

**ELK RIVER MUNICIPAL UTILITIES
SPECIAL MEETING OF THE UTILITIES COMMISSION
HELD AT UTILITIES CONFERENCE ROOM
January 14, 2025**

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

Remote Members: Commissioner Paul Bell participated in the meeting via interactive television as he was out of the state at the time of the meeting.

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

Others Present: Jared Shepherd, Attorney;

1.0 GOVERNANCE

1.1 Oath of Office- Matt Westgaard

1.2 Call Meeting to Order

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

1.3 Pledge of Allegiance

The Pledge of Allegiance was recited.

1.4 Consider the Agenda

Moved by Commissioner Westgaard and seconded by Commissioner Stewart to approve the January 14, 2025, agenda. Motion carried 5-0.

2.0 CONSENT AGENDA (Approved By One Motion)

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

2.1 Check Register – December 2024

2.2 Special Meeting Minutes – December 10, 2024

Motion carried 5-0.

3.0 OPEN FORUM

No one appeared for open forum.

4.0 POLICY & COMPLIANCE

4.1 Commission Policy Review – G.3c – General Manager Accountability

Mr. Mauren presented his memo regarding G.3c – General Manager Accountability. There were no recommended changes from staff.

Chair Dietz asked if the Commission had any authority over employee hiring and firing.

Mr. Shepherd referenced bullet point two under G.3c, which states: “The Commission as a body and the Commission members individually will refrain from evaluating, either formally or informally, the job performance of any employee other than the General Manager.” He clarified that if there is an issue with an employee, the concern should be addressed as an issue with the general manager's oversight and management of the situation.

Mr. Mauren noted that the policy does not prohibit commissioners from asking general questions or requesting information from staff other than the general manager when appropriate to streamline communication.

Mr. Hanson added that regardless of who raises concerns, the general manager or the Commission, it is the general manager's responsibility to address them, which will then be part of the general manager's performance evaluation. He clarified that employee matters follow a communication process with the Commission but the actual hiring and firing falls under the authority of the general manager.

4.2 Annual Review of Committee Charters

Mr. Mauren presented the Annual Review of Committee Charters for commission review to determine if any changes are required. He noted the only update to these policies during the last calendar year was approved in February 2024, aligning the Dispute Resolution Committee language with other charters by stating all meetings will follow Open Meeting Law.

Chair Dietz asked if the Dispute Resolution Committee had ever been used. Mr. Mauren replied it had not.

Chair Dietz questioned the need for the Committee if it has never been utilized.

Mr. Hanson commented that he should have used the Dispute Resolution Committee in a recent issue involving a business owner and their Advanced Metering Infrastructure (AMI) water meter changeout but believed it was only intended for billing issues.

Commissioner Westgaard asked if the Dispute Resolution Committee is limited to customer issues.

Mr. Hanson clarified the language is currently for customer disputes and asked if there was interest in changing the language.

The Commission chose not to make any changes at this time.

Ms. Youngs added that while the Committee is in place for billing disputes, its lack of use reflects the organization's success in resolving issues with customers before dispute resolution becomes necessary.

Commissioner Westgaard asked when names will be assigned to the committees. Mr. Mauren confirmed that it will take place in March.

5.0 BUSINESS ACTION

5.1 Financial Report – November 2024

Ms. Karpinski presented the November 2024 Financial Report, highlighting strong performance in both electric and water. She noted that the Energy Adjustment Clause from the Minnesota Municipal Power Association was slightly under the budgeted rate for the year. She also stated that increased connection fees and interest income from investments helped offset lower electric and water usage.

There was discussion regarding revenue loss due to lack of water usage.

Ms. Karpinski stated that budgeting for water is based on a multi-year average and noted that over \$300K from the water tower lease will be recognized in December.

Commissioner Westgaard requested clarification on the variance to the budget under Other Operating Expenses for both electric and water.

Ms. Karpinski explained that the variance was due to a loss from the disposition of property related to AMI meters.

Moved by Commissioner Westgaard and seconded by Commissioner Stewart to receive the November 2024 Financial Report. Motion carried 5-0.

5.2 **Advanced Metering Infrastructure Update**

Mr. Tietz provided a thorough review of his AMI update.

Chair Dietz asked for clarification regarding which budget was impacted by the \$16,000 approved for the commercial curb stop repair discussed at the December meeting.

Mr. Hanson explained that the expense was charged to the overall AMI project budget, not the commission approved funds allocated for residential repairs within the project.

Mr. Tietz stated that he received information just prior to the commission meeting that the first shipment of polyphase meters will arrive in March.

Chair Dietz inquired about the overtime installation option related to the AMI project citing a recent conversation he had with a local business owner.

Mr. Hanson clarified that the overtime installation option is available for commercial customers who specifically request it, with those customers responsible for the overtime costs. It is not an option that is offered by the utility or its approved contractor.

Commissioner Westgaard asked if it was normal for a multi-use building to have only one meter. Mr. Ninow confirmed that it is per ERMU policy.

6.0 **BUSINESS DISCUSSION**

6.1 **Staff Updates**

Mr. Hanson previewed infrastructure ownership comparison data that he will present in full at the February commission meeting. Of the 50 cities reviewed, 21 are similar to ERMU, while 29 differ in that the city owns infrastructure up to the curb stop.

Mr. Mauren confirmed that commission meetings start at 3:30 p.m. He clarified that the 3:00 p.m. meeting invite start time includes a 30-minute buffer for conference room setup. He stated that he would update future invites to avoid confusion.

Mr. Mauren also asked if the Commission finds value in the mid-month update and commission meeting recap. The Commission confirmed both are appreciated and requested they continue.

Mr. Geiser reported on two recent incidents in which a car hit a utility pole causing power outages. He commended staff for restoring service quickly and safely.

Mr. Tietz noted that the first 10 of 30 reclosers affected by the manufacturer safety alert have been returned.

Mr. Ninow announced that members of the National Weather Service will visit ERMU on January 29 to present staff with an award recognizing 75 years of partnership on the Cooperative Observer Program (COOP) Weather Station.

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 11, 2025
- b. 2025 Governance Agenda

6.5 Other Business

Commissioner Westgaard asked for a status update on the power plant project.

Mr. Hanson confirmed the project is still with the architect and he hopes to have a proposal to bring forward in February.

Commissioner Westgaard also asked about the status of home occupation utility rates.

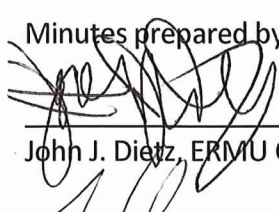
Mr. Hanson stated that the utility would follow the City's decision, as directed by the Commission. He added that lengthy discussions with city staff concluded with the City deciding not to make any changes at this time. There was discussion.

Chair Dietz commended Mr. Geiser and his crew for their work in removing two trees on Main Street at the Field Services Building

7.0 ADJOURN REGULAR MEETING

Moved by Commissioner Zerwas and seconded by Commissioner Westgaard to adjourn the regular meeting of the Elk River Municipal Utilities Commission at 4:18 p.m. Motion carried 5-0.

Minutes prepared by Jenny Foss.



John J. Dietz, ERMU Commission Chair

Tina Allard, City Clerk