

PUBLIC UTILITIES COMMISSION

FAYAL TOWN HALL

MARCH 10, 2020

The regular meeting of the Fayal Public Utilities Commissioners was called to at 5:30 p.m. by Chairman Greg Buckley. Present were Commissioners: Greg Buckley, Ed Vest, Chris Erickson, Gina Brascugli, Amy Jackson and recording secretary Diane Dickson. Also present were: Town board chairman Tony Tammaro.

APPROVAL OF MINUTES

- **Motion to approve the regular PUC meeting minutes of February 11, 2020 made by Ed Vest, second by Chris Erickson. Motion carried unanimously.**

GUESTS

Town Board Chairman Tony Tammaro nothing at this time.

CORRESPONDENCE

Delinquency Report as of 2-26-20 \$16,720.97. Reviewed and placed on file.

February 2020 Water Wastewater Report. Ed questions if something is wrong with the air release. Reviewed and placed on file.

2-12-2020 Legal Opinion from Scott Neff re: Mr. West. Move to old business.

3-5-2020 Quote from Minnesota Pump Works for New pump LS-H and enclosure. \$11,689 for a 7.5 HP which is one HP larger based on the data logger readings and a different style impeller which will offer better performance and reliability. There is a \$1,000 difference.

- **Motion to recommend the Town Board approve the new quote with the higher amount for the purchase of the pump by Chris Erickson, support by Ed Vest. Motion carried unanimously.**

3-6-2020 Quote to repair the obsolete pump LS-H \$6,655.46. This is just for comparison, it is recommended to purchase the new pump.

3-6-2020 email from Jon Marcaccini re: water line, Jon is not allowing the second tap due to possible problems. Remove from the agenda done deal.

OLD BUSINESS

GIS SEH-June 25, 2019 SEH Dale contacted Jason Chopp from SEH he will start working on it soon.

Review the ordinance 98-2 regarding twin homes, apartments etc. the sewer connection charges SAC. No one has looked into this any further. Tabled.

2-12-2020 Legal Opinion from Scott Neff re: Mr. West, in short the existing sewer connection fee is lawful. Done deal.

NEW BUSINESS

Delinquency - Tony Tammaro asks if there is anything else we can charge to encourage payments. Gina feels it makes it harder on people with low income. Amy suggests there is utility assistance. Greg suggests a tiered system so the rate is less if you miss one month but it escalates with each time they miss a payment. This is how it works at the bank. Tony is trying to encourage people to start paying. Maybe look and find some help for delinquent customers. Diane reports no one on the list has called and asked for help. Amy will contact some agency's to see if there is help for utilities. Chris says we charge the \$200 certification fee for all of the extra work we spend on these accounts, maybe it is costing us more. I am sure there is a hardship but if they come in and talk to us we can make an arrangement with them. We did change the penalty so it is no longer penalizing the penalty, which is keeping the rate lower. Charging the higher amount did not get us more payments. Diane will check with Banyon for tier penalties. Possibly make a payment arrangement option available for people. The late July bill will be the amount that is certified and we do not certify if it is less than \$200.

SAC when to impose the charges – Chris brings forward Scott's opinion, the Town Board may wish to determine a separate fee for availability and a different fee for connection. Lengthy discussion as to options, when to impose the fee and the amount. We currently have a \$200 inspection fee but that is on the water and there is a \$50 sewer application fee. Dale is there inspecting the connections. Possibly look at when they come in looking for a permit and then we would impose the availability fee, and when they make the connection then they will be charged the connection fee. We will have to modify the ordinance if we make changes. Diane says other cities call the SAC a sewer availability not an access although we feel they are the same, some people do not agree. One of John's issues was we don't have a lot of cost associated with the connection to our system. Splitting it into a couple of different charges might be the answer. Tony says we are not out of line from the Cities fees. Right now when it is subdivided is when the fee hits. Possibly keep the same amount just break it up so part is paid during the subdivision and the rest for the connection. Ed states people are not going to be happy if others don't have to pay the same amount. Him

being one of them. Chris thinks the total amount should be the same. We will revisit this after everyone has had time to think about this.

Depreciation - Greg feels we should raise our depreciation instead of having a large bottom line we are actually putting it into expenses according to GASB rules. We have used depreciation to keep the rates down and should replace it. We are putting away \$20,000 a year and about \$5,000 for the truck. Chris asks if we should keep the truck fund separate. Tony says yes and as long as it has been, just continue the same way. Greg says depreciation used to be \$40,000 a year. Heidi said the maintenance contingency got spent down to \$2,600. Also, she is wondering if we should put the stand by water in the 4M Fund. We could ask Walker Giroux and Hahne to look at it or Chris and Greg can talk with Heidi and do a budget again and see what we can afford to be putting away. Chris says it will cost \$2 per user a month to change to the \$40k, Tony suggests just funding it with the assessment fund that is going to have a large balance. Tony thinks there should be \$100k in the assessment fund that can get moved to the 4M Fund and there should be more coming from the taxes, because we paid off the loan and not charge anybody extra. They are not thinking about raising the rates. It will just be an accounting change so everything is in balance. Chris and Greg will talk with Heidi. Gina asks why the sewer rate is so much higher than where it started. Gilbert raised the rates and we had to pay, we went to court and lost. Now they have to upgrade the plant according to the State and we have to pay. We wanted a sewer district but that did not go anywhere. They have to improve the facility and we are utilizing them for our sewer. Tony brings up that we cost them \$4,000,000 because of our median income they lost them grant funding.

4M Fund - keep things separate. They will look at this also with Heidi.

Tony brings up Gilbert is looking at redoing the water plant. He is wondering how many people are still on Gilbert water line.

TREASURER REPORT

Treasurer report provided by Clerk Coldagelli as of 1-1-2020. Year to date. FWC Beginning balance \$52,690.12 Revenues \$6,509.54 Expenditures \$6,008.15. Current cash balance 1-31-2020 \$53,146.98.

FSC Beginning balance 1-1-2020 \$185,921.48 Revenues \$64,498.03. Expenditures \$25,942.53.

Current cash balance \$227,813.93.

Depreciation 4M Fund \$207,497.89.

PUC Truck Depreciation 4M Fund \$19,576.94. PUC Beginning balance \$0 Revenues \$0 Expenditures \$0. Ending balance \$0.

Chris questioned our expenditures so in the FSC due to the fact in December she made 2 payments because she went on vacation. The Water Co revenues and expenditures were slightly cash flow positive.

- **Motion by Amy Jackson to accept the treasurer's report as read, second by Ed Vest. Motion carried unanimously.**

CABLE

1-20-2020 Franchise fee received \$2,437.78 for the Oct 1, 2019 to Dec 31, 2019. Greg is wondering if Channel 12 will still be in existence with the new school.

STREET LIGHTS

Nothing at this time.

FYI

Next PUC meeting will be Tuesday April 14, 2020 at 7:00 p.m.

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

Chairman Greg Buckley adjourned the regular meeting at 6:17 p.m.

Respectfully submitted,



Diane Dickson
Fayal Township Deputy Clerk
PUC Coordinator/Billing Clerk

Approved 6.9.2020

