A General Session of the Board of Directors was held on April 27, 2017, at the Lower Valley Energy Afton office. The meeting was called to order at 9:00 a.m. by Board Chairman, Rod R. Jensen.

BOARD MEMBERS PRESENT: Fred Brog, Peter Cook, Rod R. Jensen, Ted Ladd, Dean S. Lewis, Linda Schmidt, and Nancy Winters.

OTHERS PRESENT: James R. Webb, President/CEO; Rick Knori, Director of Engineering; Bill Spaulding, Director of Operations; Martell Brower, Director of Gas Operations; Brian Tanabe, Communications Manager; Gay Petersen, Executive Assistant/HR; Jerry Hansen, Leland Christensen, Senator, Dave DeCoria, with DeCoria, Maichel and Teague, John Resor, Tucker Resor, Nicole Brittingham; Property Management Company; Jim Waldrop, JH Airport; Melissa Turley, Teton Village Association; Liz Brimmer, Resors; Melinda Gibson, WY OHS; Casi Crites, WY HOS; Nick Shruger, FEMA; Roger Jones, FEMA; and Colleen McNeese, FEMA.

Minutes of the February 23, 2017, and March 30, 2017, were accepted as presented.

Discussion was held regarding the progress we are making to qualify for FEMA funds.

James R. Webb discussed Lower Valley's progress in the WECC deregistering process.

James R. Webb reviewed the issues still pending on the Caribou Transmission Line.

James R. Webb discussed the details of the Tier 2 power purchase through NEMS.

James R Webb discussed the progress to date on the proposed Afton natural gas pipeline feasibility study.

A motion was made and seconded to allow management to continue with the NEPA permitting for the proposed Afton natural gas project. Motion carried. Voting was unanimous.

Rod R Jensen welcomed all visitors in attendance regarding the repairs of the Teton Village transmission line. James R. Webb presented the facts and details regarding the Teton Village Transmission Line outage and subsequent details on the speedy repairs that the crews were able to accomplish. He also reviewed the costs to replace the transmission, both underground and overhead. FEMA possibilities of assistance were also reviewed.

Brian Tanabe reviewed the responses LVE received back from the survey/notification letter regarding the possibilities of undergrounding the Teton Village Transmission Line and the additional surcharge needed to do this.

Liz Brimmer encouraged the Board to really look at undergrounding the transmission line and detailed the easement offered by the Resor Land Trust.

Melissa Turley, from Teton Village Association, congratulated crews on the speedy restoration process. She also addressed the business losses of revenue sustained during the recent power outage.

John Resor thanked everyone for the speedy power restoration. He represents home owners in the Teton Village area. Mr. Resor offered help in staging areas, coordination of dirt work, and help with FEMA application services.
Fred Brog stated concerns regarding fairness to all members in spending the additional costs to bury the transmission line.

Mr. Resor stated his openness to any suggestions for support to bury the transmission line.

Jim Waldrop from the Jackson Hole Airport Board expressed appreciation to crews and voiced support in burying the transmission line.

Nicole Brittingham from Teton Property Management, expressed appreciation and support of burying the line.

Senator Leland Christensen expressed appreciation for the amazing cooperation of utilities in surrounding areas. He also stated his support of burying the transmission lines due to environmental issues, safety and stability.

Rod R Jensen and Jim Webb thanked everyone for their support and taking time to attend the board meeting in order to express their opinions regarding restoration of the Teton Village Transmisson Line.

Dave DeCoria, with DeCoria Maichel and Teague, reported on the recent Lower Valley Energy 2016 audit. He pointed out that Lower Valley Energy’s funds are insured by the FDIC and reinvestment of assets by the bank. He stated that the recent audit was very favorable and commended employee preparedness and waived moving to executive session.

FEMA Representatives, Roger Jones, Nick Shruger and Colleen McNeese explained the details and timelines of receiving FEMA assistance and answered questions from members and the Board.

Tony Allen gave an overview of the FEMA assistance available and the processes Lower Valley must meet to receive assistance from FEMA. Discussion was held regarding EIS studies, FEMA’s intent to prepare a future Programmatic Environmental Assessment and timelines for FEMA approval and procurement of materials.

Casi Crites, Wyoming Office of Homeland Security, explained the differences between temporary fixes and the time frames of beginning work and how it would affect FEMA assistance. She discussed environmental studies and historical compliance issues.

James R. Webb handed out the IRS 990 Report to the board for their review.

James R. Webb reviewed the BEC transition plan.

James R. Webb reviewed the CFC resolutions allowing Lower Valley Energy to a Tier 2 power purchase though NEMS.

A motion was made and seconded to approve the resolutions allowing James R. Webb to sign the CFC documents for a Tier 2 power purchase agreement through NEMS. Motion carried. Voting was unanimous.

James R Webb discussed the proposed 2016 Patronage Capital Margin Allocation.

A motion was made and seconded to approve the proposed 2016 Patronage Capital Margin Allocation. Motion carried. Voting was unanimous.

James R. Webb reviewed the 2017 March financial statements.

The Board reviewed Board Policy # 202 Functions of the Board of Directors and pointed out that Lower Valley Energy’s Audit Committee meets twice a year.
James R. Webb discussed the proposed changes to Board Policy # 507 Eye, Ear and Face Protection.

A motion was made and seconded to approve the proposed changes to Board Policy # 507 Eye, Ear and Face Protection. Motion carried. Voting was unanimous.

Meeting adjourned to executive session at 1:00 p.m.

Meeting reconvened to general session at 2:00 p.m.

The Board reviewed the notice that will be mailed to all members with the annual meeting information regarding approving and ratifying the proposed bylaw changes.

Bill Spaulding reviewed the safety and outage report. The Board accepted the Safety Meeting Minutes of February 24, 2017.

James R. Webb reported on the natural gas balancing account. He proposed a rate decrease for residential/small commercial of 7.70%, large commercial 8.71% and summer interruptible of 9.14%.

A motion was made and seconded to approve a rate decrease in the amount of 7.70% for residential/small commercial, 8.71% for large commercial and 9.14% for summer interruptible effective May 1, 2017. Motion carried. Voting was unanimous.

Nancy Winters discussed ICUA issues.

Fred Brog reported on the recent WREA meeting.

A motion was made and seconded to approve a request for early retirement of patronage capital from John Eastman in the amount of $2,228.87. Motion carried. Voting was unanimous.

A motion was made and seconded to approve a request for early retirement of patronage capital from ES Enterprise in the amount of $224.14. Motion carried. Voting was unanimous.

A motion was made and seconded to approve a request for early retirement of patronage capital from Phenogenex and Decisive Diagnostic in the amount of $1,873.38. Motion carried. Voting was unanimous.

James R. Webb was appointed as the Lower Valley Energy NCSC voting delegate with Fred Brog as the alternate.

Lengthy discussion was held on various scenarios on surcharge structures, load growth, number of customers affected and different rate structures for each group of members regarding location.

A motion was made and seconded to proceed with the ground work for FEMA funds and undergrounding the Teton Village Transmission Line. This will be funded by approximately 2 million replacement costs as well as all FEMA estimated to be 2 to 2.5 with residual to be funded through a power surcharge to those affect by the outage with the east side of the river paying one half of the surcharge rate and those west of the river paying the full surcharge rate. The surcharge will end when Lower Valley Energy has recouped the allocated costs and rates will return to the standard Lower Valley Energy rates. Motion carried. Voting was unanimous.
Rod R. Jensen resigned as a Lower Valley Energy Director and withdrew his petition to run again for District #1. It was the consensus of the Board to appoint Linda Schmidt as Chairwoman, Nancy Winters as Vice Chairwoman and Fred Brog as Secretary/Treasurer. The Board expressed their sincere appreciation to Rod Jensen for his many years of service on the Lower Valley Energy Board. Meeting adjourned at 3:45 p.m.