A General Session of the Board of Directors was held on October 25, 2018, at the Lower Valley Energy Afton office. The meeting was called to order by Board Chairman Fred Brog at 10:00 a.m.

BOARD MEMBERS PRESENT: Scott Anderson, Fred Brog, Dan Dockstader, Ted Ladd, Dean S. Lewis, Linda Schmidt, and Nancy Winters.

OTHERS PRESENT: James R. Webb, President/CEO; and Steve Duerr, Attorney; Rick Knori, Director of Engineering; Jon Hougland, CFO; Brian Tanabe, Communications Manager; Bill Spaulding, Director of Electric Operations; Martell Brower, Director of Gas Operations; Angela Jennings, Staff Assistant; John Francisco, CFC; Heather Sanchez, New Member Services; Angel Leavitt, Customer Service Representative; Todd Erickson, Meterman; Jared Hamp, Senior Gas Technician; Kim Tippetts, Customer Service Engineer; and Gay Petersen, Executive Assistant/HR.

Minutes of the August 30, 2018 General Session were approved as presented.

James R. Webb reviewed the President/CEO report.

A motion was made and seconded to authorize LVE Board Chair Fred Brog to write a letter in favor of the Afton Pipeline. Motion carried. Voting was unanimous.

Brian Tanabe reviewed the results of the WREA Arc Media Survey.

It was the consensus of the Board to withdraw from the ARC Media Program.

James R. Webb continued with the President/CEO detailing the progress and issues with the Hooper Springs Transmission Line Construction Project.

Dan Dockstader reviewed the audit committee minutes from the September 20, 2018, Audit Committee Meeting.

James R. Webb reviewed the proposed revisions to Board Policy 206 - Board Evaluation.

A motion was made and seconded to approve the proposed Board Policy 206 - Board Evaluation. Motion carried. Voting was unanimous.

James R. Webb discussed the proposed revisions to Board Policy 207 - Code of Conduct and Ethics.

A motion was made and seconded to approve the proposed revisions to Board Policy #207 - Code of Conduct and Ethics. Motion carried. Voting was unanimous.

James R Webb reviewed the September 2018 financial statements.

Jon Hougland reviewed the CFC KRTA.

John Francisco from CFC made comments regarding the KRTA and discussed blockchain technology.

Bill Spaulding reviewed the proposed 2019 vehicle budget.

A motion was made and seconded to approve the proposed 2019 vehicle budget. Motion carried. Voting was unanimous.
James R. Webb reviewed the September 2018 natural gas balancing account.

A motion was made and seconded to increase the commodity balancing account amortization from $0.0113 to $0.0591 and increase the commodity cost from $0.3173 to $0.3747 for a zero net change to rates. Motion carried. Voting was unanimous.

James R. Webb reviewed the proposed general patronage capital retirement for 2018 in the amount of $6,276,824.26.

A motion was made and seconded to approve the proposed 2018 general patronage capital retirement in the amount of $6,276,824.26. Motion carried. Voting was unanimous.

Dean Lewis reported on resolutions at the NRECA Region IX Meeting. Dean also conveyed appreciation from the Cooperative in Hawaii to Lower Valley Energy for Rick Knori and Steve Owens help in setting up their cooperative.

James R. Webb discussed the Swift Creek Minutes from September 9, 2018, and the proposed Third Addendum.

A motion was made and seconded to authorize James R. Webb to sign the proposed Swift Creek Third Addendum. Motion carried. Voting was unanimous.

Bill Spaulding reviewed the September/October Safety and Outage Report. Discussion was held on the limit on damages for fires.

Nancy Winters reported on ICUA budgets and the upcoming legislative meeting in January.

Fred Brog discussed topics from the recent WREA meeting.

A motion was made and seconded to appoint James R. Webb as the PRC voting delegate with Rick Knori as the alternate.

Meeting adjourned at 2:10 p.m.

Fred Brog, Chairman

Dan Dockstader, Secretary/Treasurer