

UTILITIES COMMISSION MEETING
June 27, 2022

A regular meeting of the City of Jackson Utilities Commission was held in the Council Chambers of City Hall at 4 p.m. on June 27, 2022 with the following persons present: Utilities Commission Chairman Kevin Siepker, Sandy Phillips, Michael More, Dennis Hunwardsen, Jenna Schwartz and Joe Marthaler. Also attending were City Administrator Matt Skaret, Street Superintendent Phil Markman, Water/Wastewater Superintendent Tony Oxborough, MRES Jackson Distribution Maintenance Foreman Tony Nitchals, City Finance Officer Deb Mitchell 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. He noted a quorum of the Utilities Commission was present.

APPROVE THE MINUTES FROM THE APRIL 25, 2022 UTILITIES COMMISSION MEETING

Chairman Siepker said the minutes from the April 25, 2022 Utilities Commission meeting needed to be approved.

JENNA SCHWARTZ/MICHAEL MORE moved and it was unanimously carried to approve the minutes from the April 25, 2022 Utilities Commission meeting.

APPROVE THE MINUTES FROM THE MAY 23, 2022 UTILITIES COMMISSION MEETING

Chairman Siepker asked for a motion to approve the minutes from the May 23, 2022 Utilities Commission meeting.

JENNA SCHWARTZ/JOE MARTHALER moved and it was unanimously carried to approve the minutes from the May 23, 2022 Utilities Commission meeting.

OVER AND UNDER READ WATER METERS

City Administrator Matt Skaret said the Water Department has been changing out water meters and replacing them with the new AMI water meters. He said over 200 water meters have been changed during the past month.

Oxborough said 216 water meters have been changed over to the AMI meters in the past month. He said the Water Department personnel have been doing a good job replacing meters.

Skaret explained as the Water Department is replacing water meters, the meter reading is taken off the old meter. He said sometimes the meter readings aren't close to matching with what people have been reporting as their water meter reading over the years and what the meter actually says.

Skaret said there are a few instances where customers have provided the City water meter readings, but they haven't actually been going down into their basement and reading the meter. He said those customers have been either making up readings or just kind of guessing from month to month. Skaret said the water meter readings in the computer are not close to accurate to what is on the meter.

(Sandy Phillips arrives at the meeting at 4:03 p.m.)

Skaret said the question going forward is how does the City treat these over and underread water meters. He said most of the meters have been overread. Skaret said people have been over estimating the amount of water they've been using. He said the question is does the City give them a credit going back for a year. Skaret said some of these overread meters are a lot.

City Finance Officer Deb Mitchell said there was one water meter that was underread for 85,000 gallons which will still be charged. She said some customers still have the read-a-matics. Mitchell said if the customer is reading the outside read-a-matic, they think they're reading it correctly, but the inside meter doesn't agree with the outside meter. She said the read-a-matics don't always read correctly. Mitchell said the read-a-matics don't read as much water usage as the inside meters.

Mitchell said City Hall has not run into a lot of the over and underread water meter situations yet, but before they do, City Staff wanted to get some direction.

Siepker asked if those customers would also be charged for sewer based on their water usage.

Mitchell said they would.

Mitchell said regarding giving back a refund, the Minnesota rule has been to go back one year. She asked if the City is going to do that for the under and the over? Mitchell asked would the City just refund for up to 12 months back but charge for all of the under? She said that was their question.

Phillips suggested the time frame should be the same for both the underread and overread.

Mitchell said that's what the City Staff has been looking at.

Siepker asked what does a normal household use for water in a month.

Mitchell said 2,000 gallons per person, per month is what's considered average household water usage. She said the average usage may be less for elderly people and an elderly couple may only use 2,000 gallons per month.

Mitchell said it hasn't happened, but City Staff wanted to get some direction on what they should do if someone would contest their water meter readings.

Following further discussion, Siepker asked for a motion to make a recommendation to the City Council regarding a Water Meter Over/Underread Policy.

JENNA SCHWARTZ/SANDY PHILLIPS moved and it was unanimously carried to recommend to the City Council a policy where water utility customers who have overread their meters will have the difference between the reading on the old meter and what is the City's utility billing system credited to them in water and sewer refunds on their subsequent monthly utility bill based on current water and sewer rates and customers who have underread their meters will have up to three months to pay the difference between the reading on the old meter in water and sewer charges and what is in the City's utility billing system based on current water and sewer rates.

ENERGY EMERGENCY PRESENTATION

Skaret said Utilities Commission members may have heard about the possibility of electric power shortages this summer. Skaret referred to the MMUA's "*The Resource*" publication that was distributed to all of the Utilities Commission members before the meeting.

Skaret noted the headline that stated “MISO’s 2022 seasonal assessment projects summer supply challenges”. He explained Minnesota is in the MISO region which is part of the electric grid that covers a lot of the Midwest and then goes east and south.

Referring to a graph in the “*The Resource*” article, Skaret noted what’s expected for electric peak demand during July compared to the current electric generating capacity. He said the comparison of peak demand and electric capacity is pretty close for June, but there’s little bit of a gap between the expected peak demand and electricity capacity available for July. Skaret noted there’s also a little bit of gap for August as well.

Skaret said what the City has been tasked with is getting ready for those really hot days when the electric grid is crunched for power and there’s just not enough electric power to go around. He said it’s not a fault of the Jackson electric power system, it’s a MISO problem.

Working with Missouri River Energy Services, Skaret distributed to Utilities Commission members a plan for what will be done for Energy Alerts in Jackson. Skaret said there’s three different levels to the plan. Skaret said the City is signed up for Energy Alerts to be received by himself, Electric Department Maintenance Foreman Tony Nitchals and MRES Electric Distribution Superintendent Jeff Bechhold. He said if the electric system is near capacity, that’s “Energy Alert One”, where the system is at risk and that’s when the City will issue a public appeal to customers to voluntarily reduce their electric energy use. Skaret said that appeal to customers will be issued through the radio, email, social media and whatever communication the City can just to get people to voluntarily reduce their energy use.

Skaret said when “Level Two” is reached, when it’s actually expected the energy requirements are not going to be met, there will again be the public appeals to reduce energy consumption and then prepare for the possibility of rolling blackouts. Skaret said City staff has tried to make a list of who has generators in Jackson. He said those with generators would be asked to turn their generators on so the load on the electric grid could be lightened a bit. Skaret said unfortunately there aren’t a lot of generators in Jackson. He said the generators are primarily at the hospital, Good Samaritan Society and the HRA for the High Rise. Skaret said there’s only a handful on the list that have generators in town.

Nitchals noted the generator at the High Rise may not handle the full capacity of the building if it's fully occupied.

Skaret explained when "Level Three" is reached is when the electric grid will be shedding load and when the rolling blackouts will be taking place. He said the rolling blackouts would not mean days without power, but that a section of town on a particular circuit may be without power for an hour or two and then a different circuit will be without power for an hour or two and so forth.

Nitchals said the blackouts would basically be rolling through the town until the grid returned to level zero again.

Marthaler asked what hours of the day the rolling blackouts may occur.

Nitchals explained it all depends on how critical the condition of the electric system is. He said the rolling blackouts could occur at noon to 3 p.m. or it could be from 3 p.m. to 7 p.m. Nitchals said it all basically depends on everybody's usage.

Nitchals noted it could be a situation where there's a larger usage elsewhere in the MISO system but all those in the MISO are asked to help reduce the load on the whole system.

Skaret noted the Energy Emergency Alerts is not just a one-year situation. He said this is going to be a problem for the long term. Skaret explained what's happening is the switch is being made to renewable energy, wind and solar which is good, that's good clean power, but it's being done at a very rapid rate. He said a lot of it is due to Federal regulations and a lot of coal plants being retired prematurely. Skaret said some of the carbon-based power plants are being retired before what their retirement date was scheduled to be. He said everything is fine as long as we have ample wind and solar. But Skaret said, a lot of times on very hot days, the wind doesn't always blow so you need that quick source of power. He said in the past that's been the coal fired power plants which can be brought on line pretty quickly and ran for a short period of time. But now, Skaret said we're losing that readily available energy and we're not developing sources of energy that are as reliable.

Siepkner asked where does the City of Jackson's wind and solar power come from?

Nitchals said he thinks a lot of the wind power for Jackson comes from the Buffalo Ridge. He noted the City of Jackson is also receiving solar and Missouri River also has a lot of hydro power which is clean power.

Skaret said the City of Jackson gets over half of their electric power from hydro. He noted those hydro rates are going up because of the drought in the Missouri River Basin. Skaret said when WAPA can't meet their power allocations, WAPA has to purchase power out on the market and they pass those costs on to the City in one way or another. Skaret said about 22 percent of the City's power comes from coal and there's a small amount of wind and solar power that the City receives.

Hunwardsen asked when customers are asked to conserve electric power, does that mean that everybody in the MISO area is being asked to cut back?

Skaret said that's correct.

Hunwardsen noted there could be a lot of questions asked when it's not that hot here, but people are being asked to conserve electric power.

Skaret said in those cases, the weather may be nice here, but everywhere from Iowa south might be having a record heatwave.

Siepkner noted it's similar to when insurance rates go up because there were tornadoes in Alabama, but it affects your insurance rates here in Minnesota.

Skaret said no recommendations were needed from the Utilities Commission. He said this agenda item was informational.

Jenna Schwartz asked if information about the Energy Emergency Alerts could be included in the City's utility bills to inform residents.

Skaret said Missouri River Energy Services is providing some public education materials. He noted Justin Lessman also had an article about the Energy Emergency Alerts in the Jackson County Pilot.

Marthaler said depending on how long the Energy Emergency Alerts situation goes, maybe the City would want to look into a generator program.

Oxborough noted one of the easiest things residents can do is to have an energy audit done of their home. He said more insulation in the attic can make a customer's air conditioning run less. Oxborough said adding insulation is feasible and fairly economical. He said making a house energy efficient may be the thing to do before installing a solar panel on the roof.

Jenna Schwartz asked if Missouri River Energy Services provides an energy home audit program.

Skaret said he knows Missouri River has an energy audit program for businesses.

Nitchals said he's aware of the energy audits for businesses but is unsure if a residential energy audit program is available from MRES. He noted Minnesota Energy Resources offers an energy audit program for residences.

(Jenna Schwartz leaves the meeting at 4:39 p.m.)

DEPARTMENTAL REPORTS

Water Department

Water/Wastewater Superintendent Tony Oxborough reported the old ground storage water tank has been painted. He noted the ladder on top will be moved to the back because it will help with the painting process.

Oxborough said only seven antennas remain of the 216 the Water Department received for the new AMI water meters. He said there's no estimated time when the next shipment of antennas will arrive. Oxborough said the Water Department has plenty of AMI water meters on hand, but there's no antennas for them so they would still have to be manually read.

Oxborough said the sludge depth is going to be measured on June 28th in the City's secondary lagoon pond which is 50 acres in size. He said the measurement will provide information on how thick the bottom of that pond is. Oxborough said it was originally the City's primary pond before the larger primary pond was built. He explained there may be lost capacity in the secondary pond due to the amount of sediment at the bottom.

In light of the potential of electric energy shortages, Oxborough noted there will be some training of the Water Department Staff in operating the generator at the Water Plant so everyone knows how to run the Water Plant if there are rolling blackouts. He said although the electric power may go out, the sewer doesn't stop. He said plans will also be made to keep the City's 12 lift stations operating in case of rolling blackouts. Oxborough said three lift stations have generator backup and the Water Department has three mobile lift stations. He said the Water/Wastewater Department has to develop its own program or system to keep moving the sewage to the place it needs to go. Oxborough noted as long as the City's water towers are holding water there will be water pressure to provide water so no electricity is needed for that.

Siepkner asked if a rolling blackout affecting the Water Plant would also affect the Fire Department in case of a fire.

Markman, a member of the Fire Department, said it could, but in case of a fire in that situation, the Jackson Fire Department would call for mutual aid to bring in tankers for a major incident which they do anyway. He said it really wouldn't affect fire protection because the water pressure would still be present unless there would be something major going on and water was being drawn off three or four fire hydrants in town which would be a worst-case scenario.

Street Department

Street Superintendent Phil Markman reported there are two digs that the Street Department is going to work on. He said one is a known storm sewer that's in the ditch near the junction of old Highway 16 and Highway 71. Markman said there's a clay pipe that's developed problems. He said there's also a mystery hole on South Highway near Mike and Bonnie Nielsen's. Markman said the hole was filled in, but after an inch of rainfall, the hole returned. He said since that time, the Street Department has been informed that Nielsen's have tile in that area. Markman said if the tile was disturbed during utilities construction in that area remains to be determined. He said the location of the hole will be dug up to find out what the problem is.

Markman said the Street Department has been doing a lot of asphalt patching of streets. He said the City Council approved the bids for this year's street projects and the downtown alley project.

Markman said the Street Department has also been busy with a lot of utility locates for both private property owners and contractors. He said there's a lot of stuff going on around town.

Skaret said the City Council approved bids for the Emily Street, Riverside Drive from the north driveway at Ashley Park down to State Street, and River Street from Ashley Street to South Highway. He said that was one project that was bid. Skaret said bids came in high, about 23.5 percent over the engineer's estimate which is about \$800,000 over the estimate. He said the bidding environment right now is affected by the price of oil, inflation and supply chain shortages. Skaret said everything but River Street will be done this year as far as the street, underground utilities and then putting the first lift of asphalt on.

Skaret said the second project was the Downtown Alley Project. He said there were three bids submitted for that project. Skaret said two bids came in about 15 percent above the engineer's estimate and the low bid came in 11 percent below the engineer's estimate. He said Duininck's is the contractor for the street project which is the same contractor that did the work on North Highway and South Street and did a nice job. Skaret said Jensen Concrete and Trucking from Albert Lea is the contractor for the Downtown Alley Project. He said both the street and alley projects will be occurring late summer and fall.

Skaret said along with those projects, the streets on Northridge and Westridge Drives will be reconstructed, but not the utilities.

Skaret explained these projects are being paid for through the tax levy. He noted the City has some TIF (Tax Increment Financing) that's coming off the books this year which opens up some tax capacity to do another project. Skaret said the City will also be utilizing the water and sanitary sewer revenue to pay for the underground utility work. Skaret said the good news is the City has made almost the final payment on the North Highway and South Street projects and those projects ended up coming in almost \$600,000 under budget.

Skaret explained the approximately \$600,000 in savings can't be used for another project, but it can be used to pay down the debt service on the North Highway and South Street project. He said the City won't have to raise water and sewer rates as high as they otherwise would because some of the debt service on the 2020 project is going to be bought down by the money left in the bank.

Electric Department

MRES Jackson Distribution Maintenance Foreman Tony Nitchals reported the Electric Department is working to install power lines for the new Family Dollar store that will be built.

Nitchals said the Electric Department is still working on the tear down of the old overhead lines on White Street. He said they've started on the north end and basically have just one line to remove.

Nitchals said they are also doing a few trans-closure changeouts to clean up some of those big metal cabinets in the back of people's yards and installing an underground transformer.

Nitchals said LED street light bulbs will be installed in the downtown street lights probably starting on June 28th. He said the bulbs in the downtown decorative street lights will be replaced with LED's.

Nitchals said he has been working on the Energy Emergency Alert System Plan and getting an idea of what can be done if the City is told to shift ten percent of it's electric load. He said the planning includes determining crucial loads and what can be shut down and what can't be shut down if need be.

ADJOURNMENT

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

MICHAEL MORE/DENNIS HUNWARDSEN moved and it was unanimously carried to adjourn the Utilities Commission meeting at 4:53 p.m.

David A. Maschoff, Recording Secretary

