A General Session of the Board of Directors was held on February 28, 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 teleconference, and Nancy Winters.

OTHERS PRESENT: James R. Webb, President/CEO; 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; Noel Nelson, Staff Assistant; Jeff Strgar, Customer Service Representative; Aaron Johnson, Substation/Hydro Generation Foreman; and Julia Shumway, Executive Assistant/HR.

Representatives from Anixter, Jim Brown and Mark McMillan, presented a check totaling $19,641.00 for purchase volume incentives to Lower Valley Energy.

Minutes of the December 13, 2018, Lower Valley Energy Board Meeting were approved as presented.

The balance of members per director district was reviewed.

A motion was made and seconded to approve Director Districts as presently constituted. Motion carried. Voting was unanimous.

The 1099 Board expenses for 2018 were reviewed.

The Board of Directors reviewed the 2018 IRS Form 990 Questionnaire and returned completed forms.

Fred Brog introduced Julia Shumway as the new Executive Assistant/HR.

Jeff Strgar, Customer Service Representative, outlined the responsibilities and requirements of the Customer Service Representative position. He defined the position as ‘first point of contact’ for members and demonstrated the importance of fulfilling each task with the end goal of ensuring that each member is happy with Lower Valley Energy’s service.

Aaron Johnson, Substation/Hydro Generation Foreman, detailed the benefits of the SCADA system and explained his responsibilities as a substation foreman. He also described his experience riding a helicopter to place a bird guard on top of a transmission pole.

James R. Webb detailed the Jackson substation outages due to an eagle and snow loads. He explained measures being taken to avoid and/or be prepared for similar circumstances in the future.

James R. Webb discussed progress on the Afton Natural Gas Pipeline EIS which is scheduled to be finalized by the end of the year.

Martell Brower gave an update on the Jackson Hole Airport Natural Gas Pipeline. He outlined the Gros Ventre River crossing and presented a completion date of the crossing for some time next fall.

James R. Webb discussed the current status of the Teton Village Transmission Line FEMA reimbursement. The funding will be finalized once the archeology study on the artifacts found is complete.

James R Webb discussed the PG&E reimbursement. He explained that bankruptcy proceedings may result in delay or nonreceipt of funds and recommended write-off of the approximate $189,000 due. He assured the Board that Lower Valley Energy will continue to seek payment.
A motion was made and seconded to write off approximately $189,000 for PG&E due to their current bankruptcy. Motion carried. Voting was unanimous. Fred Brog proposed a resolution be created and presented to NRECA that would support industry practice of Mutual Aid Agreements (MAA) and support review and possible clarification of federal bankruptcy law to ensure payment to those utilities who render aid. 

A motion was made and seconded to amend a previous motion and appoint Dan Dockstader as voting delegate at the NRECA annual meeting with Fred Brog as alternate voting delegate. Motion carried. Voting was unanimous. 

James R. Webb discussed current staffing changes due to retirements, promotions, and recruitment. James R. Webb shared BPA’s strategic plan anniversary video in which Elliot Mainzer highlights the Hooper Springs Transmission Line project with Lower Valley Energy. James R. Webb reviewed the Swift Creek Board minutes. Jon Hougland reviewed the December 2018 draft financial statements. James R. Webb reviewed the natural gas balancing account. He defined hedging as an insurance policy against large swings in price. Despite current high prices, he recommended gas rates be left as they are as gas futures indicate a drop in future natural gas prices. Nancy Winters reviewed Audit Committee Meeting notes. The Board requested a discussion concerning changing auditors and review of travel expenses on a yearly basis. 

A motion was made and seconded to approve the write-off amount of $14,726.18. Motion carried. Voting unanimous. A motion was made and seconded to apply patronage capital in the amount of $1,461.89 to written off accounts. Motion carried. Voting was unanimous. A motion was made and seconded to approve the budget adjustment of $193,000.00 for the purchase of new Jackson Substation breakers. Motion carried. Voting was unanimous. A motion was made and seconded to approve the budget adjustment of $16,500.00 for the replacement of CenturyLink Substation data lines. Motion carried. Voting was unanimous. 

James R. Webb reviewed the system goal accomplishments for 2018. William Spaulding explained the tail-boarding goal and benefits in safety for the crews. A motion was made and seconded to approve a 6.954% 401K monthly employee contribution of past pay as a result of system goal accomplishments. Motion carried. Voting was unanimous. A motion was made and seconded to approve Julia Shumway as a 401K trustee. Motion carried. Voting was unanimous. A motion was made and seconded to approve the restatement of overtime, sick leave, and vacation as being excluded from the definition of compensation in the 401K plan. Motion carried. Voting was unanimous. 

Brian Tanabe reviewed the 2018, Member Satisfaction survey results. James R Webb reviewed the Operation Round-Up activities for 2018 and the current board. A motion was made and seconded to ratify the Operation Round-Up Board. Motion carried. Voting was unanimous. Bill Spaulding reviewed the 2019 System Maintenance Plan. 

A motion was made to approve the 2019 System Maintenance Plan. Motion carried. Voting was unanimous.
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The Board reviewed the Proposed Board Policy #203, Board Member Meetings and Compensation. Consensus was to remove item 4-C.

A motion was made and seconded to accept Proposed Board Policy #203 as amended. Motion carried. Voting was unanimous.

The Board reviewed the proposed policy #205, Evaluation of the President/CEO. A motion was made and seconded to accept Policy #205 as written. Motion carried. Voting was unanimous.

Bill Spaulding reviewed the outage report and announced no lost time accidents and one minor sprained ankle in the past two months.

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

Fred Brog led a discussion on WREA legislation.

The Board reviewed dues owed to WREA, NRU, Northwest River Partners, and NESC. There were no objections.

A motion was made and seconded to appoint Fred Brog as CFC voting delegate with Linda Schmidt as alternate. Motion carried. Voting was unanimous.

James R. Webb discussed the significant increase in green power sales since partnering with ECW.

Meeting adjourned at 2:00 p.m.

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Fred Brog, Chairman  Dan Dockstader, Secretary/Treasurer