary action, including, but not limited to the following:

1. Loss of reimbursement privileges.
2. Restitution to the District.

3. The District reporting the expenses as income to the official to State and Federal tax authorities.
4. Prosecution for misuse of public resources.