

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 6:00 p.m. on the 20th day of January 2016. The following members were present: Acting Chairman Richard Nielsen and Commissioners Jerry Houglum and Jim Malloy. Also, present City Administrator Mark Vahlsing, Operations Superintendent Randy Eggert, and Bookkeeper Sue Dodds.

### **COMMENTS**

Administrator Vahlsing welcomed new board member Jim Malloy. He was appointed to the commission by the council on January 12, 2016.

### **AGENDA**

Add: New Business: E/Credit cards. Motion by Houglum, second by Nielsen to adopt agenda as amended. Approved 3-0-0.

### **CONSENT AGENDA**

Motion by Malloy, second by Houglum to adopt the consent agenda with the approval of checks #38710-38797 noting that gaps in check sequence were for payroll or voided checks. Also, ACH checks #5045-5070. Approved 3-0-0.

### **OLD BUSINESS**

#### **Generation report**

Eggert stated that the order for Ziegler has been signed. The scheduled date of completion is April 15, 2016. He added that capacity needs must be sent to MISO by February 1 to show required amounts beginning May 1. By signing this order KMU can show that they will have the required capacity by May 1.

Nielsen questioned the value of the generators versus the cost of having them. Malloy feels that a dollar amount can't be placed on the value of having the generators if Kenyon were to experience a disaster or an outage for a length of time. Dodds will gather information on the benefits of having the generators.

#### **Safety Report**

Review of 2015 monthly safety training.

#### **CMMPA Updates**

CMMPA would like to find out how much interest there is in the community solar project. The commissioners have a strong interest in the project. Eggert noted that a 40KW solar panel requires about a 60' x 90' area. He felt that if it were installed on the ground, KMU could do some of the work. If it were installed on a rooftop, such as the new fire hall, a contractor would need to be hired. There is possible financing for \$75,000 at 1% interest for three years if the board decided to finance the project versus a cash outlay.

CMMPA will be suggesting subscription amounts for each member next month for the RFP's that the Energy Resource Coalition has been reviewing. They will be asking for a non-binding agreement to be signed by each member city.

#### **First Street project updates**

Eggert noted that because of the grade levels of five or more water services, the water main may need to be moved to allow for better flow where there is a sewer line. He estimated this could be an additional \$5,000 more for the water department. Also, there are two fire hydrants in the project area. KMU could replace one of them. The other is in an area where the highway may need to be shut down to make the replacement.

## **NEW BUSINESS**

### **Appointment of Chairman**

Motion by Houghlum, second by Malloy to appoint Richard Nielsen as chairman of the Kenyon Municipal Utilities board. Approved 3-0-0.

### **Approve Pay Equity report**

Motion by Nielsen, second by Malloy to approve the 2016 pay equity report for KMU. Approved 3-0-0.

### **Salvation Army Heat Share payment for low income spending for 2015**

Dodds reported that \$1,375 will be sent to the Salvation Army Heat Share to meet the 2015 low income CIP spending requirements.

### **Sleigh and Cutter parade donation**

Motion by Malloy, second by Nielsen to approve a donation of postage for mailings and \$500 to the Sleigh and Cutter parade committee. Approved 3-0-0.

### **Credit Cards**

Vahlsing suggested the commission consider accepting credit card payments for utility bills. He felt that to begin with KMU could use online payments and gradually move to taking credit cards at City Hall for utility payments. The commission agreed to have staff look into this.

## **OTHER**

Commissioners Houghlum and Nielsen welcomed Jim Malloy to the utility board.

## **ADJOURNMENT**

Motion by Houghlum, second by Malloy to adjourn meeting at 7:15 p.m. Approved 3-0-0.

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Sue Dodds, Bookkeeper

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Richard Nielsen, Chairman

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Randy Eggert, Operations Superintendent

Pursuant to due call and notice thereof, a regular meeting of the Kenyon Municipal Utility Commission was duly held in the City Hall commons area at 6:00 p.m. on the 17th day of February 2016. The following members were present: Chairman Richard Nielsen and Commissioners Jerry Houglum and Jim Malloy. Also present: Mayor Mike Engel, Operations Superintendent Randy Eggert, and Bookkeeper Sue Dodds.

### **AGENDA**

Add: New Business: A/CMPAS Subscription agreement. Motion by Houglum, second by Malloy to adopt agenda as amended. Approved 3-0-0.

### **CONSENT AGENDA**

Motion by Nielsen, second by Malloy to adopt the consent agenda with the approval of checks #38798-38840 noting that gaps in check sequence were for payroll or voided checks. Also, ACH checks #5071-5076. Approved 3-0-0.

### **OLD BUSINESS**

#### **Generation report**

Eggert reported that the catalysts for the generators have arrived.

#### **Safety Report**

CPR update.

### **CMPAS Updates**

CMPAS board took no action on a request from Utilities Plus Energy Services for a loan for expansion.

CMPAS will release RFP's to contractors on March 1 for the retail solar project discussed earlier for each member city. Depending on bids received construction could begin in the fall of 2016. They are working on a retail rate policy in the event that an individual installed solar.

A regional meeting is being planned for September or October 2016.

### **NEW BUSINESS**

#### **CMPAS Subscription agreement**

Eggert explained that CMPAS is requesting approval by member utility boards of a Non-binding Subscription Agreement for Participation in Power Supply Coalition Purchases. The purpose of the agreement is to see what interest there is in having CMPAS plan future energy purchases.

CMPA's subscription amounts included:

- No subscription recommended on a 7x24 energy only purchase
- 1.3 MW on a 10-year annual fixed price on peak 5x16 energy only purchases
- 1 MW on a 20-year combined cycle gas purchase
- 2.8 MW on a 20-year wind purchase

Motion by Nielsen, second by Houglum to approve this non-binding agreement with CMPAS's recommended subscription amounts. Approved 3-0-0.

### **ADJOURNMENT**

Motion by Houglum, second by Malloy to adjourn meeting at 7:00 p.m. Approved 3-0-0.

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Sue Dodds, Bookkeeper

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Richard Nielsen, Chairman

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Randy Eggert, Operations Superintendent

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 6:06 p.m. on the 16th day of March 2016. The following members were present: Commissioners Jerry Houglum and Jim Malloy. Absent: Chairman Richard Nielsen. Also, present Mayor Mike Engel, Operations Superintendent Randy Eggert, and City Administrator Mark Vahlsing.

### **AGENDA**

Add: New Business: B/Delinquent accounts. Motion by Houglum, second by Malloy to adopt agenda as amended. Approved 2-0-0.

### **CONSENT AGENDA**

Vahlsing reviewed the GASB68 standards, which require the City and KMU to report underfunding in PERA, and how it affected the 2015 financials.

Motion by Houglum, second by Malloy to adopt the consent agenda with the approval of checks #38841-38891 noting that gaps in check sequence were for payroll or voided checks. Also, ACH checks #5077-5100. Approved 2-0-0. Motion by Houglum, second by Malloy to accept the February 2016 financial reports. Approved 2-0-0.

### **OLD BUSINESS**

#### **Generation report**

Corporate Mechanical has been here this week installing catalyts. An electrician will come next week to wire in the monitors. They will test the generators on April 4.

#### **Safety Report**

First aid. Hearing tests for Belch, Lee and Eggert.

#### **CMPAS Updates**

No meeting in March.

### **NEW BUSINESS**

#### **MMUA Scholarship Essay**

Only one essay was received so that was sent to MMUA for the statewide contest.

#### **Delinquent accounts**

Motion by Houglum, second by Malloy to approve write-offs totaling \$6067.74. Approved 2-0-0.

Vahlsing stated that one of the main problems with delinquent accounts is payment agreements that are not followed. He feels that the existing policy or a new policy should be set that would better enforce the payment agreements. Eliminating numerous payment agreements and adding the policy to the bottom of the payment agreement were some suggestions. Enforcement of the policy is the main concern to keep delinquent bills from becoming so high.

### **ADJOURNMENT**

Motion by Houglum, second by Malloy to adjourn meeting at 6:38 p.m. Approved 2-0-0.

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Sue Dodds, Bookkeeper

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Jim Malloy, Acting Chairman

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Randy Eggert, Operations Superintendent

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 6:00 p.m. on the 20th day of April 2016. The following members were present: Chairman Richard Nielsen and Commissioners Jerry Houglum and Jim Malloy. Also, present Mayor Mike Engel, Operations Superintendent Randy Eggert, and City Administrator Mark Vahlsing.

### **AGENDA**

Add: New Business: D/St. Marc's utility account. Motion by Malloy, second by Nielsen to adopt agenda as amended. Approved 3-0-0.

### **CONSENT AGENDA**

Motion by Malloy, second by Houglum to adopt the consent agenda with the approval of checks #38892-38934 noting that gaps in check sequence were for payroll or voided checks. Also, ACH checks #5101-5118. Approved 3-0-0.

### **OLD BUSINESS**

#### **Generation report**

Generators have been tested, and are compliant after the installation of the catalysts.

#### **Safety Report**

Office ergonomics.

### **CMPAS Update**

- April board meeting was held at the new branch office in Eden Prairie.
- Letting bids June 1 for the Community Solar Project. Estimated cost for a 40w unit is \$100,000.
- A new turbine will be installed on NCII. Unit will be down for six weeks in the spring of 2017.
- Power supply RFP's are coming in with prices similar to November 2015.
- The board approved GRE (Great River Energy) temporary use of the Brookings-Hampton CAPX line. This has or will need to be approved by other CAPX participants.
- The CAPX advisory team must allow, but not require, current participants in future projects.
- CMPAS annual member meeting will be Tuesday, October 4 in Mankato.

### **NEW BUSINESS**

#### **Rebate adjustment for commercial lighting**

Eggert and Dodds suggested increasing the commercial LED lighting rebate to encourage more participation. Motion by Nielsen, second by Malloy to increase the commercial LED lighting rebate from \$200 to \$400/KW savings for 2016, to be retroactive January 1, 2016. Ayes: Malloy, Nielsen. Abstain: Houglum. Motion passed.

#### **Water Supply Plan**

Vahlsing reviewed information from a DNR meeting concerning the water plan for Kenyon that is due October 2017. He explained that a portion of a water plan has been completed and was approved by the commission in 2014 and that certain portions will merge with the Well Head Protection Plan when that is complete. Staff will begin to work on the water plan with a goal to complete it in 2016.

#### **Credit card acceptance**

Vahlsing explained that he has set up a link to the City's website to allow customers to pay their utility bills via PayPal. Currently, all fees will be paid by KMU/City. In the near future it may be set up to allow credit/debit card payments in City Hall.

**St. Marcs utility billing**

Dodds reviewed the current electric portion of St. Marcs utility bill explaining that by policy they should be billed demand in April because they have met the 20 KW demand for three months. The demand for April is 33.28 with only 1,800 KWh. Billing as demand would cost them \$.28/KWh, commercial would be \$.14.

Motion by Malloy, second by Houghlum to allow St. Marcs to be billed commercial for April with the requirement to have a plan to reduce his demand to the commission by the May 18 meeting. This plan must be in place by June 15. Approved 3-0-0.

Hanke will be invited to attend the May 18 meeting. If a plan has not been completed by May 18, St. Marc's will be billed at a demand rate for the May billing and for at least 11 months to follow.

**OTHER**

**Commissioner/Staff comments**

Eggert reported that the First Street improvement project has begun and that there may be some poles that need to be moved to allow for new sidewalks.

Eggert will install a meter on the hydrant that Engel requested using for the Community Garden.

**ADJOURNMENT**

Motion by Houghlum, second by Nielsen to adjourn meeting at 7:15 p.m. Approved 3-0-0.

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Sue Dodds, Bookkeeper

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Richard Nielsen, Chairman

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Randy Eggert, Operations Superintendent

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 6:00 p.m. on the 18th day of May 2016. The following members were present: Chairman Richard Nielsen and Commissioners Jerry Houglum and Jim Malloy. Also, present Mayor Mike Engel, Operations Superintendent Randy Eggert and Bookkeeper Sue Dodds.

### **AGENDA**

Add: New Business: C/Annual Liability Coverage Waiver. Motion by Malloy, second by Houglum to adopt agenda as amended. Approved 3-0-0.

### **CONSENT AGENDA**

Motion by Nielsen, second by Houglum to adopt the consent agenda with the approval of checks #38935-38981 noting that gaps in check sequence were for payroll or voided checks. Also, ACH checks #5119-5132. Approved 3-0-0.

### **PRESENTATIONS**

#### **Chris Hanke – Demand billing**

Chris Hanke, owner of St Marcs cement plant was present to discuss the cost of electricity at his location. His demand has remained over 20 for more than three months so according to policy he would be placed on a demand rate. He stated that he has two motors that have to be started at the same time which results in a very high demand with low usage. His concern is the price per KWh he will be paying on the demand rate.

At the April meeting it was decided to allow St. Marcs to be billed commercial for April with the requirement to have a plan to reduce his demand to the commission by the May 18 meeting. This plan was to be in place by June 15. If a plan was not completed by May 18, St. Marcs was to be billed at a demand rate for the May billing and for at least 11 months to follow.

After discussion with Hanke the board decided to allow him to remain on commercial rate for an additional month to allow staff to look at current policies.

### **OLD BUSINESS**

#### **Generation report**

New catalysts passed all testing.

#### **Safety Report**

Lockout/tagout & use of respirators.

#### **CMPAS Update**

- CFO Larry Blaine no longer with CMPAS
- Community solar exemptions – CMPAS is researching who is eligible for these tax exemptions.

**First Street project Update**

The water lines did not need to be offset with the sewer lines, which resulted in a cost saving for the water department. The electric poles from Spring Street to the pool on First Street were eliminated so there will be some additional expenses for the electric department for trenching in underground lines in the alley.

**NEW BUSINESS**

**MN Dept of Health quarterly results for radiochemical water monitoring**

The commission reviewed the letter received from the Minnesota Department of Health regarding quarterly results for radiochemical monitoring. The results were below the MCL (maximum contaminant level) for Combined Radium and Gross Alpha in Water. Due to these test results monitoring will be reduced to once every three years.

**Updated disconnect policy**

Dodds presented appendix 7 of the Electric Rules & Regulations that City Administrator Vahlsing drafted concerning payment agreements for utility bills. Motion by Houghlum, second by Nielsen to adopt Electric Rules and Regulations Appendix 7 as presented. Approved 3-0-0.

**Liability Insurance Waiver**

State statutes limit a city's tort liability to a maximum of \$500,000 per claimant and \$1,500,000 per occurrence. Cities can purchase additional insurance coverage up to \$2,000,000 annually. Motion by Malloy, second by Nielsen to "not waive" the monetary limits on municipal tort liability established by Minnesota Statutes 466.04 for liability coverage through the League of Minnesota Cities. Approved 3-0-0.

**ADJOURNMENT**

Motion by Nielsen, second by Malloy to adjourn meeting at 7:35 p.m. Approved 3-0-0.

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Sue Dodds, Bookkeeper

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Richard Nielsen, Chairman

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Randy Eggert, Operations Superintendent

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 6:00 p.m. on the 15th day of June 2016. The following members were present: Chairman Richard Nielsen and Commissioner Jim Malloy. Absent: Commissioner Jerry Houglum. Also present: Mayor Mike Engel, Operations Superintendent Randy Eggert and Bookkeeper Sue Dodds.

### **AGENDA**

Add: Old Business: C1/Solar project. Motion by Malloy, second by Nielsen to adopt agenda as amended. Approved 2-0-0.

### **CONSENT AGENDA**

Motion by Nielsen, second by Malloy to adopt the consent agenda with the approval of checks #38982-39029 noting that gaps in check sequence were for payroll or voided checks. Also, ACH checks #5133-5146. Approved 2-0-0.

### **OLD BUSINESS**

#### **Generation report**

None.

#### **Safety Report**

Hearing conservation, Personal Protective Equipment, excavation safety, and pole top and bucket rescue.

### **CMPAS Update**

CMPAS' legal staff discussed the Public Utility Regulatory Policies Act (PURPA).

Utilities Plus Energy Services (UPES) is considering either selling their business or becoming independently owned by buying out CMMPA's 50% of the total shares.

### **Solar Project**

CMPAS continues to gather information on a solar project. One option would be to have each member city have their own 40KW solar project. Cities are being cautioned to promote this as a green project and not an investment or money maker for individuals interested in buying into the project.

Another option would be to join with Missouri River Energy Services (MRES) and Southern Minnesota Municipal Power Agency (SMMPA) to build a larger central unit of 3MW, with the individual cities installing a 4KW each. With this type of project the funding for the 3MW unit would be through CMPAS, who would in turn bill member cities on their monthly bill.

Keeping the cost down is the commission's main objective rather than rushing into completion of the projects.

### **First Street project Update**

Underground wires have been trenched in. Once the sod and blacktop are in place the wires will be switched over and the old lines and poles removed.

**Chris Hanke – Demand billing**

Commission reviewed Hanke’s demand reading for June, which was 49.12. In reviewing the history of his usage and demand for the past 10 months it was felt that the only billing policy that would be appropriate would be the demand rate for the KW and the KWh usage. Motion by Malloy, second by Nielsen to bill Hanke under the general demand policy for June – December 2016 with a review of his account at the January 2017 meeting. Approved 2-0-0.

**NEW BUSINESS**

**Medical insurance renewal**

Dodds informed commission that employee medical insurance would be changing from Preferred One to Blue Cross Blue Shield on July 1.

**Valve box repair tool information**

Eggert explained that the City of Wanamingo and KMU were looking at a joint purchase of a gate valve box repair tool, which would allow the repair to be done without opening up the street. Recently, the City of Wanamingo purchased one, which KMU may rent if needed.

**MMUA Mutual Aid Program**

Motion by Nielsen, second by Malloy to allow KMU staff to update their information for the MMUA mutual aid program through an online third party called Veracity Connect. Approved 2-0-0. This will allow KMU 24/7 access to information needed in the event of a catastrophe.

**ADJOURNMENT**

Motion by Nielsen, second by Malloy to adjourn meeting at 7:43 p.m. Approved 2-0-0.

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Sue Dodds, Bookkeeper

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Richard Nielsen, Chairman

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Randy Eggert, Operations Superintendent

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 6:04 p.m. on the 20th day of July 2016. The following members were present: Chairman Richard Nielsen and Commissioners Jim Malloy and Jerry Houglum. Also present: Mayor Mike Engel, City Administrator Mark Vahlsing, Operations Superintendent Randy Eggert and Bookkeeper Sue Dodds.

### **AGENDA**

Motion by Malloy, second by Nielsen to adopt agenda as presented. Approved 3-0-0.

### **CONSENT AGENDA**

Motion by Houglum, second by Malloy to adopt the consent agenda with the approval of checks #39030-39085 noting that gaps in check sequence were for payroll or voided checks. Also, ACH checks #5147-5165. Approved 3-0-0.

### **OLD BUSINESS**

#### **Generation report**

Exercising.

#### **Safety Report**

Training for pool employees only.

#### **CMPAS Update**

Major portion of CMPAS board meeting dealt with the solar project being planned.

#### **First Street project Update**

Paving is completed. Cedar Lake will switch the wiring over to complete the conversion from overhead to underground on the north side of the 400 block of First Street.

### **NEW BUSINESS**

#### **Electric and water hookup fees for new fire hall**

Motion by Houglum, second by Malloy to waive hookup fees for electric and water service at the new fire hall. Approved 3-0-0.

#### **Bid review for well maintenance**

Eggert reviewed the three bids for the maintenance on well #1 and 3. He explained that these were base bids only because the full cost of maintenance cannot be determined until the columns are pulled to verify the condition. The low base bid was from Bergerson Caswell of \$14,410 for well #1 and \$17,555 for well #3. Eggert noted that this company has done very satisfactory well maintenance for KMU in the past. Motion by Malloy, second by Nielsen to accept the base bid from Bergerson Caswell with the understanding that there may be additional cost, depending on the condition of the well. Approved 3-0-0.

#### **Water tower inspection**

Eggert reviewed the report by TKDA for the inspection completed by Midco divers on the ground storage reservoir and the water tower in May 2016. The following recommendations were made:

- Ground storage reservoir – power wash around the base and roof; touch up rust spots on the roof; install 24 mesh screens over existing vent screen; and install weather stripping on the

access hatch. Schedule another inspection in 2018. Based on this inspection the utility should plan to repaint the roof in 2019.

- Elevated storage reservoir (water tower) – Power wash center column and bottom of tower and touch up rust spots; schedule another inspection in 2018. Based on this inspection the utility should plan to repaint the interior and exterior in 2019 with an estimated cost of approximately \$260,000 - \$280,000. If KMU plans to repaint the exterior in 2017 they recommend being ready to let out bids in October or November 2016, which they estimate to be approximately \$160,000.

#### **Review utility account disconnect procedures**

Vahlsing reviewed the current procedures for the disconnection of a delinquent utility customer. He asked the commission if they felt there should be additional steps in place for the disconnection and reconnection. The commission agreed that at least two staff members should review the account before disconnection and that the final decision should be with Eggert. It was suggested that a list of delinquent accounts be given to Eggert each Monday for him to review with other staff members. Motion by Houglum, second by Nielsen to have Eggert as Operations Superintendent approve all disconnects and reconnects. Approved 3-0-0.

#### **Minnesota Pollution Control Agency citation**

Eggert informed the commission that KMU has received a citation warning resulting from a routine inspection by MPCA. KMU's water operators have C license, whereas the state now requires all businesses with underground storage tank systems to have class A and B license. Brandon Belch and John Lee will begin studying for the examination required to obtain these licenses.

#### **ADJOURNMENT**

Motion by Malloy, second by Houglum to adjourn meeting at 7:50 p.m. Approved 3-0-0.

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Sue Dodds, Bookkeeper

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Richard Nielsen, Chairman

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Randy Eggert, Operations Superintendent