

**PIQUA ENERGY BOARD
MEETING
JANUARY 25, 2011**

TIME & PLACE: A regular meeting of the Piqua Energy Board was held on Tuesday, January 25, 2011 at Piqua Power System's office. Chairman Bill Gilius called the meeting to order at 12:00 P.M.

ATTENDANCE: See attached Attendance Report.

NEW BOARD MEMBER: Ed Krieger welcomed Sharon Lyons to the Energy Board.

MONTHLY MINUTES: John Martin moved to approve the minutes of the November 23, 2010 meeting. Bill Vogt second and the motion carried.

MONTHLY REPORT: Ed Krieger reviewed the 2010 year-end monthly financial reports. Year-end kWh sales finished 2.8% above budget and revenues are 2.9% above budget. The year-end total electric revenue for 2010 is 3.6% above Budget and the year-end total electric expenditures are down 3.4% from Budget. The year-end electric-system adjusted margin is \$1,241,925, which is \$1,327,385 better than budget. The year-end cash and investments are \$12,757,406. In 2010, the total power cost was \$52.96/MWH compared to the 2009 cost of \$55.66/MWH. Frank Patrizio moved to accept the monthly reports. Lynn Sever second and the motion carried.

ANNUAL TRANSFORMER PURCHASES: Nick Berger reviewed transformer bid results and recommended distribution transformer purchases for 2010. The lowest and best bids were received from Wesco and Ermco. A purchase order has been issued to Wesco for two transformers totaling \$11,304. John Alexander moved to recommend the purchase of 8 distribution transformers from Ermco for a not to exceed price of \$96,786. Joe Drapp second and the motion carried.

**BACKHOE
PURCHASE:**

Ed Krieger reviewed the planned purchase of a Case 580SN Loader Backhoe. The backhoe purchase is available through the State of Ohio Cooperative Purchasing Program. Joe Drapp moved to recommend the purchase the Case 580SN Loader Backhoe from Southwestern Equipment Co., Inc. for a not to exceed price of \$67,500. Pat Jenkins second and the motion carried.

**EDI LANDFILL
GAS:**

Ed Krieger reviewed Sawvel's evaluation of the EDI Landfill Gas Project Proposal, which summarizes Piqua's potential need for EDI baseload energy and then compares the EDI contract pricing to projected market prices for the period 2012 through 2021. Energy Board members had concerns about the rights and ownership of the Renewable Energy Certificates and the projected economic benefit to Piqua electric customers. Joe Drapp moved that Piqua not participate in the EDI Landfill Gas Project. Bill Vogt second and the motion carried unanimously.

**2010 WORK
LISTING – 4th
QUARTER UPDATE:**

Ed Krieger reviewed the year-end work listing summary for the Power System. 2010 proved to be a very productive year with the completion of the vast majority of budgeted initiatives.

**2011 WORK
LISTING:**

Ed Krieger reviewed the 2011 work plan for the Power System as budgeted and approved by City Commission. A number of key system improvement initiatives are included in the 2011 work plan.

**2010 RELIABILITY
STATISTICS:**

Ed Krieger reviewed the year-end reliability statistics for the Power System. This is the seventh year of tracking outages and the Power System performed admirably in 2010.

**2009 APPA RATE
SURVEY:**

Ed Krieger reviewed the 2009 APPA Rate survey which compared Piqua Power's residential, commercial and industrial rate classes to national averages, state averages, and local utilities.

OLD BUSINESS:

None to report.

NEW BUSINESS:

Ed Krieger reviewed the requirement to annually elect officers for the Piqua Energy Board. He also stated that current Chairman, Bill Gilius, had announced his intention to resign from the Piqua Energy Board.

John Martin moved to elect Joe Drapp as Chairman and John Alexander as Vice-Chairman of the Piqua Energy Board. Pat Jenkins second and the motion carried.

ADJOURN:

With no further business to discuss, Frank Patrizio moved to adjourn the meeting at 1:05 P.M. Bill Vogt second and the motion carried.

SIGNED:

Ed Krieger
Power System Director