ORANGE COUNTY POWER AUTHORITY
Policy Number 005: Board of Directors and Community Advisory Committee Members' Compensation and Expense Reimbursement Policy
Approved: 11/20/2023 | Revised: 09/14/2026

This Policy governs compensation and reimbursement of expenses for members of the Authority's Board of Directors and Community Advisory Committee (Committee Members). The Policy applies to both regular members of the Board and alternate members, as well as Committee Members as specified herein.

DIRECTORS' COMPENSATION

Pursuant to this Policy adopted by the Board of Directors, the Authority is authorized to compensate Board members in the amount described below for (1) attending each meeting of the Board of Directors, and (2) otherwise providing a day of service to the Authority. Pursuant to Section 3.8 of the Authority's Joint Powers Agreement, the Authority's Board members shall receive the then-current amount provided to directors of the Orange County Sanitation District (OCSD). In compliance with OCSD's current ordinance relating to OCSD director compensation, on January 1 of each year, beginning with January 1, 2025, the amount of compensation for attending each meeting of the Board of Directors or otherwise providing a day of service to the Authority shall increase automatically by five percent (5%) unless said increase is waived by the OCSD board of directors or OCSD's ordinance is repealed or amended to eliminate such automatic increases. The Policy limits compensation to a specified maximum number of days per month. The Board of Directors may, from time to time, amend the Policy to change the amount of compensation and/or the maximum number of compensable days per month.

The following activities are compensable.

Compensable Activities

1. Meetings

   Each regular Director shall be entitled to compensation for attendance at (1) each meeting of the Board of Directors; (2) each meeting of a standing committee on which the Director serves; (3) each meeting of an ad hoc committee to which the Director has been duly appointed; (4) each meeting of any joint governmental board, committee, or association to which the Director has been appointed as the Authority's representative; and (5) attendance at California Community Choice Association (CalCCA) annual conferences. Each alternate Director shall be entitled to compensation for attendance at a meeting when, and only when, the alternate Director attends the meeting in place of the regular Director.

2. Required Training

   Each Director shall be entitled to compensation for attendance at the ethics training required by Government Code Section 53235 and the sexual harassment training and education required by Government Code Section 12950.1.

3. Other Activities

   The Chair of the Board of Directors and Chief Executive Officer may, on a case-by-case basis, authorize compensation of individual Directors for a day of service when participating in the following types of activities: (1) meetings with representatives of local, regional, state, or national government on issues affecting the Authority; (2) meetings, conferences, and seminars relating to the business and operation of community choice aggregation entities,

(3) ceremonial events sponsored by the Authority; (4) ceremonial events sponsored by another organization; (5) meetings of agencies, nonprofit organizations, or service clubs where the Director makes a presentation on behalf of the Authority; and (6) meetings with Authority staff, including telephone conferences when physical attendance is impractical.

4. Considerations

The Board Chair and the Chief Executive Officer shall approve compensation under Section 3 above only for activities that provides a benefit to the Authority. Benefits include, but are not necessarily limited to, the acquisition of information, education, training, and skills that will further the Authority's mission and purpose. Other benefits include positive changes to federal and state statutes and regulations that govern the Authority, and maintenance of positive relations with the public and other governmental agencies.

Limitation

In no event shall a Director receive compensation for more than one meeting or other activity on the same day. Directors may not be compensated for more than eight meetings per month.

Non-Compensable Activities

Notwithstanding the section above, Board members shall not receive compensation for the following activities: (1) attendance at meetings or events of nonprofit organizations or service clubs, except when the Board Chair and Chief Executive Officer have authorized the Director to make a presentation on behalf of the Authority as described above; (2) Authority sponsored employee events including, but not limited to, the annual employee holiday luncheon and retirement events; (3) parades, festivals, holiday events, or retirement dinners; (4) meetings, without Authority staff present, with existing or potential contractors, vendors, or consultants; (5) meetings of partisan political organizations; (6) meetings, tours, and similar events conducted at the request of the Board member; or (7) any activity not described above.

COMMUNITY ADVISORY COMMITTEE MEMBERS COMPENSATION

Community Advisory Committee members shall be compensated in the amount of $50 for attending each meeting of the Community Advisory Committee, limited to one (1) meeting per month.

REIMBURSEMENT OF DIRECTORS' AND COMMITTEE MEMBERS' EXPENSES

Approved Activities

In accordance with the terms of this Policy, the Authority will reimburse Directors for certain expenses incurred in connection with the compensable activities described above in Directors Compensation, including without limitation attendance at Board or committee meetings; provided, however, that alternate Directors shall be authorized to attend CalCCA conferences and shall be eligible for reimbursement of associated expenses as set forth below, whether or not the alternate Director is attending the conference in place of the regular Director. The Authority will not reimburse Directors for any other expenses.

In accordance with the terms of this Policy, the Authority will reimburse Committee Members for certain expenses set forth below incurred solely in connection with their attendance at CalCCA annual conferences. The number of Committee Members eligible to attend a CalCCA annual conference and receive reimbursement under this Policy shall be determined prior to each CalCCA annual conference by the Chief Executive Officer, in consultation with the Board Chair. To be eligible to receive reimbursement for expenses incurred in connection with attendance at a CalCCA annual conference, the Committee Member must successfully complete ethics training required by

Government Code Section 53235 and the sexual harassment prevention training and education required by Government Code Section 53237.1. The Authority will not compensate or otherwise reimburse any expenses of Committee Members.

Reimbursable Expenses

1. Transportation

   In travelling to and from activities or events, Directors and Committee Members must use the most economical form of transportation that is reasonably consistent with the Director's or Committee Member's travel and scheduling requirements.

2. Mileage for Personal Vehicles

   a. The Authority will reimburse Directors and Committee Members for use of personal vehicles based on actual miles traveled at the then-current "standard mileage rate" adopted by the U.S. Internal Revenue Service for use in deducting the cost of operating an automobile for business purposes. The Authority will not reimburse Directors or Committee Members for any other personal vehicle expenses.

   b. When calculating mileage traveled by a Director or Committee Member to attend an activity or event, the Authority will use the lesser of (1) the distance from the administrative headquarters of the Director's or Committee Member's appointing member agency to the event, and (2) the actual distance traveled. Mileage reimbursements shall not exceed the cost of the lowest available airfare.

3. Other Transportation Expenses

   a. When travel by personal vehicle is impractical, the Authority will reimburse Directors and Committee Members for the actual cost of (1) regularly-scheduled travel by airplane, train, bus, or other commercial carrier, (2) rental cars, and (3) taxis and other comparably-priced for-hire vehicles. The Authority will also reimburse Directors and Committee Members for related necessary travel expenses such as baggage fees, toll charges, and parking fees. Directors and Committee Members must take advantage of any government or group rates offered by a transportation provider.

   b. Before deciding to travel by air, each Director and Committee Member must consider the total cost of alternatives, including the cost of ground transportation and any necessary lodging. Each Director and Committee Member should also consider alternative departure times, departure and arrival airports, dates, departure times, and stopovers to minimize airfare. Directors and Committee Members should request travel arrangements as early as possible to take advantage of lower airfares.

   c. Generally, the Authority will reimburse Directors and Committee Members only for air travel in coach class. When necessary based on a Director's or Committee Members' physical needs and/or the need to conduct meaningful work during a flight, the Board Chair has the discretion to approve reimbursement of first-class air travel. For trips that will exceed 24 hours, Directors and Committee Members must use their personal cars to travel to and from the airport, and utilize long-term airport parking, rather than pay for a taxi or other transportation to and from the airport.

4. Lodging

   a. The Authority will reimburse Directors and Committee Members for actual and necessary lodging expenses incurred in attending a conference, seminar, or meeting

(for Committee Members, attendance is limited to annual CalCCA conferences). Directors and Committee Members must take advantage of any government rate or group rate for lodging whenever possible. If there is no government or group rate, the Authority will reimburse Directors and Committee Members for lodging up to the per diem rate used by the U.S. Internal Revenue Service as the maximum allowable deduction for business-related lodging expenses. The per diem rates are set by the General Service Administration ("GSA") for federal employees. The rates are set forth at https://www.gsa.gov/travel/plan-book/per-diem-rates.

b. Lodging in connection with an activity that lasts only one day is considered "necessary" when the travel time to and from the activity exceeds two hours.

5. Meals

The Authority will reimburse Directors and Committee Members for actual and necessary dining expenses incurred while attending (1) a conference, seminar, or meeting outside of the Authority, or (2) an Authority-related business meeting within the Authority. The Authority will reimburse Directors and Committee Members up to the applicable daily total GSA per diem rate for meals as set forth at https://www.gsa.gov/travel/plan-book/per-diem-rates. Reasonable tipping up to 20% of the meal is acceptable.

6. Incidentals

The Authority will reimburse Directors and Committee Members for actual and necessary incidental expenses incurred while attending a conference, seminar, or meeting outside the Authority, up to the applicable GSA per diem rate set forth at https://www.gsa.gov/travel/plan-book/per-diem-rates. Reimbursable expenses include tips given to drivers, porters, bellhops, baggage carriers, and hotel housekeepers.

7. Travel Arrangements

Each Director and Committee Member must utilize Authority staff to arrange all travel, lodging, and event registrations. The Chief Executive Officer shall designate an Authority employee responsible for making these arrangements. The Chief Executive Officer shall designate a single travel agency for use in making all travel arrangements.

Expenses That Are Not Reimbursable

The Authority will not reimburse Directors or Committee Members for the costs of: (1) barber and/or beauty shop services; (2) fines for traffic or parking violations; (3) any person accompanying a Director or Committee Member on a Authority-approved trip or event; (4) personal telephone calls; (5) fitness/health facility use; (6) massages; (7) alcoholic beverages; (8) entertainment (movies, sporting events, etc.); or (9) vehicle expenses other than the standard mileage charge.

Reimbursement Procedure

Each Director or Committee Member seeking reimbursement must file with the Secretary of the Board an expense report no later than three weeks after the conclusion of the compensable or reimbursable activity. The report shall attach detailed, actual receipts for all expenses. The report shall document that each expense meets the requirements for reimbursement set forth in this Policy. Without limiting the foregoing, each report shall identify the compensable activity and the date, nature, and purpose of each expense for which reimbursement is sought. For reimbursement of a personal vehicle expense at the standard mileage rate, the expense report shall identify the date of the travel, the actual miles traveled, and the business purpose of the travel. The Chief Executive Officer shall prepare a standard form of expense report for use by Directors and Committee Members in seeking reimbursement.

Board Reports
Each Director and Committee Member seeking reimbursement of expenses incurred in connection with an activity shall provide a brief report of the activity at the next regular meeting of the Board of Directors or Community Advisory Committee, as applicable.

Other Expenses
Any expense that does not meet the requirements of this Policy may be reimbursed only if the Board of Directors approves the expense at a public meeting before the expense is incurred.

PENALTIES
Any Director or Committee Member that misuses public resources or falsifies an expense report required by this Policy is subject to the following penalties: (1) loss of reimbursement privileges; (2) restitution of the Authority; (3) civil penalties for misuse of public resources pursuant to Government Code Section 8314; and/or (4) prosecution for misuse of public resources pursuant to Penal Code Section 424.