

**UTILITIES COMMISSION MEETING**  
**June 28, 2021**

**A regular meeting of the City of Jackson Utilities Commission was held in the Council Chambers of City Hall at 4:00 p.m. on June 28, 2021 with the following persons present: Utilities Commission Chairman Kevin Siepker, Joe Marthaler, Jenna Schwartz, Sandy Phillips, Mike Schwartz, and Michael More. Also attending in-person were City Administrator Matt Skaret, Street Superintendent Phil Markman, Water/Wastewater Superintendent Tony Oxborough, MRES Jackson Distribution Maintenance Foreman Jeremy Boogerd, Engineer Greg Mitchell of Bolton and Menk, City Finance Officer Deb Mitchell, Mike Erickson, Tam Erickson and Recording Secretary Dave Maschoff. (Utilities Commission member Matt Madden was absent.) (A quorum of the Utilities Commission was present.)**

**OPEN THE MEETING**

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Chairman Kevin Siepker called the regular monthly meeting of the Utilities Commission to order.

**APPROVE THE MINUTES FROM THE MAY 24, 2021 UTILITIES COMMISSION MEETING**

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Siepker asked if there were any additions, corrections or issues regarding the minutes for the May 24, 2021 Utilities Commission meeting. Hearing none, Siepker asked for a motion to approve the minutes.

**PHILLIPS/JENNA SCHWARTZ moved and it was unanimously carried to approve the May 24, 2021 Utilities Commission minutes.**

**TAM ERICKSON REGARDING HOOK-UP OF 712 SOUTH HIGHWAY TO THE CITY'S SANITARY SEWER LINE**

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Skaret noted the Street Department has worked on the storm sewer drainage in front of the property at 712 South Highway.

Street Superintendent Phil Markman reported since Svoboda Excavating already had their equipment at the site and had finished their work pertaining to the Sanitary Sewer Extension Project, the City hired Svoboda's to open up the storm sewer.

Markman said the storm sewer structure was examined and a camera was used to inspect the structure. He said a casting was installed with a grated lid on the intake. Markman said the aprons around the intake were also asphalted which should help the issue of debris getting into the water intake for the storm sewer.

Markman said on the east side of the driveway at 712 South Highway, the casting was lowered to accommodate more water.

Markman asked Mike Erickson if the drainage of the water was better during the rainfall this past weekend.

Mike Erickson said the improvements were a lot more effective in draining the water away.

Regarding the hook-up of 712 South Highway to the City's sanitary sewer line, Skaret said Engineer Greg Mitchell of Bolton and Menk was present at the meeting. He said Mitchell was the engineer on the Sanitary Sewer Extension Project. Skaret said the main sanitary sewer line is now installed. He noted the new line is stubbed out in front of Erickson's property if Erickson wants to hook-up to the new line.

Mitchell explained the assessments to the property owners whose property will benefit from the installation of the new sanitary sewer line. He said there was a public assessment of just under \$6,700 for everyone being assessed. Mitchell said if a property owner was going to be hooked up to the new sanitary sewer line as part of the project, there would also be a private assessment. He said there were really two components, the public and private assessments.

Since the Erickson's had spent money for a lift station, grinder pump and directional drilling up to Bluff Avenue, Mitchell said a pipe was stubbed out from the manhole on the new sanitary sewer line so that in the future if the grinder pump fails and Erickson decides to hook-up to the new sanitary sewer line, it's available for him at that time.

Mike Erickson noted that approximately \$30,000 was spent for the lift station and directional boring that he had done.

Mitchell said the new sanitary sewer line was not connected to Erickson's house because that would have been an additional assessment. He said it was decided to wait on that until the time came.

Tam Erickson asked Mitchell if there will be a \$6,700 assessment to the property just for having the sanitary sewer line pass by their property.

Mitchell said that was correct.

Mike Erickson noted the new sanitary sewer line passed by their property less than a year after they spent \$30,000 to install a lift station after waiting for ten years and being told that the new line was going to be done on time.

Mitchell reviewed the timeline for the Sanitary Sewer Extension Project. Mitchell said it was 2010 when the City applied for funding for the project. He said the project was first bid in 2012 and those bids were rejected. Mitchell said the project was bid again in 2014 and those bids were also rejected. He said the project was bid again in 2015 and that's when the project was awarded to Svoboda Excavating.

Mitchell said Svoboda Excavating started work on the project in 2016. He said they did more work in 2017. Mitchell said in 2018 and 2019 it was too wet to do anything. He said at that point, all that was left was to cross the river but the river was high a majority of those seasons so no work was accomplished. Mitchell said finally in the late summer or early fall is when they were able to cross the river. He said on June 28<sup>th</sup>, they were able to hook-up the final service for now. Besides some clean-up work, Mitchell said all the infrastructure should be installed as of June 28<sup>th</sup> or June 29<sup>th</sup>.

Tam Erickson said when they purchased the house at 712 South Highway, the house had a septic tank, but they were told a new sanitary sewer line was going to be installed by the City. She said they were told the line was going to be installed within a year or two. Tam Erickson said they waited. She said they notified the City that their septic system was failing. Tam Erickson said their sewage was overflowing into a ditch aside of their house and there was nothing they could do. She said at one point, they asked if they could install a lift station and they were told "no". Erickson said they couldn't install a septic tank so they were stuck between a rock and a hard place. Erickson said they had to do something.

Tam Erickson said in the summer of 2020, they received a letter from the City that stated they needed to get certain things done by September of 2020 or certain action would be taken. She said they had to spend money to remedy the septic problem and have the property graded and seeded at 712 South Highway. Tam Erickson said it cost them a lot of money. She said no consideration was taken by the City that it may not be in their (Erickson's) budget. Erickson said when they talk to the City, the City says "oh, that's not in our budget". She said all she's asking is for a little bit of respect and a little bit of honesty and integrity. Erickson said it's been a long haul for them and that's why they're requesting that their assessment for the new sanitary sewer line running in front of their property should be waived and they should have some consideration from the City when the Erickson's decide to hook-up to the City sewer line.

Discussion ensued regarding timelines of the Sanitary Sewer Extension Project and what was discussed in the past pertaining to the septic issues at 712 South Highway.

Tam Erickson said she would like the Utilities Commission to think about what they're asking for. She said she would like to be put on the Utilities Commission agenda for next month so her husband could attend. Tam Erickson asked the Utilities Commission to table action regarding her request to waive the assessment for the new sewer line and also for hooking up to the new line.

**JENNA SCHWARTZ/MIKE SCHWARTZ moved and it was unanimously carried to table action until further notice regarding the Erickson's request to waive the assessment for the new Sanitary Sewer Line that runs past their property at 712 South Highway and also regarding hooking-up their property to the new sanitary sewer line.**

Tam Erickson thanked the Utilities Commission for their time.

## DEPARTMENTAL REPORTS

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### Electric Department

MRES Jackson Distribution Maintenance Foreman Jeremy Boogerd reported the Electric Department has moved the Ashley Estates electric service out of the substation and into a fuse cabinet so there's now an open breaker for the new underground electric service.

Boogerd said MVP has been working to convert the overhead electric service to an underground service. He said the blocks containing electric services for the Deputy Registrar and Pizza Ranch are completed. Boogerd said MVP will then move on to the block containing Speedy's, Eye Candy and Saker's. He said the work has been going well.

Boogerd said eight electric services have been cutover to underground service to get them off the utility poles. He said there are four or five more to cutover this week and about a total of eight to ten more to do beyond that.

Boogerd said three street light poles had to be removed from North Highway. He said once the new curb is installed on North Highway, the street light poles will be re-installed. He said a broken pole was repaired behind Sunshine Foods.

As far as the new AMI Electric Meters, Boogerd said 1,899 meters have been installed. He said the Electric Department has 20 more meters to be installed on Sverdrup Avenue. Boogerd said they have also found 13 electric meters that are installed inside houses. He said electricians will start working on getting those meters moved out of the houses to the outside. Boogerd said there's about 25 electric meters to be installed at Polz's campground.

Siepkner asked who pays for the meters inside houses to be moved outside.

Skaret said the Utilities Commission and City Council agreed for the City to pay for moving the inside meters to the outside of the house.

Siepkner asked City Finance Officer Deb Mitchell how the billing has been going with the installation of the new AMI meters.

Mitchell said it has been going well. She noted there are still AMI water meters that need to be installed.

## **Water Department**

Water/Wastewater Superintendent Tony Oxborough reported the Water Department conducted smoke testing at the beginning of June. He explained they basically blew non-toxic smoke into the sewer system and if there were any cracks or breaks, that's where the smoke would come out. Oxborough said there were several houses that were abandoned or smoke came out of a sump pump hole and one house where smoke was coming out of a radon pit. He said some smoke also came out of a storm sewer on Jackson Street. Oxborough said they are currently working on the best way to approach the situation and figure out what's wrong.

Oxborough said service lines may be televised up to property owner's houses. He noted on First, Second and Third Avenues, there's an extremely large amount of water that comes from that watershed into the Number Two Lift Station. He said he wants to figure out what the situation is with that area.

Oxborough said the pilot study of the City's well water is going to get underway by SEH. He said the study will look at the best way to treat the City's well water, replace the Water Plant's media in the future and chemically treat the City's water to have better quality water.

Oxborough a small discharge of water was done at the City's lagoon ponds on June 1<sup>st</sup> through the 4<sup>th</sup>. He noted the total water flow into the ponds for the month of May was 11 million gallons. Oxborough said the City hasn't had that low of a flow in the past 20 years for the month of May.

## **Street Department**

Street Superintendent Phil Markman said the Street Department will be back to full staff on June 29<sup>th</sup>. He explained one employee has been off work due to shoulder surgery.

Markman said with the dry weather, the seasonal park employees have been pretty much caught up with mowing in the parks. He said the road is being fixed on Springfield Parkway in front of Sadusky's residence. Markman said the Street Department will patch along the edge of Riverside Elementary's new parking lot on June 29<sup>th</sup> and June 30<sup>th</sup>. Markman said the Street Department has also been resolving underdrains in the Sunset Addition along Pond Drive.

Markman said there's some curb work the Street Department is contracting out on Sherman Street and also reinstalling a cement panel on Sayles Drive where an underdrain had to be repaired.

## **LANDLORDS AND UTILITY BILLS FOLLOW UP**

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Skaret said this agenda item is in regards to Lee Porter's questions at the May 24<sup>th</sup> Utilities Commission meeting pertaining to renter's unpaid water and sewer bills. He said if the City can't collect from the renter after exhausting all means, then the unpaid water and sewer bills are assessed to the property taxes as an assessment. Skaret said State Law prohibits cities from assessing unpaid electric bills so those get written off as bad debt.

Skaret said the unpaid water and sewer bills are assessed to the property owner. He said Mr. Porter was asking that the City not do that and pursue other means to collect that unpaid money.

Skaret said City Finance Officer Deb Mitchell researched what other communities do and most of them do, to some extent, the same procedure as the City of Jackson. He said Mitchell checked with the Cities of Pipestone, Lakefield, Fairmont, Windom and Luverne.

Mitchell said all of those cities do the same procedures in collecting unpaid utility bills as the City of Jackson does to some extent. She said, just like Jackson, the other communities try everything they can to collect what's owed prior to assessing the unpaid bills to property taxes.

Siepkner asked if assessing to property taxes is the last resort.

Mitchell said that was correct.

Phillips asked if there's a deposit on the utility account, it's her understanding that all of that deposit money goes against the electric debt before it's written off.

Mitchell said in a lot of the cases, the deposit covers the whole utility bill that's owed. But she said if there is some money left, it's first applied to the electric bill. Mitchell said the deposit will apply to the whole bill if there's enough to cover the entire unpaid bill. She noted in some cases, if there's money left over after the utility bill is paid, the City issues a check for the remaining amount to the person whose name was on the utility.

Phillips asked if there's "x" amount of dollars left, how is it determined what's written off and what goes to taxes.

Mitchell said if the deposit doesn't cover the entire bill, the deposit is used to cover the electric portion of the bill. She said if there's still an unpaid portion of the utility bill, then the electric portion is written off and the remaining water and sewer that's owed is sent up to taxes.

Mike Schwartz asked why the deposit isn't first applied to the water and sewer, and then to the electric.

Phillips asked why the deposit can't be split with half being applied to the unpaid water and sewer bill and half to the electric. She said to her that would be a much fairer way of doing it rather than everything being applied to the electric bill and then putting all of the water and sewer basically back on the landlord.

Mitchell explained a lot of times there's a lot more electric on the account than there is water and sewer. If you were going to do that, Mitchell said you would have to determine a percentage with a certain percentage going towards the electric bill and figure how much of the bill would go towards the water and sewer. Mitchell said you may not be able to go half and half. She said in some cases, utility customers may have electric heat and have a huge electric bill of \$300 a month, but have only \$20 in water and sewer charges.

Mitchell noted it was a decision of the Utilities Commission a few years ago that if a person had electric heat, they would have a \$300 deposit and if they didn't have electric heat, they would have a \$200 deposit because it does cover most of the bills.

Mitchell said the total number of bills written off was 20 in 2020, 16 in 2019 and 22 in 2018. She pointed out when you compare those numbers against the total number of electric meters in the City, it's not a huge amount that's written off compared to what the City is billing and the number of customers the City is working with.

Phillips said she also looked that those figures and the gross profit that the City is taking in each month regarding utilities. She noted the amount that's written off is miniscule when compared to the annual gross profit. Phillips said she just wanted to see how big of a problem unpaid utility bills were.

Mitchell said it isn't a big problem. She said it's felt it's very low. Mitchell said customers that don't pay their bill are disconnected and most come in to pay their bill.



Mitchell said most of the amounts that end up going to taxes are very small. She said the only time it may be a larger amount is if a toilet was running or the water softener wasn't working properly and it ended up being a larger utility bill which was caused by something not working in the house. Mitchell said sometimes a toilet might run for a couple of months before it's discovered.

Siepkner said hopefully the new AMI system should help notify property owners if a toilet or softener is malfunctioning.

Mitchell said the AMI system will help. She said City staff can notify customers that they've had water usage in the middle of the night. Mitchell said once all the AMI water meters are installed, that's going to help keep bills from going up to taxes because a lot of them are caused by high water bills.

Discussion ensued about whether deposits should be increased in order to avoid the \$1,800 to \$2,000 a year that has to be written off. Of that total, the bills that are assessed to taxes are small amounts such as \$12, \$20 or \$50. Mitchell said the norm ranges from \$12 to \$100. She noted sometimes people haven't provided water meter readings and when a reading is finally submitted, the water usage could be high. Mitchell said the installation of the new AMI water meters will definitely help resolve that issue.

**PHILLIPS/JENNA SCHWARTZ moved and it was carried to ask City Staff to equitably split the utility deposit between Electric and Water and Sewer utility charges when there's a delinquent bill with the percentage of the split to be determined by City Staff based on the amount of the utility bill.**

**Voting in favor of the motion were Utilities Commission members Sandy Phillips, Jenna Schwartz, Joe Marthaler and Michael More.**

**Utilities Commission member Mike Schwartz abstained.**

#### **SEWER LINE HOOK-UP REGARDING PROPERTY AT 807 BAILEY STREET**

Recording Secretary Dave Maschoff said Mitch Jasper was unable to attend the June 28<sup>th</sup> Utilities Commission meeting. Maschoff explained Jasper is moving a second house onto the property he owns at 807 Bailey Street so there will be two houses on that lot.

Maschoff said Jasper wants to hook the water and the sewer for the new house to the house that's currently on the property. He said Jasper has stated that he has no plans to split the lot and plans to keep the lot "as is" until he passes away. Maschoff said Jasper noted that if the Utilities Commission needs some information for him to prove that, he would be happy to provide that in the future.

Maschoff reiterated that Jasper said he has no plans to split the lot or sell that property until he passes away.

Siepkner asked what will happen then after he passes away.

Maschoff said, as he understands it, if the lots are split, then each residence has to have its own water and sewer service, but if the lot is owned by the same person and is all one property, the property owner can hook up water and sewer to the second house with an Indirect Utility Service Agreement.

Jenna Schwartz asked if both houses at 807 Bailey would be rentals?

Maschoff said both houses would be rentals.

Phillips said the City's rental ordinance should be reviewed to see if that's allowed.

Skaret noted there would be separate water meters. He said Jasper is asking for just one service line for the property.

Following further discussion, Utilities Commission members wanted to have the opportunity to hear directly from Jasper about his plans for the property at 807 Bailey Street regarding water and sewer service.

**MORE/MIKE SCHWARTZ moved and it was unanimously carried to table action regarding Mitch Jasper's sewer and water line hook-ups at 807 Bailey Street.**

## **SUNSET CEMETERY WATER CONNECTION**

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Water/Wastewater Superintendent Tony Oxborough explained the Cemetery Association wanted the City to reinstall the water service line in order to provide water for the Sunset Cemetery. Oxborough explained the history of the water line and a water leak that was discovered in June of 2019 which led to shutting off the water line. He also explained what would need to be done to restore water service. Oxborough said at the time in 2019, the cemetery caretaker said they didn't want to make the necessary repairs and to shut the line off and cap it.

Oxborough said the Cemetery Association has received complaints about not having water available at the cemetery. He said in the past, between 1,000 to 3,000 gallons of water was used for the entire summer. Oxborough said the Cemetery Association requested having water service restored to the cemetery, however it would be at the Cemetery Association's expense.

Oxborough explained what would need to be done to restore water service according to current codes and regulations in order to be compliant. He said the cost to restore water would be 100 percent up to the Cemetery Association and they would have to be 100 percent compliant with current codes.

**Since there were no representatives of the Cemetery Association who were present at the meeting to explain their request, no action was taken by the Utilities Commission.**

## **DUMP SITES FOR CAMPERS**

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Siepkner asked how the dump sites for campers are being billed for using the City's sewer system.

Oxborough said the campground at the Jackson Motorplex has a water meter specifically for the campground and they are charged for water and sewer. He noted from Wednesday, June 23<sup>rd</sup> to Monday, June 28<sup>th</sup>, they used 6,000 gallons of water and so the Motorplex will be charged for 6,000 gallons of water and 6,000 gallons of sewer.

Phillips noted the campers on the fairgrounds are allowed to use the dump site at the Motorplex campground. She said the trade-off between the Motorplex and the Jackson County Ag Society is that the campers on the fairgrounds can use the Motorplex's dump site and the people camping at the Motorplex can use the Ag Society's showers on the fairgrounds since the Motorplex doesn't have shower facilities.

Oxborough noted the dump site doesn't exist anymore at the Burger King site.

Markman pointed out the Burger King dump site was not hooked up to the City's sewer system. He said it was a holding tank which was pumped out by a licensed contractor.

## **SANITARY SEWER LINES FOR 712 SOUTH HIGHWAY**

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Marthaler asked the rest of the Utilities Commission members how they felt about waiving the assessment fees for the sanitary sewer line for 712 South Highway. He said he doesn't think the \$6,700 assessment for having the line available can be waived.

Siepkner noted it wouldn't be any different than the assessment a property owner pays for sealcoating the street that runs by their property.

Skaret asked Greg Mitchell what the total assessment, public and private, would be.

Mitchell said the private assessment would be almost \$9,200. He said the total assessment, public and private, would be just under \$16,000. Mitchell said that assessment price was as of five years ago, so that assessment cost may vary a bit. Mitchell said meetings were held with all the property owners that were going to be affected by the assessments for the new sanitary sewer line.

Phillips noted assembling the documentation of the meetings and signed assessment agreements.

Mitchell said the public assessment for 712 South Highway cannot be forgiven considering the other 25 properties that are paying their assessments. He said the private assessment is up to the property owner when they decide to install the service line from the main to the house, but the City can't pay for that. Mitchell said one option for the City could possibly be to defer the assessment payments, but the assessments would still be in place and would eventually have to be paid.

Mitchell said it was unfortunate with the timing regarding the installation of the sanitary sewer line and that Erickson spent that much money to remedy his septic problems. He said Erickson had a serious problem on the property, but the problem existed when he bought the property. Mitchell said it wasn't anything anyone created, it was just there.

Jenna Schwartz asked if the documentation of the assessment agreement signed by the property owners of 712 South Highway could be provided at the next Utilities Commission meeting.

## **ADJOURNMENT**

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

**PHILLIPS/JENNA SCHWARTZ moved and it was unanimously carried to adjourn the Utilities Commission meeting at 6:10 p.m.**

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**David A. Maschoff, Recording Secretary**

