A General Session of the Board of Directors was held on March 13, 2020, 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: Fred Brog, Dan Dockstader, Nancy Winters, and via telecommunication Scott Anderson, Ted Ladd, Dean S. Lewis, and Linda Schmidt.

OTHERS PRESENT: James R. Webb, President/CEO; Steve Duerr, Attorney; Jon Hougland, CFO; Mallory Winters, Director of Electric Operations; Martell Brower, Director of Gas Operations; Blake Weathers, NRU; and Julia Shumway, Executive Assistant/HR.

Minutes of the December 19, 2019, Lower Valley Energy Board Meeting were approved as presented.

Mark McMillan, representative from Anixter, presented Fred Brog a check totaling $17,622.78 for purchase volume incentives to Lower Valley Energy.

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 fees for 2019 were reviewed.

The Board of Directors reviewed the 2019 IRS Form 990 Questionnaire and returned completed forms.

Blake Weathers, NRU, discussed the history of BPA transfer service, the Agreement Regarding Transfer Service (ARTS), the Boardman to Hemmingway (B2H) transmission project, and recent NEMS market purchases. He discussed the high cost of transfer service and the need to protect transfer rights and postage stamp rates in the BPA 2028 contracts.

James R. Webb discussed the B2H project and the possibility of using the Hooper Springs model to finance B2H. If completed, the transmission line along with asset swaps with Idaho Power and PacifiCorp would replace the need for transfer service to Southeast Idaho.

James R. Webb discussed the Columbia River System Operations (CRSO) EIS and Biological Opinion which explored five alternatives with varying levels of spill and dam breaching. The preferred alternative did not include dam breaching.

James R. Webb discussed the NERC-led Review Panel’s denial of Lower Valley Energy’s request to deregister as a Transmission Owner (TO). The Board agreed with the proposal to not pursue an appeal at this time.

James R. Webb and Martell Brower discussed an Intent to Sue letter filed against the US Forest Service by two organizations with the purpose to stop construction of the Crow Creek Pipeline. Overall cost of the project is dropping due to rerouting, lower material prices, and shared costs with the LVE Electric Operations Department. Easements continue to be secured.

James R Webb discussed Lower Valley Energy’s increase in green power sales, the need to purchase green power from additional market sources, and the difficulty in finding suppliers.

James R. Webb discussed variations in personnel and partnerships involved in the Lower Valley Energy audit that has been performed by DeCoria auditors over the years.

A motion was made and seconded to approve a $40,000 budget adjustment for the purchase of a truck to replace one that was totaled by a fire. Motion carried. Voting was unanimous.

James R. Webb discussed recent staffing changes.
James R. Webb discussed the 2020 annual meeting events schedule including due dates, planned advertisements, and ballot mailings. Orientation for candidates will take place on May 14th, 2020, in Jackson with Board Directors Dean Lewis and Nancy Winters attending and Ted Ladd as alternate.

Jon Hougland reviewed the preliminary December 2019 financials, highlighting the transfer of costs between departments and Hooper Springs reporting.

James R. Webb and Jon Hougland reviewed the January financials.

James R. Webb discussed the Natural Gas Balancing account and recommended that rates be left as they are.

Fred Brog and Nancy Winters reviewed Audit Committee meeting notes. DeCoria and Associates will remain Lower Valley Energy’s auditor with a three-year contract. A firm paper trail indicating change in personnel was requested.

Nancy Winters discussed the importance of maintaining a Whistle Blowers policy. Any knowledge of fraud related activity should be reported to the CEO, Board Chairman, or auditor.

A motion was made and seconded to approve the write-off amount of $9,004.01. Motion Carried. Voting was unanimous.

A motion was made and seconded to apply $4,522.47 in patronage to the written-off accounts for a net write-off of $4,481.54. Motion carried. Voting was unanimous.

A motion was made and seconded to approve a budget adjustment in the amount of $23,200 for the purchase of a Trimble outage map to enhance the GIS system. Motion carried. Voting was unanimous.

A motion was made and seconded to approve a budget adjustment in the amount of $26,500 for the purchase of a Virtualized Server for the SCADA Network. Motion carried. Voting was unanimous.

James R. Webb discussed ongoing efforts to maintain a low risk hazard classification for Swift Creek Hydro and ongoing communications with the Town of Afton concerning the decision to obtain their own PURPA rate contract, sign the third Addendum, or sell Swift Creek Hydro to LVE.

James R. Webb reviewed the system goal accomplishments for 2019.

A motion was made and seconded to approve a 6.871% 401(k) monthly contribution to employee accounts as a result of system goal accomplishments. Motion carried. Voting was unanimous.

James R. Webb discussed the 2019 Member Satisfaction Survey, mentioning that members most appreciate Lower Valley Energy’s low rates, reliability of service, and cooperative model/ownership.

James R. Webb reviewed the Operation Round-Up activities for 2019 and the current board. A motion was made and seconded to ratify the Operation Round-Up Board. Motion carried. Voting was unanimous.

James R. Webb and Mallory Winters reviewed the 2020 System Maintenance Plan and discussed the year-round scheduling to ensure completion for all the tasks in the plan.

A motion was made and seconded to approve the 2020 System Maintenance Plan. Motion carried. Voting was unanimous.
Mallory Winters discussed ongoing efforts to ensure safety at LVE, including implementation of the Monday Morning Safety Meeting. He also discussed a lower than normal outage-count. Safety meeting minutes were reviewed.

The Board reviewed the proposed Board Policy #308, Energy Supply and Transmission.

A motion was made and seconded to accept proposed Board Policy #308, Energy Supply and Transmission. Motion carried. Voting was unanimous.

The Board reviewed proposed Board Policy #401, Membership Agreement.

A motion was made and seconded to accept proposed Board Policy #401 as amended. Motion carried. Voting was unanimous.

Fred Brog discussed the annual WREA meeting, including solar and wind impacts and electric car infrastructure. Linda Schmidt was congratulated for receiving the Craig Thomas Award.

A motion was made and seconded to appoint Fred Brog as representative for the WREA Board of Directors. Motion carried. Voting was unanimous.

Nancy Winters discussed ICUA, highlighting efforts to expand broadband internet infrastructure and continued efforts to gain support for a wildfire liability bill.

Scott Anderson announced the cancelation of the ECW ECO-Fair scheduled in May due to COVID-19.

Meeting adjourned to executive session at 1:45 p.m.

Fred Brog, Chairman                    Dan Dockstader, Secretary/Treasurer