

UTILITIES COMMISSION MEETING
July 31, 2023

A regular meeting of the City of Jackson Utilities Commission was held in the Council Chambers of City Hall at 4 p.m. on July 31, 2023 with the following persons present: Utilities Commission Chairman Kevin Siepker, Sandy Phillips, Joe Marthaler, Jenna Schwartz, Sara Mix, Mike Schwartz and Dennis Hunwardsen. Also attending were City Administrator Matt Skaret, City Finance Officer Deb Mitchell, Missouri River Energy Services Jackson Distribution Maintenance Foreman Tony Nitchals, NLC Service Line Warranty Program Regional Director Dennis Lyon and Recording Secretary Dave Maschoff. (A quorum of the Utilities Commission was present.)

OPEN THE MEETING

Chairman Kevin Siepker called the regular meeting of the Utilities Commission to order.

DEPARTMENTAL REPORTS

Electric Department

MRES Jackson Distribution Maintenance Foreman Tony Nitchals reported electrical work continues as part of the street reconstruction of Emily Street. He said all the work for the single-phase electric service has been completed and energized. Nitchals said residential customers are being switched over to the new underground service. He said the Electric Department is now working to install street lighting on Emily Street.

Nitchals reported the Electric Department's work in connection with the Downtown Alley Project is completed.

Nitchals said he has transformers that have been sent-in to B&B, a company in Farmington, Minnesota to be rebuilt. He said it appears rebuilding transformers is the easiest and quickest way to get transformers anymore. Nitchals said new transformers are very expensive and there's a long waiting period before they arrive.

Mike Schwartz asked Nitchals if he had been notified about the street light located at the corner of North Highway and Morrison.

Nitchals said he wasn't aware of any messages regarding that street light.

Schwartz said he noticed while driving by that the street light was flashing off and on.

Nitchals said he would check it out.

Public Works Director

City Administrator Matt Skaret said Public Works Director Tony Oxborough was on vacation and should be back to work on August 1st.

Skaret said the Public Works Department has been busy doing a lot of street patching. He said they are trying to get the street patching completed before the sealcoating contractor arrives on August 10th.

Regarding the reconstruction of Emily Street, Skaret said the curb and gutter was installed a week ago and the street is ready for paving.

Skaret said the Water Department is working on a broken watermain today (July 31, 2023) on South River Street. He said the Water Department also had another broken watermain in that same area in the last week or the week before. Skaret said that watermain will be replaced and upsized when the County reconstructs the road going south towards Petersburg which is scheduled to take place in the next five years.

(Jenna Schwartz arrives)

Skaret reported the underground work is completed on River Street between Ashley and South Highway. He said that road will be left gravel through the winter and the County will pave River Street next year. Skaret noted River Street is a County road.

HOMESERVE PRIVATE WATER AND SEWER LINE INSURANCE

Skaret introduced Dennis Lyon who joined the Utilities Commission meeting via Zoom.

Skaret said Lyon is a Regional Director for HomeServe. He said HomeServe is a company that provides insurance services just for water and sewer line breaks that are off the City's main that are considered private lines. Skaret said HomeServe also provides insurance for indoor plumbing in a home in case a property owner has a water pipe burst inside their house.

Skaret welcomed Lyon to the Utilities Commission meeting.

Lyon thanked the Utilities Commission for letting him provide a presentation about the insurance coverage available for property owners through HomeServe. He provided a slide presentation using the City Council Chamber's Smart Screen.

Lyon noted he has been with HomeServe since November of 2016. Lyon explained he was attending the Utilities Commission meeting to give a presentation and discuss the National League of Cities Service Line Program presented by HomeServe. He said the Service Line Program has been in existence for over 20 years. Lyon said HomeServe's customers rate them 4.8 out of 5 stars from the satisfaction standpoint. He said HomeServe's Service Line Program has been endorsed by the National League of Cities since 2010. Lyon noted they've had a very long-standing partnership and relationship with the National League of Cities. He said that HomeServe has served 4.8 million homeowners and noted the customer satisfaction statistics. Lyon pointed out HomeServe has saved customers \$2 billion to date for what they would have had to spend out of pocket for private sewer and waterline repairs.

Lyon noted there's absolutely no cost to the City or the Utility for HomeServe's program. He said the program is completely administered by HomeServe. Lyon explained when people sign-up for HomeServe insurance products, they are billed directly by HomeServe. He said HomeServe also takes care of phone calls from customers when they have questions, need service or to file and take care of a claim. Lyon said when a customer has a claim, HomeServe handles that claim and manages local licensed contractors to do the work and then pays the contractors directly when the work is completed.

Lyon explained there's an optional revenue share for every partner City that HomeServe works with. He said that's something that depends on homeowner participation. Lyon pointed out there's no minimum home participation number for HomeServe to be available to provide insurance services to a community.

Lyon said HomeServe will conduct a free public awareness campaign informing homeowners that they're responsible for the water and sewer lines on their property and the insurance protection HomeServe can provide if the homeowner so chooses.

Lyon said HomeServe's customer service center is located in Chattanooga, Tennessee and is staffed 24 hours day, 365 days a year including holidays. He said when a customer calls, they talk to a real person who will dispatch a contractor upon assessing what the customer is dealing with. Lyon said HomeServe works with local licensed and vetted contractors because it's important all repairs be done according to code and that all necessary permits are obtained and so on. He noted that also gives the City a record of what's going on regarding that property and gives the City the assurance that everything is being done the right way.

Lyon explained HomeServe offers three completely separate insurance products that homeowners can choose from. He said homeowners can choose one plan or a combination or nothing at all.

For water and sewer line service, Lyon said HomeServe provides up to \$8,500 per incident, every time a customer has an incident, for anything that interrupts the flow of the line such as a broken line, cracks in the line, tree root penetration into the line, frozen water lines that need to be thawed out, any of those types of things fall into that scope of coverage. He said for the external water and sewer lines, the insurance coverage extends from the foundation of the home to the point of the utility connection. Lyon said HomeServe also offers an in-home plumbing product that covers all the water and sewer lines inside the home after the point of entry which pays up to \$3,000 per incident for any of those types of issues.

Lyon said with all of HomeServe's coverages, there's no annual or lifetime limits, there's no deductible that has to be met before the coverage begins and there's no service fees. He said when customers decide they want to participate, there's no pre-inspection of their property or questions about the age of their home or anything like that. Lyon explained after a customer signs-up for the insurance program, their coverage begins after a 30-day waiting period.

Lyon said property owners can opt in or out of the insurance coverage at any time without any type of penalty. He said some customers pay their premiums on an annual basis. Lyon said if during the year a customer wants to end their coverage, the unused premiums paid in advance will be refunded back to the property owner.

Lyon said HomeServe contacts customers by direct mail only. He said there's no telemarketing and no door-to-door sales that take place. Lyon pointed out information educating property owners about what they are responsible for regarding their sewer and water lines is first sent to the City for final review before it's sent to customers.

Lyon said the marketing of HomeServe's insurance products is very clear to the homeowner that it's not the City that's providing the insurance coverage, but it's available to them because the City has partnered with HomeServe to make it available. He said it's also made clear to the homeowner that signing up for the HomeServe insurance products is completely voluntary and that the products offered are completely separate.

Lyon said what HomeServe asks for in their partnership with the City is permission to use the City's logo on HomeServe's materials. He said the City will first be asked to review the material and approve it before HomeServe mails it out to homeowners.

Lyon noted the optional revenue share the City can participate in with HomeServe. He explained it's ten percent of the price of each HomeServe product per month which would accrue. Lyon said once a year HomeServe would pay that out to their partners that choose to participate. He said those funds can be used for anything the City wishes. Lyon said the most popular use of those funds is low-income utilities assistance programs. He said other partners of HomeServe's choose not to participate in the revenue sharing. He said in those cases, the price of each of HomeServe's products is reduced by 50 cents per month so homeowners that choose to participate get a little break on their monthly premium price. Lyon said either way, there's a benefit and it's entirely up to HomeServe's partner on how they wish to participate in that aspect.

Lyon said HomeServe currently has 39 municipalities in Minnesota that they're working with and have 18,000 customers with 30,000 protection plans. He said HomeServe has done over 8,000 jobs in Minnesota and saved homeowners over \$5.6 million out of their own pockets.

Skaret asked Lyon what percentage of customers in a community typically sign-up for the HomeServe Program.

Lyon said the percentage of customers that sign-up for HomeServe programs can vary over different parts of the country and climates and so on. He said generally speaking after the program has been available for three years within a community, there's usually about a 10 to 15 percent participation rate.

Lyon went on to explain the process of how customers of HomeServe can file a claim if they have a broken water or sewer line and getting the repairs completed. He explained how HomeServe will follow-up with the customer to make sure all the needed repairs were completed. Lyon also explained how HomeServe contacts contractors when repairs need to be made.

Siepkner asked what if a customer's sewer line goes across another person's property.

Lyon said if a customer was having problems and their sewer line cuts across another person's property, their needed repairs would still fall under HomeServe's scope of coverage.

Phillips asked Lyon what would be the average premium cost for HomeServe's services.

Lyon said if the City didn't participate in the revenue sharing aspect of HomeServe's services, the water line coverage would be \$6.25 a month, the sewer coverage would be \$7.25 a month and in-house plumbing would be \$9.49 a month. He said if the City participated in the revenue share component, each of those prices would increase by 50 cents a month. Lyon said if the City participated in the revenue share component, the price for the water line coverage for example would be \$6.75 per month and ten percent of that would be set aside every month to go to the City. He noted the City chooses whether or not to participate in the revenue share component, the customer doesn't have that option.

With no further questions, Skaret thanked Lyon for his presentation.

Lyon thanked Skaret and the Utilities Commission members. He said if anyone had further questions, they can always contact him.

Following Lyon's presentation, Skaret said the Utilities Commission needed to decide if the HomeServe Program is something the City should pursue. He said if it's felt that it's a program that should be pursued, then the Utilities Commission would need to make a recommendation to the City Council.

The consensus of the Utilities Commission members was to recommend the City allowing the HomeServe Program to be offered to homeowners in Jackson. Utilities Commission members also agreed to not have the City participate in HomeServe's revenue share program, thus reducing a customer's insurance premium by 50 cents per contract per month.

MIKE SCHWARTZ/JOE MARTHALER moved and it was unanimously carried to recommend to the City Council to allow HomeServe to offer their water line, sewer line and indoor plumbing insurance products to homeowners in Jackson and not have the City participate in HomeServe's revenue share program.

PROJECT UPDATES

Regarding the repaving of the West Ridge and North Ridge Drive projects, Skaret said after the contractor applied the asphalt on North Ridge Drive, it was discovered that there were some problems with the base of the street. He said the street had a very wet base. Skaret said the contractor tried patching the base but kept discovering more and more bad spots as they went up the hill on North Ridge Drive.

Skaret said it was decided that by continuing to just put more asphalt on it, that in three or four years you're going to have a bad street again. He said the City Council approved a change order that will resolve the situation. Skaret said the one lift of asphalt will be torn up and a new base installed underneath that whole section of the hill on North Ridge Drive. He said that's going to be a more permanent fix.

Skaret said the paving on West Ridge Drive is fine. He said the problem was on North Ridge Drive.

Phillips asked when the work on North Ridge Drive would be completed.

Skaret said North Ridge is expected to be completed before construction work ends this fall. He said because of the work on North Ridge Drive, there's going to be some access issues. Skaret said plans are being made to create a temporary access. He said there's a couple different possible routes. Skaret said the City is working with a couple of the neighboring landowners to see what the possibilities may be for creating a temporary road.

ADJOURNMENT

With no further business, Siepker asked for a motion to adjourn.

JENNA SCHWARTZ/MIKE SCHWARTZ moved and it was unanimously carried to adjourn the Utilities Commission meeting at 4:49 p.m.

David A. Maschoff, Recording Secretary

