

PUBLIC UTILITIES COMMISSION
FAYAL TOWN HALL
AUGUST 13, 2019

The regular meeting of the Fayal Public Utilities Commissioners was called to order at 5:02 p.m. by Chairman Greg Buckley. Present were Commissioners: Greg Buckley, Ed Vest, Chris Erickson, Amy Jackson and recording secretary Diane Dickson. Absent: Cam Jayson. Town Board Chairman Tony Tamaro was also present.

APPROVAL OF MINUTES

- **Motion to approve the regular PUC meeting minutes of July 9, 2019 made by Ed Vest, second from Amy Jackson. Motion carried unanimously.**

GUESTS

Town Chairman Tony Tamaro nothing at this time.

CORRESPONDENCE

July 2019 Water Wastewater report. Dale has been busy. Reviewed and placed on file.

Delinquency Report as of 7-25-19 \$28,380.17.

Certify summary \$26,228.31 customers received the first notice to pay before it goes onto the taxes. The Town Board will approve the list in September and it will be sent to St. Louis County prior to October 2019. Greg questions the amount for Branville. We did certify last year and he is being charged for two properties due to a rental property. Diane explained when we certify a couple of months have gone by so when we pull the amount off it is not at zero they have been penalized at the full amount. Chris asks about the penalty amount, Diane will research the bill history to verify the calculations. It is 10% each and every month on the total due. The July late bill amount is on the certify list and will be certified with the County.

Mediacom Franchise Fee payment of \$2,407.09 for the period of April 1, 2019 to June 30, 2019. Chris asks if this payment goes into the PUC fund. Diane says yes, Chris missed the last meeting and wanted to know if they addressed getting the PUC into a positive number. Tony says yes the Town passed that they will be using the excess tourism funds to bring the PUC into balance. He is not sure on the amount but it should offset the dumping fee.

Note from Clerk Coldagelli re: current balances of assessment savings/MPFA loan. Chris states when he and Greg looked at the projections to be collected through the assessment loan payments and the outflow on the PFA loans we are going to be coming pretty close on that. Separate from that the assessment savings account has built over the years to \$316,000, so there could be \$300,000 when this is all paid off. Just doing some quick math it is reasonable to get there if we made 1% per year. Tony says many years ago we paid off some of the principle. Chris states we will let it keep going and see where we are at next year. This could help out with any sewer increases.

Penalties rcvd report from 1-1-2019 to 7-31-19 \$15,000.76. This is the 10% penalties we have actually received this calendar year.

Note from Patty Sabie at Walker Giroux and Hahne. Fayal sewer infrastructure is being depreciated over 65 years. Some cities fund the depreciation many do not. We started off with 45 years and kept extending it. The entire system is not going to stop functioning at the same time. We have backed off some of the recommendations over the years to keep our rates down.

OLD BUSINESS

Cam spent half a day with Dale learning about the sewer system. Cam reviewed the PUC bi-laws and the PUC is strictly advisory and can advise at any time, but they cannot spend money. Cam strongly feels we should get Dales knowledge recorded via the GIS system this summer before snow is on the ground. Cam believes we should spend the \$12,800 and it will save the Town money in the long run.

Letter from Dale Dickson requesting the Town proceed with the GIS Data collection.

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. Revisit next spring then we can see where we are at. Chris asks about Dale's knowledge of the system and Tony says the new guy will have all of the knowledge by next year. Tony is not saying we will not do it, just to wait. We will leave it in old business until the spring.

Test Fee-MN Dept. of Health (yearly) change from \$6.36 to \$9.72 effective Jan 1, 2020 need to do a rate change. Greg asks if we should change the rates now or look at water rates first. This is a one-time charge for each home with water. Amy asks if it is a line item which it is, and it is a direct pass through we send to the MN Dept. of Health. Our fee schedule includes the test fee of \$6.36. Put a note in the bills saying the Test Fee will increase to \$9.72. Greg says the water company is doing fine and running slightly ahead so we should keep the water rates the same. Chris would like to look at somebody's water bill bring it back next month and the water service fee schedule. Our ordinance states we are to look at the rates annually and send out a report. We usually adjust the rates effective Jan 1.

NEW BUSINESS

Horseshoe Lake 30 acre-Research if there is another SAC for a second home on a 30 acre parcel on Horseshoe Lake if the land is not split, or is it just a \$50 building sewer permit? 98-2. See map. This is where the creek goes thru. Dad owns the property 20 acres with a cabin one side of the creek and the son wants to build a new house across the creek near the lift station on N Long Lake Rd. I left a message at the county asking if he can put 2 homes on one parcel code. Someone on St Mary's was told by the county he cannot have two homes but he could have an auxiliary structure no more than 750 sq. ft. I have not heard from back from the county. So, my question of the SAC when they split the property. If he ties into the sewer some people pay have paid just a \$50 building sewer permit when the assessment has already been attached. We will have to review our ordinance and possibly clear up the language.

Arjavec 912/ Cvek 970 property- Town Board allowed Ed to connect into his Mothers service line and was going to remove the house when she was gone. They sold the house to the brother David and Peggy Arjavec. Now Arjavec's are selling to someone not related. Now we have two houses connected on one line going thru private property. The memo states Ed was the owner of his Mother's house and when she passed away he was going to tear down the house, so he asked for permission to connect to the end of his mother's sewer service line which is against our ordinance. Diane talked to Arjavecs and advised them to draw up an easement to Cvek prior to the sale. All of the SAC's have been paid. It was not a variance for us. The Town granted an exception to the rule. Get a copy of the easement for the file and write something saying the Town is not responsible. Tony said Heidi can draw up a hold harmless agreement.

- **Motion by Amy Jackson regarding the Arjavec/ Cvek sewer line, to recommend the Town Board have the new owner and Cvek sign a hold harmless clause, Chris Erickson would add we do have some teeth regarding them signing because they were grandfathered an exception to the ordinance and we could strictly enforce it and we are**

choosing to grandfather if they both sign it, Second by Chris Erickson. Discussion the grandfathering is contingent on the signing of the hold harmless agreement.

- **Motion carried unanimously approved.**

TREASURER REPORT

Treasurer report provided by Clerk Coldagelli as of 7-31-19-2019. Year to date. Chris states the big picture is the cash balance is basically the same as where we started the year and guessing it will start to go in the negative soon due to the recent Gilbert increase. The water company is slightly cash flow positive, Chris will check into the rate table before the next meeting. Things are basically even for both the water and the sewer company.

FWC Beginning balance 2019 \$55,549.10 Revenues \$46,392.69 Expenditures \$41,847.70.

Current cash balance \$57,554.81.

FSC Beginning balance 2019 \$247,045.40 Revenues \$359,888.72 Expenditures \$358,551.27.

Current cash balance \$248,309.44.

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.

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

CABLE

Ed met with Scott Sandquist by Ron Erjavec's and looked at the big mess they left. Big rocks are sticking up. Ed told Scott to go and look at every site you dug a hole and fix it. He did not say when the contractor will get it done.

STREET LIGHTS

Nothing at this time.

FYI

There are 5 new homes being built in Fayal.

Next PUC meeting will be Tuesday September 10th 2019 at 7:00 p.m.

Cam will not be able to attend.

ADJOURNMENT

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

Chairman Greg Buckley adjourned the regular meeting at 6:05 p.m.

Respectfully submitted,



Diane Dickson

Fayal Township Deputy Clerk

PUC Coordinator/Billing Clerk

Approved 9.10.2019
