

PUBLIC UTILITIES COMMISSION
FAYAL TOWN HALL
MARCH 19, 2019

The regular meeting of the Fayal Public Utilities Commissioners was called to order at 7:02 p.m. by Chairman Greg Buckley. Present were: Commissioners Greg Buckley, Chris Erickson, Amy Jackson and recording secretary Diane Dickson. Ed Vest was absent. Town Board Chairman Tony Tammaro was also present.

APPROVAL OF MINUTES

- **Motion to approve the regular PUC meeting minutes of February 12, 2019 made by Amy Jackson, second from Chris Erickson. Motion carried unanimously.**
- **Motion to approve the Alex Peritz Variance Hearing meeting minutes of February 12, 2019 made by Chris Erickson, second from Amy Jackson. Motion carried unanimously.**

GUESTS

Town Board Chairman Tony Tammaro, nothing at this time.

CORRESPONDENCE

Delinquency Report as of 2-25-19 \$17,665.35. Reviewed and placed on file.

February 2019 Water Wastewater report. Reviewed and placed on file.

3-8-19 Eveleth Bulk Water Agreement increase volume charge rate from \$4.48/1000 gallons to \$5.10/1000 retroactive to May 14, 2018 in accordance with item 2 of the original agreement. Chairman Tammaro explained we sent out a request asking to change the retroactive date to January 1, 2019. We have not received a reply. They are using the original agreement and just adding another amendment for the rates. Eveleth did sign it. PUC will wait for a reply before acting on the agreement.

Water usage yearly reports were reviewed. The bill should be about \$300-\$400 more. Our water usage is up and not being consistent. Heidi talked to Scott Smith asking him to check into the readings. Last year they recalibrated the meter. Greg asks if it could be a water break, this is going back to August when it started and it is not consistent. Tony said we will keep an eye on it. Possibly talk to MN Rural Water Association.

3-12-19 Note from Peter Bertucci would like to apply for the PUC opening.

Discussion regarding the PUC rules and delinquencies 2 months is ok 3 months is not. Chairman Tammaro stated Mr. Bertucci has more knowledge from the beginning of the project than anyone. Amy expressed some concerns about Mr. Bertucci. Chris believes we need to follow the rules, so as of today he is not current. Chris would recommend no.

- **Motion by Amy Jackson to decline Peter Bertucci's application at this time, support from Chris Erickson. Motion carried unanimously.**

Frozen Waterline spreadsheet are we going to give a credit? We have several customers with frozen waterlines. In the past we gave a credit to the customers who had a frozen waterline. Diane explained in the past the customers who had their waterline freeze were given a credit of the average usage. Amy questions why would we credit? It is just a courtesy for the customers. It is their service line not the mainline that is frozen. Last year we credited \$550 and 2015 \$715. The ground is frozen down to 73" deep.

- **Motion by Chris Erickson to credit the difference between the actual bill and the average monthly bill, support from Amy Jackson. Motion carried unanimously.**

3-18-19 MN Dept. of Health New Grant Opportunity for water managing or eliminating one or more potential contamination. Equal cost share deadline is April 30, 2019 at 4:30 pm. Place on file.

OLD BUSINESS

Bulk Water Agreement- We will wait to hear back from Jerry Rosati.

4 M Fund- Clerk Coldagelli is working on it. The Town Board approved moving Depreciation Savings money into the fund. Town Board waited to move it to see if the PUC is going to pay off the loan. Tony talked to Patty Sabie and we can take money from the Depreciation CD Savings Account that has about \$296,000, which keeps the PUC liquid. That will help us when we get a rate increase from Gilbert. Greg said the loan will be paid off in two years.

- **Motion by Chris Erickson to pay off Loan #3 which is approximately \$88,000 from the Depreciation CD Savings Account, support from Amy Jackson. Motion carried unanimously.**

*Steve Fenske-*Chris restates he talked to Steve Fenske, attorney from the MN Township Assoc. based on a question from John he learned a few things. He said Townships can't have a real Company ours is just called Water Co. for accounting purposes. He said you should try and keep things fair but the Town can move money in and out of the water and sewer company. There is no legal reason from preventing us from doing that. The only thing that must be kept separate is Road and Bridge. Everything else is at the Town Boards discretion. Even the access charges and special assessments unless the bonding calls for it, and our bond did call for it and we do keep our sewer assessment separate. Chris called John and explained Townships can take money from water access and spend it on whatever they want and a whole lot more. Great information.

*Annual rate review-*Chris says he does not feel we should change the water rates at all. Tony has talked to Gilbert they are not sure yet, they did get another \$250,000 from the IRRRB. Greg notes the final versions of the treasurers report we lost about \$4,500 in cash in the water co. Chris states we were cash flow positive almost \$3,000 our bill is going up about \$3,000 so we should stay about even. Greg states the \$12,000 bill was in 2018 our average water usage has gone up. We will watch it and if it starts to go in the negative we will deal with it then.

NEW BUSINESS

Nothing at this time.

TREASURER REPORT

Treasurer report provided by Clerk Coldagelli as of 2-28-2018. Year to date. Balances are final. Chris stated the water co. we will watch our revenue and expenditures.

FWC Beginning balance 2019 \$55,549.10 Revenues \$11,986.35 Expenditures \$13,728.74.

Current cash balance \$53,718.43.

Chris reported the sewer co. there are loan payments that have to be made. FSC Beginning balance 2019 \$247,045.40 Revenues \$103,589.55 Expenditures \$92,327.14.

Current cash balance \$258,307.54.

PUC Beginning balance \$-3,188.26 Revenues \$2,488.95 Expenditures \$2,454.78. Ending balance -\$3,154.09.

Also included 12-28-18 & 1-31-19 with the Final numbers reported.

- **Motion by Amy Jackson to approve the treasurer's report, support from Greg Buckley. Motion carried unanimously.**

Tony asked Chris to talk to the Township attorney and ask what is the maximum penalty we can charge for late fees.

CABLE

Greg reported he resigned from the cable commission. He will no longer have cable reports.

GAS

Nothing at this time.

STREET LIGHTS

Nothing at this time.

FYI

Next PUC meeting will be Tuesday April 9th 2019.

ADJOURNMENT

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

Chairman Greg Buckley adjourned the regular meeting at 7:52 p.m.

Respectfully submitted,



Diane Dickson

Fayal Township Deputy Clerk
PUC Coordinator/Billing Clerk

Approved 4.9.2019
