Lower Valley Energy

Board Meeting Minutes

General Session

August 30, 2012

A General Session of the Board of Directors was held on August 30, 2012, at the Lower Valley Energy Jackson office. The meeting was called to order at 9:00 a.m. by Board Chairman, Rod R. Jensen.

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; Wade Hirschi, CFO; Jerry Hansen; Gay Petersen, Executive Assistant/HR.

Minutes of the June 28, 2012, General Session were accepted as amended.

Minutes of the July 27, 2012, Telephonic General Session were accepted as amended.

James R Webb introduced LVE’s newest employee, Michael Parsons. Michael’s position is the Jackson warehouseman.

Steve Duerr, Attorney, conducted board officer elections. A motion was made and seconded to approve the continuation of the existing slate of officers with Rod R. Jensen as Board Chairman, Peter L. Cook as Vice Chairman, and Linda Schmidt as Secretary/Treasurer. Motion was adopted. Voting was unanimous.

It was also approved that Nancy Winters, Dean S. Lewis, and Linda Schmidt as Chairman will remain on the Lower Valley Energy Audit Committee. Ted Ladd will remain on the JHESP Board. Linda Schmidt will continue as the LVE representative at WREA and Fred Brog will continue as Lower Valley’s ICUA representative.

The Board returned their annual conflict of interest statements.

The Board reviewed Board Policy #209 - Ethics, Board Policy #509 - Sexual Harassment, and the Safety Manual/Drug Policy.

James R. Webb reviewed the proposed changes to Board Policy #402 - Bylaws.

A motion was made and seconded to approve the proposed changes to Board Policy #402 - Bylaws. Motion was adopted.

James R. Webb discussed the President/CEO report.

Wade Hirschi reviewed the high, medium and low budget projections for the Teton Village pipeline. Board discussion was held regarding establishing rates for the Teton pipeline customers. It was the Board's consensus to let customers know about the transitional rate.

A motion was made and seconded to collect 50% of the Teton Village natural gas pipeline costs in contributions-in-aid of construction over 10 years through a transitional rate. Motion was adopted. Voting was unanimous.

James R. Webb discussed Schrebel’s loan request to JHESP for CNG vehicle filling stations and JHESP’s efforts to seek grant money for CNG stations. He requested Board input as to if the Board is united in trying to help get infrastructure in place.

A motion was made and seconded to support the efforts of JHESP using grant money to get CNG filling stations in both Afton and Jackson. Motion was adopted. Voting was unanimous.
James R. Webb continued the President/CEO report.

James R. Webb discussed net metering regulations. Steve Duerr will research state laws and discussion will be held at the October board meeting.

Rick Knori reviewed the 2012 Electric Feeder Loading Study.

Wade Hirschi reviewed the July 2012 financial statements.

James R. Webb discussed the gas balancing accounts.

A motion was made and seconded to reduce propane gas rates by .1743 cents per gallon. Motion was adopted. Voting was unanimous.

James R. Webb discussed the proposed budget adjustment for natural gas fusing equipment.

A motion was made and seconded to accept the proposed budget adjustment in the amount of $25,900.00 for natural gas fusing equipment. Motion was adopted. Voting was unanimous.

The Jackson Hole Air donation request was discussed.

A motion was made and seconded to approve donating $15,000 to the Jackson Hole Air. Motion was adopted.

Nancy Winters reported on the ICUA Annual Meeting.

Fred Brog discussed political issues regarding the sage grouse litigation.

The Board reviewed the WREA dues.

Linda Schmidt reported on WREA issues.

James R. Webb discussed the River Partners new ad campaign.

A motion was made and seconded to approve a donation of $8,500 to the River Partners ad campaign on the benefits of hydro power. Motion was adopted. Voting was unanimous.

Bill Spaulding reviewed the outage and safety reports.

A motion was made and seconded to approve the outage and safety reports as presented. Motion was adopted. Voting was unanimous.

James R. Webb reported on the UAMPS Horse Butte operations and financing strategies.

James R Webb discussed the request from Star Valley Search and Rescue for early withdrawal of their patronage capital funds in the amount of $328.97.

A motion was made and seconded to approve the request from Star Valley Search and Rescue to cash out their patronage capital in the amount of $328.97. Motion was adopted. Voting was unanimous.

Meeting adjourned at 1:30 p.m.

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Rod R. Jensen, Chairman

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Linda Schmidt, Secretary/Treasurer