

# PUBLIC UTILITY COMMISSION

## REGULAR MEETING

### APRIL 11, 2017

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, Cal Turner, Chris Erickson, Greg Buckley and Deputy Clerk Diane Dickson. Amy Jackson was absent.

Audience members in attendance were Town Board Chairman Tony Tammaro and Town Board Supervisor Pat Ziegler. Tyler Lampella St. Louis County Planning and Mike Smith Northern Lights Surveying.

#### APPROVAL OF MINUTES

- **Motion to approve the regular PUC meeting minutes of March 21, 2017 made by Chris Erickson, second from Cal Turner. Motion carried unanimously.**

#### GUESTS

Tyler Lampella St. Louis County regarding Korpela project.

Mike Smith Northern Lights Surveying Korpela project.

Tyler Lampella St. Louis County Planning is working on a performance standard subdivision of property on Horseshoe Lake and Long Lake. He has to decide whether the property will connect to the municipal system or have an onsite septic. Fayal sewer line runs thru the property, he is questioning whether they have to connect and what the procedure is. Are there different ways or appeals to help with the costs for the sewer connection? Do they have to pay the fees up front or can they wait and have the person who actually develops the property pay? This is a family situation not a developer so there is not a lot of money. Can Fayal work with them on this process? The entire process is overwhelming and he is just trying to help out the owner. There have been issues with the title for years they have tried to get it cleaned up.

Chairman Tammaro states we are still checking into what happened originally, it is one contiguous parcel, they may have said they weren't having any with water, and opted out of the 100' so they didn't have to hook up, but they were assessed. Moving forward the first lot has access and they would just have to pay to connect up to the line. If they sell a lot the SAC would have to be paid, although we have set up a payment plan for others in the past. It's not an assessment it's a hook up charge. Lampella questions if it would be possible for the person who purchases the property to pay the fee? Tammaro says as long as someone pays it. Turner states the ordinance says they have 180 days to connect and pay the fee. The contingency on purchase would be the buyer is aware of it. Turner states looking at the maps it showed Manhole 1-5, then the manhole # 4 is missing. He believes the line was in the project and then removed, so they would have to connect at their expense to the line. Each individual party has to connect within 180 days when they opted to have the main removed, now they have to pay for the mainline. Lampella feels there could be expansion thru out the township. So, with appropriate fees the ability is there to hook up each of these parcels. Diane says it depends how she splits it. Pat says the parcels to the East would have to get easement to get to the line, Mike Smith states she would have to put in the easement, and she would have to run the main to feed all of the properties. Question is do they have to connect, yes. Tammaro states we should look at the Cerar development he was putting in a road

and utilities. This should fall under the same format. Tyler states someone is going to develop this, so is there an appeal process? Tammaro states we don't want to stop her from developing but we have to do it the right way. Tammaro says we can't put in a line and then there is no sale. Tyler explains the process for a performance standard subdivision. If it is going to be onsite septic then the site has to be evaluated, if they are required to connect then it doesn't make sense to make them evaluate the site. She is looking at 3 lake parcels and one large non riparian tract of about 16 acres. The non-riparian lot depends where they want to build is it within 300' if they would connect. Mike Smith is thinking he would provide an easement, provide a corridor, the lots are approved for sale and then they are required to connect to city sewer, they know there is the cost before they make an offer on the land. Shirley was at the point of only making 2 lots so she wouldn't have to pay for anything at this time. Mike says if he provides on the map a good utility easement for the sewer lines to run, then anyone who would buy the easterly lot goes into it knowing they have to connect to the city sewer and whatever installation costs they are aware up front they have to pay at their expense. A performance standard subdivision can create 3 parcels, it is intended for families. Cal states putting in the easement will help. Pat says there is nothing the Town would do to stop the sale. He feels the lots have to connect to the city sewer at the owner's expense. He would get the depth of the manholes to make sure the easterly parcel can make gravity. And look at the elevation of the land, Turner states it also depends on the type of home that will be put on the property. Tammaro states there needs to be an engineer to sign off on the design. They have to use an approved contractor. Also, Diane states the SAC is at \$7,000 but there has been discussion of increasing it to \$9,000. Tammaro states Fayal is willing to work with them. Mike states this should be the final push to get this project moving, they have been working on it for many years. Chairman Tammaro states Diane will be the contact person for this project. Mike says when he talked to Shirley she is totally tapped out, she will not move forward if she has to hire a civil engineer. Mike asks what we need to see before she puts it up for sale. Pat says the design is simple it has to run downhill and if you can't make it then you have to pump it. Dale should be able to pull up the depth of the manhole from his plans. Turner believes we need to have an engineer verify the design will work. Mike says this will have to be engineered eventually when they are ready to build. It will be required at the end. Tyler is wondering what is to the East and maybe run the easement all the way to the border for future development. Then future development could connect, they also own up to the Sopp property for potential development. Chairman Tammaro asks Mike to get Shirley's thoughts written up and then the board can look at it and tweak it, we are willing to work with her. And it is going to cost money for the sewer lines. It is up to the property owner to keep the ball rolling. The performance standard is only allowed once. If someone else wants to develop the property they will have to go thru a full blown plat. Tyler Lampella and Mike Smith thanked the commissioners for their time.

#### **CORRESPONDENCE**

Delinquency Report as of 3-21-17 \$12,363.77. Erickson updated Buckley on the delinquency from the county they are about \$32,000 add them together and it's about \$46,000. Pernu believes we were at \$52,000 so it is down.

#### **OLD BUSINESS**

*SCADA*- IRC found the big generator at the Town Hall needs repair. Chairman Tammaro is working on it.

*Korpela Subdivision*- already discussed.

*MN Pump Works*- one of the pumps that was on the repair list LS-H had the impeller disintegrate. It will be repaired as soon as they can. LS-A is still having an issue. MPL is going to replace the transformer we had to get an exemption from the load limits.

*Credit card payments PSN-* Diane has not worked on this. Chris was not in favor of it due the costs, for example everyone pays 3% more at L & M for the credit card payments. Now he is thinking it will be good because it will be a surcharge to the people who chose to use it. There are some upfront costs to get it going. His second concern was storing credit card information but PSN will be storing them not Fayal. Diane explains the yearly security compliance fee covers storing the credit card information properly. Greg is not sure he pays a fee for Virginia's PSN but you have a choice as to who pays the fees. Greg says you can set up automatic payments with them. Pernu thinks more people will pay their bill.

- **Motion by Chris Erickson to recommend the Town Board proceed with pursuing the credit card payment system, provided fees incurred are paid by the users, second by Greg Buckley. Motion carried unanimously.**

### **NEW BUSINESS**

*Gilbert wastewater plant-*Chairman Tammaro, Clerk Coldagelli and Deputy Clerk Dickson met with Mayor Beth Milos regarding the discussion Diane and Dale had with the MPCA Commissioner John Stine. Diane explained John Stine spoke at the MPCA Wastewater Conference about keeping Minnesota's water clean and he mentioned the City of Gilbert. We talked to him after and told him what is happening. He could not believe Gilbert is still moving forward on their own. He recommended we reach out to our Representatives and Congressman. Chairman Tammaro stated we met with Mayor Beth Milos and she was going to be contacting Commissioner Stine herself. They are meeting tonight, Tammaro says they are stopping the project tonight. She has talked to Mayor Vlasisavljevich, we provided a copy of the joint Eveleth-Gilbert-Fayal-Leonidas Wastewater plan from Oct 2015 creating a sewer district, and she had not seen it. She has not seen the study where Gilbert looked at going to Eveleth and decided to go on their own. She stated they did not sign a contract with Stantec, she said it was only for a current project. Ziegler feels it was signed, Tammaro says the only saving grace is Eveleth is also working with Stantec and they may be able to redirect the project.

*Copy of letters sent to MPCA Commissioner John Stine and copy of letters sent to Representative Nolan, Senator Tomassoni, Representative Metsa, Commissioner Keith Nelson, Senator Franken and Senator Klobuchar asking for help in coming together for a sewer district.* Mayor Milos said they will be sending letters also. Chairman Tammaro did talk to Representative Metsa and asked about getting on the bonding bill, he also said the funding Gilbert was counting on is not there. Hopefully the project can get delayed as long as they have a plan moving forward with a sewer district.

*Copy of 2015 Eveleth-Gilbert-Fayal-Leonidas Wastewater Plan* was presented for review. This was compiled by John Jamnik and Fayal's infrastructure is not included.

*Bankruptcy-* Diane has been in contact with Scott Neff regarding bankruptcy and he did have to ask an attorney in Duluth about bankruptcy law. Fayal was not listed as a creditor and we were not notified, the attorney is filing the appropriate claim. Turner explains when he was involved with a bankruptcy, all unsecured creditors are paid the same percentage. We may have to pay something back if they go back 90 days.

*Variance request-* Received from Brent Robillard for a second sewer connection for a sauna to the mainline, and to be charged only one monthly sewer charge. The variance hearing will be set for May 9, 2017 before the PUC meeting at 7:00 pm and the regular meeting will immediately follow.

### **TREASURER REPORT**

Erickson reported the year to date was provided by Clerk Coldagelli. The FWC the cash has grown both for the month and the quarter we began the year with Cash balance \$52,793.51, Revenues \$6,122.42, Expenditures \$3,842.28, current cash balance \$56,901.05. The FSC began the year with Cash balance \$223,502.32, Revenues \$39,850.67, Expenditures \$33,398.27, current cash balance \$237,662.19. Erickson stated we are cash flow positive for the month of March and the quarter. Clerk Coldagelli will

be moving the 2016 maintenance contingency and depreciation not in CD to the fund side. So, we won't see it. Diane asked if Heidi can show the total amounts for the PUC.

**CABLE**

Buckley reports the cable commission has set the budget for 2018, there will be a 10% increase.

*Mediacom Long Lake area expansion-*

*Mediacom franchise agreement-* Clerk Coldagelli is working with Mediacom.

**GAS**

*Long Lake Gas Line project-* We think it is done, Supervisor Ziegler thinks there may be some restoration and maybe some connections to complete.

*Miller Trunk project-* We think it's done, there may be some restoration to finish.

*Lake Country Power-* Chris reports LCP wants to bury the overhead lines starting on the SE part of Ely Lake Dr. down to Pine Dr. They are sending letters requesting easements. Erickson found their request different, our sewer and natural gas is within the R.O.W. they are asking to bury it outside of the 33' to 48'. Erickson asked why, their reasoning is in the long term, if the road is widened LCP would have to pay to move the power if it is in the ROW and if it is outside of the 33' then the public has to pay. Cal states he has MPL but Lake Country power also goes by his house, and his garage is in the way.

**NEW BUSINESS**

Cal would like to go back to new business.

- **Motion by Cal Turner to recommend the Town Board review and revise Ordinance 98-1 Article VIII Section 6, to say the Town Board has the final decision not the Public Utilities Commission, second by Chris Erickson. Discussion Supervisor Pat Ziegler believes the Public Utilities Commission is an advisory board not the final decision. PUC is in agreement.**
- **Motion carried unanimously.**

The next PUC meeting will be May 9, 2017 at 7:00 p.m. We will start with a variance hearing for Brent Robillard, 4552 Cedar Island Dr.

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

Chairman Pernu adjourned the regular meeting at 8:36 p.m.

Respectfully submitted,



Diane Dickson  
Fayal Township Deputy Clerk  
PUC Coordinator/Billing Clerk

Approved 5.9.2017  
