A General Session of the Board of Directors was held on August 31, 2017, at the Lower Valley Energy Jackson office. The meeting was called to order at 9:10 a.m. by Board Chairwoman, Linda Schmidt.

BOARD MEMBERS PRESENT: Fred Brog, Peter Cook, Dan Dockstader, 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; Jon Hougland, CFO; Brian Tanabe, Communications Manager; Gay Petersen, Executive Assistant/HR; Casey Ramell and Phil Cameron.

Meeting adjourned to executive session at 9:15 a.m.

Meeting reconvened at 10:15 a.m.

Steve Duerr conducted board officer elections

A motion was made and seconded nominating Fred Brog as Board Chairman. Motion carried. Voting was unanimous.

A motion was made and seconded nominating Nancy Winters as Board Vice Chairman. Motion carried. Voting was unanimous.

A motion was made and seconded nominating Dan Dockstader as Board Secretary/Treasurer. Motion carried. Voting was unanimous.

Board member conflict of interest disclosures were discussed and forms were signed

Steve Duerr reviewed his recent attendance at the ECBA Annual Meeting where on-going national cooperative governance issues were reviewed. He reported that Lower Valley Energy is in compliance with recent laws.

A motion was made and seconded to reaffirm Board Policy 209 - Ethics, Board Policy 509 Sexual Harassment, and the Safety Manual Drug Policy. Motion carried. Voting was unanimous.

James R. Webb reviewed the President/CEO report.

A motion was made and seconded to approve management engaging GDS to perform the COSA. Motion carried. Voting was unanimous.

Discussion was held regarding LVE's mandatory requirements for WECC and possible solutions.

A motion was made and seconded to approve the BPA Transmission Operator Services Agreement. Motion carried. Voting was unanimous.

James R. Webb showed a presentation on the progress of the Teton Village Underground Transmission Line installation.

James R. Webb continued the President/CEO report.

Phil Cameron reviewed the plans for the grand opening of the CNG station in Jackson.

The minutes of the General Session were accepted as presented.

James R. Webb and Jon Hougland reviewed the July 2017 financial statements.
James R. Webb reviewed the natural gas balancing account. No changes were recommended at this time.

James R. Webb reviewed the Solar Virtual Net Metering Interconnection Agreement with the Town of Jackson.

A motion was made and seconded to approve the Solar Virtual Net Metering Interconnection Agreement. Motion carried. Voting was unanimous.

Peter Cook resigned as a Lower Valley Energy Board of Director from District 6 due to health issues.

Warren Jones reviewed the Electric Distribution Load Study.

James R Webb reviewed the Electrical Financial Forecast.

The upcoming BPA rate increase was discussed and various scenarios were reviewed in detail.

It was the consensus of the Board to complete a few more rate increase scenarios and have a conference call on September 11, 2017, at 2:00 p.m.

James R. Webb reviewed the Afton pipeline feasibility study. The Board held lengthy discussion regarding cost analysis and several options were reviewed.

A motion was made and seconded to approve spending $550,000 for environmental work for the Afton natural gas pipeline. Motion carried. Voting was unanimous.

The Board discussed the request from JH Air this year.

A motion was made and seconded to approve donating $25,000 to JH Air. Motion was not approved.

A motion was made and seconded to approve donating $15,000 to JH Air. Motion carried.

James R. Webb discussed the possibility of making a capital contribution of $3 million to the Horse Butte Wind Project using the Eagle Mountain funds. It was the consensus of the Board to further discussed this proposal on the conference call scheduled for September 7, 2017, when management has final numbers.

Bill Spaulding reviewed the outage and safety report.

The Board approved the June 28, 2017, Safety Meeting Minutes as presented.

Nancy Winters reviewed ICUA issues.

Fred Brog reported on WREA issues.

A motion was made and seconded to appoint Fred Brog as Lower Valley Energy's Wyoming Rural Electrical Association Board of Director for a two-year term. Motion carried. Voting was unanimous.

A motion was made and seconded to appoint Fred Brog as the NRECA voting delegate with Nancy Winters as alternate voting delegate. Motion carried. Voting was unanimous. The Board also reviewed the NRECA dues.
A motion was made and seconded to appoint Fred Brog as the CFC voting delegate with Linda Schmidt as alternate. Motion carried. Voting was unanimous.

The Board reviewed the patronage capital early retirement request from the former owner of The Anglers Inn in the amount of $12,215.26.

A motion was made and seconded to approve the Anglers Inn early retirement request for discounted patronage capital in the amount of $12,215.26. Motion carried. Voting was unanimous.

Meeting adjourned to Executive Session at 3:50 p.m.

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Fred Brog, Chairman             Dan Dockstader, Secretary/Treasurer