

**PAGE ELECTRIC UTILITY  
REGULAR BOARD MEETING  
FEBRUARY 12, 2008**

**CALL TO ORDER:** The regular meeting of the Page Electric Utility Board was called to order at 5:36 p.m. on February 12, 2008 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; and Finance Director, Catherine Foley.

Also present: City Attorney, Rick Olson.

**MOMENT OF SILENCE:** The Board observed a moment of silence.

**APPROVAL OF MINUTES:** The minutes of the January 15, 2008 Regular Board meeting were unanimously approved upon a motion by Yanke and second by Ferrando.

**AUDIENCE AND COMMUNICATION:** Citizen, Kami Nicholson was present in the audience.

**UNFINISHED BUSINESS:** Discussion/Possible Action – SPPR Participation Agreement: Bryan explained that the participation shares of the preliminary funding for the SPPR participation agreement included the City of Page for an 8 megawatt share. The dollar amount would be \$14,130 which is 1.413%. Bryan added that the Board needs to decide whether or not they wish to cease participation or continue and move forward keeping our options open.

After discussion, a motion was made by Talbot, seconded by Sadler, to continue participating in the preliminary funding for the SPPR Project #1 to retain the right to ultimately participate in such unit.

The motion failed with Yanke, Ferrando, and Chairman Johns voting against and Talbot and Sadler voting in favor.

**NEW BUSINESS:** Discussion/Possible Action – Approval of Bid #135 – Slavens Substation Site Work & Fence Installation: Bryan explained that three sealed bids were received. This project is to level off the Slavens Substation, put down AB, put down a ground grid, and extend the fence. All bids were reviewed by PEU staff and

Intermountain Consumer Professional Engineers (ICPE). It is their recommendation that the bid be awarded to Anderson & Wood Construction, Inc. Bryan added that this would need City Council's approval since it exceeds \$100,000.

After brief discussion, a motion was made by Yanke, seconded by Talbot, to award Bid #135 to Anderson & Wood Construction, Inc., in the amount of \$178,620.35 and forward to Council for final approval.

The motion carried unanimously.

Discussion/Possible Action – Approval of Bid #136 – Powell

Substation Control Room Expansion: Bryan explained this building will accommodate the substation upgrades that have been planned for next year. The bids received have been reviewed by PEU staff and staff is recommending that Evans Custom Contracting, as the low bidder, be chosen to perform all work related to Bid #136.

After discussion, a motion was made by Yanke, seconded by Ferrando, to award Bid #136 to Evans Custom Contracting in the amount of \$76,232.34.

The motion carried with a unanimous vote.

Vice John Mayor Cook:

Vice Mayor Cook apologized for having to the leave meeting at this time. He advised the Board that since Council had approved the revised budget they should move forward to get as many things done that they could within the availability of funds. He also urged that they develop a systematic program for the improvement of the vehicle fleet and capital equipment. He added that there was a need to get the system caught up-to-date as soon as possible. The Vice Mayor left at 6:10 p.m.

Discussion/Possible Action – Amendment to Western Agreement:

Bryan explained that this is Amendment No. 2 to our electric marketing services. This contract is unique to Page with the Federal government which gives us our full power requirements contract. This particular amendment removes the section pertaining to the Payson Project. It was originally written to allow Western to be Page's scheduling agent for Payson. Bryan added that with the settlement of the UAMPS lawsuit this amendment provides "general housecleaning" with our original contract. The amendment to the contract was crafted by Western and has been reviewed by Rick Olson.

Motion by Yanke, seconded by Talbot, to approve Amendment No. 2 to Contract No. 04-SLC-0514 Between Western Area Power Administration and Page Electric Utility for Electric Marketing Services.

The motion carried unanimously.

Discussion/Possible Action – Approval of Insurance Quotes & Coverage: Bryan explained that we have two options this year for insurance. The Board reviewed and discussed both options. Bryan recommended continuing with the current insurance company due to their experience with the utility industry and because they offer lower cost for pollution coverage.

Motion by Yanke, seconded by Talbot, to approve the insurance quote from Nielson, Hurtado & Associates for an amount not-to-exceed \$85,000 as presented.

The motion carried unanimously.

Discussion – PEU 2008-2009 Preliminary Budget: The preliminary budget was discussed at length. The Finance Director will bring a further revised version to the next meeting.

Discussion/Possible Action – Hoover Common Interest Agreement: Bryan explained that this document is a common interest and anticipation of litigation participation agreement. This means that members agree to share confidential information with each other for the purposes of the upcoming anticipated litigation. Bryan explained that there are no costs involved at this time, but in the future there may be an opportunity for us to share in the expenses of the litigation. We are a small Hoover recipient; however, he feels if we do not participate at this time, we may not have the opportunity in the future and we would not want to lose our Hoover. Bryan added that pursuant to the ordinance, the Board needs to approve entering into this agreement. He added that Rick Olson has reviewed the document and approved as to form.

Motion made by Yanke, seconded by Ferrando, to approve the Common Interest and Anticipation of Litigation Joint Participation Agreement as presented.

The motion carried with four ayes and one abstention from Sadler.

**REPORTS:**

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

Financial Report: The December financial report was briefly discussed.

Committee Reports: None.

Chairman's Report: None.

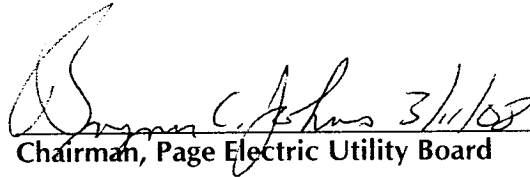
ANNOUNCEMENTS:

None.

ADJOURNMENT:

Chairman Johns adjourned the meeting at 7:10 p.m.

APPROVED:

  
Chairman, Page Electric Utility Board