

**PIQUA ENERGY BOARD
MEETING
NOVEMBER 23, 2010**

- TIME & PLACE:** A regular meeting of the Piqua Energy Board was held on Tuesday, November 23, 2010 at Piqua Power System's office. Vice Chairman John Alexander called the meeting to order at 12:05 P.M.
- ATTENDANCE:** See attached Attendance Report.
- MONTHLY MINUTES:** Joe Drapp moved to approve the minutes of the September 28, 2010 meeting. John Martin second and the motion carried.
- MONTHLY REPORT:** Ed Krieger reviewed the October 2010 year to date (YTD) monthly financial reports. YTD kWh sales are 3.2% above budget and revenues are 3.3% above budget. The YTD electric-system adjusted margin is \$1,337,550. The YTD cash and investments are \$12,994,212. Frank Patrizio moved to accept the monthly reports. Bill Vogt second and the motion carried.
- EFFICIENCY SMART POWER PLANT:** Ed Krieger reviewed Sawvel's evaluation of the Efficiency Smart Power Plant program offered by AMP in partnership with Vermont Energy Investment Corporation. Energy Board Members questioned whether this program would benefit Piqua electric customers and stressed concern with increasing the customer charge to recover the program cost. Frank Patrizio moved that Piqua not participate in the Efficiency Smart Power Plant program at this time. Joe Drapp second and the motion carried unanimously.
- AMPGS REPLACEMENT POWER (2015-2020):** Ed Krieger reviewed Sawvel's evaluation of the 2015 through 2020 baseload firm energy purchase of 4,200 kW from Morgan Stanley recommended by AMP. Energy Board Members questioned whether this offering would provide economic benefit to Piqua electric customers. Joe Drapp moved that Piqua not participate in the 2015 through 2020 baseload firm energy purchase from Morgan Stanley. John Martin second and the motion carried unanimously.

- AMP DUES:** Ed Krieger reviewed the benefits of Piqua's annual membership dues in AMP. AMP has been Piqua's power supplier since 2007. Membership in AMP has grown to 128 electric municipalities located in six states. Joe Drapp moved to continue Piqua's membership in AMP at a cost of \$40,500. Patrick Jenkins second and the motion carried.
- PEAKER FUEL PURCHASES:** Ed Krieger reviewed the need for authorization to purchase #2 fuel oil for use in the two combustion turbine generators in 2011. The two generators are valuable in Piqua's power portfolio. Frank Patrizio moved to purchase up to \$50,000 of #2 fuel oil as needed in 2011. Lynn Sever second and the motion carried.
- COOPERATIVE RESPONSE CENTER:** Ed Krieger reviewed the after-hours customer call and dispatch services provided by Cooperative Response Center, Inc. (CRC). CRC has been fully integrated into the operations of the Power System, and provides a significant advantage to our customers. Frank Patrizio moved to retain the services of CRC at a cost of up to \$30,000 to provide professional customer call and dispatch services in 2011. Patrick Jenkins second and the motion carried.
- SAWVEL AND ASSOCIATES:** Ed Krieger reviewed the services provided by the independent consulting and engineering firm, Sawvel and Associates (Sawvel). Services provided by Sawvel have included cost-of-service and rate design, electric power Supply and Transmission arrangements, advice and recommendations on Piqua's potential participation in AMP joint-venture generating projects. Joe Drapp moved to retain the services of Sawvel and Associates to provide professional consulting and engineering services in 2011 at a cost of up to \$80,000. Jim Froning second and the motion carried.
- WORK PLAN UPDATE:** Ed Krieger reviewed the most recent update of the 2010 work listing. The Power System remains on target to complete the cast majority of budgeted initiatives for 2010.
- OLD BUSINESS:** Ed Krieger reviewed AMP's news release that recognized Piqua Power System for providing mutual aid to the AMP member communities of St. Clairsville, and the City of Cuyahoga Falls. In addition, the news release recognized Power System Director Ed Krieger for completing a term on the AMP Board of Trustees.

NEW BUSINESS: Ed Krieger reviewed the RFQ for design and construction management services associated with the new Piqua Power System electric utility service center. After initial proposal review and conducting interviews with four of the eight responding companies, Ed Krieger and Bev Yount, Purchasing Analyst, recommended to employ the services of Wenco to provide design and construction management services for the new building which is to be constructed over the next two years. Joe Drapp move to recommend entering a professional services contract with Wenco for a not to exceed price of \$400,000. Bill Vogt second and the motion carried unanimously.

ADJOURN: With no further business to discuss, Joe Drapp moved to adjourn the meeting at 1:08 P.M. Bill Vogt second and the motion carried.

SIGNED:

Ed Krieger
Power System Director