A General Session of the Board of Directors was held on June 24, 2010, at the Lower Valley Energy Afton office. The meeting was called to order at 11:05 a.m. by Board Chairman, Dean S. Lewis.

BOARD MEMBERS PRESENT: Fred Brog, Peter L. 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; Bill Spaulding, Director of Operations; Mike McBride, CFO; Martell Brower, Director of Gas Operations; Rick Knori, Director of Engineering; Brian Tanabe; Marketing Manager; Wade Hirschi, Compliance Officer; Gay Petersen, Executive Assistant; Amber Mahone and Arne Olson from E3.

Minutes of the April 29, 2010, General Session were accepted as presented.

Arne Olsen and Amber Mahone from E3 discussed the 2010 update to the IRP and presented conservation and rate options that may fit with Lower Valley Energy's power supply purchase strategy for the future.

Amber Mahone also discussed E3's analysis for fuel switching to natural gas heaters.

James R. Webb discussed the proposed changes to the Lower Valley Energy Bylaws -- Articles I-III.

A motion was made and seconded to approve the final changes to the Lower Valley Energy Bylaws Articles I-III as amended. Motion was adopted. Voting was unanimous.

Steve Duerr discussed the proposed changes to the Lower Valley Energy Bylaws -- Articles IV-VI. Steve Duerr will incorporate the Board's changes and Articles IV-VI will be presented at the next board meeting for final approval.

James R. Webb discussed the President/CEO's report.

Bill Spaulding reviewed the difficulties encountered because of extreme fluctuations in stream flows and debris in the Swift Creek Hydro Electric Plants this spring.

Warren Jones reviewed the Lower Valley Energy Information Technology programs.

James R. Webb discussed the 2009 Annual Report.

James R. Webb reviewed the 2010 May financial statements. He pointed out the significant change in the amount Lower Valley Energy has received for contributions-in-aid of construction and the amount we have drawn against our line of credit.

Mike McBride reviewed the propane and natural gas balancing accounts. The natural gas account can be supported by current rates but the propane balancing account will need to be adjusted in the propane rates.

James R. Webb reviewed the need to have a propane rate increase and Mike McBride discussed the details of the proposed propane rate increase.

A motion was made and seconded to approve the proposed rate increase to the Lower Valley Energy propane rates effective July 15, 2010. Motion was adopted. Voting was unanimous.
James R. Webb discussed the need for purchasing our own LNG trailers and the estimated savings per year.

A motion was made and seconded to approve purchasing LNG trailers in the amount of $429,436.00. Motion was adopted. Voting was unanimous.

Linda Schmidt reviewed WREA issues.

Fred Brog discussed the recent ICUA meeting.

A motion was made and seconded to appoint Fred Brog as the voting delegate for NRECA Region IX with Peter L. Cook as the alternate. Motion was adopted. Voting was unanimous.

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

James R. Webb discussed a needed budget adjustment in the amount of $17,000 for a side by side 4 wheeler enclosed vehicle.

Meeting adjourned to Executive Session at 5:40 p.m.

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Dean S. Lewis, Chairman            Linda Schmidt, Secretary/Treasurer