

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

March 12, 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
Dave Ninow, Water Superintendent
Chris Kerzman, Engineering Manager
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 Oath of Office

Mr. Mauren administered the oath of office for the reappointment of Commissioner Bell.

1.4 Consider the Agenda

Moved by Commissioner Westgaard and seconded by Commissioner Stewart to approve the March 14, 2024, agenda. Motion carried 5-0.

1.5 2024 Election of Officers – Chair and Vice Chair

Mr. Mauren invited the Commission to discuss and elect the chair and vice chair positions, each for 12-month terms.

There was agreement among the Commission to maintain the officer appointments from the previous year.

Moved by Commissioner Bell and seconded by Commissioner Zerwas to reappoint Commissioner Dietz as Chair and reappoint Commissioner Stewart as the Vice Chair. Motion carried 5-0.

1.6 2023 Committee Appointments

The Commission discussed previous committee appointments and the chair positions. There was agreement among the Commission to maintain the committee appointments from the previous year.

Moved by Commissioner Westgaard and seconded by Commissioner Zerwas to make the following committee and chair appointments for 2024:

Reappoint Chair Dietz and Commissioner Stewart to the Wage and Benefits Committee with Chair Dietz to continue to serve as committee chair.

Reappoint Commissioner Westgaard and reappoint Commissioner Zerwas to the Financial Reserves and Investment Committee with Commissioner Westgaard to continue to serve as committee chair.

Reappoint Commissioner Stewart to the Information Security Committee.

Reappoint Commissioner Westgaard and Commissioner Bell to the Dispute Resolution Committee with Commissioner Westgaard to continue to serve as committee chair.

Motion carried 5-0.

2.0 CONSENT AGENDA (Approved By One Motion)

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

2.1 Check Register – February 2024

2.2 Regular Meeting Minutes – February 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.2c – Agenda Planning

Mr. Mauren presented the memo which included proposed updates in the attachments. Mr. Mauren explained most of the updates were proposed to bring the policy in alignment with the Governance Agenda that the Commission approves annually.

During discussion, Ms. Youngs provided background that the three-minute time limit for presenters during Open Forum was bringing the policy up to date with what had been approved at the June 2023 meeting.

Moved by Commissioner Zerwas and seconded by Commissioner Bell to approve the proposed updates to Commission Policy – G.2c – Agenda Planning. Motion carried 5-0.

4.2 City Code Review – Article V, Division 5 – Public Utilities Commission

Mr. Hanson presented the memo which included proposed updates in the attachments. Mr. Hanson explained that the City is currently reviewing this portion of its code which covers all of its commissions. He continued that the majority of the updates proposed by staff for the Utilities section involved reorganizing the headers and matching the language to what was used for other commissions to make them more uniform. Mr. Hanson added that the language now clarifies that the Utilities are governed independently while still a City entity.

Moved by Commissioner Westgaard and seconded by Commissioner Stewart to approve the proposed updates to City Code – Article V, Division 5 – Public Utilities Commission. Motion carried 5-0.

4.3 Annual Commission Orientation – Policy Manual Update Review

Mr. Mauren presented the summary of updates to the policy manual and reference guide attached to the memo.

Chair Dietz asked if there is a legal review of the Employee Handbook.

Staff confirmed that there was.

5.0 BUSINESS ACTION

5.1 Financial Report – January 2024

Ms. Karpinski presented the report for January 2024.

In response to Commissioner Stewart's inquiry about the Maintenance Expense line which shows a \$32,000 variance over the previous year, Ms. Karpinski explained that this was due to increased labor for electric mapping work as the mild winter permitted mapping to occur over a longer period. Ms. Karpinski also explained that the increase is somewhat offset by a reduction in typical seasonal expenses such as snowplowing and repairing infrastructure struck by vehicles due to icy roads.

During discussion about higher Water Access Chargers in the month of January, Mr. Ninow explained that there are multiple industrial customers building new facilities. There was discussion.

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

6.0 BUSINESS DISCUSSION

6.1 Staff Updates

There were no staff updates.

6.2 City Council Update

Commissioner Westgaard provided an update from the City Council meetings which dealt with topics including preliminary plat for an education institution, interim use permits, and an easement vacation.

6.3 American Public Power Association Legislative Rally Update

Mr. Hanson led the verbal update on the American Public Power Association (APPA) Legislative Rally in Washington D.C., which he attended along with Chair Dietz and Commissioner Zerwas. He explained the message to legislators and/or their staff encouraged continued support to allow public power utilities to achieve affordability, reliability, and sustainability. Mr. Hanson continued that important topics included significant supply chain issues, increased costs for transformers, financing tools to allow municipal utilities to refund loans within ten years, and to allow local banks to increase their loan threshold from \$10 million to \$30 million. There was discussion.

Chair Dietz shared his impression from staffers that there is genuine concern for small utilities' issues.

Chair Dietz asked Mr. Hanson to look into whether it would be appropriate for ERMU to join the APPA subcommittees that meet at the legislative rally. There was discussion.

Commissioner Zerwas shared his perspective that the senate staff members seemed very knowledgeable on the topics being presented. There was discussion.

6.4 **Future Planning**

Chair Dietz announced the following:

- a. Regular Commission Meeting – April 9, 2024
- b. 2024 Governance Agenda

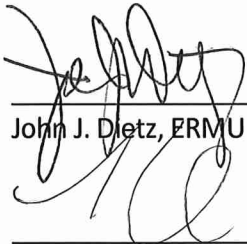
6.5 **Other Business**

There was no other business.

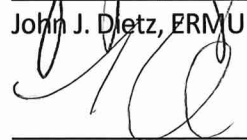
7.0 **ADJOURN REGULAR MEETING**

Moved by Commissioner Westgaard and seconded by Commissioner Bell to adjourn the regular meeting of the Elk River Municipal Utilities Commission at 4:02 p.m. Motion carried 5-0.

Minutes prepared by Tony Mauren.



John J. Dietz, ERMU Commission Chair



Tina Allard, City Clerk