

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

September 8, 2026

Members Present: Chair John Dietz, Vice Chair Mary Stewart, Commissioners Jill Larson-Vito, and Matt Westgaard

Members Remote: Commissioner 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
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

Commissioner Nick Zerwas attended the meeting remotely. To ensure an accurate record, all votes were conducted in a roll call.

There were no recommended changes to the agenda.

Moved by Commissioner Westgaard and seconded by Commissioner Larson-Vito to approve the September 8, 2026, agenda. Motion carried 5-0 in a roll call vote.

1.4 Resolution Recognizing 2026 Public Power Week

Mr. Sumstad presented his memo, asking the Commission to adopt Resolution 26-9 recognizing 2026 Public Power Week. He explained that public utilities employ 100,000 people across the country and are responsible for generating 8% of the nation's power.

Moved by Commissioner Stewart and seconded by Commissioner Westgaard to adopt Resolution 26-9 Recognizing Public Power Week, October 4-10, 2026. Motion carried 5-0 in a roll call vote.

1.5 Resolution Recognizing 2026 Customer Service Week

Ms. Youngs presented her memo, asking the Commission to adopt Resolution 26-10 recognizing 2026 Customer Service Week. Ms. Youngs explained that customer service is directly connected to ERMU's Mission of Serving Our Community: Every Home, Every Business, Every Day.

Moved by Commissioner Larson-Vito and seconded by Commissioner Stewart to adopt Resolution 26-10 Recognizing Customer Service Week, October 5-9, 2026. Motion carried 5-0 in a roll call vote.

2.0 CONSENT AGENDA (Approved By One Motion)

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

2.1 Check Register – August 2026

2.2 Regular Meeting Minutes – August 11, 2026

Motion carried 5-0 in a roll call vote.

3.0 OPEN FORUM

No one appeared for open forum.

4.0 POLICY & COMPLIANCE

4.1 Commission Policy Review – G.4i1 – Investments

Mr. Mauren presented the next policy in the Commission's routine review. Commissioners found the policy fitting. No changes were recommended; no formal action was required.

4.2 **Commission Policy Update – G.4i6 – Public Purpose Expenditures**

Ms. Youngs presented the policy updates, explaining that after working with Mr. Shepherd the language aligns with current practice and clarifies allowable expenditures. The changes also establish two staff committees, one focused on employee engagement and the other on safety.

Commissioner Westgaard inquired as to the future of the Employee Wellness Committee. Ms. Youngs explained it was being combined with the Employee Recognition Committee to create the Employee Engagement Committee.

There was discussion about whether the wellness program was a benefit to ERMU's insurance program. Staff explained that it was not.

Moved by Commissioner Larson-Vito and seconded by Commissioner Stewart to approve changes to ERMU Policy – G.4i6 – Public Purpose Expenditures. Motion carried 5-0 in a roll call vote.

5.0 **BUSINESS ACTION**

5.1 **Financial Report – July 2026**

Ms. Karpinski presented the financials which report a year-to-date profit of \$713,000 (2.4% margin) with electric at a \$1.1 million profit (3.9% margin) and water at a \$380,000 loss (19% loss), which is expected at this point in the year.

Ms. Karpinski reported that 95% of accounts receivable are current, which is better than normal.

She explained that July 2026 was the highest total ERMU had ever been charged for purchase power. She added that July was also the most the company had ever billed customers, but that total would be surpassed in August.

Commissioner Stewart asked, since the financials exceeded previous records, if usage had as well. Staff explained that the usage peak occurred in June of 2021.

Moved by Commissioner Westgaard and seconded by Commissioner Larson-Vito to receive the July 2026 Financial Report. Motion carried 5-0 in a roll call vote.

5.2 **2027 Annual Business Plan: Capital Projects & Equipment Purchases and 20-Year Capital Projections**

Ms. Karpinski presented the capital projects portion of the 2027 Annual Business Plan before the complete plan approval later in the year. Major projects for the coming year included truck purchases, underground residential electric equipment replacement, water main construction, road projects, a booster station, and well rehabilitation.

In response to a question staff explained that capital projects were funded by revenue and reserves, the levels for which were set in the rate study that occurred in 2025.

Mr. Ninow responded to a question stating that \$4.3 million had been budgeted for upcoming water system work in the County Road 44 and Main Street Elk River projects.

Commissioner Larson-Vito inquired as to how staff produces the budget numbers. Staff responded the numbers are developed internally based on their experience with labor and material costs, while occasionally reaching out to consultants.

5.3 **County State Aid Highway 44 Cost Share Agreement**

Mr. Hanson presented his memo describing a three-way cost sharing agreement between the County, ERMU, and the City of Elk River for the County 44 improvement project. He noted there was a miscalculation in the agreement paperwork, which would be updated to ERMU's actual total: \$1,368,428.88.

Chair Dietz asked how much of the total was for costs outside of labor and materials. Mr. Hanson responded that there was approximately \$52,000 for surveying and contract administration.

Staff explained these funds are expected to come from reserves.

Moved by Commissioner Larson-Vito and seconded by Commissioner Stewart to approve the County State Aid Highway 44 Cost Share Agreement between Sherburne County, the City of Elk River, and Elk River Municipal Utilities, pending final legal review, as well as provision of authorization to the General Manager and ERMU's attorney to approve any subsequent changes that are not material. Motion carried 5-0 in a roll call vote.

6.0 **BUSINESS DISCUSSION**

6.1 **Staff Updates**

Mr. Geiser shared that ERMU has received all 30 reclosers that were sent back to the vendor for a recall.

6.2 City Council Update

Chair Dietz provided a City Council Update.

6.3 **Minnesota Municipal Utilities Association Summer Conference Discussion**

Participants shared their experiences at the conference, noting an educational discussion on data center noise, a panel on commission-council relations which Commissioner Stewart participated in, and a keynote speech by former sportscaster Joe Schmidt.

6.4 Future Planning

Chair Dietz announced the following:

- b. Regular Commission Meeting – October 13, 2026
- c. 2026 Governance Agenda

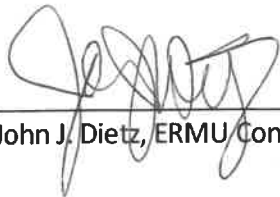
6.5 Other Business

The Commission planned to host the annual Staff Appreciation Lunch on October 13 at 11:30 a.m. at the Field Services Building.

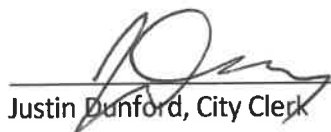
7.0 ADJOURN REGULAR MEETING

Moved by Commissioner Westgaard and seconded by Commissioner Larson-Vito to adjourn the regular meeting of the Elk River Municipal Utilities Commission at 4:05 p.m. Motion carried 5-0 in a roll call vote.

Minutes prepared by Tony Mauren.



John J. Dietz, ERMU Commission Chair



Justin Dunford, City Clerk