A General Session of the Board of Directors was held on August 29, 2019, at the Lower Valley Energy Afton 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; Norm Nelson, Staff Assistant; Brian Tanabe, Marketing; Sharrie Corbin, GIS Operator; Craig Coles, Purchasing Agent; Tammy Spracklen, Customer Accounts Supervisor; and Julia Shumway, Executive Assistant/HR.

Minutes of the June 27, 2019, Lower Valley Energy Board Meeting were accepted as presented.

Tammy Spracklen discussed the various options available with Lower Valley Energy’s online customer tool known as Smarthub. She outlined the benefits Smarthub offers to members, demonstrated ease in use, and discussed the current number of members signed up for and using Smarthub.

Sharrie Crobin discussed Lower Valley Energy’s Geographic Information System (GIS). She described the various ways to access GIS, mapping capabilities, and usage for tracking outages. Sharrie discussed the GIS’s capacity to improve communication, track inventory, and store information on long-term assets, including maintenance and photos. She discussed continuing opportunities for utilization and to what degree security on the system is necessary.

Craig Coles discussed the purpose for and cost of the ICUA Youth Rally program. He described the declining interest in attendance and solutions other Cooperatives have introduced to mitigate this problem, including scholarships for attendees.

Steve Duerr conducted Board Officer Elections. A motion was made and seconded to approve the existing slate of Board Officers with Fred Brog as Chairman, Nancy Winters as Vice Chairman, and Dan Dockstader as Secretary/Treasurer. Motion carried. Voting was unanimous.

The Board performed the annual review of policies #207 Ethics, #509 Sexual Harassment, and the Drug Policy.

James R. Webb discussed BPA rate changes for 2020 and announced a slight decrease in the overall rate due to a lower tier 2 market purchase which will more than offset the 1.5% tier 1 rate increase. He explained that the lower than expected rate increase is due to efforts of BPA Administrator Elliot Mainzer to be more efficient and bend the cost curve. He also discussed a BPA graphic describing allocation of funds spent by BPA including high expense for wildlife and fish mitigation. James discussed the importance of maintaining a culture that cultivates awareness and reduction of expenses.

James R. Webb and Rick Knori discussed continuing efforts to deregister as a Transmission Owner (TO) with WECC and stated that the application will soon be submitted to the NERC-led Panel.

James R. Webb discussed efforts in finishing the EIS for the Crow Creek Pipeline and the additional scope of work with Stantec to address concerns submitted. He also announced the receipt of permits to proceed with the airport gas pipeline project, discussed progress on the project and presented pictures of the work being done.

James R. Webb announced receipt of FEMA money that was owed for the temporary line built after the transmission blow-down two years ago in Teton Village and status of the remaining FEMA money owed for the underground project. He also discussed archaeological artifacts that were discovered during the digging for the underground transmission line and the related work required by FEMA.
James R. Webb discussed the decision from the PG&E bankruptcy court to allow payment for and then receipt of the money owed by PG&E for the mutual aid performed by Lower Valley Energy and other utilities as a result of the Paradise fire.

James R. Webb and Fred Brog discussed ongoing efforts to establish legislation which establishes preference payment in bankruptcy situations for mutual aid performed.

James R. Webb announced John Francisco as the new NRU President, replacing Mark Gendron who will be working part-time on the UAMPS nuclear project.

James R. Webb discussed the possibility of adding Silver Star’s USDA revolving loan fund to the existing USDA loan funds of Lower Valley Energy to provide the community with a larger fund for economic development. Administration of the funds would be turned over to Lincoln-Uinta Revolving Loan Fund (LURLF).

A motion was made and seconded to take over Silver Star’s USDA revolving loan fund and then turn management of the fund over to LURLF contingent upon funds being available to all of Lower Valley Energy’s service area. Motion carried. Voting was unanimous.

James R. Webb announced the hiring of Brian Cook as a Jackson Senior Gas Technician. He then requested permission to hire electric crew employees above the budgeted amount in order to have them trained before retirement-age employees leave.

A motion was made and seconded to allow James R. Webb to hire additional employees above the budgeted amount. Motion carried. Voting was unanimous.

James R. Webb discussed comparisons between the current 401(k) plan with John Hancock and the plan offered by NRECA, and the majority vote of employees to switch plan providers.

A motion was made and seconded to change employee 401(k) plan providers from John Hancock to NRECA. Motion carried. Voting was unanimous.

Jon Hougland reviewed the July 2019 financial statements. Highlights included higher than expected revenues due to colder spring months and the reversal of the PG&E mutual write-off due to the receipt of payment.

Jon Hougland presented a detailed review of the liquid asset portion of the Lower Valley Energy Balance Sheet.

James R. Webb discussed the current natural gas prices and recommended maintaining the current retail rates until the current balancing account deficit is further amortized.

James R. Webb discussed the need to reserve a portion of our CFC line of credit to meet the requirements of the NEMS/NESC credit reserve policy related to our tier 2 market purchases. A motion was made and seconded to reserve five hundred fifty-four thousand, three hundred forty-eight dollars ($554,348) of Lower Valley Energy’s twelve million dollar ($12,000,000) CFC line of credit to supply credit support reserves to NEMS/NESC. Motion carried. Voting was unanimous.

A motion was made and seconded to approve the budget adjustment of sixty-six thousand, eight hundred dollars ($66,800) for the replacement of the S & C Circuit Switcher in the Rafter J substation with a new S & C Vertical Interrupter. Motion carried. Voting was unanimous.

The Board discussed proposed changes to Board Policy #305, Delinquent Accounts and the need to state requirement for payment of past due accounts before old members can establish new service.

A motion was made and seconded to approve the proposed changes as amended to Board Policy # 305, Delinquent Accounts. Motion carried, Voting was unanimous.
Bill Spaulding reviewed the outage report and discussed current year outages in comparison to previous years. He also discussed many planned outages required to perform proactive work on the electrical system.

Bill Spaulding reviewed the safety report and mentioned we have had no lost time accidents since the last board meeting. He discussed future safety training plans including life-flight instruction and mentioned the great value in having Bob Bennett as Lower Valley Energy’s safety instructor.

Warren Jones discussed increased usage and Lower Valley Energy’s growth rate as found in the distribution load study. He also discussed Lower Valley Energy’s peak winter demand.

The Board discussed Jackson Hole Air contributions and requested more information on how and if the program is succeeding. A request was made to have representatives from Jackson Hole Airport present at the next board meeting.

Nancy Winters discussed the success of the ICUA golf fundraiser for the ICUA PAC fund which totaled twenty-seven thousand dollars ($27,000). The Board also discussed ICUA’s efforts to educate the public concerning the decline in salmon population in not only rivers but the ocean as well. The Board expressed interest in a presentation from River Partners.

Fred Brog discussed working with WREA on the legislation for reimbursement of mutual aid in the case of bankruptcy. He also discussed the depletion of funds for the lineman scholarship program and different ideas on how to raise funds.

The WREA and NRECA dues were reviewed.

A motion was made and Seconded to appoint Scott Anderson as Lower Valley Energy’s CFC voting delegate with Dean Lewis as alternate. Motion carried. Voting was unanimous.

Meeting adjourned to Executive Session at 4:30 p.m.