

**TOWN OF FAYAL**  
**4375 SHADY LANE, EVELETH, MN 55734**

*Judy M. Sersha, Clerk/Treasurer*

*Steven J. Kniefel, Chairman*

*Supervisors: Tony Tammaro, James Pernu, Lee Branville, Mike Erjavec*

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**REGULAR MEETING OF THE FAYAL TOWN BOARD**

**MAY 17, 2011**

The Regular Meeting of the Fayal Board of Supervisors was called to order at 7:00 PM by Chairman Kniefel. Present were: Chairman Kniefel, Supervisor Erjavec, Supervisor Branville, Supervisor Pernu, Supervisor Tammaro and Clerk Sersha.

Audience members in attendance were: Steve Shykes, Jerry Ulman, Brad Reifsteck, Jim Johnson and Bruce Williams.

***Motion to approve the April 13 - May 3, 2011 Board of Equalization minutes made by Supervisor Branville, support from Supervisor Pernu. Motion carried unanimously.***

***Motion to approve the May 3, 2011 Regular Meeting minutes made by Supervisor Branville, support from Supervisor Pernu. Motion carried unanimously.***

**REPORTS**

**Clerk/Treasurer's Report**- For the month of April 2011 there were total revenues of \$43,603.59 and expenditures of \$64,557.60 leaving ending balances of:

Miners Bank-           \$151,567.72  
Assessment Savings-   \$460,319.34  
Mt. Iron Checking-   \$695,494.51

For the month of May to date, there have been revenues of \$7,867.10 and expenditures of \$41,630.95. A transfer in the amount of \$149,239.60 was made from Miners Bank to Mt. Iron Checking.

For the year 2010, the Fayal Water Company revenues were \$69,175.99, there were expenditures of \$62,248.52. Cash balance was \$3,986.06, after receipting \$2,157.72 CD interest earned from June 2009 through December 2010. Other balances were: Maintenance Contingency- \$30,576.22, Depreciation not in CD- \$5,068.76, Test Fees- \$28.37 and Standby Water- \$7,244.39.

For the year 2010, the Fayal Sewer Company revenues were \$359,362.52, there were expenditures of \$316,071.41. Cash balance was \$108,666.28 after receipting \$10,230.20 CD interest earned from June 2009 through December 2010. Other balances were: Maintenance Contingency- \$26,176.21, Depreciation not in CD- \$37,269.70, PUC Truck Depreciation- \$9,796.68, Sewer Access Charges- \$25,900.96.

Certificate of Deposit Balances:  
Employee Benefits- \$108,410.42  
Sewer Replacement- \$28,785.52  
Capital Equipment- \$125,025.79  
Sewer Depreciation- \$232,730.60  
Waterline Depreciation- \$51,601.02

The casual labor hiring committee hired Jerry Ulman as the waste site attendant for this spring and fall.

***Motion to approve the Clerk/Treasurer's Report made by Supervisor Erjavec, support from Supervisor Branville. Motion carried unanimously.***

***Motion to accept the May 11, 2011 EFGSD Joint Rec minutes, made by Supervisor Tamaro, support from Supervisor Pernu. Motion carried unanimously.***

***Motion to accept the May 10, 2011 E-F Cable TV minutes made by Supervisor Tamaro, support from Supervisor Pernu. Motion carried unanimously.***

***Motion to accept the April 13, 2011 Fire Department Regular Business Meeting minutes, made by Chairman Kniefel, support from Supervisor Pernu. Motion carried unanimously.***

### **CORRESPONDENCE**

Fahrner- Quote for crack sealing the town hall parking lot. Referred to Old Business.

MN Energy- Notices of evidentiary and public hearings for the last two rate cases. Placed on file.

Mike Skubic- The new dump truck chassis is built. Payment needs to be made within 30 days of factory invoice. Placed on file.

MacQueen Equipment- Dump truck chassis should be delivered by June and Towmaster will advise on delivery of hi-way sander and plow package for mounting sometime in July or August. We will be invoiced accordingly. Placed on file.

City of Eveleth- Turbidity Exceedance Notice, Eveleth did not meet treatment requirements. Placed on file.

MAT- Membership cards. Distributed to Board members.

### **OLD BUSINESS**

#### **Supervisor Erjavec-**

**Sewer Rate Study-** Gilbert will have to open their books now that a discovery date has been set.

**Water Rates-** The PUC voted to extend the water contract with Eveleth for five years, and to raise the Fayal water rates 85 cents per thousand. Supervisor Erjavec spoke with Mike Wiskow of Eveleth regarding a 5 year contract between Fayal and Eveleth for water, and Mr. Wiskow has requested a letter be sent by the PUC requesting another contract. The taste problem with Eveleth water should improve because Eveleth found they were treating the water twice with ammonium sulfate. This has been rectified, and the water should be better.

As for raising the Fayal water rates, Erjavec stated he and Supervisor Tamaro are looking at ways to cut costs rather than raise rates. The two supervisors will be making the suggestion to not have the wastewater operator attend monthly PUC meetings, unless requested, and instead to submit a written monthly report, and to limit his hours to 32 per week. Also, the monthly maintenance contingency set-aside could be reduced to the original amount, since there is over \$30,000 in the fund.

#### **Supervisor Branville-**

**Building Committee Proposals-** DSWG has been re-scheduled to attend our next meeting on June 7.

**Township Sign Project-** John Damberg is waiting to hear from Mesabi Sign, the price will remain the same.

#### **Supervisor Pernu-**

**Township Grounds-** Clean-up and mowing has begun, two trees were removed that were next to the town hall.

#### **Supervisor Tamaro-**

**Town Hall Parking Lot-** A quote was received in the amount of \$4,500, from Fahrner to crack seal the parking lot, and for \$3,000 to fill the transverse cracks on Thunderbird Trail.

**Motion to accept the quote in the amount of \$4,500 from Fahrner to crack seal the parking lot, made by Supervisor Tammaro, support from Supervisor Pernu. Supervisor Branville asked if there was not anyone in the area that could do the job? Brad Reifsteck stated that requests for proposals were sent out to 4 different businesses, and Fahrner is the only one that responded. Supervisor Tammaro stated the county is also using Fahrner. Motion carried unanimously.**

Supervisor Tammaro stated we may look at seal coating the parking lot after the crack sealing is done.

**Motion to accept the quote in the amount of \$3,000 from Fahrner to fill the transverse cracks on Thunderbird Trail, made by Supervisor Tammaro, support from Supervisor Pernu. Motion carried unanimously.**

IRRB Grant- Supervisor Tammaro reported he met with Brad Reifsteck and a representative from Conservation Technologies. It is very feasible to install solar panels at the town hall. Discussion.

**Motion to request the IRRB authorize the use of our waterline grant to an energy grant, made by Supervisor Tammaro, support from Chairman Kniefel. Motion carried unanimously.**

### **NEW BUSINESS**

Chairman Kniefel distributed copies of a draft revised Animal Ordinance for the board's consideration.

Short discussion on summer meeting schedule.

Motion to cancel the first two Regular Meetings in the months of July and August, and hold only the second meetings of those months, made by Supervisor Tammaro, support from Chairman Kniefel. Motion carried unanimously.

### **CITIZEN CONCERNS AND COMMENTS**

Steve Shykes, Jerry Ulman, Jim Johnson, Brad Reifsteck and Bruce Williams had no comment.

Motion to pay the bills, made by Supervisor Tammaro, support from Supervisor Branville. Motion carried unanimously.

Chairman Kniefel then asked for a motion to close a portion of the meeting to discuss the Gilbert mediation/litigation with Attorney Bruce Williams.

**Motion to close the meeting made by Supervisor Branville, support from Supervisor Pernu. Motion carried unanimously.**

Regular Meeting closed at 7:32 PM.

Chairman Kniefel opened the meeting at 7:55 PM.

**Motion to authorize a 24 hour composite sample test, five days a week for thirty days, made by Supervisor Erjavec, support from Supervisor Pernu. Motion carried unanimously.**

Motion to adjourn by Supervisor Tammaro.

Chairman Kniefel adjourned the Regular Meeting at 7:56 PM.

Respectfully submitted,

Judy M. Sersha  
Clerk of Fayal

Approved: \_\_\_\_\_  
Chair

Date: \_\_\_\_\_

Attest: \_\_\_\_\_  
Clerk