A General Session of the Board of Directors was held on June 27, 2019, at the Lower Valley Energy Jackson office. The meeting was called to order by Board Chairman Fred Brog at 11:00 a.m.

BOARD MEMBERS PRESENT: Scott Anderson, Fred Brog, Dan Dockstader, Ted Ladd, Dean S. Lewis, Linda Schmidt, 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; Norm Nelson, Staff Assistant; Brian Tanabe, Marketing; Amy Walton, Conservation; Peter Keenan, Customer Service Engineer; Megan Stratman, NRU; Shawn Taylor, WREA; and Julia Shumway, Executive Assistant/HR.

Minutes of the April 25, 2019, Lower Valley Energy Board Meeting were accepted as presented.

Peter Keenan described his duties as Customer Service Engineer, including engineering new construction, redesign and improvements of current infrastructure, and natural gas.

Amy Walton described her efforts as Conservation Specialist to improve energy efficiency. Four areas of focus include residential, commercial, industrial, and agriculture. She outlined the benefits of conservation and presented Lower Valley Energy’s success in helping members improve efficiency in the four focus areas.

Megan Stratman, NRU, discussed findings of the Rate Impact Study performed by NRU. She defined various billing determinates, including composite, load shaping and demand charges, and drivers of the billing determinates. Final rate changes for 2020 will be announced in August.

Megan Stratman, NRU, discussed the opportunity to influence the new BPA contracts in 2028.

Norm Nelson discussed previous attempts and future plans to bore under the Snake River to replace the temporary overhead lines for the CC/CD feeders.

Martell Brower and James R. Webb discussed progress in taking natural gas to the Jackson Hole Airport.

Scott Anderson and James R Webb discussed ECW’s progress in promoting CNG in the Jackson area, including the first, soon-to-be implemented, CNG fueled garbage truck. Efforts will also be made to market and promote interest among commuters.

James R. Webb discussed the status of the FEMA reimbursements for the Teton Village transmission line replacement.

James R. Webb discussed the PG&E debt owed for mutual aid provided to restore lines after the Paradise Fire. PG&E made a motion to the bankruptcy courts to allow them to pay all the previous mutual aid debt.

James R. Webb discussed the twenty-five year ordinance passed by Star Valley Ranch to implement a franchise fee of one percent (1%).

James R. Webb discussed Lower Valley Energy employee turnover due to retirements and recruiting efforts to fill those positions.

Jon Houglund reviewed May financials and discussed reducing the First Bank line of credit from five million to one million dollars.

Jon Houglund presented a detailed review of the fixed asset portion of the Lower Valley Balance Sheet.
James R. Webb reviewed the methodology in developing the annual patronage capital discount rate.

A motion was made and seconded to accept the 2018 patronage capital discount rate of 9.45%. Motion Carried. Voting was unanimous.

James R. Webb discussed the decrease in the natural gas balancing account and recommended maintaining the current retail rates.

A motion was made and seconded to approve the budget adjustment of forty-five thousand, two hundred fifty-seven dollars and ninety-seven cents ($45,257.97) for the purchase of linemen laptops. Motion carried. Voting was unanimous.

Jon Hougland, Martell Brower, and James R. Webb discussed the feasibility study of the Afton Pipeline Project and explained the benefits, including increased reliability, future growth, and less risk. They also outlined the remaining timeline of the EIS.

The Board discussed proposed changes to Board Policy #301, Financial Policy; and #304, Contracts for Large Construction or Consultants.

A motion was made and seconded to approve the proposed changes to Board Policy #301, Financial Policy. Motion carried. Voting was unanimous.

A motion was made and seconded to approve the proposed changes to Board Policy # 304, Contracts for Large Construction or Consultants. Motion carried. Voting was unanimous.

A motion was made and seconded to approve the Board Resolution to Re-adopt the Lower Valley Energy 457(b) Deferred Compensation Plan. Motion Carried. Voting was unanimous.

The Board reviewed the 2019 Annual Meeting Agenda.

Bill Spaulding reviewed the outage report. He also reviewed the safety report and mentioned we have only had two reportable accidents to date this year with no lost-time accidents. He also reported that 401(k), outage, and safety goals are on track.

A motion was made and seconded to approve both April and June Safety Meeting Minutes. Motion carried. Voting was unanimous.

Nancy Winters discussed the pros and cons of removing the four lower Snake River Dams in an effort to save salmon, current legislation to remove the dams, and efforts from ICUA to educate the population on the importance of the dams for energy, load following, flood control, irrigation, and recreation.

James R. Webb discussed change in Idaho state law concerning Unclaimed Patronage Capital.

Shawn Taylor and Dan Dockstader discussed progress in the passing of an NRECA resolution that would give priority in bankruptcy proceedings to co-ops who had provided mutual aid to other utilities. The NRECA Resolution Committee recommended rolling the proposed language into an existing bankruptcy resolution which will next be addressed at the September regional meeting in Spokane, Washington.

Shawn Taylor discussed current activities of WREA, including co-op classes being offered at a Wyoming university and potentially doing away with net metering statutes which would result in individual companies becoming responsible to determine how net metering will be executed. He also discussed ongoing efforts to develop an international lineman project, possibly with another state.

Scott Anderson reported on ECW Green Power sign-ups and upcoming events.
Meeting adjourned to Executive Session at 4:30 p.m.

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Fred Brog, Chairman     Dan Dockstader, Secretary/Treasurer