

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

September 10, 2024

Members Present: Chair John Dietz, Vice Chair Mary Stewart, Commissioners Paul Bell, 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
Chris Sumstad, Electric Superintendent
Mike Tietz, Technical Services Superintendent
Dave Ninow, Water Superintendent
Jenny Foss, Communications & Administrative Coordinator

Others Present: Jared Shepherd, Attorney; Cal Portner, City Administrator

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

There were no additions or corrections to the agenda.

Moved by Commissioner Stewart and seconded by Commissioner Bell to approve the September 10, 2024, agenda. Motion carried 5-0

1.4 Resolution Recognizing 2024 Public Power Week

Mr. Sumstad presented his memo asking the Commission to recognize Public Power Week 2024. Mr. Sumstad explained that ERMU is proud to be a public power provider with a goal of providing reliable, affordable power that is beneficial to the community. Mr. Sumstad also highlighted how well public power utilities support one another, citing a recent example with mutual aid provided to those utilities in the area with outages after major storms in August.

Moved by Commissioner Westgaard and seconded by Commissioner Bell to adopt Resolution 24-8, recognizing Public Power Week, October 6-12, 2024. Motion carried 5-0.

1.5 Resolution Recognizing 2024 Customer Service Week

Ms. Youngs presented her memo and requested commission adoption of Resolution 24-9 to recognize 2024 Customer Service Week.

Moved by Commissioner Zerwas and seconded by Commissioner Stewart to adopt Resolution 24-9, recognizing Customer Service Week, October 7-11, 2024. Motion carried 5-0.

2.0 CONSENT AGENDA (Approved By One Motion)

Commissioner Bell sought clarification on the minutes for the item 5.1 - 2024 Compensation Study Update with regards to the Utilities Performance Metric Incentive Compensation (UPMIC). There was discussion.

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

2.1 Check Register – August 2024

2.2 Regular Meeting Minutes – August 13, 2024

Motion carried 5-0.

3.0 OPEN FORUM

No one appeared for open forum.

4.0 POLICY & COMPLIANCE

4.1 Commission Policy Review – G.2h – Independent Advisors to the Commission

Mr. Mauren presented his memo to review the policy. The Commission had no recommended changes or updates to the policy.

5.0 BUSINESS ACTION

5.1 Financial Report – July 2024

Ms. Karpinski presented the financial report for July 2024 which showed usage for electric and water being down.

Ms. Karpinski also noted there will be an adjustment in October from correcting the underbilling of a large customer from the middle of March to July 31. Ms. Karpinski stated that adding the \$229,000 to electric finances will also improve numbers.

Ms. Youngs explained that under statute the underbilled customer would have as many months as the underbilling had occurred to pay the balance. There was discussion.

Moved by Commissioner Stewart and seconded by Commissioner Bell to receive the July 2024 Financial Report. Motion carried 5-0.

5.2 **2025 Annual Business Plan: Capital Projects & Equipment Purchases, and 20-Year Capital Projections**

Ms. Karpinski presented for review a portion of the 2025 Annual Business Plan with the entire plan to be approved in December. Ms. Karpinski explained that some of the reserves would be spent on some of the major projects as expected.

Chair Dietz asked if there was still going to be an interfund loan from the water department to the electric department to cover a portion of the Advanced Metering Infrastructure (AMI) project as the Commission had previously discussed.

Ms. Karpinski explained the loan had not occurred yet as ERMU is still waiting for most of the electric meters to be delivered.

There was discussion about the Water Main Construction line item listed at \$1,450,000. Mr. Ninow explained that a good portion of the pipe in the Upland Street/ Meadowvale Road area is from 1960, undersized, and needing to be replaced.

Commissioner Westgaard inquired about the \$185,000 for Highway 169 Redefine project which is expected to be complete in late 2024.

Staff explained this amount was being carried over for an eventual settling of unanticipated expenses at the project completion.

5.3 **Decommissioning of ERMU Power Plant**

Mr. Hanson presented his memo and resolution to decommission the ERMU power plant.

Moved by Commissioner Zerwas and seconded by Commissioner Westgaard to adopt Resolution 24-10, authorizing the decommission of the ERMU Power Plant. Motion carried 5-0.

There was discussion about future plans for the building and the engines within. Mr. Hanson explained that he would look to work with an architect to create a high-level cost estimate to make the space usable for other administrative functions which will be presented to the Commission at a future meeting. Mr. Hanson shared the engines could likely be sold.

5.4 **Advanced Metering Infrastructure Update**

Mr. Tietz presented his memo adding that Allegiant Utility Services, the company performing electric and water meter installations, forecasted a four-and-a-half-month completion timeline, though Mr. Tietz added his opinion that it would likely take a little longer.

Chair Dietz asked if Archer Plumbing was doing all the commercial water meter replacements.

Mr. Tietz responded that Allegiant was changing the small commercial water meters and Archer would do the larger commercial meter change outs.

Chair Dietz asked how often ERMU staff must perform a meter exchange that Allegiant is unable to do.

Mr. Tietz responded that it has been a rare occurrence.

Regarding the delay in receiving the latest shipment of electric meters, Chair Dietz asked if any of the available meters had been installed. Staff responded that around 1,400 electric meters had been installed by ERMU staff.

Chair Dietz asked staff if they expect there to be electric meter supply issues throughout the project.

Mr. Tietz responded there are signs of improvements, but the issues are seeming to continue.

There was discussion about the installation process.

6.0 **BUSINESS DISCUSSION**

6.1 **Staff Updates**

Mr. Hanson informed the Commission there would be an update on the settlement with RJM Construction for the closeout of the field services building project at a future meeting.

The Commission chose to host a Staff Appreciation Lunch at the field services building on October 8.

Mr. Geiser informed the Commission that Temporary Lineworker Adam Jurek had been hired on as full-time staff to fill a vacancy.

Mr. Tietz informed the commission that the system engineer position had been posted on several hiring outlets.

6.2 **City Council Update**

Commissioner Westgaard provided a City Council update.

There was discussion about applying the appropriate service rate for residential customers operating a business on their property. Staff expects future discussion on this matter.

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

There was discussion about the MMUA Summer Conference. There was consensus that the content of the conference was beneficial, and it was a good learning opportunity.

6.4 **Future Planning**

Chair Dietz announced the following:

- a. Regular Commission Meeting – October 8, 2024
- b. 2024 Governance Agenda

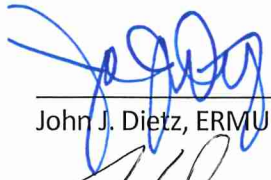
6.5 **Other Business**

Chair Dietz noted that Commissioner Bell was to be named the City's Volunteer of the Month and presented his plaque as he would not be able to attend the council meeting.

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 4:30 p.m. Motion carried 5-0.

Minutes prepared by Tony Mauren.



John J. Dietz, ERMU Commission Chair

Tina Allard, City Clerk