A General Session of the Board of Directors was held on December 13, 2018, 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; and Steve Duerr, Attorney; Rick Knori, Director of Engineering; Jon Hougland, CFO; Brian Tanabe, Communications Manager; Bill Spaulding, Director of Electric Operations; Martell Brower, Director of Gas Operations; Angela Jennings, Staff Assistant; Don Edwards, Lineman; Dennis Tester, Lineman; Clay Skinner, Lineman, Clinton Baird, Lineman, Charles Jenkins, Lineman; and Gay Petersen, Executive Assistant/HR.

Minutes of the October 25, 2018, were approved as presented.

James R. Webb reviewed the costs and construction completed to date on the Hooper Springs Transmission Line.

James R. Webb presented a video highlighting construction on the Hooper Springs Transmission Line.

Dennis Tester reported on construction to date and future plans to meet construction goals.

James R. Webb reviewed the strategic plan previously approved.

James R. Webb presented the 2019 Board Calendar and asked if there are any changes at this time.

James R. Webb reviewed the proposed 2019 System Goals.

James R. Webb explained the changes to the proposed format of the 2019 system operating budget and work plan due to changes to power supply and the organizational chart.

Jon Hougland reviewed the proposed 2019 Revenue Budget.

James R. Webb discussed the proposed 2019 Work Plan and Budget for the Leadership Team.

James R. Webb presented the proposed 2019 Board of Director Work Plan and Budget.

Bill Spaulding reviewed the proposed 2019 Work Plan and Budget for the Electric Operations Team.

Rick Knori discussed the proposed 2019 Engineering Team Work Plan and Budget.

Jon Hougland reviewed the proposed 2019 Customer Service and Finance Team Work Plan and Budget.

Martell Brower presented the proposed 2019 Gas Operations Team Work Plan and Budget.

James R. Webb reviewed the proposed 2019 Fixed Expenses.

James R. Webb discussed the proposed 2019 Manpower Requirements and Payroll Budget.

Rick Knori explained the proposed 2019 Capital Budget.

James R. Webb reviewed the 2019 proposed Cash Budget and Equity Management Plan.

James R. Webb discussed the proposed 2019 Swift Creek Hydro Budget and Work Plan.

A motion was made and seconded to approve the proposed 2019 Annual Work Plan and Budget as amended. Motion carried. Voting was unanimous.
James R. Webb reviewed the natural gas balancing account. He recommended an increase of 4.01% residential/small commercial, a 4.65% increase to large commercial, and a 4.93% increase to summer interruptible effective January 13, 2019 and to amortize the account balance over three months.

A motion was made and seconded to approve an increase in natural gas rates effective January 13, 2019 of 4.01% to residential/small commercial, 4.65% to large commercial and a 4.93% to summer interruptible and to amortize the natural gas balancing account over three months. Motion carried. Voting was unanimous.

James R. Webb reviewed the October 2018 financial statements.

James R. Webb discussed the 2019 proposed liability insurance quotes for Lower Valley Energy. He recommended Lower Valley Energy stay with Hurtado.

A motion was made and seconded to renew Lower Valley Energy’s liability insurance with Hurtado. Motion carried. Voting was unanimous.

Fred Brog reported on WREA issues.

James R. Webb reviewed the ACRE program and asked Directors to participate.

Nancy Winters discussed ICUA issues and the up-coming Legislative Meeting.

A motion was made and seconded to appoint Ted Ladd as Lower Valley Energy’s NRECA voting delegate with Dan Dockstader as alternate. Motion carried. Voting was unanimous.

A motion was made and seconded to appoint Linda Schmidt as Lower Valley Energy’s NRTC voting delegate. Motion carried. Voting was unanimous.

Meeting adjourned at 4:00 p.m.

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Fred Brog, Chairman                      Dan Dockstader, Secretary/Treasurer