

**UTILITIES COMMISSION MINUTES**  
**October 28, 2019**

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 October 28, 2019 with the following persons present: Utilities Commission Members including Vice-Chairman Kevin Siepker, Matt Madden, Mike Thurmer, Joe Marthaler, Mike Schwartz and Jenna Schwartz. Also, in attendance were City Administrator Matt Skaret, MRES Jackson Distribution Maintenance Foreman Jeremy Boogerd, Water/Wastewater Superintendent Tony Oxborough, Street Superintendent Phil Markman, City Finance Officer Deb Mitchell, Dave Polz and Recording Secretary Dave Maschoff. (Utilities Commission Chairperson Gayl Berkner was absent.) (A quorum of the Utilities Commission was present.)

**CALL THE MEETING TO ORDER**

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Vice-Chairperson Kevin Siepker called the Utilities Commission meeting to order and noted there was a quorum present.

**APPROVAL OF THE MINUTES FROM THE SEPTEMBER 30, 2019 UTILITIES COMMISSION MEETING**

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Consideration was given to the minutes from the September 30, 2019 Utilities Commission meeting. Hearing no additions or corrections, Vice-Chairperson Siepker declared the minutes approved as mailed.

**DEPARTMENTAL REPORTS**

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**Water Department**

Water/Wastewater Superintendent Tony Oxborough reported a new transformer has been installed at the Water Plant to supply emergency back-up power from the generator they have.

Oxborough said contractor Magney is back on the premises removing the old pumps and will begin installing the new pumps.

Oxborough said the electricians are going to remove all of the rest of the electrical equipment. He said the City will receive money from scrapping all the piping and electrical materials.

Oxborough said the new ground storage water tank is completed. He explained the tank has to cure for a week before they can start filling it up with water.

Regarding the Number 4 Lift Station, Oxborough said all the pipe and equipment is in the ground. He said the electricians are working on it. Oxborough said the new Lift Station should be in operation on Tuesday, November 5<sup>th</sup>.

Oxborough said work also continues in getting things set-up and preparations made for the new AMI metering system.

Otherwise, Oxborough said the Water Department is wrapping up projects for the year.

Sieper asked if the new ground storage water tank will be functional by the end of the year.

Oxborough said it would. He said the old water tank will be drained and the new tank will be in service once it's determined there are no leaks and everything works.

Skaret asked if the work on the water improvements are completed along South Highway.

Oxborough said they are 100 percent completed with the water improvements and the utilities are up to par along South Highway.

In other news, Oxborough reported Water Department employee Josh Gruhlke has obtained his Class D water license.

Sieper asked about the digging of a well at Central Park.

Oxborough said that was a project of the natural gas company. He explained the gas company runs DC current through all the natural gas mains so the hot soils don't eat away at the pipe. Oxborough said he understands it's the first system of its type in Southern Minnesota, but it's very common in Northern Minnesota.

Markman said he understands it will protect the natural gas company's metal pipes in Jackson.

## Street Department

Street Superintendent Phil Markman reported the Street Department is trying to wrap-up projects before it snows.

Markman said the Street Department and Water Department fixed a couple storm sewers that had collapsed on State Street. He said the City was getting a lot of inflow and infiltration of water at that location. Markman noted storm sewer pipe that collapsed near the trail was also repaired. He said that pipe isn't in very good shape going under the road and they fixed what they could. Markman noted that may have to be dug up next year and new storm sewer intake structures installed. He explained the current pipe is corrugated steel and it's all rusted out and there's no bottom left in it. Markman noted the current pipe will be replaced with PVC pipe so they won't have the issue of the pipe rusting away. He said the street will be patched but the trail won't be patched for the winter since it will be dug up again next year to replace the rusted pipe.

Markman reported the Street Department has been keeping up on street sweeping. He said only one tree fell into the street from the strong winds that recently blew through the area. He said there were some smaller branches they also picked up around town.

Markman said the Street Department purchased a used plow to replace one that was damaged. He said he's still looking for a used snowplow truck for the airport. Markman reported the Street Department will be getting a new plow truck. He said the chassis arrived sooner than anticipated and it may arrive in Jackson by mid-December. Markman noted the new plow truck will have sanding capabilities.

Markman said the water will be shut off in the bathrooms in the parks this week and locked up for winter before Halloween.

Markman said all of the utility work from the City's standpoint is completed on the South Highway Project. He said CenturyLink may have some work to do. Markman said he was talking with Neal Johnson from the County who said they're hoping for the curb company to come back on Thursday, October 31<sup>st</sup> and get as much curb installed as they can. Markman noted the South Highway road surface work is the County's project and the utility work has been the City's portion of the project.

## **Electric Department**

MRES Jackson Distribution Maintenance Foreman Jeremy Boogerd reported the Electric Department has finished installing new equipment along South Highway. He said they have new street lights to install but they can't do that until the new curb and gutter is poured. Boogerd explained if the new street lights were installed now they would be in the way of the curb and gutter machine. He said the old poles are still up otherwise there would be no street lighting along South Highway.

Boogerd said the underground electric project is still moving forward. He said the wet weather slowed progress. Boogerd said there is about a block-and-a-half to go of residential and then all the pipe will be in. He said after that, they will have one line to install from the high school up to the hospital and then it will be completely done. Boogerd noted of the underground line that's been installed and energized, about 60 percent have been cut over to the new underground system.

Boogerd said he and Oxborough met with the firm that will install the antennas on the water towers for the AMI system. He said the firm's representative said it would take about a day to install the antennas on both water towers and maybe two days if any trenching is required.

Boogerd said he and Oxborough also met with the electrician to develop the plan to power up the new AMI collectors and updating the electric breakers at the water towers.

Otherwise, Boogerd said the Electric Department has been busy with miscellaneous items and utility locates for next year's street projects. He said they have also been busy taking care of replacing burnt out bulbs in street lights around town as quickly as they can.

## **ELECTRICAL RECONNECTION POLICY**

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Skaret explained this is an issue that has come up a couple of times recently. He said basically it involves properties that have had their electricity shut off for more than a year.

Skaret said there's been instances where someone has bought a property that's been shut off for more than a year and they want the power turned back on. In those cases, Skaret said there's potentially a risk that turning the electric power back on could result in a fire.

Skaret said what the City is looking at doing is having a written policy that says it's the City's policy that any customer requesting electric service to a property that's been disconnected for 12 or more consecutive months is required to have an electrical inspection done by the State Electrical Inspector. He said the customer shall provide an affidavit from the inspector that the electrical system is in compliance with all applicable codes and regulations and is in good working order. Skaret said the electrical service will not be connected until such an affidavit is received.

Skaret said the proposed policy was discussed with City Attorney Brad Anderson who thought it would be a good idea for the City to have it as a formal policy. He said people have been asked to have an inspection done in the past, but going forward thought it would be good to have a written policy so it's automatic.

Thurmer asked how much it costs to have an inspection done.

Skaret said it costs approximately \$80.

Jenna Schwartz asked how often do these incidents arise.

Skaret said there was one instance where a tax-forfeited house was purchased that had been disconnected from electricity for eight years. He said another case is the former Prairie Winds Motel that has been disconnected for three or possibly four years. Skaret said those are the two he's aware of, there may have been more.

Jenna Schwartz asked how the one-year mark in the proposed policy was arrived at.

Boogerd said he contacted other MRES crew leaders and the one-year mark was a template. He noted right now in Jackson if the power is off for a whole year and you want power reconnected, the customer is not back-billed the meter charges per month. He explained if you have the power shut off for 10 months and want power reconnected, then the customer will be back-billed meter charges for that 10-month period.

Boogerd said where that policy ends, the proposed Reconnection Policy begins. He said if a customer reconnects within 12 months, the customer won't need to have an inspection done, but they will have to pay the back-meter charges. Boogerd said if the power has been off for 13 months, the customer doesn't have to pay the back monthly meter charges, but will need to have an inspection done.

Skaret asked if Federated Rural Electric has any kind of policy like what's being proposed by the City.

Madden said Federated doesn't have a written policy but he did have a case recently where the power had been off at a bin site for five years. He said Federated required the property owner to have an electrician inspect the wiring before power was reconnected. Madden said that puts the liability on the property owner rather than Federated. Madden said he thinks the policy is a good idea. He said you don't know what can happen to an older house especially if it's been sitting empty for a couple years.

Thurmer asked how long it would take to have the State electrical inspector arrive to conduct an inspection.

Boogerd said it would probably depend on the time of year. He said it may take longer for the inspector to arrive during construction season.

Siepkner asked if an electrician would be qualified to conduct an inspection.

Boogerd explained he gets his affidavits from electricians which is basically them saying their having it inspected. He said the electrician is assuming responsibility. Boogerd said as long as the City receives that affidavit from the electrician that's it's ok to energize, he guesses it doesn't have to be the State electrical inspector. Boogerd noted the electrician will also charge a fee to inspect a property.

Thurmer said he would like to see written in the proposed policy that an electrician can also do the inspection because it may be easier to schedule an electrician to come to your property right away.

Siepkner agreed an electrician may be able to come quicker.

Thurmer said having the policy state the electrical inspector or an electrician must do the inspection would cover things both ways. Thurmer said if he buys a property, he doesn't want to wait weeks for an inspection before he can start fixing it up.

Skaret said it could be written into the policy that the inspection could be done by the State electrical inspector or a licensed electrician.

**THURMER/MADDEN moved and it was unanimously carried to recommend to the City Council to approve the Electrical Reconnection Policy stating that a property that has been disconnected from electrical power for a period of 12 months or longer needs to be inspected by the State Electrical Inspector or a licensed electrician before electric power is reconnected to the property.**

#### **LONG-TERM ELECTRICAL SERVICE DISCONNECT-RECONNECT POLICY**

Skaret explained this agenda item and the Electrical Reconnection Policy were the same thing.

#### **DAVE POLZ REGARDING ELECTRIC DISCONNECTION AND RECONNECTION FEES**

Polz said he was asking that the City's policy on electric disconnection and reconnection fees be revisited.

Polz explained the State recognizes his camping area at 22 West Ridge Village as a seasonal operation. He said his problem is having his electric meters reconnected. He said the City charges him an electric meter fee of \$15 per meter for every month of the year whether he's using the electric meter or it's disconnected.

Polz explained all the electricity billing comes through him and he reads the meters. He asked how does he charge his customers the extra fee to hook the electric meter up.

Polz suggested revisiting the City's policy regarding the monthly meter charge when no electricity is being used. He said years ago, the City would come and reconnect his electric meters in the spring and charged a flat rate reconnection fee of \$25 per meter. Polz said he doesn't think a monthly meter fee should be charged when it's not in use. He said he doesn't think he should be paying money to the City for something he's not receiving. Polz said it doesn't make any sense to him.

Polz said he has a snow removal business. Polz used the scenario if he charged each of the Utilities Commission members for snow removal on a per time basis. Polz said if during the month of November, it didn't snow, but he would send them a bill for \$200 for snow removal, they wouldn't pay it because they aren't getting anything for it. He said why should he be paying money to the City for something he's not receiving. Polz said it's not like an apartment building. Polz said he is just has meter stacks where someone just comes and plugs in. He said he doesn't think it's fair to him. Polz pointed out he's paying \$15 a month for something he's not using.

Siepkner asked if the City's policy regarding this will change when the new AMI System is implemented with the remote on and off's for electricity and no one from the Electric Department has to go out and physically turn meters on and off.

Skaret said that issue hasn't been discussed.

Boogerd said he doesn't think the policy will change. He explained it's a snowbird rule so people that go to Arizona in the winter don't have their power shut off and then come back and want it turned back on so it's on, off, on, off.

Mitchell noted the snowbird rule was set-up more for the water meters with people having their water meters taken out and then re-installed in the spring without charge. She said the City couldn't keep doing that all the time without charging to do it.

Mitchell noted the City's policy regarding shut-offs and a fee to reconnect has been in effect since 1991.

Boogerd noted the monthly meter fee that's paid is not just for electric usage. He explained the customer is paying for the wire all the way back to the substation, the transformer, the box it sits on and the secondary wire. Boogerd said every piece of equipment in that whole system is not funded only by usage, but funded by the meter charge because as an electric utility you have to provide for maximum service at any given point in time. He said you have to put the maximum size transformer in place, the maximum size big wire down and that costs extra. Boogerd said that's where meter usage charges initially start from.



Madden noted the service equipment still has to be maintained even though the electricity isn't being sold.

Polz asked what is being serviced?

Boogerd said the amount it costs to buy and run that transformer. He said even though when those electric meters aren't being used, that transformer is still running. Boogerd said the transformer still has line loss and that cable is still energized and is deteriorating.

Siepkner noted if the Electric Department comes to turn the meter on and it's bad, they still have to fix it.

Mitchell also noted that when a service is shut off for a month and then it's turned back on for a month, it takes a lot of time in the office to set up the account.

Polz asked what the policy is.

Mitchell explained if the customer reconnects within a 12-month period, the City goes back and charges just the basic service charge. She said there's the cost of opening a new account, getting a hold of the Electric Department to reconnect the service and keeping up the equipment.

Madden asked if there's a reconnection fee on top of that too.

Mitchell said there is not. She said that's why there isn't a reconnect and disconnect fee.

Boogerd explained to Polz about having an electrician to rewire his electric service on his property to separate the Polz's business and private residence from the campground. He said that would be a benefit if part of the property were sold in the future or would allow Polz to better track the electricity usage at the campground.

Siepkner asked Polz if that would be a plan that would work for him.

Polz said it would cost him to reconfigure the electric service on his property.

Polz noted he didn't have the west side meters on his campground turned on this year. He said if the west side hadn't been turned on for 12 months, then it should be turned on for free next year.

Boogerd said if the meters have been off for an year, Polz won't have to pay a meter charge but he may have to have the wiring inspected before it's turned on if it's been off for a year according to the new policy the Utilities Commission earlier in the meeting recommended to the City Council for approval.

Polz said the inspection would be less expensive than being charged the per meter charge for the months he's not using electricity off of them.

Jenna Schwartz asked Polz why he turns the electric meters on and off.

Polz said because his campground is seasonal and the State recognizes his campground as seasonal. He said if you're not using them, why would you have the meters on. Polz said it costs him \$15 a month whether he's using the meters or not.

Polz said what he has a hard time understanding is that the state recognizes his campground as a seasonal operation and the City doesn't and they charge him whether he uses the meters or not. He said he realizes that the City has to have money for this and that. Polz suggested just having a one-time fee hookup and be done with it and keep it simple.

Polz asked the Utilities Commission to talk the City's current policy over and see what they come up. He wants to see if something can be changed. Polz said it seems like a lot of money. Polz said he had to pay \$600.

Siepkner said the Utilities Commission will talk it over. He asked Polz if he had paperwork saying the State recognizes him as a seasonal business. Siepkner said that's something to think about.

Polz said he does. He asked to see if the Utilities Commission can change the policy. He said maybe they can't, he doesn't know. Polz said it just doesn't seem fair to him.

Siepkner said this is a starting point.

Jenna Schwartz noted looking at it differently than water meters.

Polz asked the Utilities Commission to revisit the policy and go over it and see what they honestly think of it or if it's been done properly. He said maybe the policy can't be changed, he doesn't know.

Siepkner said the Utilities Commission will look into it.

Polz thanked the Utilities Commission for their time.

(Polz leaves the meeting)

Siepkner asked the rest of the Utilities Commission members if they think there is anything that can be changed or not. He noted Polz's campground is seasonal and he has a license to be seasonal. Siepkner said he would still have a reconnection fee.

Madden asked if there would be a separate seasonal rate and fee for a seasonal business. He said he doesn't think the seasonal rate would work well. Madden pointed out the City's services aren't seasonal. He said they stay there all year round.

Skaret said he thinks one of the challenges in this case is Polz is the only seasonal classification like that. He said then your kind of creating a separate rate class for one customer.

Mitchell noted the monthly per meter charge has been visited with Polz at least twice since Boogerd started working with the City. She said it's been the decision of the Utilities Commission in the past to stay with the City's policy as it is.

Mike Schwartz asked what does the KOA Campground do regarding their electric hookups.

Skaret said the KOA Campground is not on the City's electric system but on Federated Rural Electric's system.

Madden said the KOA Campground leaves their electricity on all year. He said the KOA has three electric services and there are individual meters on each camping site. Madden said that's what was suggested to Polz to have the campground on a separate service.

Boogerd said he could talk to Polz again about separating his personal electric service from the campground.

## **RACE TRACK GRANDSTAND WATER METER READING DUE TO BLOWING OUT WATER LINE**

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Oxborough said this issue pertains to the concession stand at the Jackson Motorplex. He explained the way the plumbing is in the concession stand; the Water Department shuts off the water at the end of the racing season.

Oxborough said the Motorplex employees blow air through the water lines. He said as they blow out the lines, the pipe they hook onto is before the water meter and air blows through that water meter and makes it spin showing there is usage.

Oxborough said he took a water meter reading at the end of the racing season when he shut the water off. He said the Motorplex's request is that next spring they want to start their water billing with the reading that was taken when the water was shut off so they're not paying for phantom water from blowing air through the lines.

Thurmer said it sounds like a reasonable request.

**THURMER/MARTHALER moved and it was unanimously carried to recommend to the City Council to approve using the last water meter reading recorded by the Water Department as the water was shut off at the Jackson Motorplex Concession Stand for the season as the beginning water meter reading for the start of the 2020 season.**

## **SALVATION ARMY HEATSHARE PROGRAM AGREEMENT**

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Skaret asked the Utilities Commission members if this is something they wanted the City to do as in insert in the City's utility bills to solicit donations for the Salvation Army's HeatShare Program.

Siepkner pointed out the Salvation Army's HeatShare Program agreement states that the Salvation Army wants 15 percent of the donations that are raised.

Skaret noted there are other emergency resources available locally for those that are in need for heating assistance such as UCAP and Human Services.

Mitchell noted the Salvation Army's HeatShare inserts were included in the City's utility bills about two years ago and no donations were received.

Sieper asked who pays out the money from the donations received?

Skaret said the City collects the donations.

Mitchell explained the City will collect the donations if a customer wants to give to the Salvation Army HeatShare Program and the City will send the donations to the Salvation Army. She reiterated when this was done a couple of years ago, no donations were received.

Marthaler noted Federated Rural Electric gave the Salvation Army \$2,000 this spring with the stipulation that the funds be used to specifically help Federated customers in need with their electric bills.

Sieper asked if that donation will be used to help customers in need just in Federated's service area.

Marthaler said that was correct. He noted the Salvation Army is listed among the entities available to help Federated customers that need help in paying their electric bill.

Skaret noted some cities make a donation to the Salvation Army HeatShare Program just like Federated Rural Electric did. Of the funds raised in Jackson for the HeatShare Program, he said the Salvation Army would keep 15 percent for their overhead or administrative costs and 85 percent would be returned for residents in need.

Sieper asked if Federated REA has donated to the HeatShare Program in the past.

Marthaler said they have.

Madden explained REA's donation came from Federated Rural Electric's Operation Round-Up Program where customers round up their monthly electric bills to the nearest dollar. He said the extra change goes into the Operation Round-Up Fund. Madden said the funds from Operation Round-Up are distributed to different charities, schools, fire and ambulance departments, 4-H Clubs, food shelves and the like. He said organizations can submit applications to receive Operation Round-Up Funds which are distributed twice a year.

Siepkner asked how much of Federated's donation to the Salvation Army's HeatShare Program been returned back to the community for heating assistance.

Marthaler said he doesn't know if Federated knows.

Siepkner asked if the City would know how much of the local donations would come back to the community.

Skaret said probably not.

Siepkner asked if \$1,000 was donated and only \$500 was used during a heating season, would the remaining \$500 stay in an account for Jackson to be used for next year.

Skaret said he didn't know. He said he was presenting the HeatShare Program to the Utilities Commission as it came to the City.

Mike Schwartz noted there's really no harm in participating in the HeatShare Program.

Skaret said there is no harm in doing it except for the cost of the paper and inserting the information into the City's utility bills.

Siepkner asked the Utilities Commission members if they had any feelings about the City participating in the Salvation Army's HeatShare Program.

Thurmer suggested revisiting the request again next year.

**No action was taken by the Utilities Commission regarding the Salvation Army's HeatShare Program Agreement.**

## **ADJOURNMENT**

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**With no further business, the Utilities Commission was adjourned at 5:19 p.m.**

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**David A. Maschoff, Recording Secretary**

