

PUBLIC UTILITIES COMMISSION

REGULAR MEETING

SEPTEMBER 12, 2017

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, Cal Turner, Greg Buckley, Chris Erickson, Amy Jackson and Deputy Clerk Diane Dickson.

Audience members in attendance were Town Board Supervisor Pat Ziegler.

APPROVAL OF MINUTES

- **Motion to approve the regular PUC meeting minutes of August 8, 2017 made by Greg Buckley, second from Chris Erickson. Motion carried unanimously.**
- **Motion to approve the Turner Variance hearing minutes of August 8, 2017 made by Chris Erickson, second by Amy Jackson. Motion carried unanimously.**

GUESTS

Town Board Supervisor Ziegler had nothing at this time.

CORRESPONDENCE

Delinquency Report as of 8-24-17 \$21,478.58. Placed on file.

August Water Wastewater report. Dale had a busy month. Placed on file.

Aquapower estimate for \$3,420.00 to clean the 30 lift stations. Dale needs to get the lift station and lines cleaned. He is going to come up with a 5 year plan for cleaning the lines. The Town Board has approved the expenditure. He is trying to get on the schedule asap.

OLD BUSINESS

TPC Telemetry and Process Controls, Inc. Proposal: Upgrade SCADA to provide extended pump run time alarm notifications. They completed the project the end of August.

North Memorial Air Care- is putting in housing at the Eve/Virginia Airport in hangar #5. The airport is a commercial account. Diane received a call requesting a new account be set up. I sent the new customer forms I will keep the Airport as the land lord, they are responsible if North Memorial does not pay.

Airport owns the lift station this is coming from.

SCADA- IRC found the big generator at the Town Hall needs repair or replacement, Tony is working on it.

340-xxxx-xx460- will go tax forfeited on Oct 3, 2017. Then it goes to Land appraiser Ruth where she will review the file and it will include the unpaid assessments according to the auditor. Diane talked to Quinn in Duluth when he sends the file it will include all unpaid assessments.

Pine Dr, Old K & B location- sewer extension- Copy of IRRRB Grant-

Set up an informational Public Hearing for Tuesday October 3 at 6:00 p.m. prior to the Town Board meeting. Zach Lamppa will be there with Liz Foster his CFO to make a presentation and answer questions. There are 3 affected property owners who have an onsite septic system. PUC needs to discuss a possible moratorium and the SAC. Lengthy discussion of possible options for the three affected residents. Bird's certificate of inspection is still valid. Our ordinance states there will be a septic inspection it could cost \$250-\$400, and pay the SAC which is \$9,300. St. Louis County has point of sale mandatory connection. Discussion of original assessment amount of \$6,625 if they paid up front or the accumulated interest of \$9,300. Cal feels the SAC is what it is and no discount. On the Point of Sale they would have to connect and pay the SAC at that time. Cal believes the ordinance is if Fayal is putting in the mainline not a private party then there would be mandatory inspection. The line will be

put in and then turned over to Fayal Township. The grant will go thru Fayal Township and the matching funds will be from the developer.

The PUC does not want to force the residents to connect, due to the situation is being created by a new business needing public sewer. But at the Point of Sale or failure then they would connect and we are not going to force them to have it tested. Ziegler believes the new county ordinance states you are in compliance for 25 years and then it would need to be tested.

7:30 p.m. Chairman Tony Tammaro arrives.

Chairman Tammaro believes we should do a moratorium and have the developer pay sewer connection fees and pay them upfront, because we are forcing the three residents to connect. Tony feels the county would make them inspect. PUC would not make them connect unless the sewer fails or Point of Sale they do not feel that would be right to put the burden on the developer. Cal would like the SAC to be locked in for the price. Chairman Tammaro states the resolution will have the fee included just for those three affected customers.

- **Motion by Cal Turner to leave the hook up and SAC as status quo for the three affected properties owners on Pine Dr. they would connect to the sewer line at the Point of Sale or Failure of their onsite septic system, second by Greg Buckley.**
- **Motion carried unanimously.**

A meeting is scheduled for this Thursday with SEH Matt Reid, Mike Larsen, Clerk Coldagelli, and Chairman Tammaro and Pat Ziegler. The Chairman will keep the PUC informed, this will have to be a project with no cost to the Township.

Pat Ziegler is here as a resident not a Town Board supervisor.

NEW BUSINESS

Sent out a notice of violation for trees to Waldorf and Bill and Sue White on Cedar Island Dr. for sump pump they were given a previous notice. Dale inspected and they did correct the sump pump, and the trees.

Gilbert is adding a Wastewater Treatment facility upgrade fee of \$7.50 x 700 starting in November. They have not officially notified us but Bob Pontinen called. They do not have to notify us but we have to notify our customers 60 days. Not sure if the bill for November will come in December. That's is how Fayal's is supposed to be according to the ordinance.

Chris reported we had a meeting with Greg and Chris and Heidi and Diane and Tony and Dale we looked at different scenarios for the rates. The question is do we pass on all of the \$7.50 or absorb part of it. Chris did an analysis of the un committed cash. If we stay with the \$1 increase a year, we would deplete our cash. The \$7.50 increase we were going to do the \$1 so really its \$6.50, so, it's just a matter of how much are we willing to draw down the cash buffer. It is a rainy day fund. Chairman Tammaro talked about paying off the loan and save \$5,000 in interest. Dale is worried we have some bigger expenses coming we have to start to camera the lines. Greg is in theory this is a pass thru enterprise and he believes we should raise it \$7.50. Chris would like to go with less of an increase. Chairman Tammaro reports when he met with Gilbert the Mayor said \$7.50 and the financial people said \$17.50. Pernu says \$5, Turner says \$3.75 it splits the \$7.50 in half he feels we don't need a big bank account and we will deal with. Tony says if something goes wrong we would have to take out a loan. Greg states we should at least be at \$5.00, he believes 6 months from now we are going to be here again. So, the \$3.75 plus the \$1 puts us at \$4.75 so we can go to \$5.00.

- **Motion by Cal Turner to recommend the Town Board raise the sewer rates by \$5.00 based on the Gilbert charges to us. For both residential and commercial, second by Chris Erickson. Discussion, we are lowering our sewer fee to help pay for the \$7.50 wastewater treatment fee imposed by the City of Gilbert.**

- **Motion carried unanimously.**

We also talked about adding a line on the bill to say this is the Gilbert debt service. We are in effect lowering our sewer rate by \$2.50 so Gilbert Debt service increases by \$7.50. Chris will revise the letter going to the customer. This will affect our revenue by the \$2.50, so we will see a reduction. We have to give the customers 60 day notice.

WAC- Copy of minutes from May 2008. John West called asking why he had to pay a WAC charge. We looked into it. And found some were refunded and the rest were not. Dale found the line going down Golf Course and across to IRRRB was put in in 1989. The line the rest of the way from corner of Pine and Golf Course was put in by Fayal in 1991. It is still our line but we made an agreement with Eveleth for them to maintain and collect payments as long as we do not have a way to meter the water usage. A meter vault is very expensive. That is why Pine Dr. did not get a refund. Chairman Tamaro stated John received all of the documents.

Complaint from Gerald Lonne the manhole is in the driveway and has a sink hole around the cover. Years ago they argued about if it was the road or driveway and it was not repaired. Chairman Tamaro said the guys in the garage are going to dig it out and then Mesabi Bituminous is going to finish it. Paid by sewer not sure of the cost.

TREASURER REPORT

Treasurer report provided by Clerk Coldagelli as of 8-31-2017. Year to date.

FWC Beginning balance 1-2017 \$52,793.31 Revenues \$54,031.71 Expenditures \$40,155.39.

Current cash balance \$61,377.18.

FSC Beginning balance 1-2017 \$223,502.32 Revenues \$358,838.88 Expenditures \$366558.47.

Current cash balance \$225,311.30.

Chris Erickson reported the Water Co. is cash flow positive and the Sewer Co. is in balance.

Chairman Tamaro would like to get a meeting with the Gilbert Mayor and see what is happening in the Sewer Department so, we know what is coming.

CABLE

Nothing at this time.

GAS

Long Lake Gas Line project- Nothing more.

Miller Trunk project-

STREET LIGHTS

Nothing at this time.

FYI

Informational Public Hearing will be Tuesday October 3, 2017 at 6:00 p.m.

Next PUC meeting will be October 10, 2017 at 7:00 p.m.

ADJOURNMENT

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

Chairman Pernu adjourned the regular meeting at 8:12 p.m.

Respectfully submitted,



Diane Dickson

Fayal Township Deputy Clerk

PUC Coordinator/Billing Clerk

Approved Oct 10, 2017
