

UTILITIES COMMISSION MINUTES
April 29, 2019

A regular meeting of the City of Jackson Utilities Commission was held in the Council Chambers of City Hall at 4 p.m. on April 29, 2019 with the following persons present: Utilities Commission members Chairperson Gayl Berkner and Mike Schwartz, City Administrator Matt Madden, City Finance Officer Deb Mitchell, Street Superintendent Phil Markman, MRES Jackson Distribution Maintenance Foreman Jeremy Boogerd, Water/Wastewater Superintendent Tony Oxborough and Recording Secretary Dave Maschoff. (Commission members Vice Chairperson Kevin Siepker, Matt Madden, Mike Thurmer and Joe Marthaler were absent.) (A quorum of the Utilities Commission was not present.)

CALL THE MEETING TO ORDER

Chairperson Gayl Berkner called the Utilities Commission meeting to order. She noted a quorum of the Utilities Commission members were not present.

APPROVAL OF THE MINUTES FROM THE MARCH 25, 2019 MEETING

Chairperson Berkner said since a quorum of the Utilities Commission was not present, she could not declare the March 25, 2019 minutes approved as mailed.

DEPARTMENTAL REPORTS

Electric Department

MRES Jackson Distribution Maintenance Foreman Jeremy Boogerd reported due to the wet and cold weather during April, the Electric Department completed a lot of shop work. He said they have been busy organizing materials that have arrived for the summer projects and have also organized their backyard as well.

Boogerd said the Electric Department removed approximately 30 old electric utility poles and filled in the holes. He said the City's electric system made it through the ice storm OK. Boogerd said the Electric Department helped Federated Rural Electric for three days in making repairs to Federated's system.

Boogerd noted requests for utility locates is really starting to pick up.

Boogerd said the Electric Department installed some new street lights along North Highway. He said additional new street lights will be installed on North Highway as part of this year's project.

Boogerd reported he's been in contact with the contractor for this year's underground electric project. He said the contractor anticipates being in Jackson in about a month.

Berkner said "kudos" to the Electric Department's personnel for helping Federated Rural Electric in repairing their storm damage. Berkner noted she received a phone call from former Jackson Mayor Dave Fell who thanked the Utilities Commission and the City for the underground electric system. Berkner said Fell was thrilled.

Boogerd noted this will be the final year of the underground electric project.

Berkner asked when the electric underground project will be done on Thomas Hill.

Boogerd said he did not know at this time. He pointed out the City's electric crews can do a lot of the underground electric line installation themselves on the East side of Jackson except for basically going down Thomas Hill in which contractor help will be needed.

Similar to what was done along South Highway last year, Boogerd explained the MRES crews are going to try to do underground project work on First Avenue, Maple Street, Center and Moore Streets. He said the Electric Department will try and tie-up some of these smaller loose ends with underground electric this summer with their four person MRES crew.

Water Department

Water/Waste Water Superintendent Tony Oxborough reported a water line to the Sunset Cemetery has been shut off. He explained a leak was found on the water line that just provides water to the cemetery. Oxborough said they received permission from the Sunset Cemetery to shut off the line so there will be no more water at the Sunset Cemetery. He said the cemetery only used about 1,000 gallons of water a year. Oxborough said a new hydrant was installed in front of Polz's driveway which will provide for better water flow.

Oxborough reported the second round of discharging occurred at the City's lagoon ponds. He said currently there is about 1.2 million gallons being pumped at the Number One Lift Station that handles most of the City's residential needs. He said the Number Four Lift Station is the last lift station and has been handling about 1.4 million gallons a day. Oxborough said the lift stations are designed to handle 800,000 gallons a day and right now they are handling 1.4 million gallons a day.

Oxborough said there will be a third discharge from the ponds and for the first time ever there may be a fourth discharge. He said the City has until the middle of June to get rid of everything they need to.

Berkner asked if people are pumping their sump pumps into the sewer line.

Oxborough said water is getting into the sewer system somehow.

Oxborough reported the Ground Storage Water Project is progressing. He said, although there are no guarantees, the new tank may be up in another month. Oxborough said one of the new pumps at the water plant is now in operation and is working fine. He said he feels the check valve slams too hard on the second pump and that is being looked into.

Oxborough said it's busy now with contractors coming into Jackson and the South Highway Project.

Street Department

Street Superintendent Phil Markman said the Street Department is still waiting for the hot mix plants to open up for the season. He said he's hoping the hot mix plant in Worthington will be opening in the next two weeks so the Street Department can repair the frost boils in the streets. Markman said speaking with several other municipalities; every community is experiencing the same situation with their streets. He said this is the worst year anybody has seen on the State, County or City level regarding the condition of roads and streets following this past winter.

Markman said the contractor is moving equipment in to begin work on the South Highway Project. He said the contractor is renting the City's jersey barriers for the project. He noted the public informational meeting regarding the project will be held Monday evening, April 29th.

Markman said the contractor is planning to start working on the road Tuesday or Wednesday depending on the weather.

Markman said the Street Department has been busy with a lot of utility locates. He said he expects that to pick up as this year's underground electric project begins. Markman said there will also be a lot of remarking of utilities as the South Highway Reconstruction Project proceeds.

Markman noted all new infrastructure is going to be installed as part of the South Highway Project.

Markman said the Street Department started mowing grass on April 29th. He said the applicants for seasonal employees for mowing the parks have been received and will be considered by the City Council at their next meeting.

Markman said there was some tree damage around town due to the recent ice storm. He said the Street Department did a branch pick up for residents and that went well.

Berkner said she saw a lot of positive comments about the branch pickup on Facebook. She said people were happy the City provided that service.

Markman noted the removal of the house at 120 East Maple Street is underway.

Markman said he has been busy working with contractors for a number of construction projects taking place in Jackson. He noted construction projects by Crystal Valley Coop, the Palmer Bus Barn and Verizon's new tower.

Markman said the Street Department will also be removing their materials so the contractor can begin work on the new park along Ashley Street.

Berkner said she appreciates the repair work that was done on the street where the water main break occurred during the winter at the intersection of North Highway and Park Street.

Markman said that will be the first location to be repaired once the hot mix plant opens. He said it will be an easy spot to fix since the break in the pavement was manmade.

DISTRIBUTED RESOURCE INTERCONNECTION PROCESS

MRES Jackson Distribution Maintenance Foreman Jeremy Boogerd explained interconnect is the process of generating your own electricity and then selling it back to your power supplier. He said, for example, if a resident has solar panels on their house generating electricity and then they sell the excess power back to the City.

Through a lot of legislation, Boogerd said Minnesota has MN-DIP which is the State's program for Cities to adopt for distributed generation.

Boogerd said MMUA (Minnesota Municipal Utilities Association) and MREA (Minnesota Rural Electric Association) got together on it and through them and the Legislature they came up with a more user friendly format for small municipals and REA's to use for people that want to interconnect.

Boogerd explained the resolution that was sent to the Utilities Commission members to review is a resolution regarding an updated interconnection process. He said it's updated from a resolution that was most likely adopted by the City back in 2004.

Boogerd said the updated resolution just lays out the timeline and the procedure that people have to follow in order to put solar panels or wind power on their property. He explained it outlines the timeline people have to follow regarding engineering and metering, the electrician and everything a person needs to follow to hook up for an interconnection.

Boogerd said, right now, he's not sure how the Electric Department would hook them up. He pointed out with a postcard metering system, the City doesn't have bi-directional metering so he doesn't know how the Electric Department would meter what a person sells or what they buy.

Boogerd explained the resolution before the Utilities Commission is an updated MMUA and MREA distribution generation interconnect process.

Skaret noted it's really quite a lengthy set of documents. Skaret said he has the flash drive and there are a number of different documents. He said if you would print them all out it would probably be hundreds of pages.

Boogerd said the biggest thing the document does is that it lays out three steps, the fast track process, the regular process and how much a person is going to generate. He said if a person puts a solar panel on their house there's a fast track process they can go through between the City and the State. Boogerd said if a person is going to build a wind farm and produce eight megawatts of power there's a much longer, lengthier process the person will have to go through because by that point you're interconnecting with the transmission line selling power back to them and there's a lot more rules, regulations and things like that.

Boogerd said the resolution makes for a user friendly process. He said if somebody comes and says they want to put a solar panel on their house, the City can say this is the process we have. Boogerd said that process has already been laid out by lawyers, legislators and people in the electric industry.

Boogerd said the documents were reviewed by many lawyers but the City is welcome to have City Attorney Brad Anderson also review them if they would like.

Boogerd said people generating power will have two different options. He said they can either sell electricity back and take the money at the end of the year on the appropriate rate, or they can just sell the electricity for credits and then use those credits towards a bill. But, Boogerd pointed out at the end of the year those credits go away and don't transfer from year to year.

Berkner asked if there was anyone in Jackson who was using solar power.

Boogerd said no one in Jackson is using solar power that's interconnected with the selling of power back.

Skaret said the Utilities Commission cannot take any action on the resolution due to the lack of a quorum. He said the Utilities Commission will have to wait until the May meeting to formally recommend to the City Council to adopt the Distributed Resource Interconnection Process resolution.

MAY MEETING DATE

Berkner noted the next regular Utilities Commission meeting date in May will be on Memorial Day.

Maschoff suggested the Utilities Commission could meet a week earlier on Monday, May 20th.

Berkner said she felt the regular meeting should be kept on a Monday because everyone is accustomed to meeting on Mondays.

Schwartz agreed with Berkner to meet on Monday, May 20th.

Maschoff said he believed moving the meeting up one week and keeping it on a Monday is what has occurred in the past.

Berkner said she's sure the other Utilities Commission members didn't receive their agendas and supporting materials in the mail until April 29th.

Skaret noted in the future City Hall will have to mail the agenda and materials a day earlier or send an email reminder about the meeting.

Other: City Administrator Matt Skaret

AMI Metering System

Skaret reported the City is continuing to work through the AMI Metering System process. He said the committee reviewing proposals has heard two presentations.

Skaret said one of the firms came and conducted a demonstration in the office at City Hall with the software for the system. He said another presentation from another firm will be held on May 29th.

Skaret explained the Committee is very limited on what days of the week they can meet. He said basically Wednesday's are the only days that work for members to meet. Skaret noted there are City Council and other boards and committee meetings on Monday's and Tuesday's and there is a conflict for one of the committee members on Thursday's. He said Friday afternoon meetings are not a popular time to meet especially as we head into summer so Wednesday's are the best time to meet. Skaret also pointed out presenters are coming from out of town and there are multiple schedules to get aligned.

Skaret said progress is being made. He said the Committee has two very good proposals to look at. Skaret said he thinks it will be very tough to choose between the two proposals the Committee has looked at so far. He said he thinks it will be a very difficult decision. Skaret explained both are very different systems but they ultimately do the same thing. He noted one system has a few more options and is more expensive than the other.

South Highway Reconstruction Project

Skaret said a South Highway Reconstruction Project public informational meeting will be taking place at 5:15 p.m. at City Hall on April 29th.

Berkner asked if there is part of South Highway that will be shut off during reconstruction.

Markman said all of South Highway will be shut off.

At the preconstruction meeting held a week ago, Skaret said there was discussion about installing some kind of a temporary frontage road on the north side of the highway.

Markman explained the contractor is going to try to put an access road on the north side of the highway. Markman said he contacted Ambulance Director Michael Muchlinski that there may be difficulties traveling that way if there's an ambulance call. He said the Ambulance Service is aware to travel on Thomas Hill Road and then down First, Second or Third Avenue to respond to a call.

Skaret said the contractor is planning on starting the South Highway reconstruction possibly as early as April 30th with the reclamation of the street and grinding it up. He said the reconstruction work is all weather dependent. Skaret said the contractor has laid out a pretty ambitious schedule with the completion of the project by August 30th.

Skaret said the contractor will be starting on the west end of South Highway and working up the hill to County Road 51. He said the contractor and engineer will be attending the public informational meeting. Skaret said letters inviting people to attend the information meeting were sent two weeks ago to residents who will be affected during construction.

City Street Committee

Skaret said the City Street Committee has been busy. He said the Street Committee is looking ahead towards next summer. Skaret pointed out there are a number of streets along with infrastructure that need to be replaced. He noted a lot of the City's sanitary sewer has been lined west of Highway 71. Skaret said there are also water mains, storm sewers and storm sewer intakes that are falling in, even in some of the newer infrastructure.

Skaret said he and Street Superintendent Phil Markman drove around town on Friday, April 26th to look at the streets. He said there's no right or wrong answer as far as which street the City starts to reconstruct. Skaret said the City simply needs to get started.

Skaret said he's been working with the City's Financial Consultant Shannon Sweeney. He said the City has some tax abatements that will be ending next year which would free up about \$80,000 in debt service on the property taxes alone. Skaret said basically that would allow the City to do about a \$2 million project and spread the payments out over 15 years. He said after that, the City would probably be looking at a much larger project.

Skaret said typically on a street project, you'd have the main construction one year and the next year you would put the second lift of asphalt on and finish doing the restoration work. He said that would bring the project into 2022 or 2023. Skaret said the goal would be to get on the PFA, the Public Facilities Authority's financing list. He said the PFA has low interest loans and grant money available that may allow for doing a lot more larger comprehensive project.

Berkner asked about what the estimated cost is for reconstruction of the infrastructure and the street surface per block.

Skaret said it depends on the block. He said the estimated cost of replacing the underground infrastructure and the street surface is estimated at over \$300,000 per block.

Berkner commented that \$2 million wouldn't do much.

Skaret outlined what could be done for that amount would be one street utilities project and possibly doing some overlays on other streets. He said there is also the library parking lot and the alley behind the library that could be included in a paving project. He noted there is money already set aside for the library parking lot paving.

Skaret said \$2 million would be a nice sized project. He said granted it's not the end-all-be-all but the City has to get started. Skaret said the City probably has \$40 million worth of infrastructure work that needs to be done. He said it's about the City figuring out how much they can bite off at one time not only from a financial standpoint but also from a disruption standpoint. Skaret said projects are disruptive and the project size has to be manageable to get a good number of bidders on the project. He said the project has to be in scope so a contractor can do most of the project in one season.

Skaret also mentioned insurance. He said a lot of times the contractor's bonding company will only insure so much on a project. He said if you have a \$15 million dollar project, you may have to break it into three or four parts and have three or four different sections and basically have three or four projects going on at one time.

Skaret said he and Markman drove around Jackson. He said it doesn't really matter where the City starts a street project; the City has to just get started.

ADJOURNMENT

With no further business, the Utilities Commission meeting adjourned at 4:34 p.m.

David A. Maschoff, Recording Secretary

