A General Session of the Board of Directors was held on October 25, 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; Wade Hirschi, CFO; Brian Tanabe, Communications Manager; Gay Petersen, Executive Assistant/HR.

Minutes of the August 30, 2012, General Session were accepted as amended.

James R. Webb presented the President/CEO report.

Meeting adjourned to Executive Session at 10:00 a.m.

Meeting reconvened at 11:45 a.m.

Anne Falcon, with EES, presented methodologies regarding tiered rate making and the options available for adding a new large single load to Lower Valley Energy’s system. Attorney client privilege with EES Consulting was waived by Anne Falcon so information and discussion could be shared in general session.

It was the Board’s consensus for management to write a letter to Simplot regarding potential new rates for large single new loads and to discuss this at the next board meeting in December with a completion date of February 2013.

James R. Webb and Wade Hirschi presented the 2012 KRTA.

Wade Hirschi reviewed the 2012 September financial statements.

A motion was made and seconded to accept the KRTA and the 2012 September financial statements as presented. Motion was adopted. Voting was unanimous.

Linda Schmidt, Lower Valley Energy Audit Committee Chairman, presented a summary of the Audit Committee Meeting held on October 4, 2012.

A motion was made and seconded that accounts receivable in the amount of $33,495.09 be written off with $14,214.80 in patronage capital credits to be applied towards the bad debt to be written off resulting in a net write off of $19,280.29. Motion was adopted. Voting was unanimous.

James R. Webb discussed the gas balancing accounts as of September 2012. He recommended not making any changes at this time.

James R. Webb reviewed the proposed 2013 vehicle budget.

A motion was made and seconded to approve the proposed 2013 vehicle budget in the amount of $501,400. Motion was adopted. Voting was unanimous.

James R. Webb discussed the recent Swift Creek board meeting.

Fred Brog reported on ICUA issues and future meetings.

Linda Schmidt reported on the WREA Annual Meeting.
A motion was made and seconded to approve James R. Webb as the PRC voting delegate with Rick Knori as the alternate. Motion was adopted. Voting was unanimous.

A motion was made and seconded to approve James R. Webb as the UAMPS voting delegate with Rick Knori as the alternate. Motion was adopted. Voting was unanimous.

James R. Webb reviewed the 2012 September Outage Report.

The Board reviewed the Safety Meeting Minutes of October 2, 2012.

A motion was made and seconded to accept the October 2, 2012, Safety Meeting Minutes as presented. Motion was adopted. Voting was unanimous.

James R. Webb reviewed the proposed 2011 patronage capital allocation and the projected 2012 patronage capital payments.

A motion was made and seconded to approve the proposed 2011 Patronage Capital Allocation in the amount of $5,000,300.99. Motion was adopted. Voting was unanimous.

A motion was made and seconded to approve the projected 2012 patronage capital payments in the amount of $2,702,589.29. Motion was adopted. Voting was unanimous.

The Board reviewed the completed 990 form.

James R. Webb discussed the request from Idaho Power to lease space at the narrows site for cloud seeding equipment.

A motion was made and seconded to approve the Idaho Power lease at the narrows site. Motion was adopted. Voting was not unanimous.

Meeting adjourned at 3:00 p.m.

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Rod R. Jensen, Chairman   Linda Schmidt, Secretary/Treasurer