A General Session of the Board of Directors was held on February 24, 2011, at the Lower Valley Energy Jackson 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, Dean S. Lewis, Ted Ladd, Linda Schmidt and Nancy Winters.

OTHERS PRESENT: James R. Webb; President/CEO; Steve Duerr, Attorney; Chad V. Jensen, Vice President; Rick Knori, Director of Engineering; Martell Brower, Director of Gas Operations; Brian Tanabe, Communications Manager; Wade Hirschi, Compliance Officer; Sandra Brockman, JH Chamber; Jerry Hansen; Kevin Heulsman, from the JH News and Guide Gay Petersen, Executive Assistant/HR.

Minutes of the December 16, 2010, General Session were accepted as presented.

Dan Kessler, CFC Regional Vice President, presented various rate design scenarios and rate study options along with the new mandated requirements.

A motion was made and seconded to appoint Nancy Winters as acting Secretary/Treasurer only when Linda Schmidt is unavailable. Motion was adopted. Voting was unanimous.

James R. Webb presented the President/CEO report.

James R. Webb discussed the proposed BPA Residential Exchange Settlement Agreement. A motion was made and seconded to approve Lower Valley Energy signing the BPA Residential Exchange Settlement Agreement. Motion was adopted. Voting was unanimous.

James R. Webb discussed the need for an increase in Lower Valley Energy's propane rate in the amount of .11205 cents effective immediately.

A motion was made and seconded to approve increasing Lower Valley Energy's propane rate in the amount of .11205 cents effective March 1, 2011.

Meeting adjourned to a Board and President/CEO session at 11:20 a.m.

Meeting adjourned at 12:15 p.m.

Peter L. Cook left the meeting at 12:15 p.m.

Meeting reconvened to general session 12:50 p.m.

James R. Webb continued with the President/CEO report.

Discussion was held regarding appointments to the newly formed Lower Valley Energy internal control committee. Nancy Winters and Rod R. Jensen were appointed as the Board Members of the new Lower Valley Energy internal control committee along with Mike McBride, Wade Hirschi, Jim Webb and possibly Dave DeCoria.

Chad V. Jensen and Brian Tanabe presented a demo regarding options and costs to implement online member voting for Lower Valley’s annual director elections.

A motion was made and seconded to postpone utilizing online member voting until another year. Motion was adopted. Voting was unanimous.

James R. Webb reviewed the issues regarding the PacifiCorp contract for the Swift Creek Hydro Culinary Project.

James R. Webb discussed the power requirements study as presented to the Board.
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James R. Webb reviewed the goal accomplishment for the 2011 Lower Valley Energy Work Plan to date.

James R. Webb reviewed the Preliminary December 2010 financial statements.

James R. Webb discussed the equity management plan as presented to the Board.

James R. Webb emphasized how important it is for Board Members to submit their 990 forms.

James R. Webb discussed the proposed changes to Board Policy #618 Leave of Absence.

A motion was made and seconded to approve the proposed changes to Board Policy #618 Leave of Absence as amended. Motion was adopted. Voting was unanimous.

James R. Webb discussed the proposed changes to the Drug and Alcohol Policy.

A motion was made and seconded to approve the proposed changes to the Drug and Alcohol Policy. Motion was adopted. Voting was unanimous.

James R. Webb discussed the 2010 System Goal Achievement.

A motion was made and seconded to approve the contribution of 6.9579% to the Lower Valley Energy employees' 401(k) plan beginning April 1, 2011, for the 2010 System Goal Achievement. Motion was adopted. Voting was unanimous.

Dean S. Lewis was appointed as Lower Valley Energy's voting delegate for NCSC.

Fred Brog was appointed as Lower Valley Energy's voting delegate for CFC.

James R. Webb discussed the NRU membership dues in the amount of $44,601.00.

James R. Webb discussed the membership dues for the Northwest River Partners in the amount of $10,043.00.

James R. Webb discussed the one-half year WREA membership dues in the amount of $35,333.50.

James R. Webb and Linda Schmidt reported on the WREA Legislative Conference held in Cheyenne, Wyoming.

Fred Brog reported on the ICUA Legislative Rally held in Boise, Idaho.

A motion was made and seconded to approve the consent agenda items as presented. Motion was adopted. Voting was unanimous.

A motion was made and seconded to approve the resolutions to the Lower Valley Energy employee FSA and HSA plans. Motion was adopted. Voting was unanimous.

Meeting adjourned at 2:50 p.m.

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Rod R. Jensen, Chairman        Linda Schmidt, Secretary/Treasurer