

UTILITIES COMMISSION MEETING
February 26, 2024

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, February 26, 2024 with the following persons present: Utilities Commission Chairman Kevin Siepker and Commission members Dennis Hunwardsen, Jenna Schwartz, Sara Mix, 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 Hassing and Recording Secretary Dave Maschoff. (Utilities Commission Vice-Chairman Mike Schwartz was 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 THE MINUTES FROM THE DECEMBER 18, 2023 UTILITIES COMMISSION MEETING

Siepker asked if there were any additions, corrections or issues regarding the minutes of the December 18, 2023 Utilities Commission meeting. Hearing none, Siepker declared the minutes approved as read.

DEPARTMENTAL REPORTS

MRES Jackson Distribution Maintenance Foreman Tony Nitchals noted the construction season is getting underway. He said demolition work of the old County Resource building will be starting soon to make way for the construction of the new Jackson County Government Services Building and Law Enforcement Center.

Nitchals noted the City Council approved MRES hiring an intern for this summer. He said MRES is planning to hire an intern just out of school. Nitchals said the internship is for up to 1,000 hours.

Nitchals said the Electric Department will be putting overhead electric lines underground on Oak, Linden and Maple Streets. He said the Electric Department will also start working on the electric infrastructure for the Belmont Heights Housing Project. Nitchals said the Electric Department will be doing infrastructure work pertaining to the construction of the new Law Enforcement Center. He said the Electric Department has a lot of work scheduled in Jackson in addition to the work they normally do.

Nitchals said the Electric Department are planning activities for Public Works Day which will be held on Tuesday, June 4th.

Skaret explained Public Works Day is when the Street, Water and Electric Departments partner with the Jackson County Library, Fire Department and Ambulance Department to set up equipment and displays in Ashley Park. He said Public Works Day is an event for children to spark an interest early on about possibly one day pursuing a career in public works.

Nitchals said the Electric Department will feature their aerial truck, tools and the safety equipment that Electric Department personnel need to wear when working on electric lines and equipment. He said the Public Works Day has gone very well during the past couple of years.

Skaret noted the City received an award from MRES (Missouri River Energy Services) last year for the Public Works Day event.

Phillips said the Jackson Cruisin' Club would like to host a Hometown Heros Night on Thursday, July 11th featuring the Ambulance and Fire Departments, City Electric and Public Works Departments and National Guard. Phillips said she was asked to bring up the Hometown Heros Night to the Utilities Commission. She said someone from the Cruisin' Club will be contacting and inviting those Departments to participate.

Public Works Department

Public Works Director Tony Oxborough reported the City's sewer ponds have thawed and are opened up. He said the Water Department will probably start transferring water and get an early discharge completed since the ice on the ponds has thawed.

Oxborough said the Water Department has installed over 1,200 new AMI water meters so far. He said Water Department personnel have been installing new water meters daily and moving forward with that project.

Regarding the Water Treatment Plant Project, Oxborough said next week work will be underway on the logic controls that will control the chemical feeds at the Water Plant. He explained the chemical feeds are computer driven so the chemical dosages are correct. Oxborough said hopefully by the end of March, the City can let residents know the City's water is safe to drink for children under the age of one. He said the painters arrived on February 26th at the Water Plant so things are starting to wrap-up regarding the Water Treatment Plant Project. Oxborough commented it's nice to get to this milestone.

Hunwardsen asked Oxborough if the Water Department has enough new AMI Water Meters on hand to take care of all those who still need to have meters installed.

Oxborough said they should have enough, if not pretty close, of having the AMI Water Meters needed to accommodate everyone. He said they may have to make one last order of meters when they get close to completing all the new installations.

TYLER QUOTE OUTPUT PROCESSOR SERVER FOR EMAILING UTILITY BILLS

City Administrator Matt Skaret said Utilities Commission member Sara Mix had requested looking into the City providing the option for utility customers to have their utility bills emailed to them. He said instead of mailing utility bills, customers could sign-up to have their bills emailed to them.

Skaret said currently the City does not have the set-up to email utility bills to customers. He said the City does email out manually some of the commercial utility accounts, particularly those where the utility bill is not mailed to an address locally. Skaret said in those cases the utility bill is emailed to those commercial accounts manually.

Skaret said the City isn't set-up right now to have something for residents to opt into as far as having their utility bills emailed to them.

Skaret said the computer software company the City works with, Tyler Technologies, was contacted regarding setting up a system where customers could have the option to have their utility bills emailed to them. He explained the City would need what's called an Output Processor Server. Skaret said there would be a one-time cost of \$3,886 to get the Server set-up and then a recurring annual fee of \$2,476. He said he was looking for some direction from the Utilities Commission.

Mix asked if that was the City's only vendor option.

Skaret said Tyler Technologies is currently the City's computer software provider.

Mix asked what the City's annual postage cost is for mailing out utility bills.

Skaret said the total postage budget for City Hall annually is about \$15,000. He said the bulk of that cost is for utility billing.

City Utility Billing Clerk Marcy Hassing said the City's cost for postage will be going up. She said the City was just informed that because they don't have a bar-code on the City's address, the City doesn't qualify for the bulk mail postage rate. Hassing said that's going to add about \$200 a month to the City's postage cost.

Mix asked if the City had any statistics on how many customers on average in a city will go digital and make use of having their bills sent to them via email in order to determine what the cost savings would be. She said she can't imagine there wouldn't be quite a few people who would use the digital option.

Skaret said the City did not have that information.

Jenna Schwartz asked how many residents currently use the option of paying their utility bill online.

Hassing said a lot of residents either pay by credit card, online or sign-up to pay their bill through bank draft. She said the City has quite a few customers that have signed up for those options. Hassing suggested the City should look at how much it is, if there is a charge, to get a bar-code from Tyler Technologies if the City is going to do bulk mailing and what the cost would be for emailing utility bills. She said the charges for bulk mailing and emails could then be compared.

Mix noted also to be considered is the time spent on handling all the mail and all the work that goes into getting those bills ready to be sent. She said the City needs to put a pencil to it to compare the costs. Mix said she can't believe there wouldn't be a cost savings by emailing compared to the cost for labor, postage and handling all those envelopes.

Mix said emailing utility bills to customers who would opt to receive their bills that way is definitely something the City should look at as we look to move towards the next phase of Jackson. She noted the City will have new people coming to town with the new housing development and thinks it's definitely time for the City to look at technology for billing services.

Phillips agreed in getting some actual cost figures regarding what do envelopes cost, cost to print the bills, what labor does it take plus the cost for postage. She said if 50 percent of residents opt to get their utility bills emailed to them, what savings does that provide. Phillips suggested compiling cost figures to compare.

Skaret asked Utilities Commission members what information they would like.

Mix requested information including calculating the hourly wage it takes to handle and mail out the utility bills, the cost of the supplies and the cost of the postage.

Jenna Schwartz also asked to see if there's information available on what the percentage is of customers who opt-in to receive their utility bills digitally for cities that provide that option.

Phillips noted that customers who currently pay their utility bill using the auto-pay would probably opt to have their bills sent to them digitally.

Hassing said she would anticipate 95 percent of customers who currently use auto-pay would opt to have their bills sent to them electronically.

Skaret said information will be gathered and brought back at the next Utilities Commission meeting.

CITY OF LAKEFIELD CANCELLING MRES DISTRIBUTION MAINTENANCE AGREEMENT

MRES Jackson Distribution Maintenance Foreman Tony Nitchals said the City of Lakefield has decided that they could save money and do their own electric maintenance by hiring their own lineman and materials.

Nitchals said October 27th, 2024 is the day the City of Lakefield is opting out of their Electric Maintenance Agreement with MRES (Missouri River Energy Services) and will do their own electric system maintenance.

However, Nitchals said details aren't completely known. He said the City of Lakefield has been talking about still having supplemental help from MRES. Nitchals said MRES will be done working daily in Lakefield, but will still be doing certain things for them especially if there's damage from a storm or other events when they would need additional help.

Siepkner asked if the City of Lakefield was purchasing their own electric maintenance equipment.

Nitchals explained the City of Lakefield already owns their own equipment. He said it's just like the City of Jackson where the City owns the bucket trucks and all of the equipment. Nitchals said MRES just basically stations their linemen in the community and takes care of the electric maintenance and yearly reporting and safety training for the linemen.

Siepkner asked if MRES has linemen stationed in Lakefield.

Nitchals said MRES has one lineman stationed there.

Skaret said the decision by the City of Lakefield to cancel their MRES Distribution Maintenance Agreement will ultimately affect the City of Jackson. He explained currently the City of Jackson is sharing a MRES Maintenance Crew with Lakefield and Lakefield shares in the expenses. Skaret said with Lakefield's cancelation of their agreement with MRES, it will just be a Jackson maintenance crew.

Mix asked if there was any idea on how much that's going to affect the City of Jackson's budget?

Skaret said it will probably affect the City of Jackson's budget by \$100,000 or so in expense.

Nitchals explained the way it has been working, the City of Jackson pays for two-thirds of his wages and the City of Lakefield pays for one-third of his wages. He said the City of Jackson and City of Lakefield split of the cost of "on-call" for electric maintenance services. Nitchals said basically the costs are shared.

Nitchals said if MRES provides supplemental help to Lakefield and Jackson's linemen are sent to assist in Lakefield, there's a little bit of a benefit to the City of Jackson as the host community for the lineman being gone to help in Lakefield.

Skaret noted the cost to the City of Jackson for Lakefield's cancellation of their maintenance agreement with MRES is probably less than \$100,000.

Nitchals noted that if any of Jackson's electric maintenance equipment is used in Lakefield, the City of Jackson will receive a payment fee for the use of their equipment. He explained the City of Lakefield would pay MRES and MRES would take that amount off of the City of Jackson's MRES bill for services. Nitchals said the City of Jackson's MRES bill will be reduced if a Jackson lineman is assisting in Lakefield. He said after October 27th, MRES will charge Lakefield manhours plus equipment if a linemen and equipment from Jackson is used to assist Lakefield. Nitchals said MRES will charge Lakefield and the City of Jackson will see that payment from Lakefield reflected in a reduction in MRES's bill to Jackson.

Sieper asked Nitchals if the City of Lakefield is going to be independent for their electric maintenance after October 27th.

Nitchals said Lakefield will be independent with their electric system maintenance.

Nitchals said the City of Lakefield will be meeting with MRES in March to discuss what the transition will look like and what Lakefield wants from MRES for supplemental help. He said the City of Lakefield will still be a MRES member, but will not have a fulltime MRES distribution maintenance crew member.

SANITARY SEWER FORCE MAIN TO LAGOONS REPLACEMENT PROJECT (INFORMATIONAL ITEM)

Skaret explained the City of Jackson has an old force main going from Lift Station Number 4 going out to the lagoon ponds. He said part of the force main was installed in 1989 and part of it is the original force main when the lagoon ponds were constructed in 1957. Skaret said over time, build up has occurred on the inside of the pipe. He said what was a 14-inch diameter pipe, is now probably the equivalent of what would be an 8 or 10-inch pipe because of all the build-up inside the pipe.

Oxborough said engineering firm SEH compiled numbers and issued a report. He said the oldest part of the force main definitely has corrosion or buildup in the inside of the pipe so the full capacity of the pipe is not available. Oxborough noted this is just a proactive plan to replace the force main before it becomes a major issue.

Skaret said low interest loans to replace the force main would be available from the Minnesota Public Facilities Authority (PFA). He said the City has used the PFA in the past which assisted in paying for at least two projects. Skaret said PFA helped pay for the City's Sanitary Sewer Lining Project on the west side of Jackson in 2012 and also the Sanitary Sewer Extension Project in 2016 and 2017. He said the PFA can provide low-interest loans with an interest rate that's much less than the market rate. Skaret said it's very advantageous for the City to apply for PFA funding. He said the City plans to apply to the PFA for funding to replace the force main from Lift Station Number 4 to the City's lagoon ponds. Skaret said capacity in the pipe would be gained by replacing the force main because there wouldn't be the corrosion in the pipe. He noted Lift Station No. 4 could be replaced at a later date. Skaret noted Lift Station No 4 is currently in litigation which has drawn out longer than anticipated and is still in litigation.

Skaret said the total cost of the force main project is about \$1.9 million. He said the force main project involves a lot of pipe.

Oxborough said this a proactive move instead of reacting when problems begin to arise. He said it's something that just needs to be done.

Mix asked if the force main pipe replacement is budgeted for.

Skaret said the force main project would be added to the City's debt service. He said the replacement of the force main pipe has been part of the City's plan for several years.

Siepkner asked if a motion was needed.

Skaret said there should be a motion of support from the Utilities Commission for the City to submit a LS-4 Sanitary Sewer Force Main Improvements Project to the PFA Clean Water Revolving Loan Fund for Fiscal Year 2025 funding.

DENNIS HUNWARDSSEN/JENNA SCHWARTZ moved and it was unanimously carried to recommend to the City Council to approve submitting a LS-4 Sanitary Sewer Force Main Improvements Project to the PFA Clean Water Revolving Loan Fund for FY 2025 Funding.

Other:

Public Works Director Tony Oxborough reported Burger King has a water line hooked up to their dump station for campers. He said it was recommended by an inspector that Burger King also install a backflow preventer at the dump station. Oxborough noted the dump station is currently shut off. He said Burger King has a backflow preventer already installed at their building. He said the water isn't turned on to their dump station. Oxborough asked if Burger King didn't want the cost to install a backflow preventer on their dump station, would the City be willing to assist Burger King in installing a backflow preventer so there would be an operational dump station in Jackson. He said Burger King would pay for the water that's used. Oxborough said the dump station flows into the City's sewer system.

Mix asked Oxborough what the cost would be to install a backflow preventer. Oxborough said the cost would be between \$500 and \$1,000.

Mix noted that having the dump station operational at Burger King would be a benefit to travelers coming off of Interstate 90 who may also then spend some time in Jackson while they're here. She said it would be good to have the dump station at Burger King operational before summer.

Jenna Schwartz asked if anyone has talked to Burger King.

Oxborough said no one has spoke to Burger King at this time. He said he could gather further information on costs and bring the information back to the next Utilities Commission meeting.

On another topic, Oxborough said a company known as NPL are the installers for all the new natural gas line maintenance in Jackson. He said NPL has to televise the City's sewer system before and after NPL does projects to check to see that they didn't strike a City sewer line that could create a leak that could cause natural gas to track back into a home. Oxborough said he asked NPL if the City could purchase their video footage of the sewer lines. He said NPL said they're not allowed to sell the video footage of the sewer lines to the City, but they could trade the footage to the City. Oxborough noted NPL uses bulk water from the City for their boring projects. He said last year NPL used about \$1,000 worth of water from the City's wells. Oxborough said it costs the City less than that to run the pumps to provide the water. He suggested the City trade free water to NPL for the summer to do their boring in Jackson in exchange for the video footage NPL has of the City's sewer lines.

Oxborough noted a couple of years ago he contracted with a company to televise a half a block of sewer line and it cost \$4,800. He said the video of the sewer line televised by NPL would include all of Emily Street, a section of Riverside Drive near Ashley Park and River Street. Oxborough said the trade would involve receiving NPL's video information in exchange for free water from the City. He said he thinks the trade would make sense.

Skaret suggested the Utilities Commission make a motion regarding the trade.

JENNA SCHWARTZ/JOE MARTHALER moved and it was unanimously carried to recommend to the City Council to approve the Public Works Department trading water to NPL in exchange for NPL's video of the sewer lines NPL has televised.

ADJOURNMENT

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

SANDY PHILLIPS/JENNA SCHWARTZ moved and it was unanimously carried to adjourn the Utilities Commission meeting at 4:43 p.m.

Siepker thanked everyone for attending.

David A. Maschoff, Recording Secretary

