

PUBLIC UTILITIES COMMISSION
SPECIAL MEETING
FAYAL TOWN HALL
APRIL 18TH, 2023

The special meeting of the Fayal Public Utilities Commission was called to order at 8:01 a.m. by Chairman Ed Vest. Members present in person are Chairman Ed Vest, Commissioners Chris Erickson, Dave Hamalainen and Eugene O'Brien. Members absent are Amy Jackson. Audience members are Town Board Chairman Tony Tammaro and Town Clerk Heidi Coldagelli.

Purpose of this meeting is to determine a rate increase for our sewer service for the residents of Fayal Township. Chairman Ed vest opens the discussion by seeking comments regarding the letter received from the City of Gilbert outlining the sewer rate increase. Commissioner Chris Erickson states that on page 2 of our sewer agreement contract with Gilbert, Fayal Township is charged two fees. The debt service and volume fee. Explaining that if Gilbert residents' debt service increases that the Fayal Township debt service increases equally. That is one way Gilbert can increase our rate fee. The other way is by increasing the volume fee. To raise our volume fee, Gilbert has to also increase the volume fee to their residents by the same amount. In the Gilbert sewer rate increase letter, the increase amounts are \$9.25 debt service and \$1.00 base rate. The base rate is for Gilbert residents not Fayal Township. Chairman Ed Vest spoke with Leo Skurbic and was made aware that the \$1.00 base rate increase is for a small plow truck (PW). City of Gilbert is increasing each of their utilities; water, sewer, electrical and garbage \$1.00 each per month to pay for this truck. Gilbert is wanting to match that dollar on Fayal Township's bill. Commissioner Eugene O'Brien raises concern with charging Fayal residents this \$1.00 base rate fee for a plow truck to be used for the City of Gilbert. Town Board Chairman Tony Tammaro joins the meeting at 8:06 a.m. as a guest. Commissioner Chris Erickson suggests that a group of members should get together with City of Gilbert staff or city council members to talk this rate increase through. This \$1.00 increase for a PW truck does not have anything to do with Fayal Township. Town Board Chairman Tony Tammaro shares that when Clerk Heidi Coldagelli questioned the \$1.00 base rate, City of Gilbert Clerk Jill Zallar said to put that dollar in the debt service then, doesn't matter when how we code it. Commissioners maintain that the one-dollar base rate has nothing to do with Fayal and the City of Gilbert needs to follow the contract for rate increases. Town Board Chairman Tony Tammaro suggests the PUC request a thorough explanation of the rate increase and written explanation of what will happen if city of Gilbert wins their lawsuit. Commissioner Eugene O'Brien would like to see that if Gilbert wins their lawsuit that Fayal Township can recoup some of our monies. Currently it seems that part of the debt service increase is to pay for the cost of hiring another employee to work in the City of Gilbert sewer treatment plant and for the cost of replacing the defective plant membranes. Fayal Township Clerk Heidi Coldagelli has spoken with Gilbert city council member Bob Pontinen about the base rate. Bob said that Fayal could put that \$1.00 wherever we saw fit, Gilbert just needs to collect that amount. Commissioners again maintain that the \$1.00 base rate fee is money being allocated for the purchase of a PW truck for the City of Gilbert, that is not ok. Town Clerk Heidi Coldagelli also doesn't agree with the new employee being a part of the debt service. The layout of fees from Gilbert were as such. \$5.19 for the membranes and \$5.20 for the additional sewer employee. If Gilbert needs another sewer employee to run the sewer plant, then Gilbert needs to change the volume rate. Otherwise, that additional cost to debt service will never fall off and the point of debt service is that it will retire at some point. Chairman Ed Vest asks if Gilbert proposed and end date to the debt service and Town Clerk Heidi responds "no". Chairman Ed Vest states that is information that Fayal Township needs to know. Discussion on what Gilbert pays for their sewer, reviewed and example of a bill for a Gilbert resident. Our

current debt service is \$19.50 and \$5.70 totaling \$25.20. The debt service is for the cost of the Gilbert Sewer plant upgrades that they were forced to do to be in compliance initially. Town Clerk Heidi Coldagelli shares that per City of Gilbert Clerk Jill Zallar the start date of the rate increase is June 1, 2023 and payable on the July bills. Chairman Ed Vest recommends we meet with City of Gilbert to discuss this rate increase further. Discussion about meeting with Bob Pontinen and Jill Zallar to understand details and what our Fayal residents would be paying for. Township Clerk Heidi Coldagelli to set up a meeting with City of Gilbert to further discuss the rate increase.

- **Motion to postpone this meeting until more information is made available made by Commissioner Eugene O'Brien and supported by Commissioner Chris Erickson. Motion carried unanimously.**

Chairman Ed Vest adjourned meeting at 8:35 a.m.

Respectfully submitted by,



Rebecca Waldorf

Town of Fayal PUC Coordinator/Billing Clerk

Approved 5-9-2023