Lower Valley Energy

Board Meeting Minutes

General Meeting

April 25, 2019

A General Session of the Board of Directors was held on April 25, 2019, at the Lower Valley Energy Jackson office. The meeting was called to order by Board Chairman Fred Brog at 9:00 a.m.

BOARD MEMBERS PRESENT: Scott Anderson, Fred Brog, 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; Jon Houglund, CFO; Bill Spaulding, Director of Electric Operations; Martell Brower, Director of Gas Operations; Noel Nelson, Staff Assistant; David DeCoria, and Mike Burton, Auditors from DeCoria, Maichel, and Teague; Mason Baker, UAMPS; Chris Colbert, NuScale; Jase Romrell, Journeyman Lineman; John Edwards, IT Specialist; and Julia Shumway, Executive Assistant/HR.

Minutes of the February 28, 2019, Lower Valley Energy Board Meeting were accepted as presented.

Mike Burton and David DeCoria with DeCoria, Maichel, and Teague, Lower Valley Energy’s Auditors, reported on the 2018 Lower Valley Energy financial audit. Inventory discrepancies and work order close-outs were discussed.

John Edwards, IT Specialist, discussed training for cyber security and continued Lower Valley Energy technology improvements.

Jase Romrell, Journeyman Lineman, described his duties as lineman during the winter months including meter connects, pole change outs, insulators and avian protection, maintenance and line inspections, weather related issues such as snow loading, wind, avalanches, and snow run-off, and retirement of old equipment.

Mason Baker from UAMPS introduced NuScale and discussed the UAMPS Carbon Free Power Project (CFPP).

Chris Colbert, representative of NuScale, described the composition of the small-scale nuclear reactor, construction of the reactor facility, and the time frame for planned future construction.

Mason Baker, UAMPS, outlined costs and financing associated with the NuScale project.

James R. Webb discussed the potential risks of participating in the NuScale project.

James R. Webb described the ten-year construction plan that is currently being developed by Lower Valley Energy employees. The plan will consist of a flexible blueprint of potential future capital projects.

Martell Brower discussed the need for a capital budget adjustment of $445,600.00 to improve pressure in Enterprise Paradise Compressor Station pipelines.

A motion was made and seconded to approve the budget adjustment of $445,600.00 to build a pipeline around the Enterprise Paradise Compressor Station for implementation in 2019. Motion carried. Voting was unanimous.

James R. Webb outlined the stages remaining for completion of the Afion Pipeline EIS, which include public comment and Stantec response.

James R. Webb discussed the studies required before permitting for the Jackson Hole Airport Pipeline and delays of crossing the Gros Ventre River due to trout spawning restrictions. He suggested a potential completion date for the river crossing to be late fall.

James R. Webb gave an update on FEMA and PG&E reimbursements.
A motion was made and seconded to commit $5,000.00 to the WREA International Project in Bolivia. Motion carried. Voting was unanimous.

A motion was made and seconded to open a bank account for the purpose of holding Idaho escheated funds. Motion carried. Voting was unanimous.

James R. Webb discussed efforts Lower Valley employees are making to support the “Riding for the Brand” initiative and the resulting impact.

Jon Houglund reviewed the February and March financial statements.

James R. Webb reviewed the natural gas balancing account and recommended a rate increase of 7.01 cents per therm resulting from depletion of the credit balance in the natural gas balancing account.

A motion was made and seconded to increase the gas rate 7.01 cent per therm due to expiring credit in the natural gas balancing account. Motion carried. Voting was unanimous.

James R. Webb presented the 2018 Annual Contractor Expenses Summary.

The Board discussed proposed changes to Board Policy #302, General Funds, and Board Policy #303, Purchase of Materials and Equipment.

A motion was made and seconded to approve the proposed changes to Board Policy #302, General Funds. Motion carried. Voting was unanimous.

A motion was made and seconded to approve the proposed changes to Board Policy #303, Purchase of Material and Equipment. Motion carried. Voting was unanimous.

The Board reviewed the June 27, 2019, Annual Meeting Schedule. Scott Anderson and Ted Ladd were appointed to orient Board candidates on May 10, 2019, upon the condition of any petitions being submitted by April 26. Nancy Winters was appointed as alternate.

Bill Spaulding reviewed the outage report and announced no lost-time accidents in the past two months.

A motion was made and seconded to approve both February and March safety minutes. Motion carried. Voting was unanimous.

Board members discussed various associations including ICUA, WREA, and ECW.

Fred Brog led a discussion on a potential NRECA resolution to protect utilities providing mutual aid to other utilities from the negative impacts of receiving utilities bankruptcy filing.

Meeting adjourned to Executive Session at 3:10 p.m.