

OTAY WATER DISTRICT  
SPECIAL MEETING BOARD OF DIRECTORS

Location of meeting:  
**SYCUAN RESORT**  
3007 DEHESA ROAD  
EL CAJON, CALIFORNIA

**MONDAY**  
**September 25, 2006**  
**9:00 A.M.**

**AGENDA**

1. ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. APPROVAL OF AGENDA
4. PUBLIC PARTICIPATION – OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO SPEAK TO THE BOARD ON ANY SUBJECT MATTER WITHIN THE BOARD'S JURISDICTION BUT NOT AN ITEM ON TODAY'S AGENDA

**WORKSHOP**

5. PRESENTATION OF ETHICS TRAINING (CALDERON) [1 hour]
6. FISCAL YEAR-END 2006 STRATEGIC PLAN UPDATE REPORT (STEVENS) [30 minutes]
7. DISCUSSION WITH EMPLOYEE ASSOCIATION REPRESENTATIVES [30 minutes]
8. DISCUSSION AND AMENDMENT OF BOARD OF DIRECTORS POLICY NO. 8, DIRECTORS COMPENSATION, REIMBURSEMENT OF EXPENSES AND GROUP INSURANCE BENEFITS [30 minutes]
9. DISCUSSION OF REGIONAL MATTERS (WATTON) [30 minutes]
10. ADJOURNMENT

All items appearing on this agenda, whether or not expressly listed for action, may be deliberated and may be subject to action by the Board.

If you have any disability which would require accommodation in order to enable you to participate in this meeting, please call the District Secretary at 670-2280 at least 24 hours prior to the meeting.

#### Certification of Posting

I certify that on September 22, 2006, I posted a copy of the foregoing agenda near the regular meeting place of the Board of Directors of Otay Water District, said time being at least 24 hours in advance of the special meeting of the Board of Directors (Government Code Section §54954.2).

Executed at Spring Valley, California on September 22, 2006.



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Susan Cruz, District Secretary



# AGENDA ITEM 6

## STAFF REPORT

TYPE MEETING:	Board Workshop	MEETING DATE:	September 25, 2006
SUBMITTED BY:	Geoffrey Stevens, Chief Information Technology and Strategic Planning	W.O./G.F. NO:	DIV. NO.
APPROVED BY: (Chief)	German Alvarez, Assistant General Manager, Administration and Finance		
APPROVED BY: (Asst. GM):			
SUBJECT:	Year-End FY 2006 Strategic Plan and Performance Measures Results		

**GENERAL MANAGER'S RECOMMENDATION:**

No recommendation. This is an informational item only.

**COMMITTEE ACTION:** \_\_\_\_\_

None. Item is being presented at a Board Workshop.

**PURPOSE:**

Provide an informational update to the Board on the District's 2006 fiscal year-end results for:

- Strategic Plan Objectives
- Performance Measures

**ANALYSIS:**

Staff reports to the Board twice per year on progress regarding the District's Strategic Plan. Overall results for strategic plan objectives are positive with 67 of 69 or 97% of objectives being ahead, completed, or on schedule. Only 2 objectives are on hold or behind schedule. Eighteen additional items are scheduled to start in FY2007 and FY 2008 as the plan is a three year plan covering FY 2006 to FY 2008.

Overall results for performance measures were slightly below our target of 75%. In FY 2006, 24 of 36 (66%) performance measures were on target and 12 of 36 were below target. In several cases

the margin of error in "not meeting the target" was very slight, for example our call center answer rate was 95% versus the target of 97%.

As a final measure of overall performance, we evaluate the District's progress against a Balanced Scorecard perspective. The Balanced Scorecard looks at the District from four perspectives:

- Customer Service
- Financial
- Business Processes
- Learning and Growth.

Results here are generally positive. We meet performance expectations for strategic plan objectives in each perspective. In terms of performance measures, however, three of four areas need some minor improvement, highlighting the need for additional attention on performance measures.

The Senior Team meets regularly during the year to review strategic plan performance and to seek ways to improve the plan. In FY 2007 we will be strengthening the linkage between the District's performance measures and the industry standard benchmarking survey (Qualserve) produced by AWWA.

**FISCAL IMPACT:** \_\_\_\_\_

None at this time.

**STRATEGIC GOAL:**

Strategic Plan and Performance Measure reporting is a critical element in providing performance reporting to the Board and staff.

**LEGAL IMPACT:** \_\_\_\_\_

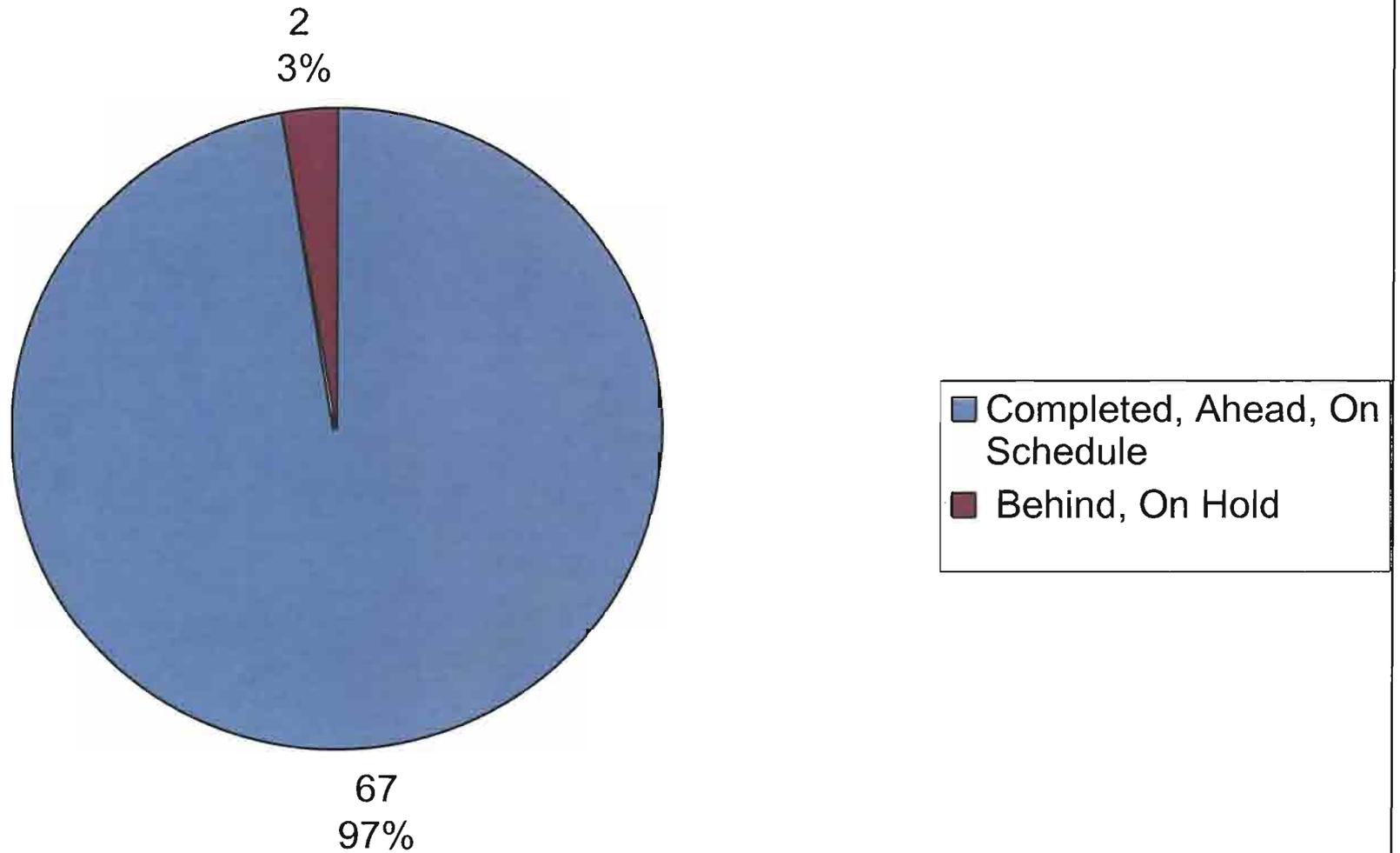
None



\_\_\_\_\_  
**General Manager**

Strategic Plan, Performance Measures, and Balanced Scorecard Chart

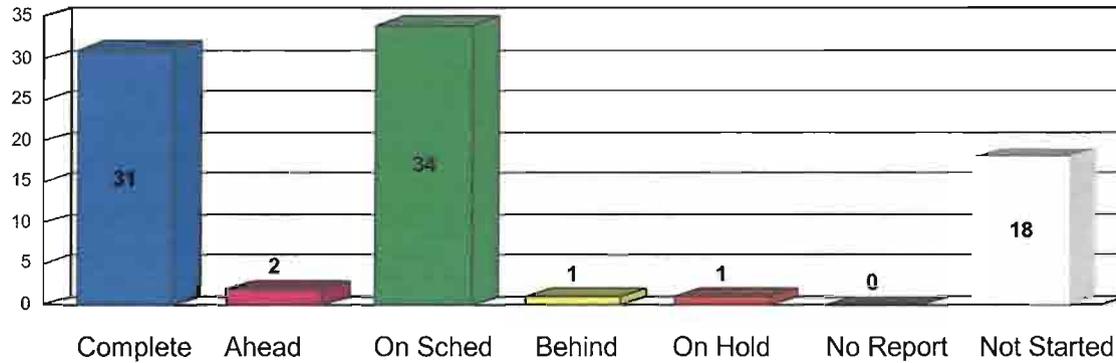
# Strategic Plan Objectives FY 2006 Year-End Results



\*18 items were not included as they are scheduled to start in 2007 & 2008 plan

## Objectives: All Departments

FY: 2006 Quarter: 4



Total Objectives: 87

### Legend

- Completed
- Ahead of Schedule
- On Schedule
- Behind Schedule
- On Hold
- No Reports
- Not Scheduled to Start Yet

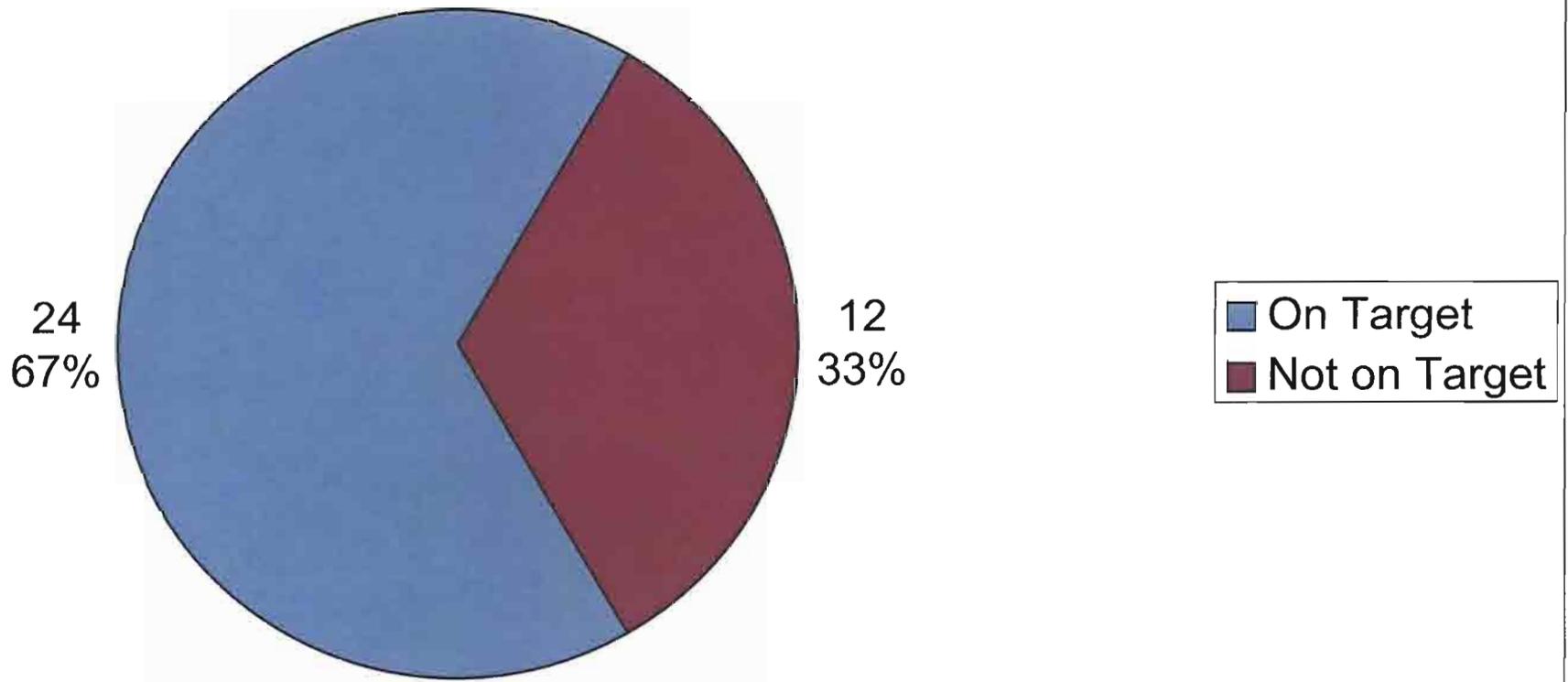
ID	Objective	Lead	Status
1.1.2.2	Evaluate and Implement the Interactive Voice Response (IVR) System	Alcantara, C	On Schedule
3.2.2.1	Obtain South Bay's excess capacity	Arbaban, M	On Schedule
2.1.1.2	Explore adopting a Conservation-based Rate Plan gradually increasing the fixed rate percentage	Beachem, J	On Schedule
2.2.2.2	Develop comprehensive budget policies and guidelines	Bell, R	On Schedule
2.2.2.6	Refine the overhead and direct charging policies	Bell, R	On Schedule
1.2.4.1	Identify and promote opportunities for bi-national cooperation and understanding	Buelna, A	On Schedule
1.2.2.5	Expand outreach to elected local officials and community leaders to discuss the benefits of recycled water	Buelna, A	On Schedule
1.2.3.4	Develop quarterly articles for Star News and Union Tribune feature	Buelna, A	On Schedule
1.1.1.1	Implement a standardized Potable and Recycled Water Customer Survey	Buelna, A	On Schedule
1.2.1.4	Expand partnerships with City of Chula Vista officials, developers, and community leaders	Buelna, A	On Schedule
3.4.5.4	Ensure that significant contracts receive legal review	Calderon, Y	On Schedule
1.3.1.2	Promote the District's success in relevant areas by publishing white papers, applying for awards, and speaking at State and national conferences	Cruz, S	On Schedule
2.2.2.1	Evaluate key business processes to ensure adequate financial controls	Cudlip, J	On Schedule
2.2.2.3	Perform routine financial audits	Cudlip, J	On Schedule
1.2.2.4	Develop additional educational materials on beneficial uses of recycled water and best proactive case studies	Granger, W	On Schedule
1.1.2.3	Improve customer access to their account information via the Web	Henderson, E	On Schedule
1.1.2.1	Enhance the District's Web Page and its links	Jenkins, B	On Schedule
1.1.3.1	Provide secure and protected use of OIS information to employees on a 24 hour and mobile basis	Jenkins, B	On Schedule

ID	Objective	Lead	Status
3.4.3.2	Update the District's records management program	Jenkins, B	On Schedule
3.1.3.3	Perform cyber-security tests	Jenkins, B	On Schedule
3.1.3.4	Implement a Business Resumption Plan (BRP)	Jenkins, B	On Schedule
3.2.1.1	1. Evaluate additional sewer customers in or near our District	Klaahsen, R	On Schedule
3.1.1.6	Improve existing and obtain additional inter-agency minor connections	Klaahsen, R	On Schedule
3.1.2.2	Evaluate potential groundwater sources	Peasley, J	On Schedule
3.1.1.4	Obtain the Lower Otay Treatment Water Supply Agreement from the City of San Diego for a total of 26 million gallons per day (MGD).	Peasley, J	On Schedule
1.2.2.2	Promote acceptance of recycled water use in other geographic areas within the District's sphere of influence	Peasley, J	On Schedule
1.2.2.6	Replace the water that is currently pumped to Chula Vista with the new 6 MGD recycled water from the city of San Diego	Peasley, J	On Schedule
2.1.2.1	Aggressively pursue all relevant grants	Peasley, J	On Schedule
2.1.3.1	Evaluate potential real property trades, leases or sales to increase revenues	Ripperger, R	On Schedule
1.2.3.3	Promote the District's infrastructure planning activities and high profile projects	Ripperger, R	On Schedule
3.4.1.1	Fully integrate the Otay Information systems (OIS)	Stevens, G	On Schedule
3.4.4.2	Maximize the districts use of mobile, GIS and GPS technologies including route planning for maintenance crews and meter readers and locations based services	Stevens, G	On Schedule
4.2.2.2	Perform a comprehensive Compensation Study	Williamson, K	On Schedule
4.2.2.3	Negotiate successor Memorandum of Understanding in FY 2008	Williamson, K	On Schedule
2.4.1.1	Improve the District's financial reporting	Bell, R	Behind Schedule
2.2.1.2	Update the District's Investment Policy	Cudlip, J	Ahead of Schedule
1.1.2.5	Evaluate expanded use of multilingual communication program	Henderson, E	Ahead of Schedule
2.1.1.5	In coordination with operations prepare a long term Replacement and rehabilitation plan.	Arbaban, M	Complete
2.2.1.1	Document the District's Reserve Fund Governance Policy	Beachem, J	Complete
2.2.2.4	Improve the readability of the budget document including description of line items and terminology	Bell, R	Complete
1.2.5.1	Update and implement the District's Government and Public Relations Programs	Buelna, A	Complete
3.1.3.1	Complete 5-year physical security improvements	Burpeau, D	Complete
3.1.3.5	Identify additional funding sources for security enhancements	Burpeau, D	Complete
3.4.5.3	Develop and implement a legal training program as part of the next retainer agreement	Calderon, Y	Complete
1.1.4.1	Develop enhanced outreach and communication programs to strengthen relationships with developers	Charles, D	Complete
1.2.1.1	Continue to promote the Water Conservation Garden for increased community impact	Granger, W	Complete
1.2.1.2	Increase the distribution of water conservation brochures in key public locations	Granger, W	Complete
1.2.1.3	Increase the use of educational materials on the District's Web site	Granger, W	Complete
1.2.3.5	Promote CWA's Splash Lab use by schools in District	Granger, W	Complete

ID	Objective	Lead	Status
1.2.3.1	Evaluate effectiveness of the school education program	Granger, W	 Complete
1.2.3.2	Evaluate expansion of Metropolitan Water District's Learning Unit Program	Granger, W	 Complete
1.2.1.5	Explore the positive and negative impact of "mandatory" conservation programs	Granger, W	 Complete
3.4.4.5	Update the District's radio system and base stations	Henderson, D	 Complete
3.4.4.6	Update the telecommunications infrastructure	Jenkins, B	 Complete
3.4.5.1	Develop a user friendly process for requesting legal services that encourage proactive use of services	Nakatani, T	 Complete
3.1.1.8	Explore opportunity to wheel CWA/Transfer water through proposed private Mexican aqueduct	Peasley, J	 Complete
3.1.1.1	Conduct value engineering studies during the CIP planning process to ensure Master plan is optimized and identify local and regional solutions	Peasley, J	 Complete
3.1.1.5	Obtain an agreement with CWA/Helix for an additional 8 MGD	Peasley, J	 Complete
1.2.2.1	Evaluate expanding the use of recycled water for single family residential in new developments	Peasley, J	 Complete
3.1.1.3	Evaluate CIP budget development, monitoring, and reporting process	Ripperger, R	 Complete
3.3.1.3	Implement a comprehensive cathodic protection program	Ripperger, R	 Complete
3.3.1.1.	Develop a comprehensive valve actuation program	Stalker, G	 Complete
3.3.1.2	Develop a comprehensive hydrant flushing and unidirectional flushing program	Vaclavek, J	 Complete
3.1.1.2	Implement 'constructability' reviews during the design process to minimize construction change orders	Vaughan, P	 Complete
4.2.2.4	Evaluate and improve recruiting programs and incentives for difficult to recruit positions	Williamson, K	 Complete
4.3.5.1	Review and revise the Certification Incentive Program	Williamson, K	 Complete
4.4.1.1	Develop and implement guidelines for collaborative improvement teams	Williamson, K	 Complete
4.5.1.1	Finalize and Implement the District's Recognition and Reward Program	Williamson, K	 Complete
2.1.1.4	Implement a long term facilities plan (Master Plan)	Arbaban, M	 On Hold
1.1.2.6	Implement summary billing	Alcantara, C	 Not Scheduled
2.1.1.1	Implement a long-term financing plan to support the District's Master Plan	Beachem, J	 Not Scheduled
2.2.2.5	Implement program budgeting	Bell, R	 Not Scheduled
2.2.2.7	Develop comprehensive management reporting	Bell, R	 Not Scheduled
2.3.1.2	Develop standard and flat fee methodology for key district services	Cudlip, J	 Not Scheduled
2.3.1.3	Assess and develop guidelines for life-cycle and activity-based costing in conjunction with IMS	Cudlip, J	 Not Scheduled
4.1.2.1	Develop a Long-Term Facility and Space Plan	Dobrawa, S	 Not Scheduled
1.1.2.4	Implement automated notification procedure for planned or emergency maintenance, outages or boil-water notices	Guillory, J	 Not Scheduled
1.1.1.2	Implement a Customer Comment Tracking Program	Henderson, E	 Not Scheduled
1.1.1.3	Expand a Quality Control/Audit program to ensure quality customer service	Henderson, E	 Not Scheduled
1.1.1.4	Implement an independent Customer Follow-up Program	Henderson, E	 Not Scheduled
3.4.3.1	Document and manage knowledge transfer for core business processes	Jenkins, B	 Not Scheduled

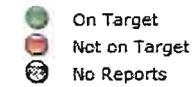
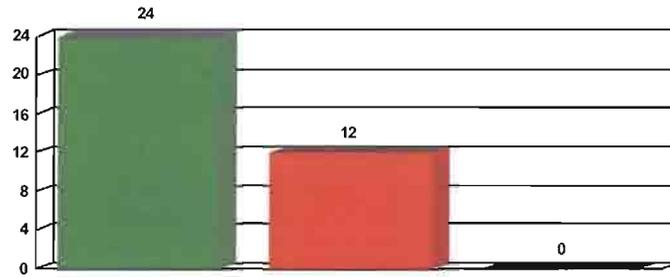
ID	Objective	Lead	Status
3.2.1.2	Evaluate alternatives for Chapman – close, expand, move?	Klaahsen, R	<input type="radio"/> Not Scheduled
3.4.2.2	Complete definition of "to be" processes	Stevens, G	<input type="radio"/> Not Scheduled
4.1.1.1	Develop Long-Term Staffing Plan	Williamson, K	<input type="radio"/> Not Scheduled
4.2.1.1	Promote the value of the District's compensation and benefits plan	Williamson, K	<input type="radio"/> Not Scheduled
4.5.2.1	Establish a repeatable Employee Survey Program and benchmark against others	Williamson, K	<input type="radio"/> Not Scheduled
4.3.4.1	Develop and implement a training needs assessment and implement appropriate recommendations.	Williamson, K	<input type="radio"/> Not Scheduled

# Performance Measures FY06 Year-end Results



# Performance Measures: All Departments

FY: 2006 Quarter: 4



**Total Measures: 36**

ID#	Title	Target	Lead(s)	Status
ER-4	Turnover Rate	Less than 10%	Williamson, K	Not On Target
F-14	Overtime Percentage	Less than 100%	Bell, R	Not On Target
SS-5	Lost Work Day Injuries	4 or less per year	Burpeau, D	Not On Target
WC-2	Unaccounted for Water Loss	5% or less	Bell, R	Not On Target
F-12	Return on Investments	Meet or exceed 100% of LAIF	Beachem, J	Not On Target
SS-4	Fleet Incidents	4 or less per year	Burpeau, D	Not On Target
CS-3	Sewer Rate Ranking	Lower than 50%	Bell, R	Not On Target
CS-6	Answer Rate	97% or greater	Mendez-Schomer, A	Not On Target
WS-4	Alternative or Emergency Water Supply	100% or greater	Arbajian, M	Not On Target
WS-5	AMR Program	100% of 1200	Keeran, T	Not On Target
WS-8	Dead-End Main Flushing Program	90%	Smith, D	Not On Target
WS-12	Treatment Plant	90% of the days	Kreinbring, D	Not On Target
CG-1	Public Relations Plan Execution	90% or greater	Buelna, A	On Target

ID#	Title	Target	Lead(s)	Status
WS-10	Percent of Wastewater Collection System Cleaned per Year	17.2 miles or more/ year	Kreinbring, D	 On Target
WS-11	Disinfection Residuals	Stay within desired range 95% of the time.	Stalker, G	 On Target
WS-7	Valve Exercising and Hydrant Maintenance Program	90%	Smith, D	 On Target
CS-7	Alternative Payments	20% of total number of payments	Mendez-Schomer, A	 On Target
WS-1	O&M Cost per Account	Less than \$387 O&M cost per customer	Bell, R	 On Target
WS-3	Preventive Maintenance Cost	A stable year over year trend	Henderson, D	 On Target
CS-5	Meter Reading Accuracy	99.90%	Henderson, E	 On Target
WC-1	Total Water Saved	90% of savings goal reached	Granger, W	 On Target
F-15	CIP Backbone Projects Expenditures versus Projections	75% or greater	Arbaban, M	 On Target
IT-1	Percentage of Strat Plan Goals on track	90% or greater	Stevens, G	 On Target
IT-4	I.T Help Request	85% by due date	Jenkins, B	 On Target
IT-5	Network	99% during business hours	Jenkins, B	 On Target
IT-6	GIS Update Frequency	90% or greater	Zhao, M	 On Target
CS-2	Water Rate Ranking	Lower than 50%	Bell, R	 On Target
F-3	CIP Project Completion	Within 120% of planned duration	Ripperger, R	 On Target
F-4	Total Operating Budget & Variance	100% or less	Bell, R	 On Target
F-5	Construction Change Orders	Less than 5%	Posada, R	 On Target
F-6	Construction Claims	Less than 5% of contract amount	Posada, R	 On Target
F-10	Blanket Order Activity	15% or greater	Dobrawa, S	 On Target
F-11	Write Offs	Less than 0.5% of total sales	Henderson, E	 On Target
P-3	Inventory Accuracy	Standard 97%	Dobrawa, S	 On Target

ID#	Title	Target	Lead(s)	Status
ER-1	Time to Fill	90% within Recruitment Plan	Williamson, K	 On Target
ER-2	Customers per FTE	Greater than 217	Williamson, K	 On Target

- Balanced Scorecard
- ScoreCard
- Strategic Plan
- DrillDown
- All Objectives (Status)
- Performance Measures
- All Measures (Status)
- View Powerpoint
- Print Reports
- Reports

## Balanced Scorecard

FY 2006 Qtr 4 All Departments Go

FY 2006 • Qtr 4 • All Departments



- Legend**
- |  |  |
|--|--|
| <b>Objectives</b>  | <b>Measures</b>  |
| <input checked="" type="checkbox"/> 90% or Greater On Target | <input checked="" type="checkbox"/> 75% or Greater On Target |
| <input type="checkbox"/> Less than 90% on Target             | <input type="checkbox"/> Less than 75% on Target             |
| <input type="checkbox"/> No Objectives found                 | <input type="checkbox"/> No Measures found                   |

# New Performance Measures

## Description

---

Measures the level of overall customer satisfaction with the District

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Tracks customer complaints by type over time

Measures the complaint rate experienced by the utility

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Measures the complaint rate experienced by the utility

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Measures the level of customer satisfaction with customer service activities

Measures the amount of resources a utility applies to its customer service program

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Measure the percentage of calls handled by IVR

---

Measures the percentage of customers on automated notification procedures

---

Measures level of debt service

---

Measures the District's reserve levels against plan

Quantifies the utility's level of indebtedness

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Measures the District's pension as a percentage of payroll

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Measures the percentage of invoices paid within the target time

Measures the effectiveness of billing practices

---

compares labor expense including benefits to annual revenue

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Percent of rates that are labor

Measures the financial effectiveness of the utility

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# New Performance Measures

## Description

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Measures the number of long-term recycled customers over time

Measures the cost of wastewater treatment

Operations cost for O&M per MG processed

Operations cost for O&M per account

AMR Meters Billing Automatically

AMR Meters installed

Track number of web site hits

Percent of up time for network during normal business hours

Percent of I.T. help requests resolved by due date

Measures the recycled water demand as compared with recycled water supply

Measures the amount of potable water needed to supplement recycled water demand

Measures the level of grant funds obtained compared to planned

Measures the percent project savings resulting from value engineering studies for projects greater than \$5M

Measures the North District normal supply versus demand

Measures the Central Area normal SDCWA supply versus demand

Measures the Otay Mesa normal SDCWA supply versus demand

Measures the North District emergency supply in actual days of supply in a sustained emergency Normal SDCWA supply vs. demand

Measures the sewer collection disposal capacity versus the collection rate

# New Performance Measures

## Description

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Measures the supply of recycle water

Measures the cost to treat 1MG of wastewater

Cost of projects compared to budget

Number of man hours on projects compared to budget

Measures the time to complete plan checks

Measures the timeliness of inserting maps into CADD

Measures the timeliness of surveying facilities after project acceptance

Measures the percentage of at-fault hits over time

Measures the percentage of alternative water supplies

Quantifies the numbers of water outages experienced by utility customers

Quantifies the percentage of time each year that the District meets all of the health related drinking water standards I U.S. National Primary Drinking Water Regulations

Produce greater than 1.25 MGD for 90% of the days with demand of 1.3 MGD

Compares how effectively the District is investing in planned maintenance

Compares how effectively the District is investing in planned maintenance

Measures the percent of completed preventive maintenance

Number of appurtenances flushed per plan

Update air vacs per plan

Replace service connections per plan

# New Performance Measures

## Description

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Exercise potable main line and appurtenance valves per plan

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Measures the percentage of cathodic protection inspected

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Percentage of unaccounted water

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Quantifies the condition of the water distribution system, expressed the total annual number of leaks and pipeline breaks per 100 miles of distribution piping

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Measures the condition of the sewage collection system

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Measures the total number of identified single points of failure

---

Measures the collection system piping condition and the effectiveness of routine maintenance

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Measures investment in infrastructure

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Measures the amount of electricity used by the District over time

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Measures the number of industry papers and presentations to industry

---

Measures the percentage of employees attending industry conferences or outside training activities

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Measures the customer awareness of the garden

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Annual percentage of voluntary terminations (excludes retirement)

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Measures the average time of a vacant position

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Number of recruitments conducted to recruitment plan

---

Ratio of number of customers to Full Time Equivalent budgeted positions

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Lost time injuries

---

Investment in management training

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# New Performance Measures

## Description

Measures the quantity of formal training utility employees are actually completing

Track number of preventable fleet incidents annually

Measures the time to closeout projects

OTAY WATER DISTRICT **AGENDA ITEM 8**  
**BOARD OF DIRECTORS POLICY**

Subject	Policy Number	Date Adopted	Date Revised
DIRECTORS COMPENSATION, REIMBURSEMENT OF EXPENSES AND GROUP INSURANCE BENEFITS	08	2/20/91	6/10/05

Purpose

To provide guidelines for payment of compensation and reimbursement of expenses to Directors in connection with their attendance at meetings or the performance of other authorized business, and for group insurance benefits for Directors.

Background

Members of the Board of Directors attend regular, adjourned or special meetings of the Board. In addition, members of the Board of Directors attend other District meetings, committee meetings, association meetings, and educational seminars on behalf of the District. These meetings and seminars are related to District business, water and water related issues, and California special districts. State statutes authorize District payments for meetings, reimbursements of expenses. State law also authorizes the District to provide health and welfare benefits for active Directors and, in limited circumstances, retired Directors if they served 12 years and were first elected prior to January 1, 1995. The District is also authorized to offer health and welfare benefits for retired Directors who commenced office on or after January 1, 1995, if the recipient participates on a self-pay basis.

Policy

The District will compensate Directors on a per diem basis for attendance at authorized meetings or functions and will reimburse Directors for reasonable expenses incurred while traveling on District business to include, lodging, dining, transportation and related incidentals.

A. Directors Per Diem

As provided in Section 1.01 C. of the District Code of Ordinances, each Director shall receive a per diem in the amount of \$100 for each day of attendance at meetings of the Board or for each day of service rendered as a Director by request or authorization of the Board, not to exceed a total of ten days in any calendar month. Attendance at any meeting shown on Exhibit A to this Policy shall be deemed a meeting requested or authorized by the Board. Attendance of meetings shall be in accordance with Exhibit A. The President of the Board of Directors of the Otay Water District may authorize a Director to attend meetings not listed in Exhibit A when he or she determines that it is in the interest of the District that a Director attend, and that such attendance be compensated and expenses reimbursed. Director's claims for per diem amounts shall be made on a "Board of Directors Per Diem and Mileage Claim Form" (Exhibit B). The President of the Board of Directors may approve reimbursement of expenses outside the per diem limit for a Director, if the

**OTAY WATER DISTRICT  
BOARD OF DIRECTORS POLICY**

Subject	Policy Number	Date Adopted	Date Revised
DIRECTORS COMPENSATION, REIMBURSEMENT OF EXPENSES AND GROUP INSURANCE BENEFITS	08	2/20/91	6/10/05

Director submits receipts for all of the related District business expenses.

When travel arrangements require a day earlier arrival or a day later departure, Directors will not be eligible for the \$100 per diem, however, reasonable expenses associated with the extended stay will be reimbursed as specified below.

**B. Pre-payment of Otherwise Reimbursable Expenses**

The Director may request pre-payment of registration, transportation, and lodging, using the "Board of Directors Travel Request Form" (Exhibit C). Pre-payments shall be limited to the Director's expenses only. No advances shall be made on travel expenses.

**C. Reimbursement of Expenses**

Each Director shall be reimbursed for travel expenses to and from the meetings described in Exhibit A or for any other authorized District business as follows:

**1. Authorization**

Travel associated with the attendance of meetings or functions for Directors shall be approved in advance by the Otay Water District Board President. To request approval of travel, the Director should complete a "Board of Directors Travel Request Form" (Exhibit B) in order to be eligible for compensation and/or reimbursement. Travel requests will be reviewed and approved by the Board President.

**2. Transportation**

**a. Air Transportation**

The District will endeavor to purchase airline tickets in advance taking advantage of discounts and low airfares.

**b. Automobile**

**1. Personal Auto:** Directors may use their personal vehicle. The District will reimburse Directors at the current rate/mile as established by the IRS, plus tolls, parking, etc., provided, however, if air transportation is available, the total amount of expense paid shall be limited to the cost of coach air travel between points traveled by personal vehicle. Gasoline, collision and liability insurance, and maintenance will be provided by the Director and is deemed covered in the rate/mileage

**OTAY WATER DISTRICT  
BOARD OF DIRECTORS POLICY**

Subject	Policy Number	Date Adopted	Date Revised
DIRECTORS COMPENSATION, REIMBURSEMENT OF EXPENSES AND GROUP INSURANCE BENEFITS	08	2/20/91	6/10/05

reimbursement.

Directors using personal vehicles on District business must maintain a valid California driver's license and the automobile insurance coverage required by the State of California, or make arrangements for a driver who meets the above requirements. The General Manager's Staff will verify that Directors have a valid driver's license. Directors will also be required to maintain automobile insurance coverage. Proof of such insurance will be submitted two times per year, in January and July, and is required to be eligible for mileage reimbursement.

2. Rental Cars: The District will provide a rental car when needed. Such rental car shall be a compact or mid-size class, unless upgrades are offered at no additional cost to the District.

c. Miscellaneous Transportation  
Whenever practicable, bus, taxi, rail, shuttle, etc. transportation may be used in lieu of, or in conjunction with, modes above.

3. Meals and Lodging

a. Meals and Beverages  
Whenever travel requires meals, the meals, excluding gratuity, shall be reimbursable, provided the Director presents a receipt along with the "Board of Directors Expense Claim Form" (Exhibit D) for all meals. Reimbursements for expense items where a receipt has been lost will not be paid until the President has reviewed and approved the expense item. Meals are reimbursable up to the following maximum rates:

1. Full Day Reimbursement  
When a Director is traveling for a full day and no meals are provided for by other sources, such as pre-paid registration, the Director may be reimbursed for meal expenses up to a maximum rate of \$46 per day. This amount is exclusive of any gratuities.

2. Single Meal Reimbursement  
When a director requires reimbursement for a

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single meal while traveling, the maximum meal reimbursement amount shall be at a rate of \$8 for Breakfast, \$13 for lunch, and \$25 for dinner, or amounts determined by the President of the Board of Directors to be reasonable for the occasion or circumstances. These amounts and any amount approved by the President shall exclude gratuities. Concerning "in county" meetings, from time to time Directors will be required to attend a District required meeting during the noon hour. These meetings are avoided whenever possible; however, when they do occur, Directors are reimbursed for these meals with the approval of the President of the Board of Directors.

3. Partial Day Reimbursement

When a director will be traveling for a partial day or where a single meal is provided for by other sources such as pre-paid registration, the maximum reimbursement amount shall be reduced to \$21 when only dinner is not reimbursable; \$33 when only lunch is not reimbursable; and \$38 when only breakfast is not reimbursable, or such other amounts as may be determined by the President of the Board of Directors to be reasonable for the occasion or circumstances. In any event all amounts to be reimbursed shall exclude any gratuities.

4. Taxes

The maximum meal reimbursement amounts are inclusive of and assume expenses for taxes. The maximum meal reimbursements shall exclude any and all gratuities.

b. Lodging

The District will reimburse Directors or pre-pay accommodations in single rooms at conference facilities or in close proximity when applicable. Or, in the absence of conference accommodations, normal single-room business, government or commercial class accommodation may be obtained. Under normal circumstances, lodging will not be reimbursed for the night before a conference starts and the night after it ends. However, in situations where available travel schedules would require the Director to leave home before 6:00 AM or return to home after 12:00 AM, lodging for the night before or the night after will

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be reimbursable.

4. Entertainment

The District shall not cover any expenses incurred for recreation or entertainment.

5. Incidental Expenses

Unavoidable, necessary and reasonable authorized expenses will be fully reimbursed by the District. Some examples of allowable expenses are:

a. Telephone Calls (Business): Calls placed by the Director, to the District office, or for the purpose of conducting District business. Business related calls should be itemized on the Director's "Board of Directors Expense Claim Form" (Exhibit D).

b. Telephone Calls (Personal): One (1) brief personal call each day away from home, up to a \$10 maximum per day.

c. Telephone Calls (Local): Charges for local calls, for meal or transportation reservations, or for area information related to travel.

d. Reasonable transportation to local restaurants and to optional functions that are a part of conference events.

e. Parking fees.

f. The following expenses are not reimbursable:

1. Alcoholic beverages
2. Parking or traffic violations
3. In-room movies or laundry services

6. Director's Responsibility

a. Directors must submit a detailed "Board of Directors Expense Claim Form" for reimbursement. Claim forms should be supported by vouchers and itemized receipts of expenditures for which reimbursement is being requested. Receipts must be attached for all expenses. If a receipt is lost, the lost receipt must be noted on the "Board of Directors Expense Claim Form" (Exhibit D) and approved by the President of the Board before any payment can be made. Claim forms shall be submitted within 45 calendar days after the expense was incurred. Expense claims requiring

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reimbursement to the District, which are not reconciled within 45 calendar days, shall be deducted from the next month's reimbursement.

- b. Expenses will not be reimbursed for meetings that have been pre-paid and not attended. Directors shall submit, in writing, for action at the next Board meeting the reason why they were not able to attend the meeting and why they should be excused. Directors will be required to reimburse the district for any pre-paid expenses for any unexcused absence. This reimbursement will be made by deduction from future expenditures.
- c. When two (2) or more Directors combine an expense on one receipt, the Director requesting reimbursement should indicate, on or attached to the Director's "Board of Directors Expense Claim Form" the identity of the other persons sharing expenses. This will facilitate appropriate allocation of expenses to each participant.
- d. Expenses incurred by spouses, family members, or guests are the responsibility of the Director.
- e. Staff will create a quarterly report showing in detail all expenses for the Board of Directors. The report will include all expenses, for example, stipend, mileage, seminar, airline or ground travel, meals, telephone use, the date incurred, and the Director's name. All payments will be listed whether the payment was a reimbursement or direct payment made on behalf of the Director to a vendor. The reports will be presented to the Board of Directors at public meetings.

**D. District Group Insurance Benefits**

- 1. Each Director, while serving as a member of the Board of Directors, shall be entitled to the health and welfare and life insurance benefits set forth in the Schedule of Benefits in the District Group Insurance Plan Booklet, which benefits are furnished by the District, at District cost, for active District employees and Directors. Each active Director shall also be entitled to a \$65,000 term life and accidental death and dismemberment insurance policy and a \$50,000 travel accidental death and dismemberment policy.
- 2. Each former member of the Board of Directors, who served in office after January 1, 1981, who was elected to a term of office that began before January 1, 1995, who is at least

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60 years of age, and whose total service at the time of termination is not less than 12 years, shall be entitled to the health and welfare and life insurance benefits set forth in the District Group Insurance Plan Booklet, which benefits are furnished by the District, at District cost, for retired Directors.

For Directors elected to a term of office that began on or after January 1, 1995, the District may provide for continuation of any health or welfare benefits only if the recipient participates on a self-pay basis.

E. Miscellaneous

1. The following are not reimbursable expenses:
  - a. Cell phone expenses
  - b. Service fees for internet access
2. The District does not provide equipment, such as fax machines, computers and laptops to board members for District business use.

Attachments

- Exhibit A: Approved Function List
- Exhibit B: "Board of Directors Per Diem and Mileage Claim Form"
- Exhibit C: "Board of Directors Travel Request Form"
- Exhibit D: "Board of Directors Expense Claim Form"

### Approved Functions List

#### Board Policy for payment of per diems and expenses for Director attendance at District meetings:

The Board reviews its authorization and policy for payment of per diems (pre-approved meetings) annually, in January following reorganization of the Board and election of a new President. Below is the current Board policy:

1. The following meetings are pre-approved for all Directors to attend and receive a per diem and expense reimbursement:

- Otay Water District Regular and Special Board Meetings
- Otay committee meetings for committee members only
- Otay business meetings called by the General Manager and authorized by the President of the Board where individual Directors are requested to attend

All other meetings not listed here require pre-approval by the President or Board.

2. The following meetings are pre-approved for designated Otay Director representatives or designated alternate. The District Secretary will maintain an updated list of designated Director representatives. Any other Director who wishes to attend these meetings and receive a per diem must have approval from the President or Board prior to the event or be designated by the President or Board, as an alternate.

- Planning Group and City Commission meetings that fall within the boundaries of each directors district (when issues impacting OWD are discussed)
- Inter-Agency Committee Meeting.
- METRO (TAC/AFFORD) Commission
- ACWA or CSDA meetings/conferences

3. The Board President or his designee is pre-authorized to attend District business meetings with cities and other agencies to represent Otay Water District, and may claim a per diem and expenses. Any other Director desiring to attend the same meeting of this nature would require approval to attend from the President or the Board in order to receive a per diem and expense reimbursement.

EXHIBIT A

4. When the President or the Board appoints a director(s) to a committee, the meeting(s) shall be considered pre-approved for per diem and expense reimbursement.
5. The following meetings are not eligible for pre-approved per diem claims:
  - a) Attending other Districts' Board meetings
  - b) Otay employee appreciation breakfast, luncheons or dinners
  - c) Retirement receptions
  - d) Otay picnics or dinner-dances or other purely social events
  - e) CWA meeting attendance (by Otay Water District appointed CWA Board Member(s))
  - f) Chamber of Commerce events
  - g) First Friday Breakfasts unless presenting Otay official business to the assembly
  - h) Any political campaign event or function
6. In order to submit a per diem/travel reimbursement the member must attend at least 50% of the meeting (per day) and the reimbursement request must be submitted within 45 days of the occurrence, otherwise it may be considered attended without per diem. The President of the Board will make the final determination.
7. All other meetings/conferences/tours/seminars/workshops/functions not listed in this policy must be approved in advance by requesting the Presidents approval.





INSTRUCTIONS FOR PREPARATION OF  
BOARD OF DIRECTORS PER DIEM CLAIM FORM

1. Record the date, and name or purpose/issues discussed of meeting attended on behalf of the District.

Note: The District will pay Director's per-diem for one meeting/function per day and the maximum of 10 meetings/functions per month. If a Director attends more than 10 meetings/functions (10 days), the District will reimburse for the mileage and any reimbursable out-of-pocket expenses incurred for these additional meetings.

2. Record number of miles (round trip) driven to attend meeting/function.

The use of personal vehicles in the conduct of official District business shall be reimbursed at the current Internal Revenue Service rate. The Director's expense claim should indicate the nature of the trip. If a trip begins at home, the District will reimburse the mileage from home to destination and return mileage. District insurance does not cover personal vehicles while they are being driven on District business. The reimbursement rate is inclusive of an allowance for insurance costs. The District will reimburse Directors for the deductible under their personal insurance policy should they be involved in an accident while on District business. To be eligible for reimbursement, each Director shall maintain a current California driver's license and at least the minimum vehicle liability insurance required by State law or shall arrange for a driver who meets said standards.

The District will not reimburse the cost of travel of a personal nature taken in conjunction with travel on official business.

Claim forms shall be submitted within 45 calendar days after the meeting date. Expense claims requiring reimbursement to the District which are not reconciled within 45 calendar days, shall be deducted from the next month's reimbursement.

**No information on the Per Diem Claim Form may be designated as confidential in nature. All expenses must be fully disclosed on the form.**



**OTAY WATER DISTRICT  
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TRAVEL REQUEST FORM**

Director: \_\_\_\_\_ Date of Request: \_\_\_\_\_

Name and Location of Function: \_\_\_\_\_

Date(s) function to be held: \_\_\_\_\_

Sponsoring Organization: \_\_\_\_\_

**Request for Prepayment of Fees Related to the Function:**

Expense Type	Not Needed	Pre-Payment Requested
Registration	<input type="checkbox"/>	<input type="checkbox"/>
Airline	<input type="checkbox"/>	<input type="checkbox"/>
Auto Rental	<input type="checkbox"/>	<input type="checkbox"/>
Mileage	<input type="checkbox"/>	N/A
Taxi/Shuttle	<input type="checkbox"/>	N/A
Lodging	<input type="checkbox"/>	<input type="checkbox"/>
Meals	<input type="checkbox"/>	N/A
Other Expenses – Explain Below	<input type="checkbox"/>	<input type="checkbox"/>

Lodging Preference: \_\_\_\_\_

Explanation of Other Expenses: \_\_\_\_\_

Signature of Director \_\_\_\_\_ Date of Request \_\_\_\_\_

For Office Use Only Below This Line

Date of Board Approval: \_\_\_\_\_

Expense Type	Description	Amount Pre-Paid
Registration		
Airline		
Auto Rental		
Mileage		N/A
Taxi/Shuttle		N/A
Lodging		
Meals		N/A
Other Expenses		

\_\_\_\_\_ District Secretary

\_\_\_\_\_ Date Processed





**INSTRUCTIONS FOR PREPARATION OF  
BOARD OF DIRECTORS EXPENSE CLAIM FORM**

The necessary expenses incurred while traveling on District business including common carrier fares (economy class), automobile rental charges, District business telephone calls, one personal telephone call home each day (\$10 maximum per day), lodging, baggage handling, parking fees, meals, etc. will be reimbursed when documented on the Director's Per Diem and Expense Claim Forms. Receipts must be attached for all meal expenses. If a receipt is lost, the lost receipt should be noted next to the expense and submitted to the President before any reimbursement can be made. Receipts are required for the reimbursement of all expenses.

All receipts must have the nature of the expense and the business purpose noted on the receipt.

The District will not reimburse the cost of travel of a personal nature taken in conjunction with travel on official business.

Meals shall be reimbursed up to \$46 per day, or an amount determined by the President of the Board of Directors to be reasonable for occasion or circumstances, exclusive of any gratuities. Partial days shall be reimbursable at a rate of \$8 for breakfast, \$13, for lunch and \$25 for dinner, or amounts determined by the President of the Board of Directors to be reasonable for the occasion or circumstances, excluding any gratuities. The above amounts may be combined if travel status requires two (2) or more meals. The meal reimbursement amounts are inclusive of and assume expenses for taxes only. Gratuities are not reimbursable and are excluded. Where pre-paid registration includes meals, only meals that are not included in the registration will be reimbursable.

Any receipts that include costs of personal travel (e.g., hotel receipt for employee and spouse) should identify what the cost would have been without personal travel (e.g., single room rate as opposed to double room rate).

Claim forms shall be submitted within 45 calendar days after the expense was incurred. Expense claims requiring reimbursement to the District which are not reconciled within 45 calendar days, shall be deducted from the next month's reimbursement.

**No information on the Expense Claim Form may be designated as confidential in nature. All expenses must be fully disclosed on the form.**

**The following expenses are not reimbursable:**

- |                                  |   |
|----------------------------------|---|
| a. Alcoholic Beverages           | d. Laundry service  |
| b. Parking or traffic violations | e. Entertainment or recreation                              |
| c. In-room movies                | f. Expenses incurred by spouses, family members, or guests. |