A General Session of the Board of Directors was held on December 17, 2015, at the Lower Valley Energy Afton office. The meeting was called to order at 9:10 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; Wade Hirschi, CFO; Brian Tanabe, Communications Manager; Gay Petersen, Executive Assistant/HR.

Minutes of the October 29, 2015, General Session were accepted as presented.

James R. Webb discussed the proposed 2016 Strategic Plan, Board Calendar and 2016 System Goals.

James R. Webb reviewed the proposed 2016 Board of Directors Budget and Work Plan.

James R. Webb presented the proposed 2016 Corporate Leadship Team Work Plan and Budget.

Bill Spaulding reviewed the proposed 2016 Electric Operations Team Budget and Work Plan.

Martell Brower outlined the proposed 2016 Gas Operations Team Work Plan and Budget.

Rick Knori presented the proposed 2016 Engineering Team Work Plan and Budget.

Wade Hirschi reviewed the proposed 2016 Customer Service Finance Team Budget and Work Plan.

Wade Hirschi discussed the proposed 2016 Fixed Expense Budget.

Wade Hirschi presents the proposed 2016 Revenue Budget.

James R. Webb reviewed the proposed 2016 Manpower Requirements and Payroll Budget.

James R. Webb reviewed the proposed 2016 System Capital Budget.

James R. Webb discussed the proposed 2016 Cash Budget and Equity Management.

A motion was made and seconded to approve the proposed 2016 Annual Work Plan and Budget. Motion carried. Voting was unanimous.

James R. Webb discussed the propane balancing account. He recommended no change to propane rates.

James R. Webb discussed the natural gas balancing account. He recommended a 5% rate decrease.

A motion was made and seconded to approve a 5% natural gas rate decrease effective January 1, 2016. Motion carried. Voting was unanimous.

James R. Webb reviewed the October financial statements.

James R. Webb presented the an audit proposal from D-mt to perform Lower Valley Energy’s annual audit.
A motion was made and seconded to approve a one-year contract with D-mt for the Lower Valley Energy annual audit. Motion carried. Voting was unanimous.

A motion was made and seconded to appoint Dean Lewis as the NRECA voting delegate and Peter Cook as the alternate voting delegate. Motion carried. Voting was unanimous.

Meeting adjourned 11:55 a.m.

Meeting reconvened at 2:15

Motion was made and seconded to adopt the revised resolution regarding a consolidation with Fall River Electric. Motion carried. Voting was unanimous. A roll call vote was taken with all current directors voting aye.

A motion was made and seconded to propose to Beartooth that we accelerate the merger timeline with them to be in alignment with the Fall River Electric consolidation. Motion carried. Voting was unanimous.

James R. Webb discussed the liability and property insurance bids for the 2016 Lower Valley Energy coverage.

A motion was made and seconded to approve moving the 2016 liability and property insurance coverage to Hurtado and Associates. Motion carried. Voting was unanimous.

Meeting adjourned at 2:30 p.m.

________________________________________
Linda Schmidt, Chairwoman                 Nancy Winters, Secretary/Treasurer