

**PAGE ELECTRIC UTILITY  
REGULAR BOARD MEETING  
AUGUST 9, 2006**

**CALL TO ORDER:** The regular meeting of the Page Electric Utility Board was called to order at 5:31 p.m. on August 9, 2006 by Chairman Brynn Johns. The meeting was held in the conference room of Page Electric Utility, 19 Poplar Street, Page, Arizona.

**ROLL CALL:** Board members present: Chairman Johns, Bob Talbot, Rick Yanke, Tony Ferrando and Vice Mayor John Cook. Scott Sadler attended telephonically.

Staff present: General Manager, Bryan Hill; Finance Director, Catherine Foley; and Executive Secretary, Donna Roberts.

Also present: City Attorney, Rick Olson.

**INVOCATION:** The Board observed a moment of silence.

**SWEARING IN OF BOARD MEMBER:** Chairman Johns administered the oath of office to continuing Board member Bob Talbot.

**ELECTION OF OFFICERS:** Motion by Yanke and second by Sadler to keep the present slate of officers as follows:

Chairman:	Brynn Johns
Vice Chairman:	Bob Talbot
Secretary:	Scott Sadler
Treasurer:	Rick Yanke
Parliamentarian:	Tony Ferrando

The motion carried by a unanimous vote.

Motion by Sadler and second by Yanke to enter into an executive session at 5:36 p.m.

**EXECUTIVE SESSION:** UAMPS - Cost Recovery Charge/Payson-NEBO - Pursuant to A.R.S. §38-431.03(A)(3), the Board may vote to go into executive session for discussion with the Attorney for the Board for the purpose of consultation for discussion of legal

advice relating to the UAMPS Cost Recovery Charge/Payson-NEBO.

The motion carried by a unanimous vote.

Reconvene: Chairman Johns called the regular meeting back to order at 7:13 p.m.

APPROVAL OF MINUTES: Motion by Yanke and second by Talbot to approve the July 11, 2006 Regular meeting minutes with one correction noted.

The motion carried by a unanimous vote.

AUDIENCE AND COMMUNICATION: None.

CORRESPONDENCE: None.

UNFINISHED BUSINESS: Discussion/Possible Action – UAMPS Cost Recovery Charge/Payson-NEBO: No discussion.

NEW BUSINESS: Discussion – PEU Adopted Budget FY 2006-2007: Bryan reported that City Council held a rate hearing on July 27th as required by Ordinance 447. One citizen objected to the rate increase due to being on a fixed income. The new rates will become effective on the September billing.

The Council also approved entering into the Arizona State Retirement System (ASRS). If approved for membership by ASRS, PEU's budget does reflect this line item. Bryan added that the City Attorney will file a resolution for the appointed contract employees.

Vice Mayor Cook commented that Councilor Dimbatt placed an intent of Council amendment on the budget that, depending on the outcome of the upcoming referendums and Page's overall financial status, the User Fee would be eliminated December 31, 2006.

Discussion/Possible Action – City Electric Usage Calculation: At the July Board meeting the Board instructed Bryan to meet

with the City Manager to discuss the rate the City electric bill would be calculated for FY 2006-2007. Bryan and the City Manager agreed that the City would be billed at the same rate as the Utility's commercial customers.

Motion by Talbot and second by Ferrando to approve the calculation of the City electric bills for 2006-2007 at the standard commercial rate as proposed by the City Manager.

After brief discussion, the motion carried with Yanke voting against.

Discussion – CREDA: Bryan briefly touched upon PEU's membership with CREDA. He explained that CREDA is a nonprofit organization representing consumer-owned electric systems that purchase federal hydropower and resources of the Colorado River Storage Project. CREDA's mission is to keep the cost of power down. CREDA's values, objectives and priorities are regulatory and legislative issues. They meet six times a year in different locations. They will be meeting in Page in September. Bryan added that he tries to attend at least three to four meetings. Bryan indicated that our dues are paid through AMPUA at a significant cost savings than what was previously paid through UAMPS.

Vice Mayor Cook and  
Rick Olson:

Vice Mayor John Cook and Rick Olson left the meeting at 7:42 p.m.

REPORTS:

General Manager's Reports: Bryan reviewed the July General Manager's Report.

Financial Report: The Board reviewed the June Financial Report and questioned why the commercial sales were above budget. Catherine explained that ARAMARK was running \$10,000 more each month compared with the same months last year. Also, the old Wal-Mart store's monthly bill averaged \$10,000 with the new Super Wal-Mart averaging \$32,000 per month.

Chairman Johns asked about the accounting treatment of the loss on the LGIP investment. Catherine confirmed that the auditors had previously written off the loss and it was therefore correct accounting to show the recovery as a surplus in the financial statements.

A Board member questioned an adjustment on inventory. Catherine confirmed that this was an annual adjustment at year-end so that the actual inventory and inventory figure on the balance sheet were the same.

Scott Sadler:

Scott Sadler left the meeting at 7:50 p.m.

Committee Reports: None.

Chairman's Report: None.

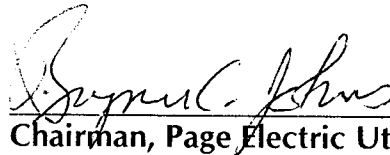
ANNOUNCEMENTS:

None.

ADJOURNMENT:

Chairman Johns adjourned the meeting at 8:16 p.m.

APPROVED:



\_\_\_\_\_

Chairman, Page Electric Utility Board