

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

July 8, 2025

Members Present: Chair John Dietz, Vice Chair Mary Stewart, Commissioners Jill Larson-Vito, 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
Jenny Foss, Communications & Administrative Coordinator
Katy Olson, Water Operations Foreperson

Others Present: None

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

Moved by Commissioner Westgaard and seconded by Commissioner Larson-Vito to approve the July 8, 2025, agenda. Motion carried 5-0

1.4 Recognition of Employee Longevity – Katy Olson, 8 years

Water Operations Foreperson Katy Olson was recognized for eight years of dedicated service, particularly her passion and commitment to the water department. Katy shared reflections on teamwork, purpose, and the importance of supporting one another as a work family.

2.0 CONSENT AGENDA (Approved By One Motion)

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

2.1 Check Register – June 2025

2.2 Regular Meeting Minutes – June 3, 2025

2.3 Water Tower Attachment – Lease Amendment (Verizon)

Motion carried 5-0.

3.0 OPEN FORUM

No one appeared for open forum.

4.0 POLICY & COMPLIANCE

4.1 Commission Policy Review – G.4d – Customer Interests

The Commission reviewed the policy, which outlines expectations for management’s understanding and response to customer needs.

Commissioners agreed the policy remains aligned with core values. No action was required.

5.0 BUSINESS ACTION

5.1 Financial Report – May 2025

Ms. Karpinski presented the report, noting that her second slide was labelled “January 2025 – April 2025” when it should say “January 2025 – May 2025.” She went on to highlight statistics in the report including a year-to-date budget net of \$735,000 which is a 3.8% margin. Electric operations were at a 6.89% margin, \$700,000 favorable to budget, and about \$700,000 above prior year. Water operations was at a loss of 46.29%, which is typical for this time of year. The water budget is \$214,000 favorable to budget but \$120,000 below prior year.

Receivables are 93% current with only 3% over 90 days past due thanks to the efforts of the customer service team.

There was an increase in revenue from new tower lease agreements. In response to a question, Ms. Karpinski confirmed that the budget has to show the full lease amount including any likely extensions.

There was discussion about how weather has impacted the budget. Ms. Karpinski added that she expected increased connection fees, reduced expenses, and investment revenue to aid the water budget.

There was a distribution for the Per- and Polyfluoroalkyl Substances (PFAS) settlement with an initial amount received of \$18,000, less \$9,000 for legal fees. Staff expects future disbursements to have lower legal fees. These funds will offset increased PFAS testing costs.

Moved by Commissioner Stewart and seconded by Commissioner Westgaard to receive the May 2025 Financial Report. Motion carried 5-0.

6.0 BUSINESS DISCUSSION

6.1 Staff Updates

Ms. Youngs shared that a customer service representative vacancy has been posted and closes next week.

Ms. Youngs provided an Advanced Metering Infrastructure (AMI) meter installation update including:

- Water: 221 meters remain to be exchanged, 70 are commercial. While customers are able to opt out of the remote meter reading function provided by AMI, all physical meters in the system will need to be replaced. The opt-out process has been communicated to customers who expressed interest in exercising that option. A monthly manual meter read fee will begin August 1 for those customers, totaling either \$50 or \$60 depending on the number of meters the customer has.
- Electric: 1,771 meters remain to be replaced.

6.2 City Council Update

Chair Dietz provided a City Council update.

6.3 American Public Power Association (APPA) National Conference Discussion

In June, Commissioners Stewart, Westgaard, and Zerwas, along with Mr. Hanson attended the APPA National Conference in New Orleans, LA. In discussing the conference, the Commission reached consensus to prepare an initial budget for sending all commissioners to the conference in 2026, citing its value for information, keynote speakers, and networking. ERMU's power provider covers the cost for its board members to attend, currently Commissioner Stewart and Mr. Hanson.

Commissioner Zerwas recommended attempting to a set up a meeting with U.S. Representative Tom Emmer while he is in the district for the August congressional recess. The Commission agreed this would be a beneficial opportunity.

6.4 **Future Planning**

Chair Dietz announced the following:

- a. Scott Thoreson Retirement – July 15 – Field Services Building
- b. Sherburne County Parade – July 19
- c. MMPA Annual Meeting – July 22 – Canterbury Park, Shakopee, MN
- d. Regular Commission Meeting – August 12, 2025
- e. 2025 Governance Agenda

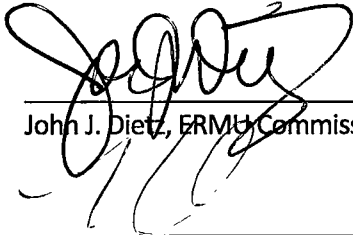
6.5 **Other Business**

There was no other business.

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 4:23 p.m. Motion carried 5-0.

Minutes prepared by Tony Mauren.



John J. Dietz, ERMU Commission Chair

Tina Allard, City Clerk