

**PUBLIC UTILITIES COMMISSION  
REGULAR MEETING  
FEBRUARY 15, 2006 7:00 P.M.  
FAYAL TOWN GARAGE**

Campbell called the meeting to order at 7:06 p.m.

**ROLL** present: Campbell, M. Erjavec, Damberg, Kingston, Troutwine. Town Board Supervisor Tammaro. W/WWO Dickson and recording secretary Stewart. Absent – Aultman & Bertucci.

**APPROVAL OF THE MINUTES**

- **Motion by Damberg to approve the regular meeting minutes of January 11, 2006, second by Kingston. Unanimously approved. Motion carried.**
- **Motion by Erjavec to approve the variance hearing minutes for Crosby January 11, 2006, second by Troutwine. Unanimously approved. Motion carried.**

**GUEST**

John Jannick is here representing the City of Gilbert re: the Differding Point sewer connection. Review- Differding Pt residence, Cedar Island Dr, petitioned Gilbert to sewer their area. In October 05 a public hearing was held. They are 5 possible projects. John reviews the following 4 points that were stated in the letter to Gilbert from Fayal Township:

1. Gilbert would like to retain ownership of the new lines that will be installed.
2. Gilbert questioned the connection charge. Fayal's letter proposed \$35,000 lump sum. There will be approximately 60 connections. Tammaro states the \$7,000 connection fee x 5 connections, being the 5 areas.
3. Currently, we pay Gilbert on the meter reading from the lift station. The Gilbert lift station would be dumping into Fayal's station. It would be credited off of our charge. Gilbert would like to use the water meter readings, Fayal would like to go off of the average flow of 4,000 gallons per connection this would cover sump pumps.
4. Fayal's proposal is to charge \$18.00 per month per Gilbert parcel x 63 paid to the Town of Fayal. Tammaro states this is for the use of our lines and lift stations.

The current water and sewer agreement with the City of Gilbert will expire at the end of 2006. Fayal is requesting the current contract be extended an additional 2 years.

Gilbert is ok with the first 2 issues but they have a problem with the charge being based on the possible connections, and then the \$18.00 per month and how the Township came up with that number.

The next step is for Gilbert to respond to Fayal's letter to Gilbert. Gilbert hopes to start construction in 2006.

FYI- Jannick states Chisholm, Hibbing, Buhl, Kinney, Great Scot Township, and Balkin Township have created an iron range sewer district. Looking at one central facility, they have received bonding money from the State.

FYI- Jannick has talked to Virginia, Gilbert, Eveleth, and Mt. Iron regarding a sewer district here. Most of these cities are going to be doing big upgrades to there plants.

Next step–Fayal and Gilberts negotiating committees back to the table.

PUC thanks Mr. Jannick for the information.

Damberg requests Supervisor Tammaro to make sure the PUC gets invited to the negotiation meetings. Tammaro states the PUC does not have the power to negotiate, they can make recommendations.

Kingston reiterates his statement made at the last two meetings, "If you're not going to make proper use of the PUC, then he will just stay home." Kingston remarks he is not happy with how the minutes were written, although he approved them. He had a lengthy discussion and he felt it was poorly summarized into one line. He doesn't feel the commission is used properly. He has several recommendations: 1. is a Long term contract for sewage disposal; the PUC was talking about putting in a facility of our own. 2. A long term contract with Gilbert, if they are going to connect into the line there should be something in it for us. 3. We should be thinking about Eveleth. 4. This should be run as a business; he would like to see the budget against the cost of the items. He can't tell quickly, where there are problems and things are going up. He respects Gary Giroux and that's the only reason he voted for the rates to go up 5. He feels the Town Board uses the PUC ineffectively.

Kelly states he does have all of the detail of the expenditures. And Kelly said a number of years ago he did a long range plan of extending the water out to the Lake area. Public Utility commission has been out of money. Construction and the implementation of sewer has taken up much of our time.

- **Motion by Erjavec to have a special meeting as soon as the letter comes from John Jamnick re: the Sparta sewer connection, second by Damberg. Unanimously approved. Motion Carried.**

Tammaro states if you all want to come to the meeting they can post the meeting 3days prior.

#### CORRESPONDENCE

1-6-06 letter from Minn. Governmental agency finance group, fact sheet and application for financing those projects that will never reach the fundable range. Contact Ruth Hubbard MRWA. 1-9-06 request from Minn. Rural Water Assoc. to make a written letter of support for assistance we have received this past year. These letters will be used to show the support of there programs, to our federal legislators, in there quest for additional funding.

#### OLD BUSINESS

Sewer rates- Campbell reviews his handout. No increase in water rates and a \$2.00 increase in sewer rates. The recommendations were based on the study from Walker, Giroux, & Hahne Accounting. These went to the town board, they tabled it. His handout compares Giroux's study with the actual budget.

- **Motion by Campbell to recommend to the Town Board to raise the residential sewer rate \$1.00 effective as of April 1, 2006, Second by Erjavec.**  
Ayes-Campbell, Erjavec, Damberg, Troutwine  
Nayes-0 Kingston abstains.  
**Motion Carried.**
- **Motion by Troutwine to recommend to the Town Board to raise the commercial sewer rate from \$54 to \$56 the excess gallons rate will remain the same. Effective as of April 1, 2006, Second by Erjavec. Unanimously approved. Motion carried.**

#### SEWER

Tammaro states the sewer company was not set up to have a lot of money.

#### CABLE

#### GAS

Motion by Damberg to request an updated map of the gas lines within the township, second by Kingston. Unanimously approved. Motion carried. A letter will be sent to Aquila.

#### STREET LIGHTS

Damberg passed out a handout on Good Neighbor Outdoor Lighting.

**NEW BUSINESS**

Bertucci talked to Wiscow, he is scheduled to attend the next meeting. He will be talking about the sewer connection at the Eveleth Park. Wiscow will also be bringing the plan to make the water connection to Eveleth.

5 plats with the Fayal sewer easements have been recorded at the county. Torrens property will be covered by individual easements.

Erjavec believes the town board should fund the PUC the \$10,000 requested due to everyone's home value increased from the municipal sewer system. Tammaro replies he needs reason for funding it.

**FYI**

The next PUC meeting will be held on March 21, 2006 at 7:00 pm.

- **Motion to adjourn the meeting by Erjavec, second by Damberg. Unanimously approved. Meeting adjourned at 9:08 p.m.**

Respectfully Submitted,

Diane Stewart  
PUC Coordinator/Billing Clerk