

**AGENDA**  
**CITY COUNCIL MEETING**  
**February 11, 2011**

9:00 a.m.

**I. CALL TO ORDER AND ROLL CALL**

**II. CITIZEN COMMENTS**

**III. ADOPT AGENDA**

**IV. CONSENT AGENDA**

\*\* All items listed with asterisks (\*\*) are considered routine and non-controversial by the Council and will be approved by one motion. There will be no separate discussion of these items unless a Council member, City staff or citizen so requests, in which case the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda.

**V. \*\*APPROVAL OF MINUTES**

- A. Regular City Council Meeting Minutes of January 11, 2011
- B. City Council Work Session Meeting Minutes of January 14, 2011
- C. Special City Council Meeting Minutes of January 20, 2011
- D. Joint City Council / KMU Commission Meeting Minutes of January 20, 2011

**VI. PRESENTATIONS/PUBLIC HEARINGS  
RECOGNITIONS/PROCLAMATIONS**

**VII. ENGINEERING**

- A. Update on Wastewater Treatment Plant
- B. Update on TH 56 /60 Reconstruction Project

**VIII. LEGAL**

- A. Mediacom Corporate Change
  - 1. Resolution 2011-05: Resolution Consenting to Mediacom Corporate Restructuring
- B. CMMPA CapX Agreement

**IX. FINANCIAL**

- \*\*A. January 2011 Treasurer's Report-Year End Report
- \*\*B. Payment of Claims: Check #54368 through #54492 and #1447E through #1463E

**X. OLD BUSINESS**

**XI. NEW BUSINESS**

- A. Carriage and Cutter Parade Route and Street Closures
- B. 1<sup>st</sup> Annual 5K Run / Walk

**XII. OTHER BUSINESS**

**A. Schedule of Upcoming Meetings**

1. City Council Work Session (Preliminary Audit): Friday, February 18<sup>th</sup> @ 9 a.m.
2. Planning Meeting for old Kenyon High School (Council / EDA / Task Force / Planning Commission): Wednesday, February 16<sup>th</sup>, 11 a.m. - 1 p.m. @ City Hall
3. Board of Equalization: Tuesday, April 12<sup>th</sup> @ 6 p.m.
4. Goodhue County Board: Tuesday, May 3<sup>rd</sup> @ 9 a.m. in Kenyon

**XIII. COUNCIL AND STAFF GENERAL COMMENTS**

**10:00 a.m. XIV. ADJOURNMENT**

# MEMORANDUM

**TO:** Honorable Mayor and City Council  
**FROM:** Chris Heineman, City Administrator  
**RE:** Meeting of February 11, 2011

Attached please find the agenda and related materials for Friday's meeting.

**I. CALL TO ORDER AND ROLL CALL**

**II. CITIZEN COMMENTS**

**III. ADOPT AGENDA**

*MOTION NEEDED*

**IV. CONSENT AGENDA**

The Consent Agenda contains the following items for approval:

Regular City Council Meeting Minutes of January 11, 2011  
City Council Work Session Meeting Minutes of January 14, 2011  
Special City Council Meeting Minutes of January 20, 2011  
Joint City Council / KMU Commission Meeting Minutes of January 20, 2011  
January 2011 Treasurer's Report  
Payment of Claims

*MOTION NEEDED*

**V. APPROVAL OF MINUTES**

Consent Agenda Item

**VI. PRESENTATIONS/PUBLIC HEARINGS**

There are no presentations scheduled for the February City Council meeting.

**VII. ENGINEERING**

*Joe Palen will not be in attendance at this meeting, but has submitted the following updates included in your packet:*

Update on Wastewater Treatment Plant

Update on TH 56 / 60 Reconstruction Project

Palen has recommended that you consider submitting a PFA application. Bonestroo will charge approximately \$1,000 complete the application. Although funding will not be requested until 2012, it will be beneficial to know how the project will score. If the Council is in favor of this, a Motion will be needed.

**VIII. LEGAL** (*City Attorney Scott Riggs will be in attendance at this meeting.*)

Mediacom Corporate Change

See the letter from Robert Vose of Kennedy & Graven that is included in your packet.

Resolution 2011-05: Resolution 2011-05: Resolution Consenting to Mediacom Corporate Restructuring

***MOTION NEEDED***

CMMPA CAPX Agreement

Scott Riggs and I will provide a brief update regarding recent conference calls and information from the CMMPA Board Meeting this week.

**IX. FINANCIAL**

January 2011 Treasurer's Report - Consent Agenda Item  
Payment of Claims – Consent Agenda Item

**X. OLD BUSINESS**

**XI. NEW BUSINESS**

Carriage and Cutter Parade Route and Street Closures

A letter from Bryan and Mary Hagen is included in the agenda packet for your review. Please see the memorandum regarding specific requests for this event.

1<sup>st</sup> Annual 5K Run / Walk

A copy of the brochure and a memo regarding this event is included in your packet.

***MOTION NEEDED***

**XII. OTHER BUSINESS**

SCHEDULE OF UPCOMING MEETINGS

City Council Work Session: Friday, February 18<sup>th</sup> @ 9 a.m.

Planning Meeting for Old High School: Wed., Feb. 16<sup>th</sup> @ 11 a.m. to 1 p.m. @ City Hall

Board of Equalization: Tuesday, April 12<sup>th</sup> @ 6 p.m.

Goodhue County Board: Tuesday, May 3<sup>rd</sup> @ 9 a.m. in Kenyon

**XIII. COUNCIL AND STAFF GENERAL COMMENTS**

**XIV. ADJOURNMENT**

Please contact me, if you have any questions or require additional information.

Pursuant to due call and notice thereof, a City Council Meeting was duly held in the City Council Chambers at 7:02 p.m. on the 11<sup>th</sup> day of January 2011. The following members were present: Mayor Diane Barrett; Council Members Fred Barsness, Richard Nielsen, Bryan Haugen and Brian Paulson. Also present: City Administrator Chris Heineman, City Attorney Scott Riggs, and Administrative Assistant Pam Blow.

The Oath of Office was administered for Mayor Diane Barrett and City Council Members Bryan Haugen and Fred Barsness.

### **CITIZEN COMMENTS**

None

### **AGENDA**

Motion by Paulson, seconded by Nielsen to approve the agenda as published. Motion carried 5-0-0.

### **CONSENT AGENDA**

Motion by Barsness, seconded by Haugen to approve the Consent Agenda, which includes payment of check numbers 54186 through 54325; 1429E through 1446E; and additional checks 54326 through 54344. Motion carried 5-0-0.

### **ENGINEERING**

#### **Update on Wastewater Treatment Plant / MPCA Requirements**

Heineman noted that this will be discussed at the meeting to be held on January 14, 2011 at 9 a.m.

#### **Proposed MN DoT Reconstruction Project**

This MN DoT project involves the reconstruction of Highway 56 from Home Street in Kenyon to West Concord in 2012. Federal funding is available through September of 2011, to upgrade the project from an overlay to a reconstruction project from Home Street to Red Wing Avenue (Hwy. 56 / 60 intersection). In order to access the funding and take part in the project, engineering data has to be submitted by March, 2011. The engineering fees would be incurred in 2011, and could later be absorbed by any funding procured for the City's portion of the project. MN DoT will include improvements to Gunderson Boulevard and Main Street through a maintenance project in 2012. Bonestroo will provide further information at the meeting on January 14, 2011.

### **LEGAL**

#### **2011 Appointments and Designations**

- Planning Commission – 2 Year Term – Bryan Haugen, Jim Malloy
- Public Utility Commission – 3 Year Term – Scott Swenhaugen
- Library Board – 3 Year Term – Lorin Pohlman, Phil Maring
- Park & Recreation Committee – 3 Year Term – Jeanette Baalson, Andrea Metz, Lacey Boesen, Paula Clark
- Economic Development Authority – 4 Year Term – Dan Dummer
- Historic Preservation Commission – 3 Year Term – Shawn Seiter, Lois Estrem, John Cole, Barb Matul, Carol Lozon, Richard Overholt (filling vacancy that expires 1/2012)
- Miscellaneous Appointments
  - a. Acting Mayor – Fred Barsness
  - b. Legal Newspaper – Kenyon Leader
  - c. Depository – Security State Bank
  - d. City Attorney – Scott Riggs, Kennedy & Graven

- e. Prosecuting Attorney – David Jacobsen, LLC
- f. City Engineer – Joe Palen, Bonestroo
- g. City Auditor – Thomas Wente, Smith Schafer and Assoc., Ltd.
- h. Financial Consultant – Case by Case
- i. Investments – As Allowed Per Minnesota Statutes
- j. Deputy Clerk – Pam Blow
- k. Weed Inspector – Diane Barrett
- l. Assistant Weed Inspector – Bryan Haugen
- m. Property Management Committee – Barrett, Barsness and Heineman
- n. Personnel Committee - Paulson, Barrett, and Heineman
- o. Kenyon Fire Relief Association – Diane Barrett, Heineman

Motion by Nielsen, seconded by Paulson to approve the appointments and designations. Motion carried 5-0-0.

**Resolution 2011-01: Establishing License Fees and Compensation**

Motion by Haugen, seconded by Barsness to approve Resolution 2011-01. Motion carried 5-0-0.

**VFW Annual Dance Permit**

**Annual Tobacco Licenses**

**Annual Refuse Licenses**

**Annual Recycling Licenses**

**Annual Sidewalk Obstruction Licenses**

Barrett read all the applicants for the above licenses / permits. Motion by Paulson, seconded by Nielsen to approve the licenses. Motion carried 5-0-0.

**Prosecuting Attorney Agreement with David Jacobsen for 2011**

Heineman noted that Jacobsen spent significant time on the cases assigned to him, and was paid \$800 per month during 2010. Motion by Barsness, seconded by Nielsen to approve the agreement with Jacobsen, with a fee of \$900 per month for 2011. Motion carried 5-0-0.

**Audit Contract with Smith Schafer & Assoc., Ltd.**

The 2010 audit will be conducted in late March, 2011, and the new auditor will be present at a work session to be scheduled in February. Motion by Haugen, seconded by Paulson to accept the audit contract. Motion carried 5-0-0.

**OLD BUSINESS**

**Park & Recreation Committee Guidelines Revision**

Motion by Nielsen, seconded by Barsness to approve the revised Park & Recreation Committee guidelines. Motion carried 5-0-0.

**Ordinance 66, Third Series: An Ordinance Amending Section 575 as to the Historic Preservation Commission of the City of Kenyon**

This ordinance will change the meeting frequency of the HPC, and amend the membership of the commission to exclude having a member of the City Council as a non-voting member. Motion by Nielsen, seconded by Paulson to approve Ordinance 66 Third Series. Motion carried 5-0-0 with a roll call vote.

**NEW BUSINESS**

**Resolution 2011-02: A Resolution Authorizing Acceptance of 2010 Donations**

Motion by Haugen, seconded by Nielsen to approve Resolution 2011-02. Motion carried 5-0-0.

**Resignation of Heather Sibley from Park & Rec. Committee**

Motion by Barsness, seconded by Paulson to accept the resignation of Heather Sibley. Motion carried 5-0-0.

**Administrative Policy #1: Utility Billing**

Motion by Nielsen, seconded by Paulson to approve the revision to Administrative Policy #1. Motion carried 5-0-0.

**Administrative Policy #2: Sealcoating Program**

Motion by Nielsen, seconded by Barsness to approve the revision to Administrative Policy #2. Motion carried 5-0-0.

**Administrative Policy #13: License Compensation**

Nielsen noted that this salary change would have an impact on the amount of overtime salaries. Motion by Haugen, seconded by Barsness to approve the revision to Administrative Policy #13, and the subsequent salary change for Steve Baalson and Tom Sahl. Motion carried 5-0-0.

**Fire Department Hiring**

Barrett noted that some candidates are still to be interviewed, but the committee has recommended the hiring of Jill Paulson and Josh Lerfald to fill the current vacancies on the Fire Department. Motion by Barsness, seconded by Nielsen to approve the hiring as recommended. Motion carried 4-0-1, with Paulson abstaining.

**North Ambulance Vehicle Proposal**

According to the memo received from Dave Augustin, delivery of the ambulance unit #551 could occur prior to January 31, 2011. Motion by Barsness, seconded by Haugen to approve the proposal pending inspection of the vehicle. Motion carried 5-0-0.

**Ice Rink Manager Hire**

According to Heineman, Scott Miner completed the employment application so he can have use of City equipment for sweeping the ice rinks. Miner does not wish to receive salary compensation at this time. Motion by Paulson, seconded by Nielsen to approve hiring Miner. Motion carried 5-0-0.

**Resolution 2011-03: A Resolution Making City Appointment to Central Minnesota Municipal Power Agency (CMMPA) and Utilities Plus (UP) Board of Directors**

Heineman noted that this resolution does not change the current status of representation on the CMMPA board. Riggs commented about the CapX project, stating that there is significant member participation in the project, and the contract is developing very well. Motion by Haugen, seconded by Barsness to approve Resolution 2011-03. Motion carried 5-0-0.

**OTHER BUSINESS**

**Schedule of Upcoming Meetings**

City Council Work Session: Friday, January 14<sup>th</sup> @ 9 a.m.  
Joint KMU / Council Work Session: Thursday, January 20<sup>th</sup> @ 6 p.m.  
EDA Meeting: Tuesday, January 25<sup>th</sup> @ 8 a.m. in the Conference Room at City Hall  
SEMLM Annual Membership Meeting: Monday, January 31<sup>st</sup> @ 6 p.m. in Rochester  
City Council Work Session: Friday, February 18<sup>th</sup> @ 9 a.m.

**COMMENTS**

Barsness reminded citizens to clear snow away from fire hydrants.

Heineman noted that the Kenyon Fire Department First Responders will begin responding to calls by the end of this week.

Motion by Haugen, seconded by Nielsen to adjourn at 7:40 p.m. Motion carried 5-0-0.

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Pam Blow, Administrative Assistant

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Diane Barrett, Mayor

Pursuant to due call and notice thereof, a City Council Work Session was duly held in the City Council Chambers at 9:07 a.m. on the 14<sup>th</sup> day of January, 2011. The following members were present: Mayor Diane Barrett, Council members Fred Barsness, Richard Nielsen, Bryan Haugen, and Brian Paulson. Also present: City Administrator Chris Heineman, City Engineer Joe Palen, Todd Arlander, Tom Dye, Nancy Hanzlik from Bonestroo, and Administrative Assistant Pam Blow.

#### **Wastewater Treatment Plant (WWTP)**

According to Palen, Bonestroo spoke with the MPCA regarding their determination that we stop using the equalization pond. The MPCA has indicated that they would allow us to develop a plan for improving the pond and addressing inflow and infiltration (I & I) issues. Steve Baalson, Arlander, Dye and Heineman looked at the WWTP recently to determine and prioritize repairs and improvements that are needed at the plant. Dye presented the items that need to be addressed over the next one to five years for the WWTP and the equalization pond. Arlander noted that from an operational standpoint, some equipment at the WWTP needs replacing. Palen noted the process for PFA funding, and said the next step is to do a feasibility study or a facilities plan (required for PFA funding), to get a more definite cost analysis based upon the recommended improvements and to prioritize those same improvements. Baalson suggested that addressing I & I issues should come first to improve the amount of runoff that goes to the WWTP. Palen noted that smoke testing can be used to determine obvious I & I issues that can be improved quite easily; i.e. leaking pipes, joints, catch basins and roof drains. Heineman noted that two bonds have recently been paid off in the sanitary sewer fund, and the City can afford to take on additional long-term debt if needed. Palen was instructed to do a preliminary ranking of the identified improvements to be discussed at the next regular council meeting.

#### **Highway 56 and 60 Proposed Reconstruction**

According to Palen, federal funding is available to reconstruct part of Hwy. 56 / 60 as a part of the MN DoT project in 2012. Nancy Hanzlik presented preliminary cost estimates for the complete reconstruction of this area commencing at Home Street and ending at Red Wing Avenue. This reconstruction would include replacing the water, sewer and storm sewer utilities. Goodhue County may participate for their portion of CSAH 12, but that is yet to be determined. Because this is a federally-funded project, the engineering requirements are extensive, and could amount to \$101,000. These fees would not be deferred, but would be paid during 2011. Bonestroo will present a more detailed cost analysis at a special council meeting on Thursday, January 20, 2011, at 5 p.m.

There being no further business, the meeting was adjourned at 11:10 a.m.

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Pam Blow, Administrative Assistant

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Diane Barrett, Mayor

Pursuant to due call and notice thereof, a Special City Council Meeting was duly held in the Kenyon City Hall conference room at 5:02 p.m. on the 20<sup>th</sup> day of January, 2011. The following members were present: Mayor Diane Barrett, Council members Fred Barsness, Brian Paulson, Richard Nielsen and Bryan Haugen. Also present was City Administrator Chris Heineman, City Engineer Joe Palen, Nancy Hanzlik and Administrative Assistant Pam Blow.

### **Agenda**

Heineman stated that item IV - Closed Session would be eliminated from the agenda, and replaced with Resolution 2011-04: A Resolution Approving County Project within Municipal Corporate Limits.

### **Highway 56 & 60 Reconstruction**

According to Palen, surveys and locates will be on-going, and Hanzlik met with MN DoT regarding the cost share agreement for the project. Hanzlik noted that the proposed costs have been adjusted as a result of that meeting, and include increased city costs for storm sewer. Hanzlik went over the details of the cost sharing, and noted that the estimated construction costs are \$342,000, engineering services \$110,000, legal and admin fees \$5,000 and required construction observation is \$28,000 for a total estimated cost to the city of \$485,000. MN DoT would not likely support diagonal parking along Main Street, but the curb can be extended along the area by the Fire Department if the city wants to change the layout. Palen noted that the all estimates are conservative at this point. Hanzlik noted that Goodhue County will be discussing improvements along CSAH 12 at their meeting on February 1, 2011. Prepayment to MN DoT of the city's portion of construction costs may be negotiated. There will be a detour during the construction project that will close Hwy. 56 to Red Wing Avenue, and open to local traffic. Because there would be a sidewalk along the north side of 2<sup>nd</sup> Street, it was decided that no sidewalk would be planned along the area by Veterans' Park.

### **Fire Department Hiring**

Motion by Paulson, seconded by Nielsen to accept John Dale's retirement from the Fire Department. Motion carried 5-0-0.

Interviews were conducted for several candidates who applied for remaining vacancies in the Fire Department. The personnel committee recommended hiring Casey Haasnoot and Scott Radtke. Motion by Paulson, seconded by Nielsen to approve the hiring of the candidates recommended. Motion carried 5-0-0.

### **Resolution 2011-04: A Resolution Approving County Project within Municipal Corporate Limits.**

Motion by Barsness, seconded by Haugen to approve Resolution 2011-04. Motion carried 5-0-0.

### **Professional Services Agreement with Bonestroo**

Motion by Nielsen, seconded by Haugen to approve the professional services agreement, pending staff review. Motion carried 5-0-0.

There being no further business, motion by Nielsen, seconded by Barsness to adjourn the meeting at 5:50 p.m. Motion carried 5-0-0.

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Pam Blow, Administrative Assistant

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Diane Barrett, Mayor

Pursuant to due call and notice thereof, a special joint Work Session of the Kenyon City Council and the Kenyon Municipal Utility Commission was duly held in the City Hall council chambers at 6:00 p.m. on the 20th day of January, 2011. The following members were present: Mayor Diane Barrett; Council members Bryan Haugen, Fred Barsness, Brian Paulson and Commissioner/Council member Richard Nielsen; KMU Commission chair Scott Swenhaugen and Commissioner Mike Engel. Also present were City Administrator Chris Heineman, Operations Superintendent Randy Eggert, Attorney Scott Riggs and Bookkeeper Sue Dodds.

### **CMPMA Proposal Regarding CAPX Transmission Investment**

CMPMA CEO Steve Thompson was present to review information concerning the proposed capital investment in transmission through the CAPX2020 project. The four CAPX projects include Fargo/St. Cloud Monticello, Bemidji/Grand Rapids, SE Twin Cities/Rochester/LaCrosse, and Brookings/SE Twin Cities.

Barrett questioned choosing the Brookings line versus the Rochester project that seemed closer to Kenyon. Thompson explained that CMPMA chose to be involved in the Brookings project versus one of the other three back in 2007 because it would have run parallel to the proposed Big Stone (BSP II) lines and that it is closer to the majority of CMPMA members. CMPMA's portion of the project would be 2.2% compared to Xcel Energy's 72.1%.

New transmission investment is needed because very little transmission has been built in the last 30 years making the current transmission rate base artificially low. Transmission rates are projected to increase 100-150% over the next 10 years. The CAPX project would also increase the capacity of currently overloaded transmission lines from 69kV or less to 345 kV. When transmission lines are overloaded utilities are forced to pay congestion charges, which impact rates.

Over the past five years KMU's average cost for transmission has been approximately \$95,000 per year or \$5.58 per MWh. In 2010 transmission costs averaged \$6.00 per MWh. By investing in the CAPX project KMU would pay MISO for their transmission charges each month, but in return they would receive those fees plus their share of the amount MISO has received for the month.

Wind generation from South & North Dakota and Buffalo Ridge will supply a majority of the energy for this new transmission line, which will use the existing line right-of-ways. Although, if a nuclear plant requested access to these lines MISO would be required to allow this because it is considered open access tariff, but would most likely charge an interconnection fee.

Barrett questioned if the residents of Kenyon would benefit from ownership of the transmission lines and if they would see this reflected on their monthly bills. Thompson explained that MISO is non-profit and as administrator they facilitate the grid. All revenue collected by MISO is paid out to the transmission owners based on their share of ownership. CMPMA has filed a request with Federal Energy Regulatory Commission (FERC) to allow use of a hypothetical capital structure. If FERC rules in favor of this incentive the return on investments is projected at 28% compared to 14% if request is denied. Swenhaugen noted that the commission would review rates based on income including revenue from MISO.

In 2007 CMMPA estimated that KMU should invest \$331,000 in CAPX. With current calculations the recommended amount has increased to \$1,221,017. In response to Barrett's question concerning the drastic increase Thompson explained that in 2007 CMMPA was planning on BSPII and had not performed such a rigorous projection on future transmission rates as they have currently completed. Also, the estimated projected increase in transmission rates was 50% in 2007 compared to 100-150% today.

Nielsen asked if we would lose our tax exempt status on the bonds if we did not use the full amount of our ownership. Thompson explained that CMMPA has been conservative in their calculations to avoid this situation.

In response to Haugen's question of 'double circuit ready' Thompson noted that the state has dictated that towers be built to allow for conductors on both sides so that they may be upgraded in the future. If the second conductor is added later, MISO will reimburse owners for that expense.

Barsness asked what would happen if CMMPA were to back out of the contract in the future or if Kenyon no longer wanted to be involved in this ownership. Riggs felt that the contract would protect members from this scenario for CMMPA. Thompson noted that Kenyon would have the opportunity to sell their portion of the project if their situation changed to prompt this.

Thompson feels the general consensus among members is positive concerning investment in the project. Possibly the most difficult issue is the time frame for contract agreements to be signed. CMMPA has asked FERC to make a decision on the hypothetical capital structure incentive by February 15 so that investors are able to sign agreements by March 1. CMMPA will need the time from March to June to coordinate financing. Thompson suggested that councils could sign a resolution contingent upon the FERC approval. If FERC does not grant the incentive bond counsel would need to change the resolution and have the council approve the amendment.

Riggs stated that CMMPA's attorney has addressed each of the concerns he has raised regarding the contracts for the CAPX project. He feels much more comfortable with this process than with previous contract negotiations and that CMMPA has been very responsive to his questions.

There being no further business, Barrett adjourned the meeting at 7:30 p.m.

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Sue Dodds, Bookkeeper

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Diane Barrett, Mayor

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February 2, 2011

Honorable Mayor and City Council  
Kenyon City Hall  
709 Second Street  
Kenyon, Minnesota 55946-1339

Re: Project Update  
Wastewater Collection and Treatment  
TH 56 / 60 Reconstruction

Dear Honorable Mayor and City Council:

At the January 14, 2011 City Council work session, we discussed the need to address deficiencies in the existing wastewater overflow pond per MPCA comments, future Wastewater Treatment Facilities (WWTF) improvement needs, planned inflow and infiltration (I/I) investigations / improvements and the reconstruction of TH 56/60 from Home Street to Red Wing Avenue. This letter is intended to provide the City Council with additional information requested at the January meeting regarding the City's wastewater infrastructure funding options and provide an update on the current status of the TH 56/60 reconstruction project.

### **Wastewater Collection & Treatment**

We have contacted the Public Facilities Authority (PFA) and confirmed that they can fund a combined WWTF upgrade and I/I reduction improvements to the wastewater collection system as one project. Furthermore, we completed a draft Project Priority List (PPL) scoring sheet to determine approximately where the project would score within PFA's evaluation process. We estimate that Kenyon's score for a combined project would be ~ 45 or higher. The PFA funding cutoff was 45 points for PFA's 2011 Intended Use Plan (IUP). The IUP funding cutoff score changes on a yearly basis, depending upon funding availability and the number and value of projects submitted for possible funding. As a result, we cannot predict with certainty that the City's combined project will qualify for funding through the PFA, although we feel funding would be likely.

If the City chooses to move forward and pursue funding through PFA's Clean Water Revolving Loan Fund, the City would need to apply for placement on the PPL, IUP and complete a Facilities Plan by March 2012 to qualify for funding in 2013. Funding through the PFA's Clean Water Revolving Loan Fund is typically for a 20-year term with interest rates between 1 and 3 percent. This program is typically best suited to fund large projects as the funding

requirements include significant amounts of additional engineering, contractor wage rates and administration. We estimate the cost to complete the Facility Plan to be approximately \$35,000.

We recommend that if the City wants to pursue a single large project with costs over approximately \$350,000 the City pursue funding through the PFA or possibly Rural Development. The City may consider submitting an application for the 2012 PPL to determine exactly how the MPCA will score the application even though, we would not be pursuing funding until 2013. The deadline to submit the PPL application is March 4, 2011. We estimate the cost to complete the PPL application on behalf of the City would be less than \$1,000.

If the City would chooses to pursue the aforementioned wastewater improvements on a individual basis, as needed; funding though the sewer utility or bond issue may be more appropriate. If the City chooses to pursue this route, the City should commission a feasibility study exploring improvements to the wastewater overflow pond.

The MPCA continues to monitor the City's efforts to address the wastewater overflow pond and I/I issues closely. They have indicated that they need to be kept up to date with the City's progress on these issues on a regular basis.

#### **TH 56/60 Reconstruction**

We will complete our project topographic survey by February 4th and are proceeding with preliminary design. The Goodhue County Board approved combining the CSAH 12 work with the City's Cooperative Agreement Improvements.

Please call me at (507) 529-6036 if you have any questions or concerns with the aforementioned. Please note that I will be on vacation the week of February 7th and will be unable to attend the City Council meeting on February 11, 2011.

Sincerely,

BONESTROO



Joseph Palen, PE



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January 19, 2011

Chris Heineman  
City Administrator/Clerk  
Kenyon City Hall  
709 Second Street  
Kenyon, MN 55946

**Re: Mediacom Corporate Change**

Dear Chris:

As you may know, there is a planned corporate change involving Mediacom Communications Corporation ("Mediacom"). Mediacom is the parent company to your local cable operator, Mediacom Minnesota LLC ("Mediacom Minnesota"). We are assisting approximately 30 communities with this matter.

I have notified Mediacom that local franchising-authority ("LFA") approval is required. While Mediacom does not agree, Mediacom has provided information necessary for me to review the proposed transaction. Moreover, I have reached an accommodation with the company to cover the fees associated with my work. Enclosed please find a resolution conditionally approving the corporate change.

In sum, Mediacom is the nation's eighth largest cable television company based on number of customers. The company primarily serves smaller, non-metro markets with a significant concentration in the Midwest including Iowa and Minnesota. As you know, Mediacom offers traditional and advanced video services such as digital television, video-on-demand, digital video recorders, high definition television, as well as other broadband products including high speed Internet access and phone service.

Mediacom is currently a publicly traded company (Nasdaq: MCCC). Mr. Rocco Commisso, Mediacom's founder and CEO, currently owns less than a majority of Mediacom's common stock but controls approximately 87% of its voting power. In May 2010, Mr. Commisso offered to purchase all outstanding shares of common stock in Mediacom and take the company private. This proposal was rejected by the board of directors because the stock purchase price was deemed inadequate. Mr. Commisso made a subsequent offer of \$8.75 per share. This proposal, valued at just under \$400 million,

was approved by the board but requires the further approval of shareholders. The shareholder vote has not occurred and a number of shareholder groups are investigating the offering price and other details of the proposed transaction.

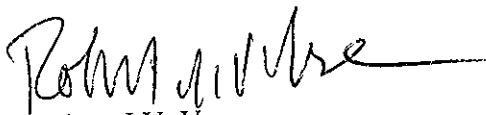
If approved, the corporate change would be accomplished by having an entity owned and controlled by Mr. Commisso, JMC Communications LLC, merge into Mediacom. This transaction would not directly involve the franchise-holder, Mediacom Minnesota. Once completed, Mediacom would be converted from a publicly traded company to a private company wholly-owned by Mr. Commisso.

There will be no immediate change in Mediacom Minnesota's personnel or day-to-day operations as a result of this proposed corporate change. However, the parent company, Mediacom, will be impacted. As a publicly traded company, Mediacom has a board of directors and is subject to a variety of federal and state securities laws which require, among other things, regular reporting and public disclosures. Once wholly-owned by Mr. Commisso, Mediacom's governance and public reporting and disclosure requirements will be altered. Mediacom will no longer face public stockholder pressures or be subject to quarterly investment analyst forecasts. These pressures can impact, for example, a company's capital spending and service pricing strategies. It is impossible to predict how taking Mediacom private will impact the company's operations. Mr. Commisso, however, has made repeated statements that this corporate change will not alter the way the company does business.

Minnesota state law and the franchise with Mediacom require local approval prior to a "fundamental corporate change." A corporate change requiring local approval triggers an option to purchase the system and may impact other franchise rights. I have crafted the enclosed resolution to protect your community's interests. Most significantly, the resolution preserves any franchise compliance issues arising prior to completion of the planned corporate changes.

Please forward an executed copy of the resolution to me. Once received, I will provide a copy to Mediacom. If you have any questions or concerns, please contact me.

Yours truly,



Robert J.V. Vose  
Enclosure

cc: Scott Riggs, Esq.

**RESOLUTION 2011-05  
CITY OF KENYON  
COUNTY OF GOODHUE  
STATE OF MINNESOTA**

**A RESOLUTION CONSENTING TO MEDIACOM CORPORATE RESTRUCTURING**

**WHEREAS**, the City of Kenyon, Minnesota (“City”) granted a cable television franchise (“Franchise”) that is now held by Mediacom Minnesota LLC (“Franchisee”); and

**WHEREAS**, the Franchisee operates a cable communications system (“System”) and provides cable service in the City pursuant to the Franchise; and

**WHEREAS**, on November 12, 2010, the Franchisee’s parent company, Mediacom Communications Corporation (“Mediacom”), executed an Agreement and Plan of Merger (the “Merger Agreement”); and

**WHEREAS**, under the Merger Agreement, JMC Communications LLC, an entity owned and controlled by Mediacom’s Chairman and CEO, Rocco Commisso, will be merged with and into Mediacom, with Mediacom surviving the merger (the “Transaction”); and

**WHEREAS**, Mr. Commisso currently owns 40% of the stock in Mediacom; and

**WHEREAS**, as a result of the Transaction, Mr. Commisso will acquire the outstanding 60% of Mediacom stock owned by the public and become the sole owner; and

**WHEREAS**, as a result of the Transaction, Mediacom will cease to be a publicly traded company; and

**WHEREAS**, the Franchise expressly incorporates Minnesota state law; and

**WHEREAS**, Minn. Stat. § 238.083 requires a franchising authority’s written approval of a “fundamental corporate change” in the holder of a cable franchise which, as defined, includes a merger involving the franchise-holder’s parent company; and

**WHEREAS**, the Transaction includes a merger involving Mediacom, the Franchisee’s parent company;

**WHEREAS**, Minn. Stat. § 238.083 also requires a franchising authority’s written approval in the event of a sale or transfer of stock in a corporation so as to create a new “controlling interest in a cable communication system,” expressly including the sale or transfer of majority stock ownership; and

**WHEREAS**, the Transaction involves the sale or transfer of a majority of Mediacom's stock resulting in a new corporate interest controlling the Franchisee.

**NOW, THEREFORE, BE IT RESOLVED** that the Transaction requires the City's written consent under the Franchise and state law.

**BE IT RESOLVED FURTHER THAT** the City hereby consents to the Transaction and waives any right to purchase the System pursuant to the Franchise and Minn. Stat. § 238.084, subd. 1(y), subject to the following conditions:

1. The Franchisee shall remain bound by the Franchise for the term thereof, and all applicable laws, codes and regulations related to operation of the System and delivery of cable service in the City.
2. The City expressly reserves and does not waive its rights regarding Franchise compliance matters regardless of when the acts, failures to act, or other events giving rise to such matters occurred, and Franchisee remains subject to any liabilities or obligations to the City under the Franchise or otherwise to the extent provided by law, without regard to when such liabilities or obligations arose or accrued.
3. The Franchisee shall reimburse the City's legal fees incurred in review of the Transaction in accordance with an agreement between Franchisee and the City's counsel.
4. This Resolution shall be effective immediately upon passage and shall continue for a period of six (6) months during which time the Franchisee must provide written notice of closing and consummation of the Transaction contemplated herein.

**BE IT RESOLVED FURTHER THAT** this consent is void and the City shall be deemed to have denied the Transaction if any of the foregoing conditions are not satisfied.

Adopted by the City Council of the City of Kenyon, Minnesota this 11<sup>th</sup> day of February, 2011.

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Diane Barrett  
Mayor

ATTEST:

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Christopher P. Heineman  
City Administrator

# MEMO:

**February 7, 2011**

**To:** Mayor Barrett and City Council

**Re:** Carriage and Cutter Parade / 5K Run Walk

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## REQUESTED STREET CLOSINGS:

- 8 a.m. – 4 p.m.: On Forest St. from 2<sup>nd</sup> St. to the North for ½ block for petting zoo and pony rides.
- Noon - 4 p.m.: 2<sup>nd</sup> St. between Red Wing Ave. and Spring St.

## NO PARKING:

- Noon - 4 p.m.: Along the south side of 3<sup>rd</sup> Street (parade route) and along the north side of 1<sup>st</sup> Street (detour route).

## PARADE PERMIT:

- No change from last year.

## 5K RUN / WALK

- Race will begin on 2<sup>nd</sup> Street & Red Wing Ave.
- Route safety will be coordinated by Chief Sjolander and race will be lead by KPD squad car.
- Fire Dept., KPD Reserves and First Responders will be on hand along the route and available to respond to calls for service.
- No specific street closures for this event.

## ACTION REQUESTED:

- Approve Parade Route / Permit, street closings / detour, parking restrictions
- Approve use of Fire Hall for pre-parade meal.
- Approve \$1,000 donation to Carriage and Cutter Parade
- Approve 5K Run / Walk Route

2011 Carriage and Cutter Parade Agenda and Requests for  
Kenyon City Council

- 1) Confirm and approve Saturday, February 26, 2011 at 1:30 PM as parade date and starting time.
- 2) Ban parking on Forest St. from 2<sup>nd</sup> St. to the North for ½ block from 8:00 AM to 4:00 PM. This area is needed for the petting zoo and pony rides.
- 3) Ban parking on 2<sup>nd</sup> St. between Red Wing Ave. and Spring St. from 12:00 noon until the parade is over.
- 4) Arrangements are being made to serve the pre-parade meal at the Kenyon Fire Hall. Parade units will be parking and unloading at the Foldcraft Company parking lot.
- 5) The parade route is the same as last year: The parade will line up on the Foldcraft driveway, then start going North on Red Wing Ave. The parade will turn West on 3<sup>rd</sup> St. to State St., turn North on State St. past the Sunset Home, and turn East on 2<sup>nd</sup> St. It will continue East on 2<sup>nd</sup> St. to Highway 56, and South on Highway 56 to the Foldcraft lot for dispersal. A map of the route is attached.
- 6) The city council has approved \$1000 for the parade in 2011, and we want to thank you for your past and continuing support of this event.
- 7) We would like to invite all council members, the city administrator and our honored mayor to join us for the pre-parade meal, and to participate in the parade on the Manure Disposal Unit at the end of the parade.

Thank you for your ongoing support of this terrific event.

Bryan and Mary Hagen  
Parade Chairpersons

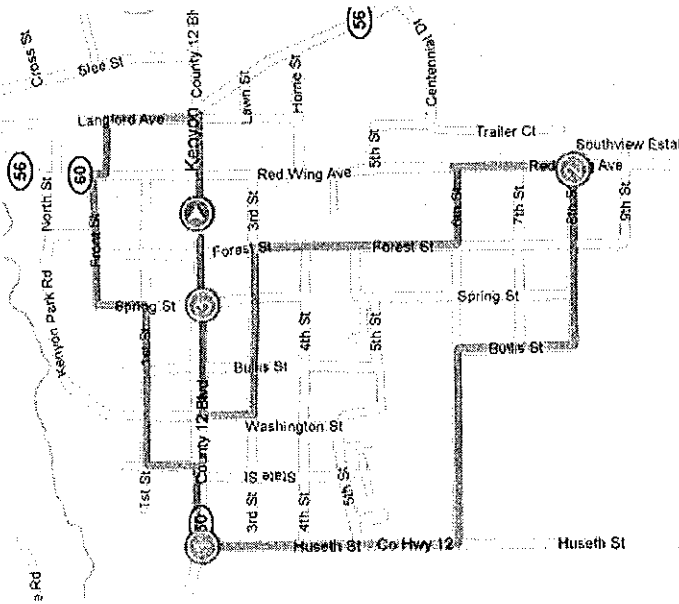


**1st Annual Kenyon 5K  
Run/Walk**  
"Run for the Roses"



**Followed by:  
The Carriage & Cutter Parade**

Race will begin on 2nd Street & Red Wing Ave.



**Special Thanks to our Sponsors:**

- A Fresh Perspective Photography
- Bergh Pharmacy
- Curves
- Doug Kleese Construction
- Fred's IGA
- Haasnot Heating & Plumbing
- Jerry's Ace Hardware
- Kaj (Kate Knutson Certified Massage Therapist)
- Keller Insurance Agency
- Kenyon Ag Service
- Kenyon Floral Impressions
- Kenyon Leader
- Kenyon Veterinary Clinic
- Law Office of David W. Jacobsen, LLC
- Main Street Dental
- Malloy Electric
- Milo Peterson Ford
- Peters' Patio & Landscape, Inc
- Randy's Paint & Collision
- Ryan Uglund Construction
- Security State Bank
- Tatge Jewelry/Awards by Tatge
- The Hair Place
- Third World Friends
- Workout 24/7
- Write On

1st Annual Kenyon 5K Run/Walk  
February 26, 2011 @ 12:30pm  
Make Checks Payable to:  
City of Kenyon Parks & Recreation  
709 2nd Street  
Kenyon, MN 55946

Race# \_\_\_\_\_  
Payment Method: \_\_\_\_\_  
Check/CC #: \_\_\_\_\_  
Expiration #: \_\_\_\_\_

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ Age: \_\_\_\_\_  
Phone: \_\_\_\_\_ Email: \_\_\_\_\_

(used for event updates)

Date of Birth: \_\_\_\_\_ Gender:  Male  Female Shirt Size:  S  M  L  XL

I have read and understand the waiver on the reverse side.

\_\_\_\_\_  
Signature (Signature of Parent if under 18 Years Old)

**When:**

Saturday, February 26, 2011 at 12:30pm Sharp!

**Where:**

611 2<sup>nd</sup> Street  
Kenyon, Minnesota 55946

**Distance:**

5 Kilometers (3.1 Miles)

**Entry Fees:**

Early Registration - \$15 (Mail In/Walk In) through February 15, 2011; must be postmarked by February 15, 2011.

Late Registration - \$20 (Mail In/Walk In) February 16, 2011 through race day.

**Mail In & Walk In Registrations:**

Kenyon City Hall  
709 2<sup>nd</sup> Street  
Kenyon, MN 55946  
507-789-6415

**Online Registration:**

<http://www.runwalkiog.com/kenyon/>

**Race Day Packet Pick-up & Registration:**

Workout 24/7 (11:00am - 12:15pm)  
611 2<sup>nd</sup> Street  
Kenyon, MN 55946  
507-990-3844

**Goodie Bags, T-Shirt, Photos, & Post Race**

**Food:**

- All race participants will receive a long sleeve T-Shirt, a goodie bag with lots of cool stuff, the opportunity to purchase their race photo for \$5 (emailed with printing rights) or \$10 (printed & mailed). Only pre-registered runners will be guaranteed a shirt.
- Food and drinks will be provided by our sponsors and served at Workout 24/7 for all race participants immediately following the race.

**Awards Ceremony:**

The overall top male and female, plus the top male and female in each age category will be awarded a prize. Age categories are as follows:

- 14 and Under
- 15-19
- 20-29
- 30-39
- 40-49
- 50 and over

Awards Ceremony will be held immediately following the race at the Finish Line. Awards not picked up race day will be available at Workout 24/7.

**Other Activities Starting at 10 am:**

- Free Pony Rides
- Free Petting Zoo (over 40 animals)
- Free Wagon Rides
- Indoor and Outdoor Booths
- (10am - 3:30pm) Local Food Vendors
- Lunch Available @ the VFW served by VFW Ladies Auxiliary
- Shriner's Clown Club to entertain the crowd
- 12:30pm 1<sup>st</sup> Annual Kenyon 5K Run/Walk
- 1:30pm Horse Carriage & Cutter Parade (Over 300 Horses of All Breeds)
- (10:30am - 3:30pm every half hour) Kenyon Historical Society Tours of Gunderson House

**For More Information:**

Kenyon City Hall  
709 2<sup>nd</sup> Street  
Kenyon, MN 55946  
507-789-6415  
[Kenyon5krun@gmail.com](mailto:Kenyon5krun@gmail.com)

**Find us on Facebook for Race Updates:**

[Kenyon's Parks & Recreation](#)

**Waiver & Release:**

I hereby affirm that I have been well advised and thoroughly informed of the inherent hazards and policies of the event. I know that participation in the 1st Annual Kenyon 5K Run/Walk is a potentially hazardous activity. I should not participate unless I am medically able. I hereby personally assume all risks associated with my voluntary participation in this event for any harm, injury or damage that may befall me as a result of my participation, whether foreseen or unforeseen, including but not limited to heat or cold related incidents. I understand and agree that neither the City of Kenyon, nor any of the sponsors of the event may be held liable in any way for any occurrence in connection with my participation in the 1st Annual Kenyon 5K Run/Walk that may result in injury, death, or any other damages to me or my family, heirs or assigns, and in consideration of being allowed to participate in this event. I understand and agree that all entry fees are nonrefundable and nontransferable. Further, I acknowledge and agree that the 1st Annual Kenyon 5K Run/Walk, in its sole discretion, may delay or cancel the event if it believes the conditions on the race day are unsafe. In the event that the event is delayed or cancelled for any reason, including but not limited to fire, strike, protest, labor difficulty, work stoppage, insurrection, war, public disaster, flood, unavoidable casualty, acts of God or the elements (including without limitation, rain, snow, ice, hail, high winds, thunderstorms, lightning, tornado, earthquake, or any other cause beyond the control of the City of Kenyon, there shall be no refund of the entry fee or any other costs of the entrant in connection with the events. I hereby personally assume all risks in connection with said event for any harm, injury or damage that may befall me, including all risks connected therewith, whether foreseen or unforeseen; and further to save and hold harmless said event and persons from any claim by me or my family, estate, heirs, or assigns arising out of my participation in this event. I further state that I am of lawful age and legally competent to sign this affirmation and release, or that I have acquired the written consent of my parents or guardians; that I understand the terms herein and contractual and not a mere recital; and that I have signed this document of my own free will. It is my intention by this instrument to exempt and release the City of Kenyon, and all event sponsors from all liability whatsoever for personal injury, property damage or wrongful death arising out of or in the course of my participation in the event.