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

June 3, 2025

Members Present:	Chair John Dietz and 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
	Mike Tietz, Technical Services Superintendent
	Dave Ninow, Water Superintendent
	Megan Zachman, Human Resources Generalist
	Jenny Foss, Communications & Administrative Coordinator
	Parker Theisen, IT/OT Technician
Others Present:	Jared Shepherd, Attorney; Cal Portner, City Administrator

1.0 GOVERNANCE

1.1 **Oath of Office – Jill Larson-Vito**

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 June 3, 2025, agenda. Motion carried 5-0.

2.0 CONSENT AGENDA (Approved By One Motion)

Moved by Commissioner Stewart and seconded by Commissioner Larson-Vito to approve the Consent Agenda as follows:

2.1 Check Register – May 2025
2.2 Regular Meeting Minutes – May 13, 2025

2.3 Summary of General Manager Performance Evaluation Closed Session
2.4 Summary of Information Security Committee Closed Session

Motion carried 5-0.

3.0 OPEN FORUM

No one appeared for open forum.

4.0 POLICY & COMPLIANCE

4.1 Commission Policy Review – G.4c – Strategic and Business Planning

Mr. Hanson presented the policy G.4c – Strategic and Business Planning memo on behalf of Mr. Mauren, who was not in attendance. Staff made a recommendation to update the policy, reducing the Strategic Plan time period from not less than five years to not less than three years. Staff believes this more closely resembles past practice and allows for greater responsiveness in rapidly changing economic conditions.

Additionally, staff proposed revising the notes section of the policy to eliminate redundancy and improve clarity.

Commissioner Stewart asked if the recommended change to the Strategic Plan would alter the time frame of the Finance and Capital Budget Planning. Mr. Hanson replied that it would not.

There was clarifying discussion regarding the final language.

Moved by Commissioner Westgaard and seconded by Commissioner Zerwas to approve the recommended updates to Commission Policy G.4c – Strategic and Business Planning. Motion carried 5-0.

4.2 Annual Commission Performance Evaluation

Mr. Hanson presented a comprehensive review of the commission's annual performance evaluation that included discussion of specific questions and comments from both commissioners and management.

Commissioner Zerwas expressed his appreciation for the commission’s thoughtful approach, commending their willingness to take the time to ask questions and avoid rushing decisions, which led to well-supported outcomes

Mr. Hanson emphasized the trust that exists between the city council and the commission, noted improved self-review scores related to commissioner education, reiterated that staff direction should flow through the general manager, and encouraged commissioners to engage more with all staff. Mr. Hanson concluded by stating ERMU benefits from having such a well-functioning, cohesive commission that values the high degree of mutual respect they share with staff.

Chair Dietz remarked that the current evaluation process, revised in 2024, has become much more meaningful with the addition of manager feedback.

4.3 **Employee Handbook Annual Updates**

Ms. Zachman presented the updated Employee Handbook, noting there were 13 minor changes primarily related to employment law, wage and benefits, and operational updates.

Chair Dietz asked how staff are informed of these changes.

Ms. Zachman explained that all staff will receive an electronic copy and are required to submit an electronic acknowledgement. Updated paper copies will also be available. Ms. Zachman also noted that she will attend morning meetings at both the field services building and the main office to review the changes with staff.

Chair Dietz expressed his appreciation for the annual employee handbook review process.

Moved by Commissioner Stewart and seconded by Commissioner Zerwas to approve the revised Employee Handbook. Motion carried 5-0.

4.3 **Dispute Resolution Committee Appointment**

Ms. Youngs presented the Dispute Resolution Committee Appointment memo on behalf of Mr. Mauren, who was not in attendance. She explained that with Mr. Bell's departure, the commission would need to appoint by motion a replacement for him on the committee.

Moved by Commissioner Westgaard and seconded by Commissioner Stewart to appoint Jill Larson-Vito to the Dispute Resolution Committee. Motion carried 5-0.

5.0 BUSINESS ACTION

5.1 **Financial Report – April 2025**

A presentation of the April 2025 financials was provided by Ms. Karpinski. She noted the graphs only include data through April due to the commission meeting being moved up to the first week in June.

Commissioner Zerwas asked for clarification about franchise fee payments. Ms. Karpinski explained that the utility does not pay the franchise fee until it receives payment.

Chair Dietz asked about the amount recognized for water tower attachments. Ms. Karpinski stated that the entire amount is recognized as a receivable, which explains the high balance in the water department.

Mr. Hanson added that option extensions must also be recognized, as they are treated as automatic renewals.

Chair Dietz then asked about the significant increase in electric sales in Elk River compared to the previous year. Ms. Youngs explained that higher usage in 2025, likely due to weather differences, resulted in increased revenue.

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

5.2 **2025 Consumer Confidence Report**

Mr. Ninow presented to the commission the 2025 Consumer Confidence Report, also known as the Water Quality Report (WQR), based on samples taken in 2024.

Chair Dietz asked if there was much variation in the report from year to year. Mr. Ninow explained that while there is opportunity to include additional water-related content, the majority follows the Minnesota Department of Health's required framework.

Chair Dietz inquired if the report generates questions from consumers. Both Ms. Foss and Ms. Youngs shared examples, noting that when water quality is in the news, customers often reach out for reassurance, which the WQR effectively provides.

Commissioner Westgaard requested clarification of the test results, specifically related to the Amount Detected and Range columns of the data table. There was discussion.

Moved by Commissioner Zerwas and seconded by Commissioner Westgaard to receive the 2025 Consumer Confidence Report. Motion carried 5-0.

5.3 **Water Tower Attachment Agreement – AT&T**

Mr. Hanson presented the AT&T Water Tower Attachment Agreement memo to the commission seeking approval to proceed with the lease agreement.

Chair Dietz inquired about the number of existing water tower lease agreements with cellular companies. Mr. Hanson noted that ERMU currently has similar agreements with two other carriers, so AT&T would be a third.

Commissioner Larson-Vito asked if the proposed rate is comparable to ERMU's water tower agreements with other carriers and those of carriers in other cities. Mr. Hanson explained that rates vary widely between cities due to differing calculation methods. However, he emphasized that ERMU prioritizes consistency, ensuring its agreements are comparable between carriers on its own towers.

Commissioner Stewart asked if ERMU has received any public concerns about cell tower attachments. Mr. Hanson confirmed that ERMU has not received any questions or concerns.

Moved by Commissioner Stewart and seconded by Commissioner Westgaard to approve the AT&T Water Tower Attachment Agreement. Motion carried 5-0.

6.0 BUSINESS DISCUSSION

6.1 Staff Updates

Ms. Karpinski reminded commissioners of the upcoming Minnesota Municipal Utilities Summer Conference, scheduled for August 18-20 in Rochester, MN. She requested commissioners confirm their attendance to allow staff to proceed with registration.

Mr. Hanson added that he will send an email with conference details, allowing commissioners to respond directly.

On behalf of Mr. Mauren, Ms. Youngs invited the commissioners to the All-Staff BBQ and retirement celebration for Scott Thoreson on July 15, from 11:30 a.m. to 1:00 p.m., at the Field Services Building. Commissioners were encouraged to confirm their attendance with Ms. Youngs.

6.2 City Council Update

Chair Dietz provided a City Council update.

6.3 Future Planning

Chair Dietz announced the following:

a. American Public Power Association National Conference – June 8-11
b. Regular Commission Meeting – July 8, 2025
c. 2025 Governance Agenda

6.5 Other Business

Mr. Hanson and Chair Dietz will attend the City of Buffalo's City Council meeting on July 21 at 5:00 p.m. to discuss the advantages of a utility commission structure.

7.0 ADJOURN REGULAR MEETING

Moved by Commissioner Zerwas and seconded by Commissioner Stewart to adjourn the regular meeting of the Elk River Municipal Utilities Commission at 4:33 p.m. Motion carried 5-0.

Minutes prepared by Jenny Foss.

John J. Dietz, ERMU Commission Chair

Tina Allard, City Clerk