

**ELK RIVER MUNICIPAL UTILITIES
REGULAR MEETING OF THE UTILITIES COMMISSION
HELD AT UTILITIES CONFERENCE ROOM**

March 10, 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
Tony Mauren, Governance & Communications Manager
Tom Geiser, Operations Director
Mike Tietz, Technical Services Superintendent
Dave Ninow, Water Superintendent
Chris Sumstad, Electric Superintendent
Jenny Foss, Communications & Administrative Coordinator

Others Present: Jared Shepherd, Attorney; Doug Eli, Energy Engineer with Frontier Energy;
Noah Halmar, Energy Analyst with Frontier Energy

1.0 GOVERNANCE

1.1 Oath of Office – Nick Zerwas

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 Zerwas to approve the March 10, 2026, agenda. Motion carried 5-0.

1.5 2026 Election of Officers – Chair and Vice Chair

Mr. Mauren conducted the election of officers for 2026. There was agreement among the Commission to maintain the officer appointments from the previous year.

Moved by Commissioner Zerwas and seconded by Commissioner Westgaard to reappoint Commissioner Dietz as Chair and reappoint Commissioner Stewart as the Vice Chair. Motion carried 5-0.

1.6 2026 Committee Appointments

There was agreement among the Commission to maintain the committee appointments from the previous year.

Moved by Commissioner Zerwas and seconded by Commissioner Larson-Vito to make the following committee and chair appointments for 2026:

Reappoint Chair Dietz and Commissioner Stewart to the Wage and Benefits Committee with Chair Dietz to continue to serve as committee chair.

Reappoint Commissioner Westgaard and Commissioner Zerwas to the Financial Reserves and Investment Committee with Commissioner Westgaard to continue to serve as committee chair.

Reappoint Commissioner Stewart to the Information Security Committee.

Reappoint Commissioner Westgaard and Commissioner Larson-Vito to the Dispute Resolution Committee with Commissioner Westgaard to continue to serve as committee chair.

2.0 CONSENT AGENDA (Approved By One Motion)

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

2.1 Check Register – February 2026

2.2 Regular Meeting Minutes – February 10, 2026

Motion carried 5-0.

3.0 OPEN FORUM

No one appeared for open forum.

4.0 POLICY & COMPLIANCE

4.1 Annual Commission Orientation

Under Commission Policy G.2d, an annual orientation program for new and existing commission members was implemented in 2018. This year's orientation featured a presentation from Frontier Energy which was added to the packet after the meeting.

Frontier Energy representatives updated the Commission on ERMU's Conservation Improvement Program, describing their efforts in helping ERMU achieve its 2025 kWh savings goals while staying under budget for the second consecutive year.

4.2 Annual Commission Bylaw and Attendance Policy

Mr. Mauren presented the commission bylaws and conducted the annual attendance policy review requested by the City. No changes were proposed.

4.3 ERMU Mission, Vision, and Values

Mr. Hanson provided a review of his memo, outlining staff-proposed updates to ERMU's Mission, Vision, and Values.

Commissioners praised the clarity, flow, and staff involvement that shaped the revised Mission, Vision, and Values.

Mr. Hanson noted that staff would update the commission policies that contain Mission, Vision, and Values language to reflect the changes for approval at the April meeting. Staff also recommended removing the Organizational Fundamentals and Planning Themes policies from the manual as their original intent no longer served current practice. The Commission agreed with that action.

Moved by Commissioner Larson-Vito and seconded by Commissioner Stewart to adopt the proposed Mission, Vision, and Organization Values policy language as presented, and to remove Planning Themes and Organizational Foundations policies from the manual. Motion carried 5-0.

4.4 Commission Compensation Stipend

Mr. Hanson presented the options and rationale for the Commission's consideration regarding compensation and stipend adjustments.

The Commission discussed the options and proposed increasing monthly compensation from \$150 to \$300, approximately the midpoint between the low of \$274 and the high of

\$333 from peer utilities. The Commission also proposed increasing the additional activity stipend from \$75 to \$85.

It was discussed that, similar to recent staff wage adjustments, the changes would not be retroactive.

Mr. Hanson clarified that the proposed changes must go through City Council and may require an amendment to a city ordinance. Mr. Hanson said he will speak with Mr. Shepherd to determine the next steps.

Chair Dietz requested that Mr. Hanson present the proposed changes to the City Council, if necessary.

Commissioner Stewart asked a clarifying question about adding an additional stipend for members who serve on external utility boards.

Mr. Hanson noted that one utility included in the study provides an additional stipend for members who hold a board seat.

Commissioners discussed what an additional stipend might look like to compensate for the extra work associated with serving on a board. Mr. Hanson suggested adding a “prep day” stipend of \$85, in addition to the \$85 stipend upon attending board meetings, for commissioners who have been assigned to an external board.

Commissioner Stewart requested a formal review of Commission compensation every three years and that it be considered during budget planning.

Moved by Commissioner Larson-Vito and seconded by Commissioner Westgaard to approve increasing monthly commission compensation to \$300, increasing the additional activity stipend to \$85, establishing an additional \$85 prep day stipend for members assigned to an external board, and establishing a formal compensation review every three years. Motion carried 5–0.

5.0 BUSINESS ACTION

5.1 Financial Report – January 2026

Ms. Karpinski presented the January 2026 financials. She noted that revenue was above budget, largely due to connection fees for the Oakwater Ridge development. She also highlighted that the Energy Adjustment Clause was lower than expected, resulting in a zero Power Cost Adjustment for customers for February and March.

Accounts receivable remain in good standing, with approximately 93% of balances current and 3% in the 90-day past-due category.

Year-to-date, electric sales increased 4% and water sales increased 3%.

Moved by Commissioner Westgaard and seconded by Commissioner Larson-Vito to receive the January 2026 Financial Report. Motion carried 5-0.

5.2 **Letter of Support for Minnesota Municipal Power Agency Solar Project**

Mr. Hanson explained that the Minnesota Municipal Power Agency (MMPA) is requesting a letter of support from the utilities commission to the Sherburne County Board of Commissioners for its proposed 3.5-megawatt solar project in Big Lake Township.

Mr. Hanson reminded the Commission that Minnesota has a mandate for carbon-free power by 2040 and noted that although this is a small project, it will provide local benefits. The project will connect directly to ERMU's substation, and the power generated will serve local customers.

Commissioner Zerwas stated that connecting directly to ERMU's substation is significant because it avoids delays associated with connecting to the grid.

Mr. Hanson agreed, noting that projects requiring grid interconnection must go through a permitting process that can result in delays of up to six years.

Moved by Commissioner Zerwas and seconded by Commissioner Stewart to approve the Letter of Support for Minnesota Municipal Power Agency Solar Project. Motion carried 5-0.

6.0 **BUSINESS DISCUSSION**

6.1 **Staff Updates**

Mr. Hanson confirmed that flight reservations have been made for all commissioners attending the American Public Power Association's National Summer Conference in Boston, MA.

Mr. Mauren stated that instructions and documents for Mr. Hanson's performance review will be provided via email in March.

Mr. Tietz shared a "thank you" card from Connexus Energy with the Commission. He explained that ERMU provided Connexus with two urgently needed reclosers to assist them with a planned road project. Mr. Tietz highlighted this as an example of the positive collaborative relationship between the utilities.

6.2 **City Council Update**

Chair Dietz provided a City Council update.

6.3 **American Public Power Association Legislative Rally Update - Verbal**

Mr. Hanson gave a verbal update on the American Public Power Association Legislative Rally in Washington, D.C. He was joined this year by Commissioner Westgaard and Commissioner Zerwas. During the rally, the Minnesota contingent met with U.S. Senators Amy Klobuchar and Tina Smith to share the utility's key legislative messages and requests. A separate meeting was held with Tom Emmer's staff, as he was unavailable due to the President's State of the Union address taking place the same day.

6.4 **Future Planning**

Chair Dietz announced the following:

- a. Regular Commission Meeting – April 14, 2026
- b. 2026 Governance Agenda

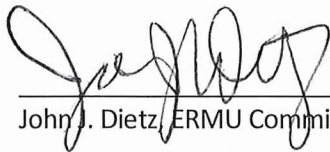
6.5 **Other Business**

There was no other business.

7.0 **ADJOURN REGULAR MEETING**

Moved by Commissioner Westgaard and seconded by Commissioner Larson-Vito to adjourn the regular meeting of the Elk River Municipal Utilities Commission at 4:52 p.m. Motion carried 5-0.

Minutes prepared by Jenny Foss.



John J. Dietz, ERMU Commission Chair



Jolene Richter, Deput City Clerk