

PUBLIC UTILITY COMMISSION

REGULAR MEETING

MARCH 21, 2017

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

Audience members in attendance were Town Board Chairman Tony Tammaro and Town Board Supervisor Pat Ziegler.

Commissioner Turner introduced himself and welcomed Amy Jackson our newest commissioner.

APPROVAL OF MINUTES

- **Motion to approve the regular PUC meeting minutes of February 10, 2017 made by Erickson, second from Turner. Ayes Erickson and Turner. Jackson abstaining this is her first meeting. Motion carried.**

GUESTS

Town Board Chairman Tony Tammaro and Town Board Supervisor Pat Ziegler had nothing at this time.

CORRESPONDENCE

Updated PUC roster. Placed on file.

Delinquency Report as of 2-20-17 \$10,550.51. Erickson reported Diane has been figuring out the unpaid balances that have been certified on the taxes that total is \$32,462.48 and another \$10,550.51 that has not been certified. The total is \$43,012. Chris believes we were around \$50,000 so it is down. Turner asks what happens with a bankruptcy. Chris states there is Chapter 7 and 13 is more of a payment plan and 7 is a liquidation. He believes the certified amounts don't get wiped off. Amy states all collections have to cease if they are in bankruptcy depends on the date of bankruptcy and you should get bankruptcy documentation. You would start them with a new account # from that point forward. Anything prior to that date is wiped and Chap 13 if they reorganize then you can file a proof of claim and send it in. You may never get anything. You can file a proof of claim on either Chap. 7 or Chap. 13. Anything that is already a lien against the property, should be safe. You are not allowed to talk to the person about anything in the past only the future. You can call the attorney if you can find it out. You should ask the attorney directly if we are included in the bankruptcy. We will work on this issue.

February 2017 Water/Wastewater report. Turner questions if Dale has anything to do with the culverts, no he does not. Reviewed and placed on file.

OLD BUSINESS

SCADA- IRC found the big generator at the Town Hall needs repair. Turner asks if that would fall under PUC or building and grounds, Tammaro and Ziegler stated it would be building and grounds.

Korpela Subdivision-Turner asks if we should wait till the end of the meeting. Wait till the end.

MN Pump Works made the estimates so they are under \$25,000 otherwise the Town would have to obtain 2 quotes. Due to the extensive procedure to come up with a quote, MN pump Works did our service contract on the pumps and found the work that needed to be done.

NEW BUSINESS

Review the certified delinquent utilities from the county. Already discussed Diane states the audit states both enterprises are operating at a loss due to the unfunded depreciation. Chairman Tammaro states and they always will.

Chris reported he double checked the math on the potential Gilbert debt service \$3,000,000 after the grant. He agrees with the \$15 per month per resident both Gilbert and Fayal. Turner asks what the date is for Gilbert to be in compliance Chairman Tammaro stated 2019. Gilbert awarded \$2,000,000 for work.

Chairman Tammaro attended a work session with Gilbert they did talk about \$14-\$15 they were awarded a \$135,000 CDBG grant and a \$500,000 IRRRB grant, but the grants may not be funded now. Erickson reports in 3 year our small loan will be paid off and then our expenses go down by \$5 per resident. Some of the parts of the upgrades have a 7 year life expectancy. Phosphates is the next mandates. Supervisor Ziegler states MPCA mandates are hard for these small towns to keep up with. This is just a patch on the plant. Eveleth's plants are currently meeting the mercury and phosphates standards right now, but they can always change the standards. Gilbert has to work on their I & I, when MRWA smoke tested Gilbert there was smoke coming out of every house and all over the City.

Cory Kwiatkowski asked about a waterline on Maple Dr. I found the guidelines and sent it to him. Turner thanked Diane for sending out the guidelines.

Turner states we should present the planning commission with Kelly Campbell's waterline extension plan. He did a good job.

At the Annual meeting there was a request for water and sewer line extensions to have funds set aside so one person isn't paying for a project. Chairman Tammaro stated Clerk Coldagelli will report more on the enterprise funds next year. Our depreciation funds and such will be reported.

We need to read the ordinance and understand what it says regarding who pays for extensions. That way we are all on the same page.

Chairman Tammaro would like the PUC to consider at adding credit card payments. He had a request from a customer and Clerk Coldagelli reports many callers have wanted to pay with over the phone. Clerk Coldagelli has a proposal from a recommended company to work with our Banyon program. There is a yearly charge of \$89.99 for PCI compliant and then the customers will pay a user charge of \$ 0.50 for paper checks to epayments, \$1.00 for Check/savings 2.75% credit or debit + .50 if under \$100. So they would pay \$2.12 for a \$59 bill. Banyon module is \$695 onetime fee to accept payments via PSN or \$995 onetime for payments and ebills.

Consensus of the PUC is credit card option may bring in some more payments from delinquent accounts, but the fee's need to be charged to the customers using the option. We will talk with Gilbert who is using PSN. We do have a lot of people who use the banks bill pay for free. There would be a fee charged to Fayal for insufficient funds. We would not be storing the credit card information PSN has the information. We do not need a swipe machine we could just do the payment on the computer. The rest of our fees would go to Banyon for the initial module. The customer who still pays Fayal directly will not pay anything.

The Planning Commission is wondering if the Utilities Commission has or is willing to develop a priority list of areas for potential expansion of utilities. Refer back to the waterline expansion plan Kelly Campbell and the PUC created way back.

TREASURER REPORT

Treasurer report year to date was provided by Clerk Coldagelli FWC began with Cash Bal. \$52,793.51 Revenues \$11,841.62 Expenditures \$9,595.86 current cash balance \$55,301.52.

FSC began the year with Cash Bal \$223,502.32 Revenues \$92,205.13 Expenditures \$96,699.90 current cash bal. \$231,336.43. We seem to running on a break even, which is how it is supposed to work.

CABLE

Mediacom is planning to expand in the Long Lake area.

Mediacom franchise agreement Heidi wanted everyone to look at it. So, they are not keeping other companies from coming in. Erickson reads non-exclusive franchise agreement.

GAS

Long Lake Gas Line project- nothing new.

Miller Trunk project-I think its done. Amy is advised to make a request to make an extension to her area. The gas company was entertaining the line going that far. Talk to your neighbors.

STREET LIGHTS

Supervisor Ziegler says he will be talking to the power company to see if they can get some lights up on that corner.

Old Business

Korpela Subdivision-Turner's understanding is the Town should have connected the two homes to the east. He is wondering why it wasn't connected when it is on the lake. Diane feels they were probably removed from the project. Chairman Tammaro believes it should be in the records as to why it wasn't done. The two cabins are beyond the 300' from the road. Turners understanding was it should have been included because it was 1,000' from the lake and why it wasn't. It is one parcel and maybe that's why we only connected the one. Supervisor Ziegler states maybe they said there is no water in the buildings and that's why it was removed. There were people who asked to be removed from the project. Korpela's were assessed 2 times and have 2 homes connected. Her intention is to split the lots and get some income she is not wanting to be a developer and bring services into the property. Turner feels if there is no letter we may have to take care of this.

Chairman Tammaro states he told Gilbert they should include Fayal on their bonding bill to help attain funding.

Sewer Access Charge- Clerk Coldagelli and Diane were discussing the charge. The amount that is actually paid with interest is \$9,000 something. We should look at raising the SAC from \$7,000 to \$9,000 which they are asked to pay up front, or some have made a promissory note with the Town.

FYI

The next PUC meeting will be April 11, 2017 at 7:00 p.m.

Motion to adjourn the regular meeting made by Turner, support from Erickson. Motion carried unanimously.

Commissioner Turner adjourned the regular meeting at 8:16 p.m.

Respectfully submitted,



Diane Dickson
Fayal Township Deputy Clerk
PUC Coordinator/Billing Clerk

Approved 4.11.2017

