Lower Valley Energy

Board Meeting Minutes

General Meeting

December 19, 2019

A General Session of the Board of Directors was held on December 19, 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 via video, 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; Brian Tanabe, Marketing; Craig Coles, Purchasing Agent; Todd Lewis, Senior Gas Technician; and Julia Shumway, Executive Assistant/HR.

Minutes of the October 31, 2019, Lower Valley Energy Board Meeting were accepted as amended.

James R. Webb discussed interviewing efforts to recruit the best fit for the Directors of Gas and Electric Operations. He introduced Craig Coles as the new Director of Gas Operations and Mallory Winters as the new Director of Electric Operations.

James R. Webb showed videos that highlighted the Blue Angel’s focus on teamwork and safety. He discussed a new plan for Monday morning employee meetings to review safety, debrief on the previous week’s outages, and to outline the present week schedule.

James R. Webb announced that Dennis Tester will be the new safety coordinator and discussed a new training program for apprentice linemen.

James R. Webb reviewed the Lower Valley Energy Strategic Plan and discussed plans to update it. He said Brian Tanabe was assigned to head-up a committee to identify and research strategic issues and initiatives.

James R. Webb presented the 2020 Board Calendar.

James R. Webb reviewed the 2020 System Goals and discussed implementation of electronic tailboards.

James R. Webb presented the proposed 2020 System Operating Budget and Revenue Budget.

James R. Webb discussed Swift Creek Hydro and Lower Valley Energy’s ongoing relationship with the Town of Afton.

James R. Webb presented an overview of the 2020 Corporate Leadership Work Plan and Budget with an emphasis on focused training for apprentice lineman and increasing efforts to mitigate fire danger.

James R. Webb presented an overview of the 2020 Board of Directors goals and asked that a director attend and all employee meeting to discuss the importance of ‘Riding for the Brand’.

William Spaulding reviewed the proposed 2020 Work Plan and Budget for the Electric Operations team.

Rick Knori discussed the proposed 2020 Engineering Team work plan and budget emphasizing a focus on fire mitigation, integrating GIS and SCADA, and finalizing work on Hooper Springs.

Jon Houglund reviewed the proposed 2020 Customer Service and Finance Team work plan and discussed a new approach at tracking and closing work orders and training for CSR’s.

Martell Brower presented the proposed 2020 Gas Operations Team work plan.

James R. Webb reviewed the proposed 2020 Fixed Expenses.
James R. Webb discussed the proposed 2020 Manpower Requirements and Payroll Budget.

Rick Knori reviewed the proposed 2020 Capital Budget.

A motion was made and seconded to approve the proposed 2020 Annual Work Plan and Budget. Motion carried. Voting was unanimous.

James R. Webb shared a BPA video highlighting the Hooper Springs project.

James R. Webb reviewed the November 2019 natural gas balancing account and recommended no change in rates.

Jon Hougland discussed the October 2019 financial statements, highlighting the addition of Hooper Springs accounting and the location of the Crow Creek EIS costs.

Jon Hougland presented an update of the Crow Creek Pipeline Feasibility Study including key assumptions of sales, growth, and cost. The Board discussed the viability of natural gas and whether or not continuing with the pipeline is in the best interest of Lower Valley Energy. The option of providing natural gas to Idaho residents was also discussed.

A motion was made and seconded to approve the proposed 2020 Annual Work Plan and Budget. Motion carried. Voting was unanimous.

A motion was made and seconded to move forward with securing easements and then potentially building the Crow Creek Pipeline. Motion carried. Voting was unanimous.

A motion was made and seconded to approve NWPPA, WREA, NRU/NESC, and Northwest River Partners association dues. Motion carried. Voting was unanimous.

Fred Brog discussed the 2020 WREA budget and successful campaigning for support of the NRECA resolution to protect utilities providing mutual aid from bankruptcy.

Nancy Winters discussed ICUA topics of interest, including fire mitigation and vegetation management.

James R. Webb presented 2020 insurance quotes and discussed the difference in coverage and liability versus cost.

A motion was made and seconded to accept Federated as Lower Valley’s insurance carrier for 2020. Motion carried. Voting was unanimous.

James R. Webb discussed a letter received from a member requesting natural gas and upgraded electrical infrastructure be provided for the Skyline subdivision. Studies are being conducted to determine feasibility of building as requested.

James R. Webb discussed the benefits of using NRECA for Lower Valley’s 401(k) provider and the differences between the 30/62 and 62 retirement security plans.

A motion was made and seconded to approve the 401(k) Resolution authorizing the adoption of the NRECA 401(k) pension plan. Motion carried. Voting was unanimous.

Meeting adjourned to executive session at 3:30 p.m.