1	· · ·		Exhibit
2			Witness: James Adkin
3	Nolin Ru	Iral Electric Cooperative	
4		se No. 2016-00367	RECEIVED
		April 30, 2016	DEC <b>2 9 2016</b>
5 6		April 30, 2010	
о 7	· · · ·	Payroll Adjustment	PUBLIC SERVICE
, 8	<u>-</u>	ayron Aujustment	COMMISSION
9	To reflect the increase granted by	v the Board of Directors, the step	increases granted and
<b>10</b> <sup>`</sup>	promotions during the year. To g	-	-
11	hired during the test year. Increa		
12	Wage and Salary Plan. Overtime	pay is calculated at 1-1/2 times re	egular pay rate for
13	hours worked in excess of 8 hour	s per day.	· .
14	•		
15	Nolin Rural Electric has always hi		
16	continue into future years. These	e employees were normalized at	the same rate and hours
17	during the test year.		
18	<b>T</b> he second s		
19	There are no union employees.	· ·	
20			
20 21	Wage and salary increases are as	follows	
21	Wage and salary increases are as	follows:	
	Wage and salary increases are as 2016	follows: 3.25%	
21 22			
21 22 23	2016	3.25%	
21 22 23 24	2016 2015	3.25% 2.80%	
21 22 23 24 25	2016 2015 2014	3.25% 2.80% 3.00%	
21 22 23 24 25 26	2016 2015 2014 2013	3.25% 2.80% 3.00% 2.00%	
21 22 23 24 25 26 27	2016 2015 2014 2013 2012	3.25% 2.80% 3.00% 2.00% 1.50%	
21 22 23 24 25 26 27 28	2016 2015 2014 2013 2012 2011	3.25% 2.80% 3.00% 2.00% 1.50% 2.75%	
21 22 23 24 25 26 27 28 29 30 31	2016 2015 2014 2013 2012	3.25% 2.80% 3.00% 2.00% 1.50% 2.75%	ar.
21 22 23 24 25 26 27 28 29 30 31 32	2016 2015 2014 2013 2012 2011 The amount of increase was alloc	3.25% 2.80% 3.00% 2.00% 1.50% 2.75% cated based on the actual test yea	
21 22 23 24 25 26 27 28 29 30 31 31 32 33	2016 2015 2014 2013 2012 2011	3.25% 2.80% 3.00% 2.00% 1.50% 2.75% cated based on the actual test yea	ar. 4,012
<ul> <li>21</li> <li>22</li> <li>23</li> <li>24</li> <li>25</li> <li>26</li> <li>27</li> <li>28</li> <li>29</li> <li>30</li> <li>31</li> <li>32</li> <li>33</li> <li>34</li> </ul>	2016 2015 2014 2013 2012 2011 The amount of increase was alloc Projected wages	3.25% 2.80% 3.00% 2.00% 1.50% 2.75% cated based on the actual test yea \$7,40	4,012
21 22 23 24 25 26 27 28 29 30 31 32 33 34 35	2016 2015 2014 2013 2012 2011 The amount of increase was alloc	3.25% 2.80% 3.00% 2.00% 1.50% 2.75% cated based on the actual test yea \$7,40	
<ul> <li>21</li> <li>22</li> <li>23</li> <li>24</li> <li>25</li> <li>26</li> <li>27</li> <li>28</li> <li>29</li> <li>30</li> <li>31</li> <li>32</li> <li>33</li> <li>34</li> </ul>	2016 2015 2014 2013 2012 2011 The amount of increase was alloc Projected wages Actual wages for test year	3.25% 2.80% 3.00% 2.00% 1.50% 2.75% cated based on the actual test yea \$7,40 7,38	4,012 1,846
<ol> <li>21</li> <li>22</li> <li>23</li> <li>24</li> <li>25</li> <li>26</li> <li>27</li> <li>28</li> <li>29</li> <li>30</li> <li>31</li> <li>32</li> <li>33</li> <li>34</li> <li>35</li> <li>36</li> <li>37</li> </ol>	2016 2015 2014 2013 2012 2011 The amount of increase was alloc Projected wages	3.25% 2.80% 3.00% 2.00% 1.50% 2.75% cated based on the actual test yea \$7,40 7,38	4,012
<ul> <li>21</li> <li>22</li> <li>23</li> <li>24</li> <li>25</li> <li>26</li> <li>27</li> <li>28</li> <li>29</li> <li>30</li> <li>31</li> <li>32</li> <li>33</li> <li>34</li> <li>35</li> <li>36</li> </ul>	2016 2015 2014 2013 2012 2011 The amount of increase was alloc Projected wages Actual wages for test year	3.25% 2.80% 3.00% 2.00% 1.50% 2.75% cated based on the actual test yea \$7,40 7,38	4,012 1,846

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Exhibit 1 page of

# Nolin Rural Electric Cooperative Case No. 2016-00367 Allocation of Increase in Payroll

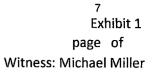
7			Labor		
8			Distribution	Percent	Allocation
9					
10	107.20	Construction work in progress	1,209,735	16.4%	3,633
11	108.80	Retirement work in progress	147,684	2.0%	443
12	163.00	Stores	191,588	2.6%	575
13	184.00	Transportation	35,492	0.5%	107
14	186.10	Employee sick leave	56,228	0.8%	169
15	416.00	Non operating accounts	21,544	0.3%	65
16	580.00	Operations	110,356		
17	583.00	Overhead line	398,287		
18	584.00	Underground	69,112		
19	586.00	Meter	403,059		
20	587.00	Consumer installation	12,619		
21	588.00	Miscellaneous distribution	731,937	23.4%	5,181
22	590.00	Maintenance	133,338		
23	592.00	Station	21,413		
24	593.00	Overhead line	708,438		
25	594.00	Underground	31,851		
26	596.00	Street lights	89,002		
27	597.00	Meters	71,237		
28	598.00	Miscellaneous maintenance	50,275	15.0%	3,320
29	901.00	Supervision, customer accounts	106,603		
30	902.00	Meter reading	102,080		
31	903.00	Consumer records	973,389	16.0%	3,550
32	907.00	Customer service & information	32,935		
33	908.00	Consumer assistance	203,716		
34	910.00	Consumer information	144,628	5.2%	1,145
35	920.00	Administrative	1,258,251		
36	930.00	Miscellaneous	12,287		
37	935.00	Maintenance general plant	<u>54,762</u>	<u>18.0%</u>	<u>3,980</u>
38					
39		Total	<u>7,381,846</u>	<u>100.0%</u>	<u>22,168</u>
40			<i>;</i>		

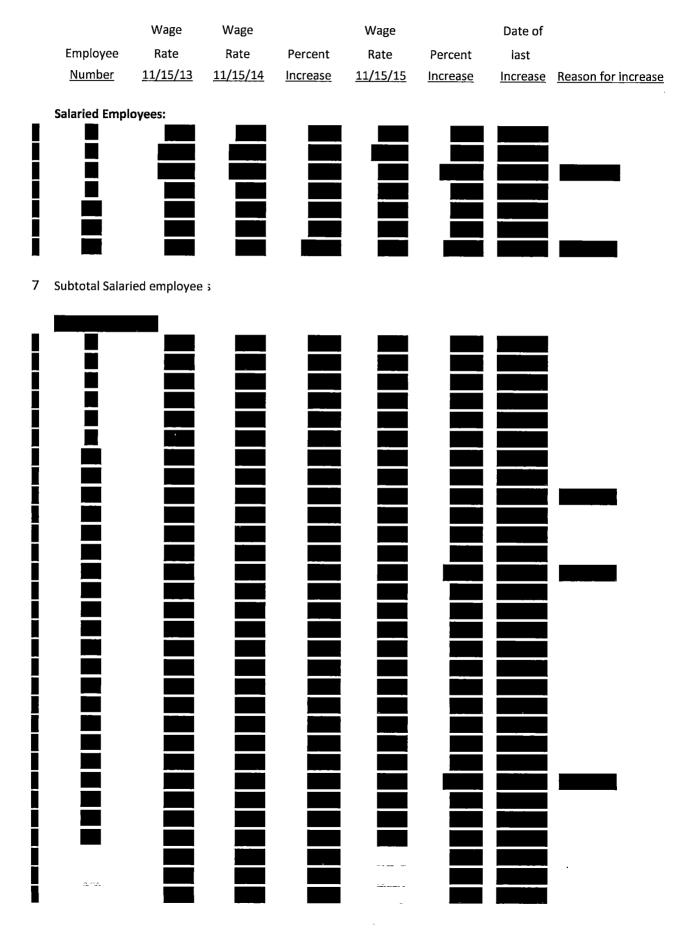
43					
44		Total	Ft. Knox	<u>Net No</u>	lin
45		<u>Payroll</u>	<b>Operations</b>	<u>Amount</u>	<u>Perce</u>
46					
47	Capitalized	1,357,419	53,655	1,303,764	96
48	Clearing and others	304,852	2,376	302,476	99.
49	Operations	1,725,370	15,032	1,710,338	99.
50	Maintenance	1,105,554	108,604	996,950	90
51	Consumer accounts	1,182,072	1,972	1,180,100	99.
52	Customer service	381,279	0	381,279	100
53	Sales	0	0	0	0
54	Administration and general	<u>1,325,300</u>	<u>189,374</u>	<u>1,135,926</u>	85.
55		<u>7,381,846</u>	<u>371,013</u>	<u>7,010,833</u>	94
56					
57	Allocation of increase to Nolin only:				
58					
59		Total	<u>Net No</u>	lin	
60		<u>Adjustment</u>	<u>Percent</u>	<u>Amount</u>	
61					
62	Capitalized	4,076	96.05%	•	
63	Clearing and others	916	99.22%	909	
64	Operations	5,181	99.13%	•	
65	Maintenance	3,320	90.18%	•	
66	Consumer accounts	3,550	99.83%	3,544	
67	Customer service	1,145	100.00%	•	
68	Sales	0	0.00%		
69	Administration and general	<u>3,980</u>	85.71%		
70		<u>22,168</u>	94.97%	<u>21,054</u>	
71					
72					
			•		

						Wages		Wage		1	Normalized V	Vages			
Employee		Hours Work	ed Test Year		]			Vacation		Rate			@ 2,080 Ho	ours	
<u>Number</u>	Regular	Overtime	Dispatch	Total	Regular	Overtime	Dispatch	Payout	Total	<u>11/1/2015</u>	Regular	Overtime	Dispatch	Vac Pay	Wage
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			Actual Test Year Wages Wage							Normalized Wages					
Employee		Hours Worke	ed Test Year					Vacation		Rate			@ 2,080 Hc		
Number	Regular	Overtime	Dispatch	Total	Regular	Overtime	Dispatch	Payout	Total	11/1/2015	Regular	Overtime	Dispatch	Vac Pay	Wages
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-					Actual Test Year Wages		Wage		1	Vormalized V	/ages				
Employee		Hours Work	ed Test Year					Vacation		Rate			@ 2,080 Ho	urs	
<u>Number</u>	Regular	Overtime	Dispatch	Total	Regular	Overtime	Dispatch	Payout	Total	11/1/2015	Regular	Overtime	Dispatch	Vac Pay	Wages
							Property						Disputer		
			-				,			=			•	-	
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Employee <u>Number</u>	Wage Rate <u>11/15/13</u>	Wage Rate <u>11/15/14</u>	Percent Increase	Wage Rate <u>11/15/15</u>	Percent Increase	Date of last <u>Increase</u>	Reason for increase

9 Exhibit 1 page of Witness: Michael Miller

	Wage	Wage		Wage		Date of	
Employee	Rate	Rate	Percent	Rate	Percent	last	
<u>Number</u>	<u>11/15/13</u>	<u>11/15/14</u>	<u>Increase</u>	<u>11/15/15</u>	<u>Increase</u>	<u>Increase</u>	Reason for increase
	i						
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1			Exhibit 1
2			Witness: Michael Miller
3			
4			
5		Nolii	n Rural Electric Cooperative
6			Case No. 2016-00367
7		`	Employee Information
8			April 30, 2016
9			
10			
11	The followi	ng is a list of emp	loyees added during the test year, and the employees that were
12	replaced, or	r reason for hiring	g the employees.
13			
14			
15	Employee		
16	<u>Hired</u>		Reason
17			
18	293		aced employee #231 who resigned
19	303	Repl	aced employee who took #11 position
20			
21			
22	The following	ng is a list of emp	loyees terminated, and the date.
23		<b>F</b>	
24		Employee	Month
25		<u>Number</u>	Terminated
26		11	8/31/15
27 28		95	3/31/16
29		231	1/31/16
30		201	1,01,10
31			× ·
32			
33			
34			
35			
36		·	
37			
38			

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1					Exhibit 1
2				p	age of
3				Witness: N	/lichael Miller
4	Nol	in Rural Electri	c Cooperative		
5		Case No. 201	.6-00367		
6	Con	npensation of Exe	ecutive Officers		
7					
8		<u>Test Year</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
9					
10	Chief Executive Officer - CEO		726,151	212,545	216,150
11	Percent Increase				
12	VP, System Operations		224,576	200,567	202,403
13	Percent Increase				
14	VP, Administration and Finance		2/6,733	103,075	232,575
15	Percent Increase				
16	VP, Member Services			میں اور	22,22
17	Percent Increase				
18	VP, Office Services		Sender C. Star	177,215	191,215
19	Percent Increase				
20					
21					
22					
23	VP, Administration and Finance re	etired during the	test year.		
24					
25 26					
20					

# Nolin Rural Electric Cooperative Case No. 2016-00367 Duties and Responsibilities of Officers

**President & CEO** It is the responsibility of the President & CEO to report directly to the Board of Directors in implementing the Board policies and directives.

**VP of Operations** Collaborates with Construction and Maintenance Supervisors, and contractors, on a daily basis for operational needs. Prepares and presents the President & CEO an annual capital budget. Plans and organizes to serve members with efficient work. Promotes fast, dependable electric service to the members and maintain power quality. Maintains a knowledge of local and national laws and regulations governing the operations of Nolin. Reports directly to the President & CEO.

**VP, Finance and Accounting** Coordinates all audit efforts by various agencies. Maintains the financial status of Nolin by developing budgets and financial statements. Collaborates with supervisors to fill any vacant positions. Assists and advises other departments as requested in the preparation of departmental budgets. Maintains all information related to accounting, as needed. Develops short term cash investments and long term cash requirements. Assists in the development of information necessary for filing loan applications. Reviews the financial information to ensure compliance with regulatory agencies. Ensures that taxes are properly prepared and filed on a timely basis. Analyzes electric sales revenues, collections, delinquents, write-offs, and penalty charges for efficiencies. Maintains knowledge of laws and regulations governing the administration of Nolin. Directs in the preparation of daily cash transactions. Reports directly to the President & CEO.

**VP, Member Services** Plans and organizes to serve member/owners with efficient work. Works with demand-side management, conservation and energy efficiency programs for consumers. Investigates member concerns that have not been satisfied by other employees. Encourages in economic development in the region. Maintains knowledge of laws and regulations governing the operations of Nolin. Participates in community events and programs. Reports directly to the President & CEO.

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## Nolin Rural Electric Cooperative Case No. 2016-00367

Exhibit 1 page of Witness: Jim Adkins

#### Analysis of Salaries and Wages For the calendar years 2013 through 2015 and the Test year

		2013	1	velve Month 2014	T			Test ye	
Line	- Item		s % ·		%	2015 Amount	> %	4/30/20	
No	(a)	Amount (f)	(g)	Amount (h)	% (i)	Amount (j)	% (k)	Amount (i)	% (m
1 2	Wages charged to expense:	2 402	40/		004	0 700	20/	0.004	
2	Distribution expense	2,492	-4%	2,713	9%	2,792	3%	2,831	
4	Customer accounts expense Customer service and and information	1,201 351	7%	1,241	3%	1,181	-5%	1,182	
4 5	Sales expense	201	5% 0%	363	3% 0%	379	4%	381	
6	Administrative and general expenses:		0%		0%		0%		
U	(a) Administrative and general	1,067	5%	1,092	70/	1 225	1 30/	1 350	
	(b) Office supplies and expense	1,007	370	1,092	2%	1,225	12%	1,259	
	(c) Outside services employed								
	(d) Property insurance								
	(e) Injuries and damages		0%		0%		0%		
	(f) Employees hospitalization and benefits		0%		0%		0%		
	(g) Retirement and security		076		0%		0%		
	(h) Miscellaneous general	6	0%	11	83%	10	-9%	11	
	(i) Maintenance of general plant	37	6%	39	5%	48	23%	55	1
	(i) Maintenance of general plant	57	076	33	7/0	40	25%	22	-
7	Total administrative and general	1,110	5%	1,142	-3%	1,283	12%	1,325	
•	expenses L6(a) to L6(i)	1,110	570	1,172	570	1,200	1270	1,525	
8	Charged to clearing and others	249	-5%	351	41%	264	-25%	305	1
	-								
9	Total salaries and wages charged to expense	2							
	and other L2 to L6 + L7 + L8	5,403	1%	5,810	8%	5,899	2%	6,024	
		•							
10	Wages capitalized	1,202	7%	1,259	5%	1,391	10%	1,357	
11	Total salaries and wages	6,605	2%	7,069	7%	7,290	3%	7,381	
12	Ratio of salaries and wages charged								
	to expense to total wages L9 / L11	82%		82%		81%		82%	
13	Ratio of salaries and wages capitalized								
	to total wages L10 / L11	18%		18%		19%		18%	
14	Overtime wages	413	-26%	563	36%	551	-2%	510	

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1					Exhibit 2	
2				Witness:	lames Adkins	RECEIVED
3		Nolin Rural Elec	ctric Cooperat	ive		LULIVEL
4		Case No. 2	2016-00367			DEC 2 9 2016
5		Payro	ll Taxes			
5					Р	UBLIC SERVICE
,		oyer's portion of FICA and Medica			)16 as they we	COMMISSION
		The FICA rate is 6.2% and Medica			not change fro	m
0	\$118,500	in 2015 to 2016 for FICA; all wage	es are subject to	Medicare.		
0 1	Federal	nemployment rates are 0.000/f	or the first 67 0			
1 2		nemployment rates are 0.80% f 0% for the first \$10,200 of wages		ou of wages an	a state unem	ployment
2 3	1416 13 1.4	over on the mist \$10,200 of wages	•			
4	Proposed	FICA amounts				
5	FICA		446,640			
6	Medica	re	107,358_			
7			553,998			
B	Proposed	FUTA	5,545			
9	Proposed	SUTA	13,189	<u>572,732</u>		
0	_					
1	Test year					
2		d Medicare	546,741 4,649			
3	-	Test year FUTA				
1 5	Test year SUTA		13,798	<u>565,188</u>		
5	Increase			7,544		
7			:			
				Total	Net N	olin
3	Adjustme	nt:	Percent	<u>Adjustment</u>	Percent	Amount
)						<u> </u>
)	107	Capitalized	18.70%	1,411	96.05%	1,355
L	163 - 416	Clearing and others	4.80%	362	99.22%	359
2	580	Operations	22.80%	1,720	99.13%	1,705
3	590 001	Maintenance	18.70%	1,411	90.18%	1,272
ļ	901	Consumer accounts	16.40%	1,237	99.83%	1,235
; i	908 912	Customer service Sales	5.20%	392	100.00%	392
,	912 920	Administrative and general	0.00%	0 1 011	0.00% 85.71%	0
;	520	Administrative and Selicidi	1.5.40%	<u>1,011</u>	03./1%	867
			100.00%	<u>\$7,544</u>		7,185
I				<u> </u>	-	
	State unei	mployment (SUTA) wage rates a	re as follows:			
			2016	1.31%		
ļ			2015	1.00%		
			2014	1.20%		
			2013	0.70%		
,			2012	0.70%		
3			2011	0.70%		

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	<u> </u>	<u>1</u>	Carial Carine 100					······································		
			Social Security Wages		Medicare Wages		Federal Unemployment		State Unemployment	
Employee	Normalized	Up⊺o	@			Up to		Up to		
<u>Number</u>	Wages	\$118,500	6.20%	All Wages	1.45%	\$7,000	0.80%	\$10,200	1.310%	
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Employee	Normalized	Social Security Wages ized Up To @		Wedicate wages		Federal Unemployment		State Unemployment		
		11 i				Up to		Up to		
<u>Number</u>	Wages	\$118,500	6.20%	All Wages	1.45%	\$7,000	0.80%	\$10,200	1.310%	
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	Social Secur	ity Wages	Medicare	Wages	Federal Unemployment		State Unem	ployment
Normalized	Up To	@			Up to		Up to	
Wages	\$118,500	6.20%	All Wages	1.45%	\$7,000	0.80%	\$10,200	1.310%
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1 2	Exhibit 6 Witness: James Adkins									
3 4		Nolin Rural E		RECEIV	'ED					
5			-							
6			o. 2016-00 ent and Secu	•		DEC 292	D16			
7	PUBLIC SI									
8	Nolin Rural Electric provides pension benefits for substantially all employees throug COMMISSIC									
9	participation in the National Rural Electric Cooperative Association (NRECA)									
10	Retirement and Security (R & S) Program. It is the policy of Nolin Rural Electric to									
11 12		on costs accrued. R & S contrib mined by NRECA. Nolin Rural Ele			•					
12		mployee has accumulated 30 ye			-	nc				
14		discontinue.				115				
15	· ····									
16	The rate fo	or 2015 was 24.53% of base wag	es. For the 2	2016, the rate	is 25.28%.					
17	The adjust	ment is to normalize the R & S c	ontributions	using the rat	e for 2016					
18	and norma	lized base wages for full-time sa	alary and ho	urly employee	s.					
19										
20	Droposod	antribution cost								
21 22	-	contribution cost	1,369,554							
22	Test year R & S contributions1,291,009									
24	Proposed a	adjustment		78,545						
25										
26	The adjust	ment is allocated as follows:								
27				Total	Net N	<u>olin</u>				
28	Adjustmer	nt:	<u>Percent</u>	<u>Adjustment</u>	Percent	<u>Amount</u>				
29	4.07									
30	107	Capitalized	18.70%	•	96.05%	14,107				
31 32	163 - 416 580	Clearing and others Operations	4.80% 22.80%	-	99.22% 99.13%	3,741 17,752				
33	590	Mainteneance	18.70%	-	99.13% 90.18%	17,752				
34	901	Consumer accounts	16.40%	-	99.83%	12,860				
35	908	Customer service	5.20%	-	100.00%	4,084				
36	912	Sales	0.00%	-	0.00%	0				
37	920	Administrative and general	13.40%	<u>10,525</u>	85.71%	9,021				
38										
39			100.00%	<u>. 78,544</u>	-	74,810				
40										

.

Exhibit 6 Witness: James Adkins

Nolin Rural Electric Cooperative Case No. 2016-00367 R&S Calculated on Regular Wages April 30, 2016

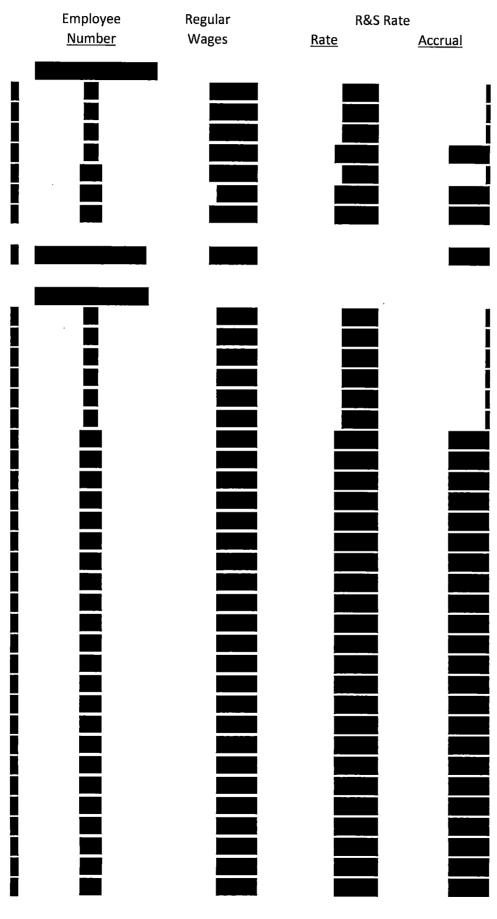


Exhibit 6 Witness: James Adkins

Nolin Rural Electric Cooperative Case No. 2016-00367 R&S Calculated on Regular Wages April 30, 2016

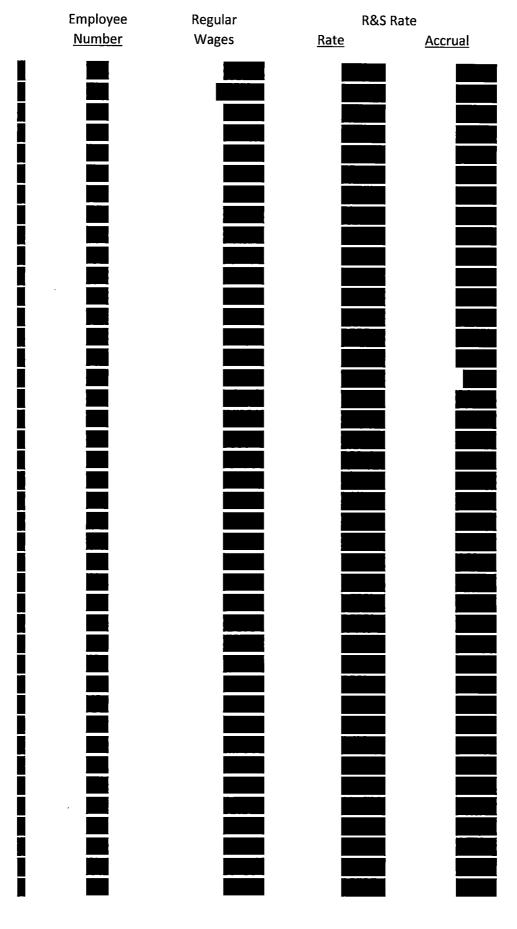
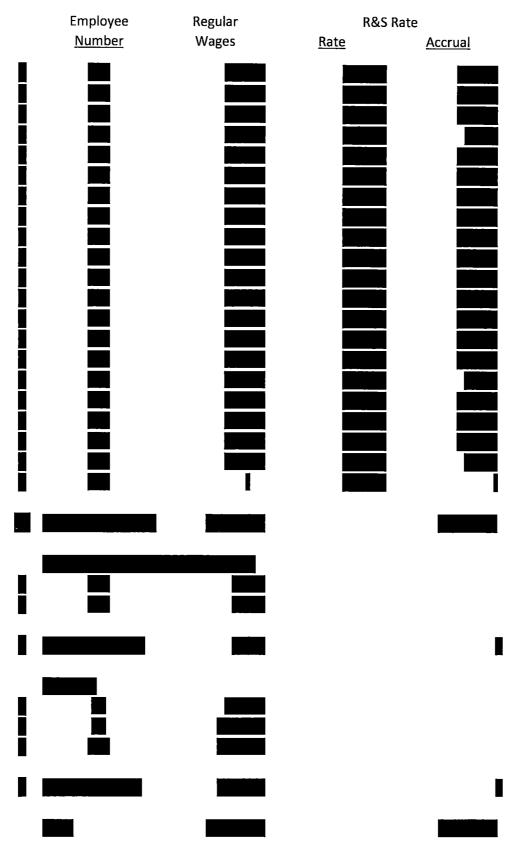


Exhibit 6 Witness: James Adkins

Nolin Rural Electric Cooperative Case No. 2016-00367 R&S Calculated on Regular Wages April 30, 2016



# Nolin Rural Electric Cooperative Case No. 2016-00367

Witness: Michael Miller

Director Fees and Expenses April 30, 2016

Director	Regular Board <u>Mtg</u>	Other Board <u>Mtg</u>	Per <u>Diem</u>	Mileage	Air <u>Fare</u>	Meeting <u>Fees</u>	<u>Hotel</u>	Meals	Health Insurance	Miscel Include	llaneous <u>Exclude</u>	Total
Brown, David			I		I		ł			•		
Grimes, Linda												
Ireland, Lawrence												
Rosenberger, A.L.												
Straney, Gene												
Thomas, Raymond												
Total												

The following have been excluded for rate-making purposes

- 3

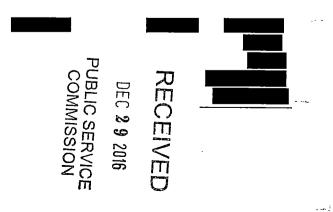
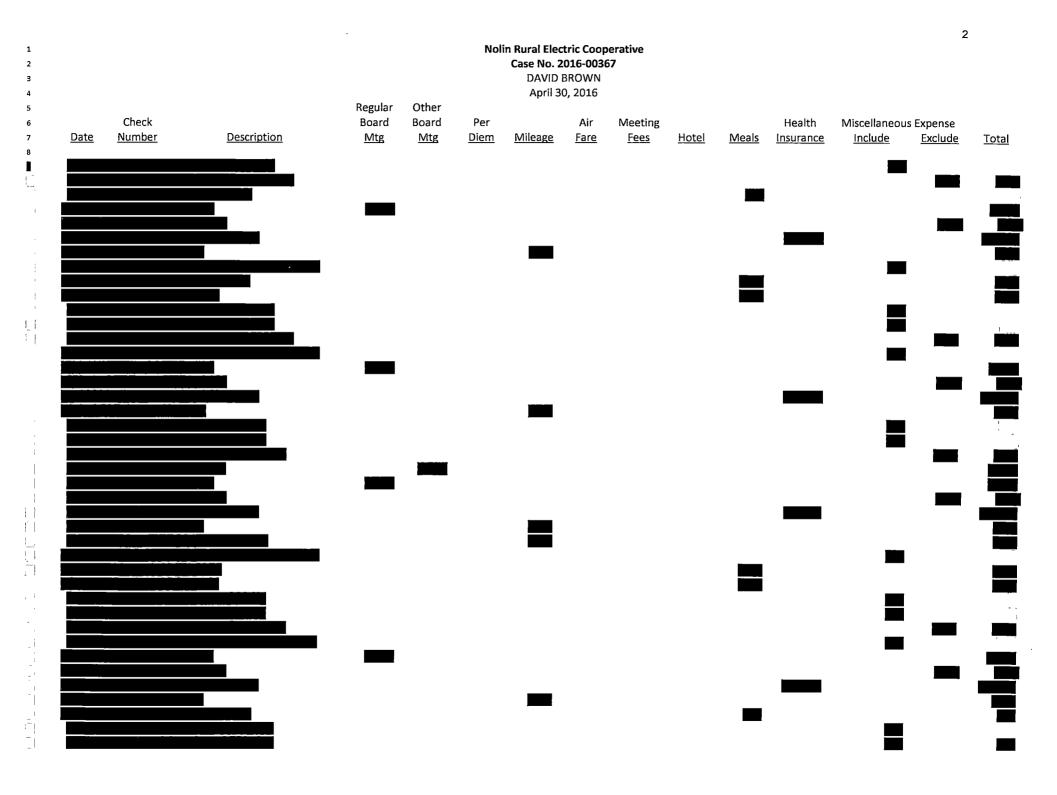
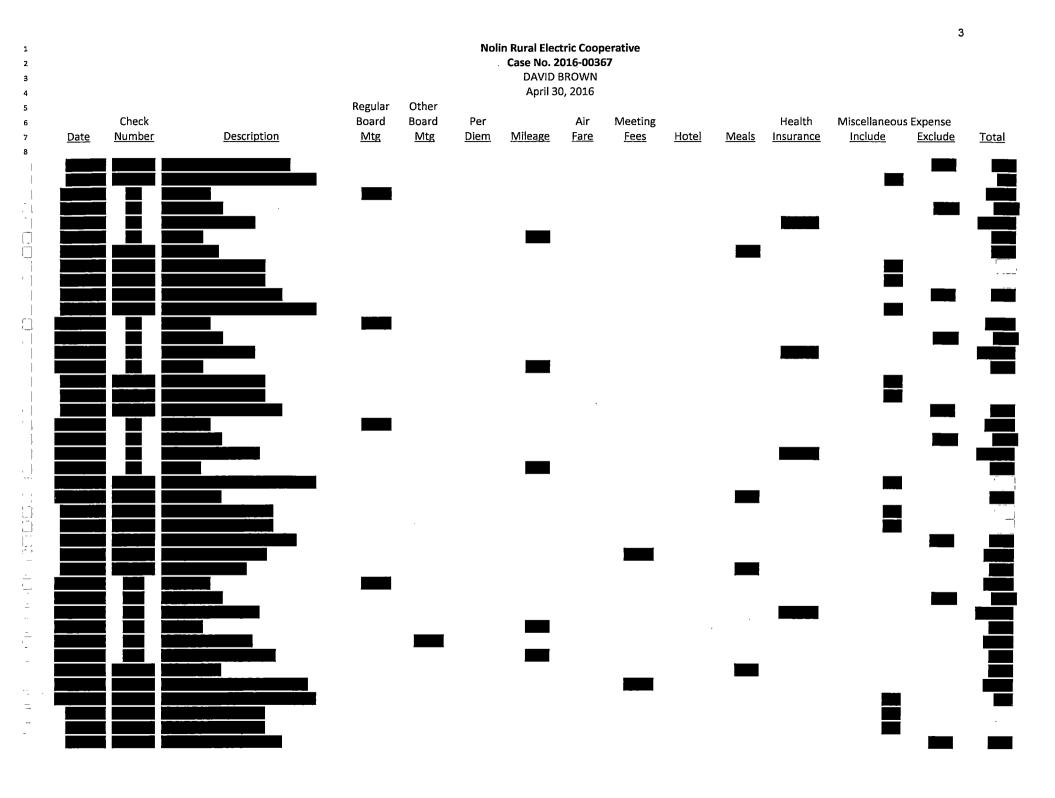
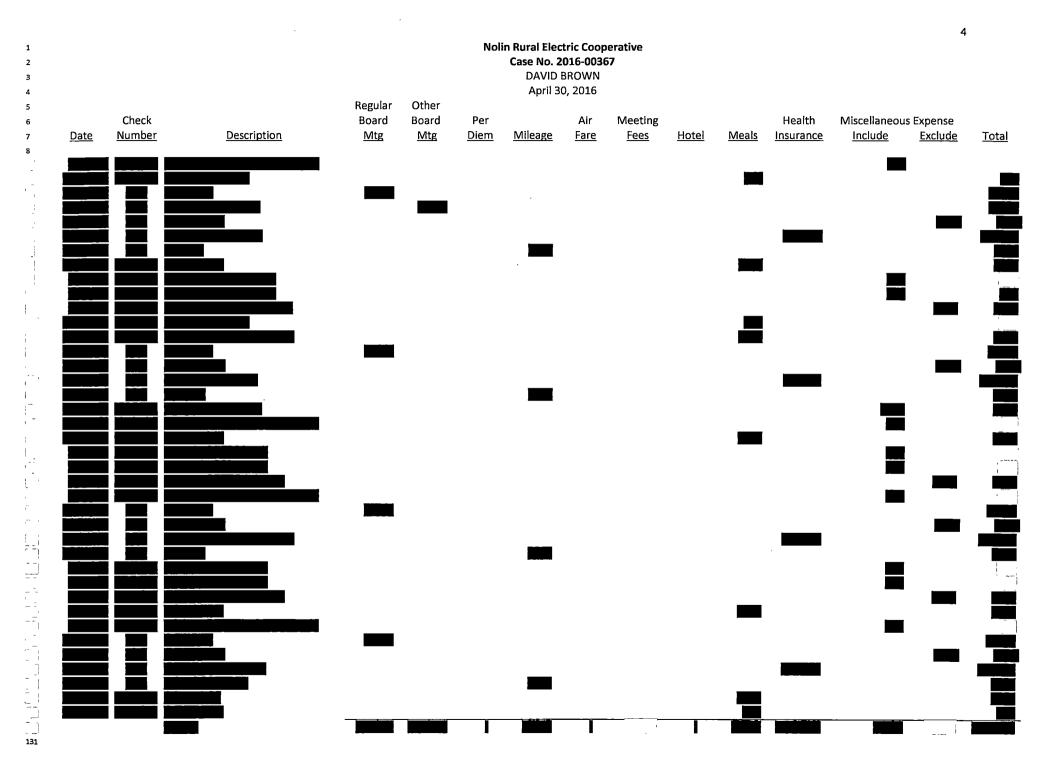
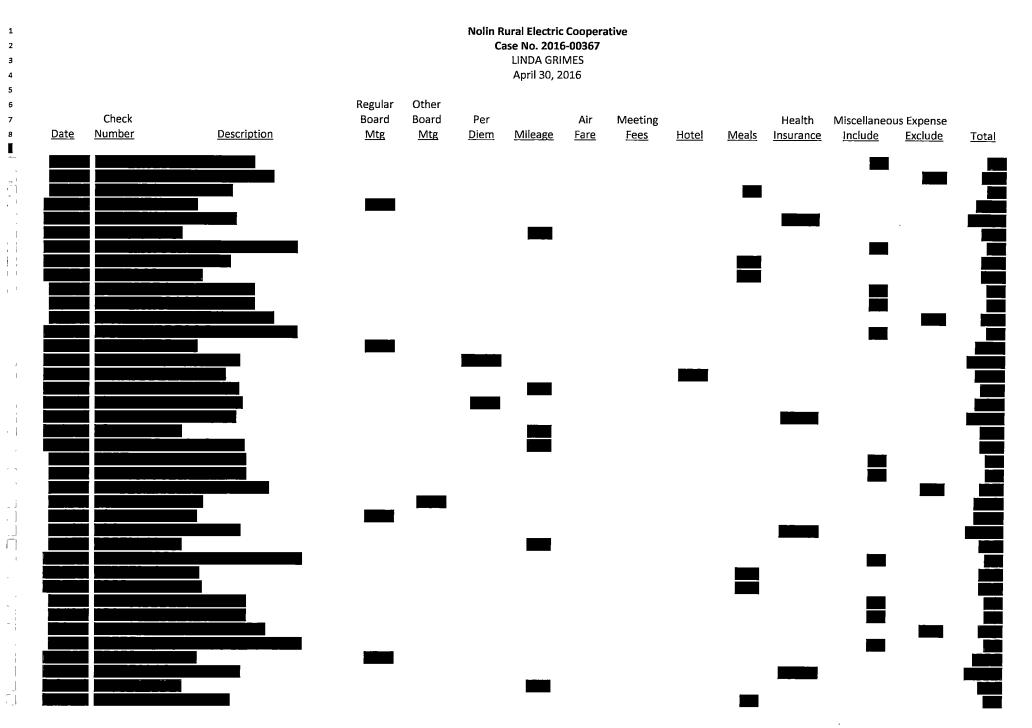


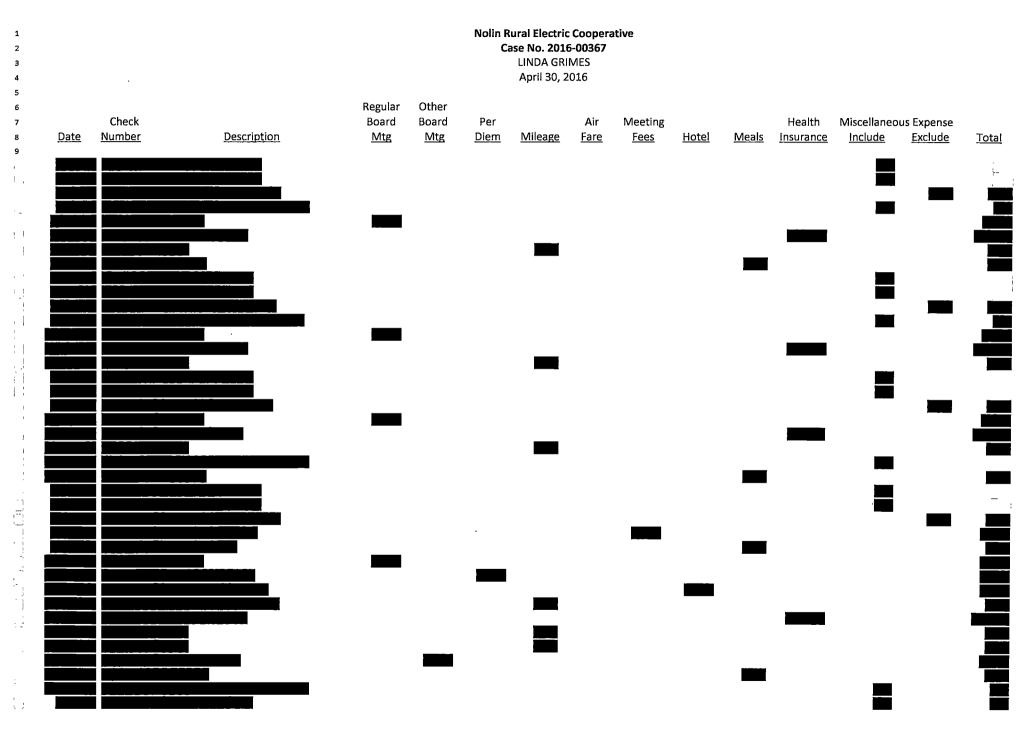
Exhibit 8

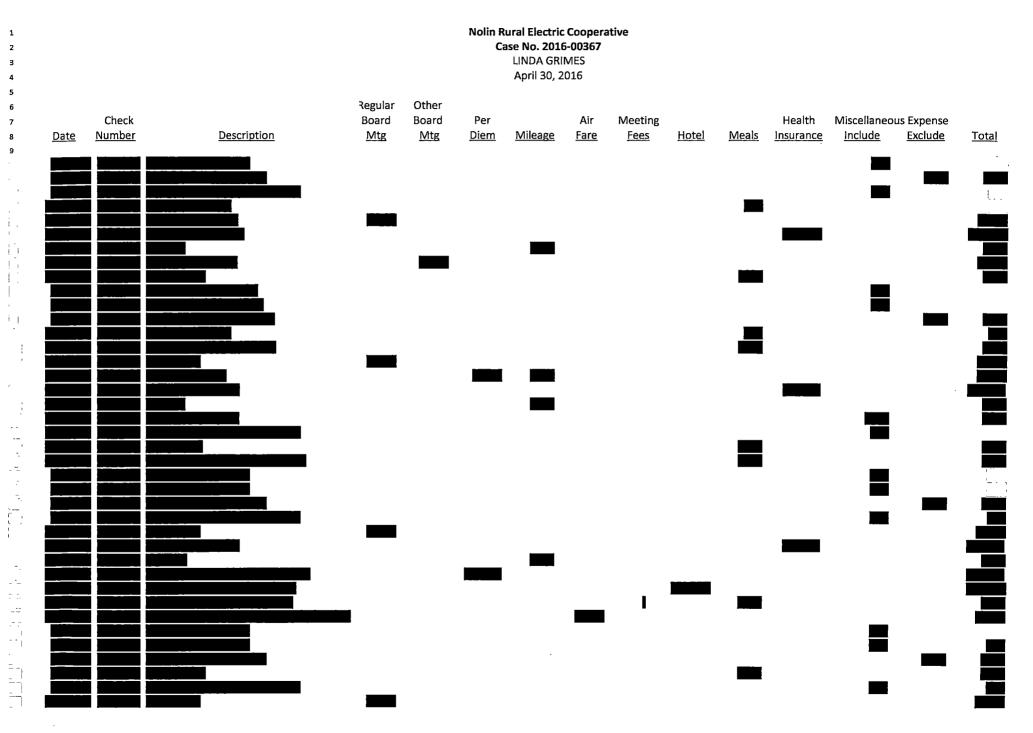


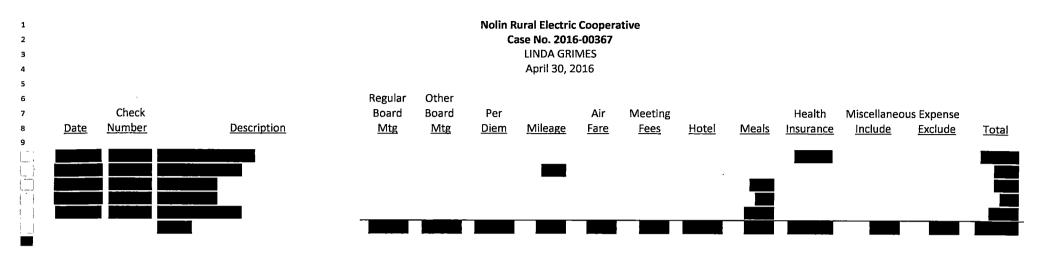


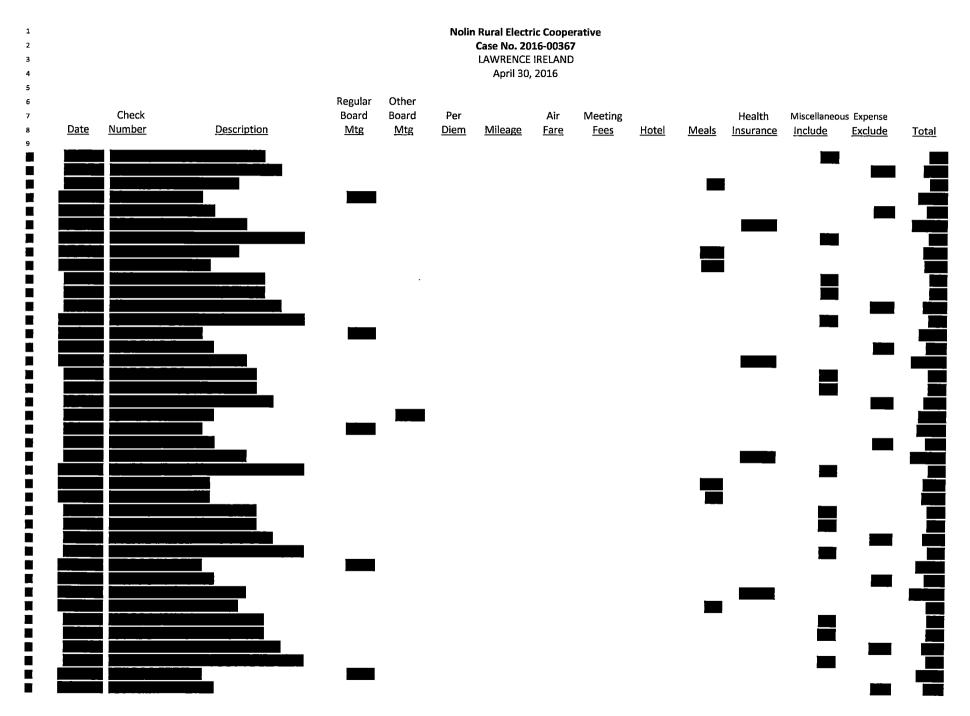


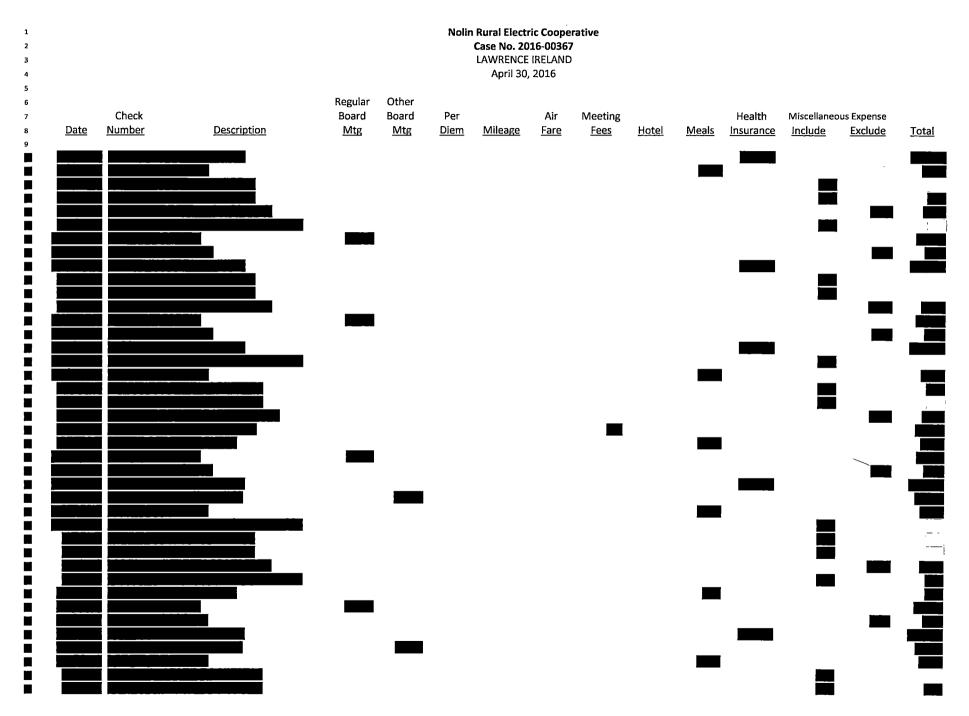


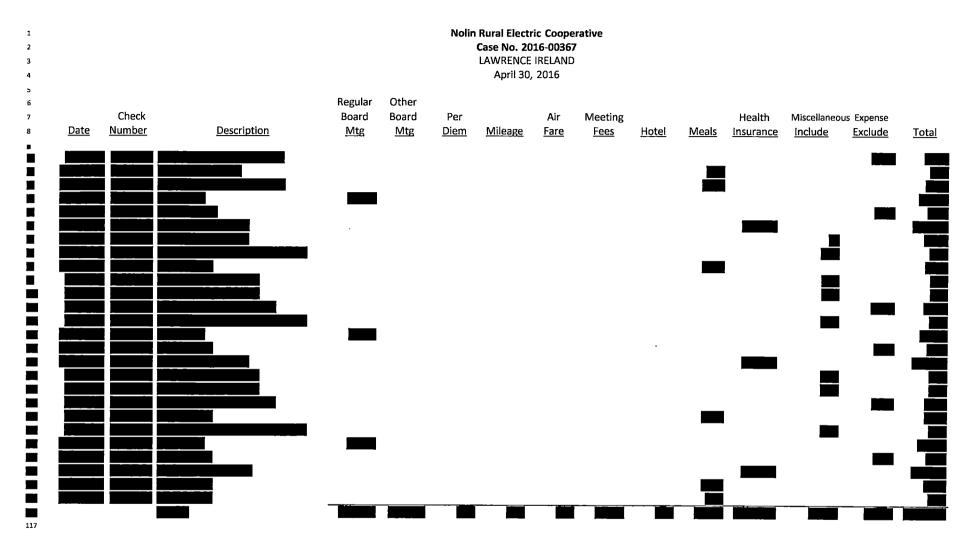


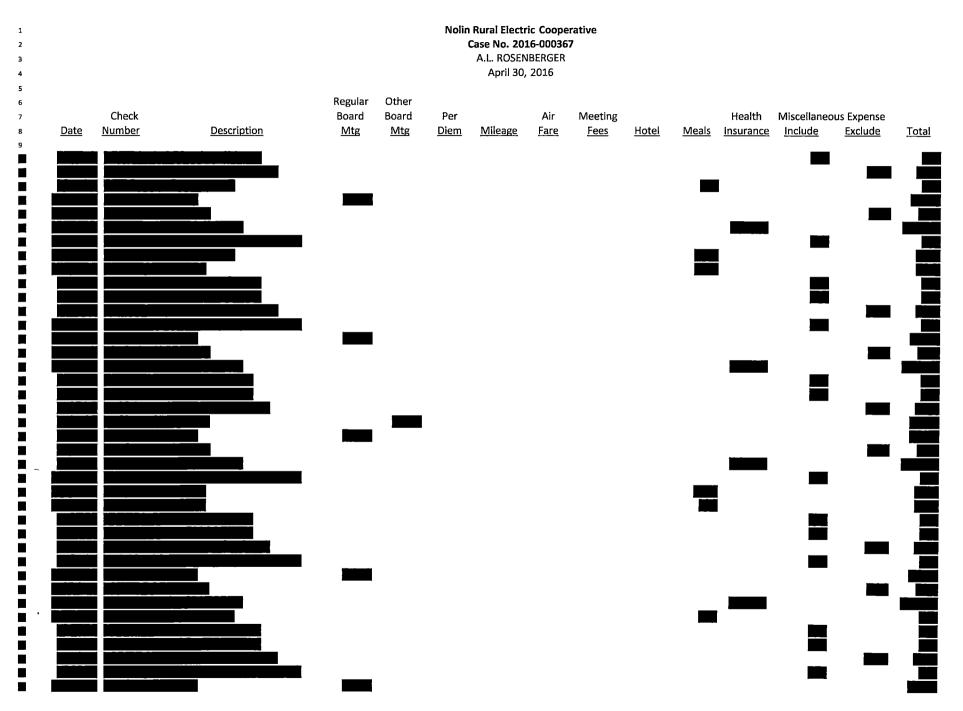






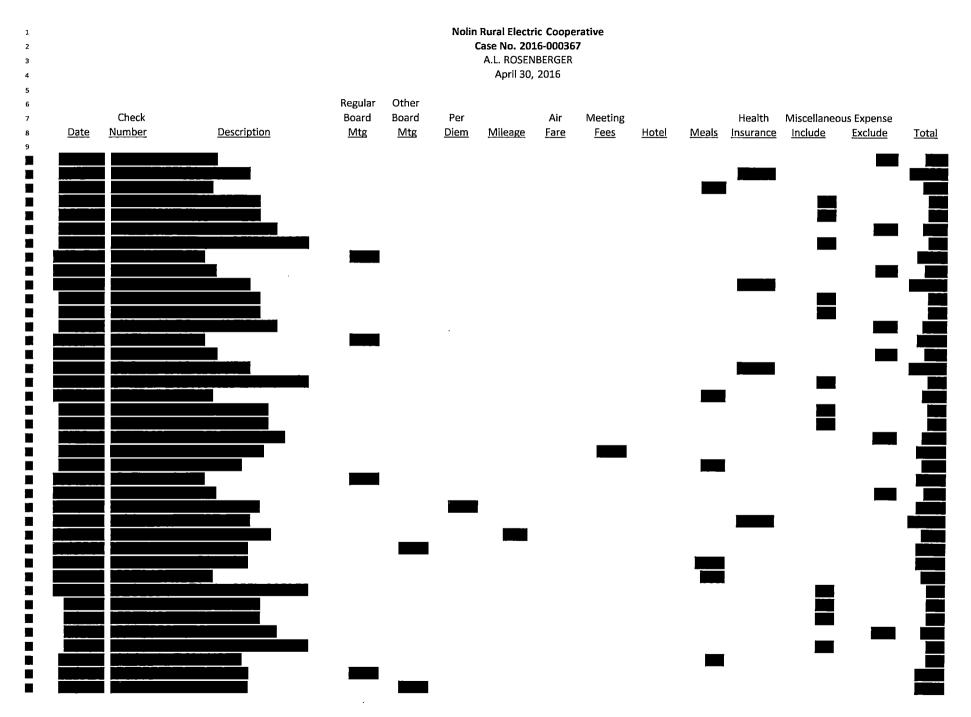




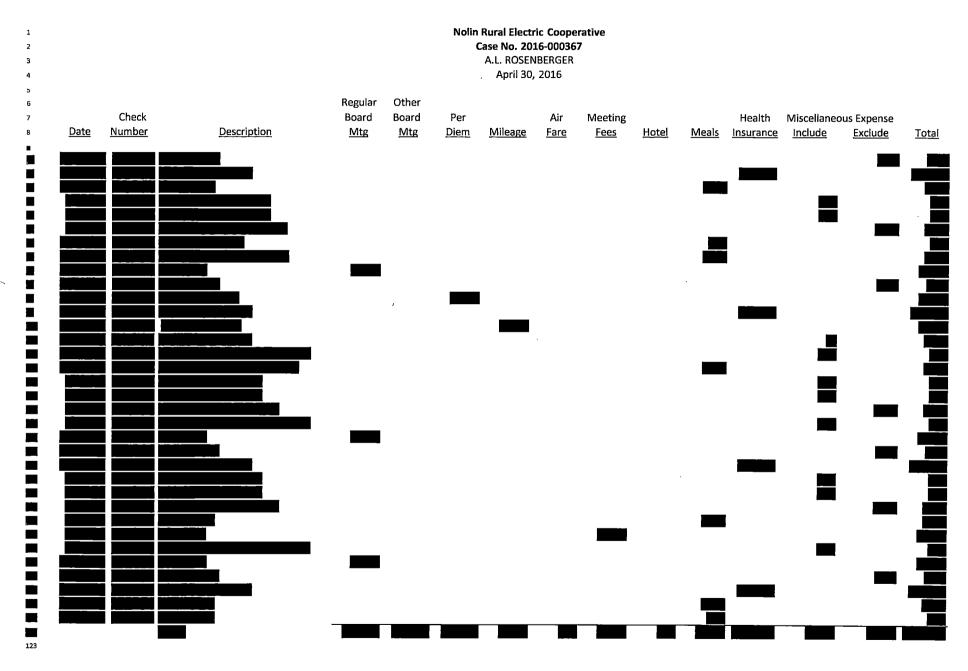


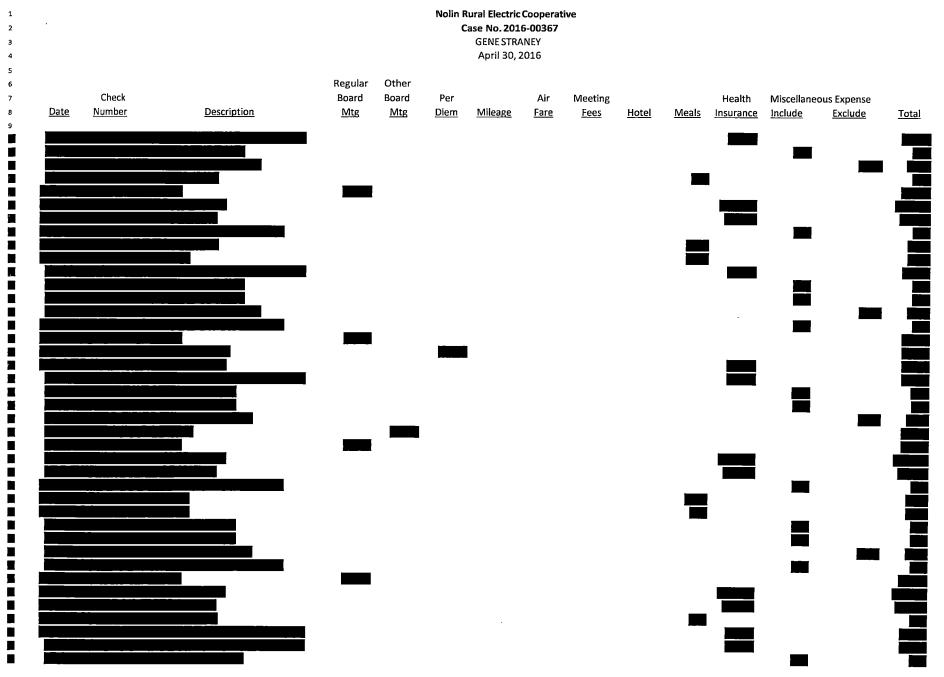
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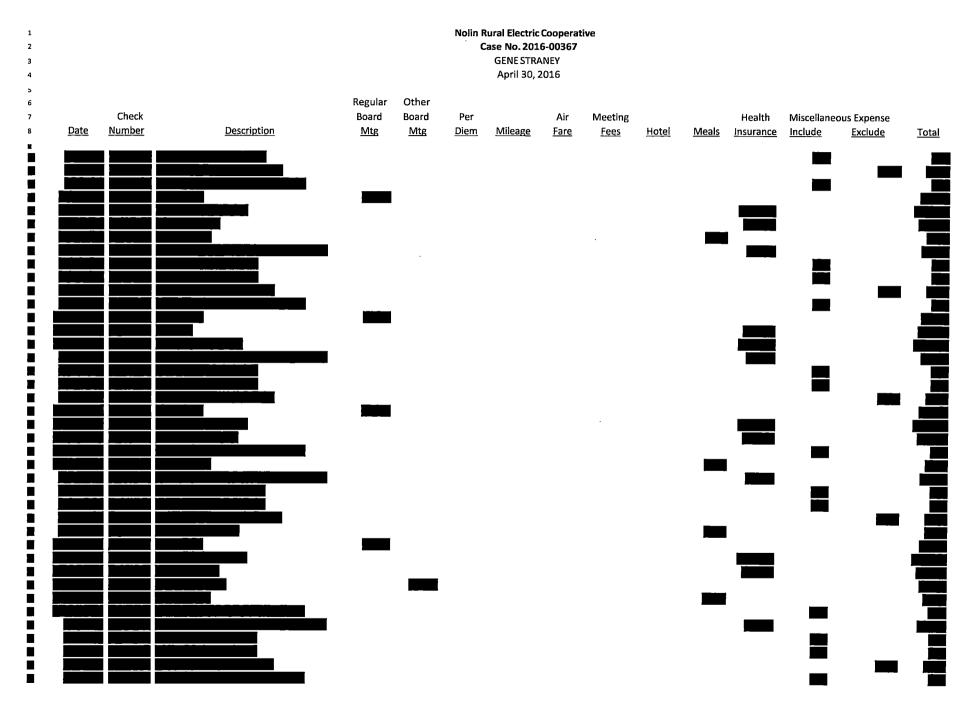


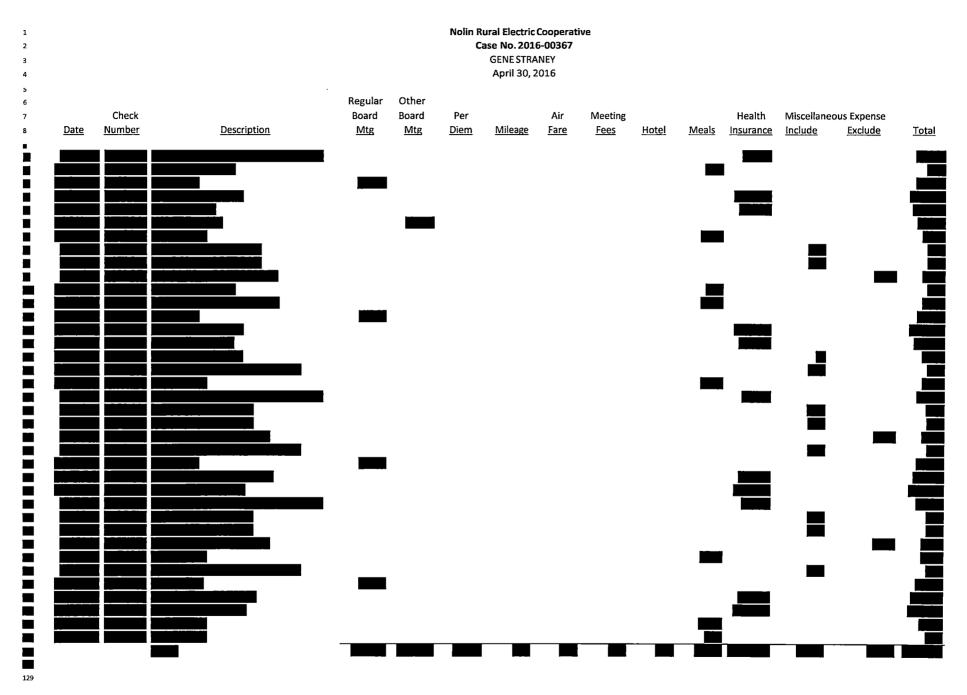
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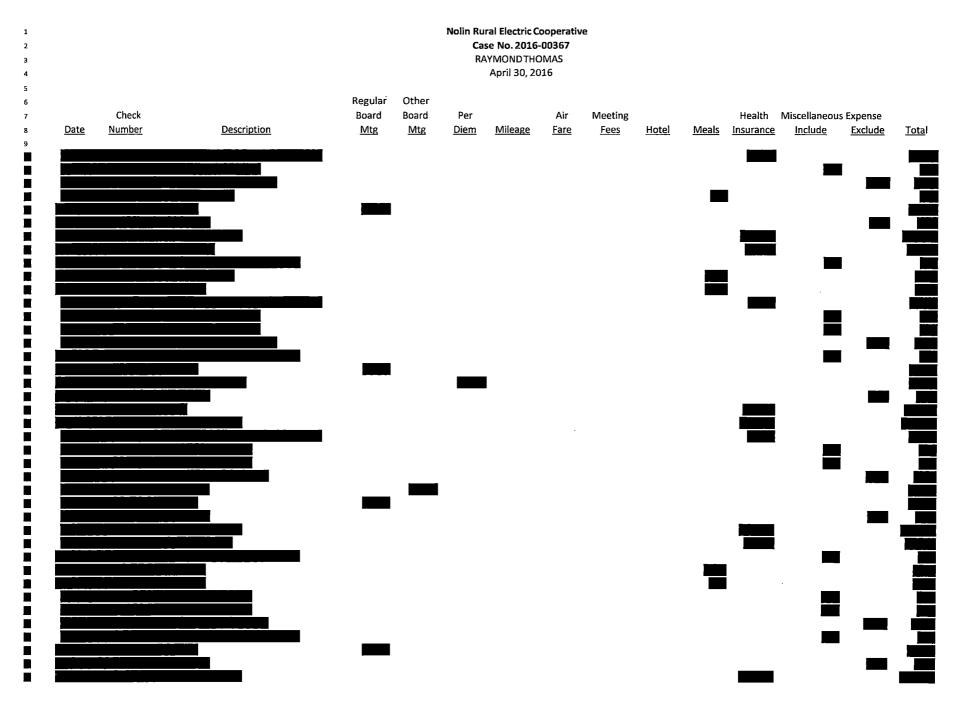


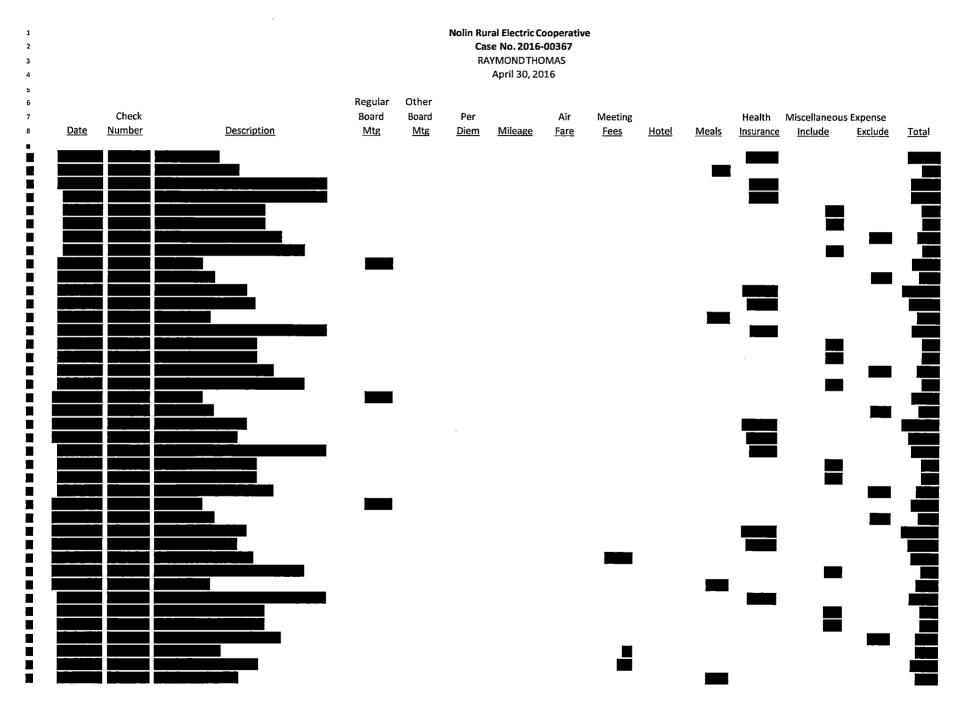


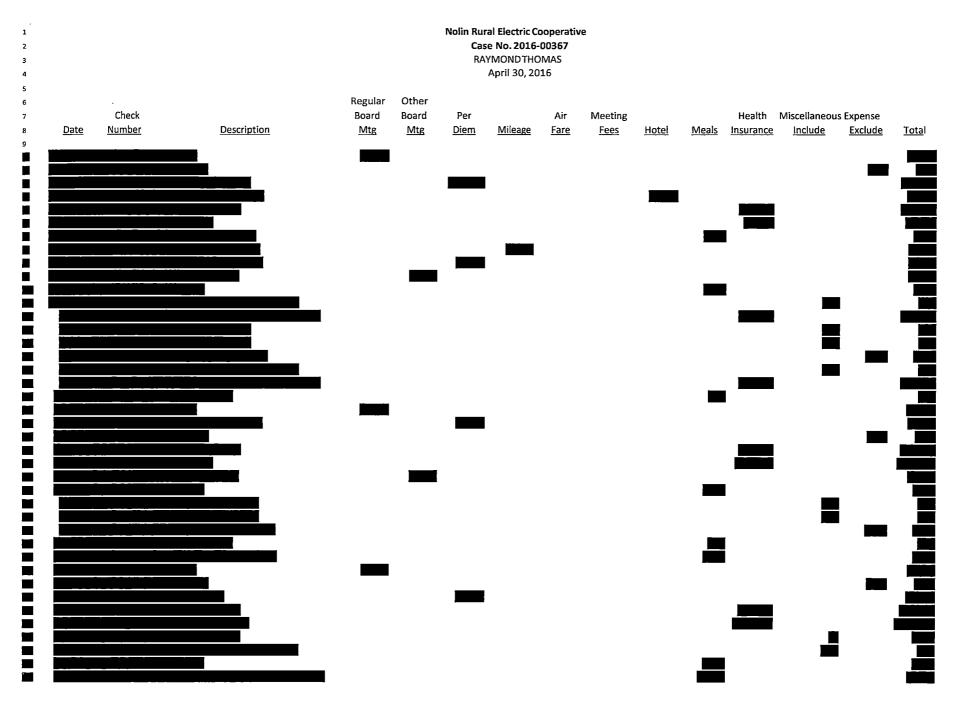
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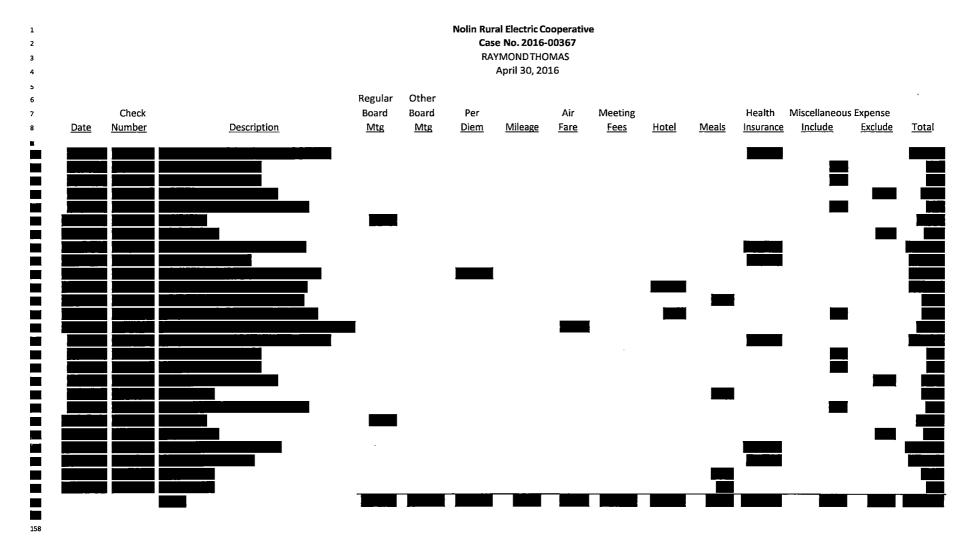












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1			c Cooperative								
2		Case No. 201	16-00367								
3 4	Name of Board Members										
5	April 30, 2016										
6											
7 8	Name and Address	Board Title	Associated Organizations								
1											
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1											
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#### NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION

#### BOARD POLICY NO. 202.0

## SUBJECT: DIRECTORS' FEES AND EXPENSES

#### I. <u>PURPOSE</u>:

- A. To assure fair and equitable compensation for time spent and reimbursement for expenses incurred by Directors and the Cooperative attorney when attending regular or special board or committee meetings.
- B. To encourage adequate representation of the Cooperative by Directors at statewide, regional and national meetings, and training programs which will accrue to the benefit of the Cooperative.

#### II. <u>POLICY STATEMENT</u>:

In conformity with the Bylaws of the Cooperative, it shall be the policy of Nolin Rural Electric Cooperative Corporation to reimburse Directors for time and travel expenses as established in the provisions of this policy.

#### III. <u>PROVISIONS</u>:

The following provisions and procedures shall apply to this policy:

#### A. <u>Attendance Fee</u>

Members of the Board of Directors shall be paid a fee for attendance at regular or special meetings of the Board of Directors as shall be determined from time to time by the Board. For attendance at Board committee meetings held on other than board meeting days, or for attendance at authorized state, regional, national, or training meetings, a Board member shall receive a set daily fee to be determined by the Board for time actually in attendance.

- 1. Attendance at meetings within the state will be paid only for the actual days of the meetings and not for travel time to and from themeetings.
- 2. For attendance at meetings out of state, a maximum of two day's fees will be paid for travel, regardless of the mode of transportation.
- 3. A fee will not be paid to Directors or the attorney for attendance at advisory committee, banquet and appreciation dinners where there is not a special meeting; the Cooperative will pay meal and incidental expenses. The meal expense for spouses invited to attend as guests will be also be paid.

Board Policy No. 202, page 2

## B. <u>Transportation Expenses</u>

Directors shall be reimbursed for transportation expenses as follows:

- 1. When traveling by personal automobile, a Director shall be reimbursed at the prevailing mileage rate approved by the Internal Revenue Service for Federal income tax purposes (on the basis of coach-class round trip air fare or actual mileage incurred, whichever is less), plus any related out-of-pocket charges, such as tolls, parking charges, etc.
- 2. When traveling by common carrier, a Director shall be reimbursed on the basis of coach-class round-trip air fare or actual transportation expense incurred, whichever is less. In addition, the director will be reimbursed shuttle or taxicab fares to and from the terminal and the hotel or meeting place.
- C. Incidental Expenses
  - 1. When a Director attends any of the meetings listed in Section A, above, the director shall be reimbursed actual incidental expenses incurred.
  - 2. It is proper for Directors to receive advance travel funds with appropriate post-event accounting. When properly authorized, the President/CEO will advance funds to Directors prior to departure on trips to include: anticipated attendance fees and travel costs.
  - 3. All Directors are authorized and urged to attend the meetings of the Kentucky Association of Electric Cooperatives, Inc. (KAEC), the National Rural Electric Cooperative Association (NRECA), the National Rural Utilities Cooperative Finance Corporation (CFC), and other related organizations. They are also authorized and urged to attend training schools and meetings sponsored by these Associations within the limits of approved budgets.

Board Policy No. 202, page 3

### IV. <u>RESPONSIBILITY:</u>

- A. It shall be the responsibility of each Director to submit an itemized expense report to include fees and all authorized reimbursement expenses, including travel. Expenses of spouses accompanying Directors to meetings will not be reimbursed.
- B. It shall be the responsibility of the Secretary-Treasurer to review all Director expense reports and to assure that all reimbursements are reasonable and in accordance with this policy.
- C. It shall be the responsibility of the President/CEO to see that Director expenses are paid upon the submission of appropriate expense reports. When travel funds have been advanced, the President/CEO shall provide for appropriate reconciliation of the accounts. When Director expenses are paid by the President/CEO, appropriate adjustments and review shall be made of the Director expense accounts.

This policy supersedes any existing policy which may be in conflict with the provisions of this policy.

Adopted: 06/08/00 Amended: 06/07/07 Amended: 01/09/14 Amended: 04/09/15