

**PUBLIC UTILITY COMMISSION
REGULAR MEETING
FAYAL TOWN HALL
July 14, 2015 7:00 pm**

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

ROLL Present were: Dennis Pernu, Cal Turner, Greg Buckley, Chris Erickson & Donna O'Connor. Also present, Town Chairman Tony Tammaro, Supervisor Rich Sather and recording secretary Diane Dickson.

APPROVAL OF MINUTES

- **Motion to approve the Regular Meeting Minutes of June 9, 2015 made by Turner, second by Buckley. Motion carried unanimously.**

GUESTS

Lee Aultman requesting an extension on his variance for his property at 4478 Woodlawn Circle.

- **Motion by Buckley to grant a one year extension on the sewer use variance, second by O'Connor. Motion carried unanimously.**

Other guests in attendance Nanci Gams, Sharon Crep, Barb Nobens, Marla Norvitch, Denny Bone. They are here to participate in the delinquency discussion.

CORRESPONDENCE

June 2015 Water Wastewater Report. Placed on file.

Delinquency Report as of 6/24/2015 \$50,454. It has gone up \$10,000 since September. Turner asks if the county takes a percentage. Fayal gets everything we place on the taxes. Erickson reports LMC does not recommend suspending sewer service. Scott Neff gave us options.

Tammaro reports if they have any unencumbered assets, real estate and wages can be garnished.

The costs can be recouped by the Town. We can represent ourselves in conciliation court, it's just the time it takes. Chris explains how we are collecting now. It is placed on the taxes, when they pay their taxes it is split evenly between the assessments and taxes. We did use a collection agency in the past and lost money. They charged more than we recouped. Then they sued us.

Chris states another avenue, after it's certified they put a 10% penalty, prior to certifying there is no limit on the penalty's on the township. There is no usury laws. Chris calculated if a person pays their bill on time all year they pay \$684. If they don't pay all year we charge them \$772. It's another \$90, he doesn't feel that is enough of a motivator. The consensus of the guests agree. We can adjust the penalty, maybe double the fee, and get double the amount. Credit cards get 20%, we want to be the lender of last resort. What if we go 30%, the problem is once we certify to the county it drops down to 10%. We don't have to certify every year if we don't want to. If we are collecting more penalty fees we could hold it longer before certifying to the county. We do have the option of raising the penalty schedule.

Turner asks why would we want to go to court ourselves. Why wouldn't you send it to Scott Neff after 90 days? ~~The customers would have to be paid by the customer.~~ Scott does state the town will rarely be made whole, rarely does any creditor receive back 100% of all costs incurred.

- **Motion by Buckley to recommend the Town Board turn the top 3 over to Scott Neff in pursuit of collections. Second by Turner. Motion carried unanimously.**

We will look at changing the penalty fee's 10% then after 90 days then the rate go up maybe 20% per month. We would have to verify with the billing program can make these calculations. Looking at \$1,060 at the end of one year of nonpayment, which is a 50% penalty. Chris will work on a resolution for the next meeting and have Scott Neff collect on anything over \$4,000.

- **Motion to amend motion by Buckley, to say over \$4,000 delinquent will be turned over to Scott Neff in pursuit of collections. Second by Erickson. Motion carried unanimously.**

7-2-15 letter from Trenti re: sewer enforcement opinion.

Copy of letter from Gilbert to Eveleth re: sanitary sewer one facility options.

Chairman Tammaro reports the city's are looking at consolidating the fire departments and they are talking about sewer options of dealing with the mercury emissions standards. They are not looking a sewer district.

We received the 1st half of the county apportionment. \$4841.75 in Delinquent utility's assessments.

OLD BUSINESS

SCADA- There should be a change order coming for the installation of the concrete for the 20' antennas. Lanyk is ready to dig.

Delinquency disconnects- Dale bought a plug to see what it's like. Looks pretty simple but you have to dig down to the line to install it.

NEW BUSINESS

PUC Roster update and fill positions.

- **Motion by Erickson to appoint Dennis Pernu as the Chairman second by Turner. Motion carried unanimously.**
- **Motion by Erickson to appoint Greg Buckley as vice Chairman second by O'Connor. Motion carried unanimously.**
- **Motion by Pernu to appoint Chris Erickson as treasurer second by O'Connor. Motion carried unanimously.**
- **Motion by Pernu to appoint Chris Erickson as Secretary second by Buckley. Motion carried unanimously.**

TREASURER REPORT

Erickson reported as of May 2015 cash balance Fayal Sewer Company \$187,630. Fayal Water Company \$32,537. The big sewer PFA payment is coming up.

SCADA project will be paid with the Grant, sewer replacement fund, and mining effects money. Chris will track it.

CABLE

No July meeting

GAS

Gas line extension-They continue connecting customers and restoring.

Long Lake extension- Pam said the engineers are still working on it, when they are completed then they will do a mailing.

STREET LIGHTS

Nothing else.

SEWER

All ready discussed.

FYI

Next PUC meeting will be held August 11, 2015 at 7:00 pm.

ADJOURNMENT

- **Motion to adjourn by O'Connor, support from Erickson. Motion carried unanimously.**

Meeting adjourned 7:30 p.m.

Respectfully submitted,

Approved 8-11-15 as corrected.

Diane Dickson
PUC Coordinator/Billing Clerk