

UTILITIES COMMISSION MINUTES
October 29, 2018

A regular meeting of the City of Jackson Utilities Commission was held in the Council Chambers of City Hall at 4 p.m. on October 29, 2018 with the following persons present: Utilities Commission members Chairperson Gayl Berkner, Vice Chairperson Kevin Siepker, Ken Temple and Mike Thurmer. Also in attendance were City Administrator Matt Skaret, MRES Jackson Distribution Maintenance Foreman Jeremy Boogerd, Water Department Superintendent Tony Oxborough, Street Superintendent Phil Markman, Donnie Schoenrock and Recording Secretary Dave Maschoff. (Utilities Commission members Joe Marthaler and Mike Schwartz were absent.) (A quorum of the Utilities Commission was present.)

CALL THE MEETING TO ORDER

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

APPROVAL OF THE MINUTES FROM THE SEPTEMBER 24, 2018 MEETING

Consideration was given to the minutes from the September 24, 2018 Utilities Commission meeting. Hearing no additions or corrections, Chairperson Berkner declared these minutes approved as mailed.

DEPARTMENTAL REPORTS

Water Department

Water Superintendent Tony Oxborough reported the Ground Water Storage Project is about ready to start. He said one job trailer is already on site and equipment is expected to arrive next week. Oxborough said work on the project is anticipated to begin the first week of November.

Oxborough said the Water Department flushed all the fire hydrants in Jackson. He said there are 15 hydrants that need to be rebuilt.

Skaret reported that the City of Jackson received a Notice of Violation from the Minnesota Pollution Control Agency (MPCA) about discharging wastewater sewage into the Des Moines River 10 times over the last couple of years. He said the MPCA required a plan on how the City of Jackson plans to resolve that situation.

Skaret said the City has been working with the City's engineer, Greg Mitchell of Bolton and Menk, to develop a plan.

Skaret provided a copy of the letter that will be sent to the MPCA outlining the City's plan of action. Skaret said Mitchell worked with Oxborough, Markman and himself in drafting a letter. He said there are some aggressive plans including improvements to Lift Station No. 4 and Force Main upgrades as part of the South Highway Project.

Skaret noted some things have already been done like the lining of the sewer lines in nearly half of the City in 2012.

Skaret added the City is working on notifying the public as one of the problems is the illegal connections of sump pumps directly into the sewer line. He said information about the problem was distributed through the City's Facebook page and through utility bill mailers in an effort to educate people and heighten awareness of the problem.

Skaret said smoke testing is another way to determine where water is infiltrating into the City's sewer system. He reported Greg Mitchell said Bolton and Menk's smoke testing machine is now available. Skaret said if the weather cooperates they may be able to begin experimenting with the smoke testing machine in November.

Berkner asked if there was funding available for the items listed in the letter being sent to the MPCA.

Skaret said the Lift Station No. 4 and Force Main improvements have been incorporated into the City's water and sewer rates. He said the City will be bonding for those projects when they are bid. Skaret said those two projects were anticipated when the City did their rate study.

Skaret pointed out the cost for the smoke testing is just the City's staff labor and time.

Thurmer asked about how the smoke testing is conducted.

Oxborough explained a manhole cover is removed on the street. He said the smoke testing machine is similar to a lawnmower with a fan on it. Oxborough said you put liquid smoke into the machine and it drops onto the exhaust and turns into a vapor which floods the sewer system with smoke. He said right off the bat you see smoke coming out of the sewer exhaust stacks on houses. Oxborough said you will also see problem areas such as if the resident has a drain tile around their house hooked into the sewer system. He explained you will then see smoke come out from around the house footings and out of their sewer clean-out if the homeowner doesn't have a cap on it. Oxborough said the smoke testing will immediately show anywhere where water can get into the City's sewer system from the outside.

Oxborough said the smoke testing should not affect any homeowners. However, he said if the homeowner has a dry trap in their basement; the basement will be filled with non-toxic smoke. He said the smoke testing will basically show what's wrong with the City's sewer system. Oxborough said it's an inexpensive way to test the sewer system.

Berkner asked Oxborough if the City would notify residents before conducting the smoke tests.

Oxborough said the City will notify the public before the smoke tests are conducted through the news, radio and letters. He said they will also notify the Fire Department so there's no confusion if people see smoke from the testing and think it's a fire. Oxborough said there will be a lot of public education before they conduct the testing.

Electric Department

MRES Jackson Distribution Maintenance Foreman Jeremy Boogerd reported the Electric Department is about 95 percent completed with their work on South Highway. He said the Electric Department is ready for when the County starts the South Highway reconstruction project next year. Boogerd said there are only two resident electric services that need to be completed on all of South Highway.

Boogerd said the underground electric project has been going great. He said there are about a dozen residents that still need to be converted over to the underground electric service. Boogerd said the Electric Department is waiting for the ground to firm up or freeze to avoid any damage to backyards from a utility truck. He said they are hoping to get those connected before if snows. Along with that project, Boogerd said they have been installing some new LED street lights. He said installation of the new LED street light for the Salem Lutheran Church parking lot should be completed on October 30th. He said the Electric Department will then transition into installing electric service for the new liquor store which is hoped to be completed this week. Boogerd said new electric service is also going to be installed for Crystal Valley Coop. He said then the Electric Department will install any electric service that's needed for the improvements at the Water Plant. In addition to that, Boogerd said the Electric Department has been busy with utility locates for those trying to complete projects prior to winter setting in.

Boogerd noted Missouri River Energy Services also hired a new employee on October 1st for the Electric Department in Jackson. He said the Electric Department is fully staffed again. Boogerd noted the summer help person will be done with his duties around December 1st.

Street Department

Street Superintendent Phil Markman reported the Street Department has wrapped up the semi-annual flushes with no issues. He said they have been doing street sweeping trying to keep up with the falling leaves. Markman said the asphalt work has been completed for this year. He said the Street Department has also been getting equipment ready for the winter season.

MRES RATE STUDY

City Administrator Matt Skaret said it's been several years since there's been an electric rate study conducted in Jackson. He noted a rate study was recently done for the City's water and sewer rates but nothing has been done with the electric rates since about 2014. Skaret said in 2019 it will be five years since an electric rate study was done.

Skaret said it's important to stay on top of the electric rates so in case the City has to make rate adjustments they can be made incrementally rather than increasing the rates all at one time.

Skaret said Missouri River Energy Services (MRES) would conduct the rate study looking at the City's current electric utility expenses, what the City is planning for the future and seeing what the City needs to do for rates to ensure the City has adequate reserves.

Skaret said it doesn't necessarily mean the City will have to raise rates and hopefully the City won't have to. But, he said it would be good to have Missouri River Energy Services take a look at the rates and make sure the City is doing OK and still able to meet all of the City's electric needs and keep the necessary reserves on hand.

Skaret said the City is looking to have an electric rate study done in 2019. He pointed out there was a proposal from Missouri River Energy Services to conduct a rate study in the Utilities Commission member's packets. Skaret said MRES's fee would be \$9,000 to conduct the electric rate study in Jackson. He said typically their fee is \$18,000 because MRES does rate studies for other entities that are not necessarily members of MRES. But since the City of Jackson is a MRES member, Skaret said MRES would do the rate study for about half-price which would bring the price to about \$9,000. Skaret explained in the grand scheme of the different electric fund projects and expenditures, the \$9,000 is relatively minimal.

Berkner noted she had higher electric bills this summer.

Skaret said the electric usage this summer in Jackson was up. He noted we had a warm and especially humid summer with all the standing water and the nights never cooled off.

Berkner also noted additional electric usage due to dehumidifiers and sump pumps running.

Skaret said there are some encouraging trends in the electric industry particularly with Missouri River Energy Services. He pointed out the drought-adder that was added to all the electric bills in the early 2000's is going to be ending because the debt service for MRES is coming to an end. Skaret explained the drought-adder was when MRES had to purchase electric power from other places because of the drought in the Missouri River Basin.

Boogerd noted ITC's wheeling rates are also going down next year. He said he didn't know how much, but rates are trending down.

Skaret said there are some positive things occurring.

SIEPKER /TEMPLE moved and it was unanimously carried to recommend to the City Council to enter into an agreement with Missouri River Energy Services (MRES) for MRES to conduct an electric rate study for the City of Jackson in 2019.

WELLS/WATER PLANT SALES FEES

Skaret explained every year the City Council approves a new fee ordinance for City services and materials and January 1st, 2019 is approaching quickly.

Under the Water Department fees, Skaret explained currently the City charges \$3.50 per 1,000 gallons of unmetered bulk water sold at the Water Plant. He said the City has been charging a minimum charge of a \$1.75. Skaret said the City has been sending out a lot of bills for a \$1.75 because a lot of people don't purchase 1,000 gallons of water. He said the \$1.75 minimum charge is hardly worth the postage, envelope and time to send out.

Skaret said he would propose changing the minimum fee to what the City's residents pay for a minimum monthly charge of \$7.15. He said the usage charge scheduled for 2019 would be \$6.03 per thousand gallons of unmetered water. Skaret said the change would be consistent with what the City charges residents.

THURMER/SIEPKER moved and it was unanimously carried to recommend to the City Council to set the usage charge for unmetered bulk water sales at the Water Plant in 2019 at \$6.03 per thousand gallons of unmetered water and set the minimum charge for unmetered water sales at \$7.15.

UTILITIES COMMISSION VACANCY

Skaret asked Utilities Commission members if they had any suggestions for someone to fill the vacancy of Commission member Wendell Sohn who resigned from the Utilities Commission on September 24, 2018.

Berkner suggested recommending to the City Council the appointment of Jim Lutz. She noted Lutz's experience in the past with the Utilities Commission, City Council and his service as the City's Electric Department Superintendent.

TEMPLE/SIEPKER moved and it was unanimously carried to recommend to the City Council the appointment of Jim Lutz to the Utilities Commission.

ADJOURNMENT

With no further business, the Utilities Commission meeting was adjourned.

David A. Maschoff, Recording Secretary

