

PUBLIC UTILITIES COMMISSION

FAYAL TOWN HALL

FEBRUARY 14, 2023

The regular meeting of the Fayal Public Utilities Commission was called to order at 7:00 p.m. by Chairman Ed Vest. Members present in person are Commissioners Dave Hamalainen, Chris Erickson and Eugene O'Brien. Members absent are Amy Jackson. Audience members are Town Board Chairman Tony Tammaro. Chairman Ed Vest welcomes new commissioner Eugene O'Brien and thanks him for his time and participation.

APPROVAL OF MINUTES

- **Motion to approve the Regular PUC Meeting Minutes of November 1st, 2022 made by Commissioner Chris Erickson and supported by Dave Hamalainen. Motion carried unanimously.**

CORRESPONDENCE

PUC Roster - updates to roster and discuss reorganization of members.

- **Motion to extend PUC member terms and keep all officers in their respected positions made by Commissioner Chris Erickson and supported by Dave Hamalainen. Motion carried unanimously.**

Delinquency Reports - Reviewed reports from November and December of 2022 and January 2023. No real change, there are a few regulars that are delinquent each year. Others on the list generally catch up and fall off the list. For customers that owe more than \$400.00 in October their delinquent accounts are certified to St. Louis County property taxes. The Township has always received their utility account balance when the customer pays their property taxes and to date all of the delinquent account customers do pay their property taxes. Discussion on what we do to notify customers that they are delinquent.

Water/Wastewater Reports - Discussion regarding a vacant home that had a pipe freeze and burst causing unusually high flows at lift station I-1. Discussion on the repairs performed on lift station I and R, work was completed in November. Discussion on what the plan might be for preventative maintenance or replacement of pumps, currently we monitor them and replace as needed.

Mediacom Franchise Fee - Received 2022 3rd and 4th quarter payments of \$2893.72 and \$2899.46. This money is then in turn used to pay for channel 12 access. Discussion about how some sporting events don't always come in correctly. Channel 5 is out of Virginia and channel 12 is out of Eveleth. It appears that sports come in on channel 5 not 12. Commissioner O'Brien explains that the new Rock Ridge school doesn't financially support channel 12. Rock Ridge uses channel 5. The school has also purchased their own equipment to film and stream straight to YouTube. Rock Ridge is not using the public access channels all of the time. Franchise fees pay for channel 12 operation and what is received by the customer is church services, programming for operas and the like and school activities such as sports games, theater, concerts, parades, city board meetings and graduation ceremonies when channel 12 is asked to record. Rock Ridge wants to film and air events on their own. There is a cable tv commission that works with Rock Ridge on programming.

PFAS - Cost recovery litigation informational flyer. Water to Fayal Township comes from the City of Eveleth. City of Eveleth would be responsible for testing and treatment of water in the event of PFAS contamination. The sewer wastewater is treated in Gilbert. Fayal Township would not be responsible for any treatment or testing.

MPCA - Amended water rules hearing scheduled for February 16th, 2023. The Proposed rules update designated uses for some state waters to improve their restoration and protection. This also applies to Gilbert as they discharge into rivers and or streams. Review of streams for appropriate classification as cold or warm water habitats and review of streams under the tiered aquatic life use. More information can be found at <https://www.pca.state.mn.us/get-engaged/use-designations-for-some-stream-reaches>.

MN Pumpworks - Quotes received in November for repairs at lift station R and I. Work has been completed.

Eveleth Water Agreement - Current water agreement with City of Eveleth expires on May 14th, 2023. When a new contract is drawn up water rates may change. Discussion on the Zebra Mussels in Ely Lake and if the aqueduct is opened that the zebra mussels will migrate to St. Mary's Lake. Contact to be made with Jerry Rosati at the City of Eveleth and the DNR to discuss a plan of action. In 2022 the aqueduct was opened on March 17th and closed in late April.

McLain sewer violation - During new home construction the hired by owner building contractor made an unapproved connection to the sewer line. The contractor was well aware that he was to contact a Fayal Township approved contractor to make this sewer connection. The homeowners are aware that this event occurred and have received a letter of violation. The sewer connection will need to be inspected and repaired, if necessary, in the spring by a Fayal Township approved contractor at the homeowner's expense.

St. Louis County Planning Commission - Planning commission to hold a meeting on March 9th to hear public comments on proposed amendments to their Subsurface Sewage Treatment System SSTS ordinance 61. Change in language to prevent unintended consequences to property owners regarding the SSTS when applying for a variance or conditional use permit. Also, change the language to clarify the interpretation of conformance to prevailing requirements phrase.

Mn Public Facilities Authority - Notice and instructions for the 2024 project priority lists and intended use plans. Submit public wastewater, stormwater and drinking water infrastructure improvement projects for funding. Including projects to replace lead service lines and address emerging contaminants. Discussion on lead service lines vs leaded joints. The lines that feed the Eveleth Golf Course have leaded joints. That line was installed in the 1930's and is owned by City of Eveleth. Fayal Township has no projects planned.

OLD BUSINESS

No old business

NEW BUSINESS

FSC Assessment savings - \$211,000.00 was taken and used for an interfund loan to purchase 14 new Airpack's for the Fire Department. The Fire Department will pay back this dollar amount on about a 90-month amortization schedule with a 4 percent interest rate. The remaining \$225,000.00 dollars in the FSC fund was moved to a 4M fund with a 4.5 percentage rate.

Gilbert Sewer Rates - Gilbert sewer rates will be increasing. Gilbert has to install new membranes in their sewer treatment plant, the current membranes are defective. Fayal Township is affected by the cost of these membranes because our sewer goes to Gilbert for wastewater treatment therefore per the contract agreement with the City of Gilbert, Fayal Township does have to share in this expense. The estimated expense is \$8.00 to \$13.00.

Fayal Sewer Rates - Fayal Township has not raised sewer rates in 2 years and will need to also increase the sewer rate by approximately \$2.00 per month per customer to combat inflation.

- **Motion made by Commissioner Eugene O'Brien to recommend the Town Board begin the process of increasing sewer rates to 1) combat inflation and 2) be in accordance with the City of Gilbert's sewer rate requirements based on preliminary wastewater treatment rate increase information from Gilbert. Total increase to be not less than \$10.00 dollars and no more than \$15.00 dollars per month per customer and effective no later than June 1st 2023. Supported by Commissioner Chris Erickson. Motion carries unanimously.**

Treasurer Report - Fayal Township is slightly cash flow positive for both the Sewer and Water company. Operation costs do keep going up. We would not be able to stay in the positive without a rate increase.

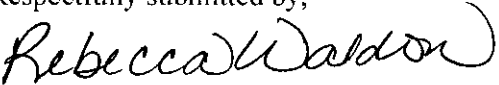
- **Motion made by Commissioner Dave Hamalainen to accept the Treasurer Report as read. Supported by Chairman Ed Vest. Motion carried unanimously.**

Next PUC meeting to be held on March 21st, 2022 at 7:00 p.m.

- **Motion to adjourn by Commissioner Dave Hamalainen. Supported by Commissioner Chris Erickson. Motion carried unanimously.**

Chairman Ed Vest adjourned meeting at 8:16 p.m.

Respectfully submitted by,


Rebecca Waldorf
Town of Fayal PUC Coordinator/Billing Clerk

Approved 3-21-2023