

**UTILITIES COMMISSION MEETING
June 29, 2020**

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 29, 2020 with the following persons present: Vice-Chairman Kevin Siepker, Mike Thurmer, Joe Marthaler and Matt Madden. Also in attendance were City Administrator Matt Skaret, Water/Wastewater Superintendent Tony Oxborough, MRES Jackson Distribution Maintenance Foreman Jeremy Boogerd, Street Superintendent Phil Markman, City Finance Officer Deb Mitchell and Recording Secretary Dave Maschoff. Attending the meeting via Zoom were Utilities Commission members Jenna Schwartz and Mike Schwartz. (Utilities Commission Chairperson Gayl Berkner was absent.) (A quorum of the Utilities Commission was present.)

OPEN THE MEETING

Vice-Chairman Kevin Siepker called the Utilities Commission to order. He noted a quorum was present.

APPROVAL OF THE MINUTES FROM THE APRIL 27, 2020 AND MAY 26, 2020 UTILITIES COMMISSION MEETINGS

Vice-Chairman Siepker asked if there were any additions or corrections to the minutes for the April 27, 2020 or May 26, 2020 meetings. Hearing none, Siepker asked for a motion to approve the minutes.

MADDEN/MARTHALER moved and it was unanimously carried to approve the April 27, 2020 and May 26, 2020 Utilities Commission minutes.

DEPARTMENTAL REPORTS

Water Department

Water/Wastewater Superintendent Tony Oxborough reported the Water Department completed their last discharge for the spring from the City lagoons at the beginning of June.

Oxborough said the Water Department has also been checking out the Lift Stations to make sure they are up to par.

Oxborough reported there was a punch-list meeting a week ago with SEH and Magney Construction regarding the Water Plant Improvement Project. He said the project is basically at the very end. Oxborough said the painters are going to come back for a third time to take care of some minor painting.

Oxborough said work needs to be completed on the Water Plant's computer systems. He said the old ground storage tank has to be removed because that's not going to be used anymore. Oxborough said he also wanted some controls changed because he thinks it will provide extra protection if the controls are set up differently. He said he hasn't heard when that's going to happen or when the City will receive the final pay application for the project.

Oxborough reported Beemer's arrived on June 29th to work on the water leaks at Jackson Livestock Exchange. He explained Beemer's is pretty much going to replace all the water piping from the curb stop. Oxborough noted the piping from the curb stop to the main line was installed in 1997 and should be in good condition. He said everything beyond that point should be brand new. Oxborough said it's hoped Beemer's will have the replacement completed by Wednesday, July 1st.

Oxborough said the new Sensus water meters are up and working. He said the Water Department installed eight meters and six meters started relaying information. Oxborough said he Water Department employee Aaron Kaderbek installed another two new water meters so there's a total of eight new water meters that are in operation and relaying information back. He said the other two meters that aren't reporting information just need to be reconnected. Moving forward, Oxborough said the Water Department is going to develop a plan for installing the new AMI water meters. He said it will be easier to install the new meters at commercial properties. Oxborough said when opportunities arise and the homeowners approve, new meters are being installed in residential homes as well.

Oxborough also reported that Svoboda Excavating was doing work for Crystal Valley and moved a fire hydrant to make way for a planned new building. He said Crystal Valley paid for removal and the installation of a new fire hydrant close to the same proximity where the old hydrant was located. Oxborough said he provided a new fire hydrant and valve and Svoboda's hooked everything up. He said the new fire hydrant replaces a hydrant that was installed in the 1960's. Oxborough said there was no cost to the City to have the new fire hydrant hooked up.

Oxborough said the Water Department has been staying busy.

Electric Department

MRES Jackson Distribution Foreman Jeremy Boogerd reported the Electric Department has been busy behind the library and the former Chinese restaurant. He said they have three electric services they are going to cut over from overhead to underground service on Wednesday morning, July 1st. Boogerd said they are going to switch over the Senior Center building, the Southwest Broadband shack and Mary Gilmore's house. He said then they'll be able to take the poles and overhead wires down in that location. Boogerd said that area will then be ready to be paved.

Boogerd said the rebar work is underway at the splashpad. He said the Electric Department will wait another week for the contractor to pour concrete and then they will finish up their work.

Boogerd noted the new street light heads arrived and all the new street lights have been installed along North Highway.

Boogerd said Castrejon was in Jackson to put down black dirt and reseed grass as part of the reclamation work associated with the 2019 underground electric conversion project.

Boogerd said the Arc Flash study should also be wrapped up and the results available.

Boogerd said information should be arriving soon from DGR for the downtown electric conversion project including a generalized cost estimate, cost breakdown and what DGR will charge to engineer the project. He noted the City Council has already approved DGR to engineer the project, but formal paperwork will be arriving in the mail.

Boogerd reported 80 new AMI electric meters have been installed so far. He said the plan is to first change all the apartment buildings where there's a lot of tenant turnover. Boogerd said the Electric Department will then begin changing electric meters on the east side of Jackson.

Street Department

Street Superintendent Phil Markman reported the Street Department started patching. He said they can get asphalt on Mondays, Tuesdays and Wednesdays. Markman said they have fixed all the sink holes in town except one that remains on Emily Street. Markman said they'll be fixing a hole on Emily Street on June 30th where there had been a water main break. Markman said the Street Department will also be doing some skin patching on the streets.

Markman said the parks have been updated. He said the work at Ashley Park has been completed. Markman said the courts have been completed at the three parks. He said hopefully by Wednesday the backboards will be installed at the court at Ashley Park.

Markman said the seasonal summer employees have been doing a good job keeping up with their tasks.

Markman noted the Street Department had been test driving a new jetter vac truck on June 29th. He noted there was a minor mishap with the truck. Markman said the amount of damage sustained by the truck is still being determined. He said the price for the truck is what the City had budgeted for a replacement jetter truck. He said the truck is a 2003 chassis. Markman said the City has \$75,000 budgeted for the truck and that was the asking price for the truck. He said the old truck will be listed for sale because the dealer did not want to take it in on trade. Markman noted a brand new jetter vac truck costs \$370,000. He said it's a specialty piece of equipment.

Markman said the Street Department has also been busy with a lot of utility locates.

Sieper asked where the funding is coming from for the jetter truck.

Markman said \$75,000 was budgeted for the truck and it's coming from the City's General Fund.

Madden asked about setting up a schedule for budgeting money for future equipment purchases and equipment replacement.

Skaret said a schedule is being developed.

STREET, UTILITIES AND PARKING LOT IMPROVEMENTS UPDATE

Skaret reported bids have been received for the City's Street Projects. He said the projects include North Highway from Sayles Drive to Logan Avenue and also South Street from Bailey Street all the way west to Dewey Street. Skaret said the bid also includes repaving the City Hall and Water Department parking lots and also paving the alley and parking lot at the library.

Skaret said the bids came in higher than anticipated, about ten percent over the engineer's estimate, largely due to paving costs. He said the underground water main work actually came in under budget, the sanitary sewer work came in over budget, the storm sewer was over budget and the paving was actually quite a bit more than what had been anticipated. Skaret said the engineer estimated about \$80 to \$85 a ton for asphalt and the bid came in around \$97 or \$98 a ton.

Skaret said the good news is that interest rates, as far as borrowing, are at rock bottom. He said the City will be doing a 20-year bond. Skaret said even though the project is more expensive, the City's debt payment will actually be slightly less than what was anticipated when this endeavor was started in August of 2019.

As far as the work to be done this year, Skaret said North Highway will be the focus. He said the contractor believes that they can get all of North Highway done yet this year. Skaret said Duininck's of Prinsburg, Minnesota is the contractor that will be doing the work. He said Duininck's is a large contractor and is looking to start working on North Highway in August.

Skaret said it's a lot of work but it's not as complicated and is fairly straight forward compared to the South Highway project this past year. He said this project will be basically replacing the water main and storm sewer. Skaret said the sanitary sewer had been lined back in 2012 so only the services from the main to the edge of the right-of-way are being replaced. He explained it's a small part of the project but expensive because it's kind of cumbersome and time-consuming for the contractor.

STORM WATER UTILITY

Skaret said the Storm Water Utility has been mentioned a couple of times in the past. He noted the North Highway and South Street projects represent about a \$5.3 million project. Skaret said of that amount, there's over a million dollars' worth of storm water work that's being done to replace storm sewer pipe, catch basins and so forth.

Skaret explained the storm sewer is different than the City's other underground utilities. He noted for water, that's paid for with the water bills and for sewer, that's paid for with the sewer bills. But for storm water, Skaret said everyone ends up paying for it through property taxes or other general fund revenue. He said there are a lot of Cities adopting storm water utilities that is essentially an extra fee that's tacked onto the monthly utility bill to pay for storm sewer improvements.

Skaret said one of the benefits of having a storm water utility is that it makes it more fair for everybody. He explained some accounts are the biggest storm water contributors. Skaret said those are the accounts with the large paved parking lots like churches, schools and hospitals. He said they contribute a lot of storm water runoff but they don't pay property taxes.

Sieper asked if anything new that's constructed nowadays needs to have their own retention pond for storm water.

Skaret said nowadays they do.

Sieper asked if the school would need their own retention pond if they constructed a new parking lot.

Skaret said they probably would.

Madden pointed out the storm water utility would be used to fund upgrades, repairs or replace the storm water sewer system.

Skaret said in some cases, the City is upsizing the storm water pipe and replacing old pipe. He said there's a lot of old storm sewer in Jackson and limited revenue streams.

Skaret said the Storm Water Utility was talked about at the June 16th, 2020 City Council meeting. He said in the past, the Council hasn't had any interest in it. Skaret said this time, the Council referred the matter to the Utilities Commission for their consideration.

Madden asked in Cities where they have adopted a Storm Water Utility, does everyone pay the fee that has water and sewer service, or is the fee only charged to those that have storm sewer on their street.

Skaret said typically everyone pays the fee. He said for those that don't have storm sewer on their street, the argument could be that storm sewer may be installed on their street in the future.

Regarding storm water utility fees, Skaret explained typically there would be a set rate for single family residential, another rate for small downtown commercial properties and then another rate for institutional or non-profits. He said rates could also be set for apartments, duplexes and multi-family and so forth and for industrial or large commercial properties.

Skaret said the storm water utility would be another revenue stream that would relieve some burden from the General Fund and make it more fair across the board so everyone's paying in theory based on the amount of storm water they're contributing to the system. He said it's not perfect, but it would be an improvement as far as fairness and better enable the City to make repairs and improvements.

Siepkner asked how long it would take to build up a fund for a storm water utility.

Skaret said it depends what the goal is on how much revenue the City will want to generate from a storm water utility fee and what's decided regarding what the rates will be set at.

Siepkner said he would want to first see the figures on what the fees would be for different types of properties and what the estimated revenue would be.

Skaret said if the City was going to move forward in adopting a storm water utility fee, they would need to look at the City's debt service schedule and determine an amount the City wants to raise from the fee every year. He noted the fee would be a fixed amount and is not based on usage.

Skaret said the City would need to look at their debt service schedule and factor in ongoing repair and maintenance. He said, for example, if the City wanted to generate \$100,000 a year, then the numbers would be determined on how many single family, industrial and institutional accounts there are. Skaret said then work could begin on determining what the rates would be for each of those categories and how much burden is going to be put on residential verses businesses.

Oxborough noted there are 1,600 residential water meters in Jackson. He said if those were each charged a fee of \$3 a month, that would amount to over \$57,000 a year.

Skaret said the revenue from a storm water utility fee would go into a separate enterprise fund just like the water, sewer and electric already are.

Markman noted there's a lot of storm water intakes in town that need repair.

Skaret suggested if adopting a storm water utility fee is something the Utilities Commission wants to continue to explore, he could see if the City's Financial Consultant Shannon Sweeney could attend a future meeting to talk about it some more. He said Sweeney could also be invited to a special Utilities Commission meeting. Skaret said Sweeney could look at several scenarios regarding fees and how much revenue would be generated.

Siepkner asked if any of the Utilities Commission members had any other questions. Hearing none, he asked if it was the consensus to have Skaret contact Sweeney to meet with the Utilities Commission to talk more about a proposed storm sewer utility fee.

Skaret said he would talk to Sweeney about scheduling a meeting with the Utilities Commission.

Marthaler said if it's a special meeting, maybe the City Council could also attend.

Skaret concurred that it might not be a bad idea to have a joint meeting with the Utilities Commission and City Council.

SUMP PUMP/SERVICE INSPECTION ORDINANCE

Skaret said the Sump Pump/Service Inspection Ordinance has been discussed by the Utilities Commission in the past.

Skaret noted overall the City has a pretty severe I&I (inflow and infiltration) problem with the sanitary sewers. He noted there's a lot of different sources for I&I. Skaret said there's groundwater leaking through the pipes and water coming in through the manhole structures. He said in some cases, there's sump pumps that are illegally hooked up to the City's sanitary sewer instead of the storm sewer.

Skaret said the City's ordinance already prohibits residents from hooking up sump pumps, drain spouts and other unpolluted water sources to the sanitary sewer system. He said it's already illegal in the City's ordinance but there's no enforcement or teeth behind it.

Skaret said the City is planning to do sump pump inspections during the AMI water meter installations to make sure the sump pump is not discharging into the sanitary sewer system. He said if it's found that the sump pump is discharging into the sanitary sewer, the Ordinance would give a homeowner 90 days to correct the problem. Skaret said it would also require the homeowner to verify that the problem has been corrected. He said if they don't, then the homeowner would get a \$50 per month charge on their utility bill every month until the illegal connection is corrected.

Skaret said the Utilities Commission can set the monthly charge at a different amount if they so choose. He said the City of New Ulm has a similar ordinance with a \$50 per month charge on utility bills for sump pumps that area illegally hooked up to the sanitary sewer. Skaret noted the City of New Ulm hired people to do the inspections of properties.

Siepkner noted the per month charge has to be an amount high enough to get the attention of those operating illegally connected sump pumps. He said if the monthly charge is too low, some property owners will just pay the extra charge and not remedy the problem.

Schwartz said a \$50 per month charge will catch people's attention.

Skaret explained when the City is going to do street reconstruction projects, like they are going to do later this summer on North Highway and next summer on South Street, before the resident is connected to the sanitary sewer, the City will require that the resident's sewer line be televised.

Skaret said the City would televise the resident's sewer line at the City's expense. He said if it's found that clean water is coming through the sanitary sewer service line, the resident would be required to replace the line within 90 days. Skaret said if the line wasn't replaced, the resident would be charged \$50 per month on their utility bill.

Siepkner asked if there was any further discussion.

Thurmer said the requirement to replace the line in 90 days is kind of a short period in the wintertime.

Marthaler concurred with Thurmer.

Skaret said the time period in which the repairs must be made can be changed in the proposed ordinance. He suggested maybe giving the resident 6 months.

Markman said he thinks six months to replace the sewer line would be realistic. He noted if there's a group of private sewer lines that need to be replaced, maybe the neighbors could go together with a contractor and reduce their cost.

Oxborough asked Utilities Commission members if they found out now in June that their sewer line had to be replaced, would they think they would feel comfortable in getting their sewer line replaced by Christmas?

Siepkner pointed out what about sewer lines that run through several properties or properties that are jointly hooked up to the same sewer line going out to the main.

Oxborough said sump pump inspections will be easy to determine if a sump pump is illegally hooked up to the sanitary sewer. He noted that televising private sewer service lines won't occur unless the street is under reconstruction. Oxborough said the televising of sewer lines will typically occur from June to September.

Siepkner suggested having two different time lines requiring when repairs need to be made for an illegally connected sump pump and when a sewer service line needs to be replaced.

Skaret said the time line could be 90 days to repair an illegally connected sump pump and one year to repair a private sewer service line.

It was the consensus of the Utilities Commission members to have a time line of 90 days to fix an illegally connected sump pump and one year to have a faulty sewer service line replaced.

Oxborough asked who makes the determination that someone is not compliant. He asked if he would make that determination.

Skaret said Oxborough could make the determination and a letter could then be sent to the property owner to notify them.

MARTHALER/MADDEN moved and it was unanimously carried to recommend to the City Council to approve an Ordinance that would give a property owner with an illegally connected sump pump into the sanitary sewer line 90 days to correct the problem or otherwise be charged \$50 per month on their utility bill and to give a property owner one year to replace a faulty private sewer service line or be charged \$50 per month on their utility bill until the correction is made.

SEWER CHARGE RECALCULATION ORDINANCE

Skaret said the Sewer Charge Recalculation Ordinance pertains to the unusual circumstances when someone has a large amount of water usage that ends up not going through the sanitary sewer. He said it's similar to what recently happened at the Jackson Livestock Exchange and probably a handful of other times too.

Skaret said the proposed ordinance outlines the current processes and procedures. He explained if someone has an incident where the water usage is 150 percent or more based on the previous 12-month average, then they would need to fix the problem and prove that it was fixed. Skaret said the person would need to come before the Utilities Commission for review. He said the Utilities Commission would review the request and make a recommendation to the City Council to refund the sanitary sewer charge that's in excess of what the customer's 12-month average was.

Skaret noted the City does not actually write a check for the refund but puts a credit on the customer's utilities account. He said it's basically what the City already does but the City doesn't have it in writing.

Skaret said he's had City Attorney Brad Anderson review the Sewer Charge Recalculation and Sump Pump/Service Inspection Ordinances.

Oxborough noted the customer needs to notify the City within three months of a problem with their sewer charges.

MADDEN/MIKE SCHWARTZ moved and it was unanimously carried to recommend to the City Council to approve Ordinance No. 109 pertaining to the Recalculation of Charges for Sewer.

Other:

Update on Jackson Livestock Exchange

Oxborough reported Beemer's arrived at Jackson Livestock Exchange on June 29th. He said they will replace the water lines from the curb stop. Oxborough believed Thurmer's would be taking care of the plumbing.

Oxborough explained Beemer's would stub one water line into the basement of the sale barn. He said there will be two different water meters with one meter feeding the building itself and the water and sewer will come off the usage of that one water meter. Oxborough said the second water meter will be just for water charged to be used in the feedlot.

Oxborough said the Livestock Barn has been reimbursed one time for the sewer charges based off an estimating meter over three months. He said a recommendation is needed from the Utilities Commission for one more reimbursement and it will be all done.

MADDEN/THURMER moved and it was unanimously carried to recommend to the City Council to approve a sewer refund for Jackson Livestock Exchange.

Next Utilities Commission meeting

Skaret said the next Utilities Commission meeting will be held on Monday, July 27th. He said he just wanted to let everyone know he probably won't be attending the meeting since he'll be returning from a memorial service for a relative in Michigan that day.

ADJOURNMENT

With no further business, the Utilities Commission meeting was adjourned at 5:17 p.m.

David A. Maschoff, Recording Secretary

