

TOWN OF FAYAL
4375 SHADY LANE, EVELETH, MN 55734

Judy M. Sersha, Clerk/Treasurer

Steven J. Kniefel, Chairman

Supervisors: Tony Tamaro, James Pernu, Lee Branville, Joe Stewart

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REGULAR MEETING OF THE FAYAL TOWN BOARD

DECEMBER 18, 2007

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 Stewart, Supervisor Branville, Supervisor Pernu, Supervisor Tamaro and Clerk Sersha.

Audience members in attendance were: Mike Erjavec, Scott Smith, Mike Knutson, Steve Shykes, Eric Kunnari, Kevin Kunnari, Ben Delich, Carson Krueger and Chris Harrington of Bougalis Construction.

Motion to approve the minutes of the December 4, 2007 Regular Meeting, made by Supervisor Branville, support from Supervisor Pernu. Motion carried unanimously.

REPORTS

Clerk/Treasurer's Report- Beginning balances as of December 1, 2007 are as follows:

Mt. Iron Checking-	\$635,610.03
Miners Bank-	\$41,657.24
Assessment Savings-	284,432.04

For the period of December 1-18, 2007, there have been \$355,150.01 in receipts of which \$325,977.14 was the December apportionment received from St. Louis County. Expenditures were \$39,711.54. All departments have been fully funded with the exception of Road & Bridge and General.

Certificate of Deposit Balances:

Standby Water-	\$30,633.15
Waterline Depreciation #1-	\$36,470.00
Waterline Depreciation #2-	\$ 5,941.30
Capital Equipment-	\$110,517.41
PUC Truck Depreciation-	\$19,892.74
Employee Benefits-	\$72,649.43
Sewer Replacement Fund-	\$10,426.70
Sewer Depreciation #1-	\$68,660.36
Sewer Depreciation #2-	\$60,784.58
Sewer Depreciation #3-	\$42,756.44

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

Motion to accept the December 12, 2007 EFGSD Joint Rec Regular Meeting minutes, made by Supervisor Tamaro, support from Supervisor Branville. Motion carried unanimously.

Motion to accept the November 13, 2007 Public Utilities Commission Regular Meeting minutes, made by Supervisor Branville, support from Supervisor Pernu. Motion carried unanimously.

Motion to accept the November 14, 2007 Fayal Fire Department Regular Business Meeting minutes, made by Supervisor Stewart, support from Supervisor Branville. Motion carried unanimously.

CORRESPONDENCE

Sam Aluni, Trenti Law Firm- The most current version of the Memorandum of Understanding, drafted by Aluni for Gilbert, between Gilbert and Fayal for the Sparta Sewer Project. They would like the document to be executed as soon as possible so that the project timetable is not jeopardized. Referred to Old Business.

SLC Auditor- List of properties that have forfeit to the State of MN for non payment of real estate tax. One parcel is in Fayal. The town board may provide relevant information to the county board prior to classification of the property as conservation or non-conservation. Clerk Sersha also sent letters to the Land department and Auditor asking that the town’s special assessments on such properties be either collected at the time of sale or that the auditor and land department coordinate how those funds will be forwarded in the township. Placed on file.

MN Ass’n of Twps- The Insurance Trust is increasing the amount of coverage they currently provide under our E & O policy effective Jan. 1, 2008, to coincide with the increase in liability for a variety of tort claims, per the change in state statute. The coverage will be increased to \$1.5 on July 1, 2009. Since the Township Association is now offering work comp insurance for firefighters, Supervisor Stewart and Fire Chief Shykes will check on prices. Placed on file.

Diane Stewart, billing clerk- Memo asking for reconsideration on her clothing allowance request. Referred to Old Business.

OLD BUSINESS

Supervisor Branville-

Golf Course Road Sewer- Three quotes were received to extend the sewer line to make connections to two parcels owned by Eric Kunnari, those being:

<u>Contractor</u>	<u>Total Quote</u>
Bougalis Construction Inc.	\$39,044.47
Jola & Sopp	\$49,546.00
USA, Inc.	\$69,394.75

The engineer’s estimate is \$40,023.50. Julie Kennedy of SEH reviewed the quotes and recommends that if the Board chooses to proceed with the project, the contract be awarded to Bougalis Construction.

Chris Harrington of Bougalis Construction was present in the audience and informed the Board that he is withdrawing his quote, due to the water conditions in that area that were unknown to him at the time he quoted the project.

Motion to table action on the quotes and refer the issue to the PUC, made by Supervisor Branville, support from Supervisor Tammaro. Motion carried unanimously.

Eveleth Water Agreement- The revised agreement was signed by Fayal and forwarded to Eveleth. They will be considering it again at their meeting tonight.

Kaleva Island Sewer- The mound system installed for the Louma’s is now operational. The PUC has advised that everyone abide by the original agreement signed by the Louma’s and the township. There will be no switching back and forth between the mound system and the municipal sewer and the valve that was installed will be capped off/removed in the spring. We will be receiving an additional bill from M&M Electric for the electrical work on the project.

Supervisor Pernu-

Office Ventilation Project- Information is still being compiled for the grant application. The air quality readings were received from Phyllis Carrier of the Hibbing College.

Supervisor Tamaro-

Gilbert Rate Negotiation- Nothing at this time.

Sparta Sewer Project- The agreement received from Gilbert's attorney Sam Aluni made no mention of any technical aspects, that are a concern to Fayal. Supervisor Tamaro will contact John Jamnick and the Mayor of Gilbert. Supervisor Branville will contact Julie Kennedy for her input on concerns the town has with the project.

Keuten Sewer Connection- The issue has gone to court for a second time, with orders by the judge to connect and two fines being paid. The connection has still not been made. Discussion on how to proceed. The issue was referred to the PUC.

Diane Stewart Request- The board reviewed the memo, but took no action.

NEW BUSINESS

Supervisor Branville reported that Dale Dickson would like to attend the MPCA Wastewater Operators Conference on January 23,24, & 25 to be held in Minneapolis. Cost of the conference is \$270.00, plus room, food & mileage.

Motion to authorize Dale to attend the MPCA Wastewater Conference on January 23, 24 & 25, made by Supervisor Branville, support from Supervisor Pernu. Supervisor Tamaro questioned where the money would come from to pay for it? Supervisor Branville stated it will come out of next year's budget and we will find the money, because it is important that he attend the conference. Motion carried unanimously.

Supervisor Branville reported that there will be additional expense for installing the software into the lift station computer. US Filter has been contacted to help with this project. Cost at this time is unknown.

Supervisor Branville reported that Fayal Township has been awarded \$100,000 by the IRB for the waterline project on O'Laughlin Square. A letter of thanks will be sent by the Board upon receipt of the formal grant award.

Chairman Kniefel read aloud the SEH letter and proposal for engineering services for the year 2008. No engineering firm was appointed at the last reorganization meeting, a motion was made to use engineering services on an as-needed basis. Chairman Kniefel stated that with the various projects we are working on, we need an engineering firm.

Motion to appoint SEH as the town's engineer for 2008, per their proposal and rates, made by Chairman Kniefel, support from Supervisor Branville. Kniefel, Branville, Stewart and Pernu voted yes. Tamaro voted no, stating he thought we only needed an engineering firm on an as-needed basis. Motion carried.

Chairman Kniefel stated that preliminary budget discussions will begin at the January 8, 2008 meeting. Clerk Sersha will provide updated budget numbers prior to the meeting.

Eric Kunnari has requested a promissary note for payment to the town for two water access fees totaling \$7,000.

Motion to authorize a promissary note in the amount of \$7,000 for two water access charges to Eric Kunnari, payable over a 5 year period at 3.5% interest, made by Supervisor Tamaro, support from Supervisor Branville. Motion carried unanimously.

CITIZEN CONCERNS AND COMMENTS

Kevin Kunnari questioned if any IRB grant funds were received for sewer extensions? Supervisor Branville stated that the funds were received for replacement of a waterline on O'Laughlin Square.

Mike Erjavec was in attendance but had no comment.

Fire Chief Steve Shykes was in attendance and reported that fire officers were elected for 2008, and the officers are the same as 2007. Shykes also reported we have a very good chance of getting another Homeland Security grant soon.

Scott Smith, Mike Knutson, Ben Delich and Carson Krueger were in attendance but had no comment.

Motion to pay the bills, including the A-1 bill for the Louma sewer that was rejected for payment at the last meeting, but not to pay the additional charge of \$350 for valves, made by Supervisor Branville, support from Supervisor Pernu. Chairman Kniefel stated the additional work was authorized by Supervisor Tammaro, and the town's financial policy states a supervisor can authorize up to \$750. Chairman Kniefel questioned why A-1 should not be paid for authorized work? Supervisor Branville stated the work should not have been done in the first place, but it was an error, and agreed the bill should be paid in full.

Supervisor Branville amended his motion, with support from Supervisor Pernu, to pay the entire A-1 bill. Supervisor Branville stated that we will also be receiving an additional bill for the Louma sewer for electrical work performed by M & M Electric. Motion carried unanimously.

Motion to adjourn by Supervisor Tammaro.

Regular Meeting adjourned by Chairman Kniefel at 8:07 PM.

Respectfully submitted,

Judy M. Sersha
Clerk of Fayal

Approved: _____
Chair

Date: _____

Attest: _____
Clerk