

**PAGE ELECTRIC UTILITY
REGULAR BOARD MEETING
SEPTEMBER 11, 2007**

CALL TO ORDER: The regular meeting of the Page Electric Utility Board was called to order at 5:38 p.m. on September 11, 2007 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, Tony Ferrando and Vice Mayor John Cook. Rick Yanke attended telephonically. Scott Sadler joined the meeting at 5:45 p.m. telephonically. Bob Talbot was excused.

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

Also present: Mayor Bill Justice and City Attorney Rick Olson.

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

ELECTION OF OFFICERS: Motion by Ferrando, seconded by Yanke, to table this item until the next meeting.

The motion carried with a unanimous vote.

APPROVAL OF MINUTES: Motion by Yanke, seconded by Ferrando, to approve the minutes of the August 9, 2007 special Board meeting and the August 14, 2007 regular Board meeting as presented.

The motion carried by a unanimous vote.

AUDIENCE AND COMMUNICATION: None.

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

Discussion/Possible Action – PEU Rules & Regulations: Motion by Yanke, seconded by Sadler, to table this item until the next meeting.

The motion carried by a unanimous vote.

Discussion – APS Interconnect: The Board discussed the proposal from APS for their emergency breaker interconnect and their offer to provide Western with two near end of life transformers.

Discussion – SPPR Operation Planning Agreement Amendment: Bryan introduced the second amendment to the participation agreement. There was discussion regarding Page's possible participation in the combined cycle natural gas project. The Board also reviewed the long term purchase power agreement.

NEW BUSINESS:

Discussion/Possible Action – Approval of Bid #132 RFP Powell Substation Security System: Bryan reported that only one bid was received from Page Overhead Door and Gates.

After discussion, a motion was made by Yanke, seconded by Ferrando, to award Bid #132 for Powell Substation Security System to Page Overhead Door and Gates for a total of \$48,375.

After further discussion, the motion passed with a unanimous vote.

EXECUTIVE SESSION:

Motion by Chairman Johns and second by Ferrando to go into an executive session at 6:36 p.m. for discussion of the following: General Manager Review - Pursuant to A.R.S. §38-431.03(A)(1), the Board may vote to go into executive session for discussion or consideration of employment, assignment, appointment, promotion, demotion, dismissal, salaries, disciplining or resignation of a public officer, appointee or employee of any public body, except that, with the exception of salary discussions, an officer, appointee or employee may demand that the discussion or consideration occur at a public meeting. The public body shall provide the officer, appointee or employee with written notice of the executive session as is appropriate but not less than twenty-four hours for the officer, appointee or employee to determine whether the discussion or consideration should occur at a public meeting.

The motion carried by a unanimous vote. Bryan, Catherine and Donna were excused from the executive session.

Reconvene:

Chairman Johns reconvened the meeting at 6:47 p.m. Mayor Justice, Vice Mayor Cook and Rick Olson left the meeting at this time.

Discussion/Possible Action – General Manager Review: No discussion or action taken.

REPORTS:

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

Financial Report: The July financial report was briefly discussed.

Committee Reports: None.

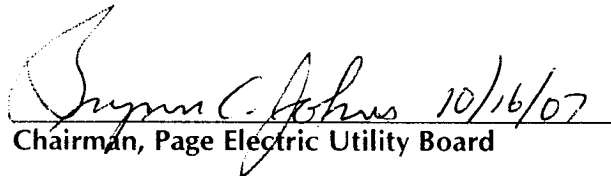
Chairman's Report: Chairman Johns stated that Mohave may be selling some assets and spare parts and felt PEU may be interested.

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. Not held.

ANNOUNCEMENTS: None.

ADJOURNMENT: Chairman Johns adjourned the meeting at 7:14 p.m.

APPROVED:


Chairman, Page Electric Utility Board