

# PUBLIC UTILITIES COMMISSION

## REGULAR MEETING

### MAY 8, 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 Cal Turner. Commissioners Amy Jackson and Deputy Clerk Diane Dickson were absent. Audience members in attendance were Town Board Chairman Tony Tammaro, Len & Luan Gentilini, Jim Pernu, John West and Kevin Bird.

#### APPROVAL OF MINUTES

- **Motion to approve the regular PUC meeting minutes of April 10, 2018 made by Greg Buckley, second from Chris Erickson. Motion carried unanimously.**

#### GUESTS

Len Gentilini- He is purchasing property on the lake and would like to keep 2 lots for storage. The county says you must have 1/2 of an acre to split. They would be keeping the garage on the end. He stopped at the Town Hall and was told he would have to pay \$9,000 for sewer but does not intend to use the sewer. Asking the board to waive the SAC until they were to need the sewer. Chairman Tammaro explains he thought the lots were contiguous but they are not. The unfortunate thing is Cvek and LaPine paid the fee when they split their property and they set up a payment plan. Cal asks if we could supersede the County's rules? It has to be contiguous in order to be one piece of property. Greg states Diane's email said the people who split and paid did not have anything on the property. Chris states there are fundamental differences in the way other cities look at the access charges. He wishes we would not have raised it. We would have to make a fundamental change to our policy if we were to change anything. Len feels he should not have to pay if he does not connect.

Jim Pernu questions why he is paying for water he is not using. Chris says to avoid the WAC of \$3,500. Cal states John West keeps talking about other big Cities, but we are a Township. Cal researched and has found no other Township charging the way the Cities charge, they are doing what we do. Chris asks if Crane Lake is a Township. Cal thinks they may have a district. Fayal tried to get a district with Eveleth and Gilbert way back but they would not cooperate. We tried again recently to get Gilbert to go together but once again they said no. Chairman Tammaro states we are not comparing apples to apples. We are not a City, we did it the right way. Chris states if no one has paid the \$9000 we should go back to the \$6600. Len asks how it works and says that would help. Chairman Tammaro replies the way our rules are you have to pay when you split. We did come up with a payment plan for maybe 5 years so, you don't have to come up with it all at once.

Jim Pernu is talking about the water standby charge. He pays that in lieu of the WAC of \$3,500. Chris says it's like an insurance policy then if the well goes dry you just connect without paying the \$3,500. Chris states we have 3 options: charge \$9300, lower it to \$6600, or go less. Len Gentilini states if you go less you will have everyone coming in here looking for a refund.

- **Motion to recommend the Town Board revert the Sewer Access Charge back to the previous fee of \$6600 made by Greg Buckley, second by Cal Turner. Motion carried unanimously.**

Chris would like to find another Township with a different plan.

Jim Pernu asks if he stopped paying the standby charge would there be any penalty? No, you would just have to pay the Water Access Charge when the property connects to the waterline.

John West believes the Town did not have the right to charge him in 2003 for a Water Access Charge when Fayal owned the line and he connected to it. Because the agreement dated 2008 Fayal made with Eveleth. Greg states the waterline was our asset at the time and the charges were valid. John West says he talked to an attorney. Cal states bring the attorney's opinion forward to the PUC and the Town Board will forward it to the Towns attorney.

John West continues and the PUC repeats what has been previously said. Greg states bring the letter and we are done.

#### CORRESPONDENCE

Delinquency Report as of 4-24-18 \$25,056.23. Reviewed and placed on file.

April Water Wastewater report. Reviewed and placed on file.

#### OLD BUSINESS

*Pine Dr. Sewer Extension-* Is done due to the project changed and the grant was for a specific project so the grant is gone.

*Potential Options for Pine Drive Sewer Extension-* tabled.

*Gilbert Sewer Upgrades*-Chairman Tammaro reports he was at a meeting in Gilbert they have received \$10,250,000 in grants for the sewer project. In theory our rate should go down. Tony talked to Ismill at IRRRB regarding the Pine Dr. Grant. The project was changed and because of that the grant is gone it went back into the fund. They will award the Gilbert Waste Water Treatment Upgrades on the 22<sup>nd</sup>. Just a little over \$1,000,000 shy of the total project. Dennis asks if we are going to get a rebate? Tony says they talked about it. Pine Dr is a dead issue.

*Dakota Supply Group Water Meters*- Quotation from DSG Dakota Supply Group for New water meters & AMR system / ReSetters / Installation of Kamstrup FlowIQ Ultrasonic Meters & READy AMR Meter Reading System \$64,250 Budgetary Proposal for 2018/2019 from Brad Simms. Sounds like a good plan but we don't have the money to do it.

*Forfeited properties*- Note from Christopher Johnson Land and Minerals Department Tax Forfeited Property Management Saint Louis County. "St. Louis County can only collect assessments that have been certified to a property by the St. Louis County Auditor. We frequently receive copies of delinquent utility bills, which we add to our records, but we do not have the ability to enforce nor collect these fees." Diane will certify any unpaid utility bills to the properties this year. Greg would like to look into it a little more. Tony says it will go back on the taxes. They are supposed to keep their taxes current to maintain their payment agreement.

#### **NEW BUSINESS**

*Woodline Manufacturing*- had a broken water pipe in the building. They said it did not go down the toilet, but everywhere in the building and on the ground. They used 66,000 gallons of water and the bill will be \$970 for the metered sewer use based on the water meter, they have their own well. Can they get any relief from the bill? Greg asks if it was our water, no they have their own well. The water is metered for the sewer usage and the water ended up on the ground not in the sewer. Chris and Greg feels if there was no cost to the Township then it's not a problem.

- **Motion by Dennis Pernu to recommend the Town Board charge Woodline Manufacturing the same amount as the March bill, instead of the \$970, second by Greg Buckley. Motion carried unanimously.**

*Employee Benefit CD*- Clerk Coldagelli, is asking the PUC to recommend increasing the Employee Benefit CD. See the attached a spreadsheet with her projections. Clerk Coldagelli is recommending a bump from \$10,000 to \$40,000. Tony reports in the past it all came out of the general. So, we are going to break it out into each department.

- **Motion by Cal Turner to recommend the Town Board increase the Employee Benefits to the \$40,000 and our portion which would be \$15,000, second by Dennis Pernu. Motion carried unanimously.**

*CD's and Treasury Notes*- Chris Erickson talked to Heidi about interest rates they have gone up and we have a couple \$100K right now it's getting maybe 2/10<sup>ths</sup> of a percent in the bank. Security's market rates have gone up a lot faster, so Heidi has been getting some unsolicited proposals to buy CD's and Treasury notes from various brokers. Chris just independently mentioned he could help Heidi set up an account. Then she could purchase the CD's and Treasury Notes directly from a Company and cut out the middle man. He is willing to help her. Chris did put a call into the State Auditor to double check if it is ok. He has not heard back. This would give us an extra \$10K a year if we could cut out the middle man. So, if no one has any objections he would work with Heidi. Hearing no objections he will proceed. For the record, the account would be straight from Fayal to the Company. Chris would have no interest in it what so ever, just helping facilitate it.

*Bulk Water Agreement*- The current agreement is dated through May 14, 2018. Cal said he got an email from Heidi saying it is expiring.

- **Motion by Cal Turner to recommend the Town Board extend the Bulk Water Agreement with Eveleth for another five years at the current rate, second by Dennis Pernu. Motion carried unanimously.**

#### **TREASURER REPORT**

Treasurer report provided by Clerk Coldagelli as of 3-28-2018. Year to date. FWC Beginning balance \$60,098.98 Revenues \$19,401.41 Expenditures \$20,382.52. Current cash balance \$59,003.48.

FSC Beginning balance \$245,958.83 Revenues \$148,452.42 Expenditures \$148,681.60. Current cash balance \$245,729.65.

Chris reports the bottom line is everything is equal for both the water and sewer company. Everything is good.

**CABLE**

Nothing at this time.

**GAS**

Nothing at this time.

**STREET LIGHTS**

Nothing at this time.

**FYI**

Next PUC meeting will be Tuesday June 12th 7:00 p.m.

Cal asked if Tony has heard anything on the clean-up from Lake Country Power on Ely Lake Dr. Nothing yet but will keep you posted.

Jim Pernu asks about street lights. Tony says there is a process and they have to do a petition and apply for one.

**ADJOURNMENT**

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

Chairman Pernu adjourned the regular meeting at 8:24 p.m.

Transcribed by,



Diane Dickson

Fayal Township Deputy Clerk

PUC Coordinator/Billing Clerk

Approved 6.12.2018

