

PUBLIC UTILITIES COMMISSION

REGULAR MEETING

JANUARY 9, 2018

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

Audience members in attendance were Town Board Chairman Tamaro and Town Board Supervisor Pat Ziegler, Senior Water Wastewater Operator Dale Dickson, John West and Keith Maloney.

APPROVAL OF MINUTES

- **Motion to approve the regular PUC meeting minutes of December 12, 2017 made by Greg Buckley, second from Cal Turner. Motion carried unanimously.**

CORRESPONDENCE

Delinquency Report as of 12-22-17 \$12,302.43. Reviewed and placed on file.

December Water Wastewater report. Reviewed and placed on file.

12-13-17 MN Energy Resources Notice of a hearing for application for Rate Increase. Chris believes they are raising the rate 3.89%.

12-22-17 Certify Summary \$17,358.26 was removed from Banyon and placed on the 2018 payable tax role. Diane reported there were some changes from the last list. Placed on file.

1-4-18 MN Public Facilities Authority semi-annual payment due 2-20-18 \$10,949.35. Chairman Tamaro stated it is less than it was when it started it used to be the same as the regular payment.

Request by Dale Dickson and Diane Dickson to attend the MN Rural Water Assoc. 34th Annual Water and Wastewater Technical Conference March 6-8 2018 at Civic Center in St. Cloud MN. \$230 early registration. Dale has not been there for three years.

- **Motion by Chris Erickson to recommend the Town Board approve the expenditures for Dale and Diane to attend the MN Rural Water Association Conference in March 2018, support by Cal Turner. Motion carried unanimously.**

GUESTS

John West, following up on refunding WAC. Chairman Tamaro explained it failed at the Town Board 3-2. He advised looking at the ordinance. He found we can update the ordinance but we can't back date it. He asked Dale to come tonight and talk about the maintenance of the Pine Drive waterline. Chairman Tamaro believes we cannot give the money back. Chris stated he felt Fayal legally had the right to charge the fee before 2007 because Fayal owned the line then, but his concern was if it was fair. He was on the fence because it sounded like Fayal did not repair or maintain the line as an owner normally would. At last month's meeting, the PUC members were told that Eveleth, not Fayal, was maintaining the line before 2007. Based on that information Chris felt this situation was a grey area and Fayal should not be charging fees in gray areas. His motion to refund the fee at the last meeting was based on the understanding that Fayal was not maintaining the line. However, at this meeting new information was presented to the PUC by Senior Water Wastewater Operator Dale Dickson which conflicts with information provided by others at the last PUC meeting. Dale stated that Eveleth did not maintain the line until 2007 when Fayal started purchasing water from Eveleth. Prior to 2007 it was Fayal's line and Dale serviced the hydrants. John West asks did the Town ever dig up or repair a leak or just servicing the hydrants. Dale stated he serviced, flushed and did normal maintenance on the line and hydrants. Fayal did not have any waterline breaks at the time. John thought the fire department serviced the hydrants. Dale said no they don't. The first year when Dale started the fire department had flushed the lines and that was the last time in 2000. Chairman Tamaro said at the Town Board they thought they

would change the ordinance. He called the League of MN and the Township Association. They said you can change the ordinance but you can't back date it. It would only be moving forward. John West asks when someone pays the \$3500 is the Township obligated to give them the service. Chairman Tammaro asks did you get water when you paid and signed the agreement, yes. Pat Ziegler asks about who supplied parts. Dale said Fayal supplied all of the parts except the water meter Jack from Eveleth was there and did the tap into the waterline. John is disputing what he received for his \$3500 which was no service no water. Chairman Tammaro asks when we put a big meter in then Fayal gives you a meter are you going to pay Fayal \$3500. John replied we will deal with that when the time comes. Pat Ziegler feels we should still change the ordinance at this time. Keith Maloney asks why has he been paying Eveleth the whole time and the agreement was in 2007. Dale explained the agreement was Eveleth would take ownership of the line. In order to purchase bulk water from Eveleth they would take over ownership of the Pine Dr. waterline. Eveleth has always had the water in the line. It was Eveleth's line coming up to Pine Dr. When we ran the waterline to Gilbert to get water from them. They extended the waterline across the Hwy and did both ends of Cedar Island Dr. Cal says you were charged historically by one entity both times. They paid Fayal for an Access charge and they paid \$75 for a water connection fee, which includes the meter. Pat says the Eveleth water meter is free. Cal says the price includes the meter in the fee, without the meter you won't get water. Pat says the meter is included in the \$75 tie in fee. Cal says that is his point the meter is included. Pat says some customers don't get a meter because they have a crawl space and then they pay extra for a flat fee about 10,000 gallons. Dale can't believe they would do that if there was a toilet stuck, or a water leak they would never know. Chris gives an overview, the waterline was installed in 1991. It switched ownership in 2007, so there was a 16 year period were Fayal owned it. During that 16 years was there ever a break or was there ever maintenance needed. Who went out to fix it? Dale stated when he first started we used to get calls from Mary Maki whenever her water stunk. They told Dale he had to go and flush the dead end line because it smells. Albert and Steve showed Dale how to flush it because they had so many issues with it. Chris stated that his motion to refund the fee was based on the premise that we were not acting as a normal owner would, but based on the new information provided by Dale, it sounds like Fayal did it right. Dale said we haven't had a waterline break in 18 years, we had one service line break. It's not fair to ask how many times you fixed the line it's only a short line and our lines are newer so we don't have many issues. John asks if it's Fayal's line why didn't we hook him up. Dale states it is not part of our agreement we don't hook up people or thaw frozen water lines. The home owner hires a contractor to make the connection. We charge an inspection fee Dale has to be there while the contractor is making the connection. Chairman Tammaro states it's not a hook up charge it is an access charge, it's to access the waterline, no matter who hooks it up. Dale says we have never hired someone to hook up it's always the home owner. Dale states when he lived there he paid a contractor to make the connection, Eveleth did not make the connection. John says that is a hefty fee just to access the line. Dale says there was water in the line it wasn't a dry line. Where you get the water from doesn't affect the fact that we charge for the access of the waterline. Chairman Tammaro states he is not trying to be mean but, you did not have to tie into it. Greg Buckley says the matter has been voted on, as far as he is concerned it's done.

OLD BUSINESS

PINE DR. SEWER EXTENSION- Chairman Tammaro says its dead until someone signs the agreement with IRRRB, he has until the end of June. If it's not done they would have to bring it back to the board. Chairman Tammaro asks Diane to send out an email. Zach has been in contact with IRRRB. Tabled. Copy of Potential Options for Pine Drive Sewer Extension. Three options were presented to the IRRRB. Chairman Tammaro suggests waiting to see if the project happens. The developer is changing his plans, no sense in spending time on it for now. Tabled. John asks about the 3 options but we are not doing anything with it now. Chris was talking about coming up with another option. Chairman Tammaro says nothing will be hidden they will be notified.

FYI Chairman Tammaro reports there was a meeting with the owner of Bullfrogs building. He is going to secure the building by boarding it up by Friday 1-11-18. He is meeting with the bank Thursday and calling Chairman Tammaro on Friday. He is trying to get money from the escrow it is contract for deed. We will be meeting again next week. More to follow.

NEW BUSINESS

Nothing at this time.

TREASURER REPORT

Treasurer report provided by Clerk Coldagelli as of 12-31-2017. Year to date.

FWC Beginning balance \$52,793.31 Revenues \$79,943.54 Expenditures \$63,931.24.

Current cash balance \$66,020.66.

FSC Beginning balance \$223,502.32 Revenues \$544,119.81 Expenditures \$530,292.97.

Current cash balance \$248,091.73.

The Water Co. was cash flow positive last year by \$16,000. Cash balance went up a similar amount. The Sewer Co. was cash flow positive by about \$14,000, and the cash balance will probably tip from slightly cash flow positive to slightly cash flow negative next year. Diane sent out a spreadsheet from the county of the outstanding amounts. Chris sorted out the delinquent amounts now with the county is about \$35,000. That is being collected through property taxes and due to Fayal. So the \$35k in addition to the \$12k on our current delinquency report. Chairman Tammaro says some are utilizing the direct deposit payments. Diane states the credit card option helped out for a few customers. We do have about 49 registered with PSN now.

Outstanding Fayal Assessment Reports as of 1-8-2018. Reviewed by Chris.

Chairman Tammaro is worried our negative amount might be more because the Gilbert project they are getting some big change orders. One was \$400,000 not approved by the City but it was done. The main plant is out for bid it's an \$8 million job but there are a lot of holes in it they better have \$10 million. It will depend on how much money they get to offset the project. Dale can't believe the WLSSD doesn't have to meet the mercury emission because it would cost too much money, but Gilbert has to meet the emissions.

CABLE

Greg did not attend the meeting.

GAS

Nothing at this time.

STREET LIGHTS

Nothing at this time.

FYI

Next PUC meeting will be Tuesday February 13, 2018 at 7:00 p.m. We may have to change the date if we can't get a quorum.

ADJOURNMENT

- **Motion to adjourn the regular meeting made by Chris Erickson, support from Dennis Pernu. Motion carried unanimously.**

Chairman Pernu adjourned the regular meeting at 7:35 p.m.

Respectfully submitted,



Diane Dickson
Fayal Township Deputy Clerk
PUC Coordinator/Billing Clerk

Approved

2.13.2018
D. C. D.