

ORDINANCE NO. 140

AN ORDINANCE OF THE BOARD OF DIRECTORS OF LAKE HEMET MUNICIPAL WATER DISTRICT REPEALING SECTION 4 OF ORDINANCE 122 AND ESTABLISHING REIMBURSEMENT POLICIES CONSISTENT WITH AB 1234

Whereas, the Lake Hemet Municipal Water District ("District") takes its stewardship over the use of its limited public resources seriously; and

Whereas, the public resources should only be used when there is a substantial benefit to the District; and

Whereas, such benefits include: (i) the opportunity to discuss the community's concerns with state and federal officials; (ii) participating in regional, state and national organizations whose activities affect the District; (iii) attending educational seminars designed to improve officials' skill and information levels; and promoting public service and morale by recognizing such service; and

Whereas, the Board of Directors desire to adopt the "Reimbursement Policy" attached hereto ("Policy") for the purpose of providing guidance to the Board on the use and expenditure of District resources, as well as the standards against which those expenditures will be measured; and

Whereas, the Policy will satisfy the requirements of Government Code sections 53232.2 and 53233.3; and

Whereas, the Policy supplements the definition of actual and necessary expenses for purposes of state laws relating to permissible uses of public resources; and

Whereas, the Policy also supplements the definition of necessary and reasonable expenses for purposes of federal and state income tax laws.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE LAKE HEMET MUNICIPAL WATER DISTRICT AS FOLLOWS:

Section 1. Adoption. The Policy attached hereto is adopted as the approved reimbursement policy of the Board of Directors in compliance with AB 1234 and other applicable laws.

Section 2. Rescission of Conflicting Ordinances, Resolutions, Policies. Section 4 and the second sentence of Section 5 of Ordinance 122 and any other inconsistent ordinance, resolution, or policy are hereby repealed in their entirety.

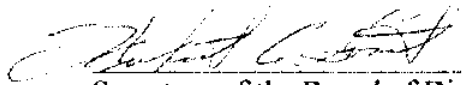
Section 3. Effective Date. This Ordinance is effective upon its adoption by the Board of Directors.

PASSED AND ADOPTED at a Meeting of the Board of Directors of the Lake Hemet Municipal Water District held this 14th day of February, 2006.



President of the Board of Directors

ATTEST:



Secretary of the Board of Directors

LAKE HEMET MUNICIPAL WATER DISTRICT
REIMBURSEMENT POLICY

I. PURPOSE

The Purpose of this Reimbursement Policy ("Policy") is to reimburse the Board of Directors of the Lake Hemet Municipal Water District ("Directors") for actual and necessary expenses incurred in the performance of their official duties. Whenever issues of Director remuneration and reimbursement arise, the District shall adhere to Government Code section 53232.2 and 53232.3.

II. LIMITATIONS

A. Expenses incurred in connection with the following types of activities constitute authorized occurrences for which reimbursement will be paid:

1. Communicating with representatives of regional, state and national government on District adopted policy positions;
2. Attending educational seminars designed to improve officials' skill and information levels;
3. Participating in regional, state and national organizations whose activities affect the District's interests;
4. Attending District events;
5. Performing activities at home or office in furtherance of official District duties.

B. Other Expenses. All other expenditures for occurrences not listed above require prior approval by the Board of Directors in a regular public meeting.

III. REIMBURSEMENT FOR TRAVEL, MEALS, AND LODGING

A. General. To conserve District resources and keep expenses within community standards for public officials, expenditures should adhere to the following guidelines. In the event that expenses are incurred which exceed these guidelines, the cost borne or reimbursed by the District will be limited to the costs that fall within the guidelines.

B. Use of Personal Vehicle. The District shall reimburse Directors for mileage incurred when they use their vehicles to attend conferences or other meetings in furtherance of the District's affairs. The District will reimburse mileage for travel to and from the destination based upon the approved Internal Revenue Service rate in effect.

C. Rentals. The District shall reimburse Directors for actual and necessary vehicle rental expenses. The District shall only reimburse economy or compact rate vehicles unless (i) such class of vehicle is unavailable; or (ii) such class of vehicles do not accommodate a disability. When a Director rents a vehicle, he or she shall obtain insurance for the vehicle at the District's expense.

D. Shuttle, Bus, Taxi, and Public Transportation. Shuttle, bus, taxi, and public transportation may be used between an airport, hotel and conference site whenever it is available. Directors are encouraged to use the most efficient mode of transportation available.

E. Air Travel or Other Common Carrier Transportation. As necessary for the performance of their official duties, Directors may use air travel or other mode of common carrier transportation to and from the destination. Directors are encouraged to use the most efficient means available.

F. Lodging. Lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor, provided that lodging at the group rate is available. If a group rate is not available, the government rate of the provider of lodging shall be used. If neither the group nor governments rates are available, the most economical rate shall be obtained.

G. Meals. The actual costs of meals incurred while attending conferences or other meetings in furtherance of District's affairs are reimbursable provided District staff is given a receipt. If no receipt is available, meal costs shall be reimbursed at an amount not exceeding [INSERT AMOUNT] dollars (\$XX.XX) per day.

H. Internet. Directors will be reimbursed for Internet access connection and/or usage fees away from home, not to exceed \$15.00 per day, if Internet access is necessary for District-related business.

I. Other Expenses. The District may reimburse other expenses provided these expenses are actual and necessary for the performance of District related duties and are not personal in nature.

IV. NON-TRAVEL REIMBURSEMENT

To qualify for reimbursement, non-travel expenses must be reasonable, actual, and necessary and for the specific benefit of the District.

A. Meals. Reimbursable meal expenses and associated gratuities will be reimbursed in the same manner as set forth above.

B. Telephone/Fax/Cellular Expenses. Directors will be reimbursed for actual telephone and fax expenses incurred on District business. Telephone bills should identify which calls were made on District business. For cellular calls when the Director has a particular number of minutes included in the Director's plan, the official shall identify the percentage of calls made on District business and the District shall reimburse him or her accordingly.

C. Office supplies. The District will reimburse officials for any office supply expenses which are actual and necessary for the performance of their official District duties.

D. Other Expenses. The District may reimburse other expenses provided these expenses are actual and necessary for the performance of District related duties and are not personal in nature.

V. PERSONAL EXPENSES AND OTHER EXPENSES NOT REIMBURSABLE

The District shall not reimburse the cost of transportation, lodging, meals, or other costs of travel when such costs are of a personal nature incurred in conjunction with the performance of District official duties. Personal costs, not reimbursable by the District, shall include, but not be limited, to the following: (i) alcoholic beverages; (ii) parking and traffic violations; (iii) entertainment; (iv) services provided by the provider of lodging; and (v) expenses incurred on behalf of a spouse, dependent, or traveling companion; and (vi) excessive gratuities.

VI. EXPENSE REPORTS

The District shall not reimburse any expenses until an expense form is submitted to the District's administrative office within a reasonable time. Reimbursable expenses shall be limited to actual and necessary expenses incurred in attending conferences or other meetings in furtherance of the District's affairs. Expense forms shall be accompanied by receipts documenting each expense. If no receipt is available, a written explanation of the expenditure is required. Furthermore, upon returning from a conference or educational event, where expenses are reimbursed by the District, the Director will either prepare a written report for distribution to the Board, or make a brief oral report during the next regularly scheduled meeting of the Board.

VII. EXPENSES NOT INCLUDED WITHIN LIST

Expenses which do not fall within this Policy or the Internal Revenue Service reimbursable rates must be approved by the Board of Directors in a public meeting *before* the expense is incurred.

VIII. MODIFICATIONS

The forgoing provisions may be reviewed and amended by the Board of Directors.