A General Session of the Board of Directors was held on April 26, 2012 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; Chad V. Jensen, Vice President; Steve Duerr, Attorney; Rick Knori, Director of Engineering; Bill Spaulding, Director of Operations; Martell Brower, Director of Gas Operations; Wade Hirschi, Compliance Officer; Michael McBride, CFO; Brian Tanabe, Communications Manager; Robert Saunders, Michael DeCoria and Brandon Blair with DeCoria, Maichel and Teague, Gay Petersen, Executive Assistant/HR.

Rod R. Jensen expressed the Board's appreciation to Chad V. Jensen for his 22 years of service given to Lower Valley Energy and presented him with a meter clock from the Board. Chad will begin his leadership as Chief Executive Officer of Inland Power in Spokane, Washington on May 21, 2012.

Minutes of the April 26, 2012, and March 12, 2012, General Session and were accepted as presented.

Michael DeCoria presented the 2011 year-end audit report and report of independent auditor.

Dean Lewis reported on the audit committee meeting held on February 27, 2012.

A motion was made to write off the delinquent accounts in the amount of $13,599.02 less patronage capital of $3,903.34 making the total write offs $9,695.68. Motion was adopted. Voting was unanimous.

Discussion was held regarding retirement of Lower Valley's propane distribution systems throughout our service territory. Jim Webb pointed out that we have the obligation to continue service in the current locations per the Wyoming Public Service Commission.

James R. Webb presented the President/CEO report.

A motion was made and seconded to approve acceptance of the increase in the State of Wyoming Residential Energy Efficiency Loan to 1.5 million or more. Motion was adopted. Voting was unanimous.

James R. Webb discussed the proposed miscellaneous write-offs mainly due to delinquent dig-in accounts and cable company bankruptcy.

A motion was made and seconded to accept the proposed miscellaneous write-offs in the amount of $44,249.20. Motion was adopted. Voting was unanimous.

James R. Webb discussed the sale of the PRC properties.

Chad V. Jensen presented new developments and plans for the UAMPS Horse Butte Project.

James R. Webb and Wade Hirschi discussed the proposed Teton Village Pipeline Expansion Project.

Michael McBride reviewed the 2012 Cost of Service Study.
Michael McBride discussed the 2011 year end financial statements.

Michael McBride reviewed the 2012 March financial statements.

The Board reviewed the natural gas and propane balancing accounts.

A motion was made and seconded to decrease the natural gas commodity rate by 9.79 cents with an equal increase in the cost of service component. Motion was adopted. Voting was unanimous.

A motion was made and seconded that we decrease Lower Valley’s propane rate by 23.89 cents per gallon. Motion was adopted. Voting was unanimous.

The Board 1099 forms for 2011 were reviewed.

Peter Cook assumed the chair of the board.

James R. Webb discussed the need for a budget adjustment in the amount of $19,520.32 to upgrade our WAN switches for the backup redundancy over Teton Pass and update our LAN switches for reliability.

A motion was made and seconded to approve the proposed budget adjustment for WAN and LAN switches in the amount of $19,520.32. Motion was adopted. Voting was unanimous. Rod R. Jensen abstained.

Rod R. Jensen resumed chairmanship of the meeting.

Jerry Hansen joined the meeting at 2:15 p.m.

Bill Spaulding discussed the number of outages and causes to date. It was the consensus of the Board that the meters not being used should not count towards the total number of outages year to date.

A motion was made and seconded to accept the financials and consent agenda. Motion was adopted. Voting was unanimous.

James R. Webb discussed the proposed changes to Board Policy # 101, 104, 106 and 611.

A motion was made and seconded to approve Board Policy #101 – Policy Origin as amended. Motion was adopted. Voting was unanimous.

A motion was made and seconded to approve Board Policy # 104 - Organizational Policy as amended. Motion was adopted. Voting was unanimous.

A motion was made and seconded to delete Board Policy # 106 – Environmental Respect. Motion was adopted. Voting was unanimous.

A motion was made and seconded to approve Administration Procedure No. # 611 – Retirement and Life Insurance Program. Motion was adopted. Voting was unanimous.

Fred Brog reviewed the happenings at ICUA. The Board reviewed the dues in the amount of $1,850.10.

A motion was made and seconded to appoint Chad V. Jensen and the NWPPA voting delegate. Motion was adopted. Voting was unanimous.
Meeting adjourned to Executive Session with President/CEO and Board only at 2:45 p.m.

Rod R. Jensen, Chairman

Linda Schmidt, Secretary/Treasurer