

Gene Ray had told him that no work was to be performed this year. Mr. Gill suggested that I contact Gene Ray about possibly purchasing the power plant.

3. When I spoke to Gene Ray, Mr. Ray told me that his brother, Israel Ray, was mentally incapacitated and in a facility in Tucson, Arizona. Mr. Ray explained to me that his brother was a diabetic but did not follow his doctor's advice regarding his blood sugar levels. Mr. Ray informed me that Israel would continue to eat sweets when his blood sugar levels were high. Mr. Ray explained that rather than affecting Israel's extremities such as his eyes, feet or hands, it had affected his cognitive ability. Mr. Ray told me that this has happened two times previously, and the last time it took Israel a year and half to recover, and even then, Gene Ray questions whether his brother fully recovered.

4. Gene Ray told me that he was uncertain if his brother will recover from this episode. Mr. Ray explained to me that Israel's physical health is fine and contributes his physical health to the fact the diabetes only attacked his cognitive ability and not his extremities.

5. Gene Ray offered to sell the power plant to the Atlanta Water Association, of which I am the President, under the following terms: \$5,000 a month for 30 years at the lowest interest allowed by law or, roughly 1.8 million dollars. Mr. Gene Ray was also demanding that if we purchased Atlanta Power that we supply free power for life to Israel Ray's cabin.

6. When I questioned Mr. Ray about his authority to make this offer or enter into any deal, Gene Ray told me he had none. I asked if he had a power of attorney, Gene Ray told me he did not.

7. Gene Ray also lamented that Israel Ray's daughters are estranged from their father and had no interest in his affairs. I suggested to Mr. Gene Ray he should consider obtaining a conservatorship here in Idaho and also in Arizona. Gene Ray told me that Israel Ray's medical providers had recommended the same.

8. Gene Ray explained to me that if the town did nothing, he would allow the power plant in Atlanta to operate until it failed and then they would sell it for scrap. He told me that the reason that I was approached was because he believed that the Atlanta Water Association (hereinafter "AWA") was the only entity in Atlanta that could take over the power plant on behalf of the town. He justified his price by telling me that it was his belief that the citizens of Atlanta were not paying enough for their power. He indicated that as a resident of Alaska he paid far more for power than the citizens of Atlanta did, and he did not believe that was fair to his brother, Israel.

9. After I had this conversation with Gene Ray, I did have at least one conversation with Israel's daughter, Anna. I explained our situation and I encouraged her to get a power of attorney for her father or a conservatorship. However, to my knowledge she has taken no action.

10. In the late winter/early spring 2018 I had a conversation with Gene Haught (the town fire chief). Gene Haught has been operating the plant since January 2018. Mr. Haught has no formal training in electricity. He is only doing what others have taught him to do. No one else in Atlanta is tending to this matter, and if Gene Haught didn't do what he did, the plant would fail. At the time I spoke to Mr. Gene Haught he also expressed concern because there was a power line on the ground and there is no one in Atlanta to put it back up. Gene Haught felt this was a safety issue. In addition, there is at least one customer who wants power, but there is no one who can hook them up.

11. Myself and Steven Harmsen, another Atlanta landowner, called the Public Utilities Commission (hereinafter "PUC") in the late winter/early spring 2018 and spoke to PUC Attorney Brandon Karpen. Mr. Karpen told us that he had received a complaint from a town resident, Mary Drake, in January 2018.

12. Myself and Mr. Harmsen explained all of the above to Mr. Karpen. Mr. Karpen told us that there was nothing he could do at this time. He explained the PUC would come up sometime

in May 2018 with a team and “appraise” the plant for repairs that need to be made, and explicitly warned us that as a result of this examination any improvements that may be required could potentially be passed onto the users as a rate increase.

13. He also stated that they would determine if Atlanta Power Customers were paying enough for their power and would be recommending what rate Atlanta Power should be charging its customers.

14. Mr. Karpen used the road to Atlanta as an excuse for why the PUC had not been up before now, and was delaying until May 2018 to come up and assess and inspect the plant.

15. Next, Mr. Karpen explained to me and Mr. Harmsen that he could not gain access to the Atlanta Power facilities without an authorized representative of Atlanta Power present. He explained that the PUC only recognized Ms. Churches as the only authorized representative of Atlanta Power.

16. Mr. Harmsen and myself represented to Mr. Karpen that the Atlanta Power Corporation had been administratively dissolved several years ago. We even directed him to the Secretary of State’s Website.

17. Mr. Harmsen and myself told Mr. Karpen that Gene Haught could give him access. We explained to Mr. Karpen that Linda Churches was only a bookkeeper and not an officer of the corporation. However, this did not influence him to change his position.

18. In the conversation with Mr. Karpen, he suggested the PUC had to concede to Linda Churches’ schedule, and that the PUC simply had no choice. His next excuse was that there was nowhere to meet with the residents in Atlanta.

19. At the time he proffered this excuse, I offered my services to get the PUC access to the school house. I explained to Mr. Karpen that I have a key to the school house as the Atlanta Water Association, Inc. rents space in the school house. I also offered Mr. Karpen the church,

which I confirmed and conveyed to him, was available anytime. I explained to him that the Atlanta Highway District has a very large building, as well as the Fire Station, and both of those buildings could easily fit 100 plus people. I offered to get notice out to the residents using the AWA billing system at my expense, as well as posting notice in town. Myself and Mr. Harmsen discussed with Mr. Karpen arranging another meeting in Boise as well, for those that live in the Treasure Valley as well as own property in Atlanta. We suggested that the town could come to this meeting as well. However, none of these offers were sufficient to speed up this process in Mr. Karpen's opinion.

20. Unfortunately, Mr. Karpen was powerless to help nor was he willing to offer any assistance.

21. I have also been in contact with the Loren Bennett and Brant Peterson of the Boise National Forest in Idaho City, Idaho. The Boise National Forest issues the special use permit on the Atlanta Power. Mr. Bennett explained that Atlanta Power had not paid its permit fees for several years, and they had no other contact other than Israel Ray. This conversation was again in the late winter/early spring of 2018.

22. I also spoke with Douglas Johnson in charge of Dam Safety with the Federal Energy Regulatory Commission (FERC) in Portland, Oregon. After explaining all of this to him, his remark was "it answered his question of why Atlanta Power had not responded to his office's request about an emergency plan he has been asking them to submit for some time now."

23. The following excerpt comes from Kirby Dam Fishways Operation and Maintenance Plan – Federal Energy Regulatory Commission license 11541. "The primary purpose of the Kirby Dam has always been hydroelectric production. Following failure of the original dam in 1991, the existing structure was constructed by the Bureau of Reclamation in 1992. While accommodating the hydroelectric plant, the current dam was also designed to serve as a

containment structure to secure sediments in the Kirby Dam Reservoir that have been contaminated with high levels of mercury and arsenic, derived from upstream mining, from further contaminating downstream resources used by people, fish, and wildlife. After construction, ownership and control of Kirby Dam was transferred to the Boise National Forest. Atlanta Power Company, Inc. (APC) operates Kirby Dam for hydroelectric production under a Boise National Forest Special Use Permit, expiration dated May 9, 2032. A fish ladder at Kirby Dam is owned and utilized by Idaho Department of Fish and Game for the purpose of providing effective and efficient migratory path for bull trout, listed as threatened under the Endangered Species Act, and other salmonids, past Kirby Dam....Air compressor, air pipes, two inflatable bladders, and eight flash boards control water levels in the Kirby Dam Reservoir and in the fish ladder.”

24. I wanted to include this to show the PUC that they are not the only entity involved with Atlanta Power.

25. I began researching loans through USDA Rural. USDA Rural has provided funding to the AWA in the past. I was told that funding is available to the town to purchase Atlanta Power Company (APC) through USDA Rural however, they need a plan along with financial statements before they would be willing to loan any funds.

26. I began researching whether Atlanta Power could be purchased by the AWA or if a separate co-op needed to be established. What I found was that a co-op or ownership would help in several ways. First, it would relieve the PUC of oversight and allow for the Co-op to set rates that would allow the Co-op to develop a fund for regular maintenance and repairs. Currently, the PUC does not allow the Atlanta Power to do this. Rather, it is my understanding in talking with Mr. Karpen, that the PUC allows a catastrophic event to occur, then once the event has been remedied, then the owner can come back and request a rate increase to cover those costs.

27. This is what the town experienced when the turbine failed several years ago.

28. All that said, it is impossible to determine what, if anything, the town can pay for the power plant because Atlanta Power refuses to provide any financial information. While this is nonsensical and self-defeating, the only way to force them to provide this critical information was to join as intervenors in the PUC case that was opened by Mary Drake.

29. Thereafter, I sought and received permission from the AWA and Atlanta Landowner's Association to file a petition to intervene in this case on behalf of those two organizations.

30. In a subsequent telephone conversation with Gene Ray, I explained to him why this financial information is vital. I have explained to him that I truly want to pay him \$5,000 a month for 30 months, however, there is no way for me to know if I can pay him \$5,000 per month that he is requesting if I don't know what Atlanta Power brings in each month. Gene Ray has told me directly in response to my requests for financial information that "there are no business records and there have been no tax filings for the last several years."

31. I have asked Mr. Gene Ray to order Linda Churches to provide me with customer's monthly billing statements so that I could ascertain or surmise Atlanta Power's monthly revenues. However, Gene Ray does not have any power over Ms. Churches. In that same regard, Ms. Churches does not recognize that Gene has any power over her.

32. I am left wondering where the money is going, especially if only Ms. Church's only functions are: 1.) send out billing statements; 2.) collect payments from Atlanta Power customer's, and 3.) deposit those payments in a bank.

33. On or about May 3, 2018, I filed a Request for Production of Documents pursuant to Rule of Procedure 225 of the Idaho Public Utilities Commission requesting this very information I describe above from Linda Churches. To date Mr. Churches has failed to provide me with any response, or an objection to my request for this information.

34. I would note that the PUC has not compelled Atlanta Power or Linda Churches to respond to its discovery as allowed by Rule of Procedure 232, or even sought to obtain the information it seeks through Rule of Procedure 226.

35. I would formally request that the IPUC issue an order compelling Ms. Churches to respond to my Request for Production of Documents or issue a subpoena for this information as allowed by Rule 226, and if she fails or refuses to provide the information that the IPUC impose all possible sanctions against her as allowed by Rule 232.

36. A decision was made by the AWA board that it did not want to acquire Atlanta Power because of difficulty it would have with its 501(c) status. Also, it was clear from comments made by AWA members that they desired two separate entities because members of AWA did not want to be responsible for Atlanta Power's bills and expenses, especially where they are all unknown, or rumor.

37. A town meeting was held in May 2018. The meeting was held at the church and was heavily attended. Attendance records were kept and minutes taken. The PUC was aware of the meeting, but did not attend. It was agreed at the meeting that I should work with others in town to develop a cooperative to purchase the Atlanta Power. The reason for the formation of the Co-op was that as a town, there was a consensus that if there was ever an opportunity to acquire Atlanta Power it would have to be through this mechanism (Co-op), and in until there was an entity in place to acquire Atlanta Power, we had no business investigating our options or negotiating further with Atlanta Power.

38. I was directed to Will Hart, Executive Director of the Idaho Consumer-Owned Utilities by Jim Frazier, an Atlanta Landowner. I asked Will to help me develop a framework for the cooperative. Will Hart was an awesome resource and provided me with a plethora of information and contacts.

39. Articles of Incorporation were filed with the Secretary of State's Office on July 9, 2018 for the Atlanta Electrical Consumer Cooperative, Inc. (hereinafter "Co-op").

40. The board of the Co-op met in September 2018 and adopted bylaws, service requirements, customer service rules, and a membership application

41. In light of the above, and especially the stated price of 1.8 million, the Co-op has been researching two avenues: 1.) starting our own power company from scratch-determine what the startup costs would be, and to determine if funding is available; 2.) the Co-op looked at having the current plant appraised for the purpose of making an offer.

42. When I spoke to Mr. Gene Ray about having someone appraise Atlanta Power, he rejected my first choice, Steven Severn. Mr. Severn is a CPA and I have used him in numerous legal cases to value businesses for the purposes of divorce. Mr. Ray demanded that we hire someone with expertise in appraising "an electrical business." I researched and did talk to several appraisers who I felt had the requisite background which Mr. Ray was requesting and received bids for their services. Both were seeking around \$17,000.00 to have the appraisal completed.

43. After talking with Mr. Ray further regarding this matter, I surmised that he would not provide any funds to assist in this process. Moreover, I surmised that even if I or the town were to raise funds to pay for the appraisal, the appraised value would never be accepted by Mr. Ray because it was my belief that the appraised value would be nowhere near the 1.8 million dollars that he was asking to be paid.

44. I checked with the Elmore County Assessor and the Atlanta Power plant has an assessed value of \$175,000 for personal property tax purposes.

45. Moreover, I am aware that businesses of this sort are generally valued at three times their annual revenue. I conservatively estimate that the annual revenue is approximately \$60,000 per year. Thus, I estimate the value of Atlanta Power to be around \$180,000.

46. I believe that it is also important when valuing the power plant to note the December 28, 2018 staff report regarding the condition of Atlanta Power. Please see Safety Concerns on page 6 and Summary on page 9 of the December 28, 2018 staff report.

47. I have discussed having the PUC assist in helping to get Atlanta Power appraised since it does have the power and authority to make an appraisal of the plant. I had discussions with the PUC about having an independent appraiser like a retired executive from Idaho Power come up and make an assessment of the plant. However, while this was discussed, no action was taken by the PUC.

48. The Co-op efforts at this time are primarily organizational and exploratory because no one has authority to act on behalf of Atlanta Power.

49. On information and belief, I am aware that Gene Ray has asked Gene Haught to have a board formed in Atlanta for the purpose of managing Atlanta Power. It is my understanding this board would take over billing and collection of customer's accounts. It would also take over day-to-day operations and maintenance of Atlanta Power. It is my understanding that Gene Ray would retain control of the check book and would give the board an allowance to pay for expenses such as repairs and diesel fuel.

50. The perils with this idea, are the same ones I have faced all along: Mr. Gene Ray has no real or apparent authority to enter into this sort of agreement on behalf of Atlanta Power; Mr. Israel Ray's mental health has been called into question and any contract that he would sign to memorialize this arrangement could potentially be challenged by a third party at a later date for whatever reason; and any deal of this sort with the company would have to be approved by the PUC.

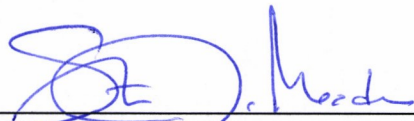
51. Moreover, to be truly candid, I have been left out of these negotiations as Gene Ray no longer wishes to deal with me since I am an attorney.

52. I am aware that when the Order to Show Cause notice was issued efforts to form this Board were put on hold to see what the PUC would do.

53. Finally, I want to make it clear to the PUC, that no one in Atlanta to my knowledge, wants to "steal" Atlanta Power from Israel Ray. Nor do we desire to denigrate Mr. Ray in anyway. To the contrary, Mr. Ray has been a good neighbor and resident of Atlanta. We are truly sorry for his health issues. We simply desire to work out a solution which would allow the town control of Atlanta Power so that we can improve on the work that Mr. Ray has already done on behalf of Atlanta Power. However, this is not possible since Mr. Ray is absent and no one is willing to step up to take responsibility for Atlanta Power.

FURTHER YOUR AFFIANT SAYETH NOT.

DATED This 26th day of February, 2019.

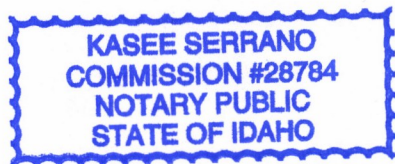



STEVEN J. MEADE

STATE OF IDAHO)
 :ss.
County of Ada)

On this 26th day of February, 2019, before me, the undersigned notary public in and for said State, personally appeared STEVEN J. MEADE, known to me to be the person whose name is subscribed to the within and foregoing instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.





NOTARY PUBLIC for Idaho
Residing at Boise ID
Commission expires: 01-20-2022

KARLE SERRANO
COMMISSION 428784
NOTARY PUBLIC
STATE OF IDAHO

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 26 day of February, 2019, a true and correct copy of the above and foregoing document was forwarded addressed as follows in the manner stated below:

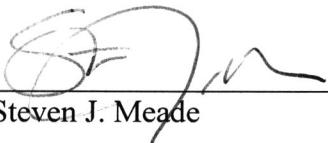
Diane Hanian (H, E) Commission Secretary Idaho Public Utilities Commission 472 West Washington Street Boise, ID 83702 Diane.holt@puc.idaho.gov Diane.hanian@puc.idaho.gov	Hand Delivered <input type="checkbox"/> U.S. Mail <input checked="" type="checkbox"/> Fax <input type="checkbox"/> Email/E-Service <input checked="" type="checkbox"/>
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Mary Drake 72 E. Pine Atlanta, ID 83716 Flute.md@gmail.com	Hand Delivered <input type="checkbox"/> U.S. Mail <input checked="" type="checkbox"/> Fax <input type="checkbox"/> Email/E-Service <input checked="" type="checkbox"/>
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Linda Churches Atlanta Power Co. P.O. Box 672 Salmon, ID 83467	Hand Delivered <input type="checkbox"/> U.S. Mail <input checked="" type="checkbox"/> Fax <input type="checkbox"/> Email/E-Service <input type="checkbox"/>
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Israel Ray, Treasurer Atlanta Power Company 11140 Chicken Dinner Road Caldwell, ID 83607	Hand Delivered <input type="checkbox"/> U.S. Mail <input checked="" type="checkbox"/> Fax <input type="checkbox"/> Email/E-Service <input type="checkbox"/>
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Israel Ray, Treasurer Atlanta Power Company 16589 Wagner Road Caldwell, ID 83607	Hand Delivered <input type="checkbox"/> U.S. Mail <input checked="" type="checkbox"/> Fax <input type="checkbox"/> Email/E-Service <input type="checkbox"/>
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Steven J. Meade