

**PAGE UTILITY ENTERPRISES
SPECIAL BOARD MEETING
May 10, 2016**

CALL TO ORDER: The special meeting of the Page Utility Board was called to order at 4:30 p.m. by Chairman Rick Yanke. The meeting was held in the City Hall Council Chambers, 697 Vista Avenue, Page, Arizona.

ROLL CALL: Board members present: Chairman Yanke, Tony Ferrando, Jeff Jones, Shayne Jones, and Ken Sichi. Council Liaison/Vice Mayor John Kocjan was absent.

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

Also present was Mayor Bill Diak, City Councilor, Dennis Warner; City Clerk, Kim Larsen; City Attorney, Joshua Smith and Court Reporter, Lerryn Roberds of Performance Reporters.

RATE HEARING: Electric and Commercial Sewer Rates: Chairman Yanke opened the public hearing. There were no interveners present. He asked the audience if anyone had any comments pertaining to either the electric rate reduction or the sewer rate increase for commercial customers. No one responded. He then turned the floor over to Bryan.

Bryan began with the basis for the electric rate reduction. The Utility is proposing to pass the budgeted savings from the budget reduction in the blended Wholesale Power Cost onto the ratepayers by offering a 3.2% energy rate reduction. This reduction amounts to a savings of approximately \$280,000 to the ratepayers. He added that the successful deployment of the Automated Meter System has allowed the Utility to eliminate the cost of two full time positions without any reduction in function.

Public Comment: Chairman Yanke asked if anyone had any comments regarding Bryan's report on the electric rates. There were none.

Bryan then spoke on the basis for wastewater commercial increase/adjustments. The wastewater utility is insufficiently capitalized. Capital Funds that are normally included in rates are inadequate.

Bryan explained that since the merger of the utilities in 2012, PUE has closely monitored the performance of the water and sewer funds. Prior to 2012, the wastewater infrastructure had suffered from severe deferred maintenance as any available capital money had not been applied toward the needs of the wastewater utility. This has resulted in the whole sewer plant being in a deteriorated state.

Public Comment: Chairman Yanke asked if anyone had any comments regarding the sewer rates.

Dennis Warner expressed his concern that the sewer rate increase for commercial customers did not go far enough in view of the historical lack of capital investment. He suggested that the Board consider an increase to residential as well as commercial customers.

With no other comments from the audience, Chairman Yanke closed the Public Hearing.

Discussion/Possible Action by the PUE Board pertaining to Electric and Commercial Sewer Rates: A motion was made by J. Jones, seconded by S. Jones, to approve the rates as presented and forward to City Council.

The motion carried unanimously.

ADJOURN:

The meeting was adjourned at 4:52 p.m.

APPROVED:


Chairman, Page Utility Enterprises Board