

## **AGENDA**

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### **1.0 GOVERNANCE**

- 1.1 Call Meeting to Order
- 1.2 Pledge of Allegiance
- 1.3 Consider the Agenda
- 1.4 Recognition of Tom Bovitz Memorial Scholarship Award Winner
- 1.5 Certificate of Excellence in Reliability 2022
- 1.6 American Public Power Association RP3 Designation

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

- 2.1 Check Register – April 2023
- 2.2 Regular Meeting Minutes – April 11, 2023
- 2.3 Special Meeting Minutes – April 11, 2023
- 2.4 2023 First Quarter Utilities Performance Metrics Scorecard Statistics
- 2.5 Resolution Appointing the Bank Signatories and Designating Authority to Make Financial Transfers

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

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

- 4.1 Commission Policy Review – G.1e – Organizational Values

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

- 5.1 Financial Report – March 2023
- 5.2 2023 First Quarter Delinquent Items
- 5.3 Customer Satisfaction Survey
- 5.4 2022 Consumer Confidence Report
- 5.5 Field Services Facility Expansion Project Change Order

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

- 6.1 Staff Updates
- 6.2 Future Planning (Announce the next regular meeting, special meeting, or planned quorum.)
  - a. Regular Commission Meeting – June 13, 2023 – Uppertown Conference Room
  - b. 2023 Governance Agenda
- 6.3 Other Business (Items added during agenda approval.)

### **7.0 CLOSED SESSION** (Requires a motion to close the meeting from the public and a motion to reopen after.)

- 7.1 Annual General Manager Performance Evaluation

Note: This meeting may be closed pursuant to Minn. Stat. § 13D.05, subd. 3(a) for the performance evaluation of Mark Hanson, ERMU General Manager.

### **8.0 ADJOURN REGULAR MEETING**

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<b>TO:</b> ERMU Commission	<b>FROM:</b> Tony Mauren – Governance & Communications Manager
<b>MEETING DATE:</b> May 9, 2023	<b>AGENDA ITEM NUMBER:</b> 1.4
<b>SUBJECT:</b> Recognition of the ERMU Tom Bovitz Memorial Scholarship Award Winner	
<b>ACTION REQUESTED:</b> None	

**BACKGROUND/ DISCUSSION:**

At the April 11, 2023, commission meeting, it was announced that Elk River High School Senior Natalie Murphy was selected as the local winner of ERMU's \$500 Tom Bovitz Memorial Scholarship Award.

Staff is pleased to present Ms. Murphy to be congratulated by the Commission and to read her winning essay.

Ms. Murphy's essay has been forwarded to Minnesota Municipal Utilities Association (MMUA) judges for a chance to win an additional award through their statewide contest.

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

**ATTACHMENTS:**

- Essay - Tom Bovitz Memorial Scholarship – Natalie Murphy
- Scholarship Certificate – Natalie Murphy

## The Importance of Municipal Utilities

I wake up in the morning and turn on the light. A utility. Then, I head to the bathroom and use the toilet and as always, I wash my hands afterward. I wet my toothbrush and brush my teeth. Wash my face using the water from the sink. Another two utilities. Next, I go to the kitchen to make breakfast and head to the refrigerator to grab the milk. Yet another utility. I do not believe this morning routine is any different than anyone else and it verifies just how much we as a society rely on utilities in our day-to-day lives. The City of Elk River and I have electricity, water, trash, and recycling services; and it is all made feasible by the Elk River Municipal Utilities (ERMU).

Every day we use utilities such as electricity, gas, water, sewer, internet, trash, and more. Some of those utilities can harm the environment, which is why Elk River Municipal Utilities is such a remarkable institution. They offer rebates on sustainable utilities that both save you money and protect the environment. Some of those rebates to which my household has benefitted from include the purchase of energy-efficient appliances, air conditioning tune-ups, and electric vehicle chargers. These rebates make utilities more inexpensive so people can put more environmentally friendly utilities into their homes and know they are making a difference in our community and the future of its residents.

Elk River Municipal Utilities has five core values: Integrity, quality, communication, safety, and competition. These values make this local utility company more reliable. Its customers know that Elk River Municipal Utilities will be honest and accountable in all aspects of what they do. By supplying quality electricity, water, garbage, and recycling services that benefit the local residents, Elk River Municipal Utilities make life easier for those in the surrounding areas. The open communication between the company and its customers, the

assurance of mind that the utilities will be effectively provided, and knowing that the customers are getting the best deal for the services all make the purchasing of utilities easier.

Today, ERMU provides electricity to more than 12,300 customers and supplies water to almost 5,300 customers. Elk River Municipal Utilities supplies electricity and water to not only the people of Elk River, but also surrounding areas such as Otsego, Big Lake Township, and Dayton. The members of those communities are who ERMU relies on to provide feedback to use to make their customers' lives that much easier. Having a local municipal utility provider keeps local control over how the utilities are provided within the community. By using local resources to meet local needs, ERMU offers special programs that benefit the citizens of that area.

Elk River Municipal Utilities has the public's interest at heart and strives to provide the most affordable, reliable, and sustainable services. The local ownership of ERMU puts the money customers invest in their utilities back into the community, both through the local economy and with the potential to create new jobs for residents. The Elk River community's values are as follows: integrity, professionalism, honor, compassion, and dedication. All these principles can also be found at ERMU, which is why my hometown benefits from having such a distinguished municipal utility company that has earned multiple awards for its excellence in reliability, smart energy, public power, and safety. Now everytime I brush my teeth or take out the trash, I think about the standards that Elk River Municipal Utilities holds itself to and I know that my household will continue to be supported by them.



2023

# TOM BOVITZ MEMORIAL SCHOLARSHIP

The Elk River Municipal Utilities \$500 Scholarship is Awarded to:

*Natalie Murphy*

In recognition of her winning essay

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John Dietz, Utilities Commission Chair



<b>TO:</b> ERMU Commission	<b>FROM:</b> Mike Tietz – Technical Services Superintendent
<b>MEETING DATE:</b> May 9, 2023	<b>AGENDA ITEM NUMBER:</b> 1.5
<b>SUBJECT:</b> American Public Power Association Certificate of Excellence in Reliability	
<b>ACTION REQUESTED:</b> Receive the APPA Certificate of Excellence in Reliability	

**BACKGROUND/DISCUSSION:**

The American Public Power Association (APPA) recently honored 221 public power utilities with a "Certificate of Excellence in Reliability" for reliable service. These utilities have significantly outperformed the electric industry nationwide averages as gathered by the Energy Information Administration. APPA collected data from 524 public power utilities that track their reliability data via the eReliability Tracker. Of those utilities, 285 were considered to have sound data that was included in the 2022 Annual Benchmarking Report.

The tracker performs calculations for System Average Interruption Duration Index (SAIDI) which measures the average outage time per customer on the system, System Average Interruption Frequency Index (SAIFI) which measures how often a customer on our system could expect to experience an outage, and Customer Average Interruption Duration Index (CAIDI) which measures averaged outage duration of all customers that actually experienced an outage. The report also includes calculations for Momentary Average Interruption Frequency Index (MAIFI) and Average Service Availability Index (ASAI) which helps utilities to compare, collect, categorize, and analyze their outage information.

For 2022, ERMU's SAIDI was only 13.29 minutes (excluding major events), compared to the industry average of 140 minutes (excluding major events). In simple terms, that means that averaged out over our 13,228 electric customers in 2022, each customer could expect to have a total outage time of about 13 minutes; that is 127 minutes shorter than the national average for outages.

I would like to recognize all Elk River Municipal Utilities employees for their continued commitment to provide reliable electric service throughout 2022 to our customers. This national recognition is a testament to the exceptional service and value we provide every day.

**ATTACHMENT:**

- APPA Certificate of Excellence in Reliability



Powering Strong Communities

# CERTIFICATE OF EXCELLENCE IN RELIABILITY

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*This is to acknowledge that*

## **Elk River Municipal Utilities**

*has significantly exceeded the 5-year average for all U.S. electric utilities\*  
for reliable electric service. The utility participates in the American Public Power  
Association's e-Reliability Tracker service to track its power outages  
and restoration against national benchmarks..*

\*As reported by the Energy Information Administration

APRIL 5, 2023

A handwritten signature in black ink, appearing to read "Paul Zummo".

Paul Zummo  
Director, Research & Development

<b>TO:</b> ERMU Commission	<b>FROM:</b> Mike Tietz – Technical Services Superintendent
<b>MEETING DATE:</b> May 9, 2023	<b>AGENDA ITEM NUMBER:</b> 1.6
<b>SUBJECT:</b> American Public Power Association RP3 Designation	
<b>ACTION REQUESTED:</b> Receive the APPA RP3 Designation	

**BACKGROUND/DISCUSSION:**

I am thrilled to announce that Elk River Municipal Utilities (ERMU) has once again received national recognition from the American Public Power Association (APPA) for being a Reliable Public Power Provider (RP3). The RP3 designation recognizes public power utilities that demonstrate proficiency in four key areas: **reliability, safety, workforce development, and system improvement**. Criteria within each category are based on sound business practices and represent a utility-wide commitment to providing safe and reliable electricity.

Currently, 271 of the nation's more than 2,000 public power utilities hold an RP3 designation, and ERMU is just one of 109 utilities to earn an RP3 designation this year. There are three designation levels based on scoring: Gold (score of 80-89%), Platinum (score of 90-97%), and Diamond (score of 98-100%). ERMU is one of 37 utilities who received a Platinum designation with a score of 90.5%. This designation will begin on May 1, 2023, and last for three years.

Receiving an RP3 designation is a sign of a utility's dedication to efficiently operating a safe and reliable electric distribution system. Being recognized by the RP3 program demonstrates to community leaders, governing board members, suppliers, and service providers a utilities' commitment to its employees, customers, and community. This designation means that our customers receive some of the best possible services in the country.

It also shows that we are committed to keeping costs low, improving best practices, and raising the bar for other electric service providers. It means that we hire the best people, who are dedicated to doing an exceptional job for ERMU and our community.

ERMU is proud of our **reliability** performance. In 2022, the average ERMU customer would have experienced only 13.29 minutes without power, while the average electric customer within our region would have experienced 98.67 minutes. ERMU conducts annual reviews of our system to identify areas that may need improvement and performs ongoing vegetation management to ensure that trees do not interfere with overhead lines.

In February of 2020, management conducted a disaster recovery tabletop exercise to assess our preparedness for a tornado. This drill ended up preparing us for the start of COVID-19 protocols a month later, with ERMU staff needing to find innovative ways to continue to provide utility services throughout our community. We still need to finalize our formal disaster recovery plan and continue to practice for these events on an annual basis. We remain diligent in safeguarding the utilities by implementing cyber security best practices and preparing to be ready for any potential threats.

ERMU takes **safety** very seriously. Over the three-year review period, employees maintained a consistent record of safe operation. During our monthly training courses, daily tailgate meetings, and on-site job briefings, working safely is on every employee's mind. All new employees are required to go through our initial safety training as part of their on-boarding process. All incidents and near misses are discussed to make everyone aware of the hazard and to determine steps to prevent a similar incident in the future. The Safety Training Workgroup was established in 2019 to provide perspective from all departments with the goal of enhancing our culture of safety.

ERMU is committed to **workforce development**. Throughout the company, employees are encouraged to network with others in our industry by attending seminars, conferences, job-related training, etc., so they can keep up to date on standards and best practices within the industry. Leadership training is provided to all employees to help with the development of those skills, regardless of their position. This type of development contributes to why ERMU has such exceptional employees. We could not have received this award without our employees being deeply committed to doing such a remarkable job.

ERMU is dedicated to continuous **system improvement**. We continue to focus on improving our facilities by performing constant inspections, maintenance of equipment, and replacement of aging infrastructure. ERMU continuously reviews and assesses system performance to help us determine future projects and scope. ERMU maintains a comprehensive long-term capital project plan to identify our needs well into the future. Budget planning is conducted annually and presented to the Commission for approval. We perform cost of service studies every five years to preserve the financial health of the utilities along with maintaining adequate financial reserves to mitigate risk.

The staff at ERMU is proud to serve its community and keep it powered up every day. We are always looking for ways to improve and achieve the best possible results for our customers by providing reliable service at competitive rates.



## **CHECK REGISTER**

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**April 2023**

**APPROVED BY:**

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**Paul Bell**

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**John Dietz**

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**Mary Stewart**

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**Matt Westgaard**

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**Nick Zerwas**

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# Payroll/Labor Check Register Totals

04/14/2023 To 04/14/2023

<u>Pays</u>	<u>Job</u>	<u>Amount</u>	<u>Hours</u>
<b>Gross Pay</b>			
2	Reg Hourly	107,167.87	2,552.00
20	Reg Salary	38,256.09	629.50
3	Overtime	506.86	6.25
4	Double Time	0.00	0.00
5	On-Call/Stand-by	2,636.24	56.00
24	FLSA	61.27	0.00
25	Rest Time	365.93	7.00
10	Bonus Pay	409.28	7.50
18	Commissioner Reimb - Electric	600.00	0.00
104	Commission Stipend	60.00	0.00
VAC	Vacation Pay	16,527.83	309.50
SICK	Sick Pay	5,312.56	137.50
HOL	Holiday Pay	0.00	0.00
78	Retro Earnings	0.00	0.00
5-2	On-Call/Stand-by/OT	656.40	8.25
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
PVT	Purchased Vacation Time	0.00	0.00
PTOY	Personal Day - Year	1,070.96	24.00
3C	Overtime-Comp Time	493.60	7.50
4C	Double Time-Comp Time	0.00	0.00
CM3C	Overtime-Comp Time Adjusted	-493.60	-7.50
CM4C	Double Time-Comp Time Adjusted	0.00	0.00
COMP	Comp Time Taken	190.68	5.00
106	Longevity Pay	0.00	0.00
MIL	Military Pay - Calendar Year	0.00	0.00
10W	Bonus Pay	0.00	0.00
<b>Gross Pay Total:</b>		<u>173,986.97</u>	<u>3,742.50</u>
<b>Total Pays:</b>		173,986.97	3,742.50

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# Payroll/Labor Check Register Totals

04/21/2023 To 04/21/2023

<u>Pays</u>	<u>Job</u>	<u>Amount</u>	<u>Hours</u>
<b>Gross Pay</b>			
2 Reg Hourly		0.00	0.00
20 Reg Salary		0.00	0.00
3 Overtime		0.00	0.00
4 Double Time		0.00	0.00
5 On-Call/Stand-by		0.00	0.00
24 FLSA		0.00	0.00
25 Rest Time		0.00	0.00
10 Bonus Pay		0.00	0.00
105 Perf. Metr. Distr.		78,944.72	0.00
VAC Vacation Pay		0.00	0.00
SICK Sick Pay		0.00	0.00
HOL Holiday Pay		0.00	0.00
78 Retro Earnings		0.00	0.00
5-2 On-Call/Stand-by/OT		0.00	0.00
10-3 Bonus Pay Overtime		0.00	0.00
PVT Purchased Vacation Time		0.00	0.00
PTOY Personal Day - Year		0.00	0.00
3C Overtime-Comp Time		0.00	0.00
4C Double Time-Comp Time		0.00	0.00
CM3C Overtime-Comp Time Adjusted		0.00	0.00
CM4C Double Time-Comp Time Adjusted		0.00	0.00
COMP Comp Time Taken		0.00	0.00
106 Longevity Pay		0.00	0.00
MIL Military Pay - Calendar Year		0.00	0.00
10W Bonus Pay		0.00	0.00
<b>Gross Pay Total:</b>		<u>78,944.72</u>	<u>0.00</u>
<b>Total Pays:</b>		<u>78,944.72</u>	<u>0.00</u>

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# Payroll/Labor Check Register Totals

04/28/2023 To 04/28/2023

<u>Pays</u>	<u>Job</u>	<u>Amount</u>	<u>Hours</u>
<b>Gross Pay</b>			
2 Reg Hourly		109,537.56	2,582.00
20 Reg Salary		41,693.92	672.00
3 Overtime		728.23	9.75
4 Double Time		1,250.60	12.19
5 On-Call/Stand-by		2,465.20	56.00
24 FLSA		62.47	0.00
25 Rest Time		54.26	1.00
10 Bonus Pay		0.00	0.00
105 Perf. Metr. Distr.		0.00	0.00
VAC Vacation Pay		10,973.96	254.50
SICK Sick Pay		3,199.00	80.00
HOL Holiday Pay		0.00	0.00
78 Retro Earnings		0.00	0.00
5-2 On-Call/Stand-by/OT		775.41	10.75
10-3 Bonus Pay Overtime		0.00	0.00
PVT Purchased Vacation Time		0.00	0.00
PTOY Personal Day - Year		229.44	8.00
3C Overtime-Comp Time		538.22	9.00
4C Double Time-Comp Time		847.14	9.81
CM3C Overtime-Comp Time Adjusted		-543.40	-9.00
CM4C Double Time-Comp Time Adjusted		-847.14	-9.81
COMP Comp Time Taken		115.42	2.50
106 Longevity Pay		0.00	0.00
MIL Military Pay - Calendar Year		0.00	0.00
10W Bonus Pay		0.00	0.00
<b>Gross Pay Total:</b>		<u>171,080.29</u>	<u>3,688.69</u>
<b>Total Pays:</b>		171,080.29	3,688.69

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# Accounts Payable Check Register

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04/01/2023 To 04/30/2023

Bank Account: 1 - GENERAL FUND

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
2343 4/6/23	WIRE	5631	AMERICAN EXPRESS	ACH FEES - MARCH 2023	159.60
				ACH FEES - MARCH 2023	39.90
Total for Check/Tran - 2343:					199.50
2344 4/4/23	WIRE	5655	FIRST DATA	CC FEES - MARCH 2023	4,287.68
				CC FEES - MARCH 2023	1,071.92
				CC FEES - MARCH 2023	1,597.52
				CC FEES - MARCH 2023	399.38
				CC FEES - MARCH 2023	489.37
				CC FEES - MARCH 2023	122.34
				CC FEES - MARCH 2023	866.43
				CC FEES - MARCH 2023	216.61
				CC FEES - MARCH 2023	51.60
				CC FEES - MARCH 2023	12.90
				CC FEES - MARCH 2023	563.82
				CC FEES - MARCH 2023	140.95
Total for Check/Tran - 2344:					9,820.52
Total for Bank Account - 1 :					(2) 10,020.02



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# Accounts Payable Check Register

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**Bank Account: 5 - GENERAL FUND WITHDRAWALS**

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
3890 4/3/23	WIRE	153	PERA (ELECTRONIC)	PERA EMPLOYEE CONTRIBUTION	9,403.12
				PERA CONTRIBUTIONS	10,849.70
				PERA EMPLOYEE CONTRIBUTION	1,816.40
				PERA CONTRIBUTIONS	2,095.85
<b>Total for Check/Tran - 3890:</b>					24,165.07
3891 4/3/23	WIRE	160	HCSP (ELECTRONIC)	HCSP EMPLOYEE CONTRIBUTIONS	2,026.22
				HCSP EMPLOYEE CONTRIBUTIONS	294.90
<b>Total for Check/Tran - 3891:</b>					2,321.12
3892 4/3/23	WIRE	161	MNDP (ELECTRONIC)	MNDP EE MANAGER CONTRIBUTIONS	365.77
				MNDP EMPLOYEE CONTRIBUTIONS	3,724.99
				MNDP EMPLOYER CONTRIBUTION	3,043.48
				MNDP EMPLOYER MGR CONTRIBUTION	553.50
				MNDP EE ROTH CONTRIBUTIONS	883.49
				MNDP EE ROTH MGR CONTRIBUTIONS	187.73
				MNDP EE MANAGER CONTRIBUTIONS	48.73
				MNDP EMPLOYEE CONTRIBUTIONS	545.64
				MNDP EMPLOYER CONTRIBUTION	670.09
				MNDP EMPLOYER MGR CONTRIBUTION	73.56
				MNDP EE ROTH CONTRIBUTIONS	184.45
				MNDP EE ROTH MGR CONTRIBUTIONS	24.83
<b>Total for Check/Tran - 3892:</b>					10,306.26
3893 4/3/23	WIRE	285	JOHN HANCOCK	W&A EMPLOYER CONTRIBUTION	1,056.02
				W&A MANAGER CONTRIBUTION	438.60
				WENZEL EE ROTH MGR CONTRIBUTIONS	126.54
				WENZEL EMPLOYEE CONTRIBUTIONS	1,528.42
				WENZEL MANAGER CONTRIBUTIONS	312.06
				DEF COMP ROTH CONTRIBUTIONS W&A	776.94
				W&A EMPLOYER CONTRIBUTION	238.98
				W&A MANAGER CONTRIBUTION	46.38
				WENZEL EMPLOYEE CONTRIBUTIONS	69.76

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# Accounts Payable Check Register

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04/01/2023 To 04/30/2023

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				WENZEL MANAGER CONTRIBUTIONS	46.38
				DEF COMP ROTH CONTRIBUTIONS W&A	169.22
				<b>Total for Check/Tran - 3893:</b>	4,809.30
3894 4/3/23	WIRE	598	MINNESOTA CHILD SUPPORT PAYMEN	CHILD SUPPORT/LEVY	489.61
3895 4/3/23	WIRE	3982	CENTERPOINT ENERGY	NATURAL GAS - FIELD SVS BLDG	2,522.97
				NATURAL GAS - FIELD SVS BLDG	360.42
				<b>Total for Check/Tran - 3895:</b>	2,883.39
3896 4/4/23	WIRE	7463	FURTHER	HSA EMPLOYEE CONTRIBUTION	2,559.43
				HSA EMPLOYEE CONTRIBUTION	354.36
				<b>Total for Check/Tran - 3896:</b>	2,913.79
3897 4/5/23	WIRE	152	IRS - USA TAX PMT (ELECTRONIC)	PAYROLL TAXES - FEDERAL & FICA	13,819.34
				PAYROLL TAXES - FEDERAL & FICA	21,320.78
				PAYROLL TAXES - FEDERAL & FICA	2,278.92
				PAYROLL TAXES - FEDERAL & FICA	4,156.44
				<b>Total for Check/Tran - 3897:</b>	41,575.48
3898 4/6/23	WIRE	154	MINNESOTA REVENUE (ELECTRONIC)	PAYROLL TAXES - STATE	6,339.52
				PAYROLL TAXES - STATE	1,159.57
				<b>Total for Check/Tran - 3898:</b>	7,499.09
3899 4/5/23	WIRE	7463	FURTHER	FSA CLAIM REIMBURSEMENTS-144 172	531.18
				FSA CLAIM REIMBURSEMENTS-144 172	132.79
				<b>Total for Check/Tran - 3899:</b>	663.97
3900 4/7/23	WIRE	166	ONLINE UTILITY EXCHANGE (ELECTR	UTILITY EXCHANGE REPORT - MARCH 2023	211.92
				UTILITY EXCHANGE REPORT - MARCH 2023	52.98
				<b>Total for Check/Tran - 3900:</b>	264.90
3904 4/19/23	WIRE	152	IRS - USA TAX PMT (ELECTRONIC)	PAYROLL TAXES - FEDERAL & FICA	13,332.54
				PAYROLL TAXES - FEDERAL & FICA	20,947.24
				PAYROLL TAXES - FEDERAL & FICA	2,061.46
				PAYROLL TAXES - FEDERAL & FICA	3,921.98

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# Accounts Payable Check Register

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04/01/2023 To 04/30/2023

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
<b>Total for Check/Tran - 3904:</b>					40,263.22
3905 4/18/23	WIRE	153	PERA (ELECTRONIC)	PERA EMPLOYEE CONTRIBUTION	9,471.09
				PERA CONTRIBUTIONS	10,928.13
				PERA EMPLOYEE CONTRIBUTION	1,784.46
				PERA CONTRIBUTIONS	2,059.00
<b>Total for Check/Tran - 3905:</b>					24,242.68
3906 4/19/23	WIRE	160	HCSP (ELECTRONIC)	HCSP EMPLOYEE CONTRIBUTIONS	2,036.10
				HCSP EMPLOYEE CONTRIBUTIONS	289.97
<b>Total for Check/Tran - 3906:</b>					2,326.07
3907 4/19/23	WIRE	161	MNDP (ELECTRONIC)	MNDP EE MANAGER CONTRIBUTIONS	356.56
				MNDP EMPLOYEE CONTRIBUTIONS	3,961.36
				MNDP EMPLOYER CONTRIBUTION	3,099.85
				MNDP EMPLOYER MGR CONTRIBUTION	544.29
				MNDP EE ROTH CONTRIBUTIONS	883.49
				MNDP EE ROTH MGR CONTRIBUTIONS	187.73
				MNDP EE MANAGER CONTRIBUTIONS	47.71
				MNDP EMPLOYEE CONTRIBUTIONS	609.27
				MNDP EMPLOYER CONTRIBUTION	713.72
				MNDP EMPLOYER MGR CONTRIBUTION	72.54
				MNDP EE ROTH CONTRIBUTIONS	184.45
				MNDP EE ROTH MGR CONTRIBUTIONS	24.83
<b>Total for Check/Tran - 3907:</b>					10,685.80
3908 4/19/23	WIRE	285	JOHN HANCOCK	W&A EMPLOYER CONTRIBUTION	1,063.22
				W&A MANAGER CONTRIBUTION	438.60
				WENZEL EE ROTH MGR CONTRIBUTIONS	126.54
				WENZEL EMPLOYEE CONTRIBUTIONS	1,528.42
				WENZEL MANAGER CONTRIBUTIONS	312.06
				DEF COMP ROTH CONTRIBUTIONS W&A	784.14
				W&A EMPLOYER CONTRIBUTION	231.78

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# Accounts Payable Check Register

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04/01/2023 To 04/30/2023

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				W&A MANAGER CONTRIBUTION	46.38
				WENZEL EMPLOYEE CONTRIBUTIONS	69.76
				WENZEL MANAGER CONTRIBUTIONS	46.38
				DEF COMP ROTH CONTRIBUTIONS W&A	162.02
				<b>Total for Check/Tran - 3908:</b>	4,809.30
3909 4/18/23	WIRE	598	MINNESOTA CHILD SUPPORT PAYMEN	CHILD SUPPORT/LEVY	489.61
3910 4/20/23	WIRE	154	MINNESOTA REVENUE (ELECTRONIC)	PAYROLL TAXES - STATE	6,153.09
				PAYROLL TAXES - STATE	1,057.04
				<b>Total for Check/Tran - 3910:</b>	7,210.13
3911 4/20/23	WIRE	7463	FURTHER	HSA EMPLOYEE CONTRIBUTION	2,745.07
				HSA EMPLOYEE CONTRIBUTION	393.72
				<b>Total for Check/Tran - 3911:</b>	3,138.79
3913 4/21/23	WIRE	7463	FURTHER	ADMINISTRATIVE FEE INVOICE - APR 2023	130.40
				ADMINISTRATIVE FEE INVOICE - APR 2023	30.10
				<b>Total for Check/Tran - 3913:</b>	160.50
3914 4/19/23	WIRE	7463	FURTHER	FSA CLAIM REIMBURSEMENTS - 168	540.00
				FSA CLAIM REIMBURSEMENTS - 164	153.86
				FSA CLAIM REIMBURSEMENTS - 164	38.46
				<b>Total for Check/Tran - 3914:</b>	732.32
3915 4/24/23	WIRE	3936	WORLD VISION	World Vision Contributions	34.80
				World Vision Contributions	5.20
				<b>Total for Check/Tran - 3915:</b>	40.00
3916 4/21/23	WIRE	174	MINNESOTA REVENUE SALES TX (ELE	SALES AND USE TAX - MARCH 2023	183,591.73
				SALES AND USE TAX - MARCH 2023	-2.15
				SALES AND USE TAX - MARCH 2023	2,659.42
				<b>Total for Check/Tran - 3916:</b>	186,249.00
3917 4/21/23	WIRE	651	WILSON & COMPANY, INC	BNSF FLAGGERS	3,050.00

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3919 4/17/23	WIRE	9654	CARDMEMBER SERVICE	FIRST NATIONAL BANK VISA	12,389.65
				FIRST NATIONAL BANK VISA	6,598.02
<b>Total for Check/Tran - 3919:</b>					18,987.67
3920 4/26/23	WIRE	152	IRS - USA TAX PMT (ELECTRONIC)	PAYROLL TAXES - FEDERAL & FICA	13,597.71
				PAYROLL TAXES - FEDERAL & FICA	10,113.98
				PAYROLL TAXES - FEDERAL & FICA	2,641.25
				PAYROLL TAXES - FEDERAL & FICA	1,964.54
<b>Total for Check/Tran - 3920:</b>					28,317.48
3921 4/25/23	WIRE	153	PERA (ELECTRONIC)	PERA EMPLOYEE CONTRIBUTION	4,296.77
				PERA CONTRIBUTIONS	4,957.86
				PERA EMPLOYEE CONTRIBUTION	834.62
				PERA CONTRIBUTIONS	963.02
<b>Total for Check/Tran - 3921:</b>					11,052.27
3922 4/27/23	WIRE	154	MINNESOTA REVENUE (ELECTRONIC)	PAYROLL TAXES - STATE	3,863.02
				PAYROLL TAXES - STATE	750.33
<b>Total for Check/Tran - 3922:</b>					4,613.35
3923 4/26/23	WIRE	7463	FURTHER	FSA CLAIM REIMBURSEMENTS - 147 172	454.75
				FSA CLAIM REIMBURSEMENTS - 147 172	113.69
<b>Total for Check/Tran - 3923:</b>					568.44
18146 4/13/23	DD	33	ITRON INC	METER PROGRAMMING 2/1/23 to 1/31/24	6,861.07
				METER PROGRAMMING 2/1/23 TO 1/31/24	-6,861.07
<b>Total for Check/Tran - 18146:</b>					0.00
18147 4/13/23	DD	395	CHRIS SUMSTAD	APPA RODEO MILEAGE - 9	30.13
18148 4/20/23	DD	8469	KATHY A GREENBERG	HARD DRIVE - REMIT + COMPUTER	51.77
				HARD DRIVE - REMIT + COMPUTER	12.94
<b>Total for Check/Tran - 18148:</b>					64.71
18149 4/20/23	DD	74	SCOTT THORESON	LEADERSHIP EXPENSES - 19	155.44



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Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
18195 4/27/23	DD	7583	ANTHONY HUBBARD	GENERATION SCHOOL MEALS - 106	42.58
85482 4/6/23	CHK	218	AIRGAS USA LLC	OXYGEN REFILL	60.13
85483 4/6/23	CHK	568	ALLINA HEALTH SYSTEM	AED - LOCATION PLANT	2,975.00
				AED - LOCATION PLANT	425.00
				<b>Total for Check/Tran - 85483:</b>	3,400.00
85484 4/6/23	CHK	4531	AT & T MOBILITY	CELL PHONES & iPad BILLING	49.72
				CELL PHONES & iPad BILLING	2,472.61
				CELL PHONES & iPad BILLING	560.13
				<b>Total for Check/Tran - 85484:</b>	3,082.46
85485 4/6/23	CHK	5224	BLUE CROSS BLUE SHIELD OF MINNESOTA	MEDICAL EE INSURANCE - MAY 2023	8,803.40
				MEDICAL ER INSURANCE - MAY 2023	50,763.85
				VISION INSURANCE - MAY 2023	343.09
				MEDICAL EE INSURANCE - MAY 2023	2,453.60
				MEDICAL ER INSURANCE - MAY 2023	13,506.80
				VISION INSURANCE - MAY 2023	106.71
				<b>Total for Check/Tran - 85485:</b>	75,977.45
85486 4/6/23	CHK	5013	CARR'S TREE SERVICE, INC	TREE TRIMMING - 3/6/23	8,518.40
85487 4/6/23	CHK	7661	CE MURPHY PROPERTIES	CIP - LIGHTING RETROFIT	1,090.00
85488 4/6/23	CHK	3173	DELL MARKETING LP	Monitor	324.69
				Mouse	44.22
				<b>Total for Check/Tran - 85488:</b>	368.91
85489 4/6/23	CHK	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 3 - INV GRP 414 - FEB 2023	150.00
				CYCLE 3 - INV GRP 414 - FEB 2023	924.74
				CYCLE 3 - ACCT 37747 - FEB 2023	151.09
				CYCLE 3 - INV GRP 395 - FEB 2023	10,601.19
				<b>Total for Check/Tran - 85489:</b>	11,827.02
85490 4/6/23	CHK	671	FASTENAL COMPANY	Bins	520.16

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Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				Bins	74.31
				<b>Total for Check/Tran - 85490:</b>	594.47
85491 4/6/23	CHK	9997	GRACE CHURCH	Credit Balance Refund	339.93
85492 4/6/23	CHK	648	HANDKE CENTER	CIP - LIGHTING RETROFIT	831.00
85493 4/6/23	CHK	809	HAWKINS, INC.	Water Chemicals	749.99
				Water Chemicals	57.20
				<b>Total for Check/Tran - 85493:</b>	807.19
85494 4/6/23	CHK	649	HOOSIER RACING TIRE	CIP - LIGHTING RETROFIT	2,810.00
85495 4/6/23	CHK	5341	HUBBARD ELECTRIC	GUTTER MELT - 1705 MAIN ST	6,970.50
85496 4/6/23	CHK	5670	HVACREDU.NET	Website Support	375.00
85497 4/6/23	CHK	6836	INNOVATIVE OFFICE SOLUTIONS LLC	OFFICE SUPPLIES	85.55
				OFFICE SUPPLIES	21.38
				<b>Total for Check/Tran - 85497:</b>	106.93
85498 4/6/23	CHK	9997	RUBY JULKOWSKI	Credit Balance Refund	74.09
85499 4/6/23	CHK	9997	ETELVINA MARIN-RIOS	Credit Balance Refund	77.96
85500 4/6/23	CHK	5827	MCMaster-CARR SUPPLY CO.	HOSE ADAPTER	58.11
				Discount	-0.95
				<b>Total for Check/Tran - 85500:</b>	57.16
85501 4/6/23	CHK	145	MENARDS	MISC PARTS & SUPPLIES	58.21
				PLYWOOD FOR SHEVLES	16.18
				<b>Total for Check/Tran - 85501:</b>	74.39
85502 4/6/23	CHK	120	NAPA AUTO PARTS	PARTS FOR RODEO & WELDER	13.56
				CARB KIT CREDIT	-11.72
				<b>Total for Check/Tran - 85502:</b>	1.84
85503 4/6/23	CHK	43	NORTHERN TOOL	PARTS FOR GENERATOR - POWER PLANT	140.00

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85504 4/6/23	CHK	358	OLSEN CHAIN & CABLE, INC.	Harness-Trauma Strap	1,846.57
85505 4/6/23	CHK	9997	ORLUCK INDUSTRIES INC	Credit Balance Refund	302.36
85506 4/6/23	CHK	811	PRIME ADVERTISING & DESIGN, INC.	Agreement	1,440.00
85507 4/6/23	CHK	630	PRINCETON RENTAL INC	CHAINSAW & CASE	225.47
				FILE GUIDE	-3.62
				FILE GUIDE	49.61
<b>Total for Check/Tran - 85507:</b>					271.46
85508 4/6/23	CHK	9997	HANNA PUKHTILOVA	Credit Balance Refund	31.47
85509 4/6/23	CHK	8897	RALPHIE'S MINNOCO	RALPHIE'S MINNOCO	47.75
85510 4/6/23	CHK	105	RICHFIELD FIRE EXTINGUISHER	FIRE EXTINGUISHER INSPECTION & MTC	-57.10
				FIRE EXTINGUISHER INSPECTION & MTC	1,740.75
				FIRE EXTINGUISHER INSPECTION & MTC	-14.29
				FIRE EXTINGUISHER INSPECTION & MTC	435.20
<b>Total for Check/Tran - 85510:</b>					2,104.56
85511 4/6/23	CHK	603	ROYAL SUPPLY INC	OFFICE SUPPLIES	181.70
				OFFICE SUPPLIES	25.95
<b>Total for Check/Tran - 85511:</b>					207.65
85512 4/6/23	CHK	9161	SHERBURNE COUNTY AREA UNITED W	EMPLOYEE CONTRIBUTIONS	127.55
				EMPLOYEE CONTRIBUTIONS	32.45
<b>Total for Check/Tran - 85512:</b>					160.00
85513 4/6/23	CHK	9997	DAMIEN SMITH	Credit Balance Refund	175.28
85514 4/6/23	CHK	6107	STUART C. IRBY CO.	BLANKET & TESTING	-21.36
				BLANKET & TESTING	1,497.04
<b>Total for Check/Tran - 85514:</b>					1,475.68
85515 4/6/23	CHK	4532	TRACTOR SUPPLY CREDIT PLAN	TRACTOR SUPPLY	25.43

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85516 4/6/23	CHK	55	WESCO RECEIVABLES CORP.	RISER WIRE	1,623.06
85517 4/13/23	CHK	11	CITY OF ELK RIVER	TRASH BILLED - MARCH 2023	159,064.10
85518 4/13/23	CHK	1327	AUTOMATIC SYSTEMS CO	REPAIRS - WELL #4 & #7	906.25
85519 4/13/23	CHK	1253	B & B TRANSFORMER INC	REGULATOR REPAIRS	8,950.00
85520 4/13/23	CHK	9997	AMANDA BEKKERUS	Credit Balance Refund	269.10
85521 4/13/23	CHK	6138	BLUE EGG BAKERY	COOKIES FOR COMMISSION MEETING	9.36
				COOKIES FOR COMMISSION MEETING	2.34
				COOKIES FOR COMMISSION MEETING	7.80
				COOKIES FOR COMMISSION MEETING	1.95
<b>Total for Check/Tran - 85521:</b>					<b>21.45</b>
85522 4/13/23	CHK	9	BORDER STATES ELECTRIC SUPPLY	Pin	132.92
				ROCK ANCHOR	237.52
				TRANSFORMER PAD BOX	13,566.30
				Wiping Cloth	121.05
				ANCHOR ROD	922.44
				CREDIT ON HAMMER DRILL	-80.00
				CREDIT ON HAMMER DRILL	-20.00
				Combo Kit	319.20
				Crimp	2,130.67
				Crimper	2,130.67
				Combo Kit	79.80
				Wiping Cloth	13.45
				Gloves	78.26
				Gloves	547.82
				Gloves	234.78
				UG TRACKER FAULT	25,667.00
				TUBULAR SPLICE COVER	1,113.32
				SPLICE COVER & COLD SHRINK SPLICE	5,618.92

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				Mtce of URD Primary	137.16
				Crimper	-2,130.67
				CRIMPER	2,130.67
<b>Total for Check/Tran - 85522:</b>					52,951.28
85523 4/13/23	CHK	7003	BURNDY LLC	Tool Repair	1,051.78
85524 4/13/23	CHK	8843	CAMPBELL KNUTSON	LEGAL SERVICES - MARCH 2023	888.00
				LEGAL SERVICES - MARCH 2023	222.00
<b>Total for Check/Tran - 85524:</b>					1,110.00
85525 4/13/23	CHK	5013	CARR'S TREE SERVICE, INC	TREE TRIMMING - 3/13/23	6,691.18
				TREE TRIMMING - 3/20/23	7,351.58
<b>Total for Check/Tran - 85525:</b>					14,042.76
85526 4/13/23	CHK	28	CINTAS	MATS & TOWELS	234.73
				MATS & TOWELS	33.54
				MATS & TOWELS	234.73
				MATS & TOWELS	33.54
<b>Total for Check/Tran - 85526:</b>					536.54
85527 4/13/23	CHK	5592	CITY OF DAYTON	2023 QTR 1 FRANCHISE FEES	2,501.34
85528 4/13/23	CHK	11	CITY OF ELK RIVER	LABOR FOR UNIT #5	40.00
85529 4/13/23	CHK	7448	CRC	CUSTOMER SERVICE FOR AFTER HOURS	2,113.66
				CUSTOMER SERVICE FOR AFTER HOURS	528.41
<b>Total for Check/Tran - 85529:</b>					2,642.07
85530 4/13/23	CHK	36	CROW RIVER FARM EQUIP CO	PARTS FOR UNIT #8 12 19 22	-5.89
				PARTS FOR UNIT #8	80.77
				PARTS FOR UNIT #8 12 19 22	-12.06
				PARTS FOR UNIT #12 19 22	165.17
				PARTS FOR UNIT #56	6.38
				PARTS FOR UNIT #56	372.86
<b>Total for Check/Tran - 85530:</b>					607.23



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85531 4/13/23	CHK	3173	DELL MARKETING LP	Lap Tops	6,079.13
				Lap Tops	1,519.75
Total for Check/Tran - 85531:					7,598.88
85532 4/13/23	CHK	5204	DIVERSIFIED ADJUSTMENT SERVICE, I	COLLECTION SERVICES - MARCH 2023	23.43
85533 4/13/23	CHK	25	ECM PUBLISHERS INC	WELLHEAD PUBLIC NOTICE	111.80
85534 4/13/23	CHK	3667	ELFERING & ASSOCIATES	PROFESSIONAL SERVICES	490.00
				PROFESSIONAL SERVICES	140.00
Total for Check/Tran - 85534:					630.00
85535 4/13/23	CHK	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 4 - INV GRP 415 - MARCH 2023	150.00
				CYCLE 4 - INV GRP 415 - MARCH 2023	1,388.69
				CYCLE 4 - INV GRP 396 - MARCH 2023	270.91
Total for Check/Tran - 85535:					1,809.60
85536 4/13/23	CHK	122	ELK RIVER WINLECTRIC	CONNECTORS - FUEL PUMPS	-2.33
				CONNECTORS - FUEL PUMPS	31.87
				PARTS FOR FUEL PUMPS	-0.41
				PARTS FOR FUEL PUMPS	5.50
				PVC END CAP - ELK RIVER MEATS SHUT OFF	-0.63
				PVC END CAP - ELK RIVER MEATS SHUT OFF	8.61
				MISC PARTS & SUPPLIES	-0.69
				Misc Distribution Exp	9.58
				BOX PAD	6,244.00
Total for Check/Tran - 85536:					6,295.50
85537 4/13/23	CHK	340	FURNITURE AND THINGS	CIP - LIGHTING RETROFIT	375.00
85538 4/13/23	CHK	91	GOPHER STATE ONE-CALL	LOCATES FOR - MARCH 2023	341.15
				LOCATES FOR - MARCH 2023	17.95
Total for Check/Tran - 85538:					359.10
85539 4/13/23	CHK	80	GRAINGER	MISC PARTS & SUPPLIES	-12.67

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				MISC PARTS & SUPPLIES	45.98
				MISC PARTS & SUPPLIES	127.66
				<b>Total for Check/Tran - 85539:</b>	160.97
85540 4/13/23	CHK	809	HAWKINS, INC.	Water Chemicals	356.74
85541 4/13/23	CHK	631	HEALTH PARTNERS	DENTAL EE INSURANCE - MAY 2023	982.16
				DENTAL ER INSURANCE - MAY 2023	2,660.30
				DENTAL EE INSURANCE - MAY 2023	129.11
				DENTAL ER INSURANCE - MAY 2023	673.49
				<b>Total for Check/Tran - 85541:</b>	4,445.06
85542 4/13/23	CHK	5686	HYDROCORP	BACKFLOW DEVICE INSPECTION - MAR 2023	1,123.00
85543 4/13/23	CHK	9997	JOHNSON HOUSE PROPERTIES LLC	Credit Balance Refund	256.32
85544 4/13/23	CHK	8083	JT SERVICES OF MINNESOTA	LIGHT POLE & ARM	1,851.14
85545 4/13/23	CHK	9997	KRISTA LEE	Credit Balance Refund	34.20
85546 4/13/23	CHK	9997	LENNAR HOMES	Credit Balance Refund	45.49
85547 4/13/23	CHK	9997	LENNAR HOMES	Credit Balance Refund	117.67
85548 4/13/23	CHK	9997	LENNAR HOMES	Credit Balance Refund	88.28
85549 4/13/23	CHK	9997	LENNAR HOMES	Credit Balance Refund	95.72
85550 4/13/23	CHK	8605	MARCO TECHNOLOGIES, LLC	PRINTER MTC CONTRACT - 4/1 to 5/1/23	308.09
				PRINTER MTC CONTRACT - 4/1 to 5/1/23	77.02
				<b>Total for Check/Tran - 85550:</b>	385.11
85551 4/13/23	CHK	145	MENARDS	SHOP SUPPLIES	18.84
				SHOP SUPPLIES	2.70
				PARTS FOR UNIT #56	24.30
				<b>Total for Check/Tran - 85551:</b>	45.84
85552 4/13/23	CHK	119	MINNESOTA COMPUTER SYSTEMS INC	COPIER MTC CONTRACT - 3/12 to 4/11/23	127.16

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				COPIER MTC CONTRACT - 3/12 to 4/11/23	31.79
				<b>Total for Check/Tran - 85552:</b>	158.95
85553 4/13/23	CHK	1001	MINNESOTA MUNICIPAL POWER AGEN	PURCHASED POWER - MARCH 2023	2,331,855.91
85554 4/13/23	CHK	39	MMUA	STEPPING INTO LEADERSHIP - 159	3,300.00
85555 4/13/23	CHK	9997	OMAR MOREY	Credit Balance Refund	86.24
85556 4/13/23	CHK	120	NAPA AUTO PARTS	HOSE CLAMP - PORTABLE COMPRESSOR	4.98
85557 4/13/23	CHK	9300	NISC	MISC INVOICE - MARCH 2023	642.30
				MISC INVOICE - MARCH 2023	160.58
				AGREEMENTS INVOICE - MARCH 2023	53.94
				AGREEMENTS INVOICE - MARCH 2023	10,853.35
				AGREEMENTS INVOICE - MARCH 2023	2,425.04
				Scanner	471.85
				Scanner	377.48
				Scanner	94.37
				PRINT SERVICES - MARCH 2023	5,784.92
				PRINT SERVICES - MARCH 2023	1,840.78
				PRINT SERVICES - MARCH 2023	1,446.23
				<b>Total for Check/Tran - 85557:</b>	24,150.84
85558 4/13/23	CHK	5056	PLAISTED COMPANIES, INC.	FILL SAND	38.60
85559 4/13/23	CHK	8897	RALPHIE'S MINNOCO	RALPHIE'S MINNOCO	54.73
85560 4/13/23	CHK	574	REPUBLIC SERVICES, INC	TRASH & RECYCLING - MARCH 2023	1,094.03
				TRASH & RECYCLING - MARCH 2023	273.51
				TRASH & RECYCLING - MARCH 2023	256.81
				TRASH & RECYCLING - MARCH 2023	40.04
				TRASH & RECYCLING - MARCH 2023	10.00
				<b>Total for Check/Tran - 85560:</b>	1,674.39
85561 4/13/23	CHK	130	RESCO	Transformer	14,880.00

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				Transformers	33,793.84
				Discount	-24.34
				ELBOW ARRESTER	3,807.00
				Discount	-1.90
				<b>Total for Check/Tran - 85561:</b>	52,454.60
85562 4/13/23	CHK	5214	SAFETY SIGNS LLC	Road Work Signs	2,368.22
85563 4/13/23	CHK	7940	SCHWEITZER ENGINEERING LABORAT	Relays	2,753.86
				Relays	4,392.86
				<b>Total for Check/Tran - 85563:</b>	7,146.72
85564 4/13/23	CHK	9997	STORMY ST VINCENT	Credit Balance Refund	59.05
85565 4/13/23	CHK	6107	STUART C. IRBY CO.	Transformers	16,399.98
85566 4/13/23	CHK	9997	EUTHARIA UCHE	Credit Balance Refund	125.96
85567 4/13/23	CHK	209	ULINE	INVENTORY AISLE SIGNS	268.61
85568 4/13/23	CHK	569	UNDERGROUND TOOLS, INC	PARTS FOR UNIT #56	1,590.00
85569 4/13/23	CHK	543	USABLUEBOOK	HYDRANT FLUSHING ELBOW	740.21
85570 4/13/23	CHK	375	VIKING ELECTRIC	BLUE RISER CABLE	-11.81
				BLUE RISER CABLE	161.80
				<b>Total for Check/Tran - 85570:</b>	149.99
85571 4/13/23	CHK	429	WALMAN OPTICAL	Misc Distribution Exp	326.00
85572 4/13/23	CHK	135	WATER LABORATORIES INC	Sampling	270.00
85573 4/13/23	CHK	610	WRIGHT HENNEPIN COOPERATIVE ELE	SECURITY - 1435 MAIN ST	29.71
				SECURITY - 1435 MAIN ST	4.24
				<b>Total for Check/Tran - 85573:</b>	33.95
85618 4/20/23	CHK	398	ALTEC INDUSTRIES, INC	REPAIR KITS FOR BUCKETS TRUCKS	-11.99
				REPAIR KITS FOR BUCKETS TRUCKS	164.29

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
Total for Check/Tran - 85618:					152.30
85619 4/20/23	CHK	2512	AMARIL UNIFORM COMPANY	Employee Clothing - 149	-136.80
				Employee Clothing - 149	-7.20
				Employee Clothing - 136	184.76
				Employee Clothing - 149	180.50
				Employee Clothing - 149	9.50
				Employee Clothing - 135	376.20
				Employee Clothing - 180	502.00
				Employee Clothing - 169	1,126.83
				Employee Clothing - 171	1,109.70
				Employee Clothing - 159	1,020.50
Total for Check/Tran - 85619:					4,365.99
85620 4/20/23	CHK	8079	BAYCOM, INC.	Toughbook	2,843.87
				Toughbook	149.68
Total for Check/Tran - 85620:					2,993.55
85621 4/20/23	CHK	9999	BUCHHOLZ PROPERTIES	Hydrant Rental Deposit Refund	136.79
85622 4/20/23	CHK	11	CITY OF ELK RIVER	SEWER BILLED - MARCH 2023	190,841.46
				STORMWATER BILLED - MARCH 2023	53,062.89
Total for Check/Tran - 85622:					243,904.35
85623 4/20/23	CHK	3498	CITY OF OTSEGO	FRANCHISE - 2023 QTR 1	16,473.48
85624 4/20/23	CHK	212	DAKOTA SUPPLY GROUP	Diffuser	3,287.32
85625 4/20/23	CHK	9997	MARI DAMHOF	Credit Balance Refund	6.77
85626 4/20/23	CHK	5249	DMV	UNIT #1 SALES TAX & REGISTRATION	2,599.91
				UNIT #1 SALES TAX & REGISTRATION	649.98
Total for Check/Tran - 85626:					3,249.89
85627 4/20/23	CHK	9999	DR&G SERVICES	Hydrant Rental Deposit Refund	771.73

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
85628 4/20/23	CHK	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 1 - INV GRP 421 - MARCH 2023	5,491.02
				CYCLE 1 - ACCT 183 - MARCH 2023	2,109.59
				CYCLE 1 - INV GRP 101 - MARCH 2023	703.98
				CYCLE 1 - INV GRP 101 - MARCH 2023	57.18
				CYCLE 1 - INV GRP 101 - MARCH 2023	3,607.97
				CYCLE 1 - INV GRP 101 - MARCH 2023	176.00
				CYCLE 1 - INV GRP 101 - MARCH 2023	595.26
				CYCLE 1 - INV GRP 325 - MARCH 2023	420.00
				CYCLE 1 - INV GRP 325 - MARCH 2023	15,686.90
Total for Check/Tran - 85628:					28,847.90
85629 4/20/23	CHK	9424	FAIRCHILD EQUIPMENT	FLOOR SWEEPER REPAIR	-44.38
				FLOOR SWEEPER REPAIR	1,027.86
				FLOOR SWEEPER REPAIR	-6.33
				FLOOR SWEEPER REPAIR	146.83
Total for Check/Tran - 85629:					1,123.98
85630 4/20/23	CHK	9997	CURTIS FLODQUIST	Credit Balance Refund	46.67
85631 4/20/23	CHK	614	FORD OF HIBBING	Vehicle #1	39,506.30
				Vehicle #1	9,876.58
Total for Check/Tran - 85631:					49,382.88
85632 4/20/23	CHK	645	FRANKLIN OUTDOOR ADVERTISING C	DIGITAL BILLBOARD - HVAC	272.00
				DIGITAL BILLBOARD - T-STAT	264.00
				DIGITAL BILLBOARD - CEC	264.00
Total for Check/Tran - 85632:					800.00
85633 4/20/23	CHK	241	FRESCO, INC	DECORATIVE POLE & SHROUD BASE	6,117.71
85634 4/20/23	CHK	5550	GEARED UP APPAREL	EMPLOYEE CLOTHING - 189	60.80
				EMPLOYEE CLOTHING - 189	15.20
Total for Check/Tran - 85634:					76.00
85635 4/20/23	CHK	80	GRAINGER	FILTER CARTRIDGE PAPER	101.04

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**Bank Account: 5 - GENERAL FUND WITHDRAWALS**

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
85636 4/20/23	CHK	53	GREAT RIVER ENERGY	2023 Q1 CONNECTION SERVICES	1,875.00
85637 4/20/23	CHK	9997	H&R BLOCK ENTERPRISES LLC	Credit Balance Refund	253.47
85638 4/20/23	CHK	846	HACH COMPANY	MISC PARTS & SUPPLIES	1,488.06
85639 4/20/23	CHK	824	HOME DEPOT CREDIT SERVICES	HOME DEPOT	127.64
85640 4/20/23	CHK	5310	HOTSY MINNESOTA	CAR WASH REPAIR	242.39
				CAR WASH REPAIR	34.62
<b>Total for Check/Tran - 85640:</b>					277.01
85641 4/20/23	CHK	9301	IDEAL SERVICE, INC.	Preventatice	500.00
85642 4/20/23	CHK	9997	JEREMY LANGMADE	Credit Balance Refund	215.65
85643 4/20/23	CHK	9997	ERICKA LARSON	Credit Balance Refund	226.57
85644 4/20/23	CHK	417	LOCATORS & SUPPLIES INC.	ORANGE NITRILE GLOVES	260.89
				ORANGE NITRILE GLOVES	37.27
<b>Total for Check/Tran - 85644:</b>					298.16
85645 4/20/23	CHK	8605	MARCO TECHNOLOGIES, LLC	OFFICE 365 - 2/25 to 3/24/23	878.80
				OFFICE 365 - 2/25 to 3/24/23	217.17
<b>Total for Check/Tran - 85645:</b>					1,095.97
85646 4/20/23	CHK	188	MARTIES FARM SERVICE INC	PRUNING SEALER	9.70
85647 4/20/23	CHK	145	MENARDS	SAND BAGS FOR SIGNAGE	6.34
				MISC PARTS & SUPPLIES	39.16
				MISC PARTS & SUPPLIES	36.63
				REBATE	-12.34
				REBATE	-2.48
				REBATE	-0.49
<b>Total for Check/Tran - 85647:</b>					66.82
85648 4/20/23	CHK	39	MMUA	GENERATION SCHOOL - 106	565.00

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				SAFETY MANUALS	875.94
				SAFETY MANUALS	218.99
				<b>Total for Check/Tran - 85648:</b>	1,659.93
85649 4/20/23	CHK	3769	O'REILLY AUTOMOTIVE STORES, INC	PARTS - MILLER WELDER/GENERATOR	14.14
85650 4/20/23	CHK	811	PRIME ADVERTISING & DESIGN, INC.	CLEAN ENERGY CHOICE CERT & ENVELOPES	867.92
85651 4/20/23	CHK	575	Q MARKET RESEARCH	2023 QTR 1 CUSTOMER SATISFACTION SURVEY	3,700.00
				2023 QTR 1 CUSTOMER SATISFACTION SURVEY	925.00
				<b>Total for Check/Tran - 85651:</b>	4,625.00
85652 4/20/23	CHK	9020	QUADIENT LEASING USA	Mail Machine	396.58
				Mail Machine	99.15
				<b>Total for Check/Tran - 85652:</b>	495.73
85653 4/20/23	CHK	130	RESCO	ELBOW ARRESTER	3,807.00
				Discount	-1.90
				<b>Total for Check/Tran - 85653:</b>	3,805.10
85654 4/20/23	CHK	307	ST CLOUD STATE UNIVERSITY	MCFOA ANNUAL CONFERENCE - 184	304.00
				MCFOA ANNUAL CONFERENCE - 184	76.00
				<b>Total for Check/Tran - 85654:</b>	380.00
85655 4/20/23	CHK	6107	STUART C. IRBY CO.	ARRESTER BRACKET	1,346.50
85656 4/20/23	CHK	636	TECH CHECK LLC	Head Sets	1,312.64
				WIRELESS HEADSET	-12.18
				Head Sets	328.15
				WIRELESS HEADSET	-3.04
				<b>Total for Check/Tran - 85656:</b>	1,625.57
85657 4/20/23	CHK	3360	THE UPS STORE 5093	OFFICE SUPPLIES	25.99
85658 4/20/23	CHK	8948	TRYCO LEASING INC.	LEASE FOR COPIER AT PLANT	85.49
				LEASE FOR COPIER AT PLANT	21.37
				<b>Total for Check/Tran - 85658:</b>	106.86



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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
85659 4/20/23	CHK	209	ULINE	PALLET RACK DIVIDER	590.44
85660 4/20/23	CHK	9999	VEIT	Hydrant Rental Deposit Refund	941.32
85661 4/20/23	CHK	628	VICTORY CLEANING SERVICES, LLC	MONTHLY CLEANING FOR THE PLANT-MAR 2023	3,114.90
				MONTHLY CLEANING FOR THE PLANT-MAR 2023	444.98
				MONTHLY CLEANING FOR THE PLANT-MAR 2023	141.58
				MONTHLY CLEANING FOR THE PLANT-MAR 2023	20.23
				MONTHLY CLEANING FOR THE PLANT-MAR 2023	188.78
				MONTHLY CLEANING FOR THE PLANT-MAR 2023	26.97
Total for Check/Tran - 85661:					3,937.44
85662 4/27/23	CHK	11	CITY OF ELK RIVER	PARTS & LABOR FOR UNIT #	124,155.05
				FRANCHISE FEE CREDIT - MARCH 2023	-792.50
Total for Check/Tran - 85662:					123,362.55
85663 4/27/23	CHK	9997	RACHEL BOCKUS	Credit Balance Refund	122.38
85664 4/27/23	CHK	9997	ERIN BRAATEN	Credit Balance Refund	315.91
85665 4/27/23	CHK	3982	CENTERPOINT ENERGY	NATURAL GAS & IRON REMOVAL	3,528.10
				NATURAL GAS & IRON REMOVAL	799.14
Total for Check/Tran - 85665:					4,327.24
85666 4/27/23	CHK	7447	CENTRAL HYDRAULICS, INC.	HYDRAULIC PLUGS	-1.56
				HYDRAULIC PLUGS	21.31
Total for Check/Tran - 85666:					19.75
85667 4/27/23	CHK	549	CHARTER COMMUNICATIONS	OFFICE TELEPHONE	152.70
				OFFICE TELEPHONE	38.18
Total for Check/Tran - 85667:					190.88
85668 4/27/23	CHK	28	CINTAS	MATS & TOWELS	234.73
				MATS & TOWELS	33.54
Total for Check/Tran - 85668:					268.27

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
85669 4/27/23	CHK	11	CITY OF ELK RIVER	FUEL USAGE - MARCH 2023	3,088.00
				FUEL USAGE - MARCH 2023	702.24
				PARTS & LABOR FOR UNIT #44	-5.11
				PARTS & LABOR FOR UNIT #44	170.10
				PARTS & LABOR FOR UNIT #46	-10.24
				PARTS & LABOR FOR UNIT #46	340.26
				PARTS & LABOR FOR UNIT #2	-21.26
				PARTS & LABOR FOR UNIT #2	481.28
				PARTS & LABOR FOR UNIT #2	24.21
				PARTS & LABOR FOR UNIT #4	-11.98
				PARTS & LABOR FOR UNIT #4	204.08
				PARTS & LABOR FOR UNIT #61	-24.57
				PARTS & LABOR FOR UNIT #61	486.53
				PARTS & LABOR FOR UNIT #38	100.00
				PARTS & LABOR FOR UNIT #38	-0.74
				PARTS & LABOR FOR UNIT #38	69.98
				PARTS & LABOR FOR UNIT #61	100.00
				PARTS & LABOR FOR UNIT #8	100.00
				PARTS & LABOR FOR UNIT #23	100.00
				PARTS & LABOR FOR UNIT #19	-5.04
				PARTS & LABOR FOR UNIT #19	189.03
				PARTS & LABOR FOR UNIT #5	100.00
				PARTS & LABOR FOR UNIT #9	100.00
				PARTS & LABOR FOR UNIT #39	100.00
				PARTS & LABOR FOR UNIT #13	-41.70
				PARTS & LABOR FOR UNIT #13	831.17
				PARTS & LABOR FOR UNIT #15	100.00
				PARTS & LABOR FOR UNIT #25	-9.32
				PARTS & LABOR FOR UNIT #25	247.71
				PARTS & LABOR FOR UNIT #31	80.00
				PARTS & LABOR FOR UNIT #31	-0.17

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				PARTS & LABOR FOR UNIT #31	62.37
				PARTS & LABOR FOR UNIT #6	-1.55
				PARTS & LABOR FOR UNIT #6	97.49
				PARTS & LABOR FOR UNIT #6	-0.09
				PARTS & LABOR FOR UNIT #6	5.14
				PARTS & LABOR FOR UNIT #7	80.00
				PARTS & LABOR FOR UNIT #7	-7.34
				PARTS & LABOR FOR UNIT #7	300.45
				PARTS & LABOR FOR UNIT #10	585.00
				<b>Total for Check/Tran - 85669:</b>	8,705.93
85670 4/27/23	CHK	54	CORE & MAIN LP	SLINKY CURB KEY	-94.52
				WHEEL WRENCH	59.86
				PENTA SOCKET	217.31
				<b>Total for Check/Tran - 85670:</b>	182.65
85671 4/27/23	CHK	9997	DBT & EMDR SPECIALISTS PA	Credit Balance Refund	252.94
85672 4/27/23	CHK	25	ECM PUBLISHERS INC	CLEAN ENERGY CHOICE AD	411.08
85673 4/27/23	CHK	250	ECO SHRED MN INC	SHREDDING	240.00
				SHREDDING	60.00
				<b>Total for Check/Tran - 85673:</b>	300.00
85674 4/27/23	CHK	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 2 - ACCT 41038 - MARCH 2023	118.73
				CYCLE 2 - ACCT 41038 - MARCH 2023	6.25
				CYCLE 2 - INV GRP 413 - MARCH 2023	75.00
				CYCLE 2 - INV GRP 413 - MARCH 2023	375.15
				CYCLE 2 - ACCT 436 - MARCH 2023	2,745.37
				<b>Total for Check/Tran - 85674:</b>	3,320.50
85675 4/27/23	CHK	671	FASTENAL COMPANY	Blue Locate Paint	122.49
				MISC PARTS & SUPPLIES	169.58
				<b>Total for Check/Tran - 85675:</b>	292.07

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**Bank Account: 5 - GENERAL FUND WITHDRAWALS**

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
85676 4/27/23	CHK	8247	FERGUSON WATERWORKS #2516	TONGS Conn	-123.73
<b>Total for Check/Tran - 85676:</b>					324.29
85677 4/27/23	CHK	533	G.F. JEDLICKI, INC	HWY 169 REDEFINE - FINAL	200.56
85678 4/27/23	CHK	846	HACH COMPANY	MISC PARTS & SUPPLIES	46,830.40
85679 4/27/23	CHK	809	HAWKINS, INC.	Water Chemicals	424.20
				CHLORINE CYLINDER RENTAL	630.58
<b>Total for Check/Tran - 85679:</b>					160.00
85681 4/27/23	CHK	6836	INNOVATIVE OFFICE SOLUTIONS LLC	OFFICE SUPPLIES	790.58
				OFFICE SUPPLIES	177.87
<b>Total for Check/Tran - 85681:</b>					44.47
85682 4/27/23	CHK	653	KING SIGNS, GRAPHICS & IMAGING, LLC	Cable System	222.34
				Frames	364.10
				Installation	582.55
				Plaque	215.76
				Wall Display	420.73
				Cable System	129.46
				Frames	91.03
				Installation	145.64
				Plaque	53.94
				Wall Display	105.18
<b>Total for Check/Tran - 85682:</b>					32.36
85683 4/27/23	CHK	9997	MELISSA KING	Credit Balance Refund	2,140.75
85684 4/27/23	CHK	8290	MCGRANN SHEA CARNIVAL STRAUGH LEGAL SERVICES - MARCH 2023		448.76
85685 4/27/23	CHK	145	MENARDS	INVENTORY TOOLING	1,828.75
				PARTS FOR SALTER	39.73
				MISC PARTS & SUPPLIES	16.20
					-10.78

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				MISC PARTS & SUPPLIES	23.59
				MISC PARTS & SUPPLIES	3.76
				<b>Total for Check/Tran - 85685:</b>	72.50
85686 4/27/23	CHK	7293	MINNESOTA DEPT OF COMMERCE	eHEAT ENERGY REFUND - ANFINSON	349.26
85687 4/27/23	CHK	2956	MINNESOTA DEPT OF TRANSPORTATION	HWY 10 UTILITY AGREEMENT	37,549.61
85688 4/27/23	CHK	349	MINNESOTA EQUIPMENT INC	REWIND STARTER - POLE SAW	46.38
85689 4/27/23	CHK	633	MUTUAL OF OMAHA	ELEC LIFE INSURANCE - MAY 2023	292.16
				LIFE, STD & LTD INSURANCE - MAY 2023	2,484.34
				ELEC LIFE INSURANCE - MAY 2023	143.64
				LIFE, STD & LTD INSURANCE - MAY 2023	562.34
				<b>Total for Check/Tran - 85689:</b>	3,482.48
85690 4/27/23	CHK	120	NAPA AUTO PARTS	MISC PARTS & SUPPLIES	18.28
				LAMP	10.98
				LENS RESTORATION SYSTEM	24.30
				POLE SAW	8.16
				<b>Total for Check/Tran - 85690:</b>	61.72
85691 4/27/23	CHK	573	NCPERS MINNESOTA	EXTRA LIFE INSURANCE - MAY 2023	192.00
				EXTRA LIFE INSURANCE - MAY 2023	16.00
				<b>Total for Check/Tran - 85691:</b>	208.00
85692 4/27/23	CHK	9997	NOBERG HOMES, INC	Credit Balance Refund	630.42
85693 4/27/23	CHK	9997	NOBERG HOMES, INC	Credit Balance Refund	712.47
85694 4/27/23	CHK	512	RJM CONSTRUCTION, LLC	FIELD SERVICES BLDG - DRAW #20	109,822.51
				FIELD SERVICES BLDG - DRAW #21	22,928.31
				<b>Total for Check/Tran - 85694:</b>	132,750.82
85695 4/27/23	CHK	159	SHORT ELLIOTT HENDRICKSON INC	PROFESSIONAL SERVICES - MARCH 2023	3,522.49
85696 4/27/23	CHK	55	WESCO RECEIVABLES CORP.	VACUUM INTERRUPTER	11,536.62

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
85697 4/28/23	CHK	11	CITY OF ELK RIVER	FEB METERED - 2023 QTR 1	825.00
				FRANCHISE FEE - 2023 QTR 1	237,091.54
				JAN METERED - 2023 QTR 1	825.00
				MAR METERED - 2023 QTR 1	792.50
				WRITE OFF - 2023 QTR 1	-148.02
<b>Total for Check/Tran - 85697:</b>					239,386.02
<b>Total for Bank Account - 5 :</b>					(205) 4,300,539.87
<b>Grand Total :</b>					(207) 4,310,559.89

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**PARAMETERS ENTERED:****Check Date:** 04/01/2023 To 04/30/2023**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**

**April 11, 2023**

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

ERMU Staff Present: Mark Hanson, General Manager  
Sara Youngs, Administrations Director  
Tom Geiser, Operations Director  
Melissa Karpinski, Finance 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  
Parker Theisen, IT/OT Technician

Others Present: Jared Shepherd, Attorney; Andrew Berg, CPA with Abdo

**1.0 GOVERNANCE**

**1.1 Call Meeting to Order**

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

**1.2 Pledge of Allegiance**

The Pledge of Allegiance was recited.

**1.3 Consider the Agenda**

**Moved by Commissioner Westgaard and seconded by Commissioner Bell to approve the April 11, 2023, agenda. Motion carried 5-0**

**1.4 Resolution Recognizing 2023 Drinking Water Week**

Mr. Ninow presented his memo on 2023 Drinking Water Week, occurring May 7-13. Mr. Ninow explained this event is a great time to educate our customers, connect with the public, and promote awareness regarding the critical work ERMU staff does every day to bring our customers high quality drinking water.

Chair Dietz commented on the importance of sharing good news about the great job the water department does in providing safe, reliable water service.



**Moved by Commissioner Stewart and seconded by Commissioner Zerwas to adopt Resolution 23-3 Recognizing Drinking Water Week, May 7-13, 2023. Motion carried 5-0**

**1.5 Resolution Recognizing 2023 Lineworker Appreciation Day**

Mr. Sumstad presented his memo on 2023 Lineworker Appreciation Day. Mr. Sumstad noted this event is an opportunity to recognize ERMU lineworkers for all of their hard work and dedication to maintaining electric service.

Chair Dietz commented that ERMU's exceptional service record is a direct result of the hard work of the lineworkers.

**Moved by Commissioner Bell and seconded by Commissioner Westgaard to adopt Resolution 23-4 Recognizing Lineworkers and Designating April 18, 2023, as Lineworker Appreciation Day. Motion carried 5-0**

**2.0 CONSENT AGENDA (Approved By One Motion)**

Chair Dietz commented that he thought the scholarship winner wrote an excellent essay and asked if they would be able to attend a future commission meeting. Ms. Foss shared that Natalie Murphy is planning to attend the May 9, 2023, commission meeting.

Chair Dietz asked Mr. Hanson if there were any issues with the termination of the Voltus, Inc. contract. Mr. Hanson replied there were no issues and ERMU is still considering Voltus, Inc. as a possible partner in 2024.

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

**2.1 Check Register – March 2023**

**2.2 Regular Meeting Minutes – March 14, 2023**

**2.3 Commission Policy Review – G.1d – Vision Statement**

**2.4 Resolution Electing Not to Waive Statutory Tort Limits for Liability Insurance**

**2.5 ERMU's Tom Bovitz Memorial Scholarship Award Winner**

**2.6 Termination of Voltus Distributed Energy Agreement**

**Motion carried 5-0.**

**3.0 OPEN FORUM**

No one appeared for open forum.

## **4.0 POLICY & COMPLIANCE**

### **4.1 2022 Financial Audit**

Mr. Berg presented the 2022 Financial Audit. He stated that the auditors issued an unmodified opinion on the financials, including legal compliance, for a completely clean audit.

Mr. Berg noted overall total cash and investment balances for both electric and water show consistency over time with a decrease from 2021 to 2022 due to the spending of the bonds proceeds that were issued in 2021 for the new field services building project.

Commissioner Stewart asked if there would be any challenges with the Governmental Accounting Standards Board (GASB) or imputed interest if ERMU were to utilize an interdepartmental loan from water to electric for capital projects to avoid taking on additional bonds. Mr. Berg replied there would not be a problem with this approach and imputed interest would not be necessary.

Chair Dietz asked for clarification as to how ERMU had an increase in its net position while profits were down. Mr. Berg stated the water department largely impacted the net position with its significant increase in connection fees in 2022.

Chair Dietz asked if the transfers to other city funds of \$1.5 million was the payment in lieu of taxes (PILOT) ERMU pays to the City and if it is tied to the maintenance of vehicles. Ms. Karpinski replied the \$1.5 million is the PILOT, however, the maintenance of vehicles is listed elsewhere as an expense.

Chair Dietz asked if this was the largest amount we have ever paid the City for PILOT. Mr. Berg replied that it was. Ms. Karpinski added it was due in part to paying PILOT on the power cost adjustment (PCA).

Commissioner Stewart asked for clarification on the inclusion of the PCA with the PILOT as she thought the PCA was considered a pass through and not revenue. Ms. Karpinski reported that per policy PCA is considered revenue and therefore included in the PILOT.

Chair Dietz asked for the rate of interest on cash deposit investments and if ERMU would move its investments due to low interest rates. Ms. Karpinski said the interest rate varies and that ERMU usually waits for the investment to mature before reinvesting, also noting staff has built a ladder system with ERMU investments. She further explained UBS Financial Services helps determine when and where to invest.

Chair Dietz commented on the beneficial lease income from permitting the attachment of communications infrastructure to water towers. Ms. Karpinski stated this is a new GASB standard so going forward you will see this income in the audit.

Chair Dietz asked if the communications companies can renew their leases and if their rates increase year to year. Ms. Karpinski confirmed they can renew their lease agreements and that there is an annual rate increase.

Commissioner Bell asked where the lease income information was reported in the past. Mr. Berg replied it was listed under revenues, and now it shows up as a lease receivable on the balance sheet.

Chair Dietz asked for clarification on the interest rate of our outstanding bonds. Mr. Berg replied that they have a variable interest rate over their lifetime.

Chair Dietz asked staff to provide the total amount of interest being paid on the building and if there is an opportunity to pay early. Staff provided that information later in the meeting during item 6.1.

**Moved by Commissioner Westgaard and seconded by Commissioner Stewart to receive and file the 2022 Annual Financial Report. Motion carried 5-0.**

#### 4.2 **2022 Year End Reserve Balances**

Ms. Karpinski presented her memo on the 2022 Year End Reserve Balances. As in previous years, staff recommended unrestricted reserve balances above target levels for electric be designated for future capital infrastructure costs and electric service territory transfer costs with balances from the water reserves being designated towards future capital projects.

Ms. Karpinski noted budgeting to absorb the first \$500,000 of the Energy Adjustment clause had been removed, per commission direction.

Chair Dietz sought to confirm that ERMU held \$16 million in electric reserves currently. Ms. Karpinski confirmed this.

Chair Dietz asked for clarification of the calculated reserves numbers. Ms. Karpinski explained that the \$9 million listed as Unrestricted Designated Reserves is for operating costs per policy, the \$1.8 million listed as Restricted for Debt Service is dedicated for debt service per policy, and the remaining \$5.2 million are considered unrestricted reserves which are the funds staff is proposing to be designated towards future capital projects and electric service territory transfer costs.

Chair Dietz asked if the roughly \$5 million could be applied to any project such as the upcoming Advanced Metering Infrastructure (AMI) plan. Ms. Karpinski said it could

possibly be used for AMI however projects have already been identified in the budget where unrestricted reserves would be applied.

Chair Dietz asked if the unrestricted reserves for both electric and water were comparable to prior years and expressed trouble deciding whether ERMU have too much or too little.

Ms. Karpinski replied electric is very similar to prior years and water is a little higher than prior years with the exception of 2021 which shows unspent bond proceeds for both. She explained there are a number of large projects coming up and the higher unrestricted fund balance from water will help electric avoid taking out additional bonds.

Commissioner Westgaard shared his understanding from previous discussion that unrestricted reserves were going to be left in place for unforeseen expenses related to the Highway 169 Redefine project. Ms. Karpinski stated most of the Highway 169 Redefine project has already been paid.

Mr. Hanson further explained that the \$5 million in electric unrestricted reserves are not available funds above and beyond the budgeted Capital Improvement Plan (CIP) projects. Rather this \$5 million is budgeted to help fund the 2023 CIP projects.

**Moved by Commissioner Stewart and seconded by Commissioner Westgaard to approve the unrestricted reserve balances above target levels for the Electric Utility fund be designated for electric service territory transfer costs, capital infrastructure costs; and for the Water Utility fund to be designated for future capital infrastructure costs. Motion carried 5-0.**

#### 4.3 **2022 Utilities Performance Incentive Compensation Distribution**

Ms. Karpinski presented her memo on the 2022 Utilities Performance Incentive Compensation Distribution. Ms. Karpinski noted that staff met all performance metrics in 2022, and that per policy, this makes qualifying employees eligible for a 2.0% distribution. It was noted the rate of distribution will increase to 2.5% in 2024 and 3.0% in 2025.

Commissioner Zerwas asked what the total payout amount would be at 2.0% of all qualifying employees' base pay. Ms. Karpinski replied it is \$81,115.

**Moved by Commissioner Bell and seconded by Commissioner Westgaard to award the Performance Metrics and Compensation Distribution of 2.0% to qualifying employees per the terms of the policy. Motion carried 5-0.**

#### 5.0 **BUSINESS ACTION**

## 5.1 **Financial Report – February 2023**

Ms. Karpinski presented the Financial Report for February 2023. Usage YTD is up for both electric and water. Overall YTD both are performing favorable to budget.

Chair Dietz asked Mr. Ninow if connection fees in 2023 would be on the same level as in 2022. Mr. Ninow stated his doubt that they would.

Ms. Karpinski explained that staff would be continuing its initiative to provide commissioners necessary background information to understand complex utilities operations by presenting an explanation of selected General Ledger (GL) expense accounts.

Mr. Sumstad explained Plant Supplies & Other Expenses consist of supplies directly used for the field services building such as general shop supplies, plywood for shelves, inventory pallet racks, janitorial products, cleaning supplies, napkins, paper towels, utensils, and monthly cleaning expenses. There was discussion.

Chair Dietz asked for clarification on who determines which budget code to use for these items. Mr. Sumstad explained that Mr. Plude, ERMU's inventory & procurement foreperson, will code the invoices prior to authorization and they are reviewed for consistency prior to approval.

Chair Dietz asked how these costs were split between the electric and water departments. Ms. Karpinski stated costs are shared between electric and water in an 87.5% / 12.5% split at the field services building. The split in the administrative offices is an 80% / 20% split.

Mr. Ninow explained that the Sampling GL account includes all labor, supplies, and shipping fees related to water quality testing.

Chair Dietz asked if there was a separate account for per- and polyfluoroalkyl substances (PFAS) testing. Mr. Ninow replied that although ERMU took part in voluntary testing for PFAS it did not have a separate budget code for this item alone.

Ms. Karpinski presented a visual budget analysis of both the electric and water departments which illustrated both departments are doing well YTD. The commission expressed their appreciation for the additional budget graphs. These graphs were added to the public commission packet after the meeting.

**Moved by Commissioner Zerwas and seconded by Commissioner Stewart to receive the February 2023 Financial Report. Motion carried 5-0.**

## 5.2 **2022 Annual Reliability Report**

Mr. Tietz presented his memo on the 2022 Annual Reliability Report, sharing that ERMU's robust system and superb response times from our local line crews contributed to a very good year with regard to reliability numbers.

Chair Dietz noted that outage time for 2021 was considerably higher than any other year. Staff responded they would provide a further explanation of the reason for this once they were able to review the data.

Chair Dietz asked if the communications department will be reporting the strong reliability numbers. Mr. Mauren stated these numbers and upcoming reliability awards information will be used in future communications.

Chair Dietz asked if other municipal utilities calculate reliability numbers like ERMU does. Staff replied they do. There was discussion.

Chair Dietz asked if the contractor for tree trimming is still active. Mr. Sumstad stated they are no longer trimming for ERMU at this time however staff continues.

**Moved by Commissioner Bell and seconded by Commissioner Westgaard to receive the 2022 Annual Reliability Report. Motion carried 5-0.**

## 5.3 **2022 Year in Review**

Mr. Mauren presented the 2022 Year in Review, formerly known as the Annual Report. The review provides key organizational information along with community engagement events staff participated in, which highlight the message of this edition – "Hometown Pride, Hometown Service."

Mr. Mauren explained that the 2022 Year in Review will be printed and distributed to all ERMU customers with their April billing statement.

Mr. Mauren also commended Ms. Foss's efforts in creating the 2022 Year in Review.

**Moved by Commissioner Stewart and seconded by Commissioner Zerwas to receive the 2022 Year in Review. Motion carried 5-0.**

## 6.0 **BUSINESS DISCUSSION**

### 6.1 **Staff Updates**

Mr. Hanson commended ERMU's team for the performance in the American Public Power Association Lineworkers Rodeo.

Commissioner Bell asked for an update to the process of fulfilling the responsibilities of the recently vacated conservation & key accounts manager position.

Ms. Youngs and Mr. Hanson provided an update on the process for reviewing responsibilities and deciding the best path forward based on ERMU's current needs.

Commissioner Bell shared his hope that conversation efforts continue to be a priority for ERMU.

There was discussion about the Cold Weather Rule ending on April 30.

Ms. Karpinski followed up with Chair Dietz's question on the amount of interest ERMU would pay for the bonds to construct the field services building, with that amount being \$5.5 million.

She added that the dates in the pre-payment provision are August 1, 2031, for electric bonds and August 1, 2030, for water bonds.

Mr. Geiser provided updates on the work being done to prepare for the second year of the Highway 169 Redefine project. He noted there were no major efforts scheduled this year.

Mr. Tietz corrected his staff update to state the electrical technicians completed 194 service tickets.

Mr. Ninow informed the Commission that one of the gates of the Lake Orono Dam had been opened for the first time in 2023 to maintain the lake level.

Mr. Kerzman sought Commission consensus to move forward with an application for the Grid Resilience and Innovation Partnerships grant mentioned in his staff update. The Commission provided consensus to pursue the grant.

## 6.2 **City Council Update**

Commissioner Westgaard provided an update from the City Council including approved industrial construction, a concept review for a 9-unit residential subdivision on Lake Orono, and a conditional use permit for vehicles sales.

## 6.3 **Future Planning**

Chair Dietz announced the following:

- a. Regular Commission Meeting – May 9, 2023
- b. 2023 Governance Agenda

## 6.5 **Other Business**

## **7.0 ADJOURN REGULAR MEETING**

**The regular meeting of the Elk River Municipal Utilities Commission adjourned at 4:53 p.m.**

Minutes prepared by Jenny Foss.

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John J. Dietz, ERMU Commission Chair

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Tina Allard, City Clerk



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

**April 11, 2023**

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

ERMU Staff Present: Mark Hanson, General Manager  
Sara Youngs, Administrations Director  
Tom Geiser, Operations Director  
Dave Ninow, Water Superintendent  
Tony Mauren, Governance & Communications Manager

Others Present: Robyn Hoerr, Groundwater Specialist with Minnesota Rural Water Association

**1.0 Call Meeting to Order**

**2.0 Public Hearing for 2023 Wellhead Protection Plan Amendment**

Ms. Hoerr Presented background on the value of a Wellhead Protection Plan and the steps followed by ERMU's planning group.

Ms. Hoerr explained that the portion for the Drinking Water Supply Management Area labelled as moderately vulnerable could be due to a geological factor which may allow surface water to penetrate the soil in less time, bypassing some of the filtration benefits provided by the soil.

Ms. Hoerr explained one of the main considerations for Elk River going forward will be population growth and providing adequate water to the community.

Ms. Hoerr informed the Commission there are limitations to constructing new wells in the Mt. Simon-Hinckley Aquifer as experts and agencies look to preserve the resource.

Mr. Hanson explained that regulatory agencies are now looking for utilities to demonstrate conservation efforts before approving a new well.

Chair Dietz asked if all cities are required to have a Wellhead Protection Plan.

Ms. Hoerr responded that all public water utilities accessing ground water are required to have a plan.

Ms. Hoerr explained there had been a 60-day notice given for this public hearing with no comments submitted prior to the meeting.

She estimated that the approval of the plan from the state could be provided sometime in July or August.

Chair Dietz opened the public hearing. There was no one in attendance to speak.

### **3.0 Adjourn Special Meeting**

**Moved by Commissioner Bell and seconded by Commissioner Stewart to adjourn the special meeting of the Elk River Municipal Utilities Commission at 5:22 p.m. Motion carried 5-0.**

Minutes prepared by Tony Mauren.

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John J. Dietz, ERMU Commission Chair

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Tina Allard, City Clerk

<b>TO:</b> ERMU Commission	<b>FROM:</b> Melissa Karpinski – Finance Manager
<b>MEETING DATE:</b> May 9, 2023	<b>AGENDA ITEM NUMBER:</b> 2.4
<b>SUBJECT:</b> 2023 First Quarter Utilities Performance Metrics Scorecard Statistics	
<b>ACTION REQUESTED:</b> None	

**BACKGROUND:**

Following the Commission’s adoption of the Performance Metrics program in December 2012 and the revision in 2016, 2019, 2021 and 2022, we will be tracking the progress for 2023, to be awarded in 2024. This is a company performance-based program designed to incentivize employee commitment towards the company’s success. Divided into categories representing core values of the company and again into sub-categories that are quantifiable, this program is designed to track goals that require companywide support from the employees to continually achieve. When the employees work together as a team to achieve these goals, the company recognizes a corresponding increase in value to our customers.

**DISCUSSION:**

At close of the fiscal 2023 year, and completion of the audit, the final score card will be evaluated and presented to the Commission for awarding the related distribution in 2024. We will be tracking the progress of the company and the related score card quarterly throughout 2023. The first quarter scorecard is attached, with some notes for the first quarter results.

**FINANCIAL IMPACT:**

None, until awarded the following year.

**ATTACHMENTS:**

- Performance Metrics and Incentive Compensation Policy Score Card – 2023 First Quarter
- ERMU Policy - G.4g1 - Performance Metrics and Incentive Compensation

**Elk River Municipal Utilities**  
**G.4g1a - Performance Metrics and Incentive Compensation Policy Score Card - 2023**

Category	Percent	Sub-Category	Sub-Percent	Goal	Score	Awarded Multiplier Percentage	Notes	Current Result
Safety, Reliability and Quality of Utility Services	40	Water Quality Standards	5	Meet Requirements			met requirement	
		Lead and Copper quality	5	90th percentile			met requirement	90
		Bacteria Detection	5	0 positive samples			on target	0
		CAIDI	5	<120 Min			on target	72.084
		SAIDI	5	<90 Min			on target	0.517
		SAIFI	5	< 0.5			on target	0.007
		Line Loss	5	<5%			on target	1.8%
		Water Loss	5	<12%			on target	8.0%
Workforce Development	25	Clean Energy Choice Program Participation	5	+15 net			off target	1
		Employee Turnover	10	≤ 7.5%			on target	2.1%
		Participation in Recommended and Mandatory Trainings	10	≥ 95%			off target	91%
Financial Goals	35	Margins/Net Profit	20	≥ Budget			on target	
		Reserves	10	≥ Target			on target	
		Inventory Accuracy	5	≥ 95%			on target	99.990%
				Total Multiplier:				

Adopted December 12, 2012  
Revised October 11, 2016  
Revised December 17, 2019  
Revised December 14, 2021  
Revised December 13, 2022

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

## 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

<b>TO:</b> ERMU Commission	<b>FROM:</b> Melissa Karpinski – Finance Manager
<b>MEETING DATE:</b> May 9, 2023	<b>AGENDA ITEM NUMBER:</b> 2.5
<b>SUBJECT:</b> Resolution Appointing the Bank Signatories and Designating Authority to Make Financial Transfers	
<b>ACTION REQUESTED:</b> Adopt Resolution No. 23-6 Appointing the Bank Signatories and Designating Authority to Make Financial Transfers.	

**BACKGROUND:**

We have four different accounts at the First Bank of Elk River: a deposit account, a checking account, and two repo savings accounts. We also have a depository account at the Bank of Elk River. All of these accounts require authority for certain financial transactions. We require two signatures on all our checks and have always had three commissioners with signing authority, in case one is unavailable. With the change in commissioners, we need to update the signatories.

**DISCUSSION:**

The current signors are John Dietz, Al Nadeau, and Mary Stewart. We need to remove Al Nadeau and add Nick Zerwas. The finance manager also is a signor on the account but only to facilitate wire transfers for bond payments, transfer funds between accounts, renew our Letter of Credit and the annual charge for the Letter of Credit that comes directly out of the bank checking account, and take care of administration of the accounts. The general manager is a backup signor for the finance manager.

We use signature stamps to sign the checks, and all are under lock and key. An individual stamp is in the possession of the payroll and accounts payable specialist for the first signature on all checks. An individual stamp is also in the possession of the general manager and the finance manager for the second signature. With the signatures changing from the current three commissioners, we would need to have another stamp made.

We will need a resolution (attached) for the authorizations to start the process. When we are able to meet in person, we can gather the actual signatures from individuals, or perhaps the bank can initiate electronic signature collection.

**ATTACHMENT:**

- Resolution No. 23-6 – Appointing the Bank Signatories and Designating Authority to Make Financial Transfers



RESOLUTION NO. 23-6

BOARD OF COMMISSIONERS  
ELK RIVER MUNICIPAL UTILITIES

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF ELK RIVER MUNICIPAL UTILITIES APPOINTING BANK SIGNATORIES, AND DESIGNATING AUTHORITY TO MAKE FINANCIAL TRANSFERS.**

**WHEREAS**, ERMU policy requires two signatures on all ERMU checks; and

**WHEREAS**, ERMU policy is to designate three members of the ERMU Board of Commissioners to have signing authority; and

**WHEREAS**, ERMU has a depository account, a savings account, and a checking account; and

**WHEREAS**, the Board of Commissioners finds it desirable to designate certain ERMU employees to have authority to execute transfers between ERMU funds, to make bond payments, and to process fees related to financial transactions.

**NOW, THEREFORE, BE IT RESOLVED:**

1. That the following three members of the ERMU Board of Commissioners shall have authority to sign checks on behalf of ERMU: John Dietz, Mary Stewart, and Nick Zerwas.
2. That the ERMU General Manager and the ERMU Finance Manager shall have authority to process fees, to make bond payments, and to execute fund transfers between the ERMU depository account, savings account, and checking account.
3. That the authority granted by this Resolution shall remain in effect until revoked or revised by a subsequent resolution of the Board of Commissioners.

This Resolution Passed and Adopted this 9<sup>th</sup> day of May, 2023.

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John J. Dietz, Chair

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Mark Hanson, General Manager

<b>TO:</b> ERMU Commission	<b>FROM:</b> Tony Mauren – Governance & Communications Manager
<b>MEETING DATE:</b> May 9, 2023	<b>AGENDA ITEM NUMBER:</b> 4.1
<b>SUBJECT:</b> Policy Review – G.1e – Organizational Values	
<b>ACTION REQUESTED:</b> Review the policy and provide any feedback	

**BACKGROUND/DISCUSSION:**

This month commissioners are reviewing policy G.1e – Organizational Values to make comments, ask questions, or recommend updates.

This policy recognizes the importance of establishing organizational values to guide policy development and organizational behavior. With the Organizational Values policy the Commission commits to govern in a manner consistent with ERMU’s values: Integrity, Quality, Communication, Safety, Competitive.

**ATTACHMENTS:**

- ERMU Policy – G.1e – Organizational Values

## COMMISSION POLICY

Section: Governance	Category: Authority and Purpose Policies
Policy Reference:  <b>G.1e</b>	Policy Title:  <b>Organizational Values</b>

### PURPOSE:

Governance and leadership style set the tone for organizational culture. With this policy, the Commission acknowledges the importance for establishing expectations for organizational values to guide policy development and organizational behavior.

### POLICY:

The Commission adopts, as an expectation of organization operational behavior, and commits to govern in a manner consistent with the following organizational values:

Value 1: Integrity – Honest, accountable and united in all that we do.

Value 2: Quality – Services that reflect excellence, dependability and expertise.

Value 3: Communication – Respectful and engaged interactions that are timely and clear.

Value 4: Safety – A culture that protects our customers, employees and assets.

Value 5: Competitive – Provide the best value for the services we deliver.

### POLICY HISTORY:

Adopted	May 9, 2017
Revised	June 12, 2018

<b>TO:</b> ERMU Commission	<b>FROM:</b> Melissa Karpinski – Finance Manager
<b>MEETING DATE:</b> May 9, 2023	<b>AGENDA ITEM NUMBER:</b> 5.1
<b>SUBJECT:</b> Financial Report – March 2023	
<b>ACTION REQUESTED:</b> Receive the March 2023 Financial Report	

**DISCUSSION:**

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

**Electric**

March year to date (YTD) electric kWh sales are in line with the prior year. For further breakdown:

- Residential usage is up 4%
- Small Commercial usage is up 12%
- Large Commercial usage is down 4%

For March 2023, the Electric Department overall is ahead of prior YTD and favorable to budget YTD. Additional variance analysis can be found on the Summary Electric Statement of Revenues, Expenses and Changes in Net Position attachment.

**Water**

March YTD gallons of water sold are up 12% from the prior year. For further breakdown:

- Residential use is up 9%
- Commercial use is up 15%

For March 2023, the Water Department overall is behind prior YTD but favorable to budget YTD. Additional variance analysis can be found on the Summary Water Statement of Revenues, Expenses and Changes in Net Position attachment.

**ATTACHMENTS:**

- Balance Sheet 03.2023
- Electric Balance Sheet 03.2023
- Water Balance Sheet 03.2023
- Summary Electric Statement of Revenues, Expenses and Changes in Net Position 03.2023
- Summary Water Statement of Revenues, Expenses and Changes in Net Position 03.2023
- Graphs Prior Year and YTD 2023

- Detailed Electric Statement of Revenues, Expenses and Changes in Net Position 03.2023
- Detailed Water Statement of Revenues, Expenses and Changes in Net Position 03.2023
- Budget vs Actual Graphs – Electric 03.2023
- Budget vs Actual Graphs – Water 03.2023

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

	<u>ELECTRIC</u>	<u>WATER</u>
<b>ASSETS</b>		
CURRENT ASSETS		
CASH	10,924,929	8,381,529
ACCOUNTS RECEIVABLE	2,799,299	5,696,716
INVENTORIES	1,398,553	29,273
PREPAID ITEMS	336,724	71,603
CONSTRUCTION IN PROGRESS	1,119,184	940,617
TOTAL CURRENT ASSETS	<u>16,578,689</u>	<u>15,119,738</u>
RESTRICTED ASSETS		
BOND RESERVE FUND	1,779,016	0
EMERGENCY RESERVE FUND	2,910,942	1,356,176
UNRESTRICTED RESERVE FUND	0	0
TOTAL RESTRICTED ASSETS	<u>4,689,957</u>	<u>1,356,176</u>
FIXED ASSETS		
PRODUCTION	824,065	16,510,965
LFG PROJECT	0	0
TRANSMISSION	2,305,024	0
DISTRIBUTION	46,796,693	26,729,422
GENERAL	22,967,764	1,117,615
FIXED ASSETS (COST)	<u>72,893,546</u>	<u>44,358,001</u>
LESS ACCUMULATED DEPRECIATION	<u>(32,731,466)</u>	<u>(22,391,401)</u>
TOTAL FIXED ASSETS, NET	40,162,080	21,966,600
INTANGIBLE ASSETS		
POWER AGENCY MEMBERSHIP BUY-IN	21,546,212	0
LOSS OF REVENUE INTANGIBLE	5,290,120	0
LESS ACCUMULATED AMORTIZATION	<u>(3,005,457)</u>	<u>0</u>
TOTAL INTANGIBLE ASSETS, NET	23,830,874	0
OTHER ASSETS AND DEFERRED OUTFLOWS	1,187,557	226,587
<b>TOTAL ASSETS</b>	<u><u>86,449,158</u></u>	<u><u>38,669,101</u></u>
<b>LIABILITIES AND FUND EQUITY</b>		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	4,296,881	298,718
SALARIES AND BENEFITS PAYABLE	582,663	132,207
DUE TO CITY	797,988	915
DUE TO OTHER FUNDS	0	0
NOTES PAYABLE-CURRENT PORTION	0	0
BONDS PAYABLE-CURRENT PORTION	435,000	60,000
UNEARNED REVENUE	160,966	174,926
TOTAL CURRENT LIABILITIES	<u>6,273,498</u>	<u>666,767</u>
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	29,260,159	1,626,934
PENSION LIABILITIES	3,789,381	725,038
TOTAL LONG TERM LIABILITIES	<u>33,049,540</u>	<u>2,351,972</u>
<b>TOTAL LIABILITIES</b>	<u>39,323,037</u>	<u>3,018,738</u>
DEFERRED INFLOWS OF RESOURCES	54,129	5,121,831
FUND EQUITY		
CAPITAL ACCOUNT CONST COST	1,779,016	0
CONTRIBUTED CAPITAL	0	0
RETAINED EARNINGS	45,204,945	30,887,406
NET INCOME (LOSS) (THROUGH PREVIOUS MONTH)	88,031	(358,874)
TOTAL FUND EQUITY	<u>47,071,992</u>	<u>30,528,532</u>
<b>TOTAL LIABILITIES &amp; FUND EQUITY</b>	<u><u>86,449,158</u></u>	<u><u>38,669,101</u></u>

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

	March 31, 2023	February 28, 2023	Current Month Change from Prior Month
<b>ASSETS</b>			
CURRENT ASSETS			
CASH	10,924,929	9,916,641	1,008,288
ACCOUNTS RECEIVABLE	2,799,299	4,488,337	(1,689,038)
INVENTORIES	1,398,553	1,326,540	72,012
PREPAID ITEMS	336,724	254,381	82,343
CONSTRUCTION IN PROGRESS	1,119,184	938,169	181,015
TOTAL CURRENT ASSETS	16,578,689	16,924,069	(345,380)
RESTRICTED ASSETS			
BOND RESERVE FUND	1,779,016	1,779,016	0
EMERGENCY RESERVE FUND	2,910,942	2,905,678	5,263
TOTAL RESTRICTED ASSETS	4,689,957	4,684,694	5,263
FIXED ASSETS			
PRODUCTION	824,065	824,065	0
TRANSMISSION	2,305,024	2,305,024	0
DISTRIBUTION	46,796,693	46,763,545	33,147
GENERAL	22,967,764	23,000,701	(32,937)
FIXED ASSETS (COST)	72,893,546	72,893,336	210
LESS ACCUMULATED DEPRECIATION	(32,731,466)	(32,556,302)	(175,164)
TOTAL FIXED ASSETS, NET	40,162,080	40,337,034	(174,954)
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	(3,005,457)	(2,949,780)	(55,678)
TOTAL INTANGIBLE ASSETS, NET	23,830,874	23,886,552	(55,678)
OTHER ASSETS AND DEFERRED OUTFLOWS	1,187,557	1,187,557	0
<b>TOTAL ASSETS</b>	<b>86,449,158</b>	<b>87,019,906</b>	<b>(570,748)</b>
<b>LIABILITIES AND FUND EQUITY</b>			
CURRENT LIABILITIES			
ACCOUNTS PAYABLE	4,296,881	4,169,822	127,059
SALARIES AND BENEFITS PAYABLE	582,663	656,374	(73,711)
DUE TO CITY	797,988	1,252,449	(454,462)
BONDS PAYABLE-CURRENT PORTION	435,000	435,000	0
UNEARNED REVENUE	160,966	162,963	(1,998)
TOTAL CURRENT LIABILITIES	6,273,498	6,676,609	(403,111)
LONG TERM LIABILITIES			
BONDS PAYABLE, LESS CURRENT PORTION	29,260,159	29,265,147	(4,989)
PENSION LIABILITIES	3,789,381	3,789,381	0
TOTAL LONG TERM LIABILITIES	33,049,540	33,054,528	(4,989)
<b>TOTAL LIABILITIES</b>	<b>39,323,037</b>	<b>39,731,137</b>	<b>(408,100)</b>
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	45,204,945	0
NET INCOME (LOSS) (THROUGH PREVIOUS MONTH)	88,031	250,679	(162,648)
TOTAL FUND EQUITY	47,071,992	47,234,640	(162,648)
<b>TOTAL LIABILITIES &amp; FUND EQUITY</b>	<b>86,449,158</b>	<b>87,019,906</b>	<b>(570,748)</b>

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

	March 31, 2023	February 28, 2023	Current Month Change from Prior Month
<b>ASSETS</b>			
CURRENT ASSETS			
CASH	8,381,529	8,662,626	(281,097)
ACCOUNTS RECEIVABLE	5,696,716	5,718,356	(21,640)
INVENTORIES	29,273	29,929	(656)
PREPAID ITEMS	71,603	56,229	15,374
CONSTRUCTION IN PROGRESS	940,617	956,617	(15,999)
TOTAL CURRENT ASSETS	15,119,738	15,423,756	(304,019)
RESTRICTED ASSETS			
EMERGENCY RESERVE FUND	1,356,176	1,354,860	1,316
TOTAL RESTRICTED ASSETS	1,356,176	1,354,860	1,316
FIXED ASSETS			
PRODUCTION	16,510,965	16,510,965	0
DISTRIBUTION	26,729,422	26,724,925	4,496
GENERAL	1,117,615	1,125,849	(8,234)
FIXED ASSETS (COST)	44,358,001	44,361,739	(3,738)
LESS ACCUMULATED DEPRECIATION	(22,391,401)	(22,302,248)	(89,153)
TOTAL FIXED ASSETS, NET	21,966,600	22,059,491	(92,891)
INTANGIBLE ASSETS			
OTHER ASSETS AND DEFERRED OUTFLOWS	226,587	226,587	0
<b>TOTAL ASSETS</b>	<b>38,669,101</b>	<b>39,064,695</b>	<b>(395,594)</b>
<b>LIABILITIES AND FUND EQUITY</b>			
CURRENT LIABILITIES			
ACCOUNTS PAYABLE	298,718	535,406	(236,688)
SALARIES AND BENEFITS PAYABLE	132,207	153,042	(20,834)
DUE TO CITY	915	30,421	(29,505)
BONDS PAYABLE-CURRENT PORTION	60,000	60,000	0
UNEARNED REVENUE	174,926	174,926	0
TOTAL CURRENT LIABILITIES	666,767	953,794	(287,028)
LONG TERM LIABILITIES			
BONDS PAYABLE, LESS CURRENT PORTION	1,626,934	1,627,488	(554)
PENSION LIABILITIES	725,038	725,038	0
TOTAL LONG TERM LIABILITIES	2,351,972	2,352,526	(554)
<b>TOTAL LIABILITIES</b>	<b>3,018,738</b>	<b>3,306,320</b>	<b>(287,582)</b>
DEFERRED INFLOWS OF RESOURCES	5,121,831	5,121,831	0
FUND EQUITY			
RETAINED EARNINGS	30,887,406	30,887,406	0
NET INCOME (LOSS) (THROUGH PREVIOUS MONTH)	(358,874)	(250,863)	(108,012)
TOTAL FUND EQUITY	30,528,532	30,636,543	(108,012)
<b>TOTAL LIABILITIES &amp; FUND EQUITY</b>	<b>38,669,101</b>	<b>39,064,695</b>	<b>(395,594)</b>



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

	2023 MARCH	2023 YTD	2023 YTD BUDGET	YTD Budget Variance	2023 YTD Bud Var%	2023 ANNUAL BUDGET	2022 MARCH	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual	Variance Item
<b>Electric Revenue</b>											
<b>Operating Revenue</b>											
Elk River	2,947,128	8,961,875	9,030,657	(68,782)	(1)	42,041,326	2,615,694	7,900,797	1,061,078	13	
Otsego	260,699	829,891	704,603	125,288	18	3,385,657	230,926	687,702	142,190	21	(1)
Rural Big Lake	16,360	54,555	55,910	(1,354)	(2)	238,658	15,578	47,175	7,381	16	
Dayton	20,005	64,977	67,184	(2,207)	(3)	285,471	19,401	58,089	6,888	12	
Public St & Hwy Lighting	21,261	64,707	65,000	(293)	(0)	260,000	21,491	64,268	440	1	
Other Electric Sales	400	1,200	1,200	0	0	4,800	353,851	427,041	(425,841)	(100)	(2)
<b>Total Operating Revenue</b>	3,265,853	9,977,206	9,924,554	52,652	1	46,215,912	3,256,942	9,185,071	792,135	9	
<b>Other Operating Revenue</b>											
Interest/Dividend Income	9,435	17,901	12,500	5,401	43	50,000	(45,493)	(88,490)	106,391	120	(3)
Customer Penalties	25,220	73,878	62,500	11,378	18	250,000	23,493	44,374	29,504	66	(4)
LFG Project	0	0	0	0	0	0	65,294	238,553	(238,553)	(100)	(5)
Connection Fees	7,832	24,133	55,000	(30,867)	(56)	220,000	7,580	35,665	(11,532)	(32)	(6)
Misc Revenue	81,760	212,827	234,058	(21,231)	(9)	936,231	75,853	190,027	22,800	12	
<b>Total Other Revenue</b>	124,247	328,739	364,058	(35,319)	(10)	1,456,231	126,726	420,129	(91,391)	(22)	
<b>Total Revenue</b>	3,390,100	10,305,945	10,288,612	17,333	0	47,672,143	3,383,668	9,605,200	700,745	7	
<b>Expenses</b>											
Purchased Power	2,331,856	6,697,575	7,238,872	(541,296)	(7)	32,766,025	2,299,042	6,962,413	(264,838)	(4)	
Operating & Mtce Expense	52,234	125,829	95,550	30,279	32	321,000	22,600	69,658	56,171	81	(7)
Landfill Gas	0	0	0	0	0	0	53,783	165,833	(165,833)	(100)	(8)
Transmission Expense	5,361	14,670	17,500	(2,830)	(16)	70,000	5,348	18,773	(4,103)	(22)	
Distribution Expense	82,832	153,857	91,763	62,094	68	369,466	47,278	108,132	45,725	42	(9)
Maintenance Expense	200,829	459,473	478,875	(19,402)	(4)	1,540,500	170,908	381,994	77,479	20	(10)
Depreciation & Amortization	263,779	792,681	795,087	(2,406)	(0)	3,220,836	249,971	749,782	42,899	6	
Interest Expense	68,225	205,874	205,874	0	0	810,832	70,862	215,738	(9,865)	(5)	
Other Operating Expense	3,489	12,314	3,686	8,628	234	74,109	289	2,984	9,330	313	
Customer Accounts Expense	34,014	95,281	100,375	(5,094)	(5)	401,500	29,580	85,650	9,631	11	
Administrative Expense	331,780	1,106,308	1,158,043	(51,735)	(4)	4,128,585	309,253	995,755	110,553	11	
General Expense	35,714	108,023	145,652	(37,630)	(26)	582,609	29,953	80,293	27,730	35	(11)
<b>Total Expenses(before Operating Transfers)</b>	3,410,113	9,771,885	10,331,276	(559,391)	(5)	44,285,462	3,288,866	9,837,005	(65,120)	(1)	
<b>Operating Transfer</b>											
Operating Transfer/Other Funds	124,155	387,902	361,226	26,676	7	1,681,653	111,024	335,706	52,196	16	(12)
Utilities & Labor Donated	18,480	58,127	60,000	(1,873)	(3)	240,000	19,363	56,811	1,316	2	
<b>Total Operating Transfer</b>	142,636	446,029	421,226	24,803	6	1,921,653	130,387	392,517	53,512	14	
<b>Net Income Profit(Loss)</b>	(162,648)	88,031	(463,891)	551,921	119	1,465,028	(35,584)	(624,322)	712,352	114	

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

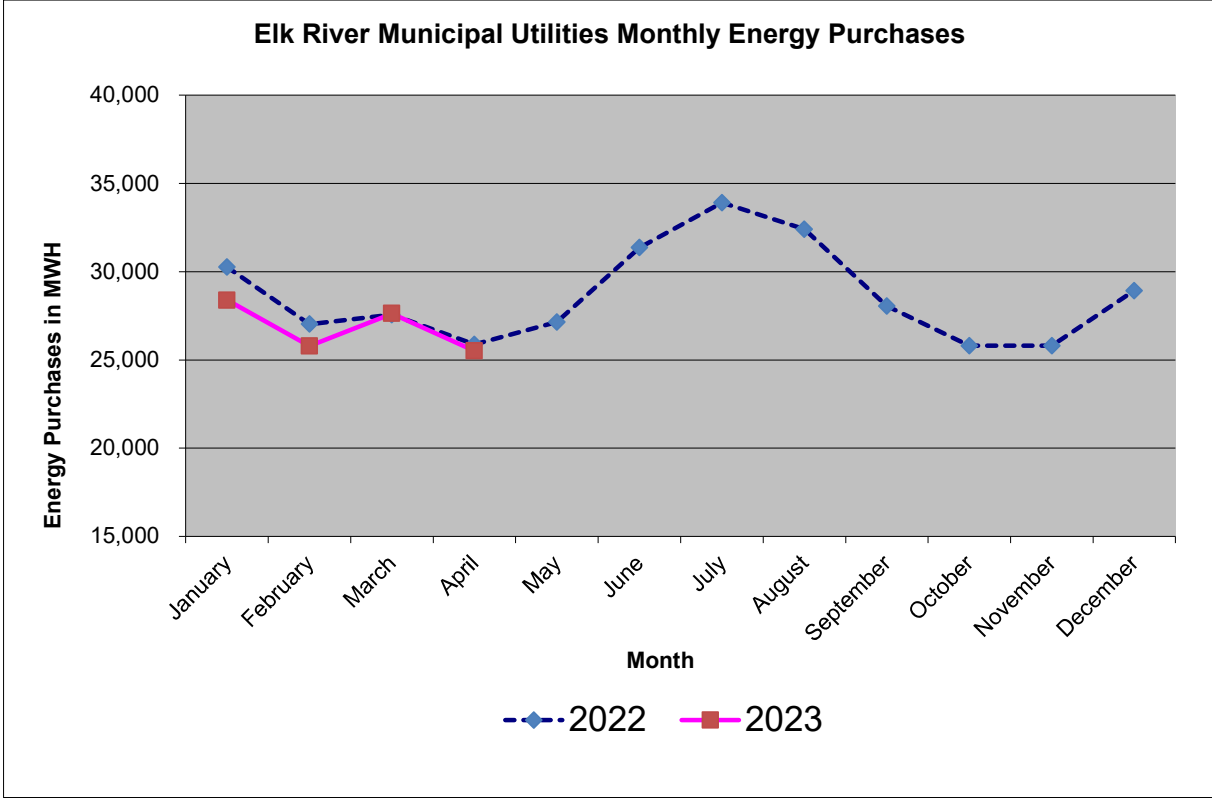
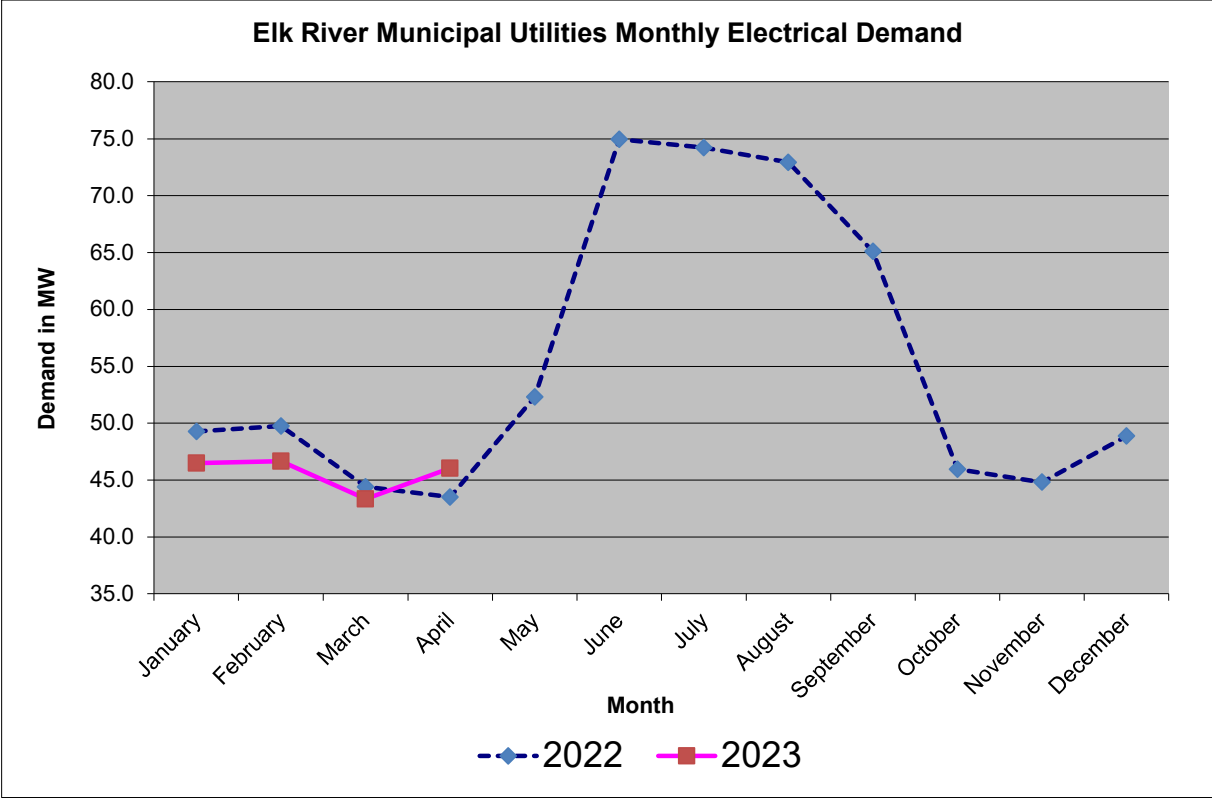
- (1) YTD Budget variance due to increased usage. Prior Year to Date (PYTD) variance is mainly due to 2023 PCA revenue, increased usage and rate increase.
- (2) PYTD variance due to accrual of PCA revenue in 2022 (See Rate Increase on Detailed Statement).
- (3) PYTD variance is due to the change in Fair Market Value of Investments.
- (4) PYTD variance is due to not billing penalties in January 2022.
- (5) PYTD variance is due to the LFG Project coming to an end in 2022.
- (6) YTD Budget variance is due to a even budget spread.
- (7) YTD Budget and PYTD variance is mainly due to increase labor for snow removal, additional supplies and increased electric and natural gas expense for new field services building in 2023.
- (8) PYTD variance is due to the LFG Project coming to an end in 2022.
- (9) YTD Budget variance is due to an even budget spread for misc distribution expense. PYTD variance is due to increased labor and uniform expense in 2023.
- (10) PYTD variance is mainly due to contracted tree trimming (2022 and 2023 had contracted tree trimming, but more was completed in 2023) and increased mapping labor.
- (11) YTD Budget variance is mainly due to less rebate dollars spent than budgeted. PYTD variance is mainly due to more commerical rebates in 2023.
- (12) PYTD variance due to increased PCA revenue.

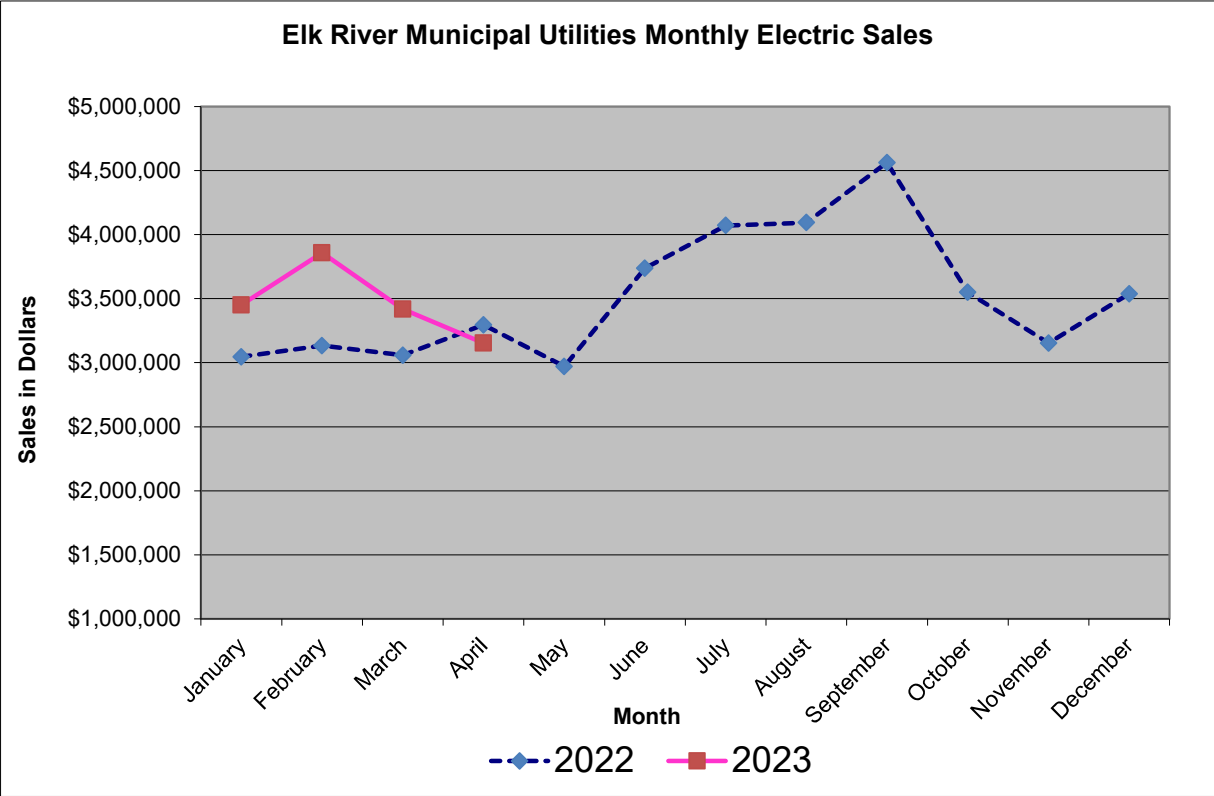
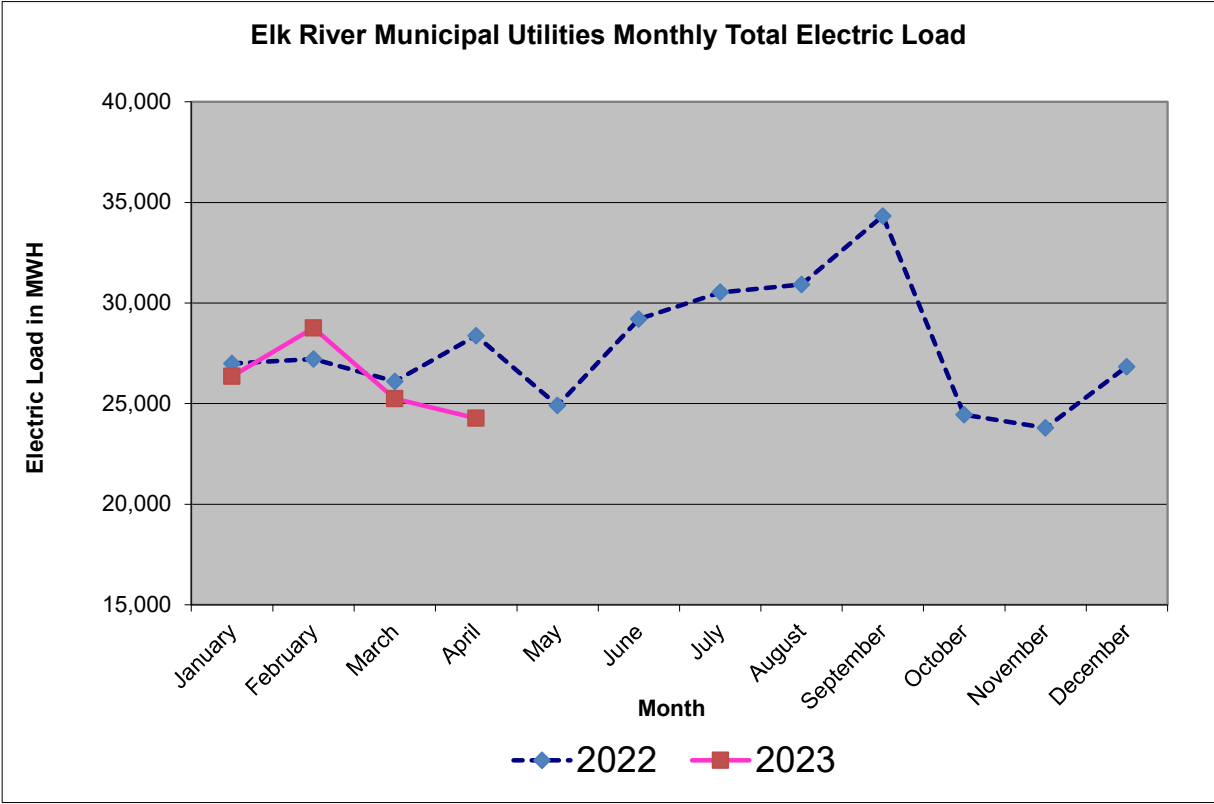
ELK RIVER MUNICIPAL UTILITIES  
ELK RIVER, MINNESOTA  
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR PERIOD ENDING MARCH 2023

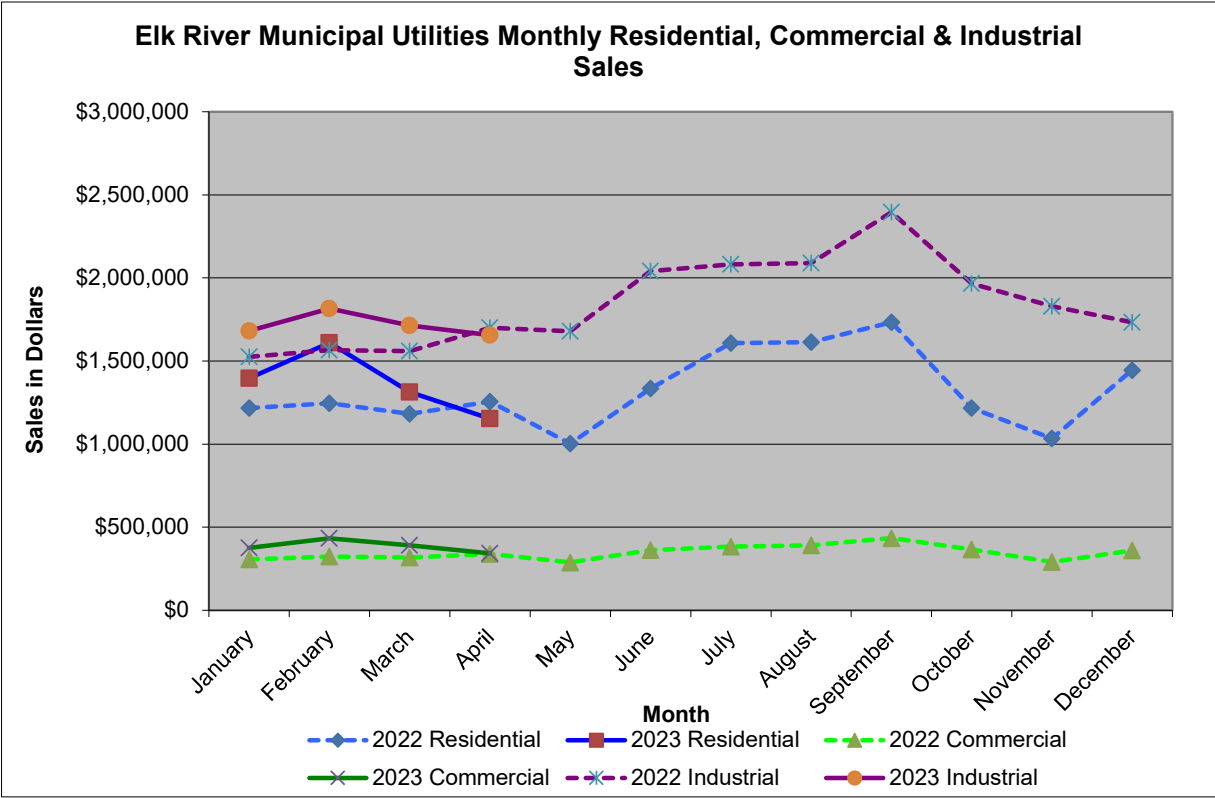
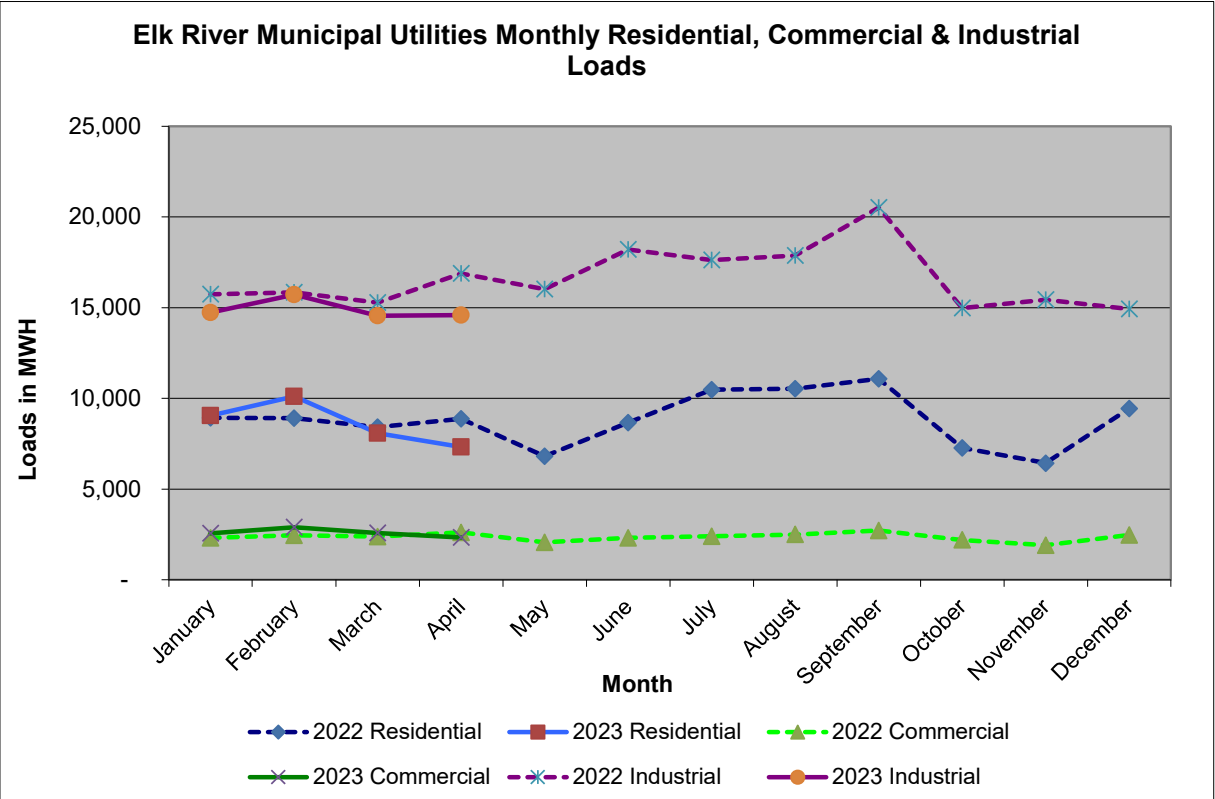
	2023 MARCH	2023 YTD	2023 YTD BUDGET	YTD Budget Variance	2023 YTD Bud Var%	2023 ANNUAL BUDGET	2022 MARCH	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual	Variance Item
<b>Water</b>											
<b>Revenue</b>											
<b>Operating Revenue</b>											
Water Sales	139,774	428,486	336,153	92,333	27	2,503,414	129,788	387,075	41,411	11	(1)
<b>Total Operating Revenue</b>	139,774	428,486	336,153	92,333	27	2,503,414	129,788	387,075	41,411	11	
<b>Other Operating Revenue</b>											
Interest/Dividend Income	4,007	8,133	9,125	(992)	(11)	36,500	(10,630)	(20,021)	28,153	(141)	(2)
Customer Penalties	1,248	4,022	7,000	(2,978)	(43)	28,000	1,007	1,949	2,072	106	
Connection Fees	16,368	40,901	129,500	(88,599)	(68)	518,000	54,568	153,668	(112,767)	(73)	(3)
Misc Revenue	995	4,110	3,513	597	17	376,034	24,480	73,739	(69,629)	(94)	(4)
<b>Total Other Revenue</b>	22,618	57,165	149,138	(91,972)	(62)	958,534	69,425	209,335	(152,170)	(73)	
<b>Total Revenue</b>	162,392	485,651	485,291	360	0	3,461,948	199,213	596,411	(110,759)	(19)	
<b>Expenses</b>											
Production Expense	11,144	30,878	22,500	8,378	37	90,000	8,556	25,484	5,393	21	
Pumping Expense	43,410	137,102	150,750	(13,648)	(9)	603,000	42,888	140,422	(3,320)	(2)	
Distribution Expense	33,111	88,653	97,063	(8,409)	(9)	337,650	23,006	68,430	20,223	30	(5)
Depreciation & Amortization	97,387	292,135	292,194	(59)	(0)	1,202,937	92,826	278,119	14,015	5	
Interest Expense	3,112	9,337	9,337	0	0	36,349	3,279	11,042	(1,705)	(15)	
Other Operating Expense	142	501	564	(62)	(11)	2,470	99	385	117	30	
Customer Accounts Expense	7,136	21,442	21,092	350	2	84,370	6,239	18,404	3,038	17	
Administrative Expense	74,249	262,230	293,267	(31,037)	(11)	1,032,655	71,122	244,944	17,287	7	
General Expense	713	2,247	4,663	(2,416)	(52)	18,650	1,542	2,438	(191)	(8)	
<b>Total Expenses(before Operating Transfers)</b>	270,404	844,526	891,430	(46,904)	(5)	3,408,081	249,556	789,667	54,858	7	
<b>Operating Transfer</b>											
Utilities & Labor Donated	0	0	375	(375)	(100)	1,500	0	0	0	0	
<b>Total Operating Transfer</b>	0	0	375	(375)	(100)	1,500	0	0	0	0	
<b>Net Income Profit(Loss)</b>	(108,012)	(358,874)	(406,514)	47,640	12	52,367	(50,343)	(193,257)	(165,618)	(86)	

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

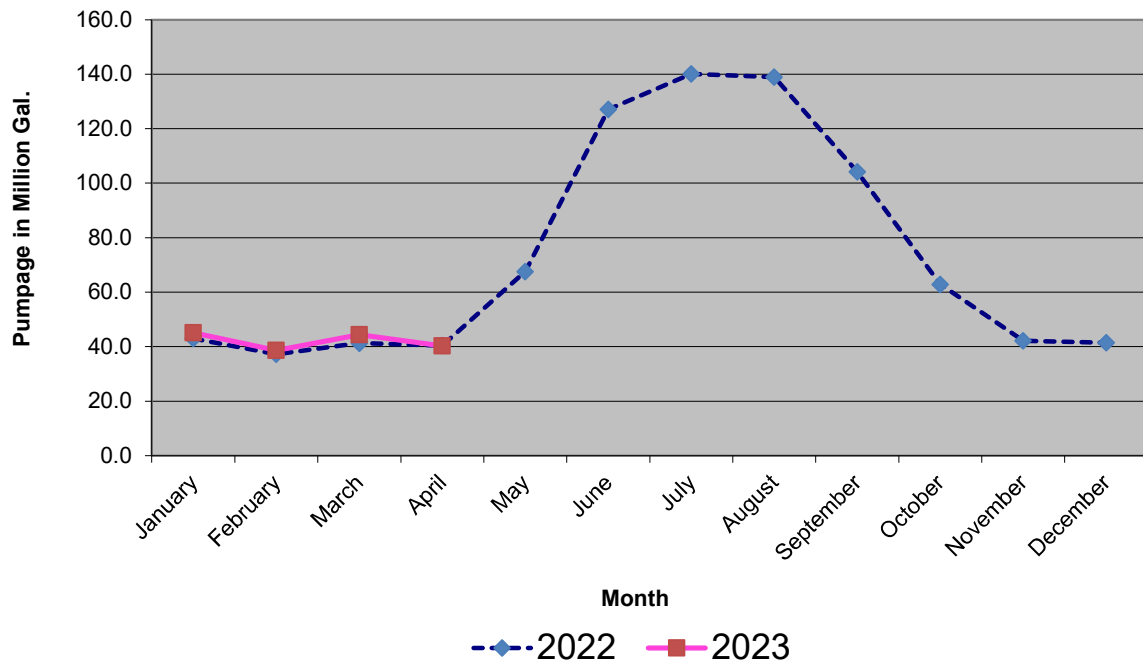
- (1) YTD Budget variance is due to increased usage.
- (2) PYTD variance is due to the change in Fair Market Value of Investments.
- (3) YTD Budget variance is due to a even budget spread. PYTD variance is due to more Connection Fees in 2022.
- (4) PYTD variance is due to Water Tower lease revenue being recognized annually in 2023 vs monthly in 2022 (GASB 87).
- (5) PYTD variance is due to a 2023 water main repair and additional Cty Rd 13 expenses which are partially offset by less water meter change outs in 2023.



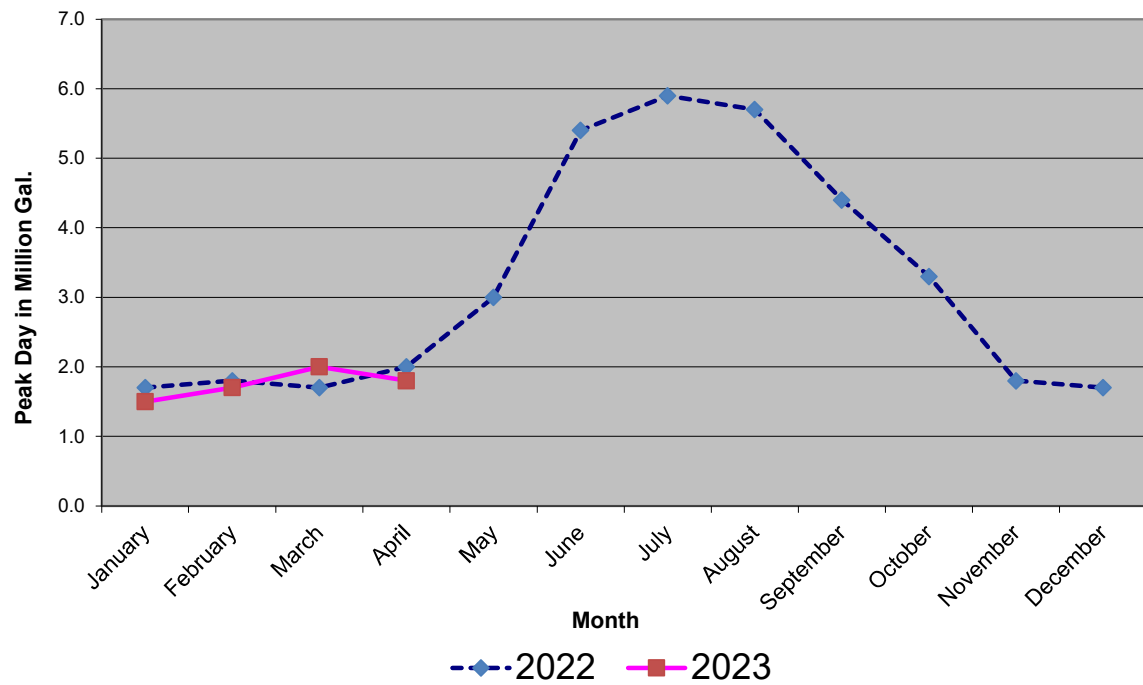


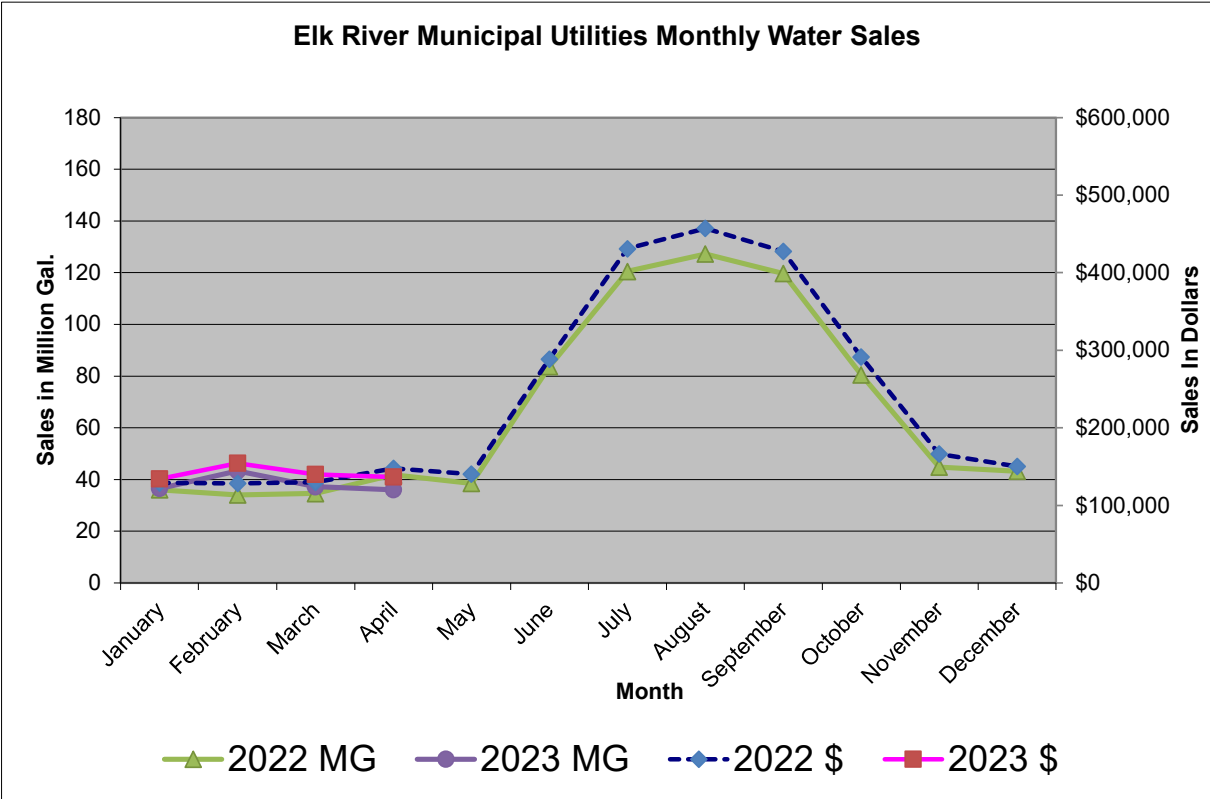


**Elk River Municipal Utilities Monthly Water Pumpage**



**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 MARCH 2023

		2023 MARCH	2023 YTD	2023 YTD BUDGET	2023 ANNUAL BUDGET	2023 YTD Bud Var%	2022 MARCH	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual Var%
<b>Electric Revenue</b>										
<b>Operating Revenue</b>										
Elk River										
	ELECT SALES - ELK RIVER RESID	1,013,930	3,313,265	3,139,782	14,039,146	6	996,396	3,074,960	238,305	8
	ELECT SALES - ELK RIVER NON-D	286,864	875,551	775,107	3,461,850	13	248,328	743,702	131,849	18
	ELECT SALES - ELK RIVER DEMA	1,327,013	4,000,389	4,070,256	20,243,229	(2)	1,370,969	4,082,134	(81,744)	(2)
	PCA SALES REVENUE - ELK RIVE	98,913	252,675	320,071	1,285,399	(21)	0	0	252,675	0
	PCA SALES REVENUE - ELK RIVE	31,126	74,291	87,759	340,814	(15)	0	0	74,291	0
	PCA SALES REVENUE - ELK RIVE	189,280	445,701	637,679	2,670,887	(30)	0	0	445,701	0
	<b>Total For Elk River:</b>	2,947,128	8,961,874	9,030,657	42,041,326	(1)	2,615,693	7,900,796	1,061,078	13
Otsego										
	ELECT SALES - OTSEGO RESIDEN	106,586	352,806	301,304	1,420,072	17	101,976	309,594	43,212	14
	ELECT SALES - OTSEGO NON-DEM	31,500	100,594	86,413	454,649	16	32,752	93,863	6,731	7
	ELECT SALES - OTSEGO DEMAND	95,819	307,894	239,891	1,180,452	28	96,197	284,244	23,650	8
	PCA SALES REVENUE - OTSEGO R	10,108	26,363	30,710	129,685	(14)	0	0	26,363	0
	PCA SALES REVENUE - OTSEGO N	3,411	8,591	9,782	44,260	(12)	0	0	8,591	0
	PCA SALES REVENUE - OTSEGO D	13,273	33,640	36,500	156,538	(8)	0	0	33,640	0
	<b>Total For Otsego:</b>	260,699	829,891	704,603	3,385,657	18	230,926	687,701	142,189	21
Rural Big Lake										
	ELECT SALES - BIG LAKE RESIDE	14,748	50,190	50,286	214,102	0	15,422	46,710	3,480	7
	ELECT SALES - BIG LAKE NON-DE	163	497	447	4,513	11	155	464	33	7
	PCA SALES REVENUE - BIG LAKE	1,439	3,845	5,125	19,622	(25)	0	0	3,845	0
	PCA SALES REVENUE - BIG LAKE	8	20	50	420	(59)	0	0	20	0
	<b>Total For Rural Big Lake:</b>	16,360	54,555	55,909	238,658	(2)	15,578	47,174	7,380	16
Dayton										
	ELECT SALES - DAYTON RESIDEN	15,542	51,730	52,159	221,646	(1)	16,430	49,343	2,387	5
	ELECT SALES - DAYTON NON-DE	2,734	8,730	8,723	39,638	0	2,971	8,746	(15)	0
	PCA SALES REVENUE - DAYTON R	1,470	3,861	5,312	20,286	(27)	0	0	3,861	0
	PCA SALES REVENUE - DAYTON	257	655	987	3,900	(34)	0	0	655	0
	<b>Total For Dayton:</b>	20,004	64,977	67,184	285,471	(3)	19,401	58,089	6,888	12
Public St & Hwy Lighting										
	ELECT SALES - SEC LTS	21,261	64,707	65,000	260,000	0	21,491	64,267	439	1
	<b>Total For Public St &amp; Hwy Lighting:</b>	21,261	64,707	65,000	260,000	0	21,491	64,267	439	1
Other Electric Sales										
	SUB-STATION CREDIT	400	1,200	1,200	4,800	0	400	1,200	0	0
	RATE INCREASE	0	0	0	0	0	353,450	425,841	(425,841)	(100)



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	2023 MARCH	2023 YTD	2023 YTD BUDGET	2023 ANNUAL BUDGET	2023 YTD Bud Var%	2022 MARCH	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual Var%
<b>Electric</b>									
<b>Total For Other Electric Sales:</b>	400	1,200	1,200	4,800	0	353,850	427,041	(425,841)	(100)
<b>Total Operating Revenue</b>	<u>3,265,853</u>	<u>9,977,206</u>	<u>9,924,554</u>	<u>46,215,912</u>	<u>1</u>	<u>3,256,941</u>	<u>9,185,070</u>	<u>792,135</u>	<u>9</u>
<b>Other Operating Revenue</b>									
Interest/Dividend Income									
INTEREST & DIVIDEND INCOME	9,434	17,900	12,500	50,000	43	(45,493)	(88,489)	106,390	120
<b>Total For Interest/Dividend Income:</b>	9,434	17,900	12,500	50,000	43	(45,493)	(88,489)	106,390	120
Customer Penalties									
CUSTOMER DELINQUENT PENALT	25,220	73,877	62,499	250,000	18	23,492	44,374	29,503	66
<b>Total For Customer Penalties:</b>	25,220	73,877	62,499	250,000	18	23,492	44,374	29,503	66
LFG Project									
LFG PROJECT	0	0	0	0	0	65,294	238,552	(238,552)	(100)
<b>Total For LFG Project:</b>	0	0	0	0	0	65,294	238,552	(238,552)	(100)
Connection Fees									
DISCONNECT & RECONNECT CHA	7,832	24,133	54,999	220,000	(56)	7,580	35,665	(11,531)	(32)
<b>Total For Connection Fees:</b>	7,832	24,133	54,999	220,000	(56)	7,580	35,665	(11,531)	(32)
Misc Revenue									
MISC ELEC REVENUE - TEMP CHG	1,749	2,819	500	2,000	464	370	670	2,149	321
STREET LIGHT	0	0	5,000	20,000	(100)	0	125	(125)	(100)
TRANSMISSION INVESTMENTS	47,947	154,630	162,307	649,231	(5)	43,940	137,444	17,185	13
MISC NON-UTILITY	14,036	37,349	22,500	90,000	66	8,792	29,037	8,312	29
GAIN ON DISPOSITION OF PROPER	0	0	0	0	0	22,750	22,750	(22,750)	(100)
CONTRIBUTIONS FROM CUSTOME	18,027	18,027	43,749	175,000	(59)	0	0	18,027	0
<b>Total For Misc Revenue:</b>	81,760	212,826	234,057	936,231	(9)	75,852	190,027	22,799	12
<b>Total Other Revenue</b>	<u>124,247</u>	<u>328,738</u>	<u>364,057</u>	<u>1,456,231</u>	<u>(10)</u>	<u>126,725</u>	<u>420,129</u>	<u>(91,390)</u>	<u>(22)</u>
<b>Total For Total Other Revenue:</b>	124,247	328,738	364,057	1,456,231	(10)	126,725	420,129	(91,390)	(22)
<b>Total Revenue</b>	<u>3,390,100</u>	<u>10,305,944</u>	<u>10,288,611</u>	<u>47,672,143</u>	<u>0</u>	<u>3,383,667</u>	<u>9,605,200</u>	<u>700,744</u>	<u>7</u>
<b>Expenses</b>									
Purchased Power									
PURCHASED POWER	1,641,590	4,920,944	5,169,400	24,207,981	(5)	2,299,042	6,962,413	(2,041,468)	(29)
ENERGY ADJUSTMENT CLAUSE	690,265	1,776,630	2,069,471	8,558,044	(14)	0	0	1,776,630	0
<b>Total For Purchased Power:</b>	2,331,855	6,697,575	7,238,871	32,766,025	(7)	2,299,042	6,962,413	(264,837)	(4)
Operating & Mtce Expense									

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	2023 MARCH	2023 YTD	2023 YTD BUDGET	2023 ANNUAL BUDGET	2023 YTD Bud Var%	2022 MARCH	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual Var%
<b>Electric</b>									
OPERATING SUPERVISION	11,662	31,624	34,250	137,000	(8)	9,252	27,335	4,289	16
DIESEL OIL FUEL	813	2,676	2,499	10,000	7	76	1,246	1,429	115
NATURAL GAS	6,051	18,647	10,500	25,000	78	2,175	9,371	9,276	99
ELECTRIC & WATER CONSUMPTI	12,469	19,804	12,300	34,000	61	3,247	11,710	8,094	69
PLANT SUPPLIES & OTHER EXPEN	6,878	13,909	3,249	13,000	328	299	1,306	12,602	964
MISC POWER GENERATION EXPE	810	1,871	2,000	8,000	(6)	571	1,481	390	26
MAINTENANCE OF STRUCTURE -	3,500	7,579	5,000	20,000	52	2,906	4,827	2,752	57
MTCE OF PLANT ENGINES/GENER	4,906	10,258	9,750	39,000	5	2,792	4,153	6,104	147
MTCE OF PLANT/LAND IMPROVE	5,141	19,456	16,000	35,000	22	1,276	8,224	11,231	137
<b>Total For Operating &amp; Mtce Expense:</b>	<b>52,233</b>	<b>125,828</b>	<b>95,550</b>	<b>321,000</b>	<b>32</b>	<b>22,599</b>	<b>69,657</b>	<b>56,171</b>	<b>81</b>
<b>Landfill Gas</b>									
LANDFILL GAS PLANT PURCHASE	0	0	0	0	0	10,224	35,440	(35,440)	(100)
LANDFILL GAS PLANT OPERATIO	0	0	0	0	0	41,518	124,556	(124,556)	(100)
LANDFILL GAS PLANT ADMINIST	0	0	0	0	0	246	671	(671)	(100)
LANDFILL GAS PLANT INSURANC	0	0	0	0	0	1,623	4,871	(4,871)	(100)
LANDFILL GAS PLANT MTCE	0	0	0	0	0	168	294	(294)	(100)
<b>Total For Landfill Gas:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>53,782</b>	<b>165,833</b>	<b>(165,833)</b>	<b>(100)</b>
<b>Transmission Expense</b>									
TRANSMISSION MTCE AND EXPE	5,361	14,669	17,499	70,000	(16)	5,348	18,772	(4,103)	(22)
<b>Total For Transmission Expense:</b>	<b>5,361</b>	<b>14,669</b>	<b>17,499</b>	<b>70,000</b>	<b>(16)</b>	<b>5,348</b>	<b>18,772</b>	<b>(4,103)</b>	<b>(22)</b>
<b>Distribution Expense</b>									
REMOVE EXISTING SERVICE & M	542	542	262	1,050	106	0	0	542	0
SCADA EXPENSE	5,556	11,177	11,000	44,000	2	5,135	10,579	598	6
TRANSFORMER EXPENSE OH & U	1,332	4,838	3,750	15,000	29	845	2,854	1,984	70
MTCE OF SIGNAL SYSTEMS	270	609	500	2,000	22	57	154	454	293
METER EXPENSE - REMOVE & RE	100	100	375	1,500	(73)	81	275	(174)	(63)
TEMP SERVICE - INSTALL & REM	3,390	3,483	875	3,500	298	0	186	3,296	1,763
MISC DISTRIBUTION EXPENSE	71,639	133,104	75,000	300,000	77	41,158	94,080	39,023	41
INTERCONNECTION CARRYING C	0	0	0	2,416	0	0	0	0	0
<b>Total For Distribution Expense:</b>	<b>82,831</b>	<b>153,856</b>	<b>91,762</b>	<b>369,466</b>	<b>68</b>	<b>47,277</b>	<b>108,131</b>	<b>45,725</b>	<b>42</b>
<b>Maintenance Expense</b>									
MTCE OF STRUCTURES	3,952	11,787	11,499	46,000	2	2,092	6,017	5,769	96
MTCE OF SUBSTATIONS	3,532	13,208	8,750	35,000	51	346	475	12,733	2,681
MTCE OF SUBSTATION EQUIPME	3,077	7,308	19,250	77,000	(62)	7,239	17,715	(10,407)	(59)
MTCE OF OH LINES/TREE TRIM	59,440	135,913	150,000	225,000	(9)	64,068	93,218	42,695	46

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Electric		2023	2023	2023	2023	2023 YTD	2022	2022	YTD	2022 v. 2023
		MARCH	YTD	YTD BUDGET	ANNUAL BUDGET	Bud Var%	MARCH	YTD	VARIANCE	Actual Var%
	MTCE OF OH LINES/STANDBY	2,889	8,800	9,999	40,000	(12)	2,752	8,464	336	4
	MTCE OF OH PRIMARY	22,112	39,955	42,500	170,000	(6)	9,906	28,727	11,228	39
	MTCE OF URD PRIMARY	12,708	28,167	42,500	170,000	(34)	20,615	41,469	(13,302)	(32)
	LOCATE ELECTRIC LINES	8,329	10,808	26,499	106,000	(59)	7,841	13,500	(2,691)	(20)
	LOCATE FIBER LINES	0	33	249	1,000	(86)	0	130	(96)	(74)
	MTCE OF LINE TRANSFORMERS	886	2,903	15,000	60,000	(81)	2,733	5,684	(2,781)	(49)
	MTCE OF STREET LIGHTING	5,239	6,571	11,250	45,000	(42)	2,506	6,035	535	9
	MTCE OF SECURITY LIGHTING	1,867	4,323	3,750	15,000	15	1,667	3,716	607	16
	MTCE OF METERS	5,061	15,614	21,249	85,000	(27)	5,883	20,501	(4,886)	(24)
	VOLTAGE COMPLAINTS	439	3,186	2,499	10,000	27	280	1,287	1,898	147
	SALARIES TRANSMISSION & DIST	2,713	7,299	7,625	30,500	(4)	2,209	6,689	609	9
	ELECTRIC MAPPING	17,294	54,277	23,750	95,000	129	7,827	34,049	20,228	59
	MTCE OF OH SECONDARY	1,057	4,364	6,249	25,000	(30)	845	3,736	627	17
	MTCE OF URD SECONDARY	5,406	10,169	15,000	60,000	(32)	2,861	9,191	978	11
	TRANSPORTATION EXPENSE	44,819	94,777	61,250	245,000	55	29,227	81,382	13,395	16
	<b>Total For Maintenance Expense:</b>	<b>200,829</b>	<b>459,473</b>	<b>478,875</b>	<b>1,540,500</b>	<b>(4)</b>	<b>170,907</b>	<b>381,994</b>	<b>77,479</b>	<b>20</b>
Depreciation & Amortization										
	DEPRECIATION	208,101	625,647	628,053	2,552,700	0	194,293	582,748	42,899	7
	AMORTIZATION	55,677	167,033	167,034	668,136	0	55,677	167,033	0	0
	<b>Total For Depreciation &amp; Amortization:</b>	<b>263,778</b>	<b>792,681</b>	<b>795,087</b>	<b>3,220,836</b>	<b>0</b>	<b>249,971</b>	<b>749,781</b>	<b>42,899</b>	<b>6</b>
Interest Expense										
	INTEREST EXPENSE - BONDS	73,213	220,839	220,839	870,695	0	75,850	231,607	(10,768)	(5)
	AMORTIZATION OF DEBT DISCOU	(4,988)	(14,965)	(14,965)	(59,863)	0	(4,988)	(15,869)	903	6
	<b>Total For Interest Expense:</b>	<b>68,224</b>	<b>205,873</b>	<b>205,873</b>	<b>810,832</b>	<b>0</b>	<b>70,862</b>	<b>215,738</b>	<b>(9,864)</b>	<b>(5)</b>
Other Operating Expense										
	EV CHARGING EXPENSE	(424)	206	1,932	7,731	(89)	413	1,308	(1,101)	(84)
	LOSS ON DISPOSITION OF PROP (C	0	0	0	15,500	0	0	0	0	0
	OTHER DONATIONS	0	0	750	3,000	(100)	(667)	(301)	301	100
	PENSION EXPENSE	0	0	0	45,000	0	0	0	0	0
	OTHER INTEREST EXPENSE	0	378	378	378	0	378	1,486	(1,108)	(75)
	INTEREST EXPENSE - METER DEP	3,913	11,729	624	2,500	1,777	165	491	11,238	2,289
	<b>Total For Other Operating Expense:</b>	<b>3,489</b>	<b>12,314</b>	<b>3,685</b>	<b>74,109</b>	<b>234</b>	<b>289</b>	<b>2,984</b>	<b>9,330</b>	<b>313</b>
Customer Accounts Expense										
	METER READING EXPENSE	3,198	9,114	11,750	47,000	(22)	4,152	10,845	(1,731)	(16)
	DISCONNECT/RECONNECT EXPEN	1,542	4,119	5,499	22,000	(25)	1,888	4,378	(259)	(6)

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	2023 MARCH	2023 YTD	2023 YTD BUDGET	2023 ANNUAL BUDGET	2023 YTD Bud Var%	2022 MARCH	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual Var%
<b>Electric</b>									
MISC CUSTOMER ACCOUNTS EXP	27,579	80,233	78,125	312,500	3	23,380	69,171	11,062	16
BAD DEBT EXPENSE & RECOVER	1,693	1,813	5,000	20,000	(64)	159	1,253	559	45
<b>Total For Customer Accounts Expense:</b>	34,014	95,281	100,375	401,500	(5)	29,579	85,649	9,631	11
<b>Administrative Expense</b>									
SALARIES OFFICE & COMMISSION	76,000	205,674	237,500	950,000	(13)	66,573	185,905	19,769	11
TEMPORARY STAFFING	0	0	999	4,000	(100)	0	0	0	0
OFFICE SUPPLIES	10,141	37,996	26,750	107,000	42	9,948	19,071	18,925	99
ELECTRIC & WATER CONSUMPTI	(4,646)	6,747	7,250	29,000	(7)	1,794	5,372	1,374	26
BANK FEES	141	460	624	2,500	(26)	164	530	(69)	(13)
LEGAL FEES	3,445	7,108	9,999	40,000	(29)	2,046	6,472	636	10
AUDITING FEES	1,623	4,869	4,629	18,520	5	1,503	4,509	360	8
INSURANCE	16,356	49,069	46,500	186,000	6	13,262	39,788	9,280	23
UTILITY SHARE - DEFERRED COM	16,877	51,406	30,999	124,000	66	11,726	44,830	6,576	15
UTILITY SHARE - MEDICAL/DENT	59,564	301,509	309,087	858,481	(2)	60,605	289,419	12,090	4
UTILITY SHARE - PERA	24,976	70,015	72,000	288,000	(3)	23,433	63,078	6,937	11
UTILITY SHARE - FICA	23,934	67,044	69,999	280,000	(4)	22,680	60,578	6,466	11
EMPLOYEE SICK PAY	14,357	56,864	37,500	150,000	52	14,732	47,382	9,482	20
EMPLOYEE HOLIDAY PAY	0	43,372	42,954	157,500	1	0	25,174	18,197	72
EMPLOYEE VACATION & PTO PA	28,574	92,324	79,000	250,000	17	13,258	70,159	22,165	32
UPMIC DISTRIBUTION	20,521	20,521	22,753	91,015	(10)	10,576	10,576	9,944	94
LONGEVITY PAY	1,923	1,923	1,924	16,369	0	0	0	1,923	0
CONSULTING FEES	0	0	20,000	80,000	(100)	13,318	26,397	(26,397)	(100)
TELEPHONE	3,445	9,776	10,250	41,000	(5)	2,992	8,521	1,254	15
ADVERTISING	1,296	3,849	3,750	15,000	3	1,241	3,403	446	13
DUES & SUBSCRIPTIONS - FEES	10,005	29,339	43,168	172,675	(32)	11,587	29,336	3	0
SCHOOLS & MEETINGS	22,236	43,423	78,500	259,925	(45)	27,196	53,417	(9,994)	(19)
MTCE OF GENERAL PLANT & OFFI	1,002	3,008	1,899	7,600	58	609	1,828	1,179	65
<b>Total For Administrative Expense:</b>	331,779	1,106,308	1,158,043	4,128,585	(4)	309,252	995,755	110,553	11
<b>General Expense</b>									
CIP REBATES - RESIDENTIAL	3,265	10,215	25,042	100,170	(59)	3,777	13,507	(3,292)	(24)
CIP REBATES - COMMERCIAL	6,000	27,393	47,395	189,583	(42)	6,050	10,683	16,710	156
CIP - ADMINISTRATION	2,086	3,658	4,925	19,700	(26)	424	1,313	2,344	178
CIP - MARKETING	3,141	9,117	7,509	30,039	21	3,322	5,914	3,202	54
CIP - LABOR	13,343	37,142	44,627	178,511	(17)	12,870	34,504	2,637	8
CIP REBATES - LOW INCOME	4,270	4,270	4,500	18,000	(5)	0	4,185	85	2

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	2023 MARCH	2023 YTD	2023 YTD BUDGET	2023 ANNUAL BUDGET	2023 YTD Bud Var%	2022 MARCH	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual Var%
<b>Electric</b>									
CIP - LOW INCOME LABOR	1,016	2,654	2,471	9,887	7	1,042	2,726	(72)	(3)
ENVIRONMENTAL COMPLIANCE	2,570	7,725	8,554	34,219	(10)	2,502	7,499	225	3
MISC GENERAL EXPENSE	20	5,847	624	2,500	836	(37)	(41)	5,888	14,021
<b>Total For General Expense:</b>	35,714	108,022	145,652	582,609	(26)	29,952	80,292	27,729	35
<b>Total Expenses(before Operating Transfers)</b>	3,410,113	9,771,884	10,331,276	44,285,462	(5)	3,288,865	9,837,004	(65,120)	(1)
<b>Operating Transfer</b>									
Operating Transfer/Other Funds									
TRANSFER TO CITY ELK RIVER R	124,155	387,902	361,226	1,681,653	7	111,024	335,705	52,196	16
<b>Total For Operating Transfer/Other Funds:</b>	124,155	387,902	361,226	1,681,653	7	111,024	335,705	52,196	16
Utilities & Labor Donated									
UTILITIES & LABOR DONATED TO	18,480	58,127	60,000	240,000	(3)	19,362	56,811	1,316	2
<b>Total For Utilities &amp; Labor Donated:</b>	18,480	58,127	60,000	240,000	(3)	19,362	56,811	1,316	2
Total Operating Transfer									
<b>Total For Total Operating Transfer:</b>	142,635	446,029	421,226	1,921,653	6	130,386	392,517	53,512	14
<b>Net Income Profit(Loss)</b>	(162,648)	88,030	(463,890)	1,465,028	119	(35,584)	(624,321)	712,352	114

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	2023 MARCH	2023 YTD	2023 YTD BUDGET	2023 ANNUAL BUDGET	2023 YTD Bud Var%	2022 MARCH	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual Var%
<b>Water Revenue</b>									
<b>Operating Revenue</b>									
Water Sales									
WATER SALES RESIDENTIAL	85,599	265,634	207,039	1,397,043	28	81,852	246,076	19,558	8
WATER SALES COMMERCIAL	52,580	158,095	125,180	850,022	26	46,392	136,385	21,710	16
WATER SALES IRRIGATION	1,594	4,755	3,933	256,349	21	1,542	4,614	141	3
<b>Total For Water Sales:</b>	139,774	428,486	336,153	2,503,414	27	129,788	387,075	41,410	11
<b>Total Operating Revenue</b>	139,774	428,486	336,153	2,503,414	27	129,788	387,075	41,410	11
<b>Total For Total Operating Revenue:</b>	139,774	428,486	336,153	2,503,414	27	129,788	387,075	41,410	11
<b>Other Operating Revenue</b>									
Interest/Dividend Income									
INTEREST & DIVIDEND INCOME	4,007	8,132	8,750	35,000	(7)	(10,629)	(20,020)	28,153	141
OTHER INTEREST/MISC REVENUE	0	0	375	1,500	(100)	0	0	0	0
<b>Total For Interest/Dividend Income:</b>	4,007	8,132	9,125	36,500	(11)	(10,629)	(20,020)	28,153	141
Customer Penalties									
CUSTOMER PENALTIES	1,247	4,021	6,999	28,000	(43)	1,006	1,949	2,072	106
<b>Total For Customer Penalties:</b>	1,247	4,021	6,999	28,000	(43)	1,006	1,949	2,072	106
Connection Fees									
WATER/ACCESS/CONNECTION FE	14,790	29,190	112,500	450,000	(74)	49,924	140,401	(111,211)	(79)
CUSTOMER CONNECTION FEES	1,347	2,635	9,999	40,000	(74)	4,644	13,177	(10,541)	(80)
BULK WATER SALES/HYDRANT R	230	9,075	6,999	28,000	30	0	89	8,985	9,983
<b>Total For Connection Fees:</b>	16,368	40,900	129,499	518,000	(68)	54,568	153,667	(112,767)	(73)
Misc Revenue									
MISC NON-UTILITY	20	20	12	50	54	20	20	0	0
MISCELLANEOUS REVENUE	0	258	125	500	107	0	0	258	0
HYDRANT MAINTENANCE PROGR	974	3,831	3,375	13,500	14	978	3,273	557	17
CONTRIBUTIONS FROM DEVELOP	0	0	0	65,000	0	0	0	0	0
WATER TOWER LEASE	0	0	0	296,984	0	23,481	70,445	(70,445)	(100)
<b>Total For Misc Revenue:</b>	994	4,109	3,512	376,034	17	24,480	73,738	(69,628)	(94)
<b>Total Other Revenue</b>	22,617	57,165	149,137	958,534	(62)	69,425	209,335	(152,170)	(73)
<b>Total For Total Other Revenue:</b>	22,617	57,165	149,137	958,534	(62)	69,425	209,335	(152,170)	(73)
<b>Total Revenue</b>	162,392	485,651	485,290	3,461,948	0	199,213	596,410	(110,759)	(19)

ELK RIVER MUNICIPAL UTILITIES  
ELK RIVER, MINNESOTA  
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	2023 MARCH	2023 YTD	2023 YTD BUDGET	2023 ANNUAL BUDGET	2023 YTD Bud Var%	2022 MARCH	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual Var%
<b>Water Expenses</b>									
Production Expense									
MTCE OF STRUCTURES	11,144	30,877	22,500	90,000	37	8,555	25,484	5,393	21
<b>Total For Production Expense:</b>	11,144	30,877	22,500	90,000	37	8,555	25,484	5,393	21
Pumping Expense									
SUPERVISION	4,706	15,555	17,250	69,000	(10)	5,608	15,409	145	1
ELECTRIC & GAS UTILITIES	21,022	65,975	72,000	288,000	(8)	19,202	59,231	6,743	11
SAMPLING	915	3,460	3,750	15,000	(8)	619	2,248	1,211	54
CHEMICAL FEED	1,816	5,239	12,500	50,000	(58)	1,715	4,787	452	9
MTCE OF ELECTRIC PUMPING EQ	0	0	0	0	0	0	96	(96)	(100)
MTCE OF WELLS	14,709	46,062	41,250	165,000	12	15,515	54,971	(8,908)	(16)
SCADA - PUMPING	239	808	3,999	16,000	(80)	227	3,676	(2,868)	(78)
<b>Total For Pumping Expense:</b>	43,409	137,101	150,750	603,000	(9)	42,888	140,421	(3,320)	(2)
Distribution Expense									
MTCE OF WATER MAINS	17,846	42,519	30,000	120,000	42	3,233	7,990	34,528	432
LOCATE WATER LINES	536	707	4,312	17,250	(84)	335	527	179	34
MTCE OF WATER SERVICES	36	184	0	0	0	0	40	144	362
WATER METER SERVICE	998	2,736	16,500	66,000	(83)	10,408	21,992	(19,256)	(88)
BACKFLOW DEVICE INSPECTION	1,283	4,578	2,700	16,000	70	889	2,692	1,886	70
MTCE OF CUSTOMERS SERVICE	2,465	7,482	7,625	30,500	(2)	2,323	6,792	690	10
WATER MAPPING	1,063	2,641	3,125	12,500	(15)	289	460	2,180	473
MTCE OF WATER HYDRANTS - PU	333	1,325	4,749	19,000	(72)	1,237	2,168	(843)	(39)
MTCE OF WATER HYDRANTS - PR	0	(73)	1,250	5,000	(106)	0	254	(327)	(129)
WATER CLOTHING/PPE	6,376	6,408	2,250	9,000	185	2,276	2,875	3,532	123
WAGES WATER	685	1,883	1,824	7,300	3	528	1,500	383	26
TRANSPORTATION EXPENSE	1,140	2,505	4,125	16,500	(39)	1,482	3,109	(603)	(19)
WATER PERMIT	345	15,752	18,600	18,600	(15)	0	18,025	(2,272)	(13)
<b>Total For Distribution Expense:</b>	33,111	88,653	97,062	337,650	(9)	23,005	68,430	20,222	30
Depreciation & Amortization									
DEPRECIATION	97,387	292,134	292,194	1,202,937	0	92,825	278,119	14,015	5
<b>Total For Depreciation &amp; Amortization:</b>	97,387	292,134	292,194	1,202,937	0	92,825	278,119	14,015	5
Interest Expense									
INTEREST EXPENSE - BONDS	3,666	10,999	11,000	43,000	0	3,833	12,704	(1,704)	(13)
AMORTIZATION OF DEBT DISCOU	(554)	(1,662)	(1,662)	(6,651)	0	(554)	(1,662)	0	0
<b>Total For Interest Expense:</b>	3,112	9,337	9,337	36,349	0	3,279	11,041	(1,704)	(15)

Other Operating Expense

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	2023 MARCH	2023 YTD	2023 YTD BUDGET	2023 ANNUAL BUDGET	2023 YTD Bud Var%	2022 MARCH	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual Var%
<b>Water</b>									
LOSS ON DISPOSITION OF PROP (C	0	0	0	500	0	0	0	0	0
DAM MAINTENANCE EXPENSE	36	92	437	1,750	(79)	0	0	92	0
OTHER INTEREST EXPENSE	0	94	95	95	0	94	371	(277)	(74)
INTEREST EXPENSE - METER DEP	104	314	31	125	916	4	13	301	2,323
<b>Total For Other Operating Expense:</b>	141	501	563	2,470	(11)	98	384	116	30
Customer Accounts Expense									
METER READING EXPENSE	165	472	624	2,500	(24)	216	540	(67)	(12)
MISC CUSTOMER ACCOUNTS EXP	6,970	20,969	20,405	81,620	3	6,022	17,863	3,105	17
BAD DEBT EXPENSE & RECOVER	0	0	62	250	(100)	0	0	0	0
<b>Total For Customer Accounts Expense:</b>	7,135	21,442	21,092	84,370	2	6,238	18,403	3,038	17
Administrative Expense									
SALARIES OFFICE & COMMISSION	21,892	59,333	67,125	268,500	(12)	19,191	54,053	5,280	10
TEMPORARY STAFFING	0	0	249	1,000	(100)	0	0	0	0
OFFICE SUPPLIES	2,382	5,971	6,375	25,500	(6)	1,138	3,164	2,807	89
ELECTRIC & WATER CONSUMPTI	(433)	1,686	2,000	8,000	(16)	448	1,343	343	26
BANK FEES	35	121	156	625	(22)	41	142	(21)	(15)
LEGAL FEES	326	1,241	2,250	9,000	(45)	511	1,618	(376)	(23)
AUDITING FEES	405	1,217	1,157	4,630	5	375	1,127	90	8
INSURANCE	3,016	9,048	9,000	36,000	1	2,217	6,653	2,395	36
UTILITY SHARE - DEFERRED COM	3,080	8,141	7,625	30,500	7	2,075	6,987	1,153	17
UTILITY SHARE - MEDICAL/DENT	15,332	75,084	87,363	215,000	(14)	15,850	75,215	(130)	0
UTILITY SHARE - PERA	4,767	13,371	13,500	54,000	(1)	4,460	12,203	1,168	10
UTILITY SHARE - FICA	4,536	12,725	12,999	52,000	(2)	4,301	11,661	1,064	9
EMPLOYEE SICK PAY	3,144	10,003	6,750	27,000	48	1,473	6,032	3,971	66
EMPLOYEE HOLIDAY PAY	0	7,076	8,400	30,800	(16)	0	4,301	2,774	64
EMPLOYEE VACATION & PTO PA	4,625	17,098	14,545	44,000	18	2,616	13,234	3,864	29
UPMIC DISTRIBUTION	4,172	4,172	4,517	18,069	(8)	2,200	2,200	1,972	90
WELLHEAD PROTECTION	111	111	0	10,000	0	1,488	4,252	(4,140)	(97)
LONGEVITY PAY	101	101	101	3,106	0	0	0	101	0
CONSULTING FEES	140	4,210	8,750	35,000	(52)	3,329	7,544	(3,334)	(44)
TELEPHONE	785	2,214	2,375	9,500	(7)	696	2,068	145	7
ADVERTISING	324	962	1,625	6,500	(41)	310	778	183	23
DUES & SUBSCRIPTIONS - FEES	1,326	18,356	20,000	78,320	(8)	1,434	18,324	32	0
SCHOOLS & MEETINGS	3,924	9,226	15,926	63,705	(42)	6,807	11,580	(2,354)	(20)
MTCE OF GENERAL PLANT & OFFI	250	752	474	1,900	58	152	457	294	65

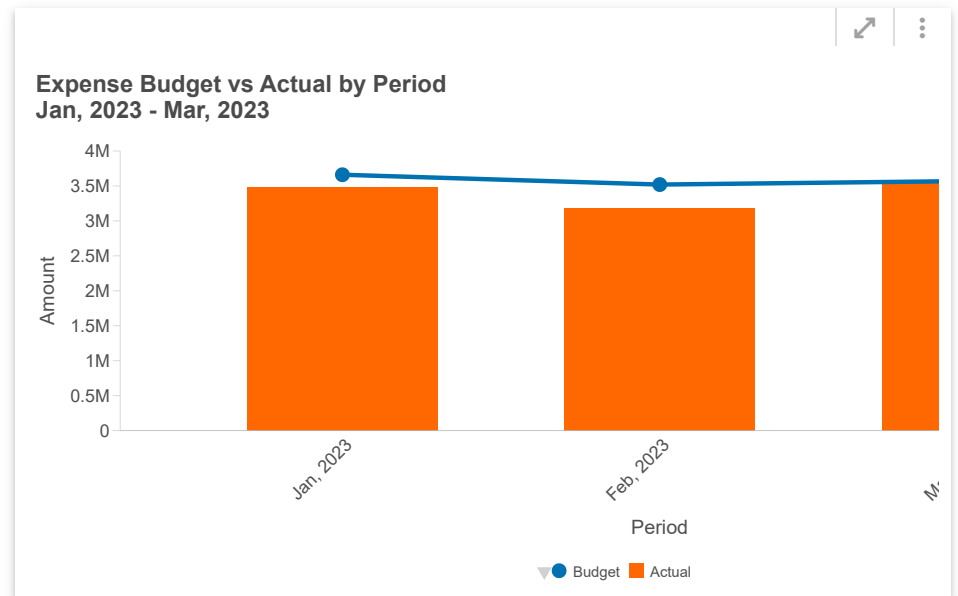
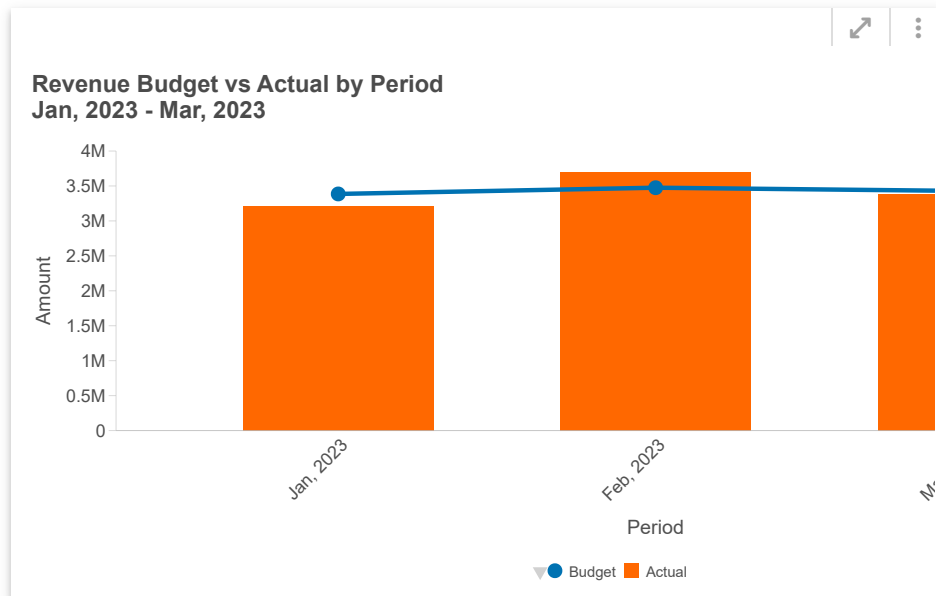
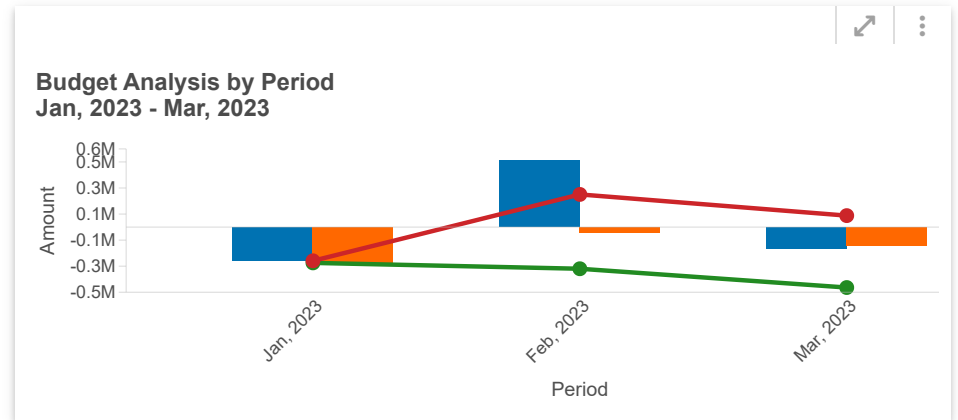
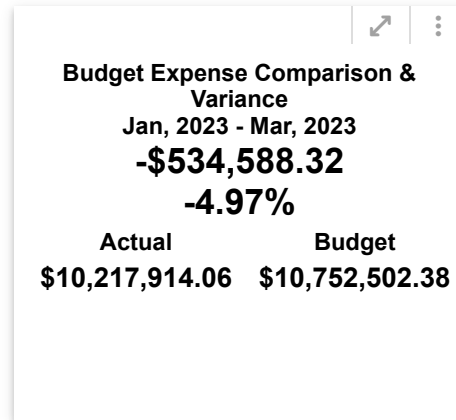
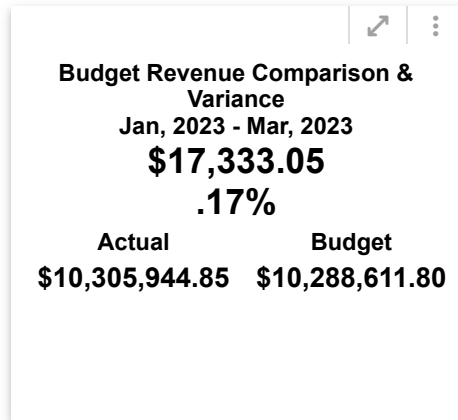


ELK RIVER MUNICIPAL UTILITIES  
ELK RIVER, MINNESOTA  
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR PERIOD ENDING MARCH 2023

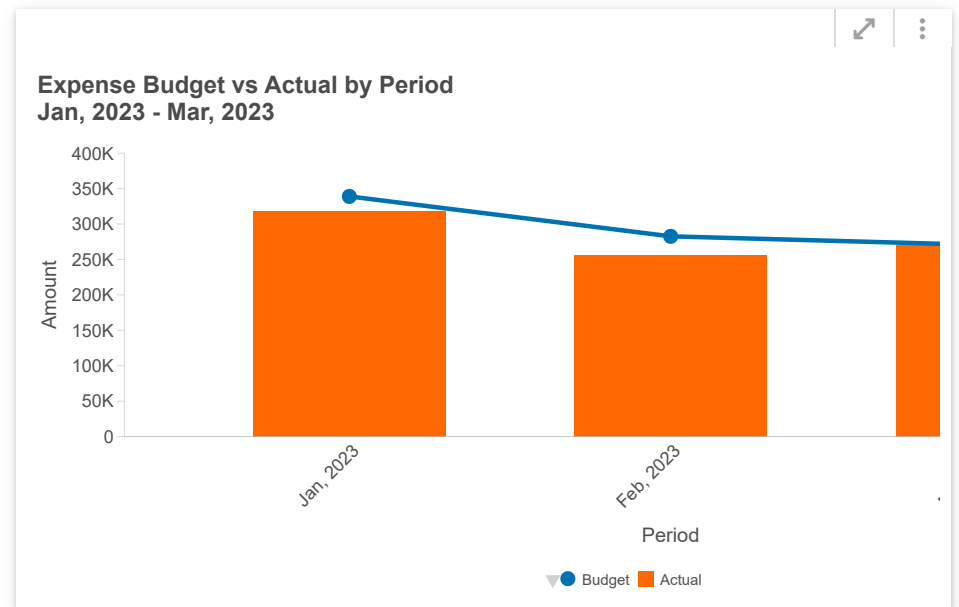
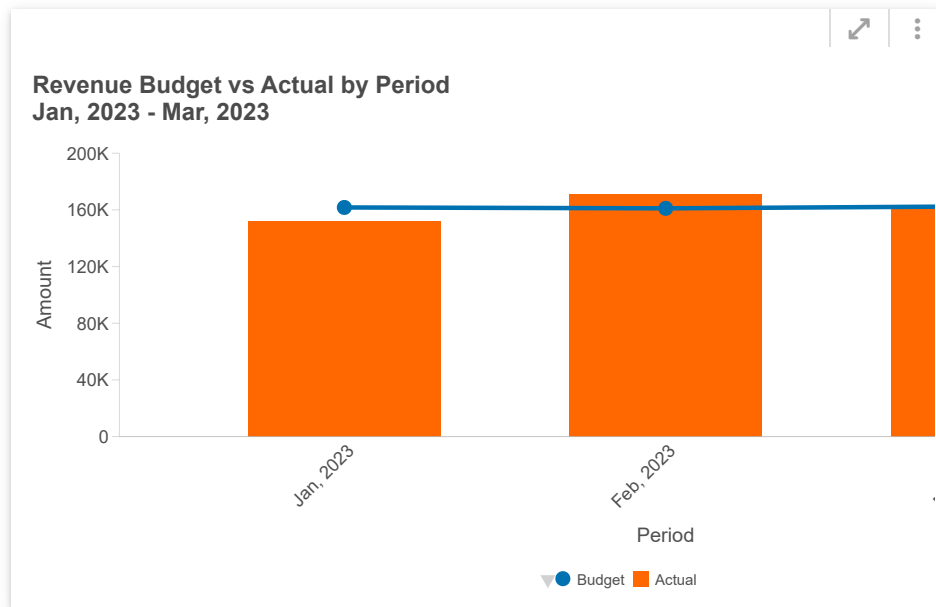
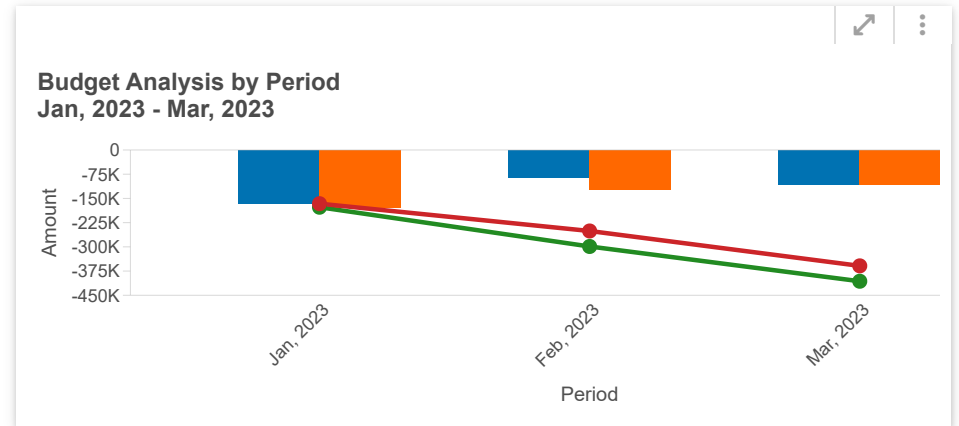
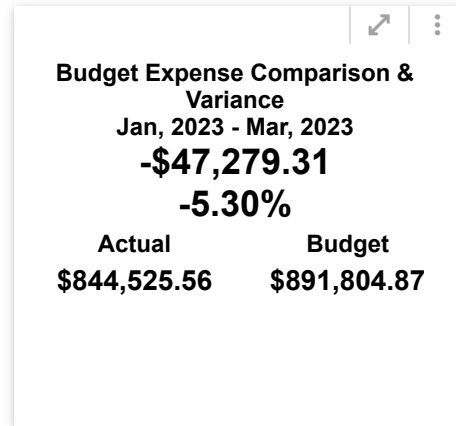
		2023	2023	2023	2023	2023 YTD	2022	2022	YTD	2022 v. 2023
		MARCH	YTD	YTD	ANNUAL	Bud Var%	MARCH	YTD	VARIANCE	Actual Var%
				BUDGET	BUDGET					
<b>Water</b>										
	<b>Total For Administrative Expense:</b>	74,249	262,230	293,267	1,032,655	(11)	71,121	244,943	17,286	7
General Expense										
	CIP REBATES - RESIDENTIAL	282	327	2,625	10,500	(88)	125	235	92	40
	CIP REBATES - COMMERCIAL	0	0	125	500	(100)	0	0	0	0
	CIP - MARKETING	0	588	125	500	370	529	529	58	11
	CIP - LABOR	388	1,186	1,175	4,700	1	445	1,132	54	5
	ENVIRONMENTAL COMPLIANCE	41	147	549	2,200	(73)	442	540	(393)	(73)
	MISC GENERAL EXPENSE	0	(2)	62	250	(105)	0	0	(2)	0
	<b>Total For General Expense:</b>	712	2,246	4,662	18,650	(52)	1,541	2,437	(190)	(8)
	<b>Total Expenses(before Operating Transfers)</b>	270,404	844,525	891,429	3,408,081	(5)	249,555	789,667	54,858	7
<b>Operating Transfer</b>										
Utilities & Labor Donated										
	WATER & LABOR DONATED TO CI	0	0	375	1,500	(100)	0	0	0	0
Total Operating Transfer										
	<b>Total For Total Operating Transfer:</b>	0	0	375	1,500	(100)	0	0	0	0
<b>Net Income Profit(Loss)</b>		(108,011)	(358,874)	(406,514)	52,367	12	(50,342)	(193,256)	(165,617)	(86)

Budget vs Actual

[Revenue vs Expense](#)



Budget vs Actual [Revenue vs Expense](#)



<b>TO:</b> ERMU Commission	<b>FROM:</b> Melissa Karpinski – Finance Manager
<b>MEETING DATE:</b> May 9, 2023	<b>AGENDA ITEM NUMBER:</b> 5.2
<b>SUBJECT:</b> 2023 First Quarter Delinquent Items	
<b>ACTION REQUESTED:</b> Approve the 2023 first quarter delinquent items submitted	

**BACKGROUND:**

First quarter delinquent items are presented for your review. We have previously reported on four different categories of delinquents as follows:

- Assessments are delays in collecting the money owed and is assessed to the property taxes in the fall. *Please note this number will only be presented in the Fourth quarter.*
- Collections amounts are those we send to the collection agency to try and collect after we have exhausted all our internal collection efforts. We receive 70% of amounts collected after the agency receives their split.
- Revenue Recapture (RR) is the program through the state where funds are collected from individuals' tax refunds and remitted to us, with the balance (if any) remitted to the individual. It presents an opportunity to collect funds rather than splitting with a collection agency or having to write them off completely. There is a six-year limit for keeping items on RR and if uncollected at this time, amounts are removed and written off.
- Write Offs are amounts removed from the books with no further collection efforts being extended.

**DISCUSSION:**

I have for review recap comparisons with last year, identifying the categories and amounts for each quarter and the running totals. Regarding the first quarter totals:

- The amounts listed for assessments culminate in the fourth quarter and include items previously submitted to other collection services, and if not collected, are removed and assessed. The assessment amount for 2023 is \$0.00 as there has been no activity yet for this year.
- The amounts submitted **only** to Collection Agencies for 2023 is \$520.00. (Please note that amounts submitted to Revenue Recapture were also submitted to Collection Agencies.)

- The amounts submitted to Revenue Recapture were more than the prior year. The Q1 2023 RR amount is \$7,160.11. We have collected a total of \$7,179.17 from RR in Q1 2023.
- Write Offs for Q1 2023 of \$1,961.37 are more than the prior year. Normally the biggest impact to the Write Offs is due to the removal of items from the RR program due to a six-year limit mandated by the state. This quarter we had to write off \$1,504.09 for a commercial account due to bankruptcy. We had to remove, and write off, a total of \$400.87 from RR in Q1 2023 due to the six-year limit. However, that still leaves us \$6,778.30 ahead with the \$7,179.17 we have collected this quarter through RR.

The attached report listing shows those dollars submitted to both the Collection Agency and RR. The first quarter totals are \$7,680.11. To break these totals down by provider, it is \$6,663.80 for Electric, \$542.31 for Franchise Fees, \$171.43 for Trash, \$142.03 for Sewer, \$120.57 for Water, and \$39.97 for Storm Water.

The amount for first quarter Write Offs is \$1,961.37 which includes: small balances of \$56.41, bankruptcy of \$1,504.09, and amounts removed from RR meeting the six-year limit with the state program of \$400.87.

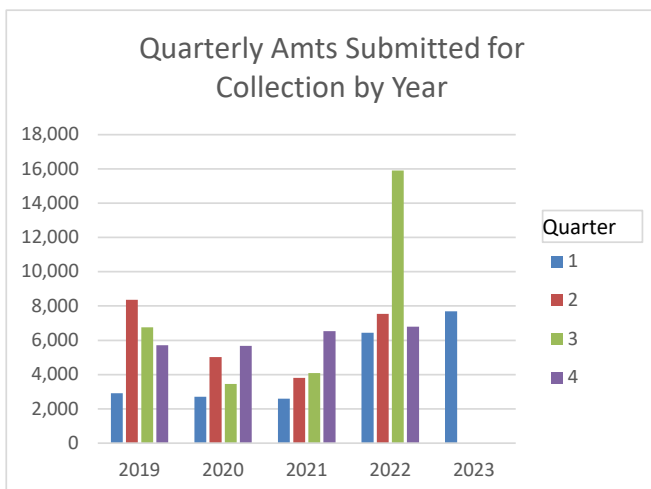
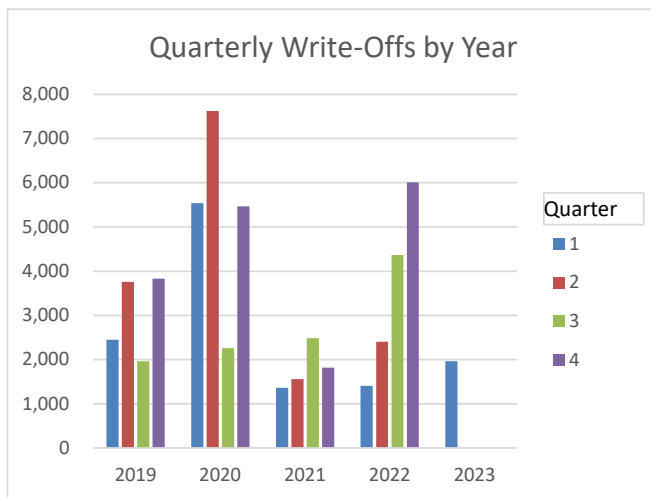
Our allowance for doubtful accounts (a reserve for bad debt/write offs) is \$25,605 or .05% uncollectible accounts per revenue dollar. According to the American Public Power Association's most recent published standard ratios (2021) the industry standard is between .15% and 1.49%. Interestingly, the Northern/Central Plains average is .15%. Our totals for the year are below the national average, at .02%.

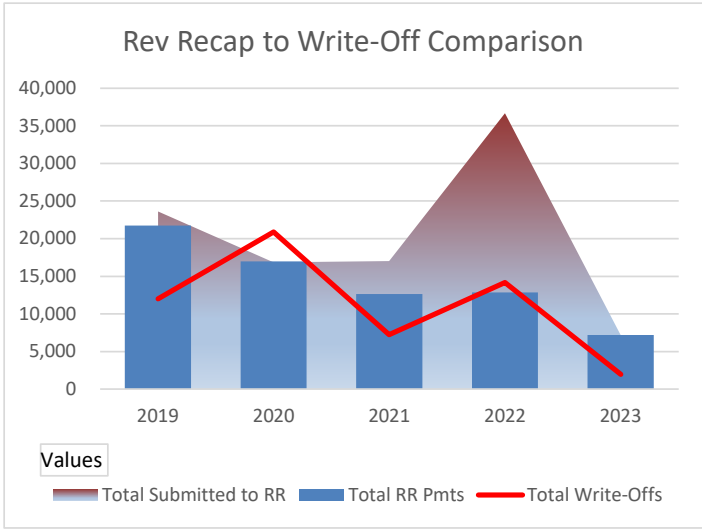
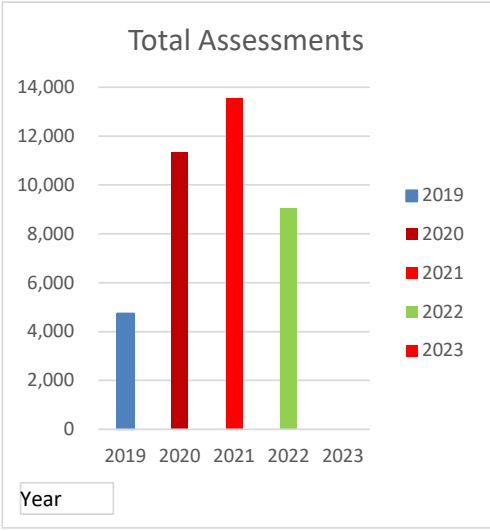
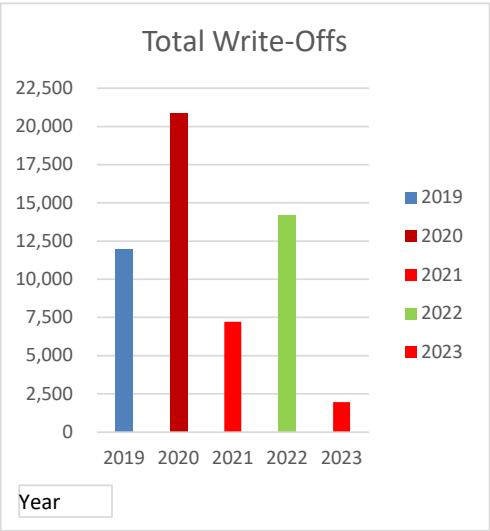
#### **ATTACHMENTS:**

- 2023 First Quarter Delinquent Items Comparison
- 2023 First Quarter Delinquent Items Submitted

### Delinquent Items Comparisons

Year	Quarter	Assessments	Collection Agency	Revenue Recapture	Rev Recap/Coll Agen	Write-Offs	Rev Recap Pmts
2019	1	-	-	2,911.46	2,911.46	2,444.35	10,447.26
2019	2	-	85.77	8,267.42	8,353.19	3,755.56	8,258.66
2019	3	-	-	6,750.81	6,750.81	1,962.21	1,855.27
2019	4	4,743.53	-	5,708.23	5,708.23	3,833.53	1,172.73
2020	1	-	-	2,707.86	2,707.86	5,537.23	8,315.08
2020	2	-	-	5,016.46	5,016.46	7,621.65	5,203.80
2020	3	-	-	3,447.14	3,447.14	2,262.18	2,022.43
2020	4	11,324.36	-	5,668.90	5,668.90	5,464.99	1,424.25
2021	1	-	-	2,600.71	2,600.71	1,362.30	5,875.40
2021	2	-	-	3,802.55	3,802.55	1,559.69	1,841.70
2021	3	-	-	4,085.99	4,085.99	2,482.70	2,132.85
2021	4	13,572.01	-	6,532.49	6,532.49	1,819.22	2,784.22
2022	1	-	-	6,446.46	6,446.46	1,405.27	6,749.22
2022	2	-	-	7,547.92	7,547.92	2,402.70	3,648.77
2022	3	-	-	15,900.91	15,900.91	4,364.37	2,285.05
2022	4	9,042.25	-	6,796.66	6,796.66	6,008.66	167.94
2023	1	-	520.00	7,160.11	7,680.11	1,961.37	7,179.17





<u>Agency</u>	<u>Serv Addr</u>	<u>Provider</u>	<u>Total AR</u>
B	224 2ND ST	1ERUE	\$ 316.38
B	224 2ND ST	2ERUW	\$ 68.57
B	224 2ND ST	3CTYS	\$ 91.16
B	224 2ND ST	4CTYT	\$ 33.90
B	224 2ND ST	6CTYF	\$ 20.69
B	224 2ND ST	7CTYS	\$ 14.33
B	18884 TWIN LAKES RD NW	1ERUE	\$ 1,031.51
b	18884 TWIN LAKES RD NW	4CTYT	\$ 115.54
B	18884 TWIN LAKES RD NW	6CTYF	\$ 17.60
B	18884 TWIN LAKES RD NW	7CTYS	\$ 10.17
B	11755 191 1/2 AVE NW APT 206	1ERUE	\$ 331.08
B	11755 191 1/2 AVE NW APT 206	6CTYF	\$ 20.33
B	19619 TYLER ST NW	1ERUE	\$ 66.75
B	19522 HOLT ST NW 301	1ERUE	\$ 207.84
B	19522 HOLT ST NW 301	6CTYF	\$ 24.11
B	17250 TWIN LAKES RD NW 302	1ERUE	\$ 101.61
B	17250 TWIN LAKES RD NW 302	6CTYF	\$ 24.11
B	19522 HOLT ST NW 118	1ERUE	\$ 204.79
B	19522 HOLT ST NW 118	6CTYF	\$ 24.11
B	633 MAIN ST NW APT 417	1ERUE	\$ 573.89
B	633 MAIN ST NW APT 417	6CTYF	\$ 24.11
B	10653 172ND AVE NW APT 410	1ERUE	\$ 96.52
B	10653 172ND AVE NW APT 410	6CTYF	\$ 6.29
B	300 3RD ST NW APT 201	1ERUE	\$ 25.03
B	300 3RD ST NW APT 201	6CTYF	\$ 22.14
B	703 AUBURN PL NW	1ERUE	\$ 217.41
B	703 AUBURN PL NW	2ERUW	\$ 24.32
B	703 AUBURN PL NW	3CTYS	\$ 25.79
B	703 AUBURN PL NW	4CTYT	\$ 9.11
B	703 AUBURN PL NW	6CTYF	\$ 11.34
B	703 AUBURN PL NW	7CTYS	\$ 7.85
B	19522 HOLT ST NW 316	1ERUE	\$ 79.82
B	19522 HOLT ST NW 316	6CTYF	\$ 22.11
B	18540 ROBINSON ST	1ERUE	\$ 408.20
B	17242 ULYSSES ST NW STE B	1ERUE	\$ 240.58
B	17242 ULYSSES ST NW STE B	6CTYF	\$ 59.91
B	365 EVANS AVE NW APT 303	1ERUE	\$ 195.34
B	365 EVANS AVE NW APT 303	6CTYF	\$ 21.44
B	1105 LIONS PARK DR NW APT 205	1ERUE	\$ 128.36
B	1105 LIONS PARK DR NW APT 205	6CTYF	\$ 16.31
C	510 FREEPORT AVE NW STE C	1ERUE	\$ 194.62
C	510 FREEPORT AVE NW STE C	6CTYF	\$ 15.28
B	11060 196TH LN NW	1ERUE	\$ 160.19
B	11060 196TH LN NW	2ERUW	\$ 27.68
B	11060 196TH LN NW	3CTYS	\$ 25.08
B	11060 196TH LN NW	4CTYT	\$ 12.88
B	11060 196TH LN NW	6CTYF	\$ 10.79
B	11060 196TH LN NW	7CTYS	\$ 7.62
B	375 EVANS AVE NW APT 302	1ERUE	\$ 277.98
B	375 EVANS AVE NW APT 302	6CTYF	\$ 24.66
C	17834 INDUSTRIAL CIR NW BAY 5	1ERUE	\$ 219.26
C	17834 INDUSTRIAL CIR NW BAY 5	6CTYF	\$ 90.84
B	151 5TH ST NW APT 109	1ERUE	\$ 600.31
B	151 5TH ST NW APT 109	6CTYF	\$ 16.83
B	23 3RD ST NW APT 305	1ERUE	\$ 36.66
B	23 3RD ST NW APT 305	6CTYF	\$ 17.82
B	365 BALDWIN AVE NW APT 103	1ERUE	\$ 95.61
B	365 BALDWIN AVE NW APT 103	6CTYF	\$ 3.50
B	379 BALDWIN AVE NW APT 202	1ERUE	\$ 465.29
B	379 BALDWIN AVE NW APT 202	6CTYF	\$ 18.83
B	1001 SCHOOL ST NW APT 104	1ERUE	\$ 388.77
B	1001 SCHOOL ST NW APT 104	6CTYF	\$ 29.16
			<u>\$ 7,680.11</u>



<b>TO:</b> ERMU Commission	<b>FROM:</b> Tony Mauren – Governance & Communications Manager
<b>MEETING DATE:</b> May 9, 2023	<b>AGENDA ITEM NUMBER:</b> 5.3
<b>SUBJECT:</b> Customer Satisfaction Survey	
<b>ACTION REQUESTED:</b> Receive the Customer Satisfaction Survey Report – Q1 – 2023	

**BACKGROUND:**

In December of 2019, the Commission voted to replace the customer satisfaction survey component of the Utilities Performance Metric and Incentive Compensation (UPMIC) scorecard due to low response rates. As ERMU places a high value on customer feedback, staff researched and pursued alternative approaches to track satisfaction, with a plan to consider returning this metric to the UPMIC scorecard.

In December of 2021, ERMU entered into a contract with Q Market Research to survey ERMU’s residential customers, seeking to measure overall satisfaction with services and programs. The survey also focused on key topics including reliability, value, ease of doing business, quality, customer concerns, and communications. Initially Q Market Research was contracted to distribute two rounds of 1,000 surveys in 2022, each consisting of 500 emails and 500 letters. With a goal of reaching all customers prior to the implementation of Advanced Metering Infrastructure, that distribution was increased to two rounds of 2,500 surveys in 2023, again evenly divided between emails and letters. The second distribution this year will be in the third quarter and ERMU will meet its outreach goal with two distributions of 2,500 surveys in 2024.

**DISCUSSION:**

Surveys were sent on February 13 to residential customers near Joplin Street, Upland Avenue, Jackson Avenue, downtown Elk River, the southeast corner of Elk River, and northeast of 197<sup>th</sup> Avenue and Highway 169. A total of 282 responses were received for a response rate of 11.3%.

Key findings in this round include overall satisfaction with ERMU is generally high, ERMU gets medium-strong grades for community involvement, the communications experience with ERMU is positive while not perfect, value for the money was lower than other scores but remains high on an absolute basis. ERMU’s Net Promoter Score (NPS) which has been in the “Excellent” range went to the “Good” range in this distribution.

As the report’s executive summary explains, the NPS was likely lower because of the twin pressures on families of inflation and higher utility rates. It also could have been impacted by

complaints about trash service. Q Market Research did note that many respondents from this distribution were ages 50-64, a group who is sensitive to the prospects of shouldering inflation and in helping their children establish careers and homes. Q Market Research also shared that they are seeing a reduction in NPS for all utilities they study.

**FINANCIAL IMPACT:**

\$4,625 for this distribution and analysis of surveys, a budgeted item.

**ATTACHMENTS:**

- Customer Satisfaction Survey Report – Q1 – 2023

# Elk River Municipal Utilities Customer Satisfaction Survey Quarter 1 - 2023

*Prepared for:*



Quarter 1, 2023

April 14, 2023

*Prepared by:*



[www.qmarketresearch.com](http://www.qmarketresearch.com)

## ***Elk River Municipal Utilities***

### ***Customer Satisfaction Survey – Quarter 1, 2023***

#### Background

Elk River Municipal Utilities (ERMU) is seeking to obtain feedback from their residential customers to measure overall levels of satisfaction with services and programs provided, as well as capture needs and perceptions regarding communication satisfaction and community involvement. As part of this study, Elk River Municipal Utilities will focus on these key areas:

1. Net Promoter Score (likely to recommend)
2. ERMU as a utility provider overall
3. Reliability of the utility services received from ERMU
4. Ease of doing business with ERMU
5. ERMU's efforts to be environmentally friendly
6. ERMU's efficiency rebate programs
7. ERMU's ability to handle customer requests
8. ERMU's efforts to be involved in the community
9. Overall satisfaction with ERMU staff
10. Overall value for the money with ERMU
11. Preferred contact methods with ERMU
12. Customer demographics

#### Survey Methodology

The survey was sent to a total of 2,500 ERMU customers. Of them, 1,250 ERMU customers received a mail survey. This list of randomly selected customers was provided by ERMU. The mailed survey provided a postage-paid, return envelope addressed to Q Market Research. The survey also contained a web link and QR code to allow the respondent to complete the survey on a computer or mobile device. An email invite was also sent to 1,250 ERMU customers to complete the same survey from their computer or mobile device.

No incentives were offered for participation.

## Data Collection

The Q1 2023 survey included 1,250 mailed surveys to ERMU customers and 1,250 emailed surveys to ERMU customers. Both mail and email surveys were sent on March 10, 2023, and data collection was closed on April 10, 2023. 94 mail responses were received, and 188 email responses were received. In total, 282 responses were received (mail and email), at an overall 11.3% response rate (and are statistically valid at a 95% confidence level to within +/- 5.8%). This is considered a slightly above average response rate for this type of survey. Data collection is summarized below:

Medium	Sent	Returned	Response rate
Email	1250	188	15.0%
Mail	1250	94	7.5%
Total	2500	282	11.3%

## Executive Summary

### Key Finding 1: Overall satisfaction with ERMU is generally high.

ERMU gets a 6.2 for overall satisfaction out of 7 by customers, largely based on high scores for reliability and ease of doing business. The lowest score among the satisfaction ratings is 5.3 for the efficiency rebate programs. These ratings are similar to past quarters.

### Key Finding 2: The Net Promoter Score in Q3 2022 for ERMU is 39.0, which is in the “good” range, down from Q3 2022, which was in the “excellent” range.

ERMU’s Q1 2023 NPS score dropped to 39.0 from 52 at the end of 2022. NPS is a broadly recognized measure of overall customer satisfaction. Based on customer comments in this report, the Q1 2023 score was lower because of the twin pressures on families of inflation and higher utility rates. The ERMU NPS could also have decreased due to numerous complaints about the trash service. Details in the report.

### Key Finding 3: ERMU gets medium-strong grades for involvement in the community.

Respondents rated ERMU 7.5 in Q1 2023 for efforts to be involved in the community, out of a 1-10 rating choice. The rating is similar to the rating in Q3, 2022.

### Key Finding 4: The communications experience with ERMU is positive, but not perfect.

Overall, customers rated communications with ERMU through customer service staff at 8.3 out of 10, which very similar to past quarters. While customer service staff were characterized as prompt and helpful in 31 written comments, 16 respondents mentioned that some staff were not friendly. (Enough mentions of staff being rude or not helpful suggests some concern.) Overall, satisfaction with all staff is rated at 8.6 out of 10. The customer newsletter, followed by the ERMU website, is highly relied on by customers for information about ERMU.

### Key Finding 5: Value for the money was lower than other scores, but still high on an absolute basis.

Overall, customers rated ERMU’s value for the money at 7.4. This is similar to Q3 2022. It is still high on a 1 to 10 rating scale in absolute terms. There were many complaints about high costs, rates and fees, so this high value rating on suggests that respondents recognize that inflation, rather than management mistakes, are the culprit.

Demographics are included at the end of the report.

All verbatims are included at the end of the report, organized by question.

A list of customers who want to be contacted by ERMU is provided separately.

## Detailed Findings

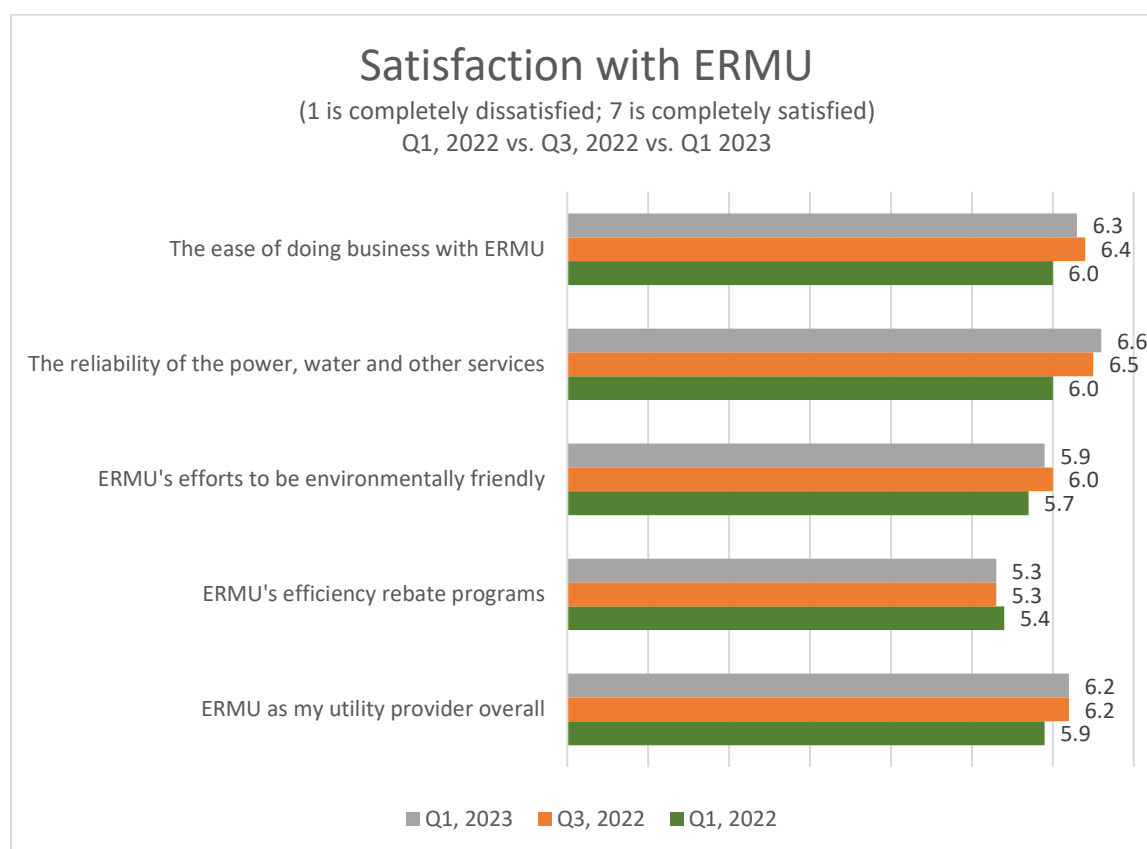
### Satisfaction Indicators

“Reliability of ERMU’s Service” (6.6) and “Ease of doing business with ERMU” (6.3) were the highest scoring satisfaction measures, out of a possible 1 to 7 score, where 7 is completely satisfied. A close third was satisfaction with ERMU overall, at 6.2. These are high scores. The lowest satisfaction measure was ERMU’s efficiency rebate programs at 5.3.

The factors measured were:

1. Ease of doing business with ERMU
2. Reliability of the power, water and other services you receive from ERMU
3. ERMU’s efforts to be environmentally friendly
4. ERMU’s efficiency rebate programs
5. ERMU as my utility provider overall

The graph below compares the values for Q1 2022, Q3 2022 and Q1 2023. The reliability rating gained in each of the three quarters.



## Verbatims on Overall Satisfaction/Dissatisfaction

Respondents were then asked, “Why did you give us these satisfaction ratings.” Respondents answered with both positive and negative comments but note that a large number of responses were about being satisfied (95). Some Q1 2023 common responses include:

Number of Responses	Issue	Positive or Negative	Typical Response
95	Satisfied with customer service, utility services	Positive	--Called about water leak and crew came out immediately --Power outage repaired in timely manner --Sewer problem help --Rebates good
30	Expensive, fees too high	Negative	--Bill increases too high --Lack of competition --Fees, costs and taxes high --Costs of environmental programs too high --Bill doubled since we moved here 4 years ago
9	Trash service	Negative	--Don't like Republic and merging trash and utility services --Too infrequent recycling service --Dirty can --Miss the trash burner ERMU had that generated electricity
7	Not aware of rebate programs	Negative	--What efficiency rebate program? --Better communicate about rebate programs
7	Green programs are needed	Negative	--No green plan for home energy conservation or generation --No super saver switch --No way to stop fees when gone in winter as snowbird --Want off-peak rates

### Other:

- (3) Want discounts for seniors
- (3) Customer service bad
- Anti wind and solar
- Want nuclear energy
- Want itemized bill
- Website easy to navigate
- Budget billing problem
- Want service deposit back
- Tree trimmers broke off part of driveway

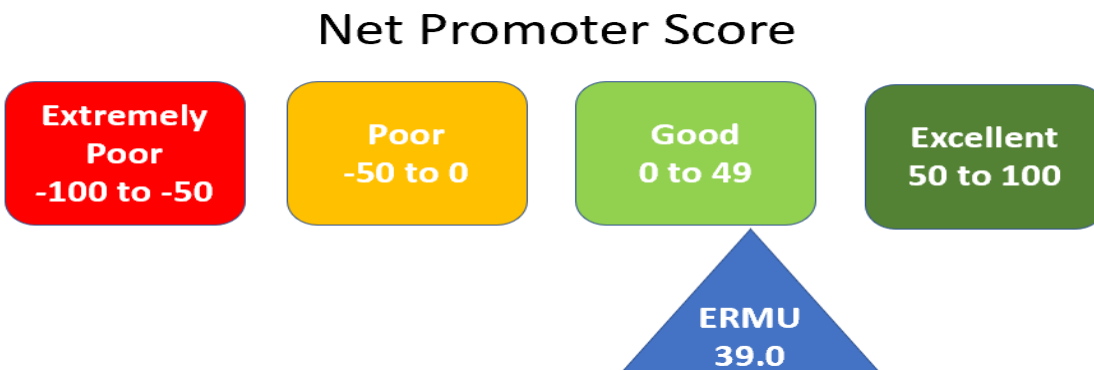
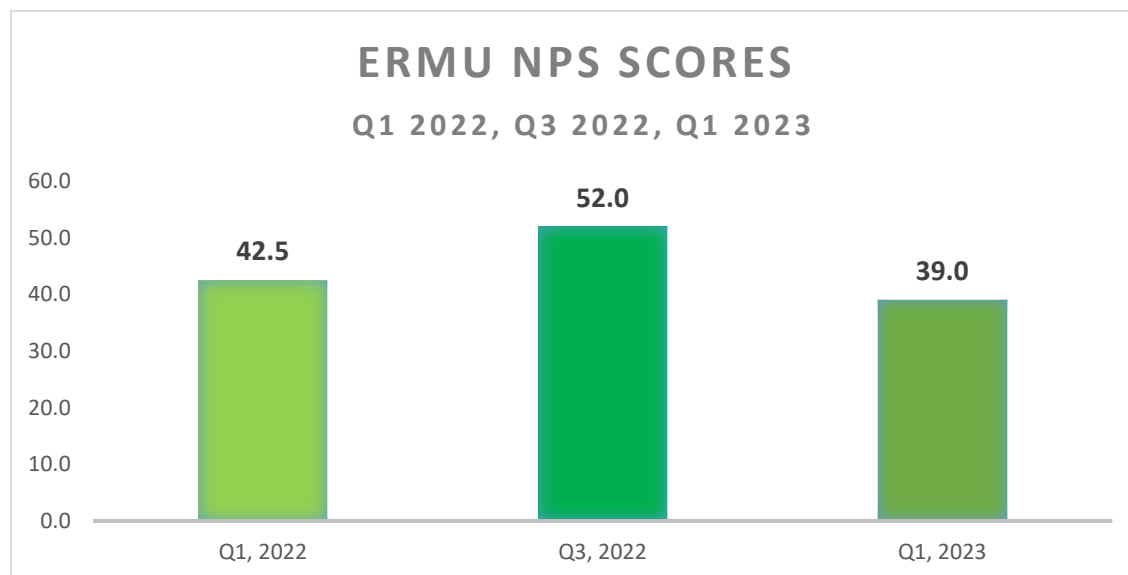
All responses recorded at the end of the report.



### Net Promoter Score: “Good”

Respondents were asked: ‘How likely is it that you would recommend ERMU as a utility provider, even though we are the only local electric and water utility?’ Using the results from the question, the Net Promoter Score was calculated. Scores can range from -100 to +100. A score of 0 to 49.9 is considered good and a score of 50 or above is considered excellent.

**In Q1, 2023, the NPS for ERMU was 39.0, down from previous quarters.** The NPS for ERMU for three quarters is shown in the table below.



The Net Promoter Score (NPS) is calculated by taking the percent of those who respond that are the most satisfied (rated a 9 or 10, or promoters) and subtracting the percent of those who are the least satisfied (rated a 0 to 6, or detractors). Those scoring a 7 or 8 are considered “neutral.” The NPS is a widely used benchmark.

### Verbatims on Why NPS Score is Given

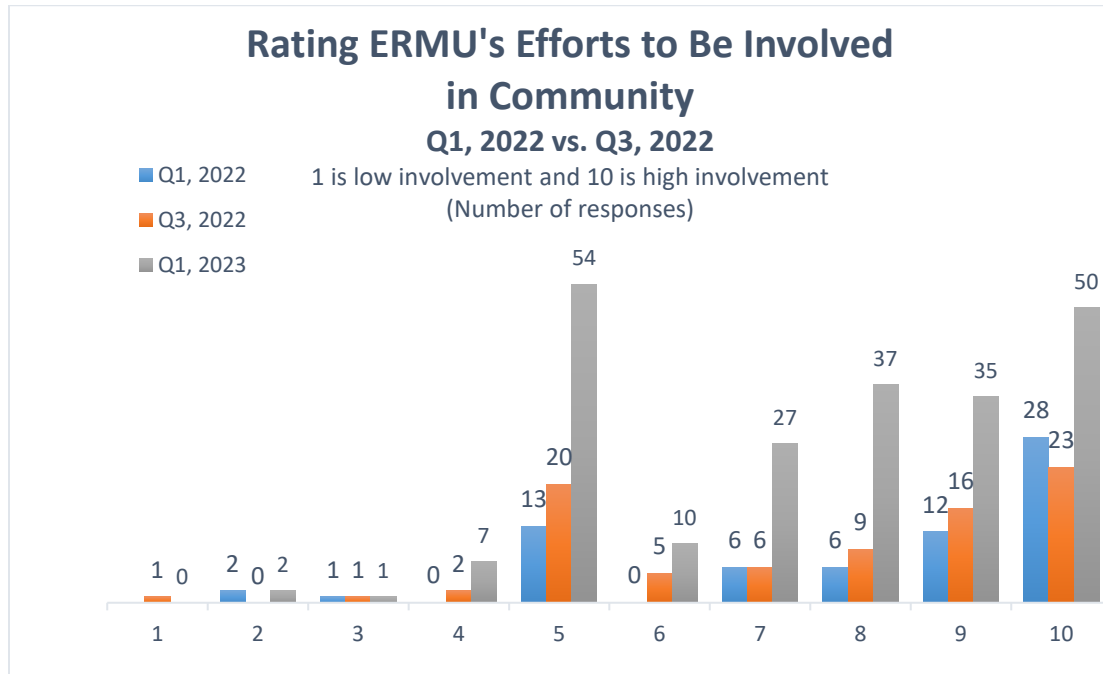
Respondents were asked why they gave ERMU a particular NPS score (promoter or detractor). A significant 48 respondents wrote positive comments. Their full responses for Q1 2023 are at the end of the report, but common responses were:

Number of Responses	Issue	Positive or Negative	Typical Response
48	No problems, satisfied	Positive	--Like service --Rates are reasonable --We've never had a problem
19	Expensive	Negative	--High cost of rates, fees
19	Only choice, monopoly	Negative or Neutral	--No other choice

All verbatims for this question are at the end of the report.

## Efforts to be involved in the community

Respondents to the survey were asked: *"Please rate ERMU's efforts to be involved in the community"* where 1 is low involvement and 10 is high involvement. The number of customers giving each score is shown in the chart below. The average score for this measure was 7.6 in Q3 2022 and is 7.5 in Q1 2023.

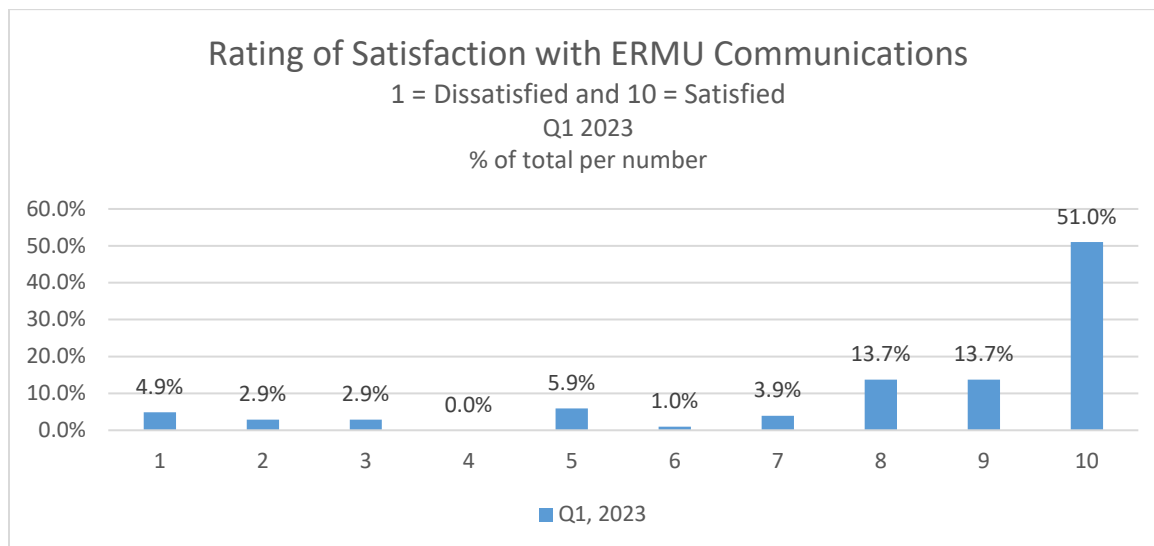


## Communication Experience with ERMU Past 12 Months

The communications experience has been rated high for past year.

In Q1, 2023, 102 respondents say they have communicated with ERMU in the past 12 months.

If customers had interacted, they were asked to rate their satisfaction with the interaction on a scale of 1 to 10, where 10 is satisfied and 1 is dissatisfied. Their responses are shown in the chart below. In Q1 2023, the average interaction score was 8.3 out of 10. This compares to the average interaction score in Q1 2022 of 8.2 and in Q3 2022 of 8.5.



## Verbatims on Interaction with ERMU

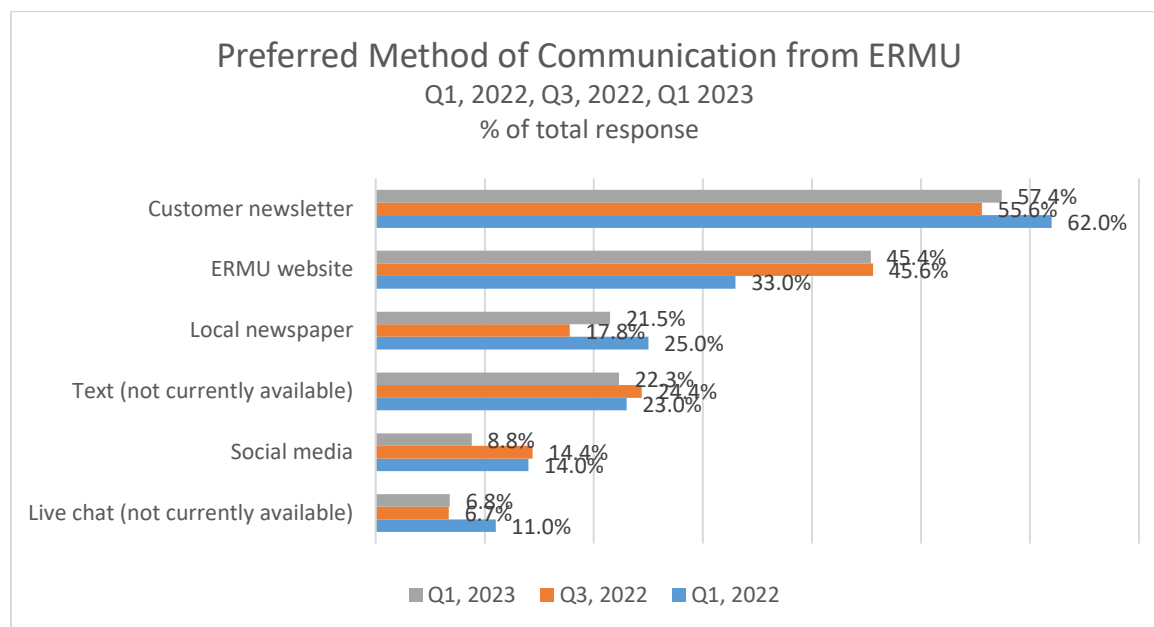
Respondents were asked to describe their interaction with ERMU. About 2/3 of verbatim comments were positive and 1/3 were negative.

Number of Responses	Issue	Positive or Negative	Typical Response
31	Service is prompt and helpful	Positive	--Super nice --Helpful --Great customer service
16	Not satisfied with service	Negative	--Poor customer service --Garbage pickup unreliable --Garbage can too small --Billing confusion or unresolved issue --Rude --Rising cost of energy

			--DSL complaint
4	OK but not great	Neutral	--Person did not know the area --Communication fine, just not outcome I wanted

## ERMU customer newsletter is the most preferred method of communication

Respondents were asked: “How would you like ERMU to communicate with you? Check your top 3.” Shown in the chart below, the customer newsletter is the most preferred way, and the ERMU website comes in second. “Text” and “Local newspaper” are tied as the third preferred way. These preferences are consistent across three surveys.



### Social media mentions Q1, 2023

Facebook, 16 mentions

Instagram, 2 mentions

### Other mentions Q1, 2023:

Email, 29 mentions

Phone call if needed, 13 mentions

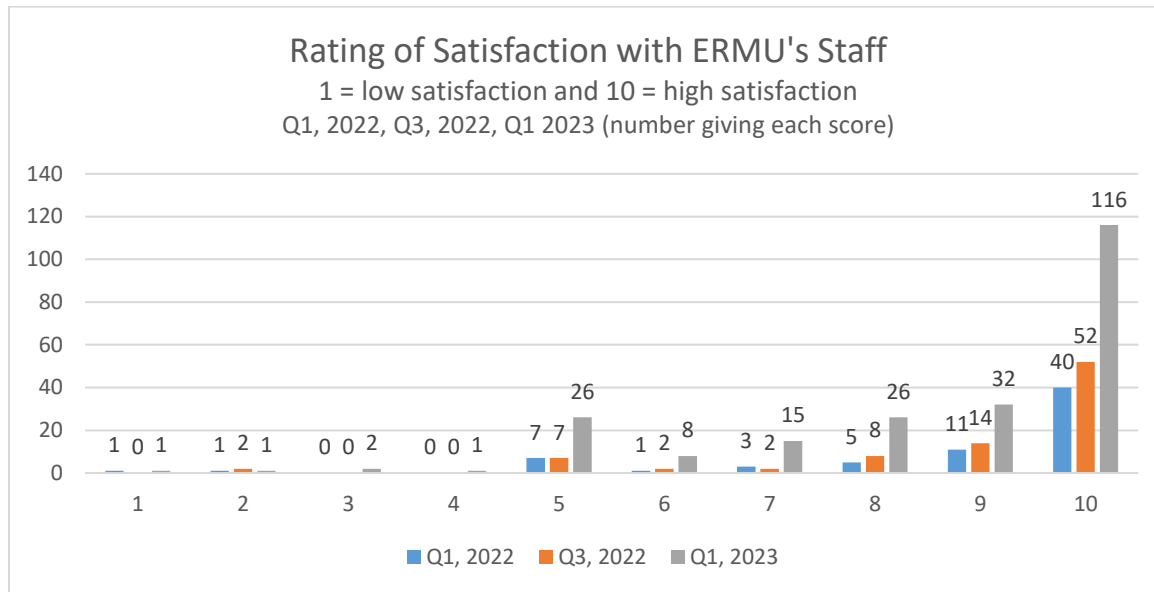
Mail, 2 mentions

Texting, 1 mention

Mailings, 1 mention

## Level of Satisfaction with ERMU Staff

Customers were asked to rate their level of satisfaction with ERMU's staff, on a scale of 1 to 10, where 10 is high satisfaction and 1 is low satisfaction. Their responses are shown in the chart below. The average staff satisfaction score in Q1 2023 was 8.6. This compares to an average staff satisfaction score in Q3 2022 of 8.9.



## Verbatims on “Satisfaction with ERMU Staff”

Respondents were asked why they gave this staff satisfaction rating in Q1, 2023. The majority of comments about staff (but not all) were positive!

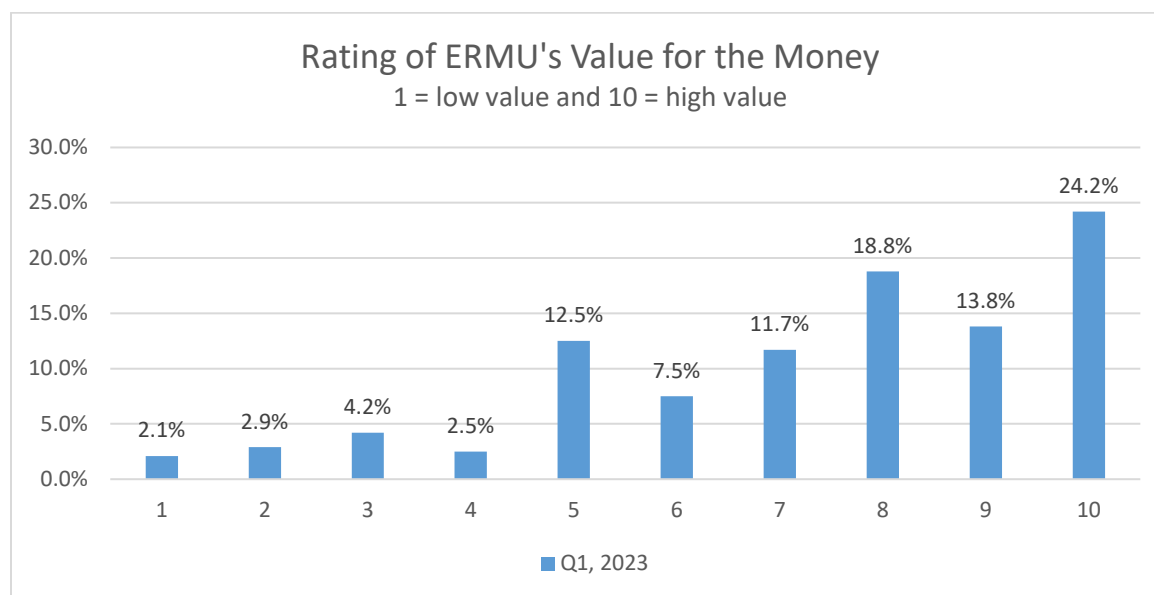
Number of Responses	Issue	Positive or Negative	Typical Response
31	Staff were helpful and positive	Positive	--Friendly --Helpful --Polite
10	I have had minimal contact with staff	Neutral	--Little contact recently --No recent contact
5	Poor service	Negative	--Can't get answers --Some are rude, some are nice --Short, unfriendly

## Other comments:

--“I have received great service when I call. Not great advice when they've been to my home.”

### Rating of ERMU's Value for the Money

Customers were asked to rate ERMU's value for the money on a scale of 1 to 10, where 10 is high value and 1 is low value. Their responses are shown in the chart below. The average value score in Q1 2022 was 7.7. The average score for Q3 2022 was 7.4. The average score for Q1 2023 was 7.4.



### Verbatims on "Value for the Money"

Respondents were asked why they gave this rating for value for the money. A majority of written responses for Q1 2023 were customers complaining about high costs, but many other respondents said they thought the rates were fair.

Number of Responses	Issue	Positive or Negative	Typical Response
23	Rates too high	Negative	--Rates expensive --Energy bills steadily increasing --Very high electrical bills
11	Rates are reasonable	Positive	--Seems competitive --Reasonable --Not the cheapest, but OK
7	Not sure how to assess value	Neutral	--Not sure what constitutes good value --Can't compare --It's not a competitive service

Other responses:

--Poor water quality

--Want a monthly budget program

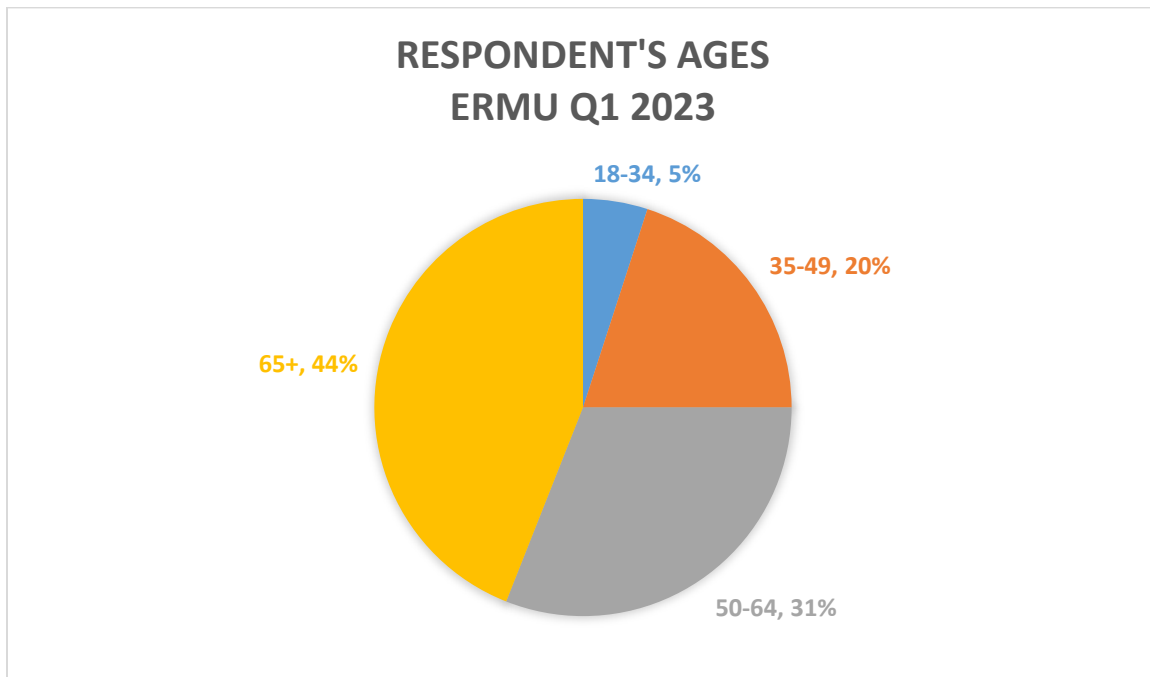


- ERMU is not helping me conserve and save
- Website usage data is hard to find and understand
- ERMU is a monopoly


## Demographics

Age: High participation in 50-64 year old age grouping; and 65+ age grouping

The chart below breaks down the percentages of respondents to the survey by age in Q1 2023. The high response rate of customers ages 50 and older is typical for utility respondents, with lower responses among younger customers.




## ERMU Q1 2023 Actual Survey



### We want to hear from you!

**At Elk River Municipal Utilities (ERMU), a top priority is the satisfaction of our electric and water customers.** You have been randomly selected to give feedback. Your response is important and helps us provide exceptional service and value to you.

**You can also complete this survey online! Go to <http://surveys.qmarketresearch.com/s3/ERMUQ123> or scan this QR code with your smartphone:**



**Please return this survey by Monday, April 10, in the postage paid envelope.**

**1. First, please rate your level of satisfaction with ERMU in the following areas:** (check the appropriate box)

	Completely Satisfied	Mostly Satisfied	Somewhat Satisfied	Neither Satisfied nor Dissatisfied	Somewhat Dissatisfied	Mostly Dissatisfied	Completely Dissatisfied
The ease of doing business with ERMU	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The reliability of the power, water, and other services you receive from ERMU	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ERMU's efforts to be environmentally friendly	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ERMU's efficiency rebate programs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ERMU as a utility provider overall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Why did you give these ratings?

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**2. How likely is it that you would recommend ERMU as an electric and water utility provider?**

Please circle: (not at all likely) **0 1 2 3 4 5 6 7 8 9 10** (extremely likely)

Why did you give this rating? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Please see other side!**

ERMUMN.COM | 763.441.2020 | 13069 ORONO PARKWAY | PO BOX 430 | ELK RIVER, MN 55330-0430

**3. Please rate ERMU's efforts to be involved in the community:**

Please circle a number: (low involvement) **1 2 3 4 5 6 7 8 9 10** (high involvement)

**4. Have you communicated with ERMU in the past 12 months?**

☐ Yes ☐ No

If yes, how satisfied were you with the interaction?

Please circle a number: (highly dissatisfied) **1 2 3 4 5 6 7 8 9 10** (highly satisfied)

Why did you give this rating? \_\_\_\_\_

**5. How would you like ERMU to communicate with you? (check top 3)**

☐ ERMU website  
☐ Customer newsletter  
☐ Local newspaper  
☐ Live chat (not currently available)

☐ Social media (which do you use?) \_\_\_\_\_  
☐ Text (not currently available)  
☐ Other: \_\_\_\_\_

**6. Please rate your level of satisfaction with ERMU staff:**

Please circle a number: (low satisfaction) **1 2 3 4 5 6 7 8 9 10** (high satisfaction)

Why did you give this rating? \_\_\_\_\_

**7. Please rate ERMU's value for the money:**

Please circle a number: (low value) **1 2 3 4 5 6 7 8 9 10** (high value)

Why did you give this rating? \_\_\_\_\_

**8. Please tell us a little about yourself:**

Age: ☐ 18-34 ☐ 35-49 ☐ 50-64 ☐ 65+

**9. Would you like ERMU to contact you regarding your comments in the survey?**

Yes: ☐ No: ☐

**If yes**, please provide your name, email and phone number:

First Name \_\_\_\_\_ Last Name \_\_\_\_\_

Email Address \_\_\_\_\_ Phone Number --

ERMUMN.COM | 763.441.2020 | 13069 ORONO PARKWAY | PO BOX 430 | ELK RIVER, MN 55330-0430

END OF Q1 2023 REPORT

<b>TO:</b> ERMU Commission	<b>FROM:</b> Dave Ninow – Water Superintendent
<b>MEETING DATE:</b> May 9, 2023	<b>AGENDA ITEM NUMBER:</b> 5.4
<b>SUBJECT:</b> 2022 Consumer Confidence Report	
<b>ACTION REQUESTED:</b> Receive and file the 2022 Consumer Confidence Report	

**DISCUSSION:**

The ERMU Consumer Confidence Report (CCR), also known as Water Quality Report, for the 2022 testing year has been added to our website and a notice that it is available to water customers will be included as a bill print message on the June bills. An email notification to paperless customers has also been scheduled for June. We have once again opted to utilize the web version to satisfy the Minnesota Department of Health (MDH) notification requirement. We are required by the MDH to include specific text on water quality and health information. Beyond the scope of water testing, we have the option of adding further topics for customer education and awareness.

Link to the 2022 CCR: <https://www.ermumn.com/services/water/water-quality-report>.

**ATTACHMENTS:**

- 2022 Consumer Confidence Report

# ANNUAL WATER QUALITY REPORT

Reporting Year 2022



*Presented By*

**Elk River  
Municipal Utilities**





## Our Mission Continues

We are once again pleased to present our annual water quality report covering all testing performed between January 1 and December 31, 2022. Over the years, we have dedicated ourselves to producing drinking water that meets all state and federal standards. We continually strive to adopt new methods for delivering the best-quality drinking water to you. As new challenges to drinking water safety emerge, we remain vigilant in meeting the goals of source water protection, water conservation, and community education while continuing to serve the needs of all our water users. Please remember that we are always available should you ever have any questions or concerns about your water.

## Source Water Assessment

A Source Water Assessment Plan (SWAP) is now available at our office, or you may search for “Elk River” online at <https://www.health.state.mn.us/communities/environment/water/swp/swa.html>. This plan is an assessment of the delineated area around our listed sources through which contaminants, if present, could migrate and reach our source water. It also includes an inventory of potential sources of contamination within the delineated area and a determination of the water supply’s susceptibility to contamination by the identified potential sources.

About 90 percent of our drinking water supply management area is considered non-vulnerable; less than 10 percent is vulnerable. Our wellhead protection plan has many items that address limiting or stopping potential contamination.

## Where Does My Water Come From?

Elk River Municipal Utilities’ (ERMU) wells are supplied from the Mount Simon-Hinckley Aquifer. ERMU maintains eight wells, six water treatment plants, four water towers, over 125 miles of water main, 1,300 fire hydrants, and just under 3,000 valves. In 2022 ERMU pumped over 866 million gallons of water. We are proud to serve over 5,500 water customers.

## Important Health Information

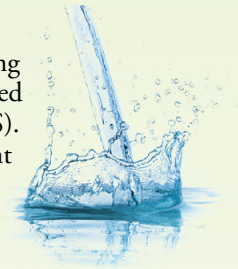
Some people may be more vulnerable to contaminants in drinking water than the general population. Immunocompromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and infants may be particularly at risk from infections. These people should seek advice about drinking water from their health care providers. The

U.S. EPA/CDC (Centers for Disease Control and Prevention) guidelines on appropriate means to lessen the risk of infection by *Cryptosporidium* and other microbial contaminants are available from the Safe Drinking Water Hotline at (800) 426-4791 or online at: <http://water.epa.gov/drink/hotline>.



## PFAS Testing

The U.S. EPA has proposed drinking water standards for six of the recognized per- and polyfluoroalkyl substances (PFAS). It plans to create maximum contaminant level goals (MCLG) and maximum contaminant levels (MCL) to manage water contamination and mitigation. PFAS are not regulated under the Safe Drinking Water Act, and community well systems are not required to monitor them at this time. However, ERMU has voluntarily conducted monitoring in 2022 and determined that our system is below any risk level. We, as always, will be following the required guidelines and testing protocols given by the Minnesota Department of Health (MDH). For more information and an interactive dashboard for PFAS, please visit <https://www.health.state.mn.us/communities/environment/water/pfasmap.html>.



## Source Water Protection

It is important to seal unused wells and contact your county or city to update records. Every unused well is a potential pipeline to contamination if left unsealed. The same goes for contaminants that are put on the ground or in water. Substances that are absorbed into the ground or flow to a waterway percolate down to drinking water sources in variable time lines and can alter our drinking water. Please use caution when using chemicals and getting rid of items that may change the environment.

## QUESTIONS?

For more information about this report, or for any questions relating to your drinking water, please call Elk River Municipal Utilities at (763) 441-2020 – Dave Ninow, Water Superintendent. You may review this report online at <https://www.ermumn.com/services/water/water-quality-report>



## Substances That Could Be in Water

To ensure that tap water is safe to drink, the U.S. EPA prescribes regulations limiting the amount of certain contaminants in water provided by public water systems. U.S. Food and Drug Administration regulations establish limits for contaminants in bottled water, which must provide the same protection for public health. Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of these contaminants does not necessarily indicate that the water poses a health risk.

The sources of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs, and wells. As water travels over the surface of the land or through the ground, it dissolves naturally occurring minerals, in some cases radioactive material, and substances resulting from the presence of animals or from human activity. Substances that may be present in source water include:

**Microbial Contaminants**, such as viruses and bacteria, which may come from sewage treatment plants, septic systems, agricultural livestock operations, or wildlife;

**Inorganic Contaminants**, such as salts and metals, which can be naturally occurring or may result from urban stormwater runoff, industrial or domestic wastewater discharges, oil and gas production, mining, or farming;

**Pesticides and Herbicides**, which may come from a variety of sources such as agriculture, urban stormwater runoff, and residential uses;

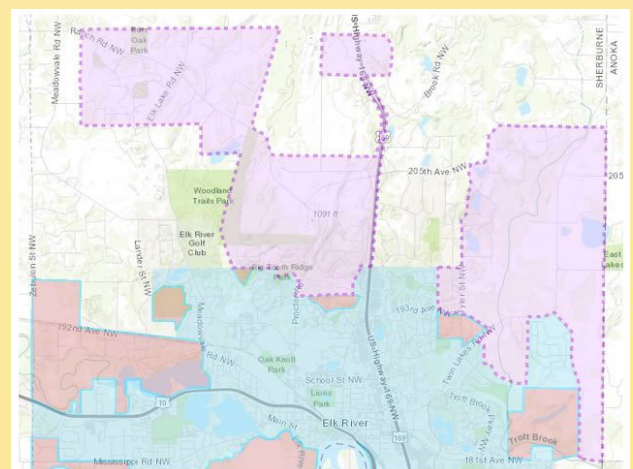
**Organic Chemical Contaminants**, including synthetic and volatile organic chemicals, which are by-products of industrial processes and petroleum production and may also come from gas stations, urban stormwater runoff, and septic systems;

**Radioactive Contaminants**, which can be naturally occurring or may be the result of oil and gas production and mining activities.

For more information about contaminants and potential health effects, call the U.S. EPA's Safe Drinking Water Hotline at (800) 426-4791.

## Wellhead Protection Amendment and Urban Services Expansion

We recently completed our Wellhead Protection Amendment, which has been reviewed and approved by MDH. We update and amend our Wellhead Protection Plan every 10 years to identify the changing needs of our water system. ERMU creates action items to address goals and concerns through the plan's 10-year time line. This illustrates our needs to MDH so it can address concerns, adjust, create grants and programs, and better communicate with us and legislators with the foundational knowledge disclosed through the amendment process. Now that the City of Elk River has approved its most recent Urban Services Expansion north of town, ERMU needs to continue to plan ahead and consider growth potential, which will impact water consumption for residential, commercial, and fire protection use.



### Map Legend

Blue - Water Territory - Infrastructure Accessible

Red - Water Territory - Infrastructure Not Currently Accessible

Purple - Proposed Future Urban Services Territory

## Lead in Home Plumbing

If present, elevated levels of lead can cause serious health problems, especially for pregnant women and young children. Lead in drinking water is primarily from materials and components associated with service lines and home plumbing. We are responsible for providing high-quality drinking water, but we cannot control the variety of materials used in plumbing components. When your water has been sitting for several hours, you can minimize the potential for lead exposure by flushing your tap for 30 seconds to two minutes before using water for drinking or cooking. If you are concerned about lead in your water, you may wish to have your water tested. Information on lead in drinking water, testing methods, and steps you can take to minimize exposure is available from the Safe Drinking Water Hotline at (800) 426-4791 or online at: [www.epa.gov/safewater/lead](http://www.epa.gov/safewater/lead).



## Test Results

Our water is monitored for many kinds of substances on a very strict sampling schedule, and the water we deliver must meet specific health standards. Here, we only show those substances that were detected in our water (a complete list of all our analytical results is available upon request). Remember that detecting a substance does not mean the water is unsafe to drink; our goal is to keep all detections below their respective maximum allowed levels.

The state recommends monitoring for certain substances less than once per year because the concentrations of these substances do not change frequently. In these cases, the most recent sample data are included, along with the year in which the sample was taken.

### REGULATED SUBSTANCES

SUBSTANCE (UNIT OF MEASURE)	YEAR SAMPLED	MCL [MRDL]	MCLG [MRDLG]	AMOUNT DETECTED	RANGE LOW-HIGH	VIOLATION	TYPICAL SOURCE
Barium (ppm)	2018	2	2	0.02	NA	No	Discharge of drilling wastes; discharge from metal refineries; erosion of natural deposits
Chlorine (ppm)	2022	[4]	[4]	0.79	0.60–0.84	No	Water additive used to control microbes
Fluoride (ppm)	2022	4	4	0.73	0.64–0.77	No	Erosion of natural deposits; water additive which promotes strong teeth; discharge from fertilizer and aluminum factories
Gross Alpha Particles (pCi/L)	2020	15.4	0	3.6	ND–3.6	No	Erosion of natural deposits
Haloacetic Acids [HAAs]–Stage 1 (ppb)	2022	60	NA	6.70	5.10–6.70	No	By-product of drinking water disinfection
Nitrate (ppm)	2022	10	10	ND–1.40	ND–1.40	No	Runoff from fertilizer use; leaching from septic tanks, sewage; erosion of natural deposits
TTHMs [total trihalomethanes]–Stage 1 (ppb)	2022	80	NA	17.60	11.90–17.60	No	By-product of drinking water disinfection
Xylenes (ppm)	2019	10	10	ND	NA	No	Discharge from petroleum factories; discharge from chemical factories

Tap water samples were collected for lead and copper analyses from sample sites throughout the community

SUBSTANCE (UNIT OF MEASURE)	YEAR SAMPLED	AL	MCLG	AMOUNT DETECTED (90TH %ILE)	SITES ABOVE AL/TOTAL SITES	VIOLATION	TYPICAL SOURCE
Copper (ppm)	2022	1.3	1.3	0.23	1/30	No	Corrosion of household plumbing systems; erosion of natural deposits
Lead (ppb)	2022	15	0	1.37	0/30	No	Lead service lines; corrosion of household plumbing systems, including fittings and fixtures; erosion of natural deposits

### UNREGULATED SUBSTANCES

SUBSTANCE (UNIT OF MEASURE)	YEAR SAMPLED	AMOUNT DETECTED	RANGE LOW-HIGH	TYPICAL SOURCE
Manganese (ppb)	2019	0.41	ND–0.81	NA
Sodium <sup>1</sup> (ppm)	2021	3.58	3.40–3.58	NA
Sulfate (ppm)	2021	7.76	2.95–7.76	NA

<sup>1</sup> In-home water softening can increase the level of sodium in your water.



## Definitions

**90th %ile:** The levels reported for lead and copper represent the 90th percentile of the total number of sites tested. The 90th percentile is equal to or greater than 90% of our lead and copper detections.

**AL (Action Level):** The concentration of a contaminant which, if exceeded, triggers treatment or other requirements which a water system must follow.

**MCL (Maximum Contaminant Level):** The highest level of a contaminant that is allowed in drinking water. MCLs are set as close to the MCLGs as feasible using the best available treatment technology.

**MCLG (Maximum Contaminant Level Goal):** The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs allow for a margin of safety.

**MRDL (Maximum Residual Disinfectant Level):** The highest level of a disinfectant allowed in drinking water. There is convincing evidence that addition of a disinfectant is necessary for control of microbial contaminants.

**MRDLG (Maximum Residual Disinfectant Level Goal):** The level of a drinking water disinfectant below which there is no known or expected risk to health. MRDLGs do not reflect the benefits of the use of disinfectants to control microbial contaminants.

**NA:** Not applicable.

**ND (Not detected):** Indicates that the substance was not found by laboratory analysis.

**pCi/L (picocuries per liter):** A measure of radioactivity.

**ppb (parts per billion):** One part substance per billion parts water (or micrograms per liter).

**ppm (parts per million):** One part substance per million parts water (or milligrams per liter).



## Irrigation

The number one use of water is irrigation, which is also the easiest way to save - not only for the resource, but for your wallet. So many households and commercial properties use extensive amounts of water to irrigate their lawns. ERMU has assisted many customers in reducing water waste through our SMART irrigation rebates, educating them about how to save money on their yard.

1. If you irrigate, consider a SMART controller. Many can be retrofitted to replace your current system. They are very affordable and can pay for themselves in water savings in a small amount of time.

2. Soak and cycle: the trick to using less water and getting the same great results is to water more frequently but for shorter amounts of time. This is the best feature of most SMART controllers, but similar results can be achieved if you manually move your sprinkler around the yard. If the front yard is Zone A and the backyard is Zone B, it may be best to water for 15 minutes and then rotate to the next zone. You may need to water a zone two or three times in a session, but by breaking up the amount of watering time in each zone, you are allowing better absorption for the roots and reducing runoff. If you irrigate a zone all at once, the water strips the soil of nutrients and runs right past the roots. That's money and a precious resource down the drain. You can often see when there's too much water at the surface of a lawn; it starts to run down the driveway or road or accumulate at the lowest level of the yard. That's not helping to reduce waste.

3. Water during the coolest part of the day, and not in the sunlight. Evapotranspiration happens more in the sun and at higher temperatures. Also, irrigation should follow the seasons. Many people begin irrigating too early in the year. Snowmelt generally leaves soil wet for longer than we realize. Grass is naturally dormant until sunlight and temperatures increase, so hold off watering until it's needed. Minnesota lawns typically do well with moisture in the spring to early summer.

4. Irrigation head replacement can be helpful to reduce excess watering. Moving or redirecting irrigation heads to avoid watering areas with no grass will optimize your water use in the intended areas.

5. Regular irrigation system checks will help you identify issues faster and allow you to get acquainted with your lawn's needs instead of just dousing it. Grass often does not require as much water as you think, and SMART features combined with checks can facilitate savings of both money and water.

These small changes can drastically reduce your watering volume while keeping your lawn lush and healthy, allowing the roots to grow deeper to seek water.

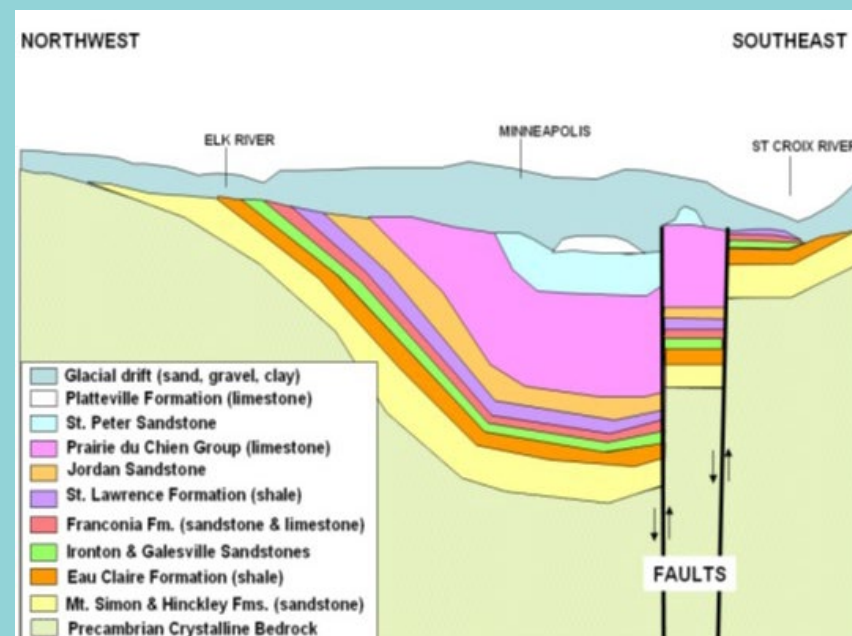
We've had many town/home associations navigate to SMART controllers in the last 15 years, and they have received our SMART rebate. One association was gathering information on SMART controllers for a few years prior to making the leap, and we continued to promote retrofitting its systems to reduce its immense water consumption for multiple sites. It has now been utilizing a SMART controller for just shy of a decade, and the results are amazing!

## Water Conservation

Water conservation is perhaps best described as “mindfulness to reduce water waste.” Water resource consideration is imperative for our future. Elk River is on the outskirts of the Twin Cities basin, which is a bowl-shaped water flow system, similar in shape to the metro freeway loop of I-694/I-494. The inner portion of the circle below the center of the Twin Cities has more accessibility to water at depth, meaning the volume of water concentrates at the bottom of the bowl. The center also houses the densest population, which consumes more resources.

There are over three million people who require water in the Twin Cities basin. As we all draw water, the edges of the bowl witness noticeable negative impacts more prominently and more immediately than the middle. Through the arid growing season, wells must pull from greater depths, and some wells run dry as consumption increases and the recharge trickles. It takes a long time for the aquifer to recharge, and we never know how the weather will affect the replenishment rate.

The Department of Natural Resources (DNR) is restricting new nonpotable wells that draw from our primary aquifer. Future potable wells in the Mount Simon-Hinkley Aquifer must be preapproved by the DNR and show a valid need, such as limited access to other drinking water resources. It is our goal to educate consumers on best practices in order to enjoy our limited precious resource. With mindful water consumption we can work together to mitigate potential shortages that may be imminent in the outer communities.



<b>TO:</b> ERMU Commission	<b>FROM:</b> Chris Kerzman – Engineering Manager
<b>MEETING DATE:</b> May 9, 2023	<b>AGENDA ITEM NUMBER:</b> 5.5
<b>SUBJECT:</b> Field Services Facility Expansion Project Change Order	
<b>ACTION REQUESTED:</b> Authorize approval of Change Order no. 7	

**DISCUSSION:**

The attached change order is for stormwater system revisions needed due to contaminated soils found at the south portion of the site. This change order was tracked as labor and materials with the site utilities contractor. Three sump pumps were installed at upstream structures to avoid installation into contaminated soil.

Staff continues to work with RJM Construction on closeout items for the project, and RJM is mobilizing crews to finish sitework. If the weather cooperates, they are looking to have the remaining sitework done by early June.

**ACTION REQUESTED:**

Authorize the approval of the attached Change Order no. 7

**ATTACHMENTS:**

- Change Order Request no. 7 for Stormwater Revisions



830 Boone Avenue  
Golden Valley, MN 55427  
P: 952-837-8600  
www.rjmconstruction.com

## CHANGE ORDER REQUEST

To : Elk River Municipal Utilities  
13069 Orono Parkway  
Elk River, MN 55330

PCO: Owner-24  
From: Justin Rice  
PH:  
Email: justin.rice@rjmconstruction.com

Description: PR-013 - Revised storm water treatment  
locations

Date: 02/24/2022  
Project: Elk River Municipal Utilities - Field Services Facility

Details:

Revised locations of stormwater treatment units as a result of modifying CDS-101.

Item	Subcontractor:	Phase:	
1	Kevitt Excavating, LLC	33-01-05-Site Water Distribution Piping	70,711.00
		<i>Added scope of work related to storm sewer system changes. This scope of work will be paid on a time and materials basis.</i>	
2	Great Northern Landscapes, Inc	32-90-05-Landscaping	100.00
		<i>Added irrigation sleeve.</i>	
3	North Country Concrete, Inc	32-13-05-Site Concrete	3,535.00
		<i>Added concrete steps and sidewalk.</i>	
4	Briese Iron Works	05-50-05-Metal Fabrications	2,950.00
		<i>Added powder coated handrail.</i>	
5	Nord Excavating, Inc	31-22-05-Earthwork	2,840.00
		<i>Additional removals and grading for new stairs.</i>	
<b>Subtotal:</b>			<b>80,136.00</b>
General Liability			809.37
Builders Risk			236.41
Bond			715.21
SDI -1.25%			1,001.71
Contractor's Fee			1,243.48
			<b>4,006.18</b>
<b>Total For Change Order:</b>			<b>84,142.18</b>

Architect:

Approved By: Elk River Municipal Utilities

Submitted By: RJM Construction, LLC

Signed: \_\_\_\_\_

Signed: \_\_\_\_\_

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**KEVITT**  
COMPANIES

**Owner:**  
Elk River Municipal Utilities  
1705 Main Street  
Elk River, MN 55330

**Bill To:**  
RJM Construction  
830 Boone Ave N  
Golden Valley, MN 55427  
Attn: Justin Rice

Date:	to	12/2/2022	Job #	2117	SPR NO: 020
Project Name: Elk River Municipal Utility					
Location/Stationing: Elk River, MN					
Plan Page:			Soil Type:		
Present at Site:					
Work Requested By: RJM Construction					
Weather:		Field Order No.:			
Tempo:		Team Leader:			

[illegible]

Schedule extended	days, due to this request.
-------------------	----------------------------

Print Name and Title

Internal Admin. Use Only  
SPR Control #  
2117-020





18348

3335 Pennsylvania Avenue North  
Crystal, MN 55427  
763-545-3557  
www.kevittexcavating.com

Project Name: Elk River Municipal Utilities	Job No.: 2117
Date: 12-2-22	Weather: Sun
Location: Elk River	Temp: 20 1 25
Extra Work Requested By: Kevitt	

## Description of Additional Work:

- Added sumps to MH's 120 & 101A
- Added MH 102A with 3' sump
- Frost removal

Labor: Employee name	No. of Hours	
	Reg HR	OT HR
Ken Robinson	15	
Jeremy Dahlheimer	15	
Don Schmitz	15	
John Bohach	15	
Brandon Winkelman	16	
Gail Krummel	1	

Material, Subs, Outside Services (include tickets/invoices):	Qty.	Units
DeWatering		
Rock	76	tons
Fuel	100	gallons
Skimmers	2	

Equipment:	KE #	Reg HR
cat	336	15
sheepsfoot		8
247 B		7
Takauchi	1140	4
Fuel truck		1
Truck	34	16
Trailer	34	16

Other:	Qty.	Units

The above conditions and circumstances (hours worked and equipment, material, subs used) are agreed to as they happened in the field.

Project Owner's Representative name &amp; signature

Brandon Winkelman

Contractor's Representative name &amp; signature

Date: 12-2-22

# EXTRA WORK AUTHORIZATION





[www.kevittexcavating.com](http://www.kevittexcavating.com)

## SUPPLEMENTAL PAYMENT REQUEST

Bill To:
----------

RJM Construction  
830 Boone Ave N  
Golden Valley, MN 55427  
Attn: Justin Rice

<b>Date:</b> 2/13/2023	<b>to</b>	2/14/2023	<b>Job #</b> 2117	<b>SPR NO:</b> 023
<b>Project Name:</b> Elk River Municipal Utility				
<b>Location/Stationing:</b> Elk River, MN				
<b>Plan Page:</b>			<b>Soil Type:</b>	
<b>Present at Site:</b>				
<b>Work Requested By:</b> RJM Construction				
<b>Weather:</b>		<b>Field Order No.:</b>		
<b>Temp:</b>		<b>Team Leader:</b>		

## DESCRIPTION OF WORK PERFORMED:

Installation of dissipator and skimmers in required manholes. STMH 101A, 102A, and 120.

LABOR								MATERIALS				
Labor	Reg Hours	Reg Rate	OT Hours	OT Rate	Per Diem Rate	Per Diem Total	Labor Total	Material (Inc. Tickets/Invoices)	Units	UOM	Unit Price	Total
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Travis G	11.0	\$ 92.00		\$ -	\$ -	\$ -	\$ 1,012.00				\$ -	\$ -
Brian B	11.0	\$ 89.00		\$ -	\$ -	\$ -	\$ 979.00				\$ -	\$ -
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Authorized Signature: \_\_\_\_\_

Signature

Print Name and Title

Date: \_\_\_\_\_

**X** PCO      AP CB      OB

Internal Admin. Use Only
<b>SPR Control #</b>
2117-023



3335 Pennsylvania Ave N  
Crystal MN 55427  
763-545-3557  
www.Kevitt.com

## Change Order Request

COR#

Project Name: Elk River Municipal Utilities	Job No.: 2117
Date: 2/13/2023	Extra Work Requested By: RJM
Description of Additional Work: <small>This work was done 2/13/2023 to 2/14/2023. Installation of dissipator and skimmers in required manholes STMH 101A, 102A, and 120. We were able to install 4 out of the five due to the size of the manhole at 102A the dissipators was 4" too big for the manhole and could not be installed per manufacturers recommendations. Reach out to us with any further questions on this.</small>	

Labor	Employee	No. of Hours	
		Reg HR	OT HR
	Mark Bushard	11 hrs	
	Travis Gjeridal	11 hrs	
	Brian Blackhawk	11 hrs	

Material, Subs, Outside Services (include tickets/invoices)	Qty.	Units

Equipment	KE #	Reg HR
Foreman truck	32	11 hrs

Other	Qty	Units

The above conditions and circumstances (hours worked and equipment, material, subs used) are agreed to as they happened in the field.

GC Representative Name & Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Kevitt Representative Name & Signature: Mark Bushard 

Date: 2/14/2023

EXTRA WORK  
AUTHORIZATION



## Great Northern Landscapes, Inc.

**DATE:** February 14, 2022  
**JOB:** Elk River Municipal Utilities  
**FROM:** Todd Kleven - GNL  
**RE:** Request for Quote – PR 13

<i>ITEM</i>	<i>PRICE</i>
1 - Add of Irrigation Sleeve W/O Concrete	\$100.00
2 – Add of Irrigation Sleeve W/Concrete	\$200.00
<b><i>TOTAL</i></b>	<b><i>\$TBD</i></b>

*\* No Soils Included. Bond cost is an additional 3.2% of the issued Contract Value.*

*\*\* We have included 1 (one) Mobilization. Any additional MOB's will be billed at \$350.00 each occurrence.*

Should you have any questions and/or need any additional information provided; please do not hesitate to contact us directly.

Thank you for your consideration of our quote.

Todd Kleven  
Great Northern Landscapes  
[toddk@gnlandscapes.com](mailto:toddk@gnlandscapes.com)  
[alice@gnlandscapes.com](mailto:alice@gnlandscapes.com)

19720 Iguana Street NW  
Elk River, MN 55330  
763.441.1567 (O) 763.274.2679 (F)  
[www.gnlandscapes.com](http://www.gnlandscapes.com)





**North Country Concrete, Inc.**  
23035 Ulysses Street Northeast  
East Bethel, MN 55005  
Office 763-576-8602  
Fax 763-576-8636

## CHANGE ORDER

DATE:	02/18/22
NCCI CO#:	4
RE:	Elk River Municipal
Project #	21177
Project Manager:	Eric McCartney

TO:	RJM
	830 Boone Ave North
	Goldne Valley, MN 55427
ATTENTION: Justin Rice	

Item #	Description	Amount	Unit	Unit Cost	Total
1	Add 170sf of 4" Non Reinforced Concrete Walk per PR-13 dated 2/10/22	170	sf	\$5.50	\$935.00
2	Add (1) set of concrete stairs per PR-13 dated 2/10/22 - excludes footings/foundations/cheek walls and railings	1	ls	\$2,600.00	\$2,600.00
TOTAL CHANGE ORDER:					\$3,535.00

SIGNATURE Eric McCartney DATE 2/18/2022

### WE ARE SENDING YOU:

<input checked="" type="checkbox"/> CHANGE ORDER	<input type="checkbox"/> CONTRACT
<input type="checkbox"/> CONTRACTOR PROFILES	<input type="checkbox"/> LIEN WAIVERS
<input type="checkbox"/> CERTIFIED PAYROLL	<input type="checkbox"/> SUBMITTALS
<input type="checkbox"/> INSURANCE CERTIFICATE	<input type="checkbox"/> OTHER _____

### COMMENTS:


\* Change Order honored for 30 days

ACCEPTANCE OF CHANGE ORDER: The above prices, specifications and conditions are hereby accepted. We agree to give North Country Concrete, Inc. at least (7) days notice prior to commencing work.

SIGN AND RETURN IF PROPOSAL IS ACCEPTED

signature: \_\_\_\_\_ date: \_\_\_\_\_

cc: Shiela Corbett - NCCI

# Briese Iron Works, Inc

7010 Dresser Dr NE  
Rochester, MN 55906  
Phone: (507) 288-3499  
Fax: (507) 252-5029

## Request for Change Order

To: RJM Construction  
7003 West Lake Street  
Suite 400  
St. Louis Park, MN 55426  
Project: Elk River Municipal

---

RFC No: 21067-07  
Date: 2/28/2022  
Description: PR13 - 2 added powder coated rails

The above work is subject to the same conditions as specified in the original contract unless otherwise stipulated.

Upon approval the sum of \$2,950.00 will be added to the contract price.

Original Contract	\$593,880.00
Other Approved Change Orders	\$0.00
Total Contract to Date	\$593,880.00
This Request	\$2,950.00
Other Pending Requests	\$4,582.50
Total Contract plus Pending RFCs	\$601,412.50

Authorized Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
Briese Iron Works, Inc

Authorized Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
RJM Construction

Nord Excavating, Inc.

Elk River, MN 55330

# Change Order Request

DATE	Change Order...
3/16/2022	13

NAME / ADDRESS
RJM Construction LLC 830 Boone Ave N Golden Valley, MN 55427

PROJECT
2119 - ER Municipal...

DESCRIPTION	QTY	COST	TOTAL
Elk River Municipal Utilities Elk River, MN  Project # 20520-0154  PR-13 To include site demolition & disposal and earthwork	1	2,840.00	2,840.00
Thank you for your business.		<b>TOTAL</b>	\$2,840.00

**AIA**<sup>®</sup>

# Document G709™ – 2018

## Proposal Request

**PROJECT:** *(name and address)*  
 108820 Elk River Municipal Utilities -  
 Field Services Building  
 Elk River

**CONTRACT INFORMATION:**  
 Contract For: Construction Manager at  
 Risk  
 Date: January 12, 2021

Architect's Project Number: Kodet  
 Proposal Request Number: 013  
 Proposal Request Date: February 10, 2022

**OWNER:** *(name and address)*  
 Elk River Municipal Utilities  
 1705 Main St.  
 Elk River, MN 55330

**ARCHITECT:** *(name and address)*  
 Kodet Architectural Group Ltd  
 15 Groveland Terrace  
 Minneapolis, MN 55403

**CONTRACTOR:** *(name and address)*  
 RJM Construction  
 830 Boone Avenue North  
 Golden Valley, MN 55427

The Owner requests an itemized proposal for changes to the Contract Sum and Contract Time for proposed modifications to the Contract Documents described herein. The Contractor shall submit this proposal within seven (7) days or notify the Architect in writing of the anticipated date of submission.

*(Insert a detailed description of the proposed modifications to the Contract Documents and, if applicable, attach or reference specific exhibits.)*

Contractor to provide pricing, including labor and materials, to provide and install the following: See attached narrative from Landform dated 2/3/22 and revised drawings C0.1, C1.2, C2.1, C3.1A, C4.1, C7.3, L2.1.

**THIS IS NOT A CHANGE ORDER, A CONSTRUCTION CHANGE DIRECTIVE, OR A DIRECTION TO PROCEED WITH THE WORK DESCRIBED IN THE PROPOSED MODIFICATIONS.**

**REQUESTED BY THE ARCHITECT:**

Edward Daniel Kodet III, AIA -  
 President

**PRINTED NAME AND TITLE**

DATE	February 03, 2022
PROJECT NAME	Elk River Municipal Utilities
PROJECT NUMBER	ERM18001
CIVIL SHEETS ISSUED	C0.1, C1.2, C2.1, C3.1A, C4.1, C7.3
LANDSCAPE SHEETS ISSUED	L2.1
SPECIFICATIONS SECTION ISSUED	None

#### SHEET C1.2 DEMOLITION

- a) ADDED removal of sidewalk around existing building.

#### SHEET C2.1 SITE PLAN

- a) ADDED installation of new sidewalk and concrete steps.

#### SHEET C3.1A GRADING, DRAINAGE, PAVING, & EROSION CONTROL - NORTH

- a) ADDED enlarge plan 4 for grading of new sidewalk and steps.
- b) MODIFIED grading north of proposed sidewalk and steps to provide adequate drainage to new low point.

#### SHEET C4.1 UTILITIES

- a) ADDED two roof drain connections to existing building with associated piping.
- b) ADDED 8" Nyloplast structure 105C north of proposed sidewalk and steps.
- c) ADDED connecting invert to MH 105 (NW 874.56).
- d) ADDED Keynote 33 for roof drain connection detail. ADDED Keynote 34 for sump structure to be furnished with dissipater and skimmer devices. ADDED Keynote 35 for the installation of sump structure with only a skimmer device.
- e) ADDED MH 102. Refer to Keynote 34 for additional information.
- f) ADDED sump to CB 120. Refer to Keynote 35 for additional information.
- g) REMOVED sump from MH 101.
- h) ADDED sump to CB 101A. Refer to Keynote 34 for additional information.

#### SHEET C7.3 CIVIL CONSTRUCTION DETAILS

- a) ADDED Nyloplast Inline Drain – Turf Installation Detail 3A.
- b) ADDED Offset Roof Drain Connection Detail 7.
- c) ADDED Concrete Stair with Railing Detail 11.
- d) MODIFIED Detail 6. Refer to updated MH 101 for additional information.

#### SHEET L2.1 CIVIL CONSTRUCTION DETAILS

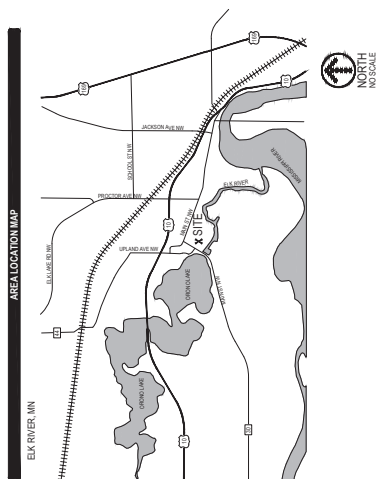
- a) ADDED irrigation sleeve under new sidewalk.

END OF PR 13

Provide individual pricing for each sub-item of this addendum.

If any of these items are unclear or in need of further clarification contact the Engineer / Landscape Architect at (612) 252-9070.

ELK RIVER MUNICIPAL UTILITIES  
ELK RIVER, MINNESOTA



ABBREVIATIONS		
A-Z	Acronym	Full Name
A	AA	American Association of University Professors
B	BAA	Bureau of American Affairs
C	CA	Central Intelligence Agency
D	DA	Department of Agriculture
E	EA	Environmental Protection Agency
F	FA	Federal Reserve Bank of Atlanta
G	GA	Georgia Institute of Technology
H	HA	Health Affairs
I	IA	International Association of Agricultural Economists
J	JA	Journal of Agricultural Economics
K	KA	Kansas State University
L	LA	Los Angeles Times
M	MA	Massachusetts Institute of Technology
N	NA	National Academy of Sciences
O	OA	Office of Agricultural Economics
P	PA	Public Affairs
Q	QA	Quality Assurance
R	RA	Rural Affairs
S	SA	State of Agriculture
T	TA	Technical Assistance
U	UA	United Nations
V	VA	Veterans Affairs
W	WA	Washington Post
X	XA	Executive Order
Y	YA	Young Americans for Freedom
Z	ZA	Zimbabwe

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LIFFHOPE	LIFFHOPE
THREE	THREE
THIR LANE	THIR LANE
MANHOLE	MANHOLE
CATCH BASIN	CATCH BASIN
FIRE HYDRANT	FIRE HYDRANT
WATER VALVE	WATER VALVE
FLARED END SECTION	FLARED END SECTION
MANHOLE	MANHOLE
NOTE NUMBER	NOTE NUMBER
MEASUREMENT	MEASUREMENT
DISTANCE FROM CORNER OF PLOT	DISTANCE FROM CORNER OF PLOT
SIDE SETTING	SIDE SETTING

OWNER

ELK RIVER MUNICIPAL UTILITIES

PROJECT LOCATION

BLANKENHORN RD. 1/2 MI. S. OF

BLANKENHORN RD. 1/2 MI. S. OF

BLANKENHORN RD. 1/2 MI. S. OF

CONTACT: 652-278-5640

CONTACT: 652-278-5640

PROJECT CONTACTS

NO. 33.00 (31) FISH LAKE

MINNEAPOLIS, MN 55401

CONTACT: TREVIN GAMMILL

CONTACT: LYN GARNELL

LANDSCAPE ARCHITECT

NO. 33.00 (31) FISH LAKE, DATE #13

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## BLK RIVER, MN 55330

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- City of Elk River

DATE	FILE NUMBER	REVISION HISTORY
1 AUG 2001	001	ISS
1 SEP 2001	001	ISS
1 NOV 2001	001	ISS
1 DEC 2001	001	ISS
1 JAN 2002	001	ISS
1 FEB 2002	001	ISS
1 MAR 2002	001	ISS
1 APR 2002	001	ISS
1 MAY 2002	001	ISS
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**LEGEND**

-  Freshened  
 Reinfestation  
 Soil living  
 Cold Survival

**CERTIFICATION**

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1. SEA, OR FOUR LINES DIRECTLY ABOVE ARE NOT  
 2. SHEET HAS BEEN REPRODUCED BEYOND INTENDED  
 3. IS NO LONGER A VALID DOCUMENT. PLEASE CONTACT  
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PR 13  
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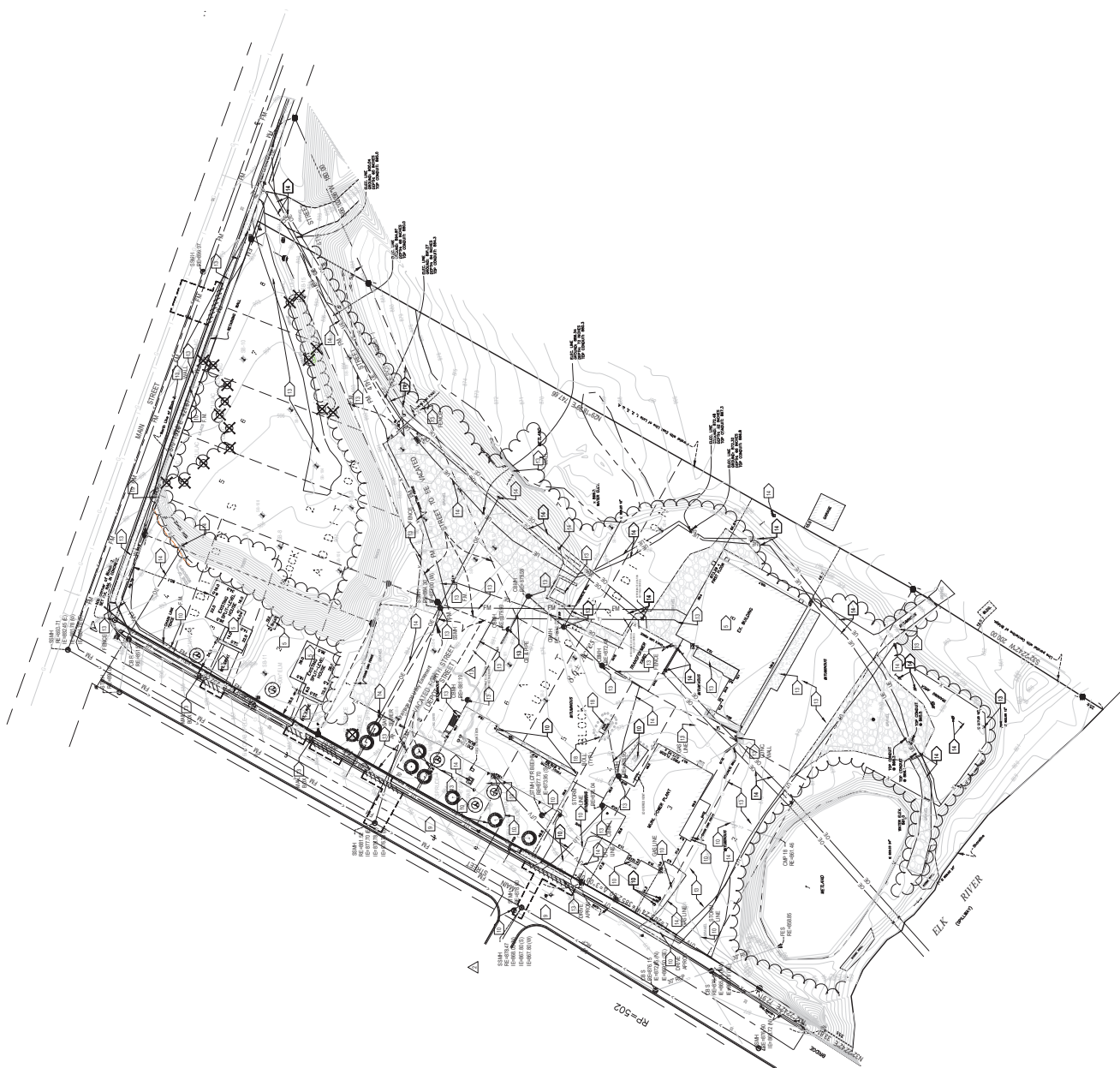
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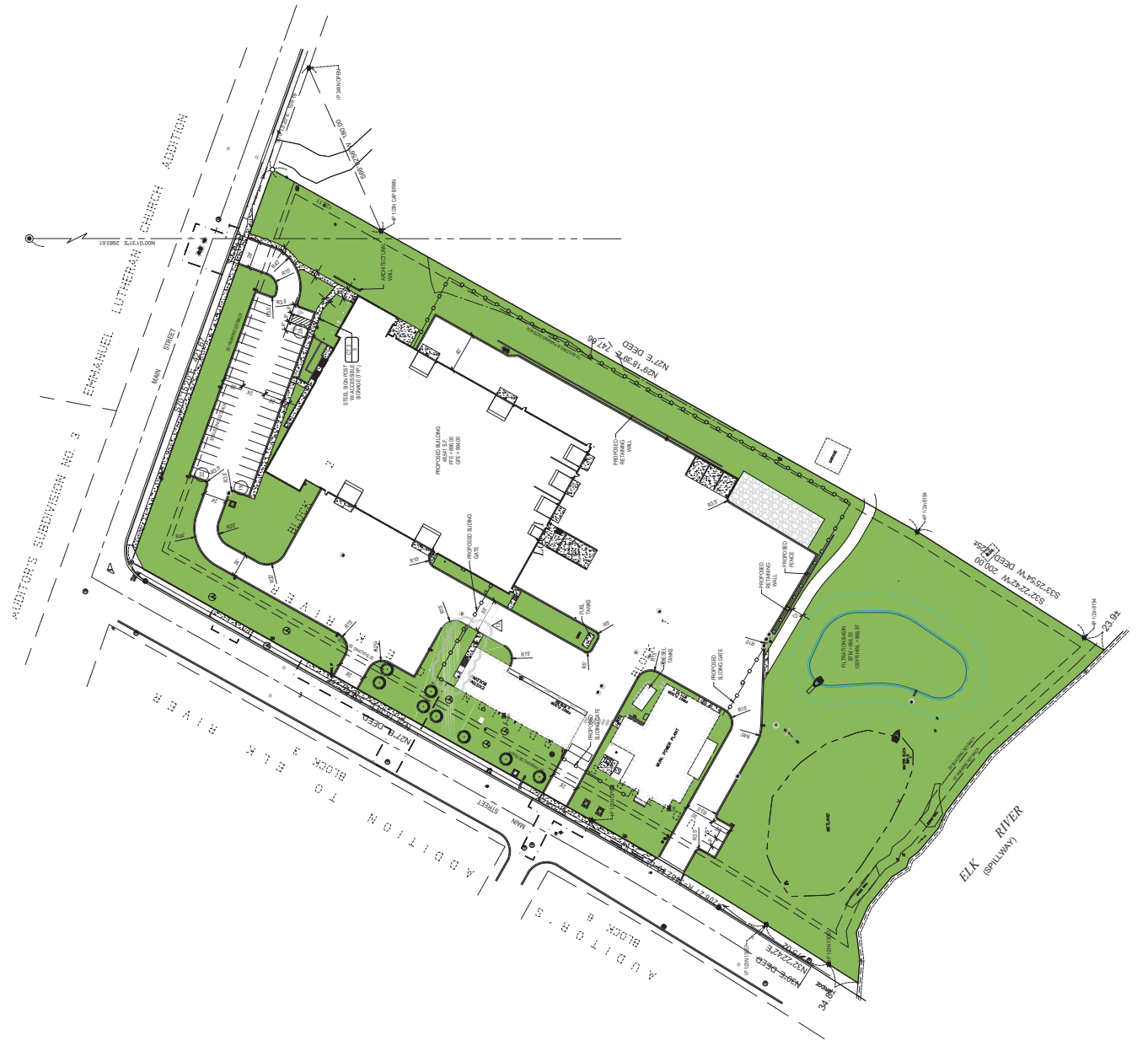
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For a register and service mark, see U.S. Patent to 3D Landmark in the Abdominal Trunkline, LLC.



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<b>TO:</b> ERMU Commission	<b>FROM:</b> Mark Hanson – General Manager
<b>MEETING DATE:</b> May 9, 2023	<b>AGENDA ITEM NUMBER:</b> 6.1a
<b>SUBJECT:</b> Staff Update	
<b>ACTION REQUESTED:</b> None	

**DISCUSSION:**

- Tom Geiser and I attended American Public Power Association’s (APPA) Engineering & Operations conference last week, May 1-3, in Pasadena, CA. In addition to a great conference filled with very informative breakout sessions, ERMU was recognized for having achieved the Platinum designation in APPA’s Reliable Public Provider (RP3) program. The RP3 designation recognizes public power utilities that demonstrate proficiency in four key disciplines: reliability, safety, workforce development, and system improvement. ERMU joins 271 public utilities nationwide that hold the RP3 designation.

While the entire ERMU team deserves recognition for their role in receiving the RP3 designation, Technical Services Superintendent Mike Tietz deserves special mention for collecting, consolidating, and submitting the enormous amount of data needed to meet RP3 requirements. A press release, attached, will be submitted to the Elk River Star News next week.



- The public summary of the April 2023 MMPA Board of Directors meeting is below.
  - The Board of Directors of the Minnesota Municipal Power Agency (MMPA) met on April 25, 2023, at Faribault Energy Park (FEP) in Faribault, Minnesota and via videoconference.
  - MMPA's auditor, FORVIS, presented MMPA's 2022 financial statement audit. The audit report can be found on MMPA's website [www.mmpa.org](http://www.mmpa.org) and is also attached.
  - The Board reviewed the Agency's financial and operating performance for March 2023.
  - Customer penetration for the residential Clean Energy Choice program increased to 4.6%. There was an increase of 44 customers participating in the residential Clean Energy Choice program from February to March.
  - MMPA's Energy Education program was discussed. MMPA visited nine schools in March, with another 18 planned to attend the FEP Tour Event in May. This year's program is expected to reach 2,000 fourth grade students.
  - The Board discussed the current business environment.
  - The Board discussed the status of renewable projects the Agency is pursuing.
- We've now received two proposals for consulting services related to developing plans and specifications on a competitive bid process for installing our Advanced Metering Infrastructure meters. After an internal review of the proposals, we'll select a consultant and begin developing bid documents and a rough project timeline. We expect electric and water meters will have separate installation contractors.

**ATTACHMENTS:**

- Press Release – ERMU Reliable Public Power Provider
- Audit Report – Minnesota Municipal Power Agency Audit Report 2022

For more information:

- Mike Teitz, Elk River Municipal Utilities, 763.635.1342, [mtietz@ermumn.com](mailto:mtietz@ermumn.com),
- Tobias Sellier, American Public Power Association, 202.467.2927, [MediaRelations@PublicPower.org](mailto:MediaRelations@PublicPower.org)

### **ERMU RECOGNIZED AS A RELIABLE PUBLIC POWER PROVIDER**

Elk River, MN, May 1, 2023— Elk River Municipal Utilities (ERMU) has once again earned a Reliable Public Power Provider (RP3)<sup>®</sup> platinum designation from the American Public Power Association (APPA) for providing reliable and safe electric service. ERMU has held an RP3 designation since 2012.

The RP3 designation, which lasts for three years, recognizes public power utilities that demonstrate proficiency in four key disciplines: reliability, safety, workforce development, and system improvement. Criteria include sound business practices and a utility-wide commitment to safe and reliable delivery of electricity. ERMU joins 271 public power utilities nationwide that hold the RP3 designation.

“Receiving an RP3 designation is a great honor signifying a utility has demonstrated commitment to industry best practices,” says Troy Adams, Chair of APPA’s RP3 Review Panel and General Manager at Manitowoc Public Utilities, Wisconsin. “And ultimately, the culture developed from this pursuit of excellence and continued improvement through the RP3 program results in measurable value delivered to the local community.”

“We couldn’t be prouder to be honored with this designation,” said Mark Hanson, General Manager of ERMU. “This is a culmination of a lot of work from a lot of people who really care about providing safe, reliable power to our community. But this designation is not a final destination. ERMU is committed to continuously looking for ways to improve our operations and service to our customers.”

###

- ERMU’s mission is to provide our customers with safe, dependable, cost-effective, and quality long-term electric and water utility services. To communicate and educate our customers in the

use of utility services, programs, policies, and future plans. These products and services will be provided in an environmentally and financially responsible manner.

- The American Public Power Association has offered the RP3 designation for 18 years now. APPA is the voice of not-for-profit, community-owned utilities that power 49 million people in 2,000 towns and cities nationwide. APPA advocates and advises on electricity policy, technology, trends, training, and operations.
- The RP3 designation lasts for three years (May 1, 2023, to April 30, 2026).



# **Minnesota Municipal Power Agency**

## **Independent Auditor's Report and Financial Statements**

**December 31, 2022 and 2021**



# Minnesota Municipal Power Agency

## December 31, 2022 and 2021

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1248 O Street, Suite 1040 / Lincoln, NE 68508

P 402.473.7600 / F 402.473.7698

[forvis.com](http://forvis.com)

## Independent Auditor's Report

Board of Directors  
Minnesota Municipal Power Agency  
Minneapolis, Minnesota

### ***Opinion***

We have audited the financial statements of Minnesota Municipal Power Agency (the Agency), as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Agency, as of December 31, 2022 and 2021, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Emphasis of Matter***

As discussed in Note 1 to the financial statements, during the year ended December 31, 2022, the Agency adopted Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**FORVIS, LLP**

Lincoln, Nebraska  
April 19, 2023

## Management's Discussion and Analysis

This discussion and analysis of Minnesota Municipal Power Agency's (the Agency) financial performance provides an overview of the Agency's activities for the fiscal years ended December 31, 2022 and 2021. The information presented should be read in conjunction with the basic financial statements and the accompanying notes to the basic financial statements.

Minnesota Municipal Power Agency is a municipal corporation and a political subdivision of the State of Minnesota whose purpose is to secure an adequate, economical, and reliable supply of electric energy for its member municipalities. The Agency currently comprises 12 Minnesota municipalities.

### Financial Statements Overview

The Agency follows the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission (FERC). The basic financial statements are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. The Agency's basic financial statements include the statements of net position, the statements of revenues, expenses, and changes in net position, the statements of cash flows, and notes to the basic financial statements.

The statements of net position provide information about the nature and amount of assets and deferred outflows of resources, and obligations (liabilities) and deferred inflows of resources of the Agency as of the end of each year reported. The statements of revenues, expenses, and changes in net position report revenues and expenses. The statements of cash flows report cash receipts, cash payments, and net changes in cash resulting from operating, noncapital financing, capital and related financing activities, and investing activities.

### Financial Highlights

#### *Comparison of 2022 with 2021*

The following table summarizes the financial position of the Agency as of December 31:

<b>Condensed Statements of Net Position</b>				
	<b>2022</b>	<b>2021</b>	<b>Dollar</b>	<b>Percentage</b>
		<b>(Restated)</b>	<b>Change</b>	<b>Change</b>
Capital and lease assets, net	\$ 271,838,721	\$ 276,717,878	\$ (4,879,157)	(1.8)%
Current assets	108,893,016	93,507,067	15,385,949	16.5
Other noncurrent assets	46,323,695	53,383,628	(7,059,933)	(13.2)
Total assets	427,055,432	423,608,573	3,446,859	0.8
Deferred outflows of resources	2,535,719	1,081,069	1,454,650	134.6
Total assets and deferred outflows	<u>\$ 429,591,151</u>	<u>\$ 424,689,642</u>	<u>\$ 4,901,509</u>	1.2

### Condensed Statements of Net Position

	2022	2021 (Restated)	Dollar Change	Percentage Change
Current liabilities	\$ 25,231,122	\$ 23,779,979	\$ 1,451,143	6.1 %
Long-term liabilities	169,984,921	181,468,013	(11,483,092)	(6.3)
Total liabilities	195,216,043	205,247,992	(10,031,949)	(4.9)
Deferred inflows of resources	43,883,594	35,968,649	7,914,945	22.0
Total liabilities and deferred inflows	239,099,637	241,216,641	(2,117,004)	(0.9)
Net position				
Net investment in capital assets	102,905,604	97,520,100	5,385,504	5.5
Restricted	3,717,962	4,161,561	(443,599)	(10.7)
Unrestricted	83,867,948	81,791,340	2,076,608	2.5
Total net position	190,491,514	183,473,001	7,018,513	3.8
Total liabilities, deferred inflows, and net position	\$ 429,591,151	\$ 424,689,642	\$ 4,901,509	1.2

Condensed statement of net position highlights are as follows:

- The assets and deferred outflows of resources of the Agency exceeded its liabilities and deferred inflows of resources at the close of 2022 by approximately \$190.5 million (net position) as compared with \$183.5 million at the end of 2021. Net position provides necessary liquidity to the Agency and supports its investment-grade credit rating.
- Capital and lease assets, net decreased by approximately \$4.9 million during 2022, primarily the result of depreciation and amortization on capital and lease assets in service. This was partially offset by capital asset construction expenditures of \$11.7 million in 2022.
- Current assets increased by approximately \$15.4 million from 2021 to 2022. Cash and cash equivalents increased by \$15.5 million, primarily related to the Agency's change in net position during the year.
- Other noncurrent assets, which include restricted cash, cash equivalents, and investments, prepaid expenses, and future recoverable costs, decreased by \$7.1 million from 2021 to 2022, primarily the result of the \$6.7 million decrease in future recoverable costs related to the levelization of depreciation and amortization, bond interest, and costs associated with the Agency's generating resources. In 2021, the Agency began amortizing its remaining deferred cost balance of approximately \$50 million over a seven-year period.
- Deferred outflows of resources increased by approximately \$1.5 million from 2021 to 2022, primarily as a result of the Agency's risk management activities and amortization of the Agency's deferred loss on bond refunding.
- Current liabilities increased by approximately \$1.5 million from 2021 to 2022, primarily the result of a \$1.5 million change in the value of the Agency's derivative instruments in 2022.
- Long-term liabilities decreased by approximately \$11.5 million from 2021 to 2022, primarily the result of the Agency's principal payments on debt.

- Deferred inflows of resources increased by \$7.9 million from 2021 to 2022, primarily the result of a \$6.6 million net increase in the Agency's energy adjustment accrual, and net contribution of \$1.3 million to its plant major maintenance accrual.

*Comparison of 2021 with 2020*

The following table summarizes the financial position of the Agency as of December 31:

<b>Condensed Statements of Net Position</b>				
	<b>2021</b>	<b>2020*</b>	<b>Dollar</b>	<b>Percentage</b>
	<b>(Restated)</b>		<b>Change</b>	<b>Change</b>
Capital and lease assets, net	\$ 276,717,878	\$ 283,493,313	\$ (6,775,435)	(2.4)%
Current assets	93,507,067	71,004,869	22,502,198	31.7
Other noncurrent assets	53,383,628	66,870,974	(13,487,346)	(20.2)
Total assets	423,608,573	421,369,156	2,239,417	0.5
Deferred outflows of resources	1,081,069	1,166,169	(85,100)	(7.3)
Total assets and deferred outflows	<u>\$ 424,689,642</u>	<u>\$ 422,535,325</u>	<u>\$ 2,154,317</u>	0.5
Current liabilities	\$ 23,779,979	\$ 19,383,765	\$ 4,396,214	22.7
Long-term liabilities	181,468,013	192,501,584	(11,033,571)	(5.7)
Total liabilities	205,247,992	211,885,349	(6,637,357)	(3.1)
Deferred inflows of resources	35,968,649	39,503,190	(3,534,541)	(8.9)
Total liabilities and deferred inflows	<u>241,216,641</u>	<u>251,388,539</u>	<u>(10,171,898)</u>	(4.0)
Net position				
Net investment in capital assets	97,520,100	94,288,936	3,231,164	3.4
Restricted	4,161,561	3,984,725	176,836	4.4
Unrestricted	81,791,340	72,873,125	8,918,215	12.2
Total net position	<u>183,473,001</u>	<u>171,146,786</u>	<u>12,326,215</u>	7.2
Total liabilities, deferred inflows and net position	<u>\$ 424,689,642</u>	<u>\$ 422,535,325</u>	<u>\$ 2,154,317</u>	0.5

\*Amounts have not been restated due to the adoption of GASB 87.

Condensed statement of net position highlights are as follows:

- The assets and deferred outflows of resources of the Agency exceeded its liabilities and deferred inflows of resources at the close of 2021 by approximately \$183.5 million (net position) as compared with \$171.1 million at the end of 2020. Net position provides necessary liquidity to the Agency and supports its investment-grade credit rating.
- Capital and lease assets, net decreased by approximately \$6.8 million during 2021, primarily the result of depreciation and amortization on capital and lease assets in service. This was partially offset by a net lease asset remeasurement of \$5.9 million due to the adoption of GASB 87 and a \$2.5 million land purchase in 2021.



- Current assets increased by approximately \$22.5 million from 2020 to 2021. Cash and cash equivalents increased by \$18.6 million, primarily related to the Agency's change in net position during the year, and lower debt service payments because of the 2010A bond redemption in 2020. Power sales and other receivables increased by \$3.9 million primarily because of higher rates to members in 2021.
- Other noncurrent assets, which include restricted cash, cash equivalents, and investments, prepaid expenses, and future recoverable costs, decreased by approximately \$13.5 million from 2020 to 2021, primarily the result of the \$13.1 million decrease in future recoverable costs related to the levelization of depreciation and amortization, bond interest, and costs associated with the Agency's generating resources. This includes the \$5.9 million decrease of future recoverable costs for the net lease asset remeasurement of \$5.9 million in 2021 due to the adoption of GASB 87. In 2021, the Agency began amortizing its remaining deferred cost balance of approximately \$50 million over a seven-year period.
- Deferred outflows of resources decreased by \$0.1 million from 2020 to 2021, primarily as a result of the Agency's risk management activities and amortization of the Agency's deferred loss on bond refunding.
- Current liabilities increased by approximately \$4.4 million from 2020 to 2021, primarily the result of a \$4.1 million increase of accounts payable and accrued liabilities from higher operating expenses at the end of 2021.
- Long-term liabilities decreased by approximately \$11.0 million from 2020 to 2021, primarily the result of the Agency's principal payments on debt.
- Deferred inflows of resources decreased by \$3.5 million from 2020 to 2021, primarily the result of a \$4.4 million usage of the Agency's rate stabilization fund for the February 2021 extreme cold weather event. This was partially offset by a net increase of \$1.8 million in the Agency's energy adjustment accrual, and net reduction of \$0.9 million to its plant major maintenance accrual.

The following table summarizes the changes in financial position of the Agency for the years ended December 31, 2022 and 2021:

<b>Condensed Statements of Revenues, Expenses, and Changes in Net Position</b>				
	<b>2022</b>	<b>2021</b>	<b>Dollar Change</b>	<b>Percentage Change</b>
Operating revenues, power sales	\$ 181,242,697	\$ 164,036,101	\$ 17,206,596	10.5 %
Other nonoperating revenues	966,885	298,991	667,894	223.4
Total revenues	182,209,582	164,335,092	17,874,490	10.9
Operating expenses	161,589,053	137,453,638	24,135,415	17.6
Other nonoperating expenses	6,921,592	7,350,704	(429,112)	(5.8)
Total expenses	168,510,645	144,804,342	23,706,303	16.4
Future recoverable costs	(6,680,424)	(7,204,535)	524,111	(7.3)
Change in net position	7,018,513	12,326,215	(5,307,702)	(43.1)
Beginning net position	183,473,001	171,146,786	12,326,215	7.2
Ending net position	\$ 190,491,514	\$ 183,473,001	\$ 7,018,513	3.8

Condensed statements of revenues, expenses, and changes in net position highlights are as follows:

- Operating revenues – power sales increased by approximately \$17.2 million between 2022 and 2021, primarily the result of increased energy sales and higher average rates in 2022 compared to 2021. Operating revenues – power sales consist primarily of member power sales revenue, power sales to nonmembers, and transmission revenue.
- Other nonoperating revenues increased by approximately \$0.7 million between 2022 and 2021, primarily related to higher investment income of \$1.1 million because of higher interest rates earned on cash and cash equivalents in 2022. This was partially offset by a net decrease of \$0.6 million in the fair value of investments in 2022.
- Operating expenses increased by approximately \$24.1 million between 2022 and 2021, primarily the result of a \$21.8 million increase in power acquisition expense, and a \$2.3 million increase in transmission expense. These increases are primarily attributable to higher energy market prices in 2022.
- Other nonoperating expenses decreased by approximately \$0.4 million between 2022 and 2021, related to \$0.4 million lower interest expense in 2022.
- Future recoverable costs increased by approximately \$0.5 million between 2022 and 2021, primarily the result of the application of the Agency’s policy regarding the levelization of costs for generating assets financed by debt and the application of the Agency’s policy of not recognizing the change in value of investments for ratemaking purposes. In 2021, the Agency began amortizing its remaining deferred cost balance of approximately \$50 million over a seven-year period.

The following table summarizes the changes in financial position of the Agency for the years ended December 31, 2021 and 2020:

<b>Condensed Statements of Revenues, Expenses, and Changes in Net Position</b>				
	<b>2021</b>	<b>2020*</b>	<b>Dollar Change</b>	<b>Percentage Change</b>
Operating revenues, power sales	\$ 164,036,101	\$ 136,821,879	\$ 27,214,222	19.9 %
Other nonoperating revenues	298,991	4,772,085	(4,473,094)	(93.7)
Total revenues	164,335,092	141,593,964	22,741,128	16.1
Operating expenses	137,453,638	103,048,593	34,405,045	33.4
Other nonoperating expenses	7,350,704	11,950,760	(4,600,056)	(38.5)
Total expenses	144,804,342	114,999,353	29,804,989	25.9
Future recoverable costs	(7,204,535)	3,952,859	(11,157,394)	(282.3)
Change in net position	12,326,215	30,547,470	(18,221,255)	(59.6)
Beginning net position	171,146,786	140,599,316	30,547,470	21.7
Ending net position	\$ 183,473,001	\$ 171,146,786	\$ 12,326,215	7.2

\*Amounts have not been restated due to the adoption of GASB 87.

Condensed statements of revenues, expenses, and changes in net position highlights are as follows:

- Operating revenues – power sales increased by approximately \$27.2 million between 2021 and 2020, primarily the result of increased energy sales and higher average rates in 2021 compared to 2020. Operating revenues – power sales consist primarily of member power sales revenue, power sales to nonmembers, and transmission revenue.
- Other nonoperating revenues decreased by approximately \$4.5 million between 2021 and 2020, primarily related to the recognition of \$1.8 million in proceeds received for the termination of a purchased power agreement, and a \$1.5 million gain on the sale of investments in connection with the 2010A bond redemption, both occurring in 2020. In addition, the Agency had lower investment income of \$1.1 million, because of lower interest rates earned on cash and cash equivalents in 2021.
- Operating expenses increased by approximately \$34.4 million between 2021 and 2020, primarily the result of a \$25.1 million increase in power acquisition expense, a \$4.0 million increase in transmission expense, and a \$3.4 million increase in other operating expenses. These increases are primarily attributable to higher energy market prices and increased demand in 2021.
- Other nonoperating expenses decreased by approximately \$4.6 million between 2021 and 2020, primarily related to \$3.0 million lower interest expense in 2021 because of the 2010A bond redemption in 2020. In addition, there was a lower net decrease of \$0.8 million in the fair value of investments, and no loss on extinguishment of debt in 2021.
- Future recoverable costs decreased by approximately \$11.2 million between 2021 and 2020, primarily the result of the application of the Agency's policy regarding the levelization of costs for generating assets financed by debt and the application of the Agency's policy of not recognizing the change in value of investments for ratemaking purposes. In 2021, the Agency began amortizing its remaining deferred cost balance of approximately \$50 million over a seven-year period.

### **Debt Administration**

As of December 31, 2022 and 2021, the Agency had long-term debt outstanding of approximately \$149.7 million and \$158.3, respectively.

On October 1, 2020, the Agency redeemed the remaining Series 2010A bonds in the amount of \$67.8 million.

The Agency continued to hold an A1 rating from Moody's in 2022. Fitch upgraded the Agency's bond rating from A+ to AA- in 2022.

### **Other Factors**

During February 2021, a polar vortex resulted in persistent and extreme cold weather that covered most of the United States, including the Midcontinent Independent System Operator (MISO) region. This weather event led to an increase in energy demand while some generating facilities faced fuel-supply issues and equipment failures that stressed the bulk electric system. As a result of these factors, the market experienced extreme price volatility for utilities buying or selling energy during this weather event. During this period, the Agency incurred some higher than anticipated costs to provide energy to its members, and utilized approximately \$4.4 million from its rate stabilization fund to help mitigate the impact of these additional costs.

### **Contact Information**

This financial report is designed to provide a general overview of the Agency's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Avant Energy, Inc., 220 South Sixth Street, Suite 1300, Minneapolis, Minnesota 55402.

**Minnesota Municipal Power Agency**  
**Statements of Net Position**  
**December 31, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
		<b>(Restated)</b>
<b>Assets and Deferred Outflows of Resources</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 84,540,189	\$ 69,052,676
Restricted cash and cash equivalents	3,717,962	4,161,561
Accrued interest receivable	80,056	79,220
Power sales and other receivables	13,541,148	14,064,722
Fuel inventory	1,311,252	1,034,789
Plant inventory – spares	4,011,136	3,594,346
Prepaid expenses	1,691,273	1,519,753
Total current assets	<u>108,893,016</u>	<u>93,507,067</u>
<b>Noncurrent Assets</b>		
Capital and lease assets		
Electric generation assets	421,997,302	419,860,782
Land	10,893,841	10,224,212
Less: accumulated depreciation and amortization	<u>(170,682,073)</u>	<u>(154,078,156)</u>
Property and equipment, net	262,209,070	276,006,838
Construction in progress	9,629,651	711,040
Total capital and lease assets, net	<u>271,838,721</u>	<u>276,717,878</u>
Restricted cash, cash equivalents, and investments	10,501,812	10,846,803
Prepaid expenses	406,168	440,686
Future recoverable costs	35,415,715	42,096,139
Total noncurrent assets	<u>318,162,416</u>	<u>330,101,506</u>
Total assets	<u>427,055,432</u>	<u>423,608,573</u>
<b>Deferred Outflows of Resources</b>		
Deferred outflows of resources – other	2,535,719	1,081,069
Total assets and deferred outflows of resources	<u>\$ 429,591,151</u>	<u>\$ 424,689,642</u>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 11,630,095	\$ 12,078,506
Accrued interest payable	1,713,704	1,808,471
Long-term debt due within one year	8,988,333	8,613,333
Lease liability due within one year	1,349,140	1,274,619
Derivative instruments – futures	1,549,850	5,050
Total current liabilities	<u>25,231,122</u>	<u>23,779,979</u>
<b>Noncurrent Liabilities</b>		
Long-term debt, net	157,353,386	167,487,339
Lease liability, net	12,631,535	13,980,674
Total noncurrent liabilities	<u>169,984,921</u>	<u>181,468,013</u>
Total liabilities	<u>195,216,043</u>	<u>205,247,992</u>
<b>Deferred Inflows of Resources</b>		
Rate stabilization	28,671,000	28,671,000
Other	15,212,594	7,297,649
Total liabilities and deferred inflows of resources	<u>239,099,637</u>	<u>241,216,641</u>
<b>Net Position</b>		
Net investment in capital assets	102,905,604	97,520,100
Restricted for debt service	3,717,962	4,161,561
Unrestricted	83,867,948	81,791,340
Total net position	<u>190,491,514</u>	<u>183,473,001</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 429,591,151</u>	<u>\$ 424,689,642</u>

**Minnesota Municipal Power Agency**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**Years Ended December 31, 2022 and 2021**

	<b>2022</b>	<b>2021</b> <b>(Restated)</b>
<b>Operating Revenues</b>		
Power sales to members	\$ 179,379,170	\$ 162,539,641
Power sales to nonmembers	1,863,527	1,496,460
Total operating revenues	181,242,697	164,036,101
<b>Operating Expenses</b>		
Power acquisition expense	87,143,584	65,321,061
Transmission	27,169,825	24,901,889
Other operating expenses	30,671,727	30,774,486
Depreciation and amortization	16,603,917	16,456,202
Total operating expenses	161,589,053	137,453,638
Operating income	19,653,644	26,582,463
<b>Nonoperating Revenues (Expenses)</b>		
Interest expense	(6,921,592)	(7,350,704)
Investment income	966,885	235,991
Other	-	63,000
Total nonoperating revenues (expenses), net	(5,954,707)	(7,051,713)
Change in net position before future recoverable costs	13,698,937	19,530,750
<b>Future Recoverable Costs</b>	(6,680,424)	(7,204,535)
Change in net position	7,018,513	12,326,215
<b>Net Position, Beginning of Year</b>	183,473,001	171,146,786
<b>Net Position, End of Year</b>	\$ 190,491,514	\$ 183,473,001

# Minnesota Municipal Power Agency

## Statements of Cash Flows

### Years Ended December 31, 2022 and 2021

	2022	2021 (Restated)
<b>Cash Flows from Operating Activities</b>		
Receipts from power sales	\$ 181,766,271	\$ 155,855,648
Payments for power acquisition/production and operating expenses	(138,650,041)	(116,121,534)
Net cash provided by operating activities	43,116,230	39,734,114
<b>Cash Flows from Noncapital Financing Activities</b>		
Other nonoperating receipts	-	63,000
Net cash provided by noncapital financing activities	-	63,000
<b>Cash Flows from Capital and Related Financing Activities</b>		
Construction of capital assets	(11,423,575)	(3,678,388)
Principal payments on electric revenue bonds	(8,613,334)	(8,268,333)
Principal payments on lease	(1,274,618)	(1,205,524)
Payment of interest	(8,071,828)	(8,494,587)
Net cash used in capital and related financing activities	(29,383,355)	(21,646,832)
<b>Cash Flows from Investing Activities</b>		
Proceeds from sales of investments	13,740,255	11,640,636
Purchase of investments	(11,640,256)	(11,640,636)
Interest received	1,602,537	477,646
Net cash provided by investing activities	3,702,536	477,646
Net change in cash and cash equivalents	17,435,411	18,627,928
Cash and cash equivalents, beginning of year	73,269,678	54,641,750
Cash and cash equivalents, end of year	<u>\$ 90,705,089</u>	<u>\$ 73,269,678</u>
<b>Composition of Cash and Cash Equivalents</b>		
Cash and cash equivalents	\$ 84,540,189	\$ 69,052,676
Restricted cash and cash equivalents	6,164,900	4,217,002
Cash and cash equivalents, end of year	<u>\$ 90,705,089</u>	<u>\$ 73,269,678</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>		
Operating income	\$ 19,653,644	\$ 26,582,463
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	16,603,917	16,456,202
Change in deferred inflows of resources – rate stabilization	-	(4,400,000)
Change in deferred inflows of resources – other	7,914,945	865,459
Changes in current assets and liabilities		
Power sales and other receivables	523,574	(3,780,453)
Fuel inventory	(276,463)	89,990
Plant inventory – spares	(416,790)	8,977
Prepaid expenses	(137,002)	(34,730)
Accounts payable and accrued liabilities	(749,595)	3,946,206
Total adjustments	23,462,586	13,151,651
Net cash provided by operating activities	<u>\$ 43,116,230</u>	<u>\$ 39,734,114</u>
<b>Supplemental Cash Flows Information</b>		
Amortization of premium on electric revenue bonds	\$ 1,145,619	\$ 1,145,619
Capital and lease assets in accounts payable and accrued liabilities	424,900	129,394
Change in fair value of investments	(765,617)	(241,505)

# Minnesota Municipal Power Agency

## Notes to Financial Statements

December 31, 2022 and 2021

### Note 1: Organization and Significant Accounting Policies

#### *Organization and Operation*

Minnesota Municipal Power Agency (the Agency) was created as a municipal corporation and a political subdivision of the State of Minnesota by an agency agreement recorded with the Secretary of the State of Minnesota on May 11, 1992. The Agency's purpose is to secure an adequate, economical, and reliable supply of electric energy for its member municipalities. As of December 31, 2022, the Agency comprises 12 Minnesota municipalities.

The accompanying financial statements present the Agency and its component units, entities for which the Agency is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the Agency's operations.

Blended Component Units: The Agency owns 100% of Minnesota Renewable Energy, LLC. Minnesota Renewable Energy, LLC owns 100% of Oak Glen Wind Farm, LLC and 100% of Hometown BioEnergy, LLC. Oak Glen Wind Farm, LLC is responsible for the operation of Oak Glen Wind Farm, a 44 megawatt (MW) wind project located in Steele County, Minnesota. Hometown BioEnergy, LLC is responsible for the operation of the Hometown BioEnergy project, an 8 MW renewable energy project located in Le Sueur, Minnesota. The Agency owns 100% of Hometown GeoPower, LLC. Hometown GeoPower, LLC provides services to residents of the Agency's member municipalities. The Agency owns 100% of MMPA Transmission LLC. MMPA Transmission LLC holds the Agency's transmission-related assets. Complete unaudited financial statements for each of the individual component units may be obtained from the Agency. Separate audited financial statements for MMPA Transmission LLC may also be obtained from the Agency.

The Agency sells power to its members under long-term power sales contracts. Ten of the Agency's power sales contracts with members have a term that expires December 31, 2050. Two of the Agency's power sales contracts with members have a term that expires October 31, 2040. Under the terms of these contracts, the Agency is obligated to furnish, and each member is obligated to take and pay for, the total power and energy required by each member.

The Agency has entered into agreements with various providers to purchase accredited power and energy during 2022. The power capacity charge for 2022 is approximately \$2.5 million. Capacity commitments and charges include 41 MW of capacity purchased pursuant to an agreement with the City of Chaska, a member of the Agency. Under the terms of that agreement and its amendment, the Agency has agreed to make certain payments to the City of Chaska in exchange for the peaking power capacity provided by specified generation facilities owned by the City of Chaska in an amount at least sufficient, together with certain available interest income, to pay the principal of and interest on the bonded indebtedness issued by the City of Chaska for the construction of the generation facility.

# Minnesota Municipal Power Agency

## Notes to Financial Statements

### December 31, 2022 and 2021

#### Note 1: Organization and Significant Accounting Policies - Continued

##### ***Organization and Operation -Continued***

Minimum commitments under the terms of the power sales agreements to purchase power capacity for the next five years are as follows:

	<u>Megawatts</u>
Year ending December 31:	
2023	121
2024	126
2025	131
2026	131
2027	136

The Agency purchases transmission services from the Midcontinent Independent System Operator, Inc. (MISO) at tariff-based rates.

The Agency enters into contracts in connection with the purchase, generation, and sale of electric power to or from its member cities, MISO, and other wholesale market participants. A substantial portion of these contracts are for the purchase of natural gas at power plants owned and operated by the Agency and for the physical delivery of power to designated interconnection points on the electric grid as a normal course of business. Substantially all of the Agency's power purchases and sales are with MISO. The Agency also enters into futures or forward contracts to manage exposure to unfavorable trends in the prices of fuel (natural gas) and electric power, which are directly related to the business of the Agency. Open positions at the end of the year are carried at fair value in the Agency's financial statements with an offsetting deferral amount to reflect the effectiveness of the risk management activity.

Additionally, the Agency has agreements for dispatching, billing, maintenance services, and other general administration. The Agency has a contract with Avant Energy, Inc. to manage the Agency, which terminates on December 31, 2030. The Agency has no employees.

##### ***Basis of Accounting***

The Agency follows the FERC's Uniform System of Accounts and maintains accounting records on an accrual basis in conformity with U.S. generally accepted accounting principles, including the application of Governmental Accounting Standards Board (GASB) Codification Section Re10, *Regulated Operations*. The guidance allows for the deferral of revenues and expenses to future periods in which the revenues are earned or the expenses are recovered through the rate-making process.



# **Minnesota Municipal Power Agency**

## **Notes to Financial Statements**

**December 31, 2022 and 2021**

### **Note 1: Organization and Significant Accounting Policies - Continued**

#### ***Capital Assets***

The Agency follows a preventative and predictive approach to its maintenance of the Faribault Energy Park (FEP) facility. In doing so, it inspects the combustion turbine and steam turbine and performs major maintenance at intervals suggested by the turbine manufacturers. Periodically, one set of combustion parts is removed from the turbine and a replacement set is rotated into the turbine. The parts that have been removed are refurbished and are then ready to be rotated back into the turbine at the next major maintenance cycle. The Agency is depreciating the cost of the combustion turbine spare parts over the remaining life of the FEP asset. The amount on the statements of net position is the gross acquisition cost, with depreciation associated with the parts included in accumulated depreciation.

Equipment is recorded at cost and consists of telecommunication equipment, transportation equipment, and certain maintenance/testing equipment. Depreciation is provided over the estimated useful lives of the property and equipment by use of the straight-line method. Generally, the estimated useful life is 30 years for electric plant, 40 years for transmission assets, and 5 years for telecommunications equipment and transportation equipment. Other specialized equipment may differ.

#### ***Lease Assets***

Lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the assets into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

#### ***Capital and Lease Asset Impairment***

The Agency evaluates capital and lease assets for impairment whenever events or circumstances indicate a significant, unexpected decline in the service utility of a capital or lease asset has occurred. If a capital or lease asset is tested for impairment and the magnitude of the decline in service utility is significant and unexpected, the capital or lease asset historical cost and related accumulated depreciation or amortization are decreased proportionately such that the net decrease equals impairment loss. No asset impairment was recognized during the years ended December 31, 2022 and 2021.

#### ***Restricted Cash, Cash Equivalents, and Investments***

The Agency's bond resolution requires the segregation of bond proceeds and prescribes the application of the Agency's revenues. Amounts classified as restricted cash and cash equivalents on the statements of net position represent cash and cash equivalents whose use is restricted by the bond resolution. It is the Agency's policy to use restricted resources first for debt service and then unrestricted resources as they are needed.

**Minnesota Municipal Power Agency**  
**Notes to Financial Statements**  
**December 31, 2022 and 2021**

**Note 1: Organization and Significant Accounting Policies - Continued**

***Investments and Investment Income***

The Agency's investments in money market accounts are carried at cost, which approximates fair value. All other investments are reported at fair value based on quoted market prices. Investment income consists of interest and dividend income, the net change for the year in the fair value of investments carried at fair value, and realized gains and losses from sales and maturities of investment securities.

***Regulated Operations***

*Future Recoverable Costs*

Rates charged to members include amounts sufficient to pay levelized principal and interest payments on long-term debt. For financial reporting purposes, the Agency recognizes depreciation and amortization pertaining to capital and lease assets and other assets financed by long-term debt in addition to interest paid on such debt. As permitted by the application of GASB Codification Section Re10, *Regulated Operations*, the Agency defers the current depreciation, amortization, and interest costs in excess of levelized principal and interest costs on long-term debt for assets placed into service prior to September 24, 2013 and after December 15, 2015. These costs will be recovered through rates charged to members in future periods when the levelized costs of principal and interest on long-term debt exceed the then current depreciation and amortization and interest costs related to such issues.

In December 2020, the Agency's Board of Directors approved amortizing these remaining deferred costs, which amounted to approximately \$50 million at December 31, 2020, over a seven-year period beginning in 2021. In accordance with GASB Codification Section Re10, *Regulated Operations*, this amortization is factored into the Agency's rate-setting process.

For financial reporting purposes, the Agency also reports investments and restricted investments at fair value. As permitted by the application of GASB Codification Section Re10, *Regulated Operations*, the Agency defers changes in the fair value of investments and restricted investments that the Agency intends to hold to maturity.

*Deferred Inflows of Resources – Rate Stabilization*

In setting rates, the Agency has from time to time deferred revenues from a current period to a future period to support the Agency's goal of providing stable long-term rates to members. These deferred revenues are reported as deferred inflows of resources – rate stabilization on the Agency's statements of net position.

The Agency's Board of Directors approved the use of \$4.4 million of the rate stabilization fund to cover higher energy costs related to the extreme cold weather event that occurred in February 2021.

# Minnesota Municipal Power Agency

## Notes to Financial Statements

December 31, 2022 and 2021

### Note 1: Organization and Significant Accounting Policies - Continued

#### *Deferred Inflows of Resources – Other*

Deferred inflows of resources – other includes the amount accrued by the Agency for future major maintenance of its combustion turbine and steam turbine generation resources. As permitted by the application of GASB Codification Section Re10, *Regulated Operations*, the Agency recognizes major maintenance expense for combustion turbine and steam turbine generation resources both on a per-start basis and over time. These expenses are accrued as a deferred inflow of resources. The accrued amount is reduced when the Agency performs major maintenance on its combustion turbine and steam turbine generation resources.

Deferred inflows of resources – other also includes the amount accrued by the Agency related to the operation of its Energy Adjustment Clause.

#### **Unamortized Debt Premium**

The Agency's debt premium is amortized over the repayment period of the related issues using the straight-line method, which approximates the effective-interest method.

#### **Cash and Cash Equivalents**

For purposes of the statements of cash flows, cash equivalents are cash and equivalents and investments having an initial maturity of three months or less when purchased.

#### **Power Sales Receivables**

Power sales receivables represent power sales for the period between the last billing date and the end of the period that are accrued in the period earned.

#### **Fuel Inventory and Plant Inventory – Spares**

Fuel inventory and plant inventory – spares are valued on a cost basis, using the first-in, first-out (FIFO) method, which does not exceed market.

#### **Deferred Outflows of Resources**

Deferred outflows of resources include the unamortized difference between reacquisition price and net carrying amount related to the Agency's bond refunding activities. The deferred outflows of resources related to the bond refunding activities will be amortized through 2034. Deferred outflows of resources also include the offsetting deferral amount to reflect the effectiveness of the Agency's hedging derivative instruments.

# **Minnesota Municipal Power Agency**

## **Notes to Financial Statements**

**December 31, 2022 and 2021**

### **Note 1: Organization and Significant Accounting Policies - Continued**

#### ***Derivative Instruments - Futures***

The Agency engages in certain futures market activities to manage future energy acquisition cost risk. The Agency may enter into energy financial futures contracts to buy or sell energy in order to manage the risk of volatility in the market price of anticipated energy transactions. The Agency does not enter into derivative instruments for speculative purposes. Fair value is estimated by comparing contract prices to forward market prices quoted by independent third-party pricing services. The Agency's derivative instruments are considered effective and are recorded as either an asset or liability on the statement of net position, with an offsetting deferred inflow or outflow of resources.

#### ***Rates***

Rates and charges for providing wholesale power supply are reviewed and adopted by the Agency's board of directors. Power supply services provided by the Agency are not subject to state or federal rate regulation.

#### ***Revenue Recognition***

The Agency recognizes revenue on sales when the electricity is provided to and used by the customers. The Agency reports only the net amount of operating revenues – power sales and power purchases expense resulting from its transactions with MISO as revenue.

#### ***Operating Revenues and Expenses***

Operating revenues result from exchange transactions associated with the principal activity of the Agency, the sale of electricity. Reported operating revenues are affected by contributions to or distributions from the rate stabilization account. Operating expenses are defined as expenses directly related to, or incurred in support of, the production and transmission of electricity to the participating members. All other expenses are classified as nonoperating expenses.

#### ***Income Taxes***

The Agency is exempt from federal and state income taxes as it is a political subdivision of the State of Minnesota.

#### ***Use of Estimates***

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### ***Reclassifications***

Certain reclassifications have been made to the 2021 financial statements to conform to the 2022 financial statement presentation. These reclassifications had no impact on the change in net position.

# Minnesota Municipal Power Agency

## Notes to Financial Statements

December 31, 2022 and 2021

### Note 1: Organization and Significant Accounting Policies - Continued

#### *Change in Accounting Principles*

During 2022, the Agency adopted GASB Statement No. 87, *Leases* (GASB 87). This statement supersedes portions of GASB Statement No. 62 and establishes new requirements for calculating and reporting the Agency's lease activities. The adoption date of GASB 87 is reflected as of January 2021 and required the Agency to remeasure its lease asset to agree to the related lease liability balance at the lease adoption date of January 1, 2021. This remeasurement increased the beginning balance of capital assets by \$5,883,103 and decreased the beginning balance of future recoverable costs by an equal amount. This remeasurement had no impact on the Agency's previously reported change in net position.

### Note 2: Cash, Cash Equivalents, and Investments

The agency agreement that established the Agency and the bond resolution, under which the Electric Revenue Bonds were issued, provides for the creation and maintenance of certain funds and accounts. The funds and accounts consist principally of deposits and investments in accordance with the agency agreement, bond resolution, and applicable state law. Funds and accounts are reported in the financial statements as follows:

	December 31	
	2022	2021
Current assets		
Cash and cash equivalents	\$ 84,540,189	\$ 69,052,676
Restricted cash and cash equivalents	3,717,962	4,161,561
	<u>88,258,151</u>	<u>73,214,237</u>
Noncurrent assets		
Restricted cash and cash equivalents	2,446,938	55,441
Restricted investments	8,054,874	10,791,362
	<u>10,501,812</u>	<u>10,846,803</u>
Total	<u>\$ 98,759,963</u>	<u>\$ 84,061,040</u>

# Minnesota Municipal Power Agency

## Notes to Financial Statements

### December 31, 2022 and 2021

#### Note 2: Cash, Cash Equivalents, and Investments - Continued

In accordance with its investment policy, the Agency invests in the following types of investments, subject to the limitations and requirements of Minnesota statutes:

- Interest bearing checking accounts
- U.S. Treasury bills, bonds, and notes
- U.S. government agencies and instrumentalities securities
- State and local securities
- Minnesota Joint Powers Investment Trusts
- Certificates of deposit
- Banker's acceptances of U.S. banks eligible for purchase by the Federal Reserve System
- Commercial paper issued by U.S. corporations or their Canadian subsidiaries, of the highest quality and maturing within 270 days
- Money market mutual funds – open-end, no-load
- Guaranteed investment contracts
- Repurchase agreements fully (100%) collateralized by U.S. securities

#### **Interest Rate Risk**

Interest rate risk is the risk that the fair value of investments will be adversely affected by a change in interest rates.

The Agency had the following investments and maturities as of December 31, 2022 and 2021:

		Maturities in Years			
	Carrying Value	Less Than 1	1 - 5	6 - 10	More Than 10
December 31, 2022					
U.S. government agencies	\$ 8,054,874	\$ 5,878,794	\$ -	\$ -	\$ 2,176,080
Money market accounts	90,705,089	90,705,089	-	-	-
	<u>\$ 98,759,963</u>	<u>\$ 96,583,883</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,176,080</u>
December 31, 2021					
U.S. government agencies	\$ 10,791,362	\$ 8,048,824	\$ -	\$ -	\$ 2,742,538
Money market accounts	73,269,678	73,269,678	-	-	-
	<u>\$ 84,061,040</u>	<u>\$ 81,318,502</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,742,538</u>

# Minnesota Municipal Power Agency

## Notes to Financial Statements

### December 31, 2022 and 2021

#### Note 2: Cash, Cash Equivalents, and Investments - Continued

##### **Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit risk is measured using credit quality ratings of investments in debt securities as described by nationally recognized rating agencies such as Standard & Poor's and Moody's. The certificates of deposit are FDIC insured. The money market accounts are invested in short-term U.S. government securities and commercial paper.

The following tables list the credit quality ratings per Standard & Poor's and/or Moody's of the Agency's investments as of December 31, 2022 and 2021:

December 31, 2022				
	Carrying Value	Quality ratings		
		AA	AAA	Unrated
Investment type				
U.S. government agencies	\$ 8,054,874	\$ 8,054,874	\$ -	\$ -
Money market accounts	90,705,089	-	6,164,900	84,540,189
Total	<u>\$ 98,759,963</u>	<u>\$ 8,054,874</u>	<u>\$ 6,164,900</u>	<u>\$ 84,540,189</u>
December 31, 2021				
	Carrying Value	Quality ratings		
		AA	AAA	Unrated
Investment type				
U.S. government agencies	\$ 10,791,362	\$ 10,791,362	\$ -	\$ -
Money market accounts	73,269,678	-	4,217,002	69,052,676
Total	<u>\$ 84,061,040</u>	<u>\$ 10,791,362</u>	<u>\$ 4,217,002</u>	<u>\$ 69,052,676</u>

##### **Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of the failure of a counterparty, the Agency will not be able to recover the value of the investments, collateral securities, or deposits that are in the possession of the counterparty. The Agency's investment policy addresses, among other things, custodial credit risk. At December 31, 2022 and 2021, all of the Agency's investments are insured and registered and are held by the counterparty's trust department or agent in the Agency's name.

# Minnesota Municipal Power Agency

## Notes to Financial Statements

December 31, 2022 and 2021

### Note 2: Cash, Cash Equivalents, and Investments - Continued

#### ***Concentration of Credit Risk***

Concentration of credit risk is the risk associated with the amount of investments the Agency has with any one issuer that exceeds 5% or more of its total investments. Investments issued or explicitly guaranteed by the U.S. Government are excluded from this requirement. The Agency does not have an investment policy related to investing 5% or more of the Agency's portfolio in the securities of a single issue. At December 31, 2022 and 2021, the Agency had the following investment concentrations:

	<b>Portfolio Composition</b>	
	<b>December 31,</b>	
	<b>2022</b>	<b>2021</b>
Federal Home Loan Mortgage Corporation	6.0%	7.1%

#### ***Investment Income***

Investment income was comprised of the following for the years ended December 31, 2022 and 2021:

	<b>2022</b>	<b>2021</b>
Interest and dividend income	\$ 1,603,373	\$ 477,496
Net decrease in the fair value of investments	(765,617)	(241,505)
Realized gains on sales of investments	129,129	-
Net investment income	<u>\$ 966,885</u>	<u>\$ 235,991</u>



**Minnesota Municipal Power Agency**  
**Notes to Financial Statements**  
**December 31, 2022 and 2021**

**Note 3: Capital and Lease Assets**

Capital and lease assets activity was as follows:

	<b>2022</b>				
	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Transfers</b>	<b>Ending Balance</b>
Nondepreciable capital and lease assets					
Construction work in progress	\$ 711,040	\$ 11,723,975	\$ -	\$ (2,805,364)	\$ 9,629,651
Land	10,224,212	785	-	668,844	10,893,841
Depreciable capital and lease assets					
Telemetry and telecommunication	1,341,705	-	-	-	1,341,705
Lease asset	17,300,349	-	-	-	17,300,349
Electric plant	391,374,523	-	-	2,136,520	393,511,043
Rotable combustion turbine parts	9,844,205	-	-	-	9,844,205
Less accumulated depreciation and amortization for					
Lease assets in service	(1,655,638)	(1,676,219)	-	-	(3,331,857)
Electric plant assets in service	(152,422,518)	(14,927,698)	-	-	(167,350,216)
Capital and lease assets, net	<u>\$ 276,717,878</u>	<u>\$ (4,879,157)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 271,838,721</u>
	<b>2021</b>				
	<b>Beginning Balance*</b>	<b>Additions</b>	<b>Retirements</b>	<b>Transfers</b>	<b>Ending Balance</b>
Nondepreciable capital assets					
Construction work in progress	\$ 1,143,638	\$ 3,778,414	\$ -	\$ (4,211,012)	\$ 711,040
Land	7,693,006	19,250	-	2,511,956	10,224,212
Depreciable capital and lease assets					
Telemetry and telecommunication	1,341,705	-	-	-	1,341,705
Lease asset	16,460,817	-	-	839,532	17,300,349
Electric plant	390,514,999	-	-	859,524	391,374,523
Rotable combustion turbine parts	9,844,205	-	-	-	9,844,205
Less accumulated depreciation and amortization for					
Lease assets in service	-	(1,655,638)	-	-	(1,655,638)
Electric plant assets in service	(137,621,954)	(14,800,564)	-	-	(152,422,518)
Capital and lease assets, net	<u>\$ 289,376,416</u>	<u>\$ (12,658,538)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 276,717,878</u>

\*As restated due to adoption of GASB 87.

**Minnesota Municipal Power Agency**  
**Notes to Financial Statements**  
**December 31, 2022 and 2021**

**Note 4: Long-Term Liabilities**

The Agency has issued the following Electric Revenue Bonds to finance its construction activities:

	<b>2022</b>	<b>2021</b>
Series 2009A, 1.40%, due October 1, 2009 to 2023	\$ 333,333	\$ 666,667
Series 2013, 3.00%–5.00%, due October 1, 2014 to 2023	2,180,000	4,275,000
Series 2014, 2.00%–5.00%, due October 1, 2015 to 2044	33,315,000	35,180,000
Series 2014A, 3.50%–5.00%, due October 1, 2016 to 2035	56,125,000	59,225,000
Series 2016, 2.13%–5.00%, due October 1, 2018 to 2047	57,700,000	58,920,000
	<hr/>	<hr/>
Total bonds outstanding	149,653,333	158,266,667
Less current maturities	(8,988,333)	(8,613,333)
Add unamortized premium	16,688,386	17,834,005
	<hr/>	<hr/>
	<u>\$ 157,353,386</u>	<u>\$ 167,487,339</u>

Debt service requirements on the outstanding bonds are as follows:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 8,988,333	\$ 6,854,810	\$ 15,843,143
2024	6,760,000	6,449,944	13,209,944
2025	7,105,000	6,111,944	13,216,944
2026	7,435,000	5,780,094	13,215,094
2027	7,810,000	5,408,344	13,218,344
2028–2032	44,575,000	21,486,287	66,061,287
2033–2037	34,015,000	11,179,075	45,194,075
2038–2042	15,170,000	6,428,800	21,598,800
2043–2047	17,795,000	2,689,450	20,484,450
	<hr/>	<hr/>	<hr/>
	<u>\$ 149,653,333</u>	<u>\$ 72,388,748</u>	<u>\$ 222,042,081</u>

# Minnesota Municipal Power Agency

## Notes to Financial Statements

December 31, 2022 and 2021

### Note 4: Long-Term Liabilities - Continued

The Agency has an agreement with the City of Chaska to purchase capacity, described more fully in Note 1. The agreement is without collateral. A portion of the payments under this agreement are accounted for as a lease. The Agency also has an equipment lease agreement with the City of Chaska. Future minimum payments under these agreements are as follows:

Year	Principal	Interest	Executory Costs	Payment
2023	\$ 1,349,140	\$ 763,430	\$ 435,808	\$ 2,548,378
2024	1,428,066	684,504	435,808	2,548,378
2025	1,511,659	600,910	435,808	2,548,377
2026	1,600,198	512,372	435,808	2,548,378
2027	1,693,975	418,595	435,808	2,548,378
2028–2031	6,397,637	644,264	1,504,324	8,546,225
	<u>\$ 13,980,675</u>	<u>\$ 3,624,075</u>	<u>\$ 3,683,364</u>	<u>\$ 21,288,114</u>

Long-term liability activity for the years ended December 31, 2022 and 2021 was as follows:

December 31, 2022	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Long-term bonds	\$ 158,266,667	\$ -	\$ (8,613,334)	\$ 149,653,333	\$ 8,988,333
Add unamortized premium	17,834,005	-	(1,145,619)	16,688,386	-
Long-term bonds, net	176,100,672	-	(9,758,953)	166,341,719	8,988,333
Lease liability	15,255,293	-	(1,274,618)	13,980,675	1,349,140
Total long-term liabilities	<u>\$ 191,355,965</u>	<u>\$ -</u>	<u>\$ (11,033,571)</u>	<u>\$ 180,322,394</u>	<u>\$ 10,337,473</u>
December 31, 2021	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Long-term bonds	\$ 166,535,000	\$ -	\$ (8,268,333)	\$ 158,266,667	\$ 8,613,333
Add unamortized premium	18,979,624	-	(1,145,619)	17,834,005	-
Long-term bonds, net	185,514,624	-	(9,413,952)	176,100,672	8,613,333
Lease liability	16,460,817	-	(1,205,524)	15,255,293	1,274,619
Total long-term liabilities	<u>\$ 201,975,441</u>	<u>\$ -</u>	<u>\$ (10,619,476)</u>	<u>\$ 191,355,965</u>	<u>\$ 9,887,952</u>

# Minnesota Municipal Power Agency

## Notes to Financial Statements

### December 31, 2022 and 2021

#### Note 5: Derivatives and Financial Instruments

The Agency has entered into financial futures contracts to manage the risk of volatility of future cash flows associated with the purchase of energy because of commodity price volatility. By entering into these arrangements, the Agency will receive and make payments based on market prices without actually entering into the related commodity transactions. These arrangements are considered derivative instruments under the provisions of GASB Codification Section D40, *Derivative Instruments*. In accordance with this guidance, as the Agency's derivative instruments are considered effective hedges, the accumulated change in fair value of these derivative instruments is recognized as a deferred inflow or outflow of resources on the statements of net position. The fair value of these contracts is determined by comparing the contract price to the forward market prices quoted by an independent external pricing service. Realized gains and losses from derivative instruments are recognized as power acquisition expense on the statements of revenues, expenses and changes in net position in the month the contract expires.

Notional Values – As of December 31, 2022 and 2021, the Agency had 200 and 63 total outstanding contracts, respectively. These contracts are structured with a standard quantity of 10,000 MMBtu per contract.

Credit risk – Credit risk is the risk that results when counterparties or the clearing agent are unable or unwilling to fulfill their obligations. The Agency addresses this risk with the counterparties by executing these contracts using an independent clearing agent, which requires collateral and will spread any unfilled obligations across all participants utilizing their services. The risk of default by the clearing agent is mitigated by their membership in the commodities clearing house, which requires collateral and guaranty funds by each clearing agent to be used to offset any socialized unfilled obligations between member clearing agents.

Basis risk – Basis risk is the risk that arises when variable rates or prices of a derivative instrument and the risk exposure being managed are based on different reference rates. The Agency is exposed to this risk because of a difference in commodity value between different generating sites and delivery points or between cash market prices and the pricing points used in the MISO financial market.

# Minnesota Municipal Power Agency

## Notes to Financial Statements

### December 31, 2022 and 2021

#### Note 6: Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

**Level 1** Quoted prices in active markets for identical assets or liabilities

**Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

**Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

The Agency's investment in money market accounts are carried at cost and thus are not included within the fair value hierarchy.

#### Valuation Methodologies

**U.S. Government Securities:** The fair value of U.S. government securities is derived from quoted prices on similar assets in active or non-active markets, from other observable inputs such as interest rates, yield curves, or credit spreads, and inputs that are derived from or corroborated by observable market data. U.S. treasury and other federal agency securities are included as Level 2 assets.

**Derivative Instruments:** Energy financial futures contracts uses the market approach based on monthly quoted prices from an independent external pricing service using market quotes. The market is not active to the point where identical contracts are available on a regular basis. These derivative instruments are included as Level 2 liabilities.

#### Note 7: Power Acquisition Expense

Power acquisition expense consists primarily of power purchases, production fuel, and related expenses. The Agency sells substantially all of the power and energy produced by its generating facilities into the MISO market and purchases substantially all of its power and energy needs for sales to members and others from the MISO market. The Agency reports its purchases from and sales to MISO on a net basis. The components of power acquisition expense are as follows:

	<u>2022</u>	<u>2021</u>
Power purchases	\$ 52,413,418	\$ 42,624,643
Production fuel	<u>34,730,166</u>	<u>22,696,418</u>
Total power acquisition expense	<u>\$ 87,143,584</u>	<u>\$ 65,321,061</u>

# **Minnesota Municipal Power Agency**

## **Notes to Financial Statements**

### **December 31, 2022 and 2021**

#### **Note 8: Credit Facilities**

The Agency entered into a \$20.0 million credit facility on May 1, 2016. The commitment fee is 0.50% per annum; interest on outstanding balances is tied to LIBOR through March 2022, when this index was changed to the Bloomberg Short-Term Bank Yield (BSBY). The facility was renewed on May 1, 2019 and again on April 1, 2022 and expires on May 6, 2025, and is secured by a pledge of the net revenues of the Agency. There were no amounts outstanding as of December 31, 2022 or 2021.

#### **Note 9: Risk Management**

The Agency is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters.

The Agency participates in a public entity risk pool related to public officials' liability. The Agency has a \$60,000 deductible per occurrence, with a \$200,000 annual maximum deductible for its liability coverage. The Agency also purchases municipal automobile coverage from the same public entity risk pool with a \$1,000 deductible per occurrence.

The public entity risk pool has purchased a reinsurance policy to guard against excessive losses.

The Agency also carries commercial insurance for its risks of property loss, business interruption, and general liability. The Agency's property loss has varying deductibles based on the equipment insured that range from \$250,000 to \$1,500,000. The Agency's business interruption insurance has a 60 day deductible.

The Agency also has an umbrella policy related to its municipal automobile insurance and general liability insurance.

Settled claims have not exceeded insurance coverage in any of the past three years for any of the Agency's insurance policies.

#### **Note 10: Contingencies**

The Agency is a party to various contracts for the sale, purchase, and transmission of power. In the ordinary course of business, contractual disputes sometimes occur between the Agency and its counterparties. The Agency does not expect the outcome of any existing dispute resolution proceedings to have a material adverse impact on financial position, results of operations, or cash flows.

The Agency is a market participant in the MISO "Day 2" electricity markets. MISO does not provide final settlement results for a trading day until 105 days after a trading day. The financial statements reflect the Agency's best estimates of final settlement results.

**Minnesota Municipal Power Agency**  
**Notes to Financial Statements**  
**December 31, 2022 and 2021**

**Note 11: Concentrations**

***Major Customers***

Sales to four customers were approximately 77% and 75% of total operating revenues for the years ended December 31, 2022 and 2021, respectively. Approximately 74% and 71% of total accounts receivable were owed from four customers at December 31, 2022 and 2021, respectively.

<b>TO:</b> ERMU Commission	<b>FROM:</b> Sara Youngs – Administrations Director
<b>MEETING DATE:</b> May 9, 2023	<b>AGENDA ITEM NUMBER:</b> 6.1b
<b>SUBJECT:</b> Staff Update	
<b>ACTION REQUESTED:</b> None	

**DISCUSSION:**

- Office walk-in traffic for April consisted of 101 customers, averaging 25 customers per week over the 4-week period.
- ERMU red tag notification count for April under the Cold Weather Rule.
  - Cycle 2 – 19 red tag notifications and 1 disconnection
  - Cycle 3 – 20 red tag notifications and 3 disconnections
  - Cycle 4 – 19 red tag notifications and 1 disconnection
  - Cycle 1 – 44 red tag notifications and 2 disconnections
- The Cold Weather Rule expired for the 2023 heating season on April 30, 2023. The Energy Assistance application deadline is May 31, 2023. Extra crisis funds are available for the 2023 heating season; however, the customer must contact Energy Assistance by June 30, 2023.
- Staff met with Republic Services and city staff on May 2 to finalize the project scope and communication plan for the upcoming cart exchange from Randy's to Republic garbage and recycling carts. Staff is waiting to learn the start date as Republic was confirming with the third party contractor on availability.
- The customer service team has been working with HydroCorp on mailing letters to resident and commercial customers about backflow prevention inspections. Residential customers are appreciative of this service which we provide to them at no charge, helping to ensure the integrity of our water source.
- The billing specialist and credit & collections specialist will attend the National Information Solutions Cooperatives Minnesota user group meeting on May 11, at the Elk River Great River Energy location.



- The customer service team now has an iPad with translation applications installed to better assist walk-in customers with challenges due to language barriers. Staff will continue to use the translation service from Cooperative Response Center when receiving a phone call.
- There is currently 11 residential solar projects under construction. Staff has been fielding calls regarding residential and commercial solar options. We are being consistent in our communications that ERMU does not work with any solar installation company and that we are here to help customers make informed decisions on whether distributed generation ownership is right for them.
- Staff has been reviewing our Conservation Improvement Programs information along with the state statutes to meet the June 1, 2023, filing deadline. ERMU's 2023 energy savings goal is 5,285,602 kWh.

<b>TO:</b> ERMU Commission	<b>FROM:</b> Melissa Karpinski – Finance Manager
<b>MEETING DATE:</b> May 9, 2023	<b>AGENDA ITEM NUMBER:</b> 6.1c
<b>SUBJECT:</b> Staff Update	
<b>ACTION REQUESTED:</b> None	

**DISCUSSION:**

- The 2022 Utilities Performance Metric and Incentive Compensation was processed and distributed to employees on April 21.
- The Energy Information Administration (EIA) reports 860, 861, and 923 for 2022 have all been filed. These are federal reports that are required to be filed annually related to our plant standby engines and landfill engines' output and fuel sources; our system distribution numbers in megawatts, revenues, and meters served; wind and solar participation; and reliability numbers.
- The Property & Casualty Insurance renewal application has been sent to the underwriter for the 2023-2024 year.
- 2022 Minnesota Department of Revenue Sales and Use Tax Refund Request (ST11) has been filed in the amount of \$11,531.71.
- The payroll specialist and HR generalist are attending a National Information Solutions Cooperative virtual workshop on benefit enrollment with iVUE Connect Financials – HR. The plan is to implement this part of iVUE Connect and be able to complete open enrollment electronically versus the paper method. This platform offers other benefits that we hope to utilize in the future.

<b>TO:</b> ERMU Commission	<b>FROM:</b> Tony Mauren – Governance & Communications Manager
<b>MEETING DATE:</b> May 9, 2023	<b>AGENDA ITEM NUMBER:</b> 6.1d
<b>SUBJECT:</b> Staff Update	
<b>ACTION REQUESTED:</b> None	

**DISCUSSION:**

- In April, all customers will receive the spring edition of the Current Newsletter and all residential electric customers will receive the AC tune-up rebate flyer.
- In addition to highlighting the inserts, April and May social media posts feature a variety of topics including [Clean Energy Choice certificates](#), Lineworker Appreciation Day, Earth Day, ERMU's 2022 Year in Review, Arbor Day, National Electric Safety Month (May), ERMU's RP3 designation, hydrant flushing, and Drinking Water Week. Staff will also be posting public service announcements such as Severe Weather Awareness Week and details on the commission meeting.
- Governance & Communications Manager Tony Mauren will not be in attendance at the May commission meeting. He will be completing his final of three annual sessions for the Minnesota Municipal Clerks Institute, May 8-12 in St. Cloud. Upon completion of the program that week he will hold a Minnesota Certified Municipal Clerk designation.
- Staff is excited to take the next step into the world of drone technology to capture images and video for more engaging visual presentations, as well as quick and safe equipment inspections. As a result of discussions with the City's communications department we have learned of the necessary requirements with the Federal Aviation Administration (FAA) and have enrolled three staff members (communications, IT/OT, and GIS/mapping) into Drone Pilot Ground School. They will need to pass an exam with the FAA to obtain a license for commercial operation.
- In May the communications department is running its campaign for AC tune-up rebates. In addition to the bill insert and social media, we are publishing ads in the Star News, posting an alert bar on our website, boosting social media content to reach a greater audience, and running a billboard ad. This campaign was created to fulfill our strategic plan initiative to drive participation in Conservation Improvement Programs.



*Example of the Billboard on northbound Highway 169 before Main Street*

**ATTACHMENTS:**

- Bill Insert – The Current Newsletter – Spring 2023
- Bill Insert – AC Tune-up Rebate Flyer

## OUR MISSION

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

## OUR VISION

Provide exceptional services and value to those we serve.

## OUR VALUES

-  **INTEGRITY**
-  **QUALITY**
-  **COMMUNICATION**
-  **SAFETY**
-  **COMPETITIVE**

## ERMU Recognized as Reliable Public Power Provider

Elk River Municipal Utilities has earned a Reliable Public Power Provider (RP3) platinum level designation from the American Public Power Association for providing reliable and safe electric service.

The RP3 designation, which lasts for three years, recognizes public power utilities that demonstrate proficiency in four key disciplines: reliability, safety, workforce development, and system improvement. Criteria include sound business practices and a utility-wide commitment to safe and reliable delivery of electricity. ERMU joins 271 public power utilities nationwide that hold the RP3 designation.



*"We couldn't be prouder to be honored with this designation. This is a culmination of a lot of work from a lot of people who really care about providing safe, reliable power to our community. But this designation is not a final destination. ERMU is committed to continuously looking for ways to improve our operations and service to our customers."*

- Mark Hanson, General Manager

## Representatives from ERMU in Washington, D.C.



*Pictured: Commissioner Mary Stewart, U.S. Senator Amy Klobuchar, and General Manager Mark Hanson*

ERMU General Manager Mark Hanson, Conservation & Key Accounts Manager Tom Sagstetter, and Commissioner Mary Stewart recently attended the American Public Power Association Legislative Rally in Washington, D.C. The conference included sessions on the energy tax provisions of the Inflation Reduction Act and individual meetings with Minnesota Representatives and Senators to discuss concerns, ask questions, and highlight the benefits of hometown utilities.

## Drinking Water Week is May 7-13

For more than 40 years the American Water Works Association and its members have celebrated Drinking Water Week - a unique opportunity for both water professionals and the communities they serve to recognize the vital role water plays in our daily lives. For ERMU customers, this essential resource relies on eight wells, six treatment plants, four water towers, nearly 120 miles of water main, more than 1,300 fire hydrants, and just under 3,000 valves. Our community is fortunate to have access to naturally filtered water as our wells are supplied from the Mount Simon-Hinkley Aquifer. ERMU is committed to conserving and protecting our excellent water source so high-quality drinking water is there when you need it.







## SPRING PROJECTS? CALL BEFORE YOU DIG

Whether it's a small project or a large home improvement, every digging project should begin with a call to 811, the national call-before-you-dig phone number.

Every six minutes, an underground utility line is damaged because someone decided to dig without first calling 811. The risk of injury or even death is serious, as are the costs for repairs or fines. Whether you're putting in a fence, planting a tree, or building a deck, locating your lines before you dig can really save you!

### SAFE DIGGING TIPS:

- Call 811 or go online to request a locate three days before digging.
- Dig parallel to utility lines and use caution when removing soil.
- Use hand tools when working within 24 inches of the edge of utility lines.
- Watch for signs of a gas leak like smelling rotten eggs and/or hearing a hiss, whistle, or roar.

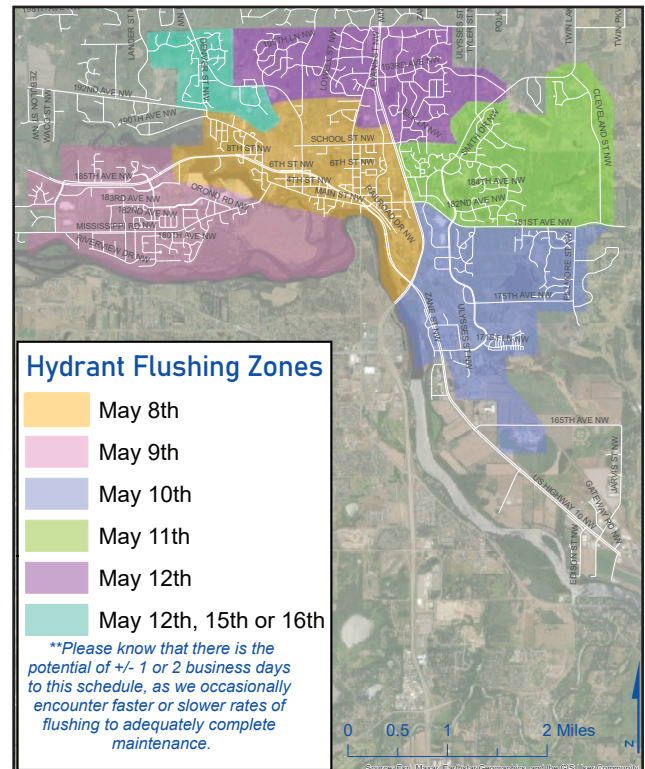


## Hydrant Flushing Scheduled May 8-16

Spring has sprung, which means Elk River Municipal Utilities employees will be flushing all of the city's 1,300 fire hydrants beginning the week of May 8.

Hydrant flushing serves as a preventative maintenance activity, ensuring all hydrants, valves, and water mains are in good working order when needed. The high-pressure release of water from a hydrant also helps clear any sediment or debris that has accumulated in the pipes over the low-use winter months, which improves water quality and overall system reliability.

While your hydrants are being flushed, please refrain from using water, if possible. This will help avoid drawing discolored water into your home. We thank you in advance for your patience while we conduct this important maintenance.



## AC Tune-Up Program Rebates Available

An air conditioner needs frequent maintenance to assure a long life and optimum performance. With ERMU's AC Tune-Up Program, electric customers can receive up to a \$75 bill credit toward the cost of a tune-up by an HVAC professional. Benefits of an air conditioner tune-up include:

- **Efficiency.** A tune-up can increase your unit's efficiency by up to 15 percent.
- **Durability.** If your AC unit is working harder than it should be, it can cause excessive wear and tear. Performing any necessary maintenance will help ensure that your system lasts longer.
- **Reduced costs.** Using an air conditioner that is not operating properly will result in higher energy bills. Having to purchase a new unit prematurely because of poor maintenance is also costly.

For program details or to download a rebate application visit our website at [ERMUMN.COM](http://ERMUMN.COM).



## TUNE UP AND SAVE!

There is never a good time to have your AC unit break down, but you really don't want it to happen in the middle of summer! The best way to ensure its optimal performance is an AC tune-up.

With ERMU's AC Tune-Up Program, our electric customers can receive up to a \$75 bill credit for having their central AC unit tuned up by a professional HVAC contractor.



## Benefits of an AC tune-up

- **Efficiency** - A tune-up can increase your air conditioner's efficiency by 15%.
- **Durability** - If your AC unit is working harder than it should be it can cause excessive wear and tear. Performing any necessary maintenance will help to ensure your system lasts longer.
- **Cost** - Using an AC that is not operating properly will cost you more on your energy bills. Additionally, if you have to purchase a new system prematurely it will also cost you.

## How do I apply for a rebate?

- Contact ERMU prior to hiring an HVAC contractor to ensure funds are still available.
- Contact a professional HVAC contractor that is licensed and insured to schedule your tune-up. You will be responsible for paying the HVAC contractor.
- Have the HVAC contractor performing the tune-up complete the AC Tune-Up Checklist. (See back)
- Submit the completed checklist and a copy of the invoice/receipt to ERMU via mail or electronically on our website at [www.ERMUMN.com](http://www.ERMUMN.com).

*NOTE: Applicant must have ERMU electric service to qualify for the rebate. Rebate will be given in the form of a credit on electric utility bill. **AC Tune-Up rebate is only available once every three years per property.***

# DO-IT-YOURSELF ROUTINE MAINTENANCE

There are two areas where a homeowner can easily improve their air conditioners efficiency; the furnace filter and the outdoor condenser.

## AC Furnace Air Filter:

- Replacing your filter every 3 months will help ensure that clean air is circulating and your unit is not being overworked.

## Outdoor Unit (condenser, compressor, fan):

- Be sure to disconnect the power before you clean the condenser.
- After opening the unit, vacuum the condenser fan thoroughly with a soft bristle brush attachment.
- Clean the condenser coils using a garden hose and spray nozzle.
- Clean and straighten cooling fins with a fin comb.

## Air Conditioner Tune-Up Checklist

*\*Customer MUST return completed checklist and a copy of the receipt to ERMU for rebate credit\**

	Assessment	Action
Air Filter Condition:.....	<input type="checkbox"/> good ..... <input type="checkbox"/> dirty.....	<input type="checkbox"/> replaced
Cooling Coil:.....	<input type="checkbox"/> good ..... <input type="checkbox"/> dirty.....	<input type="checkbox"/> cleaned
Condensate Tray/Line:.....	<input type="checkbox"/> good ..... <input type="checkbox"/> partial plug.....	<input type="checkbox"/> cleaned
Refrigerant Pressures:.....	<input type="checkbox"/> good ..... <input type="checkbox"/> low.....	<input type="checkbox"/> added coolant
Outdoor Condenser:.....	<input type="checkbox"/> good ..... <input type="checkbox"/> dirty.....	<input type="checkbox"/> cleaned
Electrical Connections and Controls:	<input type="checkbox"/> programmable <input type="checkbox"/> static.....	<input type="checkbox"/> repairs made
Fan Motor:.....	<input type="checkbox"/> sealed bearing.....	<input type="checkbox"/> oiled
Blower Motor:.....	<input type="checkbox"/> sealed bearing.....	<input type="checkbox"/> oiled
Coolant Type:.....	<input type="checkbox"/> 410A <input type="checkbox"/> R22 <input type="checkbox"/> other	

AC Make and Model #: \_\_\_\_\_

Type:..... ☐ SEER ☐ EER \_\_\_\_ tons

Install Date: \_\_\_\_\_ (If not available, estimate age) \_\_\_\_\_

Recommended Repairs:
----------------------

Contractor: \_\_\_\_\_ Contractor Phone #: \_\_\_\_\_

Technician: \_\_\_\_\_

Were Recommended Repairs Done? ☐ Yes ☐ No ERMU Account #: \_\_\_\_\_

Homeowner Name: \_\_\_\_\_ Homeowner Phone #: \_\_\_\_\_

Address: \_\_\_\_\_



<b>TO:</b> ERMU Commission	<b>FROM:</b> Thomas Geiser – Operations Director
<b>MEETING DATE:</b> May 9, 2023	<b>AGENDA ITEM NUMBER:</b> 6.1e
<b>SUBJECT:</b> Staff Update	
<b>ACTION REQUESTED:</b> None	

**DISCUSSION:**

- Staff have 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 2 of the 12 in for repairs currently. We received the 10 that were fixed.
- Working on a solution to the limited number of pickup trucks available to purchase.
- Working through the process to change from CAD mapping to GIS mapping. The goal is to make the full switch at the beginning of 2024.
- Continuing yearly reviews with staff.
- Staff met with Connexus on April 20, to discuss and tour their solar/battery system.
- Staff met with Buffalo Utilities on April 21, to take a tour of their Minnesota Municipal Power Agency solar field project.
- Staff have been discussing open house plans for the new field service building. The event is scheduled for August 24, 4-8 p.m.
- Crews started installing underground cable the week of April 17.
- The general manager and I attended the American Public Power Association's Engineering & Operations Conference in Pasadena, California, April 30 through May 3.

<b>TO:</b> ERMU Commission	<b>FROM:</b> Chris Sumstad – Electric Superintendent
<b>MEETING DATE:</b> May 9, 2023	<b>AGENDA ITEM NUMBER:</b> 6.1f
<b>SUBJECT:</b> Staff Update	
<b>ACTION REQUESTED:</b> None	

**DISCUSSION:**

- Installed 13 new residential services, which involves the connection of a secondary line once the customer requests service.
- Crews are replacing fault indicators on the system. These have a life span of 15-20 years and serve as a troubleshooting tool during outages to pinpoint locations.
- The bore crew started installing wire in late April. They picked up a few small carry-over jobs from the winter and are currently working on the 500 MCM underground from Station 14 to Highway 10 and Main Street which is part of the new feeder to Otsego.
- Crews are working on maintenance issues discovered during the mapping and equipment checks this winter. These maintenance items involve changing out electric cabinets due to rust or damage from vehicles and changing out electric components that are found to be heating or malfunctioning.
- Joe Schmidt from Minnesota Municipal Utilities Association (MMUA) was here April 4-5 conducting safety training on confined spaces and safe excavating and trenching.
- Matt Schwartz, Alex Paschall, and Jon Wadsworth attended substation school in Brainerd, hosted by MMUA on April 4-6.
- ERMU crews wrapped up tree trimming on April 28.
- The Due North Carwash three phase service was energized in April.
- Dan Plude and Curt Arndt attended inventory training held by National Information Solutions Cooperative in Oronoco, MN, April 18-20.
- Lund Storage Facility on Twin Lakes Road near 171<sup>st</sup> Lane was energized in April.
- Crews are currently working on removing the old McDonald's service and installing a temporary service for construction of the new building. We plan to install the new three phase permanent service in July.
- Eighteen MMUA safety staff members were here on May 2 to train their coordinators on evaluating pole top and bucket rescue. Our staff performed rescues for them to evaluate. We received many compliments on the new field services building.

<b>TO:</b> ERMU Commission	<b>FROM:</b> Mike Tietz –Technical Services Superintendent
<b>MEETING DATE:</b> May 9, 2023	<b>AGENDA ITEM NUMBER:</b> 6.1g
<b>SUBJECT:</b> Staff Update	
<b>ACTION REQUESTED:</b> None	

**DISCUSSION:**

- In April, the locators processed 423 locate tickets. These consisted of 341 normal tickets, 4 emergency tickets, 34 updated tickets, 18 cancellations, 23 meets, 1 non-excavation, and 2 corrections. This resulted in a 57.2% increase in tickets from the previous month and is a 4.7% increase from the prior April.
- Electrical technicians completed 191 service order tasks, updated the power bill, addressed customer meter issues and any off-peak concerns.
- On April 27, staff ran generators #1, #2 & #3 with no issues. Yearly oil samples were taken after the run. No changes or concerns were noted.
- Tony Hubbard attended Minnesota Municipal Utilities Association’s Generation School April 18-20 in Hutchinson/Glencoe, gaining knowledge that will help us with maintaining our generators. He noted that we need to further develop and document our maintenance program for the engines along with several other suggestions.
- The malfunctioning line regulator along Highway 10 east of town has been taken down and sent back to the repair shop for service. Staff hopes for a fast turnaround on this warranty repair so that we can have the regulator bank back online before loads start to increase. Voltage regulators help support downstream voltage by maintaining a constant output that is regulated to stay within a certain bandwidth.
- While checking capacitors on the system, one was found to be closed when it should not have been, leading us to suspect a bad controller. We did some further investigating and found it malfunctioned on February 14. We have been able to reset it and we will continue to monitor it further.

<b>TO:</b> ERMU Commission	<b>FROM:</b> Dave Ninow – Water Superintendent
<b>MEETING DATE:</b> May 9, 2023	<b>AGENDA ITEM NUMBER:</b> 6.1h
<b>SUBJECT:</b> Staff Update	
<b>ACTION REQUESTED:</b> None	

**DISCUSSION:**

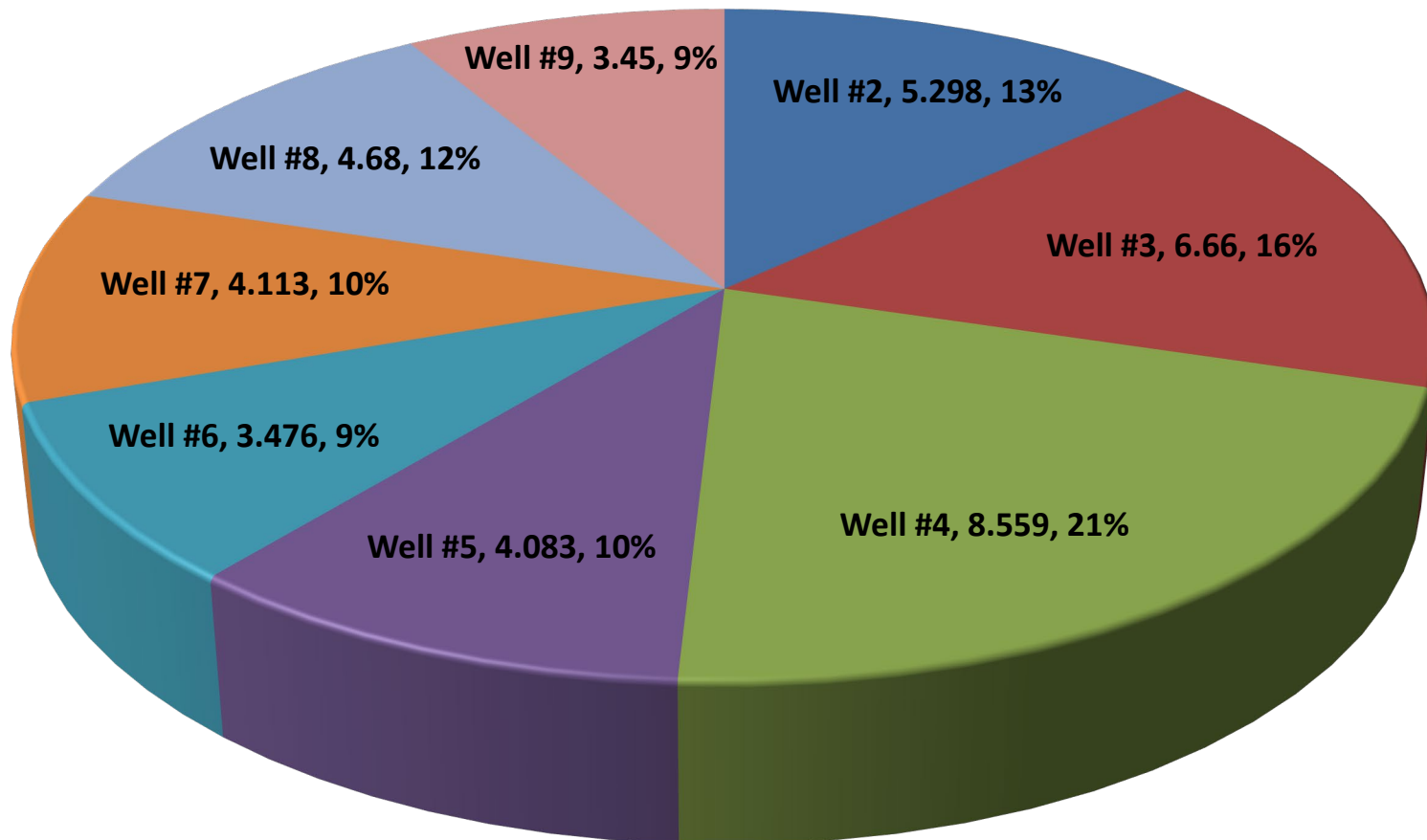
- Delivered 3 new water meters, sealed the meter, installed an encoder receiver transmitter, and took curb stop ties.
- Completed 15 BACTI/Total Chlorine Residual Samples
  - All confirmed negative for coliform bacteria
  - Bacteriological/Disinfectant Residual Monthly Report submitted to the Minnesota Department of Health (MDH)
- Completed 20 routine fluoride samples
  - All samples met the MDH standards
  - Submitted the MDH Fluoride Report
- Submitted Discharge Monitoring Report (DMR) for the Water Treatment Plants to the Minnesota Pollution Control Agency (MPCA).
- Submitted DMR for the Diesel Generation Plant to the MPCA.
- On April 10 gates at the Lake Orono Dam were opened for the first time this season to maintain the lake level. Within days all three gates were open to compensate for the incoming water flow from the snow melt and precipitation. The flow peaked at 3,420 cubic feet per second. Water department staff continue to check the lake level at the dam and adjust the gates accordingly.
- Water Operator Sam France has submitted his resignation, he is leaving in good standing with ERMU. His last day will be May 12. A job posting has been made to fill the vacant position.
- Water main relocation work has started along Highway 169 at Jackson Avenue and Elk Hills Drive for the Highway 169 Redefine project.
- Staff have been working with the contractor selected in preparation for the School View neighborhood water main rehabilitation project.
- Installation of new water main for the Villas at Filmore development has started. Staff have been working with the contractor on connections to the existing municipal water system.

- We will be flushing hydrants May 8-16. Customers have been notified and a map with the zones and flushing schedule has been added to our website.

**ATTACHMENTS:**

- April 2023 Pumping by Well

## April 2023 Monthly Pumping By Well



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

<b>TO:</b> ERMU Commission	<b>FROM:</b> Chris Kerzman – Engineering Manager
<b>MEETING DATE:</b> May 9, 2023	<b>AGENDA ITEM NUMBER:</b> 6.1i
<b>SUBJECT:</b> Staff Update	
<b>ACTION REQUESTED:</b> None	

**DISCUSSION:**

- The Information Security Committee will hold a meeting on May 9, prior to the commission meeting. Staff expects to provide a verbal update at the commission meeting.
- The final amount submitted for the Infrastructure Investment and Jobs Act Grid Resilience and Innovation Partnerships grant was \$1,179,592. We expect to hear back if our projects were awarded during the fourth quarter of this year.
- We have been receiving a few calls from commercial solar installers on our policies. I have spent a bit of time getting up to speed on the regulations and attended a distributed energy resources summit hosted by Star Energy Services on May 3 that was very helpful to understanding the application and interconnection process.
- Staff continues to work with DGR Engineering to assemble a bid package for the transformer supply and delivery to replace the Otsego substation transformer. Staff anticipates awarding bids at the July regular commission meeting.

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