



**DELTA-MONTROSE ELECTRIC ASSOCIATION
BOARD OF DIRECTORS POLICY**

General Matters Relating Primarily to the Board of Directors

BP 2—Section 4

Subject: Board of Directors Compensation Policy

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Last Revised: 7/28/15

Last Reviewed: 7/28/15

Board Approval: 7/28/15

OBJECTIVE

To establish a system for the payment of Director allowances and for the reimbursement of authorized expenses of DMEA Directors.

ACCOUNTABILITY

Board of Directors and the Chief Executive Officer (CEO).

SCOPE

1. Current Directors will receive a flat fee of \$700.00 per month.
2. Life Insurance will be provided to Directors as outlined in the current Basic Benefit Package Summary. Coverage for Business/Travel/Accident (Management Group) of \$100,000 flat amount is provided to Directors.
3. Each Director in attendance will receive compensation and appropriate expenses for such meetings convened in accordance with the Bylaws, or approved by the Board and/or designated meeting chairman. Prior approval must be obtained from the President of the Board to attend meetings, which benefit the continuing education and training of the Directors of the Association. The President shall advise the CEO to make arrangements (travel, lodging, class enrollments, etc.) as necessary.
4. The allowance for attendance of a Director at a regular, committee, or special meeting of the Board shall be \$100 unless the meeting exceeds three hours, then Directors will be compensated an additional \$25 per hour, not to exceed \$175 in compensation per calendar day. Directors will be compensated round trip mileage from their residence to meeting site. Mileage will be paid at the current Internal Revenue Service standard mileage rate.
5. Directors will be compensated for attending committee meetings even though they may not be a member of that particular committee. Compensation will be paid at the rate of \$100 per meeting for meetings held at different locations and/or times on the same day, although total compensation for multiple meetings shall not exceed \$175 per calendar day.



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6. Compensation will be paid at the rate of \$175 per day for meetings outside of the DMEA service territory.
7. A travel allowance will be paid only for travel to meetings held outside the DMEA service territory of up to \$175 per day, provided the travel is not on the meeting day, as per the following.
 - * One travel day allowance will be paid for meetings held within the state and less than 300 miles from DMEA headquarters at the rate of \$175.
 - * Not more than two travel day allowances will be paid for any individual meeting, whether in state or out of state; unless mitigating circumstances occur.
8. Vehicle travel will be reimbursed at the rate paid by the Association to its employees up to, but not to exceed the equivalent cost of commercial airfare.
9. Travel will be reimbursed on an actual operating cost basis, not to be in excess of the cost of travel by commercial air, tourist or comparable class. Actual expenses for food and lodging incurred during non-local travel will be reimbursed on that basis, provided that such expenses include only reasonable expense items compatible and appropriate to the work assignment.
10. DMEA, recognizes that at times a Director may have additional meal expenses because of relationships with persons associated with the REA's or related organizations, but at no time shall a Director submit an expense for compensation from DMEA for a spouse or companion.
11. Expenses for lodging, or for travel and meals for a spouse or companion who accompanies a Director to a meeting, conference seminar, or convention will be the personal expense of the Director, and expenses for persons other than the Director will not be reimbursed by the Association.



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12. Normally, there will be no reimbursement for activities undertaken by a Director on his own initiative unless the reimbursement is approved by the Board at the next regular board meeting.
13. Each Director will submit a monthly reimbursement claim on a prescribed form at the following regular/committee meeting to the President of the Board. The CEO will provide a summary report to the President on a monthly basis covering all reimbursements to individual Directors during the month.
14. Disputes arising from payment of fees will be settled by a majority of the quorum present.
15. In no event shall Board members serving DMEA in a representative capacity, such as NRECA, CREA, Western United, CFC, as well as any other meetings that a Director may attend, receive like compensation for attendance of meetings when receiving fees, expenses, travel allowance, or a per diem from the representative organization. If a Director receives compensation from other organizations for attendance, travel, or other appropriate expenses resulting from their representing this Association, the like compensation shall not be paid by DMEA.

However, if a fee is paid and expenses are not, DMEA will reimburse expenses in accordance with this Policy. It is the intent of this Policy to reimburse Directors for travel expenses, which include meals, lodging, and transportation, and to pay a board fee for DMEA representative attendance. If any or all of these items are reimbursed or paid by any other organization, it is specifically prohibited for this Association to reimburse or pay that particular item (or all items if applicable). Any compensation for items not specifically addressed here shall require prior Board approval.

16. A Board member is not required to receive any or all of the allowable compensation or reimbursements. A Board member may elect not to seek reimbursement for expenses incurred by not submitting reimbursement requests, or to receive compensation as allowed by this Policy by notifying the Board President in writing that such compensation is not to be paid.


President of the Board

Date: 8/25/15