

TICABOO ELECTRIC IMPROVEMENT DISTRICT

Meeting Minutes
November 23, 2010

UTAH PUBLIC
SERVICE COMMISSION

2011 MAR 10 P 5:46

284938

Opening:

The regular meeting of the Ticaboo Electric Improvement District was called to order at 6:37 PM (MST) on November 23, 2010 in Ticaboo, UT (Church of Christ of Latter Day Saints) by Chip Shortreed.

Present:

Chip Shortreed (Chair); Jim Hills (Trustee); Christopher Thompson (Trustee); Justin Fischer via teleconference (Secretary)

A. Approval of Agenda

The agenda was unanimously approved as distributed.

B. Approval of Minutes

The minutes of the previous meeting were tabled;

MOTION: Mr. Shortreed made the motion to table the previous meeting minutes.

SECOND: Mr. Hills

VOTE: Vote was unanimous.

RESULT: PASSED

C. Open Issues

Ticaboo Supply and Storage Complaint

The Ticaboo Supply & Storage (TS&S) complaint was discussed. Mr. Shortreed stated that Brad Randall provided the original Jones and DeMille TSSD Waste Water Capital Facilities Plan which showed TS&S as being assessed one ERU. A conversation with Toby Wright from Ticaboo Special Service District No. 1 confirmed this.

MOTION: Mr. Shortreed moved that the District concede a mistake in billing TS&S two ERUs in recent months and contact TS&S to work out a reimbursement schedule for any overbilling.

SECOND: Mr. Thompson

VOTE: Voting was unanimous in the affirmative

RESULT: PASSED

D. New Business

2011 Budget

Mr. Shortreed gave a brief summary of the new rate schedule and budget. The new rates will become effective January 1st. The distinction between small commercial and large commercial was discussed as being based on usage over 2,000 kWh per month.

Questions were asked by members of the audience for clarification purposes. Mr. Shortreed noted that the District presently has no capital funds and mentioned the leaking transformer as an example of a need for a capital improvements budget. He detailed several other upcoming costs the District will need to cover (i.e. Rebuild 500kW generator).

The status of the proposed solar photovoltaic system was discussed. The last known status was that a USDA grant has been applied for, but not yet awarded or declined.

Mr. Hills described a proposal to examine finances a year from now and issue a rebate should the budget requirements be met. Mr. Hills also expressed his fear that should the rates be adopted, customers would disconnect their service, leaving the District in a worse condition.

Mr. Thompson commented on the costs of downsizing equipment at the Glenn Canyon National Recreation Area, but that fuel savings from a single year offset those costs.

MOTION: Mr. Shortreed moved to table the budget/rates item for a few minutes to discuss other agenda items for attendees of the public before leaving the meeting,

SECOND: Mr. Thompson

VOTE: Voting was unanimous in favor.

RESULT: PASSED

Authorization for H.E.A.T. Program Participation

Mr. Shortreed introduced the H.E.A.T. program and stated that the District was not currently participating in the program, and that he sought authorization from the Board for the District to participate in the program.

MOTION: Mr. Thompson moved to allow the District to participate in the H.E.A.T. program and authorize Mr. Shortreed to sign required documents.

SECOND: Mr. Hills

VOTE: Voting was unanimous in favor.

RESULT: PASSED

District Manager Vacancy

Chuck Birrenbach's resignation as District Manager was discussed. His resignation was made the morning of the meeting. Mr. Fischer added that now that Chuck has resigned, his name needs to be removed as an authorized signer on the District's checking account. All District materials in Chuck's possession need to be remitted to Mr. Shortreed.

2011 Budget

MOTION: Mr. Shortreed moved to approve the new budget and new rate schedule as presented.

SECOND: NONE

RESULT: The motion was tabled for discussion.

Mr. Hills stated that he would not second the motion because he felt the rates were unfair. Mr. Shortreed asked Mr. Hills if his position had changed since last week's conference call with Utah Division of Public Utilities. Mr. Hills stated that it had.

MUCH discussion followed.

Mr. Shortreed stated that the Department of Public Utilities had stated that the current rate schedule was not fair, just, or reasonable and that the District needed to pass a fair rate schedule in order for the mediation between the District and Uranium One to proceed.

Mr. Hills expressed concern that those with second homes in the town would see a huge rate increase.

Kay Randall asked Mr. Fischer his feeling about this new rate schedule satisfying DPU and Uranium One. Mr. Fischer responded that it was his feeling that DPU would be satisfied and it would be hard for Uranium One to take issue with DPU's findings.

Mr. Shortreed also discussed new connect/disconnect fees and how they encouraged customers not to disconnect and reconnect very often. They are typically twice the value of the monthly base rate.

Mr. Fischer noted that a change in the rate schedule is ill advised by DPU as it is best to have a full year under this new structure to allow the District to reevaluate expenses and revenues. Mr. Fischer further stated that a failure to adopt this new rate schedule will hurt the District more than loss of consumers at this time.

Through the discussion, Mr. Shortreed noted the legal fallout that could cause the District a considerable amount of money to defend if we fail to pass a new rate schedule that is supported by the DPU and corresponds to the requirements of the mediation with Uranium One. To this point the District has failed to act on this issue and are well past the deadline set to comply with the mediation.

Mr. Hills asked the general public what their opinion regarding this rate increase was and asked them what should we do. After discussion the general feeling of the public was to go ahead with the rate increase, satisfying the requirements of DPU, and go with these rates for one year and reevaluate it then.

Mr. Thompson inquired as to all in the room being in agreement; although he understood that no one likes the new rates. Mr. Thompson showed support for the new rate structure allowing the District to continue operations.

Mr. Hills seconded Mr. Shortreed's previous motion.

VOTE: Vote was unanimous in favor

RESULT: PASSED

Treasurer Position

MOTION: Mr. Shortreed moved that the position of treasurer be posted in accordance with district rules.

SECOND: Mr. Thompson

VOTE: Voting was unanimous in favor

RESULT: PASSED

Audit

In addition to the items listed for discussion on the agenda, Mr. Shortreed added that he has contacted a CPA who is willing to perform a gratis audit until a treasurer is appointed.

2010 Tax Liability

Mr. Shortreed addressed the issue of the Districts 2010 Tax Liability to the board. He further reported that the District was not charging the proper tax rate for commercial business (6.95%) and he further notified the board of the outstanding liability that the District will owe; which was estimated at more than \$13,000. That liability will have to be paid in accordance with the Utah Tax Commission rules by March 31, 2011.

Tariff Review

Mr. Shortreed reported to the board that an annual review of the Districts tariff is required and in order for 2011. The board will need to review existing tariff and make recommendations for changes to be submitted to the Public Service Commission.

Discussion

Discussion items were heard. Most were informational in nature.

E. Agenda for Next Meeting

- District Manager Vacancy
- Treasurer Position
- Tariff Review

Adjournment:

MOTION: Mr. Shortreed moved to adjourn.

SECOND: Mr. Thompson

VOTE: Vote was unanimous in favor

RESULT: PASSED

Meeting was adjourned at 9:00 PM (MST) by Mr. Shortreed.

Minutes submitted by:

Justin Fischer, District Clerk/Secretary

Approved by:

Chip Shortreed, Chair

