

Report on Resolution 01-2013

North Beach Water Company

Date: 1/22/2013

Re: A Policy Regarding the Reimbursement of Commissioners' Expenses

The Board of Commissioners, at their December 17, 2012 regular meeting, directed the general manager to review resolution 16-2009 and to recommend adjustments to the policy.

The general manager reviewed RCW 57.12.010 - Commissioners Compensation, RCW 42.24.090 - Reimbursement Claims, and RCW 40.03.060 - Mileage Allowance and consulted with the District's attorney, Rod Kaseguma regarding policies on Commissioner expenses reimbursement.

Rod Kaseguma reviewed the current policy and suggested changes that make the policy more in harmony with current regulations and with similar policies used by other districts.

The general manager drafted a new policy based on conversations with Rod Kaseguma and the relevant regulations. Rod Kaseguma made edits to the general managers draft policy.

The new policy in brief:

The new policy will clearly define what are "District business" and what are "reimbursable expenses".

Section 1 of the new policy calls for prior approval by the Board of Commissioners for attendance or participation of District business that requires overnight lodging and air travel. If attendance or participation in District business does not include overnight lodging or air travel the reimbursable expenses do not require prior approval by the Board of Commissioners. Reimbursement will require subsequent approval by the Board of Commissioner prior to disbursement of funds.

Section 2 of the new policy provides the mileage rate reimbursement according to the amount set by the director of financial management. This is in harmony with RCW 43.03.060.

Section 3 of the new policy sets the standard of lodging and meals as moderate for the area where the expenditure occurs. Cost for meals and accommodations differ from one venue to the next. This standard is not as subjective as it sounds. In the event the Board of Commissioners are concerned about the moderateness of a reimbursable expense, Washington State Office of Financial Management defines moderate cost¹.

¹ See Attached

Section 4 of the new policy set the compensation rate for commissioners in accordance with RCW 57.12.010.

Section 5 of the new policy defines air travel expenses.

Section 6 of the new policy defines the increased cost of lodging for the attendance of spouses, or other guests.

Section 7 of the new policy defines the procedure for requesting reimbursement of reimbursable expenses.

Section 8 of the new policy deals with non-essential expenses.

Section 9 of the new policy deal with cancelation of reservations or confirmations by commissioners.

The general manager recommends the Board of Commissioners repeal Resolution 16-2009 and approve Resolution 01-2013 adopting a "Policy Regarding Reimbursement of Commissioners' Expenses"

Exhibit A

NORTH BEACH WATER DISTRICT

POLICY FOR REIMBURSEMENT OF COMMISSIONERS' EXPENSES

~~NORTH BEACH WATER DISTRICT POLICY REGARDING COMMISSIONERS' EXPENSES~~

Commissioners are encouraged to participate in organizations that further the interests of the District through education and networking. Educational and networking opportunities include, but are not limited to, attendance at or participation in seminars, conferences, events, and meetings sponsored by governmental agencies, intergovernmental organizations, water related industry associations, and vendors and manufacturers of water supply related materials, equipment and supplies(hereafter "District business").

Actual expenses incurred by Commissioners for District business are reimbursable. Such reimbursable expenses include meals, lodging, and travel expenses while away from the commissioner's place of residence and mileage for use of a vehicle at the mileage rate established pursuant to RCW 43.03.060 (hereafter "reimbursable expenses").

Reimbursable expenses for District business shall be approved and processed as follows: ~~Commissioners Expenses:~~

~~Each member of the Board of Commissioners is encouraged to participate in those outside activities and organizations which in the judgment of the Board further the interests of the District. Expenses incurred by Board members in connection with such activities are reimbursable, where authorized in advance or subsequently ratified by the Board, pursuant to this policy and RCW 42.24.090.~~

~~The following rules apply:~~

1. **Prior Approval—Overnight Lodging and Air Travel:** Commissioners shall obtain approval by the Board of Commissioners prior to incurring reimbursable expenses for District business that requires overnight lodging or air travel. The Board of Commissioners may ratify reimbursable expenses District business that requires overnight lodging or air travel where the Commissioner requesting reimbursement had insufficient time to seek and receive Board authorization before attendance or participation.

~~1. All expenses shall be reasonable and necessary and Commissioners are encouraged to exercise restraint in all expenditures.~~

2. **Mileage Reimbursement Rate:** Reimbursement for use of personal automobiles shall be at the current rate set by the director of financial management pursuant to RCW 43.03.060.

~~2. The most economical mode and class of transportation consistent with scheduling requirements shall be used. Reimbursement for use of personal autos shall be at the current rate set by the Board.~~

3. **Meals and Lodging:** Expenditures for meals and lodging shall be moderate and reasonable for the area in which the expenditure is incurred.

~~3. Expenditures for food and lodging shall be moderate and reasonable.~~

4. **General Compensation Rule:** A Commissioner's participation in or attendance at District business activities shall be deemed to be carried out "in the performance of official services or duties on behalf of the District," for which the Commissioners are compensated pursuant to RCW 57.12.010 and any implementing District resolutions. Reimbursable expenses for District business shall include meals, travel expenses, lodging as approved by this policy, and registration fees.

~~4. Upon incurring said expenses, Commissioners may submit a request for reimbursement, accompanied by evidence of payment of such expenses and receipts. Such reimbursement requests shall be made on a form provided by~~

~~the District. The General Manager shall reimburse the Commissioners for such expenses upon approval by the Board.~~

~~A. Conference and Meeting Expenses:~~

5. Air Travel Expenses: Air travel shall be at round-trip fares for coach travel, or equivalent, together with expenses for ground transportation to and from airports, hotels, event venues, and restaurants.

~~5. Compensation for Attendance at Conferences, Meetings, etc.~~

~~Commissioners shall be compensated for attendance at conferences, meetings and other events in their capacity as Commissioners at the rate of \$90 per day. Such compensation shall be provided in addition to any reimbursement for conference registration fees, meals, lodging and travel expenses incurred in attending the conference or meeting, as more fully set forth below.~~

~~6. Travel Expenses.~~

6. Overnight Accommodations : Reimbursement for lodging shall not include the increased cost, if any, for a spouse, significant other or guest, unless approved by the Board of Commissioners.

~~7. Commissioners shall be reimbursed for all expenses incurred in traveling to and from conferences, meetings and other events which are attended on behalf of the District in their capacity as Commissioners. Travel expenses shall include round trip air fare as approved in advance by the Board, actual expenses for ground transportation to and from airports and hotels, and mileage reimbursement (at the maximum allowable per mile rate established from time to time by the Internal Revenue Service) for use by Commissioners of privately owned vehicles in the conduct of District business.~~

~~8. Overnight Accommodations.~~

7. Reimbursement Procedure: Commissioners shall promptly submit a request for reimbursement, accompanied by evidence (receipts) of payment of expenses, to the District general manager, on forms approved by the general manager. The forms shall be comply with the requirements of the State Auditor, and shall contain a certification by the Commissioner. The general manager shall reimburse Commissioners for expenses upon approval by the Board of Commissioners.

~~1. All overnight accommodations shall be approved in advance by the Board of Commissioners. Overnight accommodations will be provided for Commissioners or other authorized District personnel only. In the event a Director desires to~~

~~obtain accommodations for a spouse or other guest and such additional accommodations result in increased costs for the Director's accommodation, the Director shall bear that additional cost unless otherwise approved by the Board.~~

8. Alcoholic Beverages and Other Non-Essential Expenses: Alcoholic beverages and other non-essential expenses including but not limited to in-room movies, alcoholic beverages, room service bar goods and gifts, shall not be reimbursed.

~~2. Reimbursement.~~

9. Cancellation of Reservations or Confirmations: If (1) the District pays a registration fee or other cost for attendance at a meeting, seminar, event or conference by Commissioner, (2) the Commissioner cancels attendance or fails to attend, and (3) the District is unable to receive a refund of the registration fee or other cost, the District shall deduct such fees and costs from any compensation, reimbursement expenses or other monies that are or will become due and owing to the Commissioner; provided, that the District's payment shall not be charged to the Commissioner where the Commissioner was unable to attend due to circumstances beyond his control or a personal or family emergency.

~~3. All requests for reimbursement shall be submitted within two weeks after the expenses were incurred, unless circumstances warrant otherwise. Requests for reimbursement shall be submitted, where possible, on forms provided by the District, and shall be accompanied by receipts evidencing each expense for which reimbursement is sought, or other documentation deemed satisfactory by the Board. Commissioners shall be reimbursed for meal expenses incurred more than 75 miles from the District, including gratuities. . Alcoholic beverages and other non-essential expenses (including, but not limited to, in-room movies, Service Bar, etc.) and gifts will not be reimbursed.~~

~~9. Cancellation of Conference or Travel Reservations.~~

~~In the event the registration fee for a Commissioner to attend a meeting or conference has been paid by the District and the Commissioner fails to attend such meeting or conference without canceling his or her attendance in sufficient time to allow the District to obtain a full refund of the paid registration fee, then the non-refunded amounts of such registration fee shall be deducted from monies otherwise payable by the District to that Commissioner; provided, however, that this policy shall not apply if the reason for the Commissioner's failure to attend results from a personal or family emergency, including, but not limited to, serious illness.~~

RCW 43.03.060 - Mileage allowance.

(1) Whenever it becomes necessary for elective or appointive officials or employees of the state to travel away from their designated posts of duty while engaged on official business, and it is found to be more advantageous or economical to the state that travel be by a privately-owned vehicle rather than a common carrier or a state-owned or operated vehicle, a mileage rate established by the director of financial management shall be allowed. The mileage rate established by the director shall not exceed any rate set by the United States treasury department above which the substantiation requirements specified in Treasury Department Regulations section 1.274-5T(a)(1), as now law or hereafter amended, will apply.

(2) The director of financial management may prescribe and regulate the specific mileage rate or other allowance for the use of privately-owned vehicles or common carriers on official business and the conditions under which reimbursement of transportation costs may be allowed. The reimbursement or other payment for transportation expenses of any employee or appointive official of the state shall be based on the method deemed most advantageous or economical to the state.

(3) The mileage rate established by the director of financial management pursuant to this section and any subsequent changes thereto shall be reported to the ways and means committees of the house of representatives and the senate at each regular session of the legislature.

(4) No person designated as a member of a class one through class three or class five board, commission, council, committee, or similar group may receive an allowance for subsistence, lodging, or travel expenses if the allowance cost is funded by the state general fund. Exceptions may be granted under RCW 43.03.049.

RCW 42.24.090 - Municipal corporations and political subdivisions - Reimbursement claims by officers and employees.

No claim for reimbursement of any expenditures by officers or employees of any municipal corporation or political subdivision of the state for transportation, lodging, meals or any other purpose shall be allowed by any officer, employee or board charged with auditing accounts unless the same shall be presented in a detailed account: PROVIDED, That, unless otherwise authorized by law, the legislative body of any municipal corporation or political subdivision of the state may prescribe by ordinance or resolution the amounts to be paid officers or employees thereof as reimbursement for the use of their personal automobiles or other transportation equipment in connection with officially assigned duties and other travel for approved public purposes, or as reimbursement to such officers or employees in lieu of actual expenses incurred for lodging, meals or other purposes. The rates for such reimbursements may be computed on a mileage, hourly, per diem, monthly, or other basis as the respective legislative bodies shall determine to be

proper in each instance: PROVIDED, That in lieu of such reimbursements, payments for the use of personal automobiles for official travel may be established if the legislative body determines that these payments would be less costly to the municipal corporation or political subdivision of the state than providing automobiles for official travel.

All claims authorized under this section shall be duly certified by the officer or employee submitting such claims on forms and in the manner prescribed by the state auditor.

RCW 57.12.010 - Commissioners - President and secretary - Compensation.

The governing body of a district shall be a board of commissioners consisting of three members, or five or seven members as provided in RCW 57.12.015. The board shall annually elect one of its members as president and another as secretary.

The board shall by resolution adopt rules governing the transaction of its business and shall adopt an official seal. All proceedings shall be by resolution recorded in a book kept for that purpose which shall be a public record.

Each commissioner shall receive ninety dollars for each day or portion thereof spent in actual attendance at official meetings of the district commission, or in performance of other official services or duties on behalf of the district. However, the compensation for each commissioner shall not exceed eight thousand six hundred forty dollars per year. In addition, the secretary may be paid a reasonable sum for clerical services.

Any commissioner may waive all or any portion of his or her compensation payable under this section as to any month or months during the commissioner's term of office, by a written waiver filed with the district at any time after the commissioner's election and prior to the date on which the compensation would otherwise be paid. The waiver shall specify the month or period of months for which it is made.

No commissioner shall be employed full time by the district. A commissioner shall be reimbursed for reasonable expenses actually incurred in connection with district business, including subsistence and lodging while away from the commissioner's place of residence and mileage for use of a privately owned vehicle at the mileage rate authorized in RCW 43.03.060.

The dollar thresholds established in this section must be adjusted for inflation by the office of financial management every five years, beginning July 1, 2008, based upon changes in the consumer price index during that time period. "Consumer price index" means, for any calendar year, that year's annual average consumer price index, for Washington state, for wage earners and clerical workers, all items, compiled by the bureau of labor and statistics, United States department of labor. If the bureau of labor and statistics develops more than one consumer price index for areas within the state, the index covering the greatest number of people, covering areas exclusively within the boundaries of the state, and including all items shall

be used for the adjustments for inflation in this section. The office of financial management must calculate the new dollar threshold and transmit it to the office of the code reviser for publication in the Washington State Register at least one month before the new dollar threshold is to take effect.

A person holding office as commissioner for two or more special purpose districts shall receive only that per diem compensation authorized for one of his or her commissioner positions as compensation for attending an official meeting or conducting official services or duties while representing more than one of his or her districts. However, such commissioner may receive additional per diem compensation if approved by resolution of all boards of the affected commissions.

Reimbursement Rates for Lodging, Meals, and Privately Owned Vehicle Mileage

For the Continental USA - 48 Contiguous States and the District of Columbia

Rates as of January 1, 2013	Notes																																			
<p>Maximum Allowable Lodging Rates (see notes for tax treatment)</p> <p>Non High-Cost Locations (In State and Out-of-State)</p> <ul style="list-style-type: none"> • Maximum rate = \$77.00 / night plus tax • Exception to maximum rate = \$184.50 / day $\{(77 + 46) \times 150\%$ <p>High-Cost Locations. For rates for individual high cost locations in the Continental USA, refer to the U.S. General Services Administration website at: www.gsa.gov.</p> <p>Seasonal Lodging Rates. For out of state locations, refer to the U.S. General Services Administration website at: www.gsa.gov. For seasonal rate information for Washington state locations, refer to the state Per Diem Rates map on OFM's Travel Resources website at: http://www.ofm.wa.gov/resources/travel.asp.</p>	<p>The reference for the maximum lodging rates is on the U.S. General Services Administration website at: www.gsa.gov. Select U.S. Per Diem Rates by Location (Continental USA) to view rates for the contiguous 48 states (amounts shown are before adding applicable state and local taxes to the reimbursement rates) or Foreign Per Diem Rates (taxes included) to view rates for Alaska, Hawaii, and U.S. possessions.</p>																																			
<p>Meal Rates (including taxes and tips and incidental expenses)</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;"></th> <th style="width: 20%; text-align: center;"><u>Non High-Cost Locations</u></th> <th style="width: 10%;"></th> <th colspan="4" style="width: 55%; text-align: center;"><u>High-Cost Locations</u></th> </tr> </thead> <tbody> <tr> <td>Breakfast</td> <td style="text-align: right;">\$11.00</td> <td></td> <td style="text-align: right;">\$13.00</td> <td style="text-align: right;">\$14.00</td> <td style="text-align: right;">\$15.00</td> <td style="text-align: right;">\$18.00</td> </tr> <tr> <td>Lunch</td> <td style="text-align: right;">14.00</td> <td></td> <td style="text-align: right;">15.00</td> <td style="text-align: right;">17.00</td> <td style="text-align: right;">18.00</td> <td style="text-align: right;">21.00</td> </tr> <tr> <td>Dinner</td> <td style="text-align: right;"><u>21.00</u></td> <td></td> <td style="text-align: right;"><u>23.00</u></td> <td style="text-align: right;"><u>25.00</u></td> <td style="text-align: right;"><u>28.00</u></td> <td style="text-align: right;"><u>32.00</u></td> </tr> <tr> <td>Totals</td> <td style="text-align: right;"><u>\$46.00</u></td> <td></td> <td style="text-align: right;"><u>\$51.00</u></td> <td style="text-align: right;"><u>\$56.00</u></td> <td style="text-align: right;"><u>\$61.00</u></td> <td style="text-align: right;"><u>\$71.00</u></td> </tr> </tbody> </table>		<u>Non High-Cost Locations</u>		<u>High-Cost Locations</u>				Breakfast	\$11.00		\$13.00	\$14.00	\$15.00	\$18.00	Lunch	14.00		15.00	17.00	18.00	21.00	Dinner	<u>21.00</u>		<u>23.00</u>	<u>25.00</u>	<u>28.00</u>	<u>32.00</u>	Totals	<u>\$46.00</u>		<u>\$51.00</u>	<u>\$56.00</u>	<u>\$61.00</u>	<u>\$71.00</u>	<p>To determine which high cost meal rate applies for a specific high cost location in the Continental USA, refer to the U.S. General Services Administration website at: www.gsa.gov. (Meal rates will be referred to as <u>subsistence rates</u>.) When calculating the meal breakdown for high cost meal locations in the Continental USA or Foreign Locations not listed in the table to the left, use the percentages in Subsection 10.40.10.c.</p>
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<p>Non High-Cost Per Diem Rate</p> <ul style="list-style-type: none"> • Daily rate = \$123.00 / day = Non high-cost lodging rate (\$77) + Non high-cost meals rate (\$46) • Hourly rate = \$123.00 / 24 hours = \$5.13 per hour 	<p>Certain types of boards and commissions use both daily and hourly rates (Section 10.70). Also, the hourly rate is used when an employee is authorized to use a privately owned travel trailer or camper (Subsection 10.30.70).</p>																																			
<p>Privately Owned Vehicle (POV) Mileage Rate = \$0.565/ mile</p>	<p>Source: IRS Revenue Procedure 2012-72.</p>																																			
<p>Privately Owned Aircraft Mileage Rate = \$1.07 / nautical mile</p>	<p>Source: Federal Register Vol. 70, No. 23 Feb. 4, 2005. Nautical mile information can be found on several websites including: www.airnav.com/airports/</p>																																			
<p>Privately Owned Motorcycle Mileage Rate = \$0.305 / mile</p>	<p>Source: Federal Register Vol. 70, No. 23 Feb. 4, 2005.</p>																																			

**NORTH BEACH WATER DISTRICT
PACIFIC COUNTY, WASHINGTON**

RESOLUTION NO. 01-2013

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF NORTH
BEACH DISTRICT, PACIFIC COUNTY, WASHINGTON, ADOPTING A
POLICY REGARDING REIMBURSEMENT OF COMMISSIONERS'
EXPENSES, AND REPEALING RESOLUTION NO.16-2009.**

WHEREAS, RCW 57.12.010 authorizes Commissioners to be reimbursed for reasonable expenses actually incurred in connection with District business, including subsistence and lodging while away from the commissioner's place of residence and mileage for the use of a privately owned vehicle at the mileage rate authorized in chapter 43.03.060 RCW; and

WHEREAS, RCW 43.03.060 authorizes the director of financial management to establish the mileage rate for the use of privately-owned vehicles on official business and conditions under which reimbursement of transportation costs may be allowed; and

WHEREAS, RCW 42.24.090 requires all claims for reimbursement for expenditures by officers of any municipal corporation, including lodging, meals or any other purpose, to be presented in a detailed account; now, therefore

BE IT RESOLVED by the Board of Commissioners of North Beach Water District, Pacific County, Washington as follows:

Section 1. Resolution 16-2009, which adopted a policy regarding Commissioners' Expenses, is repealed.

Section 2. The "North Beach Water District Policy Reimbursement of Commissioners' Expenses", attached to this resolution as Exhibit "A", is adopted.

ADOPTED by the Board of Commissioners on North Beach Water District, Pacific County, Washington at its regular meeting held on the 22nd day of January, 2013

Brian Sheldon, Commissioner
Position #1

Gwen Brake, Commissioner
Position #2

RD Williams, Commissioner
Position #3

Official seal of North Beach
Water District

Exhibit A

NORTH BEACH WATER DISTRICT

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Reimbursable expenses for District business shall be approved and processed as follows:

1. **Prior Approval—Overnight Lodging and Air Travel:**

Commissioners shall obtain approval by the Board of Commissioners prior to incurring reimbursable expenses for District business that requires overnight lodging or air travel. The Board of Commissioners may ratify reimbursable expenses District business that requires overnight lodging or air travel where the Commissioner requesting reimbursement had insufficient time to seek and receive Board authorization before attendance or participation.

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7. **Reimbursement Procedure:** Commissioners shall promptly submit a request for reimbursement, accompanied by evidence (receipts) of payment of expenses, to the District general manager, on forms approved by the general manager. The forms shall be comply with the requirements of the State Auditor, and shall contain a certification by the Commissioner. The general manager shall reimburse Commissioners for expenses upon approval by the Board of Commissioners.

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