

# PUBLIC UTILITIES COMMISSION

## REGULAR MEETING

### MAY 9, 2017

Immediately following the variance hearing for Brent Robillard.

The regular meeting of the Fayal Public Utilities Commissioners was called to order at 7:03 p.m. by Chairman Dennis Pernu. Present were: Commissioners Dennis Pernu, Cal Turner, Greg Buckley, Chris Erickson, Amy Jackson and Deputy Clerk Diane Dickson.

Audience members in attendance were Town Board Supervisor Pat Ziegler, Steve Gehrke & Nick Gianlorenzi.

#### APPROVAL OF MINUTES

- **Motion to approve the regular PUC meeting minutes of April 11, 2017 made by Chris Erickson, second from Greg Buckley. Motion carried unanimously.**

#### GUESTS

Steve Gehrke 7627 Ely Lake Dr. and his neighbor Nick Gianlorenzi 7623 Ely Lake Dr. are wanting to purchase an empty lot adjoining their property and splitting it down the center, they don't want someone else to build a house there, and it would be too close to Steve's home. They do not plan to build another home on it so they feel there should not be another sewer fee. He has talked to the county and it has to be surveyed so they can move the lot line. Before they purchase they want to make sure there will not be any additional SAC sewer access charges. One assessment has already been paid. Diane asked if they are going to combine the parcels into one, Steve wasn't sure how the county will deal with it. Diane explained one issue, they have to decide who gets the paid assessment on their property after it is done. Chris asks about the assessment. It has been paid in full by the current owner. Chris stated this split is not creating any additional users, it is contiguous to the property. Chris said this is how it has been done before when the property lines were adjusted. Nick questions if he could build. Cal states he has 4 lots with 4 parcel codes but he only gets one statement and he has built on his property on 2 lots, he did not have an issue with the county. The Township just consolidated many lots into one parcel. It would be good to request it during this procedure.

- **Motion by Chris Erickson to recommend the Town Board not charge a sewer access charge in conjunction with this property split for Gehrke and Gianlorenzi, because it is not creating any new users of the system, and because it is adjacent properties, that is the reason for not imposing a SAC charge, second by Amy Jackson.**
- **Motion carried unanimously.**

Supervisor Ziegler recommended they attend the Town Board meeting so it is acted on.

#### CORRESPONDENCE

Delinquency Report as of 4-24-17 \$15,544.22. Chairman Pernu asks what is actually owed, Chris reports another \$32,000 is on the St. Louis County's books. Reviewed and placed on file.

March Water Wastewater report. Reviewed and placed on file.

April Water Wastewater report. Lift station A is finally up and running. Many parts were replaced. Reviewed and placed on file.

#### OLD BUSINESS

SCADA- IRC found the big generator at the Town Hall needs repair.

Korpela Subdivision-Nothing new.

*MN Pump Works-* They will be coming to do repairs.

*City of Gilbert-* Eveleth-Gilbert-Fayal-Leonidas Wastewater Plan. Cal, Greg, Dale, Diane, Pat and Heidi attended Gilberts work group meeting regarding the wastewater plant. MPCA was on a conference call, with Stantec and John Jamnick. MPCA personnel did not support changing the plan at this time. Cal and Greg attended, very aggravating, the head of the MPCA was not on the call but the subordinates were there. There was no justification for any of the numbers they brought forward. The MPCA told the Council they should move forward in order to not lose their grant money. Nothing has changed, they are still proceeding with the plan. Amy asks if there is any way to get out of the contract. Pat states the only way is if Gilbert were to breach the contract. Also, Eveleth is looking at a friendly annexation with Fayal. We would become one with Eveleth. They would look at a feasibility study. The Gilbert annexation agreement would have to be looked at. Because they didn't provide us with water for 15 contiguous years the agreement has not been followed. It would have to be a vote from both sides. Chris is worried about what our taxes would be, they would be disproportionately on Fayal's side. Chris asks what if Gilbert doesn't get the grant money. Pat explains right now it is 50% of the \$4.2 million which is the upgrades they are required to do. Anything outside of that is not covered in the grant. They are hoping legislation would change the amount to 80% of the required upgrade costs. MPCA person kept saying we are going to lose the 80% because they are high on the bonding. If we combine, Gilbert would drop down on the priority list. Cal believes if we all go together we should have a better chance of getting more on the larger amount of money. Pat says Gilbert would be looking at up to \$10,000-\$20,000 fine if they don't meet the mercury emissions by 2018. Chris says the bill will go up \$1 per month to pay the fine, \$38-\$42 per customer to pay for the loan.

#### **NEW BUSINESS**

*Copy of 2016 Consumer Confidence Report-* has been certified with MDH and notice has been posted on the boards. Two requests for the report, Pat says the water doesn't smell anymore, they are adding activated charcoal a very fine powder it mixes with the organics and then pulls the organics out, then that is pulled out in the sand filters removing the smell and taste.

*Lime Pond-*Notes from Greg Buckley. Greg asked his brother what he thought about pumping the water from the lime pond into our sewer system. His brother is a rotating equipment engineer for BP at the refinery outside Chicago. He oversees groups of pumps and compressors and re-engineers for reliability for the refinery. His summary was he would have concerns with allowing them to pump into our system. Diane stated Gilbert is going to dig a ditch and raise the sides of the berms. Supervisor Ziegler talked to Sam from Gilbert and his council told him not to bother wasting his time because our ordinance does not allow it.

*Ordinance 98-1 changes-* Heidi found a couple of places to change, please review and approve her changes. Chris found one change on D to keep it as Public Utilities Commission throughout the ordinance. The one place says ninety (180) days. What if it is in the winter it should probably be 180 days.

Town Board Chairman is asking the PUC to raise the SAC charge. In 2020 the final amount paid will be \$9,345.81. Chris states if a person were to pay the assessment for the entire 20 years that's how much the total will be for the principal plus interest.

- **Motion by Cal Turner to recommend the Town Board raise the Sewer Access Charge SAC to \$9,300, second by Dennis Pernu.**
- **Motion carried unanimously.**

#### **TREASURER REPORT**

Treasurer report provided by Clerk Coldagelli as of 4-30-2017.

FWC Beginning balance \$52,793.31 Revenues \$23,860.51 Expenditures \$19,360.26

Current cash balance \$56,904.08. Fayal Water Company and Fayal Sewer Company are both cash flow positive. FSC Beginning balance \$223,502.32 Revenues \$181,110.21 Expenditures \$171,365.87. Current cash balance \$246,048.88. Note, the depreciation CD balance is set aside in the savings, at the end of the year the balance is moved from the treasures report to the depreciation CD balance.

**CABLE**

Received Mediacom Communications franchise fee payment of \$2,314.41 for Jan 1, 2017 to Mar 31, 2017. Greg reported the budget is increasing by 10% Fayal's portion is approaching the \$2,300. Last year was \$1,980 a quarter.

**GAS**

Long Lake Gas Line project- They are making connections.  
Miller Trunk project- Pat had a few complaints about the restoration, if Dale sees them mention it to them.

**STREET LIGHTS**

Nothing

**FYI**

Next PUC meeting will be June 13, 2017 at 7:00 p.m.

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

Chairman Pernu adjourned the regular meeting at 7:47 p.m.

Respectfully submitted,



Diane Dickson  
Fayal Township Deputy Clerk  
PUC Coordinator/Billing Clerk

Approved 6.13.17



**PUBLIC HEARING**  
**REQUEST FOR VARIANCE**  
**May 9, 2017 7:00 P.M.**

The Variance hearing was called to order by Chairman Dennis Pernu at 7:00 pm. Also present were Commissioners Cal Turner, Greg Buckley, Chris Erickson, Amy Jackson and Deputy Clerk Diane Dickson.

Audience members in attendance were Town Board Supervisor Pat Ziegler, Steve Gehrke and Nick Gianlorenzi.

**The Applicant is:** Brent Robillard  
**Address:** 4552 Cedar Island Dr. Eveleth, MN 55734

**PURPOSE:** Brent Robillard is requesting a variance from Sewer Use Ordinance 98-1. Brent is connecting a new sauna to the sewer and he is requesting a variance. He is asking to pay only one monthly sewer charge for both his home and sauna connection.

**GUESTS:** name and address for the record.

Diane Dickson	PUC	Amy Jackson	PUC
Dennis Pernu	PUC	Nick Gianlorenzi	7623 Ely Lake Dr
Cal Turner	PUC	Steve Gehrke	7627 Ely Lake Dr
Greg Buckley	PUC	Pat Ziegler	Town Board

**INPUT:** will only be taken regarding the Brent Robillard variance. Brent is not present. Diane Dickson reported the sauna connection has been made. We received a letter of support from Robert Prosen at 4570 Cedar Island Dr. "I support the Brent's request to pay only one monthly sewer charge for both his home and sauna. I further do not believe that he should have to pay for full second sewer connection fee on the single family property. A second connection for a property on the system should only pay for the actual cost of the connection."

PUC does not see any problem with granting the variance.

- **Motion by Dennis Pernu to recommend the Town Board grant the variance for Brent Robillard for the sewer line to the sauna and continue to pay only one monthly sewer charge and no hook up fee with the normal variance stipulations. Second by Cal Turner.**
- **Ayes: Dennis Pernu, Cal Turner, Greg Buckley, Chris Erickson, Amy Jackson.**
- **Nays:**
- **Motion carried unanimously.**

Motion to adjourn the meeting by Cal Turner.

Chairman Pernu adjourned the variance hearing meeting at 7:03 p.m.

Respectfully submitted,



Diane Dickson  
Fayal Township Deputy Clerk  
PUC Coordinator/Billing Clerk

Approved 6.13.17

