

**ELK RIVER MUNICIPAL UTILITIES
REGULAR MEETING OF THE UTILITIES COMMISSION
HELD AT UTILITIES CONFERENCE ROOM
January 13, 2026**

Members Present: Chair John Dietz, Vice Chair Mary Stewart, Commissioners Jill Larson-Vito, Matt Westgaard, and Nick Zerwas

ERMU Staff Present: Mark Hanson, General Manager
Sara Youngs, Administrations Director
Melissa Karpinski, Finance Manager
Tom Geiser, Operations Director
Tony Mauren, Governance & Communications Manager
Dave Ninow, Water Superintendent
Chris Sumstad, Electric Superintendent
Mike Tietz, Technical Services Superintendent
Parker Thiesen, IT/OT Technician
Jenny Foss, Communications & Administrative Coordinator

Others Present: Jared Shepherd, Attorney

1.0 GOVERNANCE

1.1 Call Meeting to Order

The regular meeting of the Utilities Commission was called to order at 3:30 p.m. by Chair Dietz.

1.2 Pledge of Allegiance

The Pledge of Allegiance was recited.

1.3 Consider the Agenda

Moved by Commissioner Westgaard and seconded by Commissioner Larson-Vito to approve the January 13, 2026, agenda. Motion carried 5-0.

2.0 CONSENT AGENDA (Approved By One Motion)

Commissioner Stewart provided a wording correction to the Special Meeting Minutes, agenda item 2.1 - Receive Final Electric and Water Cost of Service and Rate Design Studies. She explained the term "Plant and Service" should be changed to the accounting term "Plant in Service." It was noted that this term was also used in the memo for item 2.4 - Electric and Water Cost of Service and Rate Design Studies. Staff stated they would make the correction.

Moved by Commissioner Stewart and seconded by Commissioner Zerwas to approve the adapted Consent Agenda as follows:

- 2.1 Check Register – December 2025**
- 2.2 Regular Meeting Minutes – December 9, 2025**
- 2.3 Special Meeting Minutes – December 18, 2025**
- 2.4 Electric and Water Cost of Service and Rate Design Studies**
- 2.5 Cogeneration and Small Power Production Tariff – Schedule 1 and 2**

Motion carried 5-0.

3.0 OPEN FORUM

No one appeared for open forum.

4.0 POLICY & COMPLIANCE

4.1 Commission Policy Review – G.4f – Employee Interests

Mr. Mauren presented his memo regarding G.4f – Employee Interests. There were no recommended changes from staff.

Commissioners had no comments, questions, or recommended updates.

4.2 Annual Review of Committee Charters

Mr. Mauren presented the Annual Review of Committee Charters for commission review to determine if any changes were required.

There were no changes made by the Commission.

Commissioner Zerwas emphasized that the Dispute Resolution Committee was available to address any customer issues requiring deeper discussion, not just billing concerns, before they are brought to the full commission.

5.0 BUSINESS ACTION

5.1 Financial Report – November 2024

Ms. Karpinski presented the November financial report, noting that year-to-date total profit through November is \$4.3 million with an 8.82% net position. Both electric and water have performed well.

Accounts receivable remain in good standing. About 89% of balances are current, with only 2% falling into the 90-day past-due category. Most outstanding balances come from electric accounts, primarily inactive accounts that are being handled through Revenue Recapture or collections. These will either be collected or written off after six years.

Assessment receivables were removed in November but still appear within total accounts receivable on the balance sheet.

Electric usage and purchased power costs are both up approximately 4% from 2024. Water usage is up 6% and revenue is up 8% compared to last year.

Chair Dietz asked a clarifying question regarding the \$3 million dollars in accounts receivable for electric. Ms. Karpinski explained the amount reflected the utility billing for the previous month. She noted this amount can fluctuate based on the billing cycle which ranges between 28 to 35 days.

Ms. Youngs further clarified that there can only be one billing date and one due date per month, per cycle.

Chair Dietz asked if there were allowances for bad debt in both water and electric. Ms. Karpinski confirmed that there were.

Moved by Commissioner Larson-Vito and seconded by Commissioner Westgaard to receive the November 2025 Financial Report. Motion carried 5-0.

5.2 **American Public Power Association CR7 Subaward Agreement**

Mr. Theisen reviewed the subaward agreement memo. He explained that the grant will cover all program costs for the first two years. After that period, the Commission will evaluate the program's effectiveness and determine whether to approve ongoing licensing costs. The equipment is expected to have a useful life of approximately 10 years.

Commissioner Stewart commended Mr. Theisen for his efforts in day-to-day ERMU operations, as well as for the hard work and dedication required to secure the grant.

Moved by Commissioner Larson-Vito and seconded by Commissioner Westgaard to approve the American Public Power Association CR7 Agreement, pending legal review. Motion carried 5-0.

6.0 BUSINESS DISCUSSION

6.1 Staff Updates

Ms. Youngs reported that ERMU met its 2025 Conservation Improvement Plan goals. She noted that Frontier Energy will report to the Commission at a future meeting.

Mr. Mauren reminded the commission to submit their ERMU clothing orders by January 28, 2026.

6.2 City Council Update

Chair Dietz provided a city council update.

6.3 Future Planning

Chair Dietz announced the following:

- a. Regular Commission Meeting – February 10, 2026
- b. 2026 Governance Agenda

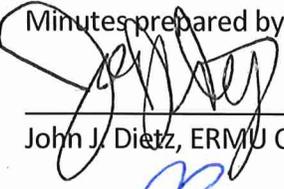
6.5 Other Business

There was no other business

7.0 ADJOURN REGULAR MEETING

Moved by Commissioner Zerwas and seconded by Commissioner Larson-Vito to adjourn the regular meeting of the Elk River Municipal Utilities Commission at 3:55 p.m. Motion carried 5-0.

Minutes prepared by Jenny Foss.



John J. Dietz, ERMU Commission Chair



Jolene Richter, Deputy City Clerk