



● **Executive Committee**

6/22/2010 Committee Meeting

7f

Subject

Authorization for travel by Directors

Description

The first record of formal authorization for Directors to travel on Metropolitan Water District of Southern California (Metropolitan) business was Resolution 6118 adopted at the July 24, 1962 board meeting, which established that Directors were permitted to travel within California for proper Metropolitan purposes as each Director deems necessary. Travel outside of California required board approval.

In May 1964, the Board Chair obtained authority to approve out-of-state travel. A December 1966 resolution specified the types of travel that could qualify as a proper Metropolitan purpose, such as attendance at Metropolitan meetings or the meetings of other listed public agencies and associations. A November 1968 resolution gave Directors the option of traveling by private automobile in lieu of using public transportation.

In February 1971, the area for travel at the discretion of each Director was extended to and from points outside of California but not more than 500 miles from Metropolitan Headquarters Building in Los Angeles. Also, in the Chair's absence, Vice Chairs, or in the absence of Vice Chairs, the Secretary of the Board, were authorized to approve out-of-state travel by Directors outside of the established 500-mile area.

Resolution 7387, passed on January 11, 1972, incorporated all past travel authorization, provided that all travel must be by the most direct, usually traveled route, and authorized first class accommodations for all forms of transportation and lodging. The January 1972 action also provided that, with prior written approval of the Board Chair, Metropolitan would pay the expenses of a Director's spouse if it is demonstrated that a real need exists for the spouse's presence in order to effect the proper participation of Metropolitan at the event.

In March 1980, the area for travel at the discretion of each Director was expanded to travel anywhere within the states of California, Arizona and Nevada. The March 1980 action also provided that expenditures for lodging, meals, transportation and other activities should provide for reasonable comfort and convenience, bearing in mind that public funds are being spent and that only a reasonable level of comfort is warranted.

A March 1983 action confirmed that travel outside of California, Arizona and Nevada required the Board Chair's approval, and added that, on the Chair's referral, approval could be delegated to the Executive Committee.

An August 1987 action added that the expenses of the spouse of the Board Chair when traveling with the Chair on Metropolitan business were reimbursable expenses.

Board action in September 1990 clarified authority for international travel by Directors by adding a new section to the Administrative Code. Authorization for international travel required the recommendation of the Board Chair and the approval of the Executive Committee. The provision also sets forth criteria to be considered when determining whether approval of the travel is warranted, including a balancing of the benefits to be gained with the costs to be incurred.

In conjunction with a revision of travel expense claim procedures, the Board in June 1991, explained that an expense furthers the interests of Metropolitan when it is incurred for an activity that has a significant and meaningful link to the purposes and interests of Metropolitan. The action clarified that international travel required the prior authorization of the Executive Committee, with the recommendation of the Board Chair. Also, the expenses of a Director's spouse would only be paid if specifically authorized in writing in advance by the Board Chair or the Executive Committee.

In March 1994, to reflect a change in the federal tax law, it was added that Metropolitan reimbursement for the expenses of a spouse would be reported as income to the recipient.

In August 1997, approval for international travel by Directors was changed to authorize approval by the Board Chair, with the Board Chair reporting quarterly to the Executive Committee on all international travel that has been approved for Directors, department heads and staff members.

The last change to travel authorization was made in November 2005 to comply with a change in state law requiring adoption of a written policy for reimbursement of expenses incurred in the performance of official duties, including a maximum daily reimbursement rate for lodging, meals and incidental expenses. The maximum reimbursement rate for Directors for lodging, meals and other actual and necessary expenses, excluding transportation costs, was set at \$850 per day. The maximum rate was anticipated to exceed actual travel costs, which still must satisfy the other requirements of Metropolitan’s travel policy.

For the committee’s information, a summary of the history of authorization for domestic and international travel by Directors from 1962 to the present day is set forth in the table of [Attachment 1](#).

Policy

Directors' travel authorization

Fiscal Impact

None

	6/9/2010
Karen L. Tachiki General Counsel	Date

	6/14/2010
Jeffrey Lightlinger General Manager	Date

Attachment 1 – History of Authorization for Travel by Directors

History of Authorization for Travel by Directors

Date	Authorized Activity and Approval Required
July 24, 1962	<ul style="list-style-type: none"> • Directors permitted to travel within California on District business for proper District purposes as each director deems necessary. Expense reports to be submitted pursuant to established Board procedure. • Travel outside of California requires Board approval
May 12, 1964	Board Chair given authority to approve out of state travel
Dec. 13, 1966	To establish certainty for travel insurance coverage for directors, Resolution 6922 authorizes directors to travel within California to the extent deemed necessary by the director when such travel is undertaken for the purpose of furthering the business of the District. District purposes noted as including, but not limited to, attendance at District meetings and meetings of other listed public agencies and associations.
Nov. 19, 1968	Gave directors the option of traveling by private automobile in lieu of using public transportation, with travel outside of California requiring the approval of the Board Chair.
Jan. 12, 1971	To establish certainty for travel insurance coverage for directors, Resolution 7311 confirms the authority of directors to travel within California and outside of California for the purpose of furthering the business of the District. Travel outside of California subject to approval of Board Chair.
Feb. 9, 1971	Resolution 7318 passed to provide that advance authorization by the Board Chair is NOT required for travel to and from points outside of California but not more than 500 miles from the District's Headquarters Building in Los Angeles. Also, established that if Chair is unable to authorize out of state travel, authorization can be given by the Vice Chair, and if the Vice Chair is unavailable, then the Secretary of the Board.
Jan. 11, 1972	<p>Resolution 7387 passed to incorporate all previous authority on travel, with some additions.</p> <ul style="list-style-type: none"> • Directors authorized to travel within California and to and from points outside of California which are not more than 500 miles from District Headquarters to the extent deemed necessary by the director for the purposes of furthering the business of the District. • Travel outside of California which is more than 500 miles from the District's Headquarters in Los Angeles requires approval of the Board Chair. • Directors have option of traveling by private automobile or public transportation • With prior written approval by Board Chair, participation of the spouse of a director in events of interest to the District permitted if a real need exists for such spouse's presence in order to effect the proper participation of the District in the event. • If the Chair is not available to provide a required travel approval, the approval can be provided first by Vice Chair, and then by Secretary of the Board. • All travel must be by the most direct, usually traveled route. • Authorized first class accommodations for all forms of transportation and lodging.
March 11, 1980	Permitted a director to travel to the extent deemed necessary by the director anywhere within the states of California, Arizona and Nevada. Provides that expenditures for lodging, meals, transportation and other activities should provide for reasonable comfort and convenience, bearing in mind that public funds are being spent and only a reasonable level of comfort is warranted.

March 8, 1983	Authority to travel on District business outside of California, Arizona and Nevada requires approval of the Board Chair or, on the Chair's referral, the Executive Committee.
August 18, 1987	Added that the expenses of the spouse of the Board Chair, when traveling with the Chair on District business, shall be reimbursable expenses.
Sept. 11, 1990	<p>Clarifies authority for international travel by directors and employees by adding a new section to the Administrative Code. Authorization for international travel by directors requires the recommendation of the Board Chair and the approval of the Executive Committee. Sets forth the criteria for determining whether approval is warranted as:</p> <ul style="list-style-type: none"> • Whether significant personal contacts of direct and significant benefit to the District will result • Whether technical, or administrative information to be gained will be of direct and significant benefit to the District • Whether the cost of participation, including both travel costs and time taken from other District assignments, is warranted by the anticipated benefits of new knowledge, contacts, or technology • Whether dissemination of information about the District to the target audience will significantly contribute to the protection of the District's rights and properties.
June 11, 1991	<p>In conjunction with revising expense claim procedures, provided that:</p> <ul style="list-style-type: none"> • An expense shall be deemed to be incurred to further the interests of the District when it is incurred for an activity that has a significant and meaningful link to the purposes and interests of the District. • Regarding international travel, provides that the Board Chair or the Department Heads are to inform the Executive Committee in advance of events involving international travel. International travel by a director requires the recommendation of the Board Chair and approval of the Executive Committee. • Allows for payment of travel costs beyond the time period that is normally required for such purposes, like a weekend, if the extension of time reduces the transportation costs that would otherwise have been incurred, thereby resulting in a net cost savings overall. Only transportation costs to and from an event are allowed. • Expenses of a director's spouse only paid by the District if specifically authorized in writing in advance by the Board Chair or the Executive Committee as an expense necessary and proper for the proper representation of the District. • Established a time limit to submit expense claims of 90 days after the expenses were incurred.
March 8, 1994	<p>To reflect a change in the federal tax law, added that District reimbursements for the expenses of the spouse of a director shall be reported as income of the recipient. Deleted provision that the expenses of the Board Chair's spouse when traveling with the Chair on District business shall be reimbursable.</p>
August 12, 1997	<p>Requires approval of the Board Chair for international travel by directors and that the Board Chair shall report quarterly to the Executive Committee on all international travel that has been approved pursuant to the Administrative Code for directors, Department Heads and staff members.</p>
Nov. 8, 2005	<p>Amended the District's travel expense provisions to comply with state law by adding a maximum reimbursement rate (excluding transportation costs) of \$850 per day.</p>