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## LCRA BOARD POLICY

### 105 – DIRECTORS' FEES AND EXPENSE REIMBURSEMENT

Sept. 21, 2016

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#### 105.10 PURPOSE

The purpose of this policy is to establish guidelines for payment of fees and for reimbursement of the expenses members of the LCRA Board of Directors incur in carrying out their responsibilities as directors of the Lower Colorado River Authority.

#### 105.20 POLICY

**105.201 Directors' Fees.** Each director is entitled to fees in accordance with the LCRA enabling legislation, LCRA bylaws, state statutes and resolutions adopted by the Board for each day of service necessary for performing the duties of a director. Performing the duties of a director includes:

- Substantive performance of the management or business of LCRA, including participation in Board and committee meetings;
- Other activities involving the substantive deliberation of LCRA business, including meetings with LCRA staff or other officials; and
- Attendance at association meetings, conventions and conferences that are directly related to LCRA business, provided such attendance is authorized by prior resolution of the Board.

Directors are not entitled to fees for: travel days when no LCRA business is being conducted; routine or ministerial activities, such as the execution of documents or self-preparation for meetings; or other activities requiring a minimal amount of time.

Directors will receive as fees of office \$150 for each day of service necessary to discharge their duties, plus actual expenses, if and only if the compensation and expenses are approved by vote of the Board. The \$150 daily fee only may be charged in its entirety and not modified to a lesser amount.

No director will be paid fees in excess of 150 days in any one calendar year or as otherwise established by state law.

**105.202 Directors' Expenses.** Directors are entitled to reimbursement of expenses incurred that are "ordinary" and "necessary" in carrying out their responsibilities as LCRA Board members. An expense is "ordinary" if it occurs with some degree of consistency in

LCRA's business; an expense is "necessary" in terms of what is "appropriate and helpful" to the development or conduct of the business of LCRA. Normally, these expenses include travel, meals and lodging while away from home conducting LCRA business.

Expenses that qualify for reimbursement include travel expenses for airfare, car rental, taxi, and use of a personal automobile or airplane. The mode and method of travel will be at the discretion of each director. Airfare on a common carrier may not be reimbursed in an amount exceeding the lowest available fare.

Expenses will be reimbursed consistent with the Texas Comptroller of Public Account's use of the U.S. General Services Administration's domestic maximum per diem rates to establish maximum reimbursement rates for Texas "key officials." Reimbursement to Board members for qualifying meals, lodging, travel, and personal automobile or airplane use will be reimbursed based on the costs actually incurred but will not exceed the maximum reimbursement amounts established for "key officials." In accordance with exceptional situations as established by the Federal Travel Regulation, lodging will be reimbursed at actual expense (up to 300 percent of per diem for the location of stay) with approval of the chief financial officer. Maximum reimbursement rates will be communicated periodically by LCRA's controller. Also qualifying as reimbursable expenses are any other "ordinary" and "necessary" expenses. Generally, no reimbursement is allowed for the cost of entertainment or recreation unless the expense is directly related to the active conduct of the business of LCRA.

### **105.30 RESPONSIBILITIES**

Board members must complete the Directors' Fees and Expense Report form and attach receipts for meal expenses in excess of \$25 per day; original itemized receipts for lodging; and any other expense receipts, such as receipts for taxis, telephone calls, etc., that are greater than \$25 per day. Directors also will provide itemized receipts for meal and other expenses of an individual nature charged directly to LCRA.

To receive fees of office and reimbursement for expenses, Board members must file an affidavit showing the number of days actually spent in LCRA's service and a general description of the duties performed for each day of service. The Directors' Fees and Expense Report form, receipts, and affidavit will be submitted to the general manager or his or her designee.

The Board's Audit and Risk Committee has general oversight over directors' fees and expenses and will require periodic audits of compliance with this policy to be conducted by the general auditor. Written results of that audit will be presented to the Audit and Risk Committee. In addition, the Audit and Risk Committee will provide oversight of the annual budget for directors' fees and expenses and will conduct a periodic review of the incurred board support expenses.

## **105.40      AUTHORITY**

Texas Water Code, Section 49.060

LCRA enabling legislation, Chapter 8503, Special District Local Laws Code

LCRA bylaws, sections 2.08 and 2.10

Texas Comptroller of Public Accounts – Travel Reimbursement Rates, Key Official

U.S. General Services Administration Maximum Domestic Per Diem Rates

Federal Travel Regulation, Chapter 301 Part 300-11, Subpart D – Actual Expense

**EFFECTIVE:** Dec. 5, 1986. Amended Dec. 12, 1991; Dec. 13, 2000; Aug. 22, 2001; March 26, 2008; April 21, 2009; Dec. 14, 2011; May 21, 2014; and Sept. 21, 2016.