A General Session of the Board of Directors was held on June 30, 2011, at the Lower Valley Energy Jackson office. The meeting was called to order at 1:45 p.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; Wade Hirschi, Compliance Officer; Bill Spaulding, Director of Electric Operations; Rick Knori, Director of Engineering; Michael McBride, CFO; Brian Tanabe, Communication Manager; Tram Whiter from Jackson Hole News and Guide and Gay Petersen, Executive Assistant/HR.

Larry King reviewed the BPA TRM billing rate determinates and the estimated impacts on Lower Valley. He also discussed the BPA TIER 2 Vintage Rate Option.

A motion was made and seconded to purchase 2 MW of BPA TIER 2 Vintage Rate Power with a fallback position of purchasing BPA short term TIER 2 power. Motion was adopted. Voting was unanimous.

Minutes of the May 26, 2011, general session were accepted as amended.

Board discussion was held regarding setting future residential rates. Each board member gave their views regarding future residential rate structures. Staff then gave their views regarding residential rates.

A motion was made and seconded to approve the proposed budget adjustments. Motion was adopted. Voting was unanimous.

James R. Webb reviewed the propane and natural gas balancing accounts.

A motion was made and seconded to appoint Linda Schmidt as the WREA Lower Valley Energy representative. Motion was adopted. Voting was unanimous.

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

James R. Webb reviewed the President/CEO report.

The consent agenda was approved as presented.

The next board meeting will be on August 25, 2011.

Board discussion was held on residential rate structure, the facility charge, and patronage capital refunds.

A motion was made and seconded to pass through the new Bonneville rates to Lower Valley consumers using the existing rate classes and structure with no change to the facility charge. Motion failed.

A motion was made and seconded to approve seasonal rates using the existing rates classes, to track BPA’s TRM with no change to the facility charge. The rate differential to be determined in August. Motion was adopted.

A motion was made and seconded to apply the member’s patronage capital to their monthly bills as described in the President/CEO report with a 20-year rotation effective November 2011. Motion was adopted. Voting was unanimous.
Meeting adjourned at 6:15 p.m.

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