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

March 11, 2025

Members Present:	Chair John Dietz, Vice Chair Mary Stewart, Commissioners, Paul Bell, and Matt Westgaard
Remote Members:	Commissioner Nick Zerwas 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 Mike Tietz, Technical Services Superintendent Dave Ninow, Water Superintendent Jenny Foss, Communications & Administrative Coordinator Jon McLean, Locator
Others Present:	Jared Shepherd, Attorney; Cal Portner, City Administrator; Tanju Gulati, Director with Frontier Energy; Doug Eli, Energy Engineer with Frontier Energy; Alexandra Blair, Program Coordinator with Frontier Energy; Cindy McCleary, VP and Managing Principal with LEO A DALY; Julia Larson, Project Designer at LEO A DALY; Isaac Karley, Project Manager at LEO A Daly

1.0 GOVERNANCE

1.1 Oath of Office – John Dietz & Mary Stewart

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 March 11, 2025, agenda. Motion carried 5-0.

1.5 **Recognition of Employee Longevity – Jon McLean, 8 years**

Mr. Tietz commended Mr. McLean for his eight years of dedicated service as an underground utility locator, highlighting his strong work ethic, positive attitude, and commitment to exceeding expectations, which have earned him the respect of his colleagues.

Mr. McLean expressed his gratitude, followed by a round of applause.

1.6 **2025 Election of Officers – Chair and Vice Chair**

Mr. Mauren conducted the election of officers for 2025. There was agreement among the Commission to maintain the officer appointments from the previous year.

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

1.6 **2025 Committee Appointments**

The Commission discussed previous committee appointments and the chair positions. There was agreement among the Commission to maintain the committee appointments from the previous year.

Moved by Commissioner Bell and seconded by Commissioner Westgaard to make the following committee and chair appointments for 2025:

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 reappoint 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 Bell 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 Bell to approve the Consent Agenda as follows:

2.1 Check Register – February 2025

2.2 Regular Meeting Minutes – February 11, 2025
2.3 2024 Fourth Quarter YTD Earned Sick and Safe Time Usage

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 presentations from Frontier Energy and ERMU staff.

Frontier Energy representatives updated the Commission on ERMU's Conservation Improvement Program, emphasizing their efficiency in helping ERMU achieve its 2024 kWh savings goals while staying under budget.

Ms. Foss, ERMU's Communications & Administrative Coordinator, presented information about the department's communication efforts, covering planning, content creation, and community engagement.

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 **Commission Policy Review – G.4 – Corporate Limitations**

Mr. Mauren presented his memo regarding G.4 – Corporate Limitations. There were no recommended changes from staff.

5.0 BUSINESS ACTION

5.1 **ERMU Power Plant Project Update**

Representatives from LEO A DALY presented architectural options for the decommissioned power plant, offering three use designs: child-centered, adult-centered, and a combined approach. They provided cost estimates and discussed funding options, noting the building's eligibility for the National Register due to its historical significance in community development and industry. The rough estimates for all-in costs ranged from $4,860,000 to $7,430,000.

The discussion included alternative options, such as demolition. Mr. Hanson noted that demolition and conversion to a parking lot would cost approximately $600,000–$700,000.

The Commission approved spending $15,000 on plans to explore the combined child/adult use design. They emphasized their desire to minimize expenses while preserving the building's historical value.

5.2 **Financial Report – January 2025**

Ms. Karpinski presented the January 2025 financials, highlighting increased electric and water sales compared to the previous year, with expenses for both remaining under budget.

Moved by Commissioner Westgaard and seconded by Commissioner Bell to receive the January 2025 Financial Report. Motion carried 5-0.

5.2 **Advanced Metering Infrastructure Update**

Mr. Teitz reviewed his AMI Update memo, noting that 88% of residential water meter exchanges are complete. He stated that the installation contractor plans to exit the residential water meter portion of the project.

Chair Dietz asked if the remaining 500 residential water meters would become ERMU staff's responsibility, and Mr. Teitz confirmed this.

Ms. Youngs explained that residential water meter customers have received multiple notices informing them of an April 1 deadline to schedule their replacement appointment to avoid monthly service fees starting at $50 per month for the first meter and $10 per month for each additional meter.

There was discussion on how to handle non-responsive customers including potential shut-off measures.

Mr. Hanson explained that the existing meters will eventually become obsolete and must be replaced. Customers can request manual meter reading for the new meters, but this requires additional customer-purchased equipment installed at the residence.

Mr. Ninow clarified that this equipment allows readings by physically touching a device to it, rather than using a radio signal.

Chair Dietz asked if this means a technician must physically approach the meter to take a reading. Ms. Youngs confirmed, adding that the equipment is outside the home, so technicians won't need to enter the residence.

Mr. Tietz proceeded with his memo review.

6.0 BUSINESS DISCUSSION

6.1 Staff Updates

Mr. Hanson sought commission direction regarding the $15-20K estimated cost for private property repair as a result of the water main break on Polk Avenue. He noted that the Minnesota League of Cities Insurance Trust denied the claim as it was determined there was no negligence and added that more than likely the resident's insurance would deny the claim as well.

The Commission recommended that Mr. Hanson inform the resident about the Dispute Resolution Committee to address the payment of expenses related to the water main break.

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 Zerwas, Commissioner Bell, and Mr. Mauren. During the rally, they met with Minnesota Senators Amy Klobuchar and Tina Smith, as well as House Majority Whip Tom Emmer. Discussions centered primarily on municipal bond tax exemptions and permitting reforms.

6.4 Future Planning

Chair Dietz announced the following:

a. Regular Commission Meeting – April 8, 2025
b. 2025 Governance Agenda

6.5 Other Business

7.0 ADJOURN REGULAR MEETING

Moved by Commissioner Bell and seconded by Commissioner Stewart to adjourn the regular meeting of the Elk River Municipal Utilities Commission at 5:47 p.m. Motion carried 5-0.

Minutes prepared by Jenny Foss.

John J. Dietz, ERMU Commission Chair

Tina Allard, City Clerk