

# PUBLIC UTILITY COMMISSION

## REGULAR MEETING

### SEPTEMBER 13, 2016

The regular meeting of the Fayal Public Utility Commissioners was called to order at 7:00 p.m. by Chairman Dennis Pernu. Present were: Dennis Pernu, Cal Turner, Chris Erickson and Deputy Clerk Diane Dickson. Greg Buckley and Donna O'Connor were absent.

Audience members in attendance were Town Board Chairman Tony Tammaro, Town Board Supervisor Pat Ziegler. Jim Pernu arrived at 7:05 and Town Board Supervisor Rich Sather arrived at 7:10.

#### APPROVAL OF MINUTES

- **Motion to approve the regular meeting minutes of August 10, 2016 made by Turner, second from Erickson. Motion carried unanimously.**

#### GUESTS

Town Board Supervisor Pat Ziegler-Supervisor Ziegler reported on the meeting he attended in the City of Gilbert. Gilbert approved going ahead with the new sewer plant, the design costs were awarded to Stantek Engineering for \$687,000. They don't know where they are getting the money from. What is Fayal going to be liable for? Ziegler is wondering if the PUC would like to get together with Eveleth and see if we can stop this. Maybe we could get some funding for a tri cities plant before Gilbert goes ahead with their \$9,000,000 plant. Chairman Tammaro states Pat, Greg Buckley, Mike Erjavec were at the council meeting although they were not allowed to speak.

Chairman Tammaro met with Mayor Robert Vlasisavljevich, Mayor Bob Kutsi and talked about all going together. Then Gilbert decided to go ahead and do it without Eveleth. Gilbert was on the bonding bill for \$8,000,000 but they didn't get it. They have no idea where they are going to get the money. What is going to happen to our rates? City of Eveleth is meeting the mercury emissions, the issue Eveleth had with Gilbert was their I & I. Turner states a long time ago Eveleth did not have the capacity to accept us. Ziegler says there would have to upgrade to the plant. Right now Eveleth's plant could handle all of Fayal, Gilbert and Leonidas but they would be running at max capacity and the MPCA would not allow it, because they need overflow capacity. Tammaro states the first conversation we had, Gilbert would have to put in a big holding pond, and Eveleth would also have to put in an additional holding pond. There is funding at the state to put in community plants. It makes sense to work together to deal with the mercury emissions. Fayal would not even have known if Bob Pontinen wouldn't have told us. Pontinen was the only one asking any questions if they can afford this. Jamnick is a subcontractor for Stantek Engineering. Erickson believes we would be impacted thru the rate, hopefully they would extend it out over a long time period. If we get together we could petition the MPCA to say we need to work together, and maybe delay the whole process.

Looking for a recommendation from the PUC to work with the City of Eveleth, Leonidas and Fayal to try and halt or stop Gilbert from proceeding on their own. WIFF is still available but almost impossible to get points to qualify.

- **Motion by Turner to recommend the Town Board to form a committee to address a sewer district and involve 2 from the Town Board, 2 from the PUC, County Commissioner and State Legislators, second by Erickson. Motion carried unanimously.**

Pernu asks didn't Pontinen bring up a while ago we they would be looking at mercury emissions. Yes, everyone is having to deal with this issue. Duluth got around it because their plant was fairly new and thru education. Virginia's new plant is set up for mercury. Hibbing has to deal with it. Chisholm has to do an upgrade and so does Mt. Iron. Eveleth is meeting the 2019 standards. Gilbert has done nothing towards meeting the mercury standards.

*Lee Aultman*- regarding his property with no house and a capped sewer and paying a monthly sewer fee. Asked to be on the agenda but did not show up. Wanted to get his monthly sewer fee removed as long as there is no house.

## CORRESPONDENCE

Delinquency Report as of 8-23-16 \$16,221.82. Reviewed and placed on file.

August 2016 Water/Wastewater report. There was SCADA issues with the generator and the Town hall losing power three times. There is a burnt line in the stator, the Town is working on a fix.

## OLD BUSINESS

Julie Olson- nothing new.

*Monthly service* charges on property's with no buildings. No buildings variance list and sewer variance list have been provided by Diane. Erickson asked Diane to pull this together, this is related to the Lee Aultman request. Every situation is different and there is no perfect world. Trying to find commonalities and make sure everyone is treated fairly and consistently. If there is no physical connection to the system such as the building burned down and capped, is it fair to be charging them \$58 a month if there is no possible way a drop of sewage could get into our system? Erickson doesn't think they should be paying if there is no way they can get sewage into our system. Tamaro feels it should be a case by case. What about Mike Erjavec he pays but his cabin is not connected? Is Lee Aultman have access through the garage?

There are 7 people where their place burned down or was demolished and they were granted a variance. They have no physical connection. Then 2 only had a temporary reprieve. PUC feels the other 2 should also be granted a variance. Possibly just add it to the rate schedule, saying "our policy is to not charge if there is no physical connection or building to make a connection to the sewer". Not retroactive, only going forward. Ziegler asks how many are like Mike. Kosmach's now Picek removed all of the plumbing and never connected. They did not take the 100' of pipe. We will have Dale double check the garage at Aultmans, put dye in the drain if there is one and check the manhole.

- **Motion to recommend the Town Board change the monthly service fee policy to not to bill any properties who have no physical connection from the building to the Fayal system that would apply only going forward and not retroactive by Erickson, second by Pernu.** Discussion- how do you address situations with summer cabins, Diane feels the county would not like a habitable property allowing you to disconnect. Erickson asks if he should change the wording to say no building. Turner explains when we went to the State for money we said everyone would be connected to the sewer within 1000' from the water and 300' from the property line. Cal does not feel Mike should qualify for variance. We did go and make people connect. The seven and the other 2 were due to a catastrophe on the property. Otherwise it goes against the reason for installing the sewer system. We used to force people.

**Erickson would like to retract the previous motion.**

- **Motion by Erickson to recommend the Town Board change the monthly service fee policy, to not bill if there is no habitable structure on the property and amend the monthly rate schedule so they would not be charged a monthly service fee until such time a new habitable residence is built and then the service fee would start again, contingent on Dale checking to verify nothing is connected. Second by Pernu. Motion carried unanimously carried.**

*Rental property* being charged extra monthly charge.

Erickson reports we have 5 places being charged double. The question is if they stop renting can they go back to one, how often, is there a limit. Discussion-Ziegler feels it should stay the same if they have a rental property they should have to pay because how are you going to keep an eye on that. Tamaro states it first came up with Weaver's they had 2 houses and used it for day care then they closed down and they came back to the PUC asking to go back to one monthly fee, which we did. He remembers saying they can't go back and forth. Erickson said there is one who wants to go back to one service because they are not renting any longer. Pernu feels they cannot turn it on and off. Diane remembers it is written that if it is found they are renting the charges can go back to the start. Erickson said the discussion is all he was looking for. So, it will remain status quo.

## NEW BUSINESS

Discovered errors while researching variance list. Move the assessments from the lower valued parcel to the higher valued parcel.

- **Motion by Pernu to recommend the Town Board move Lee Branville's 34005 sewer assessment from parcel code 340-0025-00410 cabin, to 340-0010-00415 the higher valued parcel, second by Turner. Motion carried unanimously.**
- **Motion by Pernu to recommend the Town Board move Allen Casper's 34005 sewer assessment from parcel code 340-0120-00330 cabin, to 340-0120-00340 the higher valued parcel, second by Turner. Motion carried unanimously.**

SCADA- There has been an issue with the system not working properly when the power goes out in the building. After the first week Dale went out when the power went out at home, he assumed the power was out in the office and it was. We called TPC and they did some programming changes, although it failed the next 2 times. IRC found the big generator needs repair it is going in and out and the PLC did not call out. It timed out for a couple of minutes and then never came back around to notify us.

FYI if the red light is on and the alarm is sounding please call 911, we may not be aware of the situation.

**TREASURER REPORT**

Treasurer report as of 8-30-2016 Year to date was provided by Clerk Coldagelli and reviewed by Erickson. Fayal Sewer Company is in balance this year. FSC Revenues \$358,068.49 Expenditures \$361,552.25 Cash Bal. \$171,662.14.

FWC Revenues \$53,386.32 Expenditures \$36,467.25 Cash Bal. \$53,641.14.

**CABLE**

Nothing.

**GAS**

Long Lake Gas Line project- Main gas line is being installed. Some residents have not received a letter from the MN Energy Resources. Call if you have not been notified. They are waiting for permits to cross the creek. No update on the Ron Erjavec Miller Trunk spur, they came in with a lower cost for them, and the Township will hold the funds instead of Ron.

**NEW BUSINESS**

Erickson is also on the Planning Commission and they would like to meet with the PUC at 6:00 before our next PUC meeting. They are trying to get an understanding of what the Utilities Commission has for long term plans. They want to avoid conflicting plans for the future, and everyone could be on the same page.

Pernu states he has had a lot of complaints the baseball field sign is not big enough and they still have to get the sign up acknowledging the Twins grant.

The new Short Stop sign- the county is having an issue with it, and it is going to the planning commission.

**STREET LIGHTS**

Nothing at this time.

**FYI**

Chairman Tammaro reports the Town Halls gas line is leaking. Our service line to the building are going to have it repaired. It is going to cost around \$4-5,000 Gulbranson Excavating will be boring the line, the concrete removed will be removed and replaced it has to be completed this year.

The Town Board made an offer and it was accepted to purchase the land around the ball field and road going to it. Erickson states the Planning Committee has been looking for green space.

The next meeting will be held on October 11, 2016 starting at 6:00 pm with the Planning Committee.

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

Chairman Pernu adjourned the regular meeting at 8:01 p.m.

Respectfully submitted by,



Diane Dickson  
Fayal Township Deputy Clerk  
PUC Coordinator/Billing Clerk

Approved 10.11.2016

