

UTILITIES COMMISSION MINUTES
September 30, 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 September 30, 2019 with the following persons present: Utilities Commission Chairperson Gayl Berkner, Vice-Chairperson Kevin Siepker, Matt Madden, Mike Thurmer, Joe Marthaler 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 and Recording Secretary Dave Maschoff. (Utilities Commission member Mike Schwartz was 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 there was a quorum present.

WELCOME NEW UTILITIES COMMISSION MEMBER JENNA SCHWARTZ

Berkner welcomed and introduced new Utilities Commission member Jenna Schwartz. She thanked Schwartz for her interest to serve on the Commission.

APPROVAL OF THE MINUTES FROM THE AUGUST 26, 2019 UTILITIES COMMISSION MEETING

Consideration was given to the minutes from the August 26, 2019 Utilities Commission meeting. Hearing no additions or corrections, Chairperson Berkner declared the minutes approved as mailed.

DEPARTMENTAL REPORTS

Electric Department

MRES Jackson Electric Distribution Maintenance Foreman Jeremy Boogerd reported during the past month, the Electric Department started converting homes over to the underground system as part of this year's underground electric project. He said a couple of blocks of homes were converted over before the Electric Department took a two week break to convert the overhead electric lines to underground on Second Avenue and Maple Street. Boogerd said that work has been completed and the Electric Department is back to working on the main electric project. Boogerd said the Electric Department has also been busy with electric cabling as part of the South Highway Project.

Skaret noted there were a couple of yard complaints received in regard to the underground conversion project.

Boogerd said those complaints have been addressed and taken care of.

Skaret noted it's been slow going on this year's underground electric conversion project due to the rocky condition of the soil on the west side of Jackson. He asked Boogerd if the project is going to be completed this year.

Boogerd said he's hoping by the time the next Utilities Commission meeting is held in October that all the pipe and wires will be in the ground. He said there might be some restoration work and items to be completed. Boogerd said he's working to have this year's underground electric conversion project completed by October 31st. He said he thinks the project will be close to completion by that time.

Boogerd noted the underground contractor is currently going up Morrison Avenue and will be pretty close to finishing that by the week of October 7th. He said the contractor will then start going up the boulevard on Dewey Street and the backyards between Dewey and West Streets. Boogerd said it appears to be better soil in that location so hopefully the underground project will go a little faster.

Skaret pointed out there was a kick-off meeting for the City's AMI project.

Boogerd said the kick-off meeting was held last week. He said it was noted that the AMI equipment will arrive in 60 to 90 days from the date of the kick-off meeting.

Boogerd said the contractor for the project looked at the proposed tower sites for the AMI system and said they should be alright. He said he will need to speak to an electrician to do the preparation work before the tower equipment arrives.

Boogerd anticipates some meters should be arriving soon. He pointed out the contractor wanted 100 meters changed before the collectors were deployed so the collectors could take in data right away.

Skaret asked if that included both electric and water.

Boogerd said they wanted 100 electric and 100 water meters installed. He said he believes Oxborough may already have some water meters that have arrived and been installed but not activated.

Berkner asked where the first meters were going to be installed.

Oxborough reported new water meters are being installed along with the new water service lines to residences along the South Highway Project. He said the new meters won't be able to provide any information until they are equipped with antennas. Oxborough said he is waiting for the antennas to be shipped to the City. He said anyone who needs a new water meter at this point is having their meter replaced with a new AMI meter. Oxborough said one business downtown already has a new water meter. He said the new water meters will be installed as soon as they can.

Boogerd noted the kick-off meeting was on September 17th or 18th and it would 60 to 90 days for the delivery of the meters.

On another note, Berkner thanked the Electric Department for the work they do and restoring power in a timely manner while electrical work was being done in her neighborhood.

Street Department

Street Superintendent Phil Markman reported the Street Department has been working on seasonal transitional chores. He said they have been trying to mow the parks when they can since the seasonal summer help is no longer available.

Markman said the Street Department has been finishing up with street patching. He noted there was a water main break on North Highway on Friday, September 27th which the Street Department assisted the Water Department in repairing. Markman said the asphalt plant is still open so the street will be patched where the break occurred.

Markman reported the South Highway Project is progressing as well as the contractors can. He said curb and gutter has been installed on the west part of the project nearly to Barnel Road.

Oxborough noted water and sewer services are left to be installed to houses along South Highway. He said the water main has been put in the ground.

Markman said contractor MVP was on hand September 30th getting Century Link's lines buried.

Markman said the Street Department has also been doing utility locates for the Underground Electric Project.

Markman noted the street sweeper has been out trying to keep up with the fallen leaves in the streets.

Siepkner asked who takes care of the tennis courts regarding the nets and striping.

Markman said the City is waiting on the contractor to arrive to do the striping. He said the contractor was going to be here a month ago, but the City is still waiting.

Berkner asked when the South Highway Project will be completed.

Markman said that's a great question. He said he doesn't know if the contractor will get their first layer of asphalt on the road this year. Markman said there have been discussions about who's going to maintain the road if the first layer of asphalt doesn't get applied. He noted the asphalt is a County project as South Highway is a County road. Markman said the City just has the infrastructure in it.

Markman noted Springfield Parkway, Cush Street, Jackson Street, Ashley Street from Highway 71 up to the fairgrounds, and River Street from the bridge at City Hall to the south are all County maintained road surfaces along with South Highway.

Skaret said part of reason for the slow progress on South Highway was due to the four feet that was shaved off the hill from the original elevation. He said the utilities in that area ran very deep so it was slow going. Skaret said the contractor is also dealing with very wet soils and heavy clay. He noted some pockets of water were also discovered in that area.

Markman said with the force main being located in that area there is one extra utility that's isn't normally in a City street. He said the contractor had to deal with the gravity sewer and the force main sewer and then had to switch everything over.

Skaret said there were also some issues with Century Link and striking phone cables, unmarked cables and improperly marked cables.

Water Department

Water/Wastewater Superintendent Tony Oxborough reported Aaron Kaderabek started working fulltime as a Water/Wastewater Maintenance worker on Tuesday, September 24th.

Regarding the Ground Storage Reservoir Project, Oxborough said there is no activity currently underway indoors as far as the pump room is concerned. He said the outdoor tank is under construction. Oxborough said the roof of the tank has been installed as panels continue to be added and the tank raised. He said the new tank should be taller than the current water storage tank.

Oxborough said R & R Construction has arrived at the Number 4 Lift Station and are moving dirt. He explained Number 4 is the last lift station before waste goes out to the City's lagoon ponds. Oxborough said the Number 4 Lift Station Project was supposed to have a completion date of October 15th but the electronics panel for the Lift Station was not available. He said the contractor waited until the electronics panel arrived so the project could all be done at one time before the contractor moves on to their next project. Oxborough said the completion date was postponed to November 15th. He said it should be a pretty straight-forward project.

Oxborough said water has just been moved off the ponds so they will be ready for discharge.

Oxborough said the Water/Wastewater Department has been keeping busy as everyone is trying to get their utility work done for the end of the year. He said there have been a lot of utility locate requests for projects. Oxborough said somedays there are 15 utility locates and the next day there's one or two.

Oxborough reported Water/Wastewater Department employee Josh Gruhlke is currently attending school.

Berkner asked if there were any updates regarding the leaks in the water lines at the Jackson Livestock Sale Barn.

Oxborough said a meter has been installed for a month and a half. He said the Sale Barn only uses about 3,000 gallons of water that actually goes into the sewer itself. Oxborough said the Sale Barn has been trying to find a contractor to dig up their water line. He said the water line is leaking so bad that they actually don't have water pressure in the building anymore. Oxborough said the Sale Barn will need a new water service line soon. He noted three months of water usage was going to be recorded before the Sale Barn owner came back to visit with the Utilities Commission. Oxborough said there is another month-and-a-half of water usage information to gather.

As far as the AMI project, Oxborough said the City will need to establish some rules or guidelines. He explained he's going to be on other people's properties as far as shut-offs in their house. Oxborough said he's going to take pictures of the infrastructure in the house before he touches anything. He said if a valve starts leaking, it's not really the responsibility of the City. Oxborough said he would like those rules or guidelines written down regarding those potential situations. He also pointed out if the water shut off at the curb stop is broken or bent and needs to be replaced, that's the responsibility of the property owner because it belongs to them. Oxborough said the City can fix it, but there will be a charge to be determined to the property owner. Otherwise, Oxborough said he's not going to touch it. He said the property owner needs to have working valves in order for the Water Department to install the new water meters.

Berkner asked what would be the best way to get that message out to property owners.

Skaret said there needs to be discussion about possible scenarios and issues that the Water Department could run into when they install the new water meters and establish a uniform policy before we get too far into this project.

Madden asked if there are some other cities that have deployed AMI and have developed policies that Jackson could use as a template in formulating their own policy.

Oxborough said he could reach out to other cities to see what they have for policies.

Oxborough said the matter will be discussed with the Utilities Commission again at a later date.

Thurmer recalled that awhile ago it was discussed about having the water shutoffs in a curb-box that would be owned by the City. He noted if you bought a lot, the curb-box would have already been installed by the City. Thurmer said he thinks that should be considered.

Oxborough said currently it's the property owner's infrastructure and everyone maintains it that way. He said it's up to the City to dictate how they want to handle it.

Thurmer explained the water shut-off can be in the curb-box which could be located in the boulevard. He said when someone develops a lot, the water will come off that curb-box. Thurmer said technically the City installed the water valve in the curb-box and thinks it should go back to that.

Oxborough noted for the South Highway Project, the City is replacing all the utilities to the right-of-way which includes the new water line and shut-off valves.

On another issue, Oxborough reported the water main break that occurred on North Highway is one of the places scheduled to be redone with utilities and street. He said the Water Department was able to repair the break and everything turned out well.

Marthaler asked how old the water main was that broke on North Highway.

Oxborough said the water main was installed in the 1960's.

Thurmer asked about the break in the line.

Oxborough explained it was a lateral crack that ran down the line. He said an 18-inch portion of pipe had to be cut out and a new piece of pipe installed. Oxborough said that area of North Highway is a bad area for water main breaks. He explained there was a lot of pipe that was installed between the 1960's and 1980's and it's terrible pipe. Oxborough said there was poorly manufactured pipe during those years. Oxborough noted another community that replaced miles and miles of water line during that period and now are dealing with miles and miles of water main breaks.

NORTH HIGHWAY AND SOUTH STREET PROJECTS FOR 2020

Skaret said the City Council's Street and Finance Committees have been working for several months. He explained the City has some debt that's coming off the books in 2021 so 2020 would be a good year to do a street project.

Skaret said looking around at the City's streets, it's a question of where do we start and where do we stop because a lot of the City's streets look the same.

Skaret explained the Street and Finance Committees looked at which streets are the most heavily traveled along with the condition of the street and also the underground utilities such as water, sewer and storm sewer.

Skaret said back in the spring, two priority areas were identified by the Street and Finance Committees. He said Option A is North Highway from basically Logan Avenue going west up the hill past the school, past the hospital and around the corner to Sayles Drive. Skaret said that was the top priority.

Skaret said another top priority is basically the south block of Fourth Street from Bailey to the end of the block and then all of South Street from Fourth Street all the way to Dewey Street, about 11 blocks.

Skaret said the City's engineer, Greg Mitchell of Bolton and Menk, put together some cost estimates. He explained when you're redoing a street, it's an ideal time to install new underground infrastructure as well because it just never seems to fail once you put new asphalt on a street you start having problems with the underground infrastructure and end up patching a brand-new street.

Regarding the overall cost estimate for Option A, Skaret said Mitchell broke it down into a couple of pieces from Logan up to the hospital and from the hospital to Sayles Drive. Skaret said the total estimate for North Highway to replace the street, curb and gutter and underground infrastructure is just over \$2.3 million. He noted the sanitary sewer has been lined and won't be replaced. Skaret said there are some other areas that need to be replaced.

Skaret said Option B would be South Street which is estimated at just over \$2.9 million.

Skaret said the Street and Finance Committees really weren't impressed with the bang for the buck on spending that much and just not seeing that much for results on either Option A or B.

Skaret said the Committees looked at combining Options A and B and doing them both hoping to get some economies of scale. Overall, Skaret said combining both projects is estimated at approximately \$5.3 million.

Taking a look at how to finance the combined project, Skaret said the Street and Finance Committees looked at limiting the tax levy impact. He said they wanted to do this project without it resulting in a levy increase.

Working closely with the City's Financial Advisor Shannon Sweeney with David Drown Associates, Skaret explained the project, estimated at just shy of \$5.3 million, is going to be partially financed by having the City kick-in about \$1 million dollars of reserves the City has in the General Fund. He said the City would still be alright as far as remaining reserves.

Skaret said there are some other City Enterprise Fund revenues, namely the Electric Fund. He noted some of the surplus revenues coming into the Electric Fund will be used to offset the cost of the bond for the street project at least for the first few years. Skaret said that would be about \$168,000 a year that would be contributed from the Electric Fund to pay off the bond.

Skaret said there would be water and sewer rate increases based on a customer using 3,500 gallons of water per month. He said for the water, there would be about a \$4.60 per month increase in water bills due to this street project. Skaret noted the increase in water rates is above and beyond what was set out in the City's rate structure that was approved a couple of years ago.

On the sanitary sewer, Skaret said the increase would be about a \$1.81 per month impact.

Skaret explained if the City did not utilize the other Enterprise Fund revenues, the City would be looking at about an 11 percent tax levy increase. Skaret said the Finance Committee feels this is a much better way of paying for the project verses doing a tax levy increase of that magnitude.

Skaret referred to the map distributed to the Utilities Commission members that outlines the areas that will be improved on South Street and North Highway. He said the project ideally would take place in 2020 and then the contractor would come back and finish the project in 2021. Skaret said in 2020, the major underground utility work would be done and the first layer of asphalt would be applied. He said in 2021, the second layer of asphalt would be put down along with the other clean-up work and punch list items. Skaret said planning would then start for the next project which would be in about 2023 or 2024.

Berkner asked if there was any idea of what that future project might be.

Skaret said there are a lot of ideas and a lot of areas to go after.

Markman explained a list of streets that needed work was compiled when former Street Superintendent George Tauer was retiring. He said Tauer, Greg Mitchell and himself looked at curb and road surface and made a priority list. Markman said that list was then given to the Water Department. He said former Water/Wastewater Superintendent Steve Beckel reviewed the list and noted where the Water Department has had the most water main breaks and issues with underground infrastructure. Markman said from that a top ten list was compiled. He said that list included some alley work as well and additional items.

Markman said the street that was number one on the list and has been on the list forever is Emily Street. He said work on Emily Street has been pushed back. Markman said he has received calls from the High Rise about their retaining wall that's starting to fall along with sidewalk issues along Emily Street. Markman said he's been trying to patch Emily Street the best he can. He said the list that was compiled also included some of North Highway and some of South Street. He pointed out with the spring we had in 2019, South Street got moved way up on the list. Markman said there were some massive frost heaves on South Street which were the worst he's ever seen. He said all communities were experiencing similar frost heaves this spring.

Markman said the Street Committee's take on it was to reconstruct the most travelled streets such as North Highway. He said pre-planning will need to take place to maintain access to the high school, hospital and the Good Samaritan Center. Markman noted the Good Samaritan Center does have another option for access.

Markman said it's a collaboration of all the City Departments on determining what's a priority as far as street projects.

In response to a question from Siepker regarding financing of the 2020-2024 Street Reconstruction Plan, Skaret explained how some of the City's debt is coming off the books so new debt can be added without the levy going up. He said the City will be doing about a \$4 million bond for the North Highway and South Street reconstruction project. He said the levy that would have been going towards the other bonds will now go towards the new bond but it will be capped. Skaret explained what would be normally going on the levy will be covered by the surplus Electric Fund revenues. He said the water and sewer projects will be paying their own way.

Thurmer asked what the bonding rate is at.

Skaret said the numbers in the information before the Utilities Commission were based on a bond of 20 years at an interest rate of 3.5 percent. He said right now, the bond rate is around 2.75 percent. Skaret said the numbers in the information provided is a worst-case scenario.

Siepkner asked if the water and sewer rate increases presented in the information could go down.

Skaret said the rates could be less.

Thurmer asked if the City could do any more as far as projects. He noted the interest rate is so good that he thinks the City should do as much as they possibly can.

Skaret explained this is a very large project as it is. He said this is as much as the City could reasonably do at one time. Skaret said in talking with Engineer Greg Mitchell, the City would like to do this project in one season, but it may be spread out over a couple of years. He said it may also be split up among a couple of contractors. Skaret noted this project may be too big for one contractor to take on. He said there may be one contact for North Highway and another for South Street.

Siepkner asked Boogerd if the street reconstructions would interfere with the newly buried underground electric lines.

Boogerd explained there should be no problem as the lines are buried in the the boulevard along those streets.

Skaret noted a lot of towns that are doing street projects have special assessments on the property owners along the reconstructed street. He said the City is not doing special assessments for the North Highway or South Street projects. Skaret said a lot of towns have a levy increase, water and sewer rate increase, plus on top of that a special assessment. He said you might have a special assessment of \$10,000 on a lot very easily on a street reconstruction project. Skaret said the City of Jackson is not doing that. He said the City Council has had discussions about that and they're very adamant at this point of not doing special assessments.

Berkner noted special assessments were used for the downtown project in the 1980's. She said she wouldn't want to ever impose special assessments on anybody.

Berkner said if there weren't any further questions, she would entertain a motion.

THURMER/SIEPKER moved and it was unanimously carried to recommend to the City Council to move forward with planning for the North Highway and South Street reconstruction project for 2020.

Other:

Painting of crosswalks and parking spaces

Siepkner noted the Street Department has been painting crosswalks and the lines for parking spaces in town.

Markman said the Street Department has been painting between rain showers. He also noted some of the Street Department staff have been gone from work for various reasons. Markman said in one more day, the painting should be completed.

ADJOURNMENT

With no further business, the Utilities Commission meeting was adjourned at 4:51 p.m.

David A. Maschoff, Recording Secretary

