

**PIQUA ENERGY BOARD
MEETING
APRIL 23, 2013**

- TIME & PLACE:** A regular meeting of the Piqua Energy Board was held on Tuesday, April 23, 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:** Jim Froning noted that a revision to the February attendance report was needed. Joe Drapp moved to approve the minutes of the February 26, 2013 meeting. Roger Hartley second and the motion carried
- MONTHLY REPORT:** Ed Krieger reviewed the March 2013 year to date (YTD) monthly financial reports. YTD kWh sales are 2.9% above budget and revenues are 2.6% below budget. The YTD total electric revenues are 2.4% below budget. The YTD total electric expenditures are 18% below budget. The YTD electric-system margin is \$336,068 The YTD cash and investments are \$9,780,080. The minimum electric fund balance is \$5,375,213 and the ideal electric fund balance is \$9,375,213.
- Roger Hartley moved to accept the monthly reports. John Martin second and the motion carried
- LINE CONTRACTORS:** Nick Berger reviewed the 69kV Transmission Line Hardening contractor bid results and recommended to acquire the services of P&G Power, LLC to perform the necessary work. 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 P&G Power, LLC.
- Joe Drapp moved to recommend to Piqua City Commission to acquire the services of P&G Power for a not to exceed price of \$485,377. Roger Hartley second and the motion carried.

U.S. 36 STREET LIGHTS:

Nick Berger reviewed the U.S. 36 ornamental streetlight bid and recommended the purchase of twenty-seven ornamental streetlights from All-Phase Electric Supply Co. John Martin asked about a possible LED substitute. However, there isn't a suitable retro fit kit to convert the existing downtown fixtures to LED. In order to maintain similar lighting, the High Pressure Sodium fixture is preferred.

Roger Hartley moved to recommend to Piqua City Commission to award a contract to All-Phase Electric Supply Company for the purchase of ornamental street lights at a not to exceed cost of \$176,913.50. John Martin second and the motion carried.

ELECTRIC FUND BALANCE GUIDELINES:

The Energy Board requested to have the Electric Fund Balance Guidelines adopted by the Piqua City Commission. Ed Krieger reviewed the Electric Fund Balance Guidelines. The guidelines consist of five different components. A combination of these components provides the Power System both a minimum electric fund balance and an ideal electric fund balance. Gary Huff recommended two revisions of the Electric Fund Balance Guidelines before presenting it to the Piqua City Commission. The first is to increase the emergency fund from \$1,000,000 to \$2,000,000. The second is to increase the contingency for cash flow from \$1,500,000 to \$2,500,000.

John Martin requested actual figures with the current and proposed changes. John would also like the entire board to vote on the proposed changes. Joe Drapp moved to table the electric fund balance guidelines approval until next Energy Board meeting. Jim Froning second and the motion carried.

2013 WORKPLAN - 1st QUARTER UPDATE:

Ed Krieger reviewed the most recent update of the 2013 work listing. The Power System remains on target to complete the vast majority of budgeted initiatives for 2013.

OLD BUSINESS:

None to Report.

NEW BUSINESS:

Ed Krieger informed the Energy Board that Piqua received the RP3 Diamond award. The RP3 designation requires demonstration of proficiency in four key disciplines: reliability, safety, work force development, and system improvement. Piqua was one of six utilities to receive the Diamond Level, which is the highest possible level.

Ed Krieger shared with the Energy Board the recent success of two of Piqua Power's apprentices at the 13th Annual Lineman Rodeo. Jerry Perkins finished in 5th place and Nate Hutchinson finished in 2nd place out of 76 apprentices.

Ed Krieger reviewed press releases which affirmed Moody's A1 issuer rating for American Municipal Power, as well as Moody's positive assessment of the Prairie State Coal-Fired Generation Project. Also included was the 2012 Summary Report for the AMP Fremont Energy Center, highlighting an outstanding first year of operation.

John Martin inquired about the water level controlled by the dam behind Piqua's Power Plant. Ed Krieger said he will investigate it and provide the board an update at the next meeting.

ADJOURN:

With no further business to discuss, Joe Drapp moved to adjourn the meeting at 1:00 P.M. John Martin second and the motion carried.

SIGNED:

Ed Krieger
Power System Director