

Metropolitan Water District of Salt Lake & Sandy
Board Packet Information
Last Update: January 23, 2008

Agenda Item: Consider approval of Board compensation practices

Objective: Receive direction from the board regarding compensation practices

Background: State statute (section 17B-1-307 enclosed) and the District's Policies and Procedures (section 1-8 enclosed) allow for compensation of trustees. The approved FY 2008 budget includes \$35,000 for such purposes. The District does not have established guidelines related to per diem compensation. The state Division of Finance policy for per diem indicates \$60 is received for an official meeting that lasts up to four hours and \$90 for a meeting that last more than four hours. District guidelines have been established to govern travel expenses.

Recommendation: Staff feels that is timely to discuss and evaluate historical and current practices regarding board compensation so that the desires of the current board regarding compensation are being fairly and adequately addressed.

17B-1-307. Annual compensation -- Per diem compensation -- Participation in group insurance plan -- Reimbursement of expenses.

(1) (a) Except as provided in Subsection 17B-1-308(1)(e), a member of a board of trustees may receive compensation for service on the board, as determined by the board of trustees.

(b) The amount of compensation under this Subsection (1) may not exceed \$5,000 per year.

(c) (i) As determined by the board of trustees, a member of the board of trustees may participate in a group insurance plan provided to employees of the local district on the same basis as employees of the local district.

(ii) The amount that the local district pays to provide a member with coverage under a group insurance plan shall be included as part of the member's compensation for purposes of Subsection (1)(b).

(2) (a) As determined by the board of trustees, a member of a board of trustees may receive per diem compensation, in addition to the compensation provided in Subsection (1), for attendance at up to 12 meetings or activities per year related to any district business.

(b) The amount of per diem compensation under Subsection (2)(a) shall be as established by the Division of Finance for policy boards, advisory boards, councils, or committees within state government.

(3) In addition to any compensation a member receives under this section, each member of a board of trustees shall be reimbursed by the local district for all actual and necessary expenses incurred in attending board meetings and in performing the member's official duties.

Renumbered and Amended by Chapter 329, 2007 General Session

1-8 COMPENSATION, TRAVEL EXPENSES, GROUP HEALTH COVERAGE

(1) Annual Compensation. To the extent monies are appropriated for this purpose in the annual budget, and the Board approves the expenditure, Trustees are eligible to receive annual compensation to the maximum allowed by law, payable monthly for each full month of service or major portion thereof. Should a Trustee wish to be covered under the District's group health plan (or group health insurance policy, if applicable), the cost of group health coverage for that Trustee will be paid by the District, up to the amount of maximum annual compensation allowed by law, and such cost of coverage paid by the District shall be deducted from that Trustee's annual compensation.

(2) Per Diem Compensation. To the extent of an unencumbered appropriation for this purpose in the annual budget, and the Board approves the expenditure, in addition to monthly compensation described in P&P Section 1-8(1), Trustees are eligible to receive per diem compensation for attendance at up to 12 meetings or activities per year related to District business. This per diem compensation shall be as established by the Division of Finance for policy boards, advisory boards, counsels or committees within state government. Trustees are eligible to receive per diem compensation for attending Board meetings, committee meetings, city council meetings, legislative sessions, community council meetings, conferences, seminars, dispute resolutions sessions or court hearings, hearings regarding employment or procurement issues, and other meetings on behalf of the District. The allowed per diem compensation shall be recommended to the Board by the Executive Committee, consistent with Division of Finance guidelines, as described in P&P Section 1-14(1)(d).

(3) Travel Expenses. In addition to annual and per diem compensation described in P&P Sections 1-8(1) and 1-8(2). Trustees are eligible to be reimbursed for all actual and reasonable expenses incurred in attending Board meetings, attending meetings described in P&P Section 1-8(2), or in performing official duties. Actual expenses may be reimbursed on a per diem basis consistent with IRS schedules. Mileage shall be reimbursed at the rate which is generally prevailing for mileage reimbursement by employers.

(4) Group Health Coverage. To the extent of an unencumbered appropriation for this purpose in the annual budget and the Board approves the expenditure, and except as otherwise limited or excluded in the District's group health plan (or group health insurance policy, if applicable), individual Trustees may elect to participate in the group health coverage provided to employees of the District on the same basis as employees of the District. Any amounts paid by the District for a Trustee's participation in such group health coverage shall be limited to the allowable annual compensation, and included in the calculation of the maximum annual compensation payable to that Trustee, as described in P&P Section 1-8(1).