

Licking Valley Rural Electric Cooperative
Case No. 2016-00174
Director Fees and Expenses

Certain director expenses are removed for rate-making purposes. These costs include director health insurance, directors' per diems, Christmas gifts, attending the Legislative conference, directors attending either the KAEC annual meeting or EKPC annual meeting, when the director is not the representative for the respective organization.

Expenses that are not removed for rate-making purposes include costs of attending NRECA director training/education seminars. These seminars are critical for directors to be updated on events and activities related to the electric industry. Also included is D-O-M Liability Insurance that protects the directors for decisions they make on a monthly basis. Without DOM insurance, directors would be hesitant to make any decisions as members, consumers, or any person could file a legal claim against the director(s).

A copy of the Board Policy regarding "Compensation, Expenses, and Travel of Directors" is attached.

Costs removed for rate-making purposes are as follows:

Per diems	600.00
Christmas gifts	1,029.84
Director Adams KAEC annual meeting expenses	298.62
Director Adams EKPC annual meeting expenses	66.67
	<u>1,995.13</u>

Directors are as follows:

Darrell Cundiff, President	650 Hwy 541, Jackson KY 41339
Michael Adams, VP	235 Mine Fork Rd, Salyersville KY 41465
Ted Holbrook, Sec-Treas	3815 Old KY 15, Campton KY 41301
Tommy Hill	4991 Hwy 172, West Liberty KY 41472
Dolores Jones	PO Box 175, Cannel City KY 41408
J. Frank Porter	PO Box 476, Campton KY 41301
C.K. Stacy	PO Box 309, West Liberty KY 41472
Phillip Williams	335 Brushy Creek Rd, Salyersville KY 41465

East Kentucky Power Cooperative representative:

Michael Adams

Kentucky Association of Electric Cooperative representative:

Tommy Hill

National Rural Electric Cooperative Association representative:

Michael Adams

5	Payee	Date	Check Number	Reference	Regular	Other Mtg	Per Diem	Mileage	Registratio	Meals	Hotel	Travel	Insurance	Other	Total
7	PHILIP WILLIAMS	11/03/14	8119717	BD MTG	300.00			31.36							331.36
8	PHILIP WILLIAMS	11/19/14	8119815	KAEC SPONSOR NRECA CONF			300.00								300.00
9	PHILIP WILLIAMS	11/21/14	8119818	KAEC SPONSOR NRECA CONF				246.46							246.46
10	AMERICAN EXPRESS	11/25/14	8119869	KAEC SPONSOR NRECA CONF						161.20	132.00				293.20
11	KY ASSOC OF ELECTRIC CC	11/30/14	8119905	KAEC SPONSOR NRECA CONF					351.00						351.00
12	PHILIP WILLIAMS	11/30/14	8119956	KAEC SPONSOR NRECA CONF							370.63				370.63
13	PHILIP WILLIAMS	12/01/14	8119895	BD MTG	300.00			31.36							331.36
14	VISA	12/31/14	8120157	CHRISTMAS GIFT										147.12	147.12
15	PHILIP WILLIAMS	01/02/15	8120122	BD MTG	300.00			32.20							332.20
16	PHILIP WILLIAMS	02/02/15	8120314	BD MTG	300.00			32.20							332.20
17	PHILIP WILLIAMS	03/02/15	8120561	BD MTG	300.00			32.20							332.20
18	AMERICAN EXPRESS	03/25/15	8120727	NRECA DIRECTOR CONF					588.00			938.37			1,526.37
19	PHILIP WILLIAMS	03/31/15	8120872	NRECA DIRECTOR CONF				115.00		70.80	1,270.00				1,455.80
20	PHILIP WILLIAMS	04/01/15	8120853	BD MTG	300.00			32.20							332.20
21	PHILIP WILLIAMS	05/01/15	8121104	BD MTG	300.00			32.20							332.20
22	PHILIP WILLIAMS	06/01/15	8121374	BD MTG	300.00			32.20							332.20
23	PHILIP WILLIAMS	06/03/15	8121410	EKP DELEGATE			300.00								300.00
24	AMERICAN EXPRESS	06/23/15	8121502	EKPC ANNUAL MTG						66.67					66.67
25	PHILIP WILLIAMS	07/01/15	8121711	BD MTG	300.00			32.20							332.20
26	PHILIP WILLIAMS	08/03/15	8121953	BD MTG	300.00			32.20							332.20
27	PHILIP WILLIAMS	09/01/15	8122191	BD MTG	300.00			32.20							332.20
28	PHILIP WILLIAMS	10/01/15	8122477	BD MTG	300.00			32.20							332.20
29	NATIONAL RURAL ELECTR	10/31/15	8122771	RE MAGAZINE										43.00	43.00
30	NRECA GROUP BENEFITS T	VAR	VAR	TRAVEL INSURANCE								12.96			12.96
31					3,600.00	-	600.00	746.18	939.00	298.67	1,772.63	951.33	-	190.12	9,097.93
32															
33	VISA	12/31/14	8120157	CHRISTMAS GIFT										147.12	147.12
34	360 - DARRELL CUNDIFF	11/03/14	8119702	DARRELL CUNDIFF	300.00			39.20							339.20
35	360 - DARRELL CUNDIFF	12/01/14	8119883	DARRELL CUNDIFF	300.00			39.20							339.20
36	360 - DARRELL CUNDIFF	01/02/15	8120108	DARRELL CUNDIFF	300.00			40.25							340.25
37	360 - DARRELL CUNDIFF	02/02/15	8120298	DARRELL CUNDIFF	300.00			40.25							340.25
38	360 - DARRELL CUNDIFF	03/02/15	8120550	DARRELL CUNDIFF	300.00			40.25							340.25
39	360 - DARRELL CUNDIFF	04/01/15	8120838	DARRELL CUNDIFF	300.00			40.25							340.25
40	360 - DARRELL CUNDIFF	05/01/15	8121090	DARRELL CUNDIFF	300.00			40.25							340.25
41	360 - DARRELL CUNDIFF	06/01/15	8121362	DARRELL CUNDIFF	300.00			40.25							340.25
42	360 - DARRELL CUNDIFF	07/01/15	8121697	DARRELL CUNDIFF	300.00			40.25							340.25
43	360 - DARRELL CUNDIFF	08/03/15	8121940	DARRELL CUNDIFF	300.00			40.25							340.25
44	360 - DARRELL CUNDIFF	09/01/15	8122177	DARRELL CUNDIFF	300.00			40.25							340.25
45	360 - DARRELL CUNDIFF	10/01/15	8122464	DARRELL CUNDIFF	300.00			40.25							340.25
46	NRECA GROUP BENEFITS T	VAR	VAR	TRAVEL INSURANCE								12.96			12.96
47					3,600.00	-	-	480.90	-	-	-	12.96	-	147.12	4,240.98
48															
49	VISA	12/31/14	8120157	NRECA DIRECTOR CONF							(220.32)				(220.32)
50	VISA	12/31/14	8120157	CHRISTMAS GIFT										147.12	147.12
51	VISA	11/30/14	8119992	KAEC ANNUAL MTG						35.02					35.02

	Payee	Date	Check Number	Reference	Regular	Other Mtg	Per Diem	Mileage	Registration	Meals	Hotel	Travel	Insurance	Other	Total
142	J FRANK PORTER	04/01/15	8120848	BD MTG	300.00			28.75							328.75
143	J FRANK PORTER	05/01/15	8121099	BD MTG	300.00			28.75							328.75
144	J FRANK PORTER	06/01/15	8121370	BD MTG	300.00			28.75							328.75
145	J FRANK PORTER	07/01/15	8121706	BD MTG	300.00			28.75							328.75
146	J FRANK PORTER	08/03/15	8121949	BD MTG	300.00			28.75							328.75
147	J FRANK PORTER	09/01/15	8122187	BD MTG	300.00			28.75							328.75
148	J FRANK PORTER	10/01/15	8122473	BD MTG	300.00			28.75							328.75
149	NRECA	10/31/15	8122771	NATIONAL RURAL ELECTRIC COOPERATIVE										86.00	86.00
150	NRECA GROUP BENEFITS T	VAR	VAR	NRECA GROUP BENEFITS TRUST								12.96			12.96
151	VISA	12/31/14	8120157	CHRISTMAS GIFT										147.12	147.12
152					3,600.00	-	-	343.50	-	-	-	12.96	-	233.12	4,189.58
153															
154	MICHAEL ADAMS	11/03/14	8119697	BD MTG	300.00			30.24							330.24
155	MICHAEL ADAMS	11/30/14	8119955	KAEC ANNUAL MTG							298.62				298.62
156	MICHAEL ADAMS	12/01/14	8119879	BD MTG	300.00			30.24							330.24
157	MICHAEL ADAMS	01/02/15	8120103	BD MTG	300.00			31.05							331.05
158	MICHAEL ADAMS	02/02/15	8120294	BD MTG	300.00			31.05							331.05
159	MICHAEL ADAMS	03/02/15	8120546	BD MTG	300.00			31.05							331.05
160	MICHAEL ADAMS	04/01/15	8120834	BD MTG	300.00			31.05							331.05
161	MICHAEL ADAMS	04/27/15	8121045	NRECA DIRECTOR CONF						34.46	429.94				464.40
162	MICHAEL ADAMS	05/01/15	8121086	BD MTG	300.00			31.05							331.05
163	MICHAEL ADAMS	06/01/15	8121357	BD MTG	300.00			31.05							331.05
164	MICHAEL ADAMS	06/30/15	8121730	NRECA DIRECTOR CONF				747.50		748.22	1,637.11				3,132.83
165	MICHAEL ADAMS	07/01/15	8121693	BD MTG	300.00			31.05							331.05
166	MICHAEL ADAMS	08/03/15	8121935	BD MTG	300.00			31.05							331.05
167	MICHAEL ADAMS	09/01/15	8122173	BD MTG	300.00			31.05							331.05
168	MICHAEL ADAMS	10/01/15	8122459	BD MTG	300.00			31.05							331.05
169	AMERICAN EXPRESS	11/25/14	8119869	KAEC ANNUAL MTG						161.20					161.20
170	AMERICAN EXPRESS	03/25/15	8120727	NRECA DIRECTOR CONF								939.89			939.89
171	AMERICAN EXPRESS	06/23/15	8121502	EKPC ANNUAL MTG						66.67					66.67
172	KY ASSOC OF ELECTRIC CO	11/30/14	8119905	KAEC SPONSOR NRECA CONFERENCE					351.00						351.00
173	NRECA GROUP BENEFITS T	VAR	VAR	TRAVEL INSURANCE								8.40			8.40
174	NRECA	04/28/15	8121052	NRECA DIRECTOR CONF					895.00						895.00
175	NATIONAL RURAL ELECTRIC	05/26/15	8121263	NRECA DIRECTOR CONF					1,176.00						1,176.00
176	NATIONAL RURAL ELECTRIC	10/31/15	8122771	NATIONAL RURAL ELECTRIC COOPERATIVE										43.00	43.00
177	VISA	12/31/14	8120157	CHRISTMAS GIFT										147.12	147.12
178	VISA	06/30/15	8121742	BACKGROUND CHECK										262.00	262.00
179					3,600.00	-	-	1,118.48	2,422.00	1,010.55	2,365.67	948.29	-	452.12	11,917.11
180															
181					32,400.00	-	600.00	4,883.07	3,361.00	2,076.32	5,045.94	1,964.96	-	1,782.96	52,114.25

LICKING VALLEY RURAL ELECTRIC COOPERATIVE CORPORATION

KENTUCKY 56 MORGAN

BOARD OF DIRECTORS POLICIES AND PROCEDURES MANUAL

Policy Number 108

Effective Date: 03/20/2014

SUBJECT: COMPENSATION OF DIRECTORS

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PURPOSE: To establish a statement of policy pertaining to compensation for the Board of Directors (Board) of Licking Valley Rural Electric Cooperative Corporation (LVRECC).

POLICY: To provide fair and equitable compensation for members of the Board of LVRECC for preparation for and attendance at Board, Committee, Member, and other approved meeting(s). Also, to encourage their attendance and participation as appropriate.

RESPONSIBILITIES: It shall be the responsibility of the President of the Board to see that the provisions of this policy are carried out.

PRACTICES:

1. Director per diem shall be established by the Board, plus travel from the Director's home and out-of-pocket expenses will be paid to Directors when attending or preparing for such meetings. [Effective June 20, 1996, Director's monthly per diem amount was set at three hundred dollars (\$300.00)]. However, notwithstanding anything stated herein to the contrary, a Director shall be compensated a minimum of three hundred dollars (\$300.00) per month plus expenses.
2. The Directors of the Cooperative shall be allowed their expenses that are incurred in the conduction of all official business, which shall include, but not limited to, attendance of and participation in meetings of various entities and associates whose intended function is to support and assist the Rural Electrification Program and of which the Cooperative is a member. Reimbursement of expenses shall be upon the basis of actual expenses or upon the basis of a certain Director Per Diem, which specific basis shall be determined by a proper resolution of the Board.
3. Directors and officers shall be reimbursed for all legitimate expenses for attendance at such meetings upon submission of a detailed expense account, with receipts attached as appropriate.

Such expense accounts as requested will be reviewed by the Secretary/Treasurer.

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4. Travel shall be reimbursed on the following basis:
 - A. If commercial air travel is available, then without regard to the mode actually used, reimbursement shall be for the expenses actually incurred in an amount not to exceed round trip air coach fare, if the same is available; otherwise, first class fare, plus cost of transportation to and from airport and other expenses attendant to air travel.
 - B. If commercial air travel is not available, then the Director or Officer shall select the means of travel which, in his/her judgment, is the most satisfactory under the circumstances, giving due consideration to factors of time and cost. Reimbursement shall be for actual expenses incurred.
 - C. Mileage reimbursement, plus toll cost, for use of personal automobile shall be at the rate established by the Board. In those instances where Directors travel with others, only the Director or Officer actually using his/her automobile shall receive mileage and tolls paid.
5. The Secretary/Treasurer shall be paid (at least the equivalent to twelve (12) additional month's per diem of three hundred dollars (\$300.00) per month for time involved in carrying out official duties.
6. Compensation for Retired Directors: On October 15, 1987, the Board of LVRECC adopted a resolution (Board Policy Number 108, COMPENSATION OF DIRECTOR'S), directing that all retired/retiring Board Members who have served as a Director of LVRECC for a period of twenty five (25) years or longer shall be paid a one (1) time amount based on a formula of life expectancy and annuity table per diem monthly amount equal to, but not greater than amount the director was receiving at given date of retirement. This amount shall be calculated using above Ref: to determine life expected number of years. Month, multiplied by year, multiplied by the years of service, equals the total amount to be paid at time of retirement. This amount will be subject to all taxable laws and to be the responsibility of the retiring director receiving said amount.

LICKING VALLEY RURAL ELECTRIC COOPERATIVE CORPORATION

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BOARD OF DIRECTORS POLICIES AND PROCEDURES MANUAL

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This Policy supersedes all prior policies with Number 108.

Board Approved March 20, 2014

Secretary


