

AGENDA

1.00 GOVERNANCE

- 1.01 Call Meeting to Order
- 1.02 Pledge of Allegiance
- 1.03 Consider the Agenda

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

- 2.01 Check Register – October 2023
- 2.02 Special Meeting Minutes – October 10, 2023
- 2.03 2023 Third Quarter Utilities Performance Metrics Score Card Statistics
- 2.04 Use of ERMU Logo for Midwest Esri Utility User Group Conference Flyer

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

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

- 4.01 Commission Policy Review – G.2a2 – Street Installation and Maintenance Agreement

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

- 5.01 Water Service Abandonment Appeal
- 5.02 Financial Report – September 2023
- 5.03 2024 Annual Business Plan: Rates and Review, Stakeholder Communication Plan, CIP Budget
- 5.04 2024 Utilities Fee Schedule
- 5.05 2023 Third Quarter Delinquent Items
- 5.06 2023 Assessments
- 5.07 Health Insurance Update
- 5.08 Financial Reserves & Investment Committee Update
- 5.09 Customer Satisfaction Survey
- 5.10 Wage & Benefits Committee Proposed 2024 Adjustments
- 5.11 PFAS Litigation Settlement

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

- 6.01 Staff Updates
- 6.02 City Council Update
- 6.03 Future Planning (Announce the next regular meeting, special meeting, or planned quorum.)
 - a. Regular Commission Meeting – December 12, 2023
 - b. 2023 Governance Agenda
- 6.04 Other Business (Items added during agenda approval.)

7.00 ADJOURN REGULAR MEETING

CHECK REGISTER

October 2023

APPROVED BY:

Paul Bell

John Dietz

Mary Stewart

Matt Westgaard

Nick Zerwas

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Payroll/Labor

Check Register Totals

10/13/2023 To 10/13/2023

<u>Pays</u>	<u>Job</u>	<u>Amount</u>	<u>Hours</u>
Gross Pay			
2	Reg Hourly	105,899.90	2,591.75
20	Reg Salary	41,477.76	664.50
3	Overtime	1,962.93	30.13
4	Double Time	434.04	4.00
5	On-Call/Stand-by	2,759.54	56.00
24	FLSA	102.32	0.00
25	Rest Time	292.35	6.00
10	Bonus Pay	1,418.82	26.00
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	10,706.39	216.75
SICK	Sick Pay	4,409.92	104.25
HOL	Holiday Pay	0.00	0.00
78	Retro Earnings	0.00	0.00
5-2	On-Call/Stand-by/OT	1,015.43	12.50
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
VAC	Vacation Pay - Manager	0.00	0.00
PVT	Purchased Vacation Time	0.00	0.00
PTOY	Personal Day - Year	320.08	5.25
3C	Overtime-Comp Time	127.02	3.12
4C	Double Time-Comp Time	0.00	0.00
CM3C	Overtime-Comp Time Adjusted	-127.02	-3.12
CM4C	Double Time-Comp Time Adjusted	0.00	0.00
COMP	Comp Time Taken	2,539.40	57.50
106	Longevity Pay	0.00	0.00
MIL	Military Pay - Calendar Year	0.00	0.00
10W	Bonus Pay	0.00	0.00
103W	Bonus Pay Overtime	0.00	0.00
	Gross Pay Total:	<u>174,163.88</u>	<u>3,774.63</u>
	Total Pays:	174,163.88	3,774.63

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Payroll/Labor

Check Register Totals

10/27/2023 To 10/27/2023

<u>Pays</u>	<u>Job</u>	<u>Amount</u>	<u>Hours</u>
Gross Pay			
2	Reg Hourly	106,393.08	2,600.25
20	Reg Salary	41,677.48	668.00
3	Overtime	425.26	6.25
4	Double Time	0.00	0.00
5	On-Call/Stand-by	2,700.60	56.00
24	FLSA	36.70	0.00
25	Rest Time	0.00	0.00
10	Bonus Pay	2,005.45	36.75
105	Perf. Metr. Distr.	0.00	0.00
VAC	Vacation Pay	12,078.13	257.47
SICK	Sick Pay	3,656.81	77.75
HOL	Holiday Pay	0.00	0.00
78	Retro Earnings	0.00	0.00
5-2	On-Call/Stand-by/OT	341.79	4.25
10-3	Bonus Pay Overtime	0.00	0.00
VAC	Vacation Pay - Manager	0.00	0.00
PVT	Purchased Vacation Time	624.65	21.78
PTOY	Personal Day - Year	446.72	8.00
3C	Overtime-Comp Time	42.95	1.00
4C	Double Time-Comp Time	0.00	0.00
CM3C	Overtime-Comp Time Adjusted	-42.95	-1.00
CM4C	Double Time-Comp Time Adjusted	0.00	0.00
COMP	Comp Time Taken	438.73	10.00
106	Longevity Pay	0.00	0.00
MIL	Military Pay - Calendar Year	0.00	0.00
10W	Bonus Pay	0.00	0.00
103W	Bonus Pay Overtime	0.00	0.00
Gross Pay Total:		<u>170,825.40</u>	<u>3,746.50</u>
Total Pays:		170,825.40	3,746.50

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Accounts Payable Check Register

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10/01/2023 To 10/31/2023

Bank Account: 1 - GENERAL FUND

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
2355 10/5/23	WIRE	5631	AMERICAN EXPRESS	ACH FEES - SEPT 2023	169.48
				ACH FEES - SEPT 2023	42.37
Total for Check/Tran - 2355:					211.85
2356 10/4/23	WIRE	5655	FIRST DATA	CC FEES - SEPT 2023	1,736.40
				CC FEES - SEPT 2023	434.10
				CC FEES - SEPT 2023	564.02
				CC FEES - SEPT 2023	141.01
				CC FEES - SEPT 2023	893.50
				CC FEES - SEPT 2023	223.37
				CC FEES - SEPT 2023	54.82
				CC FEES - SEPT 2023	13.70
				CC FEES - SEPT 2023	662.69
				CC FEES - SEPT 2023	165.67
				CC FEES - SEPT 2023	4,724.02
				CC FEES - SEPT 2023	1,181.00
Total for Check/Tran - 2356:					10,794.30
Total for Bank Account - 1 :					(2) 11,006.15

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
4104 10/3/23	WIRE	153	PERA (ELECTRONIC)	PERA EMPLOYEE CONTRIBUTION	9,474.14
				PERA CONTRIBUTIONS	10,931.69
				PERA EMPLOYEE CONTRIBUTION	1,709.90
				PERA CONTRIBUTIONS	1,972.96
Total for Check/Tran - 4104:					24,088.69
4105 10/3/23	WIRE	160	HCSP (ELECTRONIC)	HCSP EMPLOYEE CONTRIBUTIONS	1,958.37
				HCSP EMPLOYEE CONTRIBUTIONS	258.74
Total for Check/Tran - 4105:					2,217.11
4106 10/3/23	WIRE	161	MNDP (ELECTRONIC)	MNDP EE MANAGER CONTRIBUTIONS	279.00
				MNDP EMPLOYEE CONTRIBUTIONS	4,195.80
				MNDP EMPLOYER CONTRIBUTION	1,481.10
				MNDP EMPLOYER MGR CONTRIBUTION	466.77
				MNDP EE ROTH CONTRIBUTIONS	968.52
				MNDP EE ROTH MGR CONTRIBUTIONS	187.77
				MNDP EE MANAGER CONTRIBUTIONS	40.04
				MNDP EMPLOYEE CONTRIBUTIONS	380.68
				MNDP EMPLOYER CONTRIBUTION	402.32
				MNDP EMPLOYER MGR CONTRIBUTION	64.83
				MNDP EE ROTH CONTRIBUTIONS	384.42
				MNDP EE ROTH MGR CONTRIBUTIONS	24.79
Total for Check/Tran - 4106:					8,876.04
4107 10/3/23	WIRE	285	JOHN HANCOCK	W&A EMPLOYER CONTRIBUTION	361.88
				W&A MANAGER CONTRIBUTION	450.43
				WENZEL EE ROTH MGR CONTRIBUTIONS	126.54
				WENZEL EMPLOYEE CONTRIBUTIONS	1,653.08
				WENZEL MANAGER CONTRIBUTIONS	323.89
				DEF COMP ROTH CONTRIBUTIONS W&A	775.67
				W&A EMPLOYER CONTRIBUTION	146.73
				W&A MANAGER CONTRIBUTION	34.55
				WENZEL EMPLOYEE CONTRIBUTIONS	71.80

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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	170.49
				Total for Check/Tran - 4107:	4,149.61
4108 10/3/23	WIRE	598	MINNESOTA CHILD SUPPORT PAYMEN	CHILD SUPPORT/LEVY	562.52
4110 10/4/23	WIRE	152	IRS - USA TAX PMT (ELECTRONIC)	PAYROLL TAXES - FEDERAL & FICA	15,159.50
				PAYROLL TAXES - FEDERAL & FICA	21,969.78
				PAYROLL TAXES - FEDERAL & FICA	2,209.63
				PAYROLL TAXES - FEDERAL & FICA	3,917.34
				Total for Check/Tran - 4110:	43,256.25
4111 10/5/23	WIRE	7463	FURTHER	HSA EMPLOYEE CONTRIBUTION	2,248.05
				HSA EMPLOYEE CONTRIBUTION	336.12
				Total for Check/Tran - 4111:	2,584.17
4112 10/5/23	WIRE	154	MINNESOTA REVENUE (ELECTRONIC)	PAYROLL TAXES - STATE	6,724.42
				PAYROLL TAXES - STATE	1,115.08
				Total for Check/Tran - 4112:	7,839.50
4113 10/6/23	WIRE	166	ONLINE UTILITY EXCHANGE (ELECTR	UTILITY EXCHANGE REPORT - SEPT 2023	330.72
				UTILITY EXCHANGE REPORT - SEPT 2023	82.68
				Total for Check/Tran - 4113:	413.40
4115 10/11/23	WIRE	7463	FURTHER	FSA CLAIM REIMBURSEMENTS - 164	153.86
				FSA CLAIM REIMBURSEMENTS - 164	38.46
				Total for Check/Tran - 4115:	192.32
4118 10/13/23	WIRE	152	IRS - USA TAX PMT (ELECTRONIC)	PAYROLL TAXES - FEDERAL & FICA	506.00
				PAYROLL TAXES - FEDERAL & FICA	351.90
				Total for Check/Tran - 4118:	857.90
4119 10/13/23	WIRE	153	PERA (ELECTRONIC)	PERA EMPLOYEE CONTRIBUTION	9,437.74
				PERA CONTRIBUTIONS	10,889.69
				PERA EMPLOYEE CONTRIBUTION	1,691.23
				PERA CONTRIBUTIONS	1,951.42

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
Total for Check/Tran - 4119:					23,970.08
4120 10/16/23	WIRE	154	MINNESOTA REVENUE (ELECTRONIC)	PAYROLL TAXES - STATE	143.75
4121 10/16/23	WIRE	160	HCSP (ELECTRONIC)	HCSP EMPLOYEE CONTRIBUTIONS	1,964.78
				HCSP EMPLOYEE CONTRIBUTIONS	256.25
Total for Check/Tran - 4121:					2,221.03
4122 10/16/23	WIRE	161	MNDP (ELECTRONIC)	MNDP EE MANAGER CONTRIBUTIONS	279.03
				MNDP EMPLOYEE CONTRIBUTIONS	3,931.37
				MNDP EMPLOYER CONTRIBUTION	1,163.99
				MNDP EMPLOYER MGR CONTRIBUTION	466.76
				MNDP EE ROTH CONTRIBUTIONS	968.49
				MNDP EE ROTH MGR CONTRIBUTIONS	187.73
				MNDP EE MANAGER CONTRIBUTIONS	40.01
				MNDP EMPLOYEE CONTRIBUTIONS	365.11
				MNDP EMPLOYER CONTRIBUTION	382.43
				MNDP EMPLOYER MGR CONTRIBUTION	64.84
				MNDP EE ROTH CONTRIBUTIONS	384.45
				MNDP EE ROTH MGR CONTRIBUTIONS	24.83
Total for Check/Tran - 4122:					8,259.04
4123 10/16/23	WIRE	285	JOHN HANCOCK	W&A EMPLOYER CONTRIBUTION	363.15
				W&A MANAGER CONTRIBUTION	450.43
				WENZEL EE ROTH MGR CONTRIBUTIONS	126.54
				WENZEL EMPLOYEE CONTRIBUTIONS	1,620.33
				WENZEL MANAGER CONTRIBUTIONS	323.89
				DEF COMP ROTH CONTRIBUTIONS W&A	776.98
				W&A EMPLOYER CONTRIBUTION	145.46
				W&A MANAGER CONTRIBUTION	34.55
				WENZEL EMPLOYEE CONTRIBUTIONS	71.80
				WENZEL MANAGER CONTRIBUTIONS	34.55
				DEF COMP ROTH CONTRIBUTIONS W&A	169.18

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
Total for Check/Tran - 4123:					4,116.86
4124 10/16/23	WIRE	598	MINNESOTA CHILD SUPPORT PAYMEN	CHILD SUPPORT/LEVY	562.52
4125 10/13/23	WIRE	9654	CARDMEMBER SERVICE	FIRST NATIONAL BANK VISA FIRST NATIONAL BANK VISA	8,877.19 1,845.01
Total for Check/Tran - 4125:					10,722.20
4126 10/18/23	WIRE	152	IRS - USA TAX PMT (ELECTRONIC)	PAYROLL TAXES - FEDERAL & FICA PAYROLL TAXES - FEDERAL & FICA PAYROLL TAXES - FEDERAL & FICA PAYROLL TAXES - FEDERAL & FICA	14,291.01 21,397.50 2,045.73 3,779.54
Total for Check/Tran - 4126:					41,513.78
4128 10/17/23	WIRE	7463	FURTHER	HSA EMPLOYEE CONTRIBUTION HSA EMPLOYEE CONTRIBUTION	2,249.98 334.19
Total for Check/Tran - 4128:					2,584.17
4129 10/19/23	WIRE	154	MINNESOTA REVENUE (ELECTRONIC)	PAYROLL TAXES - STATE PAYROLL TAXES - STATE	6,436.91 1,052.34
Total for Check/Tran - 4129:					7,489.25
4130 10/23/23	WIRE	7463	FURTHER	ADMINISTRATIVE FEE INVOICE - OCT 2023 ADMINISTRATIVE FEE INVOICE - OCT 2023	131.00 25.50
Total for Check/Tran - 4130:					156.50
4131 10/23/23	WIRE	174	MINNESOTA REVENUE SALES TX (ELE	SALES AND USE TAX - SEPT 2023 SALES AND USE TAX - SEPT 2023 SALES AND USE TAX - SEPT 2023	255,821.88 -0.96 12,380.08
Total for Check/Tran - 4131:					268,201.00
4132 10/25/23	WIRE	7463	FURTHER	FSA CLAIM REIMBURSEMENTS - 147 FSA CLAIM REIMBURSEMENTS - 147	499.20 124.80
Total for Check/Tran - 4132:					624.00
4136 10/30/23	WIRE	153	PERA (ELECTRONIC)	PERA EMPLOYEE CONTRIBUTION PERA CONTRIBUTIONS	9,246.64 10,669.19

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				PERA EMPLOYEE CONTRIBUTION	1,703.63
				PERA CONTRIBUTIONS	1,965.73
				Total for Check/Tran - 4136:	23,585.19
4137 10/30/23	WIRE	160	HCSP (ELECTRONIC)	HCSP EMPLOYEE CONTRIBUTIONS	1,923.46
				HCSP EMPLOYEE CONTRIBUTIONS	257.94
				Total for Check/Tran - 4137:	2,181.40
4138 10/30/23	WIRE	161	MNDP (ELECTRONIC)	MNDP EE MANAGER CONTRIBUTIONS	279.03
				MNDP EMPLOYEE CONTRIBUTIONS	3,909.64
				MNDP EMPLOYER CONTRIBUTION	1,140.66
				MNDP EMPLOYER MGR CONTRIBUTION	466.76
				MNDP EE ROTH CONTRIBUTIONS	968.49
				MNDP EE ROTH MGR CONTRIBUTIONS	187.73
				MNDP EE MANAGER CONTRIBUTIONS	40.01
				MNDP EMPLOYEE CONTRIBUTIONS	386.84
				MNDP EMPLOYER CONTRIBUTION	405.76
				MNDP EMPLOYER MGR CONTRIBUTION	64.84
				MNDP EE ROTH CONTRIBUTIONS	384.45
				MNDP EE ROTH MGR CONTRIBUTIONS	24.83
				Total for Check/Tran - 4138:	8,259.04
4139 10/30/23	WIRE	285	JOHN HANCOCK	W&A EMPLOYER CONTRIBUTION	363.17
				W&A MANAGER CONTRIBUTION	450.43
				WENZEL EMPLOYEE CONTRIBUTIONS	1,472.48
				WENZEL MANAGER CONTRIBUTIONS	233.06
				DEF COMP ROTH CONTRIBUTIONS W&A	922.31
				WENZEL EE ROTH MGR CONTRIBUTIONS	217.37
				W&A EMPLOYER CONTRIBUTION	145.44
				W&A MANAGER CONTRIBUTION	34.55
				WENZEL EMPLOYEE CONTRIBUTIONS	35.47
				WENZEL MANAGER CONTRIBUTIONS	11.84
				DEF COMP ROTH CONTRIBUTIONS W&A	205.51

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				WENZEL EE ROTH MGR CONTRIBUTIONS	22.71
				Total for Check/Tran - 4139:	4,114.34
4140 10/30/23	WIRE	598	MINNESOTA CHILD SUPPORT PAYMEN	CHILD SUPPORT/LEVY	562.52
4141 10/31/23	WIRE	7463	FURTHER	HSA EMPLOYEE CONTRIBUTION	2,247.31
				HSA EMPLOYEE CONTRIBUTION	336.86
				Total for Check/Tran - 4141:	2,584.17
18764 10/3/23	DD	618	PARKER THEISEN	OPEN HOUSE FOOTBALL TOSS	38.33
				OPEN HOUSE FOOTBALL TOSS	9.58
				MIC MEALS - 172	11.82
				MIC MEALS - 172	2.96
				Total for Check/Tran - 18764:	62.69
18765 10/3/23	DD	509	MEGAN ZACHMAN	SAFETY TRAINING SNACKS	50.17
				SAFETY TRAINING SNACKS	12.54
				Total for Check/Tran - 18765:	62.71
18817 10/13/23	DD	6107	STUART C. IRBY CO.	WASP SPRAY	183.61
				WASP SPRAY	45.90
				FUSE PADS	-229.51
				Total for Check/Tran - 18817:	0.00
18818 10/13/23	DD	8469	KATHY A GREENBERG	APA ANNUAL CONF MILEAGE - 144	44.02
				APA ANNUAL CONF MILEAGE - 144	11.00
				Total for Check/Tran - 18818:	55.02
18819 10/13/23	DD	4984	ANGELA HAUGE	STEPPING INTO LEADERSHIP EXPENSES - 63	71.50
				STEPPING INTO LEADERSHIP EXPENSES - 63	17.87
				Total for Check/Tran - 18819:	89.37
18820 10/13/23	DD	423	MARY STEWART	MMPA MEETING MILEAGE - 151 186	71.40
18821 10/13/23	DD	609	SARA YOUNGS	CUSTOMER SERVICE WEEK SNACKS	69.64
				CUSTOMER SERVICE WEEK SNACKS	17.41

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
Total for Check/Tran - 18821:					87.05
18822 10/13/23	DD	509	MEGAN ZACHMAN	CAREER FAIR TREATS & SNACKS	403.78
				CAREER FAIR TREATS & SNACKS	100.94
Total for Check/Tran - 18822:					504.72
18823 10/19/23	DD	6107	STUART C. IRBY CO.	BUSHING INSERT	1,980.00
				Black Tape	437.97
				Black Tape	187.70
				FUSE PADS	-2,605.67
Total for Check/Tran - 18823:					0.00
18870 10/26/23	DD	8247	FERGUSON WATERWORKS #2516	MISC PARTS & SUPPLIES	250.38
				MISC PARTS & SUPPLIES	-250.38
Total for Check/Tran - 18870:					0.00
18871 10/26/23	DD	5452	ANTHONY MAUREN	APPA LEGAL & REG CONF TAXI - 164	102.06
				APPA LEGAL & REG CONF TAXI - 164	25.51
Total for Check/Tran - 18871:					127.57
18872 10/26/23	DD	679	SCHMIDT UTILITY ADVISORS LLC	AMI - TASK 2	3,500.00
				AMI - TASK 2	1,500.00
Total for Check/Tran - 18872:					5,000.00
18873 10/26/23	DD	74	SCOTT THORESON	TREE TRIMMING SCHOOL MILEAGE - 19	120.52
86524 10/3/23	CHK	11	CITY OF ELK RIVER	PARTS & LABOR FOR UNIT #32	-6.33
				PARTS & LABOR FOR UNIT #32	181.80
				PARTS & LABOR FOR UNIT #32	-0.33
				PARTS & LABOR FOR UNIT #32	9.56
				PARTS & LABOR FOR UNIT #5	-14.19
				PARTS & LABOR FOR UNIT #5	374.42
				PARTS & LABOR FOR UNIT #23	-5.72
				PARTS & LABOR FOR UNIT #23	248.42
				PARTS & LABOR FOR UNIT #6	-8.39

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				PARTS & LABOR FOR UNIT #6	134.02
				PARTS & LABOR FOR UNIT #6	-0.45
				PARTS & LABOR FOR UNIT #6	7.06
				PARTS & LABOR FOR UNIT #6	38.00
				PARTS & LABOR FOR UNIT #6	2.00
				PARTS & LABOR FOR UNIT #40	80.00
				PARTS & LABOR FOR UNIT #8	-12.98
				PARTS & LABOR FOR UNIT #8	377.93
				PARTS & LABOR FOR UNIT #18	-1.70
				PARTS & LABOR FOR UNIT #18	63.22
				LABOR FOR UNIT #22	139.95
				FUEL USAGE - AUG 2023	3,012.52
				FUEL USAGE - AUG 2023	877.82
				2023 ASSESSMENT FEE	100.00
				2023 ASSESSMENT FEE	145.00
				Total for Check/Tran - 86524:	5,741.63
86525 10/3/23	CHK	328	1ST AYD CORPORATION	SUNSCREEN	-0.45
				SUNSCREEN	96.03
				Total for Check/Tran - 86525:	95.58
86526 10/3/23	CHK	1253	B & B TRANSFORMER INC	REGULATOR REPAIR	7,640.00
86527 10/3/23	CHK	9997	BLUE EGG BAKERY LLC	INACTIVE REFUND	368.48
86528 10/3/23	CHK	9997	DEBRA BOETTCHER	INACTIVE REFUND	19.78
86529 10/3/23	CHK	9997	ESTHER BRETON	INACTIVE REFUND	625.27
86530 10/3/23	CHK	9997	KATE CASSMAN	INACTIVE REFUND	72.84
86531 10/3/23	CHK	549	CHARTER COMMUNICATIONS	OFFICE TELEPHONE	168.43
				OFFICE TELEPHONE	42.11
				Total for Check/Tran - 86531:	210.54

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
86532 10/3/23	CHK	28	CINTAS	MATS & TOWELS	234.73
				MATS & TOWELS	33.54
Total for Check/Tran - 86532:					268.27
86533 10/3/23	CHK	54	CORE & MAIN LP	HYDRANT WRENCH	134.82
86534 10/3/23	CHK	25	ECM PUBLISHERS INC	WI-FI THERMOSTAT REBATE AD	411.08
86535 10/3/23	CHK	9997	AMY EDWARDS	INACTIVE REFUND	57.88
86536 10/3/23	CHK	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 2 - ACCT 41038 - AUG 2023	105.54
				CYCLE 2 - ACCT 41038 - AUG 2023	5.55
				CYCLE 2 - INV GRP 413 - AUG 2023	50.00
				CYCLE 2 - INV GRP 413 - AUG 2023	323.25
				CYCLE 2 - ACCT 436 - AUG 2023	3,849.64
Total for Check/Tran - 86536:					4,333.98
86537 10/3/23	CHK	572	EVERSPRING INN AND SUITES-MARSH	OVERHEAD SCHOOL HOTEL - 19	398.28
				OVERHEAD SCHOOL HOTEL - 119	298.71
				OVERHEAD SCHOOL HOTEL - 168	298.71
Total for Check/Tran - 86537:					995.70
86538 10/3/23	CHK	8247	FERGUSON WATERWORKS #2516	PARTS - WELL #5	43.07
86539 10/3/23	CHK	9997	DANYELLE FREEMAN	INACTIVE REFUND	121.23
86540 10/3/23	CHK	9997	CASSANDRA GAY	INACTIVE REFUND	349.88
86541 10/3/23	CHK	5118	GRAND RENTAL STATION	MISC PARTS & SUPPLIES - UNIT #21	36.67
86542 10/3/23	CHK	809	HAWKINS, INC.	CHLORINE CYLINDER RENTAL	110.00
86543 10/3/23	CHK	9997	KELLY HERMAN	INACTIVE REFUND	18.78
86544 10/3/23	CHK	9997	JACOB HERRMANN	INACTIVE REFUND	20.61
86545 10/3/23	CHK	323	JESSICA M HIBBARD	TUITION REIMBURSEMENT - 139	316.00
				TUITION REIMBURSEMENT - 139	79.00

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Total for Check/Tran - 86545:					395.00
86546 10/3/23	CHK	5670	HVACREDU.NET	Website Support	375.00
86547 10/3/23	CHK	9997	CHRIS LAMP	INACTIVE REFUND	34.52
86548 10/3/23	CHK	5453	LANDFORM PROFESSIONAL SERVICES, PROFESSIONAL SERVICES - AUG 2023		2,181.25
86549 10/3/23	CHK	8290	MCGRANN SHEA CARNIVAL STRAUGH LEGAL SERVICES - AUG 2023		192.50
86550 10/3/23	CHK	145	MENARDS	MISC PARTS & SUPPLIES	17.77
86551 10/3/23	CHK	39	MMUA	TREE TRIMMING WORKSHOP - 19	425.00
86552 10/3/23	CHK	120	NAPA AUTO PARTS	CAP SCREW - UNIT #62	7.53
86553 10/3/23	CHK	573	NCPERS MINNESOTA	EXTRA LIFE INSURANCE - OCT 2023	176.80
				EXTRA LIFE INSURANCE - OCT 2023	15.20
Total for Check/Tran - 86553:					192.00
86554 10/3/23	CHK	9997	LYNN NETTIFEE	INACTIVE REFUND	17.71
86555 10/3/23	CHK	6149	OLD REPUBLIC SURETY GROUP	UTILITY PERMIT BOND	250.00
86556 10/3/23	CHK	9997	COURTNEY PETERS	INACTIVE REFUND	46.79
86557 10/3/23	CHK	9997	RICHARD PETRON	INACTIVE REFUND	9.95
86558 10/3/23	CHK	22	PLUNKETT'S PEST CONTROL, INC	SPRING & FALL SERVICE PROGRAM	1,420.12
				SPRING & FALL SERVICE PROGRAM	202.87
Total for Check/Tran - 86558:					1,622.99
86559 10/3/23	CHK	811	PRIME ADVERTISING & DESIGN, INC.	MONTHLY HOSTING OF WEBSITE	40.00
				MONTHLY HOSTING OF WEBSITE	40.00
				MONTHLY HOSTING OF WEBSITE	20.00
				Marketing	1,440.00
Total for Check/Tran - 86559:					1,540.00
86560 10/3/23	CHK	3218	RDO EQUIPMENT CO.	PARTS FOR UNIT #50	-1.69

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				PARTS FOR UNIT #50	23.07
				Total for Check/Tran - 86560:	21.38
86561 10/3/23	CHK	130	RESCO	Transformer	20,141.67
				Transformer	30,840.00
				Discount	-15.42
				CT's	2,743.38
				PT Pac	5,136.72
				Total for Check/Tran - 86561:	58,846.35
86562 10/3/23	CHK	9997	MIRANDA ROYSETH	INACTIVE REFUND	73.68
86563 10/3/23	CHK	9161	SHERBURNE COUNTY AREA UNITED W	EMPLOYEE CONTRIBUTIONS	119.00
				EMPLOYEE CONTRIBUTIONS	21.00
				Total for Check/Tran - 86563:	140.00
86564 10/3/23	CHK	159	SHORT ELLIOTT HENDRICKSON INC	PROFESSIONAL SERVICES - AUG 2023	786.05
				PROFESSIONAL SERVICES - FREEPORT VERIZON	291.20
				PROFESSIONAL SERVICES - AUG 2023	834.75
				PROFESSIONAL SERVICES - AUG 2023	357.75
				Total for Check/Tran - 86564:	2,269.75
86565 10/3/23	CHK	9997	ANNA SMOTHERS	INACTIVE REFUND	41.73
86566 10/3/23	CHK	9997	TOWER CAPITAL LLC	INACTIVE REFUND	2,012.69
86567 10/3/23	CHK	222	UC LABORATORY	OIL SAMPLES - SEPT 2023	16.17
86568 10/3/23	CHK	9997	MARGO WELCH	INACTIVE REFUND	128.61
86570 10/13/23	CHK	4531	AT & T MOBILITY	CELL PHONES & iPad BILLING	29.18
				CELL PHONES & iPad BILLING	10.97
				CELL PHONES & iPad BILLING	2,531.93
				CELL PHONES & iPad BILLING	12.50
				CELL PHONES & iPad BILLING	562.65
				Total for Check/Tran - 86570:	3,147.23

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86571 10/13/23	CHK	9997	JOE BLAKE	Credit Balance Refund	564.02
86572 10/13/23	CHK	5224	BLUE CROSS BLUE SHIELD OF MINNES	MEDICAL EE INSURANCE - NOV 2023	8,645.50
				MEDICAL ER INSURANCE - NOV 2023	54,019.36
				VISION INSURANCE - NOV 2023	384.33
				MEDICAL EE INSURANCE - NOV 2023	2,065.50
				MEDICAL ER INSURANCE - NOV 2023	12,503.94
				VISION INSURANCE - NOV 2023	105.27
Total for Check/Tran - 86572:					77,723.90
86573 10/13/23	CHK	6138	BLUE EGG BAKERY	COOKIES FOR MEETINGS	10.20
				COOKIES FOR MEETINGS	2.55
Total for Check/Tran - 86573:					12.75
86574 10/13/23	CHK	97	BRENTESON COMPANIES, INC	Watermain Work	28,000.00
86575 10/13/23	CHK	9997	JOSH BRINDLEY	Credit Balance Refund	540.24
86576 10/13/23	CHK	28	CINTAS	MATS & TOWELS	234.73
				MATS & TOWELS	33.54
Total for Check/Tran - 86576:					268.27
86577 10/13/23	CHK	11	CITY OF ELK RIVER	FRANCHISE FEE CREDIT	-675.00
				TRASH BILLED - SEPT 2023	160,936.18
				TRASH BILLED BANKO REV - SEPT 2023	5.15
Total for Check/Tran - 86577:					160,266.33
86578 10/13/23	CHK	54	CORE & MAIN LP	Water Meter	69,120.00
86579 10/13/23	CHK	25	ECM PUBLISHERS INC	EV CLASSIFIED AD	310.00
86580 10/13/23	CHK	5684	ELEVATION COATING, LLC	FREEPORT WATER TOWER	92,739.00
86581 10/13/23	CHK	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 3 - ACCT 37747 - AUG 2023	5.03
				CYCLE 3 - INV GRP 414 - AUG 2023	100.00
				CYCLE 3 - INV GRP 414 - AUG 2023	620.86

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				CYCLE 3 - INV GRP 395 - AUG 2023	20,365.14
				Total for Check/Tran - 86581:	21,091.03
86582 10/13/23	CHK	5688	EXCEL AV GROUP	AV Equipment	2,906.35
86583 10/13/23	CHK	8949	FS3 INC.	PARTS FOR UNIT #56	840.61
86584 10/13/23	CHK	340	FURNITURE AND THINGS	CIP - CUSTOM LIGHTING	1,093.75
86585 10/13/23	CHK	9997	KENDRA HASS-HOFFMEISTER	Credit Balance Refund	16.84
86586 10/13/23	CHK	809	HAWKINS, INC.	Water Chemicals	5,845.86
				Water Chemicals	1,014.24
				Total for Check/Tran - 86586:	6,860.10
86587 10/13/23	CHK	631	HEALTH PARTNERS	DENTAL EE INSURANCE - NOV 2023	1,059.44
				DENTAL ER INSURANCE - NOV 2023	2,880.54
				DENTAL EE INSURANCE - NOV 2023	119.19
				DENTAL ER INSURANCE - NOV 2023	655.34
				Total for Check/Tran - 86587:	4,714.51
86588 10/13/23	CHK	5341	HUBBARD ELECTRIC	DOOR REPAIR	377.34
				DOOR REPAIR	53.91
				Total for Check/Tran - 86588:	431.25
86589 10/13/23	CHK	9997	MARK JENSEN	Credit Balance Refund	403.01
86590 10/13/23	CHK	8083	JT SERVICES OF MINNESOTA	HPS LAMPS	510.39
86591 10/13/23	CHK	8605	MARCO TECHNOLOGIES, LLC	MICR INK CARTRIDGE	189.86
				MICR INK CARTRIDGE	47.47
				Total for Check/Tran - 86591:	237.33
86592 10/13/23	CHK	145	MENARDS	MISC PARTS & SUPPLIES	9.04
				MISC PARTS & SUPPLIES - UNIT #4	29.08
				DIE SET	4.30
				Total for Check/Tran - 86592:	42.42

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86593 10/13/23	CHK	330	METRO SALES, INC	COPIER MTC - 8/21 to 9/20/23	196.57
				COPIER MTC - 8/21 to 9/20/23	49.14
Total for Check/Tran - 86593:					245.71
86594 10/13/23	CHK	520	MICHELS UTILITY SERVICES, INC	MISKE MEADOWS	37,791.25
86595 10/13/23	CHK	119	MINNESOTA COMPUTER SYSTEMS INC	COPIER MTC CONTRACT - 9/12 to 10/11/23	121.05
				COPIER MTC CONTRACT - 9/12 to 10/11/23	30.26
Total for Check/Tran - 86595:					151.31
86596 10/13/23	CHK	1001	MINNESOTA MUNICIPAL POWER AGEN	PURCHASED POWER - SEPT 2023	2,307,862.35
				PURCHASED POWER - SEPT 2023	583,464.33
Total for Check/Tran - 86596:					2,891,326.68
86597 10/13/23	CHK	9997	ANGIE NEWSTROM	Credit Balance Refund	926.25
86598 10/13/23	CHK	43	NORTHERN TOOL	PARTS FOR UNIT #61	129.32
86599 10/13/23	CHK	9997	ALLAN ORSBORN	Credit Balance Refund	9.41
86600 10/13/23	CHK	9997	RODNEY PHILLIPS	Credit Balance Refund	687.12
86601 10/13/23	CHK	9997	ANDREW PORTER	Credit Balance Refund	106.42
86602 10/13/23	CHK	8606	QUADIENT FINANCE USA, INC	POSTAGE	800.00
				POSTAGE	200.00
Total for Check/Tran - 86602:					1,000.00
86603 10/13/23	CHK	3218	RDO EQUIPMENT CO.	PARTS FOR UNIT #56	213.45
				PARTS FOR UNIT #62	329.89
Total for Check/Tran - 86603:					543.34
86604 10/13/23	CHK	574	REPUBLIC SERVICES, INC	TRASH & RECYCLING - SEPT 2023	1,222.98
				TRASH & RECYCLING - SEPT 2023	305.75
				TRASH & RECYCLING - SEPT 2023	259.45
				TRASH & RECYCLING - SEPT 2023	40.03
				TRASH & RECYCLING - SEPT 2023	10.01

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Total for Check/Tran - 86604:					1,838.22
86605 10/13/23	CHK	130	RESCO	Transformer	19,504.02
				Transformer	3,250.67
				Discount	-11.38
				Transformer	22,754.69
				Transformer	3,250.67
				Discount	-13.00
				Transformer	29,696.00
				Discount	-14.85
				Transformer	25,128.00
				Transformer	2,792.00
				Discount	-13.96
Total for Check/Tran - 86605:					106,322.86
86606 10/13/23	CHK	9997	KENNETH SINKLER	Credit Balance Refund	8.62
86607 10/13/23	CHK	3360	THE UPS STORE 5093	OFFICE SUPPLIES	37.04
86608 10/13/23	CHK	3739	US BANK	ADMIN FEES 2018 ELEC BOND - 9/23 to 8/24	550.00
86609 10/13/23	CHK	628	VICTORY CLEANING SERVICES, LLC	OLD BUILDING CLEANING	94.40
				OLD BUILDING CLEANING	13.48
Total for Check/Tran - 86609:					107.88
86610 10/13/23	CHK	375	VIKING ELECTRIC	CONNECTORS	29.77
				CONDUIT FITTINGS - WELL #7	167.75
Total for Check/Tran - 86610:					197.52
86611 10/13/23	CHK	9997	ROCHELLE WAKNITZ	Credit Balance Refund	131.26
86612 10/13/23	CHK	135	WATER LABORATORIES INC	WATER SAMPLING - SEPT 2023	270.00
86613 10/13/23	CHK	55	WESCO RECEIVABLES CORP.	ELBOW	3,220.80
				ELBOWS	3,612.00
Total for Check/Tran - 86613:					6,832.80

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86614 10/13/23	CHK	1074	WINDSTREAM	OFFICE TELEPHONE	-37.13
				OFFICE TELEPHONE	-9.28
				OFFICE TELEPHONE	42.72
				OFFICE TELEPHONE	10.68
Total for Check/Tran - 86614:					6.99
86615 10/19/23	CHK	103	AMERICAN PUMP COMPANY	RUBBER SUCTION HOSE - UNIT #61	736.16
86616 10/19/23	CHK	9997	MARK BEHRENS	INACTIVE REFUND	399.19
86617 10/19/23	CHK	9997	BELLAGALA, LLC.	INACTIVE REFUND	240.99
86618 10/19/23	CHK	9	BORDER STATES ELECTRIC SUPPLY	COLD SHRINK TERMINATOR & SPLICES	3,530.20
				COLD SHRINK TERMINATOR & SPLICES	-56.00
				SPLICE COVER	339.84
				MISC PARTS & SUPPLIES	3,198.65
				MISC PARTS & SUPPLIES	-305.71
				Mtce of URD Primary	1,704.36
				TUBULAR SPLICE COVER	3,206.16
				Cutter Jaw	411.25
Total for Check/Tran - 86618:					12,028.75
86619 10/19/23	CHK	8215	BROTHERS FIRE & SECURITY	SMOKE DETECTOR SERVICE	330.90
				SMOKE DETECTOR SERVICE	47.27
Total for Check/Tran - 86619:					378.17
86620 10/19/23	CHK	8843	CAMPBELL KNUTSON	LEGAL SERVICES - SEPT 2023	476.00
				LEGAL SERVICES - SEPT 2023	119.00
Total for Check/Tran - 86620:					595.00
86621 10/19/23	CHK	5592	CITY OF DAYTON	FRANCHISE FEES - QTR 3 2023	2,503.36
86622 10/19/23	CHK	11	CITY OF ELK RIVER	REVENUE TRANSFER - SEPT 2023	167,632.12
				STORMWATER BILLED - SEPT 2023	53,210.97
				STORMWATER BILLED BANKO REV - SEPT 2023	5.98

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				STORMWATER BILLED W/O ADJ - SEPT 2023	-2.39
				SEWER BILLED - SEPT 2023	227,028.88
				SEWER BILLED BANKO REV - SEPT 2023	50.35
				Total for Check/Tran - 86622:	447,925.91
86623 10/19/23	CHK	3498	CITY OF OTSEGO	FRANCHISE FEE - QTR 3 2023	16,900.82
86624 10/19/23	CHK	54	CORE & MAIN LP	Wiring Harness	3,240.00
				Wiring Harness	720.00
				Total for Check/Tran - 86624:	3,960.00
86625 10/19/23	CHK	5348	CORPORATE FOUR INSURANCE AGENC	RENEWAL - 7/1/23 to 7/1/24	2,800.00
				RENEWAL - 7/1/23 to 7/1/24	700.00
				Total for Check/Tran - 86625:	3,500.00
86626 10/19/23	CHK	7448	CRC	CUSTOMER SERVICE FOR AFTER HOURS	2,198.78
				CUSTOMER SERVICE FOR AFTER HOURS	549.69
				Total for Check/Tran - 86626:	2,748.47
86627 10/19/23	CHK	25	ECM PUBLISHERS INC	WI FI THERMOSTAT AD	310.00
86628 10/19/23	CHK	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 4 - INV GRP 415 - SEPT 2023	150.00
				CYCLE 4 - INV GRP 415 - SEPT 2023	1,543.51
				CYCLE 4 - INV GRP 396 - SEPT 2023	287.59
				Total for Check/Tran - 86628:	1,981.10
86629 10/19/23	CHK	122	ELK RIVER WINLECTRIC	RATCHET CABLE CUTTER - UNIT #21	-15.65
				RATCHET CABLE CUTTER - UNIT #21	214.53
				Misc Distribution Exp	393.40
				Mtee of OH Primary	59.40
				MISC PARTS & SUPPLIES	-2.36
				MISC PARTS & SUPPLIES	32.32
				MISC PARTS & SUPPLIES	-1.43
				MISC PARTS & SUPPLIES	19.66
				MISC PARTS & SUPPLIES	-2.98

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				PLIERS REPLACEMENT - 119	40.75
				WELL #7 VFD	29.57
				MOUNTING HARDWARE - VFD WELL #7	23.76
				Total for Check/Tran - 86629:	790.97
86630 10/19/23	CHK	680	FPI PAVING CONTRACTORS, INC	ASPHALT	15,140.09
86631 10/19/23	CHK	118	GALVANIZERS INC.	Angles	292.00
86632 10/19/23	CHK	91	GOPHER STATE ONE-CALL	LOCATES FOR - SEPT 2023	660.49
				LOCATES FOR - SEPT 2023	34.76
				Total for Check/Tran - 86632:	695.25
86633 10/19/23	CHK	9999	HAURI CONSTRUCTION LLC	Refund Material Charge	1,027.39
86634 10/19/23	CHK	9997	HEADWATER HOMES, LLC.	INACTIVE REFUND	96.22
86635 10/19/23	CHK	5686	HYDROCORP	BACKFLOW DEVICE INSPECTION - SEPT 2023	1,123.00
86636 10/19/23	CHK	6836	INNOVATIVE OFFICE SOLUTIONS LLC	OFFICE SUPPLIES	175.61
				OFFICE SUPPLIES	27.64
				Total for Check/Tran - 86636:	203.25
86637 10/19/23	CHK	9997	JOHN LEONARD	INACTIVE REFUND	85.48
86638 10/19/23	CHK	8605	MARCO TECHNOLOGIES, LLC	Camera	2,462.51
				Camera	351.78
				Bracket	182.85
				Bracket	26.11
				Camera	1,259.41
				Camers	179.91
				Total for Check/Tran - 86638:	4,462.57
86639 10/19/23	CHK	5218	MASTER ELECTRIC COMPANY, INC	ARC FLASH STUDY - WELL #2 & #8	5,875.00
86640 10/19/23	CHK	8290	MCGRANN SHEA CARNIVAL STRAUGH LEGAL SERVICES - SEPT 2023		192.50

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86641	10/19/23	CHK	9997	ROBERT MERTA	INACTIVE REFUND	79.96
86642	10/19/23	CHK	39	MMUA	2023 DRUG SCREENING CONSORTIUM	838.70
					2023 DRUG SCREENING CONSORTIUM	36.30
					T & O CONF - 9 32 152 159 163 186 187	2,890.00
Total for Check/Tran - 86642:						3,765.00
86643	10/19/23	CHK	9997	SARA NELSON	INACTIVE REFUND	548.00
86644	10/19/23	CHK	9997	MEGAN NESBITT	INACTIVE REFUND	177.40
86645	10/19/23	CHK	9997	KEN NICHOLS	INACTIVE REFUND	622.28
86646	10/19/23	CHK	9300	NISC	AGREEMENTS INVOICE - SEPT 2023	53.85
					AGREEMENTS INVOICE - SEPT 2023	10,851.33
					AGREEMENTS INVOICE - SEPT 2023	236.95
					AGREEMENTS INVOICE - SEPT 2023	2,424.97
					AGREEMENTS INVOICE - SEPT 2023	59.24
					PRINT SERVICES - SEPT 2023	6,676.49
					PRINT SERVICES - SEPT 2023	1,581.57
					PRINT SERVICES - SEPT 2023	1,741.00
					MISC INVOICE - SEPT 2023	630.78
					MISC INVOICE - SEPT 2023	157.70
Total for Check/Tran - 86646:						24,413.88
86647	10/19/23	CHK	8897	RALPHIE'S MINNOCO	RALPHIE'S MINNOCO	65.12
86648	10/19/23	CHK	3218	RDO EQUIPMENT CO.	MISC PARTS & SUPPLIES - UNIT #56	39.27
					PARTS & LABOR FOR UNIT #61	-37.61
					PARTS & LABOR FOR UNIT #61	1,240.88
Total for Check/Tran - 86648:						1,242.54
86649	10/19/23	CHK	9997	ANN SCHROEDER	INACTIVE REFUND	81.16
86650	10/19/23	CHK	674	STAR ENERGY SERVICES LLC	PROFESSIONAL SERVICES - SEPT 2023	205.00

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86651 10/19/23	CHK	4532	TRACTOR SUPPLY CREDIT PLAN	TRACTOR SUPPLY	7.62
				TRACTOR SUPPLY	97.08
Total for Check/Tran - 86651:					104.70
86652 10/19/23	CHK	628	VICTORY CLEANING SERVICES, LLC	OLD BUILDING CLEANING	94.40
				OLD BUILDING CLEANING	13.48
Total for Check/Tran - 86652:					107.88
86653 10/19/23	CHK	429	WALMAN OPTICAL	SAFETY GLASSES - 128	-30.01
				Misc Distribution Exp	415.01
Total for Check/Tran - 86653:					385.00
86654 10/19/23	CHK	9997	MARY WATERS	INACTIVE REFUND	68.87
86655 10/19/23	CHK	55	WESCO RECEIVABLES CORP.	TRANSFORMER BOX PAD	16,312.20
86656 10/19/23	CHK	610	WRIGHT HENNEPIN COOPERATIVE ELE	1435 MAIN ST SECURITY & EE UPDATES	119.71
				1435 MAIN ST SECURITY & EE UPDATES	26.74
Total for Check/Tran - 86656:					146.45
86657 10/19/23	CHK	679	SCHMIDT UTILITY ADVISORS LLC	AMI - TASK 1	3,500.00
				AMI - TASK 1	1,500.00
Total for Check/Tran - 86657:					5,000.00
86658 10/26/23	CHK	2512	AMARIL UNIFORM COMPANY	EMPLOYEE CLOTHING RETURN - 128	-181.00
				Employee Clothing - 193	212.15
				Employee Clothing - 193	11.17
Total for Check/Tran - 86658:					42.32
86659 10/26/23	CHK	6	BEAUDRY OIL COMPANY	DIESEL	1,673.60
86660 10/26/23	CHK	3982	CENTERPOINT ENERGY	NATURAL GAS & IRON REMOVAL	337.04
				NATURAL GAS & IRON REMOVAL	82.24
Total for Check/Tran - 86660:					419.28
86661 10/26/23	CHK	54	CORE & MAIN LP	CURB BOX	105.77

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
86662 10/26/23	CHK	4252	ELK RIVER HEATING & AIR CONDITIONING	WELL #3 HEATER REPAIRS	-90.87
				WELL #3 HEATER REPAIRS	1,519.71
Total for Check/Tran - 86662:					1,428.84
86663 10/26/23	CHK	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 1 - ACCT 183 - SEPT 2023	803.99
				CYCLE 1 - INV GRP 101 - SEPT 2023	3,497.96
				CYCLE 1 - INV GRP 101 - SEPT 2023	94.60
				CYCLE 1 - INV GRP 101 - SEPT 2023	1,070.78
				CYCLE 1 - INV GRP 101 - SEPT 2023	547.63
				CYCLE 1 - INV GRP 101 - SEPT 2023	267.70
				CYCLE 1 - INV GRP 325 - SEPT 2023	375.00
				CYCLE 1 - INV GRP 325 - SEPT 2023	15,708.33
				CYCLE 1 - INV GRP 421 - SEPT 2023	7,489.59
Total for Check/Tran - 86663:					29,855.58
86664 10/26/23	CHK	572	EVERSPRING INN AND SUITES-MARSH	MMPA POLE TAKE DOWN HOTEL - 182	199.14
				MMPA POLE TAKE DOWN HOTEL - 190	199.14
Total for Check/Tran - 86664:					398.28
86665 10/26/23	CHK	671	FASTENAL COMPANY	Red Paint	713.56
				Blue Paint	118.59
Total for Check/Tran - 86665:					832.15
86666 10/26/23	CHK	53	GREAT RIVER ENERGY	2023 Q3 CONNECTION SERVICES	1,875.00
86667 10/26/23	CHK	809	HAWKINS, INC.	Water Chemicals	1,813.93
86668 10/26/23	CHK	9997	MARK HAYS	Credit Balance Refund	85.74
86669 10/26/23	CHK	824	HOME DEPOT CREDIT SERVICES	HOME DEPOT	221.60
				HOME DEPOT	179.16
Total for Check/Tran - 86669:					400.76
86670 10/26/23	CHK	5310	HOTSY MINNESOTA	OLD BLDG CAR WASH	522.07
				OLD BLDG CAR WASH	130.52
Total for Check/Tran - 86670:					652.59

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
86671 10/26/23	CHK	9997	KENNETH JORDAN	Credit Balance Refund	18.12
86672 10/26/23	CHK	8083	JT SERVICES OF MINNESOTA	Silicone Grease	475.80
86673 10/26/23	CHK	48	LEAGUE OF MN CITIES INS TRUST	WORK COMP RENEWAL - 10/23 to 10/24	54,277.07
				WORK COMP RENEWAL - 10/23 to 10/24	13,315.93
				Total for Check/Tran - 86673:	67,593.00
86674 10/26/23	CHK	9997	LGI HOMES, MN	Credit Balance Refund	125.97
86675 10/26/23	CHK	9020	MAILFINANCE	Mail Machine	396.58
				Mail Machine	99.15
				Total for Check/Tran - 86675:	495.73
86676 10/26/23	CHK	8605	MARCO TECHNOLOGIES, LLC	Cloud License	1,155.00
				Materials	88.99
				Cloud License	165.00
				Materials	12.71
				Total for Check/Tran - 86676:	1,421.70
86677 10/26/23	CHK	8605	MARCO TECHNOLOGIES, LLC	PRINTER MTC CONTRACT - 10/1 to 11/1/23	308.09
				PRINTER MTC CONTRACT - 10/1 to 11/1/23	77.02
				Total for Check/Tran - 86677:	385.11
86678 10/26/23	CHK	9999	MAX STEININGER INC	Hydrant Rental Deposit Refund	652.64
86679 10/26/23	CHK	145	MENARDS	REBATE	-19.52
				REBATE	-0.42
				DRY ERASE BOARD	8.62
				MISC PARTS & SUPPLIES	37.71
				Total for Check/Tran - 86679:	26.39
86680 10/26/23	CHK	39	MMUA	STEPPING INTO LEADERSHIP - 63	2,800.00
				STEPPING INTO LEADERSHIP - 63	700.00
				Total for Check/Tran - 86680:	3,500.00

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
86681 10/26/23	CHK	633	MUTUAL OF OMAHA	ELEC LIFE INSURANCE - NOV 2023	292.16
				LIFE, STD & LTD INSURANCE - NOV 2023	2,502.84
				ELEC LIFE INSURANCE - NOV 2023	143.64
				LIFE, STD & LTD INSURANCE - NOV 2023	505.17
Total for Check/Tran - 86681:					3,443.81
86682 10/26/23	CHK	573	NCPERS MINNESOTA	EXTRA LIFE INSURANCE - NOV 2023	176.80
				EXTRA LIFE INSURANCE - NOV 2023	15.20
Total for Check/Tran - 86682:					192.00
86683 10/26/23	CHK	683	PINEWOOD GOLF CLUB	WELLNESS EVENT	365.60
				WELLNESS EVENT	91.40
Total for Check/Tran - 86683:					457.00
86684 10/26/23	CHK	3796	PRO-TEC DESIGN, INC	Monthly Fee	87.47
				Security	9,918.87
				Monthly Fee	12.49
				Security	1,416.97
Total for Check/Tran - 86684:					11,435.80
86685 10/26/23	CHK	130	RESCO	RISER ARRESTER	902.25
				Discount	-0.45
				Transformer	29,696.00
				Discount	-14.85
				Spade Connector	568.00
				Discount	-0.28
				Transformer	24,793.33
				Discount	-12.40
Total for Check/Tran - 86685:					55,931.60
86686 10/26/23	CHK	603	ROYAL SUPPLY INC	CLEANING SUPPLIES	443.87
				CLEANING SUPPLIES	63.41
Total for Check/Tran - 86686:					507.28

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
86687 10/26/23	CHK	9997	KAREN SCHROEDER	Credit Balance Refund	184.22
86688 10/26/23	CHK	9997	YEVGENIY SIMONOVICH	Credit Balance Refund	6.38
86689 10/26/23	CHK	8141	SPEEDCUTTERS OUTDOOR MAINTENA	LAWN MOWING SERVICES - OCT 2023	867.69
				LAWN MOWING SERVICES - OCT 2023	2,365.93
Total for Check/Tran - 86689:					3,233.62
86690 10/26/23	CHK	6107	STUART C. IRBY CO.	WIRE	11,704.00
				FUSE PADS	-5,304.82
Total for Check/Tran - 86690:					6,399.18
86691 10/26/23	CHK	9997	TALL PINES 2 LLC	Credit Balance Refund	233.14
86692 10/26/23	CHK	3360	THE UPS STORE 5093	SHIPPING	41.32
86693 10/26/23	CHK	8948	TRYCO LEASING INC.	LEASE FOR COPIER AT PLANT	85.49
				LEASE FOR COPIER AT PLANT	21.37
Total for Check/Tran - 86693:					106.86
86694 10/26/23	CHK	628	VICTORY CLEANING SERVICES, LLC	MONTHLY CLEANING FOR THE PLANT-SEPT 2023	2,831.72
				MONTHLY CLEANING FOR THE PLANT-SEPT 2023	404.53
Total for Check/Tran - 86694:					3,236.25
Total for Bank Account - 5 :					(213) 4,903,867.03
Grand Total :					(215) 4,914,873.18

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Accounts Payable Check Register

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PARAMETERS ENTERED:**Check Date:** 10/01/2023 To 10/31/2023**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

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Payroll/Labor

Check Register Totals

10/10/2023 To 10/10/2023

<u>Pays</u>	<u>Job</u>	<u>Amount</u>	<u>Hours</u>
Gross Pay			
2	Reg Hourly	0.00	0.00
20	Reg Salary	0.00	0.00
105	Perf. Metr. Distr.	0.00	0.00
VAC	Vacation Pay	0.00	0.00
SICK	Sick Pay	0.00	0.00
HOL	Holiday Pay	0.00	0.00
78	Retro Earnings	0.00	0.00
PTOY	Personal Day - Year	0.00	0.00
106	Longevity Pay	2,300.00	0.00
	Gross Pay Total:	2,300.00	0.00
	Total Pays:	2,300.00	0.00

<u>Deductions</u>	<u>Amount</u>	
Employee Taxes		
FEDS Federal Income - Single	506.00	2,300.00
MNS MN State Income Tax - Single	143.75	2,300.00
SS-E Social Security	142.60	2,300.00
MD-E Medicare	33.35	2,300.00
Employee Tax Total:	825.70	

<u>Employer Taxes</u>	<u>Amount</u>	<u>Taxable Amt</u>
SS-R Social Security	142.60	2,300.00
MD-R Medicare	33.35	2,300.00
SUTA State Unemployment Tax	0.00	2,300.00
Employer Tax Total:	175.95	

<u>Taxes By Type</u>	<u>State</u>	<u>Amount</u>	<u>Taxable Amt</u>
FEDERAL INCOME		506.00	2,300.00
SOCIAL SECURITY		285.20	2,300.00
Medicare		66.70	2,300.00
STATE INCOME	MN	143.75	2,300.00
State Unemployment Tax	MN	0.00	2,300.00
Tax Total:		1,001.65	

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Payroll/Labor Check Register Totals

10/10/2023 To 10/10/2023

Net Pay: 1,474.30

Total Deposit Amount: 0.00

Total Check Amount: 1,474.30

Total Employees: 1

Total Direct Deposits: 0

Total Checks: 1

**ELK RIVER MUNICIPAL UTILITIES
SPECIAL MEETING OF THE UTILITIES COMMISSION
HELD AT THE FIELD SERVICES BUILDING TRAINING ROOM**

October 10, 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
Megan Zachman, Human Resources Generalist
Melissa Karpinski, Finance Manager
Tony Mauren, Governance & Communications Manager
Tom Geiser, Operations Director
Chris Sumstad, Electric Superintendent
Mike Tietz, Technical Services Superintendent
Dave Ninow, Water Superintendent
Chris Kerzman, Engineering Manager
Jenny Foss, Communications & Administrative Coordinator
Parker Theisen, IT/OT Technician

Others Present: Jared Shepherd, Attorney; Steve Rohlf, Cornerstone Auto; Andrew Harvala, Heritage Construction

1.0 GOVERNANCE

1.1 Call Meeting to Order

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

1.2 Pledge of Allegiance

The Pledge of Allegiance was recited.

1.3 Consider the Agenda

There were no additions or corrections to the agenda.

Moved by Commissioner Westgaard and seconded by Commissioner Bell to approve the October 10, 2023, agenda. Motion carried 5-0.

1.4 Recognition of Employee Longevity – Tom Geiser, 24 years

In September 2021, the Commission approved a Longevity Pay benefit to be paid to qualifying, eligible employees based on their years of service. Operations Director Tom Geiser earned the 24-year longevity pay benefit.

Mr. Hanson recognized Mr. Geiser and his contributions to the company through a brief PowerPoint presentation which included photos of Mr. Geiser in various stages of his career.

Chair Dietz presented Mr. Geiser with his award and there was a round of applause.

Mr. Geiser thanked the commission and his fellow managers.

2.0 CONSENT AGENDA (Approved By One Motion)

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

2.1 Check Register – September 2023

2.2 Regular Meeting Minutes – September 12, 2023

Motion carried 5-0.

3.0 OPEN FORUM

Mr. Rohlf and Mr. Harvala, addressed the Commission regarding the Cornerstone Auto Quick Lane project, located at 10965 171st Avenue NW, Elk River. They explained that during excavation the water line was struck resulting in the curb stop being removed and the line being capped at the curb stop. They continued that capping the line at the water main, per City requirements, would potentially impact utilities, gas, and fiberoptic lines, making it a risky endeavor in their opinion. Mr. Rohlf and Mr. Harvala requested authorization to pay the exemption fee which would allow them to keep the water line capped at the curb stop and not the main.

Chair Dietz informed Mr. Rohlf and Mr. Harvala that commissioners do not comment on open forum items and that their exemption request will be added to the November commission meeting agenda for discussion.

4.0 POLICY & COMPLIANCE

4.1 Commission Policy Review – G.2a1 - Payment in Lieu of Taxes (PILOT) and Other Donations to the City of Elk River

Mr. Mauren presented his memo and opened a discussion on any potential changes or comments on Commission Policy – G.2a1 – Payment in Lieu of Taxes (PILOT) and Other Donations to the City of Elk River.

Mr. Mauren noted that although PILOT programs are typical among cities with a municipal utility the services provided by ERMU to the City must bring value and should never inhibit ERMU's ability to make repayment on debt, cause ERMU to become non-competitive, or inhibit needed investment in personnel or infrastructure which may hurt ERMU's ability to meet the needs of their customers.

Chair Dietz asked for clarification regarding the Transmission Transformed Service Rate. Mr. Hanson explained that this is a Minnesota Municipal Power Association (MMPA) rate structured for very high use sites such as large data centers. Mr. Hanson stated that the developers of such projects would contract directly with MMPA and each business who meets the criteria of this specialized rate would have its own unique contract. Mr. Hanson further explained that ERMU would operate at a loss paying 4% on the use for this level of consumption, therefore the rate was established so that payment is 4% on the margin.

Chair Dietz asked if ERMU has ever had a business in its service area that met the Transmission Transformed Service rate criteria. Mr. Hanson replied that it has not.

5.0 BUSINESS ACTION

5.1 Financial Report – August 2023

Ms. Karpinski presented the August 2023 Financial Report.

Chair Dietz asked for confirmation that the significant increase to the interest and dividend income from the prior year is accurate. Ms. Karpinski confirmed it was.

Commissioner Stewart asked if the increase was in relation to the federal government increasing interest rates. Ms. Karpinski said it was.

Chair Dietz asked if the interest rate change affects only the short-term investments. Ms. Karpinski explained that ERMU books accrued interest based on the market value per the Governmental Accounting Standards Board (GASB).

Chair Dietz asked for clarification on the \$140K increase to administrative expenses from the prior year. Ms. Karpinski explained the main drivers were office supplies, insurance, and holiday pay with the addition of the Juneteenth holiday. There was also a past unemployment claim that was delayed for an unknown reason.

Commissioner Westgaard asked for clarification as to what items are included in the schools and meetings budget. Ms. Karpinski explained this includes the travel and training expenses.

Commissioner Westgaard pointed out that August was a large expense within the schools and meeting budget. Ms. Karpinski noted that the Minnesota Municipal Utilities Association Summer Conference takes place in August and contributes to the expense.

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

5.2 2024 Annual Business Plan: Electric and Water Expenses

Ms. Karpinski presented the 2024 Annual Business Plan: Electric and Water Expenses for commission review in preparation for approval of the complete plan in December. Ms. Karpinski noted that the 2024 purchase power costs have not been released yet by Minnesota Municipal Power Agency (MMPA) and the CIP budget has not been finalized therefore the 2023 budget numbers for these two items are preliminary.

Ms. Karpinski highlighted that with the Advanced Metering Infrastructure project there are a number of meters that will not be fully depreciated at the end of 2024 and those that are taken out of service will be a loss. She also noted that income from any of these meters being sold will be minimal.

Ms. Karpinski explained that she increased the estimated pension expense per GASB 68 noting that this is an entry the auditors prepare, and the amount is unknown until the end of the audit.

Chair Dietz asked if the estimated pension expense is related to how many years staff has and what their pension would be after a certain period of time. Ms. Karpinski replied that it is based on a complicated formula used for estimations.

Commissioner Westgaard asked when MMPA rates would be known. Ms. Karpinski stated that the information will be available in either November or December.

Chair Dietz asked if the rate increase for water has been finalized. Mr. Hanson estimated water rates will increase 2% based on the recommendation from ERMU's rates consultant, Dave Berg.

5.3 Wage & Benefit Committee Update

Commissioner Stewart presented the proposed vacation accrual update based on the request for review from staff. She noted there is concern from staff that the current vacation structure isn't attractive to new employees and may affect retention of early

hires. Commissioner Stewart reported that committee members determined adjustments should be focused on the lower tenured employees and provided a proposed schedule outlined in document 5.3b.

Commissioner Westgaard asked if Minnesota's new law for earned sick and safe time leave was considered when the proposed changes were discussed. Ms. Karpinski explained that ERMU's plan is more robust than what is being required by the state. She noted that the only work group that will be affected by the new law will be temporary/seasonal hires. ERMU typically has only one or two employees per year in this category.

Ms. Zachman clarified the impact of the new state mandate to ERMU stating that 48 hours of sick and safe time leave would need to be offered to our temporary, seasonal, or part-time employees only.

Chair Dietz asked for clarification regarding what happens to a temporary or seasonal employee's accrued sick and safe time hours if they leave and then return to the company. Ms. Zachman replied that if the employee returns during the same calendar year the statute states the employee would be able to access those hours.

Mr. Hanson stated that staff will provide specific sick and safe time details at the November or December commission meeting. He assured the Commission that the impact to budget will be minimal since it only applies to the one or two seasonal employees per year and not the 46 full time employees.

Commissioner Stewart presented staff's request for changes to the night work and rest time policy, citing safety as their main concern.

Commissioner Bell asked if the qualified sleep time rate of pay is time and a half. Mr. Geiser replied that qualified sleep time is paid at the regular pay rate.

Commissioner Stewart asked if overnight work is a rare occurrence. Mr. Geiser replied that it is.

Chair Dietz expressed his concern regarding the proposed vacation policy as it compared to the City of Elk River's vacation policy. Further discussion revealed a discrepancy between the City's vacation policy information provided to Chair Dietz and that which was provided to the ERMU general manager and human resources generalist.

Chair Dietz presented the proposed bereavement leave update. The committee supports more inclusive verbiage but felt the current three days were appropriate given the proposed changes to the vacation accrual schedule. The committee also supported adding a tier for uncles, aunts, and cousins for one day.

Chair Dietz presented the proposed wage increase update. The committee agreed to propose a 4.0% wage adjustment for 2024 as opposed to the metro average plus a dollar which was originally requested by staff.

Chair Dietz initiated a discussion regarding the Review of the Annual Wage & Benefits Evaluation Process as outlined in document 5.3b. He stated that he would prefer all commissioners attend an open wage and benefits meeting in order to hear information presented firsthand as opposed to the current committee summary process.

Commissioner Bell asked Chair Dietz to clarify when this meeting would be held if all commissioners would need to be present. Chair Dietz replied it would be a special meeting one hour prior to the regular meeting.

Chair Dietz asked ERMU's attorney, Mr. Shepherd, to clarify if the Wage & Benefits committee should be an open or closed meeting. Mr. Shepard stated the Wage & Benefits committee should follow Open Meeting Law since the committee meets regularly once a year and is a sub-committee of the commission.

Mr. Hanson presented historical information to give context to the origin of ERMU's Wage & Benefits Committee (WBC) meetings. Mr. Hanson noted that the idea for a WBC came in 2011 from a process being practiced at Shakopee Public Utility. Starting in 2011, ERMU's committee meetings were not posted for two reasons. The first was related to confidentiality concerns over wage and benefits information. Mr. Hanson clarified that legal counsel has now informed him that this is not proper procedure and moving forward WBC meetings will be posted. The second reason cited for a closed meeting was based on previous legal counsel concerns over dialog between non-management staff potentially being considered collective bargaining. Mr. Hanson deferred to ERMU's attorney for guidance regarding the collective bargaining concerns. Mr. Shepherd stated that, in general, the collective bargaining concern isn't a factor.

Commissioner Stewart asked if Open Meeting Law would then apply to all sub-committee meetings moving forward including the Information Security Committee noting their discussions include cybersecurity details. Mr. Shepherd responded that all sub-committee meetings should follow Open Meeting Law as the default, however, due to the safety and security nature of cybersecurity it would be acceptable to close that meeting.

After thorough discussion, the consensus from the Commission regarding the Review of the Annual Wage & Benefits Evaluation Process as outlined in document 5.3b was to continue the process as it is with legal counsel's recommended update to the posting procedure.

Mr. Hanson presented his compensation study for commission consideration noting that the last full compensation study was completed in 2008-2009. Mr. Hanson explained the inspiration to conduct his study came from concerns and feedback brought forth from the

employee engagement survey and stay interviews as well as observations during recent hiring efforts. Mr. Hanson clarified that a compensation study is different than a cost-of-living adjustment (COLA) in that a COLA is specific to inflation whereas the compensation study looks at wage comparisons for similar positions with similar responsibilities.

After reviewing the compensation study, Mr. Hanson presented the compensation study data applied to the 2023 ERMU Pay Study spreadsheet.

Commissioner Bell acknowledged that the information presented provided a compelling argument for reviewing employee pay.

Commissioner Stewart pointed out that the study didn't articulate the methodology behind the pay scale of each comparable utility. Mr. Hanson replied that all comparable positions followed a similar step process as ERMU.

Commissioner Zerwas asked if Mr. Hanson knew what it would cost to have an independent consultant provide a market analysis. Mr. Hanson estimated \$30K-\$40K.

Commissioner Westgaard agreed that a compensation study is needed at this time using an independent consultant. He recommended putting a \$133K placeholder in the 2024 budget for the first of Mr. Hanson's three-year distribution plan if the independent study comes in at a similar level. Mr. Westgaard added his perspective that any changes would be retroactive to January 1, 2024.

Commissioner Stewart noted ERMU would have to budget for the consultant as well.

Commissioner Bell asked if a motion was needed to move forward with finding a consultant. Mr. Shepherd replied that consensus is sufficient at this time.

Chair Dietz expressed concern with the comparison utilities in Mr. Hanson's study. Commissioner Stewart replied that the consultant would have expert knowledge in gathering appropriate comparable utilities.

Chair Dietz complimented Mr. Hanson on his thorough report but stated his preference for using a third-party consultant.

Chair Dietz requested staff bring a recommendation forward for a third-party consultant including a compensation study timeline for commission approval. There was consensus from the commissioners to proceed with finding an independent consultant and budgeting for impacts to the 2024 budget for the consultant fee and possible wage adjustments.

5.4 **Wage & Benefit Committee Proposed 2024 Adjustments**

Chair Dietz requested the commission wait until the November commission meeting before voting on any of the WBC proposed 2024 adjustments so the vacation schedule discrepancy could be resolved. There was consensus among the commission to wait until November to vote on any of the proposed wage and benefits changes.

6.0 BUSINESS DISCUSSION

6.1 Staff Updates

Mr. Hanson informed the Commission of a new management plan for the Conservation Improvement Program (CIP) which includes working with a consulting firm that will track rebates and savings to ensure we meet our energy savings goals. The plan is to use the firm for the remainder of 2023 and beyond.

Chair Dietz asked if ERMU was meeting its CIP goals for 2023. Ms. Youngs replied that it was not, however, she has filed a three-year plan with the State that will allow us to use the average over three years.

Chair Dietz asked if there was a contract that needed to be approved before moving forward with the consultant. Mr. Hanson said he will discuss with legal counsel and follow up.

Ms. Youngs reported on behalf of Mr. Mauren that ERMU's communications department was recently awarded the Excellence in Public Power Communications Award for web and social media content by the American Public Power Association (APPA). The award was based on the yearlong social media campaign introducing ERMU staff to the community to build stronger customer connections. Ms. Foss will be accepting the award next month at the APPA Customer Connections Conference in San Antonio, TX.

Jarod Shepherd will be attending the APPA Legal & Regulatory Conference in Seattle, WA along with Mr. Mauren, October 15-18.

6.2 City Council Update

Commissioner Westgaard discussed recent city council topics such as a conditional use permit for a business, an ordinance amendment to update the requirements for home occupations, and setting the City's preliminary budget for 2024. There were also presentations from ERMU staff regarding Advanced Metering Infrastructure and the energy audit of the Furniture & Things Community Event Center.

6.3 Future Planning

Chair Dietz announced the following:

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

6.5 **Other Business**

There was no other business.

7.0 **ADJOURN REGULAR MEETING**

Moved by Commissioner Bell and seconded by Commissioner Westgaard to adjourn the regular meeting of the Elk River Municipal Utilities Commission at 5:34 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: Melissa Karpinski – Finance Manager
MEETING DATE: November 14, 2023	AGENDA ITEM NUMBER: 2.03
SUBJECT: 2023 Third Quarter Utilities Performance Metrics Score Card Statistics	
ACTION REQUESTED: None	

BACKGROUND:

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

DISCUSSION:

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

FINANCIAL IMPACT:

None, until awarded the following year.

ATTACHMENTS:

- Performance Metrics and Incentive Compensation Policy Score Card – 2023 3rd Quarter

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

Category	Percent	Sub-Category	Sub-Percent	Goal	Score	Awarded Multiplier Percentage	Notes	Current Result
Safety, Reliability and Quality of Utility Services	40	Water Quality Standards	5	Meet Requirements			met requirement	
		Lead and Copper quality	5	90th percentile			met requirement	90
		Bacteria Detection	5	0 positive samples			on target	0
		CAIDI	5	<120 Min			on target	84.829
		SAIDI	5	<90 Min			on target	13.041
		SAIFI	5	< 0.5			on target	0.154
		Line Loss	5	<5%			on target	4.0%
		Water Loss	5	<12%			on target	6.7%
Workforce Development	25	Clean Energy Choice Program Participation	5	+15 net			on target	46
		Employee Turnover	10	≤ 7.5%			on target	6.3%
		Participation in Recommended and Mandatory Trainings	10	≥ 95%			off target	94.6%
Financial Goals	35	Margins/Net Profit	20	≥ Budget			on target	
		Reserves	10	≥ Target			on target	
		Inventory Accuracy	5	≥ 95%			on target	99.982%
				Total Multiplier:				

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

TO: ERMU Commission	FROM: Mark Hanson – General Manager
MEETING DATE: November 14, 2023	AGENDA ITEM NUMBER: 2.04
SUBJECT: Use of ERMU Logo for Midwest Esri Utility User Group Conference Flyer	
ACTION REQUESTED: Approve Use of ERMU Logo for Midwest Esri Utility User Group Conference Flyer	

BACKGROUND:

GIS staff participate as members of the Midwest Esri Utility User Group (MEUUG). The group holds an annual user group conference that rotates among its members. For 2024, the group would like to hold its conference in St. Cloud with ERMU as the host member. As the host member, ERMU's logo would be displayed prominently on the conference flyer.

DISCUSSION:

GIS/Mapping Technician Angela Hauge is an active participant in the Midwest Esri Utility User Group. MEUUG is highly respected as a technical resource and staff is excited for the opportunity to be listed as the host city on their conference flyer. The conference will be held April 3-5, 2024, at the Best Western Plus Kelly Inn in St. Cloud, MN.

**Elk River Municipal Utilities
Operations and Maintenance Manual
WATER DEPARTMENT
Water Rules**

114 ABANDONED WATER SERVICES

All Discontinued or abandoned water services shall be shut off and disconnected at the main and the stop box shall be removed by a licensed plumber or licensed sewer installer at the expense of the property owner.

A performance bond or deposit shall be furnished to Elk River Municipal Utilities to guarantee disconnection, before applicant can obtain a permit for moving or razing a structure. This will be returned as soon as service disconnection and stop box removal has been approved by Elk River Municipal Utilities.

In the case where local unit of government will not issue a street disruption permit to allow the proper abandonment of water service, property owner shall pay Elk River Municipal Utilities the estimated costs to properly abandon water service along with GPS coordinates of the abandoned water stop. The Elk River Municipal Utilities will then assume all future liability to properly abandon water services and shall do so in case of service line leaks. Estimated cost shall be \$2,500.00.

If in the future the water service is reused, the Elk River Municipal Utilities will refund the initial paid amount to the property owner. In the event a service to be reused is not of proper materials per Section 104, a new service shall be installed by owner and old service shall be abandoned by Elk River Municipal Utilities.

When a permit for moving or wrecking a house is granted, the City Building Department shall inform the applicant that a licensed plumber must shut off the water service at the main, an inspection must be made by Elk River Municipal Utilities before backfilling excavation; and that a bond or deposit is required by the Utilities.

The Elk River Municipal Utilities Office shall make out a repair order for the water foreman stating location and property owner and name of wrecker or mover. When the water is shut off, the water foreman shall note this on the repair order and turn it in to the Elk River Municipal Utilities' Office.

In a situation where a new service is installed and the old service is abandoned. The Elk River Municipal Utilities shall notify the City's Building Department Office of said action and instruct the property owner to proceed to have the old abandoned water service disconnected and plugged at the main.

TO: ERMU Commission	FROM: Tony Mauren – Governance & Communications Manager
MEETING DATE: November 14, 2023	AGENDA ITEM NUMBER: 4.01
SUBJECT: Commission Policy Review – G.2a2 – Street Installation and Maintenance Agreement	
ACTION REQUESTED: Review the policy and provide any feedback.	

BACKGROUND/DISCUSSION:

This month commissioners are reviewing policy G.2a2 – Street Installation and Maintenance Agreement to make comments, ask questions, or recommend updates.

A memorandum of understanding between ERMU and the City was created in January of 2012 to address the material costs and labor associated with the installation and maintenance of streetlights located within the Elk River electric service territory. The agreement was updated in May of 2022 to clarify that ERMU will maintain the streetlights downtown, hang banners as needed (but not annually), install and remove wreaths annually, and install and remove flags on specified poles from Memorial Day to Labor Day. It also adds that the trail lights along Highway 10 are owned by the City and ERMU will provide the labor for maintenance. Trail light maintenance will be provided as contributions to the City, in line with the Payment in Lieu of Taxes and Other Donations to the City policy. In June of 2022 the map appendices were added.

ATTACHMENTS:

- ERMU Policy – G.2a2 – Street Installation and Maintenance Agreement

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

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

1.0 *Purpose*

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

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

2.0 *Installation of New and Replacement Streetlights*

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

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

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

3.0 *Maintenance of Streetlights and Trail Lights*

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

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

4.0 *Maintenance of Semaphores*

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

5.0 *Attachments of Brackets to Streetlights*

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

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

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

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

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

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

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

6.0 *Attachment of Flags to Specified Utility Poles*

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

7.0 *Termination of Agreement*

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

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


ELK RIVER MUNICIPAL UTILITIES

By  _____
John Dietz, Chair

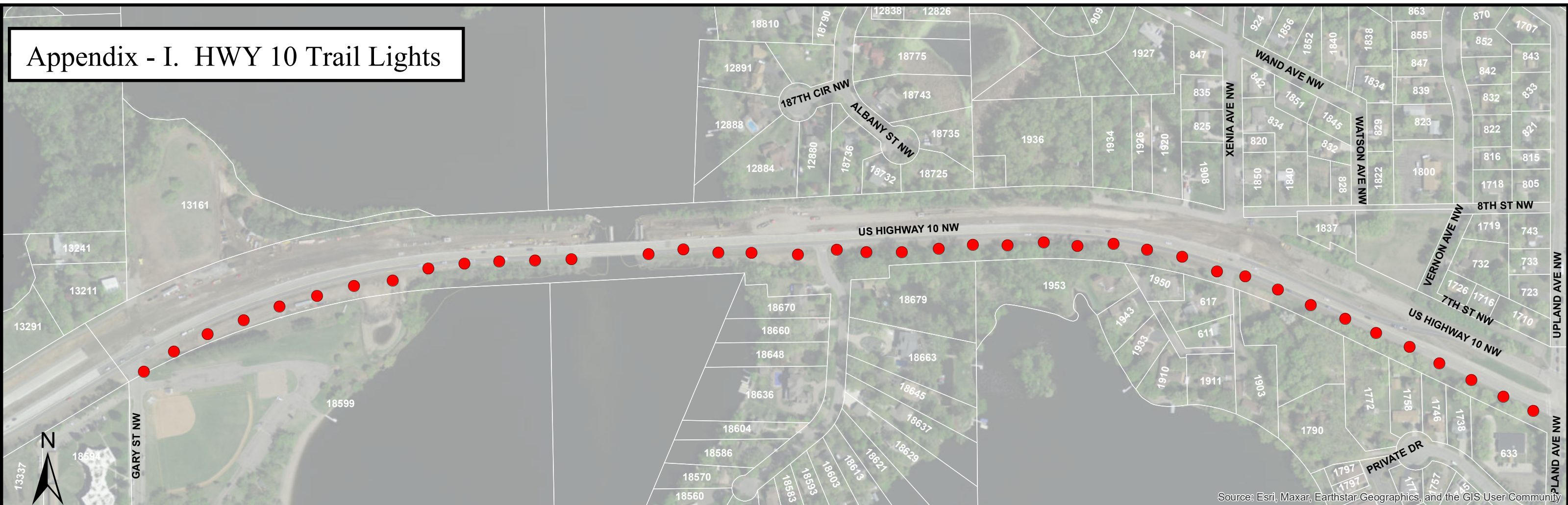
By  _____
Theresa Slominski, General Manager

THE CITY OF ELK RIVER, MINNESOTA

By  _____
John Dietz, Mayor

By  _____
Tina Allard, City Clerk

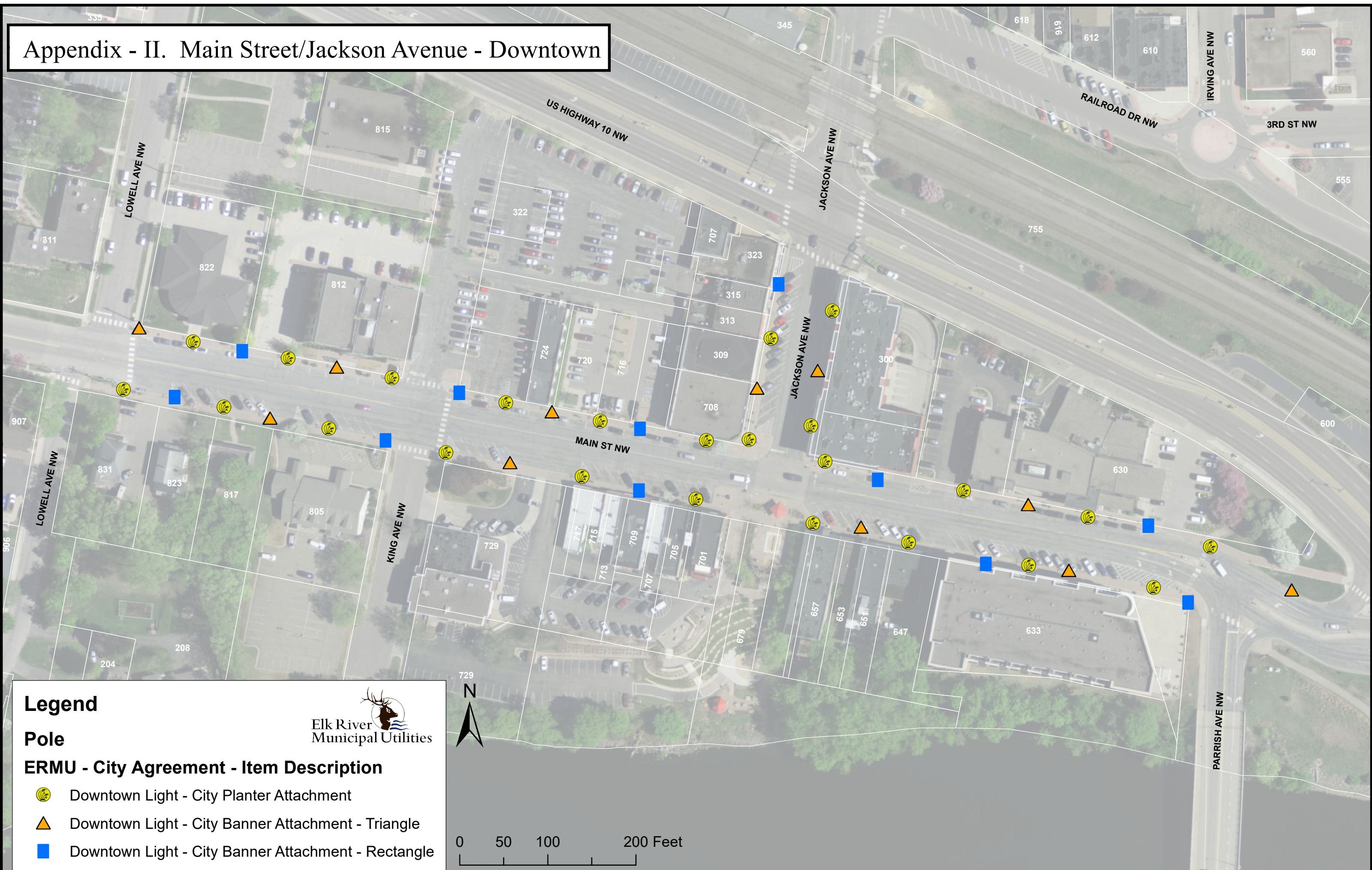
Appendix - I. HWY 10 Trail Lights



Legend
Pole
ERMU - City Agreement - Item Description

HWY 10 Trail Light - 14' Aluminum, City Owned, ERMU MTC




Appendix - II. Main Street/Jackson Avenue - Downtown



Legend

Pole

ERMU - City Agreement - Item Description

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



0 50 100 200 Feet

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



Legend

Pole

ERMU - City Agreement - Item Description

★ Flag Mount



0 125 250 500 Feet

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

TO: ERMU Commission	FROM: Mark Hanson – General Manager
MEETING DATE: November 14, 2023	AGENDA ITEM NUMBER: 5.01
SUBJECT: Water Service Abandonment Appeal	
ACTION REQUESTED: Review management policy regarding water service abandonment and provide direction	

BACKGROUND:

Section 114 of our water rules requires that all discontinued or abandoned water services shall be shut off and disconnected at the main. During the open forum of the October commission meeting, Steve Rohlf of Cornerstone Auto and Andrew Harvala of Heritage Construction requested to be released from the requirement to properly abandon the former water service at their property (10965 171st Avenue NW). Mr. Rohlf and Mr. Harvala stated they were concerned the numerous utility lines at or near the water main made it difficult to safely excavate down to the main without risking damage to the adjacent utilities. They requested approval to pay the estimated abandonment costs to Elk River Municipal Utilities (ERMU) in lieu of doing the work.

DISCUSSION:

Section 114 of our water rules requires that all discontinued or abandoned water services shall be shut off and disconnected at the main. The intent of the abandonment requirement is to protect the City and the Utility from damage caused by a leak at an abandoned service line. If not capped at the main, abandoned service lines are still “live” with pressurized water that can cause significant damage if a leak develops. Since abandoned lines can be missed during a locate process, they are at great risk of being damaged during future construction activities. Case in point, the abandoned service line in question was hit during the excavation efforts for the Quick Lube construction project. Furthermore, abandoned service lines are at a continually increasing risk of leaking as they age.

As for the risks associated with damaging the adjacent utility lines, any risks that exist today will only increase if the line must be capped in an emergency leak situation. Capping the line today allows for a best-case scenario to complete the work in a controlled environment. To estimate the magnitude of the repair, ERMU requested multiple quotes for the work. The quotes ranged from a low of \$5,200 to a high of \$17,000.

ATTACHMENTS:

Section 114 of our water rules; Abandoned Water Services

Elk River Municipal Utilities
Operations and Maintenance Manual
WATER DEPARTMENT
Water Rules

114 ABANDONED WATER SERVICES

All Discontinued or abandoned water services shall be shut off and disconnected at the main and the stop box shall be removed by a licensed plumber or licensed sewer installer at the expense of the property owner.

A performance bond or deposit shall be furnished to Elk River Municipal Utilities to guarantee disconnection, before applicant can obtain a permit for moving or razing a structure. This will be returned as soon as service disconnection and stop box removal has been approved by Elk River Municipal Utilities.

In the case where local unit of government will not issue a street disruption permit to allow the proper abandonment of water service, property owner shall pay Elk River Municipal Utilities the estimated costs to properly abandon water service along with GPS coordinates of the abandoned water stop. The Elk River Municipal Utilities will then assume all future liability to properly abandon water services and shall do so in case of service line leaks. Estimated cost shall be \$2,500.00.

If in the future the water service is reused, the Elk River Municipal Utilities will refund the initial paid amount to the property owner. In the event a service to be reused is not of proper materials per Section 104, a new service shall be installed by owner and old service shall be abandoned by Elk River Municipal Utilities.

When a permit for moving or wrecking a house is granted, the City Building Department shall inform the applicant that a licensed plumber must shut off the water service at the main, an inspection must be made by Elk River Municipal Utilities before backfilling excavation; and that a bond or deposit is required by the Utilities.

The Elk River Municipal Utilities Office shall make out a repair order for the water foreman stating location and property owner and name of wrecker or mover. When the water is shut off, the water foreman shall note this on the repair order and turn it in to the Elk River Municipal Utilities' Office.

In a situation where a new service is installed and the old service is abandoned. The Elk River Municipal Utilities shall notify the City's Building Department Office of said action and instruct the property owner to proceed to have the old abandoned water service disconnected and plugged at the main.

TO: ERMU Commission	FROM: Melissa Karpinski – Finance Manager
MEETING DATE: November 14, 2023	AGENDA ITEM NUMBER: 5.02
SUBJECT: Financial Report – September 2023	
ACTION REQUESTED: Receive the September 2023 Financial Report	

DISCUSSION:

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

Electric

September year to date (YTD) electric kWh sales are down 2% from the prior year. For further breakdown:

- Residential usage is up 1%
- Small Commercial usage is up 7%
- Large Commercial usage is down 6%

For September 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.

As an update to last month's meeting, Schools & Meetings large expense in August of 2023 was mainly due to labor for the new field services building open house event.

Water

September YTD gallons of water sold are up 21% from the prior year. For further breakdown:

- Residential use is up 18%
- Commercial use is up 25%

For September 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 09.2023
- Electric Balance Sheet 09.2023
- Water Balance Sheet 09.2023
- Summary Electric Statement of Revenues, Expenses and Changes in Net Position 09.2023

- Summary Water Statement of Revenues, Expenses and Changes in Net Position 09.2023
- Graphs Prior Year and YTD 2023
- Detailed Electric Statement of Revenues, Expenses and Changes in Net Position 09.2023
- Detailed Water Statement of Revenues, Expenses and Changes in Net Position 09.2023
- Budget vs Actual Graphs – Electric 09.2023
- Budget vs Actual Graphs – Water 09.2023

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

	<u>ELECTRIC</u>	<u>WATER</u>
ASSETS		
CURRENT ASSETS		
CASH	9,832,573	9,490,824
ACCOUNTS RECEIVABLE	4,026,191	5,802,528
INVENTORIES	1,185,630	15,383
PREPAID ITEMS	195,997	44,230
CONSTRUCTION IN PROGRESS	2,534,118	1,117,125
TOTAL CURRENT ASSETS	<u>17,774,510</u>	<u>16,470,090</u>
RESTRICTED ASSETS		
BOND RESERVE FUND	1,779,016	0
EMERGENCY RESERVE FUND	2,935,328	1,362,273
UNRESTRICTED RESERVE FUND	0	0
TOTAL RESTRICTED ASSETS	<u>4,714,343</u>	<u>1,362,273</u>
FIXED ASSETS		
PRODUCTION	824,065	16,525,311
LFG PROJECT	0	0
TRANSMISSION	2,305,024	0
DISTRIBUTION	47,610,417	26,858,844
GENERAL	23,135,471	1,199,663
FIXED ASSETS (COST)	<u>73,874,977</u>	<u>44,583,817</u>
LESS ACCUMULATED DEPRECIATION	<u>(33,845,383)</u>	<u>(22,972,246)</u>
TOTAL FIXED ASSETS, NET	40,029,594	21,611,571
INTANGIBLE ASSETS		
POWER AGENCY MEMBERSHIP BUY-IN	21,546,212	0
LOSS OF REVENUE INTANGIBLE	5,290,120	0
LESS ACCUMULATED AMORTIZATION	<u>(3,339,525)</u>	<u>0</u>
TOTAL INTANGIBLE ASSETS, NET	23,496,807	0
OTHER ASSETS AND DEFERRED OUTFLOWS	1,187,557	226,587
TOTAL ASSETS	<u><u>87,202,810</u></u>	<u><u>39,670,521</u></u>
LIABILITIES AND FUND EQUITY		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	4,858,927	382,337
SALARIES AND BENEFITS PAYABLE	537,540	120,149
DUE TO CITY	880,932	2,141
DUE TO OTHER FUNDS	0	0
NOTES PAYABLE-CURRENT PORTION	0	0
BONDS PAYABLE-CURRENT PORTION	0	0
UNEARNED REVENUE	148,981	407,124
TOTAL CURRENT LIABILITIES	<u>6,426,380</u>	<u>911,752</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	29,230,227	1,623,608
PENSION LIABILITIES	3,789,381	725,038
TOTAL LONG TERM LIABILITIES	<u>33,019,608</u>	<u>2,348,646</u>
TOTAL LIABILITIES	<u>39,445,988</u>	<u>3,260,398</u>
DEFERRED INFLOWS OF RESOURCES	54,129	5,121,831
FUND EQUITY		
CAPITAL ACCOUNT CONST COST	1,779,016	0
CONTRIBUTED CAPITAL	0	0
RETAINED EARNINGS	45,204,945	30,887,406
NET INCOME (LOSS) (THROUGH PREVIOUS MONTH)	718,732	400,886
TOTAL FUND EQUITY	<u>47,702,693</u>	<u>31,288,292</u>
TOTAL LIABILITIES & FUND EQUITY	<u><u>87,202,810</u></u>	<u><u>39,670,521</u></u>

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

	<u>September 30, 2023</u>	<u>August 31, 2023</u>	<u>Current Month Change from Prior Month</u>
ASSETS			
CURRENT ASSETS			
CASH	9,832,573	11,068,255	(1,235,682)
ACCOUNTS RECEIVABLE	4,026,191	2,720,964	1,305,227
INVENTORIES	1,185,630	1,164,694	20,936
PREPAID ITEMS	195,997	214,256	(18,259)
CONSTRUCTION IN PROGRESS	2,534,118	2,315,878	218,241
TOTAL CURRENT ASSETS	<u>17,774,510</u>	<u>17,484,047</u>	<u>290,463</u>
RESTRICTED ASSETS			
BOND RESERVE FUND	1,779,016	1,779,016	0
EMERGENCY RESERVE FUND	2,935,328	2,929,845	5,482
TOTAL RESTRICTED ASSETS	<u>4,714,343</u>	<u>4,708,861</u>	<u>5,482</u>
FIXED ASSETS			
PRODUCTION	824,065	824,065	0
TRANSMISSION	2,305,024	2,305,024	0
DISTRIBUTION	47,610,417	47,527,131	83,286
GENERAL	23,135,471	23,176,510	(41,039)
FIXED ASSETS (COST)	<u>73,874,977</u>	<u>73,832,729</u>	<u>42,247</u>
LESS ACCUMULATED DEPRECIATION	<u>(33,845,383)</u>	<u>(33,678,256)</u>	<u>(167,127)</u>
TOTAL FIXED ASSETS, NET	<u>40,029,594</u>	<u>40,154,474</u>	<u>(124,880)</u>
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	<u>(3,339,525)</u>	<u>(3,283,847)</u>	<u>(55,678)</u>
TOTAL INTANGIBLE ASSETS, NET	<u>23,496,807</u>	<u>23,552,484</u>	<u>(55,678)</u>
OTHER ASSETS AND DEFERRED OUTFLOWS	<u>1,187,557</u>	<u>1,187,557</u>	<u>0</u>
TOTAL ASSETS	<u><u>87,202,810</u></u>	<u><u>87,087,423</u></u>	<u><u>115,387</u></u>
LIABILITIES AND FUND EQUITY			
CURRENT LIABILITIES			
ACCOUNTS PAYABLE	4,858,927	5,619,802	(760,875)
SALARIES AND BENEFITS PAYABLE	537,540	668,166	(130,625)
DUE TO CITY	880,932	773,573	107,359
UNEARNED REVENUE	148,981	150,978	(1,998)
TOTAL CURRENT LIABILITIES	<u>6,426,380</u>	<u>7,212,519</u>	<u>(786,140)</u>
LONG TERM LIABILITIES			
BONDS PAYABLE, LESS CURRENT PORTION	29,230,227	29,235,216	(4,989)
PENSION LIABILITIES	3,789,381	3,789,381	0
TOTAL LONG TERM LIABILITIES	<u>33,019,608</u>	<u>33,024,597</u>	<u>(4,989)</u>
TOTAL LIABILITIES	<u>39,445,988</u>	<u>40,237,116</u>	<u>(791,128)</u>
DEFERRED INFLOWS OF RESOURCES	<u>54,129</u>	<u>54,129</u>	<u>0</u>
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)	718,732	(187,783)	906,515
TOTAL FUND EQUITY	<u>47,702,693</u>	<u>46,796,178</u>	<u>906,515</u>
TOTAL LIABILITIES & FUND EQUITY	<u><u>87,202,810</u></u>	<u><u>87,087,423</u></u>	<u><u>115,387</u></u>

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

	<u>September 30, 2023</u>	<u>August 31, 2023</u>	<u>Current Month Change from Prior Month</u>
ASSETS			
CURRENT ASSETS			
CASH	9,490,824	9,345,049	145,775
ACCOUNTS RECEIVABLE	5,802,528	5,641,386	161,142
INVENTORIES	15,383	19,652	(4,270)
PREPAID ITEMS	44,230	50,640	(6,410)
CONSTRUCTION IN PROGRESS	1,117,125	1,012,714	104,411
TOTAL CURRENT ASSETS	<u>16,470,090</u>	<u>16,069,441</u>	<u>400,649</u>
RESTRICTED ASSETS			
EMERGENCY RESERVE FUND	1,362,273	1,360,902	1,371
TOTAL RESTRICTED ASSETS	<u>1,362,273</u>	<u>1,360,902</u>	<u>1,371</u>
FIXED ASSETS			
PRODUCTION	16,525,311	16,525,311	0
DISTRIBUTION	26,858,844	26,858,844	0
GENERAL	1,199,663	1,201,398	(1,735)
FIXED ASSETS (COST)	<u>44,583,817</u>	<u>44,585,552</u>	<u>(1,735)</u>
LESS ACCUMULATED DEPRECIATION	<u>(22,972,246)</u>	<u>(22,880,321)</u>	<u>(91,925)</u>
TOTAL FIXED ASSETS, NET	<u>21,611,571</u>	<u>21,705,232</u>	<u>(93,660)</u>
INTANGIBLE ASSETS			
OTHER ASSETS AND DEFERRED OUTFLOWS	<u>226,587</u>	<u>226,587</u>	<u>0</u>
TOTAL ASSETS	<u><u>39,670,521</u></u>	<u><u>39,362,162</u></u>	<u><u>308,359</u></u>
LIABILITIES AND FUND EQUITY			
CURRENT LIABILITIES			
ACCOUNTS PAYABLE	382,337	355,292	27,045
SALARIES AND BENEFITS PAYABLE	120,149	142,034	(21,885)
DUE TO CITY	2,141	1,181	961
UNEARNED REVENUE	407,124	407,124	0
TOTAL CURRENT LIABILITIES	<u>911,752</u>	<u>905,631</u>	<u>6,120</u>
LONG TERM LIABILITIES			
BONDS PAYABLE, LESS CURRENT PORTION	1,623,608	1,624,162	(554)
PENSION LIABILITIES	725,038	725,038	0
TOTAL LONG TERM LIABILITIES	<u>2,348,646</u>	<u>2,349,200</u>	<u>(554)</u>
TOTAL LIABILITIES	<u>3,260,398</u>	<u>3,254,832</u>	<u>5,566</u>
DEFERRED INFLOWS OF RESOURCES	<u>5,121,831</u>	<u>5,121,831</u>	<u>0</u>
FUND EQUITY			
RETAINED EARNINGS	30,887,406	30,887,406	0
NET INCOME (LOSS) (THROUGH PREVIOUS MONTH)	400,886	98,093	302,793
TOTAL FUND EQUITY	<u>31,288,292</u>	<u>30,985,499</u>	<u>302,793</u>
TOTAL LIABILITIES & FUND EQUITY	<u><u>39,670,521</u></u>	<u><u>39,362,162</u></u>	<u><u>308,359</u></u>

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

	2023 SEPTEMBER	2023 YTD	2023 YTD BUDGET	YTD Budget Variance	2023 YTD Bud Var%	2023 ANNUAL BUDGET	2022 SEPTEMBER	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual Var%	Variance Item
Electric											
Revenue											
Operating Revenue											
Elk River	4,173,390	30,380,332	31,710,753	(1,330,422)	(4)	42,041,326	4,093,476	28,123,010	2,257,322	8	
Otsego	446,619	2,888,045	2,563,315	324,730	13	3,385,657	397,320	2,533,027	355,019	14	
Rural Big Lake	25,137	169,415	182,172	(12,757)	(7)	238,658	22,512	155,067	14,349	9	
Dayton	31,935	210,453	219,912	(9,460)	(4)	285,471	28,146	191,725	18,728	10	
Public St & Hwy Lighting	21,611	194,201	195,000	(799)	(0)	260,000	21,689	193,585	616	0	
Other Electric Sales	400	3,600	3,600	0	0	4,800	(70,807)	1,423,243	(1,419,643)	(100)	(1)
Total Operating Revenue	4,699,092	33,846,046	34,874,753	(1,028,707)	(3)	46,215,912	4,492,336	32,619,656	1,226,390	4	
Other Operating Revenue											
Interest/Dividend Income	4,668	71,135	37,500	33,635	90	50,000	(57,824)	(181,139)	252,274	139	(2)
Customer Penalties	39,991	234,808	187,500	47,309	25	250,000	29,258	212,983	21,826	10	(3)
LFG Project	0	0	0	0	0	0	90,388	760,382	(760,382)	(100)	(4)
Connection Fees	15,470	100,356	165,000	(64,644)	(39)	220,000	9,325	152,995	(52,639)	(34)	(5)
Misc Revenue	114,657	1,005,468	702,173	303,295	43	936,231	94,737	909,525	95,943	11	(6)
Total Other Revenue	174,786	1,411,768	1,092,173	319,594	29	1,456,231	165,884	1,854,746	(442,978)	(24)	
Total Revenue	4,873,877	35,257,814	35,966,926	(709,112)	(2)	47,672,143	4,658,220	34,474,402	783,412	2	
Expenses											
Purchased Power	2,891,327	24,644,445	25,694,068	(1,049,624)	(4)	32,766,025	3,086,040	24,875,108	(230,663)	(1)	
Operating & Mtce Expense	17,757	249,492	231,750	17,742	8	321,000	19,812	179,562	69,930	39	(7)
Landfill Gas	0	0	0	0	0	0	58,244	496,396	(496,396)	(100)	(8)
Transmission Expense	5,406	49,431	52,500	(3,069)	(6)	70,000	5,432	49,497	(66)	(0)	
Distribution Expense	26,734	336,664	275,288	61,376	22	369,466	32,696	271,336	65,328	24	(9)
Maintenance Expense	123,833	1,270,306	1,166,625	103,681	9	1,540,500	116,283	1,118,673	151,632	14	
Depreciation & Amortization	263,868	2,372,170	2,395,261	(23,091)	(1)	3,220,836	249,739	2,248,596	123,575	5	
Interest Expense	66,412	611,596	611,596	0	0	810,832	69,425	638,035	(26,440)	(4)	
Other Operating Expense	4,265	55,204	25,801	29,402	114	74,109	12,791	33,484	21,720	65	(10)
Customer Accounts Expense	36,129	322,308	301,125	21,183	7	401,500	39,552	289,311	32,996	11	
Administrative Expense	303,660	2,884,166	3,106,940	(222,774)	(7)	4,128,585	335,799	2,775,851	108,315	4	
General Expense	41,692	292,780	436,957	(144,177)	(33)	582,609	36,748	311,422	(18,642)	(6)	(11)
Total Expenses(before Operating Transfers)	3,781,084	33,088,560	34,297,911	(1,209,351)	(4)	44,285,462	4,062,559	33,287,271	(198,711)	(1)	
Operating Transfer											
Operating Transfer/Other Funds	167,632	1,254,081	1,268,430	(14,349)	(1)	1,681,653	164,440	1,159,520	94,561	8	
Utilities & Labor Donated	18,646	196,441	180,000	16,441	9	240,000	18,941	170,738	25,702	15	(12)
Total Operating Transfer	186,278	1,450,522	1,448,430	2,091	0	1,921,653	183,381	1,330,258	120,263	9	
Net Income Profit(Loss)	906,515	718,732	220,585	498,147	226	1,465,028	412,280	(143,127)	861,860	602	

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

(1) PYTD variance is due to accrual of PCA revenue in 2022 (See Rate Increase on Detailed Statement).

(2) Budget variance is due to conservative budgeted amount. PYTD variance is due to the change in Fair Market Value of Investments.

(3) Budget variance is due to higher than average over last two years.

(4) PYTD variance is due to the LFG Project coming to an end in 2022.

(5) YTD Budget and PYTD variance is due to less than average connection fees in 2023.

(6) YTD Budget variance is mainly due to a conservative budgeted amount for contribution from customers.

(7) 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.

(8) PYTD variance is due to the LFG Project coming to an end in 2022.

(9) YTD Budget and PYTD variance is mainly due to increased labor (inventory, tool repair, maintenance of rubber goods, electrical apparatus maintenance/repair, and grounds testing/maintenance), tools and uniform expense in 2023.

(10) YTD Budget variance is mainly due to increased interest rate on deposits.

(11) YTD Budget variance is mainly due to less rebate dollars spent than budgeted.

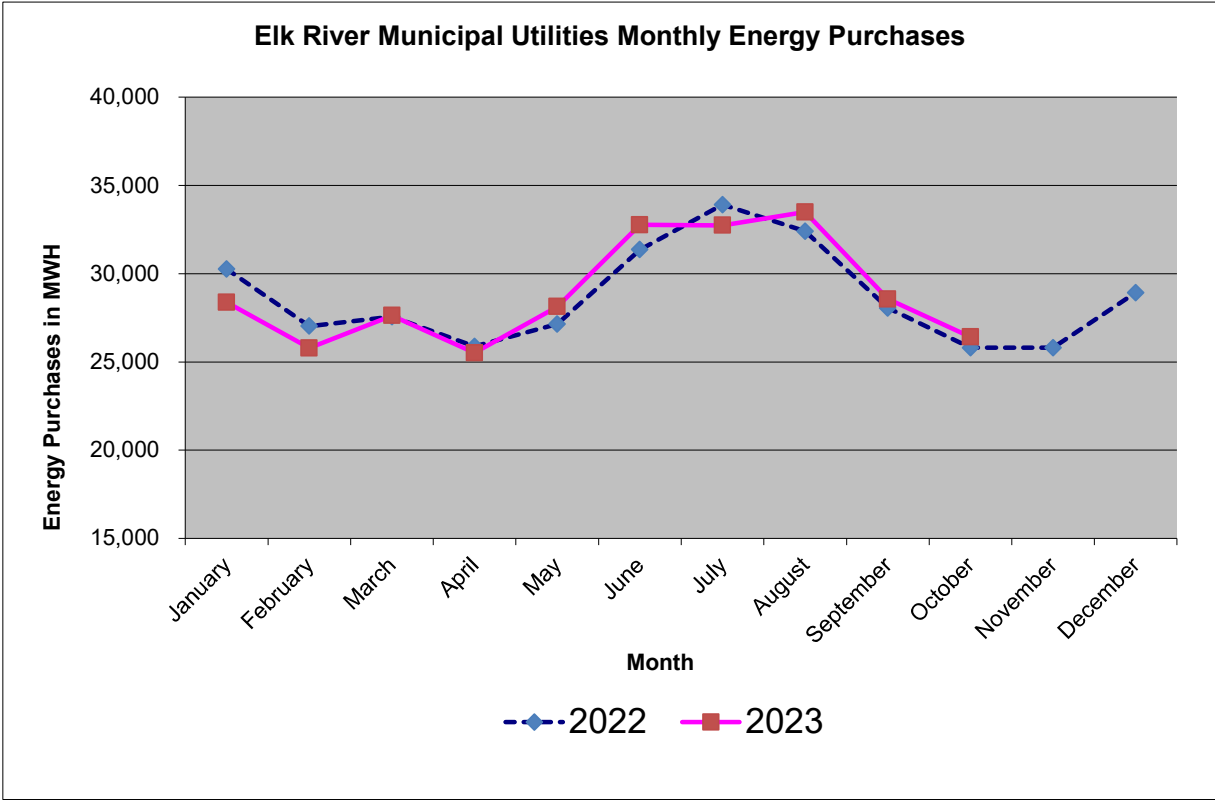
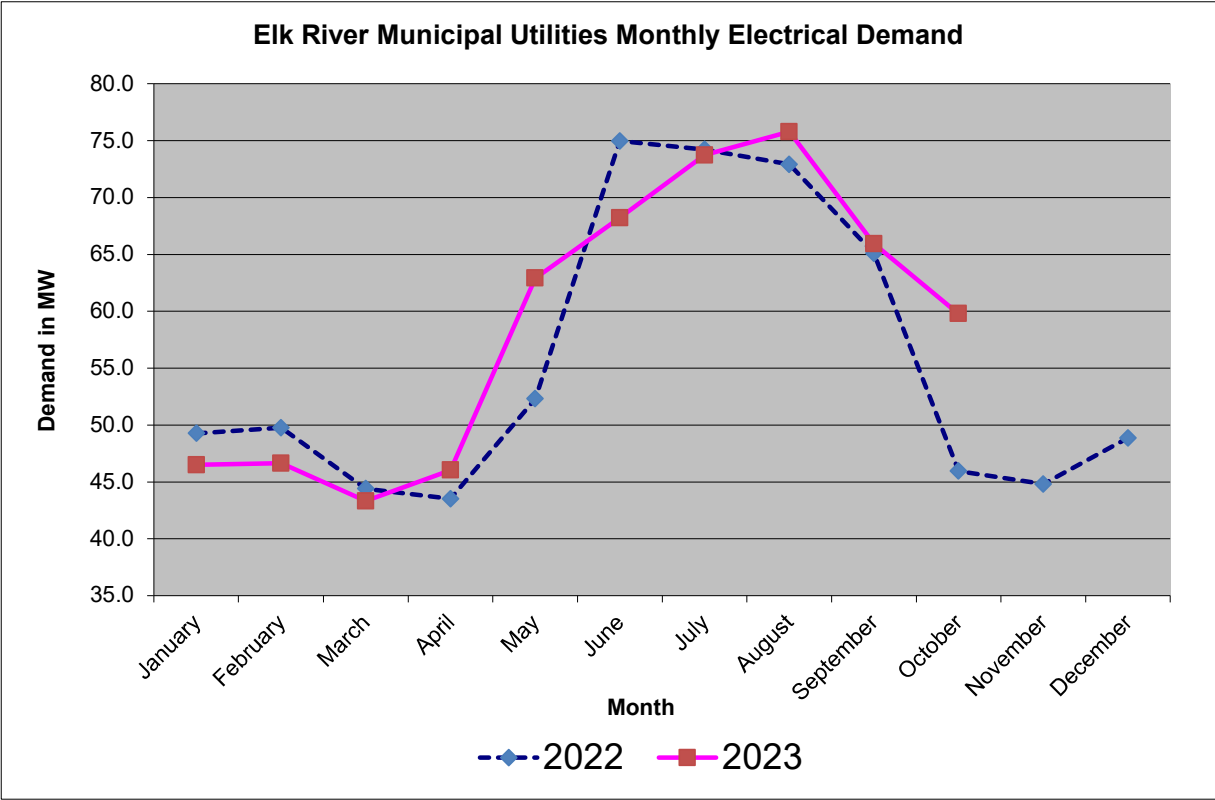
(12) PYTD variance due to Furniture & Things energy audit expense of \$29K.

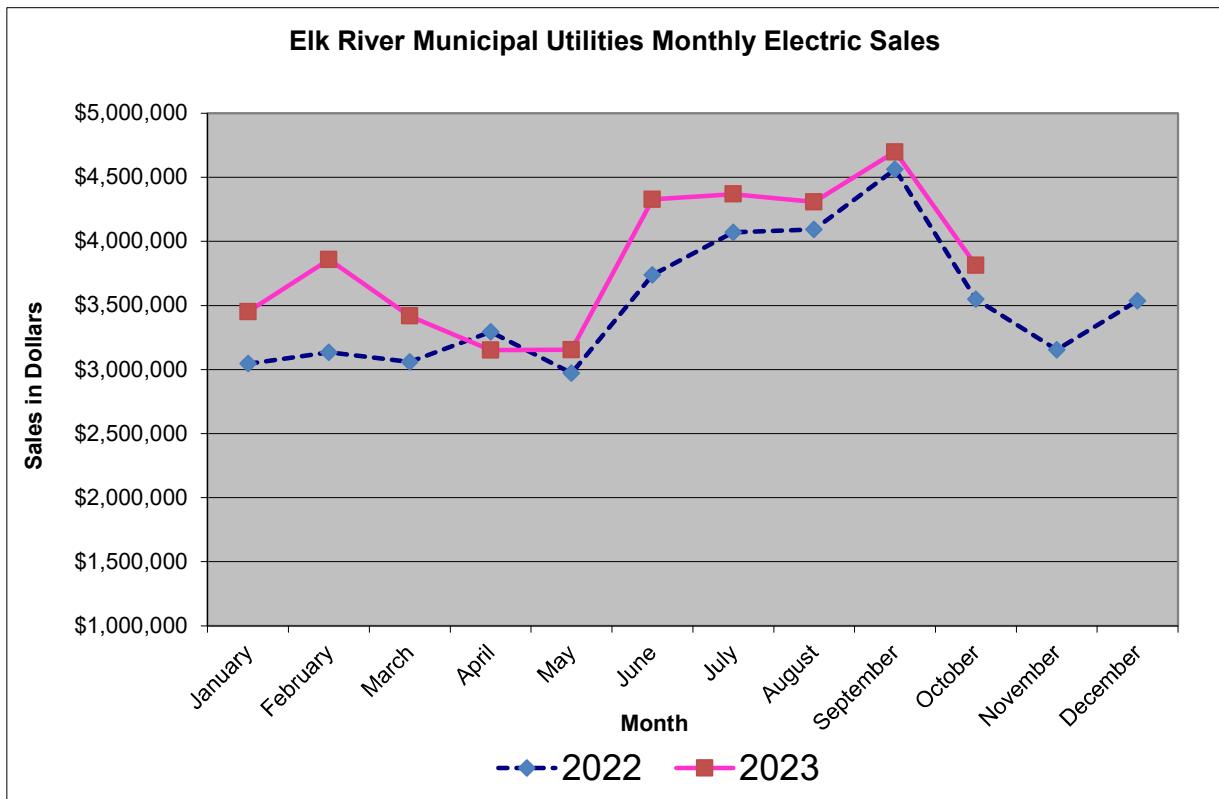
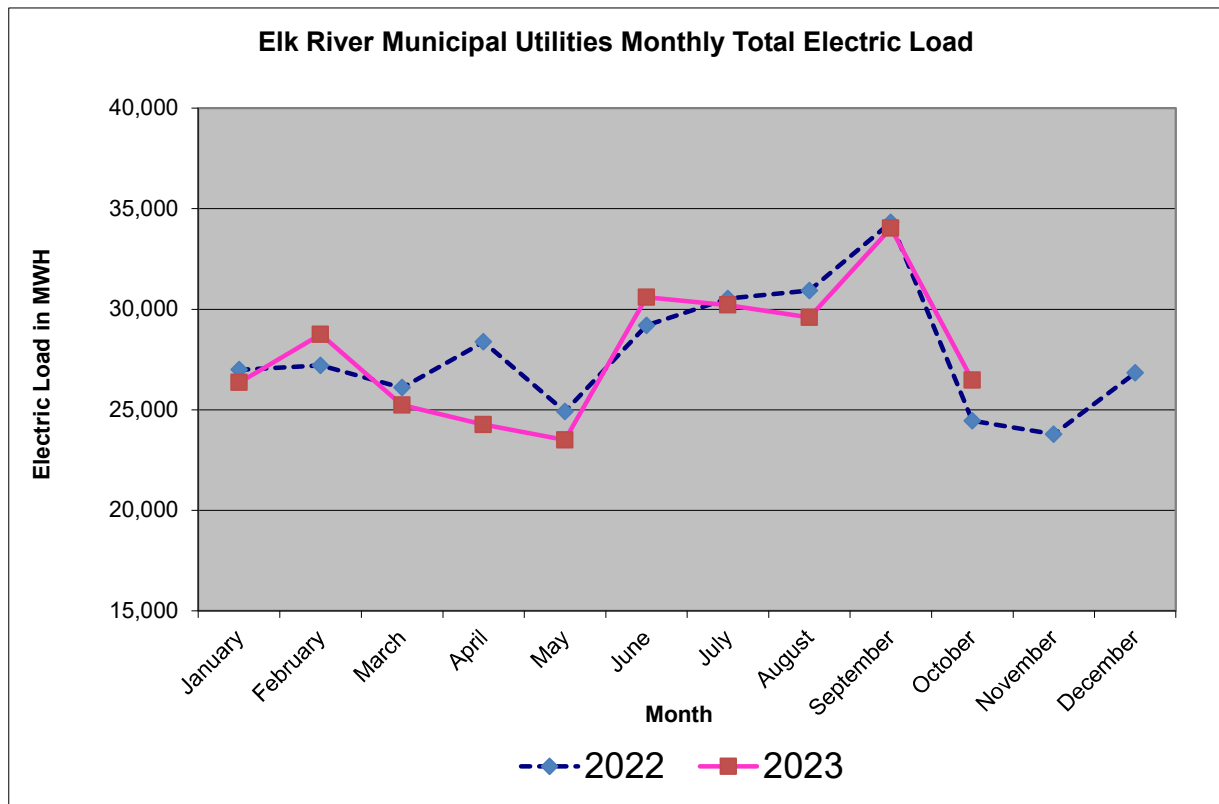
ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

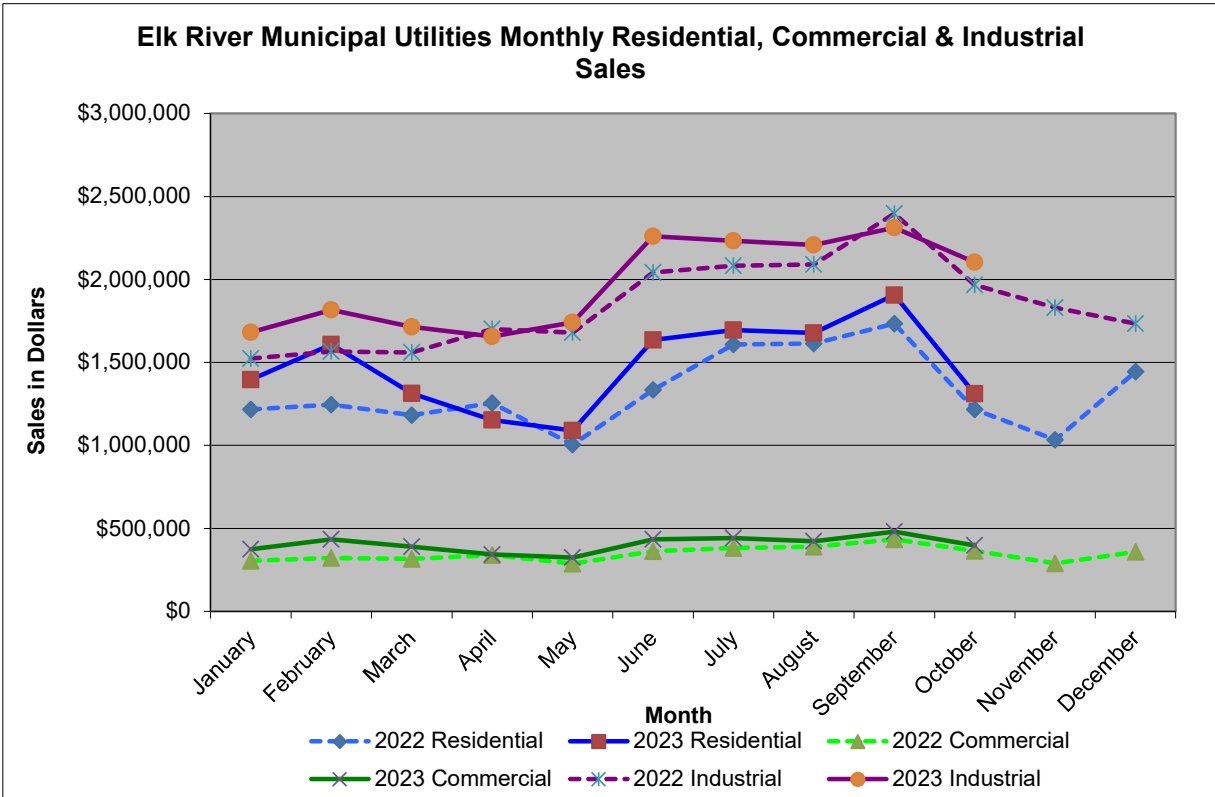
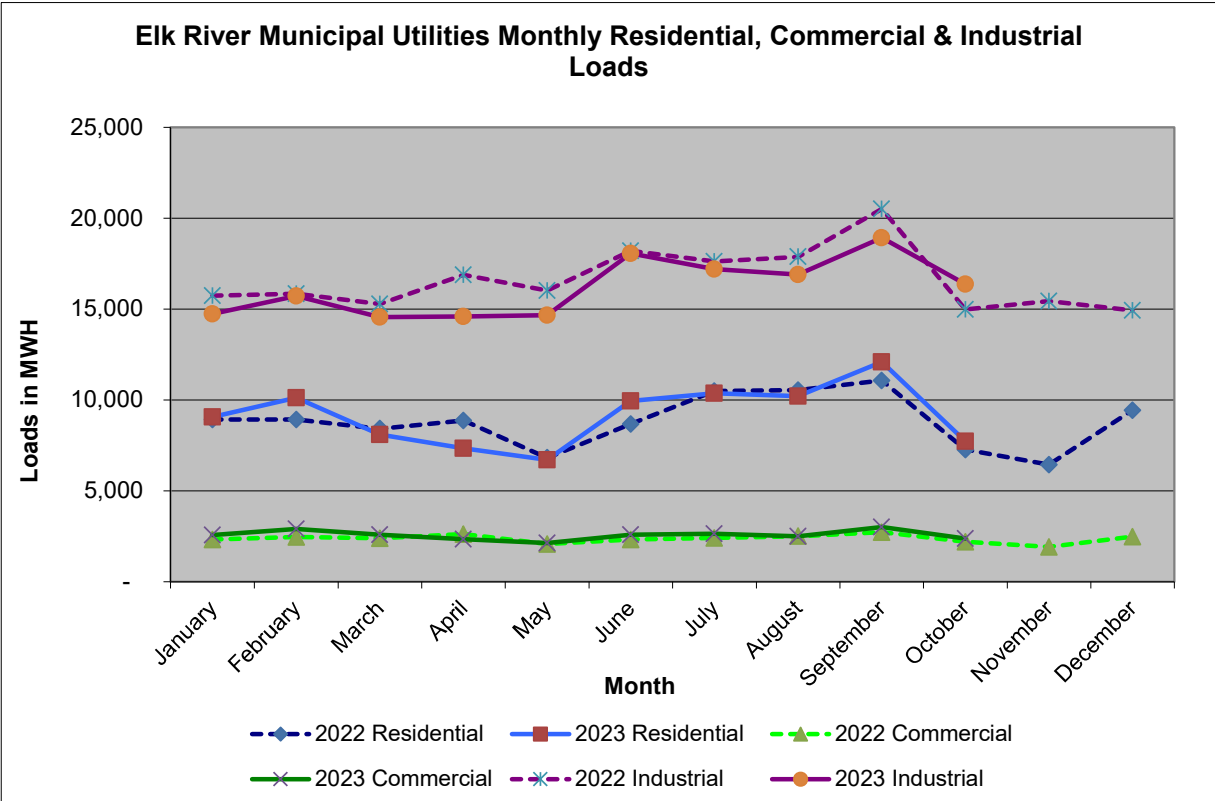
	2023 SEPTEMBER	2023 YTD	2023 YTD BUDGET	YTD Budget Variance	2023 YTD Bud Var%	2023 ANNUAL BUDGET	2022 SEPTEMBER	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual Var%	Variance Item
Water											
Revenue											
Operating Revenue											
Water Sales	518,665	2,655,836	1,974,576	681,260	35	2,503,414	427,484	2,279,461	376,376	17	(1)
Total Operating Revenue	518,665	2,655,836	1,974,576	681,260	35	2,503,414	427,484	2,279,461	376,376	17	
Other Operating Revenue											
Interest/Dividend Income	2,891	30,987	27,375	3,612	13	36,500	(13,497)	(37,949)	68,936	182	(2)
Customer Penalties	3,250	17,531	21,000	(3,469)	(17)	28,000	3,855	19,375	(1,845)	(10)	
Connection Fees	32,560	168,205	388,500	(220,295)	(57)	518,000	46,044	1,311,566	(1,143,361)	(87)	(3)
Misc Revenue	3,935	14,451	10,538	3,914	37	376,034	26,388	224,086	(209,634)	(94)	(4)
Total Other Revenue	42,636	231,175	447,413	(216,238)	(48)	958,534	62,789	1,517,078	(1,285,903)	(85)	
Total Revenue	561,302	2,887,011	2,421,989	465,022	19	3,461,948	490,273	3,796,539	(909,528)	(24)	
Expenses											
Production Expense	7,341	78,131	67,500	10,631	16	90,000	9,288	69,220	8,910	13	
Pumping Expense	51,147	465,233	452,250	12,983	3	603,000	48,478	435,037	30,196	7	
Distribution Expense	20,878	263,287	259,188	4,099	2	337,650	23,874	238,638	24,648	10	
Depreciation & Amortization	97,592	878,646	880,743	(2,097)	(0)	1,202,937	91,639	829,165	49,481	6	
Interest Expense	2,912	27,612	27,612	0	0	36,349	3,112	30,383	(2,771)	(9)	
Other Operating Expense	104	2,745	1,501	1,244	83	2,470	153	2,164	581	27	
Customer Accounts Expense	7,666	66,073	63,277	2,796	4	84,370	8,218	60,050	6,024	10	
Administrative Expense	70,743	699,778	784,009	(84,231)	(11)	1,032,655	76,867	692,555	7,224	1	
General Expense	126	4,620	13,988	(9,368)	(67)	18,650	2,494	6,229	(1,609)	(26)	
Total Expenses(before Operating Transfers)	258,509	2,486,126	2,550,068	(63,942)	(3)	3,408,081	264,124	2,363,441	122,685	5	
Operating Transfer											
Utilities & Labor Donated	0	0	1,125	(1,125)	(100)	1,500	0	0	0	0	
Total Operating Transfer	0	0	1,125	(1,125)	(100)	1,500	0	0	0	0	
Net Income Profit(Loss)	302,793	400,886	(129,204)	530,089	410	52,367	226,150	1,433,098	(1,032,213)	(72)	

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

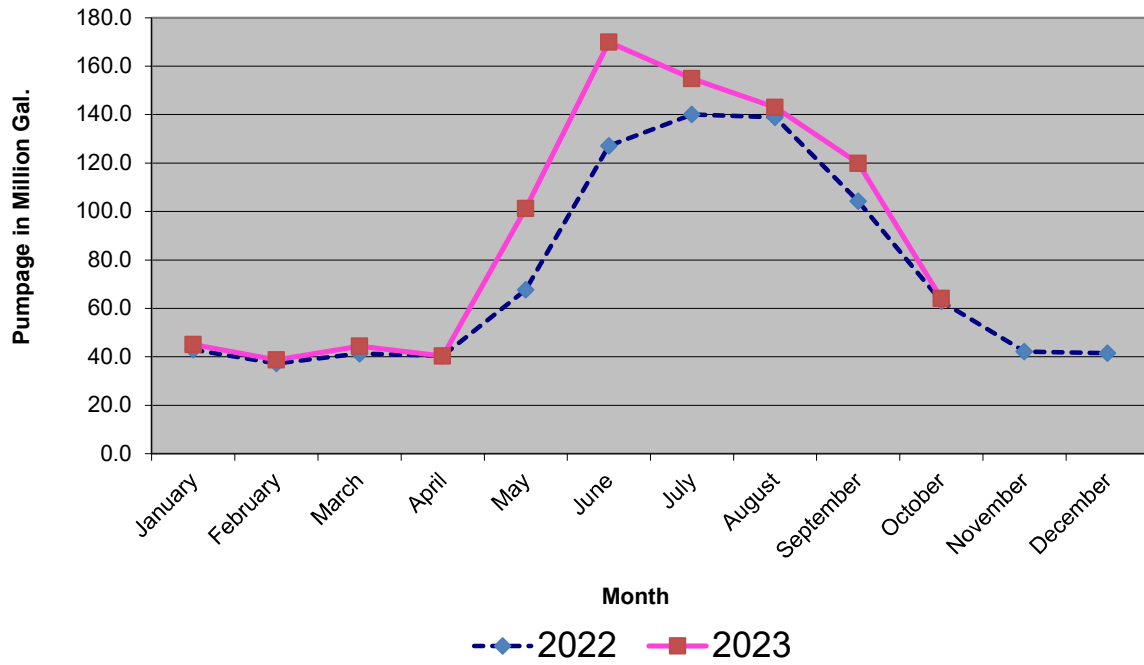
- (1) YTD Budget variance is due to usage being higher than budgeted and PYTD variance is due to rate increase and higher usage in 2023.
(2) PYTD variance is due to the change in Fair Market Value of Investments.
(3) YTD Budget variance is due to less than average connection fees. PYTD variance is due 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).



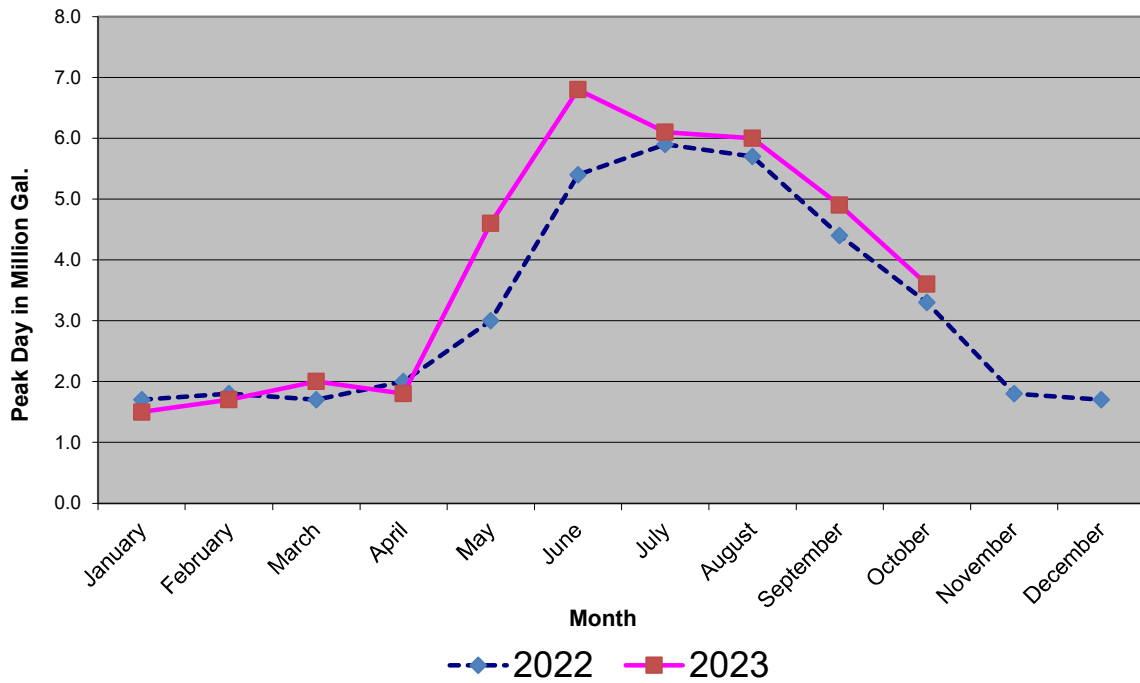


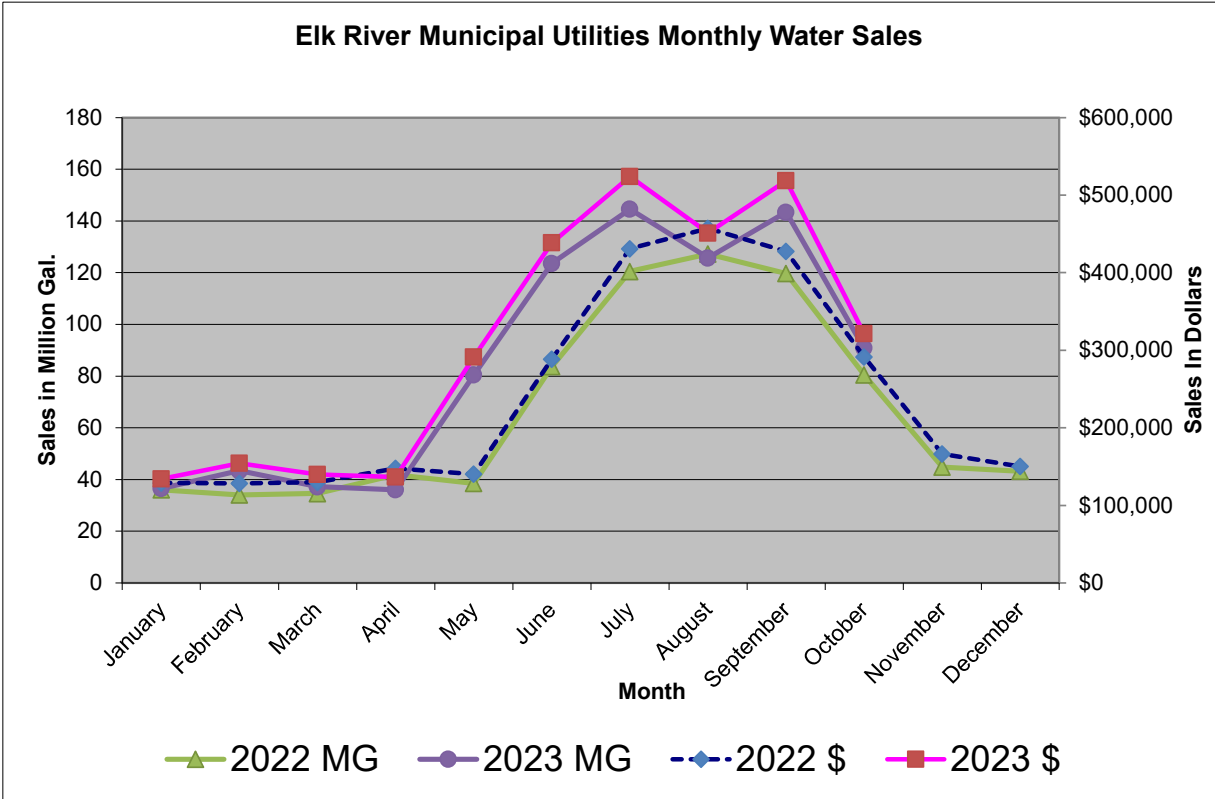


Elk River Municipal Utilities Monthly Water Pumpage



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 SEPTEMBER 2023

		2023 SEPTEMBER	2023 YTD	2023 YTD BUDGET	2023 ANNUAL BUDGET	2023 YTD Bud Var%	2022 SEPTEMBER	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual Var%
Electric Revenue										
Operating Revenue										
Elk River										
	ELECT SALES - ELK RIVER RESID	1,553,511	10,679,678	10,724,792	14,039,146	0	1,510,291	10,503,372	176,305	2
	ELECT SALES - ELK RIVER NON-D	363,653	2,705,645	2,597,716	3,461,850	4	347,726	2,492,463	213,181	9
	ELECT SALES - ELK RIVER DEMA	1,974,795	14,322,025	15,083,159	20,243,229	(5)	2,235,458	15,127,173	(805,148)	(5)
	PCA SALES REVENUE - ELK RIVE	96,484	852,138	1,005,298	1,285,399	(15)	0	0	852,138	0
	PCA SALES REVENUE - ELK RIVE	22,882	228,831	262,240	340,814	(13)	0	0	228,831	0
	PCA SALES REVENUE - ELK RIVE	162,061	1,592,012	2,037,545	2,670,887	(22)	0	0	1,592,012	0
	Total For Elk River:	4,173,389	30,380,331	31,710,753	42,041,326	(4)	4,093,476	28,123,009	2,257,321	8
Otsego										
	ELECT SALES - OTSEGO RESIDEN	190,830	1,187,763	1,080,979	1,420,072	10	175,506	1,110,718	77,044	7
	ELECT SALES - OTSEGO NON-DEM	64,291	379,980	345,387	454,649	10	61,572	375,165	4,814	1
	ELECT SALES - OTSEGO DEMAND	161,654	1,075,446	883,748	1,180,452	22	160,241	1,047,142	28,304	3
	PCA SALES REVENUE - OTSEGO R	11,844	93,279	101,055	129,685	(8)	0	0	93,279	0
	PCA SALES REVENUE - OTSEGO N	4,196	32,827	34,369	44,260	(4)	0	0	32,827	0
	PCA SALES REVENUE - OTSEGO D	13,802	118,748	117,772	156,538	1	0	0	118,748	0
	Total For Otsego:	446,618	2,888,045	2,563,314	3,385,657	13	397,320	2,533,026	355,018	14
Rural Big Lake										
	ELECT SALES - BIG LAKE RESIDE	22,700	152,926	162,848	214,102	(6)	21,562	151,268	1,657	1
	ELECT SALES - BIG LAKE NON-DE	948	3,992	3,661	4,513	9	949	3,797	194	5
	PCA SALES REVENUE - BIG LAKE	1,428	12,203	15,316	19,622	(20)	0	0	12,203	0
	PCA SALES REVENUE - BIG LAKE	59	293	345	420	(15)	0	0	293	0
	Total For Rural Big Lake:	25,137	169,415	182,172	238,658	(7)	22,511	155,066	14,348	9
Dayton										
	ELECT SALES - DAYTON RESIDEN	25,582	164,602	170,507	221,646	(3)	23,746	161,300	3,301	2
	ELECT SALES - DAYTON NON-DE	4,503	30,633	30,347	39,638	1	4,399	30,424	208	1
	PCA SALES REVENUE - DAYTON R	1,583	12,844	16,002	20,286	(20)	0	0	12,844	0
	PCA SALES REVENUE - DAYTON	264	2,373	3,055	3,900	(22)	0	0	2,373	0
	Total For Dayton:	31,934	210,452	219,912	285,471	(4)	28,145	191,724	18,728	10
Public St & Hwy Lighting										
	ELECT SALES - SEC LTS	21,611	194,200	195,000	260,000	0	21,688	193,584	615	0
	Total For Public St & Hwy Lighting:	21,611	194,200	195,000	260,000	0	21,688	193,584	615	0
Other Electric Sales										
	SUB-STATION CREDIT	400	3,600	3,600	4,800	0	400	3,600	0	0
	RATE INCREASE	0	0	0	0	0	(71,207)	1,419,642	(1,419,642)	(100)

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

	2023 SEPTEMBER	2023 YTD	2023 YTD BUDGET	2023 ANNUAL BUDGET	2023 YTD Bud Var%	2022 SEPTEMBER	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual Var%
Electric									
Total For Other Electric Sales:	400	3,600	3,600	4,800	0	(70,807)	1,423,242	(1,419,642)	(100)
Total Operating Revenue	<u>4,699,091</u>	<u>33,846,046</u>	<u>34,874,752</u>	<u>46,215,912</u>	<u>(3)</u>	<u>4,492,336</u>	<u>32,619,656</u>	<u>1,226,389</u>	<u>4</u>
Other Operating Revenue									
Interest/Dividend Income									
INTEREST & DIVIDEND INCOME	4,668	71,135	37,500	50,000	90	(57,823)	(181,139)	252,274	139
Total For Interest/Dividend Income:	4,668	71,135	37,500	50,000	90	(57,823)	(181,139)	252,274	139
Customer Penalties									
CUSTOMER DELINQUENT PENALT	39,991	234,808	187,499	250,000	25	29,257	212,982	21,825	10
Total For Customer Penalties:	39,991	234,808	187,499	250,000	25	29,257	212,982	21,825	10
LFG Project									
LFG PROJECT	0	0	0	0	0	90,387	760,382	(760,382)	(100)
Total For LFG Project:	0	0	0	0	0	90,387	760,382	(760,382)	(100)
Connection Fees									
DISCONNECT & RECONNECT CHA	15,470	100,356	164,999	220,000	(39)	9,325	152,995	(52,638)	(34)
Total For Connection Fees:	15,470	100,356	164,999	220,000	(39)	9,325	152,995	(52,638)	(34)
Misc Revenue									
MISC ELEC REVENUE - TEMP CHG	440	5,774	1,500	2,000	285	1,540	4,380	1,394	32
STREET LIGHT	0	1,800	15,000	20,000	(88)	0	6,425	(4,625)	(72)
TRANSMISSION INVESTMENTS	69,113	532,895	486,923	649,231	9	60,068	473,609	59,286	13
MISC NON-UTILITY	14,258	111,547	67,500	90,000	65	8,656	119,704	(8,156)	(7)
GAIN ON DISPOSITION OF PROPER	15,710	40,310	0	0	0	10,788	33,538	6,772	20
CONTRIBUTIONS FROM CUSTOME	15,135	313,139	131,249	175,000	139	13,684	271,868	41,270	15
Total For Misc Revenue:	114,656	1,005,468	702,173	936,231	43	94,737	909,525	95,942	11
Total Other Revenue	<u>174,785</u>	<u>1,411,767</u>	<u>1,092,173</u>	<u>1,456,231</u>	<u>29</u>	<u>165,884</u>	<u>1,854,745</u>	<u>(442,978)</u>	<u>(24)</u>
Total For Total Other Revenue:	174,785	1,411,767	1,092,173	1,456,231	29	165,884	1,854,745	(442,978)	(24)
Total Revenue	<u>4,873,877</u>	<u>35,257,813</u>	<u>35,966,925</u>	<u>47,672,143</u>	<u>(2)</u>	<u>4,658,220</u>	<u>34,474,401</u>	<u>783,411</u>	<u>2</u>
Expenses									
Purchased Power									
PURCHASED POWER	2,307,862	18,517,039	19,139,792	24,207,981	(3)	3,086,039	24,875,107	(6,358,068)	(26)
ENERGY ADJUSTMENT CLAUSE	583,464	6,127,404	6,554,276	8,558,044	(7)	0	0	6,127,404	0
Total For Purchased Power:	2,891,326	24,644,444	25,694,068	32,766,025	(4)	3,086,039	24,875,107	(230,663)	(1)
Operating & Mtce Expense									

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

	2023 SEPTEMBER	2023 YTD	2023 YTD BUDGET	2023 ANNUAL BUDGET	2023 YTD Bud Var%	2022 SEPTEMBER	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual Var%
Electric									
OPERATING SUPERVISION	9,647	89,885	102,750	137,000	(13)	14,247	96,871	(6,985)	(7)
DIESEL OIL FUEL	174	3,854	7,499	10,000	(49)	106	1,839	2,014	110
NATURAL GAS	337	21,844	14,700	25,000	49	236	12,457	9,387	75
ELECTRIC & WATER CONSUMPTI	4,301	47,884	25,300	34,000	89	2,020	24,215	23,669	98
PLANT SUPPLIES & OTHER EXPEN	1,769	25,957	9,749	13,000	166	1,307	5,343	20,614	386
MISC POWER GENERATION EXPE	97	3,717	6,000	8,000	(38)	299	3,607	110	3
MAINTENANCE OF STRUCTURE -	694	15,659	15,000	20,000	4	879	11,028	4,630	42
MTCE OF PLANT ENGINES/GENER	439	16,277	29,250	39,000	(44)	494	10,243	6,033	59
MTCE OF PLANT/LAND IMPROVE	296	24,409	21,500	35,000	14	220	13,954	10,455	75
Total For Operating & Mtce Expense:	17,757	249,491	231,750	321,000	8	19,812	179,561	69,930	39
Landfill Gas									
LANDFILL GAS PLANT PURCHASE	0	0	0	0	0	14,412	123,294	(123,294)	(100)
LANDFILL GAS PLANT OPERATIO	0	0	0	0	0	41,518	354,116	(354,116)	(100)
LANDFILL GAS PLANT ADMINIST	0	0	0	0	0	223	2,262	(2,262)	(100)
LANDFILL GAS PLANT INSURANC	0	0	0	0	0	1,948	15,586	(15,586)	(100)
LANDFILL GAS PLANT MTCE	0	0	0	0	0	140	1,135	(1,135)	(100)
Total For Landfill Gas:	0	0	0	0	0	58,243	496,395	(496,395)	(100)
Transmission Expense									
TRANSMISSION MTCE AND EXPE	5,405	49,431	52,499	70,000	(6)	5,431	49,497	(66)	0
Total For Transmission Expense:	5,405	49,431	52,499	70,000	(6)	5,431	49,497	(66)	0
Distribution Expense									
REMOVE EXISTING SERVICE & M	0	542	787	1,050	(31)	0	194	347	178
SCADA EXPENSE	6,103	39,731	33,000	44,000	20	5,012	32,021	7,710	24
TRANSFORMER EXPENSE OH & U	1,909	13,574	11,250	15,000	21	920	9,033	4,541	50
MTCE OF SIGNAL SYSTEMS	0	2,495	1,500	2,000	66	0	1,815	680	38
METER EXPENSE - REMOVE & RE	183	1,349	1,125	1,500	20	0	582	767	132
TEMP SERVICE - INSTALL & REM	433	5,739	2,625	3,500	119	907	3,197	2,542	80
MISC DISTRIBUTION EXPENSE	18,104	273,230	225,000	300,000	21	25,854	224,492	48,737	22
INTERCONNECTION CARRYING C	0	0	0	2,416	0	0	0	0	0
Total For Distribution Expense:	26,734	336,663	275,287	369,466	22	32,695	271,336	65,327	24
Maintenance Expense									
MTCE OF STRUCTURES	5,181	48,726	34,499	46,000	41	2,382	19,743	28,983	147
MTCE OF SUBSTATIONS	15,516	35,182	26,250	35,000	34	4,753	34,421	760	2
MTCE OF SUBSTATION EQUIPME	4,558	43,261	57,750	77,000	(25)	989	31,905	11,356	36
MTCE OF OH LINES/TREE TRIM	1,689	178,521	180,000	225,000	(1)	1,785	112,048	66,472	59

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Electric	2023	2023	2023	2023	2023 YTD	2022	2022	YTD	2022 v. 2023
	SEPTEMBER	YTD	YTD BUDGET	ANNUAL BUDGET	Bud Var%	SEPTEMBER	YTD	VARIANCE	Actual Var%
MTCE OF OH LINES/STANDBY	2,382	26,410	29,999	40,000	(12)	2,866	25,593	816	3
MTCE OF OH PRIMARY	16,112	121,318	127,500	170,000	(5)	13,757	146,267	(24,949)	(17)
MTCE OF URD PRIMARY	19,138	173,847	127,500	170,000	36	21,614	159,101	14,746	9
LOCATE ELECTRIC LINES	10,717	75,995	79,499	106,000	(4)	9,130	76,097	(101)	0
LOCATE FIBER LINES	0	269	749	1,000	(64)	114	619	(349)	(56)
MTCE OF LINE TRANSFORMERS	3,308	69,145	45,000	60,000	54	2,645	23,880	45,265	190
MTCE OF STREET LIGHTING	(2,031)	28,533	33,750	45,000	(15)	3,729	37,946	(9,413)	(25)
MTCE OF SECURITY LIGHTING	1,854	14,656	11,250	15,000	30	453	13,825	830	6
MTCE OF METERS	11,912	52,971	63,749	85,000	(17)	5,286	62,026	(9,055)	(15)
VOLTAGE COMPLAINTS	1,230	9,705	7,499	10,000	29	412	5,536	4,168	75
SALARIES TRANSMISSION & DIST	2,239	20,921	22,875	30,500	(9)	2,527	21,032	(111)	(1)
ELECTRIC MAPPING	2,947	93,060	71,250	95,000	31	5,266	67,539	25,520	38
MTCE OF OH SECONDARY	1,571	19,322	18,749	25,000	3	3,441	16,085	3,236	20
MTCE OF URD SECONDARY	6,177	45,465	45,000	60,000	1	6,513	48,856	(3,390)	(7)
TRANSPORTATION EXPENSE	19,325	212,989	183,750	245,000	16	28,612	216,143	(3,153)	(1)
Total For Maintenance Expense:	123,833	1,270,305	1,166,625	1,540,500	9	116,282	1,118,673	151,632	14
Depreciation & Amortization									
DEPRECIATION	208,189	1,871,068	1,894,159	2,552,700	(1)	194,061	1,747,494	123,574	7
AMORTIZATION	55,677	501,101	501,102	668,136	0	55,677	501,101	0	0
Total For Depreciation & Amortization:	263,867	2,372,170	2,395,261	3,220,836	(1)	249,738	2,248,595	123,574	5
Interest Expense									
INTEREST EXPENSE - BONDS	71,400	656,492	656,492	870,695	0	74,413	683,835	(27,343)	(4)
AMORTIZATION OF DEBT DISCOU	(4,988)	(44,896)	(44,896)	(59,863)	0	(4,988)	(45,800)	903	2
Total For Interest Expense:	66,412	611,595	611,595	810,832	0	69,424	638,035	(26,439)	(4)
Other Operating Expense									
EV CHARGING EXPENSE	209	1,550	5,798	7,731	(73)	1,311	5,128	(3,577)	(70)
LOSS ON DISPOSITION OF PROP (C	0	13,073	15,500	15,500	(16)	0	0	13,073	0
OTHER DONATIONS	0	108	2,250	3,000	(95)	1,938	3,483	(3,374)	(97)
MUTUAL AID	0	4,415	0	0	0	8,994	19,627	(15,211)	(78)
PENSION EXPENSE	0	0	0	45,000	0	0	0	0	0
OTHER INTEREST EXPENSE	0	378	378	378	0	378	3,754	(3,376)	(90)
INTEREST EXPENSE - METER DEP	4,055	35,676	1,874	2,500	1,803	168	1,490	34,186	2,294
Total For Other Operating Expense:	4,264	55,203	25,801	74,109	114	12,790	33,483	21,719	65
Customer Accounts Expense									
METER READING EXPENSE	4,178	31,367	35,250	47,000	(11)	4,519	36,429	(5,062)	(14)

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	2023 SEPTEMBER	2023 YTD	2023 YTD BUDGET	2023 ANNUAL BUDGET	2023 YTD Bud Var%	2022 SEPTEMBER	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual Var%
Electric									
DISCONNECT/RECONNECT EXPEN	2,965	17,627	16,499	22,000	7	3,858	19,898	(2,270)	(11)
MISC CUSTOMER ACCOUNTS EXP	28,769	249,133	234,375	312,500	6	30,717	225,480	23,653	10
BAD DEBT EXPENSE & RECOVER	216	24,179	15,000	20,000	61	456	7,502	16,676	222
Total For Customer Accounts Expense:	36,129	322,307	301,125	401,500	7	39,551	289,311	32,996	11
Administrative Expense									
SALARIES OFFICE & COMMISSION	61,586	595,502	712,500	950,000	(16)	69,743	598,289	(2,786)	0
TEMPORARY STAFFING	0	0	2,999	4,000	(100)	0	0	0	0
OFFICE SUPPLIES	5,592	92,010	80,250	107,000	15	4,755	53,094	38,916	73
ELECTRIC & WATER CONSUMPTI	2,472	22,670	21,750	29,000	4	2,460	19,824	2,846	14
BANK FEES	115	1,346	1,874	2,500	(28)	125	1,439	(92)	(6)
LEGAL FEES	668	16,372	29,999	40,000	(45)	4,812	24,341	(7,969)	(33)
AUDITING FEES	1,623	15,569	13,889	18,520	12	1,503	13,529	2,040	15
INSURANCE	14,679	154,535	139,500	186,000	11	14,472	134,858	19,677	15
UTILITY SHARE - DEFERRED COM	7,008	99,957	92,999	124,000	7	7,457	96,584	3,373	3
UTILITY SHARE - MEDICAL/DENT	56,108	644,625	675,349	858,481	(5)	60,594	658,575	(13,950)	(2)
UTILITY SHARE - PERA	22,677	215,368	216,000	288,000	0	24,829	208,284	7,083	3
UTILITY SHARE - FICA	22,108	210,834	209,999	280,000	0	23,718	201,629	9,204	5
EMPLOYEE SICK PAY	6,623	114,758	112,500	150,000	2	13,036	113,035	1,723	2
EMPLOYEE HOLIDAY PAY	13,788	98,049	85,909	157,500	14	14,494	67,014	31,035	46
EMPLOYEE VACATION & PTO PA	31,242	219,258	193,000	250,000	14	27,951	200,102	19,155	10
UPMIC DISTRIBUTION	23,701	60,163	68,261	91,015	(12)	27,213	49,029	11,134	23
LONGEVITY PAY	0	12,868	12,449	16,369	3	0	2,790	10,078	361
CONSULTING FEES	(682)	2,732	60,000	80,000	(95)	0	54,690	(51,957)	(95)
TELEPHONE	2,974	27,839	30,750	41,000	(9)	2,846	26,829	1,009	4
ADVERTISING	1,848	10,914	11,250	15,000	(3)	768	10,830	83	1
DUES & SUBSCRIPTIONS - FEES	12,038	90,676	129,506	172,675	(30)	13,614	93,477	(2,800)	(3)
SCHOOLS & MEETINGS	16,481	169,084	200,500	259,925	(16)	20,791	142,114	26,969	19
MTCE OF GENERAL PLANT & OFFI	1,002	9,024	5,699	7,600	58	609	5,485	3,539	65
Total For Administrative Expense:	303,659	2,884,165	3,106,940	4,128,585	(7)	335,799	2,775,850	108,314	4
General Expense									
CIP REBATES - RESIDENTIAL	6,965	45,656	75,127	100,170	(39)	3,795	39,757	5,899	15
CIP REBATES - COMMERCIAL	11,420	54,432	142,187	189,583	(62)	13,424	92,607	(38,175)	(41)
CIP - ADMINISTRATION	487	11,024	14,775	19,700	(25)	424	7,140	3,883	54
CIP - MARKETING	7,118	33,920	22,529	30,039	51	1,355	22,741	11,178	49
CIP - LABOR	10,942	105,279	133,883	178,511	(21)	14,095	113,162	(7,883)	(7)

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	2023 SEPTEMBER	2023 YTD	2023 YTD BUDGET	2023 ANNUAL BUDGET	2023 YTD Bud Var%	2022 SEPTEMBER	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual Var%
Electric									
CIP REBATES - LOW INCOME	1,244	13,124	13,500	18,000	(3)	0	4,185	8,939	214
CIP - LOW INCOME LABOR	636	7,179	7,415	9,887	(3)	817	7,742	(562)	(7)
ENVIRONMENTAL COMPLIANCE	2,713	15,954	25,664	34,219	(38)	2,909	24,009	(8,055)	(34)
MISC GENERAL EXPENSE	163	6,208	1,874	2,500	231	(73)	75	6,133	8,177
Total For General Expense:	41,692	292,779	436,956	582,609	(33)	36,748	311,421	(18,641)	(6)
Total Expenses(before Operating Transfers)	3,781,084	33,088,559	34,297,910	44,285,462	(4)	4,062,559	33,287,270	(198,710)	(1)
Operating Transfer									
Operating Transfer/Other Funds									
TRANSFER TO CITY ELK RIVER R	167,632	1,254,080	1,268,430	1,681,653	(1)	164,440	1,159,519	94,560	8
Total For Operating Transfer/Other Funds:	167,632	1,254,080	1,268,430	1,681,653	(1)	164,440	1,159,519	94,560	8
Utilities & Labor Donated									
UTILITIES & LABOR DONATED TO	18,645	196,440	180,000	240,000	9	18,940	170,738	25,702	15
Total For Utilities & Labor Donated:	18,645	196,440	180,000	240,000	9	18,940	170,738	25,702	15
Total Operating Transfer									
Total For Total Operating Transfer:	186,278	1,450,521	1,448,430	1,921,653	0	183,381	1,330,258	120,263	9
Net Income Profit(Loss)	906,515	718,732	220,584	1,465,028	226	412,280	(143,127)	861,859	602

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	2023 SEPTEMBER	2023 YTD	2023 YTD BUDGET	2023 ANNUAL BUDGET	2023 YTD Bud Var%	2022 SEPTEMBER	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual Var%
Water									
Revenue									
Operating Revenue									
Water Sales									
WATER SALES RESIDENTIAL	269,218	1,510,556	1,120,888	1,397,043	35	225,529	1,332,225	178,331	13
WATER SALES COMMERCIAL	163,352	801,048	648,694	850,022	23	134,126	706,759	94,289	13
WATER SALES IRRIGATION	86,094	344,231	204,993	256,349	68	67,828	240,476	103,755	43
Total For Water Sales:	518,665	2,655,836	1,974,576	2,503,414	35	427,484	2,279,460	376,375	17
Total Operating Revenue	518,665	2,655,836	1,974,576	2,503,414	35	427,484	2,279,460	376,375	17
Total For Total Operating Revenue:	518,665	2,655,836	1,974,576	2,503,414	35	427,484	2,279,460	376,375	17
Other Operating Revenue									
Interest/Dividend Income									
INTEREST & DIVIDEND INCOME	2,891	30,443	26,250	35,000	16	(13,497)	(38,541)	68,985	179
OTHER INTEREST/MISC REVENUE	0	543	1,125	1,500	(52)	0	592	(49)	(8)
Total For Interest/Dividend Income:	2,891	30,987	27,375	36,500	13	(13,497)	(37,948)	68,936	182
Customer Penalties									
CUSTOMER PENALTIES	3,250	17,530	20,999	28,000	(17)	3,854	19,375	(1,844)	(10)
Total For Customer Penalties:	3,250	17,530	20,999	28,000	(17)	3,854	19,375	(1,844)	(10)
Connection Fees									
WATER/ACCESS/CONNECTION FE	29,190	141,905	337,500	450,000	(58)	39,328	1,251,931	(1,110,025)	(89)
CUSTOMER CONNECTION FEES	2,750	11,494	29,999	40,000	(62)	3,478	50,572	(39,078)	(77)
BULK WATER SALES/HYDRANT R	619	14,805	20,999	28,000	(30)	3,236	9,062	5,742	63
Total For Connection Fees:	32,559	168,205	388,499	518,000	(57)	46,043	1,311,565	(1,143,360)	(87)
Misc Revenue									
MISC NON-UTILITY	20	40	37	50	5	85	110	(70)	(64)
GAIN ON DISPOSITION OF PROPER	2,940	2,940	0	0	0	0	0	2,940	0
MISCELLANEOUS REVENUE	0	258	375	500	(31)	0	287	(28)	(10)
HYDRANT MAINTENANCE PROGR	975	11,212	10,125	13,500	11	2,105	10,279	932	9
CONTRIBUTIONS FROM DEVELOP	0	0	0	65,000	0	0	0	0	0
WATER TOWER LEASE	0	0	0	296,984	0	24,197	213,408	(213,408)	(100)
Total For Misc Revenue:	3,935	14,451	10,537	376,034	37	26,387	224,085	(209,634)	(94)
Total Other Revenue	42,636	231,174	447,412	958,534	(48)	62,789	1,517,078	(1,285,903)	(85)
Total For Total Other Revenue:	42,636	231,174	447,412	958,534	(48)	62,789	1,517,078	(1,285,903)	(85)

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		2023	2023	2023	2023	2023 YTD	2022	2022	YTD	2022 v. 2023
		SEPTEMBER	YTD	YTD BUDGET	ANNUAL BUDGET	Bud Var%	SEPTEMBER	YTD	VARIANCE	Actual Var%
Water										
	Total Revenue	<u>561,301</u>	<u>2,887,011</u>	<u>2,421,988</u>	<u>3,461,948</u>	<u>19</u>	<u>490,273</u>	<u>3,796,538</u>	<u>(909,527)</u>	<u>(24)</u>
Expenses										
Production Expense										
	MTCE OF STRUCTURES	<u>7,341</u>	<u>78,130</u>	<u>67,500</u>	<u>90,000</u>	<u>16</u>	<u>9,287</u>	<u>69,220</u>	<u>8,910</u>	<u>13</u>
	Total For Production Expense:	<u>7,341</u>	<u>78,130</u>	<u>67,500</u>	<u>90,000</u>	<u>16</u>	<u>9,287</u>	<u>69,220</u>	<u>8,910</u>	<u>13</u>
Pumping Expense										
	SUPERVISION	<u>5,319</u>	<u>46,606</u>	<u>51,750</u>	<u>69,000</u>	<u>(10)</u>	<u>6,450</u>	<u>47,810</u>	<u>(1,203)</u>	<u>(3)</u>
	ELECTRIC & GAS UTILITIES	<u>23,564</u>	<u>247,879</u>	<u>216,000</u>	<u>288,000</u>	<u>15</u>	<u>25,927</u>	<u>218,450</u>	<u>29,429</u>	<u>13</u>
	SAMPLING	<u>878</u>	<u>11,362</u>	<u>11,250</u>	<u>15,000</u>	<u>1</u>	<u>1,084</u>	<u>10,411</u>	<u>951</u>	<u>9</u>
	CHEMICAL FEED	<u>6,970</u>	<u>40,277</u>	<u>37,500</u>	<u>50,000</u>	<u>7</u>	<u>1,788</u>	<u>25,338</u>	<u>14,939</u>	<u>59</u>
	MTCE OF ELECTRIC PUMPING EQ	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>46</u>	<u>(46)</u>	<u>(100)</u>
	MTCE OF WELLS	<u>14,067</u>	<u>116,552</u>	<u>123,750</u>	<u>165,000</u>	<u>(6)</u>	<u>12,857</u>	<u>123,944</u>	<u>(7,391)</u>	<u>(6)</u>
	SCADA - PUMPING	<u>347</u>	<u>2,553</u>	<u>11,999</u>	<u>16,000</u>	<u>(79)</u>	<u>369</u>	<u>9,036</u>	<u>(6,482)</u>	<u>(72)</u>
	Total For Pumping Expense:	<u>51,146</u>	<u>465,232</u>	<u>452,250</u>	<u>603,000</u>	<u>3</u>	<u>48,478</u>	<u>435,036</u>	<u>30,196</u>	<u>7</u>
Distribution Expense										
	MTCE OF WATER MAINS	<u>7,608</u>	<u>126,523</u>	<u>90,000</u>	<u>120,000</u>	<u>41</u>	<u>8,036</u>	<u>65,595</u>	<u>60,927</u>	<u>93</u>
	LOCATE WATER LINES	<u>1,109</u>	<u>6,790</u>	<u>12,937</u>	<u>17,250</u>	<u>(48)</u>	<u>1,652</u>	<u>9,163</u>	<u>(2,373)</u>	<u>(26)</u>
	MTCE OF WATER SERVICES	<u>0</u>	<u>240</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>321</u>	<u>897</u>	<u>(656)</u>	<u>(73)</u>
	WATER METER SERVICE	<u>4,489</u>	<u>24,401</u>	<u>49,500</u>	<u>66,000</u>	<u>(51)</u>	<u>3,713</u>	<u>58,954</u>	<u>(34,552)</u>	<u>(59)</u>
	BACKFLOW DEVICE INSPECTION	<u>1,638</u>	<u>15,368</u>	<u>13,300</u>	<u>16,000</u>	<u>16</u>	<u>505</u>	<u>10,717</u>	<u>4,650</u>	<u>43</u>
	MTCE OF CUSTOMERS SERVICE	<u>2,495</u>	<u>22,570</u>	<u>22,875</u>	<u>30,500</u>	<u>(1)</u>	<u>2,290</u>	<u>21,267</u>	<u>1,302</u>	<u>6</u>
	WATER MAPPING	<u>1,329</u>	<u>11,139</u>	<u>9,375</u>	<u>12,500</u>	<u>19</u>	<u>1,741</u>	<u>8,923</u>	<u>2,215</u>	<u>25</u>
	MTCE OF WATER HYDRANTS - PU	<u>47</u>	<u>11,239</u>	<u>14,249</u>	<u>19,000</u>	<u>(21)</u>	<u>1,922</u>	<u>14,691</u>	<u>(3,452)</u>	<u>(23)</u>
	MTCE OF WATER HYDRANTS - PR	<u>269</u>	<u>3,607</u>	<u>3,750</u>	<u>5,000</u>	<u>(4)</u>	<u>1,107</u>	<u>3,820</u>	<u>(212)</u>	<u>(6)</u>
	WATER CLOTHING/PPE	<u>117</u>	<u>8,855</u>	<u>6,750</u>	<u>9,000</u>	<u>31</u>	<u>3</u>	<u>7,297</u>	<u>1,557</u>	<u>21</u>
	WAGES WATER	<u>574</u>	<u>5,274</u>	<u>5,474</u>	<u>7,300</u>	<u>(4)</u>	<u>1,095</u>	<u>6,171</u>	<u>(897)</u>	<u>(15)</u>
	TRANSPORTATION EXPENSE	<u>1,199</u>	<u>11,523</u>	<u>12,375</u>	<u>16,500</u>	<u>(7)</u>	<u>1,483</u>	<u>12,766</u>	<u>(1,242)</u>	<u>(10)</u>
	WATER PERMIT	<u>0</u>	<u>15,752</u>	<u>18,600</u>	<u>18,600</u>	<u>(15)</u>	<u>0</u>	<u>18,370</u>	<u>(2,617)</u>	<u>(14)</u>
	Total For Distribution Expense:	<u>20,877</u>	<u>263,286</u>	<u>259,187</u>	<u>337,650</u>	<u>2</u>	<u>23,874</u>	<u>238,638</u>	<u>24,648</u>	<u>10</u>
Depreciation & Amortization										
	DEPRECIATION	<u>97,591</u>	<u>878,646</u>	<u>880,743</u>	<u>1,202,937</u>	<u>0</u>	<u>91,639</u>	<u>829,165</u>	<u>49,481</u>	<u>6</u>
	Total For Depreciation & Amortization:	<u>97,591</u>	<u>878,646</u>	<u>880,743</u>	<u>1,202,937</u>	<u>0</u>	<u>91,639</u>	<u>829,165</u>	<u>49,481</u>	<u>6</u>
Interest Expense										
	INTEREST EXPENSE - BONDS	<u>3,466</u>	<u>32,599</u>	<u>32,600</u>	<u>43,000</u>	<u>0</u>	<u>3,666</u>	<u>35,371</u>	<u>(2,771)</u>	<u>(8)</u>
	AMORTIZATION OF DEBT DISCOU	<u>(554)</u>	<u>(4,988)</u>	<u>(4,988)</u>	<u>(6,651)</u>	<u>0</u>	<u>(554)</u>	<u>(4,988)</u>	<u>0</u>	<u>0</u>

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

Water		2023	2023	2023	2023	2023 YTD	2022	2022	YTD	2022 v. 2023
		SEPTEMBER	YTD	YTD BUDGET	ANNUAL BUDGET	Bud Var%	SEPTEMBER	YTD	VARIANCE	Actual Var%
	Total For Interest Expense:	2,912	27,611	27,611	36,349	0	3,112	30,383	(2,771)	(9)
Other Operating Expense										
	LOSS ON DISPOSITION OF PROP (C	0	0	0	500	0	0	0	0	0
	DAM MAINTENANCE EXPENSE	0	1,707	1,312	1,750	30	53	1,185	521	44
	OTHER INTEREST EXPENSE	0	94	95	95	0	94	938	(844)	(90)
	INTEREST EXPENSE - METER DEP	104	943	93	125	903	4	39	903	2,258
	Total For Other Operating Expense:	104	2,745	1,501	2,470	83	152	2,163	581	27
Customer Accounts Expense										
	METER READING EXPENSE	216	1,619	1,874	2,500	(14)	240	1,814	(194)	(11)
	MISC CUSTOMER ACCOUNTS EXP	7,449	64,481	61,215	81,620	5	7,949	58,207	6,274	11
	BAD DEBT EXPENSE & RECOVER	0	(28)	187	250	(115)	28	28	(56)	(200)
	Total For Customer Accounts Expense:	7,665	66,073	63,277	84,370	4	8,218	60,049	6,023	10
Administrative Expense										
	SALARIES OFFICE & COMMISSION	18,011	173,091	201,375	268,500	(14)	20,289	174,337	(1,245)	(1)
	TEMPORARY STAFFING	0	0	749	1,000	(100)	0	0	0	0
	OFFICE SUPPLIES	1,298	19,805	19,125	25,500	4	1,098	10,733	9,071	85
	ELECTRIC & WATER CONSUMPTI	618	5,667	6,000	8,000	(6)	615	4,956	711	14
	BANK FEES	28	349	468	625	(26)	31	376	(26)	(7)
	LEGAL FEES	119	3,461	6,750	9,000	(49)	406	5,241	(1,780)	(34)
	AUDITING FEES	405	4,438	3,472	4,630	28	375	3,382	1,056	31
	INSURANCE	3,303	41,057	27,000	36,000	52	2,918	24,827	16,229	65
	UTILITY SHARE - DEFERRED COM	1,793	17,440	22,875	30,500	(24)	853	17,174	265	2
	UTILITY SHARE - MEDICAL/DENT	13,579	160,131	172,454	215,000	(7)	16,454	173,106	(12,974)	(7)
	UTILITY SHARE - PERA	4,189	39,931	40,500	54,000	(1)	4,686	40,000	(69)	0
	UTILITY SHARE - FICA	3,972	38,636	38,999	52,000	(1)	4,489	38,447	188	0
	EMPLOYEE SICK PAY	2,349	20,677	20,250	27,000	2	2,925	19,123	1,554	8
	EMPLOYEE HOLIDAY PAY	2,700	17,362	16,800	30,800	3	2,550	11,954	5,407	45
	EMPLOYEE VACATION & PTO PA	4,936	38,121	34,181	44,000	12	5,229	35,490	2,630	7
	UPMIC DISTRIBUTION	4,683	10,967	13,551	18,069	(19)	5,359	9,904	1,063	11
	WELLHEAD PROTECTION	0	6,861	10,000	10,000	(31)	0	4,724	2,137	45
	LONGEVITY PAY	0	2,581	3,001	3,106	(14)	0	310	2,271	733
	CONSULTING FEES	112	8,026	26,250	35,000	(69)	1,012	19,410	(11,384)	(59)
	TELEPHONE	673	6,321	7,125	9,500	(11)	638	6,303	17	0
	ADVERTISING	462	3,403	4,875	6,500	(30)	192	2,579	824	32
	DUES & SUBSCRIPTIONS - FEES	1,236	53,793	59,000	78,320	(9)	1,695	57,951	(4,158)	(7)

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

Water		2023	2023	2023	2023	2023 YTD	2022	2022	YTD	2022 v. 2023
		SEPTEMBER	YTD	YTD BUDGET	ANNUAL BUDGET	Bud Var%	SEPTEMBER	YTD	VARIANCE	Actual Var%
	SCHOOLS & MEETINGS	6,015	25,394	47,778	63,705	(47)	4,893	30,847	(5,453)	(18)
	MTCE OF GENERAL PLANT & OFFI	250	2,256	1,424	1,900	58	152	1,371	884	65
	Total For Administrative Expense:	70,742	699,778	784,009	1,032,655	(11)	76,867	692,554	7,223	1
General Expense										
	CIP REBATES - RESIDENTIAL	74	1,185	7,875	10,500	(85)	45	834	351	42
	CIP REBATES - COMMERCIAL	0	0	375	500	(100)	0	0	0	0
	CIP - MARKETING	0	966	375	500	158	0	613	353	58
	CIP - LABOR	0	1,288	3,525	4,700	(63)	415	3,352	(2,063)	(62)
	ENVIRONMENTAL COMPLIANCE	52	1,203	1,649	2,200	(27)	53	1,428	(224)	(16)
	MISC GENERAL EXPENSE	0	(24)	187	250	(113)	1,980	0	(24)	0
	Total For General Expense:	125	4,619	13,987	18,650	(67)	2,493	6,228	(1,608)	(26)
	Total Expenses(before Operating Transfers)	258,508	2,486,125	2,550,067	3,408,081	(3)	264,123	2,363,440	122,684	5
Operating Transfer										
Utilities & Labor Donated										
	WATER & LABOR DONATED TO CI	0	0	1,125	1,500	(100)	0	0	0	0
	Total Operating Transfer									
	Total For Total Operating Transfer:	0	0	1,125	1,500	(100)	0	0	0	0
	Net Income Profit(Loss)	302,793	400,885	(129,203)	52,367	410	226,149	1,433,098	(1,032,212)	(72)

Beginning Fiscal Period[YYYYMM]

GL Division

GL Department

First period of fiscal year

61 - Elk River Electric

All

Ending Fiscal Period[YYYYMM]

GL Activity

Period Type

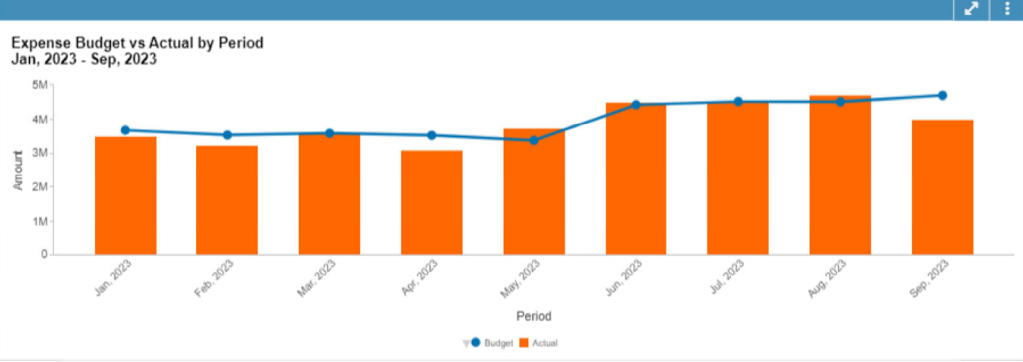
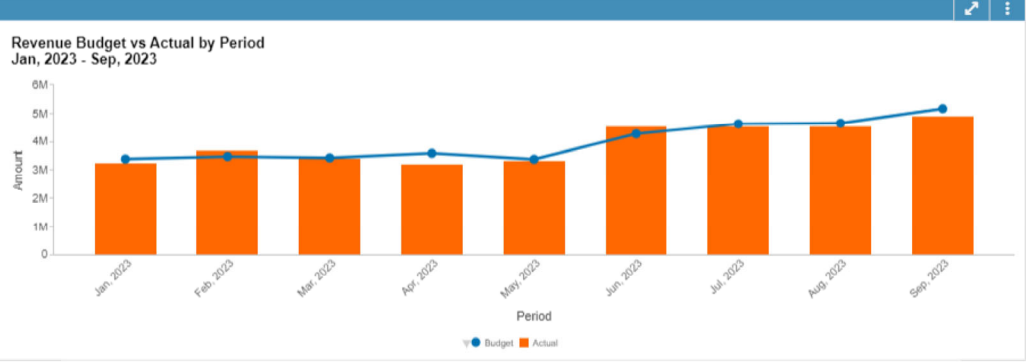
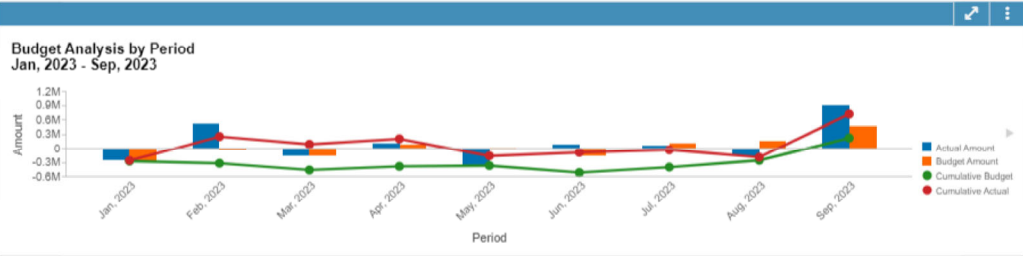
202309

All

Closed Period

Budget Revenue Comparison & Variance	
Jan, 2023 - Sep, 2023	
-1.97%	
Actual	Budget
\$35,257,813.70	\$35,966,925.92

Budget Expense Comparison & Variance	
Jan, 2023 - Sep, 2023	
-1,207,259.55	
-3.38%	
Actual	Budget
\$34,539,081.48	\$35,746,341.03



Beginning Fiscal Period[YYYYMM]

First period of fiscal year

GL Division

62 - Elk River Water

GL Department

All

Ending Fiscal Period[YYYYMM]

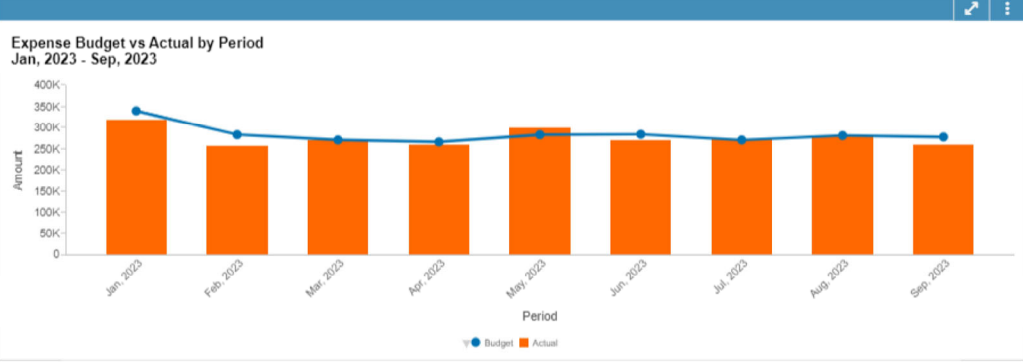
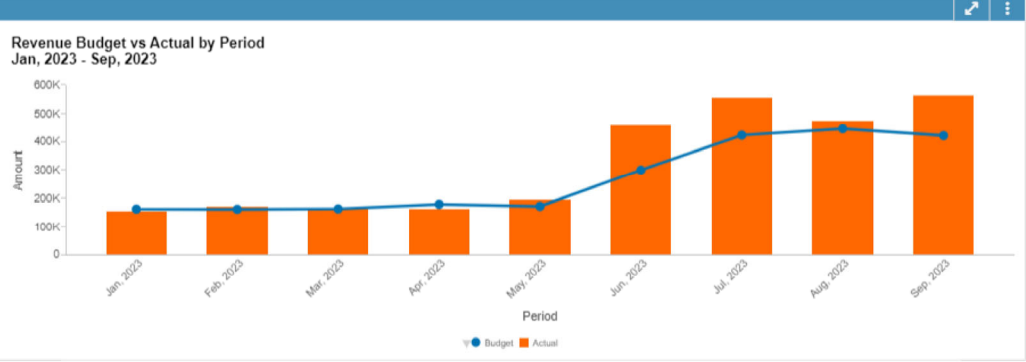
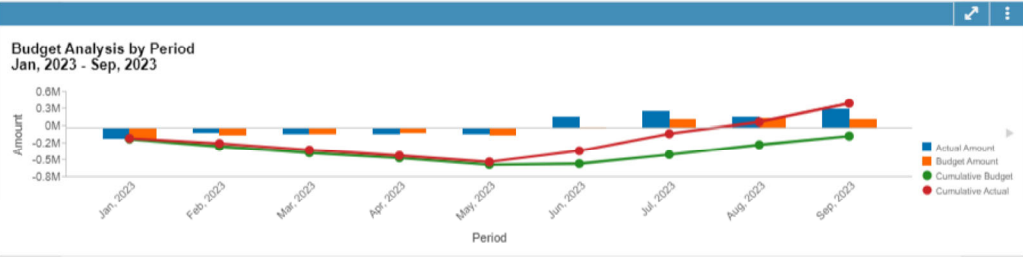
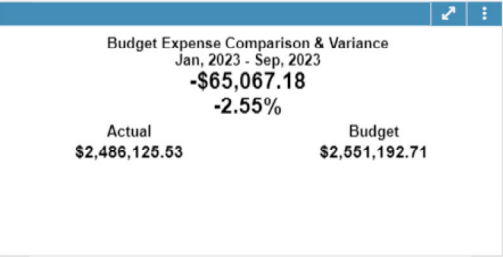
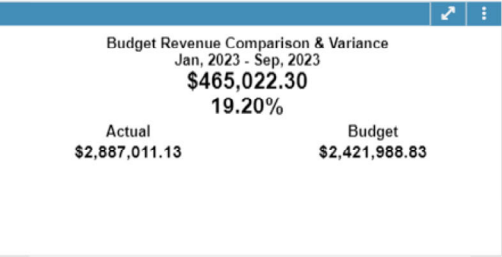
202309

GL Activity

All

Period Type

Closed Period



TO: ERMU Commission	FROM: Melissa Karpinski – Finance Manager
MEETING DATE: November 14, 2023	AGENDA ITEM NUMBER: 5.03
SUBJECT: 2024 Annual Business Plan: Rates and Review, Stakeholder Communication Plan, CIP Budget	
ACTION REQUESTED: None	

DISCUSSION:

In preparation for budget approval in December, staff continues to work through the 2023 budget process. Based on the wholesale power rate and projected expense increases and capital expenditures, a preliminary balanced budget and rates have been drafted.

Attached is the following information for your review. Additional budget details are available upon request. Please contact staff for additional information.

1. Electric Department Expense Budget – The 2024 forecast for electric expenses is a 1.5% increase over the current year’s budget. Wholesale power costs make up about 70% of the operating budget. Our wholesale power provider, Minnesota Municipal Power Agency, is projecting a 0% rate increase for 2024. Without wholesale power costs, electric expenses are a 5.3% increase over the current year’s budget. Most notable increases are pension expense (GASB 68), loss on disposition of capital (for meters due to Advanced Metering Infrastructure [AMI] implementation), CIP related expenses (due to increased spending requirements), and increased transportation expense (increased maintenance labor costs and fuel costs). Additional expenses have also been added as a placeholder for the compensation study and potential for increased labor expense.

The budgeted Payment in Lieu of Taxes (PILOT) amount for 2024 is \$1.974 million. PILOT is comprised of \$1.710 million with the 4% of Elk River City’s sales calculation, and \$264,000 in donated utilities and labor.

Currently there is a 0% rate increase proposed. Once again, we are projecting a Power Cost Adjustment (PCA) passed onto our customer throughout 2024. Currently, we are budgeting for a PCA of 15.8 mils which is an increase from the 2023 budget of 13.75 mils.

2. Water Department Expense Budget – The 2024 forecast for water expenses are a 5.4% increase over the current year budget. Most notable increases are increased costs for

material/labor for maintenance of water mains and structures, increased electric & gas utilities, loss on disposition of capital (for meters due to AMI implementation), and additional expenses added as a placeholder for the compensation study and potential for increased labor expense.

Currently there is a 2% rate increase proposed.

Staff would like to discuss with the Commission the communication plan to the customers for rates, etc.

ATTACHMENTS:

- Proposed Summary of 2024 Budgets
- Proposed 2024 Electric Revenue and Expense Budget
- Proposed 2024 Water Revenue and Expense Budget
- Proposed 2024 Electric Capital Budget
- Proposed 2024 Water Capital Budget
- Proposed 2024 Administration and Technical Services Capital Budgets
- Proposed 2024 Conservation Improvement Program Budget Summary

**ELK RIVER MUNICIPAL UTILITIES
SUMMARY OF YEAR 2024
BUDGETS**

ELECTRIC BUDGET SUMMARY		2024	
ELECTRIC REVENUE	\$	48,518,378	
ELECTRIC EXPENDITURES		(46,883,996)	
ELECTRIC NET FOR CAPITAL		<u>1,634,382</u>	3.37% Margin
DEBT RETIREMENT		(955,000)	
NET LESS DEBT PRINCIPAL PMTS		<u>679,382</u>	
CAPITAL EQUIPMENT/CONSTRUCTION		(11,128,890)	
FUND FROM RESERVES		370,840 *	Otsego Transformer Replacement
FUND FROM RESERVES		700,000 *	Data Center Feeder
FUND FROM RESERVES		750,000 *	Unidentified Feeders
FUND FROM RESERVES		1,150,000 *	East Substation Design and Construction
FUND FROM RESERVES		1,250,000 *	Territory Acquisition Areas 1&2, 3&4, 5&6, 7&8 Loss of Revenue
INTER-FUND BORROWING		3,125,000	AMI
NET		<u>(3,103,668)</u>	
DEPRECIATION		3,107,612	
NET TO RESERVES		<u>3,944 *</u>	Note that this is separate from above funding of draw on reserves
WATER BUDGET SUMMARY		2024	
WATER REVENUE	\$	3,708,060	
WATER EXPENDITURES		(3,594,742)	
WATER NET FOR CAPITAL		<u>113,318</u>	3.06% Margin
DEBT RETIREMENT		(60,000)	
NET LESS DEBT PRINCIPAL PMTS		<u>53,318</u>	
CAPITAL EQUIPMENT/CONSTRUCTION		(4,091,950)	
FUND FROM RESERVES		2,400,000 *	AMI
FUND FROM RESERVES		950,000 *	Water Main Construction (Upland/Meadowvale)
BONDING		-	
NET		<u>(688,632)</u>	
DEPRECIATION		1,148,988	
NET TO RESERVES		<u>460,356 *</u>	Note that this is separate from above funding of draw on reserves

* Currently, target reserves are met.

**ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
2024 ELECTRIC BUDGET**

	2024 Annual Budget	2023 Annual Budget	2022 Annual Actual	
Electric				
Revenue				
Operating Revenue				
Elk River				
440.4411 ELECT SALES - ELK RIVER RESIDENTIAL	14,221,539	14,039,146	13,749,299	
440.4412 ELECT SALES - ELK RIVER NON-DEMAND	3,634,058	3,461,850	3,321,584	
440.4413 ELECT SALES - ELK RIVER DEMAND	19,965,866	20,243,229	20,302,300	
440.4461 PCA SALES REVENUE - ELK RIVER RESIDENTIA	1,485,155	1,285,399	-	
440.4462 PCA SALES REVENUE - ELK RIVER NON-DEMAND	408,037	340,814	-	
440.4463 PCA SALES REVENUE - ELK RIVER DEMAND	3,068,276	2,670,887	-	
Total for Elk River:	42,782,931	42,041,326	37,373,184	
Otsego				
440.4416 ELECT SALES - OTSEGO RESIDENTIAL	1,438,521	1,420,072	1,459,139	
440.4417 ELECT SALES - OTSEGO NON-DEMAND	477,265	454,649	493,846	
440.4418 ELECT SALES - OTSEGO DEMAND	1,154,078	1,180,452	1,398,702	
440.4464 PCA SALES REVENUE - OTSEGO RESIDENTIAL	162,572	129,685	-	
440.4465 PCA SALES REVENUE - OTSEGO NON-DEMAND	58,535	44,260	-	
440.4466 PCA SALES REVENUE - OTSEGO DEMAND	125,965	156,538	-	
Total for Otsego:	3,416,937	3,385,657	3,351,689	
Rural Big Lake				
440.4421 ELECT SALES - BIG LAKE RESIDENTIAL	216,884	214,102	198,877	
440.4422 ELECT SALES - BIG LAKE NON-DEMAND	4,737	4,513	4,681	
440.4467 PCA SALES REVENUE - BIG LAKE RESIDENTIAL	21,268	19,622	-	
440.4468 PCA SALES REVENUE - BIG LAKE NON-DEMAND	522	420	-	
Total for Rural Big Lake:	243,412	238,658	203,559	
Dayton				
440.4431 ELECT SALES - DAYTON RESIDENTIAL	224,526	221,646	209,677	
440.4432 ELECT SALES - DAYTON NON-DEMAND	41,610	39,638	39,738	
440.4469 PCA SALES REVENUE - DAYTON RESIDENTIAL	19,481	20,286	-	
440.447 PCA SALES REVENUE - DAYTON NON-DEMAND	3,682	3,900	-	
Total for Dayton:	289,299	285,471	249,416	
Public St & Hwy Lighting				
440.4414 ELECT SALES - SEC LTS	260,000	260,000	258,671	
Total for Public St & Hwy Lighting:	260,000	260,000	258,671	
Other Electric Sales				
440.455 SUB-STATION CREDIT	4,800	4,800	4,800	
440.4554 RATE INCREASE	-	-	895,668	
Total for Other Electric Sales:	4,800	4,800	900,468	
Total for Operating Revenue:	46,997,378	46,215,912	42,336,987	
Other Operating Revenue				
Interest/Dividend Income				
460.4691 INTEREST & DIVIDEND INCOME	85,000	50,000	(159,502)	
Total for Interest/Dividend Income:	85,000	50,000	(159,502)	
Customer Penalties				
470.4701 CUSTOMER DELINQUENT PENALTIES	285,000	250,000	284,452	
Total for Customer Penalties:	285,000	250,000	284,452	
LFG Project				
470.4721 LFG PROJECT	-	-	935,004	
Total for LFG Project:	-	-	935,004	
Connection Fees				
470.4702 DISCONNECT & RECONNECT CHARGE	135,000	220,000	243,087	
Total for Connection Fees:	135,000	220,000	243,088	
Misc Revenue				
470.4703 MISC ELEC REVENUE - TEMP CHG	5,000	2,000	5,630	
470.4704 STREET LIGHT	10,000	20,000	23,525	
470.4715 TRANSMISSION INVESTMENTS	666,000	649,231	697,070	
470.4722 MISC NON-UTILITY	110,000	90,000	187,014	
470.4723 GAIN ON DISPOSITION OF PROPERTY	-	-	78,538	
470.4739 PERA PENSION REVENUE	-	-	16,608	
470.477 CONTRIBUTIONS FROM CUSTOMERS	225,000	175,000	298,934	
Total for Misc Revenue:	1,016,000	936,231	1,307,320	
Total Other Revenue				
Total for Total Other Revenue:	1,521,000	1,456,231	2,610,362	
Total Revenue	48,518,378	47,672,143	44,947,349	1.8%
Expenses				
Purchased Power				
540.5551 PURCHASED POWER	24,250,424	24,207,981	31,544,604	
540.5553 ENERGY ADJUSTMENT CLAUSE	8,506,023	8,558,044	-	
Total for Purchased Power:	32,756,447	32,766,025	31,544,604	0.0%
Operating & Mtce Expense				
540.5461 OPERATING SUPERVISION	131,000	137,000	138,044	
540.5471 DIESEL OIL FUEL	10,000	10,000	2,980	
540.5472 NATURAL GAS	33,000	25,000	20,631	
540.5483 ELECTRIC & WATER CONSUMPTION - PLANT	66,000	34,000	32,884	
540.5484 PLANT SUPPLIES & OTHER EXPENSE	15,000	13,000	13,912	
540.5491 MISC POWER GENERATION EXPENSE	8,000	8,000	5,079	
540.5521 MAINTENANCE OF STRUCTURE - PLANT	21,000	20,000	20,294	
540.5531 MTCE OF PLANT ENGINES/GENERATORS	39,000	39,000	11,756	
540.5541 MTCE OF PLANT/LAND IMPROVEMENT	46,000	35,000	28,086	
Total for Operating & Mtce Expense:	369,000	321,000	273,666	

**ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
2024 ELECTRIC BUDGET**

	2024 Annual	2023 Annual	2022 Annual	
Electric	Budget	Budget	Actual	
Landfill Gas				
550.505 LANDFILL GAS PLANT PURCHASED GAS	-	-	136,879	Per contract ending 10/2022
550.5051 LANDFILL GAS PLANT OPERATIONS & MTCE	-	-	337,825	
550.5052 LANDFILL GAS PLANT ADMINISTRATION	-	-	25,847	
550.5053 LANDFILL GAS PLANT INSURANCE	-	-	17,501	
550.5054 LANDFILL GAS PLANT MTCE	-	-	1,576	
Total for Landfill Gas:	-	-	519,628	
Transmission Expense				
560.562 TRANSMISSION MTCE AND EXPENSE	72,000	70,000	63,952	
Total for Transmission Expense:	72,000	70,000	63,952	
Distribution Expense				
580.5801 REMOVE EXISTING SERVICE & METERS	2,000	1,050	599	
580.5821 SCADA EXPENSE	45,000	44,000	42,498	
580.5831 TRANSFORMER EXPENSE OH & URD	15,000	15,000	13,243	
580.5851 MTCE OF SIGNAL SYSTEMS	3,000	2,000	1,872	
580.5861 METER EXPENSE - REMOVE & RESET	1,500	1,500	582	
580.5871 TEMP SERVICE - INSTALL & REMOVE	7,000	3,500	3,718	
580.5881 MISC DISTRIBUTION EXPENSE	350,000	300,000	321,667	
580.589 INTERCONNECTION CARRYING CHARGE	2,417	2,416	2,416	
Total for Distribution Expense:	425,917	369,466	386,595	
Maintenance Expense				
590.5911 MTCE OF STRUCTURES	50,000	46,000	30,934	
590.5921 MTCE OF SUBSTATIONS	36,000	35,000	60,276	
590.5922 MTCE OF SUBSTATION EQUIPMENT	79,000	77,000	42,073	
590.5931 MTCE OF OH LINES/TREE TRIM	230,000	225,000	145,876	\$145k contractors
590.5932 MTCE OF OH LINES/STANDBY	40,000	40,000	33,623	
590.5933 MTCE OF OH PRIMARY	170,000	170,000	190,502	
590.5941 MTCE OF URD PRIMARY	220,000	170,000	201,178	
590.5943 LOCATE ELECTRIC LINES	110,000	106,000	95,624	
590.5944 LOCATE FIBER LINES	1,500	1,000	880	
590.5951 MTCE OF LINE TRANSFORMERS	60,000	60,000	43,183	
590.5961 MTCE OF STREET LIGHTING	50,000	45,000	66,957	
590.5962 MTCE OF SECURITY LIGHTING	15,000	15,000	21,799	
590.5971 MTCE OF METERS	80,000	85,000	77,069	
590.5972 VOLTAGE COMPLAINTS	12,000	10,000	9,130	
590.5981 SALARIES TRANSMISSION & DISTRIBUTION	30,000	30,500	28,316	
590.5985 ELECTRIC MAPPING	100,000	95,000	97,145	
590.5991 MTCE OF OH SECONDARY	25,000	25,000	21,753	
590.5992 MTCE OF URD SECONDARY	60,000	60,000	57,283	
590.5995 TRANSPORTATION EXPENSE	300,000	245,000	288,624	Increased labor and fuel costs
Total for Maintenance Expense:	1,668,500	1,540,500	1,512,225	
Depreciation & Amortization				
595.8031 DEPRECIATION	2,439,476	2,552,700	2,394,615	
595.8032 AMORTIZATION	668,136	668,136	668,135	
Total for Depreciation & Amortization:	3,107,612	3,220,836	3,062,750	
Interest Expense				
596.8071 INTEREST EXPENSE - BONDS	845,673	870,695	907,074	
597.8281 AMORTIZATION OF DEBT DISCOUNT/PREMIUM	(59,863)	(59,863)	(60,765)	
Total for Interest Expense:	785,810	810,832	846,309	
Other Operating Expense				
597.8165 EV CHARGING EXPENSE	3,100	7,731	6,552	
597.8213 LOSS ON DISPOSITION OF PROP (CAPITAL)	155,800	15,500	36,600	Meters (due to AMI)
597.8263 OTHER DONATIONS	3,000	3,000	3,891	
597.8265 MUTUAL AID	-	-	40,408	
597.8302 PENSION EXPENSE	235,000	45,000	306,643	GASB 68
597.8311 OTHER INTEREST EXPENSE	-	378	4,888	
597.8341 INTEREST EXPENSE - METER DEPOSITS	50,000	2,500	1,995	Increased interest rates
Total for Other Operating Expense:	446,900	74,109	401,006	
Customer Accounts Expense				
900.9021 METER READING EXPENSE	47,000	47,000	49,300	
900.903 DISCONNECT/RECONNECT EXPENSE	22,000	22,000	23,150	
900.9051 MISC CUSTOMER ACCOUNTS EXPENSE UTILITY	345,000	312,500	305,794	
900.9061 BAD DEBT EXPENSE & RECOVERY	25,000	20,000	12,993	
Total for Customer Accounts Expense:	439,000	401,500	391,237	
Administrative Expense				
920.9201 SALARIES OFFICE & COMMISSION	908,000	950,000	805,290	
920.9205 TEMPORARY STAFFING	4,000	4,000	-	
920.9211 OFFICE SUPPLIES	125,000	107,000	71,132	
920.9212 ELECTRIC & WATER CONSUMPTION - OFFICE	40,000	29,000	37,423	
920.9213 BANK FEES	2,500	2,500	2,002	
920.9221 LEGAL FEES	30,000	40,000	29,545	
920.9231 AUDITING FEES	22,000	18,520	18,039	
920.9241 INSURANCE	190,000	186,000	170,663	
920.926 UTILITY SHARE - DEFERRED COMP	120,000	124,000	112,637	
920.9261 UTILITY SHARE - MEDICAL/DENTAL/DISABIL	870,000	858,481	809,783	
920.9262 UTILITY SHARE - PERA	302,000	288,000	280,969	
920.9263 UTILITY SHARE - FICA	295,000	280,000	272,892	
920.9264 EMPLOYEE SICK PAY	165,000	150,000	146,800	
920.9265 EMPLOYEE HOLIDAY PAY	172,000	157,500	139,307	
920.9266 EMPLOYEE VACATION & PTO PAY	275,000	250,000	256,901	
920.9267 UPMC DISTRIBUTION	101,000	91,015	67,353	
920.929 LONGEVITY PAY	6,964	16,369	4,030	

**ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
2024 ELECTRIC BUDGET**

	2024 Annual	2023 Annual	2022 Annual	
Electric	Budget	Budget	Actual	
920.9291 CONSULTING FEES	89,600	80,000	54,841	AE2S, NISC, Rate Study, Comp Study
920.9301 TELEPHONE	38,000	41,000	38,140	
920.9302 ADVERTISING	19,000	15,000	12,246	
920.9303 DUES & SUBSCRIPTIONS - FEES	137,534	172,675	125,051	
920.9305 SCHOOLS & MEETINGS	274,895	259,925	193,041	
920.9321 MTCE OF GENERAL PLANT & OFFICE HEATING	13,000	7,600	11,682	
Total for Administrative Expense:	4,200,492	4,128,585	3,659,767	
General Expense				
920.9269 CIP REBATES - RESIDENTIAL	90,758	100,170	60,641	
920.927 CIP REBATES - COMMERCIAL	112,000	189,583	109,100	
920.9271 CIP - ADMINISTRATION	182,965	19,700	8,415	
920.9272 CIP - MARKETING	51,235	30,039	29,024	
920.9273 CIP - LABOR	133,822	178,511	153,297	CIP Specialist
920.9274 CIP REBATES - LOW INCOME	18,720	18,000	4,185	
920.9275 CIP - LOW INCOME LABOR	10,000	9,887	10,399	
920.9281 ENVIRONMENTAL COMPLIANCE	35,000	34,219	31,920	
920.9306 MISC GENERAL EXPENSE	2,500	2,500	(1,218)	
Total for General Expense:	637,000	582,609	405,763	
Total Expenses (before Operating Transfers)	44,908,679	44,285,462	43,067,541	1.4%
Operating Transfer				
Operating Transfer/Other Funds				
597.8262 TRANSFER TO CITY ELK RIVER REVENUE	1,711,317	1,681,653	1,531,632	4% of Elk River Sales
Total for Operating Transfer/Other Funds:	1,711,317	1,681,653	1,531,633	
Utilities & Labor Donated				
597.8261 UTILITIES & LABOR DONATED TO CITY	264,000	240,000	231,860	
Total for Utilities & Labor Donated:	264,000	240,000	231,861	
Total Operating Transfer				
Total for Total Operating Transfer:	1,975,317	1,921,653	1,763,493	
Net Income Profit(Loss)	1,634,382	1,465,028	116,314	
Total Expense Including Purchased Power	46,883,996	46,207,114	44,831,034	
Budget Change Year over Year	1.5%			
Total Expense Less Purchased Power	14,127,549	13,441,089	13,286,430	
Expense Budget Change Year over Year	5.1%			

**ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
2024 WATER BUDGET**

	2024 Annual Budget	2023 Annual Budget	2022 Annual Actual	
Water				
Revenue				
Operating Revenue				
Water Sales				
610.6101 Water Sales Residential	1,587,053	1,397,043	1,660,446	
610.6102 Water Sales Commercial	916,885	850,022	926,107	
610.6103 Water Sales Irrigation	263,836	256,349	300,720	
Total for Water Sales:	2,767,774	2,503,414	2,887,276	
Total Operating Revenue	2,767,774	2,503,414	2,887,275	
Total for Total Operating Revenue:	2,767,774	2,503,414	2,887,276	
Other Operating Revenue				
Interest/Dividend Income				
460.4691 Interest & Dividend Income	40,000	35,000	(30,591)	
460.4692 Other Interest/Misc Revenue	1,500	1,500	1,136	
Total for Interest/Dividend Income:	41,500	36,500	(29,455)	
Customer Penalties				
620.6301 Customer Penalties	25,000	28,000	26,194	
Total for Customer Penalties:	25,000	28,000	26,194	
Connection Fees				
620.6401 WATER/ACCESS/CONNECTION FEES	200,000	450,000	1,547,929	
620.6402 Customer Connection Fees	30,000	40,000	57,145	
620.6407 Bulk Water Sales/Hydrant Rental	25,000	28,000	18,220	
Total for Connection Fees:	255,000	518,000	1,623,295	
Misc Revenue				
470.4722 Misc Non-Utility	50	50	150	
470.4739 Pera Pension Revenue	-	-	3,178	
620.626 Transfer In From City	230,000	-	-	Trunk funds 169
620.6403 Miscellaneous Revenue	500	500	1,019	
620.6323 Gain On Disposition Of Property	-	-	-	
620.6404 HYDRANT MAINTENANCE PROGRAM - PRIVATE	15,000	13,500	13,627	
620.6405 Contributions from Developers	65,000	65,000	940,305	
620.6406 Water Tower Lease	308,236	296,984	327,431	Will recognize at year-end
620.6416 Lease Interest Revenue	-	-	78,451	Will recognize at year-end
Total for Misc Revenue:	618,786	376,034	1,364,163	
Total Other Revenue	940,286	958,534	2,984,197	
Total for Total Other Revenue:	940,286	958,534	2,984,197	
Total Revenue	3,708,060	3,461,948	5,871,472	
Expenses				
Production Expense				
700.7021 MTCE OF STRUCTURES	115,000	90,000	114,397	
Total for Production Expense:	115,000	90,000	114,397	
Pumping Expense				
710.7101 SUPERVISION	65,000	69,000	66,134	
710.7181 ELECTRIC & GAS UTILITIES	335,171	288,000	281,124	
710.7182 SAMPLING	16,000	15,000	13,093	
710.7183 CHEMICAL FEED	53,000	50,000	32,349	
710.722 MTCE OF WELLS	165,000	165,000	160,129	
710.723 SCADA - PUMPING	8,000	16,000	13,807	
Total for Pumping Expense:	642,171	603,000	566,684	
Distribution Expense				
730.7301 MTCE OF WATER MAINS	175,000	120,000	91,488	
730.7309 LOCATE WATER LINES	17,250	17,250	11,045	
730.7311 MTCE OF WATER SERVICES	500	-	897	
730.7312 WATER METER SERVICE	66,000	66,000	72,990	
730.7316 BACKFLOW DEVICE INSPECTION	20,000	16,000	10,765	Labor and software expense
730.7321 MTCE OF CUSTOMERS SERVICE	33,000	30,500	28,317	
730.7325 WATER MAPPING	15,000	12,500	12,236	
730.7331 MTCE OF WATER HYDRANTS - PUBLIC	20,000	19,000	21,980	
730.7332 MTCE OF WATER HYDRANTS - PRIVATE	6,000	5,000	5,104	
730.7341 WATER CLOTHING/PPE	10,000	9,000	7,616	
730.7391 WAGES WATER	7,500	7,300	9,340	
730.7395 TRANSPORTATION EXPENSE	24,000	16,500	15,427	Increased labor and fuel costs
730.7399 WATER PERMIT	28,000	18,600	18,370	Increased summer water use fees
Total for Distribution Expense:	422,250	337,650	305,583	
Depreciation & Amortization				
595.8031 DEPRECIATION	1,148,988	1,202,937	1,117,356	
Total for Depreciation & Amortization:	1,148,988	1,202,937	1,117,357	

**ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
2024 WATER BUDGET**

Water	2024 Annual Budget	2023 Annual Budget	2022 Annual Actual	
Interest Expense				
596.8071 INTEREST EXPENSE - BONDS	40,600	43,000	46,371	
597.8281 AMORTIZATION OF DEBT DISCOUNT/PREMIUM	(6,651)	(6,651)	(6,650)	
Total for Interest Expense:	33,949	36,349	39,720	
Other Operating Expense				
597.8213 LOSS ON DISPOSITION OF PROP (CAPITAL)	14,000	500	9,150	Meters (due to AMI)
597.8264 DAM MAINTENANCE EXPENSE	2,000	1,750	1,555	
597.8302 PENSION EXPENSE	16,000	-	68,974	GASB 68
597.8311 OTHER INTEREST EXPENSE	-	95	1,222	
597.8341 INTEREST EXPENSE - METER DEPOSITS	1,260	125	53	Increased interest rates
Total for Other Operating Expense:	33,260	2,470	80,954	
Customer Accounts Expense				
900.9021 METER READING EXPENSE	2,500	-	2,347	
900.9051 MISC CUSTOMER ACCOUNTS EXPENSE UTILITY	89,000	81,620	78,909	
900.9061 BAD DEBT EXPENSE & RECOVERY	250	250	28	
Total for Customer Accounts Expense:	91,750	84,370	81,285	
Administrative Expense				
920.9201 SALARIES OFFICE & COMMISSION	285,000	268,500	234,617	
920.9205 TEMPORARY STAFFING	1,000	1,000	-	
920.9211 OFFICE SUPPLIES	37,000	25,500	14,865	
920.9212 ELECTRIC & WATER CONSUMPTION - OFFICE	11,000	8,000	8,579	
920.9213 BANK FEES	600	625	516	
920.9221 LEGAL FEES	9,000	9,000	7,339	
920.9231 AUDITING FEES	6,000	4,630	4,509	
920.9241 INSURANCE	43,000	36,000	30,952	
920.926 UTILITY SHARE - DEFERRED COMP	21,000	30,500	19,528	
920.9261 UTILITY SHARE - MEDICAL/DENTAL/DISABIL	220,000	215,000	209,590	
920.9262 UTILITY SHARE - PERA	56,000	54,000	53,758	
920.9263 UTILITY SHARE - FICA	54,000	52,000	51,807	
920.9264 EMPLOYEE SICK PAY	29,000	27,000	25,671	
920.9265 EMPLOYEE HOLIDAY PAY	32,000	30,800	24,827	
920.9266 EMPLOYEE VACATION & PTO PAY	52,000	44,000	46,185	
920.9267 UPMC DISTRIBUTION	21,000	18,069	13,761	
920.929 LONGEVITY PAY	837	3,106	620	
920.9268 WELLHEAD PROTECTION	2,000	10,000	4,724	
920.9291 CONSULTING FEES	43,900	35,000	20,055	AE2S, NISC, Rate Study, Comp Study
920.9301 TELEPHONE	9,000	9,500	8,900	
920.9302 ADVERTISING	5,000	6,500	2,933	
920.9303 DUES & SUBSCRIPTIONS - FEES	88,114	78,320	75,541	
920.9305 SCHOOLS & MEETINGS	61,073	63,705	41,818	
920.9321 MTCE OF GENERAL PLANT & OFFICE HEATING	3,100	1,900	2,920	
Total for Administrative Expense:	1,090,624	1,032,655	904,027	
General Expense				
920.9269 CIP REBATES - RESIDENTIAL	5,000	10,500	834	
920.927 CIP REBATES - COMMERCIAL	500	500	-	
920.9272 CIP - MARKETING	2,000	500	613	
920.9273 CIP - LABOR	5,000	4,700	4,502	CIP Specialist
920.9281 ENVIRONMENTAL COMPLIANCE	2,500	2,200	1,578	
920.9306 MISC GENERAL EXPENSE	250	250	-	
Total for General Expense:	15,250	18,650	7,529	
Total Expenses (before Operating Transfers)	3,593,242	3,408,081	3,217,536	
Operating Transfer				
Utilities & Labor Donated				
597.8261 WATER & LABOR DONATED TO CITY	1,500	1,500	539	
Total Operating Transfer	1,500	1,500	540	
Total for Total Operating Transfer:	1,500	1,500	540	
Net Income Profit(Loss)	113,318	52,367	2,653,396	
Total Expense	3,594,742	3,409,580	3,218,076	
Budget Change Year over Year	5.4%			

Elk River Municipal Utilities Business Plan/Budget
2024 Electric Department Capital Budget

Capital Construction Projects

Cost	Description	
\$ 100,000	Highway 169 redefine	
\$ 125,000	Rebuild Sandpiper Estates	
\$ 130,000	3 phase URD extension to Anna's Acres Development, Otsego	
\$ 75,000	Rebuild: 202nd Ave	
\$ 150,000	Rebuild: 185th Ave	
\$ 100,000	Cty Rd 44 Rebuild	
\$ 100,000	Cty Rd 33	
\$ 100,000	Otsego Street Lights	
\$ 100,000	Waco Business Center Dr Recon	
Subtotal	\$ 980,000	*Projects listed in order of priority

Capital Construction Substations

Cost	Description	
\$ 1,150,000	East Design and Construction	Reserves
\$ 12,000	North Recloser Controller Replacement	
\$ 370,840	Otsego Transformer Replacement	Reserves
\$ 24,000	Otsego Recloser Controller Replacement	
\$ 12,000	Station 14-3 Recloser Controller Replacement	
\$ 60,000	Station 14-3 Recloser Tank Replacement	
\$ 12,000	Waco Bank #1 Recloser Controller Replacement	
\$ 6,000	Waco Bank #2 Recloser Controller Replacement	
\$ 25,000	West Bank #2 Recloser Tank Replacement	
\$ 77,000	Cap and Reg Controllers	
\$ 66,000	SCADA Network Upgrades	
Subtotal	\$ 1,814,840	

Capital Construction Feeders

Cost	Description	
\$ 100,000	County Rd 35 Feeder to Waco	
\$ 250,000	Rebuild Feeder 46 Substation to Hwy 10	
\$ 700,000	Data Center Feeder	Reserves
\$ 25,000	Feeder 71/72 Replace 500 MCM from reclosure to riser	
\$ 750,000	Unidentified Feeders	Reserves
Subtotal	\$ 1,825,000	

Capital Construction System

Cost	Description	
\$ 500,000	Transformers and Meters	
\$ 3,125,000	AMI	Inter-Fund
\$ 350,000	New Development Distribution Installation	
\$ 50,000	Street Lighting	
\$ 75,000	Ongoing OH Equip Replacement (Poles, Switches, Cut-Outs)	
\$ 150,000	Ongoing URD Equip Replacement (Switches, J-Boxes, Fuse Pads)	
\$ 75,000	Fault Indicators Replacements	
Subtotal	\$ 4,325,000	

Capital Equipment Needs

Cost	Description	
\$ 335,000	Replace Digger Truck Vehicle #9	
\$ 65,000	Replace Truck Vehicle #13	
\$ 10,000	Chipper Box	
\$ 43,000	Dump Trailer	
\$ 7,000	Salt Spreader	
\$ -	Shared Equipment	
\$ 96,650	Electric share of Administration	
\$ 329,900	Electric Share of Technical Services	
\$ 17,500	Tools at Field Services Building	
Subtotal	\$ 904,050	

Capital Facilities & Misc Needs

Cost	Description	
\$ 30,000	Vactron clean out west sub	
\$ -	Concrete at FSB dumpsters/fuel station	
\$ -	Oil dispensing system	
\$ 300,000	County Rd 12 Interconnection Agreement - Connexus	Reserves
\$ 950,000	Territory Acquisition - Loss of Revenue Pmt (2015 Contract - Area 1&2, 3&4, 5&6, 7&8	Reserves
Subtotal	\$ 1,280,000	

Total Capital \$ 11,128,890

Electric Noteworthy Non-Recurring Expenses

Cost	Description	
\$ 6,050	Computers, iPads, Software, Accessories	
\$ 6,000	Paint Trailer	
\$ -	Paint Truck	
\$ 10,000	Tools	
\$ 15,000	West Bank #1 Contractor Testing and Inspections	
\$ 24,800	Electric share of Administration	
\$ 18,170	Electric share of Technical Services	
Total	\$ 80,020	

Elk River Municipal Utilities Business Plan/Budget
2024 Water Department Capital Budget

Water Capital Construction Needs

	Cost	Description	
	\$ 40,000	Well #3 Rehab	
	\$ 26,000	Flood Alarms - Well 2, 3, 5 and 7	
	\$ 10,000	Hi-E Dry Dehumidifiers	
	\$ 100,000	Facility Repair	
	\$ 100,000	Freeport Booster Station	
	\$ 20,000	Auburn Tower Wash Outside	
	\$ 60,000	Auburn Tower Mixer	
	\$ 15,000	Placeholder for undetermined projects	
	\$ 55,000	SCADA upgrades	
	\$ 180,000	Well #7, 8, 9 Fiber	
	\$ 2,400,000	AMI	Reserves
	\$ 950,000	Water Main Construction (Upland/Meadowvale)	Reserves
Subtotal	\$ 3,956,000		

Capital Equipment Needs

	Cost	Description	
	\$ -	Shared Equipment	
	\$ 18,350	Water share of Administration	
	\$ 105,600	Water Share of Technical Services	
	\$ 12,000	Fire Hydrant Flushing Equipment	
Subtotal	\$ 135,950		

Total Capital \$ 4,091,950

Water Noteworthy Non-Recurring Expenses

	Cost	Description	
	\$ 10,300	Computers, iPads	
	\$ 10,000	Meters/ERT	
	\$ 10,000	Tools	
	\$ 6,200	Water share of Administration	
	\$ 430	Water share of Technical Services	
Total	\$ 36,930		

Elk River Municipal Utilities Business Plan/Budget
2024 Administration and Technical Services Departments Capital Budgets

Administration Capital Needs

	Cost	Description
	\$ 13,000	Office Furniture
	\$ 10,000	Conference Room/Office Reno
	\$ 7,000	Hallway Display and Branding
	\$ 32,000	Field Services Branding
	\$ 5,000	Network Switches/Misc (ERMU)
	\$ 5,000	Commission Room AV Upgrade
	\$ 13,000	Building to Building Fiber
	\$ 30,000	Cellular Boosters - Field Services Building
Subtotal	\$ 115,000	

Administration Noteworthy Non-Recurring Expenses

	Cost	Description
	\$ 31,000	Computers, iPads, Software, Accessories, Scanners, Printers - Upgrades
Subtotal	\$ 31,000	

Total Administration \$ 146,000

Technical Services Capital Needs

	Cost	Description
	\$ 63,500	Fiber Extension - 169 to Sub
	\$ 61,000	Fiber Extension - Johnson Tower Due to AMI
	\$ 41,000	Fiber Extension - Auburn Tower Due to AMI
	\$ 250,000	Fiber Loop
	\$ 20,000	Substation Security
Subtotal	\$ 435,500	

Technical Services Noteworthy Non-Recurring Expenses

	Cost	Description
	\$ 8,600	Computers, iPads, Software, Accessories - Upgrades
	\$ 10,000	General Engine Inspections/Maint.
Subtotal	\$ 18,600	

Total Technical Services \$ 454,100

Total Capital Items	\$ 550,500	
Total Non-Recuring Expenses	\$ 49,600	

2024 CIP Operating Budget

Required Spending and Savings Goals per State of MN

Total Spending Level 1.5% of GOR	\$ 634,500
Low Income Requirement .2% of Residential GOR	\$ 28,720
Energy Savings Goal (kWh)	4,994,857
Possible Distributed Renewable Generation Funds	\$ 8,000
Possible Research and Development Funds	\$ 18,000

Proposed CIP Budget 2024

Direct Labor	\$ 143,822
General & Administration	\$ 182,965
Advertising (Marketing)	\$ 51,235
Equipment	\$ -
Contract (Includes \$34,219 MN PUC Assessment)	\$ 35,000
Total	\$ 413,022

ERMU Rebates	\$ 221,478
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Total all Expenses and Rebates	\$ 634,500
Total Estimated kWh Savings	4,994,857

Total Operating CIP Budget No Rebates Only Direct Costs

Direct Labor	\$ 143,822
General & Administration	\$ 182,965
Advertising (Marketing)	\$ 51,235
Contract (Includes \$34,219 MN PUC Assessment)	\$ 35,000
Total ERMU Operating Expenses	\$ 413,022

Total Rebate Budget

ERMU Self Funded (spend is dependant on kWh savings)	221,478
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Total Requested Budget

Direct Labor	\$ 143,822
General & Administrations	\$ 182,965
Advertising (Marketing)	\$ 51,235
Contract (Includes MN PUC Assessment)	\$ 35,000
ERMU Self Funded Rebates	\$ 221,478
Total Requested 2024 Budget	\$ 634,500

TO: ERMU Commission	FROM: Mark Hanson – General Manager
MEETING DATE: November 14, 2023	AGENDA ITEM NUMBER: 5.04
SUBJECT: 2024 Utilities Fee Schedule	
ACTION REQUESTED: Approve the 2024 Utilities Fee Schedule for Adoption into Ordinance by the City Council	

BACKGROUND:

Typically, the Elk River Municipal Utilities Commission approves the budget in December. In January, the rates and fees are published. Per legal counsel, ERMU's ability to collect on fees would be strengthened by having them listed as part of the City's Master Fee Schedule and adopted into city ordinance after being approved by the Commission.

DISCUSSION:

Annually ERMU staff reviews the proposed fees for the upcoming year. Proposed changes are outlined below and highlighted in yellow on the attached fee schedule.

*Designates a proposed **NEW** fee.

ELECTRIC FEES

After evaluation of our schedule of rates/aid to construction methodology, staff reviewed our current fee schedule to determine any necessary adjustments. Based on the review, staff is recommending the following changes:

New Residential Electric Connection – Developer – Lot without ERMU Water Service – A proposed increase from \$1,075 to \$1,475. For 2023, the proposed increase of the fee was from \$575 to \$1,475. At that time the Commission supported a two-year implementation of the increase. This amount reflects material cost increases, mostly transformer costs. The larger lot sizes which are more common outside the water service area require crossing a longer distance to install electric service.

New Wire Footages over 200' (per foot) – A proposed increase from \$4.00 to \$5.00 due to material cost increase.

New Service Frost Trenching (per foot) – A proposed increase from \$5.00 to \$6.00 due to labor cost increase.

***Grid Access Fee** – Proposed fee of \$5.56/kW in excess of 4 kW. The fee would be a means to cover distribution costs not included in the monthly electric customer charge, which would avoid cross subsidization of fixed costs. The \$5.56 amount was calculated in our 2019 rate study provided by Dave Berg Consulting. The fee would only apply to new solar interconnections starting January 1, 2024.

Pole Attachment Fee (per pole) – No proposed fee increase. Proposing to add language to the Pole Attachment agreement to include penalties for late payment.

WATER FEES

Abandoned Water Service – No proposed fee increase. Proposed adding the word (minimum). This proposal aligns the fee schedule with ERMU's Water Service rules.

ADMINISTRATIVE FEES

***Administrative Fee for Continued Submission of Payment after Account Closed** – Proposed \$20 fee to mirror the current *Administrative Fee for Continued Submission of Checks after No-Check notice given*. Staff finds this to be in line with industry standards.

Manual Meter Reading Fee (per month) – A proposed increase from \$10 to \$50. In addition to the increase in the fee, staff proposes moving the fee from the Electric and Water sections of the fee schedule to the Administrative Fees section. This increase in the manual meter reading fee is in line with industry standards as utilities move to automated meter reading. The fee would cover the costs associated with dispatching employees into the field.

***Manual Meter Reading Fee (per month)** – After the initial \$50 manual meter reading fee each additional meter manually read will be charged \$10.

In addition to the proposed fees outlined above, we are also proposing to add language to the fee schedule indicating that federal, state, and local taxes may apply.

FINANCIAL IMPACT:

The proposed fees have been added or adjusted to cover the cost of providing services to our customers.

ATTACHMENTS:

- Proposed - 2024 Utilities Fee Schedule

Elk River Municipal Utilities			
Proposed 2024 Utilities Fee Schedule			
Fee Description	2023	Proposed 2024	Proposed Increase
ELECTRIC			
New Residential Electric Connection - Developer - Lot with ERMU water service	\$ 975.00	\$ 975.00	
New Residential Electric Connection - Developer - Lot without ERMU water service	\$ 1,075.00	\$ 1,475.00	
New Electric Connection	\$ 875.00	\$ 875.00	
New Wire Footages over 200' (per foot)	\$ 4.00	\$ 5.00	
New Service Frost Trenching (per foot)	\$ 5.00	\$ 6.00	
New Commercial & Industrial Electric Connection	50%	50%	
Service Upgrades or Additions for Existing Customers	100%	100%	
Minimum Temporary Electric Service Fee - Existing Transformer	\$ 220.00	\$ 220.00	
Minimum Temporary Electric Service Fee - Without Existing Transformer	\$ 850.00	\$ 850.00	
Grid Access Fee - new			New
Street Light - 30' Decorative Pole with 6' Arm and Cobra Fixture	\$ 2,700.00	\$ 2,700.00	
Street Light - 23' Decorative Pole with Cobra Fixture	\$ 1,800.00	\$ 1,800.00	
Street Light - 14' Decorative Pole with Cobra Fixture	\$ 4,100.00	\$ 4,100.00	
Street Light - 14' Decorative Pole with Acorn Fixture	\$ 5,300.00	\$ 5,300.00	
Security Light - Wood Pole with Fixture	\$ 975.00	\$ 975.00	
Security Light - Existing Pole	\$ 350.00	\$ 350.00	
Pole Attachment Fee (per pole) Chris K to update agreement to include late fees	\$ 15.00	\$ 15.00	
Meter Installation Fee (per individually metered apartment unit)	\$ 22.00	\$ 22.00	
WATER			
Water Access Charge = Water Connection Charge + Water Availability Charge	\$ 3,990.00	\$ 3,990.00	
Water Connection Charge (Per Plumbing Unit) - Builder	\$ 3,600.00	\$ 3,600.00	
Water Availability Charge (Per Plumbing Unit) - Developer	\$ 390.00	\$ 390.00	
Abandoned Water Service (minimum)	\$ 6,000.00	\$ 6,000.00	
Backflow Preventer Device Non-Compliance (per month)	\$ 100.00	\$ 100.00	
Deposit for 5/8" Hydrant Meter	\$ 150.00	\$ 150.00	
Deposit for 2 1/2" Hydrant Meter	\$ 1,000.00	\$ 1,000.00	
Hydrant Water Sales - Rental (per week)	\$ 50.00	\$ 50.00	
Hydrant Water Sales - Units (per 1000 gallons)	\$ 4.00	\$ 4.00	
Hydrant Wrench	\$ 40.00	\$ 40.00	
Private Hydrant Maintenance Program Monthly Fee	\$ 5.00	\$ 5.00	
ADMINISTRATIVE			
Administrative Fee for Continued Submission of Checks After No-Check Notice Given	\$ 20.00	\$ 20.00	
Administrative Fee for Continued Submission of Payment After Account Closed - new		\$ 20.00	New
Billable Cost of Materials Markup	15%	15%	
Billable Labor Markup	55%	55%	
Billable Vehicle / Equipment (per employee per hour)	\$ 45.00	\$ 45.00	
Commercial Application Fee	\$ 20.00	\$ 20.00	
Electric Service Disconnect/Trip Fee - Meter Technician	\$ 50.00	\$ 50.00	
Electric Service Disconnect/Trip Fee - Line Crew	\$ 150.00	\$ 150.00	
Water Service Disconnect/Trip Fee - Water Operator	\$ 100.00	\$ 100.00	
Manual Meter Reading Fee (per month)	\$ 10.00	\$ 50.00	
Additional Manual Meter Reading Fee (per month) -new		\$ 10.00	New
Meter Tampering Fee	\$ 250.00	\$ 250.00	
Meter Testing Fee	\$ 50.00	\$ 50.00	
NSF Fee	\$ 30.00	\$ 30.00	
Penalty Amount	10%	10%	
Photocopies (per page)	\$ 0.25	\$ 0.25	
Red Tag Handling Fee	\$ 20.00	\$ 20.00	

TO: ERMU Commission	FROM: Melissa Karpinski – Finance Manager
MEETING DATE: November 14, 2023	AGENDA ITEM NUMBER: 5.05
SUBJECT: 2023 Third Quarter Delinquent Items	
ACTION REQUESTED: Approve the 2023 third quarter delinquent items submitted.	

BACKGROUND:

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

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

DISCUSSION:

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

- The amounts listed for assessments culminate in the fourth quarter and include items previously submitted to other collection services, and if not collected, are removed, and assessed. The assessment amount for 2023 is \$0.00 as there has been no activity yet for this year.
- The amount submitted **only** to Collection Agencies for 2023 is \$520.00. (Please note that amounts submitted to Revenue Recapture were also submitted to Collection Agencies.)
- The amount submitted to Revenue Recapture was less than the prior year. The Q3 2023 RR amount is \$5,514.33. We have collected a total of \$2,723.58 from RR in Q3 2023.

- Write Offs for Q3 2023 of \$1,643.54 are less than the prior year. The biggest impact on the Write Offs is from the removal of old account balances due to a six-year limit mandated by the state. We have had to remove, and write off, a total of \$2,116.23 in Q3 2023 due to statute of limitations, \$27.06 for small balances, and reversal of a prior write off due to bankruptcy being dismissed of (\$499.75).

The attached report listing shows those dollars submitted to both the Collection Agency and RR. The third quarter totals are \$5,514.33, broken down by provider: \$4,909.86 for Electric, \$440.76 for Franchise Fees, \$101.17 for Sewer, \$47.92 for Water, \$13.38 for Storm Water, and \$1.24 for Trash.

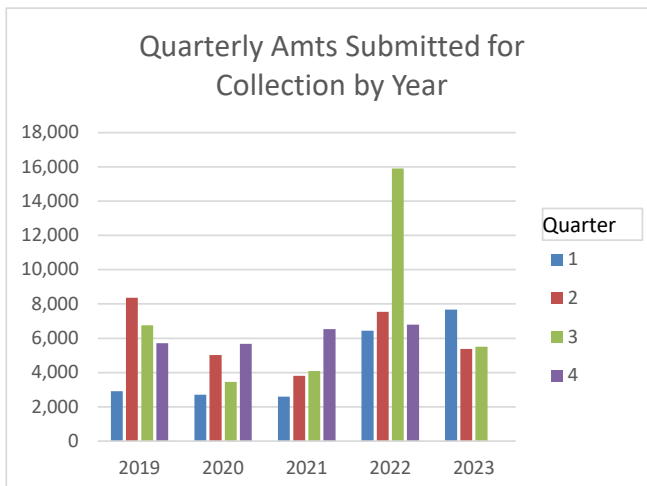
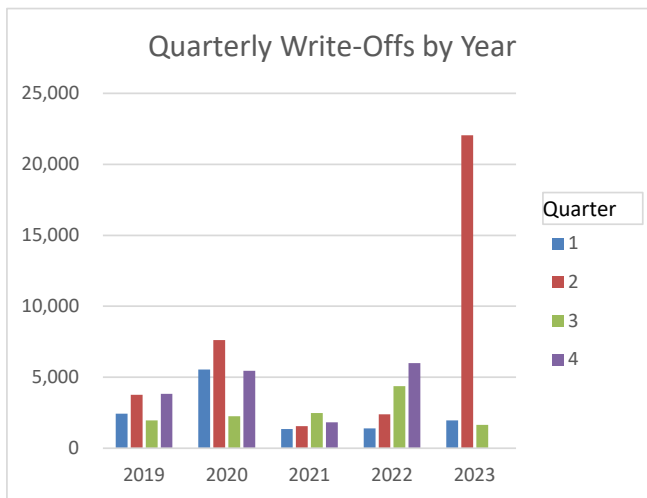
Our allowance for doubtful accounts (a reserve for bad debt/write offs) is \$25,605 or .05% uncollectible accounts per revenue dollar. According to the American Public Power Association's most recent published standard ratios (2021) the industry standard is between .15% and 1.49%. Interestingly, the Northern/Central Plains average is .15%. Our totals for the year are below the national average at .07%.

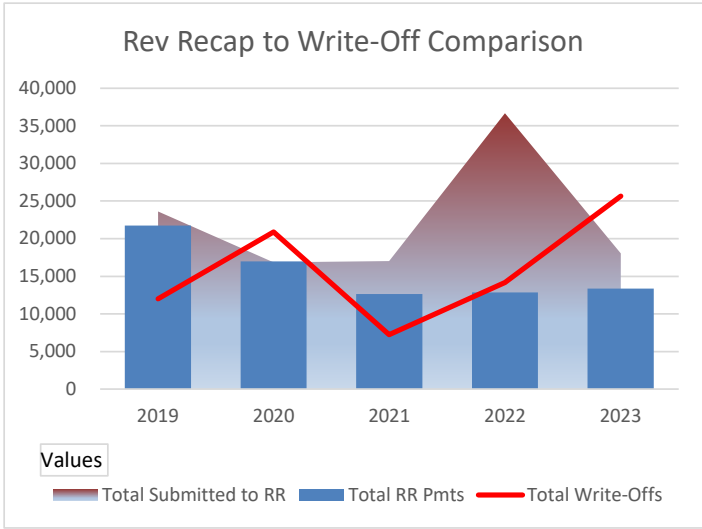
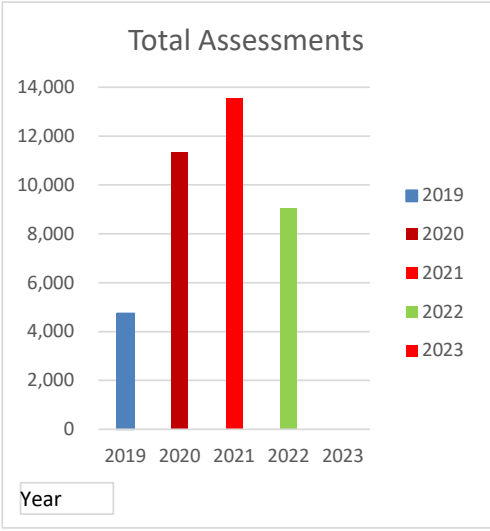
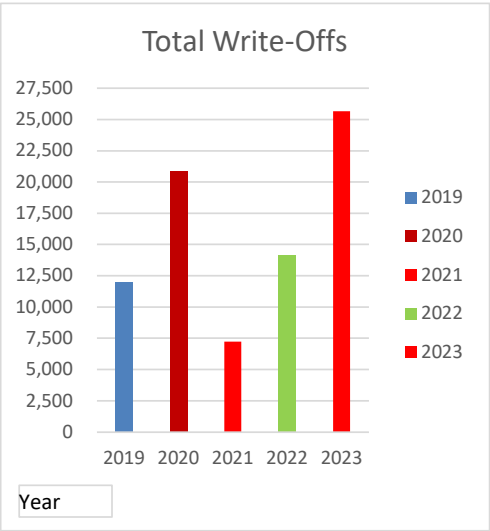
ATTACHMENTS:

- 2023 Third Quarter Delinquent Items Comparison
- 2023 Third Quarter Delinquent Items Submitted

Delinquent Items Comparisons

Year	Quarter	Assessments	Collection Agency	Revenue Recapture	Rev Recap/Coll Agen	Write-Offs	Rev Recap Pmts
2019	1	-	-	2,911.46	2,911.46	2,444.35	10,447.26
2019	2	-	85.77	8,267.42	8,353.19	3,755.56	8,258.66
2019	3	-	-	6,750.81	6,750.81	1,962.21	1,855.27
2019	4	4,743.53	-	5,708.23	5,708.23	3,833.53	1,172.73
2020	1	-	-	2,707.86	2,707.86	5,537.23	8,315.08
2020	2	-	-	5,016.46	5,016.46	7,621.65	5,203.80
2020	3	-	-	3,447.14	3,447.14	2,262.18	2,022.43
2020	4	11,324.36	-	5,668.90	5,668.90	5,464.99	1,424.25
2021	1	-	-	2,600.71	2,600.71	1,362.30	5,875.40
2021	2	-	-	3,802.55	3,802.55	1,559.69	1,841.70
2021	3	-	-	4,085.99	4,085.99	2,482.70	2,132.85
2021	4	13,572.01	-	6,532.49	6,532.49	1,819.22	2,784.22
2022	1	-	-	6,446.46	6,446.46	1,405.27	6,749.22
2022	2	-	-	7,547.92	7,547.92	2,402.70	3,648.77
2022	3	-	-	15,900.91	15,900.91	4,364.37	2,285.05
2022	4	9,042.25	-	6,796.66	6,796.66	6,008.66	167.94
2023	1	-	520.00	7,160.11	7,680.11	1,961.37	7,179.17
2023	2	-	-	5,379.18	5,379.18	22,049.08	3,449.26
2023	3	-	-	5,514.33	5,514.33	1,643.54	2,723.58





Sum of Total AR		
Agency	Provider	Total
B	1ERUE	\$4,909.86
	2ERUW	\$47.92
	3CTYS	\$101.17
	4CTYT	\$1.24
	6CTYF	\$440.76
	7CTYS	\$13.38
Grand Total		\$5,514.33

TO: ERMU Commission	FROM: Sara Youngs – Administrations Director
MEETING DATE: November 14, 2023	AGENDA ITEM NUMBER: 5.06
SUBJECT: 2023 Assessments	
ACTION REQUESTED: Approve 2023 Assessments Listing totaling \$10,994.99 to provide to City Council for assessment on property taxes.	

BACKGROUND:

Per State Statute, delinquent services can be assessed to property taxes for water, sewer, stormwater, trash, and qualifying electric and franchise fee services.

DISCUSSION:

Attached is a listing of proposed assessments for customers with outstanding balances that remain unpaid for the above noted services. The assessment total for 2023 is \$10,994.99. The City Council would need to approve the assessments and take them to the County for the actual assessment on property taxes. The City Council will receive this listing for approval at their November 20 meeting, pending our Commission's approval.

All services are aggregated together on the listing attachment to show the total per property ID. The totals per service are reflected at the bottom of the listing. For your reference, the total assessments in 2022 were \$9,042.25.

ATTACHMENTS:

- 2023 Assessments Listing

2023 Assessment Listing

<u>Service Address</u>	<u>Property ID</u>	<u>Total</u>
10034 190TH AVE NW	75-847-0425	31.44
10039 189TH AVE NW	75-869-0514	186.57
103 6TH ST NW STE B	75-448-0105	42.26
10807 184TH CT NW	75-746-0130	614.52
10825 185TH CT NW	75-746-0146	417.15
1111 4TH ST NW DOWNSTAIRS	75-408-0540	8.75
1111 4TH ST NW UPSTAIRS	75-408-0540	210.41
11121 195TH CIR NW	75-658-0125	539.20
11161 190TH AVE NW	75-522-0240	33.45
11519 197TH AVE NW	75-510-0170	31.23
12792 183RD CT NW	75-542-0125	602.36
13519 181ST LN NW	75-569-0310	136.00
18190 FRESNO ST NW	75-491-0160	191.43
18196 GARY ST NW	75-565-0704	70.23
18304 TYLER ST NW	75-647-0114	429.69
18595 SMITH ST	75-723-0432	473.52
18643 YANKTON ST	75-131-2211	621.22
18692 YANKTON ST	75-463-0150	278.55
18856 EDISON CT NW	75-869-0214	85.94
18925 CLEVELAND ST NW	75-125-4101	88.43
18971 EDISON ST NW	75-869-0102	288.35
19064 IVANHOE ST NW	75-848-0502	421.74
19101 ZEBULON ST NW	75-130-3320	53.70
19116 TROY ST NW	75-452-0120	407.92
19619 TYLER ST NW	75-126-1101	803.68
19684 TWIN LAKES RD NW	75-125-2110	47.34
20132 ULYSSES ST NW	75-486-0250	51.81
20211 AUBURN ST NW	75-508-0235	359.32
21488 QUEEN ST NW	75-694-0104	126.14
331 IRVING AVE NW - NORTH SIDE	75-405-1140	62.64
384 BALDWIN AVE NW	75-423-0160	989.46
544 AUBURN PL NW APT A	75-441-0140	219.60
548 AUBURN PL NW APT C	75-444-0140	21.57
627 IRVING AVE NW	75-412-0230	600.18
70 6 1/2 ST	75-530-0145	984.78
703 AUBURN PL NW	75-449-0120	67.07
75 5TH ST NW	75-134-4118	124.62
829 WATSON AVE	75-436-0140	161.36
9833 187TH LN NW	75-890-0245	111.36
Grand Total		\$10,994.99

Total Electric and Franchise Assessment	\$4,745.47
Total Water Assessment	\$2,058.29
Total Sewer Assessment	\$1,671.02
Total Trash Assessment	\$2,163.65
Total Stormwater Assessment	\$356.56
Grand Total	\$10,994.99

TO: ERMU Commission	FROM: Mark Hanson – General Manager
MEETING DATE: November 14, 2023	AGENDA ITEM NUMBER: 5.07
SUBJECT: Health Insurance Update	
ACTION REQUESTED: Approve the 2024 ERMU employee benefits offering including a continued employer contribution to health savings accounts.	

BACKGROUND:

Three years ago, ERMU moved to a health savings account (HSA) qualifying, high deductible health insurance plan (HDHIP). With the move to HDHIP, the Wage & Benefits Committee recommended that ERMU provide an 85% employer paid contribution to premiums and an employer funded HSA in an amount that equates to 85% of an employee's deductible. At the time of this change, it was agreed, the Commission would review the employer HSA contribution annually.

DISCUSSION:

Through the benefits renewal process, we learned our current health insurance company (Blue Cross Blue Shield) would be increasing rates by 5.5% along with increasing member deductibles. As part of our benefit broker's regular process, our group was reviewed by other top health insurance companies in the small group market. In doing so, an insurer (HealthPartners) was found with a similar plan design and a smaller increase to 2023 rates at 4.3% and no increase to member deductibles (\$2,500 for single and \$5,000 for family coverages).

Additionally, because we currently have HealthPartners for dental insurance, bundling our health insurance with them will decrease our group's family dental rates by 25%. There will be no other changes to ERMU's benefit offerings for 2024.

Staff recommends maintaining the original Wage & Benefit Committee recommendation of an employer provided HSA contribution of 85%. The contribution is \$2,125 for single coverage and \$4,250 for family coverage. The 2024 monthly premiums for medical coverage are \$114 for single, \$228 for single +1, and \$346 for family coverage.

TO: ERMU Commission	FROM: Financial Reserves & Investment Committee
MEETING DATE: November 14, 2023	AGENDA ITEM NUMBER: 5.08
SUBJECT: Financial Reserves & Investment Committee Update	
ACTION REQUESTED: None	

BACKGROUND/DISCUSSION:

The Financial Reserves & Investment Committee (FR&IC) will be meeting prior to the November commission meeting to review electric and water reserve balances, investment balances and instruments, and the auditor's recommendation regarding cash liquidity and investments. The FR&IC will provide a verbal update at the commission meeting.

TO: ERMU Commission	FROM: Tony Mauren – Governance & Communications Manager
MEETING DATE: November 14, 2023	AGENDA ITEM NUMBER: 5.09
SUBJECT: Customer Satisfaction Survey	
ACTION REQUESTED: Receive the Customer Satisfaction Survey Report – Q3 – 2023	

BACKGROUND:

Q Market Research was initially contracted to distribute two rounds of 1,000 customer satisfaction surveys in 2022, each consisting of 500 emails and 500 letters. With a goal of reaching as many residential customers as possible prior to the implementation of Advanced Metering Infrastructure, distribution was expanded to two rounds of 2,500 surveys in 2023, again evenly divided between emails and letters, and two more rounds in 2024. This is the last report of the year with Q1 having been presented in May.

DISCUSSION:

Surveys were sent on September 15 to residential customers east of Highway 169 and north of Main Street, north of Highway 10 on the west side of Elk River, and in Big Lake Township. A total of 296 responses were received for a response rate of 12.2%.

The representative for Q Market Research shared some additional notes on the results:

- 296 responses is phenomenal and shows a committed customer base.
- It was nice to see a little jump in the Net Promoter Score (NPS). Most other utilities in Minnesota are seeing drops due to rate increases and inflation.
- It seems like the biggest issue that can be addressed is your rebate program. Most utility customers at other utilities like their rebate programs, but yours find the ERMU rebates difficult to access, persnickety, and not necessarily covering enough or the right things.
- ERMU's visibility in the community is in SLOW decline.

Staff has already begun multiple initiatives to increase customer awareness of rebates. A Conservation Improvement Program communications campaign has been running throughout the year, a residential rebates slider was added to our website homepage which gets around 3,000 views a month, we will be placing a standing reminder about rebates on our quarterly newsletter (as the survey shows it's a preferred method of communication), and we will be creating a simplified flyer that lists all available rebates. Staff has received feedback from

Frontier Energy, an energy services consultant, that ERMU's rebate offerings are comparable to other utilities.

The decline in visibility in the community is an interesting result. In the last two years ERMU has participated in two Downtown Halloween Trick or Treat events, two Night to Unite events, two Day of the Dozer events, two Sherburne County Fair Parades, three EV events, and hosted an open house. We have also participated in local school events such as job shadow days, career exploration activities, and mock interviews as part of our ongoing outreach efforts. There are potential sampling reasons for this result, but we will continue to prioritize being in front of the community.

A common response to question number 2, "How likely is it that you would recommend ERMU as an electric and water utility provider?" raises the point that residents did not select ERMU for services, it is the only provider available. The representative from Q Market Research Provided the following comments to this, "We've tried it in many different variations, and we still get people making the comment. We've even said, "We know you don't have a choice of utility providers. Even so, how likely is it that you would recommend...."and we still get people focusing on the fact that they don't have a choice. The utilities we survey still want to have some version of the NPS question because it is such an established, widely used and reliable benchmark. It is used nationally. In fact, the national average NPS for public utilities is 8 (ERMU is at 44.2). It's still the best relative indicator of customer loyalty around."

FINANCIAL IMPACT:

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

ATTACHMENTS:

- Customer Satisfaction Survey Report – Q3 – 2023

Elk River Municipal Utilities Customer Satisfaction Survey Quarter 3 - 2023

Prepared for:



Quarter 3, 2023
October 2023

Prepared by:



www.qmarketresearch.com

Elk River Municipal Utilities

Customer Satisfaction Survey – Quarter 3, 2023

Background

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

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

Survey Methodology

The survey was sent to a total of 2,435 ERMU customers. Of them, 1,250 ERMU customers received a mail survey. This list of randomly selected customers was provided by ERMU. The mailed survey provided a postage-paid, return envelope addressed to Q Market Research. The survey also contained a web link and QR code to allow the respondent to complete the survey on a computer or mobile device. An email invite was also sent to 1,185 ERMU customers to complete the same survey from their computer or mobile device.

No incentives were offered for participation.

Data Collection

The Q3 2023 survey included 1,250 mailed surveys to ERMU customers and 1,250 emailed surveys to ERMU customers. Both mail and email surveys were sent on September 19, 2023, and data collection was closed on October 19, 2023. 123 mail responses were received, and 173 email responses were received. In total, 296 responses were received (mail and email), at an overall 11.8% response rate (and are statistically valid at a 95% confidence level to within +/- 5.7%). This is considered an above average response rate for this type of survey. Data collection is summarized below:

Medium	Sent	Returned	Response rate
Email	1185	173	14.6%
Mail	1250	123	9.8%
Total	2435	296	12.2%

Executive Summary

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

ERMU gets a 6.3 for overall satisfaction out of 7 by customers, largely based on high scores for reliability and ease of doing business. The lowest score among the satisfaction ratings is 5.4 for the efficiency rebate programs. Scores have remained largely consistent over two years. It's worth noting that a significant number of residents are concerned about the rebate program(s), saying the program is not well known or understood, difficult to access and qualify for, and not promoting the right things.

Key Finding 2: The Net Promoter Score in Q3 2023 for ERMU is 44.2, which is in the high "good" range, and up from Q1 2023.

ERMU's Q3 2023 NPS increased to 44.2, up from 39.0 in Q1 2023. It is solidly in the "good" range (which is a score of 0-50). NPS is a broadly recognized measure of overall customer satisfaction. Based on customer comments in this report, the Q3 2023 score was strong because customers appreciate ERMU's reliability and good customer service, and customers have a general sense that rates are fair (though some see rates as expensive). Many customers noted that ERMU was the only choice, more as a matter of fact than as a complaint. Details in the report.

Key Finding 3: ERMU gets medium-strong grades for involvement in the community, but the score is trending slightly downward.

Respondents rated ERMU 7.3 in Q3 2022 for efforts to be involved in the community, out of a 1-10 rating choice. The rating was 8.5 in Q1 2022, and it has dropped slightly each quarter.

Key Finding 4: The communications experience with ERMU is highly positive and has increased slightly in Q3 2023.

Overall, customers rated communications with ERMU through customer service staff at 8.4 out of 10, which is high, and very consistent over the past 2 years. While customer service staff are characterized as prompt and helpful by 43 written comments, 7 respondents mentioned that some staff were not friendly. Yet in another overall measure of all staff (not just customer service staff), respondents rated their satisfaction as 8.7, even higher than they rated customer service staff. The customer newsletter, followed by the ERMU website, is highly relied on by customers for information about ERMU. There was a moderate interest in adding a text chat.

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

Overall, customers rated ERMU's value for the money at 7.2 in Q3 2023. This is lower than other value ratings and represents a drop in the value rating from 7.7 in Q1 2022. It is still high on a 1 to 10 rating scale in absolute terms.

Demographics are included at the end of the report.

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

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

Detailed Findings

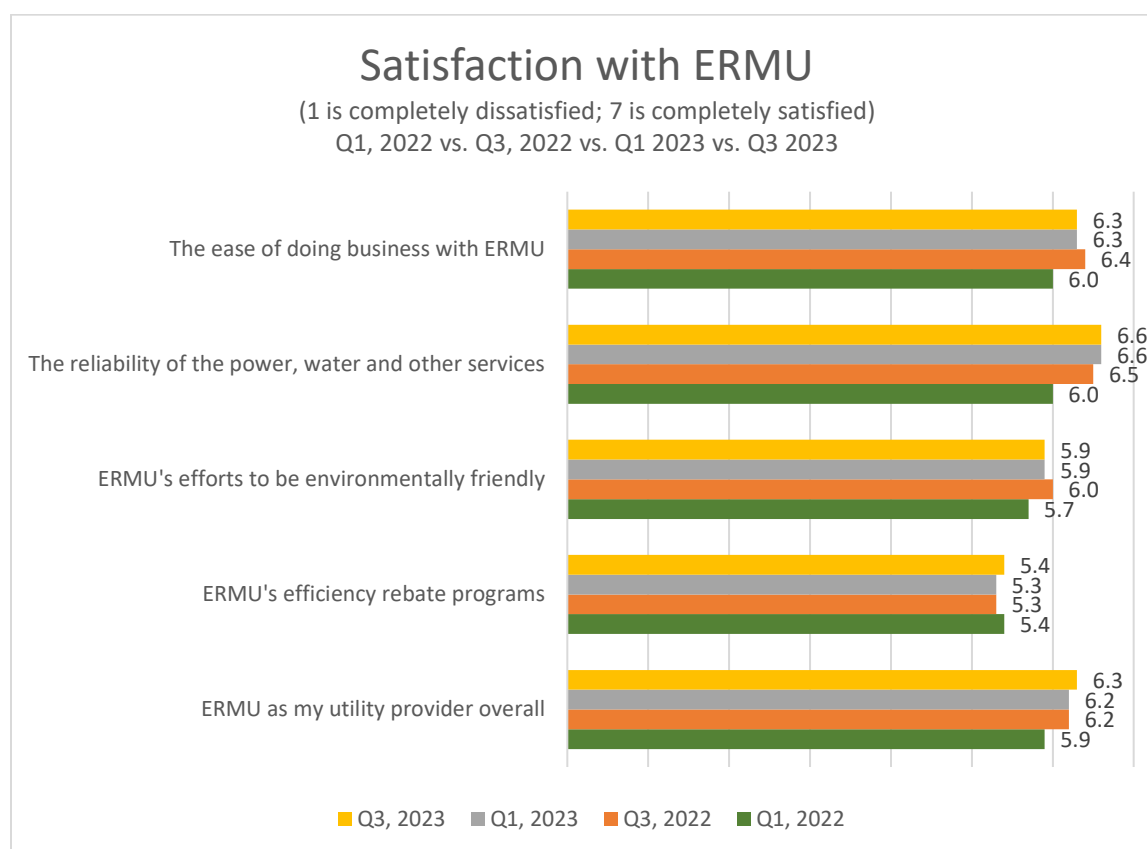
Satisfaction Indicators consistent and high

“Reliability of ERMU’s Service” (6.6), “ERMU as my utility provider overall” (6.3) and “The ease of doing business with ERMU” (6.3) were the highest scoring satisfaction measures, out of a possible 1 to 7 score, where 7 is completely satisfied. The lowest satisfaction measure was “ERMU’s efficiency rebate programs” at 5.4.

The factors measured were:

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

The graph below compares the values for Q1 2022, Q3 2022, Q1 2023 and Q3 2023. Reliability is rated highest at 6.6 out of 7. Other scores are consistent with previous quarters.



Verbatims on Overall Satisfaction/Dissatisfaction

Respondents were then asked, “Why did you give us these satisfaction ratings.” Respondents answered with both positive and negative comments. The majority of responses (97) were positive! Some Q3 2023 common responses include:

Number of Responses	Issue	Positive or Negative	Typical Response
97	Satisfied with customer service, utility services	Positive	--Generally satisfied --Patient with payments --High integrity --Friendly --Reliable --Great customer service --Fewer power outages
22	Not aware of rebate programs	Negative	--What efficiency rebate program? --Better communicate about rebate programs --Difficult to access --Requirements too strict --No AC rebates --Takes too long --Should promote solar power, door and window replacement
21	Expensive, fees too high	Negative	--Expensive --No budget plan --No financial support
14	Poor customer service	Negative	--Unfriendly --Left holes in wall when replacing meter --Hard to get the info I need
8	Trash service	Negative	--Don't like Republic and merging trash and utility services --Too infrequent recycling service --Expensive --Took away compost bin service

Other:

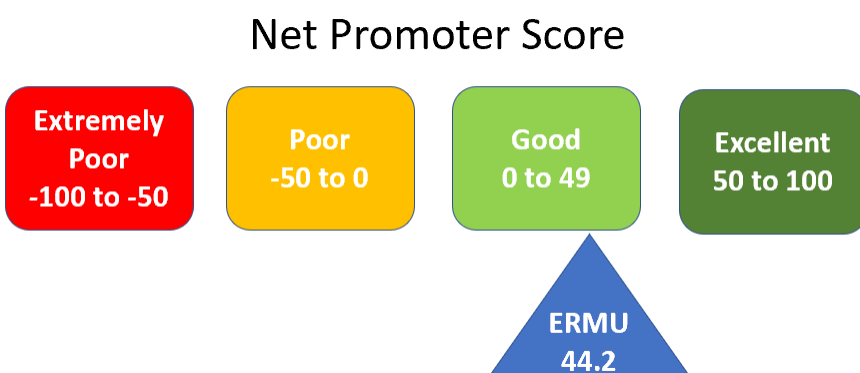
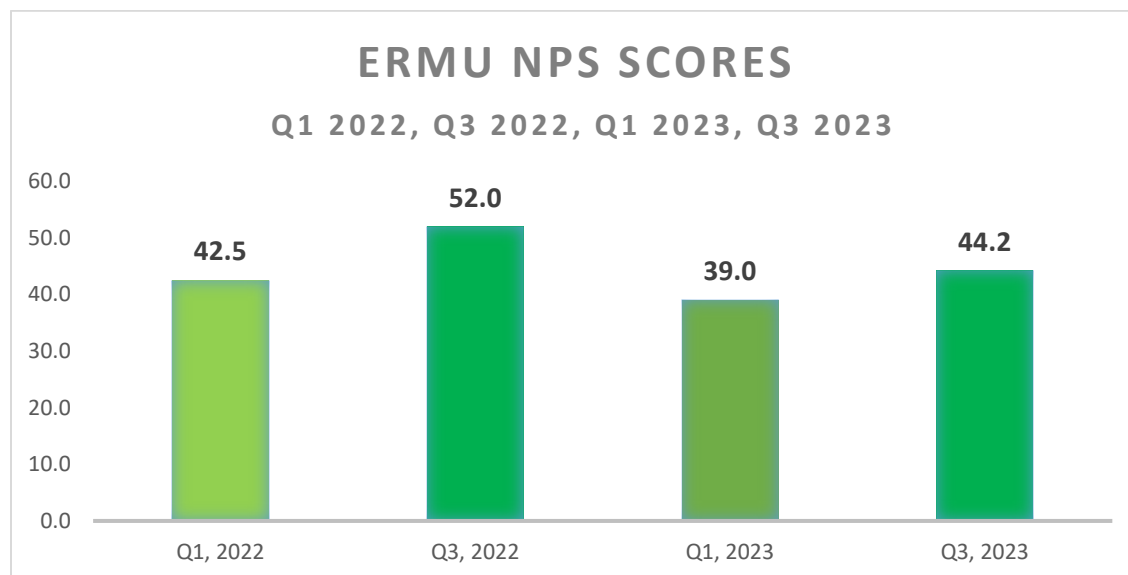
- Power outages seemed to increase (3)
- Not sure where you stand on being environmentally friendly (3)
- I like that you let me buy power from wind/solar (2)
- Be more aggressive in incenting off-hour usage (2)
- Offer home energy audits
- ERMU should look for ways to generate their own power
- Meter reading and bill don't match

All responses recorded at the end of the report.

Net Promoter Score: “High Good Range”

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

In Q3, 2023, the NPS for ERMU was 44.2, up from Q1 2023 and now in the high “good” range. The NPS for ERMU for four quarters is shown in the table below.



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

Verbatims on Why NPS Score is Given

Respondents were asked why they gave ERMU a particular NPS score (promoter or detractor). A significant 77 respondents wrote positive comments. Their full responses for Q3 2023 are at the end of the report, but common responses were:

Number of Responses	Issue	Positive or Negative	Typical Response
77	No problems, satisfied	Positive	--Like service --Rates are fair --Well managed --Easy to work with --Customer service is great
30	Only choice	Neutral	--No other choice --It's just a fact which makes this question irrelevant
12	Expensive	Negative	--High cost of rates, fees, customer charge --Taxes too high
5	Only choice	Negative	--Wish there were more options and competition

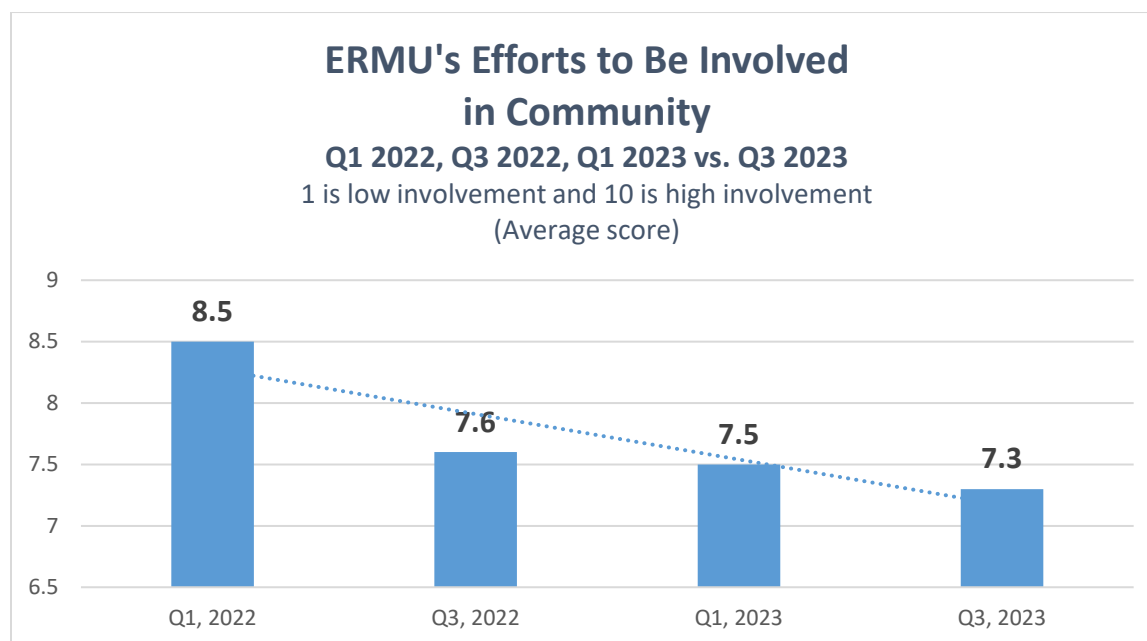
Other comments:

- Work crews are professional
- Appreciate payment flexibility on my overdue bill
- A negative customer service experience
- Water was purple for a week

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

Efforts to be involved in the community trending slightly down

Respondents to the survey were asked: “Please rate ERMU’s efforts to be involved in the community” where 1 is low involvement and 10 is high involvement. The average scores are shown in the chart below. The average score for this measure was 7.3 in Q3 2023, down slightly from 7.5 in Q1 2023. The trend has been somewhat downward since measurement began in Q1, 2022.

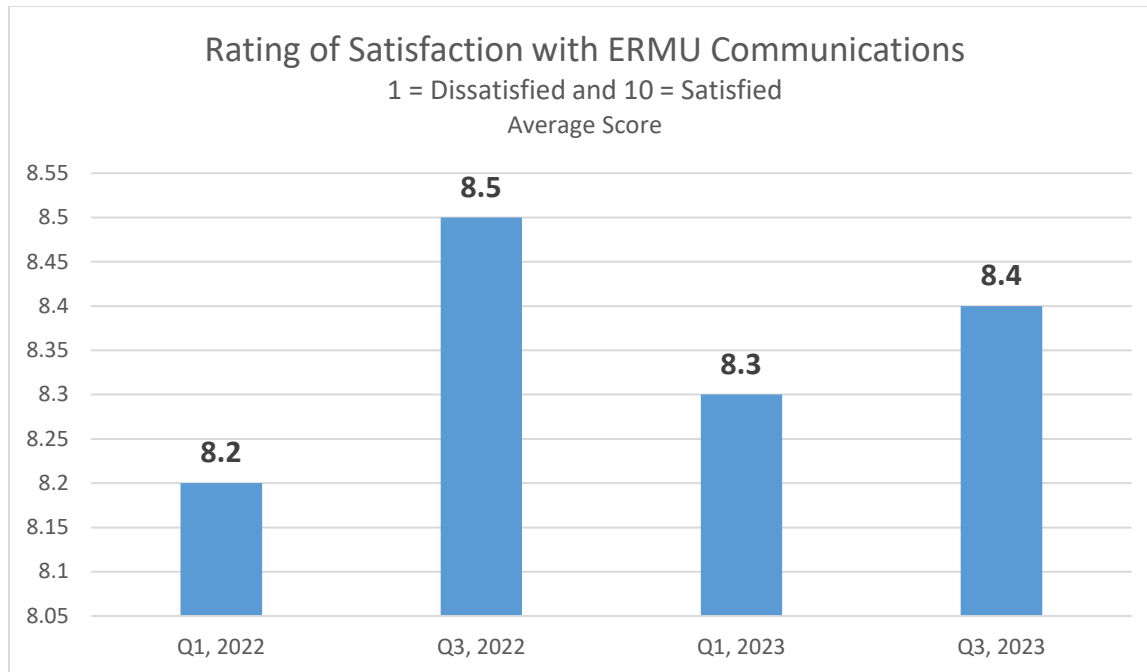


Communication Experience with ERMU Past 12 Months

The communications experience is rated very high

If customers had interacted, they were asked to rate their satisfaction with the interaction on a scale of 1 to 10, where 10 is satisfied and 1 is dissatisfied. Their responses are shown in the chart below. In Q3 2023, the average interaction score was 8.4 out of 10, up slightly from the Q1 2023 rating.

In Q3, 2023, 43 of 53 total written responses to this question (81%) say staff were helpful and positive.



Verbatims on Interaction with ERMU

Respondents were asked to describe their interaction with ERMU. About 80% of verbatim comments were positive.

Number of Responses	Issue	Positive or Negative	Typical Response
43	Staff were helpful and positive	Positive	--Helpful --Kind --Reasonable --Great communication skills --Awesome --Top notch

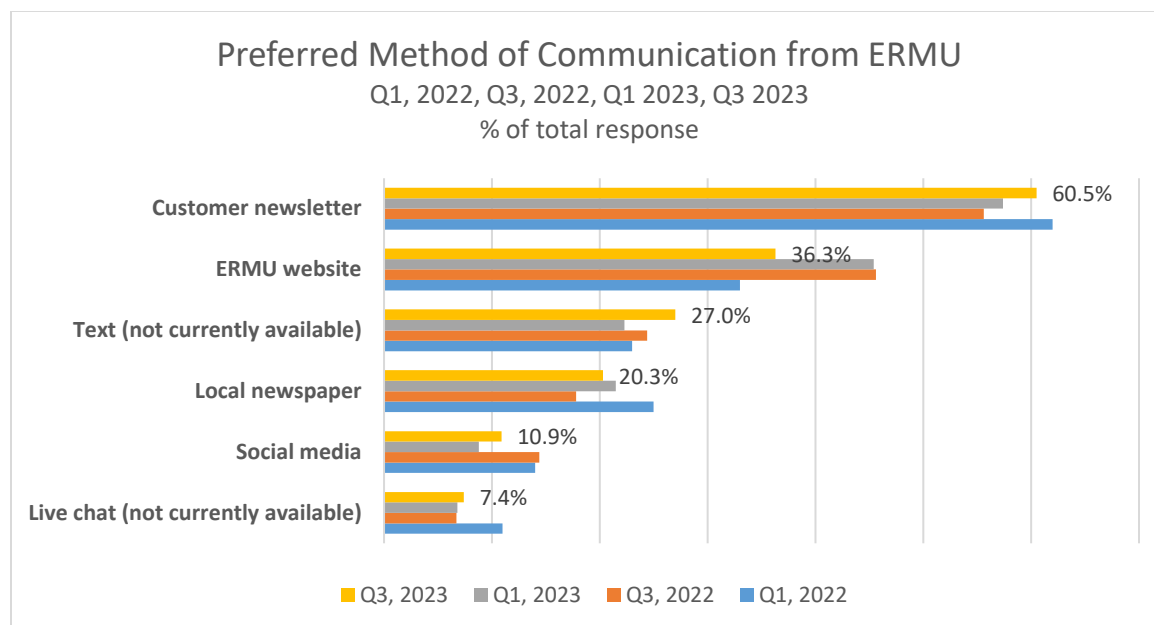
			--Quick --Liked open house
7	Poor service	Negative	--Rigid about payment --Rude --Hard to find right contact person --On hold a long time --Poor policies --Follow-up not the best --Not helpful

Other comments:

- Water and electricity are too expensive
- Please post outage info online
- Website is not intuitive

ERMU customer newsletter is the most preferred method of communication

Respondents were asked: “How would you like ERMU to communicate with you? Check your top 3.” Shown in the chart below, the customer newsletter is the most preferred way, and the ERMU website comes in second. “Text” is the third preferred way. These preferences are consistent across three surveys (although “local newspaper” has fallen in ranking this quarter).



Social media mentions Q3, 2023

Facebook, 22 mentions

Instagram, 2 mentions

Other mentions Q3, 2023:

Email, 30 mentions

Phone call if needed, 6 mentions

Mail, 2 mentions

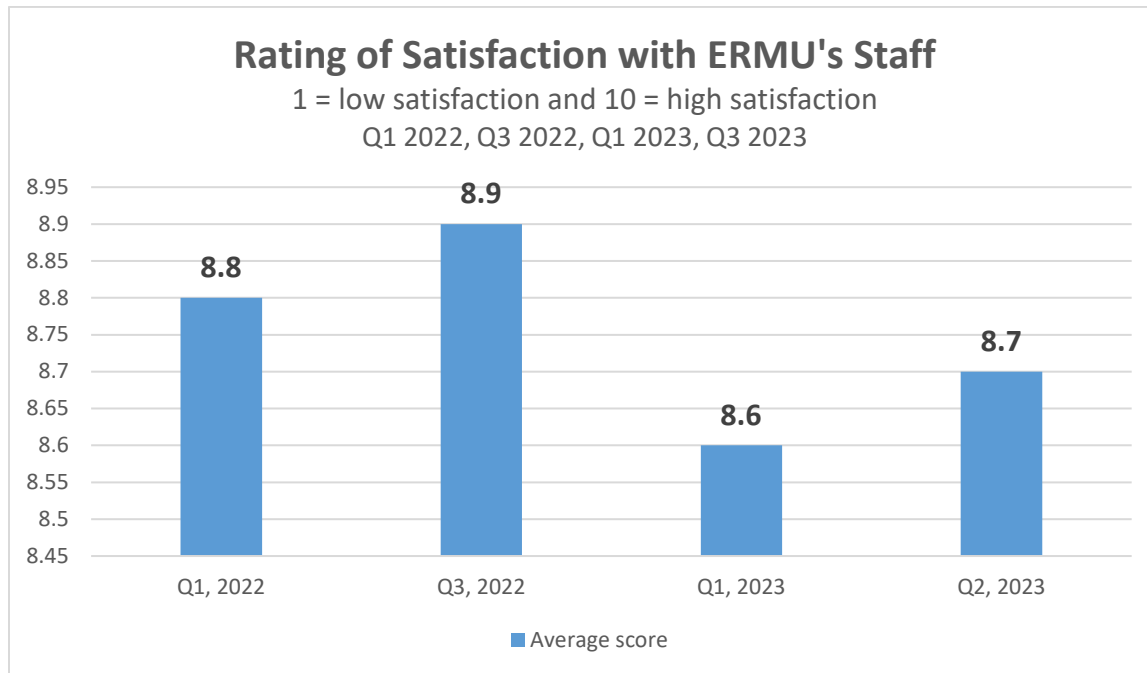
Personal letter, 1 mention

WCCO TV or radio, 1 mention

Smart Hub, 1 mention

Level of Satisfaction with ERMU Staff

Customers were asked to rate their level of satisfaction with ERMU's staff, on a scale of 1 to 10, where 10 is high satisfaction and 1 is low satisfaction. Their responses are shown in the chart below. The average staff satisfaction score in Q3 2023 was 8.7, up slightly from 8.6 in Q1 2023.



Verbatims on "Satisfaction with ERMU Staff"

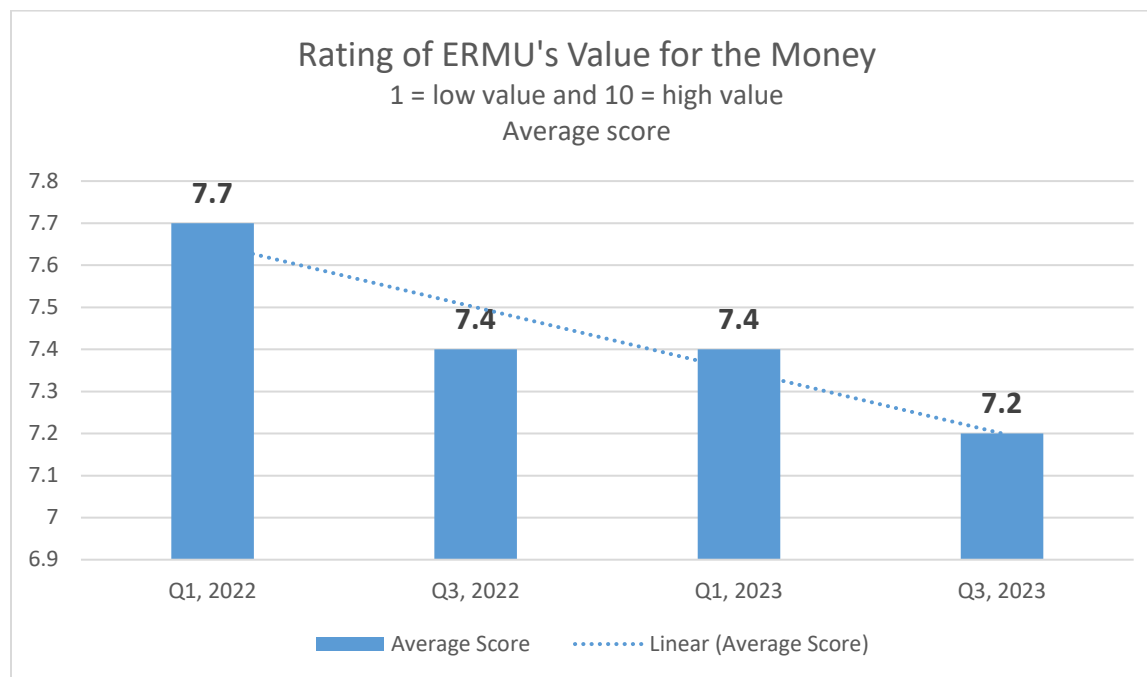
Respondents were asked why they gave this staff satisfaction rating in Q3, 2023. The vast majority of comments about staff were positive!

Number of Responses	Issue	Positive or Negative	Typical Response
27	Staff helpful	Positive	--Kind --Non-judgmental --Responsive --Professional --Nice --Sincere --Friendly --Helpful --Competent

3	Dissatisfied with interaction	Negative	--I see field workers sitting idly --The app billed me twice and the office staff couldn't do anything about it
---	-------------------------------	----------	--

Rating of ERMU's Value for the Money moderately high

Customers were asked to rate ERMU's value for the money on a scale of 1 to 10, where 10 is high value and 1 is low value. Their responses are shown in the chart below. The average score for Q3 2023 was 7.2, down slightly from 7.4 in Q1 2023, but still moderately high. The satisfaction trend for value is, however, decreasing.



Verbatims on “Value for the Money”

Respondents were asked why they gave this rating around value for the money. Responses were mixed. While many said rates were too high, a significant number of respondents said they honestly didn't know how to evaluate the cost or thought rates were reasonable.

Number of Responses	Issue	Positive or Negative	Typical Response
18	Rates too high	Negative	--Prices high --Expensive --Spending too much on buildings
10	Not sure how to assess value	Neutral	--Not sure what constitutes good value --Can't compare --It's not a competitive service
9	Rates are reasonable	Positive	--Seems competitive --Reasonable --Great value

			--They try to control costs --Fair --Excellent service for the price
--	--	--	--

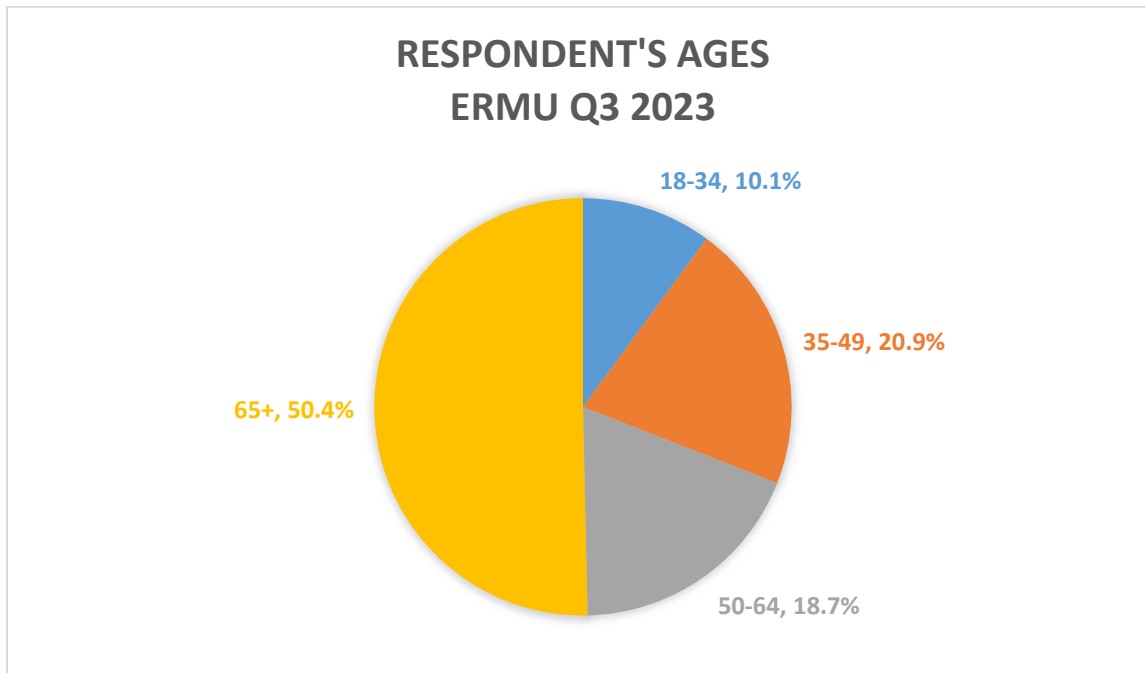
Other responses:

- 2 said water prices are too high
- 2 said they don't have a say in who provides utilities, so it's a moot point
- 1 said ERMU cares about the town, not like a corporation
- 1 said outages rare
- 1 said to give us a dividend check like a cooperative
- 1 said the off-peak EV charges are fantastic


Demographics

Age: High participation across age groups, with largest participation ages 65+

The chart below breaks down the percentages of respondents to the survey by age in Q3 2023. The high response rate of customers ages 50 and older is typical for utility respondents, with lower responses among younger customers.




ERMU Q3 2023 Actual Survey



We want to hear from you!

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

You can also complete this survey online! Go to <http://surveys.qmarketresearch.com/s3/ERMUq323> or scan this QR code with your smartphone:



Please return this survey by Thursday, October 19, in the postage paid envelope.

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

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

Why did you give these ratings?

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

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

Why did you give this rating?

Please see other side!

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

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

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

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

☐ Yes ☐ No

If yes, how satisfied were you with the interaction?

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

Why did you give this rating? _____

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

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

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

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

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

Why did you give this rating? _____

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

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

Why did you give this rating? _____

8. Please tell us a little about yourself:

Age: ☐ 18-34 ☐ 35-49 ☐ 50-64 ☐ 65+

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

Yes: ☐ No: ☐

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

First Name _____
 Last Name _____
 Email Address _____

Phone Number - -

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

END OF Q3 2023 REPORT

TO: ERMU Commission	FROM: Mark Hanson - General Manager
MEETING DATE: November 14, 2023	AGENDA ITEM NUMBER: 5.10
SUBJECT: Wage & Benefits Committee Proposed 2024 Adjustments	
ACTION REQUESTED: Approve the proposed 2024 Wage and Benefits Adjustments, effective January 1, 2024.	

BACKGROUND:

At the October commission meeting, staff reviewed the proposed 2024 Wage and Benefits adjustments. The discussions regarding each of the requests were presented as agenda item 5.3, Wage and Benefits Committee Update. A consolidated list of proposed adjustments for commission approval was provided as agenda item 5.4, Proposed 2024 Benefits Adjustments.

DISCUSSION:

At the October commission meeting, the Commission decided to postpone voting on the proposed adjustments until additional data was collected on the time off benefits for utilities used in the metro seven average. Staff has consolidated the requested information below:

	Vacation	Sick	PTO	Holidays	Floating Holidays	Personal Days	Total
1	10	12	0	12	0	0	34
2	0	0	18	11	2	0	31
3	10	10	0	11	2	0	33
4	10	12	0	11	2	0	35
5	0	0	15-20	8	2	0	25-30
6	10	10	0	9	1	0	30
7	0	0	23	9	0	4	36
ERMU	12	12	0	12	0	1	37

Similarly, commissioners discussed the City of Elk River's current vacation benefits. During the meeting, it was stated the city currently provides 12 days of vacation for new employees. It has since been confirmed the city has updated their vacation policy and now provides 15 days of vacation to new employees.

The list of proposed adjustments from the October agenda item 5.4, Proposed 2024 Benefits Adjustments is provided on the next page for commission review and approval.

2024 Proposed Benefit Adjustments
(as provided in the October 10, 2023, report for agenda item 5.4)

- 1) **2024 Wage Adjustment.** The committee proposes a 4.0% wage adjustment for 2024, regardless of the metro average, effective January 1, 2024.
- 2) **Bereavement Leave Policy.** The committee proposes updating the bereavement policy with the more inclusive language regarding familial relationships and adding a one-day tier for other family (aunts, uncles, and cousins) as presented below:

Category	Relationship	Days
Immediate and Close Family	Spouse, domestic partner, child (including stepchild, foster-child, or other child for whom the employee serves as primary guardian), parent (including stepparent, foster-parent or other individual who served the role of an employee's parental figure), grandparent (including step-grandparent), and grandchild (including step-grandchild), in-laws (parent, grandparent, and sibling), nieces, and nephews.	3
Other Family	Aunts, uncles, cousins	1

- 3) **Nightwork and Rest Time Policy.** The committee proposes the following adjustments to the nightwork and rest time policy:
 - a) Provide a two-hour minimum rest time for nightwork (10:00 p.m. to 6:00 a.m.).
 - b) Provide eight hours of rest time for employees working four or more hours of nightwork for work completed between the hours of 12:00 a.m. to 6:00 a.m.
- 4) **Vacation Accrual Schedule.** The committee proposes the following adjustments to the accrual rates for employees with 0-12 years of tenure (shown in light grey below):

2023		Proposed 2024	
0-4 yrs.	12 days	0-4 yrs.	15 days
5 yrs.	13 days	5-9 yrs.	16 days
6-9 yrs.	15 days	10-11 yrs.	17 days
10 yrs.	16 days	12-13 yrs.	19 days
11 yrs.	17 days	14-15 yrs.	20 days
12 yrs.	18 days	16-18 yrs.	22 days
13 yrs.	19 days	19 yrs.	25 days
14-15 yrs.	20 days	20-21 yrs.	26 days
16-18 yrs.	22 days	22-23 yrs.	27 days
19 yrs.	25 days	24+ yrs.	28 days
20-21 yrs.	26 days		
22-23 yrs.	27 days		
24+ yrs.	28 days		

TO: ERMU Commission	FROM: Mark Hanson – General Manager
MEETING DATE: November 14, 2023	AGENDA ITEM NUMBER: 5.11
SUBJECT: PFAS Litigation Settlement	
ACTION REQUESTED: Motion to Direct Staff to Remain in Class and File Claim Forms Motion to Engage Legal Counsel and Approve Retainer Agreement	

BACKGROUND:

ERMU has received notice of a class action settlement of various claims against chemical companies for the proliferation of Perfluoroalkyl and polyfluoroalkyl substances (PFAS) in public water systems. This settlement arises out of multi-party, multi-district litigation venued in South Carolina. The Settling Defendants have agreed to pay \$1,185,000,000.00, subject to final settlement approval of the Court.

If an eligible water system (such as ERMU) does not opt out by the deadlines (Dec. 4, 2023, for DuPont; Dec. 11, 2023, for 3M), it will automatically be included in the settlements and will be precluded from bringing its own lawsuit against DuPont or 3M for PFAS damages.

DISCUSSION:

Eligible water systems with detected PFAS in at least one source and that do not opt out will have to submit a claims form to receive their share of the settlement fund. For entities that did not opt out of the settlement, they will have only 60 days after final approval of the settlement to submit their claims form otherwise they will not receive payment if they are a phase one eligible claimant (utilities that have detected PFAS before the settlement date). There are also phase two eligible claimants which are public water systems that have not detected PFAS before the settlement date but are either required to test drinking water for PFAS contamination pursuant to Unregulated Contaminant Monitoring Rule 5 or by serving more than 3,300 people according to the Safe Drinking Water Information System.

An eligible entity that opts out of the class settlement will not be eligible to receive any payment from this settlement. However, a system that opts out will not be precluded from bringing a lawsuit against DuPont or 3M for damages caused by PFAS contamination. Parties that do not wish to be a Settlement Class Member, and do not want to participate in the Settlement, may opt out by completing and mailing a notice of intention to opt-out.

Under the timelines, eligible water systems will not be able to see how much money they are entitled to under the class settlement until after deciding whether to participate. Eligible water systems who have already detected PFAS in at least one source, and who don't opt out of the settlements, must submit a claims form containing data about their PFAS impacts after final approval. These forms will be processed by a claims administrator who will ultimately determine each participating system's share of the settlement fund. The claims administrator has begun operating a website at the following URL: <https://www.pfaswatersettlement.com/>.

ERMU is a phase one eligible claimant. In November 2021, the Minnesota Department of Health (MDH) tested each of our eight wells for PFAS (see attached results report). Well Four was the only well with a detectable amount of a PFAS contaminant, 0.0014 ug/L of PFBA, far below the listed MDH guidance value of 7.0 ug/L. Per the MDH report, a person drinking water at or below the guidance value would have little or no risk for health effects.

Additionally, there are multiple defendants and types of claims in the multi-district litigation. Lockridge Grindel Nauen (LGN) is serving as local counsel in this litigation and would be able to file claims on behalf of ERMU to protect its interests relating to future settlements. Staff recommends engaging LGN on behalf of ERMU on a 25% contingency fee basis.

FINANCIAL IMPACT:

None. Since the retainer is set up on a contingency fee basis, Lockridge Grindel Nauen is only paid if a settlement is received.

ATTACHMENTS:

- PFAS Sampling Report
- LGN Litigation Retainer Agreement

memo

DATE: 8/21/23
TO: Elk River
FROM: Steve Robertson
Supervisor, Source Water Protection Unit
SUBJECT: Statewide Perfluoroalkyl Substances (PFAS) Monitoring Project

Below please find your system's sampling results for the Statewide PFAS Monitoring Project. Sampling was conducted on 11/14/21.

Sampling results

PFAS contaminant detected	Maximum concentration (µg/L) ¹	MDH health value (µg/L)
PFBA	0.0014	7

All sampling results were below the available health-based guidance values for PFAS. A person drinking water at or below the guidance value would have little or no risk for health effects.

Next Steps

Since PFAS sampling is not required by the EPA, you are not required to include these results in your consumer confidence report (CCR). However, MDH recommends that you include them in your next CCR and can provide resources to help you give context about what these results mean.

About the project

Minnesota Department of Health (MDH) has been studying the potential health impacts of PFAS in groundwater in Minnesota since 2002. This project is part of a larger effort at MDH to sample all community water systems (CWSs) for PFAS. MDH aims to cover 90% of CWS customers under its PFAS monitoring program by 2025. The project has been made possible through funding from the Clean Water Fund and U.S. Environmental Protection Agency. Sampling results from all systems that participated in the study will be included in an interactive mapping application on the MDH website. MDH will also be providing these results to the Minnesota Pollution Control Agency to make them aware of the contamination.

¹ One microgram per liter is the same as one part per billion (ppb).

PFAS RESULTS MEMO

- For more information about the PFAS monitoring in Minnesota, please visit [PFAS Testing of Public Water Systems](https://www.health.state.mn.us/communities/environment/water/pfas.html) (<https://www.health.state.mn.us/communities/environment/water/pfas.html>).
- For more information about Phase I of this project, see the infosheet [Statewide PFAS Monitoring Project \(PDF\)](https://www.health.state.mn.us/communities/environment/water/docs/statewidepfas.pdf) (<https://www.health.state.mn.us/communities/environment/water/docs/statewidepfas.pdf>).

If you have any questions about the results, please contact Jane de Lambert, the Project Manager, at (651)201-4692.

cc: Jenny Soltys, MDH District Engineer
Attachment

Minnesota Department of Health
PO Box 64975
St. Paul, MN 55164-0975
651-201-4700
health.drinkingwater@state.mn.us
www.health.state.mn.us

8/21/23

To obtain this information in a different format, call: 651-201-4700.

RETAINER AGREEMENT

Elk River Municipal Utilities ("Client") retains the Law Firms of Lockridge Grindal Nauen P.L.L.P. and Napoli Shkolnik (collectively "Law Firms"), as our attorneys to prosecute any legal claim for negligence (or other viable causes of action) against any and all parties individuals and/or corporations that are found to be liable under the law for injuries and/or property damages suffered by us and/or our members arising out of the contamination of water supplies by per- and polyfluoroalkyl substances (PFAS) and other hazardous water contaminants. We specifically agree as follows:

1. FEE PERCENTAGE: Client and Law Firms agree that the Law Firms shall be paid Twenty-Five Percent (25%) of the sum recovered, whether by suit, settlement or otherwise. Client will not be liable to pay the Law Firms if there is not any form of recovery.

2. DISBURSEMENTS: In the event there is no recovery, the Client shall not be obligated to pay the Law Firms any fees for services rendered, including disbursements. Disbursements may include some of the following expenses: court filing fees, sheriff fees, medical and hospital report/record fees, doctor's report, court stenographer fees, deposition costs, expert fees for expert depositions and court appearances, trial exhibits, computer on-line search fees, express mail, postage, photocopy charges, document management charges, long distance telephone charges among other charges. Document management charges are the fees charged by the law firm for processing documents during litigation, such as medical records, documents produced by defendant(s) and/or other parties, etc. Processing of the documents may include but is not limited to the following: (1) scanning; (2) conversion of native files to PDF documents; (3) OCR (optical code recognition); and/or (4) indexing. At the time of settlement and distribution of proceeds, these expenses shall be deducted from the Client's share after computation of the Attorney's Fee.

3. COMPUTATION OF FEES. The contingency fee shall be computed on the gross recovery, resulting in a net settlement (or judgment), from which all appropriate disbursements in connection with the institution and prosecution of this claim is deducted, as set forth in paragraph 2 above. Examples of how a contingency fee is computed are as follows:

Gross settlement	\$100.00
25% Attorney's Fee	<u>\$ 25.00</u>
Net settlement	\$ 75.00
Disbursements	- <u>\$ 10.00</u>
Net to Client	\$ 65.00

4. WITHDRAWAL: The Law Firms expressly reserve the right to withdraw their representation at any time upon reasonable notification to the Client. In the event that the Client advise the Law Firms to discontinue the handling of this claim, or if the Client fail to cooperate with the Law Firms in the handling of this claim, Client agree to compensate the Law Firms a reasonable amount for their services, and for the time spent on this claim on an hourly basis or under such other arrangement that may be agreed upon by the parties. The Client understand that the Law Firms have conditionally accepted this case based upon independent confirmation of all facts and injuries claimed to have been sustained by Client. In the event that the Client desire to transfer the file from this office, the Client shall be responsible to compensate the Law Firms for the reasonable value of their services. Such transfer shall not include documents or attorney work product regarding the general liability of the defendants.

5. APPEALS: The above contingency fee does not contemplate any appeal. The Law Firms are under no duty to perfect or prosecute such appeal until a satisfactory fee arrangement is made in writing regarding costs and counsel fees.

6. STATUTE OF LIMITATIONS: We understand that any lawsuit must be commenced within a certain limited time period, (that may vary, depending upon the defendant) starting from the "discovery of the injury" or of "the date when through the exercise of reasonable diligence such injury should have been discovered... whichever is earlier". We further understand that the Statute of Limitations period for any case must be investigated, and that this Agreement is made subject to that investigation as well as an investigation of the entire case.

8. RESULTS NOT GUARANTEED: No attorney can accurately predict the outcome of any legal matter, accordingly, no representations are made, either expressly or impliedly, as to the final outcome of this matter. We further understand that we must immediately report any changes in address and telephone number to the Law Firms.

9. APPROVAL NECESSARY FOR SETTLEMENT: Client controls the decision whether to settle any lawsuit filed pursuant to Agreement. Attorneys, however, are hereby granted a power of attorney so that they may have full authority to prepare, sign and file all legal instruments, pleadings, drafts, authorizations, and papers as shall be reasonably necessary to conclude this representation, including settlement and/or reducing to possession any and all monies or other things of value due to the Client under the claim as fully as the Client could do so in person. Attorneys are also authorized and empowered to act as Client' negotiator in any and all negotiations concerning the subject of this Agreement.

10. ASSOCIATION OF OTHER ATTORNEYS: The Law Firms may, at their own expense, use or associate other attorneys in the representation of the aforesaid claims of the Client, but such association does not alter the computation of fees in section 3 above.

Client understands that Law Firms employ numerous attorneys that may work on Client' case.

11. ASSOCIATE COUNSEL: The Law Firms may participate in the division of fees in this case and assume joint responsibility for the representation of the Client either in the event that the Attorney retains associate counsel or that the Client later choose new counsel, provided that the total fee to the Client does not increase as a result of the division of fees and that the attorneys involved have agreed to the division of fees and assumption of joint responsibility. The Client will be advised of such joint responsibility and full disclosure will be made to Client regarding the division of fees so that the consent of the Client can be obtained.

12. MINNESOTA LAW TO APPLY: This Agreement shall be considered construed under and in accordance with the laws of the State of Minnesota and the rights, duties, and obligations of Client and of Attorneys regarding Attorney's representation of Client and regarding anything covered by this Agreement shall be governed by the laws of the State of Minnesota.

13. ARBITRATION: Any and all disputes, controversies, claims or demands arising out of or relating to (1) this Agreement or (2) any provision hereof or (3) the providing of services by the Law Firms to Client or (4) the relationship between the Law Firms and Client, whether in contract, tort or otherwise, at law or in equity, for damages or any other relief, shall be resolved by binding arbitration pursuant to the Federal Arbitration Act in accordance with the Commercial Arbitration Rules then in effect with the American Arbitration Association. Any such arbitration proceeding shall be conducted in Sherburne County, Minnesota. This arbitration provision shall be enforceable in either federal or state court in Sherburne County, Minnesota pursuant to the substantive federal laws established by the Federal Arbitration Act. Any party to any award rendered in such arbitration proceeding may seek a judgment upon the award and that judgment may be entered by any Court in Sherburne County, Minnesota having jurisdiction.

14. PARTIES BOUND: This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representative, successors, and assigns. Client or the Law Firms can execute this document electronically, by indicating "I agree" (or similar language) via electronic mail after receiving the Agreement via electronic mail. By indicating "I agree" (or similar language) Client will be bound by the terms of the Agreement and is executing the document electronically via Client' electronic signature, indicated as "/s/" in the signature field and elects the Law Firms advance disbursements.

15. LEGAL CONSTRUCTION: In case any one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other

provisions thereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

16. PRIOR AGREEMENTS SUPERSEDED: This Agreement constitutes the sole and only Agreement of the parties hereto and supersedes any prior understandings or written or oral agreement between the parties respecting the within subject matter.

We certify and acknowledge that we have had the opportunity to read this Agreement and have answered any questions pertaining thereto. We further state that we have voluntarily entered into this Agreement fully aware of the terms and conditions.

SIGNED AND ACCEPTED ON THIS ____ day of _____, 20____

**THIS CONTRACT IS SUBJECT TO ARBITRATION
UNDER THE FEDERAL ARBITRATION ACT AND
THE MINNESOTA GENERAL ARBITRATION STATUTE**

ELK RIVER MUNICIPAL UTILITIES

**LOCKRIDGE GRINDAL NAUEN
P.L.L.P.**

By:_____

Printed Name

David J. Zoll

Email Address:_____

NAPOLI SHKOLNIK

Title:_____

Address: _____

Printed Name of Attorney

Phone:_____

TO: ERMU Commission	FROM: Mark Hanson – General Manager
MEETING DATE: November 14, 2023	AGENDA ITEM NUMBER: 6.01a
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- HR Generalist Megan Zachman and I have met with and received proposals from two compensation study consultants: DDA Human Resources, Inc. and Gallagher Human Resources and Compensation Consulting. We are working with a third consultant, Baker Tilly Management Consulting, to set up a meeting. We anticipate requesting approval at the December commission meeting to proceed with the firm representing the best overall value.
- On Monday, October 30, ERMU management staff attended the City’s quarterly manager meeting. The main agenda item was a recast of a presentation by Lindsey Pollak at the International City Manager Association’s Annual Conference called *The Remix – how to lead and succeed in the multigenerational workplace*. It was an excellent presentation and all in attendance found it valuable and thought provoking.
- Commissioner Stewart and I attended the October 2023 Board of Directors meeting of our power supplier, Minnesota Municipal Power Agency (MMPA). The public summary of the meeting is below:
 - The Board of Directors of the Minnesota Municipal Power Agency (MMPA) met on October 24, 2023, at Chaska City Hall in Chaska, Minnesota and via videoconference.
 - The Board reviewed the Agency’s financial and operating performance for September 2023.
 - Customer penetration for the residential Clean Energy Choice program increased to 5.1%. There was an increase of 54 customers participating in the residential Clean Energy Choice program from August to September.
 - The Board discussed the current business environment.
 - The Board discussed the status of renewable projects the Agency is pursuing.

TO: ERMU Commission	FROM: Sara Youngs – Administrations Director
MEETING DATE: November 14, 2023	AGENDA ITEM NUMBER: 6.01b
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- Office walk-in traffic for October consisted of 149 customers, averaging 38 customers per week over the 4-week period.
- ERMU red tag notification count for October under the Cold Weather Rule.
 - Cycle 3 – 22
 - Cycle 4 – 9
 - Cycle 1 – 8
- Our credit & collections specialist ran the processes to separate the assessable amounts from all applicable accounts. Our accounting department then prepared the final spreadsheets with those amounts for presentation in the commission packet and to be sent to the city. This process really is a collaborative effort every year.
- Minnesota Department of Revenue approved two additional metro county area sales and use tax rates that went into effect on October 1, 2023. Counties impacted: Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.
- The administrations director and general manager continued discussions with Frontier Energy regarding Frontier’s proposal for their professional services to maximize ERMU’s conservation efforts in reaching the required kWh energy savings mandated by the State of Minnesota.
- Administrations director will be attending the American Public Power Association’s Customer Connection Conference in San Antonio, November 12-15, 2023.
- Currently there are five active residential solar photovoltaic projects planned or under construction in the ERMU service territory.
- The downtown Elk River trick or treat event was a spooktacular success despite the frigid weather.
- In the last 30 days, combined the level two charger located downtown and in the parking lot in front of ERMU had 33 sessions and provided customers with 514 kWh of green energy.
- The ChargePoint EV charger that was no longer operable located at Coborn’s (19425 Evans Street) was removed and restoration of the site was completed on November 2.

TO: ERMU Commission	FROM: Melissa Karpinski – Finance Manager
MEETING DATE: November 14, 2023	AGENDA ITEM NUMBER: 6.01c
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- Continued efforts compiling 2024 budget information.
- The Investment and Reserve Committee is having its annual meeting before the November Commission meeting.
- Online/paperless benefit enrollment through iVUE Connect Financials will go live for 2024 open enrollment. Accounting and HR have been busy getting the system ready and tested prior to our open enrollment meetings.
- Completed arbitrage compliance information request for the 2018A bonds.
- The auditors from Abdo will be performing preliminary audit work on December 7. Typically, preliminary audit work involves inventory observations, accounts payable testing, and review of the year's meeting minutes. The 2023 audit field work is scheduled for February 22-23. The audit will be completed utilizing either a hybrid method or a fully remote method.

TO: ERMU Commission	FROM: Tony Mauren – Governance & Communications Manager
MEETING DATE: November 14, 2023	AGENDA ITEM NUMBER: 6.01d
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- There are two bill inserts being sent in November. The first going to all accounts is the Customer Privacy Notice which is required to be sent out annually and explains how we collect and protect personal information. All customers will also receive the flyer announcing the Advanced Metering Infrastructure (AMI) project. The one-third page flyer is intended to make customers aware of the project and direct them to [an informational article on our website](#). This will be the central source for all customers to learn details and track the progress of the work.
- In addition to highlighting the bill inserts, social media posts this month feature a variety of topics including staff's participation in the [Day of the Dozers](#) event, the Downtown Elk River Trick or Treat event, a Kid's Guide to Saving Energy, reducing phantom energy load, Daylight Saving Time, and the benefits of low-flow showerheads. There are also announcements for the commission meeting, hydrant flushing, and the Veterans Day closure.
- The governance & communications manager and legal staff attended American Public Power Association's Legal & Regulatory Conference, October 15-18, in Seattle, WA. This highly informative conference provided sessions on parliamentary procedure, crisis communications, First Amendment rights within social media, establishing reasonable rates, environmental justice, federal government action, employment law, customer privacy, and ethics. Staff would like to express their appreciation for the Commission making this beneficial training opportunity possible.
- The Communications & Administrative Coordinator will be attending the American Public Power Association's Customer Connection Conference in San Antonio, November 12-15, 2023.

- ERMU staff had a fantastic time at the Downtown Elk River Trick or Treat event on Friday, October 27! Estimates based on the candy and prizes we gave away suggest we saw approximately 1,500 kids, most being accompanied by their families. City and Downtown Elk River Business Association staff did a great job putting on the event.



ATTACHMENTS:

- Bill Insert – Customer Privacy Notice
- Bill Insert – AMI Announcement Flyer

In order to provide you service, we need to collect and use certain data on our customers. Under state law, data on our customers is generally classified as private data. The legal terminology when the data subject is not an individual person is "nonpublic", but the effect is the same: The data is accessible to the subject of the data but not the general public. The law also requires us to tell you the purpose and intended use of the data we request, whether you may refuse or are legally required to provide the requested data, the consequences of providing or refusing to provide the data, and the identity of other persons or entities that are authorized to access that data. Please read this notice carefully to understand what we do.

FACTS	WHAT DOES ELK RIVER MUNICIPAL UTILITIES DO WITH YOUR PERSONAL INFORMATION?
Why?	All utilities need to obtain and share customers' personal information to run their business. We collect this data to properly identify you and the services you receive, to bill you for those services, collect payments, and report to state and federal authorities. If you do not provide the information, we will be unable to provide you with the requested services. We will share the information you provide only as necessary to provide the services, to obtain payment, and to report to other governmental authorities as required.
What?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: <ul style="list-style-type: none"> • Social Security number and income • Account balances and payment history • Credit history and credit scores • Financial banking information and/or credit card information
How?	When you are no longer our customer, we continue to retain and share your information as described in this notice. In the section below we list the reasons Elk River Municipal Utilities chooses to obtain and share, and whether you can limit this sharing.

Reasons we can share your personal information	Does Elk River Municipal Utilities share?	Can you limit this sharing?
For our everyday business purposes - such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes - to offer our products and services to you	Yes	No
For joint marketing with other financial companies	No	No
For our affiliates' everyday business purposes - information about your transactions and experiences	No	No
For our affiliates' everyday business purposes - information about your credit worthiness	No	No
For our affiliates to market to you	No	No
For our nonaffiliates to market to you	No	No

Who we are

Who is providing this notice?

Elk River Municipal Utilities

What we do

How does Elk River Municipal Utilities protect my personal information?

To protect your personal information from unauthorized access and use, we use security measures that comply with federal and state law. These measures include computer safeguards and secured files and buildings.

How does Elk River Municipal Utilities collect my personal information?

We collect your personal information, for example, when you:

- Open a utility account
- Pay your bill

We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.

Why can't I limit all sharing?

Federal law gives you the right to limit only:

- Sharing for affiliates' everyday business purposes — information about your creditworthiness
- Affiliates from using your information to market to you
- Sharing for nonaffiliates to market to you

State laws and individual companies may give you additional rights to limit sharing.

Definitions

Affiliates

Companies related by common ownership or control. They can be financial and nonfinancial companies.

Nonaffiliates

Companies not related by common ownership or control. They can be financial and nonfinancial companies.

Joint marketing

A formal agreement between nonaffiliated financial companies that together market financial products or services to you.

- Elk River Municipal Utilities does not have joint marketing arrangements

Other important information

Elk River Municipal Utilities is already very limited on what data can be shared due to Government Data Practices Law.



Am I ready...

- ▶ **To have immediate access** to my near real-time electric and water usage data?
- ▶ **To have more control** over my utility usage based on AMI's near real-time data?
- ▶ **To save money** by reacting to my AMI data and adjusting my electric and water usage based on AMI's near real-time data?
- ▶ **To be informed** with prompt communication in the event of a disruption of electric or water service?

AMI Introduction

Elk River Municipal Utilities (ERMU) is about to begin a new era of service. The Advanced Metering Infrastructure (AMI) project will involve installing new electric and water meters throughout our entire service territory. The new equipment will allow us to provide improved service, operational efficiencies, and better billing information.

AMI Installation

ERMU will begin installing the new smart meters in spring of 2024. Due to the unique features of each type of installation, they will be installed by neighborhood with the assistance of a third party vendor. An installation map can be viewed using the QR code or by visiting ERMUMN.COM.

AMI Communications

With communication as one of our core values, ERMU will provide customers with timely updates primarily through our website, social media, and newsletters. Additionally, our customer service representatives are available to assist you with any questions you may have during regular business hours (8:00 a.m. - 4:30 p.m.) at 763.441.2020.

**SCAN HERE TO
LEARN MORE**



TO: ERMU Commission	FROM: Thomas Geiser – Operations Director
MEETING DATE: November 14, 2023	AGENDA ITEM NUMBER: 6.01e
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- Staff have been attending meetings with Sherburne County to plan for the County Road 44 project.
- Staff is working through maps for the new GIS mapping system that we plan to move forward with in the future.
- Working on the 2024 Budget.
- Staff assisted the City of Elk River Streets Department by hanging the no overnight parking signs onto ERMU streetlights along Main Street.
- We were denied the first round of the Grid Resilience and Innovation Partnerships Regional Grant Topic 3 (Innovative Regional Grid). They encourage all that were denied to resubmit next round. The timing of that is unknown currently.
- Bucket Truck 4 from Altec has been delivered to Shakopee. We are waiting for a few adjustments before we take ownership.
- Staff participated in the Downtown Trick or Treat event on Friday, October 27.
- Another fuse pad had an internal fault. We are working with Irby Electric on a solution.
- Temporary Lineworker Jack Gebhardt has been hired as a full time first year apprentice as of Tuesday, October 31. This will fill the vacancy created a year ago.

TO: ERMU Commission	FROM: Chris Sumstad – Electric Superintendent
MEETING DATE: November 14, 2023	AGENDA ITEM NUMBER: 6.01f
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- Installed 20 new residential services, which involves the connection of a secondary line once the customer requests service.
- Installed new three phase services at Waterfront Retail and Starbucks, both located in Otsego.
- Line crews assisted the substation technician with maintenance work that was completed this past month at Station 14 substation. Work included switching out Bank 3 to other sources, replacing three reclosers, testing four others, as well as switch maintenance and relay work.
- Our work for the County Road 44 project is nearing completion with some overhead sections being removed this week along Meadowvale Road from Highway 10 to County Road 1. We moved or replaced underground in other areas and rerouted a feeder line to run along Vernon Avenue, between Highway 10 and Meadowvale Road.
- Work is wrapping up on the underground primary replacement job on Rawlins Street, Pascal Drive, and 201st Avenue in northwest Elk River. The new wire replaces 40+ year old open concentric cable that was susceptible to faults.
- Scott Thoreson attended Minnesota Municipal Utilities Association's (MMUA) Tree Trimming Workshop in Brainerd, Oct. 17-19.
- Joe Schmidt was here on October 25 and 26 and held training for all staff on fire safety.
- We had a fuse pad fail on October 26 in Otsego, leaving 36 customers without power for approximately 50 minutes.
- A contractor dug into our three phase underground primary at the new Plants & Things site.
- Jay Reading from MMUA was here for a Job Training & Safety session on November 2. He spoke on small cell antennas and radio frequency radiation.
- Jack Gebhardt started as an Apprentice Lineworker on October 31. Previously he was in our temporary lineworker position. Welcome Jack!

TO: ERMU Commission	FROM: Mike Tietz –Technical Services Superintendent
MEETING DATE: November 14, 2023	AGENDA ITEM NUMBER: 6.01g
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- In October, the locators processed 464 locate tickets. These consisted of 364 normal tickets, 2 emergency tickets, 59 updated tickets, 23 cancellations, 13 meets, 2 non-excavation and 1 boundary survey. This resulted in a 14.4% decrease in tickets from the previous month and is a 7.9% increase from the prior October.
- Electrical technicians completed 197 service order tasks, updated the power bill, addressed customer meter issues and any off-peak concerns.
- The Advanced Metering Infrastructure (AMI) residential water meters and residential electric meters have been starting to get installed in new services and where we may have had an existing meter failure. We are working with our consultant, Rick Schmidt, on evaluating the AMI Endpoint Installation proposals that were opened on November 6. We are still anticipating a start date of March 2024 for mass deployment of meters.
- For the month of October, staff did not run generators. Engine #4 is still waiting on plugs that are on backorder.
- Staff completed the scheduled recloser tank replacements for Feeder 95 and also replaced Feeder 96 and 93 reclosers after testing was performed due to issues that were found. Load tap changer and relay testing and maintenance at our Station 14 substation was completed. We are still working on getting fiber communications completed to this substation before freeze-up this year.
- Our yearly oil samples of substation equipment, line regulators, and oil filled switchgear have been completed. Test results came back with only Station 14, Bank #3's transformer showing an elevated amount of ethylene gas which we will need to monitor closely. This will help us identify any issues before they become a problem.

TO: ERMU Commission	FROM: Dave Ninow – Water Superintendent
MEETING DATE: November 14, 2023	AGENDA ITEM NUMBER: 6.01h
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

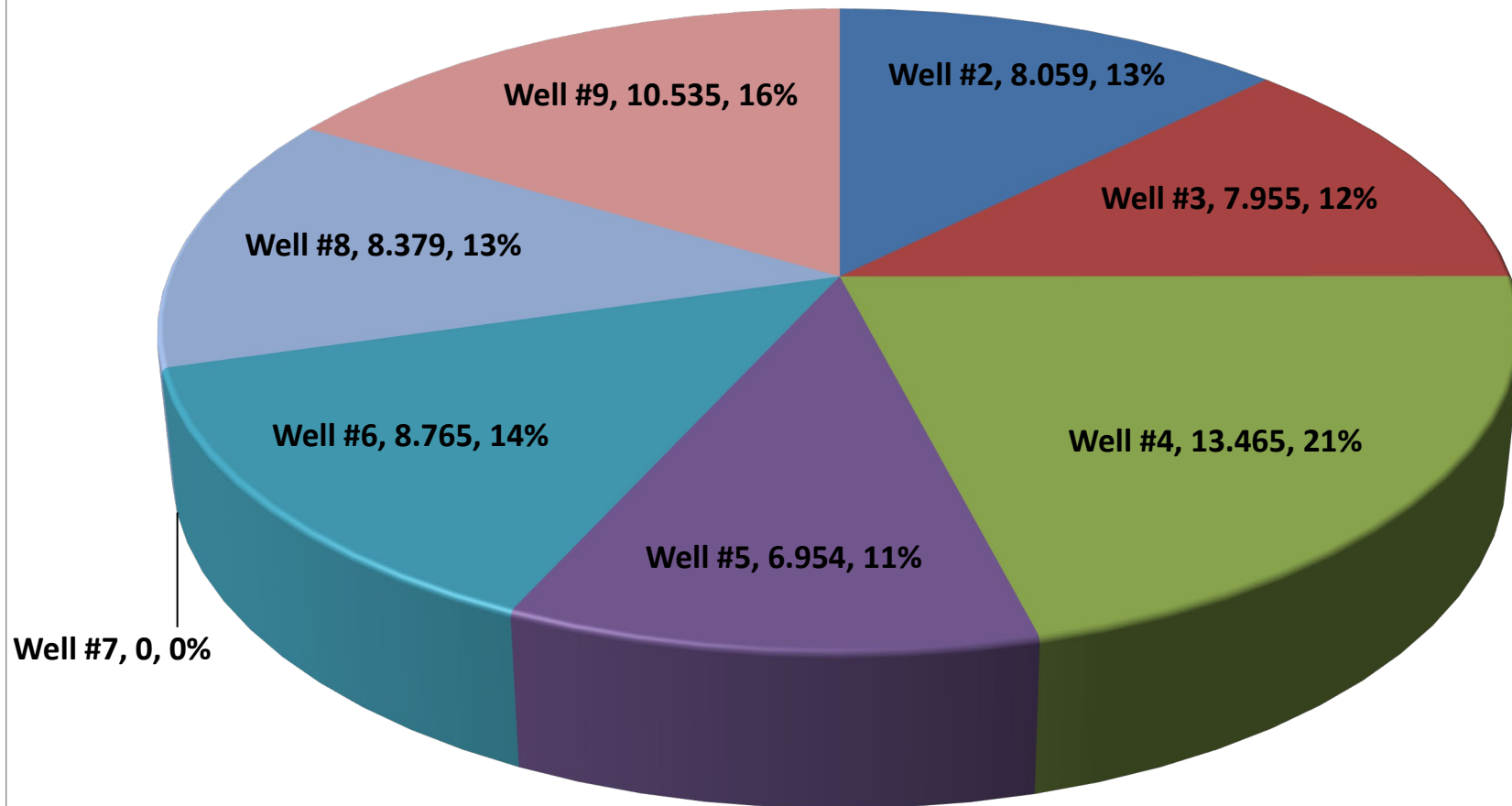
- Delivered 8 new water meters, installed a Smart Point module, and took curb stop ties.
- Completed 15 BACTI/Total Chlorine Residual Samples
 - All confirmed negative for Coliform Bacteria.
 - Bacteriological/Disinfectant Residual Monthly Report submitted to the MDH
- Completed 22 routine fluoride samples
 - All samples met MDH standards
 - Submitted MDH Fluoride Report
- The water department completed the annual inspection of the Lake Orono Dam on October 4. The dam seems to be in satisfactory condition.
- The Minnesota Department of Health (MDH) has notified us that we have passed the next threshold for bacteriological monitoring. Now that our water system serves more than 17,201 people our sampling rate will be increased from 15 to 20 bacteriological samples per month starting in 2024.
- Water department staff worked with City staff and the contractor installing the Rolling Hills neighborhood sewer force main to find a difficult to locate sixteen-inch water main pipe stub in the roundabout at County Road 40 and County Road 13. After much time and effort, we were able to locate the pipe and the contractor was able to directionally drill the force main past the water main pipe without incident.
- The drop pipe, check valve, pump, and motor have been removed from Well 4 for routine maintenance and inspection.
- AT&T has expressed interest in leasing space on the Freeport Street Water Tower for telecommunication equipment. Currently Verizon Wireless and T-Mobile (formerly Sprint) lease space on our towers but this would be the first for AT&T. We are working on drafting a tower attachment lease agreement for this potential site build.
- The replacement of the water main pipe in the School View neighborhood has been completed as well as the nine water services that homeowners elected to have replaced with the project by paying through assessment.

- We have drained the Auburn Street Water Tower for the winter. Throughout previous winters the tower was subject to ice buildup on top of the water, which is extremely damaging to the structure and paint. This will be the last time we will need to drain the tower for winter as we have identified in the 2024 budget to have a submersible tank mixer installed to keep the water moving, preventing freezing and improving water quality.

ATTACHMENTS:

- October 2023 Pumping by Well

October 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: November 14, 2023	AGENDA ITEM NUMBER: 6.01i
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- The City of Elk River has awarded the contract for the expansion of the fiber loop to the northeast area of Elk River, the low bidder was below the project estimate. This is planned to be a joint project between City of Elk River, ISD 728, and ERMU. We are expecting the majority of the work to be done in 2024.
- We are expecting review drawings for the Otsego substation transformer in January of 2024. This is currently scheduled for delivery in May of 2026.
- We are beginning the planning and design of the future East substation, which will be needed to support development in the southeast portion of our service territory.
- We continue to assist with Advanced Metering Infrastructure system planning and setup as the first meters are installed.

<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