

**PAGE ELECTRIC UTILITY
REGULAR BOARD MEETING
SEPTEMBER 12, 2006**

- CALL TO ORDER:** The regular meeting of the Page Electric Utility Board was called to order at 5:30 p.m. on September 12, 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, Scott Sadler and Vice Mayor John Cook.
- Staff present: General Manager, Bryan Hill; and Acting Secretary, Tina Shakespear.
- Also present: City Attorney, Rick Olson.
- MOMENT OF SILENCE:** The Board observed a moment of silence.
- APPROVAL OF MINUTES:** Motion by Yanke and second by Sadler to approve the August 9, 2006 Regular meeting minutes as presented.
- The motion carried by a unanimous vote.
- AUDIENCE AND COMMUNICATION:** None.
- Motion by Yanke and second by Sadler 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 5:59 p.m.

UNFINISHED

BUSINESS:

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

NEW BUSINESS:

Discussion/Possible Action – WAPA Extension Contract:
Bryan explained this contract would extend our existing two-year contract to 2024 with a one year out. WAPA would be willing to do our electric marketing services. He asked that the Board approve this contract, pending the City Attorney's approval to form, then forward to Council for final approval.

After brief discussion, it was the consensus of the Board to discuss this at the next meeting to allow them the opportunity to review the existing contract.

Discussion – Update on Dispatching Diesel Generators:
Bryan discussed Montrose's efforts in dispatching the diesel generators and possible improvements that would result in allowing them to be dispatched. After discussion Bryan agreed to follow-up on the possibility of marketing the firm and non-firm power.

REPORTS:

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

Financial Report: The Board briefly discussed the July Financial Report.

Committee Reports: None.

Chairman's Report: Chairman Johns mentioned that according to the UAMPS annual report, IPP Unit 3 will soon begin construction.

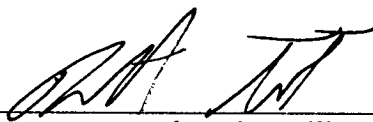
ANNOUNCEMENTS:

None.

ADJOURNMENT:

Chairman Johns adjourned the meeting at 6:42 p.m.

APPROVED:



vice - Chairman, Page Electric Utility Board

**PAGE ELECTRIC UTILITY
REGULAR BOARD MEETING
OCTOBER 16, 2006**

- CALL TO ORDER:** The regular meeting of the Page Electric Utility Board was called to order at 5:31 p.m. on October 16, 2006 by Vice Chairman Bob Talbot. The meeting was held in the conference room of Page Electric Utility, 19 Poplar Street, Page, Arizona.
- ROLL CALL:** Board members present: Vice Chairman Bob Talbot, Rick Yanke, Tony Ferrando and Scott Sadler. Chairman Brynn Johns attended telephonically and Vice Mayor John Cook was excused.
- Staff present: General Manager, Bryan Hill; Finance Director, Catherine Foley; and Executive Secretary, Donna Roberts.
- Also present: City Attorney, Rick Olson.
- MOMENT OF SILENCE:** The Board observed a moment of silence.
- APPROVAL OF MINUTES:** Motion by Sadler and second by Yanke to approve the September 12, 2006 Regular meeting minutes as presented.
- The motion carried by a unanimous vote.
- AUDIENCE AND COMMUNICATION:** None.
- Motion by Sadler and second by Yanke to enter into an executive session at 5:34 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: Vice Chairman Talbot called the regular meeting back to order at 5:52 p.m.

**UNFINISHED
BUSINESS:**

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

Discussion/Possible Action – WAPA Extension Contract No. 04-SLC-0514: The current contract is an electric marketing services contract which provides Page full power requirements with diesel generator dispatching and Payson/NEBO dispatching. This contract was initiated July 28, 2004 and expires December 31, 2006 with a thirty day termination “off ramp” for either party. This amendment would extend all services, terms and conditions through September 30, 2024 with a one year termination “off ramp” for either party.

Chairman Johns questioned whether the contract should be amended due to the Payson/NEBO plant being inoperative at this time. Rick Olson recommended leaving it as is.

Motion by Yanke and second by Sadler to approve WAPA Extension Contract No. 04-SLC-0514. This contract will be forwarded to Council for their approval.

The motion carried by a unanimous vote.

NEW BUSINESS:

Discussion/Possible Action – WAPA Agreement No. 06-SLC-0592: Bryan reported that this agreement is not ready for action at this time and that he is continuing discussions with Western Area Power Administration.

Discussion/Possible Action – UAMPS Activities: Bryan reported that UAMPS had sent a supplemental contract for the forward buying of gas. He had previously discussed this with Chairman Johns and they both were uncomfortable signing it at this time.

After discussion, it was the consensus of the Board not to sign at this time.

Discussion – Security of PEU Facilities: Bryan reported on the security measures that have been put in place since the September 18th burglary.

After discussion, staff was directed to take necessary steps to increase the security of the facilities further.

Discussion – Appropriate LGIP Fund Balance: Chairman Johns reported that Councilor Len Cook had asked him if an appropriate LGIP fund balance for the Utility had been determined yet.

After discussion, it was agreed to pursue this topic at the next two meetings. At the November meeting, the categories that should make up the balance would be determined. At the following meeting, the amounts for each of the categories would be agreed.

Discussion – SPPR/Mohave: Brief discussion ensued regarding involvement in the formation of an Arizona Joint Action Agency.

Rick Olson:

Rick Olson left the meeting at 6:40 p.m.

REPORTS:

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

Financial Report: The Board briefly discussed the August Financial Report.

Committee Reports: None.

Chairman's Report: None.

ANNOUNCEMENTS:

None.

ADJOURNMENT:

Vice Chairman Talbot adjourned the meeting at 7:06 p.m.

APPROVED:


Chairman, Page Electric Utility Board