

Pursuant to due call and notice thereof, a regular meeting of the Kenyon Municipal Utility Commission was duly held in the City Hall conference room at 6:07 p.m. on the 17th day of November 2010. The following members were present: Commissioners Michael Engel and Richard Nielsen. Absent: Scott Swenhausen. Also present were Operations Superintendent Randy Eggert, Bookkeeper Sue Dodds and City Administrator Chris Heineman.

AGENDA

Add: New Business: B/CIP payment to Three Rivers Community Action. Motion by Engel, second by Nielsen to adopt agenda as amended. Approved 2-0-0.

CONSENT AGENDA

Motion by Engel, second by Nielsen to adopt consent agenda with the approval of checks #35802-35855 noting that gaps in check sequence were for payroll or voided checks. Also, ACH checks #4122-4134. Approved 2-0-0.

OLD BUSINESS

Generating report

Ziegler completed level two oil changes and exhaust back pressure, CO output level and exhaust temperature testing on all three engines.

Safety Report

Tree safety.

CMPMA update

EPA Reciprocating Internal Combustion Engines (RICE) standards – MISO may have new requirements in the future. A utility may be fined up to \$135,000/MW if they do not have the required capacity. CMPMA board authorized up to \$5,000 to legally research the interpretation of the new RICE standards.

Power Supply Coalition – RFP should be released on Friday. Currently there are five participants.

Heartland Consumers Power District (HCPD) – CMPMA board voted to put a hold on purchases for the present time due to possible transmission issues with WAPA. They are encouraging HCPD to submit a bid in response to the Power Supply Coalition RFP.

Iberdrola Wind – MISO has a December 15 deadline for commercial model registration so they require all subscription quantities by that date. If the December 15th deadline is missed, the soonest KMU would be able to participate is June 2011. Eggert and Heineman also explained that credits could be purchased at \$1/MW, which would cover the utility for four years. This would allow KMU to meet a portion of renewable requirements without purchasing the additional energy.

Nielsen felt there is no gain by waiting and considers this a conservative move. He believes the price of wind power will probably increase and that moving forward now with .5 MW would be a good idea. Engel agreed, with the exception that he felt .7 MW would be a better option, but would not be opposed to .5 MW subscription.

Motion by Nielsen, second by Engel to make a recommendation to the City Council that they move forward with the Iberdrola subscription agreement at .5 MW for power delivery beginning December 1, 2010 thus satisfying KMU's MN renewable energy requirements through the year 2019. Approved 2-0-0.

Scheduling services – Presentations were made to two cities in Wisconsin concerning using CMPMA's scheduling services. This could result in additional \$200,000 revenue per year.

Personnel Issues

Heineman and Eggert were unable to discuss this since the previous meeting, but will try to resolve this before the December meeting. Dodds explained the new law concerning health coverage for dependents up to age 26. The council will discuss this at their next work session.

NEW BUSINESS

Investment issues

Security State Bank of Kenyon has been discussing investment issues with Heineman and Dodds recently. Due to FDIC requirements to pledge collateral for the public funds, Security State Bank is currently losing money on the City's interest bearing accounts and cannot continue to offer these services. As a result of a portion of the Dodd–Frank Wall Street Reform and Consumer Protection Act funds in only “non-interest bearing” transaction accounts will continue to be covered by FDIC up to \$250,000. Currently, KMU is receiving interest on the regular checking and money market accounts. This change will result in KMU closing the money market account and searching for other institutions to place these funds, while keeping a minimal of \$250,000 in the current checking.

CIP payment to Three Rivers Community Action

Dodds reported that currently KMU has fallen short of the spending requirement of CIP funds to low income. To meet our goal the commission agreed to send \$1010 to Three Rivers Community Action to assist Kenyon low income families.

There being no further business, Nielsen adjourned the meeting at 7:40 p.m.

Sue Dodds, Bookkeeper

Richard Nielsen, Commissioner

Randy Eggert, Operations Superintendent