



**SPECIAL MEETING NOTICE OF THE
ELK RIVER MUNICIPAL UTILITIES COMMISSION**

**Tuesday, March 14, 2023
2:30 p.m.
Elk River City Hall
13065 Orono Parkway
Elk River, Minnesota**

I, John Dietz, Chair, hereby request a special meeting of the Elk River Municipal Utilities Commission on Tuesday, March 14, 2023, at 2:30 p.m., at Elk River City Hall, 13065 Orono Parkway, Elk River, Minnesota.

- The purpose of the meeting is to conduct the Annual Commissioner Orientation.

In accordance with State Statute, I hereby request the city clerk to post this notice at least three days prior to the meeting date. I further request the city clerk to notify each member of the Elk River Municipal Utilities Commission of this special meeting, in writing, at least one day before the meeting.

John J. Dietz, Chair

3-8-2023

Date

I HEREBY CERTIFY, that this notice has been posted and that I have served this notice upon the members of the Elk River Municipal Utilities Commission by mail at least one day prior to the above-called Elk River Municipal Utilities Commission meeting.

Mark Hanson, General Manager

3/8/2023

Date

OATH OF OFFICE

I, Matt Westgaard, do solemnly swear to support the Constitution of the United States, the Constitution of the State of Minnesota, will support the City Code and laws of the City of Elk River, and to discharge faithfully the duties of the Utilities Commission of the City of Elk River, Minnesota, to the best of my judgment and ability, so help me God.

Matt Westgaard

Subscribed and sworn to before me this _____ day of _____, 2023.

Person Administering Oath

OATH OF OFFICE

I, Nicholas Zerwas, do solemnly swear to support the Constitution of the United States, the Constitution of the State of Minnesota, will support the City Code and laws of the City of Elk River, and to discharge faithfully the duties of the Utilities Commission of the City of Elk River, Minnesota, to the best of my judgment and ability, so help me God.

Nicholas Zerwas

Subscribed and sworn to before me this _____ day of _____, 2023.

Person Administering Oath

AGENDA

1.0 GOVERNANCE

- 1.1 Call Meeting to Order
- 1.2 Pledge of Allegiance
- 1.3 Oath of Office
- 1.4 Consider the Agenda
- 1.5 Contribution from Zimmerman Fire Relief Association
- 1.6 Recognition of Employee Longevity – Tony Hubbard, 12 years
- 1.7 2023 Election of Officers – Chair and Vice Chair
- 1.8 2023 Committee Appointments
 - a. Wage & Benefits Committee
 - b. Financial Reserves & Investment Committee
 - c. Information Security Committee
 - d. Dispute Resolution Committee

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

- 2.1 Check Register – February 2023
- 2.2 Regular Meeting Minutes – February 14, 2023
- 2.3 Commission Policy Review – G.1c – Mission Statement
- 2.4 Memorandum of Understanding with the City of Elk River for Customer and Billing Services

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

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

- 4.1 Annual Commission Orientation

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

- 5.1 Financial Report – January 2023
- 5.2 Advanced Metering Infrastructure System Master Agreement – Core & Main

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

- 6.1 Staff Update
- 6.2 City Council Update
- 6.3 American Public Power Association Legislative Rally Update
- 6.4 Future Planning (Announce the next regular meeting, special meeting, or planned quorum.)
 - a. Regular Commission Meeting – April 11, 2023
 - b. 2023 Governance Agenda

- c. Quorum – Wellhead Protection Plan Amendment Public Hearing – April 11, 2023
- 6.5 Other Business (Items added during agenda approval.)

7.0 ADJOURN REGULAR MEETING

TO: ERMU Commission	FROM: Mark Hanson – General Manager
MEETING DATE: March 14, 2023	AGENDA ITEM NUMBER: 1.5
SUBJECT: Contribution from Zimmerman Fire Department	
ACTION REQUESTED: Adopt by motion a resolution acknowledging the contribution from the Zimmerman Fire Relief Association.	

BACKGROUND/DISCUSSION:

Elk River Municipal Utilities received a check for \$1,800 from the Zimmerman Fire Relief Association for the purchase of an automated external defibrillator (AED). Commissioners may also recall this organization contributed to the purchase of an AED in 2022.

The Zimmerman Fire Relief Association operates a pull tab booth located in Elk River and this donation is from those collections.

Attached is a resolution acknowledging the contribution and expressing ERMU's gratitude for this partnership with a dedicated local organization doing great work to support our community.

ATTACHMENTS:

- Resolution No. 23-2 - Acknowledging Contribution from Zimmerman Fire Department

RESOLUTION NO. 23-3

BOARD OF COMMISSIONERS
ELK RIVER MUNICIPAL UTILITIES

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF ELK RIVER MUNICIPAL UTILITIES
ACKNOWLEDGING CONTRIBUTION**

WHEREAS, Elk River Municipal Utilities is grateful to all civic groups, organizations, and individuals for their contributions to the community; and

WHEREAS, Elk River Municipal Utilities received a \$1,800 donation from the Zimmerman Fire Department with the intent that it be used by Elk River Municipal Utilities for the purchase of an automated external defibrillator.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Elk River Municipal Utilities to acknowledge the support and commend the Zimmerman Fire Department for their donation.

This Resolution Passed and Adopted this 14th day of March 2023.

John J. Dietz, Chair

Mark Hanson, General Manager

TO: ERMU Commission	FROM: Mark Hanson – General Manager
MEETING DATE: March 14, 2023	AGENDA ITEM NUMBER: 1.6
SUBJECT: Recognition of Employee Longevity – Tony Hubbard, 12 years	
ACTION REQUESTED: Recognize Tony Hubbard for 12 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:

Tony Hubbard has been an employee with ERMU since 2/1/2011 and, therefore, has earned the 12-year longevity pay benefit. We recognize Tony and all his contributions to the success of ERMU through his service.

TO: ERMU Commission	FROM: Tony Mauren – Governance & Communications Manager
MEETING DATE: March 14, 2023	AGENDA ITEM NUMBER: 1.7
SUBJECT: 2023 Election of Officers – Chair and Vice Chair	
ACTION REQUESTED: Elect by motion the Commission Chair and Vice Chair.	

BACKGROUND/DISCUSSION:

Per ERMU policy, the offices of the ERMU Commission include a Chair, Vice-Chair, and a Secretary. The Commission elects the Chair and Vice-Chair to one-year terms annually during its regular meeting in the month of March. The office of Secretary is held by the General Manager; however, the General Manager may appoint another employee as Secretary, with the concurrence of the Commission. Attached for reference is the Commission Officer Roles, Responsibilities, and Succession Policy.

In 2022 the officers were:

Chair – John Dietz

Vice Chair – Al Nadeau

ATTACHMENTS:

- ERMU Policy – G.2f - Commission Officer Roles, Responsibilities, and Succession

COMMISSION POLICY

Section: Governance	Category: Governance Policies
Policy Reference: G.2f	Policy Title: Commission Officer Roles, Responsibilities, and Succession

PURPOSE:

With this policy, the Commission communicates the functions for which ERMU's officers are accountable and the limits of authority that the Commission delegates to its officers.

POLICY:

The offices of the ERMU Commission include a Chair, a Vice-Chair, and a Secretary. The Commission elects the Chair and Vice Chair to one-year terms each year during its regular meeting in the month of March. An officer's term begins that day and expires without action of the Commission upon resignation or death of the officer or upon failure of the officer to comply with the criteria necessary to hold the office. An officer's term is extended without action of the Commission until a successor is duly elected. Any Commission member is eligible for office at any time; however, a Commission member nominated for the position of Chair will normally have served at least one term as Vice-Chair. The office of Secretary is held by the General Manager; however, the General Manager may appoint another employee as Secretary, with the concurrence of the Commission.

Chair

The Chair is accountable to the Commission for the integrity of the Commission's governance process. The Commission authorizes the Chair to call and schedule special meetings, set its meeting agendas, preside over its meetings and, with limitations, represent the Commission to outside parties. The Commission expects the Chair to set and maintain a friendly and productive tone for all meetings, encouraging full participation of all Commission members, effective deliberation and decision-making, and constructive resolution of disagreements. More specifically:

1. The expected result of the Chair's function is that the Commission behaves in a manner that is consistent with its own policies and in full compliance with those obligations that others, with legitimate authority, impose on it from outside the organization. The Chair, by planning

the Commission's governance and meeting agendas will ensure that the Commission addresses those matters which, according to Commission policy, clearly belong to the Commission to determine, not to the General Manager. The Chair, by presiding over Commission meetings, will ensure that deliberation and decision-making at Commission meetings will be fair, open, and thorough, but also timely, orderly, and to the point.

2. The authority of the Chair is limited to Commission decision-making that falls within areas covered by Commission policies on **Governance** and **Commission-Management Connection**, except where the Commission specifically delegates portions of this same authority to others. The Commission authorizes the Chair to use any reasonable interpretation of the provisions in these policies in the discharge of duties.
 - a. The Commission empowers the Chair to call and schedule all special meetings, set all meeting agendas, and preside over all Commission meetings with all of the commonly accepted power of that position (e.g., Ruling, recognizing, handling disagreements and unacceptable behaviors, etc).
 - b. The Commission empowers the Chair, exercising reasonable discretion, to control the conduct of all meetings. This includes, but is not limited to, determining the time to be devoted to any particular matter before the Commission, whether any person in attendance may address the Commission on any subject and the order or duration of any presentations or comments permitted, closure of discussion on any matter before the Commission, and expulsion of any person whose conduct is disruptive. The Commission may, by a motion and majority vote of the Commissioners present, overrule the Chair on decisions related to the conduct of meetings.
 - c. For purposes of meeting management, the Commission adopts the Rules contained in the current edition of **Robert's Rules of Order Newly Revised** for all situations to which they are applicable and in which they are not inconsistent with ERMU's bylaws, policies and any special rules of order that the Commission may adopt.
 - d. The Commission authorizes the Chair to execute official documents on its behalf.
 - e. The Commission empowers the Chair to organize the work of the Commission, and to assign specific tasks to Commission members and to Committees established by the Commission. Specifically, the Commission empowers the Chair to schedule and coordinate the annual process for performance planning and evaluation of the General Manager.
 - f. The Chair has no authority to make decisions about policies created by the Commission within the **Results** and **Delegations to Management** policy areas. As a result, the Chair has no authority to supervise or direct the General Manager.
 - g. The Chair may represent the Commission to outside parties in announcing Commission-stated positions and in stating decisions and interpretations of Commission policy within the areas delegated by the Commission. The Chair will report to the Commission, as

soon as practical, any communications made on behalf of the Commission. Representation of the Commission to outside parties is subject to the following limitations:

- i. Communications must be consistent with ERMU's core purpose, core values, and mission, and with the role and authority of the Commission as set forth by Commission policies.
 - ii. Communications must, as far as practical, represent the collective wisdom or position of the Commission.
 - iii. Communications must be limited to deliberations already conducted, actions taken, or decisions made. Communications must not be speculative in nature.
- h. The Chair may delegate the authority granted in this policy to others (e.g. Vice-Chair), but remains accountable for its use.

Vice-Chair

The principal function of the Commission Vice-Chair is to prepare for the office of Chair and to take over the functions of the Chair when the Chair is unavailable, or otherwise at the request of the Chair.

Secretary

The principal function of the Commission Secretary is to ensure that:

1. Notices of Commission meetings, meeting agendas, and supporting materials are prepared and distributed as required by Policy;
2. Appropriate written records of Commission meetings are prepared and distributed to all Commission members and the General Manager three (3) days prior to the next Commission meeting;
3. Resolutions and other official actions of the Commission are prepared and executed in proper form; and
4. Written records of Commission meetings, including resolutions and other official actions are archived in secure location(s) and disposed of in compliance with applicable laws and regulations.

POLICY HISTORY:

Adopted May 9, 2017

TO: ERMU Commission	FROM: Tony Mauren – Governance & Communications Manager
MEETING DATE: March 14, 2023	AGENDA ITEM NUMBER: 1.8
SUBJECT: 2023 Committee & Workgroup Appointments	
ACTION REQUESTED: Appoint by motion the Committee members.	

BACKGROUND/DISCUSSION:

Per ERMU policy, the Commission shall appoint Committee members annually following the election of officers during the regular meeting in the month of March. The Commission shall also appoint Committee Chairs at that time. All appointments are for a one-year term.

There are currently four Commission committees: the Wage & Benefits Committee, the Financial Reserves & Investment Committee, the Information Security Committee, and the Dispute Resolution Committee. Attached for reference are the committee charters which outline the purpose, membership, role, authority, and specific duties of each committee.

After gauging interest in who would like to serve on each committee, the following committee appointments should be made:

Wage & Benefits Committee – 2 appointments; one being Chair

Currently appointed: John Dietz – Chair and Mary Stewart

Financial Reserves & Investment Committee – 2 appointments; one being Chair

Currently appointed: Matt Westgaard – Chair with a vacancy after the retirement of Commissioner Nadeau

Information Security Committee – 1 appointment

Currently appointed: Mary Stewart

Dispute Resolution Committee – 2 appointments; one being Chair

Currently appointed: Matt Westgaard – Chair and Paul Bell

The Field Services Facility Expansion Project Workgroup has been closed as major work has concluded.

ATTACHMENTS:

- Commission Policy – G.2g1 - Wage & Benefits Committee Charter
- Commission Policy – G.2g2 – Financial Reserves & Investment Committee Charter
- Commission Policy – G.2g3 – Information Security Committee Charter
- Commission Policy – G.2g4 – Dispute Resolution Committee Charter

COMMISSION POLICY

Section: Governance	Category: Governance Policies
Policy Reference: G.2g1	Policy Title: Wage & Benefits Committee Charter

PURPOSE:

The Wage and Benefits Committee exists to help the Commission develop and maintain a pay plan structure and benefits package that are market competitive, help promote employee retention, and to help the Commission make informed decisions which provide value to the customers through fair labor expenses. This Committee also exists to help the Commission with succession planning and review pay equity compliance.

MEMBERSHIP:

The Committee shall be comprised of two Commissioners, the General Manager, the Administrations Director, and the Operations Director. At no time shall there be a quorum of the Commission on the Committee.

The Commission shall appoint Committee members annually following the Commission election of officers during the March Regular Commission meeting. The Commission shall also appoint the Committee Chair at that time.

ROLE OF THE COMMITTEE CHAIR:

The primary role of the Committee Chair is to run the Committee meetings. The Committee will adhere to the Current edition of ***Robert's Rules of Order Newly Revised*** for all situations to which they are applicable and are not inconsistent with ERMU's bylaws, policies, and any special rules of order that the Commission may adopt. The Committee meetings may be open or closed to employees at the discretion of the Committee Chair.

AUTHORITY:

Except as established in this Committee Charter, the authority of the Committee is limited to the purpose of research and recommendation to the Commission. The Committee, at the discretion and through formal action of the Commission, may be empowered beyond the role of research

and recommendation such that it is consistent with the ***Organizational Core Purpose*** policies and the ***Commission Committees*** policy.

SPECIFIC DUTIES:

1. At the request of the Commission, research and analyze topics related to employee compensation and benefits.
2. Annually perform market benchmarking and evaluate wages. The Committee shall present options and make recommendations regarding cost of living adjustments and pay plan structure modifications to the Commission for their consideration.
3. Review insurance policies and evaluate policy renewals related to employee benefit insurances. The Committee shall present options and make recommendations regarding these insurance policies to the Commission for their consideration.
4. Evaluate wage and benefit requests from employees. Present and make recommendations to the Commission as appropriate.
5. Review submittal information pertaining to pay equity compliance requirements and present options and make recommendations to the Commission as appropriate.
6. Record minutes of Committee meetings. Committee meeting minutes shall be subject to applicable data retention law and policies.

SCHEDULE:

At a minimum, the Committee shall meet on a quarterly basis.

TERMINATION:

The Committee shall exist until at such time formal action of the Commission is taken to dissolve the Committee.

POLICY HISTORY:

Adopted	May 9, 2017
Revised	February 14, 2023

COMMISSION POLICY

Section: Governance	Category: Governance Policies
Policy Reference: G.2g2	Policy Title: Financial Reserves & Investment Committee Charter

PURPOSE:

The Financial Reserves & Investment Committee exists to help the Commission develop and maintain industry appropriate financial reserves and investment policies.

MEMBERSHIP:

The Committee shall be comprised of two Commissioners, the General Manager, and the Finance Manager. At no time shall there be a quorum of the Commission on the Committee.

The Commission shall appoint Committee members annually following the Commission election of officers during the March Regular Commission meeting. The Commission shall also appoint the Committee Chair at that time.

ROLE OF THE COMMITTEE CHAIR:

The primary role of the Committee Chair is to run the Committee meetings. The Committee will adhere to the Current edition of *Robert's Rules of Order Newly Revised* for all situations to which they are applicable and are not inconsistent with ERMU's bylaws, policies, and any special rules of order that the Commission may adopt. The Committee meetings may be open or closed to employees at the discretion of the Committee Chair.

AUTHORITY:

Except as established in this Committee Charter, the authority of the Committee is limited to the purpose of research and recommendation to the Commission. The Committee, at the discretion and through formal action of the Commission, may be empowered beyond the role of research and recommendation such that it is consistent with the *Organizational Core Purpose* policies and the *Commission Committees* policy.

SPECIFIC DUTIES:

1. At the request of the Commission, research and analyze topics related to financial reserves and investments.
2. On a periodic basis, the Committee will review the Investment Policies, investment balances, and the various investment instruments for return, liquidity, and diversification. The Committee may present options and make recommendations to the Commission for their consideration.
3. Annually, when the Commission designates the official depository for the year, it should provide for the Finance Manager to recommend that additional depositories be designated for the purpose of investing funds.
4. On behalf of the Commission and Committee, new investments will be authorized by the Finance Manager, with the funds actually being transferred via a check produced by the A/P Specialist, and recorded in the check register detail presented at the regular Commission meetings. Investments that mature shall be reinvested by the Finance Manager. All investing will be transacted working with the investment firm(s) or bank(s) for the best rate of return within the constraints of the Management Investment Policy. In the event that the Finance Manager is unable to conduct the above investment responsibilities, the General Manager has the authority to act in his/her absence.
5. On a periodic basis, the Committee will review the Financial Reserves Policies and reserve balances. The Committee may present options and make recommendations to the Commission for their consideration.

SCHEDULE:

At a minimum, the Committee shall meet on an annual basis.

TERMINATION:

The Committee shall exist until at such time formal action of the Commission is taken to dissolve the Committee.

POLICY HISTORY:

Adopted	May 9, 2017
Revised	July 14, 2020

Section: Governance	Category: Governance Policies
Policy Reference: G.2g3	Policy Title: Information Security Committee Charter

PURPOSE:

Information security is managing risks to the confidentiality, integrity, and availability of information using administrative, physical, and technical controls.

The Information Security Committee exists to help develop and maintain industry appropriate information security policies and oversight. Because of shared hardware and resources, there exists an overlap and shared risk for ERMU and the City of Elk River (City) operations. Although governed autonomously, this shall be an advisory Committee to both the ERMU and the City.

MEMBERSHIP:

This Committee shall be comprised of equal representation from ERMU and the City. From ERMU this committee shall include a Commissioner and the General Manager. The General Manager will appoint three additional members, at least one of whom will be a manager and at least one will be an information technology employee. From the City this committee shall include a Councilmember and the City Administrator. The City Administrator will appoint three additional members, at least one of whom will be a manager and at least one will be an information technology employee. At no time shall there be a quorum of the Commission or the Council on the Committee.

The Commission shall appoint ERMU's Committee member representatives annually following the Commission election of officers during the March Regular Commission meeting. The Council shall appoint its member annually. The Committee shall elect a chair annually. The General Manager and the City Administrator shall serve as the authorized reporting representatives for their respective governing bodies.

ROLE OF THE COMMITTEE CHAIR:

The primary role of the Committee Chair is to run the Committee meetings and act as committee secretary. The Committee will adhere to the Current edition of *Robert's Rules of Order Newly*

Revised for all situations to which they are applicable and are not inconsistent with ERMU's bylaws, policies, and any special rules of order that the Commission may adopt; and similarly, the Committee action shall not be inconsistent with applicable laws and policies which regulate the City of Elk River. The Committee meetings may be open or closed to employees at the discretion of the Committee Chair.

AUTHORITY:

Except as established in this Committee Charter, the authority of the Committee is limited to the purpose of research and recommendation to ERMU and the City.

SPECIFIC DUTIES:

1. Policies and Procedures: Assist ERMU and the City in the development of information security related policies. Review effectiveness of information security policy implementations. Identify and recommend how to handle non-compliance. Assist with the development of information security related procedures, standards, guidelines, and baselines to the ERMU and the City. At least annually, provide timely reports including recommendations regarding effectiveness of policies and procedures to ERMU and City leadership teams.
2. Risk Assessment: Review industry appropriate information security trends to maintain an up-to-date perspective on related risks and industry's best practice risk mitigation methods. Identify significant threats and vulnerabilities. Assess the adequacy and coordination of the implementation of information security controls. Recommend methodologies and processes for information security. Evaluate ongoing related legal and regulatory compliance changes. Review incident information and recommend follow-up actions. At least annually, provide timely reports including recommendation regarding risks assessment to ERMU and City leadership teams.
3. Budget Development: Develop data needed for thorough evaluation of proposed information security initiatives for budget preparation and consideration. Information shall include options, risk evaluation, resource requirements, implementation timelines, and costs. At least annually and coordinating with their respective budgeting process schedules, provide timely reports regarding information security initiatives proposed for consideration to ERMU and City leadership teams.
4. Education and Awareness: Function as an information security program champion providing clear direction and unity in ERMU and City leadership teams' support for approved security initiatives and policies. Develop and implement plans and programs to maintain information security awareness. Promote information security education, training, and awareness throughout ERMU and the City.

SCHEDULE:

At a minimum, the Committee shall meet on an annual basis.

TERMINATION:

The Committee shall exist as a joint effort between ERMU and the City until at such time either the Commission or Council dissolve the joint nature of the Committee.

POLICY HISTORY:

Established	August 8, 2017
Revised	November 12, 2019
Revised	February 14, 2023

COMMISSION POLICY

Section: Governance	Category: Governance Policies
Policy Reference: G.2g4	Policy Title: Dispute Resolution Committee Charter

PURPOSE:

The Dispute Resolution Committee exists to provide customers an alternative dispute resolution option for circumstances which: require action beyond the authority assigned through the ***Delegation to Management Policies***; require policy creation, revision, or exception; have exhausted the established utilities procedures and/or protocol; and involves customer protected data for which the customer prefers addressing the issue through a meeting closed to the public.

For qualifying customer disputes, the Committee will provide: a formal hearing in a closed meeting allowing the customers to communicate the concern; recess and reconvene as needed to conduct appropriate research and/or deliberate; make a determination within parameters established through the ***Commission Policies*** and within the authorities delegated through this policy; and report and/or make recommendations to the Commission as required.

MEMBERSHIP:

The Committee shall be comprised of five members, three appointed annually and two which vary with each dispute. The three members appointed annually shall include two Commissioners and the General Manager. At no time shall there be a quorum of the Commission on the Committee. The Committee shall also include the director and the manager most directly involved in the dispute.

The Commission shall appoint Committee members annually following the Commission election of officers during the March Regular Commission meeting. The Commission shall also appoint the Committee Chair at that time.

ROLE OF THE COMMITTEE CHAIR:

The primary role of the Committee Chair is to run the Committee meetings. The Committee will adhere to the Current edition of ***Robert's Rules of Order Newly Revised*** for all situations to which they are applicable and are not inconsistent with ERMU's bylaws, policies, and any special rules of order that the Commission may adopt.

AUTHORITY:

Except as established in this Committee Charter, the authority of the Committee is limited to the purpose of dispute resolution within the authorities delegated to management through the Commission Policies, research related to customer disputes or complaints, and recommendations to the Commission. The Committee, at the discretion and through formal action of the Commission, may be empowered beyond the role as outlined in this policy such that it is consistent with the *Organizational Core Purpose* policies and the *Commission Committees* policy.

SPECIFIC DUTIES:

1. After a formal request is submitted for a qualifying customer dispute, the Committee will schedule a hearing, either in person or virtual, within a reasonable amount of time.
2. Through the hearing, the Committee will allow the customer to communicate relevant information and request dispute resolution which may require policy creation, revision, or exemption.
3. The Committee is required to verify all information and data; and the Committee will review the Customer's account history and other relevant information.
4. And as needed, the Committee shall research industry best practices related to the dispute.
5. The Committee is authorized to engage legal counsel for legal review and recommendations.
6. The Committee will make a determination whether resolution can be provided within the authorities assigned through this policy; and if so, the Committee will provide written summary of the dispute and the authorized resolution for implementation by management.
7. When no action is taken by the Committee toward resolution, the Committee will determine whether the request warrants further consideration by the Commission, in which case the Committee will present a summary of the dispute to the Commission and make a recommendation. In the event that no action is taken by the Committee, and the Committee has determined that the dispute does not warrant further consideration or advancement to the Commission, the Committee shall summarize their finding in a report to be provided to the customer and placed on file.
8. The Committee shall record minutes of all Committee meetings. Committee meeting minutes shall be subject to applicable data retention law and policies.

SCHEDULE:

The Committee shall meet on an as-needed basis.

TERMINATION:

The Committee shall exist until at such time formal action of the Commission is taken to dissolve the Committee.

POLICY HISTORY:

Adopted	January 12, 2021
Revised	February 14, 2023

CHECK REGISTER

February 2023

APPROVED BY:

Paul Bell

John Dietz

Mary Stewart

Matt Westgaard

Nick Zerwas

03/06/2023 3:35:19 pm

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Payroll/Labor

Check Register Totals

02/03/2023 To 02/03/2023

<u>Pays</u>	<u>Job</u>	<u>Amount</u>	<u>Hours</u>
Gross Pay			
2	Reg Hourly	103,066.36	2,470.16
20	Reg Salary	47,802.78	787.34
3	Overtime	617.39	8.25
4	Double Time	0.00	0.00
5	On-Call/Stand-by	2,233.42	56.00
24	FLSA	0.00	0.00
25	Rest Time	27.92	0.50
10	Bonus Pay	0.00	0.00
18	Commissioner Reimb - Electric	600.00	0.00
104	Commission Stipend	60.00	0.00
VAC	Vacation Pay	7,730.36	164.50
SICK	Sick Pay	5,806.85	144.00
HOL	Holiday Pay	753.76	16.00
78	Retro Earnings	0.00	0.00
5-2	On-Call/Stand-by/OT	0.00	0.00
18A	Commissioner Reimb. - Water	150.00	0.00
10-3	Bonus Pay Overtime	0.00	0.00
104A	Commission Stipend - Water	15.00	0.00
PTOY	Personal Day - Year	685.04	16.00
3C	Overtime-Comp Time	953.18	13.75
CM3C	Overtime-Comp Time Adjusted	-953.18	-13.75
MIL	Military Pay - Calendar Year	0.00	0.00
	Gross Pay Total:	<u>169,548.88</u>	<u>3,662.75</u>
	Total Pays:	<u>169,548.88</u>	<u>3,662.75</u>

03/06/2023 3:35:55 pm

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Payroll/Labor

Check Register Totals

02/17/2023 To 02/17/2023

<u>Pays</u>	<u>Job</u>	<u>Amount</u>	<u>Hours</u>
Gross Pay			
2	Reg Hourly	103,240.05	2,456.50
20	Reg Salary	47,010.08	772.25
3	Overtime	681.49	9.25
4	Double Time	434.04	4.00
5	On-Call/Stand-by	2,656.22	56.00
24	FLSA	68.74	0.00
25	Rest Time	238.08	5.00
10	Bonus Pay	0.00	0.00
VAC	Vacation Pay	8,321.62	198.00
SICK	Sick Pay	6,230.97	140.50
HOL	Holiday Pay	0.00	0.00
78	Retro Earnings	0.00	0.00
5-2	On-Call/Stand-by/OT	633.21	8.50
10-3	Bonus Pay Overtime	0.00	0.00
PTOY	Personal Day - Year	1,154.40	24.00
3C	Overtime-Comp Time	445.35	6.25
CM3C	Overtime-Comp Time Adjusted	-445.35	-6.25
COMP	Comp Time Taken	153.64	3.75
MIL	Military Pay - Calendar Year	0.00	0.00
Gross Pay Total:		<u>170,822.54</u>	<u>3,677.75</u>
Total Pays:		170,822.54	3,677.75

03/06/2023 3:34:38 PM

Accounts Payable Check Register

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02/01/2023 To 02/28/2023

Bank Account: 1 - GENERAL FUND

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
2339 2/6/23	WIRE	5631	AMERICAN EXPRESS	ACH FEES - JAN 2023	157.32
				ACH FEES - JAN 2023	39.33
Total for Check/Tran - 2339:					196.65
2340 2/6/23	WIRE	5655	FIRST DATA	CC FEES - JAN 2023	1,557.78
				CC FEES - JAN 2023	389.45
				CC FEES - JAN 2023	458.78
				CC FEES - JAN 2023	114.69
				CC FEES - JAN 2023	944.05
				CC FEES - JAN 2023	236.01
				CC FEES - JAN 2023	31.79
				CC FEES - JAN 2023	7.95
				CC FEES - JAN 2023	555.26
				CC FEES - JAN 2023	138.82
				CC FEES - JAN 2023	3,701.17
				CC FEES - JAN 2023	925.29
Total for Check/Tran - 2340:					9,061.04
Total for Bank Account - 1 :					(2) 9,257.69

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
3818 2/1/23	WIRE	7463	FURTHER	FSA CLAIM REIMBURSEMENTS - 164	167.71
				FSA CLAIM REIMBURSEMENTS - 164	41.93
Total for Check/Tran - 3818:					209.64
3819 2/1/23	WIRE	7928	US BANK - BOND	ELEC REV BOND - SERIES 2016A PRINC & INT	480,000.00
				ELEC REV BOND - SERIES 2016A PRINT & INT	103,862.50
Total for Check/Tran - 3819:					583,862.50
3820 2/1/23	WIRE	7928	US BANK - BOND	ELEC REV BOND INTEREST - SERIES 2018A	180,003.13
3821 2/1/23	WIRE	7928	US BANK - BOND	ELEC REV BOND - SERIES 2021B INTEREST	162,612.50
3822 2/1/23	WIRE	7928	US BANK - BOND	WATER REV BONDS - SERIES 2021C INTEREST	22,000.00
3825 2/6/23	WIRE	153	PERA (ELECTRONIC)	PERA EMPLOYEE CONTRIBUTION	9,182.88
				PERA CONTRIBUTIONS	10,595.61
				PERA EMPLOYEE CONTRIBUTION	1,784.19
				PERA CONTRIBUTIONS	2,058.68
Total for Check/Tran - 3825:					23,621.36
3826 2/6/23	WIRE	160	HCSP (ELECTRONIC)	HCSP EMPLOYEE CONTRIBUTIONS	1,992.75
				HCSP EMPLOYEE CONTRIBUTIONS	290.15
Total for Check/Tran - 3826:					2,282.90
3827 2/3/23	WIRE	160	HCSP (ELECTRONIC)	RETIRED HCSP CONTRIBUTION - 60	22,283.52
				RETIRED HCSP CONTRIBUTION - 60	5,344.14
Total for Check/Tran - 3827:					27,627.66
3828 2/6/23	WIRE	161	MNDP (ELECTRONIC)	MNDP EE MANAGER CONTRIBUTIONS	365.77
				MNDP EMPLOYEE CONTRIBUTIONS	5,144.19
				MNDP EMPLOYER CONTRIBUTION	4,312.68
				MNDP EMPLOYER MGR CONTRIBUTION	547.34
				MNDP EE ROTH CONTRIBUTIONS	883.49
				MNDP EE ROTH MGR CONTRIBUTIONS	181.57
				MNDP EE MANAGER CONTRIBUTIONS	48.73
				MNDP EMPLOYEE CONTRIBUTIONS	546.44

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				MNDGP EMPLOYER CONTRIBUTION	730.89
				MNDGP EMPLOYER MGR CONTRIBUTION	72.02
				MNDGP EE ROTH CONTRIBUTIONS	184.45
				MNDGP EE ROTH MGR CONTRIBUTIONS	23.29
				Total for Check/Tran - 3828:	13,040.86
3829 2/6/23	WIRE	285	JOHN HANCOCK	W&A EMPLOYER CONTRIBUTION	2,209.27
				W&A MANAGER CONTRIBUTION	433.88
				WENZEL EE ROTH MGR CONTRIBUTIONS	121.82
				WENZEL EMPLOYEE CONTRIBUTIONS	1,652.34
				WENZEL MANAGER CONTRIBUTIONS	312.06
				DEF COMP ROTH CONTRIBUTIONS W&A	556.93
				W&A EMPLOYER CONTRIBUTION	238.99
				W&A MANAGER CONTRIBUTION	46.38
				WENZEL EMPLOYEE CONTRIBUTIONS	69.76
				WENZEL MANAGER CONTRIBUTIONS	46.38
				DEF COMP ROTH CONTRIBUTIONS W&A	169.23
				Total for Check/Tran - 3829:	5,857.04
3830 2/6/23	WIRE	598	MINNESOTA CHILD SUPPORT PAYMEN	CHILD SUPPORT/LEVY	489.61
3831 2/6/23	WIRE	7463	FURTHER	HSA EMPLOYEE CONTRIBUTION	2,558.79
				HSA EMPLOYEE CONTRIBUTION	355.00
				Total for Check/Tran - 3831:	2,913.79
3833 2/9/23	WIRE	152	IRS - USA TAX PMT (ELECTRONIC)	PAYROLL TAXES - FEDERAL & FICA	12,465.43
				PAYROLL TAXES - FEDERAL & FICA	20,266.68
				PAYROLL TAXES - FEDERAL & FICA	2,084.30
				PAYROLL TAXES - FEDERAL & FICA	3,915.92
				Total for Check/Tran - 3833:	38,732.33
3834 2/9/23	WIRE	154	MINNESOTA REVENUE (ELECTRONIC)	PAYROLL TAXES - STATE	5,825.63
				PAYROLL TAXES - STATE	1,063.79
				Total for Check/Tran - 3834:	6,889.42

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
3835 2/8/23	WIRE	7463	FURTHER	FSA CLAIM REIMBURSEMENTS - 164	153.86
				FSA CLAIM REIMBURSEMENTS - 164	38.46
				FSA CLAIM REIMBURSEMENTS - 144	66.40
				FSA CLAIM REIMBURSEMENTS - 144	16.60
Total for Check/Tran - 3835:					275.32
3836 2/10/23	WIRE	166	ONLINE UTILITY EXCHANGE (ELECTR	UTILITY EXCHANGE REPORT - JAN 2023	142.80
				UTILITY EXCHANGE REPORT - JAN 2023	35.70
Total for Check/Tran - 3836:					178.50
3838 2/22/23	WIRE	152	IRS - USA TAX PMT (ELECTRONIC)	PAYROLL TAXES - FEDERAL & FICA	13,327.44
				PAYROLL TAXES - FEDERAL & FICA	20,564.28
				PAYROLL TAXES - FEDERAL & FICA	2,014.06
				PAYROLL TAXES - FEDERAL & FICA	3,809.68
Total for Check/Tran - 3838:					39,715.46
3839 2/21/23	WIRE	153	PERA (ELECTRONIC)	PERA EMPLOYEE CONTRIBUTION	9,352.43
				PERA CONTRIBUTIONS	10,791.20
				PERA EMPLOYEE CONTRIBUTION	1,751.06
				PERA CONTRIBUTIONS	2,020.47
Total for Check/Tran - 3839:					23,915.16
3840 2/22/23	WIRE	160	HCSP (ELECTRONIC)	HCSP EMPLOYEE CONTRIBUTIONS	2,041.30
				HCSP EMPLOYEE CONTRIBUTIONS	285.19
Total for Check/Tran - 3840:					2,326.49
3841 2/22/23	WIRE	161	MNDP (ELECTRONIC)	MNDP EE MANAGER CONTRIBUTIONS	365.77
				MNDP EMPLOYEE CONTRIBUTIONS	3,622.20
				MNDP EMPLOYER CONTRIBUTION	4,310.71
				MNDP EMPLOYER MGR CONTRIBUTION	552.30
				MNDP EE ROTH CONTRIBUTIONS	883.51
				MNDP EE ROTH MGR CONTRIBUTIONS	186.53
				MNDP EE MANAGER CONTRIBUTIONS	48.73
				MNDP EMPLOYEE CONTRIBUTIONS	548.43

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				MNDGP EMPLOYER CONTRIBUTION	732.86
				MNDGP EMPLOYER MGR CONTRIBUTION	73.22
				MNDGP EE ROTH CONTRIBUTIONS	184.43
				MNDGP EE ROTH MGR CONTRIBUTIONS	24.49
				Total for Check/Tran - 3841:	11,533.18
3842 2/21/23	WIRE	285	JOHN HANCOCK	W&A EMPLOYER CONTRIBUTION	2,009.69
				W&A MANAGER CONTRIBUTION	434.35
				WENZEL EE ROTH MGR CONTRIBUTIONS	122.29
				WENZEL EMPLOYEE CONTRIBUTIONS	1,499.91
				WENZEL MANAGER CONTRIBUTIONS	312.06
				DEF COMP ROTH CONTRIBUTIONS W&A	556.96
				W&A EMPLOYER CONTRIBUTION	238.96
				W&A MANAGER CONTRIBUTION	46.38
				WENZEL EMPLOYEE CONTRIBUTIONS	69.76
				WENZEL MANAGER CONTRIBUTIONS	46.38
				DEF COMP ROTH CONTRIBUTIONS W&A	169.20
				Total for Check/Tran - 3842:	5,505.94
3843 2/21/23	WIRE	598	MINNESOTA CHILD SUPPORT PAYMEN	CHILD SUPPORT/LEVY	489.61
3844 2/22/23	WIRE	7463	FURTHER	HSA EMPLOYEE CONTRIBUTION	2,557.73
				HSA EMPLOYEE CONTRIBUTION	356.06
				Total for Check/Tran - 3844:	2,913.79
3845 2/21/23	WIRE	7463	FURTHER	ADMINISTRATIVE FEE INVOICE - FEB 2023	134.40
				ADMINISTRATIVE FEE INVOICE - FEB 2023	30.10
				Total for Check/Tran - 3845:	164.50
3846 2/15/23	WIRE	7463	FURTHER	FSA CLAIM REIMBURSEMENTS - 172	166.37
				FSA CLAIM REIMBURSEMENTS - 172	41.59
				Total for Check/Tran - 3846:	207.96
3847 2/21/23	WIRE	3936	WORLD VISION	World Vision Contributions	34.80

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				World Vision Contributions	5.20
				Total for Check/Tran - 3847:	40.00
3848 2/22/23	WIRE	174	MINNESOTA REVENUE SALES TX (ELE	SALES AND USE TAX - Jan 2023	185,882.61
				SALES AND USE TAX - Jan 2023	-0.34
				SALES AND USE TAX - Jan 2023	2,310.73
				Total for Check/Tran - 3848:	188,193.00
3849 2/21/23	WIRE	7463	FURTHER	FSA CLAIM REIMBURSEMENTS - 144	553.31
				FSA CLAIM REIMBURSEMENTS - 144	138.33
				Total for Check/Tran - 3849:	691.64
3850 2/22/23	WIRE	154	MINNESOTA REVENUE (ELECTRONIC)	PAYROLL TAXES - STATE	6,108.14
				PAYROLL TAXES - STATE	1,027.60
				Total for Check/Tran - 3850:	7,135.74
3853 2/15/23	WIRE	9654	CARDMEMBER SERVICE	FIRST NATIONAL BANK VISA	610.55
				FIRST NATIONAL BANK VISA	46.05
				Total for Check/Tran - 3853:	656.60
17888 2/3/23	DD	8469	KATHY A GREENBERG	OFFICE SUPPLIES	78.83
				OFFICE SUPPLIES	19.71
				Total for Check/Tran - 17888:	98.54
17889 2/3/23	DD	460	DEREK S PALMER	P.O.D. CLASS - 174	55.44
17890 2/3/23	DD	395	CHRIS SUMSTAD	NESC WORKSHOP MILEAGE - 9	138.86
17891 2/3/23	DD	423	MARY STEWART	APPA LEGIS RALLY AIRFARE - 151	507.20
17892 2/10/23	DD	5013	CARR'S TREE SERVICE, INC	TREE TRIMMING - 1/2/2023	6,095.72
				TREE TRIMMING - 1/9/2023	-6,095.72
				Total for Check/Tran - 17892:	0.00
17938 2/24/23	DD	54	CORE & MAIN LP	SLINKY CURB KEY	-220.48
				PENTAGON SOCKET	220.48
				Total for Check/Tran - 17938:	0.00

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Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
17939 2/24/23	DD	8469	KATHY A GREENBERG	OFFICE SUPPLIES	40.54
				OFFICE SUPPLIES	10.14
Total for Check/Tran - 17939:					50.68
17940 2/24/23	DD	460	DEREK S PALMER	AWWA POD CLASS MEALS & MILEAGE - 174	110.88
85145 2/3/23	CHK	5535	BARNUM GATE SERVICES	REPAIR GATE AT WEST SUBSTATION	522.50
85146 2/3/23	CHK	97	BRENTESON COMPANIES, INC	WATER MAIN REPAIR	14,526.65
85147 2/3/23	CHK	9997	JEFFREY BULGER	Credit Balance Refund	147.23
85148 2/3/23	CHK	3982	CENTERPOINT ENERGY	NATURAL GAS & IRON REMOVAL - DEC 2022	3,150.33
				NATURAL GAS & IRON REMOVAL - DEC 2022	1,018.03
Total for Check/Tran - 85148:					4,168.36
85149 2/3/23	CHK	28	CINTAS	MATS & TOWELS	328.63
				MATS & TOWELS	46.95
				MATS & TOWELS	182.39
				MATS & TOWELS	26.05
Total for Check/Tran - 85149:					584.02
85150 2/3/23	CHK	11	CITY OF ELK RIVER	2010A BOND PRINCIPAL & INTEREST	90,720.00
				2010A BOND PRINCIPAL & INTEREST	2,268.00
				2010A BOND PRINCIPAL & INTEREST	22,680.00
				2010A BOND PRINCIPAL & INTEREST	567.00
				PARTS & LABOR FOR UNIT #31	-4.19
				PARTS & LABOR FOR UNIT #31	97.29
				PARTS & LABOR FOR UNIT #31	-1.15
				PARTS & LABOR FOR UNIT #31	25.79
				FUEL USAGE - DEC 2022	4,175.72
				FUEL USAGE - DEC 2022	788.70
Total for Check/Tran - 85150:					121,317.16
85151 2/3/23	CHK	5154	COUNTRY SIDE SERVICES	PARTS & LABOR FOR UNIT #22	-1.68

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Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				PARTS & LABOR FOR UNIT #22	202.91
				Total for Check/Tran - 85151:	201.23
85152 2/3/23	CHK	201	DELL MARKETING LP	Monitor	858.40
				Monitor	45.18
				Total for Check/Tran - 85152:	903.58
85153 2/3/23	CHK	25	ECM PUBLISHERS INC	CLASSIFIED AD - CSR	201.92
				CLASSIFIED AD - CSR	50.48
				Total for Check/Tran - 85153:	252.40
85154 2/3/23	CHK	587	ELECTRICAL POWER PRODUCTS	Relaying Panel	35,393.00
85155 2/3/23	CHK	493	ELK RIVER GAS, INC	KEROSENE FOR VACTRON HEATER	76.44
85156 2/3/23	CHK	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 2 - ACCT 41038 - DEC 2022	190.12
				CYCLE 2 - ACCT 41038 - DEC 2022	10.01
				CYCLE 2 - INV GRP 413 - DEC 2022	100.00
				CYCLE 2 - INV GRP 413 - DEC 2022	556.41
				CYCLE 2 - ACCT 436 - DEC 2022	2,519.18
				Total for Check/Tran - 85156:	3,375.72
85157 2/3/23	CHK	8949	FS3 INC.	Reel Trailer	21,220.99
85158 2/3/23	CHK	5118	GRAND RENTAL STATION	Misc Distribution Exp	4.85
85159 2/3/23	CHK	846	HACH COMPANY	WATER CHEMICALS	626.40
85160 2/3/23	CHK	809	HAWKINS, INC.	Water Chemicals	89.98
85161 2/3/23	CHK	5341	HUBBARD ELECTRIC	WIRE VESTIBULE HEATER	1,624.52
				WIRE VESTIBULE HEATER	-20.04
				Total for Check/Tran - 85161:	1,604.48
85162 2/3/23	CHK	8083	JT SERVICES OF MINNESOTA	Wipes	2,202.72
				LED PHOTOCELL	1,306.19
				Total for Check/Tran - 85162:	3,508.91

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
85163 2/3/23	CHK	167	KODET ARCHITECTUAL GROUP LTD	PROFESSIONAL SERVICES - DEC 2022	1,285.25
85164 2/3/23	CHK	5453	LANDFORM PROFESSIONAL SERVICES,	PROFESSIONAL SERVICES - DEC 2022	1,062.50
85165 2/3/23	CHK	417	LOCATORS & SUPPLIES INC.	WHITE POLE - RED REFLECTIVE	248.01
85166 2/3/23	CHK	9997	LOWELL 10 PARTNERS, LLC	Credit Balance Refund	1,500.00
85167 2/3/23	CHK	8605	MARCO TECHNOLOGIES, LLC	OFFICE 365 - 12/25/22 to 1/24/23	562.29
				OFFICE 365 - 12/25/22 to 1/24/23	145.33
Total for Check/Tran - 85167:					707.62
85168 2/3/23	CHK	145	MENARDS	MISC PARTS & SUPPLIES - UNIT #50	49.77
				RAKE	32.34
				HOOKS	19.31
				HOOKS - REBATE	-5.57
				MISC PARTS & SUPPLIES	83.81
				MISC PARTS & SUPPLIES	9.53
				MISC PARTS & SUPPLIES	10.99
				PARTS - WELL #6 7 9	13.73
				COFFEE MAKER WATER LINE	56.68
				COFFEE MAKER WATER LINE	8.10
				MISC PARTS & SUPPLIES	-0.61
				MISC PARTS & SUPPLIES	-29.17
Total for Check/Tran - 85168:					248.91
85169 2/3/23	CHK	39	MMUA	METER SCHOOL - 142	515.00
				2023 MEMBER DUES	34,409.00
Total for Check/Tran - 85169:					34,924.00
85170 2/3/23	CHK	120	NAPA AUTO PARTS	PARTS FOR UNIT #8	53.91
				PARTS FOR UNIT #7	19.97
Total for Check/Tran - 85170:					73.88
85171 2/3/23	CHK	573	NCPERS MINNESOTA	EXTRA LIFE INSURANCE - FEB 2023	192.00

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				EXTRA LIFE INSURANCE - FEB 2023	16.00
				Total for Check/Tran - 85171:	208.00
85172 2/3/23	CHK	5056	PLAISTED COMPANIES, INC.	FILL SAND	26.24
85173 2/3/23	CHK	9997	PREFERRED CORPORATE HOUSING	Credit Balance Refund	32.09
85174 2/3/23	CHK	811	PRIME ADVERTISING & DESIGN, INC.	MONTHLY HOSTING OF WEBSITE - FEB 2023	40.00
				MONTHLY HOSTING OF WEBSITE - FEB 2023	40.00
				MONTHLY HOSTING OF WEBSITE - FEB 2023	20.00
				Agreement	1,440.00
				Total for Check/Tran - 85174:	1,540.00
85175 2/3/23	CHK	3218	RDO EQUIPMENT CO.	PARTS & LABOR FOR UNIT #56	3,538.66
85176 2/3/23	CHK	9997	NICOLE E SIMON	Credit Balance Refund	181.22
85177 2/3/23	CHK	9997	SANDRA SOWDEN	Credit Balance Refund	11.13
85178 2/3/23	CHK	6107	STUART C. IRBY CO.	SAFETY GUY WIRE	658.43
				Glove Protectors	216.78
				Total for Check/Tran - 85178:	875.21
85179 2/3/23	CHK	9997	TC HOMES, INC	Credit Balance Refund	197.70
85180 2/3/23	CHK	3360	THE UPS STORE 5093	SHIPPING - RETURN GLOVES	27.51
85181 2/3/23	CHK	7795	TITAN MACHINERY	BALL JOINT - UNIT #52	129.33
85182 2/3/23	CHK	209	ULINE	SHOP SUPPLIES	503.98
				SHOP SUPPLIES	71.99
				OFFICE SUPPLIES	267.03
				OFFICE SUPPLIES	14.06
				Total for Check/Tran - 85182:	857.06
85183 2/3/23	CHK	9997	JOHN VANDENHOEK	Credit Balance Refund	89.73
85184 2/3/23	CHK	2609	WASTE MANAGEMENT	TRASH DUMPSTER	720.51

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Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
85185 2/3/23	CHK	8808	WATER CONSERVATION SERVICE, INC.	LEAK LOCATE - CTY RD 12 & TWIN LAKES	333.28
85186 2/3/23	CHK	135	WATER LABORATORIES INC	WATER TESTING - JAN 2023	270.00
85187 2/3/23	CHK	9997	SUSAN WELCH	Credit Balance Refund	66.03
85188 2/3/23	CHK	1074	WINDSTREAM	OFFICE TELEPHONE	574.22
				OFFICE TELEPHONE	143.56
Total for Check/Tran - 85188:					717.78
85189 2/10/23	CHK	637	AJ'S COMPLETE AUTOMOTIVE	CIP - LIGHTING RETROFIT	425.00
85190 2/10/23	CHK	507	AMERICAN BACKFLOW	BACKFLOW PREVENTION EQUIP CALLIBRATION	98.99
85191 2/10/23	CHK	4531	AT & T MOBILITY	CELL PHONES & iPad BILLING	49.72
				CELL PHONES & iPad BILLING	2,516.80
				CELL PHONES & iPad BILLING	570.08
Total for Check/Tran - 85191:					3,136.60
85192 2/10/23	CHK	9997	BROOKE BATCHELDER	Credit Balance Refund	36.63
85193 2/10/23	CHK	5224	BLUE CROSS BLUE SHIELD OF MINNES	MEDICAL EE INSURANCE - MAR 2023	4,270.50
				MEDICAL ER INSURANCE - MAR 2023	56,685.12
				VISION INSURANCE - MAR 2023	362.02
				MEDICAL EE INSURANCE - MAR 2023	1,194.00
				MEDICAL ER INSURANCE - MAR 2023	15,113.49
				VISION INSURANCE - MAR 2023	111.44
Total for Check/Tran - 85193:					77,736.57
85194 2/10/23	CHK	76	CONNEXUS ENERGY	LOSS OF REVENUE - AREAS 1 YR 7	508,812.63
				LOSS OF REVENUE - AREAS 2 YR 6	165,560.22
				LOSS OF REVENUE - AREAS 3&4 YR 5	126,145.51
				LOSS OF REVENUE - AREAS 5&6 YR 4	105,500.20
				LOSS OF REVENUE - AREAS 7&8 YR 3	34,448.53
Total for Check/Tran - 85194:					940,467.09

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Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
85195 2/10/23	CHK	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 3 - ACCT 37747 - DEC 2022	10.79
				CYCLE 3 - INV GRP 414 - DEC 2022	150.00
				CYCLE 3 - INV GRP 414 - DEC 2022	1,062.39
				CYCLE 3 - INV GRP 395 - DEC 2022	11,074.95
Total for Check/Tran - 85195:					12,298.13
85196 2/10/23	CHK	671	FASTENAL COMPANY	CABINET FOR DEFIBRILATOR	567.20
				CABINET FOR DEFIBRILATOR	81.04
				MISC PARTS & SUPPLIES	12.38
Total for Check/Tran - 85196:					660.62
85197 2/10/23	CHK	8247	FERGUSON WATERWORKS #2516	SLOT SCREW	-2.55
				SLOT SCREW	34.94
Total for Check/Tran - 85197:					32.39
85198 2/10/23	CHK	340	FURNITURE AND THINGS	CIP - LIGHTING RETROFIT	375.00
85199 2/10/23	CHK	809	HAWKINS, INC.	CHLORINE CYLINDER RENTAL FEE	180.00
				Water Chemicals	1,417.85
				Water Chemicals	1,578.00
Total for Check/Tran - 85199:					3,175.85
85200 2/10/23	CHK	5670	HVACREDU.NET	MONTHLY HOSTING OF WEBSITE	375.00
85201 2/10/23	CHK	4449	ISD # 728	CIP - LIGHTING RETROFIT	7,919.00
				CIP - LIGHTING RETROFIT	572.00
Total for Check/Tran - 85201:					8,491.00
85202 2/10/23	CHK	417	LOCATORS & SUPPLIES INC.	TRAFFIC CONES	829.55
85203 2/10/23	CHK	145	MENARDS	TOOLS	45.65
				EXTRA COARSE SALT	646.60
				EXTRA COARSE SALT	92.37
				PARTS - WELL #9	5.71
				PARTS - WELL #9	6.73
				MISC PARTS & SUPPLIES	130.43

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
Total for Check/Tran - 85203:					927.49
85204 2/10/23	CHK	330	METRO SALES, INC	COPIER MTC CONTRACT -12/21/22 to 1/20/23	196.96
				COPIER MTC CONTRACT -12/21/22 to 1/20/23	49.23
Total for Check/Tran - 85204:					246.19
85205 2/10/23	CHK	119	MINNESOTA COMPUTER SYSTEMS INC	COPIER MTC CONTRACT - 1/12 to 2/11/23	139.14
				COPIER MTC CONTRACT - 1/12 to 2/11/23	34.78
Total for Check/Tran - 85205:					173.92
85206 2/10/23	CHK	252	MINNESOTA DNR - OMB	WATER PERMIT USAGE	15,407.56
				WATER PERMIT	140.00
Total for Check/Tran - 85206:					15,547.56
85207 2/10/23	CHK	1001	MINNESOTA MUNICIPAL POWER AGEN	PURCHASED POWER - JAN 2023	2,215,449.57
85208 2/10/23	CHK	39	MMUA	LEADERSHIP ACADEMY - 181	860.00
				LEADERSHIP ACADEMY - 181	215.00
				POST ACCIDENT DRUG SCREEN - 149	35.63
				POST ACCIDENT DRUG SCREEN - 149	1.87
Total for Check/Tran - 85208:					1,112.50
85209 2/10/23	CHK	120	NAPA AUTO PARTS	PARTS & LABOR FOR UNIT #55 & 56	125.57
				AIR FILTER - UNIT #55	87.30
Total for Check/Tran - 85209:					212.87
85210 2/10/23	CHK	811	PRIME ADVERTISING & DESIGN, INC.	BUSINESS CARDS - 157 162 164	40.17
				BUSINESS CARDS - 157 162 164	110.47
Total for Check/Tran - 85210:					150.64
85211 2/10/23	CHK	574	REPUBLIC SERVICES, INC	TRASH & RECYCLING - JAN 2023	1,108.02
				TRASH & RECYCLING - JAN 2023	277.01
				TRASH & RECYCLING - JAN 2023	260.46
				TRASH & RECYCLING - JAN 2023	40.04
				TRASH & RECYCLING - JAN 2023	10.00
Total for Check/Tran - 85211:					1,695.53

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
85212 2/10/23	CHK	8467	SHERBURNE COUNTY GOVERNMENT	C2022 LFG BONUS	18,750.00
85213 2/10/23	CHK	6107	STUART C. IRBY CO.	GLOVES & TESTING	-70.45
				GLOVES & TESTING	1,943.30
Total for Check/Tran - 85213:					1,872.85
85214 2/10/23	CHK	85	SUPERMATS, INC.	MAT	151.03
85215 2/10/23	CHK	9997	SHELDON SWENSEN	Credit Balance Refund	250.00
85216 2/10/23	CHK	9997	SUNNY TAYLOR	Credit Balance Refund	11.17
85217 2/10/23	CHK	331	TRANSUNION	SKIP TRACING - DEC 2022	60.00
				SKIP TRACING - DEC 2022	15.00
Total for Check/Tran - 85217:					75.00
85218 2/10/23	CHK	222	UC LABORATORY	OIL SAMPLES - NOV, DEC 2022 & JAN 2023	48.51
85219 2/10/23	CHK	543	USABBLUEBOOK	HYDRANT WRENCHES	134.41
85220 2/10/23	CHK	55	WESCO RECEIVABLES CORP.	Transformer	33,370.00
85221 2/10/23	CHK	9997	LOUELLA WILLIAMS	Credit Balance Refund	9.88
85222 2/10/23	CHK	610	WRIGHT HENNEPIN COOPERATIVE	ELEANNAL SECURITY FEE	302.96
				ANNUAL SECURITY FEE	4,509.74
Total for Check/Tran - 85222:					4,812.70
85223 2/16/23	CHK	2512	AMARIL UNIFORM COMPANY	EMPLOYEE CLOTHING - 182 ZIPPER	25.20
85224 2/16/23	CHK	507	AMERICAN BACKFLOW	Test Kit	914.34
85225 2/16/23	CHK	629	AMERICAN SECURITY CABINETS	Graphics	141.03
				Kiosk	2,033.98
				Tote	47.32
				Graphics	35.25
				Kiosk	508.50
				Tote	11.83

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
Total for Check/Tran - 85225:					2,777.91
85226 2/16/23	CHK	6138	BLUE EGG BAKERY	COOKIES FOR MEETINGS - COMMISSION MTG	12.48
				COOKIES FOR MEETINGS - COMMISSION MTG	3.12
Total for Check/Tran - 85226:					15.60
85227 2/16/23	CHK	9	BORDER STATES ELECTRIC SUPPLY	Mtce of OH Primary	463.68
				POLE BANDAGE WRAP	65.08
				WIRE	40,293.47
				WIRE	137,481.91
				WASHERS	180.00
				LIGHTING FOUNDATION	4,741.04
				LIGHTING FOUNDATION	-346.09
Total for Check/Tran - 85227:					182,879.09
85228 2/16/23	CHK	639	BRIGHTON SANDBLASTING, INC	Unit #46	5,915.41
85229 2/16/23	CHK	5013	CARR'S TREE SERVICE, INC	Tree Trimming	7,878.72
				TREE TRIMMING - 1/9/2023	-1,783.00
Total for Check/Tran - 85229:					6,095.72
85230 2/16/23	CHK	549	CHARTER COMMUNICATIONS	OFFICE TELEPHONE	173.08
				OFFICE TELEPHONE	24.72
Total for Check/Tran - 85230:					197.80
85231 2/16/23	CHK	36	CROW RIVER FARM EQUIP CO	PARTS FOR UNIT #5	-0.75
				PARTS FOR UNIT #5	10.23
Total for Check/Tran - 85231:					9.48
85232 2/16/23	CHK	9997	PERRY DUNFEE	Credit Balance Refund	25.31
85233 2/16/23	CHK	2789	E.H. RENNER & SONS, INC	WELL #2 REHAB	13,791.00
85234 2/16/23	CHK	9192	ELK RIVER CUB FOODS	CONNEXUS EMERGENCY RESPONSE MTG DONUTS	14.99
85235 2/16/23	CHK	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 4 - INV GRP 415 - JAN 2023	150.00
				CYCLE 4 - INV GRP 415 - JAN 2023	1,513.37

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				CYCLE 4 - INV GRP 396 - JAN 2023	277.22
				Total for Check/Tran - 85235:	1,940.59
85236 2/16/23	CHK	122	ELK RIVER WINLECTRIC	BLACK MOUNT ARM	9,503.79
				BLACK MOUNT ARM	-693.79
				2023 NEC CODE BOOK	-28.33
				2023 NEC CODE BOOK	387.97
				FUSEHOLDER	-15.33
				Misc Distribution Exp	210.13
				Total for Check/Tran - 85236:	9,364.44
85237 2/16/23	CHK	9424	FAIRCHILD EQUIPMENT	REPAIR - FLOOR SWEEPER	-5.45
				REPAIR - FLOOR SWEEPER	675.57
				Total for Check/Tran - 85237:	670.12
85238 2/16/23	CHK	5550	GEARED UP APPAREL	EMPLOYEE CLOTHING	663.00
				EMPLOYEE CLOTHING	165.75
				Total for Check/Tran - 85238:	828.75
85239 2/16/23	CHK	64	GRANITE ELECTRONICS INC	RADIO REPAIRS	262.53
				RADIO REPAIRS	13.82
				Total for Check/Tran - 85239:	276.35
85240 2/16/23	CHK	846	HACH COMPANY	BACKPACK WITH CASES	304.00
85241 2/16/23	CHK	809	HAWKINS, INC.	Water Chemicals	843.04
85242 2/16/23	CHK	631	HEALTH PARTNERS	DENTAL EE INSURANCE - MARCH 2023	972.24
				DENTAL ER INSURANCE - MARCH 2023	2,636.51
				DENTAL EE INSURANCE - MARCH 2023	129.11
				DENTAL ER INSURANCE - MARCH 2023	667.54
				Total for Check/Tran - 85242:	4,405.40
85243 2/16/23	CHK	6836	INNOVATIVE OFFICE SOLUTIONS LLC	OFFICE SUPPLIES	378.64
				OFFICE SUPPLIES	94.66
				Total for Check/Tran - 85243:	473.30

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
85244 2/16/23	CHK	5381	INSIGHT PUBLIC SECTOR	Monitor Arm	5,656.58
				Monitor Arm	1,414.14
Total for Check/Tran - 85244:					7,070.72
85245 2/16/23	CHK	7826	KENNEDY & GRAVEN, CHARTERED	LEGAL SERVICES	54.20
85246 2/16/23	CHK	9997	LENNAR HOMES	Credit Balance Refund	91.07
85247 2/16/23	CHK	520	MICHELS UTILITY SERVICES, INC	TRENCHING - EVERGREEN TOWNHOMES	6,251.63
85248 2/16/23	CHK	633	MUTUAL OF OMAHA	LIFE, STD & LTD INSURANCE - FEB 2023	2,555.51
				LIFE, STD & LTD INSURANCE - FEB 2023	576.27
Total for Check/Tran - 85248:					3,131.78
85249 2/16/23	CHK	9997	NEXTEL COMMUNICATIONS	Credit Balance Refund	122.43
85250 2/16/23	CHK	630	PRINCETON RENTAL INC	CHAINSAW PARTS	394.02
85251 2/16/23	CHK	603	ROYAL SUPPLY INC	TRASH BAGS	42.95
				TRASH BAGS	6.14
				CLEANING SUPPLIES	56.64
				CLEANING SUPPLIES	8.09
Total for Check/Tran - 85251:					113.82
85252 2/16/23	CHK	8551	STERLING TROPHY INC	PLAQUE - 107	40.56
				PLAQUE - 107	10.14
Total for Check/Tran - 85252:					50.70
85253 2/16/23	CHK	6107	STUART C. IRBY CO.	LIGHTING FOUNDATION	3,171.20
85254 2/16/23	CHK	9997	SAMUEL SWANN	Credit Balance Refund	14.83
85255 2/16/23	CHK	55	WESCO RECEIVABLES CORP.	Transformer	17,925.00
85256 2/24/23	CHK	5619	ALDEN POOL AND MUNICIPAL SUPPLY	Filter	547.20
85257 2/24/23	CHK	9997	BENZINGER HOMES	Credit Balance Refund	138.55

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
85258 2/24/23	CHK	8215	BROTHERS FIRE & SECURITY	WELL #7 ANNUAL MONITORING - 2/23 to 2/24	512.41
85259 2/24/23	CHK	8843	CAMPBELL KNUTSON	LEGAL SERVICES - JAN 2023	2,360.98
				LEGAL SERVICES - JAN 2023	590.25
Total for Check/Tran - 85259:					2,951.23
85260 2/24/23	CHK	5013	CARR'S TREE SERVICE, INC	TREE TRIMMING - 1/9/2023	7,832.50
				TREE TRIMMING - 1/16/23	6,614.01
				TREE TRIMMING - 1/23/2023	5,909.04
Total for Check/Tran - 85260:					20,355.55
85261 2/24/23	CHK	3982	CENTERPOINT ENERGY	NATURAL GAS & IRON REMOVAL - JAN 2023	3,258.69
				NATURAL GAS & IRON REMOVAL - JAN 2023	988.91
Total for Check/Tran - 85261:					4,247.60
85262 2/24/23	CHK	11	CITY OF ELK RIVER	TRASH BILLED - JAN 2023	157,645.75
85263 2/24/23	CHK	7448	CRC	CUSTOMER SERVICE FOR AFTER HOURS	2,171.98
				CUSTOMER SERVICE FOR AFTER HOURS	543.00
Total for Check/Tran - 85263:					2,714.98
85264 2/24/23	CHK	24	ELK RIVER PRINTING & VENTURE PRO	LOW INCOME HOME IMPROVEMENT FLYER	1,457.76
85265 2/24/23	CHK	91	GOPHER STATE ONE-CALL	2023 ANNUAL FACILITY OPERATOR FEE	47.50
				2023 ANNUAL FACILITY OPERATOR FEE	2.50
				LOCATES FOR - JAN 2023	89.78
				LOCATES FOR - JAN 2023	4.72
Total for Check/Tran - 85265:					144.50
85266 2/24/23	CHK	809	HAWKINS, INC.	Water Chemicals	624.89
85267 2/24/23	CHK	824	HOME DEPOT CREDIT SERVICES	HOME DEPOT	313.98
				HOME DEPOT	2,223.55
Total for Check/Tran - 85267:					2,537.53
85268 2/24/23	CHK	5310	HOTSY MINNESOTA	TRUCK WASH SUPPLIES	250.25
				TRUCK WASH SUPPLIES	35.74

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
Total for Check/Tran - 85268:					285.99
85269 2/24/23	CHK	5686	HYDROCORP	Backflow Device Inspection - JAN 2023	1,123.00
85270 2/24/23	CHK	9997	IH2 PROPERTY ILLINOIS LP	Credit Balance Refund	225.53
85271 2/24/23	CHK	6836	INNOVATIVE OFFICE SOLUTIONS LLC	OFFICE SUPPLIES	8.95
				OFFICE SUPPLIES	2.24
Total for Check/Tran - 85271:					11.19
85272 2/24/23	CHK	167	KODET ARCHITECTURAL GROUP LTD	PROFESSIONAL SERVICES - JAN 2023	3,742.00
85273 2/24/23	CHK	444	LANO EQUIPMENT, INC	PARTS FOR UNIT #55	52.54
85274 2/24/23	CHK	8605	MARCO TECHNOLOGIES, LLC	PRINTER MTC CONTRACT - 2/1 to 3/1/23	308.09
				PRINTER MTC CONTRACT - 2/1 to 3/1/23	77.02
Total for Check/Tran - 85274:					385.11
85275 2/24/23	CHK	145	MENARDS	BANQUET TABLE	215.71
				TOOLS	8.22
				MISC PARTS & SUPPLIES	119.00
				MISC PARTS & SUPPLIES	30.66
				MISC PARTS & SUPPLIES	35.47
Total for Check/Tran - 85275:					409.06
85276 2/24/23	CHK	349	MINNESOTA EQUIPMENT INC	PARTS FOR UNIT #68	35.70
85277 2/24/23	CHK	147	MINNESOTA POLLUTION CONTROL AG	COLLECTION SYSTEM OPERATOR - 136	23.00
85278 2/24/23	CHK	633	MUTUAL OF OMAHA	LIFE,STD & LTD INSURANCE - MARCH 2023	2,838.63
				LIFE,STD & LTD INSURANCE - MARCH 2023	788.81
Total for Check/Tran - 85278:					3,627.44
85279 2/24/23	CHK	573	NCPERS MINNESOTA	EXTRA LIFE INSURANCE - MARCH 2023	192.00
				EXTRA LIFE INSURANCE - MARCH 2023	16.00
Total for Check/Tran - 85279:					208.00
85280 2/24/23	CHK	9300	NISC	AGREEMENTS INVOICE - JAN 2023	53.94

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				AGREEMENTS INVOICE - JAN 2023	10,853.35
				AGREEMENTS INVOICE - JAN 2023	2,425.04
				MISC INVOICE - JAN 2023	589.03
				MISC INVOICE - JAN 2023	2,415.08
				MISC INVOICE - JAN 2023	147.26
				MISC INVOICE - JAN 2023	603.77
				PRINT SERVICES - JAN 2023	5,498.09
				PRINT SERVICES - JAN 2023	1,374.52
				Total for Check/Tran - 85280:	23,960.08
85281 2/24/23	CHK	358	OLSEN CHAIN & CABLE, INC.	STRAP	-13.35
				STRAP	182.79
				Total for Check/Tran - 85281:	169.44
85282 2/24/23	CHK	3218	RDO EQUIPMENT CO.	PARTS & LABOR FOR UNIT #70	-7.34
				PARTS & LABOR FOR UNIT #70	583.61
				Total for Check/Tran - 85282:	576.27
85283 2/24/23	CHK	6575	ROGERS PRINTING AND PROMOTIONA	WINDOW ENVELOPES	316.72
				WINDOW ENVELOPES	79.18
				Total for Check/Tran - 85283:	395.90
85284 2/24/23	CHK	7940	SCHWEITZER ENGINEERING LABORAT	Cable	178.94
85285 2/24/23	CHK	6107	STUART C. IRBY CO.	GLOVES - RETURNED FOR CORRECT SIZE	11.58
85286 2/24/23	CHK	3360	THE UPS STORE 5093	SHIPPING - RETURN GLOVES	13.58
85287 2/24/23	CHK	8948	TRYCO LEASING INC.	LEASE FOR COPIER AT PLANT	85.49
				LEASE FOR COPIER AT PLANT	21.37
				Total for Check/Tran - 85287:	106.86
85288 2/24/23	CHK	209	ULINE	LAMINATING POUCHES	67.01
85289 2/24/23	CHK	640	VARTY'S GREENHOUSE	TREE & GOODWILL	250.00

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
85290 2/24/23	CHK	628	VICTORY CLEANING SERVICES, LLC	MONTHLY CLEANING FOR THE PLANT-JAN 2023	3,106.76
				MONTHLY CLEANING FOR THE PLANT-JAN 2023	345.20
Total for Check/Tran - 85290:					3,451.96
Total for Bank Account - 5 :					(184) 5,459,930.39
Grand Total :					(186) 5,469,188.08

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PARAMETERS ENTERED:**Check Date:** 02/01/2023 To 02/28/2023**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
REGULAR MEETING OF THE UTILITIES COMMISSION
HELD AT THE UPPERTOWN CONFERENCE ROOM**

February 14, 2023

Members Present: Chair John Dietz, Commissioners Mary Stewart, and Matt Westgaard
Present via Zoom: Commissioners Paul Bell and Al Nadeau participated in the meeting via interactive television as they were out of the state at the time of the meeting.
ERMU Staff Present: Mark Hanson, General Manager
Sara Youngs, Administrations Director
Tom Geiser, Operations Director
Melissa Karpinski, Finance Manager
Tom Sagstetter, Conservation & Key Accounts Manager
Chris Sumstad, Electric Superintendent
Mike Tietz, Technical Services Superintendent
Dave Ninow, Water Superintendent
Chris Kerzman, Engineering Manager
Tony Mauren, Governance & Communications Manager
Jenny Foss, Communications & Administrative Coordinator
Others Present: Jared Shepherd, Attorney

1.0 GOVERNANCE

1.1 Call Meeting to Order

The regular meeting of the Utilities Commission was called to order at 3:30 p.m. by Chair Dietz.

1.2 Pledge of Allegiance

The Pledge of Allegiance was recited.

1.3 Consider the Agenda

Mr. Hanson noted that the agenda sent to the Commission the previous Friday did not include item 5.4 Voltus Distributed Energy Agreement but was provided as an update on Monday.

Moved by Commissioner Stewart and seconded by Commissioner Westgaard to approve the February 14, 2023, agenda. Motion carried 5-0

1.4 Commission Policy Review – G.1b – Organizational Core Purpose

Mr. Mauren directed the Commission to this month's policy for review G.1b – Organizational Core Purpose, which establishes the expectation that the Commission will develop and maintain a Mission, Vision, Values, and Fundamentals

The Commission had no comments on the policy.

2.0 CONSENT AGENDA (Approved By One Motion)

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

2.1 Check Register – January 2023

2.2 Special Meeting Minutes – January 10, 2023

2.3 Special Joint City Council Meeting Minutes – January 10, 2023

2.4 Data Practices Policy – Responsible Authority and Data Practices Compliance Official Appointments

2.5 Committee Charter Updates

2.6 Rate Correction – Off Peak Demand Electric Service Rate

Motion carried 5-0.

3.0 OPEN FORUM

No one appeared for open forum.

4.0 POLICY & COMPLIANCE

4.1 2022 Annual Safety Report

Mr. Hanson presented the annual safety report noting there was only one recordable injury due to a chemical splash into the eye of a water operator, adding this resulted in no lost work time.

Commissioner Westgaard asked how this result compared to prior year.

Mr. Hanson explained that in the previous recording year there were two recordable injuries with no lost time. He explained the two incidents related to an eye injury during wood chipping and restricted work time due to a shoulder injury.

Commissioner Stewart asked if staff is wearing safety glasses during work. Mr. Ninow explained the incident with the chemical splash occurred when work was complete and

staff was in the process of cleaning up. Mr. Ninow explained that staff has been reminded to wear personal protective equipment throughout the process.

5.0 BUSINESS ACTION

5.1 Financial Report – December 2022

Ms. Karpinski presented her report showing that electric usage YTD was down 2% while water usage YTD was down 7%. She added that December was good overall for both departments.

Chair Dietz submitted questions prior to the meeting on the increases in Maintenance Expense and Other Operating Expense compared to the previous year.

Ms. Karpinski responded that the Maintenance Expense increase comes from tree trimming while Other Operating Expense increases comes from the switch to age-banded medical plan in 2021. She explained that under government accounting standards ERMU does not have to recognize the liability with the change in plans, so it became a credit in the previous year leading to a variance when comparing the line item with 2022.

Commissioner Bell asked if there was a way to account for tree trimming more consistently, adding his opinion that it is regularly over budget.

Ms. Karpinski explained that question was focused on the variance and because tree trimming was not budgeted in 2021 it shows a large increase in 2022. She added that tree trimming did come in under budget in 2022 due to the contractors inability to complete all the scheduled work. There was discussion.

Commissioner Stewart asked if the decrease in the Construction in Progress line item along with the increase in General Fixed Assets was due to the construction of the field services building. Staff confirmed this was correct.

Chair Dietz asked if there had been any change to the budgeting process to account for power cost adjustments in 2023 to try to avoid overages.

Ms. Karpinski explained that the Utilities will not be absorbing the initial \$500,000 from the Energy Adjustment Clause and will have the correct rates from Minnesota Municipal Power Agency which should improve the budgeting process.

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

5.2 **2022 Fourth Quarter Delinquent Items**

Ms. Karpinski presented the 2022 Fourth Quarter Delinquent items, explaining that assessments are lower than prior year and commended the customer service staff for their work on keeping customers current. She added that the increase to write offs was mainly due to accounts reaching the six-year limit on the Revenue Recapture program.

Chair Dietz asked if the amounts shown have had the deposit deducted. Staff confirmed that they had.

Chair Dietz asked if staff would consider increasing the deposit on apartments.

Ms. Youngs responded that would be a Commission decision.

Mr. Hanson suggested waiting to look at increasing deposits as the amounts are likely tied to the unusual circumstances of a shut-off moratorium during the COVID-19 pandemic.

Commissioner Westgaard stated that he shared Mr. Hanson's perspective.

There was discussion about the Revenue Recapture program.

Moved by Commissioner Westgaard and seconded by Commissioner Stewart to approve the 2022 fourth quarter delinquent items submitted. Motion carried 5-0.

5.3 **Strategic Plan and 2022 Annual Business Plan Results**

Mr. Hanson presented his memo on the Strategic Plan for the Utilities explaining it is structured around ERMU's guiding principles. Mr. Hanson then provided background on how the planning process leads to the creation of the dashboard of projects that staff pursues for the year.

Mr. Hanson also sought Commission feedback as to whether this presentation of highlights from the dashboard served the needs of the Commission.

Staff then presented their items from the Highlights, Challenges, and Results from the 2022 Strategic Plan Initiatives attachment.

Regarding Ms. Youngs' presentation of the live chat feature, Commissioner Stewart asked if the service would be available outside of normal businesses hours. Ms. Youngs responded that the feature would not.

Mr. Hanson then presented the business plan and asked the Commission if they felt they are receiving the information they need to govern effectively.

Commissioner Westgaard noted 2022 presented challenges with higher power cost adjustments and the field services building project. He added that the margins may not have reached the levels seen in other years but that the priority is providing reliable utilities at a reasonable rate and doing that without having a negative balance.

Commissioner Stewart recommended that financial presentations include a visual representation of the data to aid in understanding.

Chair Dietz shared his struggle with finding the appropriate level for finances which allows ERMU to provide affordable services while having the funds to cover operations expenses. He commended staff for their efforts.

Commissioner Bell added that staff comes to the meeting prepared and makes him comfortable that things are getting done properly.

5.4 **Voltus Distributed Energy Agreement**

Mr. Hanson presented his memo on the agreement with Voltus, a power aggregator who locates excess generation capacity and makes it available to the grid in emergency situations. Mr. Hanson shared that ERMU's generators are eligible for the program which involves an arrangement similar to a retainer with compensation based on the amount of megawatts the entity can produce.

Mr. Hanson explained that next steps would be determining ERMU's production capacity and signing the agreement, after which ERMU could then, at any point, receive six-hour notice to run the generators, with an average run duration of 4 hours. He explained that the program pays entities \$27,000 per megawatt of capacity and an additional \$2,200 per megawatt hour of actual run time. Mr. Hanson shared his opinion that the program could generate annual revenue anywhere from \$150,000 to \$200,000.

Mr. Hanson added that both Minnesota Municipal Utilities Association and Minnesota Municipal Power Agency had reviewed and supported ERMU's pursuit of the agreement.

Chair Dietz asked if the equipment is in good enough condition to run reliably.

Mr. Hanson explained that there are expected maintenance costs that could be covered by program revenue.

Chair Dietz asked if the program requires more staff time. Mr. Hanson responded that because ERMU already does monthly tests of the generators it would not.

Mr. Hanson explained that there are no penalties if ERMU were unable to run its generators when called to, there would just be a restructuring of compensation for the following year based on performance.

Mr. Hanson added that if ERMU were not called to run for the year there would be a required one hour test run to verify its capacity. If needed, the test run would be coordinated with the existing monthly run.

Chair Dietz asked staff to characterize maintenance costs.

Mr. Hanson responded there are some repairs staff will attempt to complete, but otherwise costs could be in the tens of thousands to over one hundred thousand dollars range.

Mr. Hanson explained that the agreement is for 60 months with the rate of \$27,000 per megawatt guaranteed for just the first two years due to potential market fluctuations.

Commissioner Stewart asked if staff had done a cost analysis on diesel and staff time needed to participate in the program.

Mr. Tietz responded that no analysis had been done at this time.

Mr. Hanson contributed that there had been a planning review done on the project which showed the program to be favorable to ERMU. Mr. Hanson continued that with the existing monthly engine runs of roughly an hour in length, diesel fuel and staffing needs would not be significantly different. He added that due to current weather forecasting technologies, he was confident staffing would not be a challenge.

Mr. Hanson explained that legal staff had a few notes for updates related to insurance liabilities and terminology, adding he would work with Voltus to clarify those options. He continued that the terms of the agreement make it possible for ERMU to decide to stop participating in the program while incurring no penalty. ERMU is only bound to not enter into an agreement with a different organization during the 60-month agreement.

Moved by Commissioner Stewart and seconded by Commissioner Westgaard to approve the Distributed Energy Resources Agreement between Elk River Municipal Utilities and Voltus, Inc., subject to commission attorney approval. Motion carried 5-0.

6.0 BUSINESS DISCUSSION

6.1 Staff Updates

Mr. Hanson acknowledged Ms. Youngs for her one-year anniversary with ERMU.

Ms. Youngs announced an offer had been extended for the open customer service representative position and the candidate had accepted. The start date will be the end of February pending the successful completion of the onboarding process.

Mr. Sagstetter gave an update on the Home Improvement Resources flyer that was direct mailed to customers in Elk River's Urban Services District. The flyer promotes Tri-CAP weatherization and Elk River Housing and Rehabilitation Authority (HRA) programs. The flyer was well received and to date the HRA has received four completed applications.

Mr. Mauren reminded the Commission they will meet at 2:30 p.m. prior to the start of the March 14, 2023, regular commission meeting for respectful workplace training.

Mr. Tietz recognized Locator Devin Ruprecht for his third-place finish at the Minnesota Common Ground Alliance Virtual Locate Rodeo held in Minneapolis, MN on January 18, 2023.

Mr. Ninow highlighted the public hearing for the Wellhead Protection Plan which is scheduled for Tuesday, April 11, 2023, at 5:00 p.m. in the ERMU conference room.

6.2 City Council Update

Commissioner Westgaard provided an update from the City Council including topics such as interim use permits, an easement vacation, commission appointments, and receiving the Urban Services District expansion feasibility study.

6.3 Future Planning

Chair Dietz announced the following:

- a. Regular Commission Meeting – March 14, 2023
- b. 2023 Governance Agenda

6.5 Other Business

As this was his last meeting as utilities commissioner, Al Nadeau was recognized by Chair Dietz for his 12 years of service to the community. There was a round of applause.

7.0 ADJOURN REGULAR MEETING

Moved by Commissioner Westgaard and seconded by Commissioner Stewart to adjourn the regular meeting of the Elk River Municipal Utilities Commission at 4:51 p.m. Motion carried 5-0.

Minutes prepared by Tony Mauren.

John J. Dietz, ERMU Commission Chair

Tina Allard, City Clerk

TO: ERMU Commission	FROM: Tony Mauren – Governance & Communications Manager
MEETING DATE: March 14, 2023	AGENDA ITEM NUMBER: 2.3
SUBJECT: Policy Review – G.1c – Mission Statement	
ACTION REQUESTED: Review the policy and provide any feedback	

BACKGROUND/DISCUSSION:

This month commissioners are reviewing policy G.1c – Mission Statement to make comments, ask questions, or recommend updates.

The purpose of this policy is to establish a guiding statement to communicate both internally and externally the day to day purpose for the organization’s existence. The mission statement then plays an important role in the development of policies and programs and serves as a guide for effective governance and operations.

ATTACHMENTS:

- ERMU Policy – G.1c – Mission Statement

COMMISSION POLICY

Section: Governance	Category: Authority and Purpose Policies
Policy Reference: G.1c	Policy Title: Mission Statement

PURPOSE:

One of the key components in establishing an organizational core purpose is the development and ongoing support of a relevant mission statement. Through the development, adoption, and ongoing support of an organizational mission statement, the Commission establishes a guiding statement to communicate both internally and externally the day to day purpose for the organization's existence. The mission statement then plays an important role in the development of policies and programs and serves as a guide for effective governance and operations.

POLICY:

The Commission adopts and commits to govern in a manner consistent with the following mission statement:

Provide our customers with safe, reliable, cost effective and quality long term electric and water utility service. To communicate and educate our customers in use of utility services, programs, policies, and future plans. These products and services will be provided in an environmentally and financially responsible manner.

POLICY HISTORY:

Adopted May 9, 2017

TO: ERMU Commission	FROM: Mark Hanson – General Manager
MEETING DATE: March 14, 2023	AGENDA ITEM NUMBER: 2.4
SUBJECT: Memorandum of Understanding with the City of Elk River for Customer and Billing Services	
ACTION REQUESTED: Approve a memorandum of understanding with the City of Elk River for customer and billing services associated with garbage and recycling programs.	

BACKGROUND/DISCUSSION:

City and ERMU staff recognized there was not a memorandum of understanding (MOU) between the two entities for the customer and billing services the Utilities provides in garbage and recycling programs. Although this arrangement has been in place for many years, both parties understood a formal agreement should be in place. The Elk River City Council approved the attached MOU at their February 21, 2023, meeting.

ATTACHMENTS:

- MOU - Customer and Billing Services between the City of Elk River and ERMU for Garbage and Recycling Programs.

**MEMORANDUM OF UNDERSTANDING
REGARDING CUSTOMER SERVICE & BILLING SERVICES BETWEEN THE CITY
OF ELK RIVER AND ELK RIVER MUNICIPAL UTILITIES**

FEBRUARY 21, 2023

This Memorandum of Understanding (MOU) is entered into this 21st day of February 2023, by and between the City of Elk River ("City"), and the Elk River Municipal Utilities ("ERMU").

WHEREAS, the City recognizes ERMU possesses the capability to provide customer service and billing services as specified below; and,

WHEREAS, the City desires to obtain said services as specified herein; and,

WHEREAS, the ERMU has agreed to perform said services for the City in accordance with this MOU.

NOW, THEREFORE, in consideration of the above and of the mutual promises and other good and valuable considerations set forth below, the City and the ERMU enter this MOU and agree as follows:

ARTICLE I - SERVICES

ERMU agrees to undertake and complete customer service and billing services as provided in Exhibit A ("Services").

ARTICLE II - COMPENSATION AND METHOD OF PAYMENT

In consideration of the satisfactory performance and delivery of the Services, the City shall pay ERMU at the rate specified in the Exhibit A.

All invoices shall be submitted monthly for the prior month's activity and within 30 calendar days after the completion and acceptance of the Services provided by the ERMU. Invoices shall include the following information:

1. Invoice date
2. Line item of customer service/billing charges provided for the following accounts:
 - a. Garbage & Recycling Billing Charges
 - b. Sewer Billing Charges
 - c. Stormwater Billing Charges
 - d. Penalties Collected
 - e. Labor Office Billable
 - f. Garbage Office Billable
 - g. Stormwater Office Billable
 - h. Total Amount Due

Payments to ERMU for each deliverable shall be made as soon as possible after the acceptance of the deliverable and after receipt of a proper invoice. There will be no charges for past due payment of invoices.

ARTICLE III – TERM

The initial term shall begin on February 21, 2023, and expire on December 31, 2023. The MOU shall be renewed automatically for succeeding terms of one (1) year each for up to three (3) years unless either party gives written notice to the other at least sixty (60) days prior to the renewal date of their intent to discontinue the MOU. During any renewal term, the terms, conditions, and provisions set forth in this MOU shall remain in effect unless modified in accordance with Section IV.

ARTICLE IV – MODIFICATIONS

Any modifications to this MOU must be in writing and signed by authorized representatives of both parties.

ARTICLE V- REPRESENTATIVES

The following individuals are designated as representatives for their respective parties:

For the City:

City Administrator

For ERMU:

General Manager

ARTICLE VI - KEY PERSONNEL, if applicable

ERMU agrees that the following positions are essential to the work being performed hereunder, and are designated as Key Positions who shall be made available to the full extent required to conduct the work under this MOU:

Customer Service Representative, Billing Specialist, Collections, Administrative Director, and any seasonal or operational personnel.

Should these positions become unavailable during the term of this MOU, personnel of at least equivalent capability shall be assigned to the project.

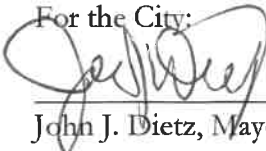
ARTICLE VII – ENTIRE AGREEMENT

This Memorandum embodies the whole agreement of the parties. There are no promises, terms, conditions, or obligations regarding the parties' agreement, other than those contained herein, or incorporated herein by reference.

ARTICLE VIII - SIGNATURES

In acknowledgement of the foregoing description of the terms and requirements of this MOU, these authorized signatories of the Parties do hereby attest to their acceptance of these terms and conditions.

2/21/23
Date

For the City:


John J. Dietz, Mayor

Attest: 

Tina Allard, City Clerk

For ERMU:

Date

John J. Dietz, ERMU Chair

Mark Hanson, General Manager

Exhibit A – SCOPE OF WORK

1. Provide customer service assistance via telephone, email, letter, or at the counter regarding garbage and recycling accounts, services, rates structures, and payments.
2. Research and respond to customer service complaints and/or billing questions in relation to garbage, recycling, sewer, and stormwater services.
3. Receive, process and document customer inquiries for garbage and recycling, sewer, and stormwater payments/fees.
4. Establish and maintain customer accounts; monitor and ensure the accuracy of account information on a continuing basis.
5. Process and document Temporary Stop In Service requests (customers requesting over a 6-month period shall be referred to the City (Environmental Services), for review and approval/denial.
6. Manage initial complaints from customers calling to report missed service, cart damage, cart size changes, or other associated issues.
7. Process and document any Door Side Service forms submitted (those claiming a marginal justification shall be referred to the City (Environmental Services), for review and approval/denial.
8. Check to ensure that appropriate changes were made to resolve customers' problems.
9. Contact customers to respond to inquiries or to notify them of any planned adjustments.
10. Resolve customers' service or billing complaints by performing activities such as crediting account, refunding money, or adjusting bills.
11. Obtain and examine all relevant information to assess validity of complaints and to determine possible causes, such as extreme weather conditions that could increase utility bills.
12. Keep records of customer interactions or transactions, recording details of inquiries, complaints, or comments, as well as actions taken.
13. Send monthly billing logs and monthly invoices to the City (Finance Dept).

Exhibit A – SCOPE OF WORK (Con't).

Current Fees 2023 - 2026

Unit price will be based on the passthrough billing rate from NISC for each billable agreement.

Service Provided	Unit Price
Garbage Billing Charges	.09 + \$75
Sewer Billing Charges	.09 + \$75
Stormwater Billing Charges	.09 + \$75
Penalties Collected – Labor Office Billable	
Garbage & Stormwater Office Billing ~ 20hr/wk. Labor Office Billable (seasonal fluctuations)	

TO: ERMU Commission	FROM: Tony Mauren – Governance & Communications Manager
MEETING DATE: March 14, 2023	AGENDA ITEM NUMBER: 4.1
SUBJECT: Annual Commissioner Orientation	
ACTION REQUESTED: None	

BACKGROUND:

Commission Policy G.2d – Commission Member Role, Responsibilities, and Orientation describes the role and responsibilities of Commissioners operating as a governing body in accordance with applicable law. The Commission also establishes its expectations for the orientation of new commission members.

As stated in the policy, “The ERMU Commission is committed to excellent governance. This requires that individual Commissioners be well-informed about ERMU, its customers and stakeholders, the utility business, prudent financial management, and the Commission’s own governance structure and processes.” Consistent with this commitment and commission policies, an annual orientation program for new and existing commission members was implemented in 2018.

This year’s annual orientation will offer a respectful workplace training prior to the meeting as well as a review of the Commission Policy manual and reference guide updates from the previous year.

COMMISSIONER ORIENTATION AGENDA:

1. Updates to Commission Policy Manual
 - Commission Policy Manual Index
 - G.2a2 – Streetlight Installation and Maintenance Agreement Between ERMU and The City of Elk River
 - G.2g1 – Wage & Benefits Committee Charter
 - G.2g3 – Information Security Committee Charter
 - G.2g4 – Dispute Resolution Committee Charter
 - G.4f1 – Employee Handbook
 - G.4g1 – Performance Metrics and Incentive Compensation
 - G.4j3 – Customer Deposits
 - G.4l4 – Third Party Attachment to Assets

- G.5a – Margins
 - G.5b – Competitive Rates
2. Updates to Commission Reference Guide
- 2023 Governance Agenda
 - 2023 ERMU Organizational Chart
 - 2023 Utilities Commission Member Listing
 - 2023 Utilities Commission Meeting Schedule
 - 2023 Upcoming Events
 - 2023 Travel Expense Guidelines for Commissioners

ATTACHMENTS:

- Commission Policy Manual and Reference Guide updates listed above



COMMISSION POLICY MANUAL TABLE OF CONTENTS

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Authority and Purpose Policies

- G.1a Bylaws
- G.1b Organizational Core Purpose
- G.1c Mission Statement
- G.1d Vision Statement
- G.1e Organizational Values
- G.1f Organizational Fundamentals
- G.1g Planning Themes

Governance Policies

- G.2 Commission Purpose
- G.2a Commission – City Council Relationship and Roles
 - G.2a1 Payment in Lieu of Taxes (PILOT) and Other Donations to the City of Elk River
 - G.2a2 Street Light Installation and Maintenance – Memorandum of Understanding
 - G.2a3 Repairs to Private Water Utility Line – Memorandum of Understanding
- G.2b Governing Style
- G.2c Agenda Planning
- G.2d Commission Member Role, Responsibilities and Orientation
- G.2e Commission Member Conduct
 - G.2e1 Conflicts of Interest
- G.2f Commission Officer Roles, Responsibilities and Succession
- G.2g Commission Committees
 - G.2g1 Wage & Benefits Committee Charter
 - G.2g2 Financial Reserves and Investment Committee Charter
 - G.2g3 Information Security Committee Charter
 - G.2g4 Dispute Resolution Committee Charter
- G.2h Independent Advisors to the Commission

Commission – Management Connection Policies

- G.3 Commission - Management Roles
- G.3a Controlling Authority
- G.3b Delegation of Authority to the General Manager
- G.3c General Manager Accountability
- G.3d Monitoring Performance of the General Manager
- G.3e General Manager Performance Planning and Evaluation

Delegation to Management Policies

- G.4 Corporate Limitations
- G.4a Succession of Leadership
- G.4b Information and Support to the Commission
- G.4c Strategic and Business Planning
- G.4d Customer Interests
 - G.4d1 Customer Data Privacy
- G.4e Core Customer Services
 - G.4e1 Customer Accounts
 - G.4e2 Electric Services
 - G.4e3 Water Services
- G.4f Employee Interests
 - G.4f1 Employee Handbook
 - G.4f2 Controlled Substances
- G.4g Organization, Staffing, and Compensation
 - G.4g1 Performance Metrics and Incentive Compensation
 - G.4g1a Performance Metrics and Incentive Compensation Policy Score Card
- G.4h Financial Planning and Budgeting
- G.4i Financial Condition and Transactions
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 - G.4i2 Financial Reserves
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- G.4j Cost Allocation and Recovery
 - G.4j1 Rates and Charges for Electric Service
 - G.4j2 Rates and Charges for Water Service
 - G.4j3 Customer Deposits
- G.4k MMPA Relationship, Representative and Governance
- G.4l Protection of Assets
 - G.4l1 Use and Disposal of Utility Property
 - G.4l3 Mobile Device Guidelines
 - G.4l4 Third Party Attachment to Assets
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- G.4n Legal and Regulatory Compliance
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- G.4p External Communications
- G.4q Community Involvement
- G.4r Mutual Aid

Results Policies

- G.5 Goals and Results
- G.5a Margins
- G.5b Competitive Rates

**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

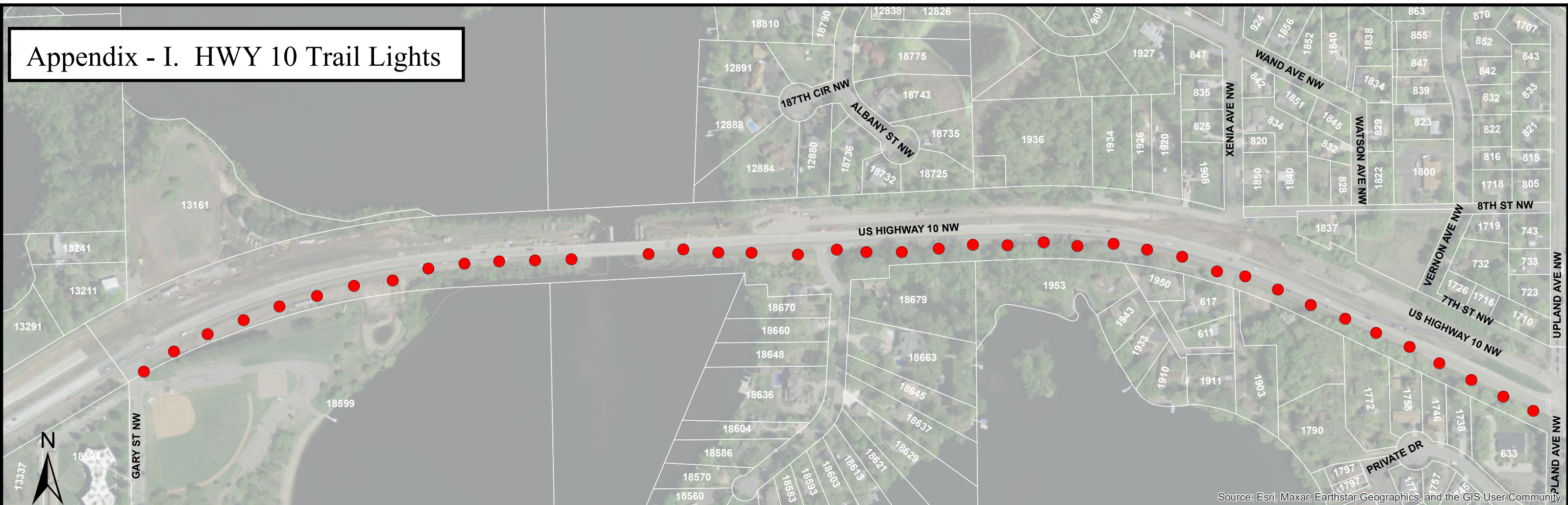
By  _____
Theresa Slominski, General Manager

THE CITY OF ELK RIVER, MINNESOTA

By  _____
John Dietz, Mayor

By  _____
Tina Allard, City Clerk

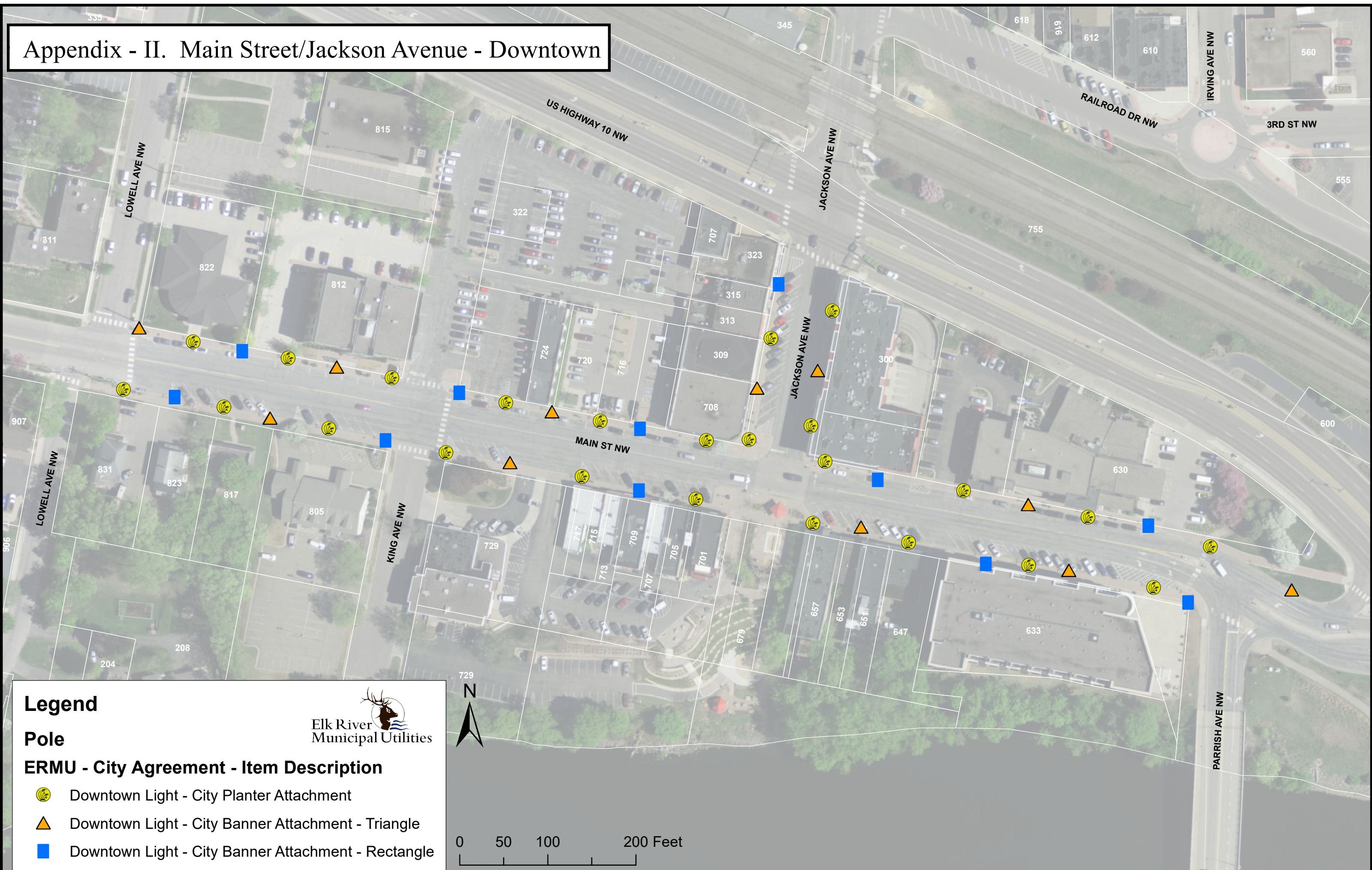
Appendix - I. HWY 10 Trail Lights



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

Elk River
Municipal Utilities




Appendix - II. Main Street/Jackson Avenue - Downtown



Legend

Pole

ERMU - City Agreement - Item Description

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



0 50 100 200 Feet

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



COMMISSION POLICY

Section: Governance	Category: Governance Policies
Policy Reference: G.2g1	Policy Title: Wage & Benefits Committee Charter

PURPOSE:

The Wage and Benefits Committee exists to help the Commission develop and maintain a pay plan structure and benefits package that are market competitive, help promote employee retention, and to help the Commission make informed decisions which provide value to the customers through fair labor expenses. This Committee also exists to help the Commission with succession planning and review pay equity compliance.

MEMBERSHIP:

The Committee shall be comprised of two Commissioners, the General Manager, the Administrations Director, and the Operations Director. At no time shall there be a quorum of the Commission on the Committee.

The Commission shall appoint Committee members annually following the Commission election of officers during the March Regular Commission meeting. The Commission shall also appoint the Committee Chair at that time.

ROLE OF THE COMMITTEE CHAIR:

The primary role of the Committee Chair is to run the Committee meetings. The Committee will adhere to the Current edition of ***Robert's Rules of Order Newly Revised*** for all situations to which they are applicable and are not inconsistent with ERMU's bylaws, policies, and any special rules of order that the Commission may adopt. The Committee meetings may be open or closed to employees at the discretion of the Committee Chair.

AUTHORITY:

Except as established in this Committee Charter, the authority of the Committee is limited to the purpose of research and recommendation to the Commission. The Committee, at the discretion and through formal action of the Commission, may be empowered beyond the role of research

and recommendation such that it is consistent with the ***Organizational Core Purpose*** policies and the ***Commission Committees*** policy.

SPECIFIC DUTIES:

1. At the request of the Commission, research and analyze topics related to employee compensation and benefits.
2. Annually perform market benchmarking and evaluate wages. The Committee shall present options and make recommendations regarding cost of living adjustments and pay plan structure modifications to the Commission for their consideration.
3. Review insurance policies and evaluate policy renewals related to employee benefit insurances. The Committee shall present options and make recommendations regarding these insurance policies to the Commission for their consideration.
4. Evaluate wage and benefit requests from employees. Present and make recommendations to the Commission as appropriate.
5. Review submittal information pertaining to pay equity compliance requirements and present options and make recommendations to the Commission as appropriate.
6. Record minutes of Committee meetings. Committee meeting minutes shall be subject to applicable data retention law and policies.

SCHEDULE:

At a minimum, the Committee shall meet on a quarterly basis.

TERMINATION:

The Committee shall exist until at such time formal action of the Commission is taken to dissolve the Committee.

POLICY HISTORY:

Adopted	May 9, 2017
Revised	February 14, 2023

Section: Governance	Category: Governance Policies
Policy Reference: G.2g3	Policy Title: Information Security Committee Charter

PURPOSE:

Information security is managing risks to the confidentiality, integrity, and availability of information using administrative, physical, and technical controls.

The Information Security Committee exists to help develop and maintain industry appropriate information security policies and oversight. Because of shared hardware and resources, there exists an overlap and shared risk for ERMU and the City of Elk River (City) operations. Although governed autonomously, this shall be an advisory Committee to both the ERMU and the City.

MEMBERSHIP:

This Committee shall be comprised of equal representation from ERMU and the City. From ERMU this committee shall include a Commissioner and the General Manager. The General Manager will appoint three additional members, at least one of whom will be a manager and at least one will be an information technology employee. From the City this committee shall include a Councilmember and the City Administrator. The City Administrator will appoint three additional members, at least one of whom will be a manager and at least one will be an information technology employee. At no time shall there be a quorum of the Commission or the Council on the Committee.

The Commission shall appoint ERMU's Committee member representatives annually following the Commission election of officers during the March Regular Commission meeting. The Council shall appoint its member annually. The Committee shall elect a chair annually. The General Manager and the City Administrator shall serve as the authorized reporting representatives for their respective governing bodies.

ROLE OF THE COMMITTEE CHAIR:

The primary role of the Committee Chair is to run the Committee meetings and act as committee secretary. The Committee will adhere to the Current edition of *Robert's Rules of Order Newly*

Revised for all situations to which they are applicable and are not inconsistent with ERMU's bylaws, policies, and any special rules of order that the Commission may adopt; and similarly, the Committee action shall not be inconsistent with applicable laws and policies which regulate the City of Elk River. The Committee meetings may be open or closed to employees at the discretion of the Committee Chair.

AUTHORITY:

Except as established in this Committee Charter, the authority of the Committee is limited to the purpose of research and recommendation to ERMU and the City.

SPECIFIC DUTIES:

1. Policies and Procedures: Assist ERMU and the City in the development of information security related policies. Review effectiveness of information security policy implementations. Identify and recommend how to handle non-compliance. Assist with the development of information security related procedures, standards, guidelines, and baselines to the ERMU and the City. At least annually, provide timely reports including recommendations regarding effectiveness of policies and procedures to ERMU and City leadership teams.
2. Risk Assessment: Review industry appropriate information security trends to maintain an up-to-date perspective on related risks and industry's best practice risk mitigation methods. Identify significant threats and vulnerabilities. Assess the adequacy and coordination of the implementation of information security controls. Recommend methodologies and processes for information security. Evaluate ongoing related legal and regulatory compliance changes. Review incident information and recommend follow-up actions. At least annually, provide timely reports including recommendation regarding risks assessment to ERMU and City leadership teams.
3. Budget Development: Develop data needed for thorough evaluation of proposed information security initiatives for budget preparation and consideration. Information shall include options, risk evaluation, resource requirements, implementation timelines, and costs. At least annually and coordinating with their respective budgeting process schedules, provide timely reports regarding information security initiatives proposed for consideration to ERMU and City leadership teams.
4. Education and Awareness: Function as an information security program champion providing clear direction and unity in ERMU and City leadership teams' support for approved security initiatives and policies. Develop and implement plans and programs to maintain information security awareness. Promote information security education, training, and awareness throughout ERMU and the City.

SCHEDULE:

At a minimum, the Committee shall meet on an annual basis.

TERMINATION:

The Committee shall exist as a joint effort between ERMU and the City until at such time either the Commission or Council dissolve the joint nature of the Committee.

POLICY HISTORY:

Established	August 8, 2017
Revised	November 12, 2019
Revised	February 14, 2023

COMMISSION POLICY

Section: Governance	Category: Governance Policies
Policy Reference: G.2g4	Policy Title: Dispute Resolution Committee Charter

PURPOSE:

The Dispute Resolution Committee exists to provide customers an alternative dispute resolution option for circumstances which: require action beyond the authority assigned through the ***Delegation to Management Policies***; require policy creation, revision, or exception; have exhausted the established utilities procedures and/or protocol; and involves customer protected data for which the customer prefers addressing the issue through a meeting closed to the public.

For qualifying customer disputes, the Committee will provide: a formal hearing in a closed meeting allowing the customers to communicate the concern; recess and reconvene as needed to conduct appropriate research and/or deliberate; make a determination within parameters established through the ***Commission Policies*** and within the authorities delegated through this policy; and report and/or make recommendations to the Commission as required.

MEMBERSHIP:

The Committee shall be comprised of five members, three appointed annually and two which vary with each dispute. The three members appointed annually shall include two Commissioners and the General Manager. At no time shall there be a quorum of the Commission on the Committee. The Committee shall also include the director and the manager most directly involved in the dispute.

The Commission shall appoint Committee members annually following the Commission election of officers during the March Regular Commission meeting. The Commission shall also appoint the Committee Chair at that time.

ROLE OF THE COMMITTEE CHAIR:

The primary role of the Committee Chair is to run the Committee meetings. The Committee will adhere to the Current edition of ***Robert's Rules of Order Newly Revised*** for all situations to which they are applicable and are not inconsistent with ERMU's bylaws, policies, and any special rules of order that the Commission may adopt.

AUTHORITY:

Except as established in this Committee Charter, the authority of the Committee is limited to the purpose of dispute resolution within the authorities delegated to management through the Commission Policies, research related to customer disputes or complaints, and recommendations to the Commission. The Committee, at the discretion and through formal action of the Commission, may be empowered beyond the role as outlined in this policy such that it is consistent with the *Organizational Core Purpose* policies and the *Commission Committees* policy.

SPECIFIC DUTIES:

1. After a formal request is submitted for a qualifying customer dispute, the Committee will schedule a hearing, either in person or virtual, within a reasonable amount of time.
2. Through the hearing, the Committee will allow the customer to communicate relevant information and request dispute resolution which may require policy creation, revision, or exemption.
3. The Committee is required to verify all information and data; and the Committee will review the Customer's account history and other relevant information.
4. And as needed, the Committee shall research industry best practices related to the dispute.
5. The Committee is authorized to engage legal counsel for legal review and recommendations.
6. The Committee will make a determination whether resolution can be provided within the authorities assigned through this policy; and if so, the Committee will provide written summary of the dispute and the authorized resolution for implementation by management.
7. When no action is taken by the Committee toward resolution, the Committee will determine whether the request warrants further consideration by the Commission, in which case the Committee will present a summary of the dispute to the Commission and make a recommendation. In the event that no action is taken by the Committee, and the Committee has determined that the dispute does not warrant further consideration or advancement to the Commission, the Committee shall summarize their finding in a report to be provided to the customer and placed on file.
8. The Committee shall record minutes of all Committee meetings. Committee meeting minutes shall be subject to applicable data retention law and policies.

SCHEDULE:

The Committee shall meet on an as-needed basis.

TERMINATION:

The Committee shall exist until at such time formal action of the Commission is taken to dissolve the Committee.

POLICY HISTORY:

Adopted	January 12, 2021
Revised	February 14, 2023



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:

New Years Day

Martin Luther King Day

Veterans Day

Thanksgiving Day

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.

46703186v1

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

Section: Governance	Category: Delegation to Management Policies
Policy Reference: G.4g1	Policy Title: Performance Metrics and Incentive Compensation

1.0 PURPOSE AND SUMMARY

The successful performance of the ERMU is measured in terms of the Utilities’ ability to meet our strategic goals and mission. By improving our efficiency and level of performance in meeting our strategic goals and mission we can improve the delivery of value to our customers.

To create incentives for employees to take personal responsibility for accomplishment of the Utilities’ strategic goals and mission, the Utilities has established a Utilities Performance Metrics-based Incentive Compensation system (“UPMIC”). Through UPMIC the employees of ERMU will have an opportunity, as a group, to earn annual incentive compensation for each qualifying employee by contributing individually to the overall success of ERMU on a daily basis.

Under UPMIC, either all qualifying employees will earn an incentive compensation distribution in a given year, or none will. And not only will incentive compensation under UPMIC in that sense be an all or nothing proposition each year, but there will be an equal percentage share basis for all on which the incentive compensation will be paid out if earned. This appropriately reflects the reality that we all succeed, or fall short, together as a team.

To administer the UPMIC and measure objectively the level of performance that must be achieved for qualifying employees to earn incentive compensation, the attached UPMIC Performance Metrics Policy Score Card (“Score Card”) has been created. The Score Card will be subject to revision annually based on the performance metrics adopted by the Commission annually for the coming year (“Performance Metrics”). By tracking and measuring the Performance Metrics and creating incentive for employees to achieve the goals the Metrics embody, the Utilities believes it will be better able to focus efforts and resources on becoming more efficient and successful in meeting our strategic goals and mission and delivering improved value to our customers.

2.0 UTILITIES PERFORMANCE METRICS SCORE CARD

As reflected on the Score Card, the Performance Metrics are divided into the following three categories: Safety, Reliability and Quality of Utility Services; Workforce Development; and Financial Goals. These categories are used to characterize the overall strategic goals and mission of ERMU.

Under the Performance Metrics, these three main categories are then divided into various weighted factors, or sub-categories. These sub-categories, their percentage weight, and the goal or target for each, shall be established by the Utilities Commission annually. The Performance Metrics as adopted are reflected in the attached Score Card. As discussed above, the Performance Metrics and thus the Score Card are subject to modification and adoption by the Commission annually, which will normally occur during the Utilities' budgeting process.

3.0 UTILITIES PERFORMANCE INCENTIVE COMPENSATION DISTRIBUTION CRITERIA

Under the UPMIC a Performance-Based Compensation Incentive, if earned, will be distributed to Qualifying Employees annually. The total amount available to be earned by Utilities employees as a Performance Based Compensation Incentive each year will be an amount up to 2.5% of the Utilities' total gross wages paid to Qualifying Employees during the Measurement Period.

The measuring period used to calculate how much, if any, of the Performance-Based Compensation Incentive the Utilities employees have earned will be the calendar year (the "Measurement Period"). After the Measurement Period is complete and the Commission has received its audit in the spring of the year following the Measurement Period, the Performance Metrics will be applied to determine whether the Performance-Based Compensation Incentive has been earned for the Measurement Period. In doing so, the performance of the Utilities in each sub-category will be reviewed. If the sub-category performance meets or exceeds the established goal, the sub-category will be scored with the designated percentage that will contribute to a total Performance Metrics Multiplier to be used as a factor in calculating the distribution earned, if any, as shown in the Score Card ("Multiplier"). The Multiplier has a maximum factoring effect of 100%. The Multiplier is used to determine how much, if any, of the amount established by the Commission for the UPMIC Performance-Based Compensation Incentive has been earned in the Measurement Period. (For example if the Multiplier equals 100%, the distribution would equal 2.5%. If the Multiplier equals 75%, the distribution would equal 1.875%.) In other words, the amount established by the Commission may be earned on an annual basis by the group of Qualifying Employees (as defined below in Section 4.0) in whole, in part, or not at all.

After the Multiplier is calculated on the Score Card, the Performance Based Compensation Incentive earned, if any, will be distributed to Qualifying Employees. The total amount to be distributed as the Performance Based Compensation Incentive will be the product of: a) the Multiplier; and b) 2.5% of the Utilities' total gross wages paid to Qualifying Employees during the Measurement Period.

The percentage of the Performance Based Compensation Incentive awarded to each Qualifying Employee will be based on the gross wages of each Qualifying Employee during the Measurement Period. To each Qualifying Employee, the distribution would be allocated in a lump sum equal to the product of: a) the Multiplier; and b) 2.5% of that employee's gross wages paid during the Measurement Period. (For example, if a Qualifying Employee's gross wages earned during the Measurement Period were equal to \$50,000 and the Multiplier was equal to 100%, the total distribution to that employee would be equal to: $\$50,000 \times 2.5\% \times 100\% = \$1,250$.)

If the Utilities' margins are negative due to sudden and unforeseen material changes to the industry or customer base, the Commission reserves the right to withhold distribution of the Performance Based Compensation Incentive in any given year.

4.0 EMPLOYEE QUALIFICATIONS AND DISTRIBUTION OF THE INCENTIVE COMPENSATION

An employee of the Utilities will be eligible for participation in the Performance Metrics Incentive Compensation distribution if the employee meets the following eligibility requirements and is therefore a "Qualifying Employee" for purposes of this policy.

- a. The employee is in good standing with the Utilities. An employee would not be eligible while on disciplinary probation or a performance improvement action plan.
- b. The employee was a Full Time or Part Time employee during the Measurement Period. Seasonal, and Temporary employees are not eligible.

The UPMIC Performance Based Compensation Incentive distribution will be made to Qualifying Employees on the first payroll date after the thirty day period following the date on which the Commission formally receives its annual auditor's report in an open meeting.

GP:3300714 v4

POLICY HISTORY:

Adopted December 12, 2012

Revised January 14, 2020

Revised December 13, 2022

Section: Governance	Category: Delegation to Management Policies
Policy Reference: G.4j3	Policy Title: Customer Deposits

1.0 POLICY

To minimize the exposure of bad debt expense for ERMU and its rate payers, which helps keep rates from unfairly increasing for those customers who do pay their bills, customer accounts may be subject to a deposit.

2.0 DEPOSIT REQUIRED

All residential, commercial, and industrial customers of ERMU will be required to submit a deposit in the acceptable form set forth below subject to the exceptions set forth below. In addition, existing customers who have been disconnected or previous customers who have had their account sent to collections by ERMU for non-payment of amounts due shall be required to submit a deposit in addition to all amounts owed before service will be reconnected. Existing customers who are establishing a new account or adding an additional account are also subject to the deposit policy. Failure to submit the required deposit at the time of application for commercial accounts, or when due for residential accounts, shall be cause for ERMU to immediately terminate service.

3.0 AMOUNT OF DEPOSIT

A. Residential Customers

The amount to be deposited for residential services shall be:

- \$100 for apartments
- \$100 for water and sewer service
- \$150 for electric service
- \$250 for all services.

B. Commercial Customers

The amount required to be deposited for commercial and industrial services shall generally be equal to two times ERMU's estimate of the customer's highest monthly utility bill. For commercial customers on the non-demand rate, the minimum deposit will be \$250. For commercial customers on the demand electric rate, the minimum deposit will be \$1,000. ERMU may increase or decrease the security deposit based on assessment of risk.

4.0 FORM OF DEPOSIT

The deposit shall be in the form of a cash deposit or an irrevocable letter of credit. If in the form of an irrevocable letter of credit, the letter of credit shall be renewed at least 30 days prior to its expiration. Failure to renew a letter of credit will result in the letter of credit being drawn on and the cash recovered from the letter of credit being held by ERMU as a cash deposit. If ERMU is not able to draw on the letter of credit, the customer shall submit a cash deposit prior to expiration of the letter of credit. Failure to submit the required deposit shall be cause for immediate termination of service by ERMU.

5.0 RECEIPT FOR DEPOSIT

At the time the deposit is made ERMU will furnish the customer with a written receipt specifying the conditions, if any, the deposit will be diminished upon return.

6.0 RETURN OF DEPOSIT

Any deposit received by ERMU shall be returned to the customer within 45 days of termination of service, provided that the customer has paid in full all amounts due on the account. If the customer has not paid in full within 30 days of the termination of service, the deposit will be applied to any outstanding amounts owed by the customer to ERMU. If the deposit exceeds the amount due, the balance will be returned to the customer. If the deposit is not sufficient to cover the amount due, the customer shall remain liable to ERMU for the balance and shall pay the balance due within 15 days of notice from ERMU. ERMU reserves the right to use reasonable legal means to collect amounts due.

7.0 INTEREST ON DEPOSITS

Interest shall be paid on all deposits in excess of \$20 at the rate established by Minnesota Statutes, 325E.02 (b). ERMU may, at its option, pay the interest at intervals it chooses, but at least annually, by direct payment or as a credit on the customer's account.

8.0 SUBMISSION OF AND EXCEPTIONS TO DEPOSIT REQUIREMENT

A. Residential Customers

Residential customers may submit the required deposit at the time service is requested, or have the deposit billed with the customer's first bill for services provided. Failure to pay a deposit when billed shall be cause for ERMU to immediately terminate service. ERMU may, in its discretion, waive the required deposit for residential customers if the customer consents to ERMU's collection of credit history data on the customer, the customer's credit score is above 90 percent probability of non-default, and the customer has no history of disconnection for non-payment to ERMU, and no history of late payments to ERMU two times in 12 months.

B. Commercial and Industrial Customers

All commercial and industrial customers will complete an application for service that identifies the individual or business entity that will be entering into a service agreement and will pay an application fee per the fee schedule. All commercial and industrial customers shall submit the required deposit and enter into a service agreement with ERMU prior to the time service is desired. The service agreement shall be an agreement on the part of the individual or business entity to make payment of all amounts billed by ERMU for electric, water and sewer services, and to be liable for any default or non-payment of amounts billed by ERMU. ERMU may, in its discretion, reduce or increase the required deposit for commercial and industrial customers if a service agreement is executed by the customer, the customer has provided ERMU with sufficient information to allow ERMU to analyze the credit risk of the individual or business entity executing the service agreement, and ERMU, in its sole discretion, determines to reduce or increase the deposit required based on its analysis.

POLICY HISTORY:

Adopted March 9, 2010
Revised February 14, 2012
Revised June 16, 2015
Revised February 9, 2016
Revised January 9, 2018
Revised August 10, 2021
Revised December 13, 2022

Section: Governance	Category: Results Policies
Policy Reference: G.414	Policy Title: Third Party Attachment to Assets

PURPOSE:

Consistent with all ***Results Policies***, the Commission shall establish clear expectations for producing the right results for the right people in the right way. With this policy the Commission affirms their commitment to the ***Organization Fundamentals Policies*** prioritizing financial and organization health by protecting its assets.

Consistent with the ***Protection of Assets Policies***, the General Manager shall be responsible for appropriate oversight in the protection of the organizations assets to be sure that they are protected, appropriately used, adequately maintained, or placed at undue risk. Part of this oversight is maintaining competitive positions or business arrangements that safeguard's the business purpose and financial return of ERMU's assets. Elk River Municipal Utilities will not allow any attachments to our assets without a third party attachment agreement signed and executed.

POLICY:

The various third party attachment to assets shall be as follows:

1. **Pole Attachments** - Elk River Municipal Utilities generally does not allow attachments to poles due to the construction design elements of the poles. Elk River Municipal Utilities, upon the terms and subject to the conditions set forth therein, may enter into an agreement providing a grant of license to a third party for the attachment of communication equipment. The Pole Attachment Agreement shall establish requirements for, but not limited to the following: payment terms, method to determine allocation of installation costs, access, design standards, and hold harmless terms. The Utility reserves the right to deny or remove any unsafe or hazardous attachments or attachments made without proper permission or not meeting the terms of the aforementioned agreement. The annual license fee for communication equipment attachments per pole shall be adjusted as needed and published in the Utilities Fee Schedule annually. The third party will be responsible for tracking and inventorying all attachments and will periodically audit to assure accurate quantities for billing purposes.

2. Water Tower Attachments - Elk River Municipal Utilities, upon the terms and subject to the conditions set forth therein, may enter into an agreement providing a grant of license to a third party to lease space for the attachment of communication equipment. The Water Tower Lease Agreement shall establish requirements for, but not limited to the following: payment terms, method to determine allocation of installation costs, access, design standards, and hold harmless terms. The Utility reserves the right to deny or remove any unsafe or hazardous attachments or attachments made without proper permission not meeting the terms of the aforementioned agreement.
3. Streetlight Attachments – Elk River Municipal Utilities generally does not allow attachments to streetlights due to the construction design elements of the lights. Elk River Municipal Utilities, upon the terms and subject to the conditions set forth therein, may enter into an agreement providing a grant of license to the City of Elk River for attachments, per the ***G.2a2 Policy of Streetlight Installation and Maintenance Agreement***. This is in support of maintaining a working relationship with the City to realize opportunities for greater value. The Utility reserves the right to deny or remove any unsafe or hazardous attachments or attachments made without proper permission not meeting the terms of the aforementioned agreement.
4. Other Attachments - Elk River Municipal Utilities generally does not allow attachments to its assets due to the construction design elements of the assets. Elk River Municipal Utilities, upon the terms and subject to the conditions set forth therein, may enter into an agreement providing a grant of license to a third party for attachments to assets. The Utility reserves the right to deny or remove any unsafe or hazardous attachments or attachments made without proper permission not meeting the terms of the aforementioned agreement.

POLICY HISTORY:

Adopted December 13, 2022

COMMISSION POLICY

Section: Governance	Category: Results Policies
Policy Reference: G.5a	Policy Title: Margins

PURPOSE:

Consistent with all ***Results Policies***, the Commission shall establish clear expectations for producing the right results for the right people in the right way. With this policy the Commission affirms their commitment to the ***Organization Fundamentals Policies*** prioritizing financial and organization health by setting an annual goal for operational margins.

The annual strategic and business planning, consistent with the ***Financial Planning and Budgeting Policy***, shall be conducted such that the organization has appropriate operating margins. By establishing clear expectations for operating margins through policy, the Commission creates clear and consistent direction for the General Manager.

This clear direction provides stability in organizational vision allowing the General Manager, while developing the annual budget and business plan, to more effectively utilize long range tools, such as multiple year capital improvement plans, to produce both short term and long term financial and organizational health. Additionally, this practice helps to avoid inconsistent direction to the General Manager from year to year such as tight margins one year due to rate competitiveness concerns and concerns another year about revenues and desiring higher margins.

POLICY:

To promote financial health and organization stability, the General Manager shall develop the annual business plan and budgets for the following services as follows:

1. Electric –The budget shall be developed with margins that are at least 1.5% of total revenue but no greater than 3.5% of total revenue.
2. Water –The budget shall be developed with margins that are at least 1.5% of total revenue but no greater than 3.5% of total revenue.

*Margins will also meet requirements set by any bond convenance.

POLICY HISTORY:

Adopted October 11, 2022

Revised December 13, 2022

COMMISSION POLICY

Section: Governance	Category: Results Policies
Policy Reference: G.5b	Policy Title: Competitive Rates

PURPOSE:

Competitive rates play a critical role in customer satisfaction, economic development opportunities, and business retention. The organization's ***Mission*** includes the statement that the services provided are "cost effective." And the organization's ***Fundamentals*** and ***Values*** both specify "competitiveness." These defining organizational position policies reflect the expectations of the customers, the consumer-owners. With this policy, the Commission recognizes the importance of remaining competitive through strategic short-term and long-term planning, budgeting, and rate design.

Consistent with all ***Results Policies***, the Commission shall establish clear expectations for producing the right results for the right people in the right way. With this policy the Commission affirms their commitment to the ***Organization Fundamentals Policies*** prioritizing financial and organization health by establishing reporting requirements regarding the competitiveness of rates.

POLICY:

To provide the Commission with the information needed, in a timely manner, for evaluation of rate competitiveness, the General Manager annually provides a rate competitive analysis report to the Commission prior to rate setting for the following budget year. The report shall include the following information:

1. Electric
 - a. Report the blended \$/kWh effective electric rate data (total revenue collected/total kWh sold) as available through the U.S. Department of Energy, Energy Information Administration, Form EIA-861. The report shall include ten-year trend data graphing ERMU electric rates compared to neighboring competitor electric utilities. Recognizing that the data release lags one year, the intent of the report shall be to provide graphical trend data for long term planning rather than short term comparisons. The report shall be provided to the Commission annually prior to rate setting for the following budget year.

- b. Report customer class rate analysis comparing ERMU electric rates to neighboring competitor electric utilities. The report shall include ten-year trend data graphing ERMU electric rates compared to neighboring competitor electric utilities. The intent of this is to show, from a customer perspective, how rate competitiveness would be perceived currently. The report shall include all rate classes or other unique customer types within rate classes.

2. Water

- a. Report tiered water rate comparisons, as available locally sourced. The report shall include data graphing ERMU water rates compared to neighboring water utilities. The intent of the report shall be to provide trend data for long term planning rather than short term comparisons.
- b. Report customer class rate analysis comparing ERMU water rates to neighboring communities, as available through regional AE2S survey reports. The report shall include ten-year trend data graphing ERMU water rates compared to neighboring competitor water utilities. The intent of this is to show, from a customer perspective, how rate competitiveness would be perceived currently. The report shall include all rate classes.

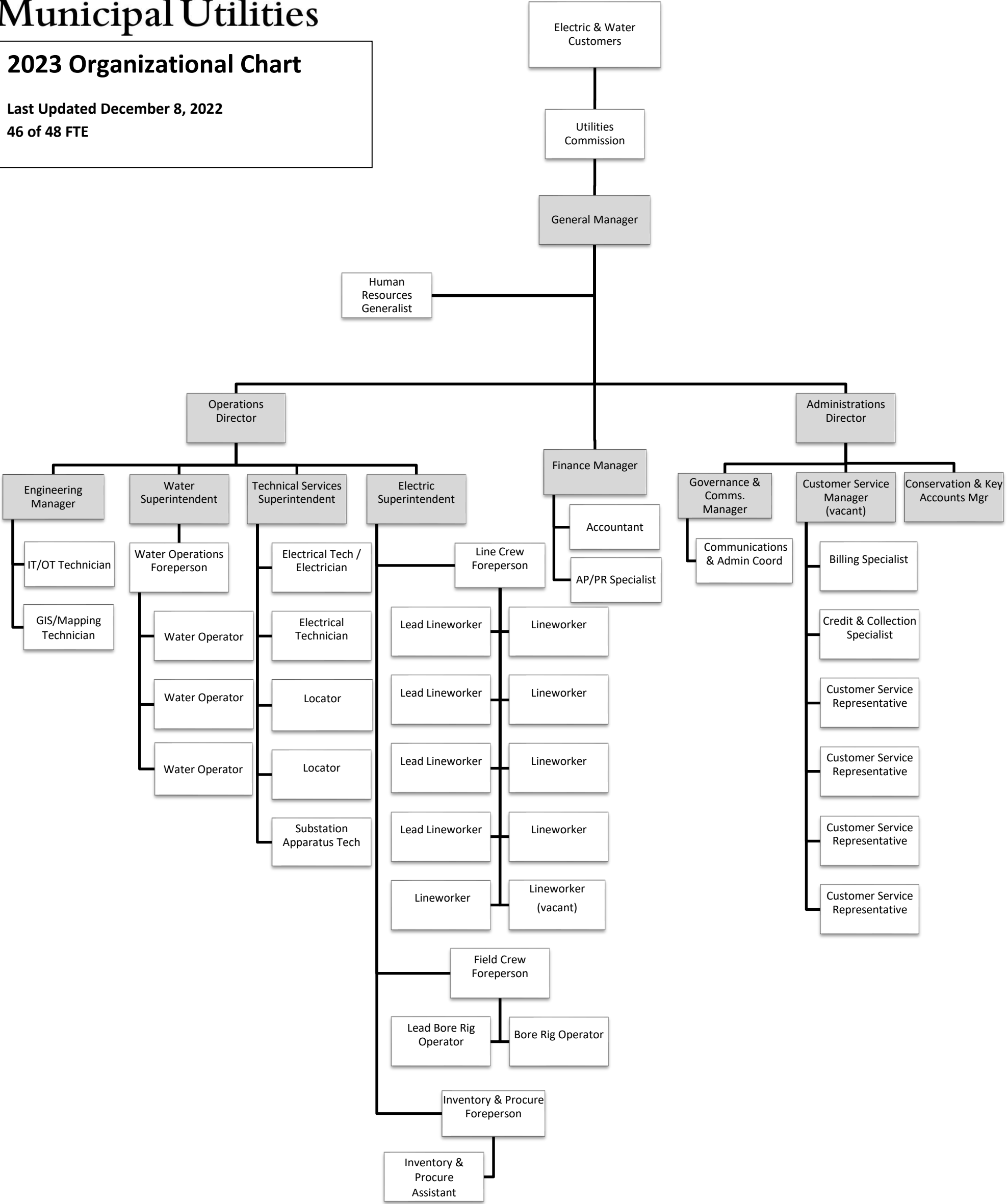
POLICY HISTORY:

Adopted December 13, 2022

<p>Tuesday, January 10:</p> <ul style="list-style-type: none"> • Annual Review of Committee Charters 	<p>Tuesday, February 14:</p> <ul style="list-style-type: none"> • Review Strategic Plan and 2022 Annual Business Plan Results
<p>Tuesday, March 14:</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 11:</p> <ul style="list-style-type: none"> • Audit of 2022 Financial Report • Financial Reserves Allocations • Review 2022 Performance Metrics
<p>Tuesday, May 9:</p> <ul style="list-style-type: none"> • Annual General Manager Performance Evaluation and Goal Setting 	<p>Tuesday, June 13:</p> <ul style="list-style-type: none"> •
<p>Tuesday, July 11:</p> <ul style="list-style-type: none"> • Annual Commission Performance Evaluation • Review and Update Strategic Plan 	<p>Tuesday, August 8:</p> <ul style="list-style-type: none"> • Annual Business Plan – Review Proposed 2024 Travel, Training, Dues, Subscriptions, and Fees Budget
<p>Tuesday, September 12:</p> <ul style="list-style-type: none"> • Annual Business Plan – Review Proposed 2024 Capital Projects Budget 	<p>Tuesday, October 10:</p> <ul style="list-style-type: none"> • Annual Business Plan – Review Proposed 2024 Expenses Budget
<p>Tuesday, November 14:</p> <ul style="list-style-type: none"> • Annual Business Plan - Review Proposed 2024 Rates and Other Revenue • Adopt 2024 Fee Schedule • 2024 Stakeholder Communication Plan 	<p>Tuesday, December 12:</p> <ul style="list-style-type: none"> • Adopt 2024 Official Depository and Delegate Authority for Electronic Funds Transfers • Designate Official 2024 Newspaper • Approve 2024 Regular Meeting Schedule • Adopt 2024 Governance Agenda • Adopt 2024 Annual Business Plan

2023 Organizational Chart

Last Updated December 8, 2022
46 of 48 FTE



Utilities Commission Members

Paul Bell

Email: pbell@ermumn.com
Term Expires: 02/28/24

John Dietz, Utilities Chair

Council Representative
Email: jdietz@ermumn.com
Term Expires: 02/28/25

Mary Stewart

Email: mstewart@ermumn.com
Term Expires: 02/28/25

Matt Westgaard

Council Representative
Email: mwestgaard@ermumn.com
Term Expires: 02/28/26

Nick Zerwas

Email: nzerwas@ermumn.com
Term Expires: 02/28/26

2023

Utilities Commission Meeting Schedule

January							April							July							October						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
1	2	3	4	5	6	7							1								1	2	3	4	5	6	7
8	9	10	11	12	13	14	2	3	4	5	6	7	8	2	3	4	5	6	7	8	8	9	10	11	12	13	14
15	16	17	18	19	20	21	9	10	11	12	13	14	15	9	10	11	12	13	14	15	15	16	17	18	19	20	21
22	23	24	25	26	27	28	16	17	18	19	20	21	22	16	17	18	19	20	21	22	22	23	24	25	26	27	28
29	30	31					23	24	25	26	27	28	29	23	24	25	26	27	28	29	29	30	31				
							30							30	31												

February							May							August							November						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
			1	2	3	4		1	2	3	4	5	6			1	2	3	4	5				1	2	3	4
5	6	7	8	9	10	11	7	8	9	10	11	12	13	6	7	8	9	10	11	12	5	6	7	8	9	10	11
12	13	14	15	16	17	18	14	15	16	17	18	19	20	13	14	15	16	17	18	19	12	13	14	15	16	17	18
19	20	21	22	23	24	25	21	22	23	24	25	26	27	20	21	22	23	24	25	26	19	20	21	22	23	24	25
26	27	28					28	29	30	31				27	28	29	30	31			26	27	28	29	30		

March							June							September							December						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
			1	2	3	4					1	2	3						1	2						1	2
5	6	7	8	9	10	11	4	5	6	7	8	9	10	3	4	5	6	7	8	9	3	4	5	6	7	8	9
12	13	14	15	16	17	18	11	12	13	14	15	16	17	10	11	12	13	14	15	16	10	11	12	13	14	15	16
19	20	21	22	23	24	25	18	19	20	21	22	23	24	17	18	19	20	21	22	23	17	18	19	20	21	22	23
26	27	28	29	30	31		25	26	27	28	29	30		24	25	26	27	28	29	30	24	25	26	27	28	29	30
																					31						

NOTE: ALL DATES ARE SUBJECT TO CHANGE

Commission meetings are held the second Tuesday of each month and begin at 3:30 p.m.

Commission meetings are held at Elk River City Hall, 13065 Orono Parkway, Elk River, MN, unless otherwise posted.

Holidays

Jan 2 - New Year's Day observed
 Jan 16 - Martin Luther King Jr. Day
 Feb 20 - Presidents' Day
 May 29 - Memorial Day
 July 4 - Independence Day
 Sept 4 - Labor Day

Nov 10 - Veterans Day
 Nov 23 - Thanksgiving
 Nov 24 - Day after Thanksgiving
 Dec 25 - Christmas Eve observed
 Dec 26 - Christmas Day observed

MMPA Annual Meeting

July 25, 2023 - Location to be determined

MMUA Summer Conference

August 21-23, 2023 - Duluth, MN



Travel Expense Guidelines for Commissioners

Meals

Food allowances are actual expenditures for meals and gratuity, excluding alcoholic beverages. When employees travel and incur expenses to be reimbursed for meals, please use the following guidelines for spending. This spending amount is based on the IRS established “per diem” amounts for general spending of travelling individuals. **Itemized receipts must be submitted for reimbursement.**

When travelling for the entire day, the maximum to be reimbursed per day is \$55. That can be distributed as \$10 for breakfast, \$20 for lunch, and \$25 for dinner. This distribution per day is variable, as long as the maximum is not exceeded. For example, if \$5 is spent on breakfast, \$30 could be spent on dinner. If there are multiple days involved, the distribution per days is also variable. For example, if \$45 is spent one day, \$65 could be spent the next day.

If you are travelling for a partial day, and only one or two meals are involved, please use the guideline amounts per meal: \$10 for breakfast, \$20 for lunch, and \$25 for dinner.

If you are at an event where the meal is provided and included in the fee for the event, please have that meal unless there are extenuating circumstances why you cannot (such as allergies to certain foods.)

Additionally, the IRS has established per diems for specific geographic areas of high cost. High cost areas are \$76 per day, versus \$55. So the per diem amount is different for Washington, DC (a designated high cost area) than Elk River, MN. If you are travelling to areas outside of Minnesota, and are concerned you may be visiting a high cost area, please feel free to visit the IRS website for a listing of these areas.

Mileage

The 2023 business mileage reimbursement rate is 65.5 cents per mile.

Compensation

Members of the Commission representing ERMU at meetings/conferences that are in addition to the commission meetings will receive a \$75 per day stipend.

TO: ERMU Commission	FROM: Melissa Karpinski – Finance Manager
MEETING DATE: March 14, 2023	AGENDA ITEM NUMBER: 5.1
SUBJECT: Financial Report – January 2023	
ACTION REQUESTED: Receive the January 2023 Financial Report	

DISCUSSION:

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

Electric

January's electric kWh sales are down from the prior year, (2%). For further breakdown:

- Residential usage is up 1%
- Small Commercial usage is up 10%
- Large Commercial usage is down (6%)
 - We conducted our first annual internal audit of demand customers who had less than 50kw usage for the last 12 consecutive months and determined whether they should be reclassified to a non-demand customer. This will be done on an annual basis going forward but should result in less of an impact.

Electric Operating Revenues are more than prior year due to 2023 Power Cost Adjustment revenue of \$189k.

Other Revenues are less than prior year due to retirement of the landfill gas project in 2022 (\$92k). This will continue for the remainder of the year.

Overall, Total Revenues are more than prior year but unfavorable to budget.

Total Purchased Power is less than prior year (\$143k) mainly due to decreased usage. Current year Energy Adjustment Clause is (\$37k) less than prior year.

The landfill gas plant was retired in October of 2022. Expenses will continue to show for the remainder of the year due to prior year variance.

Maintenance expense is more than prior year due mainly to increased tree trimming expense, but favorable to budget. Contracted tree trimming is a budgeted item in 2023 as it was in 2022, but due to staffing not as much work was completed in 2022 as originally planned.

Administrative Expenses are more than prior year \$69k with the main drivers being medical insurance and holiday pay (2 days in 2023 compared to 1 in 2022). Total administrative expenses are in line with budget. Sick pay is unfavorable to budget due to benefit payout for retired employee.

Total Expenses are (\$67k) less than prior year and favorable to budget (\$189k).

For January 2023, the Electric Department overall is ahead of prior year and favorable to budget.

Water

January gallons of water sold are up 1% from the prior year. For further breakdown:

- Residential use is down less than (1%)
- Commercial use is up 3%

Water Operating Revenues are slightly more than the prior year and favorable to budget.

Other Revenues are (\$30k) less than prior year and unfavorable to budget (\$32k) due to Water Tower Lease revenue and Connection Fees. With the new Government Accounting Standards Board standard, we will be recognizing water tower lease revenue on an annual basis in December (instead of monthly throughout the year).

Overall, Total Revenues are less than prior year and unfavorable to budget.

Distribution expense is more than prior year due to a water main repair and timing issue for water permit but in line with budget.

Total Expenses are \$57k more than prior year but favorable to budget (\$20k).

For January 2023, the Water Department overall is behind prior year but favorable to budget.

ATTACHMENTS:

- Balance Sheet 01.2023
- Electric Balance Sheet 01.2023
- Water Balance Sheet 01.2023
- Summary Electric Statement of Revenues, Expenses and Changes in Net Position 01.2023
- Summary Water Statement of Revenues, Expenses and Changes in Net Position 01.2023
- Graphs Prior Year and YTD 2023

- Detailed Electric Statement of Revenues, Expenses and Changes in Net Position 01.2023
- Detailed Water Statement of Revenues, Expenses and Changes in Net Position 01.2023

**ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
COMBINED BALANCE SHEET
FOR PERIOD ENDING JANUARY 2023**

	ELECTRIC	WATER
ASSETS		
CURRENT ASSETS		
CASH	12,246,486	8,751,940
ACCOUNTS RECEIVABLE	3,013,854	449,706
INVENTORIES	1,296,333	27,424
PREPAID ITEMS	285,854	54,852
CONSTRUCTION IN PROGRESS	912,849	942,826
TOTAL CURRENT ASSETS	17,755,375	10,226,747
RESTRICTED ASSETS		
BOND RESERVE FUND	1,779,016	0
EMERGENCY RESERVE FUND	2,902,770	1,354,133
UNRESTRICTED RESERVE FUND	0	0
TOTAL RESTRICTED ASSETS	4,681,786	1,354,133
FIXED ASSETS		
PRODUCTION	824,065	16,510,965
LFG PROJECT	0	0
TRANSMISSION	2,305,024	0
DISTRIBUTION	46,756,375	26,724,925
GENERAL	22,995,206	1,124,475
FIXED ASSETS (COST)	72,880,670	44,360,365
LESS ACCUMULATED DEPRECIATION	(32,348,106)	(22,204,868)
TOTAL FIXED ASSETS, NET	40,532,564	22,155,496
INTANGIBLE ASSETS		
POWER AGENCY MEMBERSHIP BUY-IN	21,546,212	0
LOSS OF REVENUE INTANGIBLE	5,290,120	0
LESS ACCUMULATED AMORTIZATION	(2,894,102)	0
TOTAL INTANGIBLE ASSETS, NET	23,942,230	0
OTHER ASSETS AND DEFERRED OUTFLOWS	1,187,557	226,587
TOTAL ASSETS	88,099,512	33,962,964
LIABILITIES AND FUND EQUITY		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	5,809,581	557,713
SALARIES AND BENEFITS PAYABLE	655,512	152,402
DUE TO CITY	858,676	53,742
DUE TO OTHER FUNDS	0	0
NOTES PAYABLE-CURRENT PORTION	0	0
BONDS PAYABLE-CURRENT PORTION	915,000	60,000
UNEARNED REVENUE	21,972	174,926
TOTAL CURRENT LIABILITIES	8,260,742	998,782
LONG TERM LIABILITIES		
OPEB LIABILITY	0	0
LFG PROJECT	0	0
DUE TO COUNTY	0	0
DUE TO CITY	0	0
BONDS PAYABLE, LESS CURRENT PORTION	29,270,136	1,628,042
PENSION LIABILITIES	3,789,381	725,038
TOTAL LONG TERM LIABILITIES	33,059,517	2,353,080
TOTAL LIABILITIES	41,320,259	3,351,862
DEFERRED INFLOWS OF RESOURCES	54,129	9,723
FUND EQUITY		
CAPITAL ACCOUNT CONST COST	1,779,016	0
CONTRIBUTED CAPITAL	0	0
RETAINED EARNINGS	45,204,945	30,767,677
NET INCOME (LOSS) (THROUGH PREVIOUS MONTH)	(258,836)	(166,299)
TOTAL FUND EQUITY	46,725,125	30,601,378
TOTAL LIABILITIES & FUND EQUITY	88,099,512	33,962,964

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

	January 31, 2023	December 31, 2022	Current Month Change from
ASSETS			
CURRENT ASSETS			
CASH	12,246,486	11,994,168	252,318
ACCOUNTS RECEIVABLE	3,013,854	3,728,133	(714,279)
INVENTORIES	1,296,333	1,111,834	184,499
PREPAID ITEMS	285,854	256,387	29,467
CONSTRUCTION IN PROGRESS	912,849	1,361,931	(449,083)
TOTAL CURRENT ASSETS	17,755,375	18,452,454	(697,079)
RESTRICTED ASSETS			
BOND RESERVE FUND	1,779,016	1,779,016	0
EMERGENCY RESERVE FUND	2,902,770	2,901,679	1,092
TOTAL RESTRICTED ASSETS	4,681,786	4,680,694	1,092
FIXED ASSETS			
PRODUCTION	824,065	824,065	0
TRANSMISSION	2,305,024	2,305,024	0
DISTRIBUTION	46,756,375	46,705,080	51,295
GENERAL	22,995,206	22,930,110	65,096
FIXED ASSETS (COST)	72,880,670	72,764,279	116,391
LESS ACCUMULATED DEPRECIATION	(32,348,106)	(32,138,756)	(209,350)
TOTAL FIXED ASSETS, NET	40,532,564	40,625,524	(92,960)
INTANGIBLE ASSETS			
POWER AGENCY MEMBERSHIP BUY-IN	21,546,212	21,546,212	0
LOSS OF REVENUE INTANGIBLE	5,290,120	5,290,120	0
LESS ACCUMULATED AMORTIZATION	(2,894,102)	(2,838,424)	(55,678)
TOTAL INTANGIBLE ASSETS, NET	23,942,230	23,997,908	(55,678)
OTHER ASSETS AND DEFERRED OUTFLOWS	1,187,557	1,187,557	0
TOTAL ASSETS	88,099,512	88,944,138	(844,625)
LIABILITIES AND FUND EQUITY			
CURRENT LIABILITIES			
ACCOUNTS PAYABLE	5,809,581	6,306,704	(497,122)
SALARIES AND BENEFITS PAYABLE	655,512	598,457	57,056
DUE TO CITY	858,676	1,021,382	(162,706)
BONDS PAYABLE-CURRENT PORTION	915,000	915,000	0
UNEARNED REVENUE	21,972	0	21,973
TOTAL CURRENT LIABILITIES	8,260,742	8,841,542	(580,800)
LONG TERM LIABILITIES			
BONDS PAYABLE, LESS CURRENT PORTION	29,270,136	29,275,124	(4,989)
PENSION LIABILITIES	3,789,381	3,789,381	0
TOTAL LONG TERM LIABILITIES	33,059,517	33,064,505	(4,989)
TOTAL LIABILITIES	41,320,259	41,906,048	(585,789)
DEFERRED INFLOWS OF RESOURCES	54,129	54,129	0
FUND EQUITY			
CAPITAL ACCOUNT CONST COST	1,779,016	1,779,016	0
RETAINED EARNINGS	45,204,945	45,088,631	116,314
NET INCOME (LOSS) (THROUGH PREVIOUS MONTH)	(258,836)	116,314	(375,150)
TOTAL FUND EQUITY	46,725,125	46,983,961	(258,836)
TOTAL LIABILITIES & FUND EQUITY	88,099,512	88,944,138	(844,625)

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

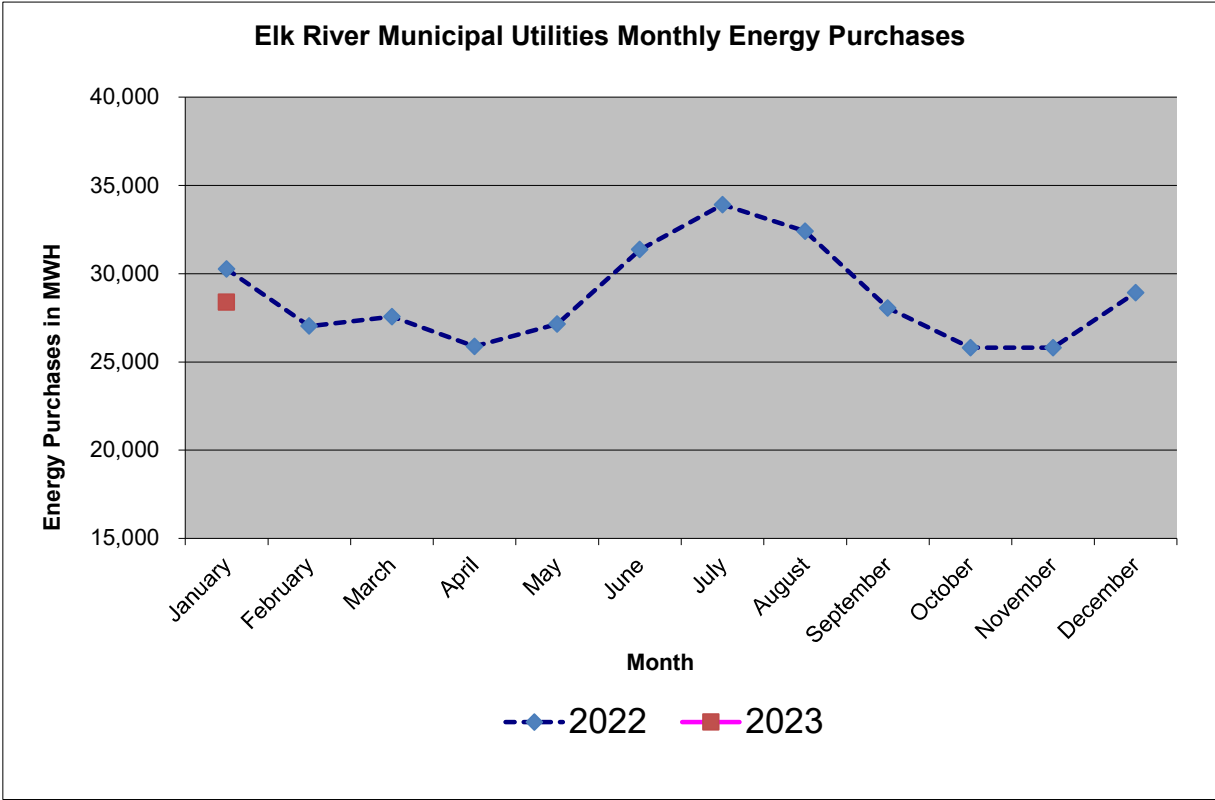
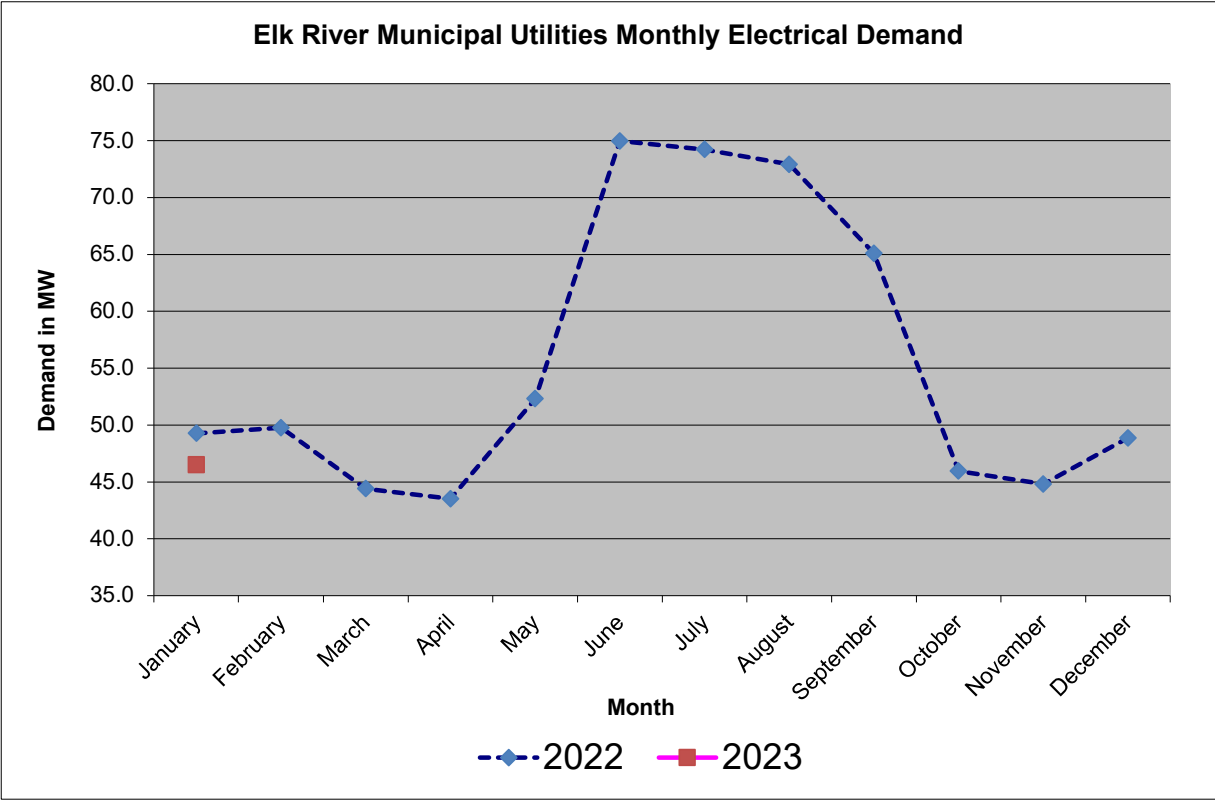
	<u>January 31, 2023</u>	<u>December 31, 2022</u>	<u>Current Month Change from</u>
ASSETS			
CURRENT ASSETS			
CASH	8,751,940	8,713,725	38,215
ACCOUNTS RECEIVABLE	449,706	476,569	(26,863)
INVENTORIES	27,424	28,388	(965)
PREPAID ITEMS	54,852	53,748	1,105
CONSTRUCTION IN PROGRESS	942,826	989,656	(46,830)
TOTAL CURRENT ASSETS	<u>10,226,747</u>	<u>10,262,086</u>	<u>(35,339)</u>
RESTRICTED ASSETS			
EMERGENCY RESERVE FUND	1,354,133	1,353,860	273
TOTAL RESTRICTED ASSETS	<u>1,354,133</u>	<u>1,353,860</u>	<u>273</u>
FIXED ASSETS			
PRODUCTION	16,510,965	16,510,965	0
DISTRIBUTION	26,724,925	26,724,925	0
GENERAL	1,124,475	1,122,302	2,173
FIXED ASSETS (COST)	<u>44,360,365</u>	<u>44,358,192</u>	<u>2,173</u>
LESS ACCUMULATED DEPRECIATION	<u>(22,204,868)</u>	<u>(22,107,500)</u>	<u>(97,368)</u>
TOTAL FIXED ASSETS, NET	<u>22,155,496</u>	<u>22,250,692</u>	<u>(95,195)</u>
INTANGIBLE ASSETS			
OTHER ASSETS AND DEFERRED OUTFLOWS	226,587	226,587	0
TOTAL ASSETS	<u><u>33,962,964</u></u>	<u><u>34,093,225</u></u>	<u><u>(130,261)</u></u>
LIABILITIES AND FUND EQUITY			
CURRENT LIABILITIES			
ACCOUNTS PAYABLE	557,713	570,901	(13,188)
SALARIES AND BENEFITS PAYABLE	152,402	136,571	15,831
DUE TO CITY	53,742	53,535	207
BONDS PAYABLE-CURRENT PORTION	60,000	60,000	0
UNEARNED REVENUE	174,926	141,184	33,742
TOTAL CURRENT LIABILITIES	<u>998,782</u>	<u>962,191</u>	<u>36,592</u>
LONG TERM LIABILITIES			
BONDS PAYABLE, LESS CURRENT PORTION	1,628,042	1,628,596	(554)
PENSION LIABILITIES	725,038	725,038	0
TOTAL LONG TERM LIABILITIES	<u>2,353,080</u>	<u>2,353,634</u>	<u>(554)</u>
TOTAL LIABILITIES	<u>3,351,862</u>	<u>3,315,825</u>	<u>36,037</u>
DEFERRED INFLOWS OF RESOURCES	<u>9,723</u>	<u>9,723</u>	<u>0</u>
FUND EQUITY			
RETAINED EARNINGS	30,767,677	28,234,009	2,533,668
NET INCOME (LOSS) (THROUGH PREVIOUS MONTH)	(166,299)	2,533,668	(2,699,966)
TOTAL FUND EQUITY	<u>30,601,378</u>	<u>30,767,677</u>	<u>(166,298)</u>
TOTAL LIABILITIES & FUND EQUITY	<u><u>33,962,964</u></u>	<u><u>34,093,225</u></u>	<u><u>(130,261)</u></u>

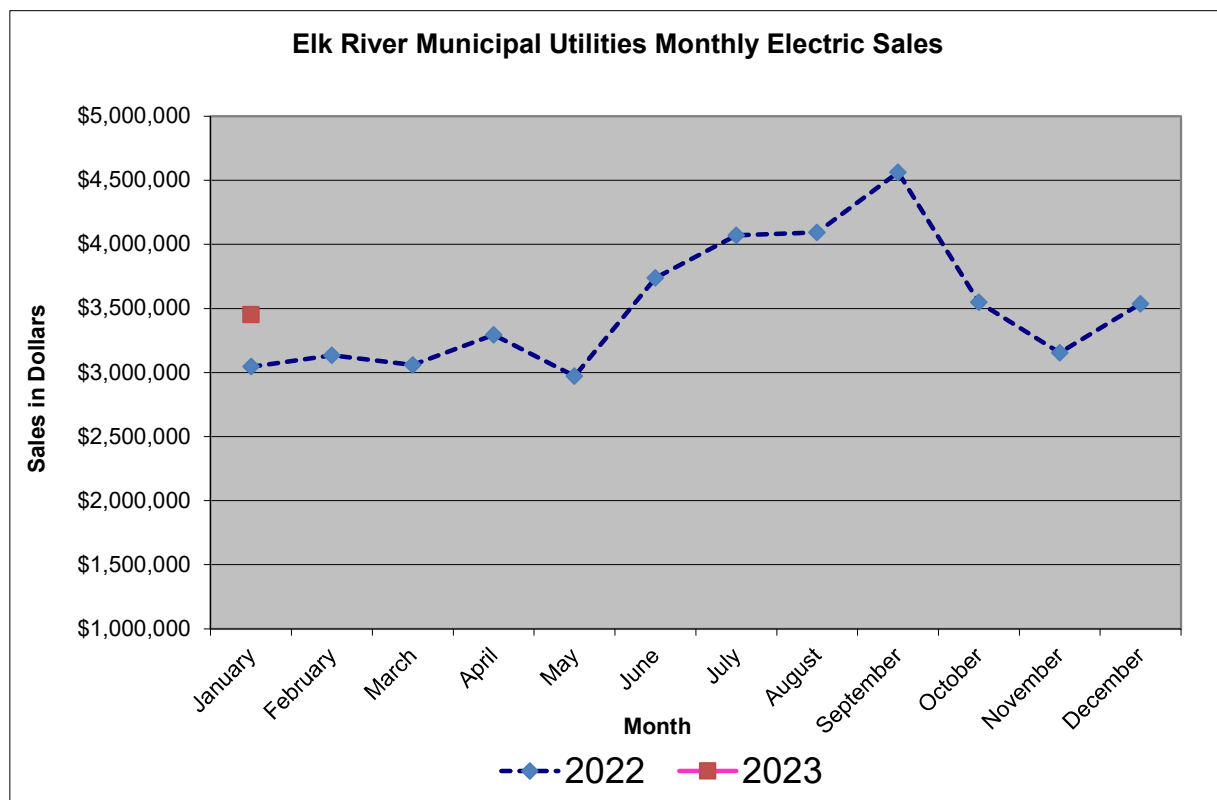
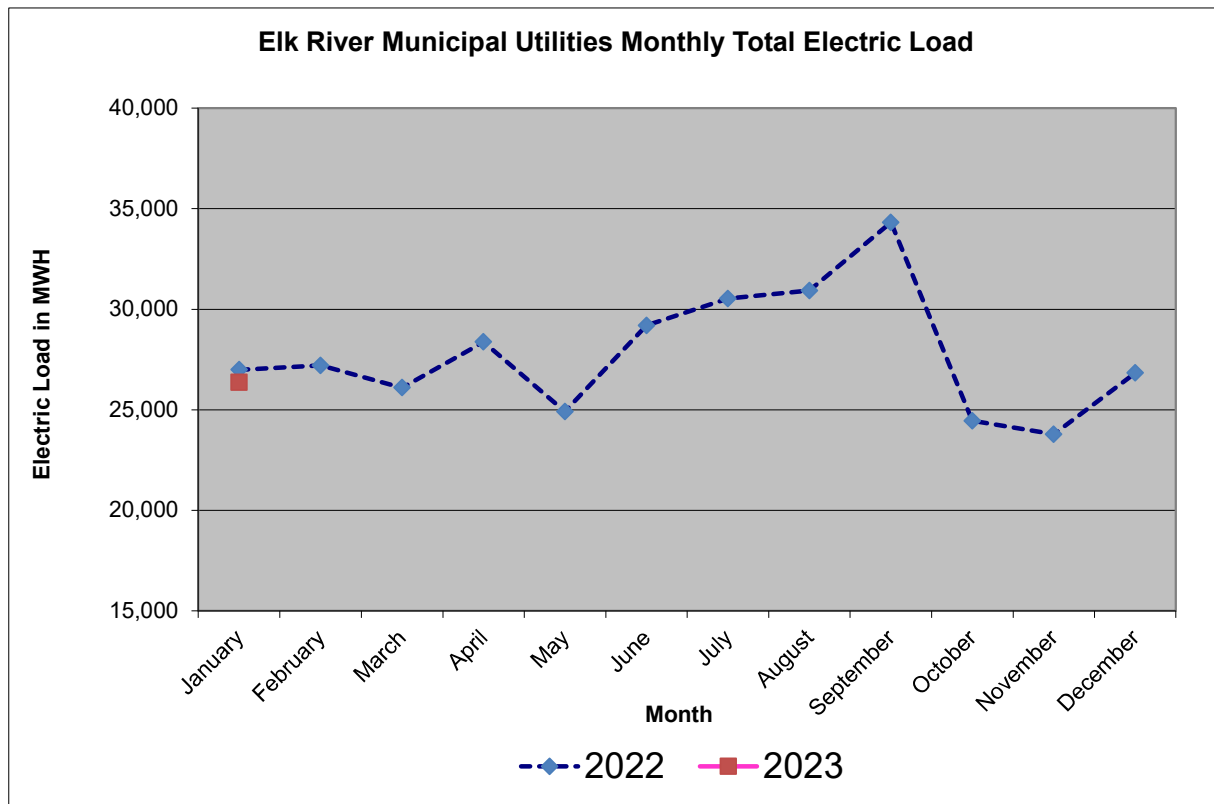
ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR PERIOD ENDING JANUARY 2023

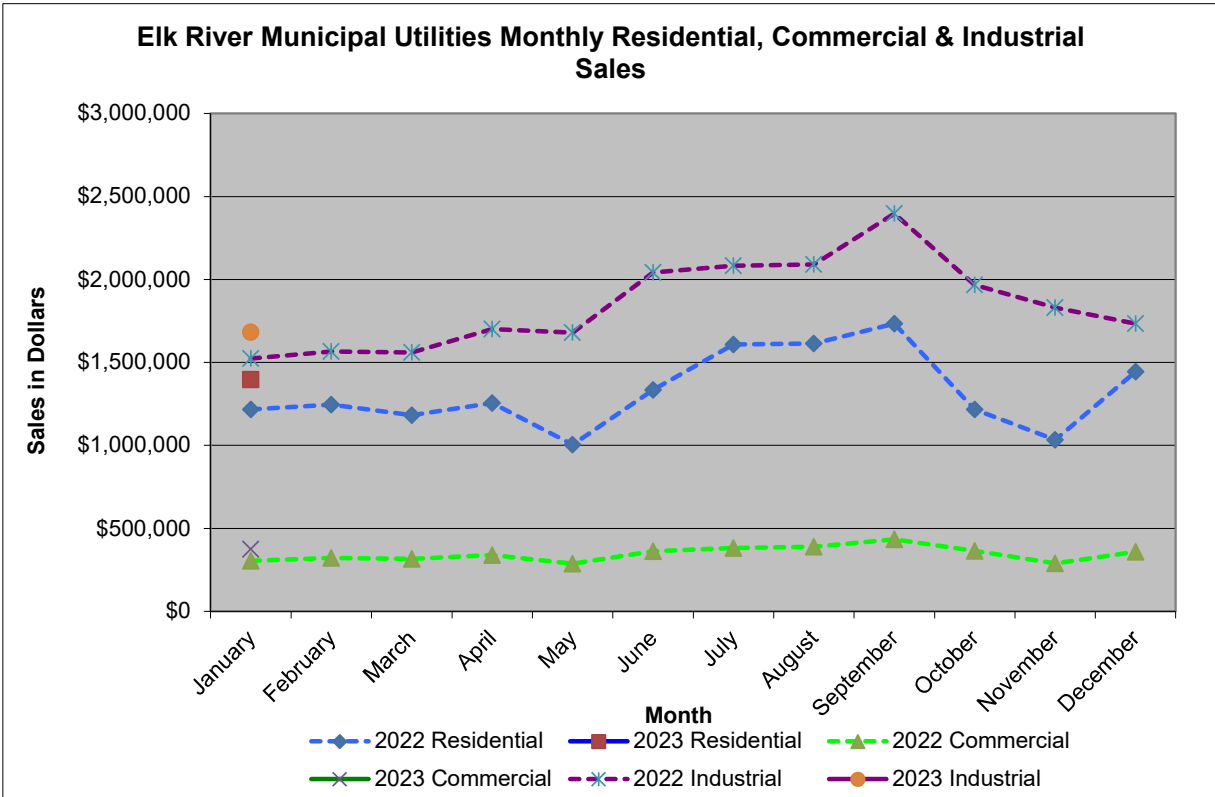
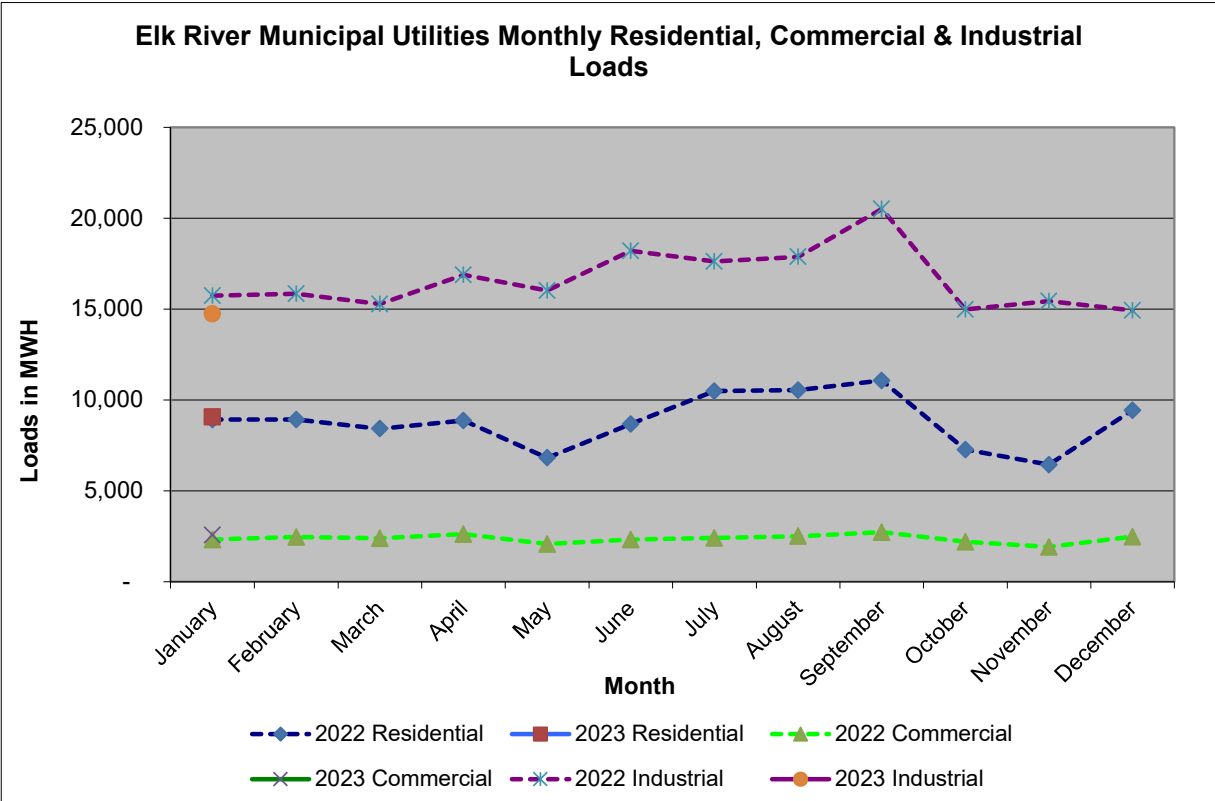
	2023 JANUARY	2023 YTD	2023 YTD BUDGET	2023 ANNUAL BUDGET	2023 YTD Bud Var%	2022 JANUARY	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual Var%
Electric									
Revenue									
Operating Revenue									
Elk River	2,805,567	2,805,567	2,975,103	42,041,326	(6)	2,605,611	2,605,611	199,956	8
Otsego	250,333	250,333	228,907	3,385,657	9	222,821	222,821	27,512	12
Rural Big Lake	17,050	17,050	18,323	238,658	(7)	15,433	15,433	1,617	10
Dayton	19,710	19,710	21,850	285,471	(10)	18,860	18,860	850	5
Public St & Hwy Lighting	21,723	21,723	21,666	260,000	0	21,301	21,301	421	2
Other Electric Sales	400	400	400	4,800	0	400	400	0	0
Total Operating Revenue	3,114,785	3,114,785	3,266,251	46,215,912	(5)	2,884,427	2,884,427	230,357	8
Other Operating Revenue									
Interest/Dividend Income	9,432	9,432	4,166	50,000	126	(18,018)	(18,018)	27,451	152
Customer Penalties	21,873	21,873	20,833	250,000	5	0	0	21,873	0
LFG Project	0	0	0	0	0	92,392	92,392	(92,392)	(100)
Connection Fees	6,275	6,275	18,333	220,000	(66)	12,450	12,450	(6,175)	(50)
Misc Revenue	67,311	67,311	76,352	936,231	(12)	56,015	56,015	11,296	20
Total Other Revenue	104,892	104,892	119,685	1,456,231	(12)	142,839	142,839	(37,946)	(27)
Total Revenue	3,219,678	3,219,678	3,385,937	47,672,143	(5)	3,027,267	3,027,267	192,410	6
Expenses									
Purchased Power	2,215,449	2,215,449	2,385,184	32,766,025	(7)	2,358,373	2,358,373	(142,923)	(6)
Operating & Mtce Expense	43,733	43,733	36,416	321,000	20	25,388	25,388	18,345	72
Landfill Gas	0	0	0	0	0	57,284	57,284	(57,284)	(100)
Transmission Expense	5,117	5,117	5,833	70,000	(12)	8,252	8,252	(3,134)	(38)
Distribution Expense	32,438	32,438	30,587	369,466	6	31,640	31,640	797	3
Maintenance Expense	139,313	139,313	159,625	1,540,500	(13)	118,108	118,108	21,205	18
Depreciation & Amortization	265,028	265,028	265,029	3,220,836	0	249,709	249,709	15,319	6
Interest Expense	69,424	69,424	69,424	810,832	0	74,014	74,014	(4,589)	(6)
Other Operating Expense	4,569	4,569	1,480	74,109	209	1,704	1,704	2,864	168
Customer Accounts Expense	31,914	31,914	33,458	401,500	(5)	27,777	27,777	4,136	15
Administrative Expense	485,750	485,750	486,077	4,128,585	0	416,394	416,394	69,356	17
General Expense	40,133	40,133	48,550	582,609	(17)	30,818	30,818	9,314	30
Total Expenses(before Operating Transfers)	3,332,874	3,332,874	3,521,667	44,285,462	(5)	3,399,465	3,399,465	(66,591)	(2)
Operating Transfer									
Operating Transfer/Other Funds	125,227	125,227	119,004	1,681,653	5	110,849	110,849	14,378	13
Utilities & Labor Donated	20,412	20,412	20,000	240,000	2	18,818	18,818	1,594	8
Total Operating Transfer	145,640	145,640	139,004	1,921,653	5	129,668	129,668	15,972	12
Net Income Profit(Loss)	(258,836)	(258,836)	(274,733)	1,465,028	6	(501,866)	(501,866)	243,029	48

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR PERIOD ENDING JANUARY 2023

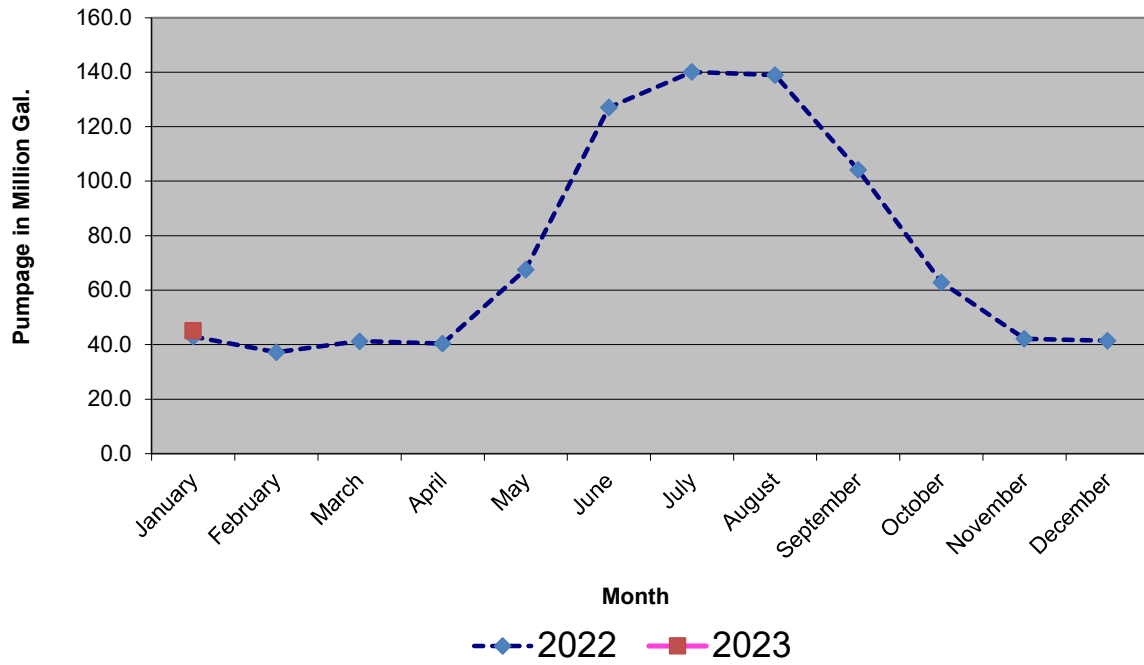
	2023 JANUARY	2023 YTD	2023 YTD BUDGET	2023 ANNUAL BUDGET	2023 YTD Bud Var%	2022 JANUARY	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual Var%
Water									
Revenue									
Operating Revenue									
Water Sales	134,365	134,365	112,007	2,503,414	20	128,998	128,998	5,366	4
Total Operating Revenue	134,365	134,365	112,007	2,503,414	20	128,998	128,998	5,366	4
Other Operating Revenue									
Interest/Dividend Income	3,326	3,326	3,041	36,500	9	(3,792)	(3,792)	7,118	188
Customer Penalties	1,748	1,748	2,333	28,000	(25)	0	0	1,748	0
Connection Fees	11,766	11,766	43,166	518,000	(73)	27,320	27,320	(15,554)	(57)
Misc Revenue	975	975	1,170	376,034	(17)	24,460	24,460	(23,485)	(96)
Total Other Revenue	17,815	17,815	49,712	958,534	(64)	47,988	47,988	(30,172)	(63)
Total Revenue	152,181	152,181	161,720	3,461,948	(6)	176,986	176,986	(24,805)	(14)
Expenses									
Production Expense	10,598	10,598	7,500	90,000	41	8,003	8,003	2,595	32
Pumping Expense	47,297	47,297	50,250	603,000	(6)	40,506	40,506	6,790	17
Distribution Expense	45,156	45,156	44,409	337,650	2	12,366	12,366	32,790	265
Depreciation & Amortization	97,367	97,367	97,398	1,202,937	0	92,498	92,498	4,869	5
Interest Expense	3,112	3,112	3,112	36,349	0	4,483	4,483	(1,371)	(31)
Other Operating Expense	254	254	251	2,470	2	186	186	67	36
Customer Accounts Expense	7,335	7,335	7,030	84,370	4	6,021	6,021	1,314	22
Administrative Expense	106,849	106,849	127,380	1,032,655	(16)	96,558	96,558	10,291	11
General Expense	506	506	1,554	18,650	(67)	501	501	4	1
Total Expenses(before Operating Transfers)	318,480	318,480	338,885	3,408,081	(6)	261,126	261,126	57,353	22
Operating Transfer									
Utilities & Labor Donated	0	0	125	1,500	(100)	0	0	0	0
Total Operating Transfer	0	0	125	1,500	(100)	0	0	0	0
Net Income Profit(Loss)	(166,298)	(166,298)	(177,290)	52,367	6	(84,139)	(84,139)	(82,158)	(98)



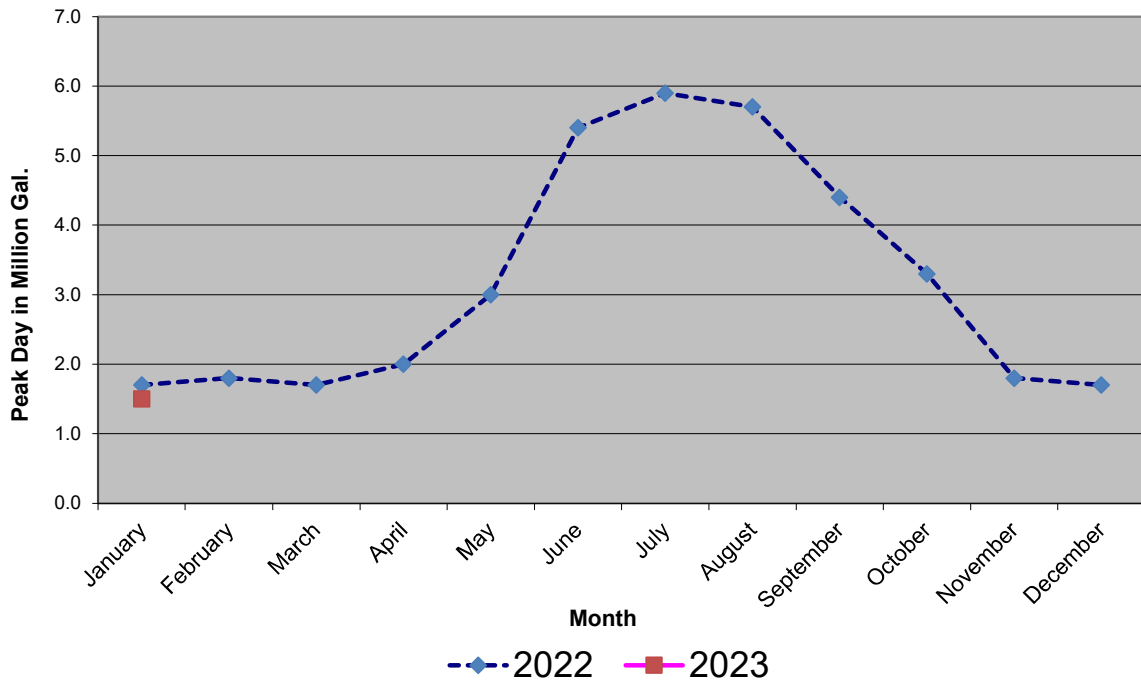


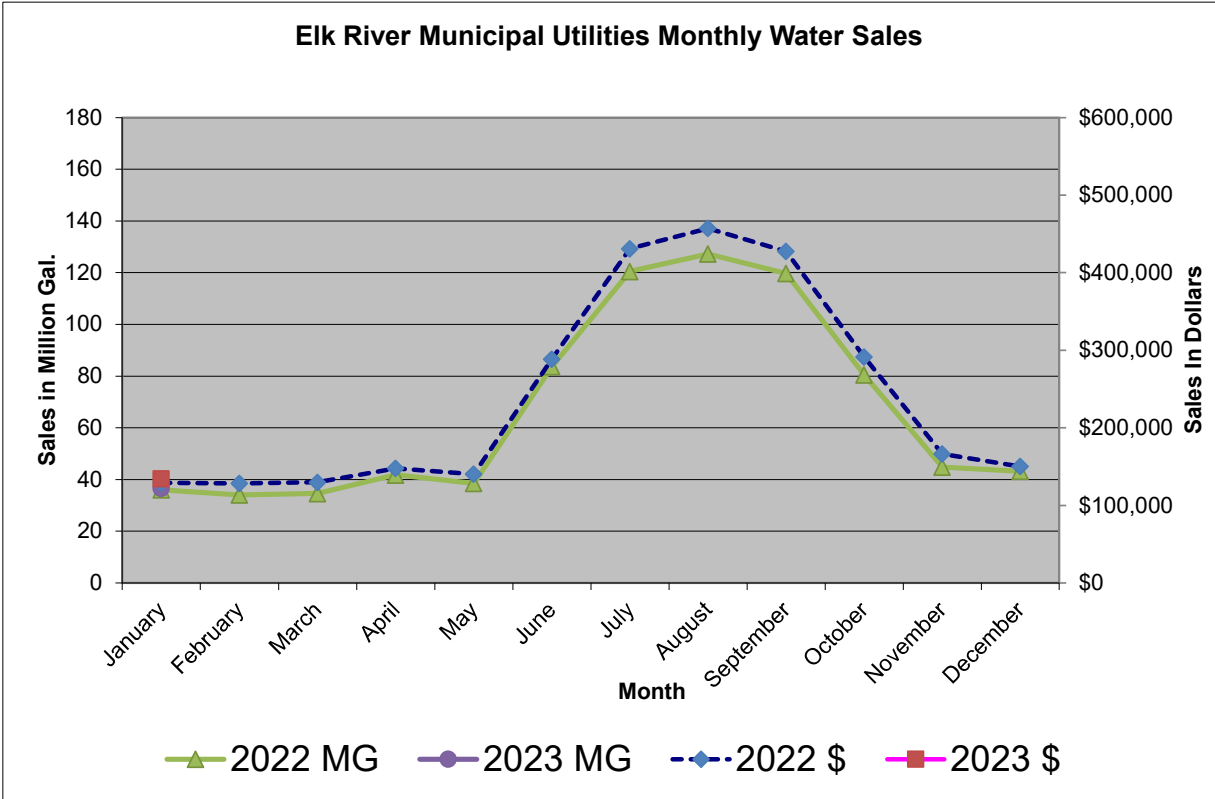


Elk River Municipal Utilities Monthly Water Pumpage



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 JANUARY 2023

		2023 JANUARY	2023 YTD	2023 YTD BUDGET	2023 ANNUAL BUDGET	2023 YTD Bud Var%	2022 JANUARY	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual Var%
Electric Revenue										
Operating Revenue										
Elk River										
	ELECT SALES - ELK RIVER RESID	1,069,498	1,069,498	1,049,265	14,039,146	2	1,027,602	1,027,602	41,895	4
	ELECT SALES - ELK RIVER NON-D	273,291	273,291	251,608	3,461,850	9	241,414	241,414	31,877	13
	ELECT SALES - ELK RIVER DEMA	1,290,189	1,290,189	1,332,705	20,243,229	(3)	1,336,594	1,336,594	(46,404)	(3)
	PCA SALES REVENUE - ELK RIVE	57,531	57,531	109,029	1,285,399	(47)	0	0	57,531	0
	PCA SALES REVENUE - ELK RIVE	16,087	16,087	28,594	340,814	(44)	0	0	16,087	0
	PCA SALES REVENUE - ELK RIVE	98,969	98,969	203,900	2,670,887	(51)	0	0	98,969	0
	Total For Elk River:	<u>2,805,567</u>	<u>2,805,567</u>	<u>2,975,103</u>	<u>42,041,326</u>	<u>(6)</u>	<u>2,605,611</u>	<u>2,605,611</u>	<u>199,956</u>	<u>8</u>
Otsego										
	ELECT SALES - OTSEGO RESIDEN	110,894	110,894	99,222	1,420,072	12	101,951	101,951	8,942	9
	ELECT SALES - OTSEGO NON-DEM	30,052	30,052	26,850	454,649	12	29,165	29,165	887	3
	ELECT SALES - OTSEGO DEMAND	94,842	94,842	77,395	1,180,452	23	91,704	91,704	3,137	3
	PCA SALES REVENUE - OTSEGO R	5,830	5,830	10,310	129,685	(43)	0	0	5,830	0
	PCA SALES REVENUE - OTSEGO N	1,772	1,772	3,051	44,260	(42)	0	0	1,772	0
	PCA SALES REVENUE - OTSEGO D	6,942	6,942	12,078	156,538	(43)	0	0	6,942	0
	Total For Otsego:	<u>250,333</u>	<u>250,333</u>	<u>228,907</u>	<u>3,385,657</u>	<u>9</u>	<u>222,821</u>	<u>222,821</u>	<u>27,512</u>	<u>12</u>
Rural Big Lake										
	ELECT SALES - BIG LAKE RESIDE	16,022	16,022	16,449	214,102	(3)	15,280	15,280	742	5
	ELECT SALES - BIG LAKE NON-DE	154	154	147	4,513	5	153	153	1	1
	PCA SALES REVENUE - BIG LAKE	869	869	1,709	19,622	(49)	0	0	869	0
	PCA SALES REVENUE - BIG LAKE	4	4	16	420	(76)	0	0	4	0
	Total For Rural Big Lake:	<u>17,050</u>	<u>17,050</u>	<u>18,323</u>	<u>238,658</u>	<u>(7)</u>	<u>15,433</u>	<u>15,433</u>	<u>1,617</u>	<u>10</u>
Dayton										
	ELECT SALES - DAYTON RESIDEN	16,106	16,106	16,975	221,646	(5)	16,059	16,059	47	0
	ELECT SALES - DAYTON NON-DE	2,623	2,623	2,794	39,638	(6)	2,801	2,801	(177)	(6)
	PCA SALES REVENUE - DAYTON R	844	844	1,763	20,286	(52)	0	0	844	0
	PCA SALES REVENUE - DAYTON	134	134	317	3,900	(58)	0	0	134	0
	Total For Dayton:	<u>19,710</u>	<u>19,710</u>	<u>21,850</u>	<u>285,471</u>	<u>(10)</u>	<u>18,860</u>	<u>18,860</u>	<u>850</u>	<u>5</u>
Public St & Hwy Lighting										
	ELECT SALES - SEC LTS	21,723	21,723	21,666	260,000	0	21,301	21,301	421	2
	Total For Public St & Hwy Lighting:	<u>21,723</u>	<u>21,723</u>	<u>21,666</u>	<u>260,000</u>	<u>0</u>	<u>21,301</u>	<u>21,301</u>	<u>421</u>	<u>2</u>
Other Electric Sales										
	SUB-STATION CREDIT	400	400	400	4,800	0	400	400	0	0

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	2023 JANUARY	2023 YTD	2023 YTD BUDGET	2023 ANNUAL BUDGET	2023 YTD Bud Var%	2022 JANUARY	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual Var%
Electric									
Total For Other Electric Sales:	400	400	400	4,800	0	400	400	0	0
Total Operating Revenue	<u>3,114,785</u>	<u>3,114,785</u>	<u>3,266,251</u>	<u>46,215,912</u>	<u>(5)</u>	<u>2,884,427</u>	<u>2,884,427</u>	<u>230,357</u>	<u>8</u>
Other Operating Revenue									
Interest/Dividend Income									
INTEREST & DIVIDEND INCOME	9,432	9,432	4,166	50,000	126	(18,018)	(18,018)	27,451	152
Total For Interest/Dividend Income:	9,432	9,432	4,166	50,000	126	(18,018)	(18,018)	27,451	152
Customer Penalties									
CUSTOMER DELINQUENT PENALT	21,873	21,873	20,833	250,000	5	0	0	21,873	0
Total For Customer Penalties:	21,873	21,873	20,833	250,000	5	0	0	21,873	0
LFG Project									
LFG PROJECT	0	0	0	0	0	92,392	92,392	(92,392)	(100)
Total For LFG Project:	0	0	0	0	0	92,392	92,392	(92,392)	(100)
Connection Fees									
DISCONNECT & RECONNECT CHA	6,275	6,275	18,333	220,000	(66)	12,450	12,450	(6,175)	(50)
Total For Connection Fees:	6,275	6,275	18,333	220,000	(66)	12,450	12,450	(6,175)	(50)
Misc Revenue									
MISC ELEC REVENUE - TEMP CHG	1,070	1,070	166	2,000	541	300	300	770	257
STREET LIGHT	0	0	0	20,000	0	0	0	0	0
TRANSMISSION INVESTMENTS	56,700	56,700	54,102	649,231	5	48,414	48,414	8,285	17
MISC NON-UTILITY	9,541	9,541	7,500	90,000	27	7,301	7,301	2,240	31
CONTRIBUTIONS FROM CUSTOME	0	0	14,583	175,000	(100)	0	0	0	0
Total For Misc Revenue:	67,311	67,311	76,352	936,231	(12)	56,015	56,015	11,296	20
Total Other Revenue	<u>104,892</u>	<u>104,892</u>	<u>119,685</u>	<u>1,456,231</u>	<u>(12)</u>	<u>142,839</u>	<u>142,839</u>	<u>(37,946)</u>	<u>(27)</u>
Total For Total Other Revenue:	104,892	104,892	119,685	1,456,231	(12)	142,839	142,839	(37,946)	(27)
Total Revenue	<u>3,219,678</u>	<u>3,219,678</u>	<u>3,385,937</u>	<u>47,672,143</u>	<u>(5)</u>	<u>3,027,267</u>	<u>3,027,267</u>	<u>192,410</u>	<u>6</u>
Expenses									
Purchased Power									
PURCHASED POWER	1,695,635	1,695,635	1,708,434	24,207,981	(1)	2,358,373	2,358,373	(662,737)	(28)
ENERGY ADJUSTMENT CLAUSE	519,814	519,814	676,749	8,558,044	(23)	0	0	519,814	0
Total For Purchased Power:	2,215,449	2,215,449	2,385,184	32,766,025	(7)	2,358,373	2,358,373	(142,923)	(6)
Operating & Mtce Expense									
OPERATING SUPERVISION	10,410	10,410	11,416	137,000	(9)	8,881	8,881	1,529	17

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	2023 JANUARY	2023 YTD	2023 YTD BUDGET	2023 ANNUAL BUDGET	2023 YTD Bud Var%	2022 JANUARY	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual Var%
Electric									
DIESEL OIL FUEL	501	501	833	10,000	(40)	881	881	(380)	(43)
NATURAL GAS	6,733	6,733	4,000	25,000	68	3,646	3,646	3,086	85
ELECTRIC & WATER CONSUMPTI	4,295	4,295	4,500	34,000	(5)	4,342	4,342	(47)	(1)
PLANT SUPPLIES & OTHER EXPEN	6,342	6,342	1,083	13,000	486	880	880	5,462	621
MISC POWER GENERATION EXPE	644	644	666	8,000	(3)	509	509	135	27
MAINTENANCE OF STRUCTURE -	2,961	2,961	1,666	20,000	78	1,232	1,232	1,729	140
MTCE OF PLANT ENGINES/GENER	1,718	1,718	3,250	39,000	(47)	337	337	1,380	410
MTCE OF PLANT/LAND IMPROVE	10,125	10,125	9,000	35,000	13	4,677	4,677	5,448	117
Total For Operating & Mtce Expense:	43,733	43,733	36,416	321,000	20	25,388	25,388	18,345	72
Landfill Gas									
LANDFILL GAS PLANT PURCHASE	0	0	0	0	0	13,849	13,849	(13,849)	(100)
LANDFILL GAS PLANT OPERATIO	0	0	0	0	0	41,518	41,518	(41,518)	(100)
LANDFILL GAS PLANT ADMINIST	0	0	0	0	0	229	229	(229)	(100)
LANDFILL GAS PLANT INSURANC	0	0	0	0	0	1,623	1,623	(1,623)	(100)
LANDFILL GAS PLANT MTCE	0	0	0	0	0	62	62	(62)	(100)
Total For Landfill Gas:	0	0	0	0	0	57,284	57,284	(57,284)	(100)
Transmission Expense									
TRANSMISSION MTCE AND EXPE	5,117	5,117	5,833	70,000	(12)	8,252	8,252	(3,134)	(38)
Total For Transmission Expense:	5,117	5,117	5,833	70,000	(12)	8,252	8,252	(3,134)	(38)
Distribution Expense									
REMOVE EXISTING SERVICE & M	0	0	87	1,050	(100)	0	0	0	0
SCADA EXPENSE	2,874	2,874	3,666	44,000	(22)	2,655	2,655	219	8
TRANSFORMER EXPENSE OH & U	1,077	1,077	1,250	15,000	(14)	1,089	1,089	(11)	(1)
MTCE OF SIGNAL SYSTEMS	0	0	166	2,000	(100)	0	0	0	0
METER EXPENSE - REMOVE & RE	0	0	125	1,500	(100)	0	0	0	0
TEMP SERVICE - INSTALL & REM	0	0	291	3,500	(100)	186	186	(186)	(100)
MISC DISTRIBUTION EXPENSE	28,486	28,486	25,000	300,000	14	27,709	27,709	777	3
INTERCONNECTION CARRYING C	0	0	0	2,416	0	0	0	0	0
Total For Distribution Expense:	32,438	32,438	30,587	369,466	6	31,640	31,640	797	3
Maintenance Expense									
MTCE OF STRUCTURES	1,070	1,070	3,833	46,000	(72)	1,962	1,962	(891)	(45)
MTCE OF SUBSTATIONS	6,702	6,702	2,916	35,000	130	0	0	6,702	0
MTCE OF SUBSTATION EQUIPME	1,598	1,598	6,416	77,000	(75)	3,930	3,930	(2,332)	(59)
MTCE OF OH LINES/TREE TRIM	42,225	42,225	50,000	225,000	(16)	20,607	20,607	21,618	105
MTCE OF OH LINES/STANDBY	2,733	2,733	3,333	40,000	(18)	3,102	3,102	(368)	(12)

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Electric	2023	2023	2023	2023	2023 YTD	2022	2022	YTD	2022 v. 2023
	JANUARY	YTD	YTD BUDGET	ANNUAL BUDGET	Bud Var%	JANUARY	YTD	VARIANCE	Actual Var%
MTCE OF OH PRIMARY	10,186	10,186	14,166	170,000	(28)	8,738	8,738	1,447	17
MTCE OF URD PRIMARY	8,593	8,593	14,166	170,000	(39)	6,767	6,767	1,825	27
LOCATE ELECTRIC LINES	1,416	1,416	8,833	106,000	(84)	2,462	2,462	(1,045)	(42)
LOCATE FIBER LINES	0	0	83	1,000	(100)	130	130	(130)	(100)
MTCE OF LINE TRANSFORMERS	1,355	1,355	5,000	60,000	(73)	1,088	1,088	267	25
MTCE OF STREET LIGHTING	4,860	4,860	3,750	45,000	30	7,451	7,451	(2,590)	(35)
MTCE OF SECURITY LIGHTING	1,674	1,674	1,250	15,000	34	1,053	1,053	621	59
MTCE OF METERS	6,687	6,687	7,083	85,000	(6)	7,768	7,768	(1,080)	(14)
VOLTAGE COMPLAINTS	1,291	1,291	833	10,000	55	914	914	377	41
SALARIES TRANSMISSION & DIST	2,397	2,397	2,541	30,500	(6)	2,169	2,169	228	11
ELECTRIC MAPPING	19,409	19,409	7,916	95,000	145	14,227	14,227	5,181	36
MTCE OF OH SECONDARY	2,081	2,081	2,083	25,000	0	878	878	1,202	137
MTCE OF URD SECONDARY	3,752	3,752	5,000	60,000	(25)	2,901	2,901	851	29
TRANSPORTATION EXPENSE	21,273	21,273	20,416	245,000	4	31,951	31,951	(10,677)	(33)
Total For Maintenance Expense:	139,313	139,313	159,625	1,540,500	(13)	118,108	118,108	21,205	18
Depreciation & Amortization									
DEPRECIATION	209,350	209,350	209,351	2,552,700	0	194,031	194,031	15,319	8
AMORTIZATION	55,677	55,677	55,678	668,136	0	55,677	55,677	0	0
Total For Depreciation & Amortization:	265,028	265,028	265,029	3,220,836	0	249,709	249,709	15,319	6
Interest Expense									
INTEREST EXPENSE - BONDS	74,413	74,413	74,413	870,695	0	79,906	79,906	(5,493)	(7)
AMORTIZATION OF DEBT DISCOU	(4,988)	(4,988)	(4,988)	(59,863)	0	(5,892)	(5,892)	903	15
Total For Interest Expense:	69,424	69,424	69,424	810,832	0	74,014	74,014	(4,589)	(6)
Other Operating Expense									
EV CHARGING EXPENSE	289	289	644	7,731	(55)	543	543	(254)	(47)
LOSS ON DISPOSITION OF PROP (C	0	0	0	15,500	0	0	0	0	0
OTHER DONATIONS	0	0	250	3,000	(100)	268	268	(268)	(100)
PENSION EXPENSE	0	0	0	45,000	0	0	0	0	0
OTHER INTEREST EXPENSE	378	378	378	378	0	730	730	(352)	(48)
INTEREST EXPENSE - METER DEP	3,902	3,902	208	2,500	1,776	162	162	3,740	2,309
Total For Other Operating Expense:	4,569	4,569	1,480	74,109	209	1,704	1,704	2,864	168
Customer Accounts Expense									
METER READING EXPENSE	2,846	2,846	3,916	47,000	(27)	3,837	3,837	(990)	(26)
DISCONNECT/RECONNECT EXPEN	1,263	1,263	1,833	22,000	(31)	1,037	1,037	225	22
MISC CUSTOMER ACCOUNTS EXP	27,716	27,716	26,041	312,500	6	22,657	22,657	5,059	22

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Electric		2023	2023	2023	2023	2023 YTD	2022	2022	YTD	2022 v. 2023
		JANUARY	YTD	YTD BUDGET	ANNUAL BUDGET	Bud Var%	JANUARY	YTD	VARIANCE	Actual Var%
	BAD DEBT EXPENSE & RECOVER	87	87	1,666	20,000	(95)	245	245	(157)	(64)
	Total For Customer Accounts Expense:	31,914	31,914	33,458	401,500	(5)	27,777	27,777	4,136	15
Administrative Expense										
	SALARIES OFFICE & COMMISSION	67,404	67,404	79,166	950,000	(15)	58,683	58,683	8,720	15
	TEMPORARY STAFFING	0	0	333	4,000	(100)	0	0	0	0
	OFFICE SUPPLIES	10,807	10,807	8,916	107,000	21	3,984	3,984	6,822	171
	ELECTRIC & WATER CONSUMPTI	6,194	6,194	2,416	29,000	156	1,792	1,792	4,401	246
	BANK FEES	137	137	208	2,500	(34)	174	174	(37)	(21)
	LEGAL FEES	2,360	2,360	3,333	40,000	(29)	1,730	1,730	630	36
	AUDITING FEES	1,623	1,623	1,543	18,520	5	1,503	1,503	120	8
	INSURANCE	16,356	16,356	15,500	186,000	6	13,262	13,262	3,093	23
	UTILITY SHARE - DEFERRED COM	20,166	20,166	10,333	124,000	95	18,259	18,259	1,907	10
	UTILITY SHARE - MEDICAL/DENT	189,239	189,239	187,000	858,481	1	171,047	171,047	18,191	11
	UTILITY SHARE - PERA	23,529	23,529	24,000	288,000	(2)	20,240	20,240	3,288	16
	UTILITY SHARE - FICA	22,577	22,577	23,333	280,000	(3)	19,410	19,410	3,167	16
	EMPLOYEE SICK PAY	30,487	30,487	12,500	150,000	144	21,940	21,940	8,546	39
	EMPLOYEE HOLIDAY PAY	29,537	29,537	28,636	157,500	3	12,915	12,915	16,621	129
	EMPLOYEE VACATION & PTO PA	44,114	44,114	41,000	250,000	8	36,000	36,000	8,113	23
	UPMIC DISTRIBUTION	0	0	0	91,015	0	0	0	0	0
	LONGEVITY PAY	0	0	0	16,369	0	0	0	0	0
	CONSULTING FEES	0	0	6,666	80,000	(100)	6,724	6,724	(6,724)	(100)
	TELEPHONE	3,495	3,495	3,416	41,000	2	2,746	2,746	749	27
	ADVERTISING	1,281	1,281	1,250	15,000	3	1,479	1,479	(197)	(13)
	DUES & SUBSCRIPTIONS - FEES	9,884	9,884	14,389	172,675	(31)	8,685	8,685	1,199	14
	SCHOOLS & MEETINGS	5,550	5,550	21,500	259,925	(74)	15,203	15,203	(9,653)	(63)
	MTCE OF GENERAL PLANT & OFFI	1,002	1,002	633	7,600	58	609	609	393	65
	Total For Administrative Expense:	485,750	485,750	486,077	4,128,585	0	416,394	416,394	69,356	17
General Expense										
	CIP REBATES - RESIDENTIAL	2,555	2,555	8,347	100,170	(69)	6,039	6,039	(3,484)	(58)
	CIP REBATES - COMMERCIAL	10,980	10,980	15,798	189,583	(31)	4,633	4,633	6,347	137
	CIP - ADMINISTRATION	502	502	1,641	19,700	(69)	464	464	37	8
	CIP - MARKETING	4,580	4,580	2,503	30,039	83	1,785	1,785	2,795	157
	CIP - LABOR	12,288	12,288	14,875	178,511	(17)	10,386	10,386	1,901	18
	CIP REBATES - LOW INCOME	0	0	1,500	18,000	(100)	4,185	4,185	(4,185)	(100)
	CIP - LOW INCOME LABOR	821	821	823	9,887	0	827	827	(6)	(1)

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	2023 JANUARY	2023 YTD	2023 YTD BUDGET	2023 ANNUAL BUDGET	2023 YTD Bud Var%	2022 JANUARY	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual Var%
Electric									
ENVIRONMENTAL COMPLIANCE	2,578	2,578	2,851	34,219	(10)	2,498	2,498	79	3
MISC GENERAL EXPENSE	5,827	5,827	208	2,500	2,701	(1)	(1)	5,828	582,800
Total For General Expense:	40,133	40,133	48,550	582,609	(17)	30,818	30,818	9,314	30
Total Expenses(before Operating Transfers)	3,332,874	3,332,874	3,521,667	44,285,462	(5)	3,399,465	3,399,465	(66,591)	(2)
Operating Transfer									
Operating Transfer/Other Funds									
TRANSFER TO CITY ELK RIVER R	125,227	125,227	119,004	1,681,653	5	110,849	110,849	14,378	13
Total For Operating Transfer/Other Funds:	125,227	125,227	119,004	1,681,653	5	110,849	110,849	14,378	13
Utilities & Labor Donated									
UTILITIES & LABOR DONATED TO	20,412	20,412	20,000	240,000	2	18,818	18,818	1,594	8
Total For Utilities & Labor Donated:	20,412	20,412	20,000	240,000	2	18,818	18,818	1,594	8
Total Operating Transfer									
Total For Total Operating Transfer:	145,640	145,640	139,004	1,921,653	5	129,668	129,668	15,972	12
Net Income Profit(Loss)	(258,836)	(258,836)	(274,733)	1,465,028	6	(501,866)	(501,866)	243,029	48

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	2023 JANUARY	2023 YTD	2023 YTD BUDGET	2023 ANNUAL BUDGET	2023 YTD Bud Var%	2022 JANUARY	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual Var%
Water Revenue									
Operating Revenue									
Water Sales									
WATER SALES RESIDENTIAL	85,664	85,664	69,251	1,397,043	24	82,308	82,308	3,356	4
WATER SALES COMMERCIAL	47,137	47,137	41,473	850,022	14	45,185	45,185	1,952	4
WATER SALES IRRIGATION	1,563	1,563	1,283	256,349	22	1,505	1,505	58	4
Total For Water Sales:	134,365	134,365	112,007	2,503,414	20	128,998	128,998	5,366	4
Total Operating Revenue	134,365	134,365	112,007	2,503,414	20	128,998	128,998	5,366	4
Total For Total Operating Revenue:	134,365	134,365	112,007	2,503,414	20	128,998	128,998	5,366	4
Other Operating Revenue									
Interest/Dividend Income									
INTEREST & DIVIDEND INCOME	3,326	3,326	2,916	35,000	14	(3,792)	(3,792)	7,118	188
OTHER INTEREST/MISC REVENUE	0	0	125	1,500	(100)	0	0	0	0
Total For Interest/Dividend Income:	3,326	3,326	3,041	36,500	9	(3,792)	(3,792)	7,118	188
Customer Penalties									
CUSTOMER PENALTIES	1,748	1,748	2,333	28,000	(25)	0	0	1,748	0
Total For Customer Penalties:	1,748	1,748	2,333	28,000	(25)	0	0	1,748	0
Connection Fees									
WATER/ACCESS/CONNECTION FE	10,800	10,800	37,500	450,000	(71)	24,656	24,656	(13,856)	(56)
CUSTOMER CONNECTION FEES	966	966	3,333	40,000	(71)	2,574	2,574	(1,608)	(62)
BULK WATER SALES/HYDRANT R	0	0	2,333	28,000	(100)	89	89	(89)	(100)
Total For Connection Fees:	11,766	11,766	43,166	518,000	(73)	27,320	27,320	(15,554)	(57)
Misc Revenue									
MISC NON-UTILITY	0	0	4	50	(100)	0	0	0	0
MISCELLANEOUS REVENUE	0	0	41	500	(100)	0	0	0	0
HYDRANT MAINTENANCE PROGR	975	975	1,125	13,500	(13)	978	978	(3)	0
CONTRIBUTIONS FROM DEVELOP	0	0	0	65,000	0	0	0	0	0
WATER TOWER LEASE	0	0	0	296,984	0	23,481	23,481	(23,481)	(100)
Total For Misc Revenue:	975	975	1,170	376,034	(17)	24,460	24,460	(23,485)	(96)
Total Other Revenue	17,815	17,815	49,712	958,534	(64)	47,988	47,988	(30,172)	(63)
Total For Total Other Revenue:	17,815	17,815	49,712	958,534	(64)	47,988	47,988	(30,172)	(63)
Total Revenue	152,181	152,181	161,720	3,461,948	(6)	176,986	176,986	(24,805)	(14)

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR PERIOD ENDING JANUARY 2023

	2023 JANUARY	2023 YTD	2023 YTD BUDGET	2023 ANNUAL BUDGET	2023 YTD Bud Var%	2022 JANUARY	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual Var%
Water Expenses									
Production Expense									
MTCE OF STRUCTURES	10,598	10,598	7,500	90,000	41	8,003	8,003	2,595	32
Total For Production Expense:	10,598	10,598	7,500	90,000	41	8,003	8,003	2,595	32
Pumping Expense									
SUPERVISION	5,610	5,610	5,750	69,000	(2)	4,978	4,978	631	13
ELECTRIC & GAS UTILITIES	24,279	24,279	24,000	288,000	1	20,052	20,052	4,227	21
SAMPLING	1,656	1,656	1,250	15,000	32	687	687	968	141
CHEMICAL FEED	2,440	2,440	4,166	50,000	(41)	477	477	1,963	412
MTCE OF WELLS	13,018	13,018	13,750	165,000	(5)	14,110	14,110	(1,092)	(8)
SCADA - PUMPING	291	291	1,333	16,000	(78)	200	200	90	45
Total For Pumping Expense:	47,297	47,297	50,250	603,000	(6)	40,506	40,506	6,790	17
Distribution Expense									
MTCE OF WATER MAINS	20,703	20,703	10,000	120,000	107	2,000	2,000	18,703	935
LOCATE WATER LINES	86	86	1,437	17,250	(94)	34	34	51	149
WATER METER SERVICE	1,011	1,011	5,500	66,000	(82)	4,434	4,434	(3,422)	(77)
BACKFLOW DEVICE INSPECTION	2,136	2,136	900	16,000	137	913	913	1,222	134
MTCE OF CUSTOMERS SERVICE	2,451	2,451	2,541	30,500	(4)	2,417	2,417	34	1
WATER MAPPING	443	443	1,041	12,500	(57)	171	171	271	159
MTCE OF WATER HYDRANTS - PU	962	962	1,583	19,000	(39)	546	546	416	76
MTCE OF WATER HYDRANTS - PR	240	240	416	5,000	(42)	254	254	(13)	(5)
WATER CLOTHING/PPE	31	31	750	9,000	(96)	32	32	0	0
WAGES WATER	622	622	608	7,300	2	484	484	138	28
TRANSPORTATION EXPENSE	1,058	1,058	1,375	16,500	(23)	1,077	1,077	(19)	(2)
WATER PERMIT	15,407	15,407	18,255	18,600	(16)	0	0	15,407	0
Total For Distribution Expense:	45,156	45,156	44,409	337,650	2	12,366	12,366	32,790	265
Depreciation & Amortization									
DEPRECIATION	97,367	97,367	97,398	1,202,937	0	92,498	92,498	4,869	5
Total For Depreciation & Amortization:	97,367	97,367	97,398	1,202,937	0	92,498	92,498	4,869	5
Interest Expense									
INTEREST EXPENSE - BONDS	3,666	3,666	3,666	43,000	0	5,037	5,037	(1,371)	(27)
AMORTIZATION OF DEBT DISCOU	(554)	(554)	(554)	(6,651)	0	(554)	(554)	0	0
Total For Interest Expense:	3,112	3,112	3,112	36,349	0	4,483	4,483	(1,371)	(31)
Other Operating Expense									
LOSS ON DISPOSITION OF PROP (C	0	0	0	500	0	0	0	0	0
DAM MAINTENANCE EXPENSE	55	55	145	1,750	(62)	0	0	55	0

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR PERIOD ENDING JANUARY 2023

	2023 JANUARY	2023 YTD	2023 YTD BUDGET	2023 ANNUAL BUDGET	2023 YTD Bud Var%	2022 JANUARY	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual Var%
Water									
OTHER INTEREST EXPENSE	94	94	95	95	0	182	182	(88)	(48)
INTEREST EXPENSE - METER DEP	104	104	10	125	950	4	4	100	2,525
Total For Other Operating Expense:	254	254	251	2,470	2	186	186	67	36
Customer Accounts Expense									
METER READING EXPENSE	147	147	208	2,500	(29)	188	188	(40)	(21)
MISC CUSTOMER ACCOUNTS EXP	7,188	7,188	6,801	81,620	6	5,833	5,833	1,355	23
BAD DEBT EXPENSE & RECOVER	0	0	20	250	(100)	0	0	0	0
Total For Customer Accounts Expense:	7,335	7,335	7,030	84,370	4	6,021	6,021	1,314	22
Administrative Expense									
SALARIES OFFICE & COMMISSION	19,496	19,496	22,375	268,500	(13)	17,073	17,073	2,423	14
TEMPORARY STAFFING	0	0	83	1,000	(100)	0	0	0	0
OFFICE SUPPLIES	1,799	1,799	2,125	25,500	(15)	957	957	841	88
ELECTRIC & WATER CONSUMPTI	1,144	1,144	666	8,000	72	448	448	696	156
BANK FEES	34	34	52	625	(35)	43	43	(9)	(23)
LEGAL FEES	590	590	750	9,000	(21)	432	432	157	36
AUDITING FEES	405	405	385	4,630	5	375	375	30	8
INSURANCE	3,016	3,016	3,000	36,000	1	2,217	2,217	798	36
UTILITY SHARE - DEFERRED COM	2,881	2,881	2,541	30,500	13	2,693	2,693	188	7
UTILITY SHARE - MEDICAL/DENT	46,074	46,074	59,000	215,000	(22)	43,767	43,767	2,306	5
UTILITY SHARE - PERA	4,525	4,525	4,500	54,000	1	3,896	3,896	629	16
UTILITY SHARE - FICA	4,329	4,329	4,333	52,000	0	3,710	3,710	618	17
EMPLOYEE SICK PAY	4,843	4,843	2,250	27,000	115	2,533	2,533	2,309	91
EMPLOYEE HOLIDAY PAY	4,234	4,234	5,600	30,800	(24)	1,818	1,818	2,416	133
EMPLOYEE VACATION & PTO PA	9,069	9,069	8,000	44,000	13	7,508	7,508	1,561	21
UPMIC DISTRIBUTION	0	0	0	18,069	0	0	0	0	0
WELLHEAD PROTECTION	0	0	0	10,000	0	2,250	2,250	(2,250)	(100)
LONGEVITY PAY	0	0	0	3,106	0	0	0	0	0
CONSULTING FEES	0	0	2,916	35,000	(100)	1,681	1,681	(1,681)	(100)
TELEPHONE	796	796	791	9,500	1	693	693	102	15
ADVERTISING	320	320	541	6,500	(41)	297	297	22	7
DUES & SUBSCRIPTIONS - FEES	1,282	1,282	2,000	78,320	(36)	1,597	1,597	(315)	(20)
SCHOOLS & MEETINGS	1,755	1,755	5,308	63,705	(67)	2,410	2,410	(654)	(27)
MTCE OF GENERAL PLANT & OFFI	250	250	158	1,900	59	152	152	98	65
Total For Administrative Expense:	106,849	106,849	127,380	1,032,655	(16)	96,558	96,558	10,291	11

General Expense

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR PERIOD ENDING JANUARY 2023

		2023	2023	2023	2023	2023 YTD	2022	2022	YTD	2022 v. 2023
		JANUARY	YTD	YTD BUDGET	ANNUAL BUDGET	Bud Var%	JANUARY	YTD	VARIANCE	Actual Var%
Water	CIP REBATES - RESIDENTIAL	45	45	875	10,500	(95)	110	110	(65)	(59)
	CIP REBATES - COMMERCIAL	0	0	41	500	(100)	0	0	0	0
	CIP - MARKETING	0	0	41	500	(100)	0	0	0	0
	CIP - LABOR	409	409	391	4,700	4	341	341	67	20
	ENVIRONMENTAL COMPLIANCE	54	54	183	2,200	(70)	50	50	4	8
	MISC GENERAL EXPENSE	(2)	(2)	20	250	(114)	0	0	(2)	0
	Total For General Expense:	506	506	1,554	18,650	(67)	501	501	4	1
Total Expenses(before Operating Transfers)		318,480	318,480	338,885	3,408,081	(6)	261,126	261,126	57,353	22
Operating Transfer										
Utilities & Labor Donated										
WATER & LABOR DONATED TO CI		0	0	125	1,500	(100)	0	0	0	0
Total Operating Transfer										
Total For Total Operating Transfer:		0	0	125	1,500	(100)	0	0	0	0
Net Income Profit(Loss)		(166,298)	(166,298)	(177,290)	52,367	6	(84,139)	(84,139)	(82,158)	(98)

HANDOUT AT MEETING - FINANCIALS

ELK RIVER MUNICIPAL UTILITIES ELK RIVER, MINNESOTA STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR PERIOD ENDING JANUARY 2023

	2023 JANUARY	2023 YTD	2023 YTD BUDGET	YTD Budget Variance	2023 ANNUAL BUDGET	2023 YTD Bud Var%	2022 JANUARY	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual Var%
Electric Revenue										
Operating Revenue										
Elk River	2,805,567	2,805,567	2,975,103	(169,536)	42,041,326	(6)	2,605,611	2,605,611	199,956	8
Otsego	250,334	250,334	228,908	21,426	3,385,657	9	222,822	222,822	27,512	12
Rural Big Lake	17,051	17,051	18,324	(1,273)	238,658	(7)	15,433	15,433	1,617	10
Dayton	19,710	19,710	21,850	(2,140)	285,471	(10)	18,860	18,860	850	5
Public St & Hwy Lighting	21,723	21,723	21,667	57	260,000	0	21,302	21,302	422	2
Other Electric Sales	400	400	400	0	4,800	0	400	400	0	0
Total Operating Revenue	3,114,786	3,114,786	3,266,252	(151,466)	46,215,912	(5)	2,884,428	2,884,428	230,358	8
Other Operating Revenue										
Interest/Dividend Income	9,433	9,433	4,167	5,266	50,000	126	(18,019)	(18,019)	27,451	152 (1)
Customer Penalties	21,874	21,874	20,833	1,040	250,000	5	0	0	21,874	0
LFG Project	0	0	0	0	0	0	92,393	92,393	(92,393)	(100) (2)
Connection Fees	6,275	6,275	18,333	(12,058)	220,000	(66)	12,450	12,450	(6,175)	(50)
Misc Revenue	67,312	67,312	76,353	(9,041)	936,231	(12)	56,016	56,016	11,296	20
Total Other Revenue	104,893	104,893	119,686	(14,793)	1,456,231	(12)	142,840	142,840	(37,947)	(27)
Total Revenue	3,219,679	3,219,679	3,385,938	(166,259)	47,672,143	(5)	3,027,268	3,027,268	192,411	6
Expenses										
Purchased Power	2,215,450	2,215,450	2,385,184	(169,735)	32,766,025	(7)	2,358,373	2,358,373	(142,924)	(6)
Operating & Mtce Expense	43,734	43,734	36,417	7,317	321,000	20	25,388	25,388	18,345	72
Landfill Gas	0	0	0	0	0	0	57,284	57,284	(57,284)	(100) (3)
Transmission Expense	5,118	5,118	5,833	(716)	70,000	(12)	8,252	8,252	(3,134)	(38)
Distribution Expense	32,438	32,438	30,588	1,851	369,466	6	31,641	31,641	798	3
Maintenance Expense	139,313	139,313	159,625	(20,312)	1,540,500	(13)	118,108	118,108	21,205	18
Depreciation & Amortization	265,028	265,028	265,029	(1)	3,220,836	(0)	249,709	249,709	15,319	6
Interest Expense	69,425	69,425	69,425	0	810,832	0	74,014	74,014	(4,590)	(6)
Other Operating Expense	4,569	4,569	1,481	3,089	74,109	209	1,705	1,705	2,865	168
Customer Accounts Expense	31,915	31,915	33,458	(1,543)	401,500	(5)	27,778	27,778	4,137	15
Administrative Expense	485,751	485,751	486,078	(327)	4,128,585	(0)	416,395	416,395	69,356	17 (4)
General Expense	40,134	40,134	48,551	(8,417)	582,609	(17)	30,819	30,819	9,315	30
Total Expenses(before Operating Transfers)	3,332,874	3,332,874	3,521,667	(188,793)	44,285,462	(5)	3,399,466	3,399,466	(66,591)	(2)
Operating Transfer										
Operating Transfer/Other Funds	125,228	125,228	119,004	6,224	1,681,653	5	110,849	110,849	14,378	13
Utilities & Labor Donated	20,413	20,413	20,000	413	240,000	2	18,819	18,819	1,594	8
Total Operating Transfer	145,640	145,640	139,004	6,636	1,921,653	5	129,668	129,668	15,972	12
Net Income Profit(Loss)	(258,836)	(258,836)	(274,734)	15,898	1,465,028	6	(501,866)	(501,866)	243,030	48

Item Variance of +/- \$25,000 and +/- 15%

- (1) PY variance is due to the change in Fair Market Value of Investments.
- (2) PY variance is due to the LFG Project coming to an end in 2022.
- (3) PY variance is due to the LFG Project coming to an end in 2022.
- (4) PY variance is due to Employer paid Medical Insurance (2023 increased ER HSA contribution and premium) and Holiday Pay (2 days in 2023 v 1 day in 2022)

HANDOUT AT MEETING - FINANCIALS

ELK RIVER MUNICIPAL UTILITIES ELK RIVER, MINNESOTA STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR PERIOD ENDING JANUARY 2023

	2023 JANUARY	2023 YTD	2023 YTD BUDGET	YTD Budget Variance	2023 ANNUAL BUDGET	2023 YTD Bud Var%	2022 JANUARY	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual Var%
Water Revenue										
Operating Revenue										
Water Sales	134,366	134,366	112,008	22,358	2,503,414	20	128,999	128,999	5,367	4 (1)
Total Operating Revenue	134,366	134,366	112,008	22,358	2,503,414	20	128,999	128,999	5,367	4
Other Operating Revenue										
Interest/Dividend Income	3,326	3,326	3,042	285	36,500	9	(3,793)	(3,793)	7,119	188
Customer Penalties	1,748	1,748	2,333	(585)	28,000	(25)	0	0	1,748	0
Connection Fees	11,766	11,766	43,167	(31,401)	518,000	(73)	27,320	27,320	(15,554)	(57) (2)
Misc Revenue	975	975	1,171	(196)	376,034	(17)	24,460	24,460	(23,485)	(96) (3)
Total Other Revenue	17,816	17,816	49,713	(31,897)	958,534	(64)	47,988	47,988	(30,172)	(63)
Total Revenue	152,181	152,181	161,720	(9,539)	3,461,948	(6)	176,987	176,987	(24,805)	(14)
Expenses										
Production Expense	10,599	10,599	7,500	3,099	90,000	41	8,003	8,003	2,596	32
Pumping Expense	47,297	47,297	50,250	(2,953)	603,000	(6)	40,507	40,507	6,791	17
Distribution Expense	45,157	45,157	44,409	748	337,650	2	12,367	12,367	32,790	265 (4)
Depreciation & Amortization	97,368	97,368	97,398	(30)	1,202,937	(0)	92,498	92,498	4,870	5
Interest Expense	3,112	3,112	3,112	(0)	36,349	0	4,484	4,484	(1,371)	(31)
Other Operating Expense	255	255	251	4	2,470	2	187	187	68	36
Customer Accounts Expense	7,336	7,336	7,031	305	84,370	4	6,021	6,021	1,315	22
Administrative Expense	106,850	106,850	127,380	(20,530)	1,032,655	(16)	96,559	96,559	10,291	11 (5)
General Expense	506	506	1,554	(1,048)	18,650	(67)	501	501	5	1
Total Expenses(before Operating Transfers)	318,480	318,480	338,886	(20,406)	3,408,081	(6)	261,127	261,127	57,353	22
Operating Transfer										
Utilities & Labor Donated	0	0	125	(125)	1,500	(100)	0	0	0	0
Total Operating Transfer	0	0	125	(125)	1,500	(100)	0	0	0	0
Net Income Profit(Loss)	(166,299)	(166,299)	(177,291)	10,992	52,367	6	(84,140)	(84,140)	(82,159)	(98)

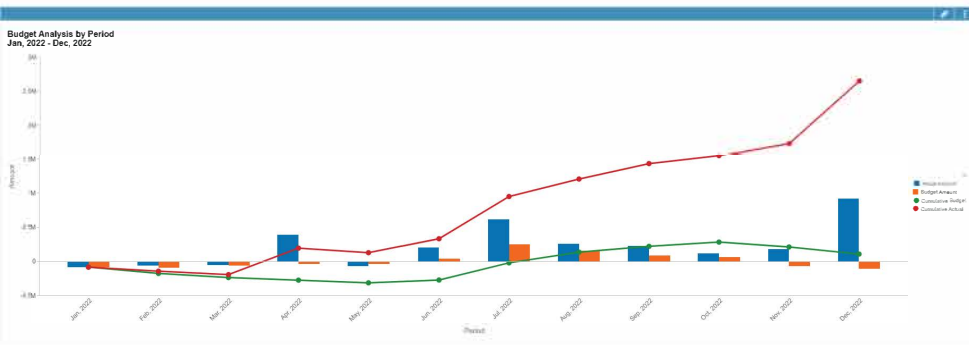
Item Variance of +/- \$15,000 and +/- 15%

- (1) Budget variance is due to Residential sales spread amount being too low.
- (2) Budget variance is due to a even budget spread. PY variance is due to more Connection Fees in 2022.
- (3) PY variance is due Water Tower lease revenue being recognized annually in 2023 v monthly in 2022 (GASB 87)
- (4) PY variance is due to a 2023 water main repair and timing issue for water permit.
- (5) Budget variance is due to ER paid Medical/Dental January budget spread amount being too high.

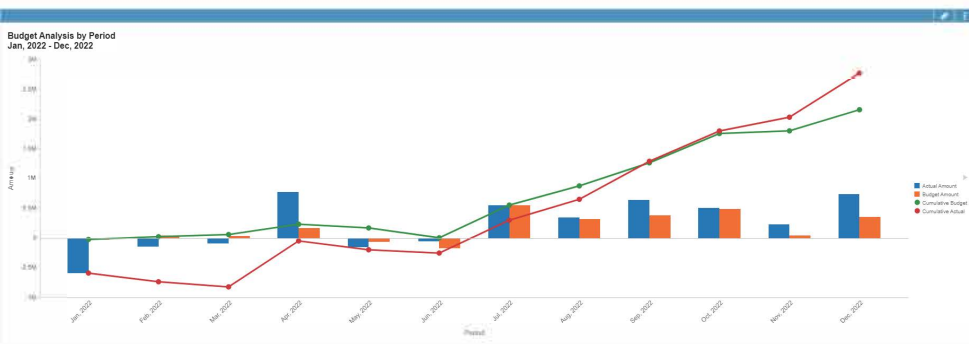
HANDOUT AT MEETING - FINANCIALS - ELECTRIC



HANDOUT AT MEETING - FINANCIALS - WATER



HANDOUT AT MEETING - FINANCIALS - COMBINED



TO: ERMU Commission	FROM: Mike Tietz –Technical Services Superintendent
MEETING DATE: March 14, 2023	AGENDA ITEM NUMBER: 5.2
SUBJECT: Advanced Metering Infrastructure System Master Agreement – Core & Main	
ACTION REQUESTED: Approve AMI System Master Agreement between Elk River Municipal Utilities and Core & Main, LP, subject to commission attorney approval per Commission Policy G.4i4.	

BACKGROUND:

With our current Automated Meter Reading (AMR) system coming to its end-of-life cycle, ERMU requested proposals for an Advanced Metering Infrastructure (AMI) system. After a thorough review of proposals, Core & Main, LP, a distributor for Sensus’s FlexNet AMI system was selected. In August of 2022, ERMU sent Core & Main, LP, a letter of intent stating our desire to enter into negotiations to provide an AMI system including hardware and software.

DISCUSSION:

Core & Main, LP, the distributor for the new AMI system, and ERMU are in the final stages of negotiating a master services agreement which addresses concerns pertaining to terms and conditions, system performance, testing, commitments, liabilities, and warranties to the satisfaction of both parties.

ERMU staff has reviewed this document in detail with legal counsel and believes it is ready to be presented to the Commission for their review and approval pending final legal review.

FINANCIAL IMPACT:

ERMU staff is requesting commission approval to proceed with the signing of this contract subject to commission attorney approval so that we may purchase the hardware, software, and licensing necessary to allow us to proceed with the implementation of the AMI project. This is a multi-year budgeted project that has been estimated to cost around \$6 million over the next 2 years.

ATTACHMENT:

- AMI System Master Agreement



AMI System Master Agreement

For entire AMI System

Between

Elk River Municipal Utilities
And AMI System Supplier

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Attachment I: FlexNet Hardware Maintenance Job Aid

Attachment II: AMI Requirements

Attachment III: Pricing

Attachment IV: Proposed Project Plan

Attachment V: Statement of Work and System Acceptance Test (ISAT and FSAT)

Attachment VI: Propagation Study

Attachment VII: Sample Reports (Purposely omitted ~~form~~from MSA)

Attachment VIII: Maintenance and Support Agreements

Attachment IX: Software License Agreement

Attachment X: Warranties

Appendix A: Supplier's Oral~~s~~ Presentation

AMI System Master Agreement

This AMI System Master Agreement (“Agreement”) is effective December 31st, 2022 (“Effective Date”) by and between Elk River Municipal Utilities, a Minnesota municipal corporation, (“ERMU”) whose principal office is located at -13069 Orono Parkway Elk River, MN 55330, and Core & Main LP, whose principal office is located at 1830 Craig Park Court, St. Louis, MO 63146 (“Supplier”) (individually referred to as “Party” or collectively as “Parties”).

1. Recitals

1.1. ERMU is a municipal corporation that serves about 13,600 electric and about 5,500 water accounts within a service territory covering approximately 50 square miles.

1.2. Supplier is a Florida limited partnership engaged in the sale, installation, and support of the SENSUS FlexNet[®] Advanced Metering Infrastructure (hereinafter referred to as “AMI System”); and

1.3. ERMU desires to purchase from Supplier, and Supplier desires to provide to ERMU, the AMI System and associated maintenance services for the AMI System according to this Agreement.

For and in consideration of the foregoing recitals and the mutual promises, terms, conditions, and warranties set forth herein, ERMU and Supplier hereby agree as follows:

2. Definitions

The following terms, when capitalized in this Agreement, shall mean as follows:

“Agreement” means this AMI System Master Agreement by and between ERMU and Supplier, including all documents and exhibits attached hereto and incorporated herein by reference.

“Active Meters” means an installed Sensus FlexNet meter (with a SmartPoint Module installed) or a Sensus SmartPoint Module which has been installed on a third party meter, and which, in either case, is not an Unavailable Meter (or on an Unavailable Meter in the case of SmartPoint Modules on third party meters) and which satisfies all of the following criteria: (i) it functions properly, is powered and is not a damaged or failed meter; (ii) it is in a deployment area of meters for Customer such that a sufficient number of two-way meters are in range of each other; (iii) it is serviced by RF Field Equipment that has not been subjected to a power failure greater than eight (8) total hours; (iv) neither it nor the RF Field Equipment that serves that meter has been affected by a Force Majeure event; (v) jamming of the radio spectrum is not preventing or interfering with radio communication to or from the meter; (vi) it is installed in the Service Territory; (vii) it has not been reported to Customer under Sensus' or Customer's preventative maintenance; (viii) its functioning or performance has not been adversely affected by a failure of Customer to perform its obligations or tasks for which it is responsible under this Agreement, including, but not limited to, testing and confirming that the socket to which the meter will be/is connected is in safe operating condition, is fully functional, is not corroded, does not contain improperly installed jaws or other deficiencies, complies with ANSI standards, and is not hot, damaged, or otherwise in need of maintenance or repair; (ix) its functioning or performance has not been adversely affected by a failure or insufficiency of the back haul telecommunications network of Customer for communications among the components of the Sensus FlexNet System;

and (x) it has been installed in compliance with the procedures and specifications approved by Customer and Sensus.

“**AMI**” means advanced metering infrastructure.

“**AMI System**” means Supplier’s Equipment, Firmware, Software, and field tools as may be necessary to complete this Agreement, to include (but not limited to) Collectors, Endpoints, Meters, Network Equipment, Routers, and Take-Out Points, as herein defined, whether or not fully detailed on drawings (if any) or listed in detail in this Agreement.

“**AMI System Warranty Period**” means the duration of the manufacturer’s warranty as defined in the manufacturer’s warranties attached hereto in Attachment X.

“**Base Station**” or “**Collector**” means a two-way radio communications device that transmits data between the Meters, Routers, Endpoints and the central data center located at ERMU’s data center.

“**Confidential Information**” means all information, data, materials, products, programs, software, designs, drawings, specifications, manuals, financial information, technical information, correspondence, customer information (including names, addresses, email addresses, telephone numbers, and personal financial information), and other information reasonably known to not be available to the general public that is disclosed orally, electronically, or in any other intangible form by one Party to the other whether or not such information is marked “Confidential” or “Proprietary.”

“**Coverage Commitment**” means communicating with ninety-nine percent (99%) of the installed base of Active Meters shown in the Certified Propagation Study performed by Sensus via on-request read within a three-day reading cycle (“Meter Read Rate”). Three-day reading cycle is the seventy-two (72) hour period commencing the day of the relevant reading day for such Available Meter and ending three days after such reading day.

“**Coverage Commitment Term**” means when full deployment of the base stations and meters shown in the Certified Propagation Study are installed and have established communication with the AMI System if and only to the extent ERMU maintains the system in accordance with manufacturer recommendations set forth in the FlexNet Hardware Maintenance Job Aid attached hereto as Attachment I, for the time period specified in the manufacturer’s warranty attached hereto as Attachment X. Full deployment not to exceed past fourth quarter 2025.

“**Delivery Date(s)**” means (i) for Equipment, the date on which such Equipment is delivered in accordance with the provisions for transportation and risk of loss in this Agreement; and (ii) for Software, the earlier of the date on which ERMU downloads the Software, or thirty days after the Supplier makes the Software available to ERMU for electronic download.

“**Endpoint**” means a sensory-type device, including, but not limited to, Meter, distribution automation (DA) device, and load control switch that is equipped with a Module.

“**Equipment**” means Network Equipment, Endpoints, Meters, Modules, Router, and any other hardware that ERMU purchases from Supplier.

“**Equipment Warranty Period**” means the duration of the manufacturer’s warranty as defined in the manufacturer’s warranties attached hereto in Attachment X.

“**Final System Acceptance**” means that ERMU has at the completion of Phase II Full ~~Deployment~~ Delivery, accepted the Work provided by Supplier after Supplier and ERMU, in cooperation with the manufacturer, ~~has~~ ve performed a FSAT with results satisfactory to ERMU as measured against the System Acceptance Test criteria set forth in Attachment V ~~and satisfying Specifications in Attachment I~~.

“**FSAT**” means Final System Acceptance test ~~in~~ after Phase II.

“**Firmware**” means software embedded in and provided with the Equipment.

“**Initial System Acceptance**” means the ERMU has, within six (6) months after completing the Phase I Initial Deployment, accepted the Work provided by Supplier after ERMU and Supplier have jointly performed an ISAT, with cooperation of the manufacturer, defined below, with results satisfactory to ERMU as measured against the System Acceptance Test criteria set forth in ~~Appendix VII Attachment V and satisfying Specifications in Attachment I~~.

“**ISAT**” means Initial System Acceptance test ~~in~~ after Phase I.

~~“**Life Expectancy**” means a term of fifteen (15) years beginning on the date of Final System Acceptance.~~

“**Meter**” means a device that measures the supply of electricity and water provided by ERMU.

“**Module**” means a device used to connect to the AMI System provided by Supplier.

“**Network Equipment**” means the Collectors, Routers, fiber optic interface points, and radios for radio frequency (RF) that are, or will be, under this Agreement physically deployed for ERMU. The term does not include the AMI System backhaul, the network operations center, or Meters.

“**Non-Associating Meter**” means an installed Meter and Module that have not established communication with the AMI System within twenty-four (24) hours of the installation time during Phase I and II ~~or~~ has lost communication with the AMI System for a period of twenty-four (24) or more hours.

“**Project Manager**” means the individual designated by each Party as the representative acting on the Party’s on behalf on matters relating to the planning and execution of the Work under this Agreement.

“Router” means Supplier-furnished Network Equipment that provides intermediate communication and data processing between Endpoints and Collectors. Routers may also communicate with other Routers.

“Services” means project management services, training, project delivery services, commissioning services, and any other services described in Attachment V Statement of Work and Attachment III Agreement Price.

“Sites” means all property where the Work is performed.

“Specifications” means any requirements for any product contained in this Agreement and the appendices.

“Software” means computer applications and programs in any form that ERMU licenses from Supplier or a third-party vendor to implement and use the AMI System as contemplated by this Agreement.

“Subcontractor” means a person, persons, partnership, association, company, or corporation engaged by Supplier to furnish any portion of the Work to Supplier.

“Supplier” means Core & Main LP.

“Work” means the performance of the Supplier’s requirements under this Agreement, including, but not limited to, furnishing labor, Equipment, Services, Software, documentation, transportation, and other tasks as may be necessary to meet the Supplier’s obligations under this Agreement.

3. Rules of Construction.

The defined terms in this Agreement shall have the meanings set forth herein whenever the terms appear in this Agreement, whether in the singular or the plural or in the present or past tense. Words not otherwise defined herein that have well known and generally accepted technical or trade meanings are used herein in accordance with such recognized meanings. In addition, the following rules of interpretation shall apply:

1. The masculine shall include the feminine and neuter.
2. The singular includes the plural and vice versa.
3. The word “or” is not exclusive, unless a clear contrary intention exists.

The section and subsection names in this Agreement are only provided for convenience. In no way do the section and subsection names restrict the applicability of the requirements to the topic area given in the section or subsection name. For example, it is possible requirements under a section labeled “hardware” could actually include software requirements unrelated to the section or subsection title. Furthermore, it is possible that requirements listed under a particular section or subsection name are not all the requirements for that topic within this Agreement, as requirements on that topic may be listed in other sections, subsections, or appendices.

This Agreement has been negotiated and prepared by ERMU and Supplier and the Parties' respective attorneys and, should any provision of this Agreement require judicial interpretation, the court interpreting or construing such provision shall not construe the Agreement more strictly against either Party.

Unless otherwise expressly provided, use of the words "include" or "including" or similar words shall be interpreted as "including but not limited to" or "including, without limitation, regardless of whether "without limitation" or a similar phrase is included in the applicable provision.

4. Scope of this Agreement

Supplier shall deliver an AMI System to ERMU according to the terms of this Agreement. This Agreement between ERMU and Supplier is comprised of (i) this Agreement, (ii) the appendices listed in the table of contents of this Agreement, which are incorporated herein by reference, (iii) any amendments agreed to by the Parties subsequent to the Effective Date of this Agreement, and (iv) all instruments and documents issued or delivered pursuant to this Agreement, including Supplier's proposal submitted in response to ERMU's RFP any and all purchase orders, purchase order acceptance, purchase order acknowledgements, change orders, invoices, and other instruments, which are incorporated herein by reference irrespective of whether any such document expressly references this Agreement. In the event of a conflict between the terms of any appendix, purchase orders, purchase order acceptance, purchase order acknowledgements, change orders, invoices, or other instruments and the terms of this Agreement, the terms of Supplier's proposal followed by amendments to this agreement, this Agreement, Supplier's proposal, the appendices to this agreement, and any other instruments and documents issued or delivered pursuant to this Agreement shall control. In the event of a conflict between the terms of an amendment, ~~and~~ the terms of this Agreement, and the terms of Supplier's proposal, the terms of the ~~amendment later enacted document~~ shall control.

~~This Agreement incorporates, herein by reference, the terms and conditions of the following documents. If there is a conflict among the documents, their terms and conditions shall prevail in the following order:~~

- ~~• Change Orders~~
- ~~• AMI Master Services Agreement~~
- ~~• Attachments in the order represented in this Master Services Agreement~~

Any terms and conditions contained in a purchase order, purchase order acceptance, purchase order acknowledgement, change order, invoice, or other instrument now or hereafter delivered by a Party pursuant to this Agreement other than quantities, service description, and other required details and shipping instructions, will not apply, and each Party hereby waives and rejects all such terms and conditions. Amendments addressing terms and conditions may only be made in accordance with this Section 4 and Section 10.

In the event of an ambiguity in the Specifications, drawings, or other requirements of this Agreement, Supplier must, before proceeding, consult ERMU, whose written interpretation shall be final.

5. Term

This Agreement is effective beginning on the Effective Date, which date shall not be earlier than the date Supplier receives or delivers the Equipment required for Phase I hereunder, and shall continue until Supplier's completion of delivery of materials for Phase II.

This Agreement does not create a multiple fiscal year direct or indirect debt or other financial obligation. All financial obligations of ERMU under this Agreement are contingent upon appropriation, budgeting, and availability of specific funds to discharge such obligations.

6. Agreement Price

ERMU shall compensate Supplier for Work performed pursuant to this Agreement according to the price information set forth in Attachment III –Pricing and the following milestone schedule. The “Milestone Description” stated in the Milestone Payment Schedule is provided as a summary only; this Agreement and the appendices provide the detailed scope of the Work, deliverables, and requirements.

Table 1: Milestone Payment Schedule

Milestone	Description	Payment
Phase I	Initial Deployment Area	95% of each monthly invoice for items related to Phase I deployment area 5% Retainage
ISAT	Successful completion of the ISAT for the Phase I, Initial Deployment Area	95% of each monthly invoice for items related to Phase I Network Equipment deployment area: 5% Retainage Payment of Retainage after passing ISAT <u>withheld during Phase I</u>
Phase II	Full Deployment <u>Delivery</u>	95% of each monthly invoice for items <u>delivered</u> related to Phase II Network Equipment deployment area: 5% Retainage
FSAT	Successful completion of the FSAT for all AMI System components installed-delivered during Phase II	Payment of retainage withheld during Phase II

All Equipment prices shall be fixed until December 31, 2025, or until all products required for the project are delivered, whichever first occurs, and only for the quantities of materials specified herein. The foregoing price lock is contingent upon ERMU ordering all materials required for the project upon contract execution. Thereafter prices will be subject to increase based on prices then prevailing.

7. Invoice and Payment

Invoices

Supplier will issue invoices to ERMU in accordance with Section 6. Invoices shall be emailed electronically to invoice@ermumn.com with a copy to mtietz@ermumn.com. ERMU will review, approve, and pay each undisputed invoice within thirty (30) days of receiving such invoice and other documents as requested by ERMU to support the contents of the invoice.

In the event ERMU disputes or contests all or part of any invoice, ERMU reserves the right to request a replacement invoice stating only the undisputed amount, pay any undisputed amount, and withhold payment of any disputed amount. Such replacement invoice and the payment thereof shall not constitute a waiver of any claims or defenses by either Party.

No payment shall be due to Supplier while Supplier is in default of any material provision in this Agreement. ERMU may withhold from Supplier the amount of (i) any defective workmanship, materials, and Equipment, or (ii) any claim by a third party against either Supplier or ERMU arising from the scope of this Agreement.

Retainage

ERMU shall withhold retainage during Phases I and II of five percent (5%) of the total value of the Work in each invoice. ERMU shall pay Supplier the withheld percentage for Phase I upon the ~~Supplier's~~ successful completion of the ISAT and the withheld percentage for Phase II upon the ~~Supplier's~~ successful completion of the FSAT as defined in Table 1 of Section 6.

Taxes

Supplier shall pay any tax, fee, or charge imposed by any governmental authority with respect to the transactions under this Agreement and include such tax, fee, or charge for payment on the applicable invoices submitted to ERMU.

8. Equipment Forecasts

Within thirty (30) days after the Effective Date of this Agreement, ERMU shall provide Supplier a written forecast of total anticipated Supplier Equipment needs by month for the AMI System deployment; ERMU shall revise and resubmit such forecast as necessary throughout deployment. Failure to provide an accurate forecast, within reason, may negate the stated Supplier Equipment lead times and may adversely impact delivery of the Equipment to ERMU.

9. Purchase Orders

Purchase Orders

ERMU shall authorize Equipment purchases by issuing written purchase orders to Supplier by electronic mail. The Supplier shall be deemed to have accepted a purchase order if the Supplier delivers the Equipment that the ERMU ordered.

Order Lead Times

ERMU's desired shipment dates shall take into account Supplier's current lead times at the time of the purchase order. Lead times will be provided to ERMU by a Supplier representative and are defined as the cycle time from acknowledgement of the purchase order to fulfillment of the purchase order.

Cancelling or Modifying a Purchase Order

ERMU may, without penalty, cancel or reduce a purchase order by written notice to Supplier no later than sixty (60) days prior to scheduled delivery of the Equipment ordered on the purchase order. If ERMU cancels or materially modifies a purchase order within sixty (60) days prior to delivery, such purchase order may be subject to reasonable cancellation charges.

Notwithstanding the foregoing, cancellation charges do not apply to purchase order items regarding Software or Services.

Transportation and Risk of Loss

Supplier shall be responsible for the proper packaging of Equipment provided hereunder and shall exercise reasonable precautions to protect all shipments against damage in transit. The method of transportation and routing shall be at the option of Supplier for delivery to the destination designated by ERMU. Shipping will be F.O.B. destination, freight prepaid by Supplier. Supplier shall be responsible for correcting and collecting for any damage or loss while the Equipment is in transit and prior to receipt of the Equipment.

All material and workmanship shall be subject to inspection and testing at reasonable times and places by ERMU before, during, and after performance and delivery. If any loss of or damage to the Work or the AMI System or component thereof occurs prior to delivery to ERMU, ERMU may require that Supplier promptly make all repairs or replacements at no cost to ERMU as necessary to place the Work and AMI System in the condition required by this Agreement.

ERMU's failure to inspect or test does not relieve Supplier of any responsibility to perform according to the terms of this Agreement. Acceptance of the AMI System and Work by ERMU shall not constitute acceptance as to latent or hidden defects not subject to discovery upon reasonable inspection or testing.

Supplier shall notify ERMU in writing when any Equipment is ready for shipment. In addition to the preceding, a complete packing list, tracking information and test record data file will be provided with each shipment.

After delivery and inspection at destination, ERMU will be responsible for any loss, theft, physical damage, or abuse that affects the operation of the AMI System and occurs while AMI System is in the control of ERMU.

10. Amendments and Change Orders

Changes to the terms and conditions of this Agreement can only be made by a written amendment signed by duly authorized representatives of both Parties.

Changes to the scope of the Work, Agreement price, and schedule can only be made by a written change order signed by duly authorized representatives of both Parties. No other verbal or written communication or action or failure to act on the part of either Party can substitute for a written amendment or change order.

Change Order Procedure. Either Party may request a change in the scope of the Work, Agreement price, or schedule by providing a written change order request to the other Party in advance. When a written change order is received, the receiving Party shall respond to the request within ten (10) business days either accepting or denying the requested change. If no response is made within the required time, the change order request will be deemed denied. If the terms of a change order are agreed to, the requesting Party shall provide an executed copy to the other Party for signature. The Party accepting the request shall sign and return the signed change order to the requesting Party.

When invoicing for change order items, Supplier shall reference the change order and separately identify the items subject to the change order.

11. Deployment Plan

The deployment shall occur in two phases. Phase I and Phase II are defined in Attachment V – Statement of Work and shall be conducted according to Attachment ~~VI-IV~~ - ~~Deployment~~ Proposed Project Plan and ~~the~~ Schedule that will be developed and agreed to by the Parties prior to beginning the Work. Phase I shall include but not be limited to:

- Project design meeting; receipt of standard AMI System documentation and training manuals covering the scope of this Agreement; review and approval of ERMU's coverage area and design drawings for the initial deployment area.
- Configuration of AMI System server and hardware components and delivery of configured software and hardware to ERMU; training on use of the Software for the AMI System.
- Delivery of Phase I base stations, collectors, repeaters, load management end devices, gateways, Meters, and Modules as determined prior to Agreement signing.
- Completion of onsite support and training covering Equipment installation, Meter or Module, inspection of the Work and training installation, AMI System training including support on report generation.
- ~~Successful completion of the ISAT and Initial System Acceptance.~~

- Phase I shall end on the date of Initial System Acceptance Supplier completes its obligations to deliver and install the AMI Infrastructure and deliver meters and equipment.

Phase II shall include:

- Phase II shall commence upon the completion of ~~Phase I~~ the ISAT and Initial System Acceptance and shall include ~~deployment~~ delivery of meters and equipment to be installed by others within the remaining service territory of ERMU not covered in Phase I. Phase II may commence prior to completion of the ISAT and Initial System Acceptance upon written agreement of both parties.
- Phase II shall end on the date Supplier completes its obligations to deliver the quantity of meters and equipment specified herein.

12. Coverage Commitment

Supplier shall satisfy the Coverage Commitment for the duration of the Coverage Commitment Term only if and to the extent ERMU maintains the AMI System in a manner consistent with manufacturer recommendations. In the event the Coverage Commitment is not met, the costs of additional base station(s) will be the responsibility of Supplier.

ERMU shall calculate the Meter Read Rate monthly and summarize the information according to categories agreed upon by both ERMU and Supplier. ERMU shall make the summary information available to Supplier.

Within fifteen (15) days, ERMU will investigate any monthly Meter Read Rates that is not achieved and report ERMU's findings to Supplier in writing according to Supplier's instructions. Within fifteen (15) days of ERMU's reported findings, both ERMU and Supplier will collaborate to determine an acceptable strategy to resolve the problem. Once a strategy is identified, Supplier and ERMU commit to resolve the source of the failure in a timely manner.

13. Meter or Module Replacement for Non-Associating Meters

ERMU shall conduct tests as new meters are being deployed to assure they are working/communicating after installation at ERMU's customer Sites.

If ERMU finds a Non-Associating Meter, ERMU will dispatch personnel to visit the Meter. Supplier shall provide training, support, and documentation to ERMU to allow ERMU to investigate Non-Associating Meter. If the Meter or Module is found to be defective, the Meter or Module will be replaced by Supplier under the terms of the manufacturer's warranty. The defective Meter's or Module's serial number will be reported to Supplier, and the Meter or Module returned to Supplier for replacement under the manufacturer's warranty.

Supplier will examine the Non-Associating Meter and report the cause ("defect") of Meter or Module failure to ERMU once the cause has been identified. If the diagnosis leads Supplier or ERMU to suspect other Meters or Modules may have the same defect, Supplier will identify the appropriate serial numbers. Supplier will then dispatch technicians to ERMU offices to identify

and ~~replace~~ provide replacements for defective Meters or Modules and ship them to the appropriate location for repair or further inspection at no cost to ERMU pursuant to the Sensus Return Material Authorization process. Supplier shall remedy the defect under the terms of the manufacturer's warranty.

For all Non-Associating Meters discovered during Phase I and Phase II ~~Deployment~~ and any warranty period, Supplier shall provide ERMU with replacement Meters or Modules as needed under the terms of the manufacturer's warranty.

14. ~~Major-Catastrophic~~ Meter or Module Failure

If during the AMI System Warranty Period a ~~major-catastrophic~~ failure of the Meters or Modules provided by the Supplier occurs ~~(with "major failure" being defined as failure to perform according to the Specifications of over two percent (2%) of the installed Meter or Module within any rolling twelve (12) month period)~~, correction will be pursued as set forth in the ~~manufacturer's warranty~~ Catastrophic Electric Meter Warranty or Catastrophic Water Meter Warranty attached hereto in Attachment X.

Meter and Module failures will be tracked by ERMU and reported to Supplier on a mutually agreed schedule.

15. Meter Disconnection or Reconnection Failure

A Meter disconnection or reconnection failure is defined as any time the AMI System either a) properly performs a disconnect command but cannot properly perform a reconnect command or b) improperly initiates a remote disconnect to a single Endpoint or to multiple Endpoints and remains unable to automatically reconnect power.

In case of such event, ERMU will inform Supplier, at which point correction will be pursued pursuant to the manufacturer's warranty.

16. Tests and Inspections

The Equipment furnished pursuant to the Specifications in the appendices to this Agreement shall be in compliance with all of the standard commercial inspections and tests normally performed by Supplier and its Subcontractors or other suppliers. Supplier shall furnish ERMU with such certified information and test certificates as are normally made available to customers of Supplier's manufacturing divisions and subsidiaries and other manufacturers of Equipment specified within. ERMU or its agent has the right to witness all factory and site tests and inspections. ERMU shall not be required to accept any Equipment until the Equipment has undergone and successfully met such tests and inspections.

ISAT. The Supplier and ERMU, in cooperation with the manufacturer, will complete an ISAT to validate the completion of Phase I Initial Deployment of the AMI System by Supplier, in accordance with the Specifications identified in the appendices to this Agreement, including Supplier's proposal and the Functional Testing and System Acceptance Testing Criteria set forth in the attached Attachment V. ISAT shall be completed within six (6) months of the completion

of Phase I unless the ISAT needs to be extended due to Supplier side delays or a Force Majeure Event.

If all testing meets the pass criteria as set forth in Attachment V, the ISAT will be considered successful, and deployment of the AMI System will proceed to Phase II.

Initial System Acceptance shall occur on the date ERMU indicates in writing its acceptance of satisfactory completion of the ISAT, which acceptance shall be provided within ~~ten (10)~~ five (5) days of the successful completion of the ISAT.

In the event testing criteria cannot be met or a defined functionality requirement cannot be remedied as part of the testing, the Supplier shall notify ERMU in writing as soon as is practicable and suggest alternate remedies without further costs to ERMU.

~~ERMU reserves the right to accept or reject any and all remedies proposed by the Supplier for any reason and treat the failure to meet the testing criteria as a breach of this Agreement.~~

~~FSAT. Supplier and ERMU, in cooperation with the manufacturer,~~ will complete a FSAT ~~to validate after~~ the completion of Phase II Full Deployment-Delivery of AMI System by Supplier, in accordance with the Specifications identified in the appendices to this Agreement, including Supplier Proposal and the Functional Testing and System Acceptance Testing Criteria set forth in the attached Attachment V. The FSAT shall be performed at the completion of Phase II Full Deployment-Delivery or thirty-six (36) months from the start of Phase II Full Deployment-Delivery, whichever is shorter unless the FSAT needs to be extended due to Supplier side delays or a Force Majeure Event.

Final System Acceptance shall occur on the date ERMU indicates in writing its acceptance of satisfactory completion of the FSAT, which acceptance shall be provided within ~~ten (10)~~ five (5) days of the successful completion of the FSAT.

In the event testing criteria cannot be met or a defined functionality requirement cannot be remedied as part of the testing, the Supplier shall notify ERMU in writing as soon as is practicable and suggest alternate remedies to resolve the problem without further costs to ERMU. ~~ERMU reserves the right to accept or reject any and all remedies proposed by the Supplier for any reason and treat the failure to meet the testing criteria as a breach of this Agreement.~~

The parties acknowledge and agree that the foregoing ISAT and FSAT are a preliminary, high-level test plan and subject to refinement. ISAT and FSAT testing will only apply to Available Meters as defined in Attachment V. Unavailable meters will not be utilized or included in the test population for ISAT and FSAT performance.

For all failed tests, Supplier and ERMU will agree:

- 1) To a remediation plan
- 2) Create a mutually agreed upon timeline for completing the remediation
- 3) A date for rerunning any test that failed previously

If ERMU does not issue such notice within five days of completion of the tests, then the ISAT or FSAT is automatically deemed successfully passed. If Supplier does not successfully complete the ISAT or FSAT, then upon receipt of notice, Supplier shall fulfill its obligations, and the AMI System will be retested within a reasonable time.

Notwithstanding the foregoing or anything contained herein to the contrary, in no event will Supplier be liable for any delay in meeting or failure to meet the ISAT, FSAT, or any other performance criteria that in any way relates to the untimely or improper installation of any meters or equipment by ERMU or any other third party or any other work or service performed by ERMU or a third party not under the direction or control of Supplier. The parties agree that installation of meters will be performed by third parties outside the control of Supplier and Supplier will not be responsible for any delays relating to installation of meters.

17. Right to Use AMI System Not Yet Accepted

At any time prior to the ISAT and FSAT, ERMU shall have the right to use the AMI System as installed. Use of the AMI System prior to Final System Acceptance shall not result in any waiver of any of ERMU's rights under this Agreement and shall not be deemed acceptance of the AMI System. This use of the AMI System prior to acceptance is intended to assist Supplier and ERMU in evaluating the AMI System functionality in advance of the ISAT and FSAT and to permit ERMU to continue business operations during deployment.

18. Right to Use Accepted AMI System

ERMU shall have the right to use the AMI System at any time the AMI System is sufficiently functional to allow such use as long as it is in accordance with the manufacturer's recommendations.

19. ~~AMI System Life Expectancy~~Intentionally Omitted

~~Supplier represents and warrants that the Work, AMI System, and Equipment purchased from Supplier shall be supported for the Life Expectancy of the AMI System. Supplier shall make available spare parts for all Equipment ordered under this Agreement and corrections for any software ordered for the Life Expectancy of the AMI System. In the event AMI System support is terminated by Supplier during the term of the Life Expectancy, other than for a Force Majeure Event, Supplier shall compensate ERMU a straight line depreciation pro-rated amount based on the initial cost of this Agreement over a 15-year straight line depreciation schedule.~~

20. Time is of the Essence

Time is of the essence and shall remain a material element of this Agreement, and no acts of ERMU, including modifications to this Agreement or acceptance of late deliveries, shall constitute waiver of this provision. ~~SUPPLIER SHALL BE LIABLE AND SOLELY RESPONSIBLE FOR ANY AND ALL CLAIMS AND DIRECT DAMAGES ERMU MAY INCUR DUE TO SUPPLIER'S FAILURE TO TIMELY PERFORM THE WORK IN THIS AGREEMENT.~~ Supplier shall promptly notify ERMU in writing of any actual or potential delays to the performance of this Agreement; such notice shall include a proposed revision to the

agreed upon schedule but shall not constitute a waiver to ERMU's rights and remedies hereunder. Notwithstanding the foregoing or anything contained herein to the contrary, Supplier will use commercially reasonable efforts to deliver Equipment ordered within the time specified in the Agreement. Supplier reserves the right to extend those delivery times based on manufacturer lead times as impacted events beyond the control of Supplier including but not limited to the current pandemic, global shipping delays, supply chain disruptions, and the microchip shortage. In addition, Supplier will not be liable for liquidated damages or other delays caused by third parties, including but not limited to meter installers, not under the direction or control of Supplier. Availability of materials cannot be guaranteed.

21. Liquidated Damages and Remedies

Liquidated damages may be assessed against Supplier according to the terms of this section.

Performance Delays. ERMU shall have the right to assess liquidated damages for Supplier's delay in performing the Work as follows:

- (a) If the Supplier fails to complete Phase I Initial Deployment ~~and ISAT~~, through no fault of ERMU or its agents or subcontractors and not due to a Force Majeure Event, within twelve (12) months from ~~Agreement execution~~ the date Supplier receives all materials required for Phase I Initial Deployment, the Supplier shall be assessed liquidated damages of three thousand dollars (\$3,000) plus five hundred dollars (\$500) per each calendar day the Supplier is late in completing performance until such time as Phase I Initial Deployment ~~and ISAT~~ is completed or ERMU elects to terminate this Agreement, but not to exceed ~~Forty Eight~~ Twenty-five Thousand Five Hundred Dollars (\$~~48,025,500.00~~).
- (b) If the Supplier fails to complete Phase II Full ~~Deployment and FSAT Delivery~~, through no fault of ERMU and not due to a Force Majeure Event, within ~~twenty-four (24)~~ thirty-six (36) months from Initial System Acceptance, the Supplier shall be assessed liquidated damages of three thousand dollars (\$3,000) plus five hundred dollars (\$500) per each calendar day the Supplier is late in completing performance until such time as Phase II Full ~~Deployment and FSAT Delivery~~ is completed or ERMU elects to terminate this Agreement, not to exceed ~~Forty Eight~~ Twenty-five Thousand Five Hundred Dollars (\$~~48,025,500.00~~).

Process of Applying Liquidated Damages. Any assessment of liquidated damages may be deducted from the next payment(s) due the Seller or Seller shall promptly pay liquidated damages to ERMU in the event liquidated damages exceed the remaining amount otherwise due Seller.

The Parties acknowledge that the amount of liquidated damages is not a penalty, but rather is a reasonable estimate of the actual damages ERMU may sustain as a result of delay or failure to meet the requirements of this Agreement and that such damages are difficult to ascertain.

Notwithstanding the foregoing or anything contained herein to the contrary, Supplier will not be liable for damages or delay, including but not limited to liquidated damages, for delay in completing or failure to complete Phase I or Phase II; ~~for failure achieve ISAT, FSAT, or for any~~

~~delay in achieving ISAT or FSAT~~; when such failure or delay is substantially caused by delays in installation of meters and equipment, or faulty or improper installation of meters and equipment, by ERMU or other third parties not under the direction or control of Supplier. Achieving completion and acceptance of ISAT and FSAT are not subject to liquidated damages.

Supplier shall promptly notify ERMU of any failure to meet the milestones in the schedule set forth in this section~~set forth in Attachment V~~, as may be amended from time to time by the Parties in a written amendment and provide a proposed remediation plan. ERMU will have ten (10) days to consider and respond to Supplier's plan without assessment of liquidated damages. If the parties cannot reach agreement, ERMU shall be entitled to claim liquidated damages upon written notice and at the expiration of the ten (10) day period.

22. Supplier Representations

In order to induce ERMU to enter into this Agreement, Supplier makes the following representations and warranties:

- (a) Supplier has examined and studied this Agreement and the appendices with both the commercial/sales team, Supplier Management, and legal representatives.
- (b) Supplier has fully acquainted itself with ERMU's service territory and Sites where the AMI System will be installed, including the design, availability of materials, existing facilities, general topography, accessibility, soil structure, subsurface conditions, obstructions, and all other conditions pertaining to this Agreement and made all investigations essential to a full understanding of the difficulties which may be encountered in performing the Work, providing the AMI System, and achieving the Coverage Commitment. Supplier assumes full and complete responsibility for meeting the requirements of this Agreement and all risks in connection therewith, within such service territory and at such Sites.
- (c) Supplier is qualified to complete the Work and has or will obtain prior to performing the Work the requisite authority, licensure, capacity, equipment, experience, expertise, and sufficient qualified personnel to perform the Work according to the industry standard of care, in compliance with all applicable laws and regulations, and in accordance with the terms of this Agreement within the timeframe agreed to by the Parties; and
- (d) Supplier is familiar with and is in compliance with all federal, state, and local statutes, laws, rules, and regulations including but not limited to OSHA, NEC, NESC, and any other regulations that may affect cost, progress, and performance of the Work, and assumes the risk that additional cost may be incurred due to any noncompliance of its proposal with any applicable law or regulatory requirement.

23. Warranty

Notwithstanding the acceptance of the AMI System by ERMU or the provision of any certificate with respect to delivery or acceptance of the AMI System, the following warranties shall apply:

Equipment Warranty. During the Equipment Warranty Period, Supplier warrants that the Equipment furnished to ERMU under this Agreement and all components thereof will comply with the Specifications and will be: (1) of new manufacture upon the Delivery Date, (2) free from defects in design, workmanship, and materials, (3) conveyed to ERMU with good title, free and clear of all security interests, liens, encumbrances, or claims of subcontractors and third party suppliers, and (4) fully tested in accordance with the manufacturer's Specifications. This warranty does not cover Equipment in poor operating condition due to: (a) changes made by ERMU to the Equipment without Supplier's prior consent; (b) use with third party software, hardware, or firmware that Supplier has not provided to ERMU under this Agreement or approved in writing for use with Equipment; (c) ERMU's or a third party's misuse, abuse, negligence, or failure to install, test, handle, or operate the Equipment in accordance with express use conditions documented and provided to ERMU; or (d) a Force Majeure Event. Supplier will repair Equipment damaged by any of the foregoing items (a) to (d) above only upon ERMU's payment of costs to repair or replace such damaged Equipment.

AMI System Warranty. For as long as ERMU has purchased support services and for the duration of the AMI System Warranty ~~per section 19, AMI System Life Expectancy~~, Supplier warrants that the AMI System will perform in accordance with manufacturer documentation and Specifications. This AMI System warranty only covers problems reported to Supplier in writing during such AMI System Warranty Period. In the event of a breach of the foregoing AMI System warranty, in addition to Supplier's other obligations under this Agreement, Supplier will, under the terms of the manufacturer's warranty, repair, modify, or adjust the AMI System to make it conform to the foregoing AMI System warranty.

IP Warranty. To the extent set forth in the applicable manufacturer's warranty, Supplier warrants that the sale of, use, or incorporation into manufactured products of all machines, parts, components, services, devices, material, and rights furnished or licensed hereunder which are not of ERMU's design, composition or manufacture shall be free from any patent, copyright, trademark, or other proprietary rights for the payment of any license fee or royalty to others by ERMU.

Manufacturer's Warranty. Notwithstanding anything contained herein to the contrary, the manufacturer's warranty only shall apply to all materials purchased by ERMU hereunder. ERMU acknowledges that Supplier is a distributor of materials only, and therefore offers no additional warranties. SUPPLIER SPECIFICALLY DISCLAIMS ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT, WHETHER ARISING OUT OF WARRANTY, INDEMNITY, TORT, CONTRACT OR OTHERWISE, SHALL SUPPLIER BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY OR CONSEQUENTIAL DAMAGES OF ANY KIND.

Compliance with Laws. The Supplier warrants that the Work, upon delivery and when operated in accordance with the manufacturer's documentation, will comply with and will have been produced, processed, delivered, and sold in conformity with all applicable federal, state, and local laws and administrative regulations and orders.

For any Equipment under warranty that does not comply with the warranties herein, Supplier shall pursue on behalf of ERMU in processing warranty claims with the manufacturer. If Meters are purchased directly from a third party by ERMU, those Meters would be exempt from this provision. The decision whether to repair or replace will be made with the concurrence of ERMU and the repair or replacement will be scheduled consistent with ERMU's operating requirements so as to minimize loss of production or use of the Equipment or of any infrastructure of which the Equipment is a part. Repaired or replaced Equipment must be made from new parts. The manufacturer's original or new warranty will apply to any repaired or replaced Equipment.

24. Licenses

Supplier shall make available to ERMU all necessary licenses (i.e., software and others as may apply) for the AMI System and the Work upon payment by ERMU of necessary licensing fees. These licenses shall set out rights granted by the manufacturer under the applicable license agreement, and will be subject to payment by ERMU of applicable license fees.

25. Independent Contractor

The relationship between ERMU and Supplier shall be that of contracting party to independent contractor. Accordingly, subject to the specific terms of this Agreement, neither Party shall have any general right to prescribe the means by which the other Party shall meet its obligations under this Agreement. This Agreement is not intended to create nor shall it be construed to create any partnership, joint venture, employment or agency relationship between Supplier and ERMU, nor shall either Party have any right, power, or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party. No Party shall be liable for the payment or performance of any debts, obligations, taxes, or liabilities of the other Party, unless expressly assumed in writing herein or otherwise. Each Party retains full control over the employment, direction, compensation and discharge of its employees, and will be solely responsible for all compensation of such employees, including social security, withholding and worker's compensation responsibilities.

26. Subcontractors

With ERMU's prior approval, Supplier may retain qualified consultants and subcontractors to carry out the Work. There shall be no relationship, fiduciary, contractual, or otherwise, between Supplier's consultants, subcontractors, affiliates, employees, agents, and representatives and any employee, director, or agent of ERMU. Supplier shall be fully responsible to ERMU for all acts and omissions of its consultants, subcontractors, affiliates, employees, agents, and representatives just as Supplier is responsible for Supplier's own acts and omissions.

Supplier shall not employ any consultant or subcontractor over ERMU's reasonable objection. Supplier shall discharge and immediately remove from the project any consultant or subcontractor that has or is acting in an unsafe manner or otherwise not complying with the requirements of this Agreement.

All Work performed for Supplier by a consultant or subcontractor will be pursuant to a written agreement between the Supplier and the consultant or subcontractor. Such agreement shall

specifically bind consultant or subcontractor to the terms and conditions of this Agreement, including, without limitation, insurance, indemnification, and warranty provisions for the benefit of ERMU.

27. Insurance

Supplier shall obtain and maintain during the term of this Agreement occurrence-based liability insurance with coverages and limits of liability not less than those shown herein. All such insurance shall be primary with respect to any other insurance or self-insurance programs afforded to or maintained by or for the benefit of ERMU and shall not require the exhaustion of any other coverage.

Supplier shall procure at its expense, and maintain, in full force during the full term of this Agreement, insurance policies, from an insurer, or insurers, licensed to do business in the State of Minnesota where the Work hereunder is to be performed, and each of which insurers shall be satisfactory to ERMU. Supplier will require its subcontractors to maintain insurance at limits acceptable to Supplier. The said policies shall provide insurance of the type and, at a minimum, in the amounts below indicated:

- a) Workers' Compensation Insurance shall be provided covering liability arising out of Supplier's employment of workers and anyone for whom Supplier may be liable for workers' compensation claims. Workers' compensation insurance is required, and no "alternative" forms of insurance shall be permitted.
- b) Employers Liability Insurance with limits of not less than \$1,000,000 per occurrence and \$1,000,000 per disease per each employee.
- c) Commercial General Liability Insurance under an occurrence policy form insuring the indemnity agreements set forth in this Agreement with a combined single limit of not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate, including endorsements for Premises and Operations, Personal Injury Liability, Products and Completed Operations, Blanket Contractual Liability, and Completed Operations Coverage (completion of this Agreement). The policy must provide that aggregates limits apply on a per location basis. General liability limits may be met by a combination of General Liability and Excess or Umbrella Liability.
- d) Business Automobile Liability Insurance covering liability arising out of any auto (owned, hired and non-owned) with a combined single limit of at least \$1,000,000.
- e) ~~Professional Liability (Engineer's Errors and Omissions) Insurance, in the event Supplier is performing design, engineering or other professional services, with limits of at least \$1,000,000 each claim and \$1,000,000 in the aggregate~~Intentionally omitted.
- f) Umbrella Insurance (Excess Liability) with minimum limits of \$5,000,000 per occurrence.

The insurance required hereunder shall be maintained in effect during the entire duration of this Agreement. A copy of each of the endorsements and a certificate or certificates evidencing the

existence thereof shall be delivered to ERMU prior to the commencement of the Work. Replacement certificates of insurance evidencing continuation of such coverage shall be furnished to ERMU prior to the expiration of the current policies. Each copy or certificate shall contain a valid provision or endorsement that the policy may not be canceled without giving thirty (30) days written advance notice thereof to ERMU. ERMU's receipt of or failure to object to any insurance certificates or policies submitted by Supplier does not release or diminish in any manner the liability or obligations of Supplier or its subcontractors or constitute a waiver of any of the insurance requirements under this Agreement. ~~Should Supplier at any time neglect, refuse to provide, or cancel the insurance required herein, ERMU shall have the right to terminate this Agreement or pursue any remedy available at law.~~

28. Indemnification

Supplier shall indemnify, defend and hold harmless ERMU, ERMU's officers, directors, partners, employees, consultants, contractors, and agents from and against and in respect to any and all actual and direct claims, actions, suits, proceedings, demands, assessments, judgments, costs, losses, damages, fines, penalties, fees, and any expense (including but not limited to all reasonable fees and charges of attorneys and all court or arbitration or other dispute resolution costs) arising out of personal injury, death, violation of any federal, state, or local law, rule, or regulation, unauthorized disclosure of Confidential Information, and any damage to tangible or intangible property, excluding the loss of use thereof, hereinafter referred to as "Liabilities" to the extent that such Liabilities were caused by the negligent acts, errors, or omissions of Supplier, its agents, employees, Subcontractors or others for whom it is responsible arising out of, in connection with, or as a result of the performance and furnishings of the Work or other services performed by Supplier for or on behalf of ERMU.

In the event that any Work, the AMI System, or use of any Work or the AMI System is delayed due to any claim, suit, or proceeding relating to patent infringement, Supplier shall make every reasonable effort to quickly remedy the situation, at its own cost, so Work and provision of the AMI System can proceed and be used as desired. This includes but is not limited to obtaining any necessary license arrangements and finding alternatives acceptable to ERMU.

ERMU agrees that it will give prompt written notice to Supplier of any Liabilities asserted against Supplier for which ERMU believes Supplier is responsible for indemnification, in whole or in part. Upon receipt of such written notice, Supplier shall have the right, but not the duty, to provide counsel to defend such Liabilities or to collaborate with counsel for ERMU in such defense.

Supplier agrees that it maintains Insurance ("Insurance") for purposes of insuring against loss as a result of Liabilities caused by Supplier; such insurance coverage is acknowledged to comply with the requirements as designated in this Agreement. Supplier understands and agrees and further warrants and represents to ERMU that, notwithstanding any other provision to the contrary herein contained, Supplier's Liability for any and all losses, whether to ERMU or to third parties, resulting from any Liabilities to the extent caused by Supplier's negligence shall not be limited to the amount of any insurance proceeds payable to or on behalf of Supplier under such Insurance, and Supplier agrees to immediately indemnify and hold ERMU harmless for any and all such Liability in excess of such insurance proceeds. Supplier shall furnish written proof of such insurance upon execution of this Agreement, and at least annually to ERMU with ERMU as additional named insured.

29. Limitation of Liability

NEITHER PARTY NOR ANY OF ITS RESPECTIVE AFFILIATES AND SUBSIDIARIES SHALL BE LIABLE TO THE OTHER OR ANY THIRD PARTY FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, PUNITIVE OR EXEMPLARY DAMAGES RELATED TO OR ARISING OUT OF THIS AGREEMENT EVEN IF THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND REGARDLESS OF WHAT LEGAL OR EQUITABLE THEORY MAY BE ASSERTED, INCLUDING, WITHOUT LIMITATION, ANY CONTRACT, NEGLIGENCE, BREACH OF WARRANTY, OR ANY OTHER LEGAL OR EQUITABLE THEORY.

30. Safety and Compliance with Codes and Other Laws

Supplier shall at all times be solely responsible for complying with all applicable federal, state, and local laws, ordinances, regulations, and codes in connection with the Work, including those relating to the safety of all persons and property. This shall include obtaining all licenses and permits required for the Work. Supplier understands that the obligations of the Parties hereunder are subject to the applicable regulations and orders of governmental agencies having jurisdiction in the matters. Should at any point Supplier find any unsafe or hazardous areas or conditions, Supplier will immediately report the said condition to ERMU.

No obligations shall be imposed upon ERMU, ERMU's officers, directors, partners, employees, consultants, and agents to review or supervise Supplier's compliance with any safety measures, laws, ordinances, regulations, or codes. Supplier is solely responsible for its acts, errors, and omissions and the acts, errors, and omissions of any Subcontractor, of any Supplier, or of any other individual or entity performing any of the Work.

31. Site, Supervision, and Safety

The Sites will be furnished to Supplier by ERMU in its presently existing condition, and Supplier shall leave the Sites in the same condition as it was received, except as otherwise provided herein.

Supplier shall be responsible for furnishing proper protection for the health and life of personnel, for the public, for the Work and all materials, machinery, equipment, tools, and supplies used in the performance thereof, and for the property of others.

Supplier shall make sure its personnel are informed of dangers associated with electric distribution systems, line facilities, and communications facilities and know how to exercise proper precautions and follow appropriate safety procedures. Supplier shall provide regular and appropriate safety briefings for its personnel and others involved in the Work.

Supplier shall provide a competent superintendent who shall be present at all times during working hours to supervise the Work. Supplier shall employ, in connection with the construction of the Work, capable, experienced and reliable foremen and such skilled workers as may be required for the various classes of Work to be performed. Directions and instructions given to the superintendent by ERMU shall be binding upon those doing the Work.

Supplier shall at all times take all reasonable precautions for the safety of employees and of the public, and shall comply with all applicable provisions of federal, state, and municipal safety laws and building and construction codes, as well as the safety rules and regulations of ERMU.

The following provisions shall not limit the generality of the above requirements:

- (a) Supplier shall at no time and under no circumstances cause or permit any employee of Supplier to perform any Work upon energized lines, or upon poles carrying energized lines.
- (b) Supplier shall so conduct the construction of the Project as to cause the least possible obstruction of public highways.
- (c) Supplier shall provide and maintain all such guard lights and other protection for the public as may be required by industry standards and applicable statutes, ordinances, and regulations.

32. Termination

ERMU may terminate this Agreement, in whole or in part, at any time by written notice to Supplier. In such an event, ERMU shall pay Supplier the contract price for all ~~actual~~ labor and material costs incurred prior to such termination notice.

Upon receipt of a notice of termination of some or all of the Work, Supplier shall discontinue the Work and make every effort to cancel all subcontracts, orders, and other agreements, or portions thereof that involve the terminated Work. ERMU shall not be liable for any damage to any subcontractor in case of termination.

Supplier will also make reasonable effort to preserve the terminated portion of the AMI System regardless of location, assist with inventory of the terminated AMI System, identify outstanding orders and subcontracts, and as requested by ERMU, transfer the AMI System and title to the AMI System to ERMU. ERMU may decline title to any portion of the AMI System.

Supplier shall not be entitled to damages resulting from termination of any Work, including loss of anticipated revenue or costs.

If the Supplier defaults in the performance of the Work, then ERMU may at its option, finish the Work by any method possible, including contracting with another supplier. In the event of termination for cause, the total amount of damages paid by the Supplier as a result of the termination shall be limited to ERMU's actual damages, including the cost of finishing the remaining Work, capped at 100% of the fees that would have been paid for any such remaining Work.

Supplier may terminate this Agreement upon thirty (30) days prior written notice to ERMU if (i) ERMU fails to compensate Supplier according to the terms in this Agreement, or (ii) ERMU fails to perform a material term of this Agreement and, through no fault of the Supplier, such failure prevents Supplier from performing its material obligations under this Agreement.

33. Confidential and Proprietary Information

In the course of performing the Work covered by this Agreement, both Parties may disclose certain Confidential Information. The Party receiving Confidential Information (“Recipient”) shall refrain from disclosing such Confidential Information to any contractor or other third party without prior, written approval from the disclosing Party and shall protect such Confidential Information from inadvertent disclosure to a third party using the same care and diligence that the Recipient uses to protect its own proprietary and confidential information, but in no case less than reasonable care. The Recipient shall ensure that each of its employees, officers, directors, or agents who has access to Confidential Information disclosed under this Agreement is informed of its proprietary and confidential nature and is required to abide by the terms of this Agreement. The Recipient of Confidential Information disclosed under this Agreement shall promptly notify the disclosing Party of any disclosure of such Confidential Information in violation of this Agreement.

All Confidential Information disclosed under this Agreement shall be and remain the property of the disclosing Party and nothing contained in this Agreement shall be construed as granting, directly or by implication, or conferring any rights to such Confidential Information on the other Party.

The Recipient shall honor any request from the disclosing Party to promptly return or destroy Confidential Information disclosed under this Agreement. Notwithstanding the foregoing, each Recipient may retain one archival copy of the Confidential Information received from Disclosing Party in a secure location provided that any such Confidential Information is otherwise handled as required in this Agreement for so long as so retained. The Parties agree that the disclosing Party will suffer irreparable injury if its Confidential Information is made public, released to a third party, or otherwise disclosed in breach of this Agreement and that the disclosing Party shall be entitled to seek injunctive relief against a threatened breach or continuation of any such breach.

The terms of this Agreement shall not be construed to limit either Party’s right to develop independently or acquire products without use of the other Party’s Confidential Information. The disclosing Party acknowledges that the Recipient may currently or in the future be developing information internally, or receiving information from other parties, that is similar to the Confidential Information. Nothing in this Agreement will prohibit the Recipient from developing or having developed for its products, concepts, systems or techniques that are similar to or compete with the products, concepts, systems or techniques contemplated by or embodied in the Confidential Information provided that the Recipient does not violate any of its obligations under this Agreement in connection with such development.

Notwithstanding the above, the Parties agree that information shall not be deemed Confidential Information and the Recipient shall have no obligation to hold in confidence such information, where such information: (i) is already known to the Recipient, having been disclosed to the Recipient by a third party without such third party having an obligation of confidentiality to the disclosing Party; (ii) is or becomes publicly known through no wrongful act of the Recipient, its employees, officers, directors, or agents; (iii) is independently developed by the Recipient without reference to any Confidential Information disclosed hereunder; (iv) is approved for release (and only to the extent so approved) by the disclosing Party; or (v) is disclosed pursuant to the lawful requirement of a court or governmental agency or where required by operation of law according to this section.

If compelled by a requirement of a government agency, a court, or by law or discovery to disclose any of the Confidential Information, the Party ordered to disclose the information shall make reasonable efforts to resist disclosure and shall notify the other Party in writing prior to making any disclosure in order to provide the Party whose information may be disclosed a reasonable opportunity to either waive any objection to such disclosure or request a remedy from the appropriate authority. The Parties will reasonably cooperate with each other in efforts to obtain such a remedy. If the Party whose information may be disclosed waives its objections, is unsuccessful in its request for a remedy, or fails to make such a request, the Party compelled to disclose information will furnish only that portion of the Confidential Information that is legally required.

Disclosure of Confidential Information beyond what is outlined above shall be approved in writing by the other Party in advance of such disclosure.

34. No Implied Waiver

Either Party's failure to insist upon strict performance by the other Party of any of the terms of this Agreement shall not be construed as a waiver of terms of this Agreement. No waiver shall be deemed a continuing waiver or waiver in respect of any subsequent breach or default, either of a similar or dissimilar nature, unless expressly so stated in writing by a duly authorized representative of the Party granting the waiver.

35. Notice

Any notice required or in connection with this Agreement shall be in writing and shall be given to the appropriate Party by personal delivery, certified mail, or other recognized delivery service that confirms delivery. All notices shall be deemed duly given and effective (i) when received after being sent by confirmed facsimile transmission, or delivered by hand, (ii) five (5) days after being deposited with the United States Postal Service, properly addressed, sent by registered or certified mail, return receipt requested, postage prepaid, or (iii) the immediately succeeding business day after next day delivery shipping with Federal Express or other similar overnight courier. Any Party may change its address for the purpose of this paragraph by giving written notice of such change to the other Parties in the manner provided in this paragraph.

Elk River Municipal Utilities

13069 Orono Parkway
Elk River, MN 55330
purchasing and Contracts

Legal notices to Supplier shall be sent to:

Core & Main LP
Attn: John Selsvold or Kirk Peterson
1800 W. 79th Street
Eden Prairie, MN 55344

(612) 202-7786
Kirk.Peterson@coreandmain.com

With a copy to:

Core & Main LP
Attn: Legal Department
1830 Craig Park Court
St. Louis, MO 63146Supplier's Name

Attn:
Address
ERMU, State, Zip
Telephone Number
Email Address

36. Miscellaneous Requirements

Unlawful Employees, Contractors and Subcontractors

Supplier shall not knowingly employ or contract with an Undocumented Immigrant to perform work under this Agreement. Supplier shall not knowingly contract with a subcontractor that (a) knowingly employs or contracts with an undocumented immigrant to perform work under this Agreement or (b) fails to certify to the Supplier that the subcontractor will not knowingly employ or contract with an undocumented immigrant to perform work under the resulting contract.

Duty to Terminate a Subcontract; Exceptions

If the Supplier obtains actual knowledge that a subcontractor performing work under this Agreement knowingly employs or contracts with an undocumented immigrant, the Supplier shall, unless the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an undocumented immigrant:

1. Notify the subcontractor and ERMU within three days that the Supplier has actual knowledge that the subcontractor is employing or contracting with an undocumented immigrant; and
2. Terminate the subcontract with the subcontractor if, within three days of receiving notice that the Supplier has actual knowledge that the subcontractor is employing or contracting with an undocumented immigrant, the subcontractor does not stop employing or contracting with the undocumented immigrant.

~~Damages for Breach of Contract~~

~~In addition to any other legal or equitable remedy ERMU may be entitled to for a breach of this Agreement, if ERMU terminates this Agreement, in whole or in part, due to the Supplier's~~

~~breach of any provision of the Agreement, the Supplier shall be liable for actual and consequential damages to ERMU.~~

Right to Inspect

ERMU may, at reasonable times, inspect the part of the plant, place of business or worksite of the Supplier or the Supplier's subcontractors at any tier which is pertinent to the performance of the award of the Agreement.

Equal Opportunity

Supplier will not discriminate against any employee or applicant for employment because of race, color, religion, age, sex, or national origin, or other reason prohibited by applicable federal, state or local law, ordinance or regulation. Supplier shall abide by all federal laws in effect during the Agreement period which govern Equal Opportunity Employment.

Gratuities

It is unlawful and unethical for any person to offer, give or agree to give any ERMU employee, ERMU official or former ERMU employee, or for any ERMU employee, ERMU official or former ERMU employee to solicit, demand, accept or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation or preparation of any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter, pertaining to any program requirement or a contract or subcontract, or to any solicitation or proposal therefore.

It is unlawful and unethical for any payment, gratuity or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor of any person associated therewith, as an inducement for the award of a subcontract or order.

37. Site, Supervision, and Safety

The Sites will be furnished to Supplier by ERMU in its presently existing condition, and Supplier shall leave the Sites in the same condition as it was received, except as otherwise provided herein.

Supplier shall be responsible for furnishing proper protection for the health and life of personnel, for the public, for the Work and all materials, machinery, equipment, tools, and supplies used in the performance thereof, and for the property of others.

Supplier shall make sure its personnel are informed of dangers associated with electric distribution systems, line facilities, and communications facilities and know how to exercise proper precautions and follow appropriate safety procedures. Supplier shall provide regular and appropriate safety briefings for its personnel and others involved in the Work.

Supplier shall provide a competent superintendent who shall be present at all times during working hours to supervise the Work. Supplier shall employ, in connection with the construction of the

Work, capable, experienced and reliable foremen and such skilled workers as may be required for the various classes of Work to be performed. Directions and instructions given to the superintendent by ERMU shall be binding upon those doing the Work.

Supplier shall at all times take all reasonable precautions for the safety of employees and of the public, and shall comply with all applicable provisions of federal, state, and municipal safety laws and building and construction codes, as well as the safety rules and regulations of ERMU.

The following provisions shall not limit the generality of the above requirements:

- (a) Supplier shall at no time and under no circumstances cause or permit any employee of Supplier to perform any Work upon energized lines, or upon poles carrying energized lines.
- (b) Supplier shall so conduct the construction of the Project as to cause the least possible obstruction of public highways.
- (c) Supplier shall provide and maintain all such guard lights and other protection for the public as may be required by industry standards and applicable statutes, ordinances, and regulations.

38. Force Majeure

Neither ERMU nor Supplier shall be considered in default in the performance of its obligations under this Agreement and neither party will be liable for damages for delay to the extent that the performance of its obligations is prevented or delayed by any condition beyond the Party's reasonable control without fault or negligence, including without limitation: acts of God; acts or omissions of governmental authorities; acts of public enemy; wars; blockades; riots; strikes; civil disturbances; floods; fires; explosions; hurricanes; tornadoes; acts of nature; and any other events, acts, or conditions (individually and collectively referred to as a "Force Majeure Event").

In the event that either Party's performance is prevented or delayed by a Force Majeure Event, the Party shall inform the other Party in writing within five (5) days after the event impacting or likely to impact the Party's performance.

39. Severability

Any provision or part of this Agreement held to be void or unenforceable under any law or regulation shall be deemed stricken. All remaining provisions shall continue to be valid and binding upon ERMU and Supplier who agree that this Agreement shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision, provided that such stricken clause is not material to the performance of this Agreement and neither Party is aggrieved by the omission of such clause or the reformation of this Agreement.

40. Survival

The rights and obligations of the Parties under this Agreement that would by their nature survive the expiration or termination of this Agreement, including, but not limited to, those pertaining to further assurances, confidentiality, applicable laws and courts, safety and compliance with codes and other laws, warranty, indemnification, insurance, limitations of liability, and severability shall survive the expiration or termination of this Agreement.

41. Assignment

Neither Party may assign or transfer any part of this Agreement without the written consent of the other Party. ~~In the event of a consented assignment, the assignee shall be bound by the terms of this Agreement and shall remain liable for obligations under this Agreement. If for any reason the relationship between Supplier and the meter manufacturer ends, the meter manufacturer will develop an agreement directly with the customer for continued service and support of the solution.~~ Any other attempt to transfer or assign is void.

42. Governing Law and Venue

This Agreement will be governed by, construed, and enforced in accordance with the laws, rules, and regulations of the State of Minnesota without regard to its conflicts of law principles. Venue for any legal proceedings arising from or concerning this Agreement shall be in the District Court in the County of Sherburne, State of Minnesota.

43. Publicity

The Parties shall not at any time use the name or trademark of the other Party in any advertising or form of publicity without the prior written consent of the other Party.

44. Entire Agreement

This Agreement and the appendices and documents incorporated herein by reference shall be deemed to include the entire Agreement between the Parties and shall supersede all other previous and contemporaneous understandings, commitments or representations, whether oral or written, and all subsequent oral agreements concerning the subject matter hereof. Neither Supplier nor ERMU shall claim any modification resulting from any representation or promise made at any time, by an officer, agent or employee of either Party or by any other person unless such modification is in writing and signed by the Parties as an amendment or Change Order to this Agreement. Each Party acknowledges that the other Party has not made any representations other than those that are contained herein. All communications, including email, voicemail, and oral discussions in connection with this Agreement are for informational purposes only.

45. Execution in Counterparts

This Agreement may be executed in two (2) or more counterparts, each of which, upon execution and delivery, shall constitute a single and complete Agreement. Signature pages may be detached from counterparts and attached to a different counterpart to create a single document.

In witness whereof, the Parties have, by their duly authorized representatives, executed this Agreement to be effective as of the Effective Date.

Elk River Municipal Utilities

~~Supplier's Name~~Core & Main LP

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

APPROVED AS TO FORM:

By: _____

Print Name: _____

Title: _____

APPROVED AS TO INSURANCE CONTENT:

By: _____

Print Name: _____

Title: _____

TO: ERMU Commission	FROM: Mark Hanson – General Manager
MEETING DATE: March 14, 2023	AGENDA ITEM NUMBER: 6.1a
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- As stated in my mid-month update, Tom Sagstetter, Commissioner Mary Stewart, and I spent the week of February 27 in Washington, D.C., attending the American Public Power Association (APPA) Legislative Rally. It was a good conference with sessions on the energy tax provisions of the Inflation Reduction Act (IRA), APPA’s legislative and resolutions committee, and an all-day series of meetings with various Minnesota representatives and senators. The following concerns/asks were presented to the legislators (the full “leave behind” pamphlet is attached):
 - Simplifying the rules and regulations for Investing in Infrastructure and Jobs Act (IIJA) and IRA grant implementation.
 - Benefits offered under the IIJA and IRA should be tax exempt.
 - Oppose attempts to repeal/rescind the new programs or impose sequestration.
 - Encourage the use of the Defense Production Act to resolve the supply chain crisis.
 - Streamline federal permitting process for utility projects (currently the process takes 5-7 years).
 - Cyber/physical security assistance in the form of guidance, best practices, and funding.
 - Restore the ability to use tax-exempt advance refunding of bonds.
 - Increase bond value local “small provider” banks may issue from \$10M to \$30M.
 - End the sequestration of public bonds (5.7% delta between taxed and tax-exempt bonds was supposed to be refunded by federal government but sequestration ended it).
- The public summary of the February 2023 Minnesota Municipal Power Agency (MMPA) Board of Directors meeting is below.
 - The Board of Directors of the MMPA met on Feb 21, 2023, at Chaska City Hall in Chaska, Minnesota and via videoconference.
 - Management presented a 2022 performance summary. The presentation is attached.

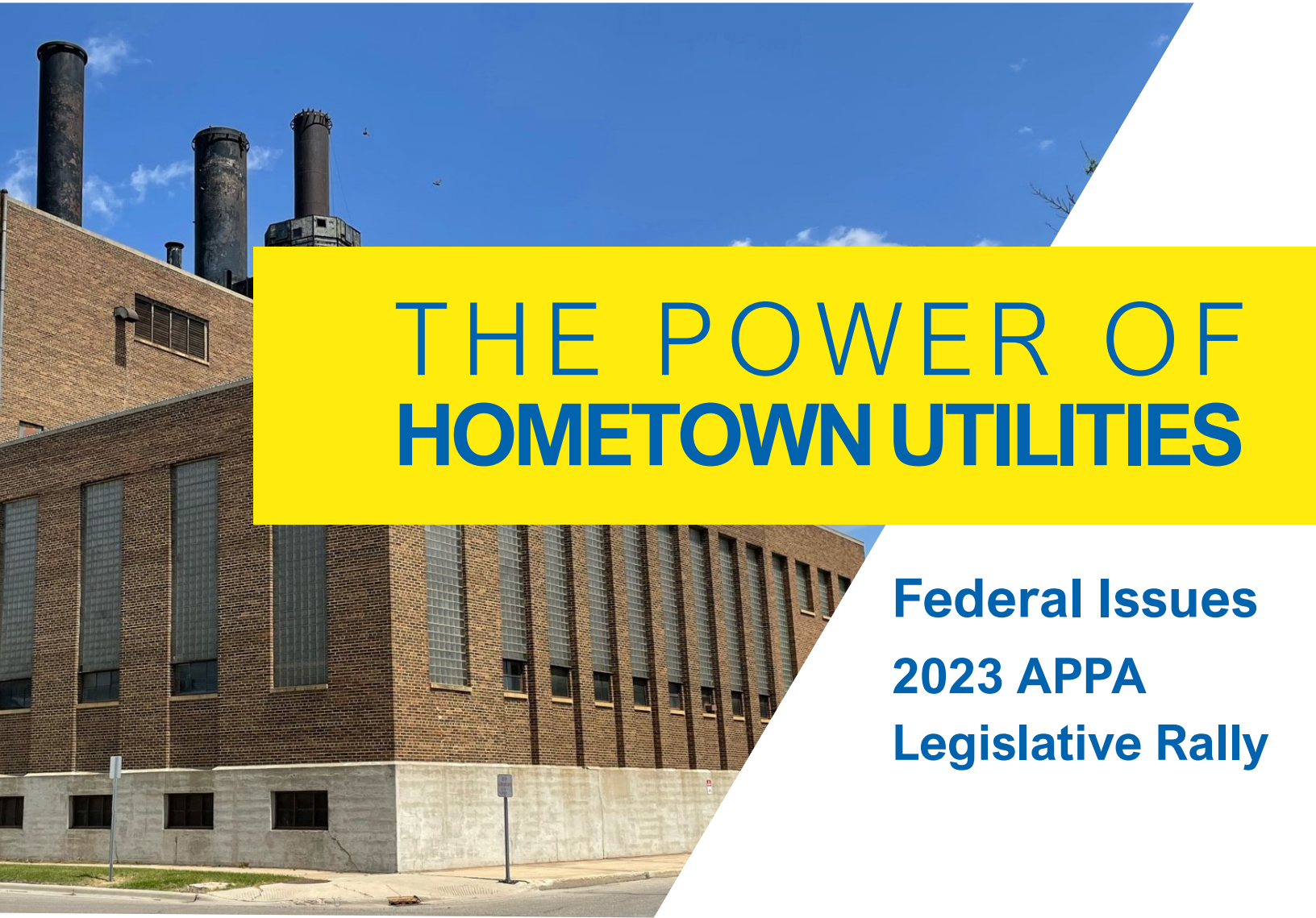
- The Board reviewed the Agency's financial and operating performance for January 2023.
 - Customer penetration for the residential Clean Energy Choice program increased to 4.4%. There was an increase of 69 customers participating in the residential Clean Energy Choice program from December to January.
 - The Board discussed the current business environment.
 - The Board discussed the new Minnesota carbon free standard.
 - The Board discussed the status of renewable projects the Agency is pursuing.
- I've been asked by City Administrator Cal Portner to be on the March 10 second-round interview panel for his Assistant City Administrator/Business Services Director. The position was formed after a reorganization when Lori Ziemer retired as Finance Director.

ATTACHMENTS:

- MMUA Legislative Rally Pamphlet
- MMPA 2022 Year in Review



Minnesota Municipal Utilities Association



THE POWER OF HOMETOWN UTILITIES

**Federal Issues
2023 APPA
Legislative Rally**

Hometown services. Hometown strengths. Hometown solutions.

The Minnesota Municipal Utilities Association (MMUA) is a nonprofit organization representing the interests of the state's hometown utilities. There are 124 municipal electric and 33 municipal gas utilities in Minnesota. MMUA also has a number of Minnesota municipal water utilities as members, and several North and South Dakota municipal electric utilities are associate members. MMUA was formed in 1931 and provides a wide variety of services to the utilities in the region.

Representing locally-owned and operated organizations, hometown utility policymakers and staff not only have a career interest in their community's success, they have a personal stake in the city in which they have chosen to raise their families and build lifelong relationships.

Because of this, municipal utility leaders focus only on the well-being of the community. It's true the utility has to maintain solvency, but there is no profit motive. In hometown utility communities, focus on maintaining a high quality of life isn't a corporate slogan; it's a promise to friends and neighbors.



How much do you know about Minnesota's municipal utilities? Here are some facts.

- Open, accessible governance by its citizen owners is one reason municipals are also known as "hometown" or "public power" utilities.
- Oversight occurs largely through the local utilities commission or city council.
- Municipal electric utilities serve more than 391,000 customers in 124 Minnesota communities.
- Over 70 percent of Minnesota's municipal electric utilities have operated for 100 years or more.
- Duluth is the largest of Minnesota's 33 municipal natural gas systems, with an estimated 30,000 customers.
- Of the 87 county seat cities in Minnesota, 50 operate municipal electric and/or natural gas utilities.
- Most of the municipal electric power comes from power agencies, which are controlled by groups of municipal utilities themselves.
- There are approximately 50 municipal power plants in Minnesota. They are generally used in emergency situations.

2023 Federal Legislative Priorities

FEDERAL SUPPORT FOR CLEAN ENERGY TRANSITION

Municipal utilities in Minnesota are dedicated to providing reliable, affordable, and sustainable services to their customers. Recent carbon-free mandates and renewable standards placed on all Minnesota electric utilities by the State legislature heighten the importance of maintaining and strengthening any and all assistance available at the federal level. Policy priorities at the federal level include limiting additional mandates, sustaining funding for infrastructure updates and the energy transition, and streamlining administrative procedures.

In addition, new rules and regulations that help implement key federal legislation, including the Infrastructure Investment and Jobs Act (IIJA) and the Inflation Reduction Act (IRA), need to be simple, clear, and flexible, allowing all Minnesota communities—especially smaller towns—to benefit. Most importantly, federal guidance should never hinder a municipal utility's ability to provide reliable and affordable electric service to our member communities.



COMBINING OLD WITH NEW FOR CLEAN, RELIABLE ENERGY

In 2021, the Hutchinson Utilities Commission (HUC) dedicated its second solar energy plant within the last seven years. This plant combines with the previous solar plant, opened in 2015, to supply over 1,100 kilowatts of electricity to the city.

HUC is now able to supply customers with 100% renewable energy. Hutchinson can still use local generators in addition to these solar plants to ensure electric reliability during outage times. HUC's legacy generation capability enables the utility to hedge against high market prices and maintain power for the citizens of Hutchinson when required.

2023 Federal Legislative Priorities

PRESERVE AND PROTECT ENERGY INFRASTRUCTURE AND INVESTMENTS

MMUA and its members support the Investing in Infrastructure and Jobs Act (IIJA) and the Inflation Reduction Act (IRA). These two pieces of federal legislation will benefit grid resiliency and reliability, clean energy technologies, and electric vehicle infrastructure. When it passed the IIJA, Congress took critical steps when it authorized various new federal infrastructure programs. Under the IRA, Congress extended long-standing energy tax credits and created new direct payment credits for municipal electric utilities, rural co-ops, and other not-for-profit entities. The IRA authorizes these tax credits as refundable and transferable, a first for public power systems. However, it only protected public bonds from sequestration for two years and it failed to reauthorize the advanced refunding of bonds.

The grants authorized in the IRA and the IIJA will be extremely beneficial towards projects that seek to increase grid reliability and resiliency, upgrade technology for cleaner and more efficient operations, and expand infrastructure investments for electric vehicle (EV) charging stations and other facilities. However, the advantages offered by the IIJA and IRA are lessened if treated as taxable, or if funding is not secure due to Congressional threats of rescission or sequestration.

MMUA asks Congress to consider:

- New federal rules and regulations for both the IIJA and IRA implementation should be simple, clear, and flexible.
- Benefits offered under the IIJA and IRA should be tax exempt.
- Congress should oppose attempts to repeal or rescind these new federal programs and resist attempts to impose sequestration provisions.
- The supply chain crisis hinders investment and economic development; Congress needs to help solve the shortage of distribution transformers and other critical industry materials. Further actions under the Defense Production Act aimed clearly at the increased production of transformers should be encouraged.
- MMUA and its members support reasonable permitting reform legislation, including streamlining the federal permitting process for all types of utilities: generation, transmission, and pipeline facilities.
- Workforce recruitment and retention assistance and incentives would be welcomed.
- Cybersecurity assistance in the form of guidance, best practices, and funding would be helpful, but excessive reporting requirements and other mandates would hinder municipal utilities' operations.
- Similar assistance regarding the physical security of utility infrastructure would also be helpful.
- We support a pricing mechanism that would protect utilities and their customers against sudden spikes in natural gas prices such as were seen during the 2021 polar vortex in Minnesota and throughout the Midwest.



2023 Federal Legislative Priorities

PUBLIC FINANCE

Municipal bonds continue to be the most effective financial tool for public power communities and local entities everywhere—bonds build three-quarters of all public infrastructure in the country.

Congress took a critical step towards modernizing public financing when it authorized various new energy-related tax credits for municipal electric utilities in the IRA, but more action is needed, including reinstating the ability to issue advance refunding bonds and expanding the power of small local banks to issue bonds in excess of \$10 million while retaining small issuer status. In addition, sequestration continues to restrict full use of our public bonds—Congress needs to repeal such provisions.



MMUA asks Congress to consider:

- Complete the modernization of public finance tools by restoring the ability to use tax-exempt advanced refunding bonds. This is a critical financial tool for all state and local entities, including municipal utilities. Advance refunding can only occur once a year, and only when market conditions allow, but it can save communities millions of dollars. Support bipartisan legislation.
- The small issuer exception is outdated. Congress should increase the value of bonds a bank may issue and remain a small provider from \$10 million to \$30 million.
- Sequestration needs to end. Public power communities continue to be burdened by sequestration of public bonds.

2023 Federal Legislative Priorities

POLE ATTACHMENTS

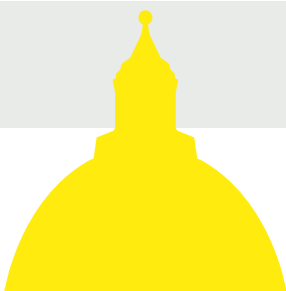
In 2018, the FCC issued final comments and orders that took effect in January 2019, which reversed the long-held interpretation of the Federal Communications Act that municipal utilities were exempt from FCC oversight. This new rule was upheld by the Ninth Circuit Court of Appeals. As a result, local control over the use of rights-of-way and infrastructure became subject to challenge by telecommunication companies who view local regulations as a barrier to full implementation of 5G technology.

Utility poles are not designed to accommodate additional structures such as small-cell antennae. Their co-location on utility poles can impose safety risks to line workers, and the extra weight may void warranties. Local utilities are then responsible and liable for equipment that is not even theirs.



MMUA asks Congress to consider:

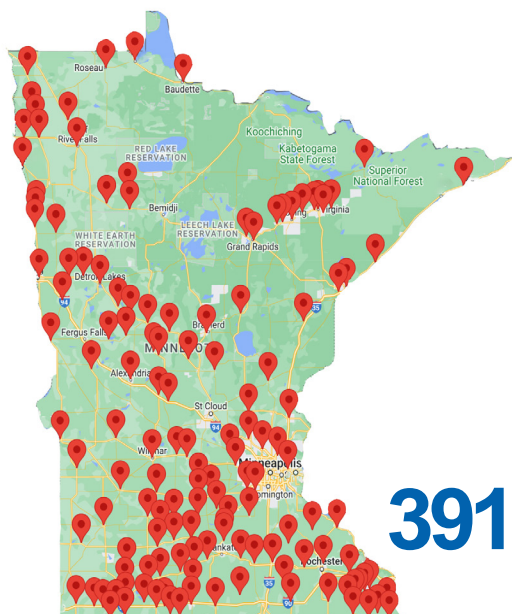
- Restore local control, including what permit fees may be charged by a local unit of government for use of their rights-of-way and infrastructure by telecommunication companies.
- Public power utilities and rural electric cooperatives are not obstacles or barriers to entry to 5G or other telecommunications development. Treatment of pole attachment fees and services has been successfully negotiated between utilities and the telecom industry for decades.



2023 State Legislative Priorities

The Minnesota Municipal Utilities Association (MMUA) Board of Directors, representing the interests of all its members, has identified a list of priorities for the 2023 Minnesota Legislative Session. Following is a summary of those priorities.

Issue	Summary
Nuclear moratorium	MMUA supports exploring all sources for producing clean and renewable energy. In order to allow for meaningful dialogue on expanding carbon-free resources, MMUA believes that the 1994 legislative moratorium on the siting of new nuclear reactors should be repealed.
Electric vehicle (EV) charging	A popular means of providing EV charging stations is for a third party to contract with a commercial entity to offer customers a place to charge their EV while doing business. MMUA supports legislation clarifying that power supplied to such stations must come from the permitted utility and not through a third party.
Pay equity exemptions	Minnesota's pay equity law has made it difficult for some utilities to recruit and retain line workers, and it has suppressed salaries in some communities. MMUA supports exempting certain positions, such as line workers, from the pay equity review process or reviewing unique requirements of such positions and increasing the point value accordingly.
Critical Infrastructure Protection (CIP) rules for data centers	Several municipal utilities in Minnesota are home to large data centers featuring computers and cooling systems that need to run constantly, which dramatically increasing the utility's electrical load. These centers are usually designed to be highly as efficient as possible, making it difficult to find the increased savings offset required by current CIP standards. MMUA supports exempting these uses from CIP requirements by modifying Minnesota Statutes Section 216B.2403.
Repeal local government salary cap	Minnesota caps the total compensation of local government employees. This cap has made it difficult for some utilities to retain experienced employees, who often leave for more lucrative posts in the private sector. MMUA supports repealing the local government salary cap.
Excess generation compensation	An increasing number of Minnesotans are using distributed energy resources (DER) like rooftop solar panels to generate a portion of their electrical load. Current law gives customers the right to request payment for excess generation by check, which can be very costly to the utility. MMUA supports allowing utilities to grant DER customers excess generation refunds using the most cost-effective means available including bill credits and vouchers.
CIP rules for gas utilities	An oversight in drafting the Energy Conservation and Optimization (ECO) Act of 2021 resulted in municipal gas utilities having a higher CIP goal (1.5 percent) than investor-owned utilities (1.0 percent). MMUA supports lowering the CIP goal for municipal gas utilities to 1.0 percent.



33 municipal gas utilities are MMUA members.

124 municipal electric utilities serve Minnesotans.

183 municipal water utilities are MMUA members.

391,000 customers served by municipal electric utilities.

50 of the 87 county seats in Minnesota operate an electric or gas utility.

57 customers served by the smallest municipal utility, Whalan.

1,264 customers is the median amount for a MN municipal utility.

57,000 customers served by the largest municipal utility, Rochester.

Connect with the MMUA Government Relations Team

Karleen Kos
Chief Executive Officer

email: kkos@mmua.org
office: 763.746.0701
cell: 813.675.7589



Kent Sulem
Director of Government Relations and Senior Counsel

email: ksulem@mmua.org
office: 763.746.0703
cell: 612.263.0440



Bill Black
Government Relations Attorney

email: bblack@mmua.org
office: 763.746.0708
cell: 651.398.2098



Mike Siebenaler
Government Relations Liaison

email: msiebenaler@mmua.org
office: 763.746.0715
cell: 612.979.5219





2022 Year in Review

February 21, 2023



Outline

- Accomplishments in 2022
- Financial Review of 2022
- Operations Review of 2022
- Business Environment in 2023
- Looking Ahead to 2023



2022 Accomplishments

- Rates 10% Below Xcel
- Members Extended Contracts to 2060
- Fitch Upgraded MMPA from A+ to AA-
- Walleye Wind Farm Placed Into Service



Rates 10% Below Xcel

- MMPA Average Rate: \$ 91.80
- Xcel Average Rate: \$101.57
- MMPA's Rate Was 10% Below During a Period of:
 - Higher Inflation
 - Higher Interest Rates
 - Volatile Natural Gas and Electric Prices
 - COVID-19 Effects (Labor Markets, Supply Chain)



Member Contracts Extended to 2060

- 10 of 12 Members Have Extended MMPA Contracts Through 2060
 - 95% of Agency Load
- Objective: To Allow MMPA to Issue 30-Year Debt through 2030
 - Reduces Costs and Rates
- Two Members Still Considering Contract Extension
 - Agency Offer Open through March 31, 2023



Fitch Bond Rating Upgrade

- Fitch Upgraded MMPA's Bond Rating from A+ to AA-
- Fitch Commented on MMPA's
 - Competitive Rates
 - Strong Financial Performance
 - Strong Member Credit Quality
- Reduces Cost of New Debt

	AAA
	AA+
	AA
MMPA ->	AA-
	A+
	A
NSP MN ->	A-
	BBB+
	BBB
	BBB-



Walleye Wind Farm in Service

- Walleye Wind Now in Service
- Annual Energy: ~438,000 MWh
 - 23% of Projected MMPA Load
- Reduces Fossil Fuel Price Risk





2022 Financial Review

- Net Income of \$7 Million
- Unrestricted Cash Increased by \$17 Million



2022 Operations Review

- Generation Portfolio Produced 1.2 Million MWh

	<u>MWh</u>
Faribault	650,619
Shakopee	33,038
MRS	733
Black Oak	333,065
Oak Glen	112,675
Walleye	29,497
HTBE	23,332
Buffalo Solar	11,094
Total	1,194,053



2022 Operations Review

- Generation Portfolio Produced \$14.1 Million of Margins

	<u>Margin (\$000)</u>
Faribault	8,830
Shakopee	504
MRS	(60)
Oak Glen	3,794
HTBE	1,026
Total	14,094

- Plant Margins Reduce Costs to Members



2023 Business Environment

- Gas & Electric Prices Have Decreased Substantially
- Yield Curve Remains Inverted
- Inflation Still High But Decreasing
- DFL In Full Control of Minnesota Government
- Inflation Reduction Act Provides Direct Pay for ITC
 - Reduces Cost of Renewable Investment



Looking Ahead to 2023

- Budgeted Rates 2.1% Lower than 2022
- January & February Rates Lower than Budget
- 43% Renewable
- HTBE RNG to Come Online



TO: ERMU Commission	FROM: Sara Youngs – Administrations Director
MEETING DATE: March 14, 2023	AGENDA ITEM NUMBER: 6.1b
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- Office walk-in traffic for February consisted of 75 customers, averaging 19 customers per week over the 4-week period.
- ERMU red tag notification count for February under the Cold Weather Rule.
 - Cycle 2 – 12 red tag notifications
 - Cycle 3 – 25 red tag notifications and 1 disconnection
 - Cycle 4 – 13 red tag notifications
 - Cycle 1 – 44 red tag notifications
- During the month of February 2023, the customer service team entered 45 payment arrangements with customers. During February 2022 there were also 45 payment arrangements.
- ReAnna Newman started as our new customer service representative on February 28, and we are excited to have her on our team! When not working she enjoys being outdoors, spending time with her puppies, and is an avid softball player.
- On March 7, I attended my first energy audit at the Furniture and Things Community Event Center along with the conservation & key accounts manager, a representative from Energy Management Solutions, and a representative from the City.

TO: ERMU Commission	FROM: Melissa Karpinski – Finance Manager
MEETING DATE: March 14, 2023	AGENDA ITEM NUMBER: 6.1c
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- The accounting department has been hard at work preparing for the 2022 annual audit. Our auditors from Abdo completed the audit field work February 23-24. This portion of the audit was completed virtually. Audit presentation is planned for the April commission meeting.
- Continued work on annual surveys and reports that will be completed shortly.
- Staff is working on the Property & Casualty Insurance renewal application for 2023-2024.

TO: ERMU Commission	FROM: Tom Sagstetter – Conservation & Key Accounts Manager
MEETING DATE: March 14, 2023	AGENDA ITEM NUMBER: 6.1d
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- In the last 30 days, the ChargePoint chargers have been utilized for 56 sessions and have provided customers with 749 kWh. The level two charger located at the main office has communication issues and is not reporting any detailed activity through the online portal. Beginning in April the DC fast charger will no longer be supported by ChargePoint. Staff is continuing to work with ChargePoint and other possible options for providing public EV charging in our community.
- Currently there are eight active residential solar panel projects under review or construction in the ERMU service territory. Staff continues to collaborate with customers interested in a solar installation on a case-by-case basis.
- Recently ERMU and City staff mailed the Home Improvement Resources flyer to all customers in the Elk River urban services area. This is a great partnership with the City of Elk River, Tri County Community Action Program, and ERMU to promote efficiency programs that are targeted to customers most in need of repairs and upgrades. The flyer highlights grants, low-interest loans, and the weatherization programs. This initiative was the first time we directly targeted these customers for this program and so far it has been successful. Since the mailer, the City has received 10 correspondences. Nine over the phone and one walk-in. Their projects included some of the following: siding, roofing, furnace, central air, handicap walkway, basement finish, pad for trailer, windows, garage, fencing, cabinets, and a whole flip! There are currently three applications in process. Additionally, there was another application approved and ready to close but the applicant backed out last minute due to too much paperwork.
- ERMU staff attended an energy audit of the Furniture and Things Event Center with Energy Management Solutions on March 7. Staff found additional opportunities for energy savings.

- Staff attended the American Public Power Association Legislative Rally in Washington, D.C. February 26 – March 2. The conference included an all-day meeting with various Minnesota representatives in which staff was able to present to Dorothy Clark the legislative assistant for Representative Tom Emmer on preserving and protecting the infrastructure and investments that have been made available to electric utilities through the Investing in Infrastructure and Jobs Act and the Inflation Reduction Act.

TO: ERMU Commission	FROM: Tony Mauren – Governance & Communications Manager
MEETING DATE: March 14, 2023	AGENDA ITEM NUMBER: 6.1e
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- Bill inserts for March 2023 include LED light and WiFi thermostat rebates.
- Social media posts for the month cover the bill insert topics, presentation of the amendment to the Wellhead Protection Plan for public review, energy assistance information, water conservation tips, and Daylight Saving Time. Announcements included a notice for the March commission meeting.
- Staff is excited to share a recent social media post [celebrating Locator Devin Ruprecht](#), for his third-place finish in the Minnesota Common Ground Alliance Virtual Locate Rodeo!
- The Governance & Communications Manager presented at the Association of Energy Service Professionals Annual Conference on February 28 in New Orleans. The audience for the presentation learned about ERMU's marketing campaign offering free LED bulbs in exchange for signing up for our conservation newsletter. This campaign resulted in a tenfold increase in subscriptions (90 to 900) which helps bring more efficiency strategies to the community. It was a great opportunity to share this successful initiative with energy sector professionals from all over North America.
- On March 10, the Communications & Administrative Coordinator hosted a student from Zimmerman High School as part of ISD 728's job shadow program. Staff worked with the student on elements of graphic design involved in creating flyers, billboards, newspaper ads, and website content. They also collaborated on crafting social media posts.

ATTACHMENTS:

- Bill Insert – LED Light Rebate
- Bill Insert – WiFi Thermostat Rebate

WHAT IS AN ENERGY STAR® CERTIFIED LED LIGHT?

LED stands for Light Emitting Diode, and light bulbs that use this technology save energy and money. Incandescent bulbs use the majority of their electricity to heat a metal filament, while LEDs direct the majority of their electricity to creating light. ENERGY STAR® certified LED bulbs are even better because they are eligible for rebates from ERMU! When you're shopping for new light bulbs, look for the ENERGY STAR® logo.



WHAT ARE THE BENEFITS OF ENERGY STAR® CERTIFIED LED LIGHTS?

- LED bulbs use up to 90% less energy than standard bulbs.
- They last 15 times longer and save about \$55 in electricity costs over their lifetime.
- LEDs produce 70-90% less heat so they are safer to operate.
- They meet strict quality and efficiency standards.

Below you will find coupons for ENERGY STAR® certified LED bulbs, valid at certain local retailers.

SAVE \$2.00

ON ENERGY STAR® LED BULBS



This coupon is not redeemable for cash, but may be used for up to \$2 off the purchase price of LED bulbs between January 1, 2023 and December 15, 2023 at the following Elk River stores: Cub Foods, Home Depot, Menard's, or Batteries+Bulbs. Customer may use one coupon per pack of LED bulbs.

Validation requires customer to complete the back of this coupon. Cashier, please initial here _____



SAVE \$2.00

ON ENERGY STAR® LED BULBS



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Validation requires customer to complete the back of this coupon. Cashier, please initial here _____



WHAT IS THE DIFFERENCE BETWEEN A STANDARD BULB AND AN LED?



The wattage of a light bulb tells you how much energy it will use. This table will help you compare incandescent to LED bulbs.

INCANDESCENT	LED
40 watt	4-5 watt
60 watt	6-8 watt
75 watt	9-15 watt
100 watt	16-20 watt
150 watt	25-28 watt

Visit www.energystar.gov to find a current list of qualified LED bulbs. Products must have the ENERGY STAR® logo on the package to receive the \$2.00 rebate per package from ERMU. Coupons valid for Elk River Municipal Utilities electric customers only.



**** PLEASE COMPLETE THIS SIDE FOR COUPON TO BE VALID ****

Your Name _____

Address _____

Phone Number _____

Store Name _____

**** PLEASE COMPLETE THIS SIDE FOR COUPON TO BE VALID ****

Your Name _____

Address _____

Phone Number _____

Store Name _____

**** PLEASE COMPLETE THIS SIDE FOR COUPON TO BE VALID ****

Your Name _____

Address _____

Phone Number _____

Store Name _____

**** PLEASE COMPLETE THIS SIDE FOR COUPON TO BE VALID ****

Your Name _____

Address _____

Phone Number _____

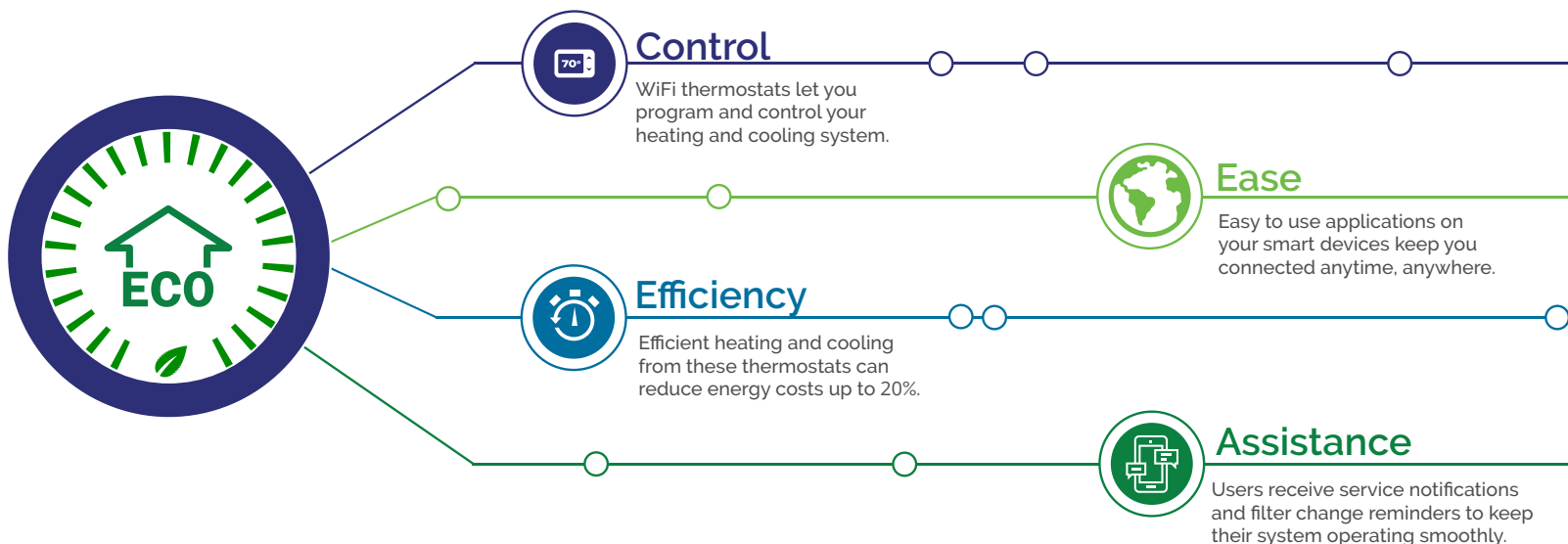
Store Name _____



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: March 14, 2023	AGENDA ITEM NUMBER: 6.1f
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- Staff has been attending meetings with Sherburne County to plan for the County Road 44 project.
- We are still having issues with the fuse pads we received which were incorrectly assembled. The problem is that there are some loose parts, and the nuts and bolts are deteriorating. Irby Utilities is helping to facilitate a resolution to this issue. The vendor has 3 of the 12 in for repairs currently. We received nine that were fixed.
- Taking many phone calls and emails on future commercial and residential developments coming to Elk River and Otsego in 2023.
- Working on material and equipment needs for the upcoming construction season.
- Working with the City and a contractor on the disconnection of electric and water services for the Elk River Meats building that is due for demolition in March.
- Staff has had meetings about a potential commercial solar project in northwest Elk River.
- Meeting with the City and Bolton Menk for upcoming city street projects.
- Spending significant time collecting information for the Grid Resilience and Innovation Partnerships grant that may be available to us for a few helpful system upgrades.
- Working on a solution for the limited number of pickup trucks available to purchase.
- Altec is making a few upgrades that were determined necessary to our new digger truck.

TO: ERMU Commission	FROM: Chris Sumstad – Electric Superintendent
MEETING DATE: March 14, 2023	AGENDA ITEM NUMBER: 6.1g
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- Installed 6 new residential services, which involves the connection of a secondary line once the customer requests service.
- Crews finished the County Road 35 overhead rebuild with the exception of removing the old poles which will happen when the frost melts.
- Tree trimming continues for ERMU crews and our contractor, Carr’s Tree Service.
- Infrastructure equipment checks along with GIS mapping continued this past month. An infrared camera is used during these checks to find components that are heating up giving us the opportunity to perform maintenance before a possible outage occurs.
- We currently have Station 14 Bank 4 substation transformer deenergized and back fed with Station 14 Bank 3 transformer. This was done so Great River Energy could perform work on their transmission side. Their work is scheduled to be completed March 15.
- Annual DOT inspections of our trucks and trailers are underway. These are performed by the City of Elk River mechanics.
- Lead Lineworker Curt Wark attended Meter School in Marshall, MN February 8-10. This event was hosted by Minnesota Municipal Utilities Association.
- We purchased additional automated external defibrillator machines for the field service building and a vehicle. One of which was purchased with donated funds from the Zimmerman Fire Department. These have been installed and training on their operation was provided by Renae Hamdorf from Heartsafe/Allina.
- Work continues with the transition process from CAD mapping to GIS mapping.
- Orders have recently been placed on numerous inventory items that we will need for the upcoming construction season.

TO: ERMU Commission	FROM: Mike Tietz –Technical Services Superintendent
MEETING DATE: March 14, 2023	AGENDA ITEM NUMBER: 6.1h
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- In March, the locators processed 82 locate tickets. These consisted of 66 normal tickets, 6 updated tickets, 1 cancellation, 2 meets, 4 non-excavation, and 3 boundary surveys. This resulted in a 10.8% increase in tickets from the previous month and is a 7.9% decrease from the prior February.
- Electrical technicians completed 184 service order tasks, updated the power bill, addressed customer meter issues and any off-peak concerns.
- On February 23, staff ran generators #1, #2 & #3. Staff has been working on repairing our aftercooler issue on Engine #4 as time allows. They have disassembled the aftercooler and have been testing tubes for leaks. This is a very tedious process as there are 640 tubes that need to be checked individually. We found a total of 61 tubes that were leaking, and I am in the process of procuring plugs to install in the tubes to complete repairs.
- Great River Energy (GRE) is doing some work on their 69kV bus along with some relay work that necessitated us moving all the load from our Station 14 Bank 4 substation over to Bank 3 and de-energizing our Bank 4 transformer until March 15. Technical services staff will have some SCADA checkout work to do when GRE completes their work. This will involve updating and testing the functionality of some remote terminal units that have been remapped to our relay.
- I have been involved with several projects recently such as the Voltus generation contracts, Minnesota Municipal Power Association's solar interconnection project, and the Grid Resilience and Innovation Partnerships grant application. I have also been reviewing the Advanced Metering Infrastructure master services agreement that we received back from Core & Main.

UTILITIES COMMISSION MEETING

TO: ERMU Commission	FROM: Dave Ninow – Water Superintendent
MEETING DATE: March 14, 2023	AGENDA ITEM NUMBER: 6.1i
SUBJECT: Staff Update	
ACTION REQUESTED: None	

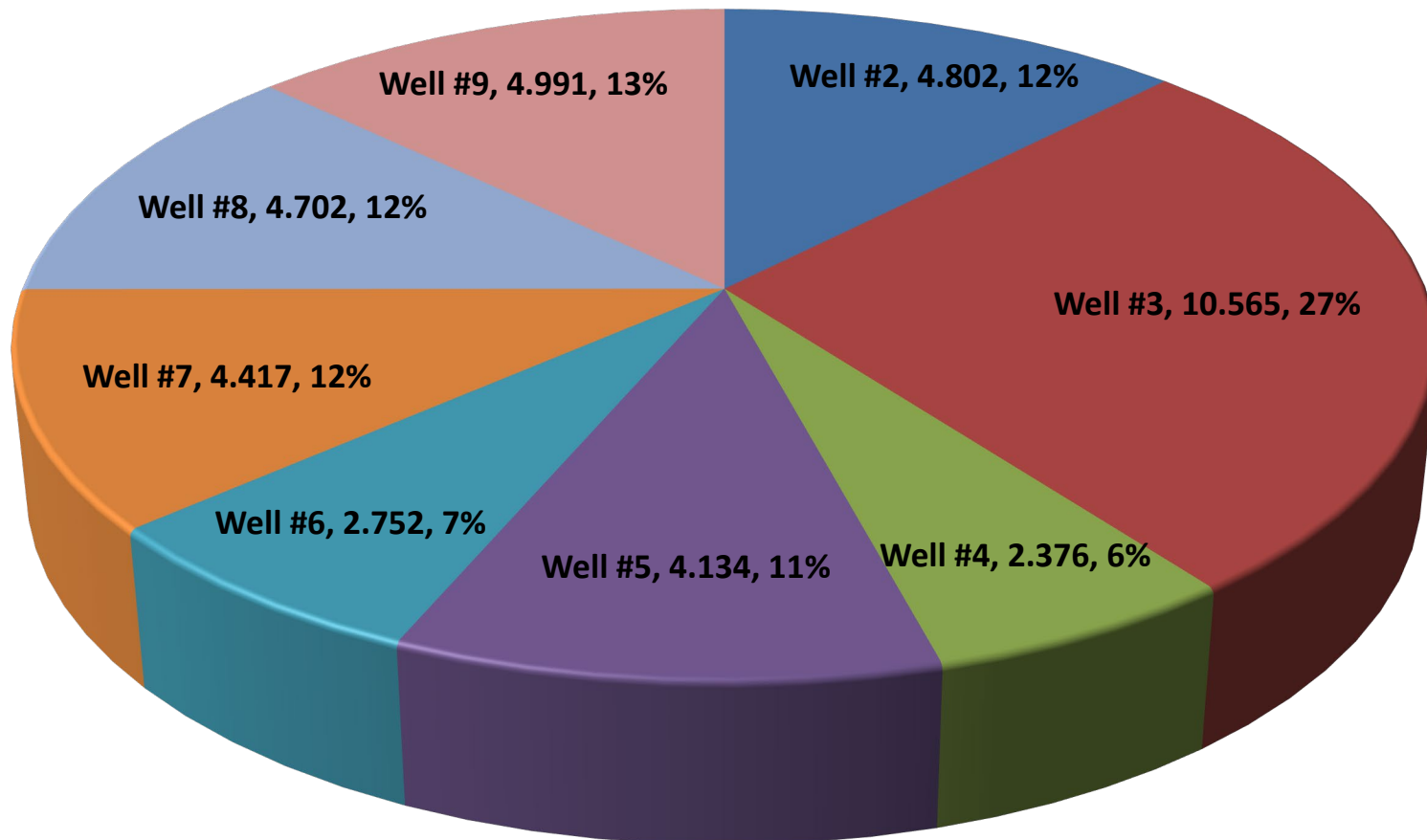
DISCUSSION:

- Delivered 15 new water meters.
- Sealed the water meter, installed an encoder receiver transmitter, and took curb stop ties from 10 water services.
- Completed 15 BACTI/Total Chlorine Residual Samples
 - All confirmed negative for Coliform Bacteria
 - Bacteriological/Disinfectant Residual Monthly Report submitted to the MDH
- Completed 19 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.
- Submitted Tier II Annual Reports to the Department of Homeland Security for the diesel generation plant and all the water treatment plants.
- Routine maintenance and inspection of well #2 has been completed, the pump and motor have been reinstalled, water quality testing done, and the well is now back in service.
- Staff has been working with city staff on plans for the water main replacement and street rehabilitation project that will occur in the School View neighborhood this summer.
- The water operators have spent much of their time performing annual preventive maintenance on the water treatment plants.

ATTACHMENTS:

- February 2023 Pumping by Well

February 2023 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: March 14, 2023	AGENDA ITEM NUMBER: 6.1j
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- The phone system cutover is complete and working well. I would like to thank ERMU IT/OT Technician Parker Theisen and the City of Elk River IT staff for their efforts from investigation to implementation.
- Minnesota Municipal Utilities Association and Minnesota Rural Electric Association are working on a state submission for the Grid Resilience and Innovation Partnerships (GRIP) Program federal grant which is under the infrastructure law. Timing on this program has been tight; STAR Energy Services and Power System Engineering are assembling the documentation for a group application.
- Staff is working with DGR Engineering to assemble a bid package for a transformer to replace the Otsego substation transformer. The existing transformer is approaching expected end of life. With substation transformer lead times between 2-3 years for delivery, we are planning for replacement in the fall of 2025 or 2026. We expect bid opening to occur during summer of 2023.

<p>Tuesday, January 10:</p> <ul style="list-style-type: none"> • Annual Review of Committee Charters 	<p>Tuesday, February 14:</p> <ul style="list-style-type: none"> • Review Strategic Plan and 2022 Annual Business Plan Results
<p>Tuesday, March 14:</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 11:</p> <ul style="list-style-type: none"> • Audit of 2022 Financial Report • Financial Reserves Allocations • Review 2022 Performance Metrics
<p>Tuesday, May 9:</p> <ul style="list-style-type: none"> • Annual General Manager Performance Evaluation and Goal Setting 	<p>Tuesday, June 13:</p> <ul style="list-style-type: none"> •
<p>Tuesday, July 11:</p> <ul style="list-style-type: none"> • Annual Commission Performance Evaluation • Review and Update Strategic Plan 	<p>Tuesday, August 8:</p> <ul style="list-style-type: none"> • Annual Business Plan – Review Proposed 2024 Travel, Training, Dues, Subscriptions, and Fees Budget
<p>Tuesday, September 12:</p> <ul style="list-style-type: none"> • Annual Business Plan – Review Proposed 2024 Capital Projects Budget 	<p>Tuesday, October 10:</p> <ul style="list-style-type: none"> • Annual Business Plan – Review Proposed 2024 Expenses Budget
<p>Tuesday, November 14:</p> <ul style="list-style-type: none"> • Annual Business Plan - Review Proposed 2024 Rates and Other Revenue • Adopt 2024 Fee Schedule • 2024 Stakeholder Communication Plan 	<p>Tuesday, December 12:</p> <ul style="list-style-type: none"> • Adopt 2024 Official Depository and Delegate Authority for Electronic Funds Transfers • Designate Official 2024 Newspaper • Approve 2024 Regular Meeting Schedule • Adopt 2024 Governance Agenda • Adopt 2024 Annual Business Plan