Chester Public Utilities District Expense And Use Of Public Resources Policy Statement

Findings

1. Whereas, the Chester Public Utilities District (District) takes its stewardship over the use of its limited public resources seriously.

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

3. Whereas, such benefits include:

   A. The opportunity to discuss the community's concerns with state and federal officials;

   B. Participating in regional, state and national organizations whose activities affect the District;

   C. Attending educational seminars designed to improve officials' skill and information levels; and

   D. Promoting public service and morale by recognizing such service.

4. Whereas,

   A. Legislative and other regional, state and federal agency business is frequently conducted over meals;

   B. Sharing a meal with regional, state and federal officials is frequently the best opportunity for a more extensive, focused and uninterrupted communication about the District's policy concerns; and

   C. Each meal expenditure must comply with the limits and reporting requirements of local, state and federal law.

5. Whereas, this policy provides guidance to elected and appointed officials on the use and expenditure of District resources, as well as the standards against which those expenditures will be measured.

6. Whereas, this policy satisfies the requirements of Government Code sections

53232.2 and 53233.3.

7. Whereas, this policy supplements the definition of actual and necessary expenses for purposes of state laws relating to permissible uses of public resources.

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

9. Whereas, this policy also applies to any charges made to a District credit card, cash advances or other line of credit.

Authorized Expenses

District funds, equipment, supplies (including letterhead), titles, and staff time must only be used for authorized District business. Expenses incurred in connection with the following types of activities generally constitute authorized expenses, as long as the other requirements of this policy are met:

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. Recognizing service to the District (for example, thanking a longtime employee with a retirement gift or celebration of nominal value and cost);

5. Attending District events; and,

6. Implementing a District-approved strategy for attracting or retaining businesses to the District, which will typically involve at least one staff member.

All other expenditures require prior approval by the District's Governing Board.

The following expenses also require prior governing body approval:

1. International and out of state travel;

2. Expenses which exceed the annual limits established for each office holder; and

3. Expenses exceeding $750 per trip.

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 or charitable contributions or events;

3. Family expenses, including partner's expenses when accompanying official on agency-related business, as well as children- or pet-related expenses;

4. Entertainment expenses, including theater, movies (either in-room or at the theater), sporting events (including gym, massage and/or golf related expenses), or other cultural events;

5. Non-mileage personal automobile expenses, including repairs, traffic citations, insurance or gasoline; and

6. Personal losses incurred while on District business.

Any questions regarding the propriety of a particular type of expense should be resolved by the District's Director (or designee) before the expense is incurred.

Cost Control

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.

1. Transportation

The most economical mode and class of transportation reasonably consistent with scheduling needs and cargo space requirements must be used, using the most direct and time-efficient route. Charges for rental vehicles may be reimbursed under this provision if more than one District official is attending an out of town conference, and it is determined that sharing a rental vehicle is more economical than other forms of transportation. In making such determination, the cost of the rental vehicle, parking and gasoline will be compared to the combined cost of such other forms of transportation. Government and group rates must be used

when available.

2. Airfare

Airfares that are equal or less than those available through the Enhanced Local Government Airfare Program offered through the League of California Cities (www.cacities.org/travel), the California State Association of Counties (www.csac.counties.org/default.asp?id=635) and the State of California are presumed to be the most economical and reasonable for purposes of reimbursement under this policy.

3. Automobile

Automobile mileage is reimbursed at the District's adopted rate, or, if one is not adopted, the then current Internal Revenue Service rates. These rates are designed to compensate the driver for gasoline, insurance, maintenance, and other expenses associated with operating the vehicle. This amount does not include bridge and road tolls, which are also reimbursable. This rate will not be paid for rental vehicles; only receipted fuel expenses will be reimbursed.

4. Car Rental

Rental rates that are equal or less than those available through the State of California's website (www.catravelsmart.com/default.htm) shall be considered the most economical and reasonable for purposes of reimbursement under this policy.

5. Taxis/Shuttles

Taxis or shuttles fares may be reimbursed, including a 15 percent gratuity per fare, when the cost of such fares is equal or less than the cost of car rentals, gasoline and parking combined, or when such transportation is necessary for time-efficiency.

6. Lodging

Lodging expenses will be reimbursed or paid for when travel on official District business reasonably requires an overnight stay.

7. Conferences/Meetings

If such lodging is in connection with a conference, lodging expenses must not exceed the group rate published by the conference sponsor for the meeting in question if such rates are available at the time of booking. If the group rate is not available, see next section.

8. Other Lodging

Travelers must request government rates, when available. A listing of hotels offering

government rates in different areas is available at www.catravelsmart.com/lodguideframes.htm. Lodging rates that are equal or less to government rates are presumed to be reasonable and hence reimbursable for purposes of this policy.

Option #1 (Median Hotel Cost): In the event that government rates are not available at a given time or in a given area, lodging rates that do not exceed the median retail price for lodging for that area listed on websites like www.priceline.com or an equivalent service shall be considered reasonable and hence reimbursable.

Option #2 (Flat Cap). In the event that government rates are not available at a given time or in a given area, lodging rates that do not exceed $150 per night are presumed reasonable and hence reimbursable.

Option #3 (IRS Rates). In the event that government rates are not available at a given time or in a given area, lodging rates that do not exceed the IRS per diem rates for a given area are presumed reasonable and hence reimbursable.

9. Meals

Reimbursable meal expenses and associated gratuities will not exceed the following rates:

Breakfast:	$12
Lunch:	$18
Dinner:	$36

Such amounts will be annually adjusted to reflect changes in the cost of living in accordance with statistics published by the United States Department of Labor, Bureau of Labor Statistics Consumer Price Index, all urban consumers for the most relevant Metropolitan Area. (The annual adjustment will be based on this area whether travel is within the area or not.) The District will not pay for alcohol/personal bar expenses.

10. Telephone/Fax/Cellular

Officials 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 official has a particular number of minutes included in the official's plan, the official can identify the percentage of calls made on public business.

11. Internet

Officials 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.

12. Airport Parking

Long-term parking must be used for travel exceeding 24-hours.

13. Other

Baggage handling fees of up to $1 per bag and gratuities of up to 15 percent will be reimbursed. Expenses for which District officials receive reimbursement from another agency are not reimbursable.

Cash Advance Policy

From time to time, it may be necessary for an official to request a cash advance to cover anticipated expenses while traveling or doing business on the District's behalf. Such request for an advance should be submitted to the District Director (or designee) seven days prior to the need for the advance with the following information:

1. The purpose of the expenditure(s);

2. The benefits of such expenditure to the residents of District;

3. The anticipated amount of the expenditure(s) (for example, hotel rates, meal costs, and transportation expenses); and

4. The dates of the expenditure(s).

Any unused advance must be returned to the District treasury within five business days of the official's return, along with an expense report and receipts documenting how the advance was used in compliance with this expense policy.

In the event the District Director (or designee) is uncertain as to whether a request complies with this policy, such individual must seek resolution from the District Governing Board.

Credit Card Use Policy

The District does not issue credit cards to individual office holders but does have an agency credit card for selected District expenses. District office holders may use the District's credit card for such purposes as airline tickets and hotel reservations by following the same

procedures for cash advances. Receipts documenting expenses incurred on the District credit card and compliance with this policy must be submitted within five business days of use.

District credit cards may not be used for personal expenses, even if the official subsequently reimburses the District.

Expense Report Content And Submission Deadline

All cash advance expenditures, credit card expenses and expense reimbursement requests must be submitted on an expense report form provided by the District. This form shall include the following advisory:

All expenses reported on this form must comply with the District's policies relating to expenses and use of public resources. The information submitted on this form is a public record. Penalties for misusing public resources and violating the District's policies include loss of reimbursement privileges, restitution, civil and criminal penalties as well as additional income tax liability.

Expense reports must document that the expense in question met the requirements of this policy. For example, if the meeting is with a legislator, the local agency official should explain whose meals were purchased, what issues were discussed and how those relate to the District's adopted legislative positions and priorities.

Officials must submit their expense reports within 30 days of an expense being incurred, accompanied by receipts documenting each expense. Restaurant receipts, in addition to any credit card receipts, are also part of the necessary documentation.

Inability to provide such documentation in a timely fashion may result in the expense being borne by the official.

Audits Of Expense Reports

All expenses are subject to verification that they comply with this policy.

Reports To Governing Board

At the following District Board meeting, each official shall briefly report on meetings attended at District expense. If multiple officials attended, a joint report may be made.

Compliance With Laws

District officials 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 and other laws.

Violation Of This Policy

Use of public resources or falsifying expense reports in violation of this policy may result in any or all of the following:

1. Loss of reimbursement privileges;

2. A demand for restitution to the District;

3. The District's reporting the expenses as income to the elected official to state and federal tax authorities;

4. Civil penalties of up to $1,000 per day and three times the value of the resources used, and

5. Prosecution for misuse of public resources.