

# PUBLIC UTILITY COMMISSION

## REGULAR MEETING

### JANUARY 10, 2017

The regular meeting of the Fayal Public Utility Commissioners was called to order at 7:00 p.m. by Chairman Dennis Pernu. Present were: Dennis Pernu, Cal Turner, Greg Buckley and Deputy Clerk Diane Dickson. Chris Erickson was absent.

Audience members in attendance were Town Board Supervisor Pat Ziegler and Chairman Tony Tammaro arrived at 7:08.

#### APPROVAL OF MINUTES

- **Motion to approve the regular PUC meeting minutes of December 13, 2016 made by Turner, second from Buckley. Motion carried unanimously.**

#### GUESTS

Town Supervisor Pat Ziegler announced he is the new PUC liaison, commissioners welcomed Pat.

#### CORRESPONDENCE

MPCA 43<sup>rd</sup> Collection System Operators Conference.

Request from Dale Dickson to attend the 43<sup>rd</sup> Annual Collection System Operators Conference held on March 27-28-29 2017 in Brooklyn Park, MN.

Request from Diane Dickson to attend the 43<sup>rd</sup> Annual Collection System Operators Conference.

- **Motion by Turner to send Dale and Diane Dickson to the MPCA annual Collection System Operators Conference, second by Buckley. Motion carried unanimously.**

Delinquency Report as of 12-22-16 \$7,844.06. Buckley would like to see what has been certified and is outstanding if it is possible. Diane has been tracking on a spreadsheet.

December 2016 Water/Wastewater report. Reviewed and placed on file.

2013-2016 Annual Wastewater average to Gilbert. Reviewed Cal states only the price has went up.

2016 Annual Pager call outs. Reviewed and placed on file.

2016 Annual PFA Replacement fund totals. Reviewed the PUC spent most of it on the SCADA upgrades. We will add that to the report.

Planning Committee would like to get together and meet in February. The second Tuesday is Valentines possibly move the PUC meeting to Wednesday and meet before or after the Planning meeting which is held at 5:30.

- **Motion by Buckley to change the PUC meeting to Wednesday February 15, 2017 at 4:30 then meet with the Planning Committee immediately after, second by Turner. Post the meeting. Motion carried unanimously.**

#### OLD BUSINESS

Annual water and sewer rate review. PUC wanted to wait for Chris. Chairman Tammaro stated it needs to be done so the Town Board has time to approve it, before the February bills go out and the notice can be sent.

Read the email from Chris explaining the extra depreciation expense in FWC \$62,000, that number is the amount we are depreciating for the entire water system put in 20-30 years ago for \$4M. It has a 65 year useful life, it is being depreciated over 65 years at \$66K a year. We are funding \$4K the difference is the unfunded depreciation of \$62K the last line of our FWC income statement. Chris's opinion the FWC is cash flow positive and we are funding \$4k a year depreciation. He feels we could easily absorb the increase and remain cash flow positive. However, if we decided to fund the \$66k (to pay cash for our grandchildren's new replacement water system) we would have to double our current rates or something

like that. Lengthy discussion if we should raise the rates. Supervisor Ziegler feels we should be raising some, Eveleth hasn't raised the rate in years and that is why they had such a large increase. PUC believes we should do a modest raise to keep in line with the increase. Repairs can eat up your depreciation quickly. Eveleth is raising up 30% if we go up 30% it will be \$1.50 and \$1.95. Diane states the normal bill is \$20 now so it will go up by \$6.00 that is a lot. Greg asks if that is the normal. The average is 4,000 gallons a month. There are some bigger users, Pat states the average usage is 1,000 gallons per person per month. Cal is wondering due to Eveleth's approach of increasing maybe next time it won't be such a big jump, and Chris believes we can absorb the increase, if we could increase by half now and in a year raise again. Everyone feels \$6 is way too much. So if we go \$3 this time and look at it again. If we could pick up half of the increase this time and the rest in a year or see what the rates are then.

- **Buckley make a motion to raise the water rates to \$5.75 on tier #1, \$7.50 on tier #2, effective March 1, 2017, second by Turner. Motion carried unanimously.**

Notice will be sent out in the February bills.

Copy of letter for the sewer rates to be sent with the Feb 2017 bills.

SCADA- IRC found the big generator at the Town Hall needs repair.

Request the PUC garage to be put on the generator. Power outage during -25° emergency lighting did not work and had to stumble around to get the door open and connect the generator. Chairman Tammaro states we are working on a FEMA grant to pay for this. We will work on it.

Dale had A-1 lift station go down in the morning and wouldn't run, Hometown Electric was called. They called A-1 sewage to come and pump, they couldn't get the truck out, the door was broken. So, they had a small spill and the Duty Officer was called as soon as he got back to the office. The lift station was up and running

### **NEW BUSINESS**

Clerk Coldagelli reported the PUC generated #1,736.30 from sales from Do. Bid old radios and PLC's. Cal attended the second meeting in Gilbert with Stantek and the incoming council. It looks like Gilbert doesn't have an option on the mercury emissions. Jamnik is not happy, they will spend \$8M to remove 2 tablespoons of mercury and then they will put it in the dump. The only way to get around it is to change the mercury standards. It could get delayed if they went together with another city. Ziegler says the Gilbert council were made to believe they had no other options and they had to do this project. Ziegler talked to the MPCA at a convention about the situation they said if Gilbert would have come to them and said they are looking into a joint community plan they would have back off for a while. Pat says even after they put \$8M into the plant there is no guarantee they will meet the mercury emissions. Stantek is a very good company for water and sewer. Cal is wondering why Stantek didn't come up with the idea. Pat said that Gilbert met with Eveleth and talked about it for about 30 minutes and they wanted to go and look at the plant. As soon as they heard Eveleth would have to put in about \$2M in upgrades, to increase our capacity. They said they are not going to put \$2M in Eveleth they would just upgrade their own plant. Eveleth re-did the sewer plant 9 years ago that increased their capacity. Eveleth has room for Fayal but not Fayal and Gilbert has no control on there I & I. Gilbert has 4 employees running the plant and Eveleth has 2 plus Pat a floater who fills in. Tony said if there is a project with 4 entity's on the plan it would have a better chance of getting funding. Stantek feels Gilbert should be able to get 80% of the project funded. And then the next thing coming is the phosphates emissions, City of Virginia is looking at that. There are some petitions in the works trying to get the MPCA to stop these emission standards that cities can't even meet.

### **TREASURER REPORT**

Treasurer report as of 12-30-2016 year to date was provided by Clerk Coldagelli this is preliminary there will be adjustments made to the final 2016 by the auditor. FWC Revenues \$72,864.37 Expenditures \$56,379.40 Cash Bal. \$58,704.59.

FSC Revenues \$530,554.13 Expenditures \$505,035.49 Cash Bal. \$200,155.18.

### **CABLE**

Buckley reported nothing new with the Cable Commission.

**GAS**

Long Lake Gas Line project- nothing new.

Miller Trunk project- nothing new.

**STREET LIGHTS**

Nothing at this time.

**FYI**

Next PUC meeting Wed. February 15, 2017 @ 4:30 including a joint meeting with the Planning Committee.

- **Motion to adjourn the regular meeting made by Turner, support from Buckley. Motion carried unanimously.**

Chairman Pernu adjourned the regular meeting at 7:57 p.m.

Respectfully submitted,



Diane Dickson  
Fayal Township Deputy Clerk  
PUC Coordinator/Billing Clerk

Approved 2.15.2017

