

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

September 12, 2023

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

ERMU Staff Present: 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
Chris Kerzman, Engineering Manager
Jenny Foss, Communications & Administrative Coordinator

Others Present: Jack Brooksbank, Attorney with Campbell Knutson filling in for Jared Shepherd

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 Westgaard and seconded by Commissioner Stewart to approve the September 12, 2023, agenda. Motion carried 5-0

1.4 Resolution Recognizing 2023 Public Power Week

Mr. Sumstad presented the resolution recognizing 2023 Public Power Week occurring October 1-7.

Moved by Commissioner Zerwas and seconded by Commissioner Bell to adopt Resolution 23-7 Recognizing Public Power Week, October 1-7, 2023. Motion carried 5-0

1.5 Resolution Recognizing 2023 Customer Service Week

Ms. Youngs provided background on National Customer Service Week and asked the Commission to adopt the resolution recognizing 2023 Customer Service Week occurring October 2-6.

Moved by Commissioner Stewart and seconded by Commissioner Westgaard to adopt Resolution 23-8 Recognizing Customer Service Week, October 2-6, 2023. Motion carried 5-0

2.0 CONSENT AGENDA (Approved By One Motion)

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

2.1 Check Register – August 2023

2.2 Regular Meeting Minutes – August 9, 2023

Motion carried 5-0.

3.0 OPEN FORUM

No one appeared for open forum.

4.0 POLICY & COMPLIANCE

4.1 Commission Policy Review – G.2a - Commission-City Council Relationship and Roles

Mr. Mauren presented his memo and opened a discussion on any potential changes or comments on Commission Policy - G.2a - Commission-City Council Relationship and Roles.

Commissioner Stewart asked how ERMU actively supports the City's Economic Development Authority (EDA) as described in item two of the policy.

Mr. Mauren highlighted a recently successful project between the City's Housing and Redevelopment Authority (HRA) and ERMU in a direct mail flyer that communicated available residential loan programs through the HRA.

Ms. Youngs also provided clarification on the process between City and ERMU technical staff when bringing new business to our service territory.

Chair Dietz stated that a good example of this active participation can be found in the work between the City and ERMU on data center projects.

Commissioner Stewart requested clarification as to what documentation is provided for item four of the policy, regarding guidance to the Council when appointing commissioners. Staff was unsure and therefore Ms. Youngs accepted this request as an action item on behalf of General Manager Mark Hanson who was unable to attend the commission meeting.

Chair Dietz asked if the policy outlines how many times the City Council and ERMU meet jointly. Ms. Youngs confirmed it did and referred to item three of the policy. There was discussion if language to this item needed updating. It was determined no update was necessary.

5.0 BUSINESS ACTION

5.1 Financial Report – July 2023

Ms. Karpinski presented the July 2023 Financial Report.

Chair Dietz asked if there is still a monthly Power Cost Adjustment. Ms. Karpinski confirmed there is, however, it is slowly trending down as the Energy Adjustment Clause from Minnesota Municipal Power Association has been close to or slightly lower than budget.

Chair Dietz asked if customers have moved into the second and third tiers for water charges due to the warm, dry weather. Ms. Karpinski explained water usage has been trending towards conservation in the last six weeks.

Chair Dietz asked if customer service has experienced an increase in complaints for high water bills. Ms. Youngs stated there has not been an above average number of calls and those that do come in about water have been requests for clarification.

Chair Dietz asked Mr. Tietz if customers will be able to monitor their water usage more closely like their electric usage with Advanced Metering Infrastructure. Mr. Tietz confirmed they would.

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

5.2 2024 Annual Business Plan: Capital Projects & Equipment Purchases, and 20-Year Capital Projections

Ms. Karpinski presented the Capital Projects & Equipment Purchases, and 20-Year Capital Projections portion of the Annual Business Plan for commission review in September in preparation for approval of the complete plan in December.

Ms. Karpinski noted the largest portion of the budget is dedicated to the Advanced Metering Infrastructure (AMI) project. She explained that much of the items budgeted for this year were delayed and are therefore being pushed to the 2024 budget.

Chair Dietz asked for clarification on the project delay with AMI. Ms. Karpinski explained it stemmed from supply chain issues related to the meters.

Mr. Tietz explained that the meters are the driving force behind the implementation of AMI. Installation contracts and timelines will be set once there is a known meter shipment date.

Commissioner Westgaard asked if there was a timing or performance clause written into the AMI contract. Mr. Tietz said there was no such clause with the initial start date of the project but there is one once the project is underway.

Commissioners Westgaard and Zerwas expressed concern that the delay will result in the loss of subcontractors and/or an increase in cost. Ms. Karpinski clarified that a request for proposal on the installation of AMI has not been released.

Chair Dietz asked for clarification regarding the proposed electric budget and how costs would be covered. Ms. Karpinski explained it would be a combination of an Infrastructure Investment and Jobs Act grant, an interfund loan with water, and reserves.

Chair Dietz asked Mr. Geiser how much of the work in 2024 will be contracted versus staying in house. Mr. Geiser replied all work will stay in house except for tree trimming and joint trenching projects for gas and cable lines.

Ms. Karpinski highlighted the two biggest projects for the water department in 2024 will be AMI and the water main project on Upland Avenue and Meadowvale Road.

Chair Dietz asked how long it will take us to recoup our costs for the AMI project. Mr. Tietz explained the cost of the project will be recouped over time, but the efficiencies gained with the use of AMI will be immediate.

Chair Dietz asked if the data analysis with AMI will be as beneficial to staff as it will be for our customers. Ms. Youngs confirmed it would be especially in terms of data speed, safety, and outage information and communication.

6.0 BUSINESS DISCUSSION

6.1 Staff Updates

Ms. Youngs reported on behalf of General Manager Mark Hanson that the Wage & Benefits meeting scheduled for September 12 will be rescheduled to the last week of September or first week of October.

Mr. Mauren clarified that the employee appreciation lunch scheduled for October 10 at the field services building will not be catered and commissioners can move forward with planning the menu.

Ms. Foss provided a recap of the Open House event, estimating the attendance to be around 300-500 visitors. Highlights other than the building itself included the demonstrations provided by lineworkers and water department staff. Ms. Foss also noted feedback from attendees was very positive including a fantastic follow-up article in the Elk River Star News written by Jim Boyle.

Chair Dietz asked Mr. Geiser if brackets have been received for the no parking signs to be mounted on the street light poles downtown. Mr. Geiser replied they were informed brackets would be shipped mid-September.

Chair Dietz asked Mr. Ninow how the School View project was progressing. Mr. Ninow replied it was going well.

Chair Dietz asked if there was any additional work that needed to be completed by staff at the two intersections being completed in the Highway 169 Redefine project. Mr. Geiser replied there are just electrical service needs. Mr. Ninow noted they will be relocating a water main across Jackson Street.

Chair Dietz asked Mr. Kerzman if there were any final updates on the field services building project. Mr. Kerzman said he received the final punch list from RJM Construction, and the remaining items should be completed by the end of the month.

Commissioner Zerwas noted he received several positive comments at the open house about how good the new field services building looked and how clean it was.

Chair Dietz noted how nice the final design and landscaping fits with the neighborhood and how the ability to store all vehicles and equipment indoors will benefit the utility for years to come.

6.2 City Council Update

Commissioner Westgaard noted recent City Council topics included an update from the Lake Orono Improvement District, a discussion about the Rivers Edge Park seating blocks, and review of the 2024 city budget modifications and adjustments.

6.3 Minnesota Municipal Utilities Association Summer Conference Discussion

Ms. Youngs stated she thought the conference content was valuable, highlighting topics such as AMI, electric vehicles, demand rates for residential customers, and promoting hometown utilities.

Chair Dietz agreed the content was good and he really appreciated being able to choose his track based on topics he was interested in.

Commissioners agreed the round table discussions went by too fast but that the two keynote speakers were very good.

Commissioner Stewart commented on the benefits of networking with other cities and how much she enjoyed the final keynote speaker.

6.4 Future Planning

Chair Dietz announced the following:

- a. Special Commission Meeting – October 10, 2023, at the field services building
- b. 2023 Governance Agenda

6.5 Other Business

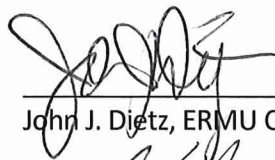
The Commission agreed to hold the regular meeting in October at the field services building as it would be where the employee appreciation lunch was occurring that day.

Staff said they would notice the location change in accordance with Open Meeting Law.

7.0 ADJOURN REGULAR MEETING

Moved by Commissioner Zerwas and seconded by Commissioner Bell to adjourn the regular meeting of the Elk River Municipal Utilities Commission at 4:18 p.m. Motion carried 5-0.

Minutes prepared by Jenny Foss.



John J. Dietz, ERMU Commission Chair



Tina Allard, City Clerk