

**PUBLIC UTILITIES COMMISSION  
REGULAR MEETING  
APRIL 10, 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, Greg Buckley, Chris Erickson and Deputy Clerk Diane Dickson. Commissioners Cal Turner and Amy Jackson were absent. Audience members in attendance were Town Board Chairman Tony Tammaro, Town Board Supervisor Pat Ziegler, John West and Kevin Bird.

**APPROVAL OF MINUTES**

- **Motion to approve the regular PUC meeting minutes of March 20, 2018 as amended to, “~~Chairman Pernu Vice Chairman Buckley~~ adjourned the regular meeting at 8:02p.m.” made by Greg Buckley, second from Chris Erickson. Motion carried unanimously.**

**GUESTS**

Nothing at this time.

**CORRESPONDENCE**

Delinquency Report as of 3-23-18 \$ 22,376.52. Diane stated she talked to St. Louis County and both forfeitures did a repurchase. They did not have them pay at Fayal. We will certify the unpaid this year. March Water Wastewater report. Dale is working on a plan to clean and televise our entire system.

Chairman Tony Tammaro arrives 7:05 p.m.

Both repurchases did make payment number one and we will receive funds in July.

2017 Drinking Water Consumer Confidence Report- It is on the website and a note was placed in the bills.

**OLD BUSINESS**

*Pine Dr. Sewer Extension-* Chairman Tammaro stated the project is back on the table. Zach Lamppa called and is planning on proceeding with his lab, RMB Environmental Laboratories Inc. at the Pine Dr. location. He has until the end of June to have his project accepted by the IRRRB. They are checking to see if we could use the funds as our share of the sewer plant upgrade if the project is canceled.

*Potential Options for Pine Drive Sewer Extension-* Review the four options. Kevin Bird asks if we will have to do another public hearing. Diane explained we did not have to do a public hearing, it was an informational hearing. Tony said if the scope of the project changes we could do another informational meeting. Tony felt we should not to spend too much time on this right now. John West asks where the SAC goes. It goes into the sewer not the general fund, Heidi would know which fund. Dennis states if they have any ideas let us know.

*MN State Statutes-* regarding sewer systems, collections and assessments for research purposes. It gives the Town the right to charge, place assessments and collections.

Chris Erickson has been researching sewer, water and how it all works. So in review, it seems the Sewer Access Charge is \$9300 because that's what the assessment was. And the same with the Water Access Charge it was the assessment of \$3500 on Differding and that amount became the access charge. So, everyone is treated the same within the Township. But around the state most places have an affected area share the cost of the infrastructure through the assessment. And then the access charge is usually smaller for additional users to come onboard. WAC in the cities are around \$500- \$2000, so ours is higher. He understands the philosophy and the theory of how it came to be. SAC in the cities are around \$2500 there again the access charge is smaller than the assessment. Chris is not saying one is right or wrong there are just two different trains of thought as far as how to do this. Chairman Tammaro explained we are not a city, so we have people with bigger lots and able to split them, and then they had to pay the same amount to keep the rates uniform all the way through. And we did the same thing with the water. When the sewer came through it gave the ability for a lot of land splitting. That is why Fayal did what they did.

Supervisor Ziegler reports Eveleth is doing a comparison study now and Gilbert is the highest for water and sewer. He also states the assessment increases your value of your property. Lengthy discussion on assessments and SAC. Chairman Tammaro states what we did was legal and we won in court.

John West states his research has found a lot of cities come up with an impact fee, proportionately charged by what the impact would be on the system for apartments and housing developments. Chairman Tammaro reminds everyone that all of our infrastructure was put in at once, except down Pine Dr. Now all we are doing is an access charge into our current structure. We upgraded O'Laughlin waterline, we tried to do one on Lakeside then they refused it when they saw what the cost was going to be.

Chairman Pernu states we have money put aside so when the big issues come up where do we get money from to pay for it. Greg Buckley says we do not have buckets of money out there, we are running at a break even every year. We do not have buckets of money that are not planned for just sitting there for future expansions or just sitting idle. We plan our budgets from year to year and we are just breaking even, trying to keep the rates low for every user. Supervisor Ziegler is wondering if we can assess for the project costs which might be less than the \$7000. We can look into that after we see if the project goes or not.

*Frozen Water Credit*- Frost depth is at 60" should we stop the credit. Diane talked to one customer and she is still running at 33\*. Diane thinks only one person is still running water. Supervisor Ziegler recommends doing it through April.

Chairman Pernu asks for an update from the last meeting. Chairman Tammaro said he had met with Gilbert. They are looking at another \$10 that would be the worst case, but they are looking for additional grant money to bring it down. Gilbert is also looking at a \$2,000,000 upgrade for the water plant.

#### **NEW BUSINESS**

98-2 #3 Diane would like to work with someone to clean up language, update the dates so we don't miss the county's forfeiture. Chris volunteered to work with Diane on this. The County is looking at the deadline date for certifying, they are thinking Nov 1. If we can get the list to the County by Oct 1 they would have time to get it into their system before the forfeit.

DSG Dakota Supply Group – Brad Simms talked to us at the MRWA conference. He is going to make a quick proposal for the PUC to consider smart water and remote readers, in order to generate more revenue. The meters are all different from the other proposal we had. I told him we don't have much money. Pat said Eveleth is looking at a new system and you can get the readings from the office computer and ultimately shut them off from the office. Maybe we should look at a joint grant with Eveleth.

Supervisor Ziegler is thinking we should look at going in with Eveleth, Gilbert to get a jetter vac truck. Dale is going to have to start cleaning everything. Aqua power is not cheap. Dennis states there's my point where is the money coming from.

#### **TREASURER REPORT**

No report provided, Chris believes the trends should be continuing for the Fayal Water Co. to be cash flow neutral and the Fayal Sewer Co. should be slightly cash flow negative.

#### **CABLE**

Media Com is coming to the next Town Board meeting they are going to be extending lines to Long Lake this year.

#### **GAS**

Nothing at this time.

#### **STREET LIGHTS**

Nothing at this time.

#### **FYI**

Next PUC meeting will be Tuesday May 8th 7:00 p.m.

#### **ADJOURNMENT**

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

Chairman Pernu adjourned the regular meeting at 7:55 p.m.

Respectfully submitted,



Diane Dickson  
Fayal Township Deputy Clerk  
PUC Coordinator/Billing Clerk

Approved 5.8.2018  
