

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 21st day of January 2015. The following members were present: Commissioners Scott Swenhaugen, Dave Claxton and Richard Nielsen. Also present Mayor Michael Engel, Operations Superintendent Randy Eggert, Bookkeeper Sue Dodds and City Administrator Mark Vahlsing

AGENDA

Add: New Business: D/Foldcraft; E/Safety program. Motion by Nielsen, second by Claxton to adopt agenda as amended. Approved 3-0-0.

CONSENT AGENDA

Motion by Nielsen, second by Claxton to adopt the consent agenda with the approval of checks #38150-38194 noting that gaps in check sequence were for payroll or voided checks. Also, ACH checks #4861-4878. Approved 3-0-0.

OLD BUSINESS

Generation Operating Report

None

Safety Report

No safety program this month.

CMMPA Updates

CMMPA will be issuing a news release announcing that the return on the CAPX 2020 investment will be two years earlier than originally anticipated. Kenyon's 2014 share will be \$12,900.

Kenyon was one of only three cities that met their goal in 2014 for the Conservation Improvement Program. CMMPA did meet their goal as a whole.

Eggert was elected as treasurer of the CMMPA board for 2015.

Agency adder on energy bills for 2014 was \$4.64. Budget for 2015 is \$4.26 per MW.

NC2 is offline with damage to a section of the turbine. Repairs are expected to be completed in the next few months.

2015 Improvements to First Street

Vahlsing gave an update on the pavement management plan, which could include improvements to First Street in 2015 or 2016. An assessment of this area is currently being completed by Bolton & Menk engineering firm.

NEW BUSINESS

Carriage and Cutter Parade donation

Motion by Swenhaugen, second by Nielsen to donate \$500 to the Carriage and Cutter Parade in addition to postage paid by KMU of approximately \$90. Approved 3-0-0.

MMUA Tom Bovitz Memorial Scholarship Award Program

Board directed staff to proceed with the paperwork to offer the MMUA Scholarship to Kenyon-Wanamingo high school seniors whose parents or guardians are customers of KMU.

2015 Reappointment by Council

The council has reappointed Richard Nielsen for a three-year term on the utility commission ending January 2018.

Foldcraft

Vahlsing noted that Foldcraft has shown interest in selling a 4.5 acre parcel of land north of Centennial Drive to the City. The use of a portion of this land could include an area for a new fire hall. Foldcraft has asked if the City would consider installing an additional fire hydrant on the south side of this property. This will be discussed at a later date.

Safety Program

Commission approved Eggert's request to send public works employee Wayne Ehrich to a Cross Training School at MMUA's training center in Marshall February 25-27 at a cost of \$440.

ADJOURNMENT

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

Sue Dodds, Bookkeeper

Scott Swenhaugen, Chair

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 February 2015. The following members were present: Commissioners Scott Swenhaugen, Dave Claxton and Richard Nielsen. Also present Mayor Michael Engel, Operations Superintendent Randy Eggert and Bookkeeper Sue Dodds.

AGENDA

Add: New Business: C/OSHA Requirements. Motion by Nielsen, second by Claxton to adopt agenda as amended. Approved 3-0-0.

CONSENT AGENDA

Motion by Nielsen, second by Claxton to adopt the consent agenda with the approval of checks #38195-38236 noting that gaps in check sequence were for payroll or voided checks. Also, ACH checks #4879-4892. Approved 3-0-0.

OLD BUSINESS

Generation Operating Report

Eggert purchased 7,500 gallons of diesel at \$1.604 per gallon bringing the total gallons on hand to 12,622, which would last about 2.5 days running two generators.

Safety Report

Basic first aid and signs of carbon monoxide poisoning.

CMMPA Updates

Repairs on NC2 are near completion. The goal is to have the plant back online by March 12. Routine maintenance planned for later in the year will be completed now while the plant is down.

CMMPA is planning to do rate studies for member cities as budget allows. Two or three member cities per year could be completed depending on the order they sign up and how long it has been since the last time a study was done. The cost of this will be covered by the dues paid by KMU.

NEW BUSINESS

April meeting date

The April meeting will tentatively be moved to April 22 to work around staff schedules.

Request accounts receivable write-offs

Dodds requested approval to write off two invoices from 2009 totaling \$87.59. Motion by Nielsen, second by Claxton to approve this write-off. Approved 3-0-0.

OSHA

Eggert explained that OSHA has issued a final rule, standard 29 CFR 1910.269 and 29 CFR Part 1926 Subpart V, to improve workplace safety and health for workers performing electric power generation, transmission and distribution work. The revised 1919.269 and Subpart V became effective on July 10, 2014. However in response to questions, the compliance deadline for some provisions, which are fall protection, minimum approach distances, and arc-flash protection the deadline is April 1, 2015.

The compliance dates are as follows:

ARC Flash Hazard Assessment must be completed- February 17, 2015

ARC Flash Protection Program- must be completed by April 1, 2015

Minimum Approach Distances calculations must be in place April 1, 2015

Fall Protection Systems must be in place by April 1, 2015

Eggert noted that Utilities Plus Energy Services would do assessments to help bring Kenyon into compliance. He feels that until an arc flash hazard assessment and minimum approach distance calculations can be completed all linemen must wear category 4 or 40 calories clothing per square centimeter when working on 'hot' or energized lines within the ten foot approach area.

He also commented that KMU will need to purchase new bucket harnesses and one more climbing harness to meet OSHA requirements

ADJOURNMENT

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

Sue Dodds, Bookkeeper

Scott Swenhaugen, Chair

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 6:15 p.m. on the 18th day of March 2015. The following members were present: Commissioners Scott Swenhaugen, Dave Claxton and Richard Nielsen. Also present Mayor Michael Engel, Operations Superintendent Randy Eggert and Bookkeeper Sue Dodds.

AGENDA

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

CONSENT AGENDA

Motion by Nielsen, second by Claxton to adopt the consent agenda with the approval of checks #38237-38276 noting that gaps in check sequence were for payroll or voided checks. Also, ACH checks #4893-4907. Approved 3-0-0.

OLD BUSINESS

Generation Operating Report

No generation. Eggert noted that NC2 has been back in service since late last week.

Safety Report

Identifying buried power, telephone and gas lines.

CMMPA quarterly meeting

Engel and Vahlsing plan on attending the meeting in Mankato on April 16.

OSHA Requirements

Eggert informed the commission that he is updating the location of transformers so that the county is able to update their maps. Once this is done OSHA required studies will be completed. Motion by Nielsen, second by Claxton to require all linemen to wear category 4 or 40 calories per square centimeter clothing when working on 'hot' or energized lines within the ten foot approach area effective April 1, 2015 until an arc flash hazard assessment and minimum approach distance calculations can be completed. Approved 3-0-0.

NEW BUSINESS

Water line protection program

The commission reviewed the program that Owatonna has established for their customers. An Owatonna representative speaking at a conference noted that they worked on this concept for 10 years before implementing it. The commission found the program interesting, but chose not to proceed further at this time with a program for KMU customers.

Eggert commented that the League of Minnesota Cities is suggesting that homeowners, such as snowbirds, sign a form requesting utilities to be shut off. Staff will add this information to the snowbird form sent out in the fall.

Updated Capital Assets and Capitalization thresholds

Dodds noted that KMU is currently using a policy from 2002 for capitalizing items which states that new tools, equipment, and machinery purchased and amounting to a value of \$2,500 or more will be capitalized and set up on a depreciation schedule.

After surveying many other cities she found that the majority uses \$5,000 as their threshold for capitalizing purchases or projects.

Motion by Nielsen, second by Claxton to increase the capital asset threshold to \$5,000. Approved 3-0-0.

OTHER

Eggert informed the commission that he would be letting bids out for the big boom truck, directional boring on First Street, pulling both wells, and replacing the 2001 F250 pickup.

Engel has been asked about turning on more lights on Gunderson Boulevard. Eggert said it would be costly to move lights around or to purchase more lights.

After reviewing the water fund financials Swenhaugen questioned whether a rate increase has been discussed. Dodds will add this to May agenda.

ADJOURNMENT

Motion by Nielsen, second by Claxton to adjourn meeting at 7:05 p.m. Approved 3-0-0.

Sue Dodds, Bookkeeper

Scott Swenhaugen, Chair

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 22nd day of April 2015. The following members were present: Commissioners Scott Swenhaugen, Dave Claxton and Richard Nielsen. Also present Mayor Michael Engel, City Administrator Mark Vahlsing, Operations Superintendent Randy Eggert and Bookkeeper Sue Dodds.

AGENDA

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

CONSENT AGENDA

Motion by Nielsen, second by Claxton to adopt the consent agenda with the approval of checks #38281-38328 noting that gaps in check sequence were for payroll or voided checks. Also, ACH checks #4908-4923. Approved 3-0-0.

OLD BUSINESS

Generation Operating Report

Exercising only.

Safety Report

Dog bite prevention and review Spill Prevention, Control and Countermeasure Plan.

CMPA Updates

Engel reviewed information he received attending the Central Municipal Power Agency/Services meeting in Mankato. Topics included the agency's rebranding, EPA Clean Power 111d of the Clean Air Act, MISO's outlook on the electric industry, natural gas industry outlook and future transmission development.

Community Garden water donation

Mayor Engel requested a waiver of water charges for the Community Garden. He estimated it to be about 15,000 gallons. Motion by Nielsen, second by Swenhaugen to grant this waiver. Approved 2-1-0 with Claxton voting against.

NEW BUSINESS

Adopt MMUA Overhead and Underground Construction Specifications

Randy presented bound copies of the specifications for commission review. He noted that they have always followed OSHA and the National Electrical Safety Code, but the specs were located in different books. Motion by Claxton, second by Nielsen to adopt the MMUA's Overhead and Underground Construction Specifications. Approved 3-0-0

Minnesota Department of Health Radiochemical Monitoring report

Eggert reviewed the report from the Minnesota Department of Health that showed water samples taken in September 2014 from well #2 contained radium levels of 6.0 pCi/L. This exceeds the maximum contaminant level (MCL) of 5.4 allowed. Quarterly monitoring of this well will be required for one year. If after four quarters the annual average exceeds the MCL, other corrective action will be required.

MMUA essay contest

A well written essay by Kenyon-Wanamingo senior Emily Ashland was received and will be forwarded to MMUA for the state contest.

Water rate review

Dodds presented two scenarios for a water rate increase. A one-time \$.25 increase in usage only would increase revenue by about \$13,000 per year, but may not guarantee a net income vs. loss. Implementing this increase for a consecutive 5 years should assure the water fund of a net income for the next five years. This would take into account the capital expenditures currently planned for those years and scheduled debt payments remain the same. Dodds noted that the cash balance in the fund is very stable so the commission could consider making prepayments on one or two of the loans. Nielsen asked to have a few other scenarios for the next meeting such as \$.30 or \$.35 increase every other year for a period of time.

OTHER

Randy noted that they installed an LED light behind the liquor store and asked commission to give him their opinions on the lighting it provides.

ADJOURNMENT

Motion by Nielsen, second by Claxton to adjourn meeting at 7:05 p.m. Approved 3-0-0.

Sue Dodds, Bookkeeper

Scott Swenhaugen, Chair

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 May 2015. The following members were present: Commissioners Scott Swenhaugen, Dave Claxton and Richard Nielsen. Also present Mayor Michael Engel, Operations Superintendent Randy Eggert and Bookkeeper Sue Dodds.

CITIZENS COMMENTS

Referring to his request from April's meeting, Michael Engel commented that he has filled a tank of water from his home to haul up to the Community Garden. The water will then be hand pumped from that tank.

CONSENT AGENDA

Motion by Nielsen, second by Claxton to adopt the consent agenda with the approval of checks #38329-38361 noting that gaps in check sequence were for payroll or voided checks. Also, ACH checks #4924-4936. Approved 3-0-0.

OLD BUSINESS

Generation Operating Report

None.

Safety Report

Lockout/tag out, hot work permit and hazmat safety data sheet updates.

CMMPA Updates

Agency reported that revenues are exceeding budget. Predict that there may be some big changes in the CIP program in a few years. CMMPA will pay for Randy to attend the APPA convention in Minnesota this year.

NEW BUSINESS

Annual liability coverage 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 Nielsen, second by Claxton 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.

Well maintenance

Minnesota Department of Health Radiochemical Monitoring report

In the capital plan both wells were scheduled to be pulled for maintenance in 2015. Eggert stated that he felt KMU should hold off on well #2 until the Department of Health issue is resolved.

ADJOURNMENT

Motion by Nielsen, second by Claxton to adjourn meeting at 6:20 p.m. Approved 3-0-0.

Sue Dodds, Bookkeeper

Scott Swenhaugen, Chair

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 17th day of June 2015. The following members were present: Commissioners Scott Swenhaugen, Dave Claxton and Richard Nielsen. Also, present Mayor Michael Engel, City Administrator Mark Vahlsing, Operations Superintendent Randy Eggert and Bookkeeper Sue Dodds.

AGENDA

Add: New Business: B/Street lights. Motion by Nielsen, second by Claxton to adopt agenda as amended. Approved 3-0-0.

CONSENT AGENDA

Motion by Claxton, second by Nielsen to adopt the consent agenda with the approval of checks #38362-38407 noting that gaps in check sequence were for payroll or voided checks. Also, ACH checks #4937-4949. Approved 3-0-0.

OLD BUSINESS

Generation Operating Report

The commission reviewed the May generating report with a discussion on the cost of fuel.

Safety Report

Blood borne pathogens, excavation safety & hearing conservation.

CMMPA Updates

CMMPA board did not meet in June due to Eggert and CMMPA staff attending the APPA conference in Minneapolis.

Water rate review

Commission reviewed the water rate options that were presented. Vahlsing stated that he feels it's important to set rates that will reflect a net income for upcoming years. The expense budgets used for this study included a 10% increase in medical insurance, paying off two water fund loans and adjusting the capital plan to complete the maintenance of one well only in 2015 with the other well pulled in 2016. Motion by Nielsen, second by Claxton to approve an increase of \$.30 per 1000 gallons of water effective July 15. Approved 3-0-0.

NEW BUSINESS

July meeting date

Commission agreed to move July meeting date to the 22nd to accommodate staffing schedules.

Street lights

The electric capital plan includes \$5,100 per year for street light replacement. Eggert explained that purchasing LED lighting is more expensive than high pressure sodium, but with the longer life span and higher efficiency it seems to be the better choice. The commission agreed that LED lighting should be used for future street light replacements or conversions.

ADJOURNMENT

Motion by Nielsen, second by Claxton to adjourn meeting at 6:35 p.m. Approved 3-0-0.

Sue Dodds, Bookkeeper

Scott Swenhaugen, Chair

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 22nd day of July 2015. The following members were present: Commissioners Dave Claxton and Richard Nielsen. Absent: Chairman Scott Swenhaugen. Also, present Mayor Michael Engel, City Administrator Mark Vahlsing, Operations Superintendent Randy Eggert and Bookkeeper Sue Dodds.

AGENDA

Motion by Claxton, second by Nielsen to adopt agenda as presented. Approved 2-0-0.

CONSENT AGENDA

Motion by Nielsen, second by Claxton to adopt the consent agenda with the approval of checks #38408-38453 noting that gaps in check sequence were for payroll or voided checks. Also, ACH checks #4950-4966. Approved 2-0-0.

OLD BUSINESS

Generation Operating Report

Eggert stated that the EPA may lower the emergency demand response hours from 100 hours to 15 hours per year. He stated that to qualify to receive capacity credits the generators must be able to run at least 60 hours per year. Ziegler estimated the cost of installing catalysts to qualify as standby would cost \$53,000 per generator. Eggert said that all three generators would need to be changed to meet the capacity requirements of 15% above KMU's load. In addition, testing would need to be done every 5 years, which could cost \$5,000 per generator.

The commission would like to wait until the final ruling has been made.

Safety Report

Job Training Services (JTS) worksite communication.

Chairman Swenhaugen entered meeting at 6:40.

CMMPA Updates

Solar power for individual cities and offering the option to purchase renewable energy blocks for customers was discussed.

NEW BUSINESS

Prepayment of water loans

Dodds explained that the Public Facilities Authority has denied our request to pay off the 2004 PFA loan due to the amount of interest savings and the time left on the amortization schedule. The savings from paying off the 2010 (MRWA) Minnesota Rural Water Association loan in 2015 would be \$932.

Motion by Nielsen, second by Claxton to approve the principal payment of \$25,182 plus interest in November 2015 to pay off the remaining portion of KMU's share of this loan. Approved 3-0-0.

Donation to Park & Rec board

Vahlsing explained that Goodhue County Co-op had donated \$500 to the Park & Rec board toward the purchase of a picnic table in the new Trondheim Park and asked if the commission would want to do something similar. He also stated that the electric fund is an enterprise fund like the liquor fund. As such, donations can be made to eligible community organizations or for capital items. Claxton questioned why the utility has a budget for donations when the utility customers do not have a choice of whether to purchase electricity. Motion by Nielsen, second by Swenhaugen to

approve a donation of \$250 to the Park & Rec board toward the purchase of a picnic table.
Approved 2-1-0 with Claxton voting against.

Review utility rebates

CMMPA has revised the amounts of some current electric rebates and presented several new rebates to offer to our customers. The commission agreed with the rebates proposed and would like to see them implemented as soon as possible.

ADJOURNMENT

Motion by Nielsen, second by Claxton to adjourn meeting at 7:06 p.m. Approved 3-0-0.

Sue Dodds, Bookkeeper

Scott Swenhaugen, Chair

Randy Eggert, Operations Superintendent