

RESOLUTION NO. OC SAN 22-34

A RESOLUTION OF THE BOARD OF DIRECTORS OF ORANGE COUNTY SANITATION DISTRICT ADOPTING A REVISED POLICY REGARDING BOARD OF DIRECTORS' EXPENSE REIMBURSEMENT, MEETING ATTENDANCE AND COMPENSATION; AND REPEALING RESOLUTION NO. OCSD 18-20

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 Resolution No. OCSD 18-20 is hereby repealed.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policies established by the Board of Directors that conflict with the policy set forth in Exhibit "A" shall be deemed rescinded to the extent of such conflict.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 26<sup>th</sup> day of October 2022.



Chad Wanke (Oct 28, 2022 10:50 PDT)

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Chad P. Wanke  
Board Chairman

APPROVED AS TO FORM:



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Bradley R. Hogin  
General Counsel

ATTEST:

*Kelly Lore*

Kelly Lore (Oct 31, 2022 06:47 PDT)

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Kelly A. Lore, MMC  
Clerk of the Board

STATE OF CALIFORNIA )  
 ) ss  
COUNTY OF ORANGE )

I, Kelly A. Lore, Clerk of the Board of Directors of the Orange County Sanitation District, do hereby certify that the foregoing Resolution No. OC SAN 22-34 was passed and adopted at a regular meeting of said Board on the 26th day of October 2022, by the following vote, to wit:

**AYES:** Brad Avery, Art Brown, Kim Carr, Stephen Faessel, Ryan Gallagher, Patrick Harper, Brooke Jones, Steve Jones, Anthony Kuo, Sandra Massa-Lavitt, Paulo Morales, Jordan Nefulda (Alternate), Andrew Nguyen, Kim Nichols, Robert Ooten, Glenn Parker, David Shawver, Jesus Silva, Chad Wanke, John Withers, Chad Zimmerman and Nitesh Patel (Alternate)  
**NOES:** None  
**ABSENT:** Rose Espinoza, Johnathan Ryan Hernandez and Donald Wagner  
**ABSTENTIONS:** None

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of Orange County Sanitation District this 26<sup>th</sup> day of October 2022.

*Kelly Lore*  
[Kelly Lore \(Oct 31, 2022 06:47 PDT\)](#)

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Kelly A. Lore, MMC  
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 Orange County Sanitation District's (OC San) 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, OC San 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 OC San. 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,<sup>1</sup> 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 OC San'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 Chairperson 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 OC San; (2) meetings, conferences, and seminars sponsored by the California Association of Sanitation Agencies or the California Special Districts Association; (3) ceremonial events sponsored by OC San; (4)

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<sup>1</sup> Health & Safety Code section 4733(c) and Government Code section 53232 *et seq*

ceremonial events sponsored by another organization if the Board Chairperson has authorized the Director to represent OC San 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 Chairperson has authorized the Director to make a presentation on behalf of OC San; and (7) meetings with OC San staff or the Chairperson of the Board, 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 Chairperson and/or the Steering Committee shall approve compensation under Section C above only for activities that provides a benefit to OC San. Benefits include but are not limited to, the acquisition of information, education, training, and skills that will further OC San'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 OC San, and maintenance of positive relations with the public and other governmental agencies.

In addition, a list of meetings attended, by each Director, must be provided to the Clerk of the Board no later than the 3<sup>rd</sup> day of the following month of which meetings occurred. Each submittal should include a description of the purpose for the meeting; and the date, time, and location of meeting.

#### 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 Chairperson has authorized the Director to make a presentation on behalf of OC San as described in Section I.1.C. above; (2) OC San-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, OC San will reimburse Directors for certain expenses incurred in connection with the compensable activities described above in Article I. OC San 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.

OC San 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. OC San will not reimburse Directors for any other personal vehicle expenses.

When calculating mileage traveled by a Director to attend an event, OC San 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, OC San 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. OC San 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, OC San 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 Chairperson 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.

OC San 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, OC San 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](https://www.gsa.gov/perdiem).

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.

OC San will reimburse Directors for actual and necessary dining expenses incurred while attending (1) a conference, seminar, or meeting outside of OC San, or (2) an OC San-related business meeting within OC San. OC San will reimburse Directors up to the applicable GSA per diem rate for each separate meal set forth at [GSA.gov/per diem](https://www.gsa.gov/perdiem).

D. Incidentals.

OC San will reimburse Directors for actual and necessary incidental expenses incurred while attending a conference, seminar, or meeting outside OC San, up to the applicable GSA per diem rate set forth at [GSA.gov/per diem](https://www.gsa.gov/perdiem). Reimbursable expenses include tips given to drivers, porters, bellhops, baggage carriers, and hotel housekeepers.

E. Travel Arrangements.

Each Director must utilize OC San staff to arrange all travel, lodging, and event registrations. The General Manager shall designate an OC San 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 Reimbursable.

OC San 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 an OC San-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 OC San; (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.














# Resolution No. OC SAN 22-34

Final Audit Report

2022-10-31

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✔ Agreement completed.

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