



POWER SYSTEM

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PIQUA ENERGY BOARD MEETING FEBRUARY 26, 2013

TIME & PLACE: A regular meeting of the Piqua Energy Board was held on Tuesday, February 26, 2013 at Piqua Power System's office at 201 Hemm Ave. Chairman Sharon Lyons called the meeting to order at 12:00 P.M.

ATTENDANCE: See attached Attendance Report.

MONTHLY MINUTES: Joe Drapp moved to approve the minutes of the January 22, 2013 meeting. Pat Jenkins second and the motion carried.

MONTHLY REPORT: Ed Krieger reviewed the 2012 year-end monthly financial reports. Year-end kWh sales finished 2.0% above budget and revenues finished 4.6% below budget. The year-end total electric revenue and electric expenditures for 2012 were below budget due to the total power cost of \$50.40/MWH. In 2011, the total power cost was \$51.71/MWH and the 2010 cost was \$52.96/MWH.

The year-end electric-system adjusted margin is \$ (3,160,335), which is \$430,561 better than budget. The year-end cash and investments are \$9,044,146. Joe Drapp moved to accept the monthly reports. Jim Froning second and the motion carried.

69kV TRANSMISSION POLE PURCHASE: Nick Berger reviewed the 69kV Transmission Pole Purchase bid results and recommended the purchase of thirty-two (32) steel poles. Power System Engineering, Inc. (PSE) performed an assessment of the transmission line between substation 4 and 5 and determined the need to replace thirty-two main-line poles. The lowest and best bid was received from Bridgwell Resources.

Joe Drapp moved to recommend to Piqua City Commission the purchase of thirty-two steel poles from Bridgwell Resources for a not to exceed price of \$165,439. Pat Jenkins second and the motion carried.

**69kV
TRANSMISSION
LINE ANALYSIS:**

Nick Berger reviewed the proposal from PSE to perform a transmission line assessment from substation 4 to 3. A Request for Proposal was sent to three different engineering firms to conduct an analysis on a segment of Piqua's transmission system. PSE's proposal included an engineering and line design recommendation, bill of materials, and construction procurement documents.

Joe Drapp moved to recommend to Piqua City Commission to acquire the services of Power System Engineering, Inc. to provide professional engineering services for the City. Pat Jenkins second and the motion carried.

**2012 YEAR END
REVIEW:**

Ed Krieger presented the 2012 year-end review highlights of the Power System. The presentation covered the major achievements of 2012.

OLD BUSINESS:

The Energy Board had a discussion about the Power System's cash reserve policy. Joe Drapp moved to recommend City Commission formally adopt the Electric Fund Balance Guidelines approved by the Energy Board at their March 23, 2010 meeting. Pat Jenkins second and the motion carried.

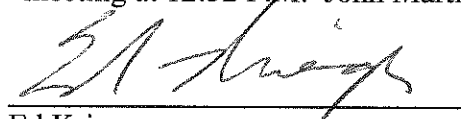
NEW BUSINESS:

None

ADJOURN:

With no further business to discuss, Bill Vogt moved to adjourn the meeting at 12:52 P.M. John Martin second and the motion carried.

SIGNED:



Ed Krieger
Power System Director