

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

**August 8, 2023**

Members Present: Chair John Dietz, Vice Chair Mary Stewart, Commissioners Paul Bell, Matt Westgaard, and Nick Zerwas

ERMU Staff Present: Mark Hanson, General Manager  
Tony Mauren, Governance & Communications Manager  
Tom Geiser, Operations Director  
Mike Tietz, Technical Services Superintendent  
Chris Kerzman, Engineering Manager  
Jenny Foss, Communications & Administrative Coordinator  
Kathy Greenberg, Accounts Payable/Payroll Specialist  
Matt Schwartz, Lead Lineworker

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**

There were no additions or corrections to the agenda.

**Moved by Commissioner Zerwas and seconded by Commissioner Bell to approve the August 8, 2023, agenda. Motion carried 5-0.**

**1.4 Recognition of Employee Longevity – Kathy Greenberg, 8 years; Matt Schwartz, 12 years**

Mr. Hanson presented Ms. Greenberg, who is part of the three-member financial team making sure invoices and employees are paid on time. Mr. Hanson went on to share that Ms. Greenberg does a fabulous job and that ERMU is lucky to have her.

Chair Dietz presented Ms. Greenberg with the according 8-year longevity payment. There was a round of applause.

Mr. Geiser presented Mr. Schwartz, commending him for his 12 years of service. Mr. Geiser explained that Mr. Schwartz began his employment as a first year apprentice, followed by subsequent roles as a journey lineworker and now senior lead lineworker. Mr. Geiser thanked Mr. Schwartz for all he's done and will do with ERMU.

Chair Dietz presented Mr. Schwartz with the according 12-year longevity payment. There was a round of applause.

## **2.0 CONSENT AGENDA (Approved By One Motion)**

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

**2.1 Check Register – July 2023**

**2.2 Regular Meeting Minutes – July 11, 2023**

**2.3 2023 Second Quarter Utilities Performance Metrics Score Card Statistics**

**Motion carried 5-0.**

## **3.0 OPEN FORUM**

No one appeared for open forum.

## **4.0 POLICY & COMPLIANCE**

### **4.1 Commission Policy Review – G.2 – Commission Purpose**

Mr. Mauren presented his memo and the policy, which establishes the Commission's purpose, for review.

The Commission had no comments or edits to the policy.

### **4.2 Electronic Signature Policy**

Mr. Mauren presented his memo which explains the need for a new commission policy establishing the use acceptability of electronic signatures on formal operations documents and agreements.

Mr. Mauren provided background that the current process requiring applicants to print and sign the agreement was initially put in place to aid in identity verification but since that time technology advancements have allowed for secure electronic submission. He added that feedback from customers has been that ERMU's current process is uncommon and inconvenient.

Mr. Mauren went on to explain that the State of Minnesota encourages electronic signatures as a cost-effective and efficient method of operation.

Mr. Mauren explained that with the policy's approval he would work with IT staff to implement electronically signable service agreement forms on the website.

Chair Dietz asked if this policy would apply to all documents that customers come in contact with.

Mr. Mauren explained that while service agreements are the most common application it would apply to other documents as laid out in the policy.

Mr. Hanson clarified that while the policy applies to more than service agreements, they would be the first to have electronic signature function built into them and that other documents may carry the feature in the future.

**Moved by Commissioner Stewart and seconded by Commissioner Westgaard to approve ERMU Commission Policy G.2i Electronic Signatures. Motion carried 5-0.**

## **5.0 BUSINESS ACTION**

### **5.1 Financial Report – June 2023**

Mr. Hanson presented the June 2023 financial report in the absence of the finance manager. He explained that while electric sales are down 3% from prior year, the electric budget is ahead of prior YTD and budget YTD with the removal of a \$500,000 power cost adjustment offset.

Commissioner Westgaard clarified that while sales and revenue are down performance is favorable. Mr. Hanson confirmed this.

Mr. Hanson went on to explain that the water department budget shows sales increasing but being behind prior YTD because of water access charges from large construction projects in 2022.

Chair Dietz inquired as to why the financials show a nearly 10% increase for electric sales in Elk River.

Mr. Hanson stated he will work with the finance manager when she returns to find the answer.

With the warm and dry weather, there was discussion about electric and water sales for the month of July.

Chair Dietz asked if the customer service staff is receiving complaints from customers about high bills.

Mr. Hanson shared that he had not heard of any but added that most customers have not received billing for their July usage.

**Moved by Commissioner Westgaard and seconded by Commissioner Bell to receive the June 2023 Financial Report. Motion carried 5-0.**

## 5.2 **2023 Second Quarter Delinquent Items**

Mr. Hanson presented the second quarter delinquent items for 2023, providing background and description on the four collections methods.

Mr. Hanson noted that the large write off amount in the second quarter was due in part to two commercial accounts, which made up over half the total, reaching the six-year limit for collections established by the State.

There was discussion about the six-year statute of limitation for collection efforts.

Chair Dietz asked if one of the residential items listed at \$1,600 was for one month of usage.

Mr. Hanson clarified that it was not for a single month. There was discussion.

**Moved by Commissioner Zerwas and seconded by Commissioner Stewart to approve the 2023 second quarter delinquent items submitted. Motion carried 5-0.**

## 5.3 **2024 Annual Business Plan: Travel & Training Budget; Dues & Subscriptions - Fees Budget**

Mr. Hanson presented the Travel & Training and Dues & Subscription - Fees portion of the Annual Business Plan for commission review in August in preparation for approval of the complete plan in December.

He noted there is a 5% increase in the travel & training budget stemming from conversation at the previous month's meeting about increased conference participation opportunities for commissioners as well as the addition of the Xylem Reach Conference to prepare staff for the implementation of Advanced Metering Infrastructure (AMI).

Mr. Hanson explained that the dues & subscription budget shows a 10% decrease from the prior year because in 2022 the Commission was planning to bond for AMI equipment and installation, but since that time has decided to utilize reserve funds from water department which will be repaid. Mr. Hanson explained that if you remove bonding from the calculation, the 2024 budget has a 4% increase, due mostly to IT maintenance for AMI.

Chair Dietz had questions about the addition of new conferences to the travel & training budget.

Mr. Hanson explained that legal staff and the governance & communications manager would be attending the American Public Power Association's Legal & Regulatory Conference in October for the first time on ERMU's behalf and that he would attend the following year.

Commissioner Stewart noted that there is no dollar amount listed for the Legal & Regulatory Conference in the 2023 budget.

Mr. Hanson explained that staff is still expecting discussions with ERMU's power provider about the possibility that they will fund those conferences.

Commissioner Stewart noted that there was a comment on the budget that stated Midwest Municipal Transmission Group no longer bills its members for dues.

Mr. Hanson confirmed that the organization is still in operation but no longer charges dues to members.

Commissioner Zerwas restated his comments from the previous commission meeting about the value in expanding opportunities for commissioners to attend conferences.

#### 5.4 **Field Services Facility Open House Update**

Ms. Foss presented her memo on the field services building open house, occurring on Thursday, August 24.

She added that notices for the event would be sent out to nearby properties, that there has been significant improvements to landscaping with the recent laying of sod, and that commissioners should wear the yellow shirts they have been provided to help guest identify them as event facilitators.

There was discussion about the irrigation system and punch list progress with the construction manager.

Chair Dietz had a question regarding the parking logistics for the event.

Ms. Foss explained that office staff would be carpooling to the building while field staff would be using the church parking lot across the street for their personal vehicles. Staff added that in addition to the north parking lot, spaces would be created on black top in the southern portion of the site.

There was discussion about the food that would be available to guests.

## **6.0 BUSINESS DISCUSSION**

### **6.1 Staff Updates**

Mr. Hanson informed the Commission that the contractor doing the street rehabilitation in the School View neighborhood identified 15 residential curb stop valves with issues that may prevent them from functioning properly. Mr. Hanson explained that those residences have been notified of the issue and received a recommendation from ERMU to work with the contractor to resolve the issue, as the customer owns that portion of the system.

Mr. Tietz informed the Commission that Locator Devin Ruprecht gave notice of resignation on July 27 and his last day with ERMU was to be August 11. Mr. Tietz added that staff will be advertising the opening through August 15 and looked to begin interviewing as soon as possible.

Mr. Shepherd shared his appreciation for the Commission allowing him to attend American Public Power Association's Legal & Regulatory Conference in October.

### **6.2 City Council Update**

Commissioner Westgaard provided an update from the City Council on topics including conditional use permits, approval for a new housing development on Lake Orono, snow removal policy, and Night to Unite.

### **6.3 Future Planning**

Chair Dietz announced the following:

- a. Regular Commission Meeting – September 12, 2023
- b. Quorum – MMUA Summer Conference – August 21-23, 2023
- c. Quorum – ERMU Field Services Facility Open House – August 24, 2023
- d. 2023 Governance Agenda

### **6.5 Other Business**

Chair Dietz asked when the brackets to display the no overnight parking signs would be added to the downtown streetlights.

Mr. Geiser responded that ERMU would be attaching the brackets when they arrive but there have been delays on delivery.

Commissioner Westgaard shared that council members had heard concerns from residents between 193<sup>rd</sup> and 197<sup>th</sup> Avenues that they may be required to connect to

ERMU's water system. Mr. Westgaard clarified that connection would be initiated by a developer.

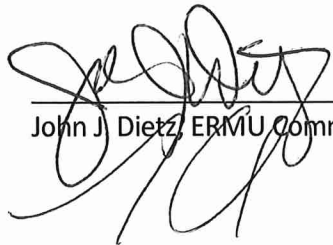
In response to an email sent to the Commission regarding preparations for the Employee Appreciation Lunch that takes staff food allergies into consideration, Commissioner Westgaard asked for discussion on how the Commission would like to proceed. There was discussion.

Chair Dietz requested that Mr. Mauren find quotes from caterers who could provide options that meet the food allergies needs.

#### **7.0 ADJOURN REGULAR MEETING**

**Moved by Commissioner Bell and seconded by Commissioner Zerwas to adjourn the regular meeting of the Elk River Municipal Utilities Commission at 4:14 p.m. Motion carried 5-0.**

Minutes prepared by Tony Mauren.



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John J. Dietz, ERMU Commission Chair

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Tina Allard, City Clerk