

# PUBLIC UTILITIES COMMISSION

FAYAL TOWN HALL

JULY 11<sup>TH</sup>, 2023

The regular meeting of the Fayal Public Utilities Commission was called to order at 6:03 p.m. by Chairman Ed Vest. Members present in person are Commissioners Chris Erickson, Dave Hamalainen, and Eugene O'Brien. Members absent are Commissioner Amy Jackson. Audience members are Town Board Chairman Tony Tammaro. Guests are Brad Scott and Gina Brascugli.

## APPROVAL OF MINUTES

- **Motion to approve the Regular PUC Meeting Minutes of June 13th, 2023 made by Commissioner Eugene O'Brien and supported by Ed Vest. Motion carries unanimously.**

## GUEST

Brad Scott here to give an update on the St. Mary's Lake Development. Brad has a concept drawing with 16 lots. Brad is working with IRRRB to secure infrastructure grants for this project. Brad needs the Township of Fayal to ultimately pass a resolution to make an application and accept funds from the IRRRB for the St. Mary's Lake project. Brad is making progress and would like to ask the PUC to pass the resolution so that he can move forward with the project. Brad intends on putting in private wells, public sewer system and roadway. He wants to know if he builds the roads to Fayal Township specifications and he installs a Lift Station to specification, would Fayal Township be interested in A.) taking over the roads and B.) taking over the sewer system. Chairman Ed Vest states that the PUC would deal with the sewer system and as far as the roads go that will be a decision for the Town Board. Brad shares that the IRRRB meets in mid-August and he is seeking assistance from Fayal Township to get in an application as soon as possible so his project can be considered for funding in August. Next meeting for funding will be October 2023. Town Board Chairman Tony Tammaro suggests that because Brad is paying for and putting in all the infrastructure and then hopefully turning it over to Fayal Township, that as he sells the lots that are subject to the \$6,625.00 SAC fee that we waive this fee. Fayal Township is not paying for the infrastructure of the sewer system. The sewer infrastructure is estimated at \$340,000.00. Again, Fayal Township is not paying for this. Brad's intent is if he can receive funding that the cost of the sewer system infrastructure will be covered by him. Discussion on if the development needs another Lift Station or if the nearby Lift Station can handle this increase in wastewater flow. The intent of the project is to sell the lots for homes, there will be covenants and restrictions in place. Discussion on other utilities being brought in such as natural gas and internet cable. The idea is to have all utilities done so the lots are home construction ready. Discussion on the Lift Stations and does this project need one, SEH engineer for Fayal Township will have to review our Lift Stations and flows to know if this project requires an additional Lift Station or not.

- **Motion made by Eugene O'Brien to recommend that the Town Board work with Brad Scott on his application and accept funds for assistance from IRRRB for the St. Mary's Lake Project under the development infrastructure program. Supported by Chris Erickson. Motion carries unanimously.**
- **Motion made by Chris Erickson to waive the \$6,625.00 SAC fee as each lot is sold because Brad Scott is funding the cost of the sewer infrastructure. Supported by Eugene O'Brien. Motion carries unanimously.**

Gina Brascugli here to share her opinion on the sewer rate increase. Gina wants to know why the sewer rate increased. Gina shared that her google research says that local property tax can be used for local water and sewer improvements, provide law enforcement and fire protection, education, road and highway construction, libraries and other services that benefit the community. Gina wants to know why the \$2.55 increase that Fayal Township implemented can't be paid for by property taxes? Town Board Chairman Tony Tammaro shares that the sewer and water is an enterprise fund that funds itself. No tax dollars are received for it, it's all self-sufficient. Chairman Tony Tammaro shares that he understands that the increase is a lot for everyone. PUC Chairman Ed Vest explains majority of this increase was out of Fayal Township's control as the City of Gilbert requested the increase to pay for the plant upgrades and repairs. Due to inflation the Fayal Township deemed it necessary to increase their portion of the sewer rates by \$2.55. Treasurer Chris Erickson explains that the \$2.55 is about a 10% increase to the Fayal Township rate, our portion of the bill hadn't increased in over two years and the 10% in two years is way less than inflation most

anywhere else. Our increase is below the inflation rate for most things. Gina expresses that the sewer rate isn't entirely fair. A family of two flushes a toilet far less than a family of eight and the cost is equal no matter who uses what. Members of the PUC explain that everyone shares in the cost of wastewater treatment. When the system was developed the decision was made at that time that everyone would get the same bill. The bill increased from Gilbert to cover the cost of upgrading the plant and replacement of faulty parts. Because City of Gilbert treats our wastewater we have to share in that cost. When Gilbert residents see an increase in sewer rates so do Fayal Township residents.

### CORRESPONDENCE

Delinquency Reports – Not much change from previous month, a little higher than normal. Secretary Rebecca Waldorf has reached out to about half of the names so far and some payments have been received. Discussion on delinquent utility bills. We do collect delinquent amounts when homes are sold. Chairman Ed Vest asks if the Surla property ever got cleared up? At this time, we have not recouped the delinquent utilities. The property cannot be sold until the structure is torn down.

Water/Wastewater Reports – Chairman Ed Vest talked with his neighbor who works for a pump company in the cities, he says they sell quite a few polypro manhole bases to dampen the vibrations and they don't rust. Discussion about Schunk Construction and if they are paying for the damages and repairs of the unapproved sewer connection on Russ Rd. Nick Schunk paid the majority of the bill. The homeowner will pay the remainder. Frye Construction completed the repairs.

Benchmark estimate – Discussed under Guest with Brad Scott

LCP 36-month consumption report – Reports received from LCP on 10 of the 30 lift stations showing their usage in KWH. Treasurer Chris Erickson was hoping that this data could be useful in finding I&I problems. Discussion on a manhole near Eugene O'Brien's home that is sinking, water sits around it in the spring and during heavy rains. This could be a source of I&I. Wastewater Operator Rick Bieganeck to look into this and review reports provided by the SCADA system.

June Financials – Financial report unavailable

### OLD BUSINESS

Saint Mary's Lake development – Discussed under Guest

Eveleth Water Agreement – No new information

Lead and Copper – Secretary Rebecca Waldorf working on gathering survey data and inputting data on the MN Rural Water website. Wastewater Operator Rick Bieganeck is working to obtain waterline info and sump pump info when an opportunity arises. We have not begun our full inspection collection yet. Will send out surveys in the future.

### NEW BUSINESS

Treasurer Report – Financial report unavailable

Sewer line camera – Wastewater Operator Rick Bieganeck would like the PUC to consider purchasing a sewer line camera to be used for preventative maintenance inspections and any other time it may be of use to camera a line such as a leak or lift station running more frequently to look for problems. Information about grants for a camera through MN OSHA. Will let Town Clerk Heidi Coldagelli know about the grant options and ask Wastewater Rick Bieganeck to get quotes with Foreman Jason Latvaaho.

Next PUC meeting to be held on August 8<sup>th</sup>, 2023 at 6:00 p.m.

- **Motion to adjourn made by Commissioner Dave Hamalainen and supported by Eugene O'Brien. Motion carries unanimously.**

Chairman Ed Vest adjourned meeting at 7:12 p.m.

Respectfully submitted by,



Rebecca Waldorf

Town of Fayal PUC Coordinator/Billing Clerk

Approved 8-8-2023