A General Session of the Board of Directors was held on August 25, 2016 at the Lower Valley Energy Jackson office. The meeting was called to order at 9:00 a.m. by Board Chairwoman, Linda Schmidt.

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

OTHERS PRESENT: James R. Webb, President/CEO; Steve Duerr, Attorney; Rick Knori, Director of Engineering; Bill Spaulding, Director of Operations; Angela Jennings, BEC District Manager; Wade Hirschi, CFO; Brian Tanabe, Communications Manager; Gay Petersen, Executive Assistant/HR; and Arleen Boyd, BEC Director via telephone.

Minutes of the June 23, 2016, General Session were accepted as presented.

A motion was made and seconded to approve the nomination appointing Rod R. Jensen as LVE Board President, Linda Schmidt as LVE Vice President, and Nancy Winters as LVE Secretary/Treasurer. Motion carried. Voting was unanimous.

The Board conflict of interest disclosures were discussed and forms were signed.


James R. Webb reviewed the proposed revisions to Board Policy 403 Rules and Regulations. Wade Hirschi reviewed the WPSC reasoning for proposed changes. Discussion was held regarding clarifying the definition of a favorable credit rating of the proposed revisions. Wade Hirschi reviewed the new PSC limitations on disconnecting services during the colder months and the possible installation of service limiters on meters.

A motion was made and seconded to approve the proposed changes to the rules and regulations as amended. Motion carried. Voting was unanimous.

James R Webb reviewed the proposed changes to Board Policy 205 - Board Member Meetings and Compensation.

A motion was made and seconded to approve the proposed changes to Board Policy 205 - Board Member Meetings and Compensation as amended. Motion carried. Voting was unanimous.

James R. Webb reviewed the President/CEO report.

A motion was made and seconded to send a letter to the Wyoming Governor regarding the importance of power reliability and the necessity of constructing the Hooper Springs line as soon as possible.

Discussion was held regarding the impact of all the area fires to BPA’s and Lower Valley’s power lines and stability.

Bill Spaulding discussed and answered board questions regarding LVE's pole replacement strategy.

James R. Webb discussed the progress of the proposed Afton natural gas pipeline route.

A motion was made and seconded to continue with the plans to move ahead with the necessary studies for the Afton natural gas pipeline. Motion carried. Voting was unanimous.
Discussion was held regarding storage facilities and availability of natural gas in Afton. James R. Webb reported that repairs to the LVE LNG trailer for Afton will be about $48,000.

James R. Webb reviewed the current and possible build outs under construction off the natural gas Teton Village Pipeline.

James R. Webb discussed Fall River’s A & G and customer expense amounts relative to Lower Valley’s and their future capital expenditures.

Michele Chait with E3 reviewed the updated Fall River consolidation study.

James R. Webb discussed issues regarding the Fall River consolidation and the upcoming September 7, 2016, joint board meeting.

James R. Webb reviewed the BEC Town Hall Meeting held July 12, 2016, an additional rate decrease and the formation of a LVE/BEC working group to help identify merger issues and work through solutions. He also reviewed the Beartooth GDS Report and future Phase II plans.

Phil Cameron from ECW joined with James R. Webb to report on the CNG filling station proposed for the Jackson Lower Valley yard. Phil reviewed the issues incurred with the proposed CNG site locations, ownership issues and the necessary grant revisions. He stressed the importance of having an option in place for the site by the September 8, 2016, Wyoming Business Council Meeting.

Discussion was held regarding access to the Lower Valley Energy yard for the CNG facilities.

Larry Pardee joined the meeting at 12:05 p.m.

A motion was made and seconded to approve the proposed CNG site location at the Lower Valley yard with a ten-year lease agreement and other legal documentation for mutual exit. Motion carried. Voting was unanimous.

Warren Jones reviewed the 2016 Electric Distribution Load Study.

Wade Hirschi reported on the July 2016 Financial Statements. James R. Webb emphasized that company equity is strong, natural gas is in a positive financial position and that the cash balance is at a record high due to the payment from Eagle Mountain, the BEC Management Agreement and other positive developments.

James R. Webb discussed the natural gas balancing account. He recommended no change in rates at this time.

James R. Webb reviewed the proposed 2015 patronage capital allocations for both electric and natural gas.

A motion was made and seconded to approve the proposed 2015 patronage capital electric and natural gas allocations. Motion carried. Voting was unanimous.

James R. Webb reviewed the proposed budget adjustment for a Polaris Ranger in the amount of $8,740, a budget adjustment for an ATV Trailer in the amount of $1,960 and a budget adjustment for a Knoica Minolta Copier/Scanner/Fax Machine for the Jackson office in the range of $10,000 to $13,000.

A motion was made and seconded to approve all three budget adjustments as requested. Motion carried. Voting was unanimous.
James R. Webb reviewed several requests from members for early retirement of patronage capital for businesses no longer operating.

A motion was made and seconded to approve the early retirement of patronage capital for Guide Plaza Apt. for the amount of $2,113.17, Grand Teton Printing for the amount of $8,281.83, Jones Boys Printers for the amount of $1,532.74, Broken Arrow Ranch for the amount of $3,528.85, Whitlock Carlson & Associates for the amount of $337.78 and The Back Porch for the amount of $636.53. Motion carried. Voting was unanimous.

Discussion was held regarding the Jackson Hole Air donation request in the amount of $30,000.

A motion was made and second to donate $25,000 to Jackson Hole Air. Voting was a tie. Chairman Jensen broke the tie was an aye vote. Motion carried.

Bill Spaulding reviewed the outage and safety reports. He also reported on the damages to our lines caused by the surrounding fires.

Steve Duerr recommended fire suppression plan reviews and documentation. He stated that a bill is before the legislature to put a cap on fire damages.

A motion was made and seconded to accept the outage and safety reports. Motion carried. Voting was unanimous.

The board reviewed the second half of the WREA dues in the amount $38,803.00 and the NRECA dues in the amount of $39,953.00.

Nancy Winters reviewed ICUA issues and the recent meeting information.

Linda Schmidt reportd on the happenings and the scheduled WREA Annual Meeting to be held in Jackson in September.

A motion was made and seconded to appoint Peter L. Cook as the CFC voting delegate with Dean S. Lewis as the alternate for the October Region IX meeting. Motion carried. Voting was unanimous.

Steve Duerr, LVE attorney, reported on information he received at his recent NRECA legal update seminar.

Meeting adjourned to executive session at 2:30 p.m.

Rod R. Jensen, Chairman

Nancy Winters, Secretary/Treasurer