A General Session of the Board of Directors was held on June 28, 2012, at the Lower Valley Energy Afton office. The meeting was called to order at 11:00 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: Jame R. Webb, President/CEO; Steve Duerr, Attorney; Rick Knori, Director of Engineering; Bill Spaulding, Director of Operations; Martell Brower, Director of Gas Operations; Wade Hirschi, Staff Assistant; Brian Tanabe, Communications Manager; Gay Petersen, Executive Assistant/HR; Dave Piroutek with the Wyoming Public Commission; Denny Emory, Candidate from District 4; Robert Saunders Candidate from District 3; Larry King, BPA Account Executive; and Ben Graham with the Jackson Hole News and Guide.

Minutes of the April 26, 2012, General Session were accepted as amended.

James R. Webb discussed the President/CEO report.

A motion was made and seconded to authorize James R. Webb to sign the Statement of Intent for the Stepped Vintage Rate with Bonneville Power Administration. Motion was adopted. Voting was unanimous.

James R. Webb reviewed the BPA proposed prepayment program.

Anna Helm, Accounting Manager, joined the meeting at 11:50 a.m.

James R. Webb continued the President/CEO report.

Bill Spaulding reported on Swift Creek generation so far this year.

Rick Knori discussed the new Meter Data Management System and the time frame for completion to our members.

James R. Webb gave an update on the UAMPS Horse Butte Project.

A motion was made and seconded to approve the proposed rate that Lower Valley will charge UAMPS for the Horse Butte Project power. The rate will be a combination of the NRU Shell rate, incremental BPA demand charge, BPA transmission demand charge plus 5%. This rate will be reviewed at least once per year. Motion was adopted. Voting was unanimous.

A motion was made and seconded to approve signing the UAMPS Power Pooling Agreement. Motion was adopted. Voting was unanimous.

James R. Webb updated the Board on the projected costs for the Teton Village Pipeline Project.

A motion was made and seconded to move forward with the proposed Teton Village Pipeline Project. Motion was adopted. Voting was unanimous.

A motion was made and seconded to proceed with the Iron Rock section of Hwy 22 and section 1 of Hwy 390 with all easements for the entire project in place not to exceed one million one hundred fifty thousand ($1,150,000) Motion was adopted. Voting was unanimous.

A motion was made and seconded that the Board must approve the easement with the Teton Science School. Motion was adopted. Voting was unanimous.

James R Webb discussed plans for compression at the Rim on the natural gas pipeline.
Anna Helm reviewed the 2012 May financial statements.

James R. Webb discussed the balancing account for natural gas. His recommendation was to keep the current natural gas rates. He also discussed the propane balancing account and made a recommendation to change the propane rates to: Large Commercial to $1.3897, Small Commercial to $1.4905, Large Residential to $1.6211 and Small Residential $1.7141. Motion was adopted. Voting was unanimous.

A motion was made and seconded to adopt the NRECA Retirement Resolution restating the plan specifications. Motion was adopted. Voting was unanimous.

Bill Spaulding gave the safety and accident report. He also updated the Board on the outages to date.

A motion was made and seconded to approve the outage and safety reports. Motion was adopted. Voting was unanimous.

James R. Webb reviewed the proposed changes to Board Policy #601 Organizational Chart. A motion was made and seconded to approve the proposed changes to Board Policy #601 Organizational Chart. Motion was adopted. Voting was unanimous.

Fred Brog reported on issues and happenings at ICUA. Nancy Winters reported on the May ICUA meeting.

Linda Schmidt reported on WREA issues.

A motion was made and seconded to appoint Peter Cook as NRECA voting delegate and Fred Brog as alternative. Motion was adopted. Voting was unanimous

A motion was made and seconded to appoint Fred Brog as voting delegate to NCSC. Motion was adopted. Voting was unanimous.

Meeting adjourned to executive session at 4:10 p.m.

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