

**PUBLIC UTILITY COMMISSION  
REGULAR MEETING  
FAYAL TOWN HALL  
May 11, 2010 7:00 pm**

Bertucci called the meeting to order at 7:00 p.m.

**ROLL** Present were: P. Bertucci, D. Pernu, D. O'Connor, J. Damberg & R. Troutwine.

Also present: Water Wastewater Operator Dickson & Recording secretary Stewart and Town Board Supervisors M. Erjavec, T. Tamaro & J. Pernu.

**APPROVAL OF MINUTES**

- **Motion to approve the April 13, 2010 regular meeting minutes by Damberg, second by Pernu. Motion carried unanimously.**

**GUESTS**

Had no comment at this time.

**CORRESPONDENCE**

4-21-10 Delinquency report \$31,121

4-20-2010 City of Gilbert: Well head protection plan. Comment period 60 days thru June 4, 2010.

4-30-2010 City of Gilbert: Demand for payment and notice of rate increase. The Town Board referred this letter to the PUC for action.

Pernu feels we should send them a letter asking for payment for the 56 Gilbert customers.

Tamaro says we should notify them we are willing to abide to the old contract.

Gilbert's letter states; they are in receipt of our letter dated March 19, 2010. Gilbert does not accept these revisions; negotiations are at an impasse, the previous contract is no longer in effect. Gilbert will proceed with the proposed rate increase herein. Fayal will be billed at \$3.90 per thousand gallons for the 2009 calendar year. We paid \$3.50 a difference of \$.40 per thousand comes to \$12,882.72 due by May 31, 2010. Also, Gilbert is improving the sewer plant, according to Gilberts calculations The Town of Fayal's usage counts for 45% of the overall system. Once bids are received and awarded Gilbert will bill Fayal for 45% of the cost of the improvements. Supervisor, Erjavec states the reason they didn't charge us for 3 years is, we have a letter agreeing to no rate increase in exchange for no connection fees. Thru Dec 31, 2008. As of 2009 Jan 1, we had a verbal agreement saying in exchange for handling there 56 customers they would not give us a rate increase. They ignored the verbal agreement. We had an offer of \$18 per month per customer. Came to \$1,080 a month but they never accepted it. How can we charge their customers less than our customers? Tamaro says we should have a non-resident sewer rate. Gilbert customers pay \$2.25 per thousand plus \$9 per month. They are charging Fayal \$3.90 per thousand.

Bertucci says Gilbert sat here and admitted Fayal is 28% according to John Jamnick, and now Gilbert added 56 customers so we are closer to 25%. Tamaro states Gilbert's sewer project is not as big as originally planned. Erjavec says the MPCA report states they have 56 customers on our system. The PUC wants Erjavec and Kniefel to put together a letter to Gilbert stating if they go retroactive then we will have to go back and charge their customers. 56 customers, according the MPCA application, x \$40 per month as of Jan 1, 2009. Fayal will deduct what we owe Gilbert from our bill. Make a chart. Make sure the letter states we are not in agreement with the

45% calculation. At the meeting in Fayal with Gilbert; the engineer, John Jamnick stated Fayal is actually only 28% that did not include the 56 Gilbert customers that changes it to about 25%. We will have to make a new non-resident rate which should be higher than the Fayal customers pay.

- **Motion by Damberg to have the Town Board create a new non-resident monthly sewer usage rate, which is 20% more than the Fayal customers sewer rate. As of July 1, 2010 Second by Pernu.**
- **Motion carried unanimously.**

5-7-2010 City of Gilbert Well head protection plan rescheduling public hearing for July 13, 2010.

### **OLD BUSINESS**

The Water/wastewater operator went to the Gish house the next day after the PUC meeting and couldn't find the manhole. When he went to the door Gish didn't answer. Chief Thompson issued a ticket to Gish for no excavation permit.

Supervisor Erjavec sent a response letter to Stanaway, no response from her yet.

Pond Class- Dale attended and found 40 acres are not going to be enough. We will need 33 acres just for the ponds. You need room around them for the dikes and a road. If you do irrigation that will take another 40 acres. Plus, you should have room for expansion. All new ponds have to treat for phosphorus; some cities pay \$20,000-\$40,000 for Alum to treat phosphorus. They use a pontoon to distribute alum. Evaporation = rain fall. The operation is expensive; the grass has to be cut every week, and the weeds controlled. You have to meter the inflow and outflow everything has to be recorded. They say a small treatment plant is cheaper but it costs more to operate.

Water/Wastewater Operator Dickson reports he found a leak in the Gilbert manhole last year and it is still leaking into our system. Dale will send them a letter saying they need to get it fixed. It's not as bad now because the water is not as high, but it needs to be repaired. Dale talked to Kenny Kuitenen last fall, he also told him about one of our manholes near the spot our force main dumps into Gilbert's manhole, was blacktopped over, and it is still covered. Dale will send a letter.

Bertucci reports big chunks of blacktop around the manhole by Mesich's Dale will go and look. Damberg wants to know if they are going to blacktop on Woodlawn Pt. Dale reports he is waiting for the manhole on Differding Pt to settle then he will call for blacktop.

Bertucci asks if the power bill has gone up since Gilbert has been online. Dale reports it hasn't changed on the run time. That lift station has the soft starts.

### **NEW BUSINESS**

Nick Domiano yard restoration. - Dale reports Nick has large rocks coming up over the area of the mainline. The area is wet, he has been mowing it. He wants to know what the PUC is going to do. PUC stopped doing restoration after a couple of years. PUC feels let the grass grow and the wastewater operator will keep the brush down on a yearly basis. PUC No action.

Kevin Bird bought property between K & B and Ziegler on Pine Dr. He is building, wants to know what he has to do to get water. According to the contract we signed with the city of Eveleth They own, operate, and maintain the line west of Golf Course Rd until we install a valve or meter. They take care of the hydrants and water lines. Ziegler got a refund he had paid Fayal WAC and he pays Eveleth for his water usage. Maloney and West didn't get their money back because they had connected before the contract was signed with Eveleth.

- **Motion by Damberg to have Bird deal with the City of Eveleth in accordance with the water agreement. No Second.**

- **Motion by Bertucci to let the Town Board make the legal decision re: Kevin Bird connecting to the Water line. Second by Troutwine. Discussion- O'Connor questions if we should talk to an attorney. No. Motion carried unanimously.**

Rigstad in Differding Pt has applied to make a new water and sewer connection he is planning on building a new house.

**TREASURER REPORT**

No report

**CABLE**

The Town Board had already approved the joint commission for one year so we are committed for that time.

**GAS**

Nothing at this time.

**STREET LIGHTS**

Nothing at this time.

**FYI**

Next meeting will be June 8<sup>th</sup> @ 7:00 p.m.

**Motion by Damberg second by O'Connor to adjourn the meeting.**

Meeting adjourned at 8:40 p.m.

Respectfully submitted,

Diane Stewart  
PUC/Billing Clerk