

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 5:05 p.m. on the 21st day of July 2010. The following members were present: Chairman Scott Swenhaugen and Commissioner Michael Engel. Also present were Operations Superintendent Randy Eggert, Bookkeeper Sue Dodds and City Administrator Chris Heineman.

AGENDA

Motion by Engel, second by Swenhaugen to adopt agenda as presented. Approved 2-0-0.

CONSENT AGENDA

Motion by Engel, second by Swenhaugen to adopt consent agenda with a correction to June 16 minutes: Generation operation report – Minnesota Pollution Control replace with Environmental Protection Agency. Also, the approval of checks #35568 -35671 noting that gaps in check sequence were for payroll or voided checks. Also, ACH checks #4046 - 4074 with the exception of electronic check #4070, which was not used. Approved 2-0-0.

Commissioner Nielsen arrived at 5:10

OLD BUSINESS

Safety Report

Eggert noted that quite a few accidents around the state have recently occurred, but due to the fire retardant clothing no injuries were sustained.

CMMPA update

Xcel Energy is offering CMMPA a 5x16 contract from now until the new 5x16 contract becomes effective in October 2011. This contract is from 7 a.m. – 10 p.m., 5 days a week at a fixed price. Currently, KMU is on the NSP55 contract. The commission agreed that KMU should remain on the NSP 55 contract until October 2011.

NEW BUSINESS

Gunderson Boulevard street lighting

Currently there are 10 poles on the boulevard with two fixtures on each. One light on each pole has been shut off. Eggert and Heinemen presented a spreadsheet showing the energy savings that could be realized by changing these to LED lights according to a quote from Graybar Electric. If Kenyon orders ten lights, four will be at no charge. This offer is for 30 days and does not double if 20 lights are ordered.

These scenarios were presented for replacing the existing ten Cobra 150 watt high pressure sodium light fixtures:

Replace with Cobra 100 watt LED
Net Cost - \$6400
Payback - 12.77 years

Replace with pole top 70 watt LED
Net Cost \$8200
Payback – 12.2 years

Eggert noted that KMU has already paid for and received ten new poles that will work on the bases that are there. The pole top fixtures would not work on these poles.

The third scenario was to replace all 20 fixtures. The next cost would be \$17600 with a payback of 17.56 years.

Eggert also presented a quote from Graybar for 12 lights on mainstreet, with four at no charge. The commission felt that at this time only the lights on the boulevard should be purchased.

Motion by Engel, second by Swenhaugen to allow Eggert to seek quotes for ten Cobra 100 watt LED fixtures from other vendors and purchase the lights at his discretion after speaking with commission members. Approved 3-0-0.

Nielsen asked if the existing lights could be sold. Eggert felt they may be able to sell them, but for very a small amount.

Donation of electric at Depot Park

Eggert explained that the Park & Rec Committee had requested additional power at the Depot Park for their Music in the Park programs during the summer months. The commission agreed to donate the electric costs as long as it remained minimal each month.

PRESENTATIONS

Xcel Energy representatives

Xcel Energy representatives Ed Johnson and Libby Niesen were present to speak to the commission about power supply options. They explained there are three types of energy supply: Self supply, which uses existing resources or buy/build additional generation; Set it and forget it, which would be purchasing a full requirements supply normally with long term contracts; Portfolio approach, which is what Kenyon currently uses.

Johnson noted that currently Xcel Energy is not pursuing the purchase of any additional territory or utilities. He further explained the 5x16 contract offered to CMMPA.

OTHER

August meeting will be changed to Tuesday, August 17 to allow Eggert to attend a water operators' class on Wednesday.

There being no further business, Swenhaugen adjourned the meeting at 6:55 p.m.

Sue Dodds, Bookkeeper

Scott Swenhaugen, Chairman

Randy Eggert, Operations Superintendent