A General Session of the Board of Directors was held on March 5, 2015, at the Lower Valley Energy Jackson office. The meeting was called to order at 9:00 a.m. by Board Chairwoman Linda Schmidt.

BOARD MEMBERS PRESENT: Fred Brog, Peter Cook, Rod R. Jensen, Ted Ladd, Dean S. Lewis, Linda Schmidt, and Nancy Winters.

OTHERS PRESENT: James R. Webb, President/CEO; Steve Duerr, Attorney; Rick Knori, Director of Engineering; Bill Spaulding, Director of Operations; Martell Brower, Director of Gas Operations; Angela Jennings, Staff Assistant; Wade Hirschi, CFO; Brian Tanabe, Communications Manager; Gay Petersen, Executive Assistant/HR.

Minutes of the December 18, 2014, January 30, 2015, and February 10, 2015, General Sessions were accepted as presented.

After Board discussion, a motion was made and seconded to maintain director districts as currently outlined.

Discussion was held regarding the 990 questionnaire for board members.

James R. Webb reviewed the President/CEO Report.

A motion was made and seconded to adopt a Lower Valley Energy Resolution approving the acquisition of an additional entitlement share in the Horse Butte Wind Project and an absolute assignment agreement, and authorizing and approving a first supplement to the Horse Butte Wind Power Sales Contract, and related matters. Motion carried. Voting was unanimous.

James R. Webb reviewed the Beartooth Electric Transition Plan. Changes were made on the BEC organizational chart to show that the Lower Valley Energy Board is the responsible party for the BEC Management Agreement with their decisions carried out by the Lower Valley Energy President/CEO.

James R. Webb discussed the recommendation of DeCoria, Maichel & Teague, the Lower Valley Energy auditors, to not write-off allocated but unpaid CFC patronage capital.

A motion was made and seconded to create a separate equity account for CFC for unallocated equity. Motion carried. Voting was unanimous.

James R. Webb discussed Lower Valley Energy’s proposed line extension policy changes still pending before the Wyoming Public Service Commission.

Board discussion was held regarding candidate orientation and wording on ads for board candidates.

Lower Valley Energy will host a barbecue for Fall River Electric on August 17, 2015, at the Lower Valley Energy Strawberry Plant.

Brian Tanabe presented the 2014 annual customer satisfaction survey.

A motion was made and seconded to recognize the 89% score as high achievement of the Lower Valley Energy employees as reflected in the 2014 Annual Customer Satisfaction Survey results. Motion carried. Voting was unanimous.

James R. Webb reviewed the 2014 draft December financial statements.

Nancy Winters reported on the February 17, 2015, audit committee.
A motion was made and seconded to approve the proposed write-offs of accounts receivable in the amount of $16,031.41 with $7,195.10 in patronage capital credits to be applied towards the bad debt resulting in a net write-off of $8,836.31. Motion carried. Voting was unanimous.

Ted Ladd and Fred Brog will now be members of the Lower Valley Energy Audit Committee along with Nancy Winters.

James R. Webb reviewed the natural gas balancing account. No changes to the natural gas rates were recommended.

James R. Webb reviewed the propane balancing account. No changes to the propane rates were recommended.

It was the consensus of the Board to make a general rule that LVE would not change rates on natural gas and propane if the change is below five percent.

Rod R. Jensen reviewed the recent meeting with the Swift Creek Board. The goal is to have something worked out on rates with the Town of Afton when Lower Valley Energy brings the power to load in 2016.

Bill Spaulding updated the Board on the issues developing in the Swift Creek penstock with bacterium growing turbecules in the penstock that causes slowing of the water in the penstock during high water. He also reported on the number of operations on the hydraulic motors in the power plants and solutions.

The Town of Afton is preparing a request to file with SLIB asking them to forgive the debt on the Swift Creek Project.

Angie Jennings reported on the Foresgren Swift Creek Dam Study.

Phil Cameron of ECW gave an update on the organization’s achievements to date.

James R. Webb reviewed the proposed 401k goal accomplishment for 2014.

A motion was made and seconded to approve the proposed 401k goal accomplishment for 2014 resulting in a new 401k employer contribution of 6.22% of employee’s base wage beginning April 1, 2015. Motion carried. Voting was unanimous.

Bill Spaulding reviewed the proposed 2015 maintenance plan.

Bill Spaulding discussed the outage and safety report for January and February 2015.

Motion was made and seconded to accept the Safety Meeting minutes of February 10, 2015. Motion carried. Voting was unanimous.

Nancy Winters discussed the recent ICUA meetings and 2015 dues in the amount of $2,529.92.

Linda Schmidt reported on the WREA meeting and 2015 dues in the amount of $39,762.00.

The Board reviewed the NESC dues in the amount of $29,516.00, the Northwest Requirement Utilities dues in the amount of $44,819.00, and the Northwest River Partners dues in the amount of $10,043.00.

A motion was made and seconded to discontinue LVE membership in Touchstone Energy. Voting was tabled until further information is available.
A motion was made and seconded to approve the early withdrawal patronage capital request from Shades Cafe in the amount of $3,402.79. Motion carried. Voting was unanimous.

Meeting adjourned at 1:45 p.m.

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Linda Schmidt, Chairwoman   Nancy Winters, Secretary/Treasurer