

AGENDA

1.0 GOVERNANCE

- 1.1 Call Meeting to Order
- 1.2 Pledge of Allegiance
- 1.3 Consider the Agenda
- 1.4 Recognition of Employee Longevity – Russell Stuhr, 8 years
- 1.5 Recognition of ERMU and MMUA Tom Bovitz Memorial Scholarship Award Winner

2.0 CONSENT (Routine items. No discussion. Approved by one motion.)

- 2.1 Check Register – May 2022
- 2.2 Special Meeting Minutes – May 10, 2022
- 2.3 Regular Meeting Minutes – May 10, 2022
- 2.4 Special Meeting Minutes – May 20, 2022
- 2.5 2022 Streetlight Installation and Maintenance Agreement Between ERMU and The City of Elk River, Minnesota
- 2.6 Employee Handbook Annual Updates

3.0 OPEN FORUM (Non-agenda items for discussion. No action.)

4.0 POLICY & COMPLIANCE (Policy review, policy development, and compliance monitoring.)

5.0 BUSINESS ACTION (Current business action requests and performance monitoring reports.)

- 5.1 Financial Report – April 2022
- 5.2 Field Services Facility Expansion Project
- 5.3 General Manager Search Committee Update

6.0 BUSINESS DISCUSSION (Future business planning, general updates, and informational reports.)

- 6.1 Staff Updates
- 6.2 City Council Update
- 6.3 Future Planning (Announce the next regular meeting, special meeting, or planned quorum.)
 - a. Regular Commission Meeting – July 12, 2022
 - b. 2022 Governance Agenda
- 6.4 Other Business (Items added during agenda approval.)
- 6.4 Closing of Meeting: Meeting to be Closed Pursuant to MN Statute 13D.05, Subd. 3(a) for the Performance Evaluation of Theresa Slominski, General Manager
 - a. Call Closed Session to Order
 - b. Discussion
 - c. Adjourn Closed Session

7.0 ADJOURN REGULAR MEETING

UTILITIES COMMISSION MEETING

TO: ERMU Commission	FROM: Theresa Slominski – General Manager
MEETING DATE: June 14, 2022	AGENDA ITEM NUMBER: 1.4
SUBJECT: Recognition of Employee Longevity – Russell Stuhr, 8 years	
ACTION REQUESTED: Recognize Russell Stuhr for 8 years of service and award the Longevity Bonus paycheck.	

BACKGROUND:

In September 2021, the Commission approved a Longevity Pay benefit to be paid to qualifying eligible employees based on their years of service according to the schedule below.

8 years	\$1,550
12 years	\$2,025
16 years	\$2,100
20 years	\$2,125
24 years	\$2,300
28 years	\$3,000
32 years	\$3,000

DISCUSSION:

Russell Stuhr has been an employee with ERMU since 5/12/2014 and, therefore, has earned the 8-year longevity pay benefit. We recognize Russ and all his contributions to the success of ERMU through his service.

TO: ERMU Commission	FROM: Tony Mauren – Executive Administrative Manager
MEETING DATE: June 14, 2022	AGENDA ITEM NUMBER: 1.5
SUBJECT: Recognition of the ERMU and MMUA Tom Bovitz Memorial Scholarship Award Winner	
ACTION REQUESTED: None	

BACKGROUND:

At the April 12, 2022, commission meeting, it was announced that Elk River High School Senior Brock Schmertman was selected as the local winner of ERMU's \$500 Tom Bovitz Memorial Scholarship Award. His winning essay was forwarded to Minnesota Municipal Utilities Association (MMUA) judges for a chance to win an additional award through their statewide contest.

DISCUSSION:

The MMUA Tom Bovitz Memorial Scholarship Award winners were named on May 4 with judges consisting of five MMUA member utility representatives who ranked their top four essays.

Staff is pleased to share that our local winner has once again earned additional scholarship funds in the statewide competition as Brock placed fourth out of 20 total submissions. This entitles him to an additional \$500 from MMUA for his post secondary education.

The award is named in honor of the late Tom Bovitz, a former general manager of Hibbing Public Utilities and MMUA president who was also a firm believer in the value of education.

ATTACHMENTS:

- Letter from Tom Bovitz Memorial Scholarship Award Winner

Dear Tony Mauren,

I am honored to have been selected as a recipient of the Elk River Municipal Utilities Tom Bovitz Memorial Scholarship. I want to take this opportunity to thank you for your generosity, and to assure you that your scholarship will be put to good use.

As I move on to the University of Minnesota Twin Cities, Elk River Municipal Utilities has given me invaluable financial support, allowing me to pursue my passion for biomedical science and engineering.

Regardless of where my college education leads me, I will remember the thoughtful gift your organization has given me. I am confident that this scholarship will play a vital role in my future success. Thank you for your willingness to help me achieve my goals.

Sincerely,

A handwritten signature in cursive script that reads "Brock Schmertman".

Brock Schmertman

CHECK REGISTER

May 2022

APPROVED BY:

Paul Bell

John Dietz

Allan Nadeau

Mary Stewart

Matt Westgaard

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Payroll/Labor Check Register Totals

05/13/2022 To 05/13/2022

<u>Pays</u>	<u>Job</u>	<u>Amount</u>	<u>Hours</u>
Gross Pay			
2	Reg Hourly	107,812.75	2,741.00
20	Reg Salary	43,699.07	761.25
3	Overtime	4,052.01	55.85
4	Double Time	0.00	0.00
5	On-Call/Stand-by	2,356.20	56.00
24	FLSA	37.10	0.00
25	Rest Time	0.00	0.00
10	Bonus Pay	131.13	2.50
18	Commissioner Reimb - Electric	600.00	0.00
104	Commission Stipend	60.00	0.00
105	Perf. Metr. Distr.	0.00	0.00
VAC	Vacation Pay	4,771.66	104.75
SICK	Sick Pay	2,347.19	50.00
HOL	Holiday Pay	0.00	0.00
5-2	On-Call/Stand-by/OT	338.00	5.00
18A	Commissioner Reimb. - Water	150.00	0.00
104A	Commission Stipend - Water	15.00	0.00
PVT	Purchased Vacation Time	0.00	0.00
PTOY	Personal Day - Year	0.00	0.00
3C	Overtime-Comp Time	698.71	10.40
4C	Double Time-Comp Time	0.00	0.00
CM3C	Overtime-Comp Time Adjusted	-698.71	-10.40
CM4C	Double Time-Comp Time Adjusted	0.00	0.00
COMP	Comp Time Taken	303.54	8.50
Gross Pay Total:		<u>166,673.65</u>	<u>3,784.85</u>
Total Pays:		166,673.65	3,784.85

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Payroll/Labor Check Register Totals

05/27/2022 To 05/27/2022

<u>Pays</u>	<u>Job</u>	<u>Amount</u>	<u>Hours</u>
Gross Pay			
2 Reg Hourly		107,266.93	2,743.00
20 Reg Salary		42,558.78	746.00
3 Overtime		5,141.12	73.25
4 Double Time		9.28	0.13
5 On-Call/Stand-by		2,351.38	56.00
24 FLSA		57.90	0.00
25 Rest Time		151.68	3.00
10 Bonus Pay		419.60	8.00
105 Perf. Metr. Distr.		0.00	0.00
VAC Vacation Pay		7,174.80	149.30
SICK Sick Pay		2,640.61	65.50
HOL Holiday Pay		0.00	0.00
5-2 On-Call/Stand-by/OT		547.61	7.50
PVT Purchased Vacation Time		0.00	0.00
PTOY Personal Day - Year		375.12	8.00
3C Overtime-Comp Time		1,080.44	18.50
4C Double Time-Comp Time		419.24	5.87
CM3C Overtime-Comp Time Adjusted		-1,080.44	-18.50
CM4C Double Time-Comp Time Adjusted		-419.24	-5.87
COMP Comp Time Taken		468.90	10.00
	Gross Pay Total:	<u>169,163.71</u>	<u>3,869.68</u>
	Total Pays:	169,163.71	3,869.68

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Accounts Payable Check Register

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Bank Account: 1 - GENERAL FUND

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
2321 5/5/22	WIRE	5631	AMERICAN EXPRESS	ACH FEES - APRIL 2022	129.96
				ACH FEES - APRIL 2022	32.49
Total for Check/Tran - 2321:					162.45
2322 5/4/22	WIRE	5655	FIRST DATA	CC FEES - APRIL 2022	1,373.62
				CC FEES - APRIL 2022	343.40
				CC FEES - APRIL 2022	935.74
				CC FEES - APRIL 2022	233.94
				CC FEES - APRIL 2022	414.62
				CC FEES - APRIL 2022	103.66
				CC FEES - APRIL 2022	46.00
				CC FEES - APRIL 2022	11.50
				CC FEES - APRIL 2022	429.31
				CC FEES - APRIL 2022	107.33
				CC FEES - APRIL 2022	1,366.01
				CC FEES - APRIL 2022	341.50
Total for Check/Tran - 2322:					5,706.63
Total for Bank Account - 1 :					(2) 5,869.08

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
3509 5/2/22	WIRE	153	PERA (ELECTRONIC)	PERA EMPLOYEE CONTRIBUTION	8,938.65
				PERA CONTRIBUTIONS	10,313.87
				PERA EMPLOYEE CONTRIBUTION	1,703.86
				PERA CONTRIBUTIONS	1,965.98
Total for Check/Tran - 3509:					22,922.36
3510 5/2/22	WIRE	160	HCSP (ELECTRONIC)	HCSP EMPLOYEE CONTRIBUTIONS	1,947.38
				HCSP EMPLOYEE CONTRIBUTIONS	291.92
Total for Check/Tran - 3510:					2,239.30
3511 5/2/22	WIRE	161	MNDP (ELECTRONIC)	MNDP EE MANAGER CONTRIBUTIONS	350.54
				MNDP EMPLOYEE CONTRIBUTIONS	4,258.82
				MNDP EMPLOYER CONTRIBUTION	2,802.36
				MNDP EMPLOYER MGR CONTRIBUTION	526.15
				MNDP EE ROTH CONTRIBUTIONS	928.49
				MNDP EE ROTH MGR CONTRIBUTIONS	175.61
				MNDP EE MANAGER CONTRIBUTIONS	46.22
				MNDP EMPLOYEE CONTRIBUTIONS	636.34
				MNDP EMPLOYER CONTRIBUTION	664.10
				MNDP EMPLOYER MGR CONTRIBUTION	68.73
				MNDP EE ROTH CONTRIBUTIONS	219.45
				MNDP EE ROTH MGR CONTRIBUTIONS	22.51
Total for Check/Tran - 3511:					10,699.32
3512 5/2/22	WIRE	285	JOHN HANCOCK	W&A EMPLOYER CONTRIBUTION	830.83
				W&A MANAGER CONTRIBUTION	408.18
				WENZEL EE ROTH MGR CONTRIBUTIONS	117.82
				WENZEL EMPLOYEE CONTRIBUTIONS	1,509.74
				WENZEL MANAGER CONTRIBUTIONS	290.36
				DEF COMP ROTH CONTRIBUTIONS W&A	957.96
				W&A EMPLOYER CONTRIBUTION	312.65
				W&A MANAGER CONTRIBUTION	42.00
				WENZEL EMPLOYEE CONTRIBUTIONS	81.43

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				WENZEL MANAGER CONTRIBUTIONS	42.00
				DEF COMP ROTH CONTRIBUTIONS W&A	247.74
				Total for Check/Tran - 3512:	4,840.71
3513 5/4/22	WIRE	152	IRS - USA TAX PMT (ELECTRONIC)	PAYROLL TAXES - FEDERAL & FICA	13,901.88
				PAYROLL TAXES - FEDERAL & FICA	20,123.52
				PAYROLL TAXES - FEDERAL & FICA	2,305.64
				PAYROLL TAXES - FEDERAL & FICA	3,900.98
				Total for Check/Tran - 3513:	40,232.02
3514 5/5/22	WIRE	154	MINNESOTA REVENUE (ELECTRONIC)	PAYROLL TAXES - STATE	6,246.48
				PAYROLL TAXES - STATE	1,103.72
				Total for Check/Tran - 3514:	7,350.20
3516 5/9/22	WIRE	7463	FURTHER	HSA EMPLOYEE CONTRIBUTION	3,062.02
				HSA EMPLOYEE CONTRIBUTION	266.00
				Total for Check/Tran - 3516:	3,328.02
3519 5/12/22	WIRE	7463	FURTHER	FSA CLAIM REIMBURSEMENTS - 147	256.00
				FSA CLAIM REIMBURSEMENTS - 147	64.00
				FSA CLAIM REIMBURSEMENTS - 165	300.00
				Total for Check/Tran - 3519:	620.00
3520 5/6/22	WIRE	166	ONLINE UTILITY EXCHANGE (ELECTR	UTILITY EXCHANGE REPORT - APRIL 2022	389.04
				UTILITY EXCHANGE REPORT - APRIL 2022	97.26
				Total for Check/Tran - 3520:	486.30
3521 5/13/22	WIRE	153	PERA (ELECTRONIC)	PERA EMPLOYEE CONTRIBUTION	8,997.37
				PERA CONTRIBUTIONS	10,381.59
				PERA EMPLOYEE CONTRIBUTION	1,782.79
				PERA CONTRIBUTIONS	2,057.07
				Total for Check/Tran - 3521:	23,218.82
3522 5/16/22	WIRE	285	JOHN HANCOCK	W&A EMPLOYER CONTRIBUTION	830.79
				W&A MANAGER CONTRIBUTION	408.18

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				WENZEL EE ROTH MGR CONTRIBUTIONS	117.82
				WENZEL EMPLOYEE CONTRIBUTIONS	1,601.54
				WENZEL MANAGER CONTRIBUTIONS	290.36
				DEF COMP ROTH CONTRIBUTIONS W&A	957.92
				W&A EMPLOYER CONTRIBUTION	312.69
				W&A MANAGER CONTRIBUTION	42.00
				WENZEL EMPLOYEE CONTRIBUTIONS	81.43
				WENZEL MANAGER CONTRIBUTIONS	42.00
				DEF COMP ROTH CONTRIBUTIONS W&A	247.78
				Total for Check/Tran - 3522:	4,932.51
3523 5/16/22	WIRE	160	HCSP (ELECTRONIC)	HCSP EMPLOYEE CONTRIBUTIONS	1,956.92
				HCSP EMPLOYEE CONTRIBUTIONS	307.89
				Total for Check/Tran - 3523:	2,264.81
3524 5/16/22	WIRE	161	MNDP (ELECTRONIC)	MNDP EE MANAGER CONTRIBUTIONS	350.55
				MNDP EMPLOYEE CONTRIBUTIONS	4,237.84
				MNDP EMPLOYER CONTRIBUTION	2,921.41
				MNDP EMPLOYER MGR CONTRIBUTION	526.16
				MNDP EE ROTH CONTRIBUTIONS	1,068.56
				MNDP EE ROTH MGR CONTRIBUTIONS	175.61
				MNDP EE MANAGER CONTRIBUTIONS	46.21
				MNDP EMPLOYEE CONTRIBUTIONS	657.32
				MNDP EMPLOYER CONTRIBUTION	695.05
				MNDP EMPLOYER MGR CONTRIBUTION	68.72
				MNDP EE ROTH CONTRIBUTIONS	229.38
				MNDP EE ROTH MGR CONTRIBUTIONS	22.51
				Total for Check/Tran - 3524:	10,999.32
3525 5/18/22	WIRE	152	IRS - USA TAX PMT (ELECTRONIC)	PAYROLL TAXES - FEDERAL & FICA	13,657.99
				PAYROLL TAXES - FEDERAL & FICA	19,989.80
				PAYROLL TAXES - FEDERAL & FICA	2,290.04
				PAYROLL TAXES - FEDERAL & FICA	3,938.18

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
Total for Check/Tran - 3525:					39,876.01
3526 5/18/22	WIRE	7463	FURTHER	HSA EMPLOYEE CONTRIBUTION	2,486.61
				HSA EMPLOYEE CONTRIBUTION	291.41
Total for Check/Tran - 3526:					2,778.02
3527 5/19/22	WIRE	154	MINNESOTA REVENUE (ELECTRONIC)	PAYROLL TAXES - STATE	6,133.41
				PAYROLL TAXES - STATE	1,098.79
Total for Check/Tran - 3527:					7,232.20
3530 5/16/22	WIRE	9654	CARDMEMBER SERVICE	FIRST NATIONAL BANK VISA	17,152.33
				FIRST NATIONAL BANK VISA	563.66
				FIRST NATIONAL BANK VISA	875.20
Total for Check/Tran - 3530:					18,591.19
3531 5/23/22	WIRE	174	MINNESOTA REVENUE SALES TX (ELE	SALES AND USE TAX - APRIL 2022	180,613.29
				SALES AND USE TAX - APRIL 2022	-1.52
				SALES AND USE TAX - APRIL 2022	6,959.23
Total for Check/Tran - 3531:					187,571.00
3532 5/23/22	WIRE	7463	FURTHER	ADMINISTRATIVE FEE INVOICE - MAY 2022	125.43
				ADMINISTRATIVE FEE INVOICE - MAY 2022	27.02
Total for Check/Tran - 3532:					152.45
3533 5/20/22	WIRE	7463	FURTHER	HSA ER CONTRIBUTION 183	1,514.06
				HSA ER CONTRIBUTION 183	79.69
				HSA ER CONTRIBUTION - 184	2,266.67
				HSA ER CONTRIBUTION - 184	566.67
Total for Check/Tran - 3533:					4,427.09
3535 5/23/22	WIRE	3936	WORLD VISION	EMPLOYEE CONTRIBUTIONS	30.66
				EMPLOYEE CONTRIBUTIONS	9.34
Total for Check/Tran - 3535:					40.00
16780 5/5/22	DD	8605	MARCO TECHNOLOGIES, LLC	OFFICE 365 - New contract signed	-140.24
				OFFICE 365 - New contract signed	-36.57

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				OFFICE 365 - 3/16 to 3/24/22	140.10
				OFFICE 365 - 3/16 to 3/24/22	36.71
				Total for Check/Tran - 16780:	0.00
16832 5/12/22	DD	5006	KATY OLSON	WHITE CUPS FOR FLUSHING	8.09
16833 5/12/22	DD	460	DEREK S PALMER	BACKFLOW SCHOOL MILEAGE - 174	132.80
16835 5/19/22	DD	5452	ANTHONY MAUREN	MUNICIPAL CLERKS CONF MILEAGE - 164	169.40
				MUNICIPAL CLERKS CONF MILEAGE - 164	42.35
				Total for Check/Tran - 16835:	211.75
16884 5/26/22	DD	122	ELK RIVER WINLECTRIC	WIRE - NOT RECEIVED	4,398.00
				CREDIT FOR WIRE NOT RECEIVED	-4,398.00
				Total for Check/Tran - 16884:	0.00
16885 5/26/22	DD	145	MENARDS	PVC CUTTER	43.13
				FIELD SERVICES BLDG APPLIANCE REBATE	-103.91
				FIELD SERVICES BLDG APPLIANCE REBATE	-14.83
				PACKING TAPE & GUN	19.87
				MISC PARTS & SUPPLIES	25.55
				MISC PARTS & SUPPLIES	6.39
				RED STAKE FLAGS	23.80
				Total for Check/Tran - 16885:	0.00
16886 5/26/22	DD	8552	BECK LAW OFFICE	LEGAL SERVICES - APRIL 2022	1,437.44
				LEGAL SERVICES - APRIL 2022	359.36
				Total for Check/Tran - 16886:	1,796.80
16888 5/26/22	DD	509	MEGAN ZACHMAN	WATER & GM INTERVIEW LUNCH	234.42
				WATER & GM INTERVIEW LUNCH	58.61
				Total for Check/Tran - 16888:	293.03
83567 5/5/22	CHK	11	CITY OF ELK RIVER	FRANCHISE FEE CREDIT - MARCH 2022	-850.00
				2022 QTR 1 FRANCHISE FEE	248,763.68
				2022 QTR 1 FRANCHISE FEE - 2021 QTR4	-14,488.83

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				2022 QTR 1 FRANCHISE FEE - J F M METERED	2,550.00
				2022 QTR 1 FRANCHISE FEE - WRITE OFF	-148.57
				Total for Check/Tran - 83567:	235,826.28
83568 5/5/22	CHK	218	AIRGAS USA LLC	NITROGEN	68.06
83569 5/5/22	CHK	2512	AMARIL UNIFORM COMPANY	Employee Clothing - 59	114.95
				Employee Clothing - 59	6.05
				Employee Clothing - 177	363.00
				Employee Clothing - 111	378.00
				GLOVES	-11.10
				Gloves	152.22
				GLOVES	-2.79
				Gloves	38.07
				Employee Clothing - 119	242.00
				Total for Check/Tran - 83569:	1,280.40
83570 5/5/22	CHK	214	BELL LUMBER & POLE COMPANY	RED PINE POLES	46,809.00
83571 5/5/22	CHK	9997	MARLIN BRALLIER	INACTIVE REFUND	42.53
83572 5/5/22	CHK	5358	CHARGEPOINT, INC	LEVEL 2 FAST CHARGER SOFTWARE	565.27
				LEVEL 2 FAST CHARGER SOFTWARE	-41.27
				Total for Check/Tran - 83572:	524.00
83573 5/5/22	CHK	549	CHARTER COMMUNICATIONS	WELL #7 TELEPHONE - FINAL BILL	64.97
83574 5/5/22	CHK	11	CITY OF ELK RIVER	PARTS & LABOR FOR UNIT #2	-1.25
				PARTS & LABOR FOR UNIT #2	49.19
				PARTS & LABOR FOR UNIT #2	-0.06
				PARTS & LABOR FOR UNIT #2	8.89
				PARTS & LABOR FOR UNIT #36	-1.58
				PARTS & LABOR FOR UNIT #36	59.64
				PARTS & LABOR FOR UNIT #36	-0.09
				PARTS & LABOR FOR UNIT #36	3.14

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				PARTS & LABOR FOR UNIT #19	-1.67
				PARTS & LABOR FOR UNIT #19	62.78
				PARTS & LABOR FOR UNIT #22	-3.08
				PARTS & LABOR FOR UNIT #22	202.10
				PARTS & LABOR FOR UNIT #32	-1.86
				PARTS & LABOR FOR UNIT #32	125.37
				PARTS & LABOR FOR UNIT #7	-1.52
				PARTS & LABOR FOR UNIT #7	60.70
				DOT INSPECTION - UNIT #9	100.00
				LABOR FOR UNIT #20	40.00
				PARTS & LABOR FOR UNIT #20	-2.53
				PARTS & LABOR FOR UNIT #20	114.61
				DOT INSPECTION - UNIT #21	100.00
				PARTS & LABOR FOR UNIT #29	-14.30
				PARTS & LABOR FOR UNIT #29	275.80
				PARTS & LABOR FOR UNIT #30	-1.70
				PARTS & LABOR FOR UNIT #30	39.93
				DOT INSPECTION - UNIT #31	100.00
				PARTS & LABOR FOR UNIT #31	-7.41
				PARTS & LABOR FOR UNIT #31	201.45
				PARTS & LABOR FOR UNIT #40	-35.45
				PARTS & LABOR FOR UNIT #40	585.61
				DOT INSPECTION - UNIT #43	100.00
				PARTS & LABOR FOR UNIT #31	-3.74
				PARTS & LABOR FOR UNIT #31	131.12
				DOT INSPECTION - UNIT #38	100.00
				DOT INSPECTION - UNIT #61	100.00
				DOT INSPECTION - UNIT #60	100.00
				PARTS & LABOR FOR UNIT #46	-2.09
				PARTS & LABOR FOR UNIT #46	148.73
				DOT INSPECTION - UNIT #46	100.00

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				DOT INSPECTION - UNIT #45	100.00
				LABOR FOR UNIT #44	80.00
				DOT INSPECTION - UNIT #44	100.00
				DOT INSPECTION - UNIT #40	100.00
				PARTS & LABOR FOR UNIT #43	-55.39
				PARTS & LABOR FOR UNIT #43	1,038.60
				PARTS & LABOR FOR UNIT #19	-0.44
				PARTS & LABOR FOR UNIT #19	85.99
				PARTS & LABOR FOR UNIT #19	-0.13
				PARTS & LABOR FOR UNIT #19	41.68
				DOT INSPECTION - UNIT #48	100.00
				DOT INSPECTION - UNIT #67	100.00
				FUEL USAGE - MARCH 2022	3,617.27
				FUEL USAGE - MARCH 2022	615.04
				DOT INSPECTION - UNIT #51	100.00
				Total for Check/Tran - 83574:	8,853.35
83575 5/5/22	CHK	9997	TOM FARNSWORTH	INACTIVE REFUND	385.93
83576 5/5/22	CHK	671	FASTENAL COMPANY	CARRIAGE BOLTS	49.62
				PARTS FOR UNIT #56	25.24
				MISC PARTS & SUPPLIES	394.55
				MISC PARTS & SUPPLIES	98.64
				Total for Check/Tran - 83576:	568.05
83577 5/5/22	CHK	8949	FS3 INC.	PARTS FOR UNIT #56	1,085.31
83578 5/5/22	CHK	6750	GALETON	Gloves	343.05
				Gloves	85.76
				Total for Check/Tran - 83578:	428.81
83579 5/5/22	CHK	9997	MARGARET GIBEAU	INACTIVE REFUND	41.39
83580 5/5/22	CHK	846	HACH COMPANY	WATER CHEMICALS	1,172.48

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83581 5/5/22	CHK	544	HILLER COMMERCIAL FLOORS	Floor Covering	33,568.64
				Floor Covering	8,392.16
Total for Check/Tran - 83581:					41,960.80
83582 5/5/22	CHK	5670	HVACREDU.NET	MONTHLY HOSTING OF WEBSITE	375.00
83583 5/5/22	CHK	6836	INNOVATIVE OFFICE SOLUTIONS LLC	OFFICE SUPPLIES	101.22
				OFFICE SUPPLIES	25.30
Total for Check/Tran - 83583:					126.52
83584 5/5/22	CHK	504	INSPEC, INC	Roof Inspection	988.22
83585 5/5/22	CHK	9997	DAVE JOHNSON	INACTIVE REFUND	16.40
83586 5/5/22	CHK	9997	KIRSTEN KENNEDY	INACTIVE REFUND	253.78
83587 5/5/22	CHK	9997	TRACY KRAMPOTICH	INACTIVE REFUND	98.46
83588 5/5/22	CHK	9997	JENNIE KUNZ	INACTIVE REFUND	124.66
83589 5/5/22	CHK	48	LEAGUE OF MN CITIES INS TRUST	ACCIDENT CLAIM - UNIT #31	2,562.37
83590 5/5/22	CHK	417	LOCATORS & SUPPLIES INC.	Red Locate Flags	1,057.78
83591 5/5/22	CHK	9997	REAGAN MATHIS	INACTIVE REFUND	18.54
83592 5/5/22	CHK	145	MENARDS	METER SHOP - DOOR KNOB	7.54
				DOOR KNOB & PARTS	2.14
				DOOR KNOB & PARTS	6.09
Total for Check/Tran - 83592:					15.77
83593 5/5/22	CHK	245	MIDWEST OVERHEAD CRANE	SAFETY STICKER & CRANE INSPECTIONS	375.00
				SAFETY STICKER & CRANE INSPECTIONS	3.78
Total for Check/Tran - 83593:					378.78
83594 5/5/22	CHK	39	MMUA	DRUG SCREENING-165 181 182 183 184	170.63
				DRUG SCREENING-181 183 184	16.87
Total for Check/Tran - 83594:					187.50

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83595 5/5/22	CHK	9997	DON MODEEN	INACTIVE REFUND	56.47
83596 5/5/22	CHK	9997	JOSHUA OTT	INACTIVE REFUND	100.06
83597 5/5/22	CHK	475	PERFORMANCE POOL AND SPA	WATER CHEMICALS	269.68
83598 5/5/22	CHK	811	PRIME ADVERTISING & DESIGN, INC.	MONTHLY HOSTING OF WEBSITE - MAY 2022	40.00
				MONTHLY HOSTING OF WEBSITE - MAY 2022	40.00
				MONTHLY HOSTING OF WEBSITE - MAY 2022	20.00
				Marketing Agency Retainer Project #28936	1,200.00
Total for Check/Tran - 83598:					1,300.00
83599 5/5/22	CHK	9997	JOSEPH RELLER	INACTIVE REFUND	58.11
83600 5/5/22	CHK	577	RMA TOLL PROCESSING	APPA RODEO TOLL	3.94
83601 5/5/22	CHK	331	TRANSUNION	SKIP TRACING - MARCH 2022	60.00
				SKIP TRACING - MARCH 2022	15.00
Total for Check/Tran - 83601:					75.00
83602 5/5/22	CHK	448	UNITED SYSTEMS & SOFTWARE, INC	E SERIES ENCODER	3,996.26
83603 5/5/22	CHK	545	VASS SOLUTIONS LLC	CONSULTING SERVICES - MARCH 2022	1,558.00
				CONSULTING SERVICES - MARCH 2022	389.50
Total for Check/Tran - 83603:					1,947.50
83604 5/5/22	CHK	375	VIKING ELECTRIC	SPLIT BOLT	-9.29
				SPLIT BOLT	127.21
				BOLTS	-106.26
				BOLTS	1,455.52
				REPLACEMENT TEST LEADS	32.78
Total for Check/Tran - 83604:					1,499.96
83605 5/5/22	CHK	461	VISION COMPANIES, LLC	EVERDAY LEADERSHIP	2,666.40
				EVERDAY LEADERSHIP	666.60
Total for Check/Tran - 83605:					3,333.00

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83606 5/5/22	CHK	9997	ZENA PARTNERS LLC	INACTIVE REFUND	5,755.99
83607 5/5/22	CHK	9997	ZILLOW HOMES, INC.	INACTIVE REFUND	233.51
83608 5/12/22	CHK	11	CITY OF ELK RIVER	STICKERS BILLED - APRIL 2022	14.56
				TRASH BILLED - APRIL 2022	157,769.19
Total for Check/Tran - 83608:					157,783.75
83609 5/12/22	CHK	2512	AMARIL UNIFORM COMPANY	EMPLOYEE CLOTHING - 59	137.98
				EMPLOYEE CLOTHING - 59	7.26
				Employee Clothing - 149	249.28
				Employee Clothing - 149	13.12
				Employee Clothing - 106	458.21
				Employee Clothing - 106	24.11
				Employee Clothing - 162	286.00
Total for Check/Tran - 83609:					1,175.96
83610 5/12/22	CHK	4531	AT & T MOBILITY	CELL PHONES & iPad BILLING	49.59
				CELL PHONES & iPad BILLING	2,418.88
				CELL PHONES & iPad BILLING	557.75
Total for Check/Tran - 83610:					3,026.22
83611 5/12/22	CHK	6	BEAUDRY OIL COMPANY	5W40 MOTOR OIL	801.00
83612 5/12/22	CHK	5013	CARR'S TREE SERVICE, INC	Tree Trimming	264.79
83613 5/12/22	CHK	28	CINTAS	MATS & TOWELS	166.79
				MATS & TOWELS	41.69
Total for Check/Tran - 83613:					208.48
83614 5/12/22	CHK	11	CITY OF ELK RIVER	LABOR FOR UNIT #10	20.00
				PARTS FOR UNIT #10	1.07
Total for Check/Tran - 83614:					21.07
83615 5/12/22	CHK	3173	DELL MARKETING LP	Laptop Assistant	3,465.44

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83616 5/12/22	CHK	5249	DRIVER & VEHICLE SERVICES	CRASH REPORT - HIT POLE	5.00
83617 5/12/22	CHK	3667	ELFERING & ASSOCIATES	PROFESSIONAL SERVICES - MARCH 2022	607.50
				CONSULTING SERVICES - MARCH 2022	270.00
				CONSULTING SERVICES - MARCH 2022	1,147.50
				CONSULTING SERVICES - MARCH 2022	877.50
Total for Check/Tran - 83617:					2,902.50
83618 5/12/22	CHK	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 3 - ACCT 37747	103.48
				CYCLE 3 - INV GRP 414 - MARCH 2022	175.00
				CYCLE 3 - INV GRP 414 - MARCH 2022	1,038.26
				CYCLE 3 - INV GRP 395 - MARCH 2022	9,883.06
Total for Check/Tran - 83618:					11,199.80
83619 5/12/22	CHK	671	FASTENAL COMPANY	MISC PARTS & SUPPLIES	198.49
83620 5/12/22	CHK	9997	MONEQUE GACKE	Credit Balance Refund	213.63
83621 5/12/22	CHK	5550	GEARED UP APPAREL	EMPLOYEE CLOTHING - 184	70.05
				EMPLOYEE CLOTHING - 184	17.51
Total for Check/Tran - 83621:					87.56
83622 5/12/22	CHK	809	HAWKINS, INC.	Water Chemicals	477.00
83623 5/12/22	CHK	5381	INSIGHT PUBLIC SECTOR	Adobe	369.21
				Adobe	92.31
Total for Check/Tran - 83623:					461.52
83624 5/12/22	CHK	417	LOCATORS & SUPPLIES INC.	Traffic Cones	1,512.42
83625 5/12/22	CHK	9997	MICHAEL MERAZ	Credit Balance Refund	75.98
83626 5/12/22	CHK	330	METRO SALES, INC	OFFICE SUPPLIES	242.41
				OFFICE SUPPLIES	60.60
Total for Check/Tran - 83626:					303.01
83627 5/12/22	CHK	119	MINNESOTA COMPUTER SYSTEMS INC	COPIER MTC CONTRACT	100.79

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				COPIER MTC CONTRACT	25.20
				Total for Check/Tran - 83627:	125.99
83628 5/12/22	CHK	1001	MINNESOTA MUNICIPAL POWER AGEN	PURCHASED POWER - APRIL 2022	2,101,422.08
83629 5/12/22	CHK	43	NORTHERN TOOL	SCAFFOLDING	576.56
				BUSHING	12.17
				Total for Check/Tran - 83629:	588.73
83630 5/12/22	CHK	9997	ERIC O'HOTTO	Credit Balance Refund	338.76
83631 5/12/22	CHK	9997	OPEN DOOR LABS INC	Credit Balance Refund	163.62
83632 5/12/22	CHK	9997	POMEROY TOOL INC	Credit Balance Refund	151.25
83633 5/12/22	CHK	3796	PRO-TEC DESIGN, INC	Access Intercom	26,615.67
				Access Intercom	6,653.92
				Total for Check/Tran - 83633:	33,269.59
83634 5/12/22	CHK	8897	RALPHIE'S MINNOCO	RALPHIE'S MINNOCO	27.69
83635 5/12/22	CHK	3218	RDO EQUIPMENT CO.	PARTS FOR UNIT #69	15.57
83636 5/12/22	CHK	574	REPUBLIC SERVICES, INC	TRASH & RECYCLING - APRIL 2022	115.24
				TRASH & RECYCLING - APRIL 2022	118.56
				TRASH & RECYCLING - APRIL 2022	29.64
				TRASH & RECYCLING - APRIL 2022	922.10
				TRASH & RECYCLING - APRIL 2022	230.53
				Total for Check/Tran - 83636:	1,416.07
83637 5/12/22	CHK	159	SHORT ELLIOTT HENDRICKSON INC	SPRINT - AUBURN TOWER	2,118.06
83638 5/12/22	CHK	902	STRUCTURAL BUILDINGS INC.	Storage Bins	11,400.00
83639 5/12/22	CHK	135	WATER LABORATORIES INC	WATER TESTING - APRIL 2022	357.00
83640 5/12/22	CHK	55	WESCO RECEIVABLES CORP.	Mtce of OH Primary	330.50
				COLD SHRINK KIT	6,900.13

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Total for Check/Tran - 83640:					7,230.63
83641 5/12/22	CHK	1074	WINDSTREAM	OFFICE TELEPHONE	373.99
				OFFICE TELEPHONE	67.06
				OFFICE TELEPHONE	93.49
Total for Check/Tran - 83641:					534.54
83642 5/12/22	CHK	9997	JOAN ZIMMERMAN	Credit Balance Refund	55.96
83643 5/19/22	CHK	2512	AMARIL UNIFORM COMPANY	Employee Clothing - 128	143.00
				Employee Clothing - 171	498.75
				Employee Clothing - 128	426.18
				Employee Clothing - 32	246.00
				Employee Clothing - 165	246.00
				Employee Clothing - 171	170.00
				Employee Clothing - 182	159.40
Total for Check/Tran - 83643:					1,889.33
83644 5/19/22	CHK	9997	TERRY ATKINSON	INACTIVE REFUND	54.32
83645 5/19/22	CHK	1327	AUTOMATIC SYSTEMS CO	WELL #6 TROUBLESHOOT	310.80
83646 5/19/22	CHK	5224	BLUE CROSS BLUE SHIELD OF MINNES	VISION INSURANCE - JUNE 2022	396.12
				VISION INSURANCE - JUNE 2022	99.38
Total for Check/Tran - 83646:					495.50
83647 5/19/22	CHK	5224	BLUE CROSS BLUE SHIELD OF MINNES	HEALTH CARE EE PREMIUMS - JUNE 2022	4,226.25
				HEALTH CARE ER PREMIUMS - JUNE 2022	57,374.33
				HEALTH CARE EE PREMIUMS - JUNE 2022	1,181.25
				HEALTH CARE ER PREMIUMS - JUNE 2022	14,972.31
Total for Check/Tran - 83647:					77,754.14
83648 5/19/22	CHK	9	BORDER STATES ELECTRIC SUPPLY	GLOVES	-11.03
				Gloves	151.06
				LIGHTING FOUNDATION	6,817.70
				LIGHTING FOUNDATION	-497.70

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				MISC PARTS & SUPPLIES	-0.91
				MISC PARTS & SUPPLIES	12.33
				GLOVES	-3.01
				Gloves	41.20
				FAULT TRACKER	6,110.10
				MISC PARTS & SUPPLIES	-1.00
				Gloves	13.73
				Mtce of URD Primary	446.00
				Glove	334.88
				Glove	83.72
				Glove	91.71
				Glove	22.93
				TOOL REPAIR	1,477.28
				Total for Check/Tran - 83648:	15,088.99
83649 5/19/22	CHK	8843	CAMPBELL KNUTSON	LEGAL SERVICES - APRIL 2022	39.60
				LEGAL SERVICES - APRIL 2022	9.90
				Total for Check/Tran - 83649:	49.50
83650 5/19/22	CHK	11	CITY OF ELK RIVER	REVENUE TRANSFER - APRIL 2022	119,357.69
				SEWER BILLED - APRIL 2022	200,719.22
				STORMWATER BILLED - APRIL 2022	51,257.83
				Total for Check/Tran - 83650:	371,334.74
83651 5/19/22	CHK	537	COLLINS BROTHERS TOWING INC	MOVE 40' SHIPPING CONTAINER	200.00
83652 5/19/22	CHK	7448	CRC	CUSTOMER SERVICE FOR AFTER HOURS	2,013.74
				CUSTOMER SERVICE FOR AFTER HOURS	503.44
				Total for Check/Tran - 83652:	2,517.18
83653 5/19/22	CHK	3173	DELL MARKETING LP	Briefcase	27.34
				Dock	358.42
				Labtop	2,091.87
				Mouse	67.95

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Total for Check/Tran - 83653:					2,545.58
83654 5/19/22	CHK	5204	DIVERSIFIED ADJUSTMENT SERVICE, I	COLLECTION FEE - 4/1 to 4/30/22	63.18
83655 5/19/22	CHK	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 4 - INV GRP 396 - APRIL 2022	277.95
				CYCLE 4 - INV GRP 415 - APRIL 2022	150.00
				CYCLE 4 - INV GRP 415 - APRIL 2022	1,403.70
				CYCLE 1 - INV GRP 325 - APRIL 2022	1,600.67
				CYCLE 1 - INV GRP 101 - APRIL 2022	352.65
				CYCLE 1 - INV GRP 101 - APRIL 2022	1,032.14
				CYCLE 1 - INV GRP 101 - APRIL 2022	660.23
				CYCLE 1 - INV GRP 101 - APRIL 2022	54.88
				CYCLE 1 - INV GRP 101 - APRIL 2022	711.78
				CYCLE 1 - INV GRP 101 - APRIL 2022	423.09
				CYCLE 1 - INV GRP 101 - APRIL 2022	177.94
				CYCLE 1 - INV GRP 325 - APRIL 2022	425.00
				CYCLE 1 - INV GRP 325 - APRIL 2022	15,558.84
				CYCLE 1 - INV GRP 421 - APRIL 2022	4,748.90
Total for Check/Tran - 83655:					27,577.77
83656 5/19/22	CHK	122	ELK RIVER WINLECTRIC	RECLOSER	-2.58
				RECLOSER	35.47
				WIRE	1,639.70
				WIRE	-119.70
				PARTS FOR WELL 7&9 WINCH	-0.61
				PARTS FOR WELL 7&9 WINCH	8.28
				WIRE	3,794.54
				WIRE	-277.01
Total for Check/Tran - 83656:					5,078.09
83657 5/19/22	CHK	572	EVERSPRING INN AND SUITES-MARSH	JTS MTG HOTEL - 32	199.14
83658 5/19/22	CHK	8709	FAIRVIEW HEALTH SERVICES	DOT RANDOM DRUG SCREENING - 32 106	87.75
				DOT RANDOM DRUG SCREENING - 32 106	2.25

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Total for Check/Tran - 83658:					90.00
83659 5/19/22	CHK	91	GOPHER STATE ONE-CALL	LOCATES FOR - APRIL 2022	507.87
				LOCATES FOR - APRIL 2022	26.73
Total for Check/Tran - 83659:					534.60
83660 5/19/22	CHK	9997	BRIAN HAMSMITH	INACTIVE REFUND	205.60
83661 5/19/22	CHK	308	HASSAN SAND & GRAVEL	PULVERIZED TOPSOIL	62.24
				Discount	-1.16
Total for Check/Tran - 83661:					61.08
83662 5/19/22	CHK	9997	CHAD HEALY	INACTIVE REFUND	256.28
83663 5/19/22	CHK	824	HOME DEPOT CREDIT SERVICES	HOME DEPOT	343.12
83664 5/19/22	CHK	5686	HYDROCORP	BACKFLOW DEVICE INSPECTION - APR 2022	889.42
83665 5/19/22	CHK	504	INSPEC, INC	Roof Inspection	681.76
83666 5/19/22	CHK	9997	JESSICA JOHNSON	INACTIVE REFUND	174.73
83667 5/19/22	CHK	8083	JT SERVICES OF MINNESOTA	TRANSFORMER BOX PAD	4,180.00
83668 5/19/22	CHK	167	KODET ARCHITECTUAL GROUP LTD	PROFESSIONAL SERVICES - APRIL 2022	6,990.71
83669 5/19/22	CHK	9997	GREG LARSON	INACTIVE REFUND	99.13
83670 5/19/22	CHK	5537	LATHROP GPM LLP	LEGAL SERVICES - APRIL 2022	580.00
				LEGAL SERVICES - APRIL 2022	145.00
Total for Check/Tran - 83670:					725.00
83671 5/19/22	CHK	9997	LEWIS CONSTRUCTION HOMES, INC	INACTIVE REFUND	124.74
83672 5/19/22	CHK	9997	NICHOLAS MARTIN	INACTIVE REFUND	198.73
83673 5/19/22	CHK	145	MENARDS	TOOLS & SUPPLIES	74.46
83674 5/19/22	CHK	9273	METERING & TECHNOLOGY SOLUTIONE-SERIES METER		962.30

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				FLANGE SET & METER	5,173.86
				Total for Check/Tran - 83674:	6,136.16
83675 5/19/22	CHK	2956	MINNESOTA DEPT OF TRANSPORTATIO	HWY 169 REDEFINE - WATER	824,933.25
83676 5/19/22	CHK	349	MINNESOTA EQUIPMENT INC	TOP HANDLE SAW PART	3.90
83677 5/19/22	CHK	39	MMUA	UNDERGROUND SCHOOL - 119 168	930.00
				LEADERSHIP ACADEMY - 136	975.00
				Total for Check/Tran - 83677:	1,905.00
83678 5/19/22	CHK	9300	NISC	AGREEMENTS INVOICE - APRIL 2022	53.94
				AGREEMENTS INVOICE - APRIL 2022	10,607.24
				AGREEMENTS INVOICE - APRIL 2022	2,357.05
				PRINT SERVICES INVOICE - APRIL 2022	6,736.72
				PRINT SERVICES INVOICE - APRIL 2022	1,684.18
				MISC INVOICE - APRIL 2022	1,000.00
				MISC INVOICE - APRIL 2022	596.88
				MISC INVOICE - APRIL 2022	149.22
				Total for Check/Tran - 83678:	23,185.23
83679 5/19/22	CHK	9997	YESENIA PALLCHIZACA	INACTIVE REFUND	43.07
83680 5/19/22	CHK	9997	DEBRA PEARSON	INACTIVE REFUND	112.26
83681 5/19/22	CHK	71	PRINCIPAL LIFE INSURANCE COMPAN	LIFE & LTD INSURANCE - JUNE 2022	2,646.99
				LIFE & LTD INSURANCE - JUNE 2022	538.14
				Total for Check/Tran - 83681:	3,185.13
83682 5/19/22	CHK	9997	PROVIDENCE S&S LLC	INACTIVE REFUND	238.28
83683 5/19/22	CHK	9997	MADISON RONO	INACTIVE REFUND	50.01
83684 5/19/22	CHK	9997	YOSSEM RUBALCAVA	INACTIVE REFUND	241.94
83685 5/19/22	CHK	229	SHERBURNE COUNTY ZONING	PROMISSORY NOTE & SEC AGRMNT - JUNE 2022	17,427.00

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83686 5/19/22	CHK	6107	STUART C. IRBY CO.	TOOL BRACKETS - UNIT #11 & #21	201.25
				GLOVES & TESTING	-105.10
				GLOVE TESTING	688.98
				GLOVES	1,435.97
Total for Check/Tran - 83686:					2,221.10
83687 5/19/22	CHK	9997	TAKE OFF NUTRITION LLC	INACTIVE REFUND	426.75
83688 5/19/22	CHK	3360	THE UPS STORE 5093	SHIPPING	15.25
83689 5/19/22	CHK	8948	TRYCO LEASING INC.	LEASE FOR COPIER AT PLANT	85.49
				LEASE FOR COPIER AT PLANT	21.37
Total for Check/Tran - 83689:					106.86
83690 5/19/22	CHK	545	VASS SOLUTIONS LLC	CONSULTING SERVICES - APRIL 2022	10,455.00
				CONSULTING SERVICES - APRIL 2022	2,613.75
Total for Check/Tran - 83690:					13,068.75
83691 5/19/22	CHK	375	VIKING ELECTRIC	MISC PARTS & SUPPLIES	691.80
83692 5/19/22	CHK	2609	WASTE MANAGEMENT	ERMU GAS GENERATOR SERV AGRMNT-APR 2022	35,818.67
				LANDFILL GAS PLANT	13,243.38
Total for Check/Tran - 83692:					49,062.05
83693 5/19/22	CHK	55	WESCO RECEIVABLES CORP.	300	13,799.00
83694 5/26/22	CHK	2512	AMARIL UNIFORM COMPANY	Employee Clothing - 168	262.54
				Employee Clothing - 135	295.20
				Employee Clothing - 106	80.75
				Employee Clothing - 106	4.25
Total for Check/Tran - 83694:					642.74
83695 5/26/22	CHK	3982	CENTERPOINT ENERGY	NATURAL GAS - FIELD SVS BLDG	5,120.52
83696 5/26/22	CHK	5019	DELTA DENTAL OF MINNESOTA	DENTAL EE INSURANCE - JUNE 2022	1,417.88
				DENTAL ER INSURANCE - JUNE 2022	3,834.31
				DENTAL EE INSURANCE - JUNE 2022	163.22

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Accounts Payable Check Register

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05/01/2022 To 05/31/2022

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				DENTAL ER INSURANCE - JUNE 2022	908.97
				Total for Check/Tran - 83696:	6,324.38
83697 5/26/22	CHK	9997	DR HORTON, INC	Credit Balance Refund	219.61
83698 5/26/22	CHK	9997	DR HORTON, INC	Credit Balance Refund	197.99
83699 5/26/22	CHK	671	FASTENAL COMPANY	PARTS - UNIT 69	17.04
83700 5/26/22	CHK	5091	GREAT PLAINS INSTITUTE	2022 DRIVE ELECTRIC MN MEMBERSHIP	500.00
83701 5/26/22	CHK	809	HAWKINS, INC.	Water Chemicals	940.80
83702 5/26/22	CHK	5537	LATHROP GPM LLP	LEGAL SERVICES - APRIL 2022	20.00
				LEGAL SERVICES - APRIL 2022	5.00
				Total for Check/Tran - 83702:	25.00
83703 5/26/22	CHK	417	LOCATORS & SUPPLIES INC.	SAFETY GLASSES	42.38
83704 5/26/22	CHK	8605	MARCO TECHNOLOGIES, LLC	OFFICE 365 - New contract signed	-34.17
				OFFICE 365 - New contract signed	-8.91
				Access Point	11,292.59
				Cable	110.46
				Racking	1,342.58
				Subscription	3,658.88
				Access Point	2,823.15
				Cable	27.62
				Racking	335.64
				Subscription	914.73
				Total for Check/Tran - 83704:	20,462.57
83705 5/26/22	CHK	585	TROY NEMMERS	GM INTERVIEW HOTEL	123.30
				GM INTERVIEW HOTEL	30.82
				Total for Check/Tran - 83705:	154.12
83706 5/26/22	CHK	3321	NORTHSTAR CHAPTER - APA	PAYROLL CLASS - 144	20.00

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				PAYROLL CLASS - 144	5.00
				Total for Check/Tran - 83706:	25.00
83707 5/26/22	CHK	5056	PLAISTED COMPANIES, INC.	DUMP MATERIAL	108.41
83708 5/26/22	CHK	9997	PRICE CUSTOM HOMES	Credit Balance Refund	184.24
83709 5/26/22	CHK	811	PRIME ADVERTISING & DESIGN, INC.	BUSINESS CARDS - 19 136 164 180 181 184	150.55
				BUSINESS CARDS - 19 136 164 180 181 184	115.14
				Total for Check/Tran - 83709:	265.69
83710 5/26/22	CHK	9997	REGENSCHEID CUSTOM HOMES	Credit Balance Refund	48.17
83711 5/26/22	CHK	574	REPUBLIC SERVICES, INC	TRASH SERVICE @ 19020 ELK LAKE RD	297.73
83712 5/26/22	CHK	130	RESCO	Transformer	11,660.29
				Discount	-5.83
				Total for Check/Tran - 83712:	11,654.46
83713 5/26/22	CHK	902	STRUCTURAL BUILDINGS INC.	Storage Bins	4,974.00
83714 5/26/22	CHK	6107	STUART C. IRBY CO.	TRANSFORMER BARS & COVERS	1,875.72
				TRANSFORMER BARS & COVERS	-256.54
				Mtce of URD Primary	1,638.36
				TRANSFORMER BAR	-68.04
				Mtce of URD Primary	932.04
				BLANKET TESTING	2,378.08
				Total for Check/Tran - 83714:	6,499.62
83715 5/26/22	CHK	90	TOTAL TOOL SUPPLY INC	TOOL REPAIR	362.34
83716 5/26/22	CHK	55	WESCO RECEIVABLES CORP.	ELBOWS	724.08
				ELBOWS	1,462.50
				Total for Check/Tran - 83716:	2,186.58
Total for Bank Account - 5 :					(179) 4,643,481.70

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Grand Total : (181) 4,649,350.78

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Accounts Payable Check Register

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PARAMETERS ENTERED:**Check Date:** 05/01/2022 To 05/31/2022**Bank:** All**Vendor:** All**Check:****Journal:** All**Format:** All GL References/Amounts**Extended Reference:** No**Sort By:** Check/Transaction**Voids:** None**Payment Type:** All**Group By Payment Type:** No**Minimum Amount:** 0.00**Authorization Listing:** No**Credit Card Charges:** No

**ELK RIVER MUNICIPAL UTILITIES
SPECIAL MEETING OF THE
UTILITIES COMMISSION
HELD AT THE ELK RIVER FIRE STATION EOC CONFERENCE ROOM**

May 10, 2022

Members Present: Chair John Dietz, Vice Chair Al Nadeau, Commissioners Paul Bell, Mary Stewart, and Matt Westgaard
ERMU Staff Present: Theresa Slominski, General Manager
Others Present: Sharon Klumpp, Director, Baker Tilly

1.0 CALL MEETING TO ORDER

The special meeting of the Utilities Commission was called to order at 9:30 a.m. by Chair Dietz.

2.0 BUSINESS ACTION

2.1 Interview Training

Ms. Klumpp reviewed the interview process with the Commission. The interview questions were discussed.

2.2 General Manager Interviews & Direction

Interviews began at 9:45 a.m.

The Commission interviewed Keith Butcher, Mark Hanson, and Troy Nemmers for the General Manager position.

The Commission recessed for lunch from 12:00 to 12:45 p.m. and reconvened at 1 p.m. to complete the interviews and begin deliberations.

After lengthy deliberation, the Commission dropped one of the candidates from further consideration. Another candidate was invited to return for a tour and second discussion about the position.

3.0 ADJOURNMENT

There being no further business, Chair Dietz adjourned the special meeting of the Utilities Commission at 3:20 p.m.

Minutes prepared by Sharon Klumpp, Baker Tilly.

John J. Dietz, ERMU Commission Chair

Tina Allard, City Clerk

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

May 10, 2022

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

ERMU Staff Present: Theresa Slominski, General Manager
Melissa Karpinski, Finance Manager
Sara Youngs, Customer Service Manager
Tom Sagstetter, Conservation & Key Accounts 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: Peter Beck, 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 Westgaard and seconded by Commissioner Stewart to approve the May 10, 2022, agenda. 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 – April 2022**
- 2.2 Regular Meeting Minutes – April 12, 2022**
- 2.3 2022 First Quarter Utilities Performance Metrics Scorecard Statistics**
- 2.4 2022 Distributed Energy Resources Tariff and Net Metering – Rules and Tariff**
- 2.5 2021 Consumer Confidence Report**

Motion carried 5-0.

3.0 OPEN FORUM

No one appeared for open forum.

4.0 POLICY & COMPLIANCE

Nothing was presented for policy & compliance.

5.0 BUSINESS ACTION

5.1 Financial Report – March 2022

Ms. Karpinski presented the March 2022 Financial Report. She noted both electric and water usage were up in March by 1%. Overall electric finances are trending below budget year to date and prior year due to the Energy Adjustment Clause (EAC), which comes from the power provider.

Ms. Karpinski informed the Commission that the May billing should conclude power cost adjustments passed through to customers in order to cover EAC charges from 2021, while future adjustments will cover EACs from 2022.

Ms. Karpinski also commented that water is doing better than budget.

Chair Dietz asked for clarification on the timeline for accruing funds to cover the EAC from 2021. There was discussion.

Moved by Commissioner Nadeau and seconded by Commissioner Stewart to receive the March 2022 Financial Report. Motion carried 5-0.

5.2 2021 Annual Report

Ms. Slominski presented the 2021 Annual Report on behalf of Mr. Mauren who was unable to attend the meeting. She explained the focus of the report is on how projects being done in 2021 will enhance our service in the future.

A copy of the report was given to each Commissioner and was included in the commission packet.

Moved by Commissioner Bell and seconded by Commissioner Westgaard to receive the 2021 Annual Report. Motion carried 5-0.

5.3 2022 First Quarter Delinquent Items

Ms. Karpinski reported on the first quarter delinquent items. She stated our write-offs are about the same as last year and are generally low to begin with. Ms. Karpinski commended the work of the customer service team.

Chair Dietz asked for clarification on the total amount collected from Revenue Recapture. Ms. Karpinski explained the amount collected may not only be for first quarter of this year but also from prior delinquencies.

Moved by Commissioner Stewart and seconded by Commissioner Nadeau to approve the 2022 First Quarter Delinquent Items submitted. Motion carried 5-0.

5.4 Customer Satisfaction Survey Results

Ms. Slominski presented the first Customer Satisfaction Survey Report from Q Market Research. She explained in prior years a customer satisfaction survey was part of the Utilities Performance Metric Incentive Compensation (UPMIC) score but was removed due to a low response rate. ERMU entered into a contract with Q Market Research with hopes to incorporate a customer survey back into the UPMIC.

The first round of 1000 surveys yielded 87 responses which is a higher response rate than previous years when the survey was conducted by ERMU staff. Ms. Slominski noted that this survey also allowed for participants to opt in to being reached for follow up and/or additional feedback which was one of staff's goals.

Ms. Slominski added there is money budgeted to conduct another survey in the fall and ERMU will continue to review this process to see if targeting smaller geographical areas yields more responses.

She added the initial results show we are providing good service and we hope to see this favorable feedback continue in the future.

Commissioner Stewart asked for clarification on the geographic areas contacted in the first survey distribution. Ms. Slominski did not have that information on hand but did explain that the customers were selected utilizing ERMU's billing cycle structure which divides the service territory into sections. Ms. Slominski stated that she would provide that information to the Commission at a future date. There was discussion.

Moved by Commissioner Bell and seconded by Commissioner Westgaard to receive the Customer Satisfaction Survey Report - Q1 - 2022. Motion carried 5-0.

5.5 Downtown Streetlights

Ms. Slominski presented the Downtown Streetlight Installation and Maintenance Agreement Between ERMU and the City, previously a memorandum of understanding established in 2012. Ms. Slominski then highlighted several key points in the agreement. ERMU will provide the labor to install the brackets on the designated streetlights as they need to be repaired or replaced, with the City providing the materials. ERMU will continue to hang the banners as needed but not annually. The City will continue to provide the hanging baskets, put them up and take them down, and maintain them. ERMU will partner with the City to maintain the trail lights, however, the City will provide the replacement lights and materials as they differ from those ERMU has in inventory. ERMU will continue to hang the flags as it has done in the past on a specific number of poles that already have the brackets on them.

Ms. Slominski noted there are three blank appendices on the agreement which will eventually contain maps that identify specific streetlights, trail lights, and poles mentioned in the agreement.

Ms. Slominski called the Commission's attention to two corrections that needed to be made in the Agreement. The first sentence of Section 3.0 Maintenance of Streetlights and Trail Lights should read, "As owner of City streetlights, ERMU shall provide all material costs and labor associated with maintenance of all streetlights located within the City." The effective date should be May 16, 2022.

Chair Dietz sought clarification on what entity would be placing the hanging baskets on the streetlight brackets. Ms. Slominski explained the City contracts with a florist to deliver, hang, and maintain the baskets. Commissioner Westgaard asked if there should be specific language in the agreement stating that ladders should not be used or leaned against the poles for any reason. There was discussion.

Commissioner Bell sought clarification on language in Section 5.0 Attachment of Brackets to Streetlights pertaining to the replacement of the banners. It was determined the agreement should read, "ERMU will install replacement banners provided by the City when banners are damaged or due for replacement."

Moved by Commissioner Nadeau and seconded by Commissioner Westgaard to approve the Street Light Installation and Maintenance Agreement Between ERMU and the City with the changes discussed. Motion carried 5-0.

5.6 **Field Services Facility Expansion Project Update**

Mr. Kerzman discussed the progress being made at the new field services facility. He noted that concrete testers would be on site to determine what if any impact heavy rainstorms had on the facility. Mr. Kerzman added that over the next month a lot of work will be starting on the second floor with a possible move in date of mid-July, adding that RJM Construction is working to obtain a temporary Certificate of Occupancy so they can start moving some inventory into the finished areas of the building.

Mr. Kerzman directed the Commission's attention to the attached resolution to approve the contract for the final cleaning of the building quoted at \$15,980 which is below the \$40,000 allowance RJM Construction carried for that work.

Chair Dietz asked if there was an open house planned for the community to visit the new building. There was discussion about planning an event.

Moved by Commissioner Stewart and seconded by Commissioner Nadeau to adopt Resolution 22-9, Awarding and Approving the Assignment of Construction Contract to RJM Construction. Motion carried 5-0.

6.0 **BUSINESS DISCUSSION**

6.1 **Staff Updates**

Ms. Slominski informed the Commission that her performance evaluation would occur during a closed portion of the June meeting. She added that Mr. Mauren will be sending information to the Commission next week.

Ms. Youngs was asked by Chair Dietz to give an update regarding garbage collection challenges. She stated staff has been making progress with the transition to a new service for some customers and that interactions with Republic Services have been very productive.

Chair Dietz requested an update on the County Road 13 project's water main work. Mr. Ninow responded that the County needs to officially issue a change order before moving forward.

6.2 **Future Planning**

Chair Dietz announced the following:

- a. Regular Commission Meeting – June 14, 2022 – Uppertown Conference Room
- b. 2022 Governance Agenda

6.3 **Other Business**

Commissioner Westgaard provided an update from the City Council including topics such as a residential land use amendment, hosting of a junior hockey team, and the purchase of a Zamboni. There was discussion.

Chair Dietz asked for an update on the Highway 169 project from Mr. Geiser. It was explained there was a little work left to do on the Highway 10 westbound/Highway 169 northbound ramp. Mr. Geiser informed the commission that this work should be completed the week of May 16.

Chair Dietz asked Mr. Geiser for an update on the County Road 44 project. There was discussion.

7.0 ADJOURN REGULAR MEETING

Moved by Commissioner Bell and seconded by Commissioner Nadeau to adjourn the regular meeting of the Elk River Municipal Utilities Commission at 4:05 p.m. Motion carried 5-0.

Minutes prepared by Jenny Foss.

John J. Dietz, ERMU Commission Chair

Tina Allard, City Clerk

**ELK RIVER MUNICIPAL
UTILITIES SPECIAL MEETING
OF THE UTILITIES
COMMISSION
ELK RIVER MUNICIPAL UTILITIES CONFERENCE ROOM**

May 20, 2022

Members Present: Chair John Dietz, Vice Chair Al Nadeau, Commissioners Paul Bell, Mary Stewart, and Matt Westgaard
ERMU Staff Present: Theresa Slominski, General Manager
Others Present: Sharon Klumpp, Director, Baker Tilly

1.0 CALL MEETING TO ORDER

The special meeting of the Utilities Commission was called to order at 11:30 a.m. by Chair Dietz.

2.0 BUSINESS ACTION

2.1 General Manager Candidate Discussion

The Commission held its second meeting with one candidate for the general manager position. The Commission and the candidate discussed several issues, including impressions from a tour conducted earlier in the morning with the electric and water superintendents, the candidate's plan for on-boarding and learning more about the utilities' operations, and other topics related to joining ERMU.

The interview ended at 1 p.m.

The Commission confirmed its interest in entering into employment discussions with the candidate and asked Sharon Klumpp to discuss potential terms of employment using the current general manager's offer and employment agreement as a guide. Ms. Klumpp told the Commission that she would send updates as information became available and that she would continue to work closely with ERMU's General Manager Hiring Work Group.

3.0 ADJOURNMENT

There being no further business, Chair Dietz adjourned the special meeting of the Utilities Commission at 1:45 p.m.

Minutes prepared by Sharon Klumpp, Baker Tilly.

John J. Dietz, ERMU Commission Chair

Tina Allard, City Clerk

TO: ERMU Commission	FROM: Theresa Slominski – General Manager
MEETING DATE: June 14, 2022	AGENDA ITEM NUMBER: 2.5
SUBJECT: Downtown Streetlights	
ACTION REQUESTED: Receive the signed 2022 Streetlight Installation and Maintenance Agreement Between Elk River Municipal Utilities and The City of Elk River, Minnesota with updated maps.	

BACKGROUND:

At the May 10 Commission Meeting, a Streetlight Installation and Maintenance Agreement Between Elk River Municipal Utilities and The City of Elk River was approved and moved forward for approval at the City Council and signatures. The appendices were to be updated and added as soon as possible.

DISCUSSION:

Attached is the signed Streetlight Installation and Maintenance Agreement Between Elk River Municipal Utilities and The City of Elk River, Minnesota, that was approved by both entities and includes updated appendices.

ATTACHMENTS:

- 2022 Streetlight Installation and Maintenance Agreement Between Elk River Municipal Utilities and The City of Elk River, Minnesota

**STREETLIGHT INSTALLATION AND MAINTENANCE AGREEMENT
BETWEEN
ELK RIVER MUNICIPAL UTILITIES
AND
THE CITY OF ELK RIVER, MINNESOTA**

This AGREEMENT, hereinafter referred to as "Agreement," is hereby made and entered effective the 16th day of May, 2022, by and between the City of Elk River, Minnesota, hereinafter referred to as the "City" and Elk River Municipal Utilities, hereinafter referred to as "ERMU", and replaces the prior Memorandum of Understanding between the parties dated January 1, 2012.

1.0 *Purpose*

The purpose of this Agreement is to clarify the following with regard to streetlights, semaphores, and utility poles within the City of Elk River, Minnesota:

- The ownership of streetlights and certain trail lights within the City.
- Maintenance of semaphores within the City.
- The installation of new and replacement streetlights in existing developments.
- The material and labor costs associated with the installation and removal of City-approved brackets on streetlights and utility poles.

2.0 *Installation of New and Replacement Streetlights*

ERMU shall provide as a contribution to the residents of Elk River all the material costs and labor associated with the installation of new or replacement streetlights in street improvement and rehabilitation projects located within the City. The City shall notify ERMU of street improvement or rehabilitation projects under consideration on a timely basis to provide adequate time for design and budgeting and will specify the number and location of streetlights to be installed.

Streetlights in new developments shall be installed by ERMU, pursuant to ERMU's standards.

ERMU shall take possession of streetlight fixtures and associated public improvements that meet City/ERMU standard when public improvements are accepted by the City.

3.0 *Maintenance of Streetlights and Trail Lights*

As owner of City streetlights, ERMU shall provide all material costs and labor associated with maintenance of all streetlights located within the City. The maintenance of streetlights will include lamping, ballasts, painting, and the locating of associated underground facilities.

ERMU shall also maintain the City owned trail lights along Trunk Highway 10 from Orono Park to Downtown Elk River as a contribution to the City, and thereby the residents of Elk River (see map Appendix I.) The city shall pay the material cost to replace said trail lights.

4.0 *Maintenance of Semaphores*

ERMU shall provide as a contribution to the residents of Elk River, limited maintenance of semaphores when such public improvements are turned over to the City for public ownership. The limited maintenance of these semaphores will include lamping and the locating of associated underground facilities.

5.0 *Attachments of Brackets to Streetlights*

Upon request by City, and when deemed possible by ERMU, ERMU shall attach brackets to certain downtown streetlights within the City (see map Appendix II.) ERMU will maintain and replace the brackets as necessary and will bill the City for labor and materials.

In order to avoid unnecessary wear and tear/maintenance issues, the brackets may be used only for the following:

- Hanging banners year round
- Hanging planters in summer and wreath decorations during the holiday season.

The banners, plants, and wreath decorations shall be provided by the City.

ERMU will install replacement banners provided by the City when necessary for repair or replacement.

The City shall install, maintain, and remove the hanging planters seasonally.

ERMU will install and remove the wreaths annually, providing the labor as a contribution to the City.

6.0 *Attachment of Flags to Specified Utility Poles*

Flags will be installed on specific bracketed utility poles from Memorial Day to Labor Day in the *Mississippi Connections* designated downtown (see map Appendix III.) Flags will be provided by the City and installed and removed by ERMU.

7.0 *Termination of Agreement*

This Agreement may be cancelled or terminated without cause by either party by giving (30) calendar days advance written notice to the other party. Such notification shall state the effective date of termination or cancellation. Any and all amendments must be made in writing and must be agreed to by the parties before becoming effective.

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed by their duly authorized representatives:


ELK RIVER MUNICIPAL UTILITIES

By  _____
John Dietz, Chair

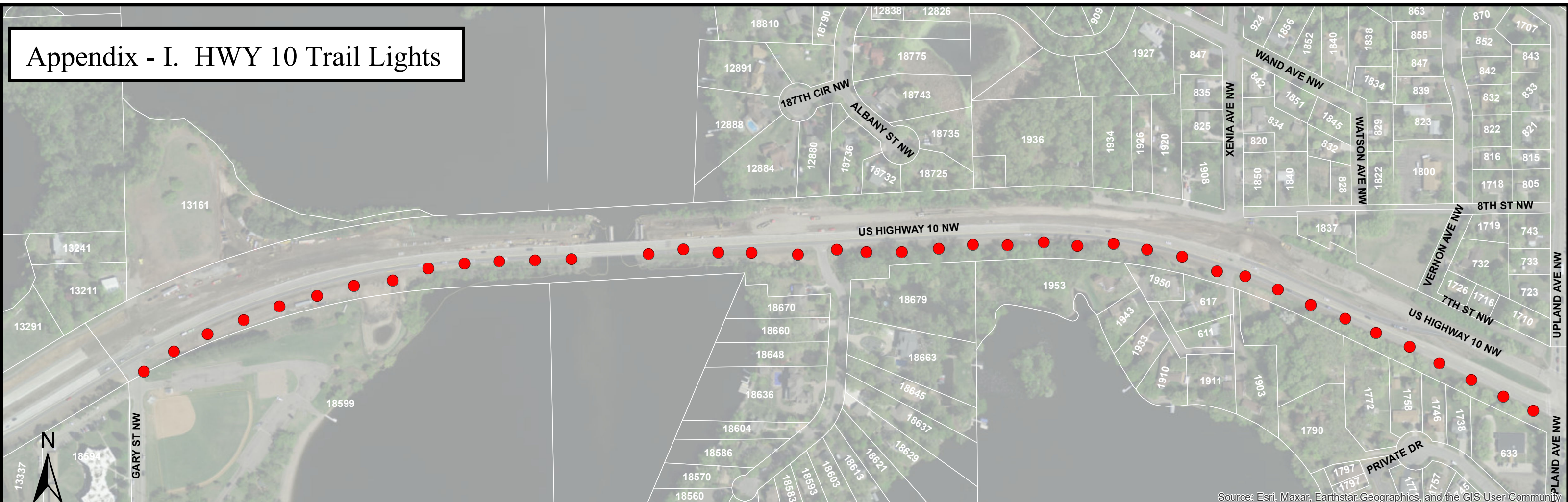
By  _____
Theresa Slominski, General Manager

THE CITY OF ELK RIVER, MINNESOTA

By  _____
John Dietz, Mayor

By  _____
Tina Allard, City Clerk

Appendix - I. HWY 10 Trail Lights



Source: Esri, Maxar, Earthstar Geographics, and the GIS User Community



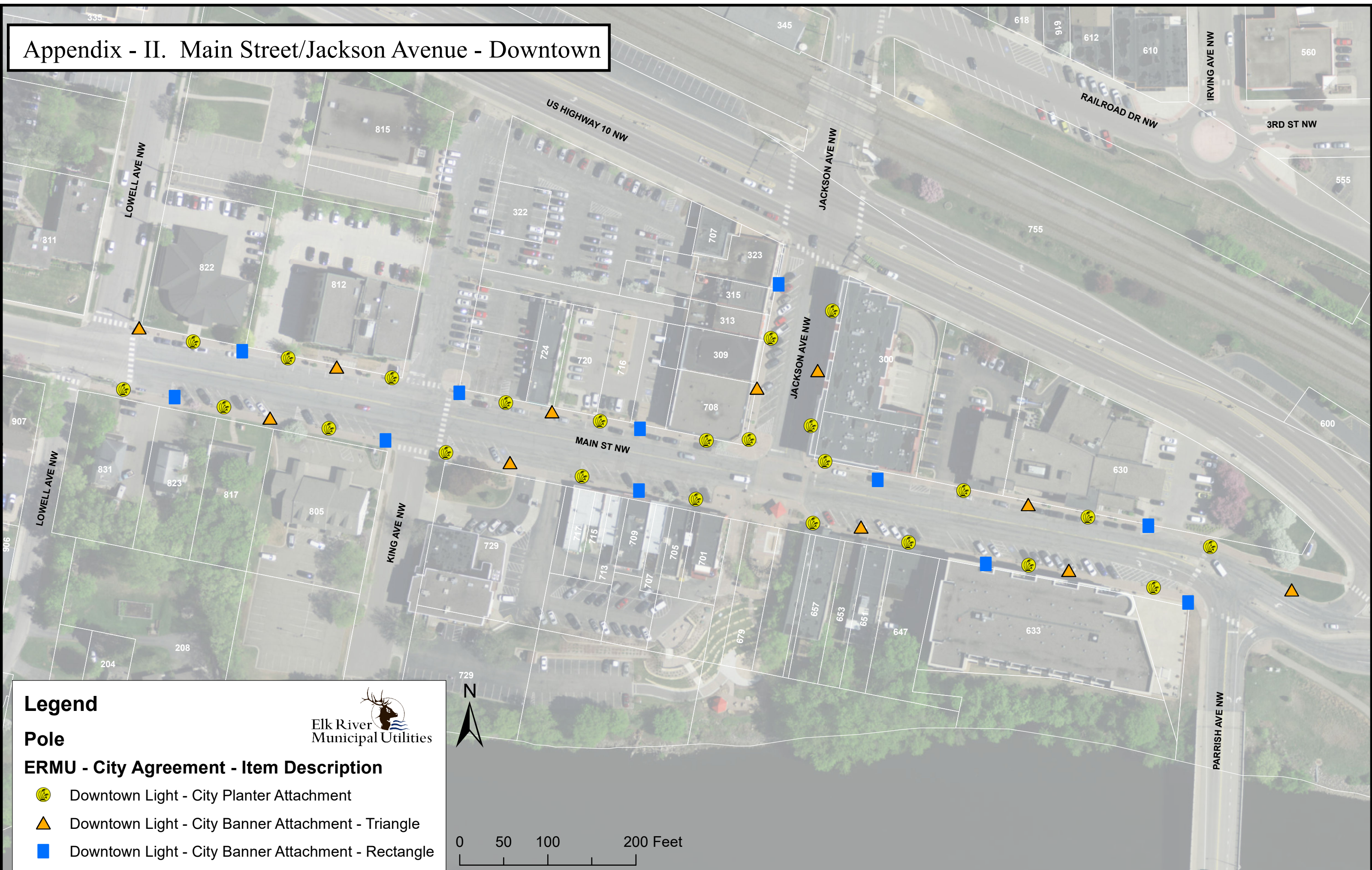
Source: Esri, Maxar, Earthstar Geographics, and the GIS User Community

Legend

- Pole**
- ERMU - City Agreement - Item Description**
- HWY 10 Trail Light - 14' Aluminum, City Owned, ERMU MTC



Appendix - II. Main Street/Jackson Avenue - Downtown





Elk River
Municipal Utilities

Legend

Pole

ERMU - City Agreement - Item Description

-  Downtown Light - City Planter Attachment
-  Downtown Light - City Banner Attachment - Triangle
-  Downtown Light - City Banner Attachment - Rectangle

Appendix - III. Jackson Avenue/Main Street/Evans Avenue



TO: ERMU Commission	FROM: Theresa Slominski – General Manager
MEETING DATE: June 14, 2022	AGENDA ITEM NUMBER: 2.6
SUBJECT: Employee Handbook Annual Updates	
ACTION REQUESTED: Adopt the revised ERMU Employee Handbook	

BACKGROUND:

Annually, staff and legal counsel review the existing personnel policies incorporated into the ERMU Employee Handbook for compliance with changing labor laws. The Wage and Benefits Committee may recommend the Commission adopt employee benefit changes. Staff may recommend operational changes that affect the personnel policy be adopted by the Commission for incorporation into the handbook.

DISCUSSION:

There are only a few changes to the handbook since its last revision in April 2021, mostly related to the changes recommended by the Wage and Benefits Committee and approved by the commission previously. The changes are:

- Revise Date in footer & on cover page.
- Revise Table of Contents and page numbers.
- Revise Section 13, Drug & Alcohol Free Workplace, related to marijuana law updates.
- Revise Section 26 for Remote Work changes.
- Add Section 28 for Lactation Breaks per law updates.
- Add Section 34 for the Longevity Pay benefit.
- Revise Section 40 to adjust tiers for vacation 0-4 years, 20-21, 22-23, and 24+ years.
- Revise Section 47 Health Insurance Coverage, to better reflect the employer-employee premium cost share with the move to age-banded premiums and added the monthly employee premium amounts.
- Revise Section 65 to reflect changes to Paid Leave Donation, allowing 16 hours of sick and a proration of total donated time amongst contributing employees.

Attached is a revised ERMU Employee Handbook reflecting the proposed changes.

ATTACHMENTS:

- Revised – ERMU Policy – G.4f1 - Employee Handbook



EMPLOYEE HANDBOOK

**13069 Orono Parkway
ELK RIVER, MN 55330**

June 2022

Office: 763-441-2020

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RECEIPT AND ACKNOWLEDGMENT

(EMPLOYEE REFERENCE COPY)

By signing this receipt, I acknowledge that I have received a copy of the Elk River Municipal Utilities Employee Handbook (the “Handbook”). This Handbook and the policies contained or referenced in the Handbook supersede and replace previously-issued handbooks, contrary oral or written statements of employment policy, and contrary employment practices.

I understand that the Employee Handbook may be amended at any time, with or without notice. I understand that I do not have a protected property interest in my employment with the Utilities. I also understand that neither this Handbook nor any provision in it creates a contract of employment for any particular duration between the Utilities and me. Further, I understand that nothing in this Handbook creates a contract with specific terms between the Utilities and me.

I acknowledge that it is my responsibility to become and remain informed about the employment policies and practices of the Utilities and to abide by the rules, regulations, standards and policies of the Utilities, including those contained in this Handbook. I also understand that any violation by me of the Utilities’ rules, regulations, policies, practices, or standards is just cause for discipline, up to and including termination of my employment.

Date

Print or Type Name

Employee Signature

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1. IMPORTANT NOTICE ABOUT THIS HANDBOOK

This Employee Handbook sets forth general policies of the Elk River Municipal Utilities (the “Utilities”) and is intended to help you get to know the Utilities and your responsibilities. The Handbook applies to all Utilities employees.

The Utilities Commission shall, in accordance with its statutory responsibility to manage the Utilities, be responsible for the maintenance and periodic revision of personnel policies, the Utilities’ personnel program, and this Handbook. The Utilities is committed to complying with all applicable law. If it comes to the attention of the Utilities that any provision of this Handbook is inconsistent with applicable law, the Utilities will comply with applicable law.

Each employee of the Utilities is responsible to become and remain informed about the employment policies and practices of the Utilities and to abide by the rules, regulations, standards and policies of the Utilities, including those contained in this Handbook.

This Handbook is designed to answer basic questions about the Utilities’ employment policies and procedures and to serve as a resource when you may need information. This Handbook cannot cover every situation, and the Utilities reserves the right to interpret and apply this Handbook and to address each situation as it determines appropriate.

If you have any questions about the information in this Handbook, or if the Handbook does not appear to address your concern, please contact your immediate supervisor, another Utilities manager or Director, or the Utilities’ Human Resources Representative.

No employee has a protected property interest in his or her employment with the Utilities, and nothing in or about this Handbook creates a contract of employment for any particular duration between the Utilities and any Employee. Further, to be clear, nothing in this Handbook creates a contract with specific terms between the Utilities and any employee.

Violation of the Utilities’ rules, regulations, policies, standards or practices is just cause for discipline, up to and including termination of employment.

PERSONNEL RECORDS

Certain personnel records are required by law, and others are needed for the Utilities benefits and administrative purposes. Please be sure that all personal information in your file is accurate and up-to-date. If your personal information changes, please let Human Resources know.

ACCESS TO PERSONNEL RECORDS

Minnesota Law provides employees with certain rights relating to their personnel records. (See Minnesota Statutes Sections 181.960 to 181.965). The Utilities will comply with all

requirements of the law. As a new or continuing employee of the Utilities you are put on notice of the following rights and remedies provided by Minnesota law.

1. Employees, upon making a good faith written request, have the right to review their personnel record, as defined by the statute, up to once every six months. The record must be made available during the Utilities' normal hours of operation, but not necessarily the employee's normal working hours, and at the employee's place of employment or other nearby location. The Utilities may require that the review be done in the presence of a Utilities representative. If employees so choose, they may make a written request for a copy of the personnel record which will be provided free of charge.

2. Former employees, upon making a good faith written request, have the right to receive a copy of their personnel record, as defined by the statutes, once each year after separation of employment for as long as the personnel record is maintained. The personnel records must be provided free of charge.

3. The Utilities must comply with the written request to review or provide a copy of the personnel records no later than seven working days after receipt of the written request, or no later than fourteen days after the receipt of the request if the personnel record is located outside of the state.

4. Employees and former employees have the right to submit a written position statement to the personnel record if the record contains any disputed information which the employee/former employee and the Utilities cannot agree to remove or revise. The written position statement may not exceed five written pages. The written position statement must be included along with the disputed information in the record for as long as the disputed information is maintained in the personnel record. A copy of the written position statement must also be provided to any other person who receives a copy of the disputed information from the Utilities after the written position statement is submitted.

5. If the Utilities and the employee have fully complied with the requirements related to disputed information, which are described in the paragraph immediately above, no communication by the employee or the Utilities of information contained in the personnel records may be made the subject of any common law civil action for libel, slander, or defamation, unless the Utilities communicates information with knowledge of its falsity or with reckless disregard of its falsity.

6. If the Utilities refuses to comply with the personnel record statutes, employees and former employees may bring a civil cause of action seeking to compel compliance and may recover actual damages plus costs for a violation of the statutes. In addition, the Minnesota Department of Labor & Industry can enforce the statutes and seek additional remedies and impose fines.

7. The Utilities may not retaliate against an employee for asserting the rights or seeking the remedies described above. Employers that retaliate against employees for exercising the rights or remedies described above may be liable for actual damages, back

pay, reinstatement, costs, attorneys' fees and other make whole relief. In addition, the Minnesota Department of Labor & Industry may seek additional remedies and impose fines.

8. Information that properly belongs in the employee's personnel record, as defined in the statute, which is omitted from the personnel record provided by the Utilities to the employee may not be used by the Utilities in certain legal proceedings including administrative, judicial or quasi-judicial proceedings, unless the Utilities did not intentionally omit the information and the employee is given a reasonable opportunity to review the omitted information prior to its use.

GENERAL WORKPLACE POLICIES

2. OPEN DOOR POLICY

During your employment with the Utilities you may have certain concerns, such as an issue, suggestion, complaint, or question, about your job, your working conditions or some related matter. We strongly encourage you to raise any such concerns to Utilities management, so that we will have the benefit of your input on the matter and you will have the benefit of our best efforts to address any concerns you might have.

In addition, you are required to report any conduct in the workplace or related to the Utilities that you believe is illegal, and to ask questions if you are not sure whether any particular conduct is legal or appropriate. Please also see the discussion under the Whistleblower Policy in this Handbook. Anyone who fails to report a known or suspected violation of law, regulation or internal policy may be considered to have committed an equally serious violation. That individual may be subject to corrective and/or disciplinary action, up to and including discharge.

Under this Open Door Policy, we ask that you first raise any concern about your employment or the workplace with your immediate supervisor, if possible, and follow the steps below to have your concerns addressed. (Please note that issues of harassment should be addressed in accordance with the Utilities' Harassment Policy in this Handbook.)

1. If you have any concern about any aspect of employment with the Utilities or with the Utilities' business, please voice your concerns to your immediate supervisor as soon as possible. In most cases your immediate supervisor will be the person in the best position to address your concerns. The supervisor and the Utilities will make every effort to keep the matter confidential to the extent possible within the confines of the rights and obligations of you and the Utilities.
2. If for some reason you are not comfortable discussing your concerns with your immediate supervisor, choose another Utilities manager or Director with whom to discuss your concerns. Again, he/she will make every effort to keep the matter confidential to the extent possible.
3. Alternatively, or in addition, you may feel free to contact the Utilities' Human Resources Representative.

The Utilities strictly prohibits retaliation or reprisal of any kind against an employee who makes a good faith report regarding a known, or suspected, violation or concern regarding any law.

3. EQUAL EMPLOYMENT OPPORTUNITY

The Utilities pledges its best efforts to avoid discrimination against any employee or applicant for employment because of race, color, creed, religion, sex, sexual orientation, gender identity, age, national origin, marital status, familial status, pregnancy, genetic information, veteran status, status with regard to public assistance, disability, status as a patient enrolled in the state of Minnesota medical marijuana registry program or an enrolled patient's positive drug test for marijuana, or any other status that may be protected by state or federal law.

The Utilities prohibits discrimination against and harassment of any employee or job applicant on the basis of protected class status. Employees who participate in discrimination in violation of this Policy are subject to discipline up to and including termination. Retaliation against any employee for making a good faith complaint under this Policy or for assisting with investigations of complaints made under this Policy is also strictly prohibited.

Any person who feels that he/she has experienced discrimination or harassment in violation of law and/or this Policy should immediately contact his/her supervisor, the Human Resources Representative, and/or any Utilities manager or Director. Any manager or Director who receives a report under this policy is required to communicate the matter to the Human Resources Representative immediately.

4. DISABILITY ACCOMMODATION

The Utilities is committed to providing reasonable accommodation, as appropriate, for qualified employees who have disabilities and for health conditions related to an eligible employee's pregnancy, childbirth, or related health conditions.

An employee who believes that he or she requires an accommodation due to a disability, pregnancy or childbirth in order to perform the essential functions of his or her position should so advise his or her immediate supervisor, another Utilities manager or Director, or the Human Resources Representative. We ask that this request be made in writing.

On receipt of a reasonable accommodation request, the Utilities will engage in an interactive process with the employee to determine if the employee is entitled to a reasonable accommodation and if one can be granted without creating an undue hardship for the Utilities. The Utilities reserves the right to request medical or other certification of the need for the accommodation in accordance with applicable law.

Retaliation against any individual for making a good faith complaint under this Equal Employment Opportunity/Disability Accommodation policy, for opposing discrimination, or for participating in an investigation of any claim regarding discrimination or disability accommodation is strictly prohibited.

If you feel that you have experienced such retaliation, you should follow the Reporting Procedure outlined above in the Open Door Policy. Any manager or Director who receives a report under this policy is required to communicate the matter to the Human Resources Representative immediately.

5. HARASSMENT PROHIBITED

All Utilities employees have a right to work in an environment free from discrimination and intimidation, including harassment. The mission of the Utilities is best accomplished in an atmosphere of professionalism that in turn is supported by mutual respect and trust. The Utilities expects all employees to work toward this goal. Harassment based on a person's race, color, creed, religion, national origin, sex, sexual orientation, gender identity, disability, age, marital status, genetic information, status with regard to public assistance, veteran status or any other protected class status may be unlawful and is strictly prohibited by the Utilities.

Definitions of Sexual and Other Forms of Harassment

Harassment consists of unwelcome conduct based on a person's race, color, creed, religion, national origin, sex, sexual orientation, gender identity, disability, age, marital status, genetic information, status with regard to public assistance, veteran status, or any other protected class status that is interfering with your job performance, or creating an intimidating, hostile, or offensive work environment; or when submission to such conduct is:

- a condition of employment; or
- a basis for an employment decision affecting your job.

One form of prohibited harassment is sexual harassment. Sexual harassment includes unwelcome sexual advances, requests for sexual favors, sexually motivated physical contact or other verbal or physical conduct or communication of a sexual nature that is interfering with your job performance, or creating an intimidating, hostile, or offensive work environment; or when submission to such conduct is made:

- a condition of employment; or
- a basis for an employment decision affecting your job.

The Utilities prohibits sexual harassment of any type and in any form, including verbal, physical, and visual harassment. Some examples of conduct that may be sexual harassment include:

- use of offensive or demeaning terms that have sexual connotations;

- telling suggestive jokes or stories and conversations about sexual exploits, sexual preferences, and desires;
- jokes, cartoons, pictures, objects or stories that have a sexual content;
- threats, demands or suggestions that an employee's work status, advancement or other terms and conditions of employment are contingent upon the employee's toleration of or acquiescence to unwelcome sexual advances;
- repeated, unwelcome sexual flirtations, propositions, or invitations to social engagements; or
- unwelcome and objectionable physical contact or physical proximity.

Scope of Policy

The Utilities prohibits harassment of any type or form. This policy prohibits same sex harassment as well as harassment by members of the opposite sex. In addition, this policy prohibits sexual harassment and any other form of harassment by any individual, including Utilities managers, employees, co-workers, and third parties such as clients, elected officials, consultants, contractors or vendors who deal with the Utilities' employees.

Procedure for Reporting Harassment

The Utilities wants to resolve any problems, but it can do so only if it is aware of them. The Utilities encourages any individual who believes he/she is being harassed to report any and all incidents of perceived harassment.

If at any time you feel you are being harassed, you should immediately contact:

your supervisor; and/or

another Utilities manager or Director (including any superintendent of the Utilities or other representative as defined in Section 24 of this Handbook); and/or

the Human Resources Representative.

Any Utilities manager or Director or other person who receives a report under this policy is required to communicate the matter to the Human Resources Representative immediately.

Your report of harassment may be oral or written; in either case, it is important that you state that your report is being made under this harassment policy, or that it concerns harassment. You may choose to whom you make the report; that choice, however, must be made from the list of individuals named above.

The Utilities will promptly investigate harassment complaints as appropriate, and take other appropriate action. Any person who is found to have committed prohibited harassment will be subject to corrective action up to and including termination.

Confidentiality – No Retaliation

The Utilities will strive to protect the confidentiality of information the Utilities receives pursuant to this policy to the extent feasible and to the extent permitted by law.

Retaliation against any individual for making a good faith complaint under this policy, for opposing harassment, or for participating in an investigation of any claim regarding harassment or inappropriate behavior is strictly prohibited.

If you feel that you have experienced such retaliation, you should follow the Reporting Procedure outlined in this policy.

Questions About This Policy

Any questions about this policy or any related matter should be referred to the Human Resources Representative or any Utilities manager or Director.

6. BUSINESS CONDUCT

In accepting employment with the Utilities, employees become its representatives to the public and are responsible for assisting and serving the customers for whom they work. An employee's primary responsibility is to serve the customers of Elk River Municipal Utilities. The values of Elk River Municipal Utilities - ethics, open and honest communication, maintaining a positive workplace for employees, and serving customers – must guide our daily business activities. We strive for and take individual responsibility for ethical behavior – not only because it is the right thing to do, but also because it is a fundamental value in public services.

Unacceptable conduct consists of any act or omission that, in the business judgment of Elk River Municipal Utilities, significantly departs from expected standards of behavior affecting the workplace. Some examples of unacceptable conduct include, but are not limited to:

1. Not performing assigned duties to the best of the employee's ability at all times.
2. Not rendering prompt and courteous service to customers and the public at all times.
3. Not maintaining courtesy and professionalism towards other employees.
4. Unauthorized possession of Utilities property.
5. Falsifying timekeeping records or any other Utilities records.
6. Violating the Utilities' work rules regarding alcohol and illegal drugs.
7. Violating the Utilities' rules regarding Electronic Communications.
8. Fighting or threatening violence in the workplace.

9. Negligence or improper conduct leading to damage of employer-owned or customer-owned property.
10. Insubordination or other disrespectful conduct, including failing to respond to warnings or directives to improve conduct or performance.
11. Violation of safety or health rules.
12. Sexual or other unlawful or unwelcome harassment.
13. Unauthorized possession of firearms or any object that could be considered a dangerous weapon (or other violation of the Utilities' weapons policy).
14. Excessive absenteeism or any absence without reasonable notice.
15. Unauthorized disclosure of business secrets or confidential information.
16. Misuse of Utilities resources.
17. Any other behavior unacceptable to Utilities management or any conduct inconsistent with the policies in this Handbook or the rules, practices or standards of the Utilities.

All employees have a personal responsibility to report any behaviors or practices that may constitute unacceptable conduct under this policy. Such conduct may risk our future success. If you have any concerns or questions, discuss them with the Human Resources Representative, your supervisor or any Utilities manager or Director. These concerns will be treated confidentially (to the extent possible) and with high priority.

7. ETHICS, GIFTS AND CONFLICTS OF INTEREST

Utilities employees shall not use their official position for personal gain, engage in any business or transaction or have a financial interest, direct or indirect, which is in conflict with the proper performance of their official duties. Utilities employees must scrupulously avoid any activities that suggest a conflict of interest between their private interests and Utilities responsibilities.

Employees shall not accept, either directly or indirectly, any money, property, gift, gratuity, reward, loan, fee, discount, or special consideration or special accommodation from any vendor or potential vendor to the Utilities or the City of Elk River, or that arises from or is offered because of their employment or any activity connected with their employment with the Utilities.

8. EMPLOYMENT OF RELATIVES

It is generally the policy of the Utilities not to employ relatives or cohabitants of current employees or Utilities Commissioners. The purpose of this policy is to prevent conflicts of interest, the appearance of such conflicts, undue influence over an individual's employment, and distraction from workplace productivity and safety. Occasional exceptions may be made to this general policy for legitimate business reasons in the discretion of the Utilities; provided, however, that in no event will relatives or cohabitants be permitted to be in a direct reporting relationship at the Utilities. "Relative" for purposes

of this policy includes parent, marital or non-marital domestic spouse, sibling, child and step-child, grandparent, grandchild, parent-in-law, a person for whom the employee is a legal guardian, first cousin, sibling-in-law, son/daughter-in-law, niece/nephew, and aunt/uncle.

9. WHISTLEBLOWERS

Pursuant to Minn. Stat. § 181.932, Elk River Municipal Utilities will not discharge, discipline, threaten, or otherwise discriminate against, or penalize an employee regarding the employee's compensation, terms, conditions, location, or privileges of employment because:

- a. The employee, or a person acting on behalf of any employee, in good faith, reports a violation or suspected violation of any federal or state law or rule adopted pursuant to law to the Utilities or to any governmental body or law enforcement official;*
- b. The employee is requested by a public body or office to participate in an investigation, hearing, inquiry; or*
- c. The employee refuses the Utilities' order to perform an action that the employee has an objective basis in fact to believe violates any State or Federal law or rule regulation adopted pursuant to law and the employee informs the Utilities that the order is being refused for that reason.*

The Utilities will make reasonable efforts to preserve as confidential the identity of an employee making a report under this policy to the extent feasible and consistent with applicable law. Any Utilities manager or Director who receives a report under this policy is required to communicate the matter to the Human Resources Representative immediately.

Employees shall not make any statements or disclosures pursuant to this section knowing that they are false or that they are in reckless disregard of the truth. This section does not permit disclosures that would violate federal or state law or diminish or impair the right of any person to the continued protection of confidentiality or communications provided by common law.

10. WAGE INFORMATION

Employees working for the Utilities, or living, in Minnesota have the right, under Minn. Stat. §181.172, to choose to disclose their own wages and to discuss another employee's wages that have been voluntarily disclosed by that employee. In addition, regardless of location, employees who are not managers or supervisors also have these rights. An employee does not, however, have the right to disclose to a competitor of the Utilities or to any other person any wage information regarding other employees of the Utilities that

he or she has learned in the course of performing job duties that involve access to confidential and private information about employees.

The Utilities shall not require an employee to agree to give up his or her wage disclosure rights as a condition of employment, to sign any document that purports to deny an employee his or her wage disclosure rights, or take any retaliatory or other adverse employment action against an employee for exercising his or her wage disclosure rights.

A copy of Minn. Stat. §181.172 can be obtained from Human Resources. §181.172 permits a civil cause of action for a violation of the statute and, in any such action, the court may, if found appropriate, order job reinstatement, back pay, restoration of lost service credit, and the expungement of adverse records.

11. WEAPONS PROHIBITED

Elk River Municipal Utilities prohibits all employees from carrying or possessing firearms or other weapons while acting in the course and scope of their employment for the Utilities. Carrying or possessing firearms or weapons in Utilities vehicles is also prohibited.

This policy extends to any situation in which employees are acting in the course and scope of their employment including while utilizing personal vehicles or attending work-related training. However, it is not a violation of this policy to lawfully carry a firearm in a personal vehicle that is lawfully encased and secured. Employees may be disciplined for violations of this policy up to and including termination of employment.

A narrow exception is made to this policy, which is applicable only in connection with attendance at the Minnesota Municipal Utilities Underground School (“MMUA Underground School”) or the Minnesota Municipal Utilities Overhead School (“MMUA Overhead School”). Both of these events are held at the MMUA Training Center in Marshall, MN. An employee is not prohibited from carrying or possessing a firearm or other appropriate weapon in a situation where, in connection with his or her Utilities employment, the employee is using a Utilities vehicle while attending MMUA Underground School or MMUA Overhead School --- if and only if the employee’s participation in the MMUA Underground School or MMUA Overhead School includes a hunting or target-shooting activity, and provided that the employee is otherwise lawfully permitted to carry and possess a firearm. This exception applies only for the duration of the specific MMUA event and the period of the employee’s travel to and from the event.

12. EMPLOYEE SAFETY

Safety is of paramount importance to the Utilities. All employees and managers must follow the regulations and laws of the State of Minnesota and rules of the Utilities governing the safety of employees and the public. If employees have questions or concerns about issues affecting safety, they should immediately discuss them with their supervisor,

any Utilities manager or Director, the Human Resources Representative, or the relevant public safety authority.

Employees are required to report accidents resulting in personal injuries and/or vehicle, equipment, or property damage to their supervisor immediately.

Personal Injuries. Immediately report to your supervisor all accidents and injuries occurring within the course of your employment. The supervisor shall submit a First Report of Injury and a Supervisor's Report of Injury Form to the Human Resources Representative within twenty-four (24) hours of receiving such report from you.

- Vehicle, equipment, or property damage accidents. Immediately report to your supervisor all damage to Utilities property. The supervisor should submit documentation regarding the incident to the Utilities' Finance Manager within twenty-four (24) hours of the time of the damage or accident. A copy of the Minnesota Motor Vehicle Accident Report must be submitted for all vehicle accidents.

The Utilities will provide necessary safety equipment to employees. This may include:

- One pair of safety glasses at the time of employment. The employee shall provide the correct prescription for the safety glasses.
- The Utilities will pay the cost of new safety lenses, upon a change in the prescription. If needed, frames will be replaced as needed contingent upon supervisor approval.
- Safety glasses that are broken or damaged while the employee is on the job will be replaced by the Utilities.

13. COMMITMENT TO A DRUG AND ALCOHOL-FREE WORKPLACE

The Utilities is committed to providing a safe, healthy, and productive drug and alcohol-free workplace.

To promote this goal, employees and others are required to report to work in appropriate mental and physical condition to perform their jobs in a satisfactory manner. Being under the influence of alcohol or illegal drugs (as classified under federal, state, or local laws), including marijuana, while on the job poses serious health and safety risks to employees and members of the public/others, which is not tolerated. As a condition of employment employees must adhere to the terms and conditions of this policy.

Prohibited Conduct

The Utilities expressly prohibits the following activities at any time that the employee or other person is either (1) on the Utilities' facilities (whether or not the employee is working) or (2) on duty or conducting Utilities business (either on or away from the Utilities'

facilities) (the locations in (1) and (2) above are collectively referred to as the “Workplace” under this policy):

- The use, abuse, or being under the influence of alcohol, illegal drugs, or other impairing substances.
- The possession, sale, purchase, transfer, or transit of any illegal or unauthorized drug, including prescription medication that is not prescribed to the employee or drug-related paraphernalia.
- The illegal use or abuse of prescription drugs.

While the use of marijuana has been legalized under the laws of some states for medicinal uses, it remains an illegal drug under federal law and its use in, and as it impacts, the Workplace is prohibited by the Utilities’ policy. The Utilities does not discriminate against employees on the basis of their off-duty use of medical marijuana that is in compliance with any applicable state medical marijuana law. However, employees may not consume or be impaired by marijuana while in the Workplace, even if the employee has a valid prescription for medical marijuana.

Nothing in this policy is meant to prohibit the appropriate use of over-the-counter medication or other medication that is legally prescribed to the employee, to the extent that it does not impair an employee's job performance or safety or the safety of others. Employees who take over-the-counter medication or other medication legally prescribed to the employee should inform their immediate supervisor if they believe the medication may impair their job performance, safety, or the safety of others or if they believe they need a reasonable accommodation **before** reporting to work while under the influence of that medication. For more information on how to request a reasonable accommodation, please refer to the Utilities’ Reasonable Accommodation policy.

A violation of this policy is subject to disciplinary action, up to and including termination of employment or contractual relationship, and/or required participation in a substance abuse rehabilitation or treatment program as may be provided by applicable state law. Such violations may also have legal consequences.

Utilities-Sponsored Events

From time to time, the Utilities may sponsor in-person or remote social or business-related events at which alcohol is served and/or usage is permitted. This policy does not prohibit the use or consumption of alcohol at such events. However, if employees choose to consume alcohol at such events, they must do so responsibly and maintain their obligation to conduct themselves properly and professionally at all times with colleagues and/or current or prospective clients.

Workplace Searches and Inspections

In order to achieve the goals of this policy and maintain a safe, healthy, and productive work environment, the Utilities reserves the right at all times to search employees at the Workplace, as well as their surroundings and possessions, for substances or materials in violation of this policy. This right extends to the search or inspection of clothing, desks, bags, briefcases, containers, packages, boxes, lunch boxes, and any vehicles on or in the

Workplace where prohibited items may be concealed. Employees should have no expectation of privacy while in the Workplace, except in restrooms, locker rooms, or dressing areas.

Drug Testing

Applicants and Utilities employees are subject to certain kinds of drug testing in accordance with applicable law and Utilities policy. Separate policies are maintained for CDL drivers and for other employees and are distributed at the start of employment and periodically throughout employment. Copies of the Utilities' drug testing policies are available upon request from Human Resources and the Administrations Director.

14. EXPOSURE TO HAZARDOUS SUBSTANCES

Any employee routinely exposed to hazardous substances or harmful physical agents as defined in the Minnesota Employee Right to Know Act (MINN. STAT. § 182.675) shall be trained before being assigned or reassigned work exposing the employee to such substances or agents and shall be given training annually thereafter. Training shall include an explanation of how and where information about hazards is stored in the workplace, how the hazards are labeled, and where to obtain specific information. The supervisor (or other designee) shall provide for such training and for compliance with the Minnesota Employee Right to Know Act, including the establishment of specific policies to insure compliance with the state law and regulations. An employee acting in good faith has the right to refuse to work under conditions which the employee reasonably believes present an imminent danger of death or serious physical harm to the employee.

15. SOLICITATION AND DISTRIBUTION

The Utilities intends to establish and maintain a safe and productive business environment and to prevent interference with the work of its employees. This policy prohibits solicitation and the distribution of literature on Utilities property by non-employees. In addition, this policy addresses the limited circumstances under which solicitation and the distribution of literature on Utilities property by employees will be permitted, and it addresses the wearing and display of items, posting material on Utilities bulletin boards, and certain uses of the Utilities' computer, email, and other resources.

The term *solicitation* means any oral or electronic communication that encourages, advocates, demands, or requests any position or action or contribution of money, time, effort, personal involvement or membership in any organization or the sale or purchase of any merchandise or service.

The term *distribution* means posting, handing out, or otherwise distributing any written material in hard copy.

Non-Employees

Non-employees of the Utilities are strictly prohibited from engaging on Utilities premises in: i) trespassing; ii) the solicitation of any person; and iii) the distribution of any written material. Any violation or attempted violation of this policy by a non-employee should be reported immediately to the on-site supervisor.

Employees

Employees are prohibited from solicitation, for any purpose, during the working time of any employee involved in making or receiving the solicitation.

Employees are prohibited from distribution of written material in any work area at all times. Employees are also prohibited from distributing written material anywhere during the working time of any employee actively engaged in the distribution.

This policy does not prohibit an employee from performing solicitation or distribution in a non-work area on behalf of a third party that is not engaged in commercial, for-profit, or political activity, provided the employee has received the advance approval of the on-site supervisor to engage in such solicitation or distribution.

Related Policies

- Utilities Bulletin Boards. The Utilities in its discretion may permit employees to distribute written material by posting on Utilities bulletin boards in accordance with this policy, provided that any material for such posting must be reviewed and approved in advance by a Utilities manager or Director, who may consult with the Human Resources Representative before making a decision whether or not to allow the posting.
- Solicitation and Distribution on Utilities Computer and E-Mail Systems. Employees and non-employees are prohibited from using Utilities computer systems and other property and resources, including the Utilities e-mail system, for solicitation or distribution, except in connection with a Utilities-sponsored activity or, with advance approval of the on-site supervisor, on behalf of a third party that is not engaged in commercial, for-profit, or political activity.

Violation of This Policy By an Employee

Any employee in violation of this policy will be subject to disciplinary action up to and including discharge.

16. ELECTRONIC COMMUNICATIONS: INTERNET, E-MAIL, AND SOCIAL MEDIA

This policy covers all types of electronic communications. All Utilities computers, software, servers, computer systems, cell phones and telephone systems and other electronic services arranged for by the Utilities (“Electronic Communications Systems” or “ECS”) are the property of the Utilities and are intended and expected to be used for Utilities business. While occasional use of these systems for personal, non-business use is acceptable, employees must demonstrate a sense of responsibility and may not abuse such privileges. Communications of any kind by a Utilities employee over the Utilities’ ECS, whether work-related or personal, is subject to monitoring and review by the Utilities at any time, with or without notice or permission. Employees should have no expectation of privacy in the use of these systems. The use of passwords on these systems does not mean that messages stored on them are private or confidential, either from the Utilities or others.

This policy covers all usage and communications by employees in, on or over the Utilities’ Electronic Communications Systems, including e-mail, voice-mail, Internet and social media, whether such usage or communications are from the Utilities’ offices or from a remote location. This policy also covers electronic communications not done in, on, or over the Utilities’ ECS but in which the employee identifies himself or herself as a Utilities employee. Violations of this policy may result in discipline, up to and including termination.

All communications sent by employees over the Utilities’ ECS must be respectful in tone and professional. Communications over the Utilities’ ECS may not be used for transmitting, retrieving or storing any communications of a discriminatory or harassing nature, derogatory to an individual or group, obscene, or which are of a defamatory or threatening nature. Such communications should not be used for “chain letters” or for any purpose which is illegal or against Utilities policy.

Employees must respect other people’s electronic communications. Employees may not obtain unauthorized access to another’s e-mail or voice-mail messages, except pursuant to direction from a Utilities manager or Director for the purposes specified above.

Employees may not use the e-mail or voice-mail systems in a way that causes congestion on the systems or that significantly interferes with another employee’s ability to use the systems.

GENERAL GUIDELINES APPLICABLE TO ELECTRONIC COMMUNICATIONS, INCLUDING COMMUNICATIONS OVER SOCIAL MEDIA

- In general, the Utilities encourages the use of e-mail and other available electronic communications with residents, consultants, and others as a means of providing services more effectively and efficiently. Internet e-mail is provided and is intended for the Utilities’ business use.

- Tact counts.
- Humor might not work. Attempts at humor in electronic communications are especially difficult to carry off successfully, so be careful and “when in doubt, leave it out.” Take extra steps to make your intent clear in written communications.
- Never gossip, don’t provide confidential personal information about yourself or someone else, and refrain from emotional responses.
- Do not communicate with residents, consultants or others using e-mail without first obtaining their consent to email communication. Employees at all times must use discretion in communicating sensitive information and should select communications methods that will protect the confidential and/or sensitive nature of such information.
- Communications over the Utilities’ ECS may be identifiable and attributable to the Utilities. Do not send electronic communications that you would not send, or would not be authorized to send, over Utilities letterhead.
- The Utilities’ ECS may not be used to participate in social media or other electronic forums except for approved Utilities business, professional development, or business development purposes.
- The Utilities’ ECS may not be used to access pornographic or obscene material or other offensive or inappropriate content.
- Internet access is provided primarily for you to *retrieve* information. Do not use the ECS to *post* information, comments or statements, except for prior-approved Utilities business, professional development or Utilities business development purposes.
- An Internet site may request information about you in order to build a user profile or mailing list. Refuse any such requests when using the Utilities’ ECS. Respond “no” to any suggested download, upgrade, or enhancement of software. Do not make any purchases or access a web site that charges a fee, except for approved Utilities business purposes.
- Employees may not send electronic communications over the ECS that attempt to hide the identity of the sender or that represent the sender as someone else or someone from a different Utilities or a company.
- Employees must respect all copyrights and intellectual property rights of others’ materials, and may not copy, retrieve, modify or forward copyrighted, patented or trademarked materials except as permitted by the owner or as a single copy for reference use only.

- Internet and other ECS usage is not confidential. The Utilities receives detailed monthly reports on Internet usage by individual employees and the Utilities' software tracks each Internet site you visit.

Bandwidth Conservation

The Utilities uses the Internet for a number of key Utilities functions. To ensure sufficient bandwidth to perform these functions, the Utilities has implemented a variety of bandwidth conservation measures. These measures include blocking websites that have no instructional or administrative value. Employees may not use Internet radio stations for casual listening and/or background music. Employees may not download music or video files from the Internet.

Employees who violate any of the guidelines may be subject to disciplinary action including, but not limited to, written warnings, revocation of access privileges and termination of employment.

17. SUPPLEMENTAL EMPLOYMENT

The Utilities does not restrict employees from engaging in outside employment. However, the Utilities expects regular full-time employees to consider Utilities work their primary employment. No Utilities employee may engage in outside employment that interferes with the performance of his/her duties with the Utilities, that represents a conflict of interest, or that may influence or bias an employee's job related decision making ability. The Utilities will not change an employee's work hours to facilitate the scheduling of any outside employment. If a supervisor believes an employee's outside employment is detrimental to the Utilities and his/her position, the employee may be asked to discontinue the outside employment. If an employee is asked to discontinue outside employment and fails to do so, he/she may be subject to discipline up to and including termination.

Fire Department Participation

Employees are allowed to participate as a part-time paid firefighter in a Fire Department. A non-exempt employee will be allowed to respond to fire calls as approved and determined by his/her department supervisor, based on the work assignments and responsibilities of the employee and department. Non-exempt employees responding to fire calls during scheduled work hours will need to use vacation time for time away from work, and exempt employees need to use vacation time or make-up time for the same scenario. An employee may not respond to fire calls while on-call for the Utilities.

18. REPORT OF PERSONNEL CHANGES

The Utilities attempts to maintain complete and accurate personnel information on its employees. It is the responsibility of each employee to notify the office of the Utilities when changes occur, including:

- Name (through marriage or otherwise);
- Address;
- Beneficiaries for life insurance and retirement;
- Telephone number;
- Person to contact in case of emergency; or
- Other changes which may affect benefits coverage.

19. ATTENDANCE

Regular attendance is an essential function of every job with the Utilities. Every Utilities employee has an important role to play in maintaining a productive workplace. Therefore, it is essential that all employees report to work as scheduled every day. Unsatisfactory attendance, including reporting late to work and leaving work early may result in disciplinary action up to and including discharge.

If an employee must be absent from work for any reason, other than approved time off, the employee must notify his/her immediate supervisor at least thirty (30) minutes prior to the start of his/her normal working hours. If an emergency prevents the employee from notifying his/her supervisor at such time, the employee must call his/her immediate supervisor as soon as possible during the workday.

20. DISCIPLINE, DISMISSAL & LAY OFF

Discipline. The Utilities retains the right to take disciplinary and other action as it believes appropriate to manage employee performance and workplace conduct. The type and level of discipline imposed will be at the Utilities' discretion based upon the nature and severity of the issue and the circumstances as a whole.

Examples of discipline and other action that may be taken to manage performance and workplace conduct include, but are not limited to:

- Documented Coaching and Counseling
- Oral reprimand
- Written reprimand
- Performance Improvement Plan
- Suspension
- Demotion

- Termination.

Discipline and other action may be used in any order or combination in the discretion of the Utilities. In some cases, one or more disciplinary actions will be taken before termination; in other cases, termination will be immediate.

While the Utilities strives for consistency, the level of discipline taken in any given case does not establish a controlling precedent for future circumstances.

Probation and Dismissal. All new employees shall be on probation for a period of one hundred eighty (180) days. Continued employment during this period shall rest solely with the discretion of the Utilities Commission. After that period, the employee shall attain regular status subject to the following:

Employees on regular status may be dismissed only for cause, which may include, but is not limited to, the following: Conduct in violation of or inconsistent with Utilities policy, including but not limited to any and all policies set forth in this Handbook; conduct or language that is improper or inappropriate in the discretion of the Utilities; insubordination; failure to do the work assigned in a manner satisfactory to the Utilities; dishonesty or stealing; and the sale, transfer of, or possession, or being under the influence, of intoxicating beverages or controlled or mood altering substances while on the job.

Layoff/Reduction in Force. The Utilities reserves the right and sole discretion to eliminate positions and/or reduce the hours associated with a position for any legitimate business reason, with or without cause.

21. JOB POSTING

As position vacancies occur at the Utilities, the position's job description will be posted in a prominent location to inform employees of the vacancy. Employees in good standing that wish to be considered for the position are encouraged to contact the appropriate decision-maker(s) indicated on the posting. The Utilities may also advertise the vacancy to attract external candidates.

The Utilities retains all its managerial rights and has the sole discretion to decide which candidate is best qualified to fill a vacant position, whether or not the candidate is a current Utilities employee.

22. PERFORMANCE REVIEWS

An employee's immediate supervisor or department head normally will conduct a performance review on an annual basis. Employee performance, however, may be coached or reviewed formally or informally at any time.

Performance reviews are an opportunity for employees, management, and the Utilities to assess an individual's job performance and to assure the continuing improvement of every employee's performance. The performance review system is designed to:

- Ensure that quality services are provided to the public at the least possible cost;
- Motivate and develop employees to their fullest potential;
- Clarify roles and mutual expectations of supervisors and employees;
- Promote open and ongoing communication between employees at all levels, including feedback from subordinates to supervisors; and
- Assist in determination of whether employees are meeting the performance standards for their position.

The performance review will usually be documented in writing as well as delivered orally to the employee in person. Completed performance review forms should be signed by the employee and the supervisor or other Utilities manager, Director or other representative delivering the review to the employee. These completed forms are generally maintained in the employee's personnel file.

Performance Metrics Incentives

The Utilities uses a Performance Metrics Incentive system to annually award performance-based compensation to eligible employees (those currently employed who are in good standing). An employee must remain employed by the Utilities at the time such award is to be made in order to receive the incentive.

WAGES AND HOURS

23. WORK HOURS, OVERTIME, AND COMPENSATORY TIME

General Policy

For purposes of timekeeping and overtime calculations, the regular workweek at the Utilities runs from Tuesday through Monday.

Non-exempt employees are paid on the basis of hours worked. Exempt employees are paid on a salary basis; their compensation is not based on the number of hours they work.

Overtime & Overtime Compensation

Overtime is earned and compensated as follows.

All non-exempt employees earn overtime for all time worked in excess of forty (40) hours during the workweek (Tuesday – Monday). Regular field workers earn overtime for regular work performed in excess of eight (8) hours in a day.

Earned overtime will be compensated a rate equivalent to one and one-half times the employee's regular rate of pay; except that time worked on Sundays and designated Holidays will be compensated a rate equivalent to two times the employee's regular rate of pay.

Generally, overtime compensation is paid directly to the employee on their regular payroll check for the period in which the overtime is earned.

Alternatively, for up to 40 hours of earned overtime per year, non-exempt employees may elect to receive and accrue Compensatory Time ("Comp Time") in lieu of direct overtime pay. Comp Time is accrued and paid at the same rate as other earned overtime, i.e., at one and a half times the employee's regular rate of pay; or two times the regular rate for time worked on Sundays or designated holidays. Receipt and Use of Comp Time is explained in more detail below.

Note. Further, if a field worker uses sick or vacation time during the regular eight-hour day, this will not affect the earning of overtime for those hours worked in excess of the regular workday. Also, when a field worker is mandated to start work prior to the normal scheduled workday, the hours worked outside of the regular scheduled workday will be paid at a rate of one and one-half times the employee's regular rate of pay; or two times the regular rate for time worked on Sundays or designated holidays; or the employee may elect to accrue Comp Time for the earned overtime as described below.

The eight hour and double time provisions above do not apply to travel and training time spent away from the regular workplace, but the forty-hour overtime pay provision does apply in all cases where an employee is engaged in activity related to and/or required in connection with his or her Utilities employment.

Exempt employees are salaried and do not earn or receive overtime or, in turn, Comp Time.

Compensatory Time

Compensatory Time ("Comp Time") is paid time off for earned overtime in lieu of direct pay. Comp Time is accrued at the rate of one and one-half hours (or, two hours for overtime earned for work on Sundays or designated holidays) for each hour of overtime earned.

Comp Time may be accrued and taken in lieu of direct overtime pay in accordance with the following rules.

- When an employee earns overtime they may elect to accrue Comp Time in lieu of direct pay for the overtime.
- Accrual of Comp Time is subject to a cap of 40 hours per calendar year. Once an employee has accrued 40 hours of Comp Time in a calendar year, no further Comp Time may accrue in that calendar year, even if the employee has used some or all of the 40 hours previously accrued. Once the 40-hour cap is reached, all further earned overtime will be paid directly on the paycheck for the period in which it is earned.
- When an employee elects Comp Time they will not receive any pay for the hour of overtime worked on their paycheck for the period in which the overtime is earned. Instead, the employee will accrue one and a half hours (or, two hours for overtime earned for work on Sundays or designated holidays) of Comp Time to be used at the employee's election within the calendar year before December 15.
- Under no circumstances will Comp Time ever be forfeited. Accrued Comp Time that has not been used by December 15 will be paid out in full on the last payroll check of the calendar year. Under no circumstances will Comp Time carry over to a following calendar year.
- In order to elect to accrue Comp Time in lieu of receiving direct overtime pay in the current payroll period, an employee must mark their timesheet for "Comp Time," clearly indicating the number of earned overtime hours they wish to accrue as Comp Time in lieu of direct overtime pay.
- In order to use Comp Time, employees are to follow the same procedures as apply to other paid time off and leave requests, including making specific arrangements with their supervisor. Use of Comp Time is subject at all times to the operating needs of the Utilities.
- If at the time an employee separates from employment with the Utilities they have accrued unused Comp Time, all such Comp Time will be paid out at the hourly pay rate the employee is earning at the time of separation.

24. EMPLOYEE CLASSIFICATIONS

The following definitions are provided to assist employees in understanding their employment classification and benefits eligibility. Although employees generally will be classified as one of the following, they should be aware that their classification may change at any time as the Utilities considers appropriate.

All employees are designated as either non-exempt or exempt from federal and state wage and hour laws. Non-exempt employees are covered by specific provisions of the wage and hour laws, including overtime pay. Exempt employees are excluded from specific provisions of the wage and hour laws, including the overtime provisions. Generally, exempt employees are engaged in managerial, professional, administrative, or executive positions and are paid on a salaried basis.

It is our policy to fully comply with federal and state wage and hour laws. In keeping with this commitment, we will pay exempt employees their full salary (or salary plus vacation to equal the amount of the full salary) for any workweek in which they perform work, regardless of the number of days or hours worked, subject only to deductions that are permitted by law. Full day deductions from pay that are permitted by law include, for example, deductions for personal time off, sick days before or after eligibility for paid sick leave, or for infractions of written workplace conduct rules including but not limited to any rule or policy set forth in this Handbook. Full or partial day deductions may be made from the salaries of exempt employees for infractions of safety rules of major significance and in certain other limited circumstances.

Employees are classified according to the following definitions:

Regular Full-Time Employee. A regular full-time employee typically works 40 or more hours per week, and is not classified as a temporary worker.

Regular Part-Time Employee. A regular part-time employee typically works fewer than 40 hours per week, and is not classified as a temporary worker.

Regular Field Worker. An employee whose regular assigned position involves performing a significant portion of his or her work outside of the Utilities' physical facilities.

Exempt Employee. An employee whose duties result in exclusion of the employee's work from coverage under the minimum wage and/or overtime provisions of the wage and hour laws.

Non-Exempt Employee. An employee whose duties result in coverage of the employee's work under the minimum wage and/or overtime provisions of the wage and hour laws.

Utilities Manager. Any employee of the Utilities, or other individual identified by the Commission, who is a Utilities supervisor, superintendent, manager, director, representative or other individual who is generally identified to employees by Utilities policy, practice or communication as having managerial, supervisory, or administrative authority to act on behalf of the Utilities, regardless of whether such authority is limited or subject to the authority of others in the Utilities' organizational structure.

Temporary Worker. A temporary worker typically is hired for a specific period of time. Generally, temporary workers are hired as interim replacements, to supplement the work force, and/or to assist with specific projects. Temporary workers often will be informed of an estimated duration of their assignment, although either the worker or the Utilities may end the work relationship at any time. Temporary work that continues beyond an estimated duration in no way implies a change in the worker's status. Temporary workers retain their temporary status unless and until they are specifically notified by the Utilities of a change.

25. TIME REPORTING POLICY

General Policy

The goal of the time reporting system is the accurate and timely reporting of time worked (by job or account) and time off (by category). This is essential for (1) guaranteeing that employees are paid correctly and that their leave accumulations are accurate, (2) monitoring actual performance against budgetary goals, and (3) ensuring labor costs are properly reported.

Each employee is responsible for the accurate submission of his or her own personal time reporting, and each supervisor is responsible for reviewing the employee's compliance with this time reporting policy.

Recording Time

Non-exempt employees are required to record and submit the following on their timecard:

- Amount of Time Worked in increments of the nearest one-quarter hour;
- Description of the activities performed during the time worked;
- Identification of the account to be charged (accounting system designation); and
- The work order(s) to which the time applies (as appropriate).

The purpose of the description of activities during the time worked is to document for employee performance and client accountability purposes how an employee's work time was spent. Work orders are utilized for specific projects to track time and labor for billing purposes, or capitalization projects.

Frequency

Non-exempt employees are required to fill out their timecards daily. It is preferred that employees fill out their timecards at the end of each completed workday, but timecards

may be completed within the first hour of arriving at work on the subsequent workday. This is not intended to conflict with payroll deadlines for paperwork.

Timecards may be checked periodically throughout the pay period for completeness and accuracy. It is understood that timecards must be available for, and are subject to review/audit by, the employee's supervisor at any time.

Time Deductions for Breaks

Field workers generally will receive one 15-minute paid break in the morning and one in the afternoon; and will receive a 30-minute unpaid lunch break during each shift.

Office employees receive a 60-minute break for lunch, 30 minutes of which is paid in lieu of having two fifteen-minute breaks, morning and afternoon. The other 30 minutes of the office employees' 60-minute lunch break is unpaid. *Please see below under "Ensuring Accuracy of Timekeeping Reports"* for important information about pay practices affecting unpaid lunch breaks.

Ensuring Accuracy of Timekeeping Reports

Non-exempt employees are responsible for, and must take steps to ensure, the accuracy and completeness of time reporting data collected. This is critically important because the Utilities relies on such submissions in carrying out its duty to properly pay wages and other forms of compensation. Furthermore, knowingly submitting or approving inaccurate time reporting data is a violation of policy and may subject the person to disciplinary action.

PLEASE NOTE: By submitting time reporting data a non-exempt employee is attesting to the accuracy of the time data reflected on the timecard and/or in the report.

PLEASE NOTE FURTHER: Because of the regularity of our break and work schedules, the Utilities automatically deducts scheduled unpaid lunch breaks. If an employee does not receive the 30-minute unpaid lunch break on any given shift, the Utilities will pay you for that 30-minutes. We can do so, however, only if you notify us that you did not get your break. ***It is your responsibility to provide this notice to your supervisor.*** A pattern of not taking unpaid lunch breaks may subject an employee to discipline; but it will never result in the Utilities failing or refusing to pay for such time.

Special Note About Work Performed Outside of Scheduled Times and Places

Each non-exempt employee must accurately record and properly report all time spent performing work for the Utilities, regardless of the location where such work is performed. Employees generally should not perform work at times or places outside of the times and places they are scheduled to work by the Utilities. If a need for work outside of scheduled times or places is, or should be, anticipated, the employee should seek permission to perform such work from Utilities management in advance, and if permission is not secured in advance such work should generally not be performed. Performing work outside of

scheduled and approved times and places may result in discipline; it shall not under any circumstances, however, result in an employee not being paid for time spent performing Utilities work. In the case of a non-exempt employee who is on call, the on-call stipend paid to the employee covers all compensation due for calls taken as to which there is no call out.

If unanticipated, time-sensitive, or urgent work needs to be performed at times and/or places outside of those scheduled by the Utilities, the non-exempt employee should perform only so much of the work as is necessary to address the immediate need. Regardless of whether work is anticipated or of an urgent nature, and regardless of whether advance permission has been received to do such work or not, ***all time spent by a non-exempt employee actually performing Utilities work must be accurately recorded and properly reported to Utilities management.***

Further to the Special Note above: Time Worked Remotely

Any and all time worked remotely, including time spent accessing Utilities systems or data for the benefit of the employer, must be recorded and reported to the Utilities in order to assure proper compensation, in accordance with the applicable provisions for exempt and non-exempt employees of this Time Reporting Policy and the Fair Pay Policy below in Section 27.

26. REMOTE WORK POLICY

Purpose

This policy governs the practice of working remotely, other than for field work, from locations other than a Utilities facility, including an employee's home. Working remotely is voluntary for the employee and at the sole discretion of Utilities management.

Elk River Municipal Utilities is committed to providing excellent customer service for our customers, as well as attracting and retaining critical employee talent, increasing productivity and efficiency and saving on workspace and costs. A remote work policy can help provide these benefits. Working remotely should never be allowed to adversely affect external or internal service or operational needs of the Utilities.

General Guidelines

Remote work as defined for this policy means working some or all scheduled hours and/or performing some or all job duties from a location not on Utilities premises:

- Working all scheduled hours off-site, or
- Working some scheduled hours off-site and some on Utilities premises.

Employees may not access Utilities' systems or data remotely without first obtaining written permission.

Regardless of location, a remote worker remains responsible for all job duties, responsibilities and obligations associated with their position, even if such duties require the employee to come into a Utilities facility while performing work remotely. Employees and supervisors should seek to find solutions to maximize benefit to the Utilities and to the employee.

Remote work arrangements will be considered by the Utilities on an individual, case-by-case basis. A Remote Work Agreement form must be completed and approved by the Supervisor and the employee before an employee will be permitted to begin a remote work arrangement.

Because the primary focus of the Utilities is always on serving the needs of customers, remote work arrangements may not be feasible for some positions. Field workers, in particular, generally have duties that cannot be performed remotely. Remote work arrangements may vary depending on the position and department. Supervisors are responsible for determining remote work arrangements and schedules within their departments, subject to the approval of the General Manager or their delegate.

The Utilities has sole discretion in considering an employee request to work remotely and setting remote work policy for a particular department, employee group, or employee. In exercising this discretion the Utilities may consider the following factors and guidelines and any other relevant matters:

- The length of an employee's continuous, regular employment and degree of success performing their job duties.
- Remote work requires the same focus on job duties as if the employee were in the office; repeated interruptions from household members, pets or other distractions may disqualify an employee from remote work.
- There must be adequate department coverage during all standard hours.
- There must be no adverse impact on internal or external customers.
- There must be no known safety issues associated with working remotely.
- There must not be any known security issues with technology or otherwise.
- Employees working under a Performance Improvement Plan are not eligible for remote work.
- Internal and external customers must be given direction on who to contact in the employee's absence if the employee is not available during all business hours.
- A remote work schedule must not result in additional overtime for the employee or co-workers.
- The employee will not be allowed to work outside the State of Minnesota except when travelling on Utilities business or during time when the employee is otherwise scheduled to be away from work.
- The Utilities may end an employee's remote work arrangement at any time.
- There may be other or additional considerations when an employee with a qualifying disability requests remote work as a reasonable accommodation. The

Utilities will follow its Reasonable Accommodations Policy and consider such requests on a case by case basis.

Employees and supervisors may consider various types of scheduling options for efficiency and productivity in remote work arrangements, including:

- Entire weeks on site or working remotely.
- Certain days on site; remaining days working remotely.
- Whether to have entire teams of employees on site on the same day(s) on a regular basis.

Employees should expect to remain flexible as to their days and hours for work onsite and at remote locations in accordance with the particular duties of their job and the needs of the Utilities. Remote work arrangements remain subject at all times to change by the Utilities.

Work Hours, Calendars and Meetings

An employee with a remote work arrangement must agree to be accessible by phone, virtual computer software and email as needed during their scheduled working time. Depending on the employee's position and the needs of the Utilities, the work schedule may include core hours during which the employee must be available or the schedule may include greater flexibility for the employee to work outside the Utilities' normal business hours.

Non-exempt remote workers (those who are classified as not exempt from the overtime requirements of the Fair Labor Standards Act (FLSA)) are required to record all hours worked in a manner designated by the Utilities as discussed in Sections 25 and 27 of this Handbook. Overtime during a remote work arrangement is subject to the same requirements for approval in advance as all other overtime.

Exempt employees, (those who are classified as exempt from the overtime requirements of the FLSA must follow the Utilities' applicable payroll and timekeeping policies as discussed in Sections 25 and 27 of this Handbook and are generally accountable for their normal work week hours.

All remote workers must use sick, vacation or compensatory time to cover periods of time off in accordance with the Utilities' normal policies.

Remote workers are responsible for keeping their electronic calendars up to date and accessible to anyone in the Utilities during all scheduled work hours. Appointments for doctor or other private appointments can be marked as "private" or "personal time out of office." Please include travel time as needed to help others schedule meetings.

Remote workers must attend all required meetings, including those which normally would be held on a remote workday, and are also responsible for obtaining information from

optional meetings when such meetings impact their work with the Utilities. Supervisors are responsible for setting expectations for their work teams regarding whether meeting attendance will be in-person, remote or hybrid, considering these guidelines:

- Meetings of a sensitive, highly interactive, or complex nature are best held entirely in-person (e.g., brainstorming, troubleshooting, project “kick-off” meetings, performance reviews, disciplinary meetings).
- In-person business meetings with others may not be held in an employee’s home.

Work Environment and Technology

For employees with a remote work arrangement, the employee must establish an appropriate work environment to avoid problems associated with safety or poor ergonomics. The Utilities will not be responsible for costs associated with initial setup of an employee’s remote office such as remodeling, furniture, lighting, repairs, or modifications to the office space. Employees will be offered appropriate guidance in setting up a workstation designed for safe, comfortable work.

The Utilities may provide employees with appropriate technology (e.g., computer, monitor(s), docking station, mouse, keyboard, headset) for one location, either on-site at Utilities offices or off-site. Employees who work in a hybrid remote work arrangement (both on and off site) are responsible for providing the technology required to work remotely effectively and efficiently. This includes a reliable internet connection. All Utilities -owned equipment must be returned upon termination of the remote work arrangement or at termination of employment.

The Utilities will supply the employee with the appropriate office supplies (pens, paper, etc.) for their assigned job responsibilities, which the employee must pick up on site. An employee may be required to come into the office in order to perform some duties such as mailing, scanning and photocopying.

The Utilities may not provide reserved on-site office space for employees with remote work arrangements.

Utilities Employment Policy and Benefits Coverage

The Utilities’ normal policies and procedures (for example, computer use, data practices, respectful workplace, outside employment, etc.) apply to employees working remotely. Employees should ask their supervisors if they have any questions about whether or how a particular Utilities policy applies to a remote work environment.

An employee working remotely is generally covered by the Utilities’ Workers’ Compensation insurance while acting in the course and scope of employment and must report any injury to their supervisor as soon as possible.

27. FAIR PAY POLICY

Elk River Municipal Utilities (referred to in this Fair Pay Policy as the “Employer” or the “Utilities”) is committed to fair compensation for its employees as explained in this Fair Pay Policy. Specifically, it is the policy and practice of the Employer to accurately compensate employees and to do so in compliance with all applicable state and federal laws. The Utilities will never knowingly fail or refuse to pay an employee the full amount of compensation to which he or she is entitled by law for work performed on behalf of the Utilities.

ALL EMPLOYEES

Protection of Employee Rights

The Employer will protect the right of each employee to receive compensation according to the law. Violations of this Fair Pay Policy, whether by a managerial or non-managerial employee, may result in disciplinary action, if appropriate under the circumstances, up to and including termination of employment.

The Employer will not tolerate or allow any form of retaliation against individuals who report alleged or suspected violations of this policy or who cooperate in the Employer’s investigation of such reports. Retaliation is unacceptable, and any form of retaliation in violation of this policy will result in disciplinary action, up to and including termination.

Record Your Time And Review Your Pay Stub

To ensure that you are paid properly for all time worked and that no improper deductions are made, you must record correctly all work time and review your paychecks promptly to identify and to report all errors.

The Employer makes every effort to ensure that its employees are paid correctly. Occasionally, however, inadvertent mistakes can happen. When mistakes happen, the Employer will promptly make any corrections necessary to provide you with the pay to which you were entitled and as otherwise required by law. To assist the Employer in its efforts, please review your pay stub when you receive it to make sure it is correct. If you believe a mistake has occurred or if you have any questions, please use the following procedure.

How to Raise a Question or Concern about your Pay or a Payroll Deduction

If you have questions about your pay or any deduction from your pay, please immediately contact your supervisor/manager. If you believe your paycheck has been subjected to an improper deduction or that the pay you have received does not accurately reflect the compensation you are entitled to for your work, you should immediately report the matter to your supervisor/manager, the Finance Manager, or the Payroll Specialist.

The Employer will fully investigate every such report, including by reviewing appropriate time and payroll records and interviewing persons responsible for payroll and/or payroll deductions. If you have been paid incorrectly or if the Employer determines that a deduction was improperly made, the Employer will reimburse you as promptly as possible, which will be no later than two pay periods from the time you report the suspected problem. The individual(s) responsible for the error will be investigated further to determine if the error was an isolated incident or whether instead it may be part of a pattern of conduct that requires further action on the part of the Employer.

Regular Attendance is an Essential Job Function and Your Attendance Record is a Performance Issue

Regular attendance is an essential function of jobs with the Employer. The failure of any employee, whether exempt or non-exempt, to perform according to the Employer's expectations, including any failure by an employee to meet the Employer's attendance standards, may result in disciplinary action up to and including termination of employment. For these and other reasons, it is important for employees to accurately record the time they work for the Employer.

NON-EXEMPT EMPLOYEES

If you are classified as a non-exempt employee, the Employer relies on your use of the timekeeping software to maintain an accurate record of the total hours you work each day. The timekeeping software is designed to reflect all regular and overtime hours worked, any absences, late arrivals, early departures and meal breaks. If any error or inaccuracy occurs in connection with your use of the timekeeping software it is your responsibility to notify your supervisor/manager to correct the error or inaccuracy. When you receive each pay check, please verify immediately that you were paid correctly for all regular and overtime hours worked during each work week.

You should not work any hours that are not scheduled or requested of you by the Employer unless you are authorized to do so by your supervisor. Do not start work early, finish work late, work during a meal break or perform any other extra or overtime work unless you are authorized to do so and you record such time on your time card. Non-exempt employees are strictly prohibited from performing any "off-the-clock" work. "Off-the-clock" work means work you perform but fail to report on your time card. Any employee who fails to report or inaccurately reports hours worked will be subject to disciplinary action, up to and including termination.

It is a violation of the Employer's policy for any employee to falsify a time card, or to alter another employee's time card. It is also a serious violation of Employer policy for any employee or manager to instruct another employee to incorrectly or falsely report hours worked or alter another employee's time card to under-report or over-report hours worked. If any manager or employee instructs you to either (1) incorrectly or falsely under-report or over-report your hours worked, or (2) alter another employee's time records to

inaccurately or falsely report that employee's hours worked, you should report the situation immediately to the Payroll Specialist, the Finance Manager, or your supervisor/manager.

On Call Time For Non-Exempt Employees

Non-exempt employees in certain positions may be scheduled to be on call for duty of various kinds. Compensation for time spent on call by non-exempt employees is generally subject to applicable state and federal law and to the terms of any governing union contract. Similarly, compensation for time spent actually working is paid according to applicable state and federal law and to the terms of any governing union contract.

EXEMPT EMPLOYEES

Salary Basis of Compensation

If you are classified as an exempt employee, you will receive a salary that is intended to compensate you for all hours worked for the Employer. This salary will be established at the time of hire or when you become classified as an exempt employee. While your salary may be subject to review and modification from time to time, such as during salary review times, the salary will be a predetermined amount that will not be subject to deductions for variations in the quantity or quality of the work you perform.

Attendance and Recording Time for Exempt Employees

Although exempt employees are paid on a salary basis and not by the hour, all exempt employees are nevertheless required to record all time spent working for the Employer. This is important for a variety of reasons, but it is not for the purpose of paying an exempt employee other than on a salary basis.

For payroll purposes, the regular workweek for exempt employees of the Employer is defined as the week running from Tuesday morning at 12:00 a.m. to the following Monday evening at 11:59 p.m.

The regular business workday for exempt employees is generally from 7:00 a.m. to 3:30 p.m. or 8:00 a.m. to 4:30 p.m., unless a manager, Director, or supervisor has specified other expectations or arrangements. The Employer generally expects that an exempt employee will work forty or more hours in each workweek. Exempt employees are required to meet the Employer's attendance standards, which the Employer sets in its discretion.

On Call Time For Exempt Employees

Exempt employees who are assigned on-call duty or pager duty do not receive additional pay for that duty. The Employer may, from time to time in its discretion, choose to assign certain credit or rewards to exempt employees for performing such duty.

Deductions from an Exempt Employee's Salary

The Employer does not permit any payroll deduction unless it is approved by the Finance Manager. Deductions from an exempt employee's salary will only be made in good faith and in compliance with applicable law. No manager or other employee of the Employer has the authority to order any deductions from an exempt employee's salary without the approval of the General Manager.

Federal and state law limit the deductions that may be made from the salary of an exempt employee. The Employer intends to fully and strictly comply with these limitations. Please note that these limitations concern the amount of gross salary received on the paycheck; but these are different from any limitation on deductions from an employee's leave bank. Further explanation of how this works follows below.

Important Definitions.

A deduction from salary is a deduction that results in a lower gross pay amount on an employee's paycheck.

A deduction from a leave bank does not result in a lower gross pay amount on an employee's paycheck, but, rather, reduces the balance in the employee's leave account; or, in other words, reduces the amount of an employee's accrued and unused vacation or sick leave.

Permissible Deductions from Salary.

Absent contrary state law requirements or a specific employment contract executed by a duly authorized representative of the Employer, the salary of an exempt employee may be reduced for any of the following reasons:

- Full day absences for personal reasons.
- Full day absences for sickness or disability (which absence may otherwise be paid through any sick time benefits available to the salaried employee, if any).
- Full day disciplinary suspensions for infractions of the Employer's written policies and procedures.
- Full day disciplinary suspensions for violations of workplace safety rules of major significance.
- To offset amounts received as payment for jury and witness fees or military pay.
- The first or last week of employment in the event the employee works less than a full week.

The salary of an exempt employee may also be reduced for certain types of deductions such as the employee's portion of health, dental or life insurance premiums; state, federal or local taxes, social security; or, voluntary contributions to a Section 457 retirement plan.

Impermissible Deductions from Salary.

In any work week in which an exempt employee performs any work, the exempt employee's salary amount will not be reduced for any of the following reasons, although, as explained further in more detail below, the employee's leave bank may be reduced for these reasons, in some circumstances:

- Partial day absences for personal reasons, sickness or disability.
- Absence because the facility is closed on a scheduled workday.
- Absences for jury duty, attendance as a witness, or military leave in any week in which you have performed any work.
- Any other deductions prohibited by state or federal law.

Permissible Deductions from An Exempt Employee's Leave Bank.

Federal and state law permit the Employer to reduce an exempt employee's accrued vacation or sick balance for *full or partial* day absences for personal reasons, sickness or disability. Deduction for the use of such leave time will not be made from the exempt employee's *salary*, but from the exempt employee's *leave bank*.

Questions or Concerns about This Fair Pay Policy

If you have questions or concerns about this Fair Pay Policy, please contact your supervisor/manager, any Director, or Human Resources.

28. BREAKS FOR NURSING MOTHERS TO PUMP BREAST MILK

Employees who need to express breast milk for their infant child during the twelve (12) months following the birth of the child will be provided with reasonable break times for this purpose each day, as long as such breaks do not unduly disrupt company operations. As far as possible, such breaks must run concurrently with regular break times otherwise provided; and must be arranged so that the requirements of the job can be adequately met by other staff on duty. It is not necessary for an employee to clock out for such breaks unless regular unpaid meal break time is being used; the Utilities will not reduce the compensation of any employee as a result of taking lactation breaks.

Employees needing time to express breast milk should contact their supervisor to inform them of the need and discuss an appropriate private location. For lactation breaks Employees will be provided an appropriate private (non-bathroom) space with an electrical outlet that is shielded from view and free from intrusion.

29. CALL OUT TIME: REGULAR FIELD WORKERS

Regular field workers who are asked to report for work outside their regular working hours shall be paid a minimum of two (2) hours each time they report for work.

Scheduled work contiguous to normal working hours shall not be subject to this two (2) hour minimum reporting pay obligation. However, if a regular field worker reports for work before or remains after the regular eight (8) hour workday, or works on a Saturday, Sunday or Holiday, he/she will be paid at the applicable overtime rate for each hour worked over eight in a day, or on a Sunday or Holiday, as applicable. Such reporting and overtime pay is not applicable to situations involving travel or training time away from the regular workplace except where the employee's total working time for the workweek exceeds 40 hours, in which case the 40-hour overtime provision will apply.

Work performed for which an employee does not report to a particular work site, such as work that can be performed on a laptop computer from a non-work site, shall not be subject to this two hour minimum reporting pay obligation.

This policy does not apply to employees other than regular field workers.

30. ON-CALL

Regular Field Workers.

Required On-Call Rotation for Regular Field Workers.

Regular field workers (including linepersons, water operators, and other specifically trained field workers) are subject to a residency rule. These same workers are also subject to required participation in a scheduled on-call rotation. Apprentices may be excluded from the on-call rotation for up to one year from their date of hire, per management discretion. The on-call rotation is scheduled in one (1) week blocks.

Residency Rule. The residency rule applies to the regular field workers who may be required to serve on-call. The residency rule is that these employees must live within a twenty (20) mile radius or thirty minute commute of the power plant.

Response Time. The following guidelines on response time apply to regular field workers in the on-call rotation schedule on a 24-hours-a-day, seven-days-a-week basis during the workers' scheduled on-call weeks.

- While on-call, workers must remain within the 20-mile residency radius.

- While on-call, workers are expected to make immediate telephone contact in response to a call.
- While on-call, workers are expected to urgently report to a site of need within a reasonable time, which will vary depending on the identified reason for the call. Depending on the need an on-call worker may find it necessary to call in a field partner to assist in providing appropriate and timely call response.

Take Home Vehicles. Regular field workers who are part of the scheduled on-call rotation will be provided a company vehicle to take home for the exclusive purpose of responding to calls about Utilities business during the on-call block.

Compensation for On-Call Time. Time spent on-call by regular field workers is not working time. In recognition of this on-call service, however, nominal compensation is paid.

Weekly Compensation for Workers in an On-Call Rotation. For workers in a regular on-call rotation, compensation of fourteen (14) hours at the worker's base rate of pay is paid, which covers an entire one (1) week block of on-call service. This compensation covers all time spent on call during the on call week, including phone or other remote triage work as to which there is no call out.

Pro Rata Compensation for Workers Performing Back-Up On-Call Service. Workers not in a regular on-call rotation may be designated and required to serve on-call on a back-up basis. Such workers who serve on-call for less than a full week at a time will be compensated for their on-call service on a pro rata basis for each day of on-call service, at the daily rate of 1/7 of 14 hours times the worker's base rate of pay. Workers not in a regular on-call rotation who serve on call, upon designation, for a full week will receive compensation on the same basis as do workers who are in an on-call rotation.

When a recognized paid holiday falls within the on-call block covered by the worker (whether a week or portion thereof), eight (8) vacation time hours will be awarded as additional on-call compensation.

Compensation for Actual Response Time. Time spent actually responding to a call that is received while a worker is serving on-call, however, is working time, and is therefore paid based on an employee's regular rate of pay.

Call out time. When an employee is on-call, the Utilities' policy on call out time pay still applies, in accordance with the terms of that policy.

Other On-Call Arrangements. Certain employees other than regular field workers, namely, the Operations Director, Electric Superintendent and the Water Superintendent, are subject to call response requirements for emergency preparedness and/or customer service purposes. The Operations Director, Electric Superintendent and the Water Superintendent are not subject to the residency rule that applies to regular field service workers.

Superintendents.

Electric Superintendent. The Electric Superintendent is required to be available to triage or respond on an as-needed basis to emergency calls 24 hours a day, seven days a week without rotation. Such on-call time and availability is not working time. The Electric Superintendent is not required to remain within the residency radius and does not receive additional compensation for on-call time or for actual response time. The call out time policy does not apply to the Electric Superintendent. The Electric Superintendent shall arrange for another qualified Utilities employee to be on call: 1) during his or her scheduled vacation periods; 2) when it is necessary for the Electric Superintendent to use accrued sick leave.

Water Superintendent. The Water Superintendent is required to be available to triage or respond on an as-needed basis to emergency calls 24 hours a day, seven days a week without rotation. Such on-call time and availability is not working time. The Water Superintendent is not required to remain within the residency radius and does not receive additional compensation for on-call time or for actual response time. The call out time policy does not apply to the Water Superintendent. The Water Superintendent shall arrange for another qualified Utilities employee to be on call: 1) during his or her scheduled vacation periods; 2) when it is necessary for the Water Superintendent to use accrued sick leave.

Operations Director. The Operations Director is required to be available to triage or respond on an as-needed basis to emergency calls 24 hours a day, seven days a week without rotation. Such on-call time and availability is not working time. The Operations Director is not required to remain within the residency radius and does not receive additional compensation for on-call time or for actual response time. The call out time policy does not apply to the Operations Director. The Operations Director shall arrange for another qualified Utilities employee to be on call: 1) during his or her scheduled vacation periods; 2) when it is necessary for the Operations Director to use accrued sick leave.

Take Home Vehicles. Based on the expectation that they will regularly be available to respond in a timely and appropriate manner to calls about Utilities business outside of regular business hours, the Operations Director, the Electric Superintendent and the Water Superintendent, are provided Utilities vehicles to take home. These vehicles are subject to the Utilities' Use and Disposal of Utility Property policy and may only be used for the exclusive purpose of responding to calls about Utilities business.

31. ELECTRIC RE-CONNECT TIME

Regular field workers performing electric re-connects at times other than during their scheduled work hours will be paid in accordance with the general policy on Call Out Time for Regular Field Workers.

32. STORM PAY

Employees assigned to work at another utilities distribution system to assist with restoration following a storm, will receive time and one-half (1.5) times their regular rate of pay for all such hours worked, except hours worked on Sunday or an Elk River Municipal Utilities recognized Holiday, which shall be paid at two (2.0) times the employee's regular rate of pay. The Utilities will use its best efforts to rotate and distribute these assignments equally with priority on maintaining proper staffing levels at Elk River Municipal Utilities.

33. LEAD PAY DIFFERENTIAL

An employee who is currently a lineman shall assume the duties of a lead lineman when the lead lineman is absent from a crew, *provided that* only the most senior lineman on a

crew shall assume the lead lineman's duties. The lineman assuming such duties shall receive a rate differential equal to 3% of the applicable rate of pay times the number of hours worked during which the lineman assumed such lead duties.

The rate differential provided in this policy applies during both regular scheduled work hours and after hours. During after-hours call out, as well as at any other time, this rate differential will be paid only when the crew is full and the lead lineman is absent.

34. LONGEVITY PAY

The Utilities values long term dedicated service by Employees. Beginning on January 1, 2022, a Longevity Bonus will be paid to qualifying eligible employees based on their years of service according to the schedule below. The purpose of the Longevity Bonus is to recognize the service of Employees that work for the Utilities long-term.

Regular full-time and regular part-time Employees are eligible for a Longevity Bonus when they qualify as set forth in this Section.

Regular full-time employees are eligible to receive a Longevity Bonus once each time they qualify by reaching a milestone anniversary date in accordance with the following schedule:

Milestone: Years of Service Longevity Pay Amount

8 years	\$1,550
12 years	\$2,025
16 years	\$2,100
20 years	\$2,125
24 years	\$2,300
28 years	\$3,000
32 years	\$3,000

Regular part-time employees are eligible to receive a Longevity Bonus once each time they qualify by reaching a milestone anniversary date in accordance with the following schedule:

Milestone: Hours of Service Longevity Bonus Amount

16,640	\$1,550
24,960	\$2,025
33,280	\$2,100
41,600	\$2,125
49,920	\$2,300
58,240	\$3,000
66,560	\$3,000

A Longevity Bonus is paid in one lump sum within 60 days of the anniversary date on which the Employee reaches the relevant milestone. Qualifying Employees who are eligible for a Longevity Bonus will be invited to the next monthly Commission meeting that is at least ten days after their anniversary date, where the Commission Chair and the Employee's manager will present the Longevity Bonus paycheck to the Employee(s).

Because longevity pay is considered supplemental income by the Internal Revenue Service, 22% will be withheld in taxes from the employee's longevity pay during check processing.

35. PAYCHECK DEDUCTIONS

By law, the Utilities is required to withhold federal and state taxes, FICA and PERA from an employee's pay. The Utilities also has a Health Care Savings Plan with mandatory participation and will withhold applicable amounts from an employee's pay. In addition, other deductions may be made upon authorization of a participating employee including the following:

- | | |
|---|------------------------|
| <i>a. Employee share of health insurance</i> | <i>g. World Vision</i> |
| <i>b. Credit Union</i> | <i>h. United Way</i> |
| <i>c. PERA life insurance</i> | |
| <i>d. 457 contributions</i> | |
| <i>e. Flexible benefits</i> | |
| <i>f. Computer Loans up to \$1,200.00 (12 month term)</i> | |

36. PAYCHECKS

Employees are paid every two weeks. The pay period begins every other Tuesday at 12:00 a.m. and ends every other following Monday at 11:59 p.m. Payday is the Friday immediately following the end of the pay period.

Employees are responsible for their paychecks upon receipt. Direct deposit is preferred but a check is available to employees upon request.

37. NIGHTWORK REST TIME

The Utilities will provide a regular field worker with one hour paid rest time for each hour worked between 10:00 p.m. and 6:00 a.m., excluding work performed during such window on Saturday or Sunday. The worker must make arrangements with his or her supervisor before taking such rest time. This nightwork rest time shall be taken during the next scheduled work shift. If the supervisor does not release the worker to take this nightwork rest time, all hours worked by the worker on the next scheduled shift shall be paid at one and one half times the worker's base rate of pay. It is the employee's responsibility to notify the supervisor and obtain approval prior to taking the rest time. It is also the employee's responsibility to take the nightwork rest time if it is approved by the supervisor.

The employee's failure to take approved nightwork rest time shall result in forfeiture of such rest time. Nightwork rest time does not apply and is not paid in connection with travel or training time away from the regular workplace.

38. TRAVEL AND TRAINING TIME

Employees are paid for time spent in training related to their position with the Utilities, which must be approved in advance by the supervisor.

Employees will be paid for their time spent traveling in the following circumstances.

1. When a non-exempt employee is engaged in travel which keeps the employee away from home overnight **and** which cuts across a regular workday;
2. When a non-exempt employee travels to a special one-day work assignment in another city that does not require an overnight stay;
3. When a non-exempt employee spends time traveling as part of the employer's principal activity;
4. When a non-exempt employee spends time traveling between home and work in "call back" or "emergency" situations; and
5. When a non-exempt employee performs work during travel.

Overtime (at one and a half times the regular rate of pay) will be paid in connection with training or travel time only when, and to the extent, that an employee's total compensated hours in a workweek exceed 40. The eight hour and double time provisions of the Utilities' wage and hour policy do not apply to days involving work-related travel or training.

BENEFITS

39. GENERAL BENEFITS

This handbook provides a brief description of benefits available to eligible employees. The descriptions provided here are not intended to be comprehensive and all questions regarding eligibility and benefit levels should be directed to your supervisor so the specific plan documents can be reviewed for an answer. The plan documents govern any inconsistencies between these documents and the information provided here. Benefits and eligibility requirements are subject to change, and such changes may not be reflected in this description. Further, to be clear, nothing in the Benefits sections or elsewhere in this Handbook creates a contract with specific terms between the Utilities and any employee.

The Utilities expects to offer its benefit plans for the foreseeable future, but it reserves the right, in its sole discretion, to change, modify or eliminate them at any time, except to the extent prohibited by law.

40. VACATION

All regular full-time employees shall accrue vacation according to the following schedule:

<u>Years of Service</u>	<u>Accrued Per Pay Period</u>	<u>Accrued Per Year</u>
0-4	3.70 hours	12 days
5	4.00 hours	13 days
6-9	4.62 hours	15 days
10	4.93 hours	16 days
11	5.24 hours	17 days
12	5.54 hours	18 days
13	5.85 hours	19 days
14-15	6.16 hours	20 days
16-18	6.77 hours	22 days
19	7.70 hours	25 days
20-21	8.00 hours	26 days
22-23	8.31 hours	27 days
24+	8.62 hours	28 days

Vacation days accrue each pay period as shown in the table above. Paid vacation may be taken as soon as it is accrued. Accrual rates change, as applicable, on an employee's anniversary date. Example: If an employee's start date was July 1, 2016, the new accrual rate would start July 1, 2021.

If an employee is on leave and using vacation on a basis of less than the regular eight-hour day, and so not receiving full vacation pay for each day, the accrual is calculated on a pro rata basis.

Regular part-time employees accrue paid vacation under this schedule on a pro rata basis. Temporary and seasonal employees are not eligible for paid vacation.

Employees must request time off for vacation as far in advance as feasible. When possible, employees will be granted vacation time of their choice. However, scheduling of vacation time is subject to the operating needs of the Utilities.

Unused vacation days may be carried over from year-to-year, but only to a limited extent, as follows. Unused vacation carryover will be limited to the number of hours accrued during the previous year. Accrued vacation days beyond the carryover limit are lost. For example, if an employee with 2 years of service has accrued but not used 15 vacation days by the end of the pay period containing his or her anniversary date, he or she will only be permitted to carryover 10 days to the next year.

Paid vacation may not be used for the purpose of extending an employee's active employment with the Utilities or for retaining a full-time equivalency percentage that is not based on an employee's actual planned and scheduled working time.

Employees who voluntarily end their employment and who give the Utilities proper (generally at least two-weeks) notice, and employees terminated involuntarily by the Utilities for reasons *other than an ethics violation, fraud, theft, or other egregious misconduct*, shall be paid out for the amount of earned but unused vacation time in their account as of the date of separation, provided they sign and do not rescind an agreement releasing claims arising out of their employment, in a form prescribed by the Utilities. Employees involuntarily terminated by the Utilities for an ethics violation, fraud, theft, or other egregious misconduct shall not be paid out any unused vacation time.

Employees who retire immediately eligible to claim their pension and who give the Utilities proper notice (generally at least two-weeks) shall have 100% of unused vacation time converted into cash and deposited into their Post Employment Health Care Savings account, but only *on the condition that* they sign and do not rescind an agreement releasing claims arising out of their employment, in a form prescribed by the Utilities.

The Operations Director, Electric Superintendent and Water Superintendent accrue paid vacation at the rate set forth above and are generally subject to this Vacation policy; but they each shall also receive an additional 40 hours of paid vacation per year, the balance of which will be paid out at their respective then-current base rates of pay if not used by the end of the year. No such balance may be carried over from year to year.

41. PURCHASED VACATION TIME (PVT)

Upon starting employment and during each annual open enrollment period, an employee may purchase up to 40 hours of additional paid vacation time. If an employee decides to purchase vacation time, the employee pays for the hours on a pre-tax basis. The cost of

the purchased vacation time will be deducted equally from each paycheck over the course of the year and paid out at the rate in effect upon payout.

Vacation is purchased in one-hour increments with a minimum purchase of eight hours and a maximum purchase of 40 hours. **Per IRS regulations, the purchased vacation time can only be used once the employee's entire accrued vacation time has been exhausted.**

Purchased vacation hours must be used in the calendar year in which they are purchased. Any purchased vacation hours that have not been used before the second to last pay period end date of the calendar year will automatically be paid out in the last paycheck of the calendar year in which the vacation time was purchased, at the rate in effect at the time of payout and subject to withholding at the supplemental tax rate. Therefore, purchased vacation time will not be available for use in any year after mid-December.

Upon separation from employment, if purchased vacation time used exceeds the cost of such purchase that has been deducted up to that time, the employee must pay the difference back to ERMU. However, if the employee has remaining purchased vacation time that has not been used, it will be paid out to the employee upon separation.

New employees are allowed to buy purchased vacation time based on their benefit eligibility date, as listed in the chart below.

Benefit Eligibility Date	Maximum PVT Hours Eligible for Purchase
January – March	40 Hours
April – May	32 Hours
June – July	24 Hours
August – September	16 Hours
October – November	8 Hours
December	0 Hours

42. PAID SICK LEAVE

Regular full-time employees accrue sick leave at the rate of 3.70 hours per pay period (approximately 8 hours per month or 12 days per year). If an employee is on leave and using sick leave less than the regular 8-hour day, and so not receiving full pay, the accrual is calculated on a pro rata basis. Regular part-time employees accrue sick leave pro rata based on the full-time accrual rate. Temporary and seasonal employees are not eligible for sick leave.

Sick leave may be used for illness and for visits to a health care provider (including any visit that would qualify for reimbursement under IRS Flexible Health Care Spending Accounts guidelines, which include, for example, medical doctors, dentists and optometrists). Sick leave may be used to cover illness or visits of the employee or the employee's child or another "covered relative" as defined below, or for purposes of

parenting leave in accordance with Minnesota law. To be a “covered relative” under this policy an individual must have same residence address as the employee and must receive substantially all of his or her financial support from the employee. Sick leave may also be used when an employee’s daycare facility is closed due to sickness. Documentation from a health care provider may be requested by the Utilities in its sole discretion. Misuse of paid sick leave may result in disciplinary action.

In addition, an employee’s sick time can also be used for a “safety leave” for covered relatives for the purpose of providing or receiving assistance due to sexual assault, domestic abuse or stalking. *See also Minnesota Sick Family Member or Safety Leave, Section No. 55, below.*

Sick leave may not be used for the purpose of extending an employee’s active employment with the Utilities or for retaining a full-time equivalency percentage that is not based on an employee’s actual planned and scheduled working time.

Employees are required to notify their immediate supervisor at least thirty (30) minutes prior to the start of their regular working hours if they intend to be absent from work. If an emergency prevents the employee from notifying his/her supervisor at such time, the employee is expected to call as soon as possible during the workday. Employees are also required to keep their supervisors informed of their condition and anticipated return to work.

An employee attempting to use sick time for reasons other than those explicitly permitted in this policy will be subject to disciplinary action up to and including termination.

A doctor’s certification of the need for sick leave in accordance with this policy shall be required if an employee is absent more than four (4) days or if abuse of sick leave is suspected by the employee’s immediate supervisor, a Utilities manager, Director, or the Human Resources Representative. In some circumstances, an employee may be requested to submit to a medical examination by an appropriate health care provider to confirm whether the employee is fit for duty. In such a circumstance, the Utilities may select the health care provider to conduct the examination.

Unused sick leave will not be paid out in wages upon termination of employment, but in some circumstances is subject to limited conversion under the Health Care Savings Plan policy found elsewhere in this Handbook.

43. PAID HOLIDAYS

Regular full-time employees who are non-exempt will be paid for eight (8) hours at their base wage rate for each of the following holidays:

<i>New Years Day</i>	<i>Veterans Day</i>
<i>Martin Luther King Day</i>	<i>Thanksgiving Day</i>

Presidents Day
Memorial Day
Independence Day
Labor Day

Friday following Thanksgiving Day
Christmas Eve Day
Christmas Day

Eligible part-time employees who are non-exempt will receive paid holidays on the same basis as regular full-time employees, except that holiday pay will be pro-rated according to the number of hours worked.

Exempt employees are permitted to observe the designated holidays above without reduction of their salary.

If the holiday falls on a Saturday, the preceding Friday will be observed. If the holiday falls on a Sunday, the following Monday will be observed as a holiday. Employees will not receive holiday pay for any holiday that falls during any leave of absence.

44. EMPLOYEE CLOTHING

It is required that employees wear clothing items specified by the Utilities for their position and activity during working time.

For regular field workers potentially exposed to electric hazards, the Utilities will provide an initial issue of five fire retardant long sleeved shirts, five fire retardant pants, and five fire retardant tee shirts per outside employee exposed to electric hazards. A second set of five fire retardant long sleeved shirts, five fire retardant pants, and five fire retardant tee shirts will be issued after the probationary period. As an alternative option, one fire retardant hooded fleece may be substituted for two fire retardant long-sleeved shirts and/or one sweatshirt may be substituted for two long-sleeved shirts. Field Supervisors may substitute logoed fire retardant dress shirts for fire retardant uniform shirts. Provided clothing may also include: lineman's climbing boots, summer work boots, rubber boots, rubber overshoes, insulated winter boots, and coveralls (used for maintenance on trucks). The Utilities will issue a check to the supplier for the covered items. For Commissioners and employees other than regular field workers, the Utilities will provide a \$75 annual allowance for Utilities logo clothing.

On an annual basis, the Utilities will replace worn out items that have been provided by the Utilities. Worn out items should be turned in to the Utilities. The Utilities will also provide and replace the following as necessary in the Utilities' discretion: fire retardant lined and unlined bib overalls, fire retardant lined parka and hood, fire retardant lined bomber jacket, and hats with the appropriate emblems and identification.

Upon the end of employment with the Utilities, an employee must return all Utilities-logoed clothing items that were issued to him or her that were paid for by the Utilities.

45. HEALTH CARE SAVINGS PLAN

Utilities' employees participate in the Minnesota Post Employment Health Care Savings Plan (HCSP) established under Minn. Stat. § 352.98 and as outlined in the Minnesota State Retirement System's Trust and Plan Documents. All funds collected by the employer on behalf of the employee will be deposited into the employee's Post Employment Health Care Savings Plan account. General participation rules are outlined below, for a complete guide regarding benefits, use, and eligibility see the plan's documents.

1. Employees are required to contribute to the Post Employment Health Care Savings Plan. These funds will be deposited after each pay period. The contribution shall be based on the following structure:

There will be four groups, concurrent with the pay plan. The four groups are Office, Field Workers, Line Workers, and Management. All groups shall participate in contributions as follows:

- a. Employees with fewer than 10 years of service are required to contribute 1% of their gross wages.
 - b. Employees with fewer than 20 years of service and at least 10 years of service are required to contribute 2% of their gross wages.
 - c. Employees with at least 20 years of service are required to contribute 3% of their gross wages.
2. Employees who have accrued over 960 hours of sick time will have 50% of those hours converted to cash and deposited in their Post Employment Health Care Savings account. The conversion will take place once a year at the end of December.
3. Employees who voluntarily end their employment and who give the Utilities proper (generally at least two-weeks) notice, and employees whose employment ends involuntarily because of lack of work, will have 50% of unused sick leave, up to a maximum of 120 days, converted into cash and deposited into their Post Employment Health Care Savings account provided they sign and do not rescind an agreement releasing claims arising out of their employment, in a form prescribed by the Utilities. Employees involuntarily terminated by the Utilities for any reason other than lack of work shall not be eligible to receive such conversion. No contributions will be accepted by the Plan on behalf of an employee after the death of the employee.
4. Employees who retire immediately eligible to claim their pension and who give the Utilities proper notice (generally at least two-weeks) shall have 100% of unused vacation time converted into cash and deposited into their Post Employment Health Care Savings account, but only *on the condition that* they sign and do not rescind an agreement releasing claims arising out of their employment, in a form prescribed by the Utilities.

46. 457 DEFERRED COMPENSATION

The Utilities will match funds contributed by employees, up to a maximum contribution of \$2,500.00. These plans are administered by the Minnesota State Deferred Compensation Plan and/or Wenzel & Associates' John Hancock Plan.

Employees in the Management Pay Group are eligible for an additional employer matching (dollar for dollar) contribution up to 2.5% of the manager's annual base salary, conditioned on the individual providing the Utilities with authorization for the necessary payroll deduction and subject to applicable legal limits to such contributions.

All Utilities employees are subject to Minnesota law capping public employee salaries based on the Governor's salary. Certain definitions and exclusions apply from time to time to the calculation of salaries under that cap, including, for example, vacation and sick leave allowances.

Leave Credit In Lieu Of Compensation. Each employee will be paid that portion of the employee's assigned salary that is permitted by law to be paid. An employee whose salary and other forms of compensation exceed the amount permitted by law to be paid is entitled to receive paid leave time in lieu of that portion of the salary that exceeds the amount permitted by law to be paid. The amount of such paid leave credit will be calculated using the employee's annual rate of pay established pursuant to the applicable compensation policy and plan. The Commission and the General Manager are each authorized to establish the assigned salary using the provisions of this policy and the compensation plan established by the Commission. Further information about this Leave Credit is available from management or Human Resources upon request.

For more information about the Utilities' benefit plans consult the summary plan descriptions that have been distributed to each employee, additional copies of which are also available upon request.

47. HEALTH INSURANCE COVERAGE

For eligible employees who regularly work 30 hours per week and enroll in a health insurance plan provided by the Utilities, the Utilities will pay a majority of the premium charged, and will set the employee share of the premium for each level of coverage available. The Utilities current group health insurance allows the Utilities to offer a Health Savings Account-related plan. Plans, plan designs, and employee share of premiums may change from time to time. The amount of the monthly premium for a health insurance plan

that is the responsibility of the employee is currently as follows. Premiums and employee shares are subject to change from time to time.

COVERAGE	MONTHLY EMPLOYEE SHARE
• Employee	\$105
• Employee + 1	\$210
• Family	\$315

Employees should consult the applicable Summary Plan Description (SPD) for details regarding coverage and eligibility. A copy of the SPD will be provided to employees and is available upon request.

48. DENTAL INSURANCE

Eligible employees who regularly work at least 30 hours per week and who enroll in the Utilities' dental insurance plan, the Utilities will pay seventy-five percent (75%) of the monthly premium per employee/family for dental insurance. Any monthly premium over and above 75% of the dental coverage is the responsibility of the employee. Employees should consult the Summary Plan Description for details regarding coverage and eligibility. A copy of this description will be provided to employees and is available upon request.

49. LONG-TERM DISABILITY

A Long-Term Disability Plan is provided to eligible employees who regularly work at least 30 hours per week. Schedule amount: 60% of Monthly Earnings subject to a maximum amount of \$5,000.00 per month. Employees must be employed for two (2) months to qualify for coverage. Employees should consult the Summary Plan Description for details regarding coverage and eligibility. A copy of this description will be provided to employees and is available upon request.

50. LIFE INSURANCE

Life insurance is provided to each employee at a rate of Two and One Half times (2½) the employee's annual salary, to a maximum of \$85,000.00. Employees should consult the Summary Plan Description for details regarding coverage and eligibility. A copy of this description will be provided to employees and is available upon request.

51. VISION INSURANCE

Eligible employees who regularly work at least 30 hours per week are eligible to enroll in the Utilities' vision insurance plan. The monthly premium for vision coverage is the responsibility of the employee. Employees should consult the Summary Plan Description

for details regarding coverage and eligibility. A copy of this description will be provided to employees and is available upon request.

52. HOME COMPUTER LOAN POLICY

In an effort to encourage all employees to develop and improve their computer skills, employees may purchase a home computer per the following guidelines.

1. The purchased computer and software shall be new, not reconditioned, not used.
2. The purchased computer shall be used in the employee's home.
3. Employee must provide a receipt reflecting the purchase of this computer.
4. The Utilities will provide an interest-free loan for the purchase of this computer up to \$1,200.00, for a term not to exceed 12 months.
5. Employee will repay the computer loan to the Utilities in not more than 25 equal installment payments authorized and made through payroll deduction, upon the employee's election by signed authorization form.
6. Employee must maintain ownership and possession of the computer for the duration of the loan term.
7. If the employee leaves the Utilities before the loan is paid back in full, the Utilities will withhold the outstanding portion of the loan from the employee's final paychecks (including any check for unused and unpaid benefits) as authorized by the employee in the authorization form signed at the time the loan is made.

53. EDUCATIONAL ASSISTANCE

The Utilities will provide financial assistance to eligible employees for pre-approved courses that are job related, lead to a job-related degree, or are within areas beneficial to the Utilities in its discretion and pursuant to this policy. With regard to education required by the Utilities or in connection with a Utilities-approved apprenticeship training program, check with a Utilities manager or Director.

1. All full-time Utilities employees with at least three months of continuous employment are potentially eligible for reimbursement under this policy.
2. The Utilities may pay up to 100% reimbursement of the costs for tuition, registration, fees, books and course required materials after successful completion of a pre-approved course. Courses must be at accredited colleges, universities, or vocational schools or be short courses conducted by recognized professional training organizations.
3. A course may be approved if:
 - a) It is directly related to the employee's work for the Utilities.
 - b) It is required by a program of study leading to a degree that is directly related to the employee's work for the Utilities.

- c) It will improve the employee's work for the Utilities.
 - d) It is expected to be completed within a time acceptable to the Utilities.
4. This policy will not cover recreational or personal interest courses.
 5. Prior to registration, the employee must have full approval for the course from Utilities' management designated as having approval authority for such matters.
 6. The Utilities reserves the right to disapprove educational assistance requests and to amend or eliminate this policy from time to time in its discretion.
 7. Total reimbursements to an employee during the academic year may not exceed \$3,000.
 8. Not eligible for reimbursement are costs of:
 - a) late fees and fees due to an employee error
 - b) meals, transportation, lodging, insurance, etc.
 9. If an employee is eligible for education assistance from any outside source (e.g.: G.I. Bill, grants, scholarships, etc.), the employee must apply for any assistance first and request the balance through this Education Assistance Policy.
 10. Termination of employment prior to completion of a course will disqualify the employee for educational assistance.
 11. Courses not satisfactorily completed within the time expected or otherwise acceptable to the Utilities will not receive reimbursement but must instead be paid for by the employee.
 12. Course attendance and preparation must take place outside of scheduled work hours and must not jeopardize the employee's work performance.
 13. Employees will be paid for any time used in attending courses for which they are required by the Utilities to attend. All tuition and fees for such course will be paid for by the Utilities.

LEAVES OF ABSENCE

The Utilities provides leaves of absence according to the following policies. Unless otherwise indicated, all leaves of absence are unpaid. However, employees taking unpaid leave are required to concurrently use any paid vacation or other paid time they have available concurrently with their unpaid leave, beginning with using accrued paid vacation time.

An employee requesting a leave of absence must complete a Request for Leave of Absence form. Forms for requesting a leave of absence are available from the Human Resources Representative. When possible, advance notice of a leave should be provided to an employee's supervisor so work schedules can be adjusted accordingly.

54. PARENTING LEAVE

Under the Minnesota Parental Leave Act, a Minnesota employee who has worked for the Utilities for at least 12 months and who has worked at least one-half (1/2) time during the twelve (12) months preceding a leave is entitled to take up to twelve (12) weeks of unpaid leave as follows:

- An eligible biological or adoptive parent make take such leave for the birth or adoption of a child; and
- An eligible female employee may take such leave for prenatal care or incapacity due to pregnancy, childbirth, or related health conditions.

An employee requesting parental leave must give the Utilities at least thirty (30) days advance notice of the start and end dates of the requested leave, unless such notice is not possible due to legitimate unanticipated factors in which case as much notice as is possible should be given. For a leave for the birth or adoption of a child, the leave must begin within either 12 months of the birth or adoption or, if the child must remain in the hospital longer than the mother, within 12 months of the child leaving the hospital.

Insurance benefits will continue during the leave, but the employee must pay his or her portion of the premiums during the leave and will be required to reimburse the Company for premiums paid by the Company during the leave if the employee does not return to work following the leave.

If any employee is eligible for parental leave under both the FMLA and the MN Parental Leave Act, the parental leave time taken under the Company's FMLA leave policy will run concurrently with time taken under this policy.

If you are eligible for both unpaid MN parental leave and any paid vacation or long-term disability insurance, you must use this paid time off or salary continuation benefit during any MN parental leave period up to the amount needed to cover the entire parenting leave.

Following leave under this policy, an employee will be reinstated to his or her same job or one with comparable duties, hours, and pay.

55. MINNESOTA SICK FAMILY MEMBER OR SAFETY LEAVE

A Minnesota employee who has worked for the Utilities for at least 12 months and who has worked at least one-half (1/2) time during the past twelve (12) months may use his or

her accrued sick time to care for the employee's sick or injured child, stepchild, foster child, adopted child, adult child, spouse, sibling, parent, parent-in-law, stepparent, grandparent, or grandchild (including a biological, step, foster, or adopted grandchild) for reasonable times as the employee's attendance may be necessary. This type of leave is referred to as a "Sick Family Member Leave".

In addition, a Minnesota employee who has worked for the Utilities for at least 12 months and who has worked at least one-half (1/2) time during the past twelve (12) months may use his or her accrued sick time to receive assistance or provide assistance to the employee's child, stepchild, foster child, adopted child, adult child, spouse, sibling, parent, parent-in-law, stepparent, grandparent, or grandchild (including a biological, step, foster, or adopted grandchild) because of domestic abuse (as defined in Minn. Stat. §518B.01), sexual assault (as defined in Minn. Stat. §§609.342, 609.3453, or 609.352), or stalking (as defined in §Minn. Stat. 609.749). This type of leave is referred to as a "Safety Leave."

Eligible employees are limited to using a maximum of 160 hours of sick time in any 12-month period for a Safety Leave or for a Sick Family Member Leave resulting from the illness of or injury to the employee's adult child, spouse, sibling, parent, parent-in-law, stepparent, grandparent, or grandchild.

Sick time under this policy must be used in the same manner as the employee would use the sick time for his/her own illness.

Please note that, if an employee is also eligible for FMLA leave to care for a sick family member, FMLA leave and Minnesota Sick Family Member Leave time will run concurrently.

56. SCHOOL ACTIVITIES LEAVE POLICY

Employees who have worked at least one-half time during the preceding twelve months are entitled to up to 16 hours leave during any 12-month period to attend school conferences or classroom activities related to the employee's child, provided the conferences or classroom activities cannot be scheduled during non-work hours. If an employee's child receives child care services or attends a pre-kindergarten regular or special education program, the employee may use the leave time to attend a conference, or activity related to the employee's child, or to observe and monitor the services and program, provided the conference, activity or observation cannot be scheduled during non-work hours.

When the need for leave under this section is foreseeable, the employee must provide reasonable prior notice of the leave to his or her immediate supervisor and make a reasonable effort to schedule the leave so as not to unduly disrupt Utilities business.

Regular paid sick leave may not be used for purposes of this school activities leave.

57. BONE MARROW AND ORGAN DONATION LEAVE

Employees who work an average of twenty (20) or more hours per week who seek to undergo a medical procedure to donate bone marrow or an organ or partial organ will be granted up to forty (40) hours of paid leave. Regular sick leave need not be used when this Bone Marrow and Organ Donation Leave policy is applicable to the circumstances. The Utilities may require verification by a health care provider of the purpose and length of each leave requested by the employee pursuant to this policy.

58. NATIONAL GUARD AND RESERVE LEAVE

Any officer or employee of the Utilities who is a member of the National Guard or other reserve unit is entitled to a leave of absence from public office or employment without loss of pay, seniority status, efficiency rating, vacation leave, sick leave, or other benefits for the time that he/she is engaged with the reserve in training or active service so long as such leave does not exceed a total of fifteen (15) days in any calendar year. Such leave will be allowed only in cases where the required military or naval service is satisfactorily performed. Such leave will not be allowed unless the officer or employee:

- Returns to the public position immediately on being relieved from such military or naval service and not later than the expiration of the time herein limited for such leave; or
- Is prevented from returning to Utilities employment by physical or mental disability or other cause not due to the officer's or employee's own fault; or
- Is required by proper authority to continue in such military or naval service beyond the time herein limited for such leave.

59. MILITARY LEAVE FOR UNIFORMED SERVICE

Except as provided otherwise in the National Guard and Reserve Leave Policy above, employees who are members of, apply to perform, or have an obligation to perform service in a uniformed service will be granted an unpaid leave of absence to perform such service. Military leave requests shall be made to the immediate supervisor. The term "uniformed service" means the Armed Forces, the Army National Guard and the Air National Guard when engaged in active duty, active duty for training, initial active duty for training, inactive duty training, full-time National Guard duty, the commissioned corps of the Public Health Service, and any other category of persons designated by the President in time of war or emergency. As soon as an employee is informed of the dates of the military training, he or she should notify his or her supervisor and request a leave of absence, even if he or she has not yet received written orders.

In the case of an employee whose period of military service is less than 31 days, an employee must report back to his or her job at the first regularly scheduled shift after the completion of military service and the time required for return from the place of military service to the place of civilian employment. An employee called to active duty for more than 30 days, but less than 181 days, must report back to his or her job not more than 14 days after the completion of his or her military service. An employee called to active duty for more than 180 days must report back to his or her job not more than 90 days after the completion of his or her military service.

This Policy is not intended to preclude leave with pay as may be provided in the National Guard and Reserve Leave Policy above.

60. JURY/WITNESS DUTY LEAVE

Employees will be allowed a leave of absence pursuant to state statute without restriction or sanction when called for jury duty.

- An employee performing jury duty or subpoenaed as a witness in court or voluntarily serving as a witness on behalf of the Utilities in a case in which the Utilities is a party will receive the difference between his/her regular rate of pay and the amount received as juror or witness up to the maximum allowed by state or federal law.
- The employee must notify his/her supervisor and complete a leave of absence form within 48 hours of receiving call for jury duty.
- An employee excused or released from jury duty during his/her regular work hours must report to his/her supervisor immediately thereafter.
- Time spent on jury duty will not count as time worked in computing overtime.

61. PERSONAL LEAVE DAY

Each January 1st, every regular employee will be credited with one day of paid personal leave, which will be available to be taken during the next 12 months, with the scheduling approval of management. This day, if unused, will not be carried over from year to year, and it is not paid out or converted upon separation from employment.

62. BEREAVEMENT LEAVE

A leave of absence, with pay and fringe benefits may be granted to a regular full-time employee for a maximum of three (3) days in the event of the death of a spouse, child, parent, brother, sister, grandparent, grandchild, or parent-in-law, brother-in-law, sister-in-law, grandparents-in-law, step-parents, step-siblings and step-children.

63. GENERAL LEAVE

The Utilities recognizes that circumstances of a unique personal nature may cause an employee to seek time off without pay. The Utilities may, at its sole discretion, grant unpaid personal leaves of absence to employees (“General Leave”). Approval is required of the employee’s immediate supervisor and the General Manager before General Leave will be granted. In no event will General Leave be granted for longer than ninety (90) days, unless special approval is received from the General Manager.

Vacation and sick leave will not accrue during a General Leave. Further, the employee on General Leave will not be eligible for holiday pay during the leave. The Utilities will not contribute to the cost of insurance premiums for an employee on General Leave.

Employees are expected to return from General Leave when the reason for the leave expires. Employees who take a General Leave have no right to reinstatement.

64. VOTING LEAVE; SERVICE AS ELECTION JUDGE

Under Minnesota Statutes Section 204C.04, employees who are eligible to vote in an election to fill a vacancy in the office of United States Senator, United States Representative, State Senator or State Representative, or a presidential primary have the right to be absent from work for the time necessary to vote and return to work on the day of that election without penalty or deduction from salary or wages because of the absence. The Utilities will not abridge or interfere with this right.

The Utilities will provide an employee with paid time off to serve as an election judge, provided that the employee gives the Utilities at least 20 days’ advance written notice. The Utilities will reduce the employee’s pay by the amount the employee is paid to serve as an election judge.

65. PAID LEAVE DONATION

With the written consent of the Utilities’ General Manager or Finance Manager, employees wishing to do so may voluntarily donate accrued paid leave time that is presently available for use by the donor employee to a co-worker who is experiencing a major or catastrophic life event in the form of a medical emergency, loss of a family member, or other extraordinary circumstance (subject to management approval) necessitating time off from work for which the receiving employee has insufficient paid time off available. Examples of such a life event include, but are not limited to, a heart attack, stroke, organ transplant, or other medical condition of the employee or a family member for whose care the employee bears substantial responsibility.

An employee will be eligible to receive and use donated paid leave only if the following conditions are satisfied:

1. The receiving employee must submit a request for paid leave donation in the form prescribed by the Utilities.
2. The receiving employee's request for leave must be based on medical need to be absent from the workplace that is supported by documentation from a health care provider.
3. There is a reasonable expectation based on a treating provider's documentation that the receiving employee will return to work within a reasonable time following any leave of absence unless the employee qualifies for long term disability insurance benefits.
4. The receiving employee is currently eligible to accrue sick leave and vacation under the Utilities' policies.
5. The receiving employee has exhausted all of the employee's own paid leave time including all sick, vacation, compensatory, and other paid time.
6. The sick leave taken by the receiving employee will not be subject to income replacement by disability or workers compensation insurance.

The following additional conditions apply to leave donation under this policy:

1. All donations must be made in increments of eight (8) hours subject to a limit of 16 hours per donor to a particular recipient per year. Leave donation must be in one of the following configurations: i) a total of eight hours of paid sick leave; ii) a total of eight hours of vacation; iii) a total of sixteen hours, with eight hours being vacation and eight hours being paid sick leave; iv) a total of sixteen hours, with sixteen hours being paid sick leave; v) a total of sixteen hours, with sixteen hours being vacation time.
2. The donor employee must complete a Paid Leave Donation Form prescribed by the Utilities in order to donate paid leave.
3. The total amount of paid leave donated to any individual employee in any rolling twelve-month period measured backward from the employee's most recent request for leave donation may not exceed 240 hours.
4. The Utilities will set a deadline for donations of paid leave to the receiving employee ("Donation Deadline"). No donations of paid leave will be accepted in response to the receiving employee's Request for Paid Leave Donation after the Donation Deadline.
5. The Utilities will set a date on which submitted donations of paid leave will become final and effective ("Donation Effective Date"). The Donation Effective

Date shall be no more than ten business days after the deadline for donations to the receiving employee.

6. Before the Donation Effective Date, if Paid Leave Donation Forms are submitted for a total amount of leave that is more than the number of hours requested by the employee in the Paid Leave Donation Request Form, or for more than the maximum total donation of 240 hours, the Utilities will pro rate donations to the maximum allowed, among all employees submitting a Paid Leave Donation Form for the receiving employee and will notify all such employees in writing of such pro rating and the final number of hours from their Paid Leave Donation Form that will be donated to the receiving employee on the Donation Effective Date.
7. On the Donation Effective Date the Utilities will transfer all paid leave donations that are indicated collectively on the Paid Leave Donations Forms submitted, prorated, if necessary, in accordance with this policy, to the account of the receiving employee; and will reduce the corresponding account balances of the donating employees accordingly.
8. Donation of paid leave is permanent and final as of the Donation Effective Date and cannot be rescinded thereafter. Donated paid leave may not be transferred back to the donor after the Donation Effective Date under any circumstances. If the donated paid leave is not used by the receiving employee it is forfeited by all parties.
9. Donated paid leave time may be used by the receiving employee only for purposes of the medical leave necessitated by the catastrophic life event supporting leave donation under this policy.
10. Donated paid leave may be used by the receiving employee only for work time actually and necessarily missed due to the leave taken for the purpose set forth in the leave request submitted under this policy, and for no other purpose.
11. Donated paid leave may be used by the receiving employee only to replace the employee's normal work hours lost, up to a maximum of the receiving employee's FTE (measured as of the date on which the leave begins).
12. Donated paid leave must be used by the receiving employee concurrently with any applicable unpaid leave available to the receiving employee.
13. Donated paid leave must be used during the leave taken for the purpose submitted in the leave request under this policy.
14. Donated paid leave not used as described in this policy will be forfeited by the recipient.

15. When used by the receiving employee, donated paid leave will be paid at the receiving employee's current rate of pay.
16. The donation of paid leave time will permanently decrease the amount of accrued unused paid leave in the donor's paid leave account(s) and thereafter will not be counted or used by the donor or the Utilities for any purpose. For the avoidance of doubt, this means, among other things, that donated paid leave time does not qualify to be counted as unpaid sick leave for purposes of any severance pay calculation.
17. The Utilities will treat the identity of donor employees under this policy as private and confidential information.
18. This policy applies on a prorated basis to part-time employees eligible to accrue and receive paid leave time.

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RECEIPT AND ACKNOWLEDGMENT

(EMPLOYER COPY:

MUST BE SIGNED AND RETURNED TO MANAGEMENT)

By signing this receipt, I acknowledge that I have received a copy of the Elk River Municipal Utilities Employee Handbook (the “Handbook”). This Handbook and the policies contained or referenced in the Handbook supersede and replace previously-issued handbooks, contrary oral or written statements of employment policy, and contrary employment practices.

I understand that the Employee Handbook may be amended at any time, with or without notice. I understand that I do not have a protected property interest in my employment with the Utilities. I also understand that neither this Handbook nor any provision in it creates a contract of employment for any particular duration between the Utilities and me. Further, I understand that nothing in this Handbook creates a contract with specific terms between the Utilities and me.

I acknowledge that it is my responsibility to become and remain informed about the employment policies and practices of the Utilities and to abide by the rules, regulations, standards and policies of the Utilities, including those contained in this Handbook. I also understand that any violation by me of the Utilities’ rules, regulations, policies, practices, or standards is just cause for discipline, up to and including termination of my employment.

Date

Print or Type Name

Employee Signature

TO: ERMU Commission	FROM: Melissa Karpinski – Finance Manager
MEETING DATE: June 14, 2022	AGENDA ITEM NUMBER: 5.1
SUBJECT: Financial Report – April 2022	
ACTION REQUESTED: Receive the April 2022 Financial Report	

DISCUSSION:

Please note that these are the preliminary *unaudited* financial statements.

Electric

April's electric kWh sales are up from the prior year, 3%. For further breakdown:

- Residential usage is up 10%
- Small Commercial usage is up 12%
- Large Commercial usage is down 2%

Electric Operating Revenues for April of \$3,300,652 are more than prior year by 13% and favorable to budget by 9%. April YTD is more than prior year by 7% and favorable to budget by 4%. The prior YTD variance and budget YTD variance is mainly due to the accrual of the PCA under Other Electric Sales – Rate Increase.

Other Revenues of \$236,148 are more than the prior year by 28% and favorable to budget by 16%. Other Revenues YTD is less than the prior year by 11% and is unfavorable to budget by 17%. The main driver of prior YTD variance and budget YTD variance is Interest & Dividend Income.

Overall, Total Revenues of \$3,536,801 are more than the prior year by 14% and favorable to budget by 10%. YTD is more than the prior year by 6% and favorable to budget by 2%.

Purchased Power of \$2,101,422 is more than the prior year by 13% and is unfavorable to budget by 8%. YTD is more than prior year by 17% and is unfavorable to budget by 17%. YTD EAC charge is \$1,037,388 more than prior year and \$1,156,841 more than budget. EAC charge is partially offset by PCA revenue.

Administrative Expenses of \$295,539 are more than the prior year by 2% but in line with budget. YTD costs are more than the prior year by 3% but are favorable to budget by 4%.

General Expenses of \$21,468 are less than prior year by 25% and are favorable to budget by 56%. YTD costs are less than the prior year by 7% and are favorable to budget by 48%.

Total expenses YTD are 13% more than prior year and are unfavorable to budget by 9%. The main driver causing the prior YTD variance and budget YTD variance is Purchased Power.

For April 2022, the Electric Department has a Net Profit of \$383,392 and YTD Net Loss of (\$240,929). This is ahead of the budgeted monthly Net Profit of \$211,583 and is better than prior year monthly Net Profit of \$249,376. YTD is behind the budgeted YTD Net Profit of \$508,361 and is less than the prior YTD Net Profit of \$448,409.

Water

April gallons of water sold are down 3% from the prior year. For further breakdown:

- Residential use is down 2%
- Commercial use is down 5%

Water Operating Revenues for April of \$147,781 are ahead of prior year by 3% and are favorable to budget by 8%. YTD is ahead of prior year by 1% and is favorable to budget by 6%.

Other Revenues of \$479,851 are ahead of prior year by 353% and favorable to budget by 543%. YTD is ahead of prior YTD by 119% and favorable to budget by 132%. The main driver causing the prior YTD variance and budget YTD variance is Connection Fees.

Overall, Total Revenues of \$627,632 are more than prior year by 151% and ahead of prior YTD by 45%. YTD Total Revenues are favorable to budget by 53%.

Total Expenses of \$239,948 are less than prior year by 26% and less than the prior YTD by 5%. YTD is favorable to budget by 4%.

For April 2022, the Water Department has a Net Profit of \$387,683 and YTD Net Profit of \$194,426. This is ahead of the budgeted monthly Net Loss of (\$38,309) and ahead of the prior year monthly Net Loss of (\$74,020). YTD is ahead of the budgeted YTD Net Loss of (\$274,281) and is ahead of the prior YTD Net Loss of (\$236,293).

ATTACHMENTS:

- Balance Sheet 04.2022
- Electric Balance Sheet 04.2022
- Water Balance Sheet 04.2022
- Summary Electric Statement of Revenues, Expenses and Changes in Net Position 04.2022
- Summary Water Statement of Revenues, Expenses and Changes in Net Position 04.2022
- Graphs Prior Year and YTD 2022
- Detailed Electric Statement of Revenues, Expenses and Changes in Net Position 04.2022
- Detailed Water Statement of Revenues, Expenses and Changes in Net Position 04.2022

**ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
COMBINED BALANCE SHEET
FOR PERIOD ENDING APRIL 2022**

	<u>ELECTRIC</u>	<u>WATER</u>
ASSETS		
CURRENT ASSETS		
CASH	13,220,562	9,225,482
ACCOUNTS RECEIVABLE	3,703,888	281,879
INVENTORIES	1,183,925	25,319
PREPAID ITEMS	237,003	39,465
CONSTRUCTION IN PROGRESS	8,997,291	911,533
TOTAL CURRENT ASSETS	<u>27,342,669</u>	<u>10,483,678</u>
RESTRICTED ASSETS		
BOND RESERVE FUND	1,779,016	0
EMERGENCY RESERVE FUND	2,851,420	1,341,296
UNRESTRICTED RESERVE FUND	0	0
TOTAL RESTRICTED ASSETS	<u>4,630,436</u>	<u>1,341,296</u>
FIXED ASSETS		
PRODUCTION	788,761	14,883,725
LFG PROJECT	3,851,442	0
TRANSMISSION	2,305,024	0
DISTRIBUTION	45,331,351	25,751,342
GENERAL	11,791,734	1,071,741
FIXED ASSETS (COST)	<u>64,068,312</u>	<u>41,706,808</u>
LESS ACCUMULATED DEPRECIATION	<u>(34,414,201)</u>	<u>(21,360,776)</u>
TOTAL FIXED ASSETS, NET	<u>29,654,111</u>	<u>20,346,031</u>
INTANGIBLE ASSETS		
POWER AGENCY MEMBERSHIP BUY-IN	21,546,212	0
LOSS OF REVENUE INTANGIBLE	4,349,653	0
LESS ACCUMULATED AMORTIZATION	<u>(2,393,000)</u>	<u>0</u>
TOTAL INTANGIBLE ASSETS, NET	<u>23,502,864</u>	<u>0</u>
OTHER ASSETS AND DEFERRED OUTFLOWS	<u>1,431,143</u>	<u>266,964</u>
TOTAL ASSETS	<u><u>86,561,223</u></u>	<u><u>32,437,969</u></u>
LIABILITIES AND FUND EQUITY		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	3,990,261	1,341,336
SALARIES AND BENEFITS PAYABLE	453,547	115,641
DUE TO CITY	880,477	2,792
DUE TO OTHER FUNDS	0	0
NOTES PAYABLE-CURRENT PORTION	139,416	0
BONDS PAYABLE-CURRENT PORTION	345,000	50,000
UNEARNED REVENUE	7,992	74,712
TOTAL CURRENT LIABILITIES	<u>5,816,692</u>	<u>1,584,481</u>
LONG TERM LIABILITIES		
OPEB LIABILITY	0	0
LFG PROJECT	0	0
DUE TO COUNTY	0	0
DUE TO CITY	90,720	22,680
BONDS PAYABLE, LESS CURRENT PORTION	30,230,032	1,693,030
PENSION LIABILITIES	1,978,758	369,988
TOTAL LONG TERM LIABILITIES	<u>32,299,510</u>	<u>2,085,698</u>
TOTAL LIABILITIES	<u>38,116,202</u>	<u>3,670,179</u>
DEFERRED INFLOWS OF RESOURCES	<u>1,818,303</u>	<u>339,354</u>
FUND EQUITY		
CAPITAL ACCOUNT CONST COST	1,779,016	0
CONTRIBUTED CAPITAL	0	0
RETAINED EARNINGS	45,088,631	28,234,009
NET INCOME (LOSS) (THROUGH PREVIOUS MONTH)	(240,930)	194,427
TOTAL FUND EQUITY	<u>46,626,717</u>	<u>28,428,436</u>
TOTAL LIABILITIES & FUND EQUITY	<u><u>86,561,223</u></u>	<u><u>32,437,969</u></u>

**ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
ELECTRIC BALANCE SHEET**

	April 30, 2022	March 31, 2022	Current Month Change from Prior Month
ASSETS			
CURRENT ASSETS			
CASH	13,220,562	14,467,663	(1,247,101)
ACCOUNTS RECEIVABLE	3,703,888	2,656,566	1,047,322
INVENTORIES	1,183,925	1,139,821	44,104
PREPAID ITEMS	237,003	266,051	(29,049)
CONSTRUCTION IN PROGRESS	8,997,291	8,424,158	573,133
TOTAL CURRENT ASSETS	27,342,669	26,954,259	388,409
RESTRICTED ASSETS			
BOND RESERVE FUND	1,779,016	1,779,016	0
EMERGENCY RESERVE FUND	2,851,420	2,848,898	2,522
TOTAL RESTRICTED ASSETS	4,630,436	4,627,914	2,522
FIXED ASSETS			
PRODUCTION	788,761	788,761	0
LFG PROJECT	3,851,442	3,851,442	0
TRANSMISSION	2,305,024	2,305,024	0
DISTRIBUTION	45,331,351	45,311,311	20,040
GENERAL	11,791,734	11,723,689	68,045
FIXED ASSETS (COST)	64,068,312	63,980,227	88,085
LESS ACCUMULATED DEPRECIATION	(34,414,201)	(34,219,585)	(194,616)
TOTAL FIXED ASSETS, NET	29,654,111	29,760,642	(106,531)
INTANGIBLE ASSETS			
POWER AGENCY MEMBERSHIP BUY-IN	21,546,212	21,546,212	0
LOSS OF REVENUE INTANGIBLE	4,349,653	4,349,653	0
LESS ACCUMULATED AMORTIZATION	(2,393,000)	(2,337,322)	(55,678)
TOTAL INTANGIBLE ASSETS, NET	23,502,864	23,558,542	(55,678)
OTHER ASSETS AND DEFERRED OUTFLOWS	1,431,143	1,431,143	0
TOTAL ASSETS	86,561,223	86,332,501	228,722
LIABILITIES AND FUND EQUITY			
CURRENT LIABILITIES			
ACCOUNTS PAYABLE	3,990,261	4,041,193	(50,932)
SALARIES AND BENEFITS PAYABLE	453,547	629,550	(176,004)
DUE TO CITY	880,477	784,930	95,547
NOTES PAYABLE-CURRENT PORTION	139,416	156,843	(17,427)
BONDS PAYABLE-CURRENT PORTION	345,000	345,000	0
UNEARNED REVENUE	7,992	8,857	(866)
TOTAL CURRENT LIABILITIES	5,816,692	5,966,374	(149,682)
LONG TERM LIABILITIES			
DUE TO CITY	90,720	90,720	0
BONDS PAYABLE, LESS CURRENT PORTION	30,230,032	30,235,021	(4,989)
PENSION LIABILITIES	1,978,758	1,978,758	0
TOTAL LONG TERM LIABILITIES	32,299,510	32,304,499	(4,989)
TOTAL LIABILITIES	38,116,202	38,270,873	(154,670)
DEFERRED INFLOWS OF RESOURCES	1,818,303	1,818,303	0
FUND EQUITY			
CAPITAL ACCOUNT CONST COST	1,779,016	1,779,016	0
RETAINED EARNINGS	45,088,631	45,088,631	0
NET INCOME (LOSS) (THROUGH PREVIOUS MONTH)	(240,930)	(624,322)	383,392
TOTAL FUND EQUITY	46,626,717	46,243,325	383,392
TOTAL LIABILITIES & FUND EQUITY	86,561,223	86,332,501	228,722

**ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
WATER BALANCE SHEET**

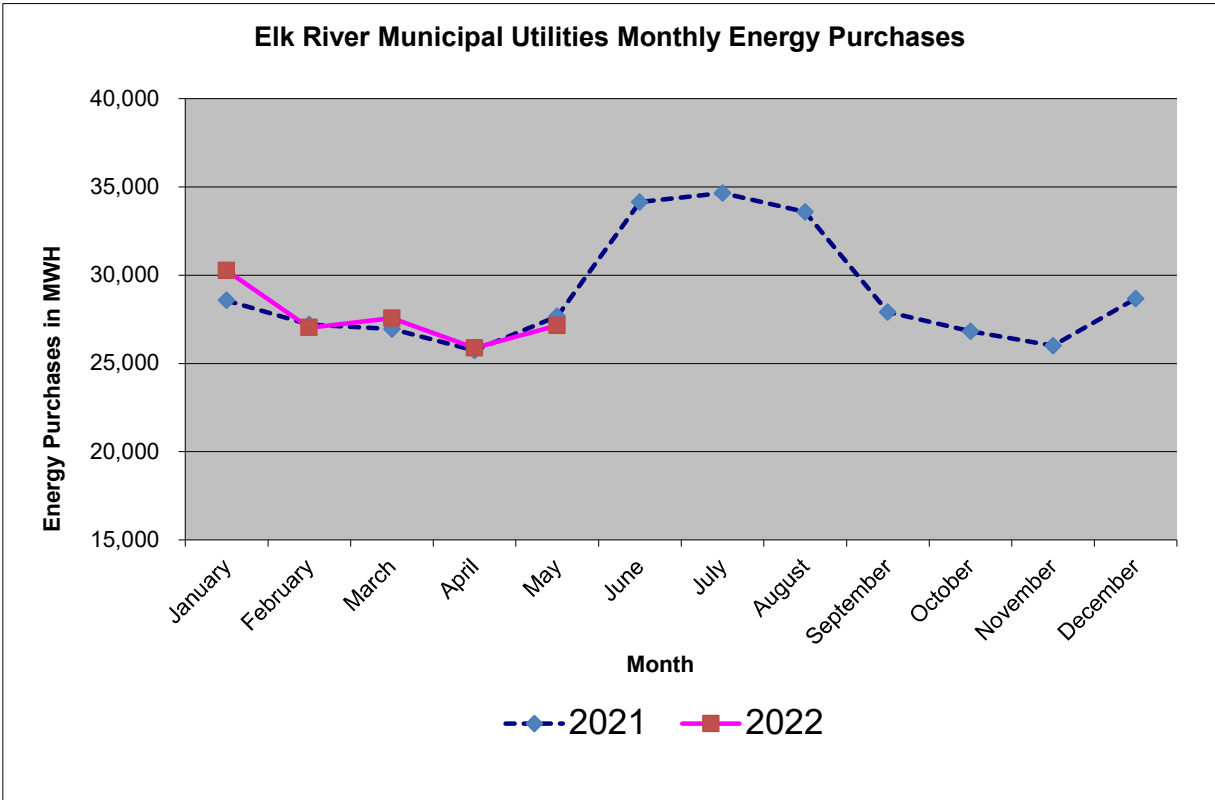
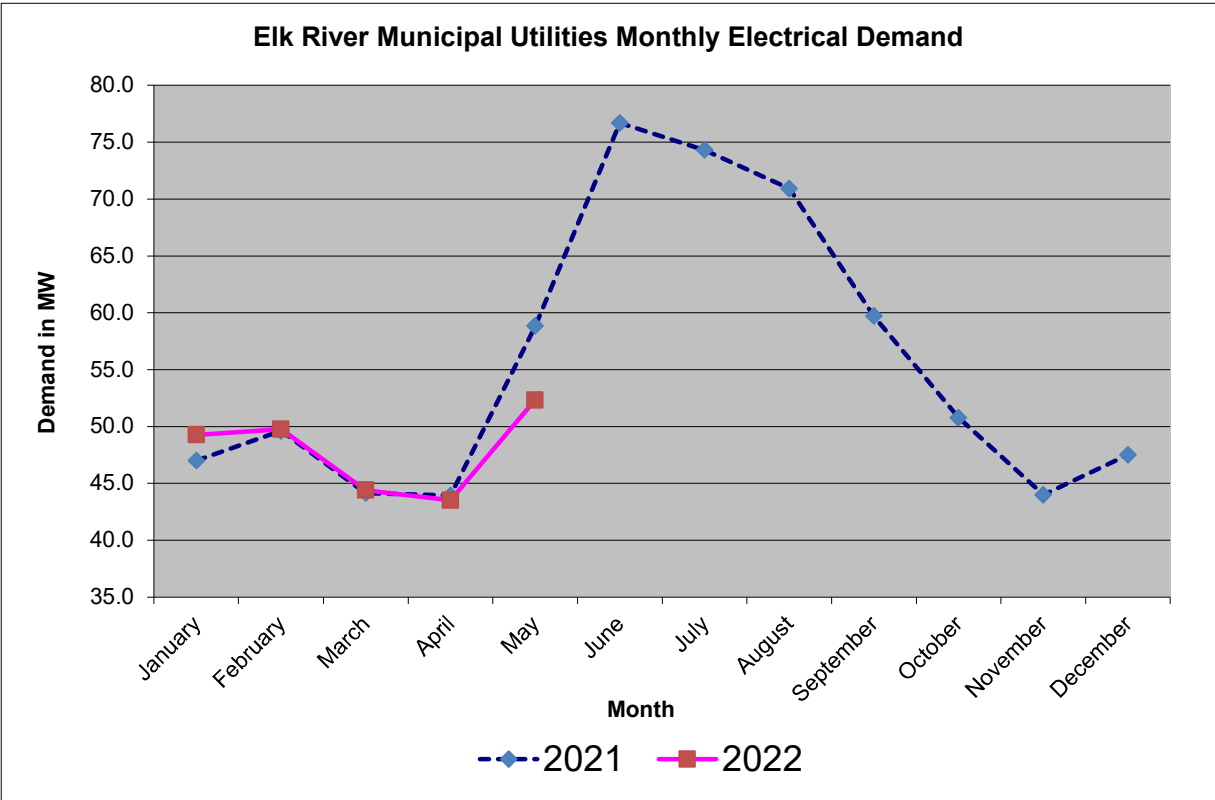
	April 30, 2022	March 31, 2022	Current Month Change from Prior Month
ASSETS			
CURRENT ASSETS			
CASH	9,225,482	8,797,572	427,909
ACCOUNTS RECEIVABLE	281,879	280,187	1,692
INVENTORIES	25,319	22,754	2,565
PREPAID ITEMS	39,465	43,809	(4,344)
CONSTRUCTION IN PROGRESS	911,533	70,715	840,818
TOTAL CURRENT ASSETS	<u>10,483,678</u>	<u>9,215,038</u>	<u>1,268,640</u>
RESTRICTED ASSETS			
EMERGENCY RESERVE FUND	1,341,296	1,340,665	630
TOTAL RESTRICTED ASSETS	<u>1,341,296</u>	<u>1,340,665</u>	<u>630</u>
FIXED ASSETS			
PRODUCTION	14,883,725	14,875,333	8,392
DISTRIBUTION	25,751,342	25,751,342	0
GENERAL	1,071,741	1,070,546	1,195
FIXED ASSETS (COST)	<u>41,706,808</u>	<u>41,697,220</u>	<u>9,587</u>
LESS ACCUMULATED DEPRECIATION	<u>(21,360,776)</u>	<u>(21,268,263)</u>	<u>(92,514)</u>
TOTAL FIXED ASSETS, NET	<u>20,346,031</u>	<u>20,428,958</u>	<u>(82,926)</u>
INTANGIBLE ASSETS			
OTHER ASSETS AND DEFERRED OUTFLOWS	266,964	266,964	0
TOTAL ASSETS	<u><u>32,437,969</u></u>	<u><u>31,251,625</u></u>	<u><u>1,186,344</u></u>
LIABILITIES AND FUND EQUITY			
CURRENT LIABILITIES			
ACCOUNTS PAYABLE	1,341,336	484,339	856,997
SALARIES AND BENEFITS PAYABLE	115,641	150,359	(34,719)
DUE TO CITY	2,792	2,374	418
BONDS PAYABLE-CURRENT PORTION	50,000	50,000	0
UNEARNED REVENUE	74,712	98,194	(23,482)
TOTAL CURRENT LIABILITIES	<u>1,584,481</u>	<u>785,266</u>	<u>799,215</u>
LONG TERM LIABILITIES			
DUE TO CITY	22,680	22,680	0
BONDS PAYABLE, LESS CURRENT PORTION	1,693,030	1,693,584	(554)
PENSION LIABILITIES	369,988	369,988	0
TOTAL LONG TERM LIABILITIES	<u>2,085,698</u>	<u>2,086,252</u>	<u>(554)</u>
TOTAL LIABILITIES	<u>3,670,179</u>	<u>2,871,518</u>	<u>798,661</u>
DEFERRED INFLOWS OF RESOURCES	339,354	339,354	0
FUND EQUITY			
RETAINED EARNINGS	28,234,009	28,234,009	0
NET INCOME (LOSS) (THROUGH PREVIOUS MONTH)	194,427	(193,257)	387,684
TOTAL FUND EQUITY	<u>28,428,436</u>	<u>28,040,753</u>	<u>387,684</u>
TOTAL LIABILITIES & FUND EQUITY	<u><u>32,437,969</u></u>	<u><u>31,251,625</u></u>	<u><u>1,186,344</u></u>

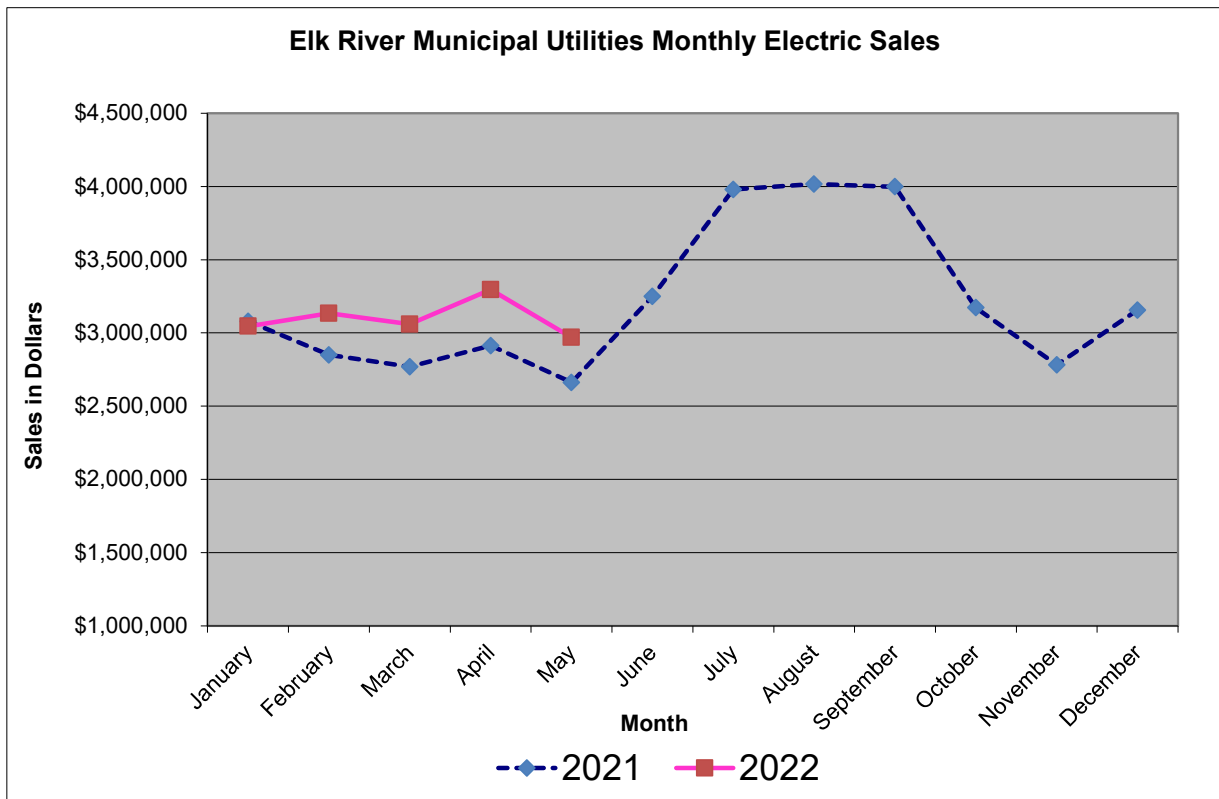
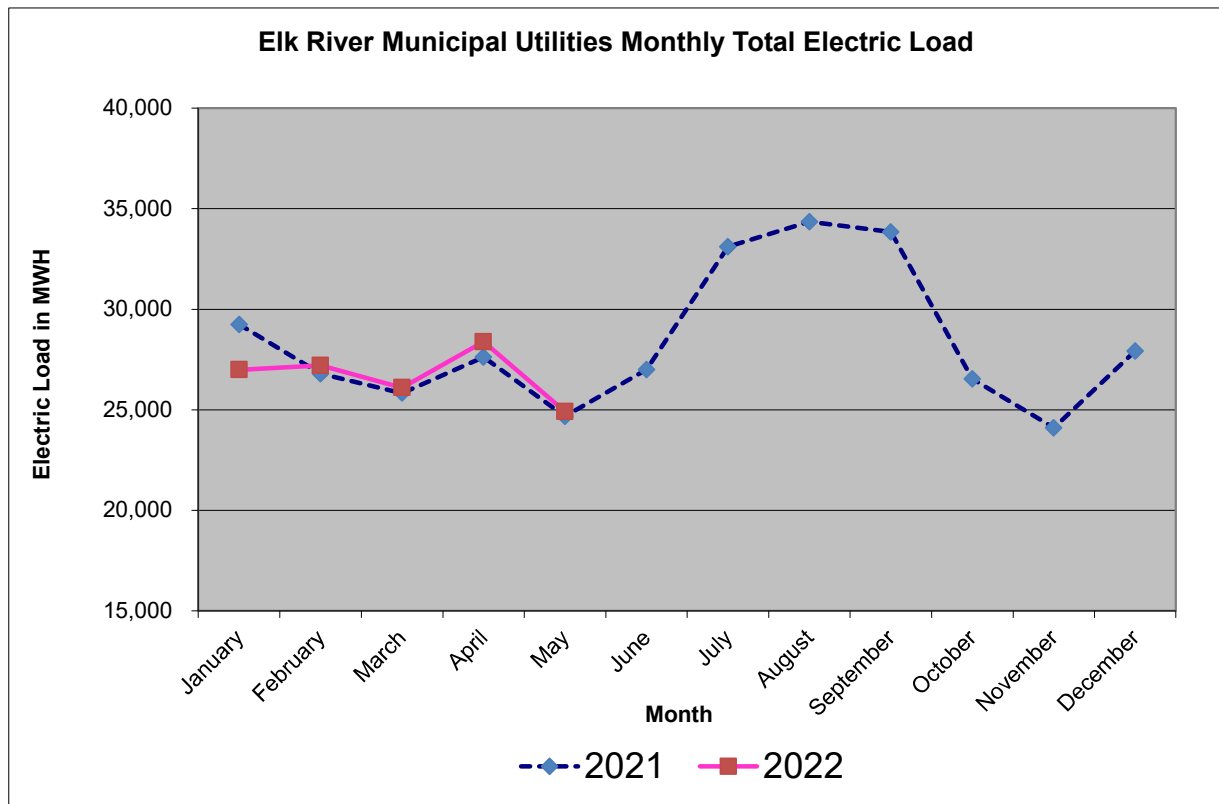
ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR PERIOD ENDING APRIL 2022

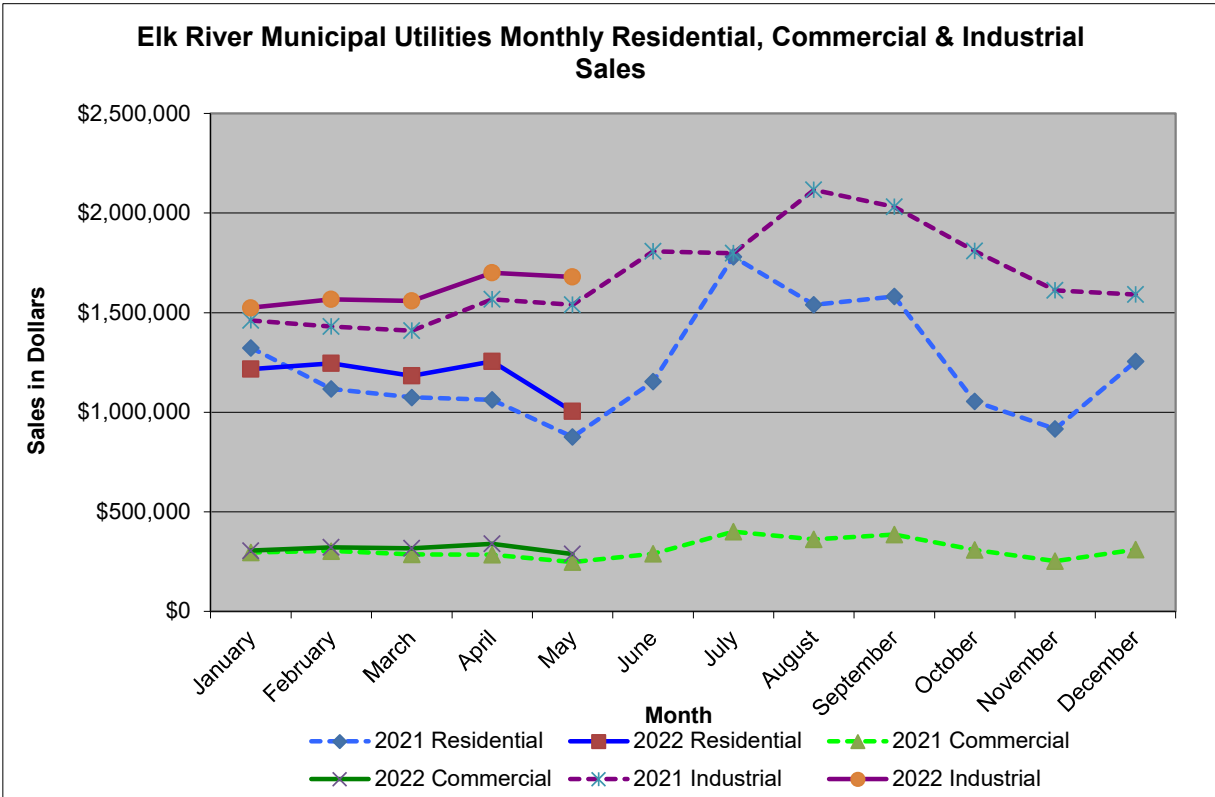
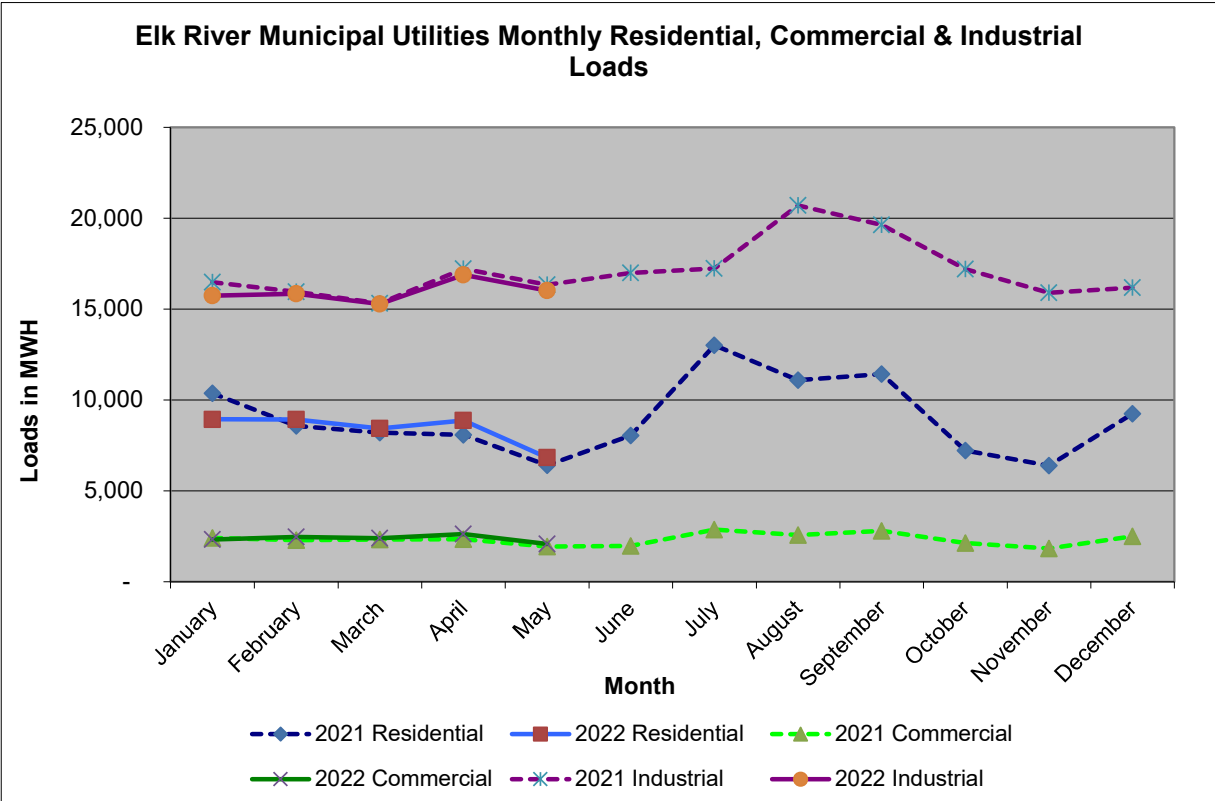
	2022 APRIL	2022 YTD	2022 YTD BUDGET	2022 ANNUAL BUDGET	2022 YTD Bud Var%	2021 APRIL	2021 YTD	YTD VARIANCE	2021 v. 2022 Actual Var%
Electric									
Revenue									
Operating Revenue									
Elk River	2,761,081	10,661,877	10,925,364	36,386,442	(2)	2,637,349	10,505,105	156,772	1
Otsego	250,872	938,574	873,267	2,915,332	7	224,726	890,828	47,746	5
Rural Big Lake	16,383	63,558	68,645	210,427	(7)	14,613	62,729	828	1
Dayton	19,413	77,503	80,583	250,448	(4)	17,594	75,430	2,072	3
Public St & Hwy Lighting	21,501	85,768	83,333	250,000	3	20,924	83,740	2,028	2
Other Electric Sales	231,400	658,441	1,600	4,800	41,053	400	1,600	656,841	41,053
Total Operating Revenue	3,300,652	12,485,723	12,032,794	40,017,450	4	2,915,609	11,619,433	866,290	7
Other Operating Revenue									
Interest/Dividend Income	(28,456)	(116,946)	26,666	80,000	(539)	5,676	20,161	(137,108)	(680)
Customer Penalties	21,384	65,758	64,090	235,000	3	0	0	65,758	0
LFG Project	59,739	298,291	334,400	836,000	(11)	96,251	342,304	(44,012)	(13)
Connection Fees	15,365	51,030	74,000	220,000	(31)	25,675	91,225	(40,195)	(44)
Misc Revenue	168,116	358,143	294,000	887,000	22	57,295	282,363	75,779	27
Total Other Revenue	236,148	656,277	793,157	2,258,000	(17)	184,897	736,055	(79,777)	(11)
Total Revenue	3,536,801	13,142,001	12,825,952	42,275,450	2	3,100,507	12,355,488	786,512	6
Expenses									
Purchased Power	2,101,422	9,063,835	7,772,097	27,017,920	17	1,851,855	7,746,739	1,317,095	17
Operating & Mtce Expense	19,923	89,580	106,608	291,500	(16)	19,039	89,973	(392)	0
Landfill Gas	56,710	222,543	245,252	613,131	(9)	59,094	241,360	(18,816)	(8)
Transmission Expense	4,254	23,027	22,233	66,700	4	4,423	18,340	4,687	26
Distribution Expense	36,313	144,445	115,638	346,916	25	30,056	145,737	(1,291)	(1)
Maintenance Expense	122,832	504,826	589,033	1,467,100	(14)	121,442	475,129	29,696	6
Depreciation & Amortization	250,294	1,000,076	999,696	3,104,833	0	246,361	979,675	20,401	2
Interest Expense	70,862	286,600	287,202	845,509	0	47,756	193,193	93,406	48
Other Operating Expense	1,257	4,241	7,246	66,740	(41)	362	43,831	(39,589)	(90)
Customer Accounts Expense	34,761	120,411	116,733	350,200	3	26,913	108,121	12,289	11
Administrative Expense	295,539	1,291,294	1,347,516	3,784,278	(4)	291,148	1,259,152	32,142	3
General Expense	21,468	101,761	194,650	587,670	(48)	28,552	109,417	(7,655)	(7)
Total Expenses(before Operating Transfers)	3,015,639	12,852,644	11,803,909	38,542,498	9	2,727,006	11,410,672	1,441,972	13
Operating Transfer									
Operating Transfer/Other Funds	119,357	455,063	437,014	1,455,457	4	106,163	422,883	32,180	8
Utilities & Labor Donated	18,411	75,222	76,666	230,000	(2)	17,960	73,524	1,698	2
Total Operating Transfer	137,769	530,286	513,681	1,685,457	3	124,124	496,407	33,879	7
Net Income Profit(Loss)	383,392	(240,929)	508,361	2,047,494	(147)	249,376	448,409	(689,338)	(154)

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR PERIOD ENDING APRIL 2022

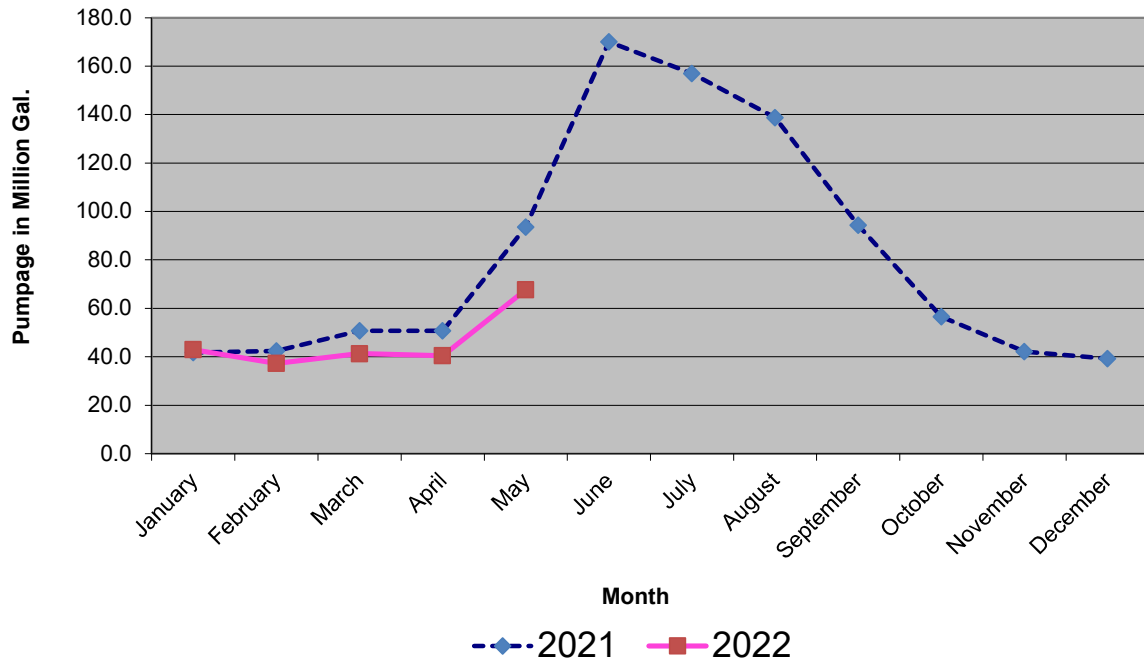
	2022 APRIL	2022 YTD	2022 YTD BUDGET	2022 ANNUAL BUDGET	2022 YTD Bud Var%	2021 APRIL	2021 YTD	YTD VARIANCE	2021 v. 2022 Actual Var%
Water									
Revenue									
Operating Revenue									
Water Sales	147,781	534,856	503,676	2,444,916	6	143,852	527,012	7,844	1
Total Operating Revenue	147,781	534,856	503,676	2,444,916	6	143,852	527,012	7,844	1
Other Operating Revenue									
Interest/Dividend Income	(6,427)	(26,448)	12,000	36,000	(320)	3,091	6,712	(33,161)	(494)
Customer Penalties	2,155	4,104	4,908	18,000	(16)	0	0	4,104	0
Connection Fees	459,657	613,325	160,000	480,000	283	78,632	213,609	399,715	187
Misc Revenue	24,466	98,205	119,925	364,153	(18)	24,140	94,971	3,234	3
Total Other Revenue	479,851	689,186	296,833	898,153	132	105,864	315,293	373,893	119
Total Revenue	627,632	1,224,043	800,510	3,343,069	53	249,717	842,305	381,737	45
Expenses									
Production Expense	7,200	32,685	25,000	75,000	31	96,591	122,575	(89,890)	(73)
Pumping Expense	37,883	178,305	187,666	563,000	(5)	39,391	163,599	14,705	9
Distribution Expense	20,718	89,148	118,300	323,100	(25)	17,519	82,100	7,047	9
Depreciation & Amortization	92,513	370,632	377,552	1,199,123	(2)	96,228	385,470	(14,837)	(4)
Interest Expense	3,279	14,320	14,320	39,720	0	1,051	5,048	9,272	184
Other Operating Expense	98	483	616	1,850	(22)	(664)	(658)	1,141	174
Customer Accounts Expense	6,995	25,399	24,733	74,200	3	6,801	23,492	1,906	8
Administrative Expense	70,162	315,105	321,885	945,251	(2)	65,847	293,478	21,627	7
General Expense	1,096	3,534	4,216	12,650	(16)	875	3,396	138	4
Total Expenses(before Operating Transfers)	239,948	1,029,616	1,074,292	3,233,895	(4)	323,641	1,078,503	(48,886)	(5)
Operating Transfer									
Utilities & Labor Donated	0	0	500	1,500	(100)	95	95	(95)	(100)
Total Operating Transfer	0	0	500	1,500	(100)	95	95	(95)	(100)
Net Income Profit(Loss)	387,683	194,426	(274,281)	107,673	171	(74,020)	(236,293)	430,720	182



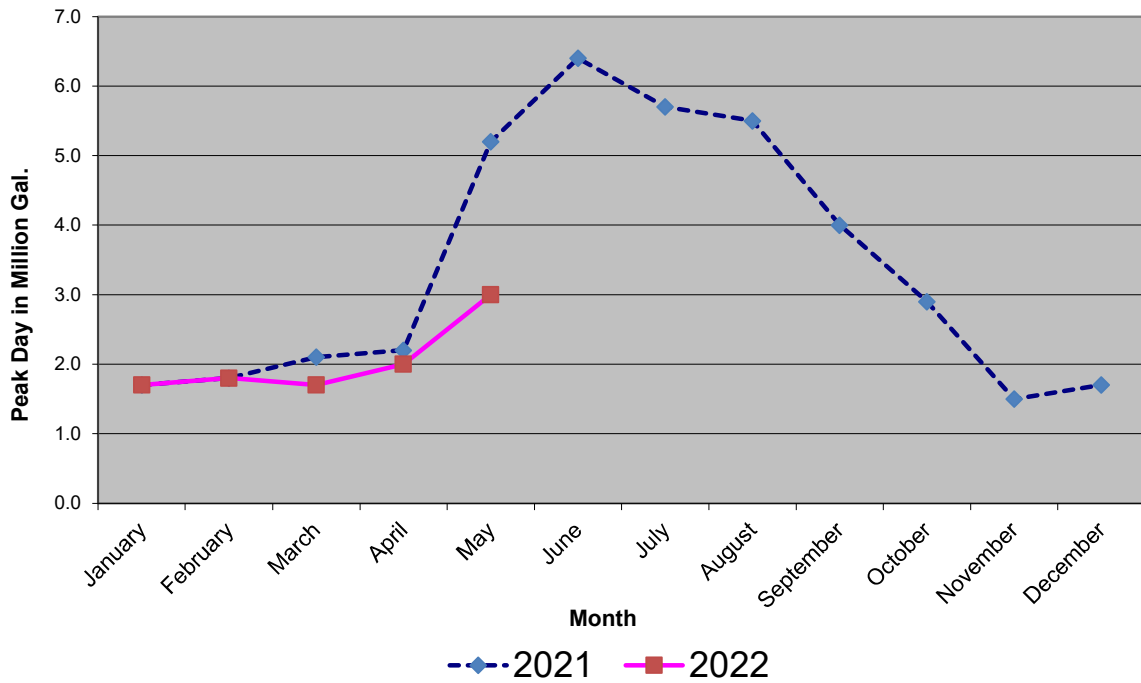


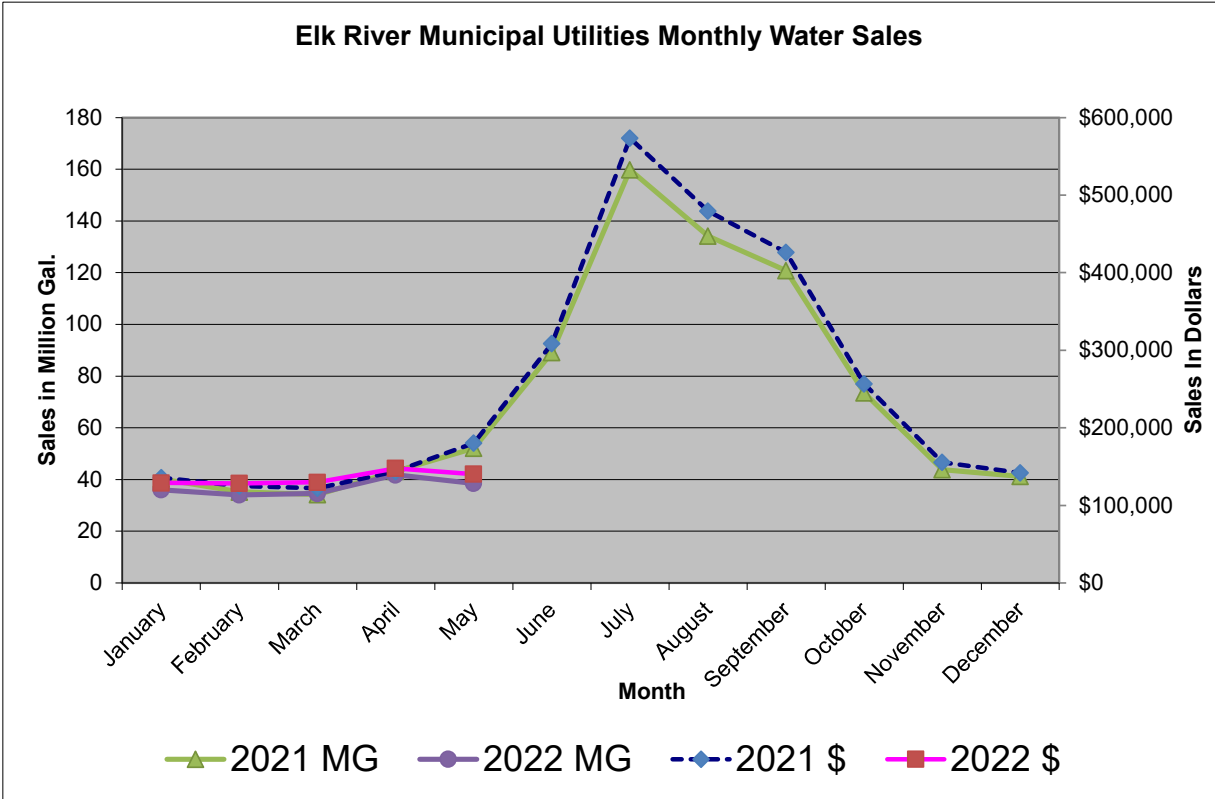


Elk River Municipal Utilities Monthly Water Pumpage



Elk River Municipal Utilities Peak Day Pumpage





ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR PERIOD ENDING APRIL 2022

		2022 APRIL	2022 YTD	2022 YTD BUDGET	2022 ANNUAL BUDGET	2022 YTD Bud Var%	2021 APRIL	2021 YTD	YTD VARIANCE	2021 v. 2022 Actual Var%
Electric Revenue										
Operating Revenue										
Elk River										
	ELECT SALES - ELK RIVER RESID	1,041,621	4,116,581	4,193,847	13,522,234	(2)	936,786	4,038,335	78,246	2
	ELECT SALES - ELK RIVER NON-D	259,990	1,003,692	1,016,260	3,228,252	(1)	234,123	954,011	49,681	5
	ELECT SALES - ELK RIVER DEMA	1,459,469	5,541,603	5,715,256	19,635,954	(3)	1,466,439	5,512,758	28,844	1
	Total For Elk River:	2,761,081	10,661,877	10,925,364	36,386,442	(2)	2,637,349	10,505,105	156,772	1
Otsego										
	ELECT SALES - OTSEGO RESIDEN	108,839	418,433	423,256	1,367,785	(1)	94,318	401,475	16,958	4
	ELECT SALES - OTSEGO NON-DEM	36,926	130,790	112,210	423,970	17	30,802	116,243	14,546	13
	ELECT SALES - OTSEGO DEMAND	105,106	389,350	337,799	1,123,576	15	99,605	373,109	16,241	4
	Total For Otsego:	250,872	938,574	873,267	2,915,332	7	224,726	890,828	47,746	5
Rural Big Lake										
	ELECT SALES - BIG LAKE RESIDE	16,211	62,921	68,033	206,219	(8)	14,443	62,079	842	1
	ELECT SALES - BIG LAKE NON-DE	172	636	612	4,208	4	170	649	(13)	(2)
	Total For Rural Big Lake:	16,383	63,558	68,645	210,427	(7)	14,613	62,729	828	1
Dayton										
	ELECT SALES - DAYTON RESIDEN	16,211	65,554	69,408	213,485	(6)	14,489	63,874	1,680	3
	ELECT SALES - DAYTON NON-DE	3,202	11,948	11,175	36,963	7	3,105	11,556	392	3
	Total For Dayton:	19,413	77,503	80,583	250,448	(4)	17,594	75,430	2,072	3
Public St & Hwy Lighting										
	ELECT SALES - SEC LTS	21,501	85,768	83,333	250,000	3	20,924	83,740	2,028	2
	Total For Public St & Hwy Lighting:	21,501	85,768	83,333	250,000	3	20,924	83,740	2,028	2
Other Electric Sales										
	SUB-STATION CREDIT	400	1,600	1,600	4,800	0	400	1,600	0	0
	RATE INCREASE	231,000	656,841	0	0	0	0	0	656,841	0
	Total For Other Electric Sales:	231,400	658,441	1,600	4,800	41,053	400	1,600	656,841	41,053
Total Operating Revenue		3,300,652	12,485,723	12,032,794	40,017,450	4	2,915,609	11,619,433	866,290	7
Other Operating Revenue										
Interest/Dividend Income										
	INTEREST & DIVIDEND INCOME	(28,456)	(116,946)	26,666	80,000	(539)	5,676	20,161	(137,108)	(680)
	Total For Interest/Dividend Income:	(28,456)	(116,946)	26,666	80,000	(539)	5,676	20,161	(137,108)	(680)
Customer Penalties										
	CUSTOMER DELINQUENT PENALT	21,384	65,758	64,090	235,000	3	0	0	65,758	0
	Total For Customer Penalties:	21,384	65,758	64,090	235,000	3	0	0	65,758	0

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
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FOR PERIOD ENDING APRIL 2022

	2022 APRIL	2022 YTD	2022 YTD BUDGET	2022 ANNUAL BUDGET	2022 YTD Bud Var%	2021 APRIL	2021 YTD	YTD VARIANCE	2021 v. 2022 Actual Var%
Electric									
LFG Project									
LFG PROJECT	59,739	298,291	334,400	836,000	(11)	96,251	342,304	(44,012)	(13)
Total For LFG Project:	59,739	298,291	334,400	836,000	(11)	96,251	342,304	(44,012)	(13)
Connection Fees									
DISCONNECT & RECONNECT CHA	15,365	51,030	74,000	220,000	(31)	25,675	91,225	(40,195)	(44)
Total For Connection Fees:	15,365	51,030	74,000	220,000	(31)	25,675	91,225	(40,195)	(44)
Misc Revenue									
MISC ELEC REVENUE - TEMP CHG	0	670	666	2,000	0	150	1,512	(842)	(56)
STREET LIGHT	0	125	5,000	20,000	(98)	9,000	27,000	(26,875)	(100)
TRANSMISSION INVESTMENTS	37,211	174,655	200,000	600,000	(13)	27,671	129,150	45,505	35
MISC NON-UTILITY	8,869	37,906	30,000	90,000	26	8,432	24,460	13,446	55
GAIN ON DISPOSITION OF PROPER	0	22,750	0	0	0	0	0	22,750	0
CONTRIBUTIONS FROM CUSTOME	122,036	122,036	58,333	175,000	109	12,040	100,241	21,794	22
Total For Misc Revenue:	168,116	358,143	294,000	887,000	22	57,295	282,363	75,779	27
Total Other Revenue	236,148	656,277	793,157	2,258,000	(17)	184,897	736,055	(79,777)	(11)
Total For Total Other Revenue:	236,148	656,277	793,157	2,258,000	(17)	184,897	736,055	(79,777)	(11)
Total Revenue	3,536,801	13,142,001	12,825,952	42,275,450	2	3,100,507	12,355,488	786,512	6
Expenses									
Purchased Power									
PURCHASED POWER	2,101,422	9,063,835	7,772,097	27,017,920	17	1,851,855	7,746,739	1,317,095	17
Total For Purchased Power:	2,101,422	9,063,835	7,772,097	27,017,920	17	1,851,855	7,746,739	1,317,095	17
Operating & Mtce Expense									
OPERATING SUPERVISION	8,758	36,093	47,666	143,000	(24)	8,241	36,622	(528)	(1)
DIESEL OIL FUEL	76	1,322	3,333	10,000	(60)	91	1,953	(631)	(32)
NATURAL GAS	1,778	11,150	8,000	17,500	39	2,031	12,026	(876)	(7)
ELECTRIC & WATER CONSUMPTI	2,632	14,343	11,900	30,000	21	2,102	9,857	4,485	45
PLANT SUPPLIES & OTHER EXPEN	169	1,476	4,333	13,000	(66)	629	4,155	(2,679)	(64)
MISC POWER GENERATION EXPE	590	2,072	2,666	8,000	(22)	1,993	4,191	(2,119)	(51)
MAINTENANCE OF STRUCTURE -	1,708	6,536	5,000	15,000	31	1,080	4,256	2,279	54
MTCE OF PLANT ENGINES/GENER	804	4,958	8,333	25,000	(41)	1,340	4,474	484	11
MTCE OF PLANT/LAND IMPROVE	3,402	11,627	15,375	30,000	(24)	1,529	12,433	(806)	(6)
Total For Operating & Mtce Expense:	19,923	89,580	106,608	291,500	(16)	19,039	89,973	(392)	0
Landfill Gas									

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	2022 APRIL	2022 YTD	2022 YTD BUDGET	2022 ANNUAL BUDGET	2022 YTD Bud Var%	2021 APRIL	2021 YTD	YTD VARIANCE	2021 v. 2022 Actual Var%
Electric									
LANDFILL GAS PLANT PURCHASE	13,243	48,683	60,717	151,794	(20)	12,844	56,695	(8,011)	(14)
LANDFILL GAS PLANT OPERATIO	41,518	166,074	166,074	415,187	0	43,516	173,204	(7,129)	(4)
LANDFILL GAS PLANT ADMINIST	184	855	10,220	25,550	(92)	1,007	3,166	(2,310)	(73)
LANDFILL GAS PLANT INSURANC	1,623	6,494	7,980	19,950	(19)	1,607	6,430	63	1
LANDFILL GAS PLANT MTCE	140	434	260	650	67	117	1,863	(1,429)	(77)
Total For Landfill Gas:	56,710	222,543	245,252	613,131	(9)	59,094	241,360	(18,816)	(8)
Transmission Expense									
TRANSMISSION MTCE AND EXPE	4,254	23,027	22,233	66,700	4	4,423	18,340	4,687	26
Total For Transmission Expense:	4,254	23,027	22,233	66,700	4	4,423	18,340	4,687	26
Distribution Expense									
REMOVE EXISTING SERVICE & M	194	194	833	2,500	(77)	0	0	194	0
SCADA EXPENSE	2,788	13,367	14,666	44,000	(9)	2,802	13,382	(15)	0
TRANSFORMER EXPENSE OH & U	963	3,817	4,333	13,000	(12)	847	3,503	313	9
MTCE OF SIGNAL SYSTEMS	0	154	666	2,000	(77)	58	252	(97)	(38)
METER EXPENSE - REMOVE & RE	0	275	333	1,000	(17)	0	0	275	0
TEMP SERVICE - INSTALL & REM	373	560	666	2,000	(16)	463	1,212	(651)	(54)
MISC DISTRIBUTION EXPENSE	31,994	126,075	93,333	280,000	35	25,885	127,386	(1,311)	(1)
INTERCONNECTION CARRYING C	0	0	805	2,416	(100)	0	0	0	0
Total For Distribution Expense:	36,313	144,445	115,638	346,916	25	30,056	145,737	(1,291)	(1)
Maintenance Expense									
MTCE OF STRUCTURES	2,129	8,147	10,000	30,000	(19)	2,617	8,000	146	2
MTCE OF SUBSTATIONS	6,528	7,003	8,666	26,000	(19)	2,082	3,524	3,479	99
MTCE OF SUBSTATION EQUIPME	4,825	22,541	23,000	69,000	(2)	3,326	20,289	2,251	11
MTCE OF OH LINES/TREE TRIM	13,447	106,665	175,000	225,000	(39)	1,153	56,907	49,758	87
MTCE OF OH LINES/STANDBY	2,830	11,294	12,000	36,000	(6)	2,824	11,488	(193)	(2)
MTCE OF OH PRIMARY	14,968	43,695	56,666	170,000	(23)	13,853	44,227	(531)	(1)
MTCE OF URD PRIMARY	10,254	51,724	55,000	165,000	(6)	44,527	74,303	(22,579)	(30)
LOCATE ELECTRIC LINES	10,790	24,290	35,033	105,100	(31)	11,094	26,401	(2,111)	(8)
LOCATE FIBER LINES	48	179	333	1,000	(46)	95	174	5	3
MTCE OF LINE TRANSFORMERS	3,830	9,515	20,000	60,000	(52)	1,918	29,299	(19,784)	(68)
MTCE OF STREET LIGHTING	888	6,924	15,000	45,000	(54)	3,768	11,700	(4,776)	(41)
MTCE OF SECURITY LIGHTING	1,146	4,862	3,333	10,000	46	(145)	2,832	2,030	72
MTCE OF METERS	7,144	27,645	26,666	80,000	4	3,026	17,706	9,939	56
VOLTAGE COMPLAINTS	1,109	2,397	3,333	10,000	(28)	1,357	2,152	245	11
SALARIES TRANSMISSION & DIST	2,399	9,089	10,000	30,000	(9)	2,101	8,742	346	4

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	2022 APRIL	2022 YTD	2022 YTD BUDGET	2022 ANNUAL BUDGET	2022 YTD Bud Var%	2021 APRIL	2021 YTD	YTD VARIANCE	2021 v. 2022 Actual Var%
Electric									
ELECTRIC MAPPING	5,962	40,012	30,000	90,000	33	2,531	32,107	7,904	25
MTCE OF OH SECONDARY	598	4,335	8,333	25,000	(48)	1,392	4,463	(128)	(3)
MTCE OF URD SECONDARY	5,528	14,719	16,666	50,000	(12)	1,611	13,879	840	6
TRANSPORTATION EXPENSE	28,400	109,783	80,000	240,000	37	22,304	106,929	2,853	3
Total For Maintenance Expense:	122,832	504,826	589,033	1,467,100	(14)	121,442	475,129	29,696	6
Depreciation & Amortization									
DEPRECIATION	194,616	777,364	776,985	2,436,698	0	190,683	756,963	20,401	3
AMORTIZATION	55,677	222,711	222,711	668,135	0	55,677	222,711	0	0
Total For Depreciation & Amortization:	250,294	1,000,076	999,696	3,104,833	0	246,361	979,675	20,401	2
Interest Expense									
INTEREST EXPENSE - BONDS	75,850	307,458	307,458	906,275	0	52,045	210,349	97,108	46
INTEREST EXPENSE - DEFEASED	0	0	0	0	0	(276)	(1,105)	1,105	100
AMORTIZATION OF DEBT DISCOU	(4,988)	(20,857)	(20,255)	(60,765)	(3)	(4,012)	(16,050)	(4,807)	(30)
Total For Interest Expense:	70,862	286,600	287,202	845,509	0	47,756	193,193	93,406	48
Other Operating Expense									
EV CHARGING EXPENSE	421	1,729	1,413	4,240	22	288	1,426	303	21
LOSS ON DISPOSITION OF PROP (C	0	0	4,166	12,500	(100)	0	42,111	(42,111)	(100)
OTHER DONATIONS	291	(9)	1,000	3,000	(101)	0	0	(9)	0
PENSION EXPENSE	0	0	0	45,000	0	0	0	0	0
OTHER INTEREST EXPENSE	378	1,864	0	0	0	0	0	1,864	0
INTEREST EXPENSE - METER DEP	166	657	666	2,000	(1)	73	293	363	123
Total For Other Operating Expense:	1,257	4,241	7,246	66,740	(41)	362	43,831	(39,589)	(90)
Customer Accounts Expense									
METER READING EXPENSE	4,631	15,476	14,033	42,100	10	3,437	12,831	2,644	21
DISCONNECT/RECONNECT EXPEN	1,746	6,125	5,366	16,100	14	910	4,970	1,155	23
MISC CUSTOMER ACCOUNTS EXP	26,998	96,170	90,666	272,000	6	22,256	88,746	7,423	8
BAD DEBT EXPENSE & RECOVER	1,385	2,639	6,666	20,000	(60)	307	1,572	1,066	68
Total For Customer Accounts Expense:	34,761	120,411	116,733	350,200	3	26,913	108,121	12,289	11
Administrative Expense									
SALARIES OFFICE & COMMISSION	65,591	251,496	286,666	860,000	(12)	68,670	269,089	(17,593)	(7)
SALARIES COVID-19	0	0	0	0	0	0	21,040	(21,040)	(100)
TEMPORARY STAFFING	0	0	1,333	4,000	(100)	0	0	0	0
OFFICE SUPPLIES	5,548	24,620	35,666	107,000	(31)	6,419	32,121	(7,501)	(23)
ELECTRIC & WATER CONSUMPTI	1,678	7,051	9,666	29,000	(27)	1,872	7,815	(764)	(10)
BANK FEES	131	662	833	2,500	(21)	174	774	(111)	(14)

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FOR PERIOD ENDING APRIL 2022

		2022	2022	2022	2022	2022 YTD	2021	2021	YTD	2021 v. 2022
		APRIL	YTD	YTD BUDGET	ANNUAL BUDGET	Bud Var%	APRIL	YTD	VARIANCE	Actual Var%
Electric	LEGAL FEES	2,077	8,549	10,666	32,000	(20)	2,420	8,911	(361)	(4)
	AUDITING FEES	1,503	6,013	6,013	18,040	0	1,500	6,000	13	0
	INSURANCE	15,825	55,614	60,961	182,884	(9)	13,106	52,425	3,188	6
	UTILITY SHARE - DEFERRED COM	12,617	57,448	41,166	123,500	40	13,203	53,642	3,805	7
	UTILITY SHARE - MEDICAL/DENT	58,052	347,471	359,666	847,000	(3)	49,076	328,594	18,876	6
	UTILITY SHARE - PERA	26,351	89,429	93,333	280,000	(4)	25,316	85,960	3,469	4
	UTILITY SHARE - FICA	25,165	85,743	88,333	265,000	(3)	24,243	82,958	2,785	3
	EMPLOYEE SICK PAY	13,171	60,553	44,341	133,025	37	12,635	46,526	14,027	30
	EMPLOYEE HOLIDAY PAY	0	25,174	40,088	146,991	(37)	0	37,156	(11,981)	(32)
	EMPLOYEE VACATION & PTO PA	25,567	95,726	91,623	231,961	4	22,712	90,568	5,157	6
	UPMIC DISTRIBUTION	0	10,576	15,000	60,000	(29)	(1,938)	9,704	871	9
	CONSULTING FEES	10,455	36,852	18,333	55,000	101	1,850	4,362	32,489	745
	TELEPHONE	2,961	11,483	10,433	31,300	10	826	8,933	2,549	29
	ADVERTISING	1,760	5,163	4,333	13,000	19	820	5,357	(194)	(4)
	DUES & SUBSCRIPTIONS - FEES	10,119	39,456	43,455	130,365	(9)	38,756	68,758	(29,302)	(43)
	SCHOOLS & MEETINGS	16,352	69,770	83,100	224,212	(16)	8,886	36,062	33,707	93
	MTCE OF GENERAL PLANT & OFFI	609	2,437	2,500	7,500	(2)	596	2,386	51	2
	Total For Administrative Expense:		295,539	1,291,294	1,347,516	3,784,278	(4)	291,148	1,259,152	32,142
General Expense										
CIP REBATES - RESIDENTIAL	2,720	16,227	19,302	57,907	(16)	2,822	10,634	5,593	53	
CIP REBATES - COMMERCIAL	0	10,683	77,400	232,200	(86)	4,417	11,266	(583)	(5)	
CIP - ADMINISTRATION	424	1,738	28,433	85,301	(94)	544	1,979	(241)	(12)	
CIP - MARKETING	2,154	8,069	15,666	47,000	(48)	3,970	10,915	(2,846)	(26)	
CIP - LABOR	12,589	47,094	33,504	100,512	41	12,941	49,501	(2,407)	(5)	
CIP REBATES - LOW INCOME	0	4,185	6,166	18,500	(32)	0	5,770	(1,585)	(27)	
CIP - LOW INCOME LABOR	947	3,674	3,250	9,750	13	971	3,659	15	0	
ENVIRONMENTAL COMPLIANCE	2,595	10,094	10,094	34,000	0	2,808	9,982	112	1	
MISC GENERAL EXPENSE	36	(5)	833	2,500	(101)	75	5,707	(5,713)	(100)	
Total For General Expense:		21,468	101,761	194,650	587,670	(48)	28,552	109,417	(7,655)	(7)
Total Expenses(before Operating Transfers)		3,015,639	12,852,644	11,803,909	38,542,498	9	2,727,006	11,410,672	1,441,972	13
Operating Transfer										
Operating Transfer/Other Funds										
TRANSFER TO CITY ELK RIVER R	119,357	455,063	437,014	1,455,457	4	106,163	422,883	32,180	8	
Total For Operating Transfer/Other Funds:		119,357	455,063	437,014	1,455,457	4	106,163	422,883	32,180	8

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FOR PERIOD ENDING APRIL 2022

	2022 APRIL	2022 YTD	2022 YTD BUDGET	2022 ANNUAL BUDGET	2022 YTD Bud Var%	2021 APRIL	2021 YTD	YTD VARIANCE	2021 v. 2022 Actual Var%
Electric									
Utilities & Labor Donated									
UTILITIES & LABOR DONATED TO	18,411	75,222	76,666	230,000	(2)	17,960	73,524	1,698	2
Total For Utilities & Labor Donated:	18,411	75,222	76,666	230,000	(2)	17,960	73,524	1,698	2
Total Operating Transfer									
Total For Total Operating Transfer:	137,769	530,286	513,681	1,685,457	3	124,124	496,407	33,879	7
Net Income Profit(Loss)	383,392	(240,929)	508,361	2,047,494	(147)	249,376	448,409	(689,338)	(154)

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	2022 APRIL	2022 YTD	2022 YTD BUDGET	2022 ANNUAL BUDGET	2022 YTD Bud Var%	2021 APRIL	2021 YTD	YTD VARIANCE	2021 v. 2022 Actual Var%
Water Revenue									
Operating Revenue									
Water Sales									
WATER SALES RESIDENTIAL	90,117	336,193	295,146	1,359,866	14	87,779	337,490	(1,297)	0
WATER SALES COMMERCIAL	56,047	192,432	202,593	842,024	(5)	52,228	180,942	11,490	6
WATER SALES IRRIGATION	1,616	6,230	5,936	243,025	5	3,844	8,579	(2,348)	(27)
Total For Water Sales:	147,781	534,856	503,676	2,444,916	6	143,852	527,012	7,844	1
Total Operating Revenue	147,781	534,856	503,676	2,444,916	6	143,852	527,012	7,844	1
Total For Total Operating Revenue:	147,781	534,856	503,676	2,444,916	6	143,852	527,012	7,844	1
Other Operating Revenue									
Interest/Dividend Income									
INTEREST & DIVIDEND INCOME	(6,427)	(26,448)	11,666	35,000	(327)	3,091	6,712	(33,161)	(494)
OTHER INTEREST/MISC REVENUE	0	0	333	1,000	(100)	0	0	0	0
Total For Interest/Dividend Income:	(6,427)	(26,448)	12,000	36,000	(320)	3,091	6,712	(33,161)	(494)
Customer Penalties									
CUSTOMER PENALTIES	2,155	4,104	4,908	18,000	(16)	0	0	4,104	0
Total For Customer Penalties:	2,155	4,104	4,908	18,000	(16)	0	0	4,104	0
Connection Fees									
WATER/ACCESS/CONNECTION FE	451,105	591,506	143,333	430,000	313	75,186	200,620	390,886	195
CUSTOMER CONNECTION FEES	8,552	21,729	11,666	35,000	86	3,439	12,928	8,801	68
BULK WATER SALES/HYDRANT R	0	89	5,000	15,000	(98)	7	60	28	48
Total For Connection Fees:	459,657	613,325	160,000	480,000	283	78,632	213,609	399,715	187
Misc Revenue									
MISC NON-UTILITY	5	25	0	0	0	0	0	25	0
MISCELLANEOUS REVENUE	0	0	0	0	0	533	533	(533)	(100)
HYDRANT MAINTENANCE PROGR	980	4,253	4,333	13,000	(2)	980	3,930	322	8
CONTRIBUTIONS FROM DEVELOP	0	0	21,666	65,000	(100)	0	0	0	0
WATER TOWER LEASE	23,481	93,926	93,925	286,153	0	22,626	90,506	3,420	4
Total For Misc Revenue:	24,466	98,205	119,925	364,153	(18)	24,140	94,971	3,234	3
Total Other Revenue	479,851	689,186	296,833	898,153	132	105,864	315,293	373,893	119
Total For Total Other Revenue:	479,851	689,186	296,833	898,153	132	105,864	315,293	373,893	119
Total Revenue	627,632	1,224,043	800,510	3,343,069	53	249,717	842,305	381,737	45

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	2022 APRIL	2022 YTD	2022 YTD BUDGET	2022 ANNUAL BUDGET	2022 YTD Bud Var%	2021 APRIL	2021 YTD	YTD VARIANCE	2021 v. 2022 Actual Var%
Water Expenses									
Production Expense									
MTCE OF STRUCTURES	7,200	32,685	25,000	75,000	31	96,591	122,575	(89,890)	(73)
Total For Production Expense:	7,200	32,685	25,000	75,000	31	96,591	122,575	(89,890)	(73)
Pumping Expense									
SUPERVISION	4,517	19,927	22,000	66,000	(9)	3,549	18,393	1,533	8
ELECTRIC & GAS UTILITIES	16,439	75,671	90,000	270,000	(16)	25,051	77,729	(2,057)	(3)
SAMPLING	2,151	4,400	5,000	15,000	(12)	1,317	4,281	119	3
CHEMICAL FEED	477	5,264	12,000	36,000	(56)	2,523	5,600	(335)	(6)
MTCE OF ELECTRIC PUMPING EQ	0	96	0	0	0	0	36	59	159
MTCE OF WELLS	14,111	69,082	53,333	160,000	30	6,708	56,202	12,880	23
SCADA - PUMPING	186	3,862	5,333	16,000	(28)	240	1,356	2,506	185
Total For Pumping Expense:	37,883	178,305	187,666	563,000	(5)	39,391	163,599	14,705	9
Distribution Expense									
MTCE OF WATER MAINS	2,365	10,355	40,000	120,000	(74)	8,361	20,870	(10,515)	(50)
LOCATE WATER LINES	1,401	1,929	5,666	17,000	(66)	1,047	5,174	(3,245)	(63)
MTCE OF WATER SERVICES	0	40	0	0	0	0	0	40	0
WATER METER SERVICE	8,627	30,620	18,333	55,000	67	2,026	12,208	18,411	151
BACKFLOW DEVICE INSPECTION	889	3,581	3,200	15,000	12	678	2,713	868	32
MTCE OF CUSTOMERS SERVICE	2,250	9,043	10,166	30,500	(11)	2,133	8,565	477	6
WATER MAPPING	535	996	4,166	12,500	(76)	582	2,024	(1,028)	(51)
MTCE OF WATER HYDRANTS - PU	874	3,043	6,000	18,000	(49)	693	1,760	1,282	73
MTCE OF WATER HYDRANTS - PR	0	254	1,666	5,000	(85)	0	0	254	0
WATER CLOTHING/PPE	1,848	4,723	2,333	7,000	102	756	8,489	(3,765)	(44)
WAGES WATER	397	1,897	3,166	9,500	(40)	423	2,086	(189)	(9)
TRANSPORTATION EXPENSE	1,183	4,293	5,000	15,000	(14)	815	3,330	962	29
WATER PERMIT	345	18,370	18,600	18,600	(1)	0	14,875	3,494	23
Total For Distribution Expense:	20,718	89,148	118,300	323,100	(25)	17,519	82,100	7,047	9
Depreciation & Amortization									
DEPRECIATION	92,513	370,632	377,552	1,199,123	(2)	96,228	385,470	(14,837)	(4)
Total For Depreciation & Amortization:	92,513	370,632	377,552	1,199,123	(2)	96,228	385,470	(14,837)	(4)
Interest Expense									
INTEREST EXPENSE - BONDS	3,833	16,537	16,537	46,371	0	1,120	5,324	11,213	211
INTEREST EXPENSE - DEFEASED	0	0	0	0	0	(69)	(276)	276	100
AMORTIZATION OF DEBT DISCOU	(554)	(2,216)	(2,217)	(6,651)	0	0	0	(2,216)	0

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR PERIOD ENDING APRIL 2022

Water		2022	2022	2022	2022	2022 YTD	2021	2021	YTD	2021 v. 2022
		APRIL	YTD	YTD BUDGET	ANNUAL BUDGET	Bud Var%	APRIL	YTD	VARIANCE	Actual Var%
	Total For Interest Expense:	3,279	14,320	14,320	39,720	0	1,051	5,048	9,272	184
	Other Operating Expense									
	DAM MAINTENANCE EXPENSE	0	0	583	1,750	(100)	(667)	(667)	667	100
	OTHER INTEREST EXPENSE	94	466	0	0	0	0	0	466	0
	INTEREST EXPENSE - METER DEP	4	17	33	100	(45)	2	9	8	100
	Total For Other Operating Expense:	98	483	616	1,850	(22)	(664)	(658)	1,141	174
	Customer Accounts Expense									
	METER READING EXPENSE	220	761	833	2,500	(9)	266	712	48	7
	MISC CUSTOMER ACCOUNTS EXP	6,774	24,637	23,733	71,200	4	6,535	22,779	1,858	8
	BAD DEBT EXPENSE & RECOVER	0	0	166	500	(100)	0	0	0	0
	Total For Customer Accounts Expense:	6,995	25,399	24,733	74,200	3	6,801	23,492	1,906	8
	Administrative Expense									
	SALARIES OFFICE & COMMISSION	19,327	73,380	78,333	235,000	(6)	19,870	77,432	(4,052)	(5)
	SALARIES COVID-19	0	0	0	0	0	0	1,791	(1,791)	(100)
	TEMPORARY STAFFING	0	0	333	1,000	(100)	0	0	0	0
	OFFICE SUPPLIES	953	4,117	7,900	23,700	(48)	4,257	10,454	(6,336)	(61)
	ELECTRIC & WATER CONSUMPTI	419	1,762	2,666	8,000	(34)	468	1,954	(191)	(10)
	BANK FEES	32	175	233	700	(24)	39	202	(26)	(13)
	LEGAL FEES	519	2,137	2,666	8,000	(20)	566	1,888	248	13
	AUDITING FEES	375	1,503	1,503	4,510	0	375	1,500	3	0
	INSURANCE	2,217	8,870	9,000	27,000	(1)	2,130	8,520	350	4
	UTILITY SHARE - DEFERRED COM	2,994	9,981	9,333	28,000	7	2,000	6,884	3,096	45
	UTILITY SHARE - MEDICAL/DENT	15,720	90,936	89,120	217,000	2	13,005	78,326	12,609	16
	UTILITY SHARE - PERA	5,012	17,215	17,000	51,000	1	4,310	16,134	1,081	7
	UTILITY SHARE - FICA	4,793	16,455	16,333	49,000	1	4,145	15,584	871	6
	EMPLOYEE SICK PAY	2,633	8,665	10,000	30,000	(13)	2,060	6,541	2,124	32
	EMPLOYEE HOLIDAY PAY	0	4,301	7,636	28,000	(44)	0	7,239	(2,938)	(41)
	EMPLOYEE VACATION & PTO PA	4,253	17,487	17,000	41,000	3	3,658	14,884	2,603	17
	UPMIC DISTRIBUTION	0	2,200	2,750	11,000	(20)	(325)	1,872	327	18
	WELLHEAD PROTECTION	471	4,724	0	20,000	0	0	0	4,724	0
	CONSULTING FEES	3,491	11,035	6,666	20,000	66	2,483	7,325	3,710	51
	TELEPHONE	693	2,762	2,266	6,800	22	167	2,042	719	35
	ADVERTISING	440	1,218	1,666	5,000	(27)	576	1,718	(499)	(29)
	DUES & SUBSCRIPTIONS - FEES	1,262	19,586	20,500	73,615	(4)	1,279	19,585	1	0
	SCHOOLS & MEETINGS	4,397	15,977	18,341	55,025	(13)	4,629	10,998	4,979	45

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR PERIOD ENDING APRIL 2022

	2022 APRIL	2022 YTD	2022 YTD BUDGET	2022 ANNUAL BUDGET	2022 YTD Bud Var%	2021 APRIL	2021 YTD	YTD VARIANCE	2021 v. 2022 Actual Var%
Water									
MTCE OF GENERAL PLANT & OFFI	152	609	633	1,900	(4)	149	596	12	2
Total For Administrative Expense:	70,162	315,105	321,885	945,251	(2)	65,847	293,478	21,627	7
General Expense									
CIP REBATES - RESIDENTIAL	50	285	1,500	4,500	(81)	190	525	(240)	(46)
CIP REBATES - COMMERCIAL	0	0	166	500	(100)	0	0	0	0
CIP - MARKETING	0	529	166	500	217	0	0	529	0
CIP - LABOR	400	1,533	1,566	4,700	(2)	422	1,488	44	3
ENVIRONMENTAL COMPLIANCE	646	1,187	733	2,200	62	262	572	614	108
MISC GENERAL EXPENSE	0	0	83	250	(100)	0	809	(809)	(100)
Total For General Expense:	1,096	3,534	4,216	12,650	(16)	875	3,396	138	4
Total Expenses(before Operating Transfers)	239,948	1,029,616	1,074,292	3,233,895	(4)	323,641	1,078,503	(48,886)	(5)
Operating Transfer									
Utilities & Labor Donated									
WATER & LABOR DONATED TO CI	0	0	500	1,500	(100)	95	95	(95)	(100)
Total Operating Transfer									
Total For Total Operating Transfer:	0	0	500	1,500	(100)	95	95	(95)	(100)
Net Income Profit(Loss)	387,683	194,426	(274,281)	107,673	171	(74,020)	(236,293)	430,720	182

TO: ERMU Commission	FROM: Chris Kerzman – Engineering Manager
MEETING DATE: June 14, 2022	AGENDA ITEM NUMBER: 5.2
SUBJECT: Field Services Facility Expansion Project Update	
ACTION REQUESTED: None	

DISCUSSION:

Over the past month, framing on the second floor has been installed, and rough-in work has been moving along well. Window installation on the north elevation of the building has been going very smoothly. With windows and rough-ins finishing up, drywall and painting/finish work will be starting soon. The chassis wash equipment has been installed in the wash bay, and the crane equipment has been installed in the repair bay. Through most of the south areas of the building, contractors are finalizing control systems and detail work. The garage door jambs have been repaired, and garage doors are staged at the shop ready for installation.

Upcoming work for the next month is expected to include installation of garage doors, continued work on the second level, and focus on the detail through the south portion of the building; the inventory area, wash bay, and repair bay all need HVAC, lighting, and fire system details finished. The garage area has some repair work needed, as well as control work. First level workshops and lunchroom are drywalled, and finish work is beginning.

TO: ERMU Commission	FROM: ERMU General Manager Search Committee
MEETING DATE: June 14, 2022	AGENDA ITEM NUMBER: 5.3
SUBJECT: General Manager Search Committee Update	
ACTION REQUESTED: Approve the ERMU General Manager Employment Agreement	

BACKGROUND/DISCUSSION:

The Search Committee made an offer to Mark Hanson on June 2, 2022, for the position of General Manager, which was accepted on June 8. Due to personal and professional circumstances there will be no formal press release until June 20. Mark will start as Deputy General Manager on Monday, July 18, working collaboratively with Theresa Slominski until her retirement at the end of the year, at which point Mark will assume the full role of General Manager. The employment agreement is presented here for the Commission to review and approve.

ATTACHMENTS:

- ERMU General Manager Employment Agreement

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (the “**Agreement**”), for an employment start date of July 18, 2022 (the “**Start Date**”), is entered into between Elk River Municipal Utilities, a Minnesota corporation (the “**Utilities**”) and Mark Hanson, a resident of Minnesota (“**Employee**”).

RECITALS

- A. The Utilities desires to employ Employee in accordance with the terms of this Agreement.
- B. The Utilities and Employee desire to enter into this Agreement.

AGREEMENT

In consideration of the above recitals and the promises set forth in this Agreement, the Utilities and Employee agree as follows:

1. Nature and Capacity of Employment. The Utilities hereby agrees to employ Employee pursuant to the terms of this Agreement. As of the Start Date and through December 31, 2022, Employee’s title will be Deputy General Manager and he will report directly to the Utilities’s General Manager. Beginning January 1, 2023, Employee’s title will be General Manager and he will report directly to the Utilities Commission. Employee agrees to perform, or be available to perform, on a full-time basis, the functions of these positions and such other duties as assigned by the Utilities consistent with such positions. Employee’s employment is subject to the Utilities’s policies and practices except as otherwise explicitly provided in this Agreement; and to the continuing discretion of the Utilities Commission.

2. At-Will Employment. Employee’s employment with the Utilities will commence as of the Start Date and continue until terminated by either party as provided for in Section 6 below. Employee understands that Employee’s employment with the Utilities is at will and may be terminated by either the Employee or the Utilities for any reason at any time, with or without advance notice, subject to the provisions of Section 6, below. Under certain circumstances Employee may be eligible for severance benefits pursuant to Section 6.

3. Compensation.

3.1. Base Salary. As of the Effective Date, Employee’s annualized gross base salary will be One Hundred Seventy-Four Thousand Dollars (\$174,000), which will be earned by Employee on a pro rata basis as Employee performs services for the Utilities and which salary will be paid in accordance with the Utilities’s regular payroll practices. Employee’s compensation is subject to review and change by the Utilities in its sole discretion from time to time. Employee’s compensation shall be subject to federal and state income tax withholding, FICA and Medicare and such other deductions as the Utilities is required by law, or believes in good faith it is required by law, to make. The position of General Manager is an exempt executive position under the Fair Labor Standards Act (FLSA) and the Minnesota Fair Labor Standards Act (MFLSA) and, in accordance with those laws, shall not be subject to the payment of premium compensation, or to receiving compensatory time, for overtime.

3.2. Performance Measurement Incentive Compensation. Employee will be eligible to fully participate in the Utilities's Performance Metrics Incentive Compensation system ("UPMIC") used to annually award performance-based compensation earned by eligible employees (those currently employed who are in good standing) in accordance with the terms and conditions and incentive achievement formulae adopted annually by the Utilities Commission and set forth in a UPMIC document. To be eligible to receive an award under UPMIC if one is achieved, the Employee must remain employed by the Utilities at the time such award is to be made.

4. Employee Benefits. During Employee's employment with the Utilities, Employee will be entitled to participate in all retirement savings plans, health and other insurance plans, and other employee benefits and policies made available by the Utilities to its employees generally, as they may be changed from time to time.

Retirement Plan. Such retirement plans include, specifically, the plan sponsored and managed by or on behalf of the Minnesota Public Employees Retirement Association (PERA). The Utilities shall make contributions to a retirement plan account established for Employee in PERA as prescribed by law and in accordance with the terms and conditions of such PERA retirement plan.

Vacation. For purposes of the Utilities's vacation benefit applicable to Employee, Employee will be credited on his Start Date with nineteen years of industry service, resulting in his being eligible under the Utilities's vacation policy to accrue 25 vacation days per year at the rate of 7.70 hours per pay period during the first year of his employment, and to use his vacation time without reduction of the minimum annual base salary payable to Employee pursuant to Section 3.1 of this Agreement. In addition, on his Start Date Employee will receive five vacation days in his account, which will be immediately available for use and which are in addition to the 25 days he will be eligible to accrue during his first year of employment. Except as provided herein, all terms and conditions for Employee's paid vacation including terms for annual carryover of vacation time and for pay out or conversion of such time upon the end of employment will be as applicable to all Utilities employees under the Utilities's vacation policy.

Paid Sick Leave and Paid Holidays. Paid sick leave and paid holidays are included as other benefits and policies made available by the Utilities to its employees generally. Under Utilities policy Employee will be eligible to accrue sick leave at the rate of 3.70 hours per pay period (twelve days per year). In addition, on his Start Date Employee will receive ten sick days in his account, which will be immediately available for use and which are in addition to the twelve (12) sick days he will be eligible to accrue during his first year of employment. Employee may use his accrued sick leave in accordance with Utilities policy without reduction in salary. Except as provided herein, all terms and conditions for Employee's sick leave including terms for annual carryover of sick leave time and for any pay out or conversion of such time upon the end of employment will be as applicable to all Utilities employees under the Utilities's sick leave policies.

Employee will be entitled to observe Utilities-designated holidays in accordance with Utilities policy without reduction in his salary.

No Obligation to Establish Other Benefit Plans. Employee acknowledges and agrees that the Utilities is under no obligation to Employee to establish and maintain any employee benefit

plan in which Employee may participate, and that the terms and provisions of any employee benefit plan of the Utilities are matters within the exclusive province of the Utilities Commission, subject to applicable law. Upon the termination of Employee's employment, Employee will be entitled to continue those benefits as to which continuation is required by state or federal law.

Utilities Vehicle and Fuel. Based on the expectation that Employee will regularly be available to respond in a timely and appropriate manner to calls about Utilities business outside of regular business hours, Employee will be provided an assigned and marked Utilities vehicle for his use, which shall be subject to this Agreement, the Utilities's Use and Disposal of Utility Property policy, and all other applicable Utilities policies. Employee will be provided with tokens or other means by which he may purchase fuel for the Utilities vehicle within the city of Elk River, and a Utilities credit card with which he may purchase fuel for the Utilities vehicle when outside the city of Elk River. Employee is required to track and regularly report to the Utilities the mileage for his personal use of the company vehicle, for tax and accounting purposes, which the Utilities will treat as a taxable benefit to him.

Professional and Civic Dues, Fees, and Expenses. The Utilities shall pay for Employee's reasonable professional dues, fees, and expenses for membership in and attendance at professional and civic organizations and events and conferences reasonably related to Employee's position with the Utilities; but the Utilities reserves the right to require that the Utilities Commission approve such dues, fees, and expenses in advance of their being incurred.

5. Confidential Information.

5.1. Definition of Confidential Information. For purposes hereof, "**Confidential Information**" means any non-public information regarding the Utilities or any affiliated entity, including but not limited to the City of Elk River (each, an "**Affiliate**"), or any of their employees, directors, representatives, suppliers, vendors, shareholders, members, customers, or other third parties or entities with whom the Utilities or any Affiliate does business which the Employee learns or develops during Employee's application for and/or employment with the Utilities, whether developed by Employee or by others and in whatever form, and includes, but is not limited to, trade secrets, Inventions (as defined below), financial information, key personnel information, and information relating to such matters as existing or contemplated products, services, research and/or development, insurance arrangements, profit margins, fee schedules, pricing, design, processes, formulae, business plans, sales techniques, marketing techniques, training methods, manuals and materials, policies or practices related to business, or other matters, computer databases, computer programs, software and other technology, customer lists, customer preferences or requirements, vendor lists, or supply information. Any information disclosed to the Employee or to which the Employee has access during the time of Employee's application for and/or employment with the Utilities that Employee reasonably considers to be Confidential Information, or which the Utilities or any Affiliate treats as Confidential Information, will be presumed Confidential Information.

5.2. Restrictions. Employee agrees not to, directly or indirectly, use or disclose any Confidential Information for the benefit of anyone other than the Utilities either during Employee's employment with the Utilities or after Employee's employment with the Utilities ends, regardless of the reason for such separation of employment. Employee recognizes that the Confidential Information constitutes a valuable asset of the Utilities and hereby agrees to act in such a manner

as to prevent its disclosure and use by any person unless such use is for the benefit of the Utilities and in the proper course of Employee's duties with the Utilities. Employee's obligations under this paragraph are unconditional and will not be excused by any conduct on the part of the Utilities, except prior voluntary disclosure by the Utilities of the information, other than by Employee.

5.3. Compelled Disclosure. In the event a third party seeks to compel disclosure of Confidential Information by Employee by judicial or administrative process, Employee will promptly notify the Utilities Commission Chair of such occurrence and furnish a copy of the demand, summons, subpoena, or other process served upon Employee to compel such disclosure and will permit the Utilities to assume, at its expense, but with Employee's cooperation, defense of such disclosure demand. In the event that the Utilities refuses to contest such third party disclosure demand under judicial or administrative process, or if a final judicial order is issued compelling disclosure of Confidential Information by Employee, Employee will be entitled to disclose such information in compliance with the terms of such administrative or judicial process or order without violating Employee's obligations under this Agreement.

5.4. Immunity for Certain Limited Disclosures. Notwithstanding any other provision of this Agreement, Employee may in accordance with any applicable law, including but not limited to the federal Defend Trade Secrets Act, disclose Utilities information, including trade secrets (a) in confidence, to federal, state, or local government officials, or to an attorney of Employee, for the sole purpose of reporting or investigating a suspected violation of law; or (b) in a document filed in a lawsuit or other legal proceeding, but only if the filing is made under seal and protected from public disclosure. Nothing in this Agreement is intended to conflict with any applicable law or create liability for disclosures expressly allowed by law.

5.5. Return of Confidential Information and Other Property. When Employee's employment with the Utilities ends, regardless of the reason for such separation of employment, Employee will promptly turn over to Utilities in good condition all property of the Utilities or any Affiliate in Employee's possession or control, including, but not limited to, all originals, copies of or electronically stored documents or other materials containing Confidential Information, regardless of who prepared them. In the case of electronically stored information retained by Employee outside of Utilities's electronic systems, Employee will promptly make a hard copy of such information in paper, audio recording, disc format, or other format as appropriate, turn that hard copy over to Utilities, and then destroy Employee's electronically stored information. Further, Employee agrees to execute written confirmation that all Confidential Information in the Employee's possession, or to which the Employee has access, has been turned over to Utilities or destroyed.

6. Termination of Employment Agreement. Employee's employment may be terminated at will subject to the provisions of this Section 6.

6.1. With Cause. For purposes of this Agreement, "Cause" will mean the occurrence of any of the following, as determined by the Utilities Commission in its sole discretion:

- (a) Employee's failure to satisfactorily perform Employee's duties, provided that such Cause is not cured by Employee, or is not

capable of being cured by Employee, within 90 days after the Utilities delivers written notice of such Cause to Employee; or

- (b) Conduct in violation of or inconsistent with Utilities policy, including but not limited to any and all policies set forth in this Handbook; conduct or language that is improper or inappropriate in the discretion of the Utilities; insubordination; failure to do the work assigned in a manner satisfactory to the Utilities; dishonesty or stealing; the sale, transfer of, or possession, or being under the influence, of intoxicating beverages or controlled or mood altering substances while on the job; or
- (c) Conduct by Employee which is (or will be if continued) injurious to the Utilities, monetarily or otherwise; or
- (d) Fraud, misappropriation, or embezzlement by the Employee; or
- (e) Employee's conviction of a felony crime, gross misdemeanor, or a crime of moral turpitude; or
- (f) Employee's material breach of this Agreement or the Utilities's policies.

The Utilities, acting by and through the Utilities Commission may immediately terminate Employee's employment under this Agreement for Cause by providing written notice of such termination to Employee. As of the effective date of such termination of Employee's employment by the Utilities, the Utilities will be relieved of all obligations and liabilities to Employee under this Agreement.

6.2. Without Cause/With Good Reason. In the event Employee's employment under this Agreement is terminated by the Utilities without Cause or by the Employee without Good Reason (as "**Good Reason**" is defined below) at any time, Employee will be eligible for separation pay as set forth in Section 6.6 below. Further, in the event of termination by the Utilities without Cause or by the Employee without Good Reason, Employee, if requested by the Utilities, will continue to render services to the Utilities up to the date of actual termination. Even if the Utilities does not request Employee to continue to render such services, Employee will be paid Employee's regular compensation, plus any bonuses, expenses, or allowances accrued up to the date of actual termination.

6.3. Death. Should Employee die during the term of this Agreement, this Agreement will immediately terminate; but the Utilities will pay to Employee's estate the compensation which would otherwise be payable to Employee to the date of Employee's death.

6.4. Disability. Should Employee be unable to perform Employee's duties under this Agreement due to disability, after being provided with any reasonable accommodation the Utilities may be obligated by law to provide, this Agreement and Employee's employment may be terminated by the Utilities forthwith.

6.5. By Employee for Good Reason. For purposes of this Agreement, “**Good Reason**” means the occurrence of one or more of the following events without the Employee’s prior written consent, provided that the Employee gives notice of his/her intent to resign for Good Reason within 90 days of his/her discovery of such event:

- (a) a material diminution in Employee’s title or duties;
- (b) a failure by the Utilities to provide Employee any material payments or benefits owed to Employee;
- (c) a material diminution of Employee’s compensation or benefits; or
- (d) relocation of the Utilities’s offices to a place more than fifty (50) miles away from the Utilities’s headquarters at the inception of Employee’s employment.

Employee may terminate his employment at any time for “Good Reason,” provided that Employee has provided the Utilities at least 60 days’ advance written notice stating the specific reason for such resignation and provided that such reason has not been cured by the Utilities within said notice period.

6.6. Severance Pay Upon Termination Without Cause or For Good Reason. On the condition that Employee signs and does not rescind an agreement releasing claims arising out of his/her employment, in a form prescribed by the Utilities, in the event that Employee’s employment is terminated by the Utilities without Cause or by Employee for Good Reason, the Utilities shall, subject to all conditions set forth in this Section 6, provide Employee the following severance benefits “Severance Benefits”).

- (a) **Separation Pay.** Subject to the conditions set forth in this section the Utilities shall pay the Employee an amount equivalent to six months of the Employee’s then-current Base Salary.
- (b) **COBRA Continuation Premiums.** Subject to the conditions set forth in this section the Utilities shall continue to pay the Employer portion of the Employee’s group health insurance premium for the first six months of Employee’s eligibility for COBRA continuation of health insurance.
- (c) **Earned and Unused Vacation.** Employee shall be paid out for the amount of earned but unused vacation time in his vacation account as of the date of separation, provided they sign and do not rescind an agreement releasing claims arising out of their employment, in a form prescribed by the Utilities, less the amount of any debt then owed by Employee to the Utilities whether or not such debt is then due or payable.
- (d) **Vacation Upon Retirement.** Alternatively, if Employee retires immediately eligible to claim his/her pension and gives the Utilities at least 60 days notice shall have 100% of unused vacation time converted into cash and deposited into their Post Employment Health Care Savings account.

- (e) **Sick Leave Conversion.** Sick leave shall be subject to limited conversion under the Health Care Savings Plan policy found in the Employee Handbook. Pursuant to such policy, Employee will have 50% of unused sick leave, up to a maximum of 120 days, converted into cash and deposited into his/her Post Employment Health Care Savings account.

If the Utilities terminates the Employee for Cause, as defined below, then the Utilities shall not be obligated to provide Employee the Severance Benefits.

The Utilities and the Employee may mutually agree to terminate the Employee's employment without Cause or Good Reason and in such circumstances the Utilities shall provide the Employee the Severance Benefits unless the parties agree otherwise.

The form to be provided Employee for release of claims as stated above include adequate provisions for at least the following: (i) Employee's general release of any and all legal claims against the Utilities and all affiliated entities and persons; (ii) Employee's return of all of the Utilities's property and data; (iii) nondisparagement of the Utilities and any affiliated entities and persons; (iv) confidentiality of separation terms; and (v) acknowledgement of Employee's continuing contractual obligations to the Utilities, including Employee's continuing noncompetition, confidentiality, and invention obligations under Sections 7, 8, and 9 of this Agreement.

Any Severance Benefits due to Employee under this Section will, at the election of the Utilities, be provided to Employee within two and one-half months following the end of the taxable year in which Employee's employment terminates, or no later than the end of the second taxable year following the year of Employee's termination, in such a manner as to qualify for an exemption under Section 409A of the Internal Revenue Code of 1986, as amended, and regulations issued thereunder.

7. Inventions.

7.1. Definition. The term "**Inventions**" as used herein will mean all concepts (including business opportunities), discoveries, improvements, products, inventions, and works of authorship (including literary, pictorial, sculptural, graphic, audio or visual works), whether published or unpublished, whether patentable or unpatentable, in whatever form, that are made, conceived, generated, or first reduced to writing, drawing, or practice solely by the Employee or jointly by the Employee with others, during or after working hours, during Employee's employment by the Utilities and for a period of one (1) year after Employee's employment with the Utilities ends, regardless of the reason for such separation of employment, and relating to, or arising out of any developments or products of, or pertaining to the business of the Utilities, its divisions or its subsidiaries (companies in which the Utilities owns more than 10% of the voting equity).

7.2. Obligation to Disclose and Assign. Employee agrees to promptly disclose to the Utilities or its designee any and all Inventions that relate to the business of the Utilities and such Inventions will be the absolute property of the Utilities. Upon request by the Utilities or its designee and at the Utilities's expense, and without additional compensation to the Employee, the

Employee agrees to execute all the instruments deemed necessary by the Utilities or its designee for the filing and prosecution of any applications for Letters Patent and/or copyright registration (or their equivalent in countries other than the United States) on Inventions and agrees to perform any and all acts deemed necessary by the Utilities to aid the Utilities in securing the allowance of such applications or registrations.

At the Utilities's expense, and without additional compensation to the Employee, the Employee agrees to assign, and Employee hereby does assign to the Utilities, Employee's entire right, title, and interest in and to all of the Inventions that relate to the business of the Utilities and in and to all applications for Letters Patent and/or copyright registration (or their equivalent in countries other than the United States) that may be filed upon, and Employee agrees to execute any documents necessary to make such assignments.

Notwithstanding the foregoing, Employee understands that this assignment of inventions does not apply to any work of authorship for which no equipment, supplies, facility, or trade-secret information of the Utilities was used and which was developed entirely on Employee's own time, and (a) which does not relate (i) directly to the business of the Utilities, or (ii) to the Utilities's actual or demonstrably anticipated research or development; or (b) which does not result from any work performed by Employee for the Utilities.

7.3. Pre-existing Inventions. Employee has identified on **Exhibit A** attached hereto a complete list of all inventions or improvements which have been made or conceived or first reduced to practice by Employee alone or jointly with others prior to Employee's employment by the Utilities and which Employee desires to exclude from the operation of this Agreement. If there is no such list on **Exhibit A**, Employee represents that Employee has made no such inventions or improvements at the time of signing of this Agreement.

8. Non-Competition.

8.1. Acknowledgement. Employee acknowledges that (a) Employee's services to be performed for Utilities are of a special and unique nature; (b) the Utilities operates in a highly competitive environment and would be substantially harmed if Employee were to compete with Utilities or divulge its confidential information; (c) Employee has received valuable and sufficient consideration for entering into this Agreement, including but not limited to the Utilities's offer of employment to Employee under this Agreement and the payments and benefits associated with that employment, and receipt of the Utilities's Confidential Information; and (d) the provisions of this Section 9, including all of its subparts, are reasonable and necessary to protect the Utilities's business.

8.2. Covenant Not to Compete. Employee agrees that during Employee's employment with the Utilities and for an additional period of 12 months following the end of Employee's employment with the Utilities for any reason (the "**Noncompete Period**"), Employee will not, within any geographic area in which the Utilities is engaged in developing, manufacturing, marketing, distributing, or selling its products and services, directly or indirectly, hold any ownership interest in (except a stockholder of a public company in which Employee owns less than five percent (5%) of the issued and outstanding capital stock of such company), manage, control, serve on the Board of Directors of, or render services of any kind in any capacity to any

person or entity engaged in the development, manufacture, marketing, distribution, or sale of any services or products of the same general type, which perform similar functions, or which are used for the similar purposes as any product or service that is then or was during Employee's last three years of employment with the Utilities being developed, manufactured, marketed, distributed, or sold by the Utilities.

8.3. Non-Solicitation of Customers or Vendors or Prospective Customers or Vendors. Employee agrees that, during the Non-Compete Period, Employee will not directly or indirectly (a) canvass, solicit, or accept business concerning any service or product that competes with a service or product of the Utilities from any person or entity who is then or was during Employee's last three years of employment with the Utilities a customer or vendor or a prospective customer or vendor of the Utilities with whom Employee had contact while an Employee of the Utilities or about whom Employee has Confidential Information; or (b) otherwise take any action to divert business from or curtail the business of the Utilities.

8.4. Non-Solicitation of Employees or Business Relations. Employee agrees that, during the Non-Compete Period, Employee will not, directly or indirectly, take any action to solicit, recruit, encourage, or assist any employee or any supplier, vendor, consultant, independent contractor, subcontractor, or any other business relation (each a "**Business Relation**") of the Utilities to terminate, curtail, or lessen his, her, or its relationship with the Utilities. Employee further agrees that Employee's obligations set forth in this Section 8.4 will apply regardless of whether Employee initiates contact with a Utilities employee or Business Relation or the Utilities employee or Business Relation initiates contact with the Employee.

8.5. Disclosure of Obligations. During the Non-Compete Period, Employee will, prior to accepting employment or any other business relationship with any other person or entity, inform that person or entity of Employee's obligations under this Agreement.

8.6. Extension of Non-Compete Period. If the Utilities obtains a court ruling or judgment finding that Employee has violated any portion of Section 8, Employee agrees that the Non-Compete Period will be extended for a period of time equal to the period of time during which Employee was found to be in breach of this Section 8.

9. Use of Name and Photograph. Employee consents to the present or future use and any reproduction of Employee's name and photograph, or either, in any facilities brochure or other advertising or publications of the Utilities. Employee further consents to the entering of Employee's name and telephone number onto any employee list which is public as to other Utilities employees and Employee waives any rights to prevent Utilities employees from obtaining this information. Employee promises to hold the Utilities harmless for allowing its employees to access this information and promises to hold the Utilities harmless for all non-willful disclosures to anyone who is not a Utilities employee. Employee agrees to sign the Utilities's standard Consent to Release of Private data form in partial satisfaction of the requirements of this Section 9.

10. Employee Representations and Warranties. Employee represents and warrants that the performance of Employee's duties for the Utilities and Employee's obligations under this Agreement does not and will not cause Employee to violate the terms of any agreement,

commitment, or understanding Employee has with any other person or entity, including, but not limited to, any invention or intellectual property assignment agreement, any noncompete or nonsolicitation agreement, or any agreement to keep in confidence the trade secrets, proprietary, or other confidential information of such person or entity. Employee also represents and warrants that Employee has not brought and will not bring to the Utilities, or use for the benefit of the Utilities, any materials, information, and/or documents of any person or entity that are not generally available to the public or within the Utilities's trade, unless Employee has obtained written authorization from any such person or entity permitting Employee to retain and use said materials, information, and/or documents. Employee hereby further represents and warrants that Employee's use (or the Utilities's use) of any materials, information, and/or documents Employee may bring to the Utilities for use in Employee's employment will not violate the intellectual property rights of any other person or entity. Employee further agrees to indemnify and hold harmless the Utilities against any expenses, damages, costs, losses, or fees (including legal fees) incurred by Utilities in any suit, claim, or proceeding brought by any third party based on a fact which constitutes a breach of the warranty set forth in this Section 11.

11. Section 409A of the Internal Revenue Code. This Agreement is intended to comply with Section 409A of the Internal Revenue Code or an exemption thereunder and will be construed and administered in accordance with Section 409A. Notwithstanding any other provision of this Agreement, payments provided under this Agreement may only be made upon an event and in a manner that complies with Section 409A or an applicable exemption. Any payments under this Agreement that may be excluded from Section 409A either as separation pay due to an involuntary separation from service or as a short-term deferral will be excluded from Section 409A to the maximum extent possible. For purposes of Section 409A, each installment payment provided under this Agreement will be treated as a separate payment. Any payments to be made under this Agreement upon a termination of employment will only be made upon a "separation from service" under Section 409A. Notwithstanding the foregoing, the Utilities makes no representations that the payments and benefits provided under this Agreement comply with Section 409A and in no event will the Utilities be liable for all or any portion of any taxes, penalties, interest, or other expenses that may be incurred by the Executive on account of non-compliance with Section 409A.

Notwithstanding any other provision of this Agreement, if any payment or benefit provided to Employee in connection with Employee's termination of employment is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A and Employee is determined to be a "specified employee" as defined in Section 409A(a)(2)(b)(i), then such payment or benefit will not be paid until the first payroll date to occur following the six-month anniversary of the Employee's effective termination date (the "**Specified Employee Payment Date**"). The aggregate of any payments that would otherwise have been paid before the Specified Employee Payment Date will be paid to Employee in a lump sum on the Specified Employee Payment Date and thereafter any remaining payments will be paid without delay in accordance with their original schedule.

12. Miscellaneous.

12.1. Governing Law. This Agreement and all matters arising out of or relating to this Agreement will be governed by, construed, and enforced in accordance with the laws of the State

of Minnesota without giving effect to any choice or conflict of law doctrine that otherwise might be applicable.

12.2. Submission to Jurisdiction. Any legal suit, action, or proceeding arising out of or relating in any way to this Agreement or the transactions contemplated hereby will be instituted exclusively in the courts of competent jurisdiction located in the State of Minnesota. The parties hereto consent to the exclusive jurisdiction of such courts in any such suit, action, or proceeding, and consent to personal jurisdiction in such courts.

12.3. Notice. All notices, requests, consents, claims, demands, waivers and other communications under this Agreement must be in writing and will be deemed effectively given (a) on the date delivered by hand, sent by facsimile (with evidence of successful transmittal), or sent by e-mail (with evidence of successful transmittal) if delivered/sent during normal business hours of the recipient, and on the next business day if delivered/sent after normal business hours of the recipient; (b) on the second business day after delivery to a nationally recognized overnight courier; or (c) on the third business day after the date mailed by certified or registered mail, postage prepaid. Such communications must be sent to the respective parties at the following address: (a) if to the Utilities, to the address of its then principal office; and (b) if to Employee, to the address last shown in the records of the Utilities.

12.4. Entire Agreement. This Agreement, together with all related exhibits and schedules, any other documents incorporated herein by reference, and any and all other documents, instruments, or other agreements executed in connection with this Agreement or otherwise executed in connection with or arising out of the transactions contemplated by this Agreement, constitute the sole and entire agreement and understanding of the parties hereto with respect to the subject matter hereof and thereof, and replace and supersede any and all prior oral and written understandings, agreements, representations, warranties, and discussions with respect to such subject matter.

12.5. Payments. All amounts paid under this Agreement will be subject to normal withholdings or such other treatment as required by law.

12.6. Survival of Sections 5 & 7 - 10. Employee's confidentiality, inventions, and noncompete and other obligations set forth at Section 5 and Sections 7 through 10 of this Agreement will survive the termination of this Agreement and Employee's termination of employment with the Utilities, regardless of the reason for such terminations.

12.7. Counterparts; Electronic Transmission. This Agreement may be executed in counterparts, each of which will be deemed an original copy of this Agreement but all of which together will be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail attachment, or other means of electronic transmission will be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

12.8. Successors and Assigns. This Agreement is personal in nature to the Employee and the Employee will not assign, transfer, or delegate any right, interest, or obligation hereunder in whole or in part, without the prior written consent of the Utilities. The rights, interests, and obligations of the Utilities under this Agreement may, in the discretion of the Utilities, be

transferred to the Utilities's successors and assigns. Any purported assignment in violation of this Section will be null and void. In the event any assignment is made, this Agreement will be binding upon and inure to the benefit of the parties and their respective permitted successors and assigns.

12.9. Cumulative Remedies. The rights and remedies under this Agreement are cumulative and are in addition to and not in substitution for any other rights and remedies available at law or in equity or otherwise.

12.10. Equitable Remedies. Employee acknowledges that a breach or threatened breach of any of its obligations under Section 5 or Sections 7 through 10, would give rise to irreparable harm to the Utilities for which monetary damages would not be an adequate remedy, and hereby agrees that in the event of a breach or a threatened breach by Employee of any such obligations, the Utilities will, in addition to any and all other rights and remedies that may be available to it in respect of such breach, be entitled to equitable relief, including a temporary restraining order, an injunction, specific performance, and any other relief that may be available from a court of competent jurisdiction (without any requirement to post bond).

12.11. Amendment. This Agreement may be amended, modified, or supplemented only by an agreement in writing executed by all of the parties to this Agreement.

12.12. Waiver. No waiver by any party of any of the provisions hereof will be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party will operate or be construed as a waiver in respect of any failure, breach, or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement will operate or be construed as a waiver thereof; nor will any single or partial exercise of any right, remedy, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege.

12.13. Severability; Blue Pencil. If any term or provision of this Agreement is found to be invalid, illegal, or unenforceable under applicable law, such provision will be ineffective only to the extent of such invalidity, illegality, or unenforceability without invalidating the remainder of such provision or any other term or provision of this Agreement. To the extent legally permissible, any such illegal, invalid, or unenforceable provision will be replaced by a valid provision that will implement the commercial purpose of the Agreement.

12.14. Headings, Gender, Etc. The headings in this Agreement are for convenience only and will not in any way affect the meaning or interpretation of this Agreement. Except where the context requires otherwise, the use of terminology of any of the masculine, feminine, or neuter genders will include all such genders, and the use of the singular number will include the plural and vice versa.

12.15. Third-Party Beneficiaries. Employee acknowledges and agrees that the Affiliates are third-party beneficiaries of this Agreement and may enforce the provisions of this Agreement that confer benefits on them as if they were each a signatory to this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the dates set forth below.

Date: _____

UTILITIES:

By: _____
John Dietz
Utilities Commission Chair

EMPLOYEE:



Mark Hanson

Exhibit A

PRE-EXISTING INVENTIONS AND IMPROVEMENTS

Name/Title of Invention or Improvement*

Description of Invention or Improvement

* Note: If no Inventions or Improvements are listed above, Employee executing the attached Confidentiality, Non-Solicitation and Invention Agreement represents that none exist.

TO: ERMU Commission	FROM: Theresa Slominski – General Manager
MEETING DATE: June 14, 2022	AGENDA ITEM NUMBER: 6.1a
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- The Minnesota Municipal Power Agency (MMPA) first quarter 2022 income statement and balance sheet are attached. It is important to note that these financials **have not** been audited. This is the same financial information that the Agency sends to data repositories as part of its bond agreements and is **public** information.
- You should have received the invites of the MMPA Annual Meeting for Tuesday, July 26 at the Anoka Greenhaven Golf Course. As mentioned last month, this meeting will be a great opportunity for you to hear firsthand the long-term plans of the agency and get comfortable with extending the Power Sales Agreements through December 31, 2060. I encourage you to consider attending this event.
- We had a Zoom meeting with Baker Tilly to meet ERMU's new municipal advisor, Paul Steinman, as Terri Heaton will be retiring this summer and he will be taking on the customers she previously worked with for bonding.
- The Managers will be meeting with Kent Myers on June 16 for a strategic planning session. Kent is with Vision Companies and is also the consultant Minnesota Municipal Utilities Association has contracted for the Leadership Academy program.

ATTACHMENTS:

- MMPA Unaudited Financials – Q1 2022

Minnesota Municipal Power Agency
Statement of Net Position
As of March 31, 2022 - Unaudited

Assets and Deferred Outflows of Resources

Current Assets

Cash and cash equivalents	\$ 74,341,512
Restricted cash and cash equivalents	7,923,605
Accrued interest receivable	154,867
Power sales and other receivables	13,336,981
Fuel inventory	841,183
Plant inventory - spares	3,758,127
Prepaid expenses	1,021,590
Total current assets	<u>101,377,865</u>

Noncurrent Assets

Capital assets	
Electric generation assets	433,155,233
Land	10,224,648
Less: accumulated depreciation	<u>(176,565,679)</u>
Property and equipment, net	266,814,202
Construction in progress	<u>1,150,845</u>
Total capital assets, net	<u>267,965,047</u>
Restricted cash, cash equivalents, and investments	10,647,210
Prepaid expenses	522,057
Future recoverable costs	<u>45,755,265</u>
Total noncurrent assets	<u>324,889,579</u>
Total assets	<u>426,267,444</u>

Deferred Outflows of Resources

Deferred outflows of resources - other	<u>1,053,482</u>
Total assets and deferred outflows of resources	<u>\$ 427,320,926</u>

Liabilities, Deferred Inflows of Resources and Net Position

Current Liabilities

Accounts payable and accrued liabilities	\$ 8,256,366
Accrued interest payable	3,616,940
Long-term debt due within one year	8,613,333
Capital lease liability due within one year	<u>1,292,850</u>
Total current liabilities	<u>21,779,489</u>

Noncurrent Liabilities

Long-term debt, net	167,200,934
Capital lease liability, net	<u>13,650,544</u>
Total noncurrent liabilities	<u>180,851,478</u>
Total liabilities	202,630,967

Deferred Inflows of Resources

Rate stabilization	28,671,000
Other	<u>12,968,320</u>
Total liabilities and deferred inflows of resources	<u>244,270,287</u>

Net Position

Net investment in capital assets	89,042,701
Restricted for debt service	7,923,605
Unrestricted	<u>86,084,333</u>
Total net position	<u>183,050,639</u>
Total liabilities and deferred inflows of resources and net position	<u>\$ 427,320,926</u>

Minnesota Municipal Power Agency
Statements of Revenues, Expenses and Changes in Net Position
YTD March 31, 2022 - Unaudited

Operating Revenues

Power sales to members	\$ 38,877,539
Power sales to non-members	322,924
	<hr/>
Total operating revenues	39,200,463

Operating Expenses

Power acquisition expense	19,952,155
Transmission	5,599,998
Other operating expenses	6,544,277
Depreciation	3,992,953
	<hr/>
Total operating expenses	36,089,383
	<hr/>
Operating income (loss)	3,111,080

Nonoperating Revenues (Expenses)

Interest expense	(1,760,844)
Investment income	102,116
Net (decrease) increase in the fair value of investments	(349,199)
Gain on sale of investments	129,129
	<hr/>
Total nonoperating revenues (expenses), net	(1,878,798)
	<hr/>
Change in net position before future recoverable costs	1,232,282

Future Recoverable Costs

Change in net position	(422,362)
------------------------	-----------

Net Position, Beginning of Year	<hr/> 183,473,001
Net Position, March 31, 2022	<hr/> \$ 183,050,639 <hr/>

TO: ERMU Commission	FROM: Melissa Karpinski – Finance Manager
MEETING DATE: June 14, 2022	AGENDA ITEM NUMBER: 6.1c
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- The accounting department is continuing to work on record retention as time permits.
- The annual MISO (Midwest Independent System Operator) reporting has been completed for 2020. These reports are used in determining the transmission rebates we will receive being a part owner of the transmission systems with Midwest Municipal Transmission Group.
- 2021 Minnesota Department of Revenue Sales and Use Tax Refund Request (ST11) has been filed in the amount of \$20,565.01.
- We received our property and liability insurance renewal for July 1, 2022 to July 1, 2023. The total premium increase is approximately 18% over the prior year; \$164,345 compared to \$139,308. Water/Sewer and Electric Utility type occupancies saw large rate increases, which is what makes up most of the property schedule. A breakdown of the premium increase is below.

Coverage	Premium		% Change
	2022	2021	
Property	\$ 48,709	\$ 32,478	49.98%
Mobile Property	\$ 1,447	\$ 1,019	42.00%
Municipal Liability	\$ 29,224	\$ 27,688	5.55%
Auto Liability	\$ 3,589	\$ 3,718	-3.47%
Auto Physical Damage	\$ 3,423	\$ 3,447	-0.70%
Bond	\$ 596	\$ 593	0.51%
Equipment Breakdown	\$ 71,460	\$ 70,365	1.56%
First Party Cyber	\$ 5,897	\$ -	-
Total Premium	\$ 164,345	\$ 139,308	17.97%

TO: ERMU Commission	FROM: Sara Youngs – Customer Service Manager
MEETING DATE: June 14, 2022	AGENDA ITEM NUMBER: 6.1d
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION

- The customer service team continues to work diligently with Republic Services and the City on missed garbage and recycling pickups. All parties met on June 3, 2022, to discuss how Republic is addressing the issues and how we can partner on our environmental initiatives.
- The customer service team met to review their dashboard for initiatives that were on hold due to COVID-19 and the change in management. Areas of focus for the remainder of 2022 include electronic signature capabilities and Advanced Metering Infrastructure (AMI). Areas of focus for 2023 include AMI, an online application for new residential service, a text messaging service, and a chat feature on the website.
- The Minnesota Department of Health (MDH) provided ERMU with a list of 70 customers to contact about participating in a water sample collection to test for lead and or copper. The MDH will ultimately require 30 samples and we have received 12 to date.
- This is our first full year promoting the Backflow Prevention Program and HydroCorp has sent out two rounds of 50 letters to residents requesting that they register for the program. Currently we have 55 participants.
- The Customer Service Book Club is reading, *“Power of a Positive Team.”* The team reviewed ERMU’s mission and vision statements and created its own vision statement for their department which identifies what the team strives to achieve daily. This vision statement reads as follows:
 - “To work together based on the values of honesty, trust and respect through communication, training and education to consistently serve our community with pride.”

TO: ERMU Commission	FROM: Tom Sagstetter – Conservation & Key Accounts Manager
MEETING DATE: June 14, 2022	AGENDA ITEM NUMBER: 6.1e
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- In the last 30 days, the level two charger located downtown had 31 sessions and provided customers with 320 kWh. The level two charger located in the ERMU/City Hall parking lot has been repaired, had 2 sessions, and provided customers with 26 kWh last month. The DC fast charger at the Coborn's fuel station had 76 sessions and provided 1,213 kWh. The charger in the ERMU/City Hall parking lot is still having communication issues. ChargePoint has created a service ticket and is working to resolve the issue.
- Staff is soliciting bids from EV charging vendors for two EV chargers. The DC fast charger on Highway 169 will no longer be supported by ChargePoint starting in April of 2023, at which point it will have to be replaced or removed. The second bid is for a level two charger that would be located at the new field services building in the customer parking lot.
- Currently there are 21 active residential solar PV projects under review or construction in the ERMU service territory. There is a large commercial solar installation that is being proposed, but it appears this installation requires sales directly to the retail customer which is prohibited by MN State Statute 216B.40. Staff will meet with the customer to determine if the Clean Energy Choice program will fulfill their renewable energy goals.
- Staff continues to discuss possible future plans for the energy generation facility at the Elk River landfill.
- The Energy City Commission (ECC) approved new Mission and Vision statements and will be sending them to the City Council for review and approval. As part of the strategic planning overhaul of the ECC, there will be a work session scheduled with City Council to review possible goals and initiatives that the ECC will work on to benefit the City and community in the areas of efficiency and sustainability.

TO: ERMU Commission	FROM: Tony Mauren – Executive Administrative Manager
MEETING DATE: June 14, 2022	AGENDA ITEM NUMBER: 6.1f
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- The annual commissioner self-evaluation will be conducted during the July 12 commission meeting. Questions for the evaluation will be sent out in advance via Survey Monkey. A year-to-year comparison will be provided for review and discussion. Staff will be emailing out a link to the survey towards the end of June.
- In June, residential electric customers will be receiving the attached Energy Efficient HVAC and WiFi Thermostat rebate flyers.
- Social media posts feature a variety of topics including: the annual report, new staff members, the Water Quality Report, ERMU's scholarship winner, and rebates. There will also be announcements such as upcoming commission meeting dates as well as an office closure and trash delay for Memorial Day.
- The communications department worked with conservation staff to produce a blog post for customers considering installing solar arrays at their home. We have seen a large increase in these installations and want to make sure customers have good information to make that decision. You can see the blog post [here](#).
- Christian Glanville, the new marketing & member relations manager for Minnesota Municipal Utilities Association (MMUA), met with ERMU's general manager, communications & administrative coordinator, and myself on May 25. The discussion offered him a chance to learn about local priorities, while also discussing opportunities for MMUA to support ERMU in its initiatives. Staff also shared its hope that they could be a resource for other utilities in the membership.
- On June 8 myself and members of ERMU's Safety Training Committee participated in an evaluation of MMUA's Safety Management program, held at Elk River City Hall. Topics included a review of the safety coordinator, a review of past trainings, strategic planning for the future, and budgeting. Overall ERMU and the other utilities in its service region

are very happy with the program and MMUA staff. Commissioners can expect to learn more about the future of safety programming and budgeting at the summer conference.

- Staff would like to provide follow up information to a question from the May commission meeting on the method for selecting participants in the customer satisfaction survey. In order to gather the 1,000 addresses needed for this round of the survey while also being able to track those customers who had already been selected, staff utilized ERMU's meter reading routes which divide the service territory into regions. Generally, the regions for this round of the survey include: the west side of Lake Orono, the area surrounding Trott Brook Farms Park, Otsego, and Dayton.
- In preparation for the 2022 Sherburne County Fair, we will be registering Eddy the EV and one of our bucket trucks for the parade taking place on Saturday, July 16 at 10:00 a.m. This year's theme is "Truckin' Thru 2022." This is such a fun community event, and we are really looking forward to being able to participate once again. If any Commissioners would like to participate please let me know.

ATTACHMENTS:

- Bill Insert – Energy Efficient HVAC Rebate
- Bill Insert – WiFi Thermostat Rebate

Welcome to Your Comfort Zone



Over half of the energy used in your home goes to heating and cooling, so when the time comes to update your HVAC equipment, ERMU makes it easy to make the smart choice. Residential electric customers can receive rebates in the form of credits on their utility bills now and enjoy reduced energy costs for years to come. Contact ERMU to ensure funds are available and the equipment qualifies for a rebate.

HOW TO APPLY

- 1** Review rebate requirements on the opposite side.
- 2** Complete the application, making sure to fill out the Equipment Information section.
- 3** Submit all materials to our office or via our website.

One rebate per application

Air Source Heat Pump

14.5 to 14.9 SEER	\$550
15 to 15.9 SEER	\$650
16+ SEER	\$750
16+ Ductless	\$400/600



Central AC

14.5 to 14.9 SEER	\$75
15 to 15.9 SEER	\$100
16+ SEER	\$125



Furnace

New with ECM fan	\$150
ECM replacement	\$100



Ground Source Heat Pump

Closed loop\$600 per ton

CUSTOMER INFORMATION

Name _____ Account # _____
Address _____
City _____ State _____ Zip _____
Phone _____ Email _____

EQUIPMENT INFORMATION

Equipment Type _____ Brand _____ Model # _____
Energy Star Rated ☐ Yes ☐ No Size _____ Tons/BTUs/Cu Ft. Date Purchased _____
Rebate Applying For (see reverse side) _____ Rebate Amount \$ _____

REGISTERED CONTRACTOR INFORMATION

Contractor Name _____ Phone _____

REBATE APPLICATION REQUIREMENTS

AIR CONDITIONERS:

- Installed by a registered contractor (list available on ERMU's website)
- Based on Seasonal Energy Efficiency Rating (SEER). **\$75** (14.5 to 14.9); **\$100** (15.0 to 15.9); or **\$125** (16 and up)
- Submit: this application, invoice, AHRI certificate, and a Quality Installation program application completed by the contractor (available on ERMU's website)

AIR SOURCE HEAT PUMPS (NOT DUCTLESS):

- Installed by a registered contractor (list available on ERMU's website)
- Based on SEER: **\$550** (14.5 to 14.9); **\$650** (15.0 to 15.9); or **\$750** (16 and up)
- Submit: this application, invoice, AHRI certificate, and a Quality Installation program application completed by the contractor (available on ERMU's website)

DUCTLESS AIR SOURCE HEAT PUMPS:

- Based on a SEER of 16 and up: **\$400** for homes heated with natural gas, propane or fuel oil; **\$600** for homes considered all electric
- Submit: this application and invoice

ECM FURNACE FAN MOTORS:

- **\$150** for a new furnace with an Electronically Commutated Motor (ECM). **\$100** for retrofit of an existing furnace
- Submit: this application, invoice, and AHRI certificate

GROUND SOURCE HEAT PUMPS:

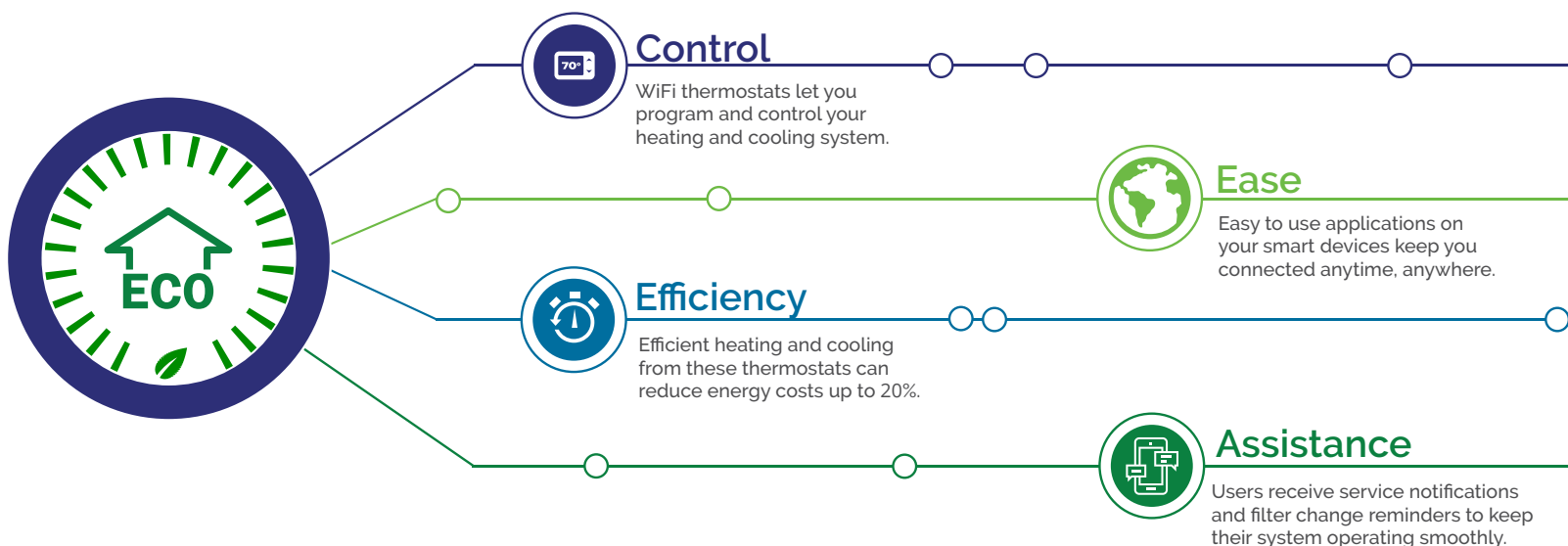
- **\$600** per ton for closed loop. **No rebates for open loop systems**
- Submit: this application and invoice



A WiFi thermostat offers temperature control, in-depth reporting, alerts, and energy savings all at the touch of a button. If that weren't reason enough to upgrade, ERMU is offering residential electric customers a \$40 rebate toward the purchase of your WiFi thermostat.

Customers applying for a rebate should complete the application on the opposite side. Rebates will be given in the form of a credit on your utility bill. Be sure to research which thermostat will be compatible with your heating and cooling system. Customers are eligible for two rebates per service address. Please complete one application for each thermostat

BENEFITS OF A WIFI THERMOSTAT



CUSTOMER INFORMATION

Name _____ Account # _____
Address _____
City _____ State _____ Zip _____
Phone _____ Email _____

EQUIPMENT INFORMATION

Brand/Manufacturer _____ Model # _____
Primary Source of Heat ☐ Gas ☐ Electric ☐ Other _____ Installation Date _____
Central Air Conditioning ☐ Yes ☐ No

I certify that my thermostat has been installed at the address listed above, and that this address represents a valid utility account.

Signature _____ Date _____

BEFORE YOU BUY

- Research which WiFi thermostat will be compatible with your existing heating and cooling system.
- If you are unsure about properly installing your WiFi thermostat, contact an HVAC contractor.
- WiFi thermostats can only control one system at a time. If you have multiple zones or systems, you will need to purchase multiple thermostats.
- Access to a strong wireless internet signal is required to operate the thermostat.

APPLICATION INFORMATION

- This rebate is for the purchase of a WiFi compatible thermostat. If the thermostat does not have WiFi capability, it does not qualify for this rebate.
- Applicant must be an ERMU residential electric customer to qualify for this rebate.
- Customer is eligible to receive two rebates per service address. Complete one application for each thermostat.
- Customer must submit a copy of the receipt that provides the unit's model number.
- Rebates will be given in the form of a credit on the utility bill.
- Submit the completed rebate application and a copy of the receipt to ERMU by mail or email at customerservice@ermumn.com.

TO: ERMU Commission	FROM: Thomas Geiser – Operations Director
MEETING DATE: June 14, 2022	AGENDA ITEM NUMBER: 6.1g
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- Staff has been attending meetings with Sherburne County to plan for the County Road 44 project.
- Staff is attending a lot of construction meetings for upcoming jobs this spring/summer.
- Material orders remain an issue for all departments. Lead times and prices continue to grow.
- All electric infrastructure has been relocated along the Highway 169 Redefine project. All that remains for work is the temporary and permanent service needs, and the disconnection of existing services as the project moves along.
- ERMU has to relocate the single-phase overhead line for the County Road 33/Viking Boulevard construction project. With that, we are upgrading the single-phase overhead line to a three-phase line for a future irrigation system to be installed for a farm.
- ERMU crews assisted Connexus Energy on May 31 and June 1 after the Memorial Day storm.
- ERMU provided two reels of 1/0 underground primary line to Wright-Hennepin Cooperative to meet their immediate needs. Those reels were replaced by Wright-Hennepin before this meeting.
- ERMU also experienced Memorial Day storm damage. A few trees fell on overhead lines and there was a rare instance of an underground pad mount transformer being impacted by a large, uprooted tree. Pictures of the damage are attached.
- Staff had a full week of Advance Metering Infrastructure meetings and interviews May 31 – June 3 to help us choose a vendor for this project.
- The water superintendent, general manager, and I met with Sherburne County, New Look Contracting, Inc., and Bolton & Menk Inc. to discuss the County Road 13 Project. Discussion included, the water main move, who will pay for the cost of the move, and how was the cost established. No final decisions have been made at this time.

ATTACHMENTS:

- Photos – Memorial Day storm damage in ERMU service territory

Photos—Memorial Day storm damage in ERMU Service Territory



BEFORE



AFTER

TO: ERMU Commission	FROM: Chris Sumstad – Electric Superintendent
MEETING DATE: June 14, 2022	AGENDA ITEM NUMBER: 6.1h
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- Installed 18 new residential services, which involves the connection of a secondary line once the customer requests service.
- Finished relocating our infrastructure for the Highway 169 Redefine near Highway 10/101 and Highway 169/5th Street. This completes the relocation plans for ERMU. Work for the project going forward should be smaller in scope, focusing on power needs for lighting, signals, cameras, etc. as the project progresses the next few years.
- Finished the first phase of the rerouting and installing of primary line for the new lab at Cargill Animal Nutrition. We will return for phase 2 once the lab's shell is up, installing a new three phase service and new primary underground line in Fall 2022.
- Started rebuilding a portion of the overhead line along Highway 10 in front of the old Saxon Motors. Taller poles and larger wire are being installed. The new services for the apartment buildings currently under construction near there will be served from this new line.
- We have started to rebuild a section of overhead line along Viking Boulevard east of County Road 13. Sherburne County is starting a road construction project in July and our line needed to be relocated farther back in the right of way.
- Crews began work for the Cargill Feed Mill project on May 31. We need to relocate a section of underground primary line and install a three-phase service for the new mill.
- Joe Schmitt from Minnesota Municipal Utilities Association (MMUA) was here on May 26 and 27 and trained staff on Confined Space Entry.
- Rich Maxwell from MMUA was here on May 24 and presented the quarterly Job Training & Safety presentation. The topic was meter socket safety.
- Mitch Girtz and Tyler Meyers attended MMUA Underground School in Marshall, May 10-13 and Scott Thoreson was there as an instructor.
- Matt Duitsman started as our temporary line worker on May 11. He is an Elk River native and just recently graduated from the line worker program at Minnesota State - Wadena.

TO: ERMU Commission	FROM: Mike Tietz –Technical Services Superintendent
MEETING DATE: June 14, 2022	AGENDA ITEM NUMBER: 6.1i
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- In May, the locators processed 645 locate tickets. These consisted of 8 emergency tickets, 541 normal tickets, 60 updated tickets, 10 cancellations, 9 meets, 12 non-excavation and 5 boundary survey. This resulted in a 59.7% increase in tickets from the previous month and a 12% increase from the prior May.
- Electrical technicians completed 302 service order tasks, updated the power bill, addressed customer meter issues and off-peak concerns.
- On May 19, staff ran generators #1 & #2 without incident. Engines #3 & #4 were turned over but not ran.
- Mapping department has been busy working on GIS updates as well as GPSing splices and other assets. Staff provided Elk River Fire Department with updated hydrant information and has updated the GIS database with information collected from our annual flushing week. Also, a system wide audit of our lights began this week to ensure that we have accurate data in our GIS system.
- The Advanced Metering Infrastructure team and our consultants completed our review of the four vendor presentations. We are waiting for reference checks and information for a water metering solution to be updated. We expect to have a vendor selected by early July and will work through contracts at that time.

TO: ERMU Commission	FROM: Dave Ninow – Water Superintendent
MEETING DATE: June 14, 2022	AGENDA ITEM NUMBER: 6.1j
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- Delivered 13 new water meters, sealed the meters, installed an encoder receiver transmitter, and took curb stop ties.
- Completed 15 BACTI/Total Chlorine Residual Samples
 - All confirmed negative for coliform bacteria
 - Bacteriological/Disinfectant Residual Monthly Report submitted to the MDH
- Completed 21 routine fluoride samples
 - All samples met MDH standards
 - Submitted MDH Fluoride Report
 - Completed one MDH validation fluoride sample
- Submitted Discharge Monitoring Report (DMR) for the Diesel Generation Plant to the Minnesota Pollution Control Agency.
- Hydrant flushing went well the week of May 9. With the help of technical services staff, most of the flushing was completed that week, the remainder of the hydrants were flushed the following week.
- At the preconstruction meeting for Evergreen Townhomes the developer asked what alternative water main pipe materials would be accepted for this project due to material supply shortages. The City of Elk River Design Standards require that water main pipe shall be ductile iron in accordance with American Water Works Association standards. Fused high density polyethylene (HDPE) would also be accepted. Exceptions to the design standards are not being allowed. The developer and the engineering firm for the project have been informed.
- MnDOT's contractor started work on relocating the water main crossing Highway 169 south of 197th Avenue. 85 feet of new casing pipe has been installed, the remaining casing and water main pipe will be installed when road work switches to the other side of the highway.
- We have received sampling results from the statewide Per- and Polyfluorinated Substances (PFAS) monitoring project conducted by MDH last fall. All sampling results were below the available health-based guidance values for PFAS. Since PFAS sampling is not required by the EPA, we are not required to include these results in the Consumer

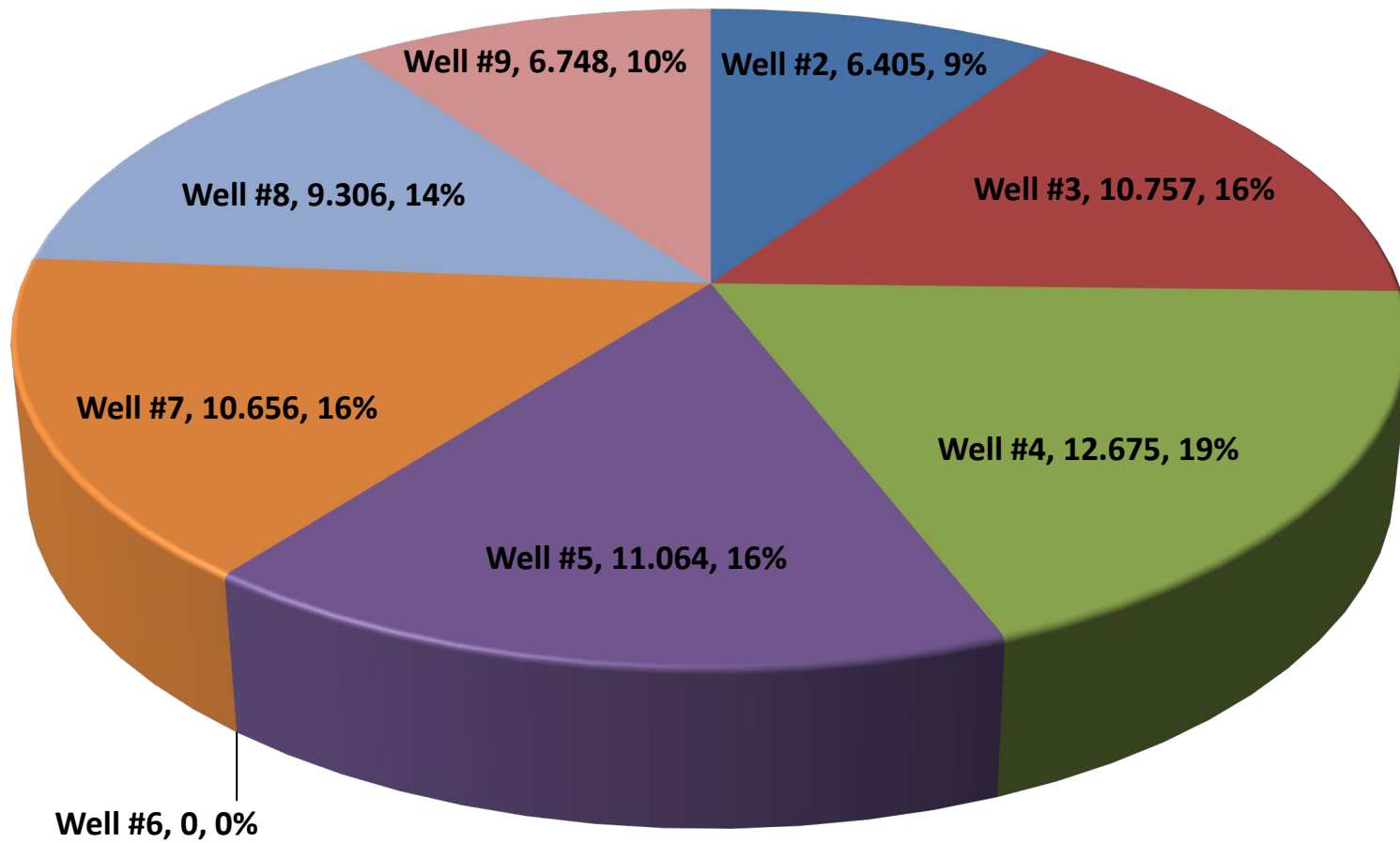
Confidence Report (CCR). However, MDH recommends that we include them in our next CCR and provide resources to help give context about what these results mean. Utilities staff will send out communications to our customers on testing results and information on PFAS resources before next years CCR.

- On May 25 there was a meeting with ERMU staff, Sherburne County, their consultant, and the contractor for the County Road 13 water main relocation work to discuss cost sharing for the project. The County requested justification for ERMU's position on the costs we are responsible for. A future meeting will be held to discuss further.

ATTACHMENTS:

- May 2022 Pumping by Well

May 2022 Monthly Pumping By Well



Values Are Displayed in Millions of Gallons (Well #, Gallons Pumped, Percentage of Pumping)

TO: ERMU Commission	FROM: Chris Kerzman – Engineering Manager
MEETING DATE: June 14, 2022	AGENDA ITEM NUMBER: 6.1k
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- We finished one of our trials for a cloud phone system in May and are working on a second trial with another provider. A cloud phone system will give staff additional flexibility and features compared to the current phone system.
- With the Advanced Metering Infrastructure proposals and their proposed networking layout studies in hand, we are starting to plan for the future installation of communications equipment.
- We are working with City IT staff on budgets for upcoming years and the shared costs between ERMU and City of Elk River.
- Staff is planning for the yearly Information Security Committee meeting and are looking at the second half of July.

<p>Tuesday, January 11:</p> <ul style="list-style-type: none"> • Annual Review of Committee Charters 	<p>Tuesday, February 8:</p> <ul style="list-style-type: none"> • Review Strategic Plan and 2021 Annual Business Plan Results
<p>Tuesday, March 8:</p> <ul style="list-style-type: none"> • Oath of Office • Election of Officers • Annual Commissioner Orientation and Review Governance Responsibilities and Role 	<p>Tuesday, April 12:</p> <ul style="list-style-type: none"> • Audit of 2021 Financial Report • Financial Reserves Allocations • Review 2021 Performance Metrics
<p>Tuesday, May 10:</p> <ul style="list-style-type: none"> • Annual General Manager Performance Evaluation and Goal Setting 	<p>Tuesday, June 14:</p> <ul style="list-style-type: none"> •
<p>Tuesday, July 12:</p> <ul style="list-style-type: none"> • Annual Commission Performance Evaluation • Review and Update Strategic Plan 	<p>Tuesday, August 9:</p> <ul style="list-style-type: none"> • Annual Business Plan – Review Proposed 2023 Travel, Training, Dues, Subscriptions, and Fees Budget
<p>Tuesday, September 13:</p> <ul style="list-style-type: none"> • Annual Business Plan – Review Proposed 2023 Capital Projects Budget 	<p>Tuesday, October 11:</p> <ul style="list-style-type: none"> • Annual Business Plan – Review Proposed 2023 Expenses Budget
<p>Tuesday, November 8:</p> <ul style="list-style-type: none"> • Annual Business Plan - Review Proposed 2023 Rates and Other Revenue • Adopt 2023 Fee Schedule • 2023 Stakeholder Communication Plan 	<p>Tuesday, December 13:</p> <ul style="list-style-type: none"> • Adopt 2023 Official Depository and Delegate Authority for Electronic Funds Transfers • Designate Official 2023 Newspaper • Approve 2023 Regular Meeting Schedule • Adopt 2023 Governance Agenda • Adopt 2023 Annual Business Plan