

**PUBLIC UTILITY COMMISSION  
REGULAR MEETING  
NOVEMBER 9, 2016**

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, Greg Buckley and Chris Erickson. Deputy Clerk Diane Dickson, Cal Turner and Donna O'Connor were absent.

There were no audience members in attendance.

**APPROVAL OF MINUTES**

- **Motion to approve the regular PUC meeting minutes of October 11, 2016 made by Buckley, second from Pernu. Motion carried unanimously.**
- **Motion to approve the Joint PUC and Planning Committee meeting minutes of October 11, 2016 made by Buckley, second from Erickson.**

**GUESTS**

None

**CORRESPONDENCE**

Delinquency Report as of 10-24-16 \$23,871.99. Reviewed and placed on file.

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

10-6-16 City of Eveleth Water rate increase. New business.

MN Pump Works bill 10-17-16 per service agreement for 15 lift stations \$3,121.64. Placed on file.

10-24-16 Media Com Franchise Fee's received \$2,520.40. Fund the PUC and goes to pay the cable commission fees.

10-25-16 Certify Summary list of notices sent out. New business.

Sewer service charge ordinance 98-2.3 as amended #3 12-15.

98-2.1 Article #1 Section 29 definitions. New business.

Variance form- needs a formal motion for Lee Aultman to be granted variance upon signing the form. Old business.

**OLD BUSINESS**

- **Motion by Pernu to recommend the Town Board approve the variance for Lee Aultman conditional upon his signing the variance stipulations form, and there would be at least a yearly inspection. Second from Buckley. Motion carried unanimously.**

SCADA- IRC found the big generator at the Town Hall needs repair. Nothing new.

**NEW BUSINESS**

*Water rate increase-* letter from the City of Eveleth effective 10-25-16 step #1 \$75 service charge and \$3.96 /1,000 gallons, step #2 effective 2-25-17 \$75 service charge and \$4.48/1,000 gallons that is an increase of 30%. Greg and Chris reviewed our financials and we can go two ways. Pass along the 30 % increase to the customers, or leave rates and absorb the \$6,600 increase for a year. At this time we have \$21,000 cash. Dennis would like to leave them alone. Greg would like to raise the rates, he feels we should have a cash cushion and it wouldn't take long to use up \$20,000. Greg would propose to match the increase, but maybe wait until the rest of the commissioners are here to make the decision. Table for now. We are supposed to be raising the sewer rate one dollar a year, we will deal with this at the next meeting.  
*Woodline-* called they are looking into a new Kiln that may use 33,333 gallons a month, they would need a waterline I told him to talk to City of Eveleth. We do not have water at that location. He has not called back.

*Certify summary list-* of notices sent out. Erickson questions the threshold for the fee he does not want someone to be stuck with a \$200 certification fee for one month late. They are notified so they can pay. We will ask Diane. More to come.

*98-2.1 Article #1 Section 29 definitions-* Chris and Diane researched and found according to the ordinance if there is no building then by definition you are not a user. But Aultman was a user and does have a garage with the drain connected to the sewer, so it is appropriate to have a variance.

**TREASURER REPORT**

Treasurer report as of 10-31-2016 year to date was provided by Clerk Coldagelli and reviewed by Erickson. Chris notes Fayal Sewer Company is slightly cash flow positive. FSC Revenues \$445,563.96 Expenditures \$432,186.23 Cash Bal. \$188,268.95.

Fayal Water Company cash flow is up about \$1,600 from last year. FWC Revenues \$65,590.14 Expenditures \$46,429.74 Cash Bal. \$56,140.40. The loans have been paid for the year.

**CABLE**

Media Com called and asked for a letter of support to bring cable to the Long Lake area.

- **Motion by Buckley to recommend the Town Board send a letter of support to Media Com to bring cable to the Long Lake area, second by Erickson. Motion carried unanimously.**

**GAS**

Long Lake Gas Line project- Main gas line is being installed. Call MN Energy Resources if you have not been notified.

Miller Trunk project- 11 applications were received, Ron Erjavec paid the difference so the project would go forward. If any of the neighbors connect later on, they will be asked to pay Ron the \$545.06 that he paid for them. It is supposed to go in this year.

**STREET LIGHTS**

The light on Miller Trunk and Ely Lake Dr. is out Diane called in a work order to replace with LED fixture.

**FYI**

The next PUC meeting will be held on December 13<sup>th</sup> at 7:00 p.m.

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

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

As transcribed by,



Diane Dickson  
Fayal Township Deputy Clerk  
PUC Coordinator/Billing Clerk

Approved 12.13.2016  
