

# PUBLIC UTILITIES COMMISSION

FAYAL TOWN HALL

JULY 13, 2021

The regular meeting of the Fayal Public Utilities Commissioners was called to order at 7:05 p.m. by Treasurer Chris Erickson. Present were Commissioners: Chris Erickson, Ed Vest and Gina Brascugli. Absent were Greg Buckley and Amy Jackson, Also, present recording secretary Diane Dickson and Town Board Chairman Tony Tammaro.

## APPROVAL OF MINUTES

- **Motion to approve the regular PUC meeting minutes of June 8, 2021 made by Ed Vest, second by Gina Brascugli. Motion carried unanimously.**

## GUESTS

Chairman Tony Tammaro nothing at this time.

## CORRESPONDENCE

*Delinquency Reports* as of 6-23-2021 \$15,503.14.

*June Water Wastewater Report* ~ There has been an issue with wipes at the lift station on Golf Course Rd. Diane sent out a notice telling them they cannot flush the “flushable wipes” Diane reports they have been trying to get legislation to make it illegal to advertise they are flushable. They go down but the damage the pumps. This is a world-wide issue that is costing everyone more money.

*5-19-21 MRWA* announces ServLine as an affinity partner with MRWA and offers a Leak Protection Program to utility customers which protects the utilities recapture lost revenue and bad debt. This is an insurance program. Diane will find out more details about the program.

*6-7-21 St Louis County* 1<sup>st</sup> half tax apportionment of special assessments were received. A grand total of \$4,785.27. \$4,163.72 delinquent and \$621.55 Certification fee from 7 customers. This is from previously certified delinquent bills who paid their taxes. The one bank owned property is going to be on a Sheriff sale in a couple of months.

## OLD BUSINESS

*Access to Availability Ord 98-1 & 98-2*~ Diane has been working on it and will send out marked up copies. *Access to Availability and SAC Resolution 2018-13 & 2000-14- Twin homes 98-2.* We need to review all of the Ordinance if we want any other changes to do it now. I will email copies to everyone before the next meeting.

*MN Pump Works for Lift Station A-1* ~ Replace one pump and 2 base elbows \$25,866. We are still waiting for the new pump.

*Rates*~ Water Co. new rate proposal. Chris has been running different scenarios with different tiers and rates. Last year there was a \$3,000 deficit. We pay \$5.10 per thousand gallons and sell it for \$5.50 per thousand for the first 4,000 gallons and over 4000 it is \$7.00 per thousand, plus a base service charge of \$13.00. According to our records it seems the average usage is 2,500 per month. Most people’s usage is in that lower tier of 4,000 and only about ¼ of the people are exceeding 4,000 and getting a higher rate. If we want to raise \$3,000 in revenue, we have many choices.

Chris came up with 3 different scenarios.

1. Keep the same rates but drop the first tier down to 2,500 gallons, greater than 2,500 at \$7.00 per thousand gallons. One half of the people would be unaffected. So, a single person on a fixed income would not be affected.

2. Keep the same tiers but change the rate so greater than 4,000 at \$10.00 per thousand gallons. One quarter of the people are affected by the raise,  $\frac{3}{4}$  would be unaffected.

Tony said we could raise them both and Chris agrees and then we would have our rates set for a few years. Chris likes this rate the best. Heidi could put in the letter this change does not affect  $\frac{1}{2}$  of our users and it only affects the excess usage.

3. Drop the first tier to 2,500 no change \$5.50 and change the rate for greater than 2,500 to \$10.00 per thousand gallons. One half of the people would be unaffected. This would keep us from coming back in one year to change the rates again.

The national average is 4,000 gallons but our median is 2,500 in a bell curve. The last time Eveleth increased the rate we did not. PUC feels we should go up a little more than the \$3000 in order to generate a little revenue.

- **Motion by Ed Vest to use option 3. Keeping the bottom tier at \$5.50 per thousand for up to 2,500 gallons. Change the top tier to more than 2,500 gallons at \$10.00 per thousand gallons. Half of the customers will see no change, second by Gina Brascugli.**
- **Motion carried unanimously.**

*American Rescue Plan Act* ~ New Cares Act name Tony reports he is still unsure of the spending parameters. The League of MN Cities has a couple of webinars regarding this. The funds should be available soon. Ed asks how does the money come through to us. Tony will check.

#### **NEW BUSINESS**

*Dennis Longar Split* ~ Dennis has split the property on Cedar Island Dr and is considering RVs and possibly a tiny house on one lot until lumber prices come down. There will be one SAC charge for parcel A, parcel B has the house on it and had the original sewer assessment, parcel C is a non-buildable lot giving Burritt's access to the Gov. Lot 16 from their contiguous lot on the lake. Diane reports Dennis is unsure of his plans he has been thinking about building a house but the timing is not working out. So the other options are a possibility. Tony says they have built a road to the left of the house when looking from the road, that would be parcel A. Chris asks if based on the drawing there would be one SAC for parcel A. Parcel B has the house and Diane told Dennis to make sure he has easement to the Manhole which is 55' to the east of Parcel A. The sale has not happened yet. Originally, they were looking at subdividing Parcel A any more subdivisions which would be subject to additional SAC's. Dennis did ask the county about a tiny home and RV. Jared from St Louis County emailed the rules and a tiny home is considered a home and you can have an additional RV on the property. Discussion, the PUC says as long as each connection pays a monthly sewer charge. This is where we need to make sure our language is clear in the ordinance. Ed states it needs to say per unit. The State Statute states per unit is a bed and a bathroom in a separate building. Gina thought there would not be a charge for the RV if it is not connected to the sewer. Ed says that's why it needs to say per unit. If they put up an apartment building it would be charged per unit. Each apartment would pay a monthly sewer fee. Just like the house and a cabin, that is the reason everyone who connects the outbuildings has to come in and get a variance or pay more than one monthly sewer charge. Then we know who is connecting and where it is and the PUC has the opportunity to deny the variance. The ordinance says each building must be connected with a separate and independent building sewer. Three places should have 3 separate connections, and there are many places where the sauna is connected to the service line. Ed repeats that is why it needs to be a unit and the variance. Tony is saying we don't want an RV park. The Town can make their own ordinance. Ed says the state statute talks about units which is a bedroom and a bathroom, you might have 3 units in

your house which is only one, if you put a separate building with another unit. Which would be an additional charge. Ed discusses units and users and the variance process and renters. Keep this in mind when reviewing and drafting changes to the ordinance.

*Mud hole complaint* ~Ed Vest reports he had an issue with the manhole near his property. Ed says it's on the Town Right of Way and the sewer ROW. It has a mudhole around it, he called the Township and talked to the foreman. Tony said he and the foreman investigated and the manhole is at the proper height. Tony told Ed he can haul some dirt from the dirt pile like he did around the manhole in his yard. Ed says you can't keep gravel over a hard surface, he thinks the sewer co. should take care of it. Tony says this is in the driveway. Ed would like them to fill it in with blacktop when they have extra. The foreman said he is not going to make any repairs. Ed does not agree with the decision.

**TREASURER REPORT**

Chris reports both the water co. and the sewer co. are at a deficit. The water co. will be taken care of with the new rate change. Chris will talk with the Town Clerk regarding the sewer co. deficit. Tony states we need to have a start date for the water rate change. Diane says we would give them notice with the next billing the month after we could start the change. The Town can approve it at the meeting on Tuesday.

- **Motion by Gina Brascugli to start the water rate change effective with the September bill and the notice will be in the August billing, second by Ed Vest. Motion carried unanimously.**

Clerk Coldagelli provided the financial report as of 6-30-2021 Year to date.

**FWC** Beginning balance 2021 \$38,907.11 Revenues \$41,454.59 Expenditures \$54,992.99.

Cash balance \$23,143.67. Depreciation CD bal. \$101,154.48.

**FSC** Beginning balance 2021 \$93,291.30 Revenues \$390,319.10 Expenditures \$428,661.56.

Cash balance \$33,837.59. Depreciation CD \$268,372.14 (\$874.25 2020 int.) PUC Truck Depreciation CD \$30,318.31 (\$89.21 2020 int.) Assessment Savings Balance \$413,916.47.

**PUC** Beginning balance 2021 \$15.85 Revenues \$5,118.20 Expenditures \$5,138.77 Cash bal. \$-4.72.

**CABLE**

Nothing at this time.

**STREET LIGHTS**

Nothing at this time.

**FYI**

Next PUC meeting will be held August 10<sup>th</sup>, 2021 at 7:00 p.m.

Motion to adjourn by Ed Vest, second by Gina Brascugli.

Treasurer Chris Erickson adjourned the regular meeting at 7:54 p.m.

Respectfully submitted,



Diane Dickson  
Fayal Township Deputy Clerk  
PUC Coordinator/Billing Clerk

Approved 8.10.2021  
