

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 6:05 p.m. on the 15th day of December 2010. The following members were present: Commissioners Michael Engel and Scott Swenhaugen. Absent: Richard Nielsen. Also present were Operations Superintendent Randy Eggert, Bookkeeper Sue Dodds and City Administrator Chris Heineman.

CITIZENS COMMENTS

Richard Anderson and Tammy Hinderaker were present to discuss the water service leak on State Street and Gunderson Boulevard. Anderson expressed his concern about their service extending under Gunderson Boulevard and felt that the heavy traffic, including the transportation of the heavy wind generators, may have played a part in the deterioration of their services. He thanked the commission for agreeing to pay for half of the repairs. The commission agreed to allow Anderson and Hinderaker one year to pay off their portion. Eggert also assured them that KMU would put black dirt and seed the affected portion of their yards in the spring.

AGENDA

Add: New Business: G/CIP. Motion by Engel, second by Swenhaugen to adopt agenda as amended. Approved 2-0-0.

CONSENT AGENDA

Motion by Engel, second by Swenhaugen to adopt consent agenda with the approval of checks #35860-35906 noting that gaps in check sequence were for payroll or voided checks. Also, ACH checks #4135-4147. Approved 2-0-0.

OLD BUSINESS

Generating report

Engines were tested.

Safety Report

Eggert noted that Minnesota has had three major electrical accidents since May.

CMMPA update

Eggert reported that the EPA has unofficially indicated that they are going to reconsider some limited aspects of the Reciprocating Internal Combustion Engines (RICE) standards. The official announcement is expected December 23.

Power Supply Coalition – There are 17 participants showing interest so far. The letter of intent to bid was due December 13, with bids due February 1, 2011.

Heineman will set up a presentation on CAPX by Steve Thompson at a joint council and commission session on Thursday, January 20 at 6:00 p.m. KMU regular meeting will follow at approximately 7:00.

Personnel Issues

The council approved amending the current policy on health care to state that the City will pay the premiums for dependent health care coverage for a dependent until the age of 21, or a full-time student up to the age of 24. Employees will be responsible for premiums for dependents between the ages of 24 and 26.

Water and Electric Policy

Tabled until January for further review.

NEW BUSINESS

Investment issues

The City and KMU have transferred a majority of funds from the Security State Bank of Kenyon to the 4M fund. All current certificates of deposit will remain at the local bank until the date of maturity. The bank has requested that the fund levels in the checking accounts stay below \$300,000.

Capital tax refund

Dodds reported that KMU received \$2967.54 in capital tax refund for merchandise purchased in the previous three years.

Iberdrola wind project resolution

Motion by Engel, second by Swenhaugen to approve resolution 2010-3 approving the Rugby Wind project power sales agreement with the Central Minnesota Municipal Power Agency. Approved 2-0-0.

2011 Budget

Dodds will finalize budget for review and approval at January meeting.

Ziegler RICE Standard report

Eggert presented a report from Ziegler following an audit on the three generators for the Nations Emissions Standards for Hazardous Air Pollutants for Reciprocating Internal Combustion Engines. The audit indicated that the three 1825 kW Caterpillar 3516 diesel generators are subject to the rule and as such would require the installation of a diesel oxidation catalyst, monitoring system, and a closed crankcase system. Commission agreed that any decision concerning these installations should be tabled until the final rules have been set.

Street lights on west end of main street

Eggert reported that four additional street lights on the west end of main street were turned on following a request from Commissioner Nielsen on behalf of the council.

CIP

Commission approved an additional \$90 to Three Rivers for low income CIP spending. Motion by Engel, second by Swenhaugen to approve an additional 20% on the CIP rebate for Fred's IGA if he is able to install equipment prior to 2011. Approved 2-0-0.

There being no further business, Swenhaugen adjourned the meeting at 8:05 p.m.

Sue Dodds, Bookkeeper

Scott Swenhaugen, Chairman

Randy Eggert, Operations Superintendent