

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

August 12, 2025

Members Present: Chair John Dietz, Vice Chair Mary Stewart, and Commissioner Jill Larson-Vito
ERMU Staff Present: Mark Hanson, General Manager
Sara Youngs, Administrations Director
Melissa Karpinski, Finance Manager
Tony Mauren, Governance & Communications Manager
Tom Geiser, Operations Director
Chris Sumstad, Electric Superintendent
Mike Tietz, Technical Services Superintendent
Dave Ninow, Water Superintendent
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 Larson-Vito and seconded by Commissioner Stewart to approve the August 12, 2025, agenda. Motion carried 3-0.

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 – July 2025

2.2 Regular Meeting Minutes – July 8, 2025

2.3 2025 Second Quarter Utilities Performance Metrics Score Card Statistics

2.4 2025 Second Quarter Delinquent Items

2.5 Employee Safety Manual

2.6 East Substation Foundation Installation Bid

Motion carried 3-0.

3.0 OPEN FORUM

No one appeared for open forum.

4.0 POLICY & COMPLIANCE

4.1 Commission Policy Review – G.4d1 – Customer Data Privacy

Mr. Mauren presented the current Customer Data Privacy policy for review. He explained that this policy outlines ERMU's responsibility to keep customer information secure and confidential. No changes to the policy were recommended by staff or the Commission.

Ms. Youngs provided clarification that customer data is not shared with third parties except as required by law or through formal data requests, which are reviewed for compliance.

4.2 Annual Strategic Plan Review

Mr. Hanson presented updates to the strategic plan, which had been restructured at the June meeting as having a three-year window instead of five years for better predictability. Five initiatives for 2026-2027 were added to the seven initiatives remaining on the plan, the added items are:

- Evaluation of new utility billing software offerings.
- Assessment of IT/OT needs due to growth and new technologies.
- Implementation of an outage management system.
- Construction of the East substation.
- Review of AppSuite-related processes, focusing on service order efficiency.

Mr. Hanson explained that all initiatives on the plan align with ERMU's Mission, Vision, and Values.

The Commission had no questions.

5.0 BUSINESS ACTION

5.1 Financial Report – June 2025

Ms. Karpinski presented the June 2025 financials which showed a combined electric and water net position increase of \$994,000, which is a 4.1% margin.

The revenue & expense breakdown showed that 93% of revenue and 92% of expenses are from the electric department, while 7% revenue and 8% expenses came from the water department.

Year-to-date actuals combining electric and water were favorable with a cumulative actual balance of \$993,000 compared to the budgeted loss of \$266,000.

Most accounts receivable balances were current, having only 3% at over 90 days, and those consisting mainly of inactive accounts.

Electric usage was up 5% over last year, presumed by staff to be attributable to higher temperatures.

Year-to-date water usage was 11% higher than last year.

Administrative expenses were up 10% from last year, with a large increase over prior year coming from changes in sick pay accrual per new GASB laws that require 100% accrual as opposed to 50% previously.

In response to Chair Dietz's question about the increase to Connection Fees, Mr. Ninow noted there were large projects at Spectrum High School and a new tire shop.

Moved by Commissioner Larson-Vito and seconded by Commissioner Stewart to receive the June 2025 Financial Report. Motion carried 3-0.

5.2 2026 Annual Business Plan: Travel and Training; Dues, Subscriptions - Fees Budget

Ms. Karpinski presented this portion of the business plan which is to be approved in its entirety by the Commission in December.

The Travel & Training budget proposed a 2% decrease from last year with additional leadership, IT, and customer services trainings planned.

The Dues & Subscriptions budget overall has a 15% increase largely due to planned bonding for new water infrastructure in 2026, the siting of which will be the subject of a feasibility report.

5.3 2025 National Energy Foundation Report

Mr. Mauren presented his memo on the National Energy Foundation report, recapping the energy and water conservation presentation and energy saving kits provided to fourth graders in ERMU's service territory during the spring of 2025.

Mr. Mauren explained that the program reached 389 students in 14 classrooms across Lincoln, Meadowvale, Parker, and Twin Lakes Elementaries. Key results included a 42% return rate on energy kit installation data, an estimated net savings of 96,058.14 kWh from the energy saving kit products, 91% of parents stating they would like to see the program continued in local schools, and 88% of parents said they will continue to use the products after the completion of the program.

In response to Chair Dietz's question, Mr. Mauren explained that the all-in 2025 cost for the program was \$14,612, or roughly \$38 per student. He added that this is part of the Conservation Improvement Program budget.

6.0 BUSINESS DISCUSSION

6.1 Staff Updates

Staff discussed issues with how a residential solar solicitor was communicating their affiliation with ERMU and the solicitor's non-compliant conduct while selling in the community. The company's solicitation license with the City of Elk River has been revoked.

Mr. Hanson noted there will be a meeting of the Wage & Benefit Committee on September 2 at 11:30 a.m. in the Utilities Conference Room.

Ms. Youngs provided the last AMI meter installations status update:

- Approximately 1,548 combined residential and commercial electric meters remain to be exchanged.
- Approximately 119 residential water meters, 59 commercial water meters, and 1 irrigation water meter remain to be exchanged.
- Approximately 33 customers have not returned their opt-out form or scheduled an exchange. Two of those 33 customers have not completed their opt-out form and sent certified letters to staff and commissioners stating their disagreement with ERMU's need or ability to exchange their meters regardless of ordinance/policy.
- A discussion on next steps for meter exchange holdouts will be part of the September agenda.
- Commercial electric meters are expected to arrive in November.

At the September meeting, the Commission will discuss plans for the Employee Appreciation Lunch in October.

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 – September 9, 2025
- b. Quorum – MMUA Summer Conference, August 18-20, 2025 – Rochester, MN
- c. 2025 Governance Agenda

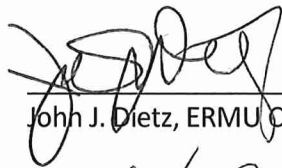
6.4 Other Business

There was no other business.

7.0 ADJOURN REGULAR MEETING

Moved by Commissioner Stewart and seconded by Commissioner Larson-Vito to adjourn the regular meeting of the Elk River Municipal Utilities Commission at 4:29 p.m. Motion carried 3-0.

Minutes prepared by Tony Mauren.



John J. Dietz, ERMU Commission Chair



Tina Allard, City Clerk