

PUBLIC UTILITIES COMMISSION

FAYAL TOWN HALL

JULY 9, 2019

The regular meeting of the Fayal Public Utilities Commissioners was called to order at 7:00 p.m. by Chairman Greg Buckley. Present were: Commissioners: Greg Buckley, Ed Vest, Cam Jayson and recording secretary Diane Dickson. Absent: were Chris Erickson & Amy Jackson. Town Board Chairman Tony Tamaro was also present.

APPROVAL OF MINUTES

- **Motion to approve the regular PUC meeting minutes of June 11, 2019 made by Ed Vest, second from Cam Jayson. Motion carried unanimously.**

GUESTS

Town Chairman Tony Tamaro nothing at this time.

CORRESPONDENCE

Delinquency Report as of 6-24-19 \$24,700.84. Greg requested we run a penalty report to see what we are taking in. Placed on file.

June 2019 Water Wastewater report. Reviewed and placed on file.

7-3-19 Rcvd St Louis County Tax apportionment we received \$3306.65 in Delinquent & \$500 for Certification fees. We certified \$26,405 onto the payable in 2019 taxes.

7-8-19 MN Dept of Health ~ Water service connection fee increase effective 1-1-2020 from \$6.36 to \$9.72.

We will have to change our rate schedule before the end of the year so it can be effective January 1, 2020.

Resolution 2019-04 Amending the Residential and Commercial Sewer Use fees. Signed copy for your records.

Copy of the signed Bulk Water Purchase agreement for your records.

OLD BUSINESS

Need a motion to approve for the record the Proposal dated 4-22-19 from Great Lakes Pipe Service, Inc. to clean and video inspection of 22,067 ft of 8" sewer line with 6 days of easement rental for \$41,173.90. Chairman Tamaro apologized again for moving forward so we could get on this summer's schedule.

- **Motion by Cam Jayson to recommend the Town Board approve the Great Lakes Pipe Service proposal to clean and video for \$41,173.90, second by Ed Vest. Motion carried unanimously.**

Cam thanks Diane for finding and providing past documents regarding the history and court findings with the City of Gilbert. Cam researched case law in MN Statute and found the only way we would have any say is to develop a sewer district. Mesabi Daily News reported the City of McKinley is looking to go to Gilbert for sanitary sewer. Chairman Tamaro stated a couple of years ago we had a meeting with Eveleth and Gilbert and we were looking at combining. Then Gilbert came back to the table and decided to decline joining then the project fell apart. Greg stated Gilbert is having another meeting regarding the Sewer plant upgrades. Cam asks how far can we pump, could we go to Biwabik. We are not sure. Cam is wondering if there is possibly grants that would be beneficial for Gilbert to consider developing a sewer district.

Tamaro feels if all three communities went together for a sewer district then there is grant money available. Chairman Tamaro reported we have merged with the Police and are working on merging the Fire Departments and schools so it would make sense to create a sewer district. All of the small communities are having trouble financially supporting all of the individual departments. Cam would like to go with Dale and drive around all of the lift stations and get a feel of the system.

NEW BUSINESS

Letter from Dale Dickson requesting the Town proceed with the GIS Data collection for our water and wastewater system.

Cam is wondering what it is. Chairman Tamaro wants it to be tabled until we find out what we have in the funds. Tamaro states it should be done but it doesn't have to be done right now. Town Board Chairman Tamaro said to table this. He thinks we should wait on this to see where we are after the sewer rate increase. He agrees it is a good idea.

Dales letter states, the reason he is requesting a GIS system is he has worked alone since he started and is eligible for retirement next year. He feels it would be beneficial to the Town to have all of our infrastructure on a high quality GIS system for future employees. He is recommending meeting with SEH for more information.

Diane explains the GIS is Global satellite something. St. Louis County has already located a bunch of our infrastructure, the lift stations and fire hydrants so it is already in a database. SEH will grab the information already done and then finish marking our infrastructure so it can be located at a later time with a hand held GPS not included in this proposal. Tony states the fire department GPS located all the houses in Fayal. The technology has improved so much and the price has went down. Diane states previous training has stated don't let them sell you a GPS locator with + or - 3' technology, they can pinpoint now. Tony reports one of his neighbors was trying to find his sewer line off of our as-builts and the line was 150' from where they dug. So it would be good to accurately locate our infrastructure. Tony states over the last 20 years we have not had any major issues. Dale has done a great job of maintaining it, when we needed something it was repaired.

Ed asks if I found if the old Lapatka property on St Mary's had the sewer assessment on it. Diane researched and found it was paid at the beginning of the project by CDBG. Ben Neff will be building a new house. Ed is curious why there is no wye, Diane stated they can never find them again and sometimes they pull apart and then we have inflow. Diane found letters in the file asking not to connect.

Tony reports there is a lot up for sale across from the Short Stop. He talked to someone and informed them they will have a Sewer Access Charge when they connect.

June 25, 2019 SEH Agreement for professional services for collecting all available information of all Fayal Township water main and sanitary collection record drawings and St Louis County available GIS information for review and compile into draft maps for field review. Conduct field review to verify existing mapping. Create large scale map and books. Attend one meeting to review draft mapping update mapping and provide final map copies and hard copy and PDF for \$12,800.

- **Motion by Cam Jayson to table the GIS request from Dale and SEH Agreement, second by Ed Vest. Motion carried unanimously.**

Diane stated if there are questions you can call SEH and talk to the engineer.

TREASURER REPORT

Treasurer report provided by Clerk Coldagelli as of 6-30-2019. Year to date.

FWC Beginning balance 2019 \$55,549.10 Revenues \$40,145.34 Expenditures \$35,730.87.

Current cash balance \$57,566.75.

FSC Beginning balance 2019 \$247,045.40 Revenues \$309,887.91 Expenditures \$356,386.23.

Current cash balance \$275,699.42.

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

PUC Beginning balance \$-3,188.26 Revenues \$4,855.44 Expenditures \$4,797.89. Ending balance - \$3,130.71.

Tony feels we should be tracking how are new rate is going to work out. Greg says we are a little behind.

Diane states only a couple of people made complaints about the sewer rate increase. Cam told a neighbor to figure out how much a new septic costs.

Cam is wondering what our depreciation figures are. Tony remembers we started with \$30k a year and then we went down to \$20k. Cam asks if we figured out what the conventional thinking is on replacement. The original calculation came from Walker Giroux and Hahne they used the actual project costs then calculated it to last 40 years. In reality in 40 years the entire system is not going to be replaced all at once, we have been replacing pumps as needed throughout the years. Tony says we will replace the pumps but not the lift stations. Cam is wondering what other governments use as there calculator. Fayal Township funds our depreciation and most other City's did not fund the depreciation for many years. Greg believes there must be a GASB out there that gives the calculations. Tony believes we won't have enough because we used \$150,000 for the SCADA system. SCADA is how all of the lift stations talk to the main at the hall and then we can see on the computer what is going on. It will call out whoever is on call when there is an alarm at

one of the lift stations. It will keep calling down the list until someone acknowledges the call. We have also replaced pumps and we used \$160,000 when we lost our court case against Gilbert years ago. We have our depreciation fund listed on our report it is at \$204,798.85 and we are making money on it now in the 4M Fund. We also are putting away \$0.10 per thousand gallons pumped as per the PFA loan agreement. Cam is wondering where we are and if we should have a plan to bring it back up to where it belongs. Greg states it is a balance of what is reasonable. Tony states the PUC is not just an advisory board your opinions are taken seriously, the Town Board are the novices. Greg states in a couple of years all of the bonds will be paid off and that will give us more cash flow, we just need to get to 2021.

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

CABLE

Greg received an email from Chris Erickson wondering how we are going to get the PUC fund out of the negative. They talked about making transfers so it is not in the negative. We paid for subscriptions to Channel 12 \$4,686 and revenues were \$4855 from the franchise fees. And the cable commission is looking to buy digital equipment but what is going to happen with the new school. We used to get enough from the franchise fees to operate the PUC fund.

Ed Vest called and talked to the construction Co. doing the work and complained about the lack of restoration in his neighborhood. They came and sprayed seed over the mess and told him they are coming back and doing more work. He feels the Town should call and request the restoration be properly completed. Tony will call tomorrow.

Tony reported the Town gave the Chamber of Commerce \$1,000 for a grant to install fiber. They are looking at a fiber project in Cherry. Tony asked if they would look at doing a fiber project in Fayal. They installed fiber to the Town Hall but they did not get it into the office so we can use it. You can pick it up on your phone if you stand in the window. Paul Bunyan will not allow us to have the passwords so we could get it connected. So we are still on Media Com but the fiber is in the ground.

STREET LIGHTS

Nothing at this time. Tony reports if someone wants a light they have to petition the neighbors and there is a process. The Town has a handful of street lights we pay for there are 2 or 3 on the highway 53 some with MPL and some with Lake Country power. Greg says he has only seen one person talk about it in the last five years. For every person who wants a light there are 2 who don't.

FYI

Next PUC meeting will be Tuesday August 13th at 7:00 p.m. 2019.

National Night Out will be held. They are looking for more help.

Cam goes back to last meeting and asks what is at the campground. They get \$5 we get \$1 per dump and we bill the City of Eveleth. Cam is wondering if it is costing us more than we are receiving or is it not worth the trouble. Tony says maybe that portion of the tourism fees should go to the PUC to help offset the difference, in lieu of asking for more money for the RV dumps. He will talk to Heidi about it.

ADJOURNMENT

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

Chairman Greg Buckley adjourned the regular meeting at 7:57 p.m.

Respectfully submitted,

Diane Dickson



Fayal Township Deputy Clerk
PUC Coordinator/Billing Clerk

Approved 8.19.19
