

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 6:10 p.m. on the 17th day of August 2010. The following members were present: Commissioners Michael Engel and Richard Nielsen. Absent: Chairman Scott Swenhaugen. Also present were Operations Superintendent Randy Eggert and Bookkeeper Sue Dodds.

### **AGENDA**

Add: Old Business: E/Gunderson Boulevard street lighting. Motion by Nielsen, second by Engel 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 #35672-35709 noting that gaps in check sequence were for payroll or voided checks. Also, ACH checks #4075-4085. Approved 2-0-0.

*Commissioner Swenhaugen arrived at 6:20.*

### **OLD BUSINESS**

#### **Generating report**

Eggert noted that regular testing and urge test was completed.

#### **Safety Report**

Pole top and bucket rescue.

#### **EPA Reciprocating Internal Combustion Engines (RICE)**

Eggert explained that this is an EPA regulation for limiting hazardous air pollutants for existing diesel generators greater than 200 KW manufactured before June 12, 2006. KMU's Cat 3516 Genset generators may meet the Co emission standard and may not need the addition of the diesel oxidation catalyst (DOC). An engineer would need to test each unit to see where they stand on exhaust back pressure, CO output level and exhaust temperatures. These tests are estimated to cost from \$3000 to \$5000 per generator. Eggert will complete the mandated initial notification that is due by August 31.

Options for KMU are:

- Adding equipment to current generators if engineer testing results require this
- Convert to emergency application only, which do not have to meet CO emission levels
- Buy newer generators built after June 12, 2006

Commissioners questioned if it may be reasonable to register two generators as emergency only and certify only one of the generators or one as emergency and certify the other two.

Nielsen would like more information on the amount KMU saves on demand charges by having the generators available for stand-by.

Commissioners would like to see CMMPA & MMUA speak with congressional representatives about this issue because of the financial burden this may put on the utility companies. Eggert stated that both agencies have been actively working on this.

#### **CMMPA update**

Eggert presented information on the Rugby, North Dakota Wind Power Project. If KMU contracted for .7 MW for 15 years, this would fulfill KMU's renewable energy requirements through the year 2022. Currently KMU has contracts with Cedar falls, which expires at the end of 2013 and Wolf Wind expiring at the end of 2020. CMMPA would like to have contracts signed by October 1. Eggert recommends contracting for the .7 MW.

Motion by Nielsen, second by Engel to recommend to the City Council to contract with Rugby Wind for .7 MW for 15 years. Approved 3-0-0.

CMMPA has received trust funds from NC2 and BSPII. Eggert explained the options for distribution of these funds to KMU. After speaking with Chairman Swenhaugen, Eggert requested KMU's share of NC2 (\$5710.53) as a credit on the July billing, which we have received. The BSPII trust funds (\$12679.17) will be credited towards the principal at \$3801.05 per month for approximately 3 months.

Eggert explained a billing error by Xcel Energy from August 2008. A majority of the CMMPA members with the NSP55 contract were under billed whereas KMU was overbilled by \$9,226. CMMPA is working with Xcel Energy on an agreement for the other utilities to repay this under billing, which could affect KMU. Nielsen felt that Kenyon has incurred legal fees concerning the past CMMPA contracts that the other utilities may have benefited from. Commissioners agreed that Kenyon should receive the full amount due.

Motion by Swenhaugen, second by Nielsen to direct Eggert to request reimbursement of \$9226 From Xcel Energy. Approved 3-0-0.

### **Gunderson Boulevard street lighting**

Eggert presented some additional proposals for street lights for Gunderson Boulevard. The original proposal from Graybar was for the purchase of 10 Holophane 100 watt lights at \$1200. With their current promotion KMU would receive four of those free making the total price \$7200.

Other proposals included:

Dakota Supply Group –

Cooper Lightning 78 watt at \$850 each

GE Evolve 95 watt at \$670 each

Wesco

Cooper 100 watt at \$772 each

Border States at \$770 each (wattage unknown)

Irby Company

Halophane 90 watt at \$1090 each

The commission recommended the purchase of ten lights from Graybar.

### **NEW BUSINESS**

#### **Recommend appointment of commissioner to personnel committee**

Motion by Nielsen, second by Swenhaugen to recommend appointment of Commissioner Engel to the personnel committee of the City of Kenyon. Approved 3-0-0.

#### **Water storage tank inspection report**

Eggert reviewed the 150,000 gallon steel water storage tank inspection recommendations noting that the inspection completed on December 8, 2009 revealed the tank to be in excellent condition. The inspection on the 200,000 gallon water tower was completed on May 18, 2010. This was also found to be in excellent condition. It was recommended that the next inspections be completed in 2015.

#### **Salvation Army Heat Share**

Commission agreed to direct staff to enter into an agreement with Salvation Army for their Heat Share program.

There being no further business, Swenhaugen adjourned the meeting at 7:50 p.m.

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Sue Dodds, Bookkeeper

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Scott Swenhaugen, Chairman

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Randy Eggert, Operations Superintendent