

Pursuant to due call and notice thereof, a special meeting of the Kenyon Municipal Utility Commission was duly held in the City Hall conference room at 6:00 p.m. on the 28th day of December 2009. The following members were present: Chairman Doug Klatt and Commissioners Scott Swenhaugen and Richard Nielsen. Also present were Operations Superintendent Randy Eggert and Bookkeeper Sue Dodds.

AGENDA

Add: New Business: A – Ninth Street water and sewer project; B. Capacity charge for Ameren contract. Motion by Nielsen, second by Swenhaugen to adopt agenda as amended. Approved 3-0-0.

OLD BUSINESS

Registration of generators

Eggert reviewed the presentation given by CMMPA at the joint council/KMU meeting on December 16 concerning the generation interconnection study. Eggert noted that this is only a study and does not guarantee that moving the generation from behind the meter to in front of the meter will be beneficial to KMU. Motion by Nielsen, second by Swenhaugen to proceed with the interconnection study for \$55,000. Approved 3-0-0.

Electric Rate Study

Dodds presented updated information showing proposed rates and the impact these rates would have on the three different classes of customers. Motion by Nielsen, second by Swenhaugen to restructure rates as follows and to review these rates annually:

Residential - \$.106 per KWh; base charge \$8.35

Commercial - \$.106 per KWh; base charge \$15.00

Demand - \$.0640 per KWh; base charge \$40; demand charge remains at \$9.50

Approved 3-0-0.

Residential currently pays a rate of \$.082/KWh plus an average ECA of \$.01968 and a base charge of \$8.25 per month.

Commercial currently pays \$.083/KWh plus an average ECA of \$.01968 with a base charge of \$12.00 per month.

The current rate for Demand customers is \$.044 per KWh plus an average ECA of \$.01968 with a base charge of \$25.

Dodds will prepare a notice to have commission review and include in the January bills explaining the rate change. She also noted that there will be one month of carryover for the ECA after the rates go into effect.

2010 Budget

Dodds explained that in the City's budget for 2010 there are no step or cost of living increases for employees. Motion by Swenhaugen, second by Nielsen to follow this for KMU employees. Approved 3-0-0. The commission reviewed the proposed budget. Due to the changes in electric rates and the proposed expenditures approved at this meeting, final approval of the budget was tabled until January to allow Dodds to include these updates.

NEW BUSINESS

Ninth Street Water and Sewer Project

Commission reviewed a memo from Administrator Heineman concerning a potential expansion of the sanitary sewer and water service to Ninth Street between Red Wing and Forest Streets. He noted that the portion of cost (\$15,668) for the water main along Forest Street and \$20,000 for extending the water main across school district property may not justify assessment to property owners. One option would be to request the cost be subsidized by KMU and recommended that \$35,000 be added to KMU's 2010 water budget. The commission agreed to have Dodds add this to the proposed budget.

Capacity Charge for Ameren Contract

Eggert and Dodds explained that late this afternoon they received a call from CMMPA stating that Kenyon and other members that are contracted with Ameren for energy supply have not been billed the additional \$1.00/kW per month for capacity since January 2007. CMMPA offered KMU the option of paying this in a lump sum, paying an additional \$1/MWH (approximately \$1433 per month for 18 months) or paying \$2150 each month in 2010. Motion by Swenhaugen, second by Nielsen to pay this over 18 months if this amount is undisputable. Approved 3-0-0.

OTHER

There being no further business, Klatt adjourned the meeting at 8:45 p.m.

Sue Dodds, Bookkeeper

Douglas R. Klatt, Chairman

Randy Eggert, Operations Superintendent