A Telephonic General Session of the Board of Directors was held on September 7, 2017. The meeting was called to order at 2:20 p.m. by Board Chairman, Fred Brog.

BOARD MEMBERS PRESENT: Fred Brog, Linda Schmidt, Dan Dockstader, Dean Lewis, Ted Ladd, and Nancy Winters.

OTHERS PRESENT: James R. Webb, President/CEO; Jon Hougland, CFO; Gay Petersen, Executive Assistant/HR.

Chairman Brog reviewed the agenda and added an additional item in regards to the Audit Committee.

James R. Webb reviewed the revised financial forecast with a pass through of the 6% BPA rate increase and the correct revenue projection. The full pass through would equate to an average rate increase of 2.97% and a 1.38 million increase in total revenue. The pass through would be applied to the energy charge.

Discussion was held on advantages and disadvantages of implementing a partial pass through now and the rest in consecutive years.

A motion was made and seconded to implement a full pass through of the 6% Bonneville Power Rate increase equating to an average rate increase of 2.97% for all Lower Valley Energy customers. This increase will net a $1.38 million increase in total revenue. Motion carried.

James R. Webb discussed the proposed Horse Butte Wind capital contribution of $3 million and the savings this would net.

A motion was made and seconded to authorize the President/CEO to invest $3 million in the Horse Butte Wind Project capital credits if he decides it is the best financial option for Lower Valley based on final information from UAMPS. Motion carried. Voting was unanimous.

Board Chairman Brog appointed Dan Dockstader as Lower Valley Energy Audit Committee Chairman with Ted Ladd and Nancy Winters as audit committee members.

Meeting adjourned at 3:00 p.m.