

**PIQUA ENERGY BOARD
MEETING
AUGUST 23, 2011**

- TIME & PLACE:** A regular meeting of the Piqua Energy Board was held on Tuesday, August 23, 2011 at Piqua Power System's office. Chairman Joe Drapp called the meeting to order at 12:04 P.M.
- ATTENDANCE:** See attached Attendance Report.
- MONTHLY MINUTES:** Pat Jenkins moved to approve the minutes of the June 28, 2011 meeting. John Martin second and the motion carried.
- MONTHLY REPORT:** Ed Krieger reviewed the July 2011 year to date (YTD) monthly financial reports. YTD KWH sales and revenues are on target with the budget. The YTD total electric revenues are on target with budget and the YTD total electric expenditures are 5.6% below Budget. The YTD electric-system adjusted margin is \$554,893. The YTD cash and investments are \$13,508,464. Bill Vogt moved to accept the monthly reports. Lynn Sever second and the motion carried.
- AFEC UPDATE:** Ed Krieger reviewed AMP's purchase of the Fremont Energy Center. A total of 85 AMP member communities are participating in the project and will receive power from the facility. Piqua was allocated a 9.935 MW portion of the project.
- #8 GAS TURBINE EMERGENCY REPAIR UPDATE:** Ed Krieger reviewed the damage result to #8 Turbine, which are greater than expected. Depending on the desired depth of repairs, the total project cost could be up to \$2,000,000. A portion of the repair is covered by insurance through the Miami Valley Risk Management Association under the Boiler and Machinery Extension. Based on the output capacity of the involved, a \$250,000 property damage deductible applies. Piqua's portion of the deductible will be \$2,500.

SERVICE CENTER EARLY SITE WORK UPDATE: Ed Krieger reviewed the service center overall layout, and the site preparation work that Star Ex., Inc. has completed. Star Ex., Inc. is on target to be completed on schedule.

RELIABILITY STATISTICS: Ed Krieger reviewed the following YTD reliability indices: ASAI, CAIDI, SAIDI, SAIFI (long), and SAIFI (short). These indices are used as an industry benchmarking tool. The Power system is currently on schedule to have another strong performance.

2010 AMP CREDIT SCORE: Ed Krieger reviewed the 2010 AMP Member Credit Scoring Program. This program was developed to complete a financial review of municipalities with current membership in AMP. Piqua received a score of 102%, which is one of the highest among the AMP community.

2011 WORKPLAN - 2nd QUARTER UPDATE: Ed Krieger reviewed the most recent update of the 2011 work listing. The Power System remains on target to complete the vast majority of budgeted initiatives for 2011.

WATERFRONT CORF APPLICATION: Ed Krieger reviewed the Clean Ohio Revitalization Fund grant application. This grant will help fund the removal of the ash silo structure, bag houses, exterior coal elevator, all concrete walls, Aqua Ducts, and miscellaneous structures on the east side of the power plant along the river bank. It will also fund the construction of a concrete overlook along the bike path. More information about the application's status will be included in future board meetings.

OLD BUSINESS: Ed Krieger reviewed the Cross State Air Pollution Rule. Prairie State's legal team has conducted an initial review of the rule, and it indicates the EPA made several positive changes that will enable Prairie State to run at full capacity. Prairie State's legal team continues to conduct a detailed review.

NEW BUSINESS: Ed Krieger informed the Board of the latest ground breaking at Willow Island hydroelectric projects on the Ohio River.

ADJOURN: With no further business to discuss, Bill Vogt moved to adjourn the meeting at 1:07 P.M. John Martin second and the motion carried.

SIGNED:

Ed Krieger
Power System Director