

PUBLIC UTILITIES COMMISSION

FAYAL TOWN HALL

OCTOBER 8, 2019

The regular meeting of the Fayal Public Utilities Commissioners was called to order immediately following the variance hearing for Jamie Hendrickson at 7:15 p.m. by Chairman Greg Buckley. Present were Commissioners: Greg Buckley, Ed Vest, Cam Jason, Chris Erickson, and recording secretary Diane Dickson. Absent: Amy Jackson

APPROVAL OF MINUTES

- **Motion to approve the Bruce Anderson Variance Hearing minutes of September 10, 2019 made by Chris Erickson, second from Ed Vest. Motion carried unanimously.**
- **Motion to approve the regular PUC meeting minutes of September 10, 2019 made by Ed Vest, second from Chris Erickson. Motion carried unanimously.**

GUESTS

None.

CORRESPONDENCE

Delinquency Report as of 9-25-19 \$32,116.68 Greg asked about the penalty's if they were calculated this time without the penalty on the penalty. Yes, it has been changed and we did not go back at all. Placed on file.

September 2019 Water Wastewater Report. Reviewed and placed on file.

Certify list sent to St Louis County 9-23-19. Cam asked if we get a report of who is still owing. The county will send me a list when I request it so we can see who is still unpaid. If they do not pay the new timing is 5 years and the process starts. Then Nelson property will be going into forfeiture so we have it posted with the county. As long as you pay the county something the county will not proceed with forfeiture.

OLD BUSINESS

GIS SEH-June 25, 2019 SEH Agreement for professional services for collect all available information of all Fayal Township water main and sanitary collection for \$12,800. Tabled until the spring of 2020.

Test Fee-MN Dept of Health - (yearly) change from \$6.36 to \$9.72 effective Jan 1, 2020 charged in May. Heidi will update our fee schedule.

NEW BUSINESS

Review the #1 in the variance stipulations for saunas and garages. Chris reviewed what happened at the last meeting. When we granted a variance for a sauna we said it should not be void if it is sold. If we grant a variance it is on the property not who owns it. We felt it was unnecessary if the owner of the property changed, specifically for saunas and garages. Ed said we would not want to do this for the variance we just past. Chris says the variance should follow the land. Cam asks if we do a deed restriction. No, we do not. The county Planning and Zoning variances stay with the property. Cam said he would have voted for it if we put a deed restriction on the property. Ed and Cam both feel Dale should be able to sign off on the sauna and garages. Diane explained we called this a variance so we can know in the town hall who has what connected and where so we have maps to file. And encouraging everyone to connect the saunas to the municipal sewer to keep the lakes clean. Cam said with a deed restriction you have real teeth when the property changes hands that way the new owner will be informed. We are just relying on someone remembering. Diane explained I have attached an extra sewer wye in the billing program so when the property changes hands it will pop up. Chris says it is a variance from our ordinance not a deed restriction. Greenwood Twp. was doing their own planning and zoning at the time Cam got a variance and they did a deed restriction on their property. Maybe add to the first line saying as long as it is not a sauna or a garage. PUC feels we will keep it the same and deal with it on a case by case.

Review the ordinance 98-2 regarding twin homes, apartments etc. and the sewer connection charges SAC. Diane provided a sample Water Utility Availability Ordinance from MN Rural Water Assoc. It is a good example with a Computation of Units and good language. Ed wanted to have a clear understanding of the ordinance in case someone wants to build something other than a single residence. Greg reminds us we ran into this with the airport. Our ordinance does not have a computation of units although it does

reference apartments. Cam questions the purpose of the \$6,625. Ed says it is the costs split up among the residents to pay for the sewer system. Cam states it is incongruous with our current ordinance of the charges of \$72 a month. Because that is supposed to cover the exact same thing according to the ordinance capital costs and replacement costs, so why do we charge the \$6,625 anymore? If it is to share the capital costs of creating the system including the users in the future than we need to change the wording of our monthly charge, because it talks about it is for replacement costs and Cam says after lengthy review of the ordinance he believes they are in conflict with each other. The \$6,625 if that is to pay for the initial right to use the system and your share then why do we talk about in the \$70 monthly that is to cover replacement costs and further capital expense. We need to be consistent. Cam is not opposed to charge the \$6,625 but the documents need to be consistent. Chris states a portion of the \$72 goes to a depreciation account which helps fund replacing pumps and such, most of it goes to current costs. Diane asks what we need to change. Cam says we need to define the Sewer Access Charge, along with some explanation like this is availability. Diane states in the research she found most entities call it Sewer Availability Charge due to some are not accessing the line. Cam wants it to be clearer as to what they are paying for. Ed feels everyone should have to pay for the system not just the people who were here at the start. If you want to hook up to build a new house you should have to pay the same access charge as the rest of the people. Cam said if he walked in as a new customer and asked for the ordinance to build a new house he would wonder what is going on because it is supposed to cover capital improvements within both the \$6,625 and the \$72 monthly. He just feels it needs to be clear. Diane states part of the debt is being paid with the monthly fee and she believes that is why that language was put into the monthly fee to pay off the 3rd Loan. Cam says it could be clearer by saying the \$6,625 charge is a onetime charge for the availability of sewer to cover the capital investment of the original system, after that any capital improvements come out of the \$72. Chris states yes the \$6,625 was to support the initial build out and we are coming to the end of that all being paid off. The question is whether we continue to charge the \$6,625 to new people because the system will be paid. Cam says the rational to continue is because we are going to have to replace a lot of it down the line because it wears out. Maybe the portion of the \$72 will cover the replacement down the line. Greg says he would be concerned if we have separate definitions for each charge is used for then we are going to have problems when it comes to accounting. And when we need to do something and the description of those funds does not allow us to do that. The SAC then would no longer be able to be used for day to day operations because it would not be defined as that. The SAC should have had a better description. The PUC did discuss changing the SAC amount after the loans are all paid off. Chris is wondering where the SAC is \$6,625 but if such and such happens it is now being called a connection charge. He read that somewhere but can't remember where it was. Possibly in the resolution. There is a \$50 sewer building permit fee, we will have to go back and look for a connection fee. This is going to take more than one meeting to cover this issue. Cam says we shouldn't reinvent the wheel if there is other towns that have these charges already. The initial ordinance came from the Engineers during the project, we did not create that. Ed says we should have a different fee in case a big investor were to come in with a big project so he doesn't pay just \$6,625. We should look at the different units regarding the monthly fee for an apartment complex. Ed thinks it is in the ordinance as each residential unit pays a monthly fee. Greg would like to continue working on this next month. Everyone can do some research with other towns and cities and find out how they charge and maybe look at the ordinances. There should be only 2 loan payments left next year and then the loans should be done. Chris believes there should be \$300,000 left.

TREASURER REPORT

Treasurer report provided by Clerk Coldagelli as of 9-30-19-2019. Year to date. Reported by Chris the FWC revenues exceeded expenditures by about \$5,000 that is why the cash balances increased. The FSC was about \$40,000 cash flow positive year to date which is why the cash balance went up by a similar amount. The Depreciation Account which is the 4M Fund a money market fund is earning some more interest. The PUC Fund technically has a negative balance but that will be brought back to a positive as Chris understands it. Heidi explained the original plan to use the excess lodging tax only has a couple of hundred dollars at the end of the year so it is not going to rescue the PUC fund. Heidi believes the Board

will bring it back to a positive. The fund is used for paying the Joint Cable fees and the secretary's time and over the years less and less has been charged to it due to the Channel 12 fees increasing and the franchise fees decreasing. The fund was set up by the accountant we can check and see what we can do. Greg asks about the water and sewer fund picking it up but the PUC is funded by the Town not just the users. Cam said we should have the Town Board pass a resolution to allocate funds for the PUC fund and maybe have them start to budget for the PUC in the future. Ed asks what we get out of the Channel 12. Greg states it may go away when we combine the schools we don't know yet. Chris likes the thought of the Town budgeting \$200 a month for the PUC fund.

- **Motion by Chris Erickson to recommend the Town Board allocate \$200 a month to support the PUC fund to help bring the deficit back to a positive number over time, unless they have some other mechanism that is preferable but achieves the same thing. Second by Cam Jayson. Motion carried unanimously.**

FWC Beginning balance 2019 \$55,549.10 Revenues \$59,964.32 Expenditures \$54,219.85.

Current cash balance \$58,989.36.

FSC Beginning balance 2019 \$247,045.40 Revenues \$460,127.72. Expenditures \$420,507.14.

Current cash balance \$286,592.57.

Depreciation 4M \$204,798.85 PUC Truck Depreciation 4M \$19,306.98.

PUC Beginning balance \$-3,188.26 Revenues \$7,262.53 Expenditures \$7,141.00. Ending balance - \$3,066.73.

- **Motion by Cam Jayson to approve the Treasurers Report, second by Ed Vest. Motion carried unanimously.**

CABLE

Nothing at this time.

STREET LIGHTS

Nothing at this time.

FYI

Next PUC meeting will be Tuesday November 12, 2019 at 7:00 p.m. We will have a variance hearing for a garage drain. Brand new garage it should be one of the things that Dale just approves.

ADJOURNMENT

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

Chairman Greg Buckley adjourned the regular meeting at 8:11 p.m.

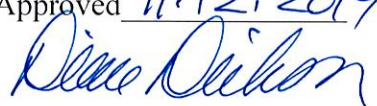
Respectfully submitted,



Diane Dickson

Fayal Township Deputy Clerk

PUC Coordinator/Billing Clerk

Approved 11.12.2019


**PUBLIC HEARING
REQUEST FOR VARIANCE
OCTOBER 8, 2019 7:00 P.M.**

Chairman Greg Buckley called the variance hearing to order at 7:00 p.m.

Present were Commissioners: Greg Buckley, Ed Vest, Cam Jason, Chris Erickson, and recording secretary Diane Dickson. Absent: Amy Jackson.

THE APPLICANT IS: Jamie Hendrickson

Address of applicant: 4336 Miller Trunk Rd. Eveleth, MN 55734

Parcel Code: 340-0160-00470

PURPOSE:

Jamie is requesting a variance from Sewer Use Ordinance 98-1 requiring each structure to have a separate building sewer line and pay separate sewer user fees for each connection. Jamie has an existing double wide and a new modular home with a full basement where he will be living. He is requesting the monthly sewer service charge be waived. So he will only pay one monthly service charge.

GUESTS: No other guests at this time.

Greg Buckley	PUC	Ed Vest	PUC	Chris Erickson	PUC
Cam Jayson	PUC	Diane Dickson	PUC		

INPUT:

Diane talked to St Louis County today, his original building permit said the old home was going to be removed. He did make the change at the county and completed an affidavit stating the original trailer will be used as an accessory structure the water will be used for bathroom and sink only. Ed asks if the county is ok with it, yes it is from the county. Jamie talked to Heidi and said he intends to keep it as a screen house, possibly someone might sleep overnight. Cam says the ordinance says a variance should only be granted if it is a hardship, so what is the hardship? The monthly fee would be \$144, instead of \$72. Greg believes if it is not creating any additional waste from the property, the same family is occupying the property you are either in on building or the other and it is similar to having a bathroom in a garage or sauna. As long as additional people are not living there, he is fine with granting the variance. Ed says as long as it is not going to be used as a dwelling then you are bending the rules and it is being used as a dwelling. It's an older trailer with the tip out small windows. Chris asks if we have any way to check on the property. The ordinance calls for the right to inspect. Diane states on the variance stipulations we have the inspection on our form all ready. Dale is in the township and he is aware of extra vehicles. Cam is wondering why isn't this person here. He said he was going to be here. Ed says we have to take him at his word. Greg says he looks at it as what is reasonable and what's the effect of not doing something. Ed says if it is used as a rental then he will have to pay. Cam says in Greenwood Township he had to show a hardship and attend the meeting or you do not get a variance.

- **Motion by Greg Buckley to recommend the Town Board approve variance for Jamie Hendrickson with the normal stipulations and as long as he complies with the affidavit and building usage second by Chris Erickson.**
- **Ayes: Greg, Ed and Chris**
- **Nays: Cam**
- **Motion carried 3 to 1.**

Chairman Greg Buckley closed the variance hearing at 7:15 pm.

Respectfully submitted,



Diane Dickson

Fayal Township Deputy Clerk

PUC Coordinator/Billing Clerk

11.12.2019
approved.
