

PUBLIC UTILITIES COMMISSION

FAYAL TOWN HALL

FEBRUARY 11th, 2025

The regular meeting of the Fayal Public Utilities Commission was called to order at 6:02 PM by Chairman Ed Vest. Members present were Commissioners Chris Erickson, Eugene O'Brien, Ed Vest and Clerk Heidi Coldagelli. Members absent were Commissioners Dave Hamalainen and Amy Jackson and PUC Secretary Terry Hiti. Guests were Town Board Chairman Tony Tammaro.

APPROVAL OF MINUTES

- **Motion to approve the Regular PUC Meeting Minutes of January 14th, 2025, made by Commissioner Eugene O'Brien and supported by Ed Vest. Motion carried unanimously.**

GUESTS- None at this time.

CORRESPONDENCE

Delinquency Report – Clerk Coldagelli confirmed that some larger balances have been paid. There is one individual who is facing water shut off for lack of payment. There is also an individual who is a Gilbert resident so unable to certify to taxes. Clerk Coldagelli can try to work with Gilbert to certify the amount to taxes and when Gilbert receives the payment, submit back to Fayal.

January Water/Wastewater Report – Commissioner O'Brien noted the amount of snow removal that was performed by the Wastewater Operator. The plumbing project in the Fire Hall was also completed.

2026 Project Priority List – Clerk Coldagelli clarified that if a project was planned that the intended use plans are due. Commissioner O'Brien questioned if funds could be used for lead piping? Clerk Coldagelli clarified that there are no lead pipes that the Town is aware of. At this time, there are no planned projects.

Mediacom Franchise Fee Payment – Clerk Coldagelli provided a history of Mediacom payments back to 2004. Discussion that there was a peak in 2021-2022 and has declined since, likely due to COVID, but the amount is still higher than all the way back to 2004. Discussion regarding internet options.

OLD BUSINESS

Bylaws Discussion – The bylaws need to be updated in order to approve and send to the Town Board.

Meeting for March 11th and April 8th – March meeting is rescheduled for Tuesday, March 18th at 6:00 PM and the April meeting will be rescheduled for Wednesday, April 9th at 6:00 PM.

Eveleth/Fayal Channel 12 – The PUC recommended to send a letter of termination from the Cable Commission. Discussion regarding the assets. Per the Joint Powers agreement, if we terminate our participation, Fayal would forfeit any assets. It may be to our benefit to discuss with the other members regarding dissolving. Chairman Tammaro had asked Clerk Coldagelli to draft a letter to the Town Board regarding termination. Discussion regarding termination and division of assets.

Commissioner Erickson brought forward from the last meeting the discussion of Gilbert Debt Service. The Debt Service was supposed to begin declining from \$5.70 to \$5.01 last year and then reduce again in a couple of years. Clerk Coldagelli had notified Gilbert that was supposed to occur. It was decided Fayal had more to lose than gain by pursuing the issue. Chairman Tammaro brought forward that Gilbert is moving forward with their water plant.

NEW BUSINESS

New/Updated Mediacom Agreement – Clerk Coldagelli neglected to send the Ordinance to the PUC. The Town Board approved the updated agreement with Mediacom and that needs to be renewed every five years. The agreement is not exclusive.

Loan to Fire Department – Clerk Coldagelli provided a lengthy letter asking if the PUC would consider another intra-department loan to the Fire Department for the purchase of a truck. Commissioner Erickson questioned if the loan would be able to be callable if needed and that could be enforced. Chairman Vest suggested that if the funds are receiving this amount of interest, then the sewer rate should be reduced by a few dollars for the residents. Discussion regarding absorbing future increases or decreasing rates. Clerk Coldagelli stressed the amount of expenditure increases this year due to wage increases, benefits and pager salary and that the existing growing balances are not from operating funds, but from funds set aside for depreciation, etc. Clerk Coldagelli suggested the \$125,000.00 funded from the General Fund and the other \$230,000.00 from the 4M Fund Assessment Savings. Discussion regarding interest received from the loans and passing that on to the residents. Discussion regarding Gilbert's impact on Differding Point Water Customers.

- **Motion to support that the PUC is open to another loan, payable on demand if need be and part of that considering lowering the sewer rates, made by Commissioner Chris Erickson and supported by Eugene O'Brien.** Discussion of whether lowering \$2.00 or \$3.00. Clerk Coldagelli would really like to take a look at the financials first because of the 2025 wage increases and benefit increases. **Motion carried unanimously.**

Treasurer's Report – The Audit has not been completed yet so December and January figures will change. Clerk Coldagelli will have updated balances for the next meeting.

Tentative January balances are as follows: Fayal Water Company- beginning balance was \$39,045.88. Revenues were \$7,001.75 and expenditures were \$7,493.97. Ending cash balance was \$36,171.98 and depreciation not in the 4M Fund was \$360.90. Fayal Sewer Company- beginning balance was \$158,033.54. Revenues were \$71,731.13 and expenditures were \$58,544.41. Ending cash balance was \$173,679.44. Depreciation 4M was \$211,188.55 and PUC Truck Depreciation 4M was \$39,162.68. Assessment Savings 4M \$319,581.12 and Sewer Access Charges 4M \$79,597.48. Maintenance Contingency 4M \$42,869.22 and Sewer Company 4M was \$154,426.99. PUC- beginning balance was \$-83.27. Revenues were \$0 and expenditures were \$36.06, for an ending balance of -\$119.33.

Commissioner Erickson suggested the intra-fund loan interest rate should not be less than what the 4M Fund is paying. Clerk Coldagelli recommended a 4.5% interest rate.

- **Motion to adjourn, made by Commissioner Chris Erickson and supported by Eugene O'Brien. Motion carried unanimously.**

Chairman Ed Vest adjourned meeting at 7:00 PM.

Respectfully submitted by,



Heidi Coldagelli

Town of Fayal Clerk/Treasurer

Approved March 18, 2025