

**UTILITIES COMMISSION MINUTES**  
**December 31, 2018**

A regular meeting of the City of Jackson Utilities Commission was held in the Council Chambers of City Hall at 4 p.m. on December 31, 2018 with the following persons present: Utilities Commission members Chairperson Gayl Berkner, Vice Chairperson Kevin Siepker, Mike Thurmer and Mike Schwartz. Also in attendance were City Administrator Matt Skaret, MRES Jackson Distribution Maintenance Foreman Jeremy Boogerd, Water Department Superintendent Tony Oxborough, Street Superintendent Phil Markman and Recording Secretary Dave Maschoff. (Utilities Commission members Joe Marthaler and Ken Temple were absent.) (A quorum of the Utilities Commission was present.)

**CALL THE MEETING TO ORDER**

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Chairperson Gayl Berkner called the Utilities Commission meeting to order and noted a quorum of the Commission was present.

**APPROVAL OF THE MINUTES FROM THE OCTOBER 29, 2018 MEETING**

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Consideration was given to the minutes from the October 29, 2018 Utilities Commission meeting. Hearing no additions or corrections, Chairperson Berkner declared these minutes approved as mailed.

**DEPARTMENTAL REPORTS**

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**Street Department**

Street Superintendent Phil Markman reported the Street Department hauled over 500 truckloads of snow from the downtown area following the snowstorm that moved through the area during the first weekend in December.

Markman said they have been doing maintenance on equipment. He said the ice skating rink on the pond has been open. Markman said this may be the last year for the ice skating rink to be located on the pond. He said plans are to move the rink over to the new Memorial Park site next year.

Markman noted the last three years the skid loader has broken through the ice when attempting to clear snow off the ice skating rink. He explained the dynamics of the pond have changed since the dam was removed. Markman said when the water level is high it freezes, but when the water level in the river goes down it actually sucks the ice down with it. He said it's tough to have the ice skating rink in the pond anymore. Markman said when the dam was in place; it maintained a constant pressure and there weren't as many issues with the ice.

Markman said if the ice rink is moved to a more permanent location it will provide for a lot more hours of ice skating and something for the kids to do.

Berkner asked how deep the pond was along the river.

Markman said it's probably five or six feet deep. He said there's probably three or four feet of mud.

Markman said if the ice skating rink can be incorporated as part of the new Memorial Park it will be better for everyone all the way around. He said it will provide for more ice time and be a lot easier to maintain the rink situated on the ground.

Regarding the new tree ordinance, Markman said the Street Department will be checking to see where branches are striking their equipment and write down the addresses. He said notices will then be sent to the homeowners. Markman said homeowners are responsible for trimming their trees and shrubs in the right-of-way.

Markman said the Street Department is in the process of getting a new pickup truck. He said one of the Street Department's pickups will then be transitioned over to the Parks Department and one truck in the Parks Department will be retired. Markman noted the Street Department received one of the Electric Department's old trucks which was transferred over to the Sewer Department. Markman said the old Sewer Department truck will be declared surplus along with the old pickup from the Parks Department. He said both old pickups will be listed for sale in the next couple of weeks.

Berkner said she thought the Street Department did a good job with the snow removal. She said she did not hear any complaints.

## **Water Department**

Water/Wastewater Superintendent Tony Oxborough said the ground storage water project is going rather well. He said the project is moving kind of slow but there is just so much the construction workers can do until parts show up.

Oxborough said the well line and the east water line have both been placed underneath where the new water tank is going to be placed. He explained one well line has to go to the south and the east line needs to go to the north.

Oxborough explained the well line is completed and has been stubbed in though the floor and pressure tested. He said it can now all be piped. Oxborough said the high pressure line is around where it's supposed to be to the building but some temporary work needs to be done with removing a pump and moving some piping. He said once the piping is completed, then work will begin in the pump room. Oxborough complemented the contractors doing the work.

Other than the ground storage project, Oxborough said the Water Department has been taking care of some projects such as addressing some safety items at the Water Plant that were pointed out by the City's Safety Director.

Skaret added the City Council has approved the plans and specifications for the South Highway reconstruction project which involves a water main replacement, regular sanitary sewer line replacement and Lift Station Number 4 reconstruction. He said all those items will be bid in February. Skaret noted Jackson County is doing the South Highway reconstruction project because it's a County road that's being reconstructed. He said it's anticipated both the County's and City's projects will get started this spring as soon as the weather permits in order to get completed by freeze-up this coming winter.

## **Electric Department**

MRES Jackson Distribution Maintenance Foreman Jeremy Boogerd reported the Electric Department has been removing transformers from poles due to the underground electric project.

During the nice weather, Boogerd said the Electric Department installed electric service for a new building belonging to Crystal Valley Coop. He said they also installed electric service for the new Palmer Bus Barn.

Boogerd said the Electric Department also put up the Christmas Decorations around the City. He said they have also been outfitting the Electric Department's new truck and doing inventory for the City's auditors.

### **AMR WATER AND ELECTRIC METER READING SYSTEM PROPOSAL**

Boogerd said he and Oxborough have been gathering information for the past year and meeting with various vendors regarding the AMI and AMR water and electric meter reading systems.

Boogerd noted the City of Jackson currently has a "postcard" system where electric and water utility customers have to read their own meters each month and write down the readings and send or bring them into City Hall.

Boogerd said it's felt it's time for the City to move forward and discuss AMI which stands for Advanced Metering Infrastructure reading which is called an RF mesh. He explained essentially each meter in town, both water and electric meters, talk to each other and then report their readings to a collector. He said that information gets put right into the internet. Boogerd said the staff at City Hall or at the Electric Department can then log into the internet and retrieve the reading off any meter anytime of the day.

Boogerd said the Electric Department probably commits a total of about 30 to 35 hours monthly to metering due to re-reading meters, stuck meters or people just transposing numbers on their reading. He said once a month it takes about a full day to read electric meters or knocking on doors to get the water meter reading of those that don't read their meters. Boogerd noted there are usually 70 to 80 people who have to have their meters read each month.

Boogerd said the City office staff spends approximately 25 to 30 hours each month for manual input of the readings for billing purposes and phone calls to get readings. He said that 25 to 30 hours would probably get cut down to a total of about two to three hours per month. Boogerd said the exceptions would be if there was a bad meter he'd have to address. He said the AMI would also help with non-reads and estimations of readings especially for water meter readings.

Boogerd said the AMI would also help when someone purchases a house or for rental property so the beginning and end readings could be easily retrieved without City staff having to be on location to read the meters.

Boogerd pointed out AMI would also eliminate time spent on reading industrial and commercial meters.

Boogerd said the AMI system would also immediately notify City Hall exactly when a meter quit working and the latest reading information would be captured.

Boogerd said the Water and Electric Departments would like to move forward with the AMI. He said they know it can't be implemented all in one year. Boogerd said they don't have the manpower to switch out all the meters in one year and the cost to do it all in one year would be approximately \$800,000. He said they would like to start with the infrastructure such as the collectors and routers to take in the information from the meters and to get everything set up at City Hall. Boogerd said they would also like to include about 200 to 300 electric meters and whatever could be fit into the budget for water meters. He said it would then be a yearly phase-in process to ramp up the new system.

Boogerd explained in 2025, the electric industry is going to really be pushing for time of use rates. He said what that means is that electricity at 4 p.m. in July will have a different rate than electricity used at 1 a.m. in July during the summer. Boogerd said details of that time-of-use rate schedule are still being discussed but you need AMI technology in order to do that. He said if a City doesn't have the AMI system and the company the City buys power from is going to fluctuate their rates, the City will have to try and pick a rate to try to be in the middle of the rate structure or be above so you don't lose revenue and the City might be overcharging customers. Boogerd said with the AMI technology the City's rates would fluctuate at the same time just as the electric transmission company's rates would fluctuate. He said the Electric and Water Departments are trying to be proactive in implementing the new AMI system.

Boogerd explained additional benefits of AMI include leak detection, tampering and low voltage detection. He noted if a customer has low voltage, the Electric Department's computer will indicate a problem so it can be immediately checked out. Boogerd said the Electric Department will also be notified by the computer if there's an outage so it can be addressed immediately instead of someone having to call it in when it's discovered. He said it will reduce the length of an outage without having a dedicated 24 hour dispatcher.

Boogerd said there is a system known as a radio read, or AMR which is when meters are read as you drive by a residence. However, Boogerd said that type of system is becoming outdated.

Oxborough explained the AMI would benefit the Water Department because a lot of people read their own water meters. He said some people don't even read their meters and some people just put 2,000 gallons down every single month. Oxborough said he tried to go and read water meters but it's difficult to catch people at home in order to physically read their meters. He said a lot of the City's water meters are outdated. Oxborough said after 20 years, water meters start to wear out and the City is losing revenue. He said he would like to update the City's system and replace the water meters and wanted to know if the Utilities Commission was interested in updating the system. Oxborough said the Water Department could piggyback off the Electric Department's AMI system by installing an antenna on the water meter which will send a signal to the Electric Meter and then send the information to another source and then to City Hall. He said the AMI is a proactive approach. Oxborough said if someone would take out their water meter, the system would raise a red flag. He said there have been instances where people have taken out their water meters and flipped them around. Oxborough said it would also be a savings by not having the postcard system for the Water Department. He said it would also immediately detect leaks instead of a leak being noticed almost two months later.

Also with the AMI, Boogerd said the electric and water usage billing would be for the usage during the past month instead of the current system where the usage billed is for what was used two months ago. He said it would eliminate confusion over billing.

Skaret noted this fall in September and October when customers had questions about their high electric bills, but it was actually July's usage.

Boogerd noted in November, when the weather is nice, people are getting their bill for September's usage which is the last month of the summer rate charge. He said air conditioning was still being used in September because it was hot outside. Boogerd said AMI would speed up the billing in connection with the usage. Boogerd said if a customer had a question, City office staff could provide the customer, for example, a bar graph chart showing what their daily electric usage was.

Siepkner noted it would be real time billing so the customer would be paying for what they actually just used.

Boogerd said he and Oxborough are asking the Utilities Commission to recommend to the City Council that they continue looking into AMI so they can get firm bids to get an idea of what it will actually cost.

Boogerd said the infrastructure to get started is estimated at around \$80,000. He said meters would then also need to be purchased to incorporate into the system. Boogerd said they wouldn't purchase all the needed meters at one time, just what would be allowed in the budget. Boogerd said purchasing the meters would be the expensive part of the project. He said the new meters would then be phased-in by neighborhood.

Boogerd said he wants to install the AMI system slowly, but in a timely manner, so the City doesn't have to go through the process of any rate increases or anything like that for a major project like this.

Skaret noted the City has signed an agreement with Missouri River Energy Services (MRES) for a rate study in 2019 and would definitely want to include the AMI in the rate study to see what this would do to the City's electric rates.

On the water side, Skaret said the City would also have to take a look at that because the City just had a rate study done in 2017 and implemented a gradual three year rate increase step schedule and doesn't believe meters were incorporated into that. Skaret said the City is also going to have to take a look at how the water rate structure still works with the Lift Station Number 4 and South Highway projects as the cost estimates have changed since that rate study was done. He said unfortunately the estimates have changed on the upward trend and rarely do the estimates change towards the downward trend.

Regarding the AMI request from Boogerd and Oxborough, Skaret said the Utilities Commission is not committing to the system, but basically just giving the authorization to go ahead and continue pursuing this.

On the electric side, Skaret said new meters has been discussed in the past but were put on the back burner because there were other priorities such as getting the City's electric infrastructure underground. He noted that this summer will be the final year of the five year plan for the underground electric project and the City should be looking ahead at future projects going forward.

Boogerd explained once a commitment is made to purchase the AMI's collectors and routers infrastructure, the lead time for delivery on that equipment is 20 weeks. He said that's why they are starting now so maybe a year from now they can start to deploy the equipment.

Boogerd and Oxborough noted there are other communities in Minnesota and South Dakota that already use meter reading systems.

**SIEPKER/SCHWARTZ moved and it was unanimously carried to recommend to the City Council to have MRES Jackson Distribution Maintenance Foreman Jeremy Boogerd and Water/Wastewater Superintendent Tony Oxborough pursue obtaining prices for implementing an AMI system in the City of Jackson.**

### **UPGRADING OF WATER LINE IN EROSION HILL AREA**

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Markman explained what's referred to Erosion Hill is actually East Ashley Street near Doug Deel's property.

Oxborough explained Loren Tusa has purchased the former Renee Johnston property and plans to tear down the current house and construct a new house on the property. He provided a map of the area to the Utilities Commission members to help explain what's been requested by Tusa.

Oxborough explained five houses are currently fed off one water service line that comes off Baker Lane. He said Tusa would like to bore in a new water line and was interested if neighboring property owners would want to join him in installing a new water line.

Oxborough explained what's going on with the five houses is when someone is using the water; the water pressure goes down in the neighboring houses that are hooked up to the same water service line. Oxborough said it's believed to be a one inch or one-and-a-half inch service line that goes to the first house on the corner belonging to Joe Wieskus at 310 East Ashley Street. He said from there on he's not sure of the size of the line but when the road was reconstructed, they found a three-quarter inch water line that went across the road. Oxborough said it's just an area that's serviced all by one service line.

Oxborough said the City doesn't have any jurisdiction over service lines. He said what he was bringing to the table is the knowledge of how the City may help them out and try to move forward.



Oxborough asked Maschoff if Tusa had any other questions.

Maschoff said Tusa's basic issue was the low water pressure and what could be done to remedy that.

Thurmer asked where the closest water main was located.

Oxborough said the closest water main is located on Baker Lane. He said there is one main going up East Ashley and going up Cush that loops around Baker, Maple and Linden. Oxborough said there is also a water main on County Road 51.

Thurmer asked where Tusa would like to have a water main installed.

Oxborough said he thinks Tusa wants a water main installed where the original water main is located now and tie into his house. Oxborough said he thinks Tusa is hoping the other neighboring properties will chip in and help pay for the new line. He said he wanted to provide information to the Utilities Commission about the situation. Oxborough noted it may require some meetings by Tusa and the neighboring property owners to discuss the matter.

Skaret explained there really isn't a direct role for the City financially in this case. He said they are all houses that are hooked together by private service lines. Ideally, Skaret said all these houses would have a direct water line to the City's main and thinks that's the long term goal. He said as far as when that happens is certainly far off.

Skaret said there was no decision that needs to be made by the Utilities Commission. He said Oxborough's presentation was informational to inform the Utilities Commission on what was going on. Skaret noted there are five houses that are hooked together by one service line. He said Loren Tusa has purchased the Johnston property and wants to basically make it right or start making it right by getting his new house connected to the water main directly and to see if the other neighbors would like to be a part of it.

Oxborough noted that years ago one property owner owned all the properties and only one water service line was installed to serve all five.

Oxborough said it would be nice for all the property owners to meet and be aware of all the potential issues by having all five houses connected to one water service line. He said there aren't many situations that exist like this. Oxborough said the City can help by providing the property owners with knowledge but that's as far as the City's involvement should go.

Berkner said Oxborough should talk with the property owners to make them aware of the issues including fire protection by having all five houses connected to one water service line. She asked if that was the consensus of the Commission.

Utilities Commission members indicated it was.

Oxborough said he wanted to make the Utilities Commission members aware of the situation.

## **WATER RATE AT LAST DECK**

Skaret explained it was discovered recently that Doug Deel, who owns and operates Last Deck, has been billed the in-town water rate which is lower than what non-residents pay. However, Skaret said it was recently discovered that his Last Deck business is located outside the City Limits.

Skaret said he, Maschoff and City Attorney Brad Anderson went through the records. He explained what was found is that back in 2008 there was basically an agreement to annex the Last Deck property into the City limits at some point in the future but that some point in the future never arrived or hasn't arrived yet.

Maschoff noted the wording in the 2008 agreement said the Last Deck property "may" be annexed and "may" hung on forever.

Skaret said the change from the in-town to out-of-town water rate will be a significant increase in water costs for Deel. He said in looking back, Last Deck averages about 95,000 gallons a month for water usage. Skaret explained the service charge for a resident in 2019 will be \$7.15 and for a non-resident it's \$10.27. He said on the usage charge it's \$6.03 for an in-town resident per thousand gallons and for outside the City limits it's \$7.45 per thousand gallons. Skaret noted it's a \$1.42 difference on a thousand gallons between the in-town and out-of-town rates.

Berkner asked how Deel was responding to the information about the out-of-town water rate.

Skaret said he sent Deel a letter telling him effective immediately the City would have to charge him the out-of-town water rate and explained why. Skaret said he received a message from Deel on his voice mail. He said he then called Deel back and left a message on Deel's voice mail and explained that there was an annexation agreement but the Last Deck property had never been annexed and is still outside the City's corporate limits. Skaret said he has never heard back from Deel.

Under state law, Skaret said the City can go back one year and back-bill Deel for the water that he received at the reduced rate. He said he didn't know if the Utilities Commission wanted to do that. Skaret said probably best practices moving forward would be to charge Deel the out-of-town water rate.

Sieper suggested that's a point that could be brought to Deel's attention that the City could charge back for the past year, but instead could move forward from this point and charge the out-of-town rate.

Berkner asked where Deel was paying taxes on the Last Deck property.

Skaret said he looked at the tax statement and found that Deel is paying taxes to the County. He said there are no City taxes on the property. Skaret said researching through the County's GIS records, it provides the property records and it shows a copy of the tax statement on the property. He said it's very clear there are no City taxes on the Last Deck property.

Sieper said he guesses the City will have to go forward with charging the out-of-town water rates to the Last Deck property.

## **ADJOURNMENT**

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**With no further business, the Utilities Commission meeting adjourned at 5:03 p.m.**

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**David A. Maschoff, Recording Secretary**

