

UTILITIES COMMISSION MEETING
December 18, 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 Monday, December 18, 2023 with the following persons present: Utilities Commission Chairman Kevin Siepker and Commission members Jenna Schwartz, Dennis Hunwardsen, Sandy Phillips and Joe Marthaler. Also attending were City Administrator Matt Skaret, Public Works Director Tony Oxborough, MRES Jackson Distribution Maintenance Foreman Tony Nitchals, City Utility Billing Clerk Marcy Hanning and Recording Secretary Dave Maschoff. (Utilities Commission members Vice-Chairman Mike Schwartz and Sara Mix were absent.) (A quorum of the Utilities Commission was present.)

OPEN THE MEETING

Chairman Kevin Siepker called the regular meeting of the Utilities Commission to order. Siepker noted a quorum of the Utilities Commission members were present.

APPROVE MINUTES FROM THE OCTOBER 30, 2023 UTILITIES COMMISSION MEETING

Siepker asked if there were any additions, corrections or issues regarding the minutes of the October 30, 2023 Utilities Commission meeting. Hearing none, Siepker asked for a motion to approve the minutes.

JENNA SCHWARTZ/SANDY PHILLIPS moved and it was unanimously carried to approve the October 30, 2023 Utilities Commission minutes.

DEPARTMENTAL REPORTS

Electric Department

MRES Jackson Distribution Maintenance Foreman Tony Nitchals reported the Electric Department put up the City's Christmas decorations in record time for the holidays this year.

Nitchals reported the Electric Department also replaced a three-phase switch for AGCO which went smoothly. He said they also replaced two other three-phase junction boxes on Industrial Parkway that were rusting away. Nitchals said the rusting solid metal bases of those junction boxes were replaced with fiberglass bases. He said the Electric Department has also been doing some tree trimming.

Nitchals said he's been working on getting quotes for transformers. He noted transformers are hard to come by and some suppliers aren't providing quotes on transformers because the delivery time is so far out. Nitchals said he's been looking at getting rebuilt transformers.

Nitchals said Electric Department personnel have been working at replacing street light bulbs in the downtown area. He said currently the Electric Department is working on taking inventory and doing vehicle and equipment maintenance.

Siepkner asked if the downtown street lights are all LED lights.

Nitchals said he believes everything downtown should be LED lights. He said the Electric Department is waiting for the delivery of a street light pole at the Post Office parking lot.

Skaret noted the street light pole at the Post Office parking lot has been struck by trucks in the past so the base was moved closer to the intersection of Second and White Streets to try and avoid any future mishaps.

Public Works Department

Public Works Director Tony Oxborough reported things at the City's lagoon ponds worked well this fall. He said the ponds are now starting to freeze over for the season.

Regarding the Water Plant Rehab Project, Oxborough said not everything is on track, but everything is moving in the right direction. He said the Water Plant is 100 percent up and running. Oxborough said in the past week, a resample of the Water Plant's detention tank showed no bacteria samples so the detention tank has been put back on line. He said some duct work at the Plant still needs to be completed. Oxborough said they are also waiting for chemical pumps, valves and an air compressor to arrive.

Oxborough said the quality of the City's water is currently comparable to what the City used to have before the Water Plant rehab project. He said the water quality will continue to improve and the City will have a better quality of water.

Oxborough said the mild weather has been a benefit for the Water Plant Rehab Project in order to flush the system. He said the whole water system has been flushed and Water Department personnel were working on flushing the fire hydrants.

Oxborough reported the Street Department verified that Burger King's camper dump-station is directly hooked into the City's sewer system. He said the camper dump-station does have a cap on it so they're not being negligent of I & I (Inflow & Infiltration). Oxborough said the Water Department has also been checking the City's Lift Stations while the weather is nice. He said checking the Lift Stations should be wrapped up this week.

Oxborough noted the City has also been getting their G.I.S. program up and running.

Sieper asked if there's water at Burger King's camper dump-station.

Oxborough said there's no water to it. He said he doesn't know if there's a water line running to it or not.

ABANDONED HOUSES AND WATER METERS

Skaret said the issue has come up where there's an abandoned house which is not on water service anymore, but there's a water meter in the house that the property owner won't let the Water Department come in to remove it. He said the question has come up on whether the City should continue to keep charging the property owner the base water rate since they still have a water meter.

Utility Billing Clerk Marcy Hassing said there are three or four houses that have been abandoned for years. She said per City policy, the City has not been able to final out the utility bill as long as the water meter is in the house, so the property is still accruing a bill just for water and sewer. Hassing said everything else has been disconnected because the City can remove everything else like the electric meter, but the Water Department can't get into the houses to remove the water meters. She said the bills on these abandoned properties are \$4,000.

Phillips asked if the City is billing the property owners, but they're not paying.

Hassing said that was correct.

Hassing said after many years with no electricity and nothing heating the house, the old water meters are probably junk. She asked if the City Utility Billing Office can “final” these accounts and quit accruing charges on these abandoned houses.

Phillips asked if the City owns the water meters.

Hassing said they do.

Siepkner noted Hassing said the meters are probably junk at this point.

Oxborough said most likely the water meters are junk.

Hassing said she would imagine the water meters are junk and the water pipes are probably also not in good condition.

Siepkner asked if the water to these houses is shut off.

Hassing said the water to these houses is shut off at the street. She said the pipes may not have been drained so the pipes or water meters could be broken. Hassing said in one case the property owner is deceased and the family doesn't want anything to do with the property so it's just sitting there. She said in another case, the property owner refuses to pay based on principal. Hassing said that property owner doesn't live in Jackson and the property is not rented out so the bill is just accruing. She said in another case, the property owner is just letting the property sit as is. Hassing said there's not very many of these cases, but the bills are accruing.

Hassing said her suggestion is to go for 12 months and if no one does or says anything, the account would be finalized. She said once the City Utility Office final a bill and it hasn't been paid, the unpaid amount will be sent to the County Auditor's Office to be assessed onto the property taxes. Hassing said if the property is sold, any unpaid utilities would be noted during the assessment search. She said the bill has to be closed in order to be sent up to the County for taxes. Hassing said a live bill still accrues.

Phillips said it makes sense to close out the water and sewer bills and have it sent up to the County to be assessed to taxes and see what's received. She asked if a notice would be sent to the property owner that their bill was going to be finalized and the unpaid balance will be sent to taxes.

Hassing said notices are sent to the property owner in March and again in October reminding them if their unpaid balance is not paid by the end of November or beginning of December, it will be sent to the County Auditor's Office to be assessed onto their property taxes.

Phillips asked if the City needed to change their policy.

Skaret said the City probably should have something written down. He suggested a policy change.

PHILLIPS/MARTHALER moved and it was unanimously carried to recommend to the City Council a Policy change for cases in which City staff realizes a property is “abandoned” and where City Staff has not been allowed to enter the property to remove the water meter 12 months after the water has been shut off at the curb stop, in those cases the property owner’s water and sewer utility bill will be closed out and the unpaid balance will be sent to the Jackson County Auditor’s Office to be assessed to the property owner’s property taxes.

Skaret and Siepker thanked Hassing for providing information to the Utilities Commission.

QUOTES FOR ELECTRIC UNDERGROUND PROJECT MATERIALS

MRES Jackson Distribution Maintenance Foreman Tony Nitchals explained these are materials that the Electric Department will need to do four projects in 2024. He said the projects include burying overhead electric lines on Oak and Maple Streets and installation and electrical work at Belmont Heights. He said there’s also a couple smaller projects like installing a loop feed tie for AGCO’s tractor assembly building. Nitchals said he tried to pick quality materials at the lowest cost he could. He said he’s still waiting for information on a couple other bids regarding transformers.

DENNIS HUNWARDSSEN/JENNA SCHWARTZ moved and it was unanimously carried to recommend to the City Council to approve the quotes for the electric materials for the Maple and Oak Street underground electric conversions and electrical materials for the Belmont Heights housing project.

NORTH ELECTRIC SUBSTATION BREAKER AND RELAY TESTING PROPOSAL AND LAW ENFORCEMENT BUILDING PROJECT

Nitchals said the last time the North Substation Breaker and Relays were tested was back in 2015. He said it’s recommended they be tested every 5 to 10 years. Nitchals said Qualus will come in and clean all the breakers, test them for operation and test all the relays. He said it’s preventative maintenance.

Skaret said the price for the North Electric Substation Breaker and Relay Testing is \$23,370.

Nitchals said the testing would be done in the spring when the electric load is much lower than in the heat of the summer.

Jenna Schwartz asked if the breaker and relay testing is in the City's budget. Skaret said it's included in the budget.

SANDY PHILLIPS/JENNA SCHWARTZ moved and it was unanimously carried to recommend to the City Council to approve the base work quote of \$23,370 from Qualus of Brooklyn Park, Minnesota for the North Electric Substation Breaker and Relay Testing.

Siepkner asked Nitchals if there were any recommendations needed regarding the Law Enforcement Building Project.

Nitchals said he just received information about the project the other day. He said because the older part of the building (former school) is going to be torn down and new footings have to be installed, an electric circuit on White Street will probably have to be de-energized. Nitchals said there will need to be re-looping of the circuit so electric power can be maintained to the Courthouse. He said he doesn't have what the total cost figures will be for that.

Phillips asked if the County would pay for those electrical costs.

Skaret said typically if a business is doing an expansion, the business would pay for the transformer and associated costs.

Siepkner said if the County wants the transformer or infrastructure moved, it should be at the County's cost, not the City's.

Phillips asked if the County has requested to move the electric line at this point.

Nitchals said the County has not yet made the request. He said the contractor who's going to tear down the old building and install the footings has contacted him. Nitchals said the Courthouse has not made contact with him about having a new electric service, moving the electric service or nothing.

Nitchals said he contacted County Administrator Ryan Krosch who was going to have the contractor for the Law Enforcement Building project contact him. He said so far, he hasn't heard anything from the contractor.

Phillips suggested Nitchals contact Krosch, or whoever the County's Project Contractor is, to let them know the City's Electric Department needs to have information so they can order electrical materials for the project.

Skaret suggested getting an estimate of what all the electric materials and installation is going to cost and send the estimate to the County Administrator.

Nitchals said he will also contact his suppliers to get more solid pricing on transformers and materials.

Phillips said the Electric Department needs to get more information from the County.

Skaret said Nitchals could collect the pricing information and he would forward it on to County Administrator Ryan Krosch.

Nitchals said that would be fine.

WATER AND SEWER RATE INCREASES FOR 2024

Skaret said the City has taken on more debt this year with the Belmont Heights new housing addition that's being built behind the Liquor Store. He explained the City went out and bonded and is paying the upfront costs on the infrastructure, the streets, the water, sewer, storm sewer, electric and so forth.

Skaret said with the water and sewer, portions of that Belmont Heights project is adding \$43,000 to \$46,000 in debt service that is accredited towards the water and sewer. He said the City needs to collect that money so it can pay the debt service on it.

Skaret referred to information he handed out to the Utilities Commission members showing them a history of the City of Jackson's water and sewer rates going back to 2017.

Skaret noted there are two different charges. He said there's the monthly user charge which is the base fee that all utility users pay regardless of how much water they use and then there's the user rate which is the rate per 1,000 gallons.

Skaret said to collect that \$43,000 to \$46,000 in extra debt, what's proposed for January 1st of 2024, is a two dollar a month increase each on the base fee for water and sewer. He noted there are roughly 1,650 water meters in the City. Skaret said also proposed is adding ten cents on the per thousand gallons of usage. Skaret said the increases in the base fee each for water and sewer and the ten-cent increase per thousand gallons of usage will basically make up that \$43,000 to \$46,000 in extra debt.

Skaret said another option would be if the Utilities Commission didn't want to put as much of an increase on the base fee for water and sewer, they could add more to the usage fee. He pointed out the base fee is more of a guaranteed revenue whereas the usage fee is going to vary a little bit. Skaret said those who use more water are going to pay more whereas if more is put on the base fee, then it's more even across the board.

Skaret said the City's Sewer Fund has a healthier balance. He said the Utilities Commission could choose not to increase the sewer rate this year, but it would just have to be increased more in future years as the City does sewer projects.

Skaret said if the sewer rates are increased now along with the water rates, it reduces the hurt of the burden later on.

Siepkner asked if new sewer and water lines were being installed when streets are reconstructed.

Skaret said yes and no. He said new water lines are being installed, however on a lot of the City's streets, particularly on the west side of the Des Moines River, most of the sewer lines have been lined. Skaret explained when the City has been doing street projects, such as on South Street and North Highway, the City did not install very many new sewer lines. He said only new sewer laterals and service lines going off the main sewer line basically up to the property line were installed. Skaret said the sewer debt on those projects was not nearly as much as the water. He said that's why the City hasn't had to raise the sewer rates like they have the water rates in the last three or four years.

Skaret said at Belmont Heights, where there was no infrastructure before, the City has to install new water and new sewer lines.

Siepkner asked how long will it take to recoup the cost of installing the new water and sewer lines at Belmont Heights.

Skaret said the \$43,000 to \$46,000 generated by the water and sewer rate increases will pay one year's interest payment. He said the City is just paying interest right now on that debt. Skaret said starting in 2025, the City will start paying principal on the debt as well.

Phillips asked what's the length of the bond.

Skaret said the length of the bond is 22 years.

Jenna Schwartz asked if the City was doing an Electric Rate Study in 2024.

Skaret said an Electric Rate will be conducted next year.

Nitchals noted he's seen electric rates trending higher due to the need of building more transmission lines and depending on what the rates were like before in a community.

Jenna Schwartz asked how the proposed increase in Jackson's water and sewer rates compares to cities of similar size.

Skaret said Jackson's water and sewer rates will still be in line with other comparable cities. He said Jackson actually tends to be on the lower end of the rate scale when you look at what the Cities of Lakefield, St. James and Luverne are charging. Skaret said looking at rate figures from a couple of years ago, those communities were charging \$25 to \$30 a month on their sewer base fee alone.

Siepkner said he knows Jackson has been on the low side on their water and sewer rates over the years.

Jenna Schwartz asked if water usage has gone up in Jackson.

Skaret said water usage has gone up slightly with some of the new commercial businesses that have opened.

Oxborough said the average water usage for the whole year in Jackson is 364,000 gallons a day. He said the highest peak usage is normally when the Jackson County Fair is underway and daily usage can get over 600,000 gallons. Oxborough said in 2022, the water usage in Jackson was 117,000,000 gallons. He said the amount sold was 100,000,000 gallons.

Skaret explained what the monthly impact of the water and sewer rate increases will have on the average user. He said the impact for a utility customer that uses 3,500 gallons of water per month, which would be basically a two-person household, would be about \$2.35 per utility or about a total of \$4.70.

Siepkner asked for a motion.

PHILLIPS/HUNWARDSEN moved and it was unanimously carried to support the new monthly user charge of \$12.25 for sewer and \$12.95 for water and the user rate per 1,000 gallons at \$6.71 for sewer and \$8.21 for water.

ORDINANCE SECTION 54 REGARDING SEWERAGE SERVICE

Skaret noted Ordinance Section 54 had been discussed at the last Utilities Commission meeting and was approved recommending to the City Council that the ordinance be changed. He said basically it would have the Sewer Ordinance mirror the language of the Water Ordinance regarding when the City does repairs on water service lines. Skaret said the language will include that the City will pay for the expense of replacing the asphalt, curb and gutter. He said it's been the City's past practice for sewer repairs but the language hasn't been in the ordinance. Skaret said he typed up verbiage for the City Attorney to review but hasn't heard back from him.

Skaret said there's nothing the Utilities Commission really needs to take action on right now.

ORDINANCE SECTION 52 REGARDING REFUSE COLLECTION-GARBAGE CARTS PLACED BEHIND THE CURB FOR PICKUP

Skaret said Public Works Director Tony Oxborough brought up Ordinance Section 52 regarding the problems the City runs into with garbage cans on the street pertaining to snowplowing and street sweeping.

Oxborough said after reaching out to Waste Management, it's up to the City to dictate where the garbage cans should be placed. He said whether it's placed on the street or on the curb, it's up to the City's ordinance.

Oxborough said he thought everyone put their garbage can on the curb because that's what he sees done in his neighborhood. He sees other areas where the garbage cans are placed on the street in front of the curb. Oxborough said he was trying to get away from the conversations that the street sweeper or snowplow knocked over trash cans.

Oxborough said he read the minutes from the Utilities Commission's last meeting when they discussed this issue and noted the potential is still there for knocking over a garbage can when plowing snow but at least the Street Department can get the street cleaned.

Oxborough said if an ordinance about where people are supposed to place their garbage can is going to cause more problems than what it's worth, it's not worth doing and the City just won't have an ordinance regarding where residents are dictated to exactly place their garbage cans.

Oxborough said he wasn't saying the City should have \$50 fines for someone having their garbage can out in the street. He said the Street Department's job is to keep the streets clear and clean and there shouldn't be things in the street.

Oxborough said he wants to be realistic about the garbage cans. He said the issue was brought up when Councilman Nathan Peterson texted him asking why the sealcoating was being cleaned up on Thursday which is garbage pick up day. Oxborough said it took him an entire day to realize why that mattered. He said people put their garbage cans on the street.

Hunwardson said he's surprised how many garbage cans are placed out on the street when you drive around Jackson. He said he has never thought about putting his garbage can out on the street for pick up, but a lot of people do.

Oxborough said people will argue that's where the garbage can is supposed to be placed.

Phillips asked before an ordinance is adopted, could the City issue some public service announcements on Facebook to inform residents not to have their garbage cans out on the street, especially coming into winter when the snowplows will be clearing streets. She said people like to have their streets plowed and suggested educating the public about not placing their garbage cans on the street may be helpful.

Nitchals noted some people leave their garbage cans on the street all the time.

Phillips suggested educating the public about the need to have garbage cans off the street.

Oxborough suggested having a Facebook post that says during snow events that occur on garbage days, it would be super helpful if residents did not put their garbage cans out on the street.

Skaret said on Snow Emergencies, the City asks people to remove vehicles and trash cans from the street. He said those are the instances when the City sometimes receives hostile comments about trash cans.

Sieper noted there are instances where people don't have any place to put their garbage can when there's snow piled up along the street, unless they place it at the end of the driveway as he does.

DIGITAL UTILITY BILL STATEMENTS

Skaret said Alderwoman Sara Mix had requested this item be on the Utilities Commission agenda. He said Mix was requesting that the Utilities Commission consider giving customers the option to get their utility bill emailed to them instead of through the mail.

Skaret said it's something the City has looked into a little bit. He said he thinks it's an option and something the City will probably pursue once the front office at City Hall is fully staffed again. Skaret said the front office at City Hall is short handed right now. He said he thinks it's something that probably isn't that difficult to do.

Phillips asked if the email option would be something utility customers would sign-up for.

Skaret said a customer would sign-up for the email option. He said customers would not be forced to receive their utility bills by email. Skaret noted not everyone has email and not everybody likes receiving billing statements through email.

Skaret noted utility customers already have the option of signing up with the City for automatic pay of their utility bills from their bank accounts. He said the email option would send the bill to the customer's email and thus be paperless.

Skaret no action by the Utilities Commission was needed on this agenda item at this time.

Other:

Skating Rink

Phillips asked about the status of the skating rink.

Oxborough said the skating rink will be flooded this evening (December 18th) because temperatures are going to be below freezing. He said the wind on December 17th caused havoc with the boards at the skating rink. Oxborough said he had to realign everything. He said next week, the forecast calls for snow. He said this is the first ice skating rink he has every done, so bear with him.

Oxborough said the rain Jackson received about a week ago took any frost out of the ground. He said colder temperatures in the forecast may be more conducive to creating ice for the rink.

ADJOURNMENT

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

JENNA SCHWARTZ/JOE MARTHALER moved and it was unanimously carried to adjourn the Utilities Commission meeting at 5:09 p.m.

Siepker thanked everyone for attending.

Skaret wished everyone a Merry Christmas.

David A. Maschoff, Recording Secretary

