

**PUBLIC UTILITIES COMMISSION
REGULAR MEETING
JUNE 8, 2004 7:00 P.M.
FAYAL TOWN HALL**

A public hearing for Brian Pfiefer for sewer use variance was held at 7:00 pm prior to the regular PUC meeting.

Chairman Bertucci called the meeting to order at 7:40 p.m.

ROLL: present were: Aultman, Bertucci, Campbell, M. Erjavec, Kingston & Zlimen. Town Board Chairman Kniefel, Supervisors Tammaro & K. Erjavec. W/WWO Dickson and recording secretary Stewart. Absent - Damberg

APPROVAL OF THE MINUTES

- **Motion by Zlimen to approve the regular meeting minutes of May 11, 2004, second by M Erjavec. All in favor, with Aultman and Kingston abstaining. Motion carried.**

GUESTS

Judy Sersha Fayal Clerk/Treasurer made a presentation on the water company utilizing the reports from the Accounting firm of Walker, Giroux, & Hahne (see attached.) Water sales are used to pay the bills. The General ledger was reviewed, showing a shortfall of \$(3,551.90) this is partially due to the increase in the fee that is paid to the City of Gilbert, and funding the depreciation. The standby has been designated for expansion and WAC is undesignated at this time. There is a difference between 03 and 04 figures, because the water test fee has been collected, but not paid out to Minn. Dept. of Health. The water loan from the general fund has an outstanding balance of \$143,000. The clerk talked to the state auditors office re: depreciation. They are saying all fixed assets should be fully depreciated but not necessarily fully funded. This is the exact opposite of what they said a couple of months ago. M. Erjavec feels fire protection lines shouldn't have to be funded. Campbell states according to the figures we will need a \$2.13 a month increase without funding the depreciation for the fire protection lines.

- Motion by Campbell to increase the water rates by \$2.00, after notification to the customers, effective July 1, 2004. Died for a lack of a second.

The clerk states there is a discrepancy between the accountant and Maximus, the firm who appraised all of the townships assets. Maximus used a 65 yr depreciation vs. 40 yr depreciation used by our accountant. This makes it difficult to come up with a figure to use for depreciation. Lengthy discussion re: the figures. Campbell reviews the professional charges paid out of the PUC fund for litigation.

- **Motion by Campbell to recommend to the Town board to increase the water rate by \$2 from \$22 to \$24 per month for the first 4,000 gallons of water effect July 1, 2004 and increase the charge for an excess of 4,000 gallons to increase from \$5.50 per 1,000 gallons to \$6 per 1,000 gallons, second by Zlimen.** Discussion, Kingston questions using the standby fees to avoid increasing the water rate. Campbell explains this is due to the increase in Gilbert fee, and the standby and access charges are not used in the water sales category to pay for the bills. They have not been designated at this time. Audience comment from Bob Thomas he feels the increase should be \$3.00 not \$2.00. **Unanimously approved. Motion Carried.**

The Clerk provides the PUC with the Balance Sheet Revenue Guideline.

Joe McGaver from Ayres and Assoc. This engineering firm is from Duluth. They have 400 employees across the country. He has provided an alternative, looking again at sewer ponds. They reviewed the costs, leaving Cedar Island Dr go to Gilbert. Diverting LS E to a pond near

the airport. There are three issues: 1. Discharge would be to Ely Creek to St. Louis River to Lake Superior. MPCA may possibly give very strict discharge limits and a pond may not ever be allowed. At this time no one has asked the MPCA what the discharge limits would be, this would be the first thing to do. 2. Any treatment facility over 50,000 gallons a day would have to do an environmental assessment worksheet. This is a lengthy process. 3. Project funding would be difficult due to the fact they already funded the existing system. The funding is based on points of need. He doesn't feel we would get many points. We would have to look at bonds. The costs he came up with are about \$2,000,000 with a 2.5% interest the pay back would not be cost effective. His recommendation is to stay with what we have. The PUC thanks Mr. McGaver for his direct answers.

Sewer Exemption requests:

Bob Thomas Differding Pt.: States he has an accessory building with water run to it on the same lot. It is used for storage and is never going to have sewer.

W/WWO reports upon inspection he found the city water is disconnected, the building has no water in it. He feels it should be exempt. His only concern is the outhouse on the property. It is out of compliance according to the ordinance

- **Motion by Zlimen to grant Robert Thomas the exemption from connection for this accessory building, contingent upon:**
 1. **All plumbing and piping will be removed from the building.**
 2. **The outhouse and/or septic tank will be abandoned according to St Louis County regulations.**
 3. **The variance stipulation agreement will be signed and final inspection must be passed.**
- **Second by Kingston. Unanimously approved. Motion Carried.**

Bernie Rose 4540 Cedar Island Dr: His cabin has running water, a bathroom, but the electricity is turned off. They haven't used the cabin for years except for storage, due to the fact; they have a cabin on Lake Vermillion.

W/WWO reports upon inspection he found a beautiful 2-bedroom cabin, with a full kitchen, a full bathroom with a shower. Dale is not sure if the power has been turned off or not. The W/WWO feels it should NOT be exempt. Zlimen states the only way you can be exempt is to remove all of the plumbing: including toilets, showers, sinks, and pipes. The septic tank is not compliant and needs to be legally abandoned, according to St Louis county regulations. It must be pumped first, then filled with clean sand.

- **Motion by Bertucci to grant Bernard Rose the exemption from connection for this building, contingent upon:**
 1. **All plumbing and pipes will be removed from the building.**
 2. **The outhouse and/or septic tank will be abandoned according to St Louis County regulations.**
 3. **The variance stipulation agreement will be signed and final inspection must be passed.**
- **Second by Aultman. Unanimously approved. Motion Carried.**

Ramona Dieryk 3948 Miller Trunk Rd: financially cannot make the sewer connection or pay the bill. This is a trailer in poor shape. Recommendation by the PUC is to have the trailer removed prior to the July 31, 2004 deadline. **NO ACTION TAKEN.**

David Bastinelli his cottage on Miller Trunk Rd: There was a sand pt that has been sealed. His relatives park a travel trailer next to the building for the summer months. Mr. Bastinelli asks if it were more than 300' would he have to connect, No he would not.

W/WWO reports upon inspection he found a sink with a drain, and a new electrical panel, and an outhouse, he didn't see any running water. He feels it should be exempt if he meets all of the variance stipulations.

- **Motion by Bertucci to grant David Bastinelli the exemption from connection for this building, contingent upon:**
 1. All plumbing and piping being removed from the building.
 2. The outhouse and/or septic tank being abandoned according to St Louis County regulations.
 3. Signing the variance stipulation agreement, and final inspection.
- **Second by Zlmen. Unanimously approved. Motion Carried.**

Louie Parlanti asks about getting a seasonal sewer rate. Bertucci gives him a copy of the sewer company general ledger for his review, and reminds him this is looked at yearly and at this time the rate will not be reduced.

Eugene Josephson Long Lake: He is planning on making the connection by the July 31, 2004 deadline. **NO ACTION TAKEN.**

W/WWO reports the following are not present but have sent in a request for exemption:

Ron Lackner Differding Pt: He is asking for an extension till December 31, 2004.

W/WWO reports this service was hand dug into his property as per his request during the construction. Now, his letter says the pipe is in the wrong place. Recommendation to deny request, he must connect by July 31, 2004.

- **Motion by Kingston to deny Ron Lackners the request for extension, support by Campbell. Discussion where is the sewage going now? Into a drain field possibly the trailer is 20' from the lake. Unanimously approved. Motion carried.**

Send him a letter stating the motion.

Curt Thompson Long Lake: He is asking for an exemption but now he wants as exemption..

- **Motion by Bertucci to Deny Curt Thompson's request for exemption and send a letter saying he has until July 31, 2004 to comply, support by Aultman. Unanimously approved. Motion carried.**

Keith Wagner on Cedar Island Dr: He is asking for an exemption. He has a cabin, 3 lots the fire dept burned down the house, he is on water standby. W/WWO found upon inspection new footings under the cabin, rebuilt the cabin on the outside, now he states he has no water. Also, found outside water tank and pump going into the cabin and a drainpipe coming out of the cabin. He is not a customer, the main line runs right by the cabin.

- **Motion by Bertucci to Deny Keith Wagner's request for exemption and send him a letter stating you must be connected to sewer by July 31, 2004, second by Kingston. Unanimously approved. Motion carried.**

Julie Koester Long Lake: This was the Horton place, they were requesting an exemption, but the W/WWO convinced him to make a temporary connection until they decide to rebuild.

- **Motion by Bertucci to Deny Julie Koester's request for exemption and send a letter stating they must be connected to the sewer by July 31, 2004, second by Kingston. Unanimously approved. Motion carried.**

Charles Demm Long Lake: He sent numerous lengthy letters explaining his dilemma and plans to build. He is requesting a temporary exemption. The W/WWO found upon inspection he has the 100' and has been paying the monthly charges. He has running water, a water heater, he has an easement from his neighbor Gerard Karpik.

- **Motion by Bertucci to Deny Charles Demm's request for extension and send a letter stating they must be connected to the sewer by July 31, 2004 second by Kingston. Unanimously approved. Motion carried.**

W/WWO reports No Response from two, Connie Englestead & Jim Kueten.

Connie Englestead has a house on Cedar Island Dr.: We have not received any response from her. No one has lived in the home for years.

- **Motion by Bertucci to make sure Connie Englestead is on the list of mandatory connections by July 31, 2004, that will be forwarded to the Town Board. Second by Aultman. Unanimously approved. Motion Carried.**

Jim Kueten Miller Trunk Rd.: Dale talked to him and he will be connecting his only concern is the pond water he uses for minnows. Dale told him if he pumps it into the sewer he will be commercial and his water will be metered.

- **Motion by Bertucci to make sure Jim Kueten is on the list of mandatory connections by July 31, 2004, that will be forwarded to the Town Board. Second by Aultman. Unanimously approved. Motion Carried.**

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- **Motion by Bertucci to forward all of the decisions, for the requests of exemptions and extensions, from connecting to the sewer line to the Town Board so it can be sent to the attorney Scott Neff, second by Zlimen. Unanimously approved. Motion carried.**

CORRESPONDENCE

5-19-04 results of the drinking water results –No Coliform Bacteria were detected.

5-25-04 Franchise fees received from New Century Communications for 3rd Qtr 2003-\$171.73 / 4th Qtr 2003 \$158.91 / 1st Qtr 2004 \$154.04 for a total of \$484.68.

WATER/WASTE WATER REPORT

Strumbell property has been taken care of.

John Matko reported a sink hole in their yard a 7' deep hole after the last big rain. Upon inspection he found this was not due to the sewer line but was an old dry well that caved in.

Dan Krohn complained about the drainage in the property.

Locate meet in front of *Skrbecs new RV Park* on Hwy37, dealt with as-builts with incorrect information on them. They needed to know what line was the sewer and water. RLK is working on this project for Gilbert; they provided Fayal with inaccurate as-builts. They discovered the Sewer line is on the shoulder of the road and the water line is in the woods.

SEWER

Bertucci reports Tim Wedin from LHB Engineering will deliver his final report.

Joe McGaver will be attending the next Town Board Meeting with his report of looking at a sewer pond. Ayres and Assoc did this report on gratis. The PUC liked the way he handled this possible project.

Campbell wants to get the reports from Gilbert re: the accrual of the maintenance fund from the sewer fees we pay. We would like to know if they are using the money and on what. Ask Judy if she can talk to Mackley.

Bertucci reports there is a company possibly interested in purchasing the Sparta property. They may be talking to Gilbert re: the sewer.

WATER

TREASURER

Campbell discusses the fact the PUC fund has had \$19,000 taken for professional services. He feels we should reimburse the fund from standby or WAC.

CABLE

They appear to be losing customers to the Dish, which we cannot get franchise fees.

GAS
STREET LIGHTS
FYI

M. Erjavec reports the sand on Woodlawn Pt used to be black stinky muck is now clear down 8” in the sand on both sides of the point.

**MOTION TO ADJOURN THE MEETING BY AULTMAN, SECOND BY ZLIMEN.
ADJOURNED AT 10:00 P.M.**

Respectfully Submitted,

Diane Stewart
PUC Coordinator/Billing Clerk