

PUBLIC UTILITIES COMMISSION

FAYAL TOWN HALL

JUNE 9, 2020

DUE TO THE COVID-19 THERE WERE NO MEETINGS HELD IN APRIL OR MAY 2020.

The regular meeting of the Fayal Public Utilities Commissioners was called to order immediately following the Variance hearing for Dave Zlimen at 7:15 p.m. by Chairman Greg Buckley. Present were Commissioners: Greg Buckley, Ed Vest, Gina Brascugli, and recording secretary Diane Dickson. Chris Erickson and Amy Jackson were online via conference call.com. Also present were: Town board chairman Tony Tamaro,

APPROVAL OF MINUTES

- **Motion to approve the regular PUC meeting minutes of March 10, 2020 made by Chris Erickson, second by Ed Vest. Motion carried unanimously.**

GUESTS

Joe Sopp is representing a few people and two other parties are here from Horseshoe Lake. SEH drew up a plan to extend the sewer service along Horseshoe Lake to 4 properties. There are 3 parcels along the lake and Joe has just purchased the other property abutting those. When the system was put in Joe asked that the Korpela cabins be connected to the sewer, but they did not extend it to the four cabins. It was owned by one person and they only got one assessment for it. The 4 cabins should have had sewer, there is one that is still going to the lake. Joe has demolished 2 cabins pumped the septic and dismantled the septic that his daughter owns. We would like the city sewer extended to these properties. SEH has provided an estimate of probable costs, he feels it is high. When he figured it was nowhere near that price. He is asks for consideration from the PUC to extend the sewer line to Horseshoe Lake approximately 400'.

7:20 Amy Jackson arrives at the meeting in person.

He would like it to be installed the correct way not just running lines all over, that is the wrong way to do business. We may not be able to recoup the costs of the sewer from the 4 people but as a system as a whole it should be able to handle it. We can't expect the 4 people to pay for the entire cost of the extension. He talked to Chris Ismil at IRRRB he says there is some funding available for extensions and doing it the proper way. He just purchased 16 acres and someday he may extend it and sell some additional lots. Diane Wershay said it is her understanding if you are within 300' of the sewer line you must connect. They have 2 lots that would have the option of an onsite sanitary system, there could potentially be 4-5 of them. Which would all be legal, potentially 16 times. One of the reasons they purchased her property was it is connected to the municipal sewer which is good for the environment and the lake. There are the two lakes Horseshoe and Long Lake and they are connected. She is concerned about the lakes if we would allow additional onsite systems to go in. Tony says the PUC would recommend the Town put it out for bids to see if there is funding. Greg asks what the bidding costs are, not sure possibly nothing. Tony says it does not happen overnight. Jacklyn Bird is also present and she sent a letter to the Town requesting the same consideration. She is also planning to build a house. Gina asked if Joe's daughter will be building soon. Yes, she is trying to get it done this fall. Joe said she is building a house it's just a matter of city sewer or not but they are preferring the city sewer. Jacklyn Bird says her property has the house with the onsite sewer on it. She is hoping she can get a response to bring back to the County so she can get her building permit approved.

- **Motion by Ed Vest to recommend the Town Board move forward with the proposal from SEH Engineering for sanitary sewer extension at Horseshoe Lake to go out for bids, second by Gina Brascugli. Greg restates the motion for Chris and calls for the question. Chris can hear and votes aye, Greg, Ed, Gina and Amy vote aye.**
- **Motion carried unanimously.**

John West has anyone had a chance to read the latest email John sent out. Greg read it. John still believes the Town is not doing it right. Leonard Gentilini says he paid the original assessment and he is dividing his lot and he has no intention of using sewer on the 2 lots he is keeping. He does not feel he should have to pay because he bought a home 5 doors down and is keeping the garage for storage. He states the last time he was here the PUC said it is \$6,500 and no exceptions. He is wondering if it could be a variance for not paying the SAC. Ed asks if it is contiguous. No it is not. Leonard asks why should he have to pay and never use the sewer, possibly his heirs would use it. Tony Tamaro asks if the ordinance says which property has the assessment on it? Diane states typically it went with the highest value parcel which has the house on it and it is connected. Ed states the two lots are contiguous

and will only be charged one SAC. Amy says the issue is he doesn't want to pay one SAC. Ed says he didn't want to pay it either but he did. Leonard feels after reading the information from John West what the Town is doing is not right. John wanted to read responses from his questions. Diane stated the way John poses the questions he is not using the correct language so the responses are not accurate. Greg said John has 5 minutes left, we have a long agenda. John read the part where it says an availability fee may be more appropriate. Amy says why can't the Township protect their infrastructure that is how we do it. Joe Sopp says originally Korpela's owned the entire area. They sold to several people they have no buildings connected to it, and each split paid the SAC of \$6625. Leonard says he is not going to pay because he is not getting anything. He is not going to pay and he will go to court. Greg states the Town Board has also addressed the issue and any further matters will go thru the attorney. Amy states this is a struggle, you keep asking the same question just changing the variables. Leonard states as far as this board is concerned there is no wiggle room, you just pay. Greg states we have started to look at possibly reevaluating our fees but we are not at that point yet. We kept everything very constant up until now and the debt has been paid off. Not sure how that might look. Amy says we cannot go back. It was created for a purpose and a reason it was structured that way. Now it might be different. We are not going to go back and reverse everyone's fee that was the process. John says the water connection fee must be related to the cost of connecting. Greg states Mr. Neff has already answered that question and are fees are legal. We are moving on thank you. Until we are challenged in court we have to go with our rules.

CORRESPONDENCE

Delinquency Reports as of 3-26-20 \$19,085.26 and 4-28-2020 \$17,524.22. 5-26-20 \$18,827.85.

2019 Fayal Township Consumer Confidence Drinking Water Report. Reviewed Gina read the report and it is interesting.

No wastewater report.

OLD BUSINESS

GIS SEH-The Town Board approved the new agreement with SEH to move forward with the GIS project ASAP.

Dale was contacted by someone from SEH maybe next week they can come out. Just an FYI.

Review the ordinance 98-2 regarding twin homes, apartments etc. the sewer connection charges SAC. Greg asks if anyone has worked on that in their free time, no. Tabled.

SAC when to impose the charges connection vs the splitting / creation of a lot. Tabled.

NEW BUSINESS

3-19-20 SEH Matt Reid provided a preliminary exhibit and cost estimate for a sanitary sewer extension for properties on Horseshoe Lake. \$114,507. Both lots have been purchased at this time and we did get a call from the new owners asking for a sewer extension. Dealt with during Guests.

5-26-2020 letter from Jacklyn Bird requesting sewer extension on Horseshoe Lake ASAP. Dealt with during Guests.

4-21-2020 TPC Telemetry & Process Controls, Inc. sent a proposal to provide and HMI update for the existing SCADA system that will be running on a new customer supplied HMI PC with MS Windows 10.

Items A-F \$10,937 Optional Adder Supply, program, install and test CompactLogix PLC to replace old end of life PLC in the Master panel in the garage. \$2,655. The Town Board approved this at the April meeting.

4-28-2020 Proposal for replacement of the PC for the SCADA. This is part of the TPC SCADA upgrade. We went with the more expensive server style which should last longer.

3-2020 Marcaccini property sold empty lots 28-29-30 and kept the rest. This is the same thing Leonard Gentilini is going to do. And the new person paid the SAC.

4-28-20 We received a SAC of \$6625 for the property split from Brian Ocepek.

Depreciation Funding-Should we raise what we are funding for the PUC truck and general Depreciation? Chris and Greg talked to Heidi about this and they were waiting for numbers from Walker, Giroux and Hahne. Heidi did email the most current financials to Chris. The sewer co. the revenues are exceeding the expenditures so we have the flexibility to bump up the allocation to the depreciation from \$20k to \$40k a year and still be cash flow neutral if everyone wants to do that. We were running \$40k before, then they dropped it to \$20k recently. We cut it back so we didn't have to raise the sewer rates. Now it makes sense to go back to what we have been doing historically, now that we are able to.

- **Motion by Chris Erickson to recommend the Town Board increase the Depreciation Funding from \$20,000 per year to \$40,000 per year, which is \$1,660 a month up to \$3,333 a month second by Ed Vest.**
- **Ayes Chris, Greg, Ed, Gina and Amy.**
- **Motion carried unanimously.**

Differding Point showing 27 customers with water. Tony had asked how many people were on Differding Pt not sure why he wanted to know but Gilbert is going to be doing a new water treatment plant.

TREASURER REPORT

Treasurer report provided by Clerk Coldagelli. Year to date. Chris reported the sewer co. as of May our revenues are up by \$18k surplus in 5 months that is why he feels we should raise the depreciation \$20k because that is a 5 month surplus and we still have 7 months to go. The cash balance has moved up from \$185k to \$200k so that is all good. The water co. is similar, it is revenue positive slightly \$33k revenues and \$31k expenses and the cash balance is similar to the start of the year, so far so good.

FSC Beginning balance 2020 \$185,921.48 As of 3-30-20 Revenues \$161,693.81. Expenditures \$150,263.09. Cash balance \$200,689.15 As of 4-30-2020 Revenues \$227,490.67 Expenditures \$199,085.33 cash balance \$211,038.77. As of 5-30-2020 Revenues \$280,622.29 Expenditures \$262,434.81 **Current cash bal. \$200,821.61.**

FWC Beginning balance 2020 \$52,690.12 As of 3-30-2020 Revenues \$18,371.76 Expenditures \$21,566.12. Cash balance \$49,275.23. As of 4-30-2020 Revenues \$24,107.20 Expenditures \$25,829.15 Cash balance \$50,703.64. As of 5-31-2020 Revenues \$33,631.06 Expenditures \$31,112.26

Current Cash bal. \$51,782.68.

Depreciation 4M Fund \$227,497.89 (2,699.04 int) **PUC Truck Depreciation 4M Fund** \$24,903.02 (269.90 int.) **PUC** Beginning balance \$0 As of 3-30-2020 Revenues previous \$2437.78 Expenditures \$2,433.27. Ending balance \$4.51 As of 4-30-2010 Revenue \$2,437.78 Expenditures \$2,466.15 End Bal \$-28.37. As of 5-31-20 Revenues \$4,919.43 Expenditures \$4,846.15 **Current cash balance \$73.28.**

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

MORE NEW BUSINESS

Oneil campers-Ed is wondering about the 2 trailers by the Short Stop and what the sewer situation is by the lake. Ed sees they are digging trenches by the lake. Wondering what is going on. Tony said Russ from Short Stop complained they are using his bathroom. We have been watching for a sale, we are not sure if it is DNR or County. Gina says they can get the campers dumped. Ed states if it is a holding tank the county keeps track of when they are pumping. Lots of discussion. We will Call Bill and St Louis County and the DNR. The county still shows Bill Oneil as the owner. Sometimes we don't get notification if it is a contract for deed. If it is a split then there will be a SAC and then how can we make them connect the camper to the sewer. Just like the new school everyone is going to pay for it whether they have kids in the school or not.

State of MN/ Eveleth Gravel Pit-Tony reported the State came to the last Town Board meeting and they are buying the land by the lake. They are going to have a public hearing it will be a zoom meeting. They are sending out letters and they do want input. Ed says they gave input they didn't want it and they continued to proceed. Right now they did not get the funding but they are still buying the land. The State said they are buying all of the land they are keeping buffers and they work Monday thru Thursday in the summer. No fuel will be onsite they will be going somewhere else to get fuel.

Bullfrogs- They are meeting with the owner on Thursday and the Township might be inheriting the property. And then they will work with IRRRB to get the building demolished.

CABLE

Franchise fee rcvd for Jan 1, 2020 > March 31, 2020 \$2,481.65.

Ed says Media Com never cleaned up there mess. Tony will talk with the guys and get it cleaned up.

STREET LIGHTS

Nothing at this time.

FYI

Next PUC meeting will be Tuesday July 14, 2020 at 7:00 p.m. the August meeting will be an election day so we will have to move the meeting. Tony thanks the commissioners for their work and they should not be attacked.

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

Chairman Greg Buckley adjourned the regular meeting at 8:17 p.m.

Respectfully submitted,



Diane Dickson
Fayal Township Deputy Clerk
PUC Coordinator/Billing Clerk

Approved 7.14.2020

