

AGENDA

1.0 GOVERNANCE

- 1.1 Call Meeting to Order
- 1.2 Pledge of Allegiance
- 1.3 Consider the Agenda
- 1.4 Recognition of Employee Longevity
 - Curt Wark, 8 years
 - Jessica Hibbard, 8 years
 - Theresa Olek, 8 years
 - Jeremy Lindberg, 8 years
 - Dave Ninow, 8 years

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

- 2.1 Check Register – May 2023
- 2.2 Regular Meeting Minutes – May 9, 2023
- 2.3 Summary of General Manager Performance Evaluation
- 2.4 Compensation Report
- 2.5 Advanced Metering Infrastructure System Master Agreement – Core & Main

3.0 OPEN FORUM (Non-agenda items for discussion. No action. **Presenters must adhere to a time limit of 3 minutes.**)

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

- 4.1 Commission Policy Review – G.1f – Organizational Fundamentals
- 4.2 Employee Handbook Annual Updates

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

- 5.1 Financial Report – April 2023
- 5.2 Field Services Facility Expansion Project
- 5.3 Field Services Facility Open House Update

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

- 6.1 Staff Updates
- 6.2 City Council Update
- 6.3 Future Planning (Announce the next regular meeting, special meeting, or planned quorum.)
 - a. Regular Commission Meeting – July 11, 2023
 - b. 2023 Governance Agenda
- 6.4 Other Business (Items added during agenda approval.)

7.0 ADJOURN REGULAR MEETING

TO: ERMU Commission	FROM: Mark Hanson – General Manager
MEETING DATE: June 13, 2023	AGENDA ITEM NUMBER: 1.4
SUBJECT: Recognition of Employee Longevity	
ACTION REQUESTED: Recognize Curt Wark, Jessica Hibbard, Theresa Olek, Jeremy Lindberg, and Dave Ninow for each of their 8 years of service and award corresponding Longevity Bonus paychecks.	

BACKGROUND:

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

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

DISCUSSION:

Lead Lineworker Curt Wark, Customer Service Representative Jessica Hibbard, Customer Service Representative Theresa Olek, Bore Rig Operator Jeremy Lindberg, and Water Superintendent Dave Ninow have each earned the 8-year longevity pay benefit. We recognize their contributions to the success of ERMU through their service.

CHECK REGISTER

May 2023

APPROVED BY:

Paul Bell

John Dietz

Mary Stewart

Matt Westgaard

Nick Zerwas

06/02/2023 11:01:20 am

Page: 1

Payroll/Labor

Check Register Totals

05/12/2023 To 05/12/2023

<u>Pays</u>	<u>Job</u>	<u>Amount</u>	<u>Hours</u>
Gross Pay			
2 Reg Hourly		111,630.72	2,671.25
20 Reg Salary		40,566.84	658.50
3 Overtime		805.81	10.75
4 Double Time		0.00	0.00
5 On-Call/Stand-by		2,693.94	56.00
24 FLSA		90.80	0.00
25 Rest Time		0.00	0.00
10 Bonus Pay		941.34	17.25
18 Commissioner Reimb - Electric		600.00	0.00
104 Commission Stipend		60.00	0.00
105 Perf. Metr. Distr.		0.00	0.00
VAC Vacation Pay		14,807.56	301.83
SICK Sick Pay		3,336.70	72.75
HOL Holiday Pay		0.00	0.00
78 Retro Earnings		0.00	0.00
5-2 On-Call/Stand-by/OT		894.00	11.50
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		1,190.80	24.00
3C Overtime-Comp Time		649.02	10.75
4C Double Time-Comp Time		0.00	0.00
CM3C Overtime-Comp Time Adjusted		-649.02	-10.75
CM4C Double Time-Comp Time Adjusted		0.00	0.00
COMP Comp Time Taken		389.68	8.00
106 Longevity Pay		0.00	0.00
MIL Military Pay - Calendar Year		2,076.24	24.00
10W Bonus Pay		0.00	0.00
Gross Pay Total:		<u>180,249.43</u>	<u>3,855.83</u>
Total Pays:		180,249.43	3,855.83

06/02/2023 11:02:05 am

Page: 1

Payroll/Labor

Check Register Totals

05/26/2023 To 05/26/2023

<u>Pays</u>	<u>Job</u>	<u>Amount</u>	<u>Hours</u>
Gross Pay			
2	Reg Hourly	110,495.85	2,653.12
20	Reg Salary	41,279.22	664.50
3	Overtime	923.09	14.00
4	Double Time	0.00	0.00
5	On-Call/Stand-by	2,555.84	56.00
24	FLSA	66.05	0.00
25	Rest Time	226.40	4.50
10	Bonus Pay	0.00	0.00
18	Commissioner Reimb - Electric	0.00	0.00
104	Commission Stipend	60.00	0.00
105	Perf. Metr. Distr.	0.00	0.00
VAC	Vacation Pay	7,336.82	146.25
SICK	Sick Pay	4,391.47	97.75
HOL	Holiday Pay	0.00	0.00
78	Retro Earnings	0.00	0.00
5-2	On-Call/Stand-by/OT	624.66	8.25
18A	Commissioner Reimb. - Water	0.00	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	938.48	16.00
3C	Overtime-Comp Time	1,661.93	25.00
4C	Double Time-Comp Time	0.00	0.00
CM3C	Overtime-Comp Time Adjusted	-1,661.93	-25.00
CM4C	Double Time-Comp Time Adjusted	0.00	0.00
COMP	Comp Time Taken	1,309.27	31.64
106	Longevity Pay	0.00	0.00
MIL	Military Pay - Calendar Year	0.00	0.00
10W	Bonus Pay	0.00	0.00
Gross Pay Total:		<u>170,222.15</u>	<u>3,692.01</u>
Total Pays:		<u>170,222.15</u>	<u>3,692.01</u>

06/02/2023 11:00:23 AM

Accounts Payable Check Register

Page 1

05/01/2023 To 05/31/2023

Bank Account: 1 - GENERAL FUND

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
2345 5/4/23	WIRE	5655	FIRST DATA	CC FEES - APRIL 2023	598.55
				CC FEES - APRIL 2023	149.64
				CC FEES - APRIL 2023	1,521.96
				CC FEES - APRIL 2023	380.49
				CC FEES - APRIL 2023	822.77
				CC FEES - APRIL 2023	205.69
				CC FEES - APRIL 2023	14.76
				CC FEES - APRIL 2023	3.69
				CC FEES - APRIL 2023	583.23
				CC FEES - APRIL 2023	145.81
				CC FEES - APRIL 2023	3,558.54
				CC FEES - APRIL 2023	889.64
Total for Check/Tran - 2345:					8,874.77
2346 5/5/23	WIRE	5631	AMERICAN EXPRESS	ACH FEES - APRIL 2023	167.20
				ACH FEES - APRIL 2023	41.80
Total for Check/Tran - 2346:					209.00
Total for Bank Account - 1 :					(2) 9,083.77

06/02/2023 11:00:23 AM

Accounts Payable Check Register

Page 2

05/01/2023 To 05/31/2023

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
3925 5/1/23	WIRE	153	PERA (ELECTRONIC)	PERA EMPLOYEE CONTRIBUTION	9,368.36
				PERA CONTRIBUTIONS	10,809.63
				PERA EMPLOYEE CONTRIBUTION	1,751.88
				PERA CONTRIBUTIONS	2,021.40
Total for Check/Tran - 3925:					23,951.27
3926 5/1/23	WIRE	160	HCSP (ELECTRONIC)	HCSP EMPLOYEE CONTRIBUTIONS	1,995.43
				HCSP EMPLOYEE CONTRIBUTIONS	281.33
Total for Check/Tran - 3926:					2,276.76
3927 5/1/23	WIRE	161	MNDP (ELECTRONIC)	MNDP EE MANAGER CONTRIBUTIONS	273.72
				MNDP EMPLOYEE CONTRIBUTIONS	3,873.49
				MNDP EMPLOYER CONTRIBUTION	3,011.98
				MNDP EMPLOYER MGR CONTRIBUTION	461.45
				MNDP EE ROTH CONTRIBUTIONS	883.49
				MNDP EE ROTH MGR CONTRIBUTIONS	187.73
				MNDP EE MANAGER CONTRIBUTIONS	38.50
				MNDP EMPLOYEE CONTRIBUTIONS	600.78
				MNDP EMPLOYER CONTRIBUTION	705.23
				MNDP EMPLOYER MGR CONTRIBUTION	63.33
				MNDP EE ROTH CONTRIBUTIONS	184.45
				MNDP EE ROTH MGR CONTRIBUTIONS	24.83
Total for Check/Tran - 3927:					10,308.98
3928 5/1/23	WIRE	285	JOHN HANCOCK	W&A EMPLOYER CONTRIBUTION	1,063.05
				W&A MANAGER CONTRIBUTION	450.43
				WENZEL EE ROTH MGR CONTRIBUTIONS	126.54
				WENZEL EMPLOYEE CONTRIBUTIONS	1,653.35
				WENZEL MANAGER CONTRIBUTIONS	323.89
				DEF COMP ROTH CONTRIBUTIONS W&A	776.87
				W&A EMPLOYER CONTRIBUTION	231.95
				W&A MANAGER CONTRIBUTION	34.55
				WENZEL EMPLOYEE CONTRIBUTIONS	62.66

06/02/2023 11:00:23 AM

Accounts Payable Check Register

Page 3

05/01/2023 To 05/31/2023

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				WENZEL MANAGER CONTRIBUTIONS	34.55
				DEF COMP ROTH CONTRIBUTIONS W&A	169.29
				Total for Check/Tran - 3928:	4,927.13
3929 5/1/23	WIRE	598	MINNESOTA CHILD SUPPORT PAYMEN	CHILD SUPPORT/LEVY	562.52
3930 5/3/23	WIRE	152	IRS - USA TAX PMT (ELECTRONIC)	PAYROLL TAXES - FEDERAL & FICA	13,875.61
				PAYROLL TAXES - FEDERAL & FICA	20,675.44
				PAYROLL TAXES - FEDERAL & FICA	2,015.65
				PAYROLL TAXES - FEDERAL & FICA	3,828.34
				Total for Check/Tran - 3930:	40,395.04
3931 5/3/23	WIRE	7463	FURTHER	FSA CLAIM REIMBURSEMENTS - 164 172	361.86
				FSA CLAIM REIMBURSEMENTS - 164 172	90.46
				Total for Check/Tran - 3931:	452.32
3932 5/2/23	WIRE	7463	FURTHER	HSA EMPLOYEE CONTRIBUTION	2,620.98
				HSA EMPLOYEE CONTRIBUTION	383.19
				Total for Check/Tran - 3932:	3,004.17
3934 5/4/23	WIRE	154	MINNESOTA REVENUE (ELECTRONIC)	PAYROLL TAXES - STATE	6,219.78
				PAYROLL TAXES - STATE	1,032.41
				Total for Check/Tran - 3934:	7,252.19
3935 5/8/23	WIRE	166	ONLINE UTILITY EXCHANGE (ELECTR	UTILITY EXCHANGE REPORT - APRIL 2023	242.16
				UTILITY EXCHANGE REPORT - APRIL 2023	60.54
				Total for Check/Tran - 3935:	302.70
3936 5/10/23	WIRE	7463	FURTHER	FSA CLAIM REIMBURSEMENTS - 172	189.68
				FSA CLAIM REIMBURSEMENTS - 172	47.42
				Total for Check/Tran - 3936:	237.10
3940 5/16/23	WIRE	153	PERA (ELECTRONIC)	PERA EMPLOYEE CONTRIBUTION	9,290.07
				PERA CONTRIBUTIONS	10,719.27
				PERA EMPLOYEE CONTRIBUTION	1,782.24
				PERA CONTRIBUTIONS	2,056.44

06/02/2023 11:00:23 AM

Accounts Payable Check Register

Page 4

05/01/2023 To 05/31/2023

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
Total for Check/Tran - 3940:					23,848.02
3941 5/16/23	WIRE	160	HCSP (ELECTRONIC)	HCSP EMPLOYEE CONTRIBUTIONS	2,001.16
				HCSP EMPLOYEE CONTRIBUTIONS	287.77
Total for Check/Tran - 3941:					2,288.93
3942 5/16/23	WIRE	160	HCSP (ELECTRONIC)	HCSP CONTRIBUTIONS	15,740.89
3943 5/16/23	WIRE	161	MNDP (ELECTRONIC)	MNDP EE MANAGER CONTRIBUTIONS	273.72
				MNDP EMPLOYEE CONTRIBUTIONS	3,852.00
				MNDP EMPLOYER CONTRIBUTION	2,950.55
				MNDP EMPLOYER MGR CONTRIBUTION	461.52
				MNDP EE ROTH CONTRIBUTIONS	883.55
				MNDP EE ROTH MGR CONTRIBUTIONS	187.80
				MNDP EE MANAGER CONTRIBUTIONS	38.50
				MNDP EMPLOYEE CONTRIBUTIONS	622.27
				MNDP EMPLOYER CONTRIBUTION	716.66
				MNDP EMPLOYER MGR CONTRIBUTION	63.26
				MNDP EE ROTH CONTRIBUTIONS	184.39
				MNDP EE ROTH MGR CONTRIBUTIONS	24.76
Total for Check/Tran - 3943:					10,258.98
3944 5/16/23	WIRE	285	JOHN HANCOCK	W&A EMPLOYER CONTRIBUTION	1,063.11
				W&A MANAGER CONTRIBUTION	450.43
				WENZEL EE ROTH MGR CONTRIBUTIONS	126.54
				WENZEL EMPLOYEE CONTRIBUTIONS	1,578.34
				WENZEL MANAGER CONTRIBUTIONS	323.89
				DEF COMP ROTH CONTRIBUTIONS W&A	776.93
				W&A EMPLOYER CONTRIBUTION	231.89
				W&A MANAGER CONTRIBUTION	34.55
				WENZEL EMPLOYEE CONTRIBUTIONS	62.66
				WENZEL MANAGER CONTRIBUTIONS	34.55
				DEF COMP ROTH CONTRIBUTIONS W&A	169.23

06/02/2023 11:00:23 AM

Accounts Payable Check Register

Page 5

05/01/2023 To 05/31/2023

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
Total for Check/Tran - 3944:					4,852.12
3945 5/16/23	WIRE	598	MINNESOTA CHILD SUPPORT PAYMEN	CHILD SUPPORT/LEVY	562.52
3946 5/17/23	WIRE	7463	FURTHER	FSA CLAIM REIMBURSEMENTS - 164	153.86
				FSA CLAIM REIMBURSEMENTS - 164	38.46
Total for Check/Tran - 3946:					192.32
3947 5/17/23	WIRE	152	IRS - USA TAX PMT (ELECTRONIC)	PAYROLL TAXES - FEDERAL & FICA	1,997.92
				PAYROLL TAXES - FEDERAL & FICA	1,389.46
				PAYROLL TAXES - FEDERAL & FICA	13,745.45
				PAYROLL TAXES - FEDERAL & FICA	20,593.84
				PAYROLL TAXES - FEDERAL & FICA	2,049.42
				PAYROLL TAXES - FEDERAL & FICA	3,917.68
Total for Check/Tran - 3947:					43,693.77
3949 5/18/23	WIRE	7463	FURTHER	HSA EMPLOYEE CONTRIBUTION	2,611.22
				HSA EMPLOYEE CONTRIBUTION	392.95
Total for Check/Tran - 3949:					3,004.17
3950 5/18/23	WIRE	154	MINNESOTA REVENUE (ELECTRONIC)	PAYROLL TAXES - STATE	6,163.83
				PAYROLL TAXES - STATE	1,047.92
				PAYROLL TAXES - STATE	567.59
Total for Check/Tran - 3950:					7,779.34
3951 5/15/23	WIRE	9654	CARDMEMBER SERVICE	BUSINESS & TRAVEL EXPENSES	21,349.08
				BUSINESS & TRAVEL EXPENSES	928.80
Total for Check/Tran - 3951:					22,277.88
3952 5/22/23	WIRE	174	MINNESOTA REVENUE SALES TX (ELE	SALES AND USE TAX - APRIL 2023	166,176.35
				SALES AND USE TAX - APRIL 2023	-1.51
				SALES AND USE TAX - APRIL 2023	2,176.16
Total for Check/Tran - 3952:					168,351.00
3953 5/23/23	WIRE	7463	FURTHER	ADMINISTRATIVE FEE INVOICE - MAY 2023	130.40
				ADMINISTRATIVE FEE INVOICE - MAY 2023	30.10

06/02/2023 11:00:23 AM

Accounts Payable Check Register

Page 6

05/01/2023 To 05/31/2023

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
Total for Check/Tran - 3953:					160.50
3957 5/24/23	WIRE	7463	FURTHER	FSA CLAIM REIMBURSEMENTS - 147 164 172	658.21
				FSA CLAIM REIMBURSEMENTS - 147 164 172	164.55
Total for Check/Tran - 3957:					822.76
3958 5/23/23	WIRE	3936	WORLD VISION	World Vision Contributions	34.80
				World Vision Contributions	5.20
Total for Check/Tran - 3958:					40.00
3959 5/26/23	WIRE	153	PERA (ELECTRONIC)	PERA EMPLOYEE CONTRIBUTION	9,182.56
				PERA CONTRIBUTIONS	10,595.23
				PERA EMPLOYEE CONTRIBUTION	1,784.97
				PERA CONTRIBUTIONS	2,059.59
Total for Check/Tran - 3959:					23,622.35
3960 5/30/23	WIRE	160	HCSP (ELECTRONIC)	HCSP EMPLOYEE CONTRIBUTIONS	1,944.81
				HCSP EMPLOYEE CONTRIBUTIONS	297.52
Total for Check/Tran - 3960:					2,242.33
3961 5/30/23	WIRE	161	MNDCP (ELECTRONIC)	MNDCP EE MANAGER CONTRIBUTIONS	273.72
				MNDCP EMPLOYEE CONTRIBUTIONS	3,707.81
				MNDCP EMPLOYER CONTRIBUTION	2,332.03
				MNDCP EMPLOYER MGR CONTRIBUTION	461.42
				MNDCP EE ROTH CONTRIBUTIONS	883.47
				MNDCP EE ROTH MGR CONTRIBUTIONS	187.70
				MNDCP EE MANAGER CONTRIBUTIONS	38.50
				MNDCP EMPLOYEE CONTRIBUTIONS	664.46
				MNDCP EMPLOYER CONTRIBUTION	348.18
				MNDCP EMPLOYER MGR CONTRIBUTION	63.36
				MNDCP EE ROTH CONTRIBUTIONS	184.47
				MNDCP EE ROTH MGR CONTRIBUTIONS	24.86
Total for Check/Tran - 3961:					9,169.98

06/02/2023 11:00:23 AM

Accounts Payable Check Register

Page 7

05/01/2023 To 05/31/2023

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
3962 5/30/23	WIRE	285	JOHN HANCOCK	W&A EMPLOYER CONTRIBUTION	1,023.11
				W&A MANAGER CONTRIBUTION	450.43
				WENZEL EE ROTH MGR CONTRIBUTIONS	126.54
				WENZEL EMPLOYEE CONTRIBUTIONS	1,727.03
				WENZEL MANAGER CONTRIBUTIONS	323.89
				DEF COMP ROTH CONTRIBUTIONS W&A	776.93
				W&A EMPLOYER CONTRIBUTION	221.89
				W&A MANAGER CONTRIBUTION	34.55
				WENZEL EMPLOYEE CONTRIBUTIONS	62.66
				WENZEL MANAGER CONTRIBUTIONS	34.55
				DEF COMP ROTH CONTRIBUTIONS W&A	169.23
Total for Check/Tran - 3962:					4,950.81
3963 5/30/23	WIRE	598	MINNESOTA CHILD SUPPORT PAYMEN	CHILD SUPPORT/LEVY	562.52
3964 5/30/23	WIRE	7463	FURTHER	HSA EMPLOYEE CONTRIBUTION	2,605.78
				HSA EMPLOYEE CONTRIBUTION	398.39
Total for Check/Tran - 3964:					3,004.17
3965 5/31/23	WIRE	152	IRS - USA TAX PMT (ELECTRONIC)	PAYROLL TAXES - FEDERAL & FICA	13,541.28
				PAYROLL TAXES - FEDERAL & FICA	20,489.60
				PAYROLL TAXES - FEDERAL & FICA	2,074.49
				PAYROLL TAXES - FEDERAL & FICA	3,899.28
Total for Check/Tran - 3965:					40,004.65
18196 5/4/23	DD	5452	ANTHONY MAUREN	AESP CONF TAXI - 164	103.82
18248 5/12/23	DD	618	PARKER THEISEN	LMC CONF MILEAGE & PARKING - 172	34.51
				LMC CONF MILEAGE & PARKING - 172	8.63
Total for Check/Tran - 18248:					43.14
18249 5/18/23	DD	5452	ANTHONY MAUREN	CLERKS CONF MILEAGE - 164	38.26
				CLERKS CONF MILEAGE - 164	9.56
Total for Check/Tran - 18249:					47.82

06/02/2023 11:00:23 AM

Accounts Payable Check Register

Page 8

05/01/2023 To 05/31/2023

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
18250 5/23/23	DD	9	BORDER STATES ELECTRIC SUPPLY	CLOSE OUT CREDIT	-35.42
				CLOSE OUT PO	35.42
Total for Check/Tran - 18250:					0.00
18251 5/23/23	DD	4984	ANGELA HAUGE	ESRI USERS GROUP TRAVEL - 63	280.49
85698 5/4/23	CHK	2512	AMARIL UNIFORM COMPANY	Employee Clothing - 19	-197.80
				EMPLOYEE CLOTHING - 19	194.24
				EMPLOYEE CLOTHING - 111	302.75
Total for Check/Tran - 85698:					299.19
85699 5/4/23	CHK	4531	AT & T MOBILITY	CELL PHONES & iPad BILLING	49.67
				CELL PHONES & iPad BILLING	3,084.53
				CELL PHONES & iPad BILLING	571.26
Total for Check/Tran - 85699:					3,705.46
85700 5/4/23	CHK	9997	BRENDA BIERBRAUER	Credit Balance Refund	57.39
85701 5/4/23	CHK	554	TERRY L BOVEE	WELLHEAD PROTECTION PLAN	6,750.00
85702 5/4/23	CHK	9997	KRISTINE CALVA	Credit Balance Refund	65.43
85703 5/4/23	CHK	9997	CTW GROUP INC	Credit Balance Refund	62.20
85704 5/4/23	CHK	25	ECM PUBLISHERS INC	WATER SEASONAL WORKED AD	252.40
85705 5/4/23	CHK	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 2 - INV GRP 413 -	36.58
				CYCLE 3 - INV GRP 414 - MARCH 2023	147.50
				CYCLE 3 - INV GRP 414 - MARCH 2023	812.72
				CYCLE 3 - INV GRP 395 - MARCH 2023	9,737.52
Total for Check/Tran - 85705:					10,734.32
85706 5/4/23	CHK	80	GRAINGER	FILTER ELEMENT PAPER	56.16
85707 5/4/23	CHK	53	GREAT RIVER ENERGY	TEST BATTERY BANK	508.50
85708 5/4/23	CHK	308	HASSAN SAND & GRAVEL	TOPSOIL	63.86

06/02/2023 11:00:23 AM

Accounts Payable Check Register

Page 9

05/01/2023 To 05/31/2023

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				Discount	-1.19
				Total for Check/Tran - 85708:	62.67
85709 5/4/23	CHK	5381	INSIGHT PUBLIC SECTOR	Batteries	257.11
				Batteries	64.28
				Total for Check/Tran - 85709:	321.39
85710 5/4/23	CHK	8083	JT SERVICES OF MINNESOTA	Hand Hole - Cap	550.03
85711 5/4/23	CHK	7826	KENNEDY & GRAVEN, CHARTERED	LEGAL SERVICES - MARCH 2023	729.23
				LEGAL SERVICES - MARCH 2023	104.17
				Total for Check/Tran - 85711:	833.40
85712 5/4/23	CHK	8605	MARCO TECHNOLOGIES, LLC	OFFICE 365 - 3/25 to 4/24/23	819.23
				OFFICE 365 - 3/25 to 4/24/23	208.75
				Cloud License	4,360.85
				Cloud License	622.98
				Total for Check/Tran - 85712:	6,011.81
85713 5/4/23	CHK	9997	JOSE MARTINEZ	Credit Balance Refund	45.47
85714 5/4/23	CHK	9997	MARY T INC	Credit Balance Refund	75.95
85715 5/4/23	CHK	145	MENARDS	CLEANING SUPPLIES	37.13
				CLEANING SUPPLIES	5.31
				Total for Check/Tran - 85715:	42.44
85716 5/4/23	CHK	330	METRO SALES, INC	COPIER MTC CONTRACT - 3/21 to 4/20/23	192.75
				COPIER MTC CONTRACT - 3/21 to 4/20/23	48.19
				Total for Check/Tran - 85716:	240.94
85717 5/4/23	CHK	120	NAPA AUTO PARTS	WIPERS - UNIT #31	33.76
85718 5/4/23	CHK	9997	JORDAN PRATT	Credit Balance Refund	113.61
85719 5/4/23	CHK	811	PRIME ADVERTISING & DESIGN, INC.	MONTHLY HOSTING OF WEBSITE	40.00
				MONTHLY HOSTING OF WEBSITE	40.00

06/02/2023 11:00:23 AM

Accounts Payable Check Register

Page 10

05/01/2023 To 05/31/2023

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				MONTHLY HOSTING OF WEBSITE	20.00
				Agreement	1,440.00
				Total for Check/Tran - 85719:	1,540.00
85720 5/4/23	CHK	3218	RDO EQUIPMENT CO.	REPAIRS - UNIT #53	796.40
				PARTS FOR UNIT #56	1,470.00
				Total for Check/Tran - 85720:	2,266.40
85721 5/4/23	CHK	9997	CAROLYN REHLING	Credit Balance Refund	14.21
85722 5/4/23	CHK	5214	SAFETY SIGNS LLC	A FRAME LEGS	-8.68
				Road Work Signs	937.10
				Total for Check/Tran - 85722:	928.42
85723 5/4/23	CHK	650	SMART DEPLOY	subscriptions	670.56
				subscriptions	167.64
				Total for Check/Tran - 85723:	838.20
85724 5/4/23	CHK	9997	BETTY STEFANICK	Credit Balance Refund	39.98
85725 5/4/23	CHK	6107	STUART C. IRBY CO.	GLOVE TESTING	1,094.26
85726 5/4/23	CHK	331	TRANSUNION	SKIP TRACING - MARCH 2023	60.00
				SKIP TRACING - MARCH 2023	15.00
				Total for Check/Tran - 85726:	75.00
85727 5/4/23	CHK	222	UC LABORATORY	WATER SAMPLES	16.17
85728 5/4/23	CHK	135	WATER LABORATORIES INC	WATER SAMPLING - APRIL 2023	270.00
85729 5/4/23	CHK	1074	WINDSTREAM	OFFICE TELEPHONE	203.85
				OFFICE TELEPHONE	34.95
				OFFICE TELEPHONE	52.42
				Total for Check/Tran - 85729:	291.22
85730 5/4/23	CHK	9997	WINDSTREAM ACCTS PAYABLE	Credit Balance Refund	231.31
85731 5/12/23	CHK	102	ABDO LLP	2022 AUDIT SERVICES	3,840.00

06/02/2023 11:00:23 AM

Accounts Payable Check Register

Page 11

05/01/2023 To 05/31/2023

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				2022 AUDIT SERVICES	960.00
				2022 AUDIT SERVICES	960.00
				2022 AUDIT SERVICES	786.00
				Total for Check/Tran - 85731:	6,546.00
85732 5/12/23	CHK	1327	AUTOMATIC SYSTEMS CO	WELL #2 DRAWDOWN	555.00
85733 5/12/23	CHK	2920	BATTERIES PLUS BULBS	BATTERIES	83.63
				BATTERIES	4.40
				Total for Check/Tran - 85733:	88.03
85734 5/12/23	CHK	9997	RYAN BEAM	Credit Balance Refund	40.05
85735 5/12/23	CHK	5224	BLUE CROSS BLUE SHIELD OF MINNES	MEDICAL EE INSURANCE - JUNE 2023	8,803.40
				MEDICAL ER INSURANCE - JUNE 2023	50,763.85
				VISION INSURANCE - JUNE 2023	343.09
				MEDICAL EE INSURANCE - JUNE 2023	2,453.60
				MEDICAL ER INSURANCE - JUNE 2023	13,506.80
				VISION INSURANCE - JUNE 2023	106.71
				Total for Check/Tran - 85735:	75,977.45
85736 5/12/23	CHK	9	BORDER STATES ELECTRIC SUPPLY	Mtce of OH Primary	712.50
				C Clamp Ground	123.21
				Total for Check/Tran - 85736:	835.71
85737 5/12/23	CHK	28	CINTAS	MATS & TOWELS	185.14
				MATS & TOWELS	26.45
				Total for Check/Tran - 85737:	211.59
85738 5/12/23	CHK	11	CITY OF ELK RIVER	TRASH BILLED - APRIL 2023	160,185.21
85739 5/12/23	CHK	25	ECM PUBLISHERS INC	CLEAN ENERGY CHOICE AD	310.00
				SEASONAL WATER WORKER AD	232.40
				Total for Check/Tran - 85739:	542.40
85740 5/12/23	CHK	3667	ELFERING & ASSOCIATES	WATER MODELING	140.00

06/02/2023 11:00:23 AM

Accounts Payable Check Register

Page 12

05/01/2023 To 05/31/2023

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				PROFESSIONAL SERVICES - MARCH 2023	770.00
				Total for Check/Tran - 85740:	910.00
85741 5/12/23	CHK	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 4 - INV GRP 415 - APRIL 2023	150.00
				CYCLE 4 - INV GRP 415 - APRIL 2023	1,358.92
				CYCLE 4 - INV GRP 396 - APRIL 2023	266.40
				Total for Check/Tran - 85741:	1,775.32
85742 5/12/23	CHK	122	ELK RIVER WINLECTRIC	SHALLOW STRUT - INVENTORY SHELIVING	-7.56
				Misc Distribution Exp	103.50
				ROLLER PIPE - REEL RACKING	-9.42
				Misc Distribution Exp	129.02
				CONDUIT - HOT STICK CARRIER TUBE	94.90
				Total for Check/Tran - 85742:	310.44
85743 5/12/23	CHK	655	ENERGY MANAGEMENT SOLUTIONS, I	FURNITURE & THINGS ENERGY AUDIT	29,289.34
85744 5/12/23	CHK	671	FASTENAL COMPANY	Blue Locate Paint	122.49
85745 5/12/23	CHK	404	GARAGE DOOR STORE	GARAGE DOOR REPAIR	225.31
				GARAGE DOOR REPAIR	32.19
				Total for Check/Tran - 85745:	257.50
85746 5/12/23	CHK	5550	GEARED UP APPAREL	EMPLOYEE CLOTHING - 150	29.96
				EMPLOYEE CLOTHING - 150	7.49
				Total for Check/Tran - 85746:	37.45
85747 5/12/23	CHK	5091	GREAT PLAINS INSTITUTE	2023 DRIVE ELECTRIC MN MEMBERSHIP	500.00
85748 5/12/23	CHK	308	HASSAN SAND & GRAVEL	PULVERIZED TOPSOIL	63.86
				Discount	-1.19
				Total for Check/Tran - 85748:	62.67
85749 5/12/23	CHK	5341	HUBBARD ELECTRIC	GUTTER MELT	6,970.50
85750 5/12/23	CHK	5670	HVACREDU.NET	Website Support	375.00

06/02/2023 11:00:23 AM

Accounts Payable Check Register

Page 13

05/01/2023 To 05/31/2023

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
85751 5/12/23	CHK	5686	HYDROCORP	BACKFLOW DEVICE INSPECTION - APR 2023	1,123.00
85752 5/12/23	CHK	9997	LENNAR HOMES	Credit Balance Refund	97.51
85753 5/12/23	CHK	9997	LENNAR HOMES	Credit Balance Refund	133.02
85754 5/12/23	CHK	9997	LENNAR HOMES	Credit Balance Refund	116.67
85755 5/12/23	CHK	8605	MARCO TECHNOLOGIES, LLC	CAMERAS - FIELD SERVICES BLDG	101.85
			Camera		12,907.71
			Corner Bracket		496.69
			Pendant Cap		157.23
			Wall Bracket		310.92
			CAMERAS - FIELD SERVICES BLDG		14.58
			Camera		1,843.94
			Corner Bracket		70.93
			Pendant Cap		22.44
			Wall Bracket		44.43
Total for Check/Tran - 85755:					15,970.72
85756 5/12/23	CHK	119	MINNESOTA COMPUTER SYSTEMS INC	COPIER MTC CONTRACT - 4/12 to 5/11/23	122.92
				COPIER MTC CONTRACT - 4/12 to 5/11/23	30.72
Total for Check/Tran - 85756:					153.64
85757 5/12/23	CHK	1001	MINNESOTA MUNICIPAL POWER AGEN	Purchased Power - April 2023	1,563,950.58
				Purchased Power - April 2023	446,222.37
Total for Check/Tran - 85757:					2,010,172.95
85758 5/12/23	CHK	279	MPCA	Dues & Subscriptions	257.39
85759 5/12/23	CHK	9997	NOBERG HOMES, INC	Credit Balance Refund	168.99
85760 5/12/23	CHK	574	REPUBLIC SERVICES, INC	TRASH & RECYCLING - APRIL 2023	1,082.82
				TRASH & RECYCLING - APRIL 2023	270.70
				TRASH & RECYCLING - APRIL 2023	253.67
				TRASH & RECYCLING - APRIL 2023	40.04

06/02/2023 11:00:23 AM

Accounts Payable Check Register

Page 14

05/01/2023 To 05/31/2023

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				TRASH & RECYCLING - APRIL 2023	10.00
				Total for Check/Tran - 85760:	1,657.23
85761 5/12/23	CHK	9997	TH CONSTRUCTION OF ANOKA INC	Credit Balance Refund	151.34
85762 5/12/23	CHK	4532	TRACTOR SUPPLY CREDIT PLAN	TRACTOR SUPPLY	1.28
				TRACTOR SUPPLY	102.46
				Total for Check/Tran - 85762:	103.74
85763 5/12/23	CHK	610	WRIGHT HENNEPIN COOPERATIVE ELE	SECURITY - 1435 MAIN	29.71
				SECURITY - 1435 MAIN	4.24
				Total for Check/Tran - 85763:	33.95
85764 5/18/23	CHK	9997	JEFFREY BARRETT	INACTIVE REFUND	61.42
85765 5/18/23	CHK	9997	FAYE BRITTAN	INACTIVE REFUND	31.95
85766 5/18/23	CHK	654	BULLFROG IND	PAINT ELECTRICAL CABINET	2,000.00
85767 5/18/23	CHK	8843	CAMPBELL KNUTSON	LEGAL SERVICES - APRIL 2023	640.00
				LEGAL SERVICES - APRIL 2023	160.00
				Total for Check/Tran - 85767:	800.00
85768 5/18/23	CHK	11	CITY OF ELK RIVER	SEWER BILLED - APRIL 2023	191,714.33
				STORMWATER BILLED - APRIL 2023	53,050.21
				REVENUE TRANSFER - APRIL 2023	114,366.18
				Total for Check/Tran - 85768:	359,130.72
85769 5/18/23	CHK	54	CORE & MAIN LP	MISC PARTS & SUPPLIES	276.56
85770 5/18/23	CHK	7448	CRC	CUSTOMER SERVICE FOR AFTER HOURS	2,264.42
				CUSTOMER SERVICE FOR AFTER HOURS	566.11
				Total for Check/Tran - 85770:	2,830.53
85771 5/18/23	CHK	9997	EDGARDO DELARA	INACTIVE REFUND	312.19
85772 5/18/23	CHK	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 1 - INV GRP 421 - APRIL 2023	5,186.31
				CYCLE 1 - INV GRP 325 - APRIL 2023	1,367.25

06/02/2023 11:00:23 AM

Accounts Payable Check Register

Page 15

05/01/2023 To 05/31/2023

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				CYCLE 1 - INV GRP 101 - APRIL 2023	3,038.42
				CYCLE 1 - INV GRP 101 - APRIL 2023	67.17
				CYCLE 1 - INV GRP 101 - APRIL 2023	785.73
				CYCLE 1 - INV GRP 101 - APRIL 2023	483.02
				CYCLE 1 - INV GRP 101 - APRIL 2023	196.43
				CYCLE 1 - INV GRP 325 - APRIL 2023	375.00
				CYCLE 1 - INV GRP 325 - APRIL 2023	15,435.18
				Total for Check/Tran - 85772:	26,934.51
85773 5/18/23	CHK	24	ELK RIVER PRINTING & VENTURE PRO	CHECK ENDORSEMENT STAMP	27.36
				CHECK ENDORSEMENT STAMP	6.84
				Total for Check/Tran - 85773:	34.20
85774 5/18/23	CHK	671	FASTENAL COMPANY	BIN STOCK	50.63
				SEALS FOR FAULT INDICATOR LIGHTS	13.22
				Total for Check/Tran - 85774:	63.85
85775 5/18/23	CHK	6204	GEMINI GROUP LLC	Water Report	3,159.00
85776 5/18/23	CHK	91	GOPHER STATE ONE-CALL	LOCATES FOR - APRIL 2023	516.85
				LOCATES FOR - APRIL 2023	27.20
				Total for Check/Tran - 85776:	544.05
85777 5/18/23	CHK	9997	KURT HANLIN	INACTIVE REFUND	296.75
85778 5/18/23	CHK	9997	JOE KELLY	INACTIVE REFUND	117.31
85779 5/18/23	CHK	9997	SARAH LAMBRES	INACTIVE REFUND	134.84
85780 5/18/23	CHK	444	LANO EQUIPMENT, INC	STUMP GRINDER BOBCAT	535.63
				GRINDER BOBCAT RENTAL RETURN	-281.21
				Total for Check/Tran - 85780:	254.42
85781 5/18/23	CHK	48	LEAGUE OF MN CITIES INS TRUST	WORK COMP AUDIT - 10/21 to 10/22	5,640.25
				WORK COMP AUDIT - 10/21 to 10/22	1,741.75
				Total for Check/Tran - 85781:	7,382.00

06/02/2023 11:00:23 AM

Accounts Payable Check Register

Page 16

05/01/2023 To 05/31/2023

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
85782 5/18/23	CHK	9997	RALPH LLOYD	INACTIVE REFUND	50.40
85783 5/18/23	CHK	417	LOCATORS & SUPPLIES INC.	ORANGE NITRILE GLOVES	52.80
				ORANGE NITRILE GLOVES	13.20
Total for Check/Tran - 85783:					66.00
85784 5/18/23	CHK	8605	MARCO TECHNOLOGIES, LLC	PRINTER MTC CONTRACT - 5/1 to 6/1/23	308.09
				PRINTER MTC CONTRACT - 5/1 to 6/1/23	77.02
Total for Check/Tran - 85784:					385.11
85785 5/18/23	CHK	188	MARTIES FARM SERVICE INC	GRASS SEED	177.99
				GOPHER BAIT	63.53
Total for Check/Tran - 85785:					241.52
85786 5/18/23	CHK	145	MENARDS	REBATE	-6.70
				REBATE	-0.28
				MISC PARTS & SUPPLIES	13.24
				MISC PARTS & SUPPLIES	17.23
Total for Check/Tran - 85786:					23.49
85787 5/18/23	CHK	9997	JIM MIESBAUER	INACTIVE REFUND	147.48
85788 5/18/23	CHK	573	NCPERS MINNESOTA	EXTRA LIFE INSURANCE - JUNE 2023	192.00
				EXTRA LIFE INSURANCE - JUNE 2023	16.00
Total for Check/Tran - 85788:					208.00
85789 5/18/23	CHK	9300	NISC	PRINT SERVICES - APRIL 2023	7,027.73
				PRINT SERVICES - APRIL 2023	914.62
				PRINT SERVICES - APRIL 2023	1,756.94
				AGREEMENTS INVOICE - APRIL 2023	53.94
				AGREEMENTS INVOICE - APRIL 2023	10,854.83
				AGREEMENTS INVOICE - APRIL 2023	2,425.23
				MISC INVOICE - APRIL 2023	866.98
				MISC INVOICE - APRIL 2023	48.33
				MISC INVOICE - APRIL 2023	166.74

06/02/2023 11:00:23 AM

Accounts Payable Check Register

Page 17

05/01/2023 To 05/31/2023

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				MISC INVOICE - APRIL 2023	12.08
				Total for Check/Tran - 85789:	24,127.42
85790 5/18/23	CHK	3769	O'REILLY AUTOMOTIVE STORES, INC	PLUG	10.78
85791 5/18/23	CHK	5056	PLAISTED COMPANIES, INC.	FILL SAND	38.60
85792 5/18/23	CHK	9997	LISA POLISZUK	INACTIVE REFUND	56.98
85793 5/18/23	CHK	8897	RALPHIE'S MINNOCO	RALPHIE'S MINNOCO	62.26
85794 5/18/23	CHK	9997	GLEN SIRAKAVIT	INACTIVE REFUND	131.75
85795 5/18/23	CHK	6107	STUART C. IRBY CO.	Mtce of OH Primary CUTOUT BRACKET	333.06 348.00
				Total for Check/Tran - 85795:	681.06
85796 5/18/23	CHK	3360	THE UPS STORE 5093	SHIPPING - ENGINE OIL SAMPLES	21.09
85797 5/18/23	CHK	8948	TRYCO LEASING INC.	LEASE FOR COPIER AT PLANT LEASE FOR COPIER AT PLANT	85.49 21.37
				Total for Check/Tran - 85797:	106.86
85798 5/18/23	CHK	55	WESCO RECEIVABLES CORP.	SWITCHGEAR	162,042.00
85799 5/18/23	CHK	9997	TOU XIONG	INACTIVE REFUND	386.06
85800 5/23/23	CHK	652	AMES CONTRUCTION	Booster Station	28,178.96
85801 5/23/23	CHK	28	CINTAS	MATS & TOWELS MATS & TOWELS	234.73 33.54
				Total for Check/Tran - 85801:	268.27
85802 5/23/23	CHK	54	CORE & MAIN LP	BUTT FUSION MACHINE	241.60
85803 5/23/23	CHK	25	ECM PUBLISHERS INC	CLEAN ENERGY MAY CAMPAIGN WATER OPERATOR AD	411.08 273.35
				Total for Check/Tran - 85803:	684.43

06/02/2023 11:00:23 AM

Accounts Payable Check Register

Page 18

05/01/2023 To 05/31/2023

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
85804 5/23/23	CHK	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 2 - ACCT 41038 - APRIL 2023	104.22
				CYCLE 2 - ACCT 41038 - APRIL 2023	5.49
				CYCLE 2 - INV GRP 413 - APRIL 2023	50.00
				CYCLE 2 - INV GRP 413 - APRIL 2023	256.97
Total for Check/Tran - 85804:					416.68
85805 5/23/23	CHK	572	EVERSPRING INN AND SUITES-MARSH	UNDERGROUND SCHOOL HOTEL - 169	298.71
				UNDERGROUND SCHOOL HOTEL - 171	298.71
Total for Check/Tran - 85805:					597.42
85806 5/23/23	CHK	671	FASTENAL COMPANY	FAULT INDICATOR PLUGS	24.00
				MISC PARTS & SUPPLIES	24.90
Total for Check/Tran - 85806:					48.90
85807 5/23/23	CHK	8247	FERGUSON WATERWORKS #2516	HYDRANT PAINT & PARTS	1,578.15
				HYDRANT PAINT & PARTS	-115.20
				Oil	216.74
				Red Paint	592.98
				Yellow Paint	99.89
Total for Check/Tran - 85807:					2,372.56
85808 5/23/23	CHK	5550	GEARED UP APPAREL	EE RECOGNITION - 172	16.00
				EE RECOGNITION - 172	4.00
Total for Check/Tran - 85808:					20.00
85809 5/23/23	CHK	80	GRAINGER	FUSES	-14.94
				FUSES	204.64
Total for Check/Tran - 85809:					189.70
85810 5/23/23	CHK	308	HASSAN SAND & GRAVEL	PULVERIZED TOPSOIL - BIN STOCK	127.72
				Discount	-2.37
Total for Check/Tran - 85810:					125.35
85811 5/23/23	CHK	809	HAWKINS, INC.	Water Chemicals	6,089.03
85812 5/23/23	CHK	5341	HUBBARD ELECTRIC	conduit	4,518.54

06/02/2023 11:00:23 AM

Accounts Payable Check Register

Page 19

05/01/2023 To 05/31/2023

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
85813 5/23/23	CHK	6836	INNOVATIVE OFFICE SOLUTIONS LLC	OFFICE SUPPLIES	45.04
				OFFICE SUPPLIES	11.26
				OFFICE SUPPLIES	15.98
				OFFICE SUPPLIES	4.00
Total for Check/Tran - 85813:					76.28
85814 5/23/23	CHK	8083	JT SERVICES OF MINNESOTA	LED LIGHTS	11,240.58
85815 5/23/23	CHK	5537	LATHROP GPM LLP	LEGAL SERVICES - APRIL 2023	320.00
				LEGAL SERVICES - APRIL 2023	80.00
Total for Check/Tran - 85815:					400.00
85816 5/23/23	CHK	8605	MARCO TECHNOLOGIES, LLC	OFFICE 365 - 4/25 to 5/24/23	818.82
				OFFICE 365 - 4/25 to 5/24/23	208.65
Total for Check/Tran - 85816:					1,027.47
85817 5/23/23	CHK	145	MENARDS	ALUMINUM SCOOP	46.38
85818 5/23/23	CHK	7445	MINNESOTA UNEMPLOYMENT INSURA	UNEMPLOYMENT BENEFITS 2020 to 2022 - 179	6,366.64
				UNEMPLOYMENT BENEFITS 2020 to 2022 - 127	8,572.50
				UNEMPLOYMENT BENEFITS 2020 to 2022 - 170	2,079.00
Total for Check/Tran - 85818:					17,018.14
85819 5/23/23	CHK	633	MUTUAL OF OMAHA	ELEC LIFE - JUNE 2023	292.16
				LIFE, STD & LTD INSURANCE - JUNE 2023	2,398.88
				ELEC LIFE - JUNE 2023	143.64
				LIFE, STD & LTD INSURANCE - JUNE 2023	459.79
Total for Check/Tran - 85819:					3,294.47
85820 5/23/23	CHK	120	NAPA AUTO PARTS	Transportation Exp	24.30
				Transportation Exp	13.89
				OIL FILTER - UNIT #53	32.32
Total for Check/Tran - 85820:					70.51
85821 5/23/23	CHK	3218	RDO EQUIPMENT CO.	PARTS FOR UNIT #56	301.50

06/02/2023 11:00:23 AM

Accounts Payable Check Register

Page 20

05/01/2023 To 05/31/2023

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
85822 5/23/23	CHK	632	RJ SOLUTIONS, INC	CIP - LIGHTING RETROFIT	1,800.00
85823 5/23/23	CHK	159	SHORT ELLIOTT HENDRICKSON INC	PROFESSIONAL SERVICES - APRIL 2023	322.12
85824 5/23/23	CHK	6107	STUART C. IRBY CO.	COLD SHRINK SPLICE Transformer	927.73
					23,970.00
Total for Check/Tran - 85824:					24,897.73
Total for Bank Account - 5 :					(165) 3,533,133.23
Grand Total :					(167) 3,542,217.00

06/02/2023

11:00:23 AM

Accounts Payable Check Register

Page 21

PARAMETERS ENTERED:**Check Date:** 05/01/2023 To 05/31/2023**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**

May 9, 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
Jenny Foss, Communications & Administrative Coordinator
Parker Theisen, IT/OT Technician

Others Present: Cal Portner, City Administrator; Jared Shepherd, Attorney; Natalie Murphy, Tom Bovitz Scholarship winner, Dave Murphy, Becky Murphy

1.0 GOVERNANCE

1.1 Call Meeting to Order

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

1.2 Pledge of Allegiance

The Pledge of Allegiance was recited.

1.3 Consider the Agenda

Mr. Hanson informed the Commission of changes to the agenda based on the recommendation of ERMU's attorney, Mr. Shepard. Mr. Hanson noted the changes were procedural in nature and did not impact the content of the original agenda.

Item 7.0 ADJOURN REGULAR MEETING was changed to 7.0 CLOSED MEETING - Annual General Manager Performance Evaluation. Item 8.0 ADJOURN REGULAR MEETING was added.

Moved by Commissioner Westgaard and seconded by Commissioner Bell to approve the revised May 9, 2023, agenda. Motion carried 5-0

1.4 **Recognition of Tom Bovitz Memorial Scholarship Award Winner**

Ms. Foss introduced Natalie Murphy, student at Elk River High School and the local winner of the Tom Bovitz Memorial Scholarship. Ms. Foss shared that Ms. Murphy's essay had also been forwarded to Minnesota Municipal Utilities Association (MMUA) judges for a chance to win an additional award through their statewide contest.

Ms. Murphy read her essay *The Importance of Municipal Utilities* for the Commission.

There was a round of applause, Chair Dietz presented Ms. Murphy with a certificate, and a photo was taken with the Commission members.

Ms. Murphy plans to attend Embry-Riddle Aeronautical University in the fall.

1.5 **Certificate of Excellence in Reliability 2022**

Mr. Tietz informed the Commission that ERMU was one of 221 public power utilities recently honored with a Certificate of Excellence in Reliability from the American Public Power Association (APPA). Data was collected from 524 public power utilities via the eReliability Tracker. The tracker performs several calculations with one in particular marking System Average Interruption Duration Index (SAIDI) which measures the average outage time per customer on the system. For 2022, ERMU's SAIDI was only 13.29 minutes which was 127 minutes shorter than the national average.

Mr. Tietz acknowledged the hard work and commitment from ERMU staff to provide reliable electric service throughout 2022. He stated this national recognition is a testament to the exceptional service and value we provide every day.

Moved by Commissioner Zerwas and seconded by Commissioner Stewart to receive the APPA Certificate of Excellence in Reliability. Motion carried 5-0

1.6 **American Public Power Association RP3 Designation**

Mr. Tietz informed the Commission that once again ERMU received national recognition from APPA for being a Reliable Public Power Provider (RP3). ERMU was one of 37 utilities who received a platinum designation this year, which will last until April 30, 2026.

Mr. Tietz recognized ERMU staff for their dedication to safety, workforce development, and continuous system improvement.

Commissioner Stewart expressed her appreciation for all of the time and effort it takes Mr. Tietz to collect and submit all of the necessary data to be considered for this recognition.

Commissioner Stewart asked if Advanced Metering Infrastructure will help save time in data collection for future applications. Mr. Tietz replied that he doesn't think it will.

Mr. Tietz noted an area of improvement needed from ERMU leading up to the next application is the development of a disaster recovery manual.

Chair Dietz expressed his gratitude for the hard work by staff and asked if there will be communication of ERMU's accomplishment. Ms. Foss confirmed there are communication plans in place.

Moved by Commissioner Westgaard and seconded by Commissioner Stewart to receive the APPA RP3 Designation. Motion carried 5-0

2.0 CONSENT AGENDA (Approved By One Motion)

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

- 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**

Motion carried 5-0.

3.0 OPEN FORUM

No one appeared for open forum.

4.0 POLICY & COMPLIANCE

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

Ms. Foss presented the Commission Policy Review on behalf of Mr. Mauren who was unable to attend the commission meeting.

Commission Policy – G.1e states that the Commission adopts the policy as an expectation of organizational operational behavior, and commits to govern in a manner consistent with the following organizational values: Integrity, Quality, Communication, Safety, Competitive

The Commission did not have any comments, questions, or recommended updates to the policy.

5.0 BUSINESS ACTION

5.1 Financial Report – March 2023

Ms. Karpinski stated both electric and water are doing well overall. Electric is ahead of prior YTD and favorable to budget YTD. Water is behind prior YTD due to fewer Water Access Connection (WAC) fees but favorable to budget YTD.

Chair Dietz checked his understanding that electric sales were up and purchased power was down from prior year. Ms. Karpinski confirmed this to be correct.

Chair Dietz requested clarification of the current status of the Power Cost Adjustment (PCA). Ms. Karpinski explained the Energy Adjustment Clause (EAC) passed on from the power provider is less when compared to last year and the PCA revenue from customers is higher than prior year to account for 2022 accruals. Ms. Karpinski added that at the end of April, ERMU will no longer have an accrual remaining from 2022. Starting in May ERMU's EAC and PCA pass-through will match more closely to current month activity.

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

5.2 2023 First Quarter Delinquent Items

Ms. Karpinski presented first quarter delinquent items noting they are consistent with prior years. Write Offs are slightly higher but not concerning and continue to be better than comparable utilities.

Ms. Karpinski acknowledged the great work of ERMU's customer service team to keep delinquent amounts low.

Chair Dietz asked for clarification regarding which tool is most effective to avoid Write Offs.

Ms. Karpinski replied that Revenue Recapture (RR) and Assessments are the best tools for collecting delinquent items.

Commissioner Zerwas asked if there was knowledge of the State of Minnesota no longer allowing the utilities to use RR.

Ms. Youngs replied there has been no discussion of this with state contacts.

Moved by Commissioner Bell and seconded by Commissioner Zerwas to approve the 2023 first quarter delinquent items submitted. Motion carried 5-0.

5.3 **Customer Satisfaction Survey**

Ms. Youngs presented the first quarter Customer Satisfaction Survey Report on behalf of Mr. Mauren who was unable to attend the commission meeting. She stated that ERMU's net promoter score went from excellent in 2022 to good in the first quarter of 2023. Based on customer comments, it is the opinion of our consultant that pressure from inflation and the difficulties with trash service are contributing factors in the change to our net promoter score. Ms. Youngs noted that based on the customer comments there is confusion regarding trash service and ERMU's role as their billing and customer service provider.

Ms. Youngs reported an additional finding from the survey that customers are unaware or unable to find our rebate program information. Ms. Youngs assured the Commission there is a Conservation Improvement Plan communications strategy for 2023 to boost rebate program participation.

Commissioner Bell addressed customer comments reflecting unfriendly staff and asked if it was possible to record calls to customer service.

Ms. Youngs replied that ERMU has the capability to record calls but does not plan to at this time. She stated the contact tracking procedures in place are effective and she will continue to monitor customer interactions with the customer service team.

Commissioner Stewart affirmed many customer comments were based on confusion regarding trash and the role of the utility versus the City for this service. She recognized that the overall survey score shows ERMU to be in good status.

Moved by Commissioner Westgaard and seconded by Commissioner Stewart to receive the Customer Satisfaction Survey Report – Q1 – 2023. Motion carried 5-0.

5.4 **2022 Consumer Confidence Report**

Mr. Ninow presented the 2022 Water Quality Report (WQR), also known as the Consumer Confidence Report. This annual report is required for community water suppliers and must be published by July each year. Information in the report includes where ERMU drinking water comes from, testing results, and protection measures.

Chair Dietz asked if customers call asking questions about the data in the report. Mr. Ninow replied that they don't call specifically about the report, but often about water quality, at which point they are referred to the WQR.

Moved by Commissioner Westgaard and seconded by Commissioner Bell to receive and file the 2022 Consumer Confidence Report. Motion carried 5-0.

5.5 Field Services Facility Expansion Project Change Order

Mr. Kerzman reported that RJM Construction's project manager for the field services building project is no longer with the company and the project executive is stepping in to finish the remainder of the work.

Mr. Kerzman added that RJM has provided ERMU with project costs they believe have gone above the contractual guaranteed maximum price. ERMU has requested documentation from RJM to review and discuss these costs at an in-person meeting scheduled for May 22. Commissioners will receive a status update on these claims at the June commission meeting.

Mr. Kerzman reported site work should be completed by the end of the month followed by irrigation and repairs to the west side of the building.

Chair Dietz asked for an update regarding interior concrete work repairs. Mr. Kerzman reported all repairs have been made to areas of concern and that staff continues to work with RJM on a credit.

Commissioner Bell asked if test results indicating concrete deficiency were verified upon removal for repair. Mr. Kerzman stated they were.

Mr. Kerzman presented the Change Order for stormwater revisions due to unforeseen contaminated soil found at the south portion of the site, totaling \$84,142.18.

Commissioner Westgaard asked what money was available to cover the cost. Staff replied that they are still working through resolutions for contingencies and allowances and will provide an update at the June commission meeting. There was discussion.

Moved by Commissioner Bell and seconded by Commissioner Zerwas to authorize approval of Change Order no. 7. Motion carried 5-0.

6.0 BUSINESS DISCUSSION

6.1 Staff Updates

Mr. Hanson added his appreciation to the Commission for the opportunity to attend APPA's Engineering & Operations Conference in Pasadena, CA to receive the RP3 Platinum Designation Award in person.

Mr. Tietz added that the Advanced Metering Infrastructure (AMI) contract was signed, and he is awaiting a fully executed contract before scheduling an AMI kick-off meeting.

Mr. Kerzman stated the Information Security Committee met to discuss the implementation of multi-factor authentication, a recent cyber incident with the new phone provider by which ERMU was not affected, and a proposed recompletion of a network risk assessment.

Chair Dietz asked if the field services building open house event date is scheduled. Ms. Foss confirmed the event is scheduled for Thursday, August 24 from 4-8 p.m.

6.2 **Future Planning**

Chair Dietz announced the following:

- a. Regular Commission Meeting – June 13, 2023
- b. 2023 Governance Agenda

6.3 **Other Business**

Mr. Westgaard reported that during recent City Council meetings there was a public hearing for a local towing company, concept review of a revised development plan for the northwest territory, and a volunteer recognition from the mayor.

Commissioner Bell informed the Commission he would not be able to attend the June commission meeting.

7.0 **CLOSED MEETING – Annual General Manager Performance Evaluation**

Moved by Commissioner Zerwas to close the meeting pursuant to Minn. Stat. § 13D.05, subd. 3(a) for the performance evaluation of Mark Hanson, ERMU General Manager, and seconded by Commissioner Westgaard to close the regular meeting of the Elk River Municipal Utilities Commission at 4:15 p.m. Motion carried 5-0.

The Commission evaluated the performance of General Manager Mark Hanson. The Commission reached consensus to add the general manager's compensation report, which lists options for Mr. Hanson's pay step increase, to the June regular commission meeting agenda.

Moved by Commissioner Westgaard and seconded by Commissioner Zerwas to close the closed meeting of the Elk River Municipal Utilities Commission at 5:07 p.m. Motion carried 5-0.

8.0 ADJOURN REGULAR MEETING

Moved by Commissioner Bell and seconded by Commissioner Stewart to adjourn the regular meeting of the Elk River Municipal Utilities Commission at 5:30 p.m. Motion carried 5-0.

Minutes prepared by Jenny Foss.

John J. Dietz, ERMU Commission Chair

Tina Allard, City Clerk

TO: ERMU Commission	FROM: Tony Mauren – Governance & Communications Manager
MEETING DATE: June 13, 2023	AGENDA ITEM NUMBER: 2.3
SUBJECT: Summary of General Manager Performance Evaluation	
ACTION REQUESTED: Chair Dietz to provide a summary of the General Manager’s performance evaluation	

BACKGROUND:

On May 9, 2023, a closed meeting of the utilities commission was held to evaluate the performance of General Manager Mark Hanson. State statute requires that the Commission shall then summarize its conclusions from the evaluation.

DISCUSSION:

Summary from Chair Dietz:

*Commissioners present: John Dietz, Matt Westgaard, Paul Bell, Mary Stewart, Nick Zerwas
Also present: ERMU General Manager Mark Hanson*

The Commission conducted an annual performance review of General Manager (GM) Mark Hanson on Tuesday, May 9, 2023. The commissioners, ERMU managers, and city administrator answered a series of questions rating Mark in several categories. There was also room for comments in each section of the document.

Commissioner Zerwas did not participate in the evaluation. He just joined the Commission in March and felt it was not fair for him to try to rate the GM after only one month in office.

Mark met expectations in every category, many times exceeding the standard expectation. He rated especially high in all categories with the management staff. Commission Chair Dietz said his scores were lower with the commissioners because of the short time that he has worked as the GM.

The Commission was very impressed at how quickly Mark seemed to have won over the management and field staff. He has shown a willingness to listen to his employees and learn from them. It was noted how fast Mark, who was an outside hire, has gained everyone's trust.

Overall, the Commission was extremely pleased with Mark's performance to date and feels he is doing an excellent job. He is still learning about the electric side of the business, but he is quickly picking up what he needs to know to effectively manage that area.

*John Dietz
Commission Chair*

TO: ERMU Commission	FROM: Megan Zachman – HR Generalist
MEETING DATE: June 13, 2023	AGENDA ITEM NUMBER: 2.4
SUBJECT: Compensation Report	
ACTION REQUESTED: Approve the 2023 compensation increase for General Manager.	

BACKGROUND:

As part of ERMU's 5-Step pay plan, employees who have met the expectations of their position in the preceding year are eligible for a Step increase on their work-anniversary.

DISCUSSION:

Mark Hanson, General Manager, was hired on July 18, 2022, at a pay rate that was between Steps 3 and 4 of the position's pay range. After discussion with the Commission (following Mr. Hanson's performance review), it was recommended that Mr. Hanson receive a pay increase equal to one (1) full Step. In doing this, Mr. Hanson's salary will increase by \$3.41 per hour. The following calculations detail how the Step increase was determined:

- Difference between Step 3 and Step 4 = \$3.40
- Difference between Step 4 and Step 5 = \$3.42
- Average = \$3.41
- The value of a full step = \$3.41
- The hourly rate increases by \$3.41 per hour.

FINANCIAL IMPACT:

Step pay increases are included in the normal budgeting process; there is no financial impact.

TO: ERMU Commission	FROM: Mike Tietz –Technical Services Superintendent
MEETING DATE: June 13, 2023	AGENDA ITEM NUMBER: 2.5
SUBJECT: Advanced Metering Infrastructure System Master Agreement – Core & Main	
ACTION REQUESTED: Review the fully executed AMI System Master Agreement	

BACKGROUND/DISCUSSION:

At the March 14, 2023, ERMU commission meeting, the commissioners approved the Advanced Metering Infrastructure (AMI) System Master Agreement between Elk River Municipal Utilities and Core & Main, LP, subject to commission attorney approval as per Commission Policy G.4i4.

On April 24, 2023, staff received attorney approval of the contract language and moved forward with the signing of the AMI System Master Agreement. The agreement was fully executed on May 15, 2023, between ERMU and Core & Main, LP and is attached for your review.

ATTACHMENT:

- AMI System Master Agreement – Executed Contract



AMI System Master Agreement

For entire AMI System

Between

Elk River Municipal Utilities
And AMI System Supplier

Table of Contents

1.	Recitals.....	3
2.	Definitions.....	3
3.	Rules of Construction.....	6
4.	Scope of this Agreement.....	7
5.	Term.....	7
6.	Agreement Price.....	8
7.	Invoice and Payment.....	8
8.	Equipment Forecasts.....	9
9.	Purchase Orders	9
10.	Amendments and Change Orders.....	10
11.	Deployment Plan.....	11
12.	Coverage Commitment	11
13.	Meter or Module Replacement for Non-Associating Meters.....	12
14.	Catastrophic Meter or Module Failure	12
15.	Meter Disconnection or Reconnection Failure.....	13
16.	Tests and Inspections	13
17.	Right to Use AMI System Not Yet Accepted	14
18.	Right to Use Accepted AMI System	15
19.	AMI System Life Expectancy	15
20.	Time is of the Essence.....	15
21.	Liquidated Damages and Remedies	15
22.	Distributor Representations.....	16
23.	Warranty.....	17
24.	Licenses.....	18
25.	Independent Contractor	18
26.	Subcontractors	19
27.	Insurance	19
28.	Indemnification	20
29.	Limitation of Liability.....	21
30.	Safety and Compliance with Codes and Other Laws	21
31.	Site, Supervision, and Safety.....	22
32.	Termination	22
33.	Confidential and Proprietary Information.....	23
34.	No Implied Waiver.....	24
35.	Notice	24
36.	Miscellaneous Requirements.....	25
37.	Site, Supervision, and Safety.....	26
38.	Force Majeure	27
39.	Severability.....	27
40.	Survival	28
41.	Assignment.....	28
42.	Governing Law and Venue	28
43.	Publicity	28
44.	Entire Agreement	28
45.	Execution in Counterparts.....	29

Attachment I: FlexNet Hardware Maintenance Job Aid

Attachment II: AMI Requirements

Attachment III: Pricing

Attachment IV: Proposed Project Plan

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

Attachment VI: Propagation Study

Attachment VII: Sample Reports (Purposely omitted from MSA)

Attachment VIII: Maintenance and Support Agreements

Attachment IX: Software License Agreement

Attachment X: Warranties

Appendix A: Distributor's Oral Presentation

AMI System Master Agreement

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

1. Recitals

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

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

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

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

2. Definitions

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

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

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

not been adversely affected by a failure or insufficiency of the back haul telecommunications network of Customer for communications among the components of the Sensus FlexNet System; and (x) it has been installed in compliance with the procedures and specifications approved by Customer and Sensus.

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

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

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

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

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

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

“**Coverage Commitment Term**” means when full deployment of the base stations and meters shown in the Certified Propagation Study are installed and have established communication with the AMI System if and only to the extent ERMU maintains the system in accordance with Manufacturer recommendations set forth in the FlexNet Hardware Maintenance Job Aid attached hereto as Attachment I, for the time period specified in the Manufacturer’s warranty attached hereto as Attachment X.

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

“**Distributor**” means Core & Main LP.

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

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

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

“**Final System Acceptance**” means that ERMU has at the completion of Phase II Full Delivery, accepted the Work provided by Distributor after Distributor and ERMU, in cooperation with the Manufacturer (defined below), have performed a FSAT with results satisfactory to ERMU as measured against the System Acceptance Test criteria set forth in Attachment V.

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

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

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

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

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

“**Manufacturer**” means Sensus USA, Inc.

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

“**Module**” means a device used to connect to the AMI System that ERMU purchases from Distributor.

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

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

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

“Router” means Network Equipment which ERMU purchases from Distributor that provides intermediate communication and data processing between Endpoints and Collectors. Routers may also communicate with other Routers.

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

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

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

“Software” means computer applications and programs in any form that ERMU licenses from the Manufacturer to implement and use the AMI System as contemplated by this Agreement.

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

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

3. Rules of Construction.

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

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

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

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

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

4. Scope of this Agreement

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

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

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

5. Term

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

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

6. Agreement Price

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

Table 1: Milestone Payment Schedule

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

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

7. Invoice and Payment

Invoices

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

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

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

Retainage

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

Taxes

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

8. Equipment Forecasts

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

9. Purchase Orders

Purchase Orders

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

Order Lead Times

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

Cancelling or Modifying a Purchase Order

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

prior to delivery, such purchase order may be subject to reasonable cancellation charges. Notwithstanding the foregoing, cancellation charges do not apply to purchase order items regarding Software or Services.

Transportation and Risk of Loss

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

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

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

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

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

10. Amendments and Change Orders

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

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

Change Order Procedure. Either Party may request a change in the scope of the Work, Agreement price, or schedule by providing a written change order request to the other Party in advance. When a written change order is received, the receiving Party shall respond to the request within ten (10) business days either accepting or denying the requested change. If no response is made within the required time, the change order request will be deemed denied.

If the terms of a change order are agreed to, the requesting Party shall provide an executed copy to the other Party for signature. The Party accepting the request shall sign and return the signed change order to the requesting Party.

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

11. Deployment Plan

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

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

Phase II shall include:

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

12. Coverage Commitment

Distributor shall satisfy the Coverage Commitment for the duration of the Coverage Commitment Term only if and to the extent ERMU maintains the AMI System in a manner

consistent with Manufacturer recommendations. In the event the Coverage Commitment is not met, the costs of additional base station(s) will be the responsibility of Distributor.

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

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

13. Meter or Module Replacement for Non-Associating Meters

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

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

Distributor will examine the Non-Associating Meter and report the cause ("defect") of Meter or Module failure to ERMU once the cause has been identified. If the diagnosis leads Distributor or ERMU to suspect other Meters or Modules may have the same defect, Distributor will identify the appropriate serial numbers. Distributor will then dispatch technicians to ERMU offices to identify and provide replacements for defective Meters or Modules and ship them to the appropriate location for repair or further inspection at no cost to ERMU pursuant to the Sensus Return Material Authorization process. Distributor shall remedy the defect under the terms of the Manufacturer's warranty.

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

14. Catastrophic Meter or Module Failure

If during the AMI System Warranty Period a catastrophic failure of the Meters or Modules provided by the Distributor occurs, correction will be pursued as set forth in the Catastrophic Electric Meter Warranty or Catastrophic Water Meter Warranty attached hereto in Attachment X.

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

15. Meter Disconnection or Reconnection Failure

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

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

16. Tests and Inspections

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

ISAT. The Distributor and ERMU, in cooperation with the Manufacturer, will complete an ISAT to validate the completion of Phase I Initial Deployment of the AMI System by Distributor, in accordance with the Specifications identified in the appendices to this Agreement, including Distributor's proposal and the Functional Testing and System Acceptance Testing Criteria set forth in the attached Attachment V. ISAT shall be completed within six (6) months of the completion of Phase I unless the ISAT needs to be extended due to Distributor side delays or a Force Majeure Event.

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

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

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

FSAT. Distributor and ERMU, in cooperation with the Manufacturer, will complete a FSAT after the completion of Phase II Full Delivery of AMI System by Distributor, in accordance with the Specifications identified in the appendices to this Agreement, including Distributor's Proposal and the Functional Testing and System Acceptance Testing Criteria set forth in the attached Attachment V. The FSAT shall be performed at the completion of Phase II Full

Delivery or thirty-six (36) months from the start of Phase II Full Delivery, whichever is shorter unless the FSAT needs to be extended due to Distributor side delays or a Force Majeure Event.

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

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

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

For all failed tests, Distributor and ERMU will agree:

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

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

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

17. Right to Use AMI System Not Yet Accepted

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

18. Right to Use Accepted AMI System

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

19. AMI System Life Expectancy

Distributor represents and warrants that it is the intention of the Manufacturer of the AMI System and Equipment, that the AMI System and Equipment purchased by Distributor directly from Sensus for the purpose of the Elk River AMI project will be backwards compatible and supported for the 15-year Life Expectancy of the AMI System. Distributor shall request that Sensus make available for purchase by ERMU compatible current generation spare parts for all Equipment ordered under this Agreement directly from Sensus. Software maintenance and support are included as long as Elk River continues to make SaaS payments. The Software as a Service and Spectrum Lease Agreement to be executed between ERMU and Manufacturer sets forth the 15-year term during which Manufacturer will provide SaaS services if ERMU continues to pay the continuing SaaS fees.

20. Time is of the Essence

Time is of the essence and shall remain a material element of this Agreement, and no acts of ERMU, including modifications to this Agreement or acceptance of late deliveries, shall constitute waiver of this provision. Distributor shall promptly notify ERMU in writing of any actual or potential delays to the performance of this Agreement; such notice shall include a proposed revision to the agreed upon schedule but shall not constitute a waiver to ERMU's rights and remedies hereunder. Notwithstanding the foregoing or anything contained herein to the contrary, Distributor will use commercially reasonable efforts to deliver Equipment ordered within the time specified in the Agreement. Distributor reserves the right to extend those delivery times based on Manufacturer lead times as impacted events beyond the control of Distributor including but not limited to the current pandemic, global shipping delays, supply chain disruptions, and the microchip shortage. In addition, Distributor will not be liable for liquidated damages or other delays caused by third parties, including but not limited to meter installers, not under the direction or control of Distributor. Availability of materials cannot be guaranteed.

21. Liquidated Damages and Remedies

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

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

- (a) If the Distributor fails to complete Phase I Initial Deployment, through no fault of ERMU or its agents or subcontractors and not due to a Force Majeure Event, within twelve (12) months from the date Distributor receives all materials required for Phase I Initial Deployment, the Distributor shall be assessed liquidated damages of three thousand dollars (\$3,000) plus five hundred dollars (\$500) per each calendar day the Distributor is

late in completing performance until such time as Phase I Initial Deployment is completed or ERMU elects to terminate this Agreement, but not to exceed Twenty-five Thousand Five Hundred Dollars (\$25,500.00).

- (b) If the Distributor fails to complete Phase II Full Delivery, through no fault of ERMU and not due to a Force Majeure Event, within thirty-six (36) months from Initial System Acceptance, the Distributor shall be assessed liquidated damages of three thousand dollars (\$3,000) plus five hundred dollars (\$500) per each calendar day the Distributor is late in completing performance until such time as Phase II Full Delivery is completed or ERMU elects to terminate this Agreement, not to exceed Twenty-five Thousand Five Hundred Dollars (\$25,500.00).

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

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

Notwithstanding the foregoing or anything contained herein to the contrary, Distributor will not be liable for damages or delay, including but not limited to liquidated damages, for delay in completing or failure to complete Phase I or Phase II when such failure or delay is substantially caused by delays in installation of meters and equipment, or faulty or improper installation of meters and equipment, by ERMU or other third parties not under the direction or control of Distributor. Achieving completion and acceptance of ISAT and FSAT are not subject to liquidated damages.

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

22. Distributor Representations

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

- (a) Distributor has examined and studied this Agreement and the appendices with both the commercial/sales team, Distributor Management, and legal representatives.
- (b) Distributor has fully acquainted itself with ERMU's service territory and Sites where the AMI System will be installed, including the design, availability of materials, existing facilities, general topography, accessibility, soil structure, subsurface conditions, obstructions, and all other conditions pertaining to this Agreement and

made all investigations essential to a full understanding of the difficulties which may be encountered in performing the Work, providing the AMI System, and achieving the Coverage Commitment. Distributor assumes full and complete responsibility for meeting the requirements of this Agreement and all risks in connection therewith, within such service territory and at such Sites.

- (c) Distributor is qualified to complete the Work and has or will obtain prior to performing the Work the requisite authority, licensure, capacity, equipment, experience, expertise, and sufficient qualified personnel to perform the Work according to the industry standard of care, in compliance with all applicable laws and regulations, and in accordance with the terms of this Agreement within the timeframe agreed to by the Parties; and
- (d) Distributor is familiar with and is in compliance with all federal, state, and local statutes, laws, rules, and regulations including but not limited to OSHA, NEC, NESC, and any other regulations that may affect cost, progress, and performance of the Work, and assumes the risk that additional cost may be incurred due to any noncompliance of its proposal with any applicable law or regulatory requirement.

23. Warranty

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

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

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

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

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

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

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

24. Licenses

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

25. Independent Contractor

The relationship between ERMU and Distributor shall be that of contracting party to independent contractor. Accordingly, subject to the specific terms of this Agreement, neither Party shall have any general right to prescribe the means by which the other Party shall meet its obligations under this Agreement. This Agreement is not intended to create nor shall it be construed to create any partnership, joint venture, employment or agency relationship between Distributor and ERMU, nor shall either Party have any right, power, or authority to enter into any agreement or

undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party. No Party shall be liable for the payment or performance of any debts, obligations, taxes, or liabilities of the other Party, unless expressly assumed in writing herein or otherwise. Each Party retains full control over the employment, direction, compensation and discharge of its employees, and will be solely responsible for all compensation of such employees, including social security, withholding and worker's compensation responsibilities.

26. Subcontractors

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

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

All Work performed for Distributor by a consultant or subcontractor will be pursuant to a written agreement between the Distributor and the consultant or subcontractor. Such agreement shall specifically bind consultant or subcontractor to the terms and conditions of this Agreement, including, without limitation, insurance, indemnification, and warranty provisions for the benefit of ERMU.

27. Insurance

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

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

- a) Workers' Compensation Insurance shall be provided covering liability arising out of Distributor's employment of workers and anyone for whom Distributor may be liable for workers' compensation claims. Workers' compensation insurance is required, and no "alternative" forms of insurance shall be permitted.

- b) Employers Liability Insurance with limits of not less than \$1,000,000 per occurrence and \$1,000,000 per disease per each employee.
- c) Commercial General Liability Insurance under an occurrence policy form insuring the indemnity agreements set forth in this Agreement with a combined single limit of not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate, including endorsements for Premises and Operations, Personal Injury Liability, Products and Completed Operations, Blanket Contractual Liability, and Completed Operations Coverage (completion of this Agreement). The policy must provide that aggregates limits apply on a per location basis. General liability limits may be met by a combination of General Liability and Excess or Umbrella Liability.
- d) Business Automobile Liability Insurance covering liability arising out of any auto (owned, hired and non-owned) with a combined single limit of at least \$1,000,000.
- e) Intentionally omitted.
- f) Umbrella Insurance (Excess Liability) with minimum limits of \$5,000,000 per occurrence.

The insurance required hereunder shall be maintained in effect during the entire duration of this Agreement. A copy of each of the endorsements and a certificate or certificates evidencing the existence thereof shall be delivered to ERMU prior to the commencement of the Work. Replacement certificates of insurance evidencing continuation of such coverage shall be furnished to ERMU prior to the expiration of the current policies. Each copy or certificate shall contain a valid provision or endorsement that the policy may not be canceled without giving thirty (30) days written advance notice thereof to ERMU. ERMU's receipt of or failure to object to any insurance certificates or policies submitted by Distributor does not release or diminish in any manner the liability or obligations of Distributor or its subcontractors or constitute a waiver of any of the insurance requirements under this Agreement.

28. Indemnification

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

In the event that any Work, the AMI System, or use of any Work or the AMI System is delayed due to any claim, suit, or proceeding relating to patent infringement, Distributor shall make every

reasonable effort to quickly remedy the situation, at its own cost, so Work and provision of the AMI System can proceed and be used as desired. This includes but is not limited to obtaining any necessary license arrangements and finding alternatives acceptable to ERMU.

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

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

29. Limitation of Liability

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

30. Safety and Compliance with Codes and Other Laws

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

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

31. Site, Supervision, and Safety

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

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

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

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

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

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

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

32. Termination

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

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

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

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

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

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

33. Confidential and Proprietary Information

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

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

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

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

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

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

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

34. No Implied Waiver

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

35. Notice

Any notice required or in connection with this Agreement shall be in writing and shall be given to the appropriate Party by personal delivery, certified mail, or other recognized delivery service that confirms delivery. All notices shall be deemed duly given and effective (i) when received after

being sent by confirmed facsimile transmission, or delivered by hand, (ii) five (5) days after being deposited with the United States Postal Service, properly addressed, sent by registered or certified mail, return receipt requested, postage prepaid, or (iii) the immediately succeeding business day after next day delivery shipping with Federal Express or other similar overnight courier. Any Party may change its address for the purpose of this paragraph by giving written notice of such change to the other Parties in the manner provided in this paragraph.

Elk River Municipal Utilities
13069 Orono Parkway
Elk River, MN 55330
purchasing and Contracts

Legal notices to Distributor shall be sent to: Core & Main LP
Attn: John Selsvold or Kirk Peterson
1800 W. 79th Street
Eden Prairie, MN 55344
(612) 202-7786
Kirk.Peterson@coreandmain.com

With a copy to:

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

36. Miscellaneous Requirements

Unlawful Employees, Contractors and Subcontractors

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

Duty to Terminate a Subcontract; Exceptions

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

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

Right to Inspect

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

Equal Opportunity

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

Gratuities

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

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

37. Site, Supervision, and Safety

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

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

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

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

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

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

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

38. Force Majeure

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

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

39. Severability

Any provision or part of this Agreement held to be void or unenforceable under any law or regulation shall be deemed stricken. All remaining provisions shall continue to be valid and binding upon ERMU and Distributor who agree that this Agreement shall be reformed to replace

such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision, provided that such stricken clause is not material to the performance of this Agreement and neither Party is aggrieved by the omission of such clause or the reformation of this Agreement.

40. Survival

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

41. Assignment

Neither Party may assign or transfer any part of this Agreement without the written consent of the other Party. If for any reason the relationship between Distributor and Manufacturer ends, the Manufacturer will develop an agreement directly with the customer for continued service and support of the solution. Any other attempt to transfer or assign is void.

42. Governing Law and Venue

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

43. Publicity

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

44. Entire Agreement

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


45. Execution in Counterparts

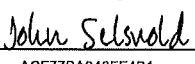
This Agreement may be executed in two (2) or more counterparts, each of which, upon execution and delivery, shall constitute a single and complete Agreement. Signature pages may be detached from counterparts and attached to a different counterpart to create a single document.

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

Elk River Municipal Utilities

Core & Main LP

By: 

By: 
DocuSigned by:
ACF77BA046FF4B1...

Print Name: Mark P. Hanson

Print Name: John Selsvold


Title: General Manager

Title: Branch Manager

APPROVED AS TO FORM:

By: 
Print Name: Mark P. Hanson
Title: General Manager

APPROVED AS TO INSURANCE CONTENT:

By: 
Print Name: Mark P. Hanson
Title: General Manager

TO: ERMU Commission	FROM: Tony Mauren – Governance & Communications Manager
MEETING DATE: June 13, 2023	AGENDA ITEM NUMBER: 4.1
SUBJECT: Policy Review – G.1f – Organizational Fundamentals	
ACTION REQUESTED: Review the policy and provide any feedback	

BACKGROUND/DISCUSSION:

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

This policy establishes foundational concepts on which to build a company. These organizational fundamentals then align with and provide guidance towards achieving the mission and vision of the organization.

The Commission adopts and commits to govern in a manner consistent with the following organizational fundamentals:

Fundamental 1: Safety, Reliability, and Quality of Utility Services.

Fundamental 2: Customer Service and Employee Development.

Fundamental 3: Competitive Rates, and Financial and Organizational Health.

ATTACHMENTS:

- ERMU Policy – G.1f – Organizational Fundamentals

COMMISSION POLICY

Section: Governance	Category: Authority and Purpose Policies
Policy Reference: G.1f	Policy Title: Organizational Fundamentals

PURPOSE:

The foundation to a building provides the structure stability to support the many components of the building, each of which service for different functions and combine to provide value and meaningful purpose. Similarly, organizational fundamentals serve as foundational concepts on which to build a company. These organizational fundamentals then align with and provide support and guidance for achieving the mission and vision of the organization.

POLICY:

The Commission adopts and commits to govern in a manner consistent with the following organizational fundamentals:

Fundamental 1: Safety, Reliability, and Quality of Utility Services.

Fundamental 2: Customer Service and Employee Development.

Fundamental 3: Competitive Rates, and Financial and Organizational Health.

POLICY HISTORY:

Adopted	May 9, 2017
Revised	November 13, 2018

TO: ERMU Commission	FROM: Megan Zachman – HR Generalist
MEETING DATE: June 13, 2023	AGENDA ITEM NUMBER: 4.2
SUBJECT: Employee Handbook Annual Updates	
ACTION REQUESTED: Adopt the revised ERMU Employee Handbook	

BACKGROUND:

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

DISCUSSION:

Minimal changes were made to the Employee Handbook for 2023. The items listed below have been added and/or updated in the handbook since its last revision in June 2022.

- Revise Date in footer & on cover page.
- Revise Table of Contents and page numbers.
- Revise Section 13 - Commitment to a Drug and Alcohol-Free Workplace, related to adult-use cannabis legalization.
- Revise Section 30 - On-Call, to update residency rule for on-call workers to include commute time.
- Revise Section 33 - Lead Pay Differential, to update lineworker position title and add water operator as a qualifying position.
- Revise Section 34 - Longevity Pay, to update when the bonus is paid out.
- Revise Section 43 - Paid Holidays, to add Juneteenth Day.
- Revise Section 44 - Employee Clothing, to update lineworker position title.
- Revise Section 45 - Health Care Savings Plan, to add the percentage of paid sick leave conversion to HCSP at time of retirement. *Note, this item was accidentally missed in the updated handbook received by legal counsel. It will, however, be added to the final handbook distributed to employees.*
- Revise Section 47 - Health Insurance Coverage, to reflect cost increase.
- Add Section 51 - Short Term Disability, to reflect the new employee benefit. *The addition of this section rennumbers the subsequent sections of the handbook.*

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

ATTACHMENTS:

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



EMPLOYEE HANDBOOK

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

June 2023

Office: 763-441-2020

Table of Contents

RECEIPT AND ACKNOWLEDGMENT.....	v
1. IMPORTANT NOTICE ABOUT THIS HANDBOOK	1
PERSONNEL RECORDS.....	1
ACCESS TO PERSONNEL RECORDS.....	1
GENERAL WORKPLACE POLICIES	4
2. OPEN DOOR POLICY	4
3. EQUAL EMPLOYMENT OPPORTUNITY	5
4. DISABILITY ACCOMMODATION.....	5
5. HARASSMENT PROHIBITED.....	6
<i>Definitions of Sexual and Other Forms of Harassment</i>	6
<i>Scope of Policy</i>	7
<i>Procedure for Reporting Harassment</i>	7
<i>Confidentiality – No Retaliation</i>	8
<i>Questions About This Policy</i>	8
6. BUSINESS CONDUCT	8
7. ETHICS, GIFTS AND CONFLICTS OF INTEREST.....	9
8. EMPLOYMENT OF RELATIVES	9
9. WHISTLEBLOWERS	10
10. WAGE INFORMATION	10
11. WEAPONS PROHIBITED.....	11
12. EMPLOYEE SAFETY.....	11
13. COMMITMENT TO A DRUG AND ALCOHOL-FREE WORKPLACE.....	12
14. EXPOSURE TO HAZARDOUS SUBSTANCES	14
15. SOLICITATION AND DISTRIBUTION.....	14
<i>Non-Employees</i>	15
<i>Employees</i>	15
<i>Related Policies</i>	15
<i>Violation of This Policy By an Employee</i>	15
16. ELECTRONIC COMMUNICATIONS: INTERNET, E-MAIL, AND SOCIAL MEDIA	16
<i>General Guidelines Applicable to Electronic Communications, Including Communications Over Social Media</i>	16
<i>Bandwidth Conservation</i>	18
17. SUPPLEMENTAL EMPLOYMENT	18
<i>Fire Department Participation</i>	18
18. REPORT OF PERSONNEL CHANGES	19
19. ATTENDANCE.....	19
20. DISCIPLINE, DISMISSAL & LAY OFF	19
<i>Discipline</i>	19
<i>Probation and Dismissal</i>	20

	<i>Layoff/Reduction in Force</i>	20
21.	JOB POSTING	20
22.	PERFORMANCE REVIEWS	21
	<i>Performance Metrics Incentives</i>	21
	WAGES AND HOURS	21
23.	WORK HOURS, OVERTIME, AND COMPENSATORY TIME	21
	<i>General Policy</i>	21
	<i>Compensatory Time</i>	22
24.	EMPLOYEE CLASSIFICATIONS	23
	<i>Regular Full-Time Employee</i>	24
	<i>Regular Part-Time Employee</i>	24
	<i>Regular Field Worker</i>	24
	<i>Exempt Employee</i>	24
	<i>Non-Exempt Employee</i>	24
	<i>Utilities Manager</i>	24
	<i>Temporary Worker</i>	25
25.	TIME REPORTING POLICY	25
	<i>General Policy</i>	25
	<i>Recording Time</i>	25
	<i>Frequency</i>	25
	<i>Time Deductions for Breaks</i>	26
	<i>Ensuring Accuracy of Timekeeping Reports</i>	26
	<i>Special Note About Work Performed Outside of Scheduled Times and Places</i>	26
26.	REMOTE WORK POLICY	27
27.	FAIR PAY POLICY	31
	<i>All Employees</i>	31
	<i>Protection of Employee Rights</i>	31
	<i>Record Your Time And Review Your Pay Stub</i>	31
	<i>How to Raise a Question or Concern about your Pay or a Payroll Deduction</i>	31
	<i>Regular Attendance is an Essential Job Function and Your Attendance Record is a Performance Issue</i>	32
	<i>Non-Exempt Employees</i>	32
	<i>On Call Time For Non-Exempt Employees</i>	33
	<i>Exempt Employees</i>	33
	<i>Salary Basis of Compensation</i>	33
	<i>Attendance and Recording Time for Exempt Employees</i>	33
	<i>On Call Time For Exempt Employees</i>	33
	<i>Deductions from an Exempt Employee’s Salary</i>	34
	<i>Important Definitions.</i>	34
	<i>Permissible Deductions from Salary.</i>	34
	<i>Impermissible Deductions from Salary.</i>	35
	<i>Permissible Deductions from An Exempt Employee’s Leave Bank</i>	35

	Questions or Concerns about This Fair Pay Policy	35
28.	BREAKS FOR NURSING MOTHERS TO PUMP BREAST MILK	35
29.	CALL OUT TIME: REGULAR FIELD WORKERS.....	36
30.	ON-CALL	36
	<i>Regular Field Workers.</i>	36
	<i>Required On-Call Rotation for Regular Field Workers</i>	36
	<i>Residency Rule</i>	36
	<i>Response Time</i>	36
	<i>Take Home Vehicles</i>	37
	<i>Compensation for On-Call Time</i>	37
	<i>Compensation for Actual Response Time</i>	38
	<i>Call out time</i>	38
	<i>Other On-Call Arrangements.</i>	38
	<i>Superintendents.</i>	38
	<i>Take Home Vehicles</i>	39
31.	ELECTRIC RE-CONNECT TIME	39
32.	STORM PAY.....	39
33.	LEAD PAY DIFFERENTIAL	39
34.	LONGEVITY PAY.....	40
35.	PAYCHECK DEDUCTIONS.....	41
36.	PAYCHECKS	41
37.	NIGHTWORK REST TIME	42
38.	TRAVEL AND TRAINING TIME	42
	BENEFITS	44
39.	GENERAL BENEFITS.....	44
40.	VACATION.....	44
41.	PURCHASED VACATION TIME (PVT).....	45
42.	PAID SICK LEAVE	46
43.	PAID HOLIDAYS	47
44.	EMPLOYEE CLOTHING.....	48
45.	HEALTH CARE SAVINGS PLAN	49
46.	457 DEFERRED COMPENSATION	50
	<i>Leave Credit In Lieu Of Compensation.</i>	50
47.	HEALTH INSURANCE COVERAGE	50
48.	DENTAL INSURANCE	51
49.	LONG-TERM DISABILITY	51
50.	LIFE INSURANCE	51
51.	SHORT TERM DISABILITY INSURANCE	51
52.	VISION INSURANCE.....	52
53.	HOME COMPUTER LOAN POLICY	52
54.	EDUCATIONAL ASSISTANCE	52

LEAVES OF ABSENCE	54
55. PARENTING LEAVE.....	54
56. MINNESOTA SICK FAMILY MEMBER OR SAFETY LEAVE	55
57. SCHOOL ACTIVITIES LEAVE POLICY.....	56
58. BONE MARROW AND ORGAN DONATION LEAVE	56
59. NATIONAL GUARD AND RESERVE LEAVE	56
60. MILITARY LEAVE FOR UNIFORMED SERVICE.....	57
61. JURY/WITNESS DUTY LEAVE	57
62. PERSONAL LEAVE DAY	58
63. BEREAVEMENT LEAVE	58
64. GENERAL LEAVE.....	58
65. VOTING LEAVE; SERVICE AS ELECTION JUDGE.....	58
66. PAID LEAVE DONATION	59
RECEIPT AND ACKNOWLEDGMENT	62

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RECEIPT AND ACKNOWLEDGMENT

(EMPLOYEE REFERENCE COPY)

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

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

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

Date

Print or Type Name

Employee Signature

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1. IMPORTANT NOTICE ABOUT THIS HANDBOOK

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

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

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

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

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

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

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

PERSONNEL RECORDS

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

ACCESS TO PERSONNEL RECORDS

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

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

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

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

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

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

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

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

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

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

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

GENERAL WORKPLACE POLICIES

2. OPEN DOOR POLICY

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

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

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

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

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

3. EQUAL EMPLOYMENT OPPORTUNITY

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

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

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

4. DISABILITY ACCOMMODATION

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

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

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

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

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

5. HARASSMENT PROHIBITED

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

Definitions of Sexual and Other Forms of Harassment

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

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

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

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

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

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

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

Scope of Policy

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

Procedure for Reporting Harassment

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

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

your supervisor; and/or

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

the Human Resources Representative.

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

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

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

Confidentiality – No Retaliation

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

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

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

Questions About This Policy

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

6. BUSINESS CONDUCT

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

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

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

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

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

7. ETHICS, GIFTS AND CONFLICTS OF INTEREST

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

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

8. EMPLOYMENT OF RELATIVES

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

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

9. WHISTLEBLOWERS

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

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

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

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

10. WAGE INFORMATION

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

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

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

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

11. WEAPONS PROHIBITED

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

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

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

12. EMPLOYEE SAFETY

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

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

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

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

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

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

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

13. COMMITMENT TO A DRUG AND ALCOHOL-FREE WORKPLACE

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

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

Prohibited Conduct

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

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

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

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

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

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

Utilities-Sponsored Events

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

Workplace Searches and Inspections

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

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

Drug Testing

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

14. EXPOSURE TO HAZARDOUS SUBSTANCES

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

15. SOLICITATION AND DISTRIBUTION

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

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

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

Non-Employees

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

Employees

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

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

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

Related Policies

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

Violation of This Policy By an Employee

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

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

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

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

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

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

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

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

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

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

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

Bandwidth Conservation

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

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

17. SUPPLEMENTAL EMPLOYMENT

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

Fire Department Participation

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

18. REPORT OF PERSONNEL CHANGES

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

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

19. ATTENDANCE

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

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

20. DISCIPLINE, DISMISSAL & LAY OFF

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

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

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

- Termination.

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

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

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

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

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

21. JOB POSTING

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

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

22. PERFORMANCE REVIEWS

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

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

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

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

Performance Metrics Incentives

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

WAGES AND HOURS

23. WORK HOURS, OVERTIME, AND COMPENSATORY TIME

General Policy

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

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

Overtime & Overtime Compensation

Overtime is earned and compensated as follows.

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

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

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

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

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

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

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

Compensatory Time

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

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

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

24. EMPLOYEE CLASSIFICATIONS

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

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

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

Employees are classified according to the following definitions:

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

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

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

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

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

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

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

25. TIME REPORTING POLICY

General Policy

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

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

Recording Time

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

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

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

Frequency

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

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

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

Time Deductions for Breaks

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

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

Ensuring Accuracy of Timekeeping Reports

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

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

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

Special Note About Work Performed Outside of Scheduled Times and Places

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

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

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

Further to the Special Note above: Time Worked Remotely

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

26. REMOTE WORK POLICY

Purpose

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

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

General Guidelines

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

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

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

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

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

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

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

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

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

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

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

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

Work Hours, Calendars and Meetings

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

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

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

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

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

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

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

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

Work Environment and Technology

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

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

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

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

Utilities Employment Policy and Benefits Coverage

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

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

27. FAIR PAY POLICY

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

ALL EMPLOYEES

Protection of Employee Rights

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

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

Record Your Time And Review Your Pay Stub

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

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

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

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

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

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

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

NON-EXEMPT EMPLOYEES

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

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

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

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

On Call Time For Non-Exempt Employees

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

EXEMPT EMPLOYEES

Salary Basis of Compensation

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

Attendance and Recording Time for Exempt Employees

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

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

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

On Call Time For Exempt Employees

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

Deductions from an Exempt Employee's Salary

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

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

Important Definitions.

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

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

Permissible Deductions from Salary.

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

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

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

Impermissible Deductions from Salary.

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

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

Permissible Deductions from An Exempt Employee's Leave Bank.

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

Questions or Concerns about This Fair Pay Policy

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

28. BREAKS FOR NURSING MOTHERS TO PUMP BREAST MILK

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

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

29. CALL OUT TIME: REGULAR FIELD WORKERS

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

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

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

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

30. ON-CALL

Regular Field Workers.

Required On-Call Rotation for Regular Field Workers.

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

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

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

- While on-call, workers must remain within the 20-mile residency radius or a 30 minute commute of the power plant.
- While on-call, workers are expected to make immediate telephone contact in response to a call.
- While on-call, workers are expected to urgently report to a site of need within a reasonable time, which will vary depending on the identified reason for the call. Depending on the need an on-call worker may find it necessary to call in a field partner to assist in providing appropriate and timely call response.

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

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

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

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

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

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

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

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

Superintendents.

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

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

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

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

31. ELECTRIC RE-CONNECT TIME

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

32. STORM PAY

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

33. LEAD PAY DIFFERENTIAL

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

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

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

An employee who is currently a water operator shall qualify for and assume the duties of a lead water operator when he/she performs general functions of the lead water operator, such as providing work direction for the other water operators in the absence of both the water superintendent and water operations foreperson. The water operator assuming such duties shall receive a rate differential equal to 3% of the applicable rate of pay times the number of hours worked during which the water operator assumed such lead duties.

The rate differential provided in this policy for water operators applies during both regular scheduled work hours and after hours. During after-hours call out, as well as at any other time, this rate differential will be paid only when directed by the water operations foreperson or water superintendent.

34. LONGEVITY PAY

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

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

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

Milestone: Years of Service Longevity Pay Amount

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

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

<u>Milestone: Hours of Service</u>	<u>Longevity Bonus Amount</u>
16,640	\$1,550
24,960	\$2,025
33,280	\$2,100
41,600	\$2,125
49,920	\$2,300
58,240	\$3,000
66,560	\$3,000

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

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

35. PAYCHECK DEDUCTIONS

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

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

36. PAYCHECKS

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

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

37. NIGHTWORK REST TIME

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

38. TRAVEL AND TRAINING TIME

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

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

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

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

BENEFITS

39. GENERAL BENEFITS

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

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

40. VACATION

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

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

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

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

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

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

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

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

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

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

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

41. PURCHASED VACATION TIME (PVT)

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

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

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

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

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

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

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

42. PAID SICK LEAVE

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

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

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

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

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

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

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

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

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

43. PAID HOLIDAYS

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

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

Presidents Day
Memorial Day
Juneteenth Day
Independence Day

Thanksgiving Day
Friday following Thanksgiving Day
Christmas Eve Day
Christmas Day

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

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

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

44. EMPLOYEE CLOTHING

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

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

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

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

45. HEALTH CARE SAVINGS PLAN

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

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

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

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

46. 457 DEFERRED COMPENSATION

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

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

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

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

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

47. HEALTH INSURANCE COVERAGE

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

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

COVERAGE	MONTHLY EMPLOYEE SHARE
• Employee	\$109
• Employee + 1	\$218
• Family	\$328

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

48. DENTAL INSURANCE

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

49. LONG-TERM DISABILITY

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

50. LIFE INSURANCE

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

51. SHORT TERM DISABILITY INSURANCE

A Short-Term Disability Plan is provided to eligible employees who regularly work at least 30 hours per week. Scheduled benefit amount: 60% of weekly earnings subject to a maximum amount of \$1,000.00 per week. Employees may qualify for this benefit after a

fourteen day elimination period with a maximum coverage amount up to eleven weeks. Employees should consult the Summary Plan Description ("SPD") for details regarding coverage and eligibility. A copy of this SPD will be provided to employees and is available upon request.

52. VISION INSURANCE

Eligible employees who regularly work at least 30 hours per week are eligible to enroll in the Utilities' vision insurance plan. The monthly premium for vision coverage is the responsibility of the employee. Employees should consult the Summary Plan Description for details regarding coverage and eligibility. A copy of this description will be provided to employees and is available upon request.

53. HOME COMPUTER LOAN POLICY

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

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

54. EDUCATIONAL ASSISTANCE

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

1. All full-time Utilities employees with at least three months of continuous employment are potentially eligible for reimbursement under this policy.

2. The Utilities may pay up to 100% reimbursement of the costs for tuition, registration, fees, books and course required materials after successful completion of a pre-approved course. Courses must be at accredited colleges, universities, or vocational schools or be short courses conducted by recognized professional training organizations.
3. A course may be approved if:
 - a) It is directly related to the employee's work for the Utilities.
 - b) It is required by a program of study leading to a degree that is directly related to the employee's work for the Utilities.
 - c) It will improve the employee's work for the Utilities.
 - d) It is expected to be completed within a time acceptable to the Utilities.
4. This policy will not cover recreational or personal interest courses.
5. Prior to registration, the employee must have full approval for the course from Utilities' management designated as having approval authority for such matters.
6. The Utilities reserves the right to disapprove educational assistance requests and to amend or eliminate this policy from time to time in its discretion.
7. Total reimbursements to an employee during the academic year may not exceed \$3,000.
8. Not eligible for reimbursement are costs of:
 - a) late fees and fees due to an employee error
 - b) meals, transportation, lodging, insurance, etc.
9. If an employee is eligible for education assistance from any outside source (e.g.: G.I. Bill, grants, scholarships, etc.), the employee must apply for any assistance first and request the balance through this Education Assistance Policy.
10. Termination of employment prior to completion of a course will disqualify the employee for educational assistance.
11. Courses not satisfactorily completed within the time expected or otherwise acceptable to the Utilities will not receive reimbursement but must instead be paid for by the employee.
12. Course attendance and preparation must take place outside of scheduled work hours and must not jeopardize the employee's work performance.

13. Employees will be paid for any time used in attending courses for which they are required by the Utilities to attend. All tuition and fees for such course will be paid for by the Utilities.

LEAVES OF ABSENCE

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

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

55. PARENTING LEAVE

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

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

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

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

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

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

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

56. MINNESOTA SICK FAMILY MEMBER OR SAFETY LEAVE

A Minnesota employee who has worked for the Utilities for at least 12 months and who has worked at least one-half (1/2) time during the past twelve (12) months may use his or her accrued sick time to care for the employee's sick or injured child, stepchild, foster child, adopted child, adult child, spouse, sibling, parent, parent-in-law, stepparent, grandparent, or grandchild (including a biological, step, foster, or adopted grandchild) for reasonable times as the employee's attendance may be necessary. This type of leave is referred to as a "Sick Family Member Leave".

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

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

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

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

57. SCHOOL ACTIVITIES LEAVE POLICY

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

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

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

58. BONE MARROW AND ORGAN DONATION LEAVE

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

59. NATIONAL GUARD AND RESERVE LEAVE

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

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

- Is required by proper authority to continue in such military or naval service beyond the time herein limited for such leave.

60. MILITARY LEAVE FOR UNIFORMED SERVICE

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

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

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

61. JURY/WITNESS DUTY LEAVE

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

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

62. PERSONAL LEAVE DAY

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

63. BEREAVEMENT LEAVE

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

64. GENERAL LEAVE

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

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

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

65. VOTING LEAVE; SERVICE AS ELECTION JUDGE

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

The Utilities will provide an employee with paid time off to serve as an election judge, provided that the employee gives the Utilities at least 20 days' advance written notice. The

Utilities will reduce the employee's pay by the amount the employee is paid to serve as an election judge.

66. PAID LEAVE DONATION

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

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

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

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

1. All donations must be made in increments of eight (8) hours subject to a limit of 16 hours per donor to a particular recipient per year. Leave donation must be in one of the following configurations: i) a total of eight hours of paid sick leave; ii) a total of eight hours of vacation; iii) a total of sixteen hours, with eight hours being

vacation and eight hours being paid sick leave; iv) a total of sixteen hours, with sixteen hours being paid sick leave; v) a total of sixteen hours, with sixteen hours being vacation time.

2. The donor employee must complete a Paid Leave Donation Form prescribed by the Utilities in order to donate paid leave.
3. The total amount of paid leave donated to any individual employee in any rolling twelve-month period measured backward from the employee's most recent request for leave donation may not exceed 240 hours.
4. The Utilities will set a deadline for donations of paid leave to the receiving employee ("Donation Deadline"). No donations of paid leave will be accepted in response to the receiving employee's Request for Paid Leave Donation after the Donation Deadline.
5. The Utilities will set a date on which submitted donations of paid leave will become final and effective ("Donation Effective Date"). The Donation Effective Date shall be no more than ten business days after the deadline for donations to the receiving employee.
6. Before the Donation Effective Date, if Paid Leave Donation Forms are submitted for a total amount of leave that is more than the number of hours requested by the employee in the Paid Leave Donation Request Form, or for more than the maximum total donation of 240 hours, the Utilities will pro rate donations to the maximum allowed, among all employees submitting a Paid Leave Donation Form for the receiving employee and will notify all such employees in writing of such pro rating and the final number of hours from their Paid Leave Donation Form that will be donated to the receiving employee on the Donation Effective Date.
7. On the Donation Effective Date the Utilities will transfer all paid leave donations that are indicated collectively on the Paid Leave Donations Forms submitted, prorated, if necessary, in accordance with this policy, to the account of the receiving employee; and will reduce the corresponding account balances of the donating employees accordingly.
8. Donation of paid leave is permanent and final as of the Donation Effective Date and cannot be rescinded thereafter. Donated paid leave may not be transferred back to the donor after the Donation Effective Date under any circumstances. If the donated paid leave is not used by the receiving employee it is forfeited by all parties.
9. Donated paid leave time may be used by the receiving employee only for purposes of the medical leave necessitated by the catastrophic life event supporting leave donation under this policy.

10. Donated paid leave may be used by the receiving employee only for work time actually and necessarily missed due to the leave taken for the purpose set forth in the leave request submitted under this policy, and for no other purpose.
11. Donated paid leave may be used by the receiving employee only to replace the employee's normal work hours lost, up to a maximum of the receiving employee's FTE (measured as of the date on which the leave begins).
12. Donated paid leave must be used by the receiving employee concurrently with any applicable unpaid leave available to the receiving employee.
13. Donated paid leave must be used during the leave taken for the purpose submitted in the leave request under this policy.
14. Donated paid leave not used as described in this policy will be forfeited by the recipient.
15. When used by the receiving employee, donated paid leave will be paid at the receiving employee's current rate of pay.
16. The donation of paid leave time will permanently decrease the amount of accrued unused paid leave in the donor's paid leave account(s) and thereafter will not be counted or used by the donor or the Utilities for any purpose. For the avoidance of doubt, this means, among other things, that donated paid leave time does not qualify to be counted as unpaid sick leave for purposes of any severance pay calculation.
17. The Utilities will treat the identity of donor employees under this policy as private and confidential information.
18. This policy applies on a prorated basis to part-time employees eligible to accrue and receive paid leave time.

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RECEIPT AND ACKNOWLEDGMENT

(EMPLOYER COPY:

MUST BE SIGNED AND RETURNED TO MANAGEMENT)

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

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

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

Date

Print or Type Name

Employee Signature

TO: ERMU Commission	FROM: Melissa Karpinski – Finance Manager
MEETING DATE: June 13, 2023	AGENDA ITEM NUMBER: 5.1
SUBJECT: Financial Report – April 2023	
ACTION REQUESTED: Receive the April 2023 Financial Report	

DISCUSSION:

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

Electric

April year to date (YTD) electric kWh sales are down 4% from the prior year. For further breakdown:

- Residential usage is down 2%
- Small Commercial usage is up 6%
- Large Commercial usage is down 6%

For April 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

April YTD gallons of water sold are up 4% from the prior year. For further breakdown:

- Residential use is up 1%
- Commercial use is up 8%

For April 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 04.2023
- Electric Balance Sheet 04.2023
- Water Balance Sheet 04.2023
- Summary Electric Statement of Revenues, Expenses and Changes in Net Position 04.2023
- Summary Water Statement of Revenues, Expenses and Changes in Net Position 04.2023
- Graphs Prior Year and YTD 2023

- Detailed Electric Statement of Revenues, Expenses and Changes in Net Position 04.2023
- Detailed Water Statement of Revenues, Expenses and Changes in Net Position 04.2023
- Budget vs Actual Graphs – Electric 04.2023
- Budget vs Actual Graphs – Water 04.2023

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

	<u>ELECTRIC</u>	<u>WATER</u>
ASSETS		
CURRENT ASSETS		
CASH	10,775,888	8,513,001
ACCOUNTS RECEIVABLE	2,479,608	5,470,859
INVENTORIES	1,394,117	25,250
PREPAID ITEMS	233,160	49,378
CONSTRUCTION IN PROGRESS	1,075,097	974,872
TOTAL CURRENT ASSETS	<u>15,957,871</u>	<u>15,033,360</u>
RESTRICTED ASSETS		
BOND RESERVE FUND	1,779,016	0
EMERGENCY RESERVE FUND	2,918,876	1,358,160
UNRESTRICTED RESERVE FUND	0	0
TOTAL RESTRICTED ASSETS	<u>4,697,892</u>	<u>1,358,160</u>
FIXED ASSETS		
PRODUCTION	824,065	16,525,311
LFG PROJECT	0	0
TRANSMISSION	2,305,024	0
DISTRIBUTION	46,946,016	26,766,971
GENERAL	23,017,618	1,129,389
FIXED ASSETS (COST)	<u>73,092,723</u>	<u>44,421,670</u>
LESS ACCUMULATED DEPRECIATION	<u>(32,939,798)</u>	<u>(22,489,038)</u>
TOTAL FIXED ASSETS, NET	<u>40,152,925</u>	<u>21,932,632</u>
INTANGIBLE ASSETS		
POWER AGENCY MEMBERSHIP BUY-IN	21,546,212	0
LOSS OF REVENUE INTANGIBLE	5,290,120	0
LESS ACCUMULATED AMORTIZATION	<u>(3,061,135)</u>	<u>0</u>
TOTAL INTANGIBLE ASSETS, NET	<u>23,775,196</u>	<u>0</u>
OTHER ASSETS AND DEFERRED OUTFLOWS	<u>1,187,557</u>	<u>226,587</u>
TOTAL ASSETS	<u><u>85,771,441</u></u>	<u><u>38,550,739</u></u>
LIABILITIES AND FUND EQUITY		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	3,747,356	287,510
SALARIES AND BENEFITS PAYABLE	516,779	118,914
DUE TO CITY	627,596	1,658
DUE TO OTHER FUNDS	0	0
NOTES PAYABLE-CURRENT PORTION	0	0
BONDS PAYABLE-CURRENT PORTION	435,000	60,000
UNEARNED REVENUE	158,968	174,926
TOTAL CURRENT LIABILITIES	<u>5,485,700</u>	<u>643,007</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	29,255,170	1,626,379
PENSION LIABILITIES	3,789,381	725,038
TOTAL LONG TERM LIABILITIES	<u>33,044,551</u>	<u>2,351,417</u>
TOTAL LIABILITIES	<u>38,530,251</u>	<u>2,994,425</u>
DEFERRED INFLOWS OF RESOURCES	<u>54,129</u>	<u>5,121,831</u>
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)	203,100	(452,923)
TOTAL FUND EQUITY	<u>47,187,061</u>	<u>30,434,483</u>
TOTAL LIABILITIES & FUND EQUITY	<u><u>85,771,441</u></u>	<u><u>38,550,739</u></u>

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

	April 30, 2023	March 31, 2023	Current Month Change from Prior Month
ASSETS			
CURRENT ASSETS			
CASH	10,775,888	10,924,929	(149,041)
ACCOUNTS RECEIVABLE	2,479,608	2,799,299	(319,691)
INVENTORIES	1,394,117	1,398,553	(4,435)
PREPAID ITEMS	233,160	336,724	(103,564)
CONSTRUCTION IN PROGRESS	1,075,097	1,119,184	(44,087)
TOTAL CURRENT ASSETS	15,957,871	16,578,689	(620,819)
RESTRICTED ASSETS			
BOND RESERVE FUND	1,779,016	1,779,016	0
EMERGENCY RESERVE FUND	2,918,876	2,910,942	7,935
TOTAL RESTRICTED ASSETS	4,697,892	4,689,957	7,935
FIXED ASSETS			
PRODUCTION	824,065	824,065	0
TRANSMISSION	2,305,024	2,305,024	0
DISTRIBUTION	46,946,016	46,796,693	149,323
GENERAL	23,017,618	22,967,764	49,854
FIXED ASSETS (COST)	73,092,723	72,893,546	199,177
LESS ACCUMULATED DEPRECIATION	(32,939,798)	(32,731,466)	(208,332)
TOTAL FIXED ASSETS, NET	40,152,925	40,162,080	(9,155)
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	(3,061,135)	(3,005,457)	(55,678)
TOTAL INTANGIBLE ASSETS, NET	23,775,196	23,830,874	(55,678)
OTHER ASSETS AND DEFERRED OUTFLOWS	1,187,557	1,187,557	0
TOTAL ASSETS	85,771,441	86,449,158	(677,717)
LIABILITIES AND FUND EQUITY			
CURRENT LIABILITIES			
ACCOUNTS PAYABLE	3,747,356	4,296,881	(549,525)
SALARIES AND BENEFITS PAYABLE	516,779	582,663	(65,884)
DUE TO CITY	627,596	797,988	(170,391)
BONDS PAYABLE-CURRENT PORTION	435,000	435,000	0
UNEARNED REVENUE	158,968	160,966	(1,998)
TOTAL CURRENT LIABILITIES	5,485,700	6,273,498	(787,798)
LONG TERM LIABILITIES			
BONDS PAYABLE, LESS CURRENT PORTION	29,255,170	29,260,159	(4,989)
PENSION LIABILITIES	3,789,381	3,789,381	0
TOTAL LONG TERM LIABILITIES	33,044,551	33,049,540	(4,989)
TOTAL LIABILITIES	38,530,251	39,323,037	(792,786)
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)	203,100	88,031	115,069
TOTAL FUND EQUITY	47,187,061	47,071,992	115,069
TOTAL LIABILITIES & FUND EQUITY	85,771,441	86,449,158	(677,717)

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

	April 30, 2023	March 31, 2023	Current Month Change from Prior Month
ASSETS			
CURRENT ASSETS			
CASH	8,513,001	8,381,529	131,473
ACCOUNTS RECEIVABLE	5,470,859	5,696,716	(225,857)
INVENTORIES	25,250	29,273	(4,023)
PREPAID ITEMS	49,378	71,603	(22,225)
CONSTRUCTION IN PROGRESS	974,872	940,617	34,254
TOTAL CURRENT ASSETS	15,033,360	15,119,738	(86,378)
RESTRICTED ASSETS			
EMERGENCY RESERVE FUND	1,358,160	1,356,176	1,984
TOTAL RESTRICTED ASSETS	1,358,160	1,356,176	1,984
FIXED ASSETS			
PRODUCTION	16,525,311	16,510,965	14,346
DISTRIBUTION	26,766,971	26,729,422	37,550
GENERAL	1,129,389	1,117,615	11,774
FIXED ASSETS (COST)	44,421,670	44,358,001	63,670
LESS ACCUMULATED DEPRECIATION	(22,489,038)	(22,391,401)	(97,637)
TOTAL FIXED ASSETS, NET	21,932,632	21,966,600	(33,968)
INTANGIBLE ASSETS			
OTHER ASSETS AND DEFERRED OUTFLOWS	226,587	226,587	0
TOTAL ASSETS	38,550,739	38,669,101	(118,362)
LIABILITIES AND FUND EQUITY			
CURRENT LIABILITIES			
ACCOUNTS PAYABLE	287,510	298,718	(11,209)
SALARIES AND BENEFITS PAYABLE	118,914	132,207	(13,293)
DUE TO CITY	1,658	915	743
BONDS PAYABLE-CURRENT PORTION	60,000	60,000	0
UNEARNED REVENUE	174,926	174,926	0
TOTAL CURRENT LIABILITIES	643,007	666,767	(23,759)
LONG TERM LIABILITIES			
BONDS PAYABLE, LESS CURRENT PORTION	1,626,379	1,626,934	(554)
PENSION LIABILITIES	725,038	725,038	0
TOTAL LONG TERM LIABILITIES	2,351,417	2,351,972	(554)
TOTAL LIABILITIES	2,994,425	3,018,738	(24,314)
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)	(452,923)	(358,874)	(94,048)
TOTAL FUND EQUITY	30,434,483	30,528,532	(94,048)
TOTAL LIABILITIES & FUND EQUITY	38,550,739	38,669,101	(118,362)

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

	2023 APRIL	2023 YTD	2023 YTD BUDGET	YTD Budget Variance	2023 YTD Bud Var%	2023 ANNUAL BUDGET	2022 APRIL	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual	Variance Item
Electric Revenue											
Operating Revenue											
Elk River	2,710,245	11,672,120	12,178,212	(506,093)	(4)	42,041,326	2,761,081	10,661,878	1,010,242	9	
Otsego	242,768	1,072,660	961,194	111,466	12	3,385,657	250,873	938,574	134,085	14	
Rural Big Lake	15,093	69,648	75,316	(5,668)	(8)	238,658	16,384	63,558	6,090	10	
Dayton	18,079	83,057	89,625	(6,568)	(7)	285,471	19,414	77,503	5,553	7	
Public St & Hwy Lighting	21,555	86,263	86,667	(404)	(0)	260,000	21,501	85,769	494	1	
Other Electric Sales	400	1,600	1,600	0	0	4,800	231,400	658,441	(656,841)	(100)	(1)
Total Operating Revenue	3,008,140	12,985,347	13,392,613	(407,267)	(3)	46,215,912	3,300,653	12,485,724	499,623	4	
Other Operating Revenue											
Interest/Dividend Income	14,598	32,499	16,667	15,832	95	50,000	(28,456)	(116,946)	149,445	(128)	(2)
Customer Penalties	21,481	95,359	83,333	12,026	14	250,000	21,384	65,758	29,601	45	(3)
LFG Project	0	0	0	0	0	0	59,739	298,292	(298,292)	(100)	(4)
Connection Fees	10,020	34,153	73,333	(39,180)	(53)	220,000	15,365	51,030	(16,877)	(33)	(5)
Misc Revenue	124,223	337,050	310,410	26,640	9	936,231	168,116	358,144	(21,094)	(6)	
Total Other Revenue	170,322	499,061	483,744	15,317	3	1,456,231	236,148	656,278	(157,217)	(24)	
Total Revenue	3,178,463	13,484,408	13,876,357	(391,949)	(3)	47,672,143	3,536,801	13,142,002	342,406	3	
Expenses											
Purchased Power	2,010,173	8,707,748	9,677,145	(969,397)	(10)	32,766,025	2,101,422	9,063,835	(356,087)	(4)	
Operating & Mtce Expense	23,611	149,440	122,167	27,273	22	321,000	19,923	89,581	59,859	67	(6)
Landfill Gas	0	0	0	0	0	0	56,710	222,543	(222,543)	(100)	(7)
Transmission Expense	5,536	20,206	23,333	(3,127)	(13)	70,000	4,255	23,028	(2,822)	(12)	
Distribution Expense	30,964	184,821	122,350	62,471	51	369,466	36,314	144,445	40,375	28	(8)
Maintenance Expense	136,607	596,081	613,500	(17,419)	(3)	1,540,500	122,832	504,827	91,254	18	(9)
Depreciation & Amortization	264,010	1,056,692	1,060,116	(3,425)	(0)	3,220,836	250,294	1,000,076	56,615	6	
Interest Expense	68,225	274,098	274,098	0	0	810,832	70,862	286,600	(12,502)	(4)	
Other Operating Expense	4,158	16,472	4,788	11,684	244	74,109	1,257	4,242	12,231	288	
Customer Accounts Expense	38,332	133,613	133,833	(220)	(0)	401,500	34,761	120,411	13,202	11	
Administrative Expense	294,109	1,400,417	1,471,028	(70,611)	(5)	4,128,585	295,540	1,291,295	109,122	8	
General Expense	25,960	133,983	194,203	(60,220)	(31)	582,609	21,469	101,761	32,221	32	(10)
Total Expenses(before Operating Transfers)	2,901,686	12,673,570	13,696,562	(1,022,992)	(7)	44,285,462	3,015,640	12,852,645	(179,075)	(1)	
Operating Transfer											
Operating Transfer/Other Funds	114,366	502,268	487,128	(15,140)	3	1,681,653	119,358	455,064	47,205	10	
Utilities & Labor Donated	47,342	105,469	80,000	25,469	32	240,000	18,412	75,223	30,246	40	(11)
Total Operating Transfer	161,708	607,737	567,128	40,609	7	1,921,653	137,769	530,286	77,451	15	
Net Income Profit(Loss)	115,069	203,100	(387,334)	590,434	152	1,465,028	383,392	(240,930)	444,030	184	

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

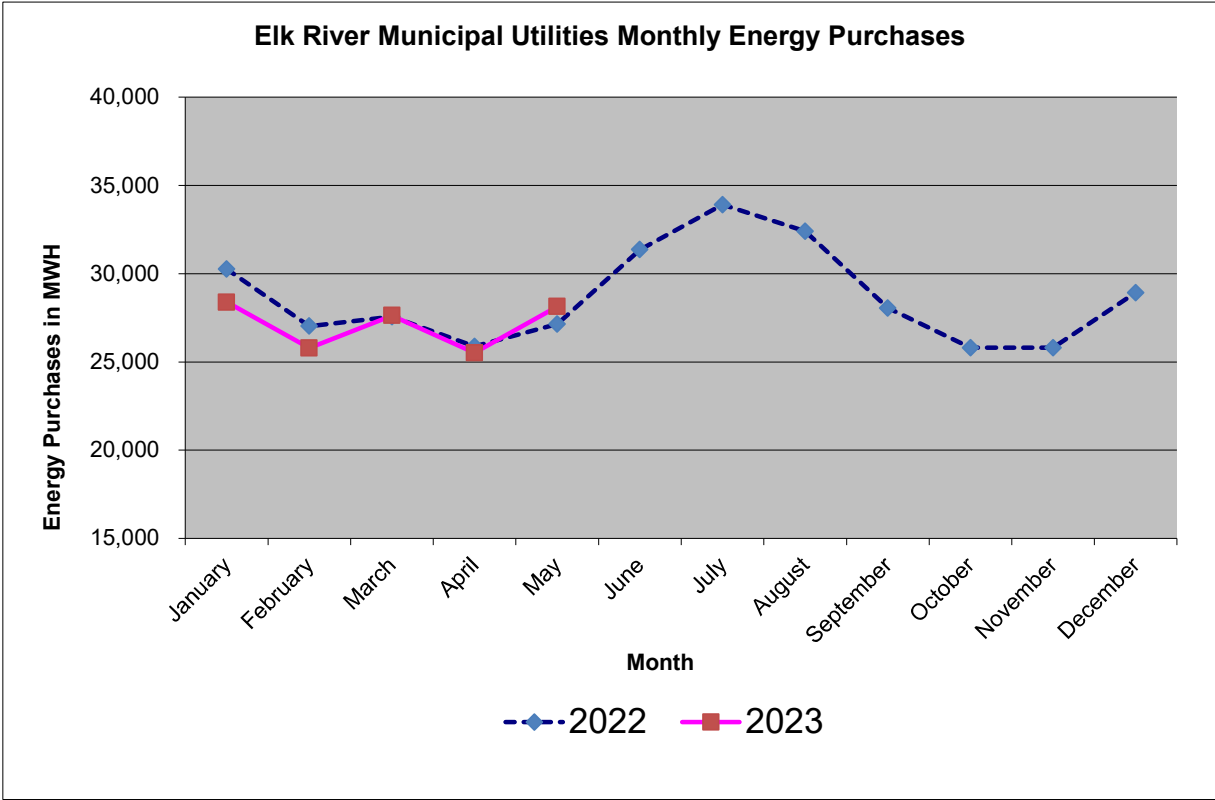
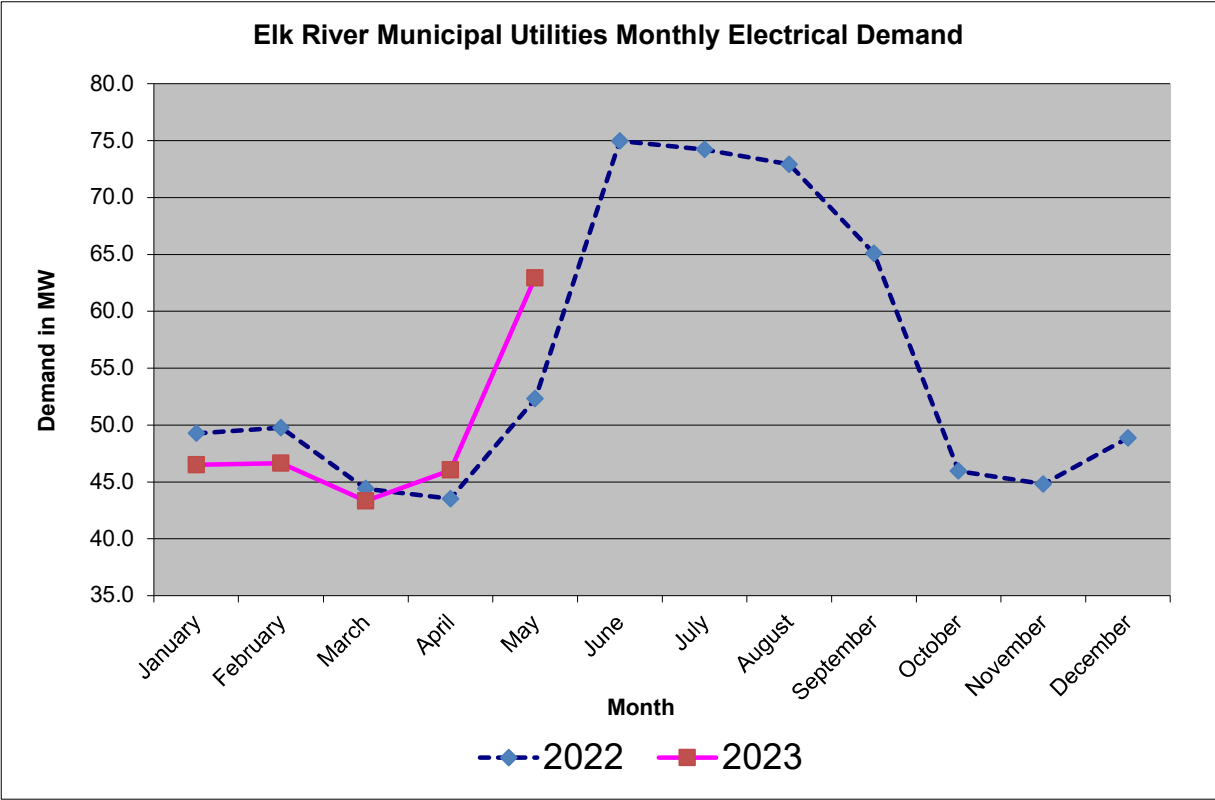
- (1) PYTD variance due to accrual of PCA revenue in 2022 (See Rate Increase on Detailed Statement).
- (2) PYTD variance is due to the change in Fair Market Value of Investments.
- (3) PYTD variance is mainly due to not billing penalties in January 2022.
- (4) PYTD variance is due to the LFG Project coming to an end in 2022.
- (5) YTD Budget variance is due to a even budget spread.
- (6) YTD Budget and PYTD variance is mainly due to increased labor for snow removal, additional supplies and increased electric and natural gas expense for new field services building in 2023.
- (7) PYTD variance is due to the LFG Project coming to an end in 2022.
- (8) 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.
- (9) 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.
- (10) YTD Budget variance is mainly due to less rebate dollars spent than budgeted. PYTD variance is mainly due to more commercial rebates in 2023.
- (11) YTD Budget variance and PYTD variance due Furniture & Things energy audit expense of \$29K.

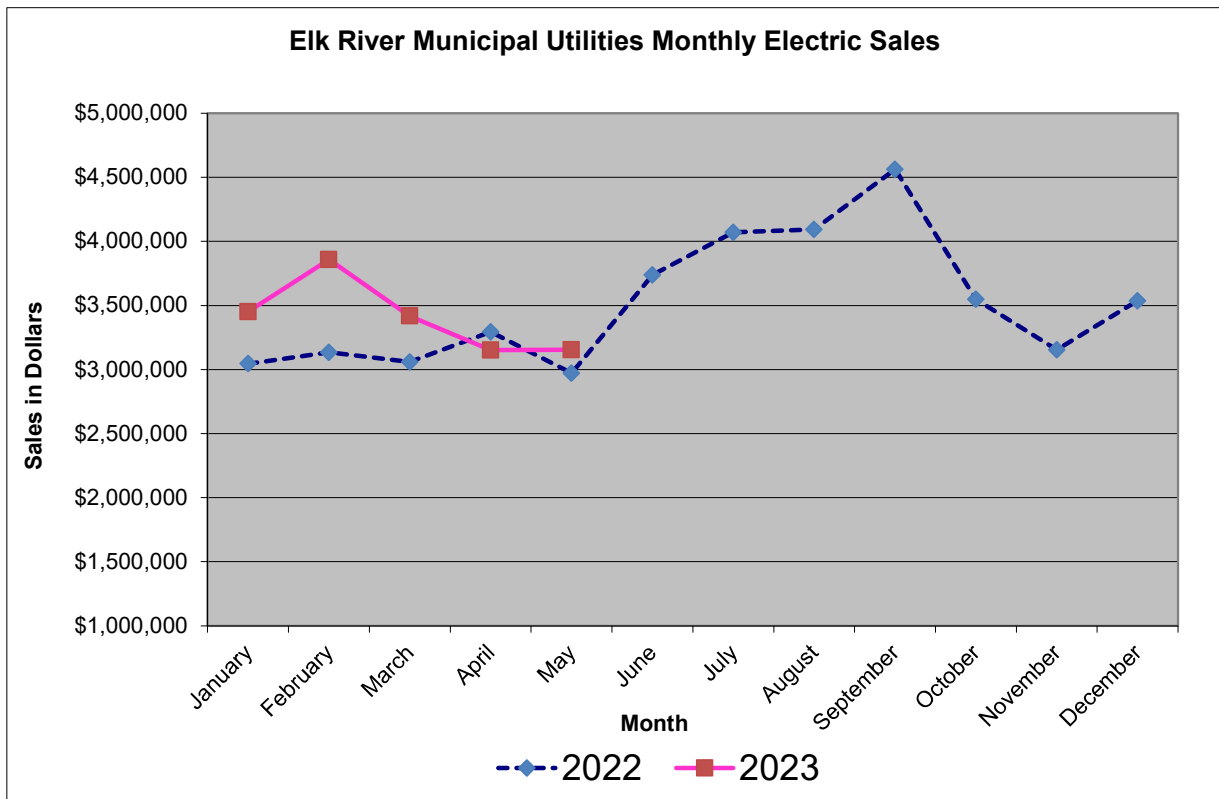
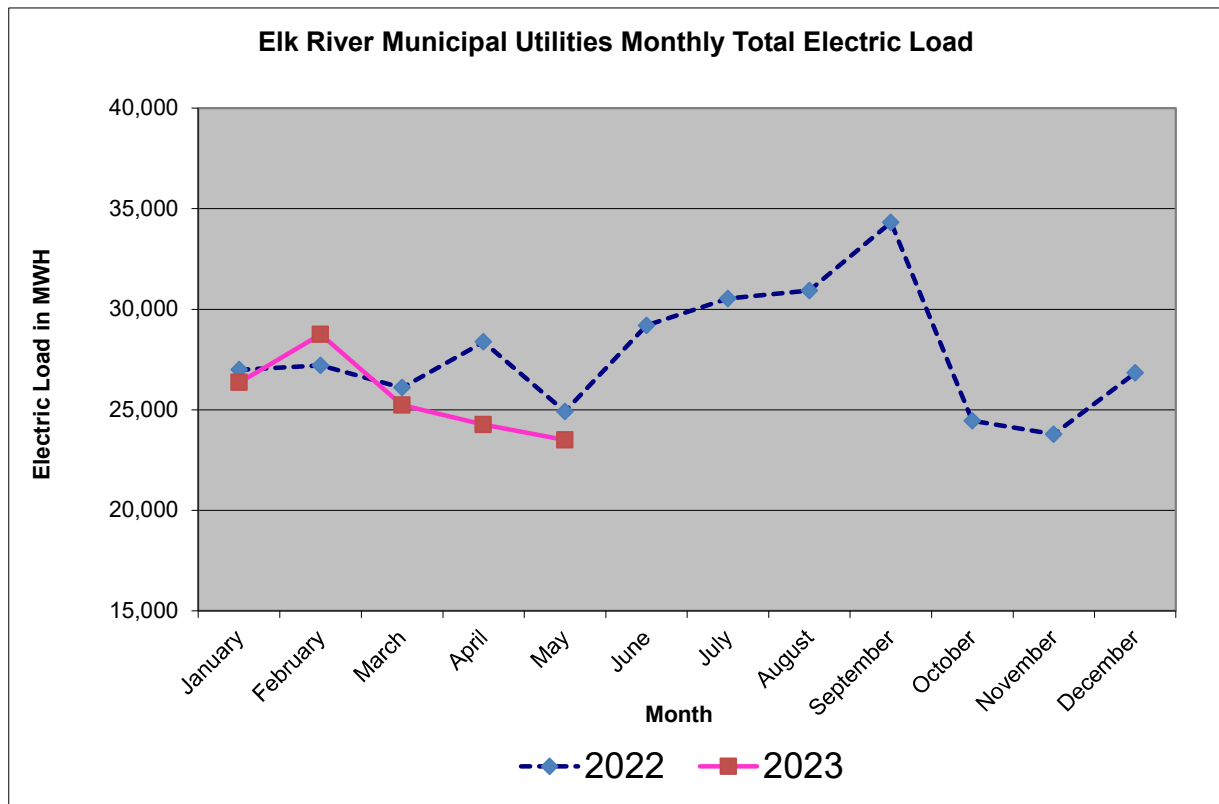
ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

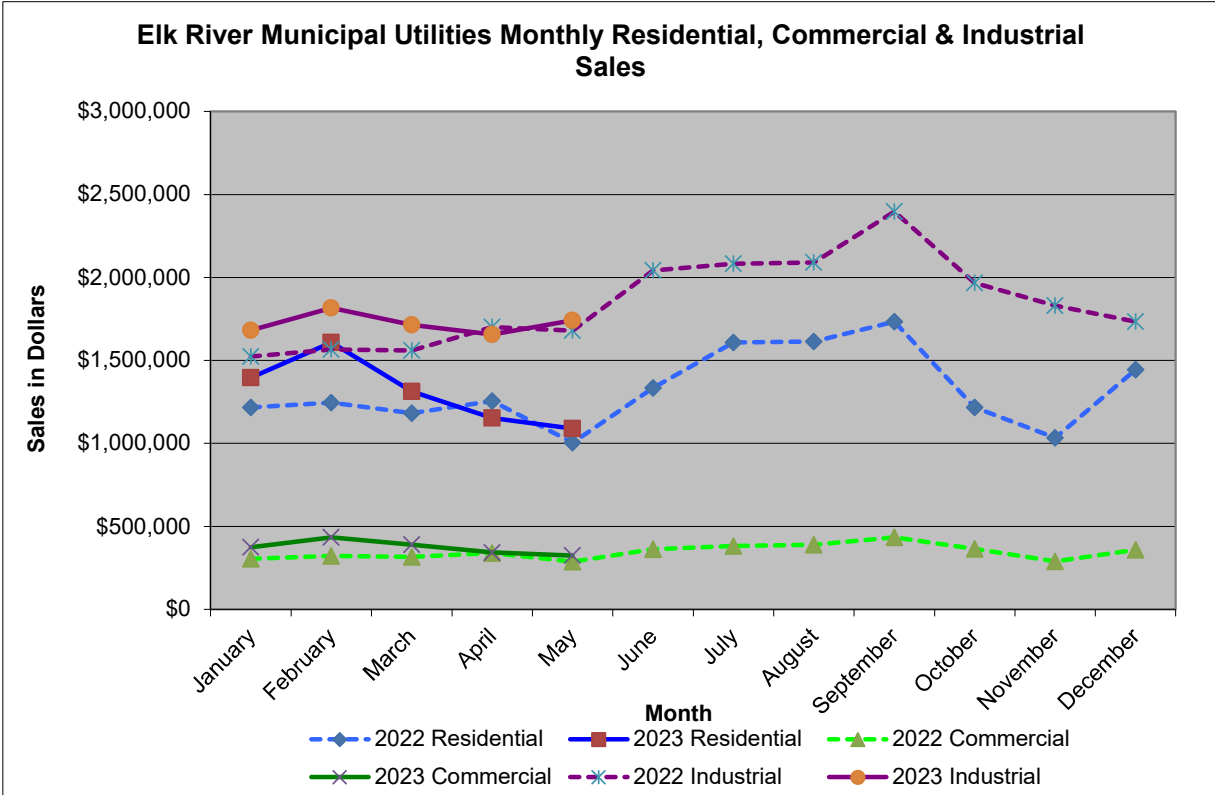
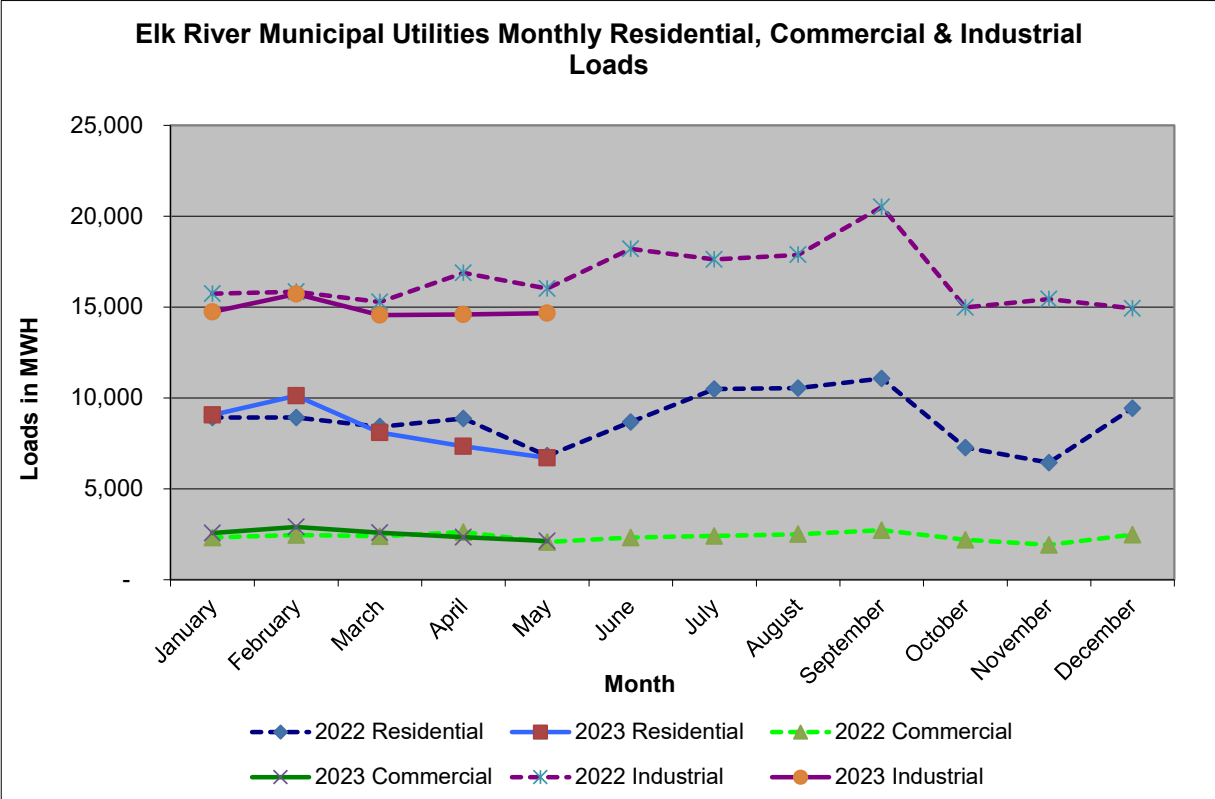
	2023 APRIL	2023 YTD	2023 YTD BUDGET	YTD Budget Variance	2023 YTD Bud Var%	2023 ANNUAL BUDGET	2022 APRIL	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual	Variance Item
Water Revenue											
Operating Revenue											
Water Sales	136,714	565,200	464,796	100,404	22	2,503,414	147,781	534,856	30,343	6	(1)
Total Operating Revenue	136,714	565,200	464,796	100,404	22	2,503,414	147,781	534,856	30,343	6	
Other Operating Revenue											
Interest/Dividend Income	4,880	13,012	12,167	846	7	36,500	(6,428)	(26,448)	39,461	(149)	(2)
Customer Penalties	938	4,960	9,333	(4,373)	(47)	28,000	2,155	4,104	856	21	
Connection Fees	20,475	61,376	172,667	(111,290)	(64)	518,000	459,657	613,325	(551,949)	(90)	(3)
Misc Revenue	975	5,085	4,683	401	9	376,034	24,467	98,206	(93,121)	(95)	(4)
Total Other Revenue	27,269	84,434	198,850	(114,416)	(58)	958,534	479,851	689,187	(604,753)	(88)	
Total Revenue	163,982	649,634	663,646	(14,012)	(2)	3,461,948	627,633	1,224,043	(574,410)	(47)	
Expenses											
Production Expense	6,275	37,152	30,000	7,152	24	90,000	7,201	32,685	4,467	14	
Pumping Expense	39,977	177,079	201,000	(23,921)	(12)	603,000	37,884	178,306	(1,227)	(1)	
Distribution Expense	29,989	118,642	123,217	(4,574)	(4)	337,650	20,718	89,149	29,494	33	(5)
Depreciation & Amortization	97,637	389,772	389,592	180	0	1,202,937	92,514	370,633	19,139	5	
Interest Expense	3,112	12,450	12,450	0	0	36,349	3,279	14,321	(1,871)	(13)	
Other Operating Expense	1,554	2,055	720	1,335	185	2,470	99	484	1,572	325	
Customer Accounts Expense	8,146	29,589	28,123	1,465	5	84,370	6,995	25,399	4,189	16	
Administrative Expense	70,430	332,660	365,502	(32,842)	(9)	1,032,655	70,162	315,106	17,555	6	
General Expense	910	3,157	6,217	(3,060)	(49)	18,650	1,097	3,535	(378)	(11)	
Total Expenses(before Operating Transfers)	258,031	1,102,556	1,156,820	(54,264)	(5)	3,408,081	239,949	1,029,616	72,940	7	
Operating Transfer											
Utilities & Labor Donated	0	0	500	(500)	(100)	1,500	0	0	0	0	
Total Operating Transfer	0	0	500	(500)	(100)	1,500	0	0	0	0	
Net Income Profit(Loss)	(94,048)	(452,923)	(493,675)	40,752	8	52,367	387,684	194,427	(647,350)	(333)	

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

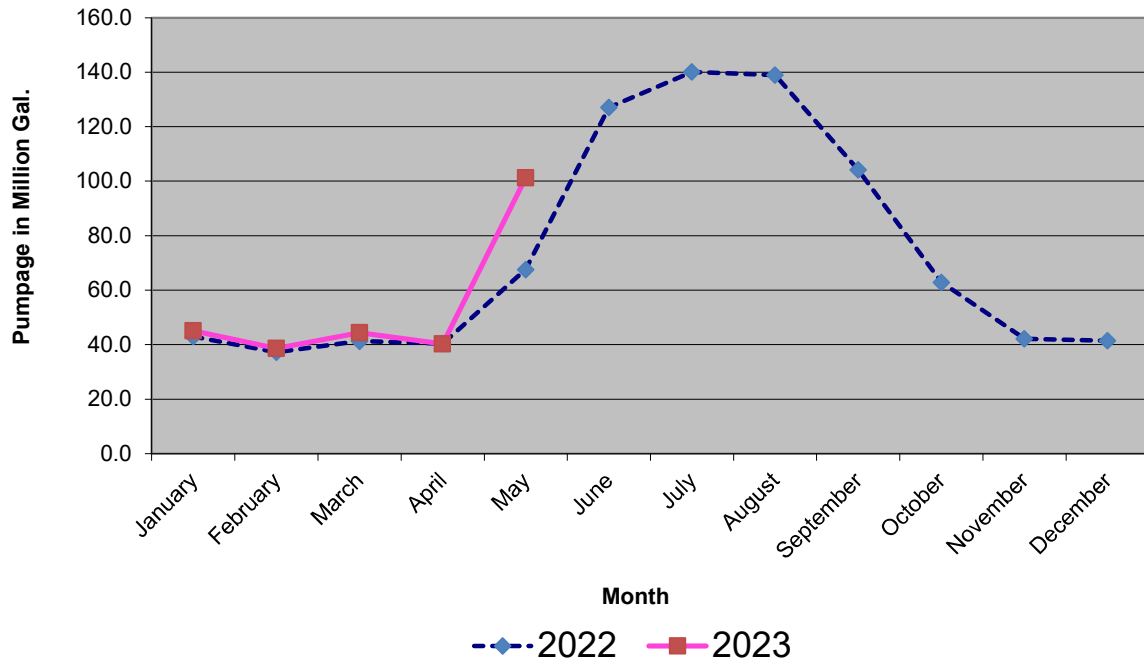
- (1) YTD Budget variance is due to actual usage being higher than budget.
- (2) PYTD variance is due to the change in Fair Market Value of Investments.
- (3) YTD Budget variance is due to a even budget spread. PYTD variance is due to more Connection Fees in 2022.
- (4) PYTD variance is due to Water 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.



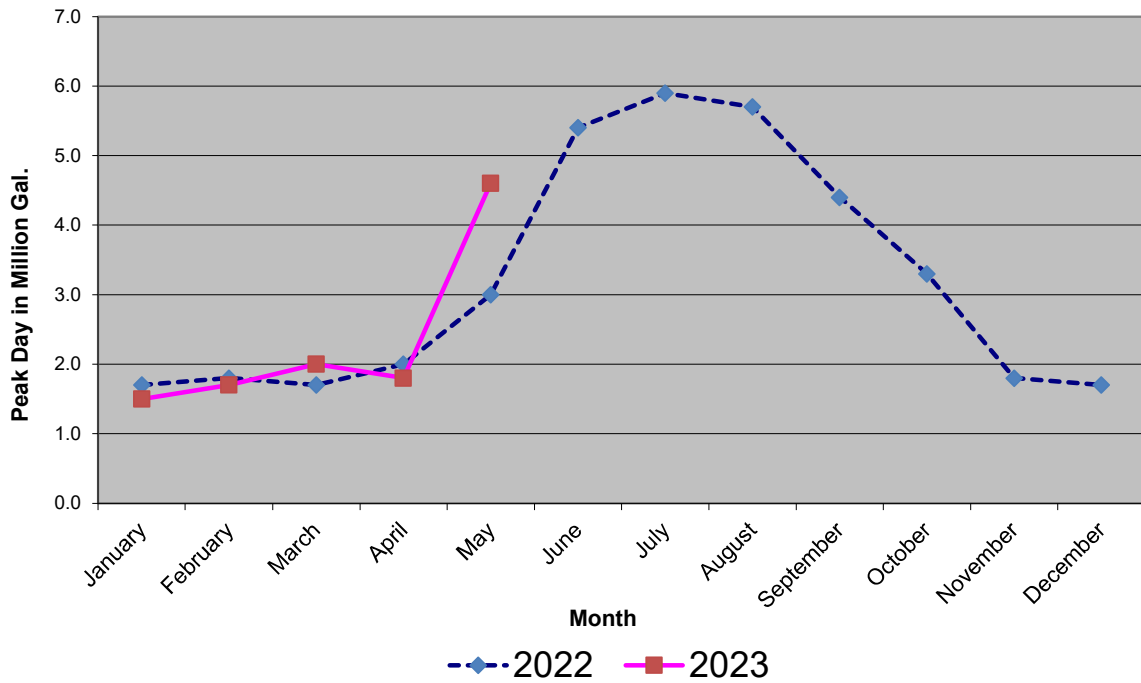


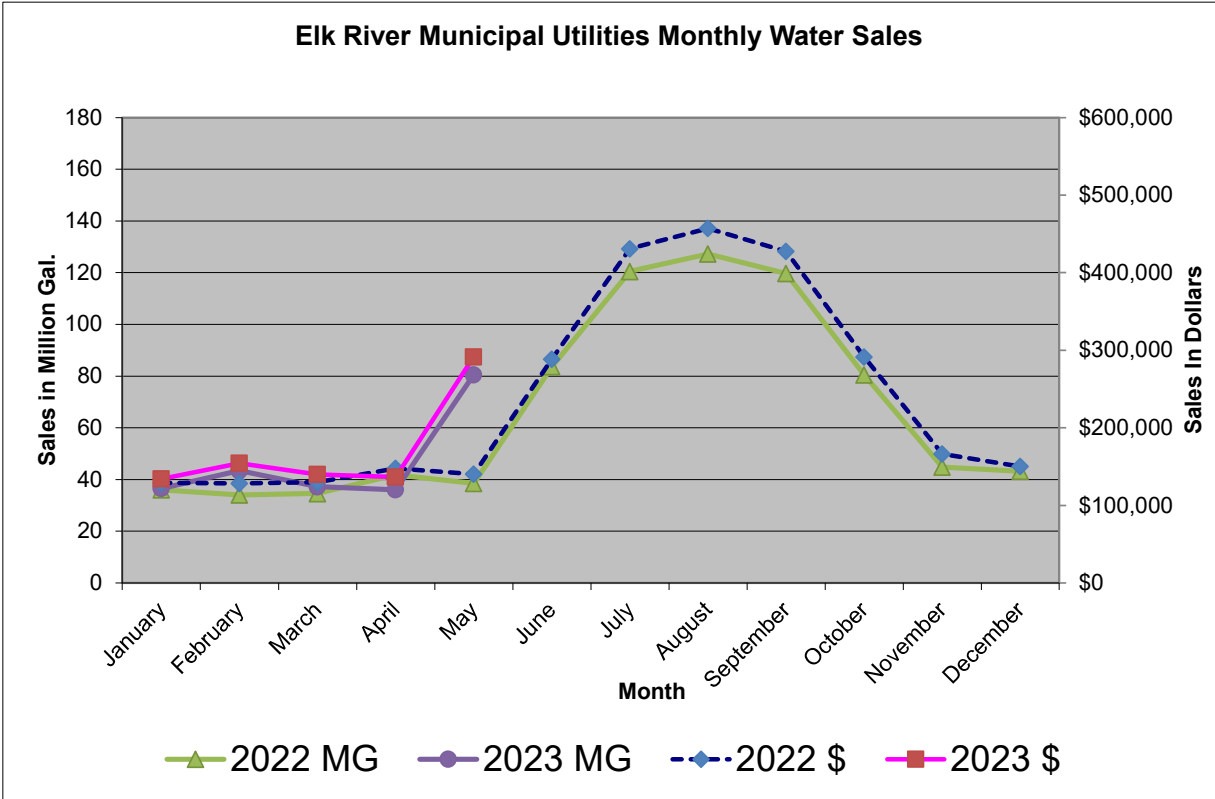


Elk River Municipal Utilities Monthly Water Pumpage



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 APRIL 2023

		2023 APRIL	2023 YTD	2023 YTD BUDGET	2023 ANNUAL BUDGET	2023 YTD Bud Var%	2022 APRIL	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual Var%
Electric Revenue										
Operating Revenue										
Elk River										
	ELECT SALES - ELK RIVER RESID	927,062	4,240,327	4,203,362	14,039,146	1	1,041,621	4,116,581	123,746	3
	ELECT SALES - ELK RIVER NON-D	260,037	1,135,589	1,046,077	3,461,850	9	259,990	1,003,692	131,896	13
	ELECT SALES - ELK RIVER DEMA	1,368,518	5,368,908	5,525,480	20,243,229	(3)	1,459,469	5,541,603	(172,695)	(3)
	PCA SALES REVENUE - ELK RIVE	44,927	297,602	427,863	1,285,399	(30)	0	0	297,602	0
	PCA SALES REVENUE - ELK RIVE	14,014	88,305	119,329	340,814	(26)	0	0	88,305	0
	PCA SALES REVENUE - ELK RIVE	95,683	541,385	856,100	2,670,887	(37)	0	0	541,385	0
	Total For Elk River:	2,710,244	11,672,119	12,178,212	42,041,326	(4)	2,761,081	10,661,877	1,010,241	9
Otsego										
	ELECT SALES - OTSEGO RESIDEN	100,899	453,705	407,230	1,420,072	11	108,839	418,433	35,271	8
	ELECT SALES - OTSEGO NON-DEM	31,608	132,203	120,408	454,649	10	36,926	130,790	1,412	1
	ELECT SALES - OTSEGO DEMAND	96,891	404,786	328,597	1,180,452	23	105,106	389,350	15,436	4
	PCA SALES REVENUE - OTSEGO R	4,795	31,159	41,445	129,685	(25)	0	0	31,159	0
	PCA SALES REVENUE - OTSEGO N	1,730	10,322	13,743	44,260	(25)	0	0	10,322	0
	PCA SALES REVENUE - OTSEGO D	6,842	40,482	49,768	156,538	(19)	0	0	40,482	0
	Total For Otsego:	242,768	1,072,659	961,193	3,385,657	12	250,872	938,574	134,085	14
Rural Big Lake										
	ELECT SALES - BIG LAKE RESIDE	14,225	64,415	67,738	214,102	(5)	16,211	62,921	1,493	2
	ELECT SALES - BIG LAKE NON-DE	163	661	613	4,513	8	172	636	24	4
	PCA SALES REVENUE - BIG LAKE	700	4,545	6,893	19,622	(34)	0	0	4,545	0
	PCA SALES REVENUE - BIG LAKE	4	25	70	420	(64)	0	0	25	0
	Total For Rural Big Lake:	15,092	69,648	75,316	238,658	(8)	16,383	63,558	6,089	10
Dayton										
	ELECT SALES - DAYTON RESIDEN	14,560	66,290	69,296	221,646	(4)	16,211	65,554	735	1
	ELECT SALES - DAYTON NON-DE	2,700	11,431	11,918	39,638	(4)	3,202	11,948	(517)	(4)
	PCA SALES REVENUE - DAYTON R	690	4,551	7,050	20,286	(35)	0	0	4,551	0
	PCA SALES REVENUE - DAYTON	127	783	1,359	3,900	(42)	0	0	783	0
	Total For Dayton:	18,079	83,056	89,624	285,471	(7)	19,413	77,503	5,553	7
Public St & Hwy Lighting										
	ELECT SALES - SEC LTS	21,555	86,262	86,666	260,000	0	21,501	85,768	493	1
	Total For Public St & Hwy Lighting:	21,555	86,262	86,666	260,000	0	21,501	85,768	493	1
Other Electric Sales										
	SUB-STATION CREDIT	400	1,600	1,600	4,800	0	400	1,600	0	0
	RATE INCREASE	0	0	0	0	0	231,000	656,841	(656,841)	(100)

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

	2023 APRIL	2023 YTD	2023 YTD BUDGET	2023 ANNUAL BUDGET	2023 YTD Bud Var%	2022 APRIL	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual Var%
Electric									
Total For Other Electric Sales:	400	1,600	1,600	4,800	0	231,400	658,441	(656,841)	(100)
Total Operating Revenue	<u>3,008,140</u>	<u>12,985,346</u>	<u>13,392,613</u>	<u>46,215,912</u>	<u>(3)</u>	<u>3,300,652</u>	<u>12,485,723</u>	<u>499,622</u>	<u>4</u>
Other Operating Revenue									
Interest/Dividend Income									
INTEREST & DIVIDEND INCOME	14,597	32,498	16,666	50,000	95	(28,456)	(116,946)	149,444	128
Total For Interest/Dividend Income:	14,597	32,498	16,666	50,000	95	(28,456)	(116,946)	149,444	128
Customer Penalties									
CUSTOMER DELINQUENT PENALT	21,481	95,359	83,333	250,000	14	21,384	65,758	29,600	45
Total For Customer Penalties:	21,481	95,359	83,333	250,000	14	21,384	65,758	29,600	45
LFG Project									
LFG PROJECT	0	0	0	0	0	59,739	298,291	(298,291)	(100)
Total For LFG Project:	0	0	0	0	0	59,739	298,291	(298,291)	(100)
Connection Fees									
DISCONNECT & RECONNECT CHA	10,020	34,153	73,333	220,000	(53)	15,365	51,030	(16,876)	(33)
Total For Connection Fees:	10,020	34,153	73,333	220,000	(53)	15,365	51,030	(16,876)	(33)
Misc Revenue									
MISC ELEC REVENUE - TEMP CHG	440	3,259	666	2,000	389	0	670	2,589	386
STREET LIGHT	0	0	5,000	20,000	(100)	0	125	(125)	(100)
TRANSMISSION INVESTMENTS	43,540	198,170	216,410	649,231	(8)	37,211	174,655	23,514	13
MISC NON-UTILITY	17,714	55,064	30,000	90,000	84	8,869	37,906	17,157	45
GAIN ON DISPOSITION OF PROPER	0	0	0	0	0	0	22,750	(22,750)	(100)
CONTRIBUTIONS FROM CUSTOME	62,528	80,555	58,333	175,000	38	122,036	122,036	(41,480)	(34)
Total For Misc Revenue:	124,223	337,050	310,410	936,231	9	168,116	358,143	(21,093)	(6)
Total Other Revenue	<u>170,322</u>	<u>499,061</u>	<u>483,743</u>	<u>1,456,231</u>	<u>3</u>	<u>236,148</u>	<u>656,277</u>	<u>(157,216)</u>	<u>(24)</u>
Total For Total Other Revenue:	170,322	499,061	483,743	1,456,231	3	236,148	656,277	(157,216)	(24)
Total Revenue	<u>3,178,462</u>	<u>13,484,407</u>	<u>13,876,356</u>	<u>47,672,143</u>	<u>(3)</u>	<u>3,536,801</u>	<u>13,142,001</u>	<u>342,406</u>	<u>3</u>
Expenses									
Purchased Power									
PURCHASED POWER	1,563,950	6,484,895	6,896,762	24,207,981	(6)	2,101,422	9,063,835	(2,578,939)	(28)
ENERGY ADJUSTMENT CLAUSE	446,222	2,222,852	2,780,382	8,558,044	(20)	0	0	2,222,852	0
Total For Purchased Power:	2,010,172	8,707,748	9,677,145	32,766,025	(10)	2,101,422	9,063,835	(356,087)	(4)
Operating & Mtce Expense									

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

	2023 APRIL	2023 YTD	2023 YTD BUDGET	2023 ANNUAL BUDGET	2023 YTD Bud Var%	2022 APRIL	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual Var%
Electric									
OPERATING SUPERVISION	8,520	40,144	45,666	137,000	(12)	8,758	36,093	4,051	11
DIESEL OIL FUEL	729	3,406	3,333	10,000	2	76	1,322	2,083	157
NATURAL GAS	1,490	20,137	12,500	25,000	61	1,778	11,150	8,987	81
ELECTRIC & WATER CONSUMPTI	4,405	24,210	15,000	34,000	61	2,632	14,343	9,867	69
PLANT SUPPLIES & OTHER EXPEN	4,766	18,676	4,333	13,000	331	169	1,476	17,199	1,164
MISC POWER GENERATION EXPE	911	2,783	2,666	8,000	4	590	2,072	711	34
MAINTENANCE OF STRUCTURE -	549	8,128	6,666	20,000	22	1,708	6,536	1,592	24
MTCE OF PLANT ENGINES/GENER	1,601	11,859	13,000	39,000	(9)	804	4,958	6,901	139
MTCE OF PLANT/LAND IMPROVE	636	20,092	19,000	35,000	6	3,402	11,627	8,465	73
Total For Operating & Mtce Expense:	23,611	149,440	122,166	321,000	22	19,923	89,580	59,859	67
Landfill Gas									
LANDFILL GAS PLANT PURCHASE	0	0	0	0	0	13,243	48,683	(48,683)	(100)
LANDFILL GAS PLANT OPERATIO	0	0	0	0	0	41,518	166,074	(166,074)	(100)
LANDFILL GAS PLANT ADMINIST	0	0	0	0	0	184	855	(855)	(100)
LANDFILL GAS PLANT INSURANC	0	0	0	0	0	1,623	6,494	(6,494)	(100)
LANDFILL GAS PLANT MTCE	0	0	0	0	0	140	434	(434)	(100)
Total For Landfill Gas:	0	0	0	0	0	56,710	222,543	(222,543)	(100)
Transmission Expense									
TRANSMISSION MTCE AND EXPE	5,536	20,205	23,333	70,000	(13)	4,254	23,027	(2,821)	(12)
Total For Transmission Expense:	5,536	20,205	23,333	70,000	(13)	4,254	23,027	(2,821)	(12)
Distribution Expense									
REMOVE EXISTING SERVICE & M	0	542	350	1,050	55	194	194	347	178
SCADA EXPENSE	2,905	14,083	14,666	44,000	(4)	2,788	13,367	715	5
TRANSFORMER EXPENSE OH & U	1,275	6,114	5,000	15,000	22	963	3,817	2,296	60
MTCE OF SIGNAL SYSTEMS	0	609	666	2,000	(9)	0	154	454	293
METER EXPENSE - REMOVE & RE	0	100	500	1,500	(80)	0	275	(174)	(63)
TEMP SERVICE - INSTALL & REM	651	4,134	1,166	3,500	254	373	560	3,573	637
MISC DISTRIBUTION EXPENSE	26,131	159,236	100,000	300,000	59	31,994	126,075	33,161	26
INTERCONNECTION CARRYING C	0	0	0	2,416	0	0	0	0	0
Total For Distribution Expense:	30,964	184,820	122,350	369,466	51	36,313	144,445	40,375	28
Maintenance Expense									
MTCE OF STRUCTURES	946	12,733	15,333	46,000	(17)	2,129	8,147	4,586	56
MTCE OF SUBSTATIONS	2,996	16,205	11,666	35,000	39	6,528	7,003	9,201	131
MTCE OF SUBSTATION EQUIPME	7,090	14,399	25,666	77,000	(44)	4,825	22,541	(8,141)	(36)
MTCE OF OH LINES/TREE TRIM	30,221	166,134	175,000	225,000	(5)	13,447	106,665	59,469	56

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

	2023 APRIL	2023 YTD	2023 YTD BUDGET	2023 ANNUAL BUDGET	2023 YTD Bud Var%	2022 APRIL	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual Var%
Electric									
MTCE OF OH LINES/STANDBY	2,982	11,783	13,333	40,000	(12)	2,830	11,294	489	4
MTCE OF OH PRIMARY	14,318	54,273	56,666	170,000	(4)	14,968	43,695	10,577	24
MTCE OF URD PRIMARY	15,060	43,228	56,666	170,000	(24)	10,254	51,724	(8,496)	(16)
LOCATE ELECTRIC LINES	8,989	19,798	35,333	106,000	(44)	10,790	24,290	(4,492)	(18)
LOCATE FIBER LINES	0	33	333	1,000	(90)	48	179	(145)	(81)
MTCE OF LINE TRANSFORMERS	737	3,640	20,000	60,000	(82)	3,830	9,515	(5,874)	(62)
MTCE OF STREET LIGHTING	3,054	9,626	15,000	45,000	(36)	888	6,924	2,701	39
MTCE OF SECURITY LIGHTING	2,780	7,104	5,000	15,000	42	1,146	4,862	2,241	46
MTCE OF METERS	4,024	19,638	28,333	85,000	(31)	7,144	27,645	(8,007)	(29)
VOLTAGE COMPLAINTS	505	3,692	3,333	10,000	11	1,109	2,397	1,294	54
SALARIES TRANSMISSION & DIST	2,001	9,301	10,166	30,500	(9)	2,399	9,089	211	2
ELECTRIC MAPPING	12,744	67,022	31,666	95,000	112	5,962	40,012	27,010	68
MTCE OF OH SECONDARY	2,088	6,452	8,333	25,000	(23)	598	4,335	2,116	49
MTCE OF URD SECONDARY	2,943	13,112	20,000	60,000	(34)	5,528	14,719	(1,607)	(11)
TRANSPORTATION EXPENSE	23,122	117,899	81,666	245,000	44	28,400	109,783	8,116	7
Total For Maintenance Expense:	136,607	596,080	613,500	1,540,500	(3)	122,832	504,826	91,253	18
Depreciation & Amortization									
DEPRECIATION	208,332	833,979	837,404	2,552,700	0	194,616	777,364	56,615	7
AMORTIZATION	55,677	222,711	222,712	668,136	0	55,677	222,711	0	0
Total For Depreciation & Amortization:	264,010	1,056,691	1,060,116	3,220,836	0	250,294	1,000,076	56,615	6
Interest Expense									
INTEREST EXPENSE - BONDS	73,213	294,052	294,052	870,695	0	75,850	307,458	(13,406)	(4)
AMORTIZATION OF DEBT DISCOU	(4,988)	(19,954)	(19,954)	(59,863)	0	(4,988)	(20,857)	903	4
Total For Interest Expense:	68,224	274,098	274,098	810,832	0	70,862	286,600	(12,502)	(4)
Other Operating Expense									
EV CHARGING EXPENSE	187	394	2,577	7,731	(85)	421	1,729	(1,335)	(77)
LOSS ON DISPOSITION OF PROP (C	0	0	0	15,500	0	0	0	0	0
OTHER DONATIONS	0	0	1,000	3,000	(100)	291	(9)	9	100
PENSION EXPENSE	0	0	0	45,000	0	0	0	0	0
OTHER INTEREST EXPENSE	0	378	378	378	0	378	1,864	(1,486)	(80)
INTEREST EXPENSE - METER DEP	3,970	15,700	833	2,500	1,785	166	657	15,042	2,290
Total For Other Operating Expense:	4,157	16,472	4,788	74,109	244	1,257	4,241	12,230	288
Customer Accounts Expense									
METER READING EXPENSE	3,319	12,433	15,666	47,000	(21)	4,631	15,476	(3,042)	(20)
DISCONNECT/RECONNECT EXPEN	1,353	5,473	7,333	22,000	(25)	1,746	6,125	(652)	(11)

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

	2023 APRIL	2023 YTD	2023 YTD BUDGET	2023 ANNUAL BUDGET	2023 YTD Bud Var%	2022 APRIL	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual Var%
Electric									
MISC CUSTOMER ACCOUNTS EXP	31,180	111,414	104,166	312,500	7	26,998	96,170	15,244	16
BAD DEBT EXPENSE & RECOVER	2,478	4,292	6,666	20,000	(36)	1,385	2,639	1,653	63
Total For Customer Accounts Expense:	38,332	133,613	133,833	401,500	0	34,761	120,411	13,201	11
Administrative Expense									
SALARIES OFFICE & COMMISSION	63,316	268,991	316,666	950,000	(15)	65,591	251,496	17,494	7
TEMPORARY STAFFING	0	0	1,333	4,000	(100)	0	0	0	0
OFFICE SUPPLIES	9,007	47,003	35,666	107,000	32	5,548	24,620	22,383	91
ELECTRIC & WATER CONSUMPTI	2,187	8,935	9,666	29,000	(8)	1,678	7,051	1,883	27
BANK FEES	130	590	833	2,500	(29)	131	662	(71)	(11)
LEGAL FEES	960	8,068	13,333	40,000	(39)	2,077	8,549	(480)	(6)
AUDITING FEES	2,583	7,453	6,173	18,520	21	1,503	6,013	1,440	24
INSURANCE	21,996	71,065	62,000	186,000	15	15,825	55,614	15,451	28
UTILITY SHARE - DEFERRED COM	10,103	61,510	41,333	124,000	49	12,617	57,448	4,062	7
UTILITY SHARE - MEDICAL/DENT	59,133	360,643	370,131	858,481	(3)	58,052	347,471	13,171	4
UTILITY SHARE - PERA	26,619	96,634	96,000	288,000	1	26,351	89,429	7,205	8
UTILITY SHARE - FICA	25,790	92,834	93,333	280,000	(1)	25,165	85,743	7,090	8
EMPLOYEE SICK PAY	9,503	66,367	50,000	150,000	33	13,171	60,553	5,814	10
EMPLOYEE HOLIDAY PAY	0	43,372	42,954	157,500	1	0	25,174	18,197	72
EMPLOYEE VACATION & PTO PA	18,674	110,998	98,000	250,000	13	25,567	95,726	15,272	16
UPMIC DISTRIBUTION	(1,704)	18,817	22,753	91,015	(17)	0	10,576	8,240	78
LONGEVITY PAY	0	1,923	1,924	16,369	0	0	0	1,923	0
CONSULTING FEES	0	0	26,666	80,000	(100)	10,455	36,852	(36,852)	(100)
TELEPHONE	3,107	12,883	13,666	41,000	(6)	2,961	11,483	1,400	12
ADVERTISING	1,023	4,873	5,000	15,000	(3)	1,760	5,163	(289)	(6)
DUES & SUBSCRIPTIONS - FEES	9,504	38,844	57,558	172,675	(33)	10,119	39,456	(611)	(2)
SCHOOLS & MEETINGS	31,168	74,592	103,500	259,925	(28)	16,352	69,770	4,822	7
MTCE OF GENERAL PLANT & OFFI	1,002	4,010	2,533	7,600	58	609	2,437	1,573	65
Total For Administrative Expense:	294,108	1,400,417	1,471,028	4,128,585	(5)	295,539	1,291,294	109,122	8
General Expense									
CIP REBATES - RESIDENTIAL	3,105	13,320	33,390	100,170	(60)	2,720	16,227	(2,907)	(18)
CIP REBATES - COMMERCIAL	5,106	32,499	63,194	189,583	(49)	0	10,683	21,816	204
CIP - ADMINISTRATION	528	4,187	6,566	19,700	(36)	424	1,738	2,448	141
CIP - MARKETING	5,421	14,538	10,013	30,039	45	2,154	8,069	6,469	80
CIP - LABOR	10,622	47,764	59,503	178,511	(20)	12,589	47,094	670	1
CIP REBATES - LOW INCOME	0	4,270	6,000	18,000	(29)	0	4,185	85	2

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

	2023 APRIL	2023 YTD	2023 YTD BUDGET	2023 ANNUAL BUDGET	2023 YTD Bud Var%	2022 APRIL	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual Var%
Electric									
CIP - LOW INCOME LABOR	810	3,464	3,295	9,887	5	947	3,674	(209)	(6)
ENVIRONMENTAL COMPLIANCE	33	7,758	11,406	34,219	(32)	2,595	10,094	(2,336)	(23)
MISC GENERAL EXPENSE	332	6,179	833	2,500	642	36	(5)	6,185	103,100
Total For General Expense:	25,960	133,982	194,203	582,609	(31)	21,468	101,761	32,221	32
Total Expenses(before Operating Transfers)	2,901,685	12,673,570	13,696,562	44,285,462	(7)	3,015,639	12,852,644	(179,074)	(1)
Operating Transfer									
Operating Transfer/Other Funds									
TRANSFER TO CITY ELK RIVER R	114,366	502,268	487,128	1,681,653	3	119,357	455,063	47,204	10
Total For Operating Transfer/Other Funds:	114,366	502,268	487,128	1,681,653	3	119,357	455,063	47,204	10
Utilities & Labor Donated									
UTILITIES & LABOR DONATED TO	47,341	105,468	80,000	240,000	32	18,411	75,222	30,246	40
Total For Utilities & Labor Donated:	47,341	105,468	80,000	240,000	32	18,411	75,222	30,246	40
Total Operating Transfer									
Total For Total Operating Transfer:	161,707	607,737	567,128	1,921,653	7	137,769	530,286	77,451	15
Net Income Profit(Loss)	115,069	203,100	(387,333)	1,465,028	152	383,392	(240,929)	444,029	184

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

	2023 APRIL	2023 YTD	2023 YTD BUDGET	2023 ANNUAL BUDGET	2023 YTD Bud Var%	2022 APRIL	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual Var%
Water Revenue									
Operating Revenue									
Water Sales									
WATER SALES RESIDENTIAL	84,052	349,687	282,861	1,397,043	24	90,117	336,193	13,493	4
WATER SALES COMMERCIAL	50,826	208,921	176,623	850,022	18	56,047	192,432	16,489	9
WATER SALES IRRIGATION	1,834	6,590	5,311	256,349	24	1,616	6,230	360	6
Total For Water Sales:	136,713	565,199	464,795	2,503,414	22	147,781	534,856	30,343	6
Total Operating Revenue	136,713	565,199	464,795	2,503,414	22	147,781	534,856	30,343	6
Total For Total Operating Revenue:	136,713	565,199	464,795	2,503,414	22	147,781	534,856	30,343	6
Other Operating Revenue									
Interest/Dividend Income									
INTEREST & DIVIDEND INCOME	4,879	13,012	11,666	35,000	12	(6,427)	(26,448)	39,460	149
OTHER INTEREST/MISC REVENUE	0	0	500	1,500	(100)	0	0	0	0
Total For Interest/Dividend Income:	4,879	13,012	12,166	36,500	7	(6,427)	(26,448)	39,460	149
Customer Penalties									
CUSTOMER PENALTIES	938	4,960	9,333	28,000	(47)	2,155	4,104	855	21
Total For Customer Penalties:	938	4,960	9,333	28,000	(47)	2,155	4,104	855	21
Connection Fees									
WATER/ACCESS/CONNECTION FE	22,110	51,300	150,000	450,000	(66)	451,105	591,506	(540,206)	(91)
CUSTOMER CONNECTION FEES	1,099	3,735	13,333	40,000	(72)	8,552	21,729	(17,994)	(83)
BULK WATER SALES/HYDRANT R	(2,734)	6,341	9,333	28,000	(32)	0	89	6,251	6,946
Total For Connection Fees:	20,475	61,376	172,666	518,000	(64)	459,657	613,325	(551,948)	(90)
Misc Revenue									
MISC NON-UTILITY	0	20	16	50	18	5	25	(5)	(20)
MISCELLANEOUS REVENUE	0	258	166	500	55	0	0	258	0
HYDRANT MAINTENANCE PROGR	975	4,806	4,500	13,500	7	980	4,253	552	13
CONTRIBUTIONS FROM DEVELOP	0	0	0	65,000	0	0	0	0	0
WATER TOWER LEASE	0	0	0	296,984	0	23,481	93,926	(93,926)	(100)
Total For Misc Revenue:	975	5,084	4,683	376,034	9	24,466	98,205	(93,120)	(95)
Total Other Revenue	27,268	84,433	198,850	958,534	(58)	479,851	689,186	(604,752)	(88)
Total For Total Other Revenue:	27,268	84,433	198,850	958,534	(58)	479,851	689,186	(604,752)	(88)
Total Revenue	163,982	649,633	663,645	3,461,948	(2)	627,632	1,224,043	(574,409)	(47)

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

	2023 APRIL	2023 YTD	2023 YTD BUDGET	2023 ANNUAL BUDGET	2023 YTD Bud Var%	2022 APRIL	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual Var%
Water Expenses									
Production Expense									
MTCE OF STRUCTURES	6,274	37,152	30,000	90,000	24	7,200	32,685	4,467	14
Total For Production Expense:	6,274	37,152	30,000	90,000	24	7,200	32,685	4,467	14
Pumping Expense									
SUPERVISION	5,444	21,000	23,000	69,000	(9)	4,517	19,927	1,072	5
ELECTRIC & GAS UTILITIES	20,497	86,473	96,000	288,000	(10)	16,439	75,671	10,801	14
SAMPLING	2,543	6,003	5,000	15,000	20	2,151	4,400	1,602	36
CHEMICAL FEED	790	6,030	16,666	50,000	(64)	477	5,264	765	15
MTCE OF ELECTRIC PUMPING EQ	0	0	0	0	0	0	96	(96)	(100)
MTCE OF WELLS	10,405	56,468	55,000	165,000	3	14,111	69,082	(12,614)	(18)
SCADA - PUMPING	295	1,103	5,333	16,000	(79)	186	3,862	(2,759)	(71)
Total For Pumping Expense:	39,977	177,078	201,000	603,000	(12)	37,883	178,305	(1,226)	(1)
Distribution Expense									
MTCE OF WATER MAINS	13,171	55,691	40,000	120,000	39	2,365	10,355	45,335	438
LOCATE WATER LINES	482	1,190	5,750	17,250	(79)	1,401	1,929	(739)	(38)
MTCE OF WATER SERVICES	0	184	0	0	0	0	40	144	362
WATER METER SERVICE	4,457	7,193	22,000	66,000	(67)	8,627	30,620	(23,426)	(77)
BACKFLOW DEVICE INSPECTION	1,123	5,701	3,600	16,000	58	889	3,581	2,119	59
MTCE OF CUSTOMERS SERVICE	2,395	9,877	10,166	30,500	(3)	2,250	9,043	834	9
WATER MAPPING	4,102	6,744	4,166	12,500	62	535	996	5,748	577
MTCE OF WATER HYDRANTS - PU	1,131	2,457	6,333	19,000	(61)	874	3,043	(585)	(19)
MTCE OF WATER HYDRANTS - PR	0	(73)	1,666	5,000	(104)	0	254	(327)	(129)
WATER CLOTHING/PPE	846	7,255	3,000	9,000	142	1,848	4,723	2,531	54
WAGES WATER	498	2,382	2,433	7,300	(2)	397	1,897	484	26
TRANSPORTATION EXPENSE	1,780	4,285	5,500	16,500	(22)	1,183	4,293	(7)	0
WATER PERMIT	0	15,752	18,600	18,600	(15)	345	18,370	(2,617)	(14)
Total For Distribution Expense:	29,988	118,642	123,216	337,650	(4)	20,718	89,148	29,493	33
Depreciation & Amortization									
DEPRECIATION	97,637	389,771	389,592	1,202,937	0	92,513	370,632	19,139	5
Total For Depreciation & Amortization:	97,637	389,771	389,592	1,202,937	0	92,513	370,632	19,139	5
Interest Expense									
INTEREST EXPENSE - BONDS	3,666	14,666	14,666	43,000	0	3,833	16,537	(1,871)	(11)
AMORTIZATION OF DEBT DISCOU	(554)	(2,216)	(2,217)	(6,651)	0	(554)	(2,216)	0	0
Total For Interest Expense:	3,112	12,449	12,449	36,349	0	3,279	14,320	(1,871)	(13)

Other Operating Expense

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

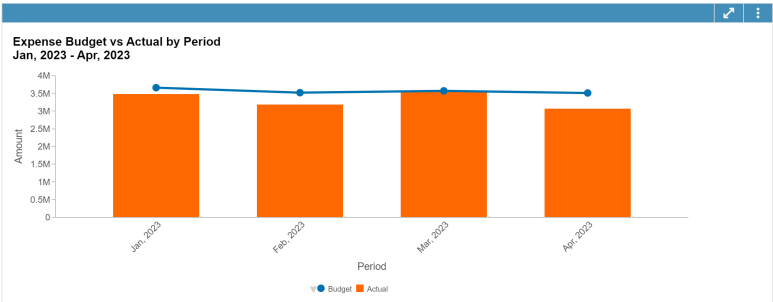
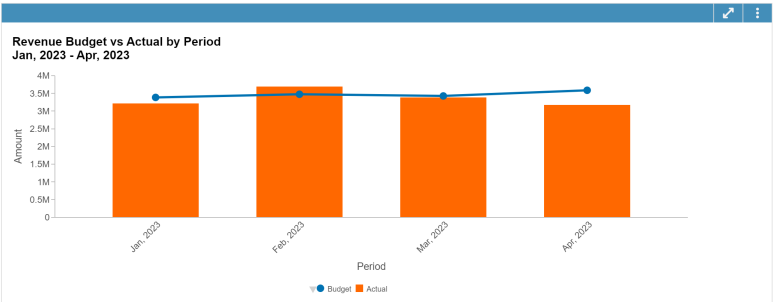
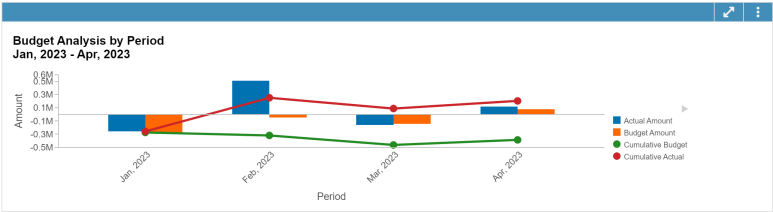
	2023 APRIL	2023 YTD	2023 YTD BUDGET	2023 ANNUAL BUDGET	2023 YTD Bud Var%	2022 APRIL	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual Var%
Water									
LOSS ON DISPOSITION OF PROP (C	0	0	0	500	0	0	0	0	0
DAM MAINTENANCE EXPENSE	1,449	1,541	583	1,750	164	0	0	1,541	0
OTHER INTEREST EXPENSE	0	94	95	95	0	94	466	(371)	(80)
INTEREST EXPENSE - METER DEP	104	419	41	125	900	4	17	401	2,233
Total For Other Operating Expense:	1,553	2,055	720	2,470	185	98	483	1,571	325
Customer Accounts Expense									
METER READING EXPENSE	172	645	833	2,500	(23)	220	761	(115)	(15)
MISC CUSTOMER ACCOUNTS EXP	7,973	28,943	27,206	81,620	6	6,774	24,637	4,305	17
BAD DEBT EXPENSE & RECOVER	0	0	83	250	(100)	0	0	0	0
Total For Customer Accounts Expense:	8,146	29,588	28,123	84,370	5	6,995	25,399	4,189	16
Administrative Expense									
SALARIES OFFICE & COMMISSION	17,744	77,077	89,500	268,500	(14)	19,327	73,380	3,697	5
TEMPORARY STAFFING	0	0	333	1,000	(100)	0	0	0	0
OFFICE SUPPLIES	1,775	7,746	8,500	25,500	(9)	953	4,117	3,629	88
ELECTRIC & WATER CONSUMPTI	546	2,233	2,666	8,000	(16)	419	1,762	470	27
BANK FEES	32	153	208	625	(26)	32	175	(21)	(12)
LEGAL FEES	240	1,481	3,000	9,000	(51)	519	2,137	(655)	(31)
AUDITING FEES	1,191	2,409	1,543	4,630	56	375	1,503	906	60
INSURANCE	4,757	13,806	12,000	36,000	15	2,217	8,870	4,935	56
UTILITY SHARE - DEFERRED COM	2,087	10,228	10,166	30,500	1	2,994	9,981	247	2
UTILITY SHARE - MEDICAL/DENT	15,214	90,299	101,545	215,000	(11)	15,720	90,936	(636)	(1)
UTILITY SHARE - PERA	5,047	18,419	18,000	54,000	2	5,012	17,215	1,203	7
UTILITY SHARE - FICA	4,861	17,587	17,333	52,000	1	4,793	16,455	1,132	7
EMPLOYEE SICK PAY	1,723	11,727	9,000	27,000	30	2,633	8,665	3,061	35
EMPLOYEE HOLIDAY PAY	0	7,076	8,400	30,800	(16)	0	4,301	2,774	64
EMPLOYEE VACATION & PTO PA	3,053	20,151	17,818	44,000	13	4,253	17,487	2,663	15
UPMIC DISTRIBUTION	(540)	3,632	4,517	18,069	(20)	0	2,200	1,431	65
WELLHEAD PROTECTION	6,750	6,861	0	10,000	0	471	4,724	2,137	45
LONGEVITY PAY	0	101	101	3,106	0	0	0	101	0
CONSULTING FEES	1,400	5,610	11,666	35,000	(52)	3,491	11,035	(5,425)	(49)
TELEPHONE	719	2,934	3,166	9,500	(7)	693	2,762	172	6
ADVERTISING	740	1,703	2,166	6,500	(21)	440	1,218	484	40
DUES & SUBSCRIPTIONS - FEES	1,162	19,518	22,000	78,320	(11)	1,262	19,586	(68)	0
SCHOOLS & MEETINGS	1,669	10,895	21,235	63,705	(49)	4,397	15,977	(5,081)	(32)
MTCE OF GENERAL PLANT & OFFI	250	1,002	633	1,900	58	152	609	393	65

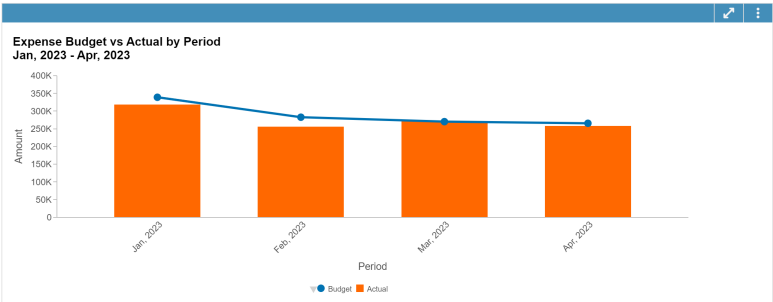
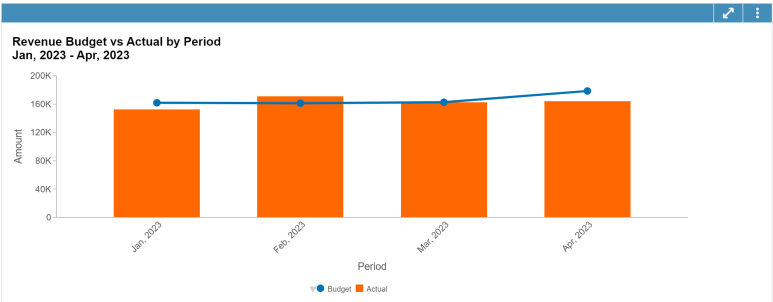
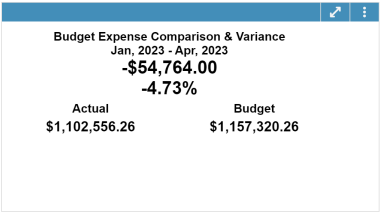
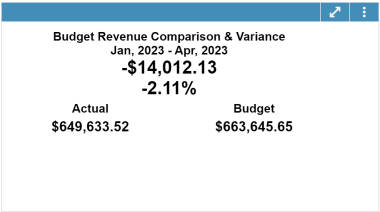
ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR PERIOD ENDING APRIL 2023

		2023	2023	2023	2023	2023 YTD	2022	2022	YTD	2022 v. 2023
		APRIL	YTD	YTD	ANNUAL	Bud Var%	APRIL	YTD	VARIANCE	Actual Var%
				BUDGET	BUDGET					
Water										
	Total For Administrative Expense:	70,429	332,660	365,501	1,032,655	(9)	70,162	315,105	17,554	6
General Expense										
	CIP REBATES - RESIDENTIAL	0	327	3,500	10,500	(91)	50	285	42	15
	CIP REBATES - COMMERCIAL	0	0	166	500	(100)	0	0	0	0
	CIP - MARKETING	0	588	166	500	252	0	529	58	11
	CIP - LABOR	102	1,288	1,566	4,700	(18)	400	1,533	(244)	(16)
	ENVIRONMENTAL COMPLIANCE	808	956	733	2,200	30	646	1,187	(231)	(19)
	MISC GENERAL EXPENSE	0	(3)	83	250	(105)	0	0	(3)	0
	Total For General Expense:	910	3,157	6,216	18,650	(49)	1,096	3,534	(377)	(11)
	Total Expenses(before Operating Transfers)	258,030	1,102,556	1,156,820	3,408,081	(5)	239,948	1,029,616	72,940	7
Operating Transfer										
Utilities & Labor Donated										
	WATER & LABOR DONATED TO CI	0	0	500	1,500	(100)	0	0	0	0
Total Operating Transfer										
	Total For Total Operating Transfer:	0	0	500	1,500	(100)	0	0	0	0
Net Income Profit(Loss)		(94,048)	(452,922)	(493,674)	52,367	8	387,683	194,426	(647,349)	(333)

Budget Revenue Comparison & Variance		
Jan, 2023 - Apr, 2023		
-\$391,949.31		
-2.82%		
Actual	Budget	
\$13,484,407.64	\$13,876,356.95	

Budget Expense Comparison & Variance		
Jan, 2023 - Apr, 2023		
-\$982,383.23		
-6.89%		
Actual	Budget	
\$13,281,307.54	\$14,263,690.77	





TO: ERMU Commission	FROM: Chris Kerzman – Engineering Manager
MEETING DATE: June 13, 2023	AGENDA ITEM NUMBER: 5.2
SUBJECT: Field Services Facility Expansion Project Update	
ACTION REQUESTED: None	

DISCUSSION:

Staff met with RJM Construction on May 22 to discuss the remainder of scoping items that RJM is requesting contract change orders for. We were able to come to an agreement on a majority of the claims that would result in a contract increase of \$1,956.51 and are still discussing claims that could total an additional \$2,399.06 increase. Staff expects to have final agreement on the outstanding items at the July regular commission meeting to present for approval.

Staff would like to follow up on questions from the May commission meeting regarding funding for Change Order No. 7, which addressed stormwater system revisions. As we approach project completion, staff expects to finalize discussions on contingency spending for costs related to the steel contractor default, and will have more details after those discussions. Staff anticipates that if there are project overages, they will be covered by other capital projects that come in under budget during this year.

RJM completed the base course of paving on June 5, and is scheduled for wear course installation on June 14. RJM expects that final grading, landscaping, fencing, and gates will all be complete prior to the final installation of asphalt and would only have punch list items left after the week of June 12. Staff will work with another contractor to repair the irrigation system to the west of the existing building and power plant to improve the landscaping condition.

TO: ERMU Commission	FROM: Jenny Foss – Communications & Administrative Coordinator
MEETING DATE: June 13, 2023	AGENDA ITEM NUMBER: 5.3
SUBJECT: Field Services Facility Open House Update	
ACTION REQUESTED: None	

BACKGROUND/DISCUSSION:

ERMU is hosting an open house for the community on Thursday, August 24 from 4-8 p.m. at the new field services facility. The theme is, “Meet Your Hometown Team” and the décor will carry a football theme throughout. The special event permit required by the City has been approved subject to specified conditions.

Guests will be able to tour the facility and learn from staff about the electric and water services ERMU provides to the community. This event is intended for all ages as there will be interactive demonstrations, trucks on display, educational booths, and games. Additionally, there will be two city approved food trucks on site with items for purchase, Mac’s Minis (donuts) and Brain Freeze (ice cream novelties). See the attached map for the event layout and staffing logistics.

The communications department has a multi-media plan in place for event promotion including support from the City’s communication resources and the Elk River Area Chamber of Commerce beginning in July and running to the day of the event.

ATTACHMENTS:

- ERMU Open House Logistics Map

ERMU

Open House

LOGISTICS LAYOUT

Public Door Access: Front Main door unlocked , & (2) West Facing Garage Doors open. Interior wash bay door to be open. West stairway service door to be unlocked, but only for staff use unless inclement weather has us indoors without garage doors open. Other facility doors to be closed and locked

Staff Stations:

(4) Upstairs: 2 at Main Entry, 1 in cube/stair area, 1 in training room area

(2-3) Downstairs: 1 in stair/hallway area. 1 – 2 in Lunchroom “Command Center” (security cameras on big screen)

(5) Garage/Table Area: 1 Per Display Table, & 2 Floating Garage/Guest Table Areas

Welcome Table: 2-3

Parking Lot Entrance/ Exits: 4

Parking Attendants: 3

Cart Drivers: 3

Gator Driver-Water/ Errands: 1-2

Truck Displays: 2 Per Area

Line Truck Demos: 3

Water Demo: 2

Approximately 36 Active

Parking at Emmanuel Lutheran Church—Across Main Street



Handicap/Specialty Parking

Food Truck Alley

Staff Only Stairs

WELCOME TABLE

Kid Events

Tables & Chairs

Music

Table Displays

Tables & Chairs

OPEN

COMMAND CENTER

Truck Display

Extra ERMU Vehicles

No Access to Inventory/Mechanics Bay— Only Visual into Wash Bay

Truck Display

Water Demo

Line Truck Demos

PRIMARY PARKING

TO: ERMU Commission	FROM: Mark Hanson – General Manager
MEETING DATE: June 13, 2023	AGENDA ITEM NUMBER: 6.1a
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- Following a successful kickoff meeting last week with our meter supplier, Core & Main, we have scheduled a similar kickoff meeting with TKDA, our construction services consultant, on Monday, June 12. TKDA has been hired to assist us with developing bid documents, selecting contractors, and providing administrative support (contract management and inspection). We expect to have separate installation contractors for electric and water meters. Our goal is to select both contractors by September 2023. A full communications plan regarding our related public education efforts is forthcoming.
- A friendly reminder that Minnesota Municipal Utilities Association's (MMUA) Summer Conference is August 21-23 at the Duluth Entertainment Convention Center. Please get your registration needs to Kathy as soon as possible.

Per MMUA: the Summer Conference is designed to offer must-have information to address the most pressing challenges facing utilities and opportunities to network with other hometown utility leaders from across the state. Our 2023 conference theme is Resiliency. Sessions will focus on the flexibility and recovery characteristics of utility infrastructure and operations as well as on techniques that will help utilities avoid or minimize disruptions during extraordinary events. You will be able to choose from four unique conference tracks (governance, leadership, electric, and water/wastewater) to maximize your learning.

- Last week, in my mid-month update, I described the added process our customer service staff will be using to promote customer participation in the Clean Energy Choice renewable energy program. Staff are asking new customers if they'd like to participate in the program during the account set up process. I'm happy to report that since its implementation two weeks ago, the new process has yielded seven (7) new Clean Energy Choice enrollments. Kudos to our customer service staff for their great work!

- Minnesota Municipal Power Agency (MMPA) has shared the following with us regarding Xcel Energy's rate case:

The Minnesota Public Utilities Commission (PUC) decided Xcel's rate case on Thursday afternoon. It appears that final rates for 2023 will be somewhat lower than 2023 interim rates.

This is expected to result in rate refunds for Xcel customers. Final rates and the amount of refund will be known after Xcel decides whether to seek reconsideration of the PUC decision and Xcel has calculated final rates. We estimate this could take between one and three months.

MMPA's wholesale rate is expected to remain lower than Xcel's A15 rate. However, in late summer or early autumn Xcel is expected to refund part of the interim rate for 2022 and a little over half of 2023. The refund will make Xcel's rate appear to be competitive with MMPA in the month of refund.

Attached are two articles regarding the outcome of the rate case, one from the Star Tribune and one from Minnesota Public Radio.

ATTACHMENTS:

- Star Tribune – Xcel will reassess investments in Minnesota after regulators' rate hike decision
- MPR – State regulators approve 9 percent electric rate increase for Xcel Energy

BUSINESS

Xcel will reassess investments in Minnesota after regulators' rate hike decision

Regulators approved a 9%, three-year rate increase, much less than Xcel had requested. The state's largest utility says it will ask for a reconsideration of the decision.

By Mike Hughlett (<https://www.startribune.com/mike-hughlett/6370445/>) Star Tribune |

JUNE 1, 2023 — 6:12PM

Xcel Energy said it will reconsider significant investments in Minnesota after state regulators on Thursday approved a three-year rate increase that was much less than what the state's largest utility wanted.

The Minnesota Public Utility Commission (PUC) approved the \$306 million — or 9% — increase, which also was less than the state Department of Commerce and an administrative law judge recommended. Xcel was most recently asking for \$440 million over three years.

Xcel "is still getting an increase in rates, and they need that to provide reliable and efficient service," PUC Chair Katie Sieben said in an interview after the vote. "I wasn't convinced they needed as big an increase as they were proposing. The commission struck a good balance."

In a statement, Xcel said it was "extremely disappointed with the commission's decision, which will limit our ability to continue to lead the clean energy transition for our customers."

Xcel said it will ask the PUC to reconsider its rate decision. The PUC usually rejects such reconsideration petitions, and petitioners then often take their beef to the Minnesota Court of Appeals.

Xcel said that in the wake of the PUC's decision, it will re-evaluate its planned investments in "a cleaner, more reliable system for our customers."



JASON WACHTER, ASSOCIATED PRESS

Xcel customers will see their bills increase, but not as much as the utility wanted.

ADVERTISEMENT

The utility filed a petition late Thursday asking the PUC to withdraw its \$330 million Clean Transportation Portfolio proposal. The centerpiece of that plan would have Xcel building and owning 730 electric vehicle fast chargers in Minnesota (<https://www.startribune.com/xcel-plan-for-largest-u-s-utility-owned-charging-network-sparks-strong-opposition/600256296/>), which would make the state home to the largest utility-owned charging system in the country.

While the \$192 million EV charger proposal has garnered praise for filling the state's charging gap, it has been roundly criticized by the EV charging and gas station industries, as well as the Minnesota Department of Commerce and many Xcel ratepayers, who would eventually pay for it.

Xcel had dropped its rate request to \$440 million from \$498 million late last year (<https://www.startribune.com/state-agencies-oppose-122m-xcel-rate-increase-for-2023/600233141/>) and well below its initial request of \$677 million, which would have amounted to a 21% increase.

The biggest difference between what Xcel wanted and what Xcel got pivoted on the company's return on equity (ROE). Return on equity is a key measure of profitability, and the PUC granted Xcel an ROE well below what it requested.

Minneapolis-based Xcel, which has about 1.3 million Minnesota customers, says it needs the rate increase for a variety of purposes such as basic upkeep of its system and to improve its distribution grid and pay for projects to further "the clean energy transition."

The company's three-year rate proposal came at a time when consumers were already buffeted by rising inflation of all sorts, particularly for energy and food.

"Any rate increase is difficult for people," said Annie Levenson-Falk, head of the Citizens Utility Board of Minnesota (CUB), a ratepayer watchdog group.

That said, she said CUB "was pleased with the outcome" of Xcel's rate case. "I think the PUC looked really hard to make sure ratepayers don't have to pay more than what they should to support the company's profits and its executive compensation."

The PUC denied Xcel's request to approve long-term executive compensation expenses of \$24.6 million over three years. Instead, the PUC approved a 15% cap on annual incentive compensation for individual pay.

The PUC also approved far less than the \$68 million in insurance premium costs that Xcel had wanted to include in its rate increase; and the commission rejected Xcel's request to include several million in company pension contributions in its rate base.

The Minnesota Commerce Department, which represents ratepayers before the PUC, had recommended that Xcel get \$325 million over three years.

Administrative Law Judge Christa Moseng concluded (<https://www.startribune.com/administrative-law-judge-says-xcel-rate-increase-request-should-be-lower/600264815/>) in April that Xcel should get \$384 million over three years. Such judges are often appointed to contentious PUC proceedings, but their rulings are non-binding.

"I think the ALJ report is thorough and the findings are well grounded," PUC Commissioner Valerie Means said at Thursday's hearing. While the PUC adopted many of the ALJ's findings, it did not on one critical point — Xcel's allowed return on equity.

Xcel argued its guaranteed ROE should be raised from 9.06% to 10.2%, saying it needs to be competitive with other utilities in capital markets. Moseng found that 9.87% is a "reasonable" return for Xcel.

Commerce has said that Xcel has been "flourishing" at its current ROE, though an increase to 9.25% was merited. CUB, the ratepayer watchdog group, has recommended that Xcel's ROE be lowered to 8.8% to 9%.

The PUC adopted the Commerce's Department recommendation by a vote of 3-2.

"I am comfortable with the department's solid analysis," said Commissioner Matt Schuerger, who along with Sieben and Commissioner John Tuma voted for the 9.25% ROE.

Two commissioners, Means and Joe Sullivan, argued that Xcel's ROE should have been set at 9.38%. Sullivan argued that the 9.25% is "dated," and that financial markets have since "deteriorated a bit" while interest rates have risen — all warranting a slightly higher ROE for Xcel.

The PUC Thursday also reduced Xcel's monthly basic service charge to \$6 for residential and customers. That rate has been \$8 to \$10 per month.

However, Xcel said in a statement that customers' kilowatt-per-hour energy charges will go up to compensate for the lower fixed monthly charge. "This shift disproportionately increases rates for households with large families," the company said.

CUB's Levenson-Falk said the lower monthly charge will have a positive impact. If consumers conserve power, the lower fixed charge "makes the savings more meaningful," she said.

The PUC also approved a discount rate for low-income households with low energy usage. Xcel and several other parties favored this new program.

The discount will affect about 100,000 Xcel customers, said Catherine Fair, head of St. Paul-based Energy Cents Coalition, a nonprofit advocacy and assistance group for low-income utility customers.

The discount will be up to \$14 per month for qualified customers, she said.

Mike Hughlett covers energy and other topics for the Star Tribune, where he has worked since 2010. Before that he was a reporter at newspapers in Chicago, St. Paul, New Orleans and Duluth.

mike.hughlett@startribune.com 612-673-7003

news

State regulators approve 9 percent electric rate increase for Xcel Energy

Kirsti Marohn June 1, 2023 5:36 PM



The Xcel Energy nuclear generating plant near Monticello, Minn., is pictured on March 24. Ben Hovland | MPR News

State regulators on Thursday approved an increase in electric rates for Xcel Energy customers that's far smaller than Xcel had requested.

The Minneapolis-based utility originally sought to increase its electric rates by [21 percent](#), or \$677 million, over three years.

Xcel later reduced its request to \$440 million over three years. The Minnesota Department of Commerce and an administrative law judge recommended a smaller amount.

After several days of hearings, the state Public Utilities Commission approved a rate increase of 9.6 percent over three years, or \$306 million — less than half of Xcel's original request.

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Initial estimates indicate Xcel's final rates will be lower than the interim rates it's currently charging, meaning most customers will receive a refund.

Xcel has said it needs the increase to cover the costs of replacing an aging electrical system as it transitions to more renewable energy. But it comes at a time when many Minnesotans are struggling to pay rising utility costs.

Xcel, Minnesota's largest electric utility, serves about 1.3 million customers in the state.

The Public Utilities Commission also set a higher return on equity for Xcel of 9.25 percent, although less than what the utility requested. Return on equity is the measure of a company's net income divided by its shareholders' equity, and is a gauge of a corporation's profitability.

The commission also reduced the monthly basic charge for residential and small business customers, and limited the amount Xcel can compensate its top executives.



TO: ERMU Commission	FROM: Sara Youngs – Administrations Director
MEETING DATE: June 13, 2023	AGENDA ITEM NUMBER: 6.1b
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- Office walk-in traffic for May consisted of 153 customers, averaging 31 customers per week over the 5-week period.
- ERMU disconnections for the month of May.
 - Cycle 2 – 15 disconnections
 - Cycle 3 – 17 disconnections
 - Cycle 4 – 12 disconnections
 - Cycle 1 – 25 disconnections and 1 red tag
 - Cycle 2 – 15 disconnections
- HydroCorp has been providing backflow preventer inspection notices to residential customers. Of the 69 notices sent out at the end of April, 20 have complied. Reminder notices will be sent to the remaining 49 customers, and we will continue to work through the 265 total residential backflow preventers ERMU has on its water system.
- Theresa Olek submitted her retirement resignation, effective July 12, 2023. We wish Theresa much happiness as she ventures off into the sun. As a result of Theresa's retirement, we will be hiring a customer service representative.
- Staff filed our 2022 Conservation Improvement Program (CIP) results along with our CIP plans for 2024-2026 to the State of Minnesota.
- Currently there are 10 active residential solar photovoltaic projects planned or under construction in the ERMU service territory.
- Staff participated in a demonstration from STAR Energy on NOVA Power Portal – this is a platform that tracks and manages distributed energy resource interconnection applications.

TO: ERMU Commission	FROM: Melissa Karpinski – Finance Manager
MEETING DATE: June 13, 2023	AGENDA ITEM NUMBER: 6.1c
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- We received our property and liability insurance renewal for July 1, 2023 to July 1, 2024. The total premium decrease is approximately 7.28% from prior year; \$152,378 compared to \$164,345. This is mainly due to methane gas powerplant decommissioning which is partially offset by a 5% rate increase and inflation. A breakdown of the premium decrease is below.

Coverage	Premium		% Change
	2023	2022	
Property	\$ 57,458	\$ 48,709	17.96%
Mobile Property	\$ 1,688	\$ 1,447	16.66%
First Party Cyber	\$ 5,897	\$ 5,897	0.00%
Municipal Liability	\$ 33,470	\$ 29,224	14.53%
Auto Liability	\$ 4,030	\$ 3,589	12.29%
Auto Physical Damage	\$ 3,848	\$ 3,423	12.42%
Bond	\$ 592	\$ 596	-0.67%
Equipment breakdown	\$ 45,395	\$ 71,460	-36.47%
Total Premium	\$ 152,378	\$ 164,345	-7.28%

- ERMU's payroll Specialist is working on the implementation of benefits enrollment within iVUE Connect Financials – HR.

TO: ERMU Commission	FROM: Tony Mauren – Governance & Communications Manager
MEETING DATE: June 13, 2023	AGENDA ITEM NUMBER: 6.1d
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- In June, all customers will receive notice that the 2022 Water Quality Report is posted on our website, with physical copies available upon request. Commercial customers will receive the Clean Energy Choice for Business flyer.
- In addition to highlighting the inserts, social media posts this month feature a variety of topics including additions to the ERMU team, our local scholarship winner, as well as energy and water saving tips. Staff will also be posting public service announcements such as the Memorial Day closure and garbage service delay, Juneteenth closure, and details on the commission meeting.
- The annual commissioner self-evaluation will be conducted during the July 11 commission meeting. Questions for the evaluation will be sent out via Survey Monkey. A year-to-year comparison will be provided for review and discussion. Staff will be emailing out a link to the survey after the June meeting.
- This past month ERMU's Safety Training Workgroup held its quarterly meeting and participated in a review of Minnesota Municipal Utilities Association's (MMUA) safety coordinator. The quarterly meeting was a chance to check in with all departments to ensure needs and expectations for safety training are being met. MMUA's safety coordinator received high marks in his review as representatives from all the municipalities he works with regard his trainings as high quality and effective.
- In preparation for the 2023 Sherburne County Fair, we will be registering Eddy the EV and one of our bucket trucks for the parade, which is taking place on Saturday, July 22 at 10:00 a.m. We have requested to be placed next to the City's float for easy joint participation for our council liaisons. Staff is already looking forward to another great year at the parade! If any Commissioners would like to join us please let me know.

ATTACHMENTS:

- 2022 Annual Water Quality Report
- Bill Insert – Clean Energy Choice for Business

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

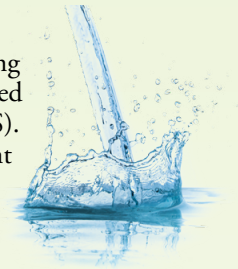
Some people may be more vulnerable to contaminants in drinking water than the general population. Immunocompromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and infants 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;

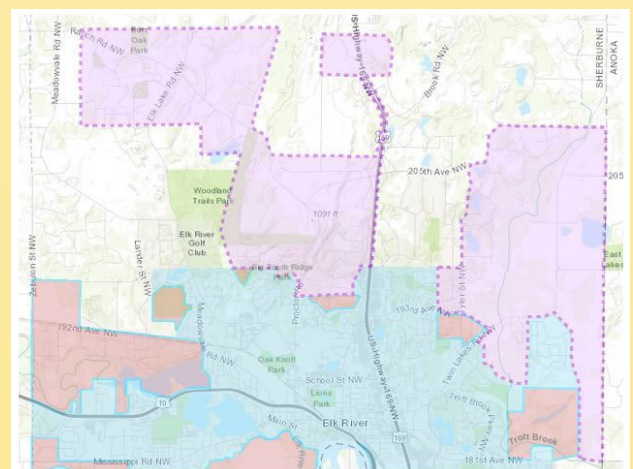
Organic Chemical Contaminants, including synthetic and volatile organic chemicals, which are by-products of industrial processes and petroleum production and may also come from gas stations, urban stormwater runoff, and septic systems;

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.



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 ¹ (ppm)	2021	3.58	3.40–3.58	NA
Sulfate (ppm)	2021	7.76	2.95–7.76	NA

¹ 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.

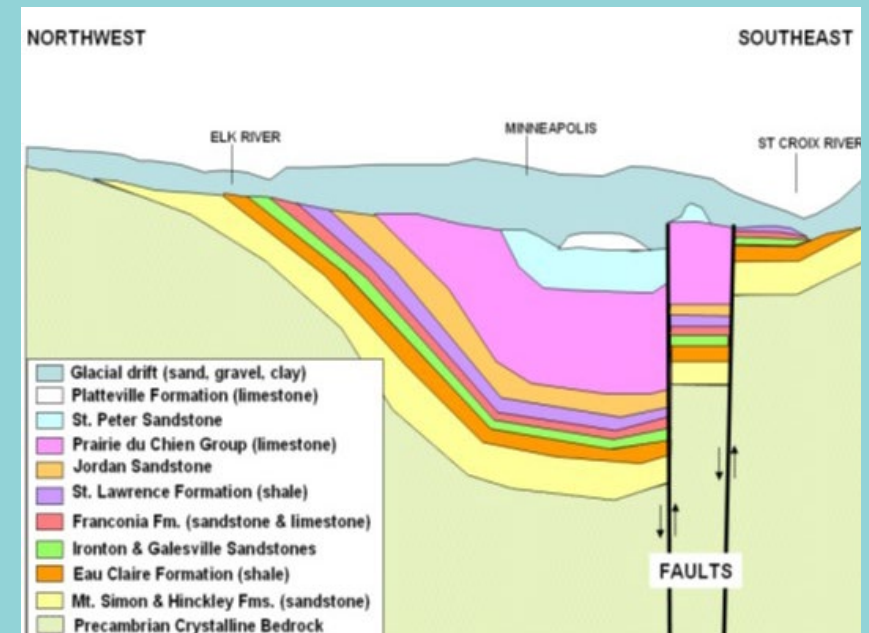
We've had many town/home associations navigate to SMART controllers in the last 15 years, and they have received our SMART rebate. One association was gathering information on SMART controllers for a few years prior to making the leap, and we continued to promote retrofitting its systems to reduce its 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.





Powering Your Business with **Renewable Energy**

Clean Energy Choice for Business provides Elk River Municipal Utilities customers with the opportunity to have **100%** of their electricity come from environmentally responsible, renewable sources. Commercial electric customers who participate are making a choice to support the environment as well as their community and its future.



EASY ENROLLMENT

- Contact Elk River Municipal Utilities at 763.441.2020 to enroll in the Clean Energy Choice for Business program.
- Participation is based on a calendar-year term.
- We can help you determine how this program will affect your monthly electric bill.



AFFORDABLE COST

- The program adds an incremental charge to the standard electric rate.
- As an example, a customer with usage of 10,000 kWh per month would pay an additional \$16 based on the following formula: $(10,000 \times [100\% - 20\%] \times \$0.002) = \$16$. See the back of this form for details.



PROGRAM BENEFITS

- Convenient and affordable way to power your business with 100% renewable energy
- Meet your company's sustainability goals without investing in equipment
- Position your business as an environmentally responsible leader in the community

BECOME A SUSTAINABILITY LEADER IN YOUR COMMUNITY. ENROLL IN CLEAN ENERGY CHOICE TODAY!

FREQUENTLY ASKED QUESTIONS

What is renewable energy?

Renewable energy is generated from facilities powered by wind, solar, bioenergy, water, and more.



**CLEAN ENERGY
CHOICE**

Where does the renewable energy for Clean Energy Choice come from?

The renewable energy for the Clean Energy Choice program is supplied by Minnesota Municipal Power Agency's renewable resources. MMPA's renewable resources include wind, solar, and biomass.

For more information please visit mmpa.org/sustainable-energy/overview/

Does renewable energy flow directly to my business?

No. The renewable energy that's generated enters into the "electric grid," so it's difficult to pinpoint exactly where the specific electricity supplying your business originates. However, Renewable Energy Certificates (RECs) provided as part of the Clean Energy Choice program guarantee that your renewable purchases are certified renewable energy in Minnesota.

What are Renewable Energy Certificates (RECs)?

Every kilowatt-hour of renewable energy generated by MPPA is assigned a unique REC number to ensure that each unit of renewable energy is accurately tracked. The State of Minnesota also uses RECs to track renewable energy use. The Clean Energy Choice program utilizes these RECs to ensure that you are helping to support sustainable energy systems for the future.

Am I committed to a contract term?

Yes. Participation in the Clean Energy Choice for Business program is based on an annual contract term. In return, the per-kWh surcharge is fixed for the same time period. You will be informed of any change in the per-kWh surcharge for the upcoming year by November 1, and you have until December 1 to inform us if you want to continue your contract in the new year.

How much does Clean Energy Choice for Business Cost?

An incremental charge of \$0.002 per kilowatt-hour (kWh) is added to the standard electric rate. The charge is applied to all kWh in excess of the Minnesota Renewable Energy Standard, which is currently 20% of all electric sales. An example fee table is listed below.

Formula: (kWh per month (10,000 x [100%-20%]) x \$.002) = Clean Energy Choice Additional Surcharge

kWh per Month	Approximate Electric Charge	Clean Energy Choice Additional Surcharge
1,000	\$100	\$1.60
10,000	\$1,000	\$16
100,000	\$10,000	\$160

TO: ERMU Commission	FROM: Thomas Geiser – Operations Director
MEETING DATE: June 13, 2023	AGENDA ITEM NUMBER: 6.1e
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- Staff have been attending meetings with Sherburne County to plan for the County Road 44 project.
- We had to send 2 of the fuse pads that had been repaired back in due to the same issues. The vendor currently has 4 of the 12 we ordered in for repair. We received the 8 that were fixed. Irby Utilities is still assisting us with resolving the issue.
- ERMU staff have been discussing plans for the open house at the field services building on August 24.
- ERMU and the Elk River Fire Department had a Dark Sky tabletop exercise on May 15. This allowed us to talk through scenarios in the event that the city were to have severe weather come through town that affected services.
- Staff is working through a lot of commercial services coming down the pipe.
- ERMU and City of Elk River staff participated in Minnesota Municipal Utilities Association Safety Coordinator Joe Schmidt's Annual Review.
- American Flags were installed May 18 along Main, Evans, and Jackson Streets on behalf of the American Legion. The flags will be take down before November 1.
- ERMU hired Temporary Line Worker Jack Gebhardt for the 2023 construction season.
- On Wednesday, May 24 at 2:27 p.m. Ames Construction struck one of our underground main feeder lines near McDonalds, causing an outage for 728 customers. Power was restored to all within an hour.

- There was a kickoff meeting with Core & Main on May 31 for the upcoming Advanced Metering Infrastructure project.
- Staff is fitting in time to shop for a couple pickup trucks as we are unable to receive them through the state contract due to supply shortages.
- A transformer at Commercial Asphalt had a fault which blew its cover off. The cover then went through their overhead structure and landed about 100 feet away. Pictures below.
- On Monday June 5, myself and others conducted two interviews for the vacant water operator position. We hope to put out an offer out this week.
- A few ERMU employees helped the National Weather Service (NWS) with installing a Cooperative Observer Program temperature sensor at our new field services building. The sensor will make it possible for NWS to create weather records for the area and monitor real-time and long-term climate trends. A letter of appreciation is attached.

ATTACHMENTS:

- Letter of Appreciation – National Weather Service Twin Cities





U.S. DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
NATIONAL WEATHER SERVICE
WEATHER FORECAST OFFICE TWIN CITIES
1733 Lake Drive West
Chanhassen, MN 55317-8581

June 5, 2023

Chris Sumstad | Tom Geiser
Elk River Municipal Utilities
1705 Main St.
Elk River, MN 55330-0430

Dear Chris and Tom,

I wanted to express our sincere gratitude to your staff for installing a conduit to make it possible for the National Weather Service COOP station temperature sensor to be sited on the northeast side of the property after construction was complete at the new municipal utilities' facility.

Dan Plude, Curt Arndt, Russell Stuhr, Luke Hafften, and Jeremy Lindberg installed a conduit from the temperature sensor post on the northeast side of the property all the way underground to the basement floor of the new building, allowing the data box to be placed in the break room. This made it possible for the temperature sensor to be placed in an area where the most accurate measurements would be possible after the initial plan to install the sensor on the west side of the building was changed due to concerns with locating it near the irrigation system.

I want to especially thank **Dan Plude** for his help with locating an alternate location for the temperature sensor and offering to put in the conduit to make the installation possible at the new location. Dan also helped us place the wiring in the break room to make sure that the data box was in a convenient location for the staff to take daily weather observations.

I also wanted to thank **Katy Olson**, for providing valuable feedback with finding an alternate location for the equipment, as well as serving as the main contact for the COOP weather station.

We really appreciate our partnership with your office on the official weather observations for Elk River via the COOP program. The measurements your staff provides make it possible for us to provide weather records for the area, as well as monitor real-time and long-term climate trends.

With gratitude,

Michelle Margraf
Observing Program Leader
National Weather Service Twin Cities

TO: ERMU Commission	FROM: Chris Sumstad – Electric Superintendent
MEETING DATE: June 13, 2023	AGENDA ITEM NUMBER: 6.1f
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- Installed 8 new residential services, which involves the connection of a secondary line once the customer requests service.
- Crews are currently working on the Pullar Prairie housing development. Michels installed joint trench utilities. Our crews are setting the transformers and terminating the wire. This development is 13 buildable lots on the northwest side of Elk River near the gun club.
- Dan Plude and Curt Arndt from the inventory department along with a few other field employees have been periodically assisting the contractors finishing outstanding work on the field services building.
- Crews are currently working at the landfill retiring line and equipment related to the decommissioned generation facility. We also installed a new transformer to feed the building going forward.
- Crews have been working in the School View housing development, relocating a few transformers, pedestals, and street lights in preparation for the city street project coming in July.
- Work continued on the new Feeder 44 project. We have installed two of our new type switchgear boxes and are working on a third. The new 500 MCM underground wire is installed from Station 14 Sub to the Otsego destination except at the railroad crossing.
- Crews are working on older underground primary wire replacement in the Iron-ton and Gary Street area west of County Road 1 and the Elk River golf course.
- Minnesota Municipal Utilities Association (MMUA) held Underground School in Marshall, May 9-12, with ERMU employees Josh Shoutz and Alex Bernier attending.
- MMUA held Competent Person and Excavation Safety Workshop in Marshall, May 23-24, with ERMU employees Luke Hafften and Jeremy Lindberg attending.
- Joe Schmidt, MMUA Safety Coordinator, was here May 24-25 and held companywide safety meetings on walking/working protocols.
- Scott Thoreson celebrated 30 years of employment with ERMU on May 26!

TO: ERMU Commission	FROM: Mike Tietz –Technical Services Superintendent
MEETING DATE: June 13, 2023	AGENDA ITEM NUMBER: 6.1g
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- In May, the locators processed 656 locate tickets. These consisted of 555 normal tickets, 4 emergency tickets, 62 updated tickets, 15 cancellations, 18 meets, 1 non-excavation, and 1 correction. This resulted in a 55.1% increase in tickets from the previous month and is a 1.7% increase from the prior May.
- Electrical technicians completed 270 service order tasks, updated the power bill, addressed customer meter issues and any off-peak concerns.
- On May 26, staff ran generators #1, #2 & #3. About 45 minutes into the run on generator #3, a fuse blew on one of the raw-water pumps causing the temperature to rise quickly. Staff took the generator offline quickly and shut down the engine. Staff will be getting estimates to rewind the motor vs. replacement.
- Testing of SCADA operation for the new Station #14, Bank #4 feeder has been completed. A fiber communication conduit was installed through the substation yard to the control house in preparation for our next fiber connection to a substation. Also, staff added crushed rock to the Station #14 substation entrance.
- We met with TKDA on May 22 to discuss development of our Advanced Metering Infrastructure (AMI) installation RFP and their consulting services for inspection of the installation contractor's work. The AMI kick-off meeting was held on May 31 with Core & Main and Sensus representatives in attendance. Discussion topics covered all aspects of the project and I found it reassuring that National Information Solutions Cooperative & Sensus have worked together on numerous other projects. We have started to receive the AMI network radio equipment and have done a preliminary walkthrough at each of the water towers to make sure there won't be any last-minute surprises. I anticipate the AMI radio network will be operational by the end of June. We are optimistic that the initial deployment meters will arrive late August or early September so that we can start testing the system.

TO: ERMU Commission	FROM: Dave Ninow – Water Superintendent
MEETING DATE: June 13, 2023	AGENDA ITEM NUMBER: 6.1h
SUBJECT: Staff Update	
ACTION REQUESTED: None	

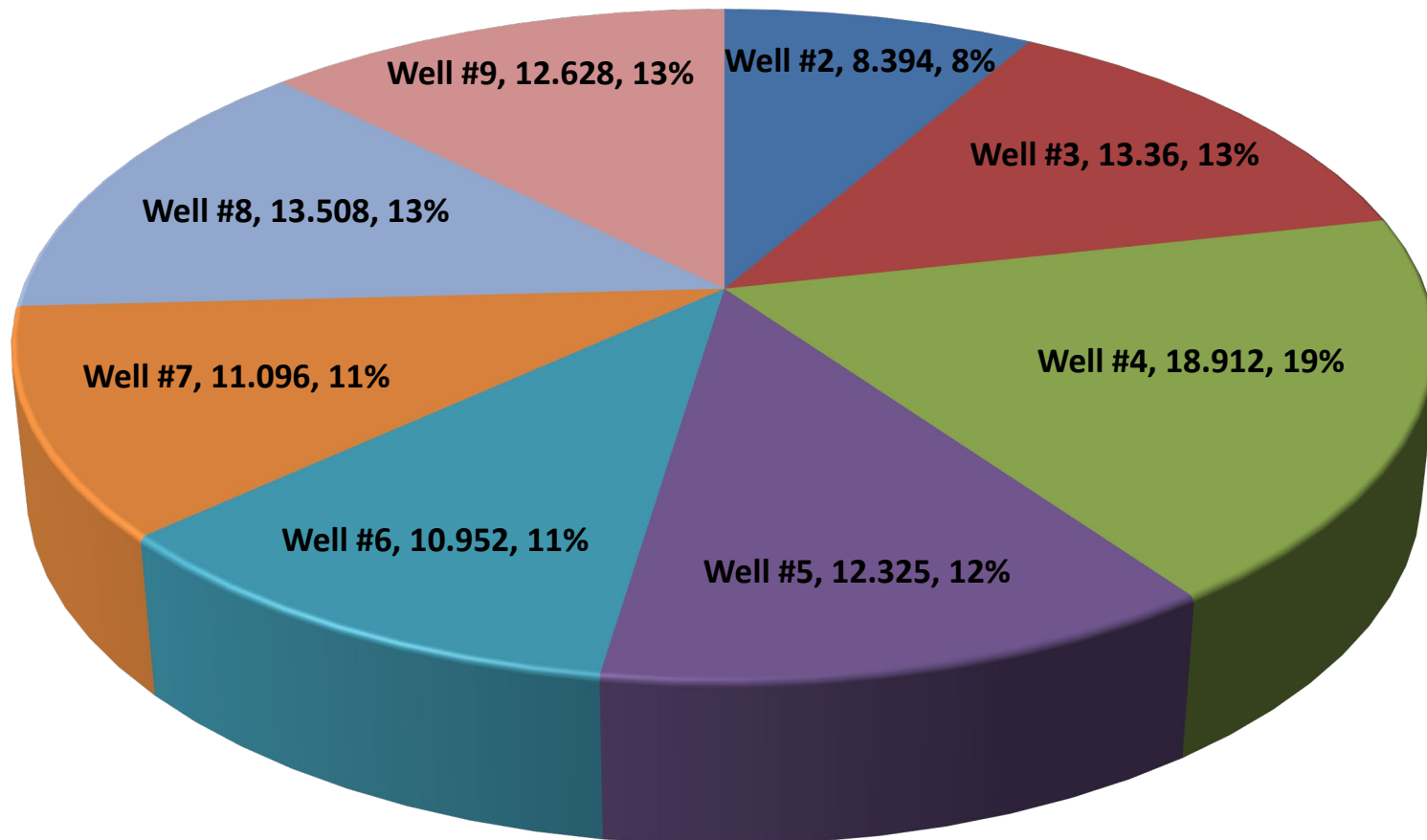
DISCUSSION:

- Delivered two new water meters, sealed the meters, installed an encoder receiver transmitter, and took curb stop ties.
- Completed 15 BACTI/Total Chlorine Residual Samples
 - All confirmed negative for coliform bacteria
 - Bacteriological/Disinfectant Residual Monthly Report submitted to the MDH
- Completed 22 routine fluoride samples
 - All samples met MDH standards
 - Submitted MDH Fluoride Report
 - Completed one MDH validation fluoride sample
- Submitted Discharge Monitoring Report (DMR) for the Diesel Generation Plant to the Minnesota Pollution Control Agency.
- Hydrant flushing went well the week of May 8. With much appreciated help from the GIS/Mapping and Electrical Technicians, most of the flushing was completed that week, the remainder of the hydrants were flushed the following week.
- A water department seasonal employee will be starting on June 12. He will assist with fire hydrant maintenance, water main valve exercising, and GIS mapping of water system infrastructure.
- Water had recently been drained from Gary Street Water Tower for repairs of minor paint coating failures that were identified in the two-year warranty inspection of the 2020 tower rehab project. Repairs have been completed and the tower is now back in service.
- Along with relocating water main for the Highway 169 Redefine project, MnDOT's contractor removed the booster station at the intersection of Elk Hills Drive and Highway 169. We will reuse that vault structure to replace the pressure reducing station near Freeport Water Tower to have a functional booster station at that location. Using the removed structure vs buying a new one will save around \$100,000 on upgrading from a pressure reducing station.

ATTACHMENTS:

- May 2023 Pumping by Well

May 2023 Monthly Pumping By Well



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

TO: ERMU Commission	FROM: Chris Kerzman – Engineering Manager
MEETING DATE: June 13, 2022	AGENDA ITEM NUMBER: 6.1i
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- We continue to work with City of Elk River IT staff on needs for the fiber expansion for the east side of the city, as well as a pilot project for multi-factor authentication that we plan to roll out to office staff this year.
- The final sitework items for the field services building are taking quite a bit of time. It is encouraging to be nearing completion of the project.
- Bid opening for the Otsego substation transformer will be on June 29, and we expect to have a recommendation of award at the July regular commission meeting.

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