

AGENDA

1.0 GOVERNANCE

- 1.1 Call Meeting to Order
- 1.2 Pledge of Allegiance
- 1.3 Consider the Agenda

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

- 2.1 Check Register – November 2023
- 2.2 Regular Meeting Minutes – November 14, 2023
- 2.3 Designate 2024 Official Depository and Delegate Authority for Electronic Funds Transfer
- 2.4 Designate 2024 Official Newspaper
- 2.5 2024 Utilities Meeting Schedule
- 2.6 Frontier Energy, Inc. Professional Services Agreement

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

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

- 4.1 Commission Policy Review – G.2a3 – Repairs to Private Water Utility Line – MOU
- 4.2 2024 Governance Agenda
- 4.3 2024 Performance Metrics and Incentive Compensation Policy
- 4.4 Competitive Rates Analysis
- 4.5 Energy Management Programs

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

- 5.1 Financial Report – October 2023
- 5.2 2024 Annual Business Plan – Budget and Schedule of Rates & Fees
- 5.3 Compensation Study Update
- 5.4 Earned Sick and Safe Time Policy

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

- 6.1 Staff Updates
- 6.2 City Council Update
- 6.3 Future Planning (Announce the next regular meeting, special meeting, or planned quorum.)
 - a. Regular Commission Meeting – January 9, 2024
 - b. 2024 Governance Agenda
- 6.4 Other Business (Items added during agenda approval.)

7.0 ADJOURN REGULAR MEETING

CHECK REGISTER

November 2023

APPROVED BY:

Paul Bell

John Dietz

Mary Stewart

Matt Westgaard

Nick Zerwas

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Payroll/Labor

Check Register Totals

11/09/2023 To 11/09/2023

<u>Pays</u>	<u>Job</u>	<u>Amount</u>	<u>Hours</u>
Gross Pay			
2	Reg Hourly	110,730.09	2,689.00
20	Reg Salary	41,030.41	653.00
3	Overtime	969.59	15.00
4	Double Time	711.66	6.50
5	On-Call/Stand-by	2,715.16	56.00
24	FLSA	25.94	0.00
25	Rest Time	81.38	1.50
10	Bonus Pay	272.85	5.00
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	9,335.79	196.50
SICK	Sick Pay	3,686.24	84.50
HOL	Holiday Pay	0.00	0.00
78	Retro Earnings	0.00	0.00
5-2	On-Call/Stand-by/OT	231.66	3.25
18A	Commissioner Reimb. - Water	150.00	0.00
10-3	Bonus Pay Overtime	0.00	0.00
104A	Commission Stipend - Water	15.00	0.00
VAC	Vacation Pay - Manager	0.00	0.00
PVT	Purchased Vacation Time	0.00	0.00
PTOY	Personal Day - Year	446.72	8.00
3C	Overtime-Comp Time	738.87	9.75
4C	Double Time-Comp Time	210.68	2.00
CM3C	Overtime-Comp Time Adjusted	-738.87	-9.75
CM4C	Double Time-Comp Time Adjusted	-210.68	-2.00
COMP	Comp Time Taken	1,988.92	43.00
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>173,051.41</u>	<u>3,761.25</u>
Total Pays:		173,051.41	3,761.25

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Payroll/Labor

Check Register Totals

11/24/2023 To 11/24/2023

<u>Pays</u>	<u>Job</u>	<u>Amount</u>	<u>Hours</u>
Gross Pay			
2	Reg Hourly	99,080.43	2,406.25
20	Reg Salary	39,051.88	622.00
3	Overtime	396.10	5.50
4	Double Time	134.92	2.00
5	On-Call/Stand-by	2,700.60	56.00
24	FLSA	22.99	0.00
25	Rest Time	0.00	0.00
10	Bonus Pay	1,473.39	27.00
105	Perf. Metr. Distr.	0.00	0.00
VAC	Vacation Pay	7,457.17	152.00
SICK	Sick Pay	2,224.98	58.00
HOL	Holiday Pay	16,810.72	368.00
78	Retro Earnings	159.84	0.00
5-2	On-Call/Stand-by/OT	209.40	2.50
10-3	Bonus Pay Overtime	0.00	0.00
VAC	Vacation Pay - Manager	0.00	0.00
PVT	Purchased Vacation Time	0.00	0.00
PTOY	Personal Day - Year	0.00	0.00
3C	Overtime-Comp Time	73.43	1.00
4C	Double Time-Comp Time	0.00	0.00
CM3C	Overtime-Comp Time Adjusted	-73.43	-1.00
CM4C	Double Time-Comp Time Adjusted	0.00	0.00
COMP	Comp Time Taken	1,929.75	41.00
106	Longevity Pay	0.00	0.00
MIL	Military Pay - Calendar Year	0.00	0.00
10W	Bonus Pay	382.90	10.00
103W	Bonus Pay Overtime	0.00	0.00
	Gross Pay Total:	<u>172,035.07</u>	<u>3,750.25</u>
	Total Pays:	172,035.07	3,750.25

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Accounts Payable Check Register

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11/01/2023 To 11/30/2023

Bank Account: 1 - GENERAL FUND

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
2357 11/6/23	WIRE	5655	FIRST DATA	CC FEES - OCT 2023	1,834.90
				CC FEES - OCT 2023	458.72
				CC FEES - OCT 2023	517.93
				CC FEES - OCT 2023	129.48
				CC FEES - OCT 2023	983.10
				CC FEES - OCT 2023	245.78
				CC FEES - OCT 2023	48.19
				CC FEES - OCT 2023	12.05
				CC FEES - OCT 2023	658.07
				CC FEES - OCT 2023	164.52
				CC FEES - OCT 2023	6,029.86
				CC FEES - OCT 2023	1,507.47
Total for Check/Tran - 2357:					12,590.07
4146 11/6/23	MP	5631	AMERICAN EXPRESS	ACH FEES - OCT 2023	173.28
				ACH FEES - OCT 2023	43.32
Total for Check/Tran - 4146:					216.60
Total for Bank Account - 1 :					(2) 12,806.67

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
4142 11/1/23	WIRE	152	IRS - USA TAX PMT (ELECTRONIC)	PAYROLL TAXES - FEDERAL & FICA	13,622.31
				PAYROLL TAXES - FEDERAL & FICA	20,692.10
				PAYROLL TAXES - FEDERAL & FICA	2,025.18
				PAYROLL TAXES - FEDERAL & FICA	3,742.36
Total for Check/Tran - 4142:					40,081.95
4144 11/2/23	WIRE	154	MINNESOTA REVENUE (ELECTRONIC)	PAYROLL TAXES - STATE	6,199.71
				PAYROLL TAXES - STATE	1,046.86
Total for Check/Tran - 4144:					7,246.57
4147 11/7/23	WIRE	166	ONLINE UTILITY EXCHANGE (ELECTR	UTILITY EXCHANGE REPORT - OCT 2023	363.12
				UTILITY EXCHANGE REPORT - OCT 2023	90.78
Total for Check/Tran - 4147:					453.90
4148 11/9/23	WIRE	153	PERA (ELECTRONIC)	PERA EMPLOYEE CONTRIBUTION	9,483.84
				PERA CONTRIBUTIONS	10,942.86
				PERA EMPLOYEE CONTRIBUTION	1,710.88
				PERA CONTRIBUTIONS	1,974.09
Total for Check/Tran - 4148:					24,111.67
4149 11/9/23	WIRE	285	JOHN HANCOCK	W&A EMPLOYER CONTRIBUTION	363.14
				W&A MANAGER CONTRIBUTION	450.43
				WENZEL EMPLOYEE CONTRIBUTIONS	1,472.49
				WENZEL MANAGER CONTRIBUTIONS	233.06
				DEF COMP ROTH CONTRIBUTIONS W&A	922.26
				WENZEL EE ROTH MGR CONTRIBUTIONS	217.37
				W&A EMPLOYER CONTRIBUTION	145.47
				W&A MANAGER CONTRIBUTION	34.55
				WENZEL EMPLOYEE CONTRIBUTIONS	35.46
				WENZEL MANAGER CONTRIBUTIONS	11.84
				DEF COMP ROTH CONTRIBUTIONS W&A	205.56
				WENZEL EE ROTH MGR CONTRIBUTIONS	22.71
Total for Check/Tran - 4149:					4,114.34

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
4151 11/10/23	WIRE	160	HCSP (ELECTRONIC)	HCSP EMPLOYEE CONTRIBUTIONS	1,947.49
				HCSP EMPLOYEE CONTRIBUTIONS	259.15
Total for Check/Tran - 4151:					2,206.64
4152 11/10/23	WIRE	161	MNDP (ELECTRONIC)	MNDP EE MANAGER CONTRIBUTIONS	279.03
				MNDP EMPLOYEE CONTRIBUTIONS	3,639.48
				MNDP EMPLOYER CONTRIBUTION	1,191.88
				MNDP EMPLOYER MGR CONTRIBUTION	466.77
				MNDP EE ROTH CONTRIBUTIONS	968.50
				MNDP EE ROTH MGR CONTRIBUTIONS	187.74
				MNDP EE MANAGER CONTRIBUTIONS	40.01
				MNDP EMPLOYEE CONTRIBUTIONS	257.00
				MNDP EMPLOYER CONTRIBUTION	354.54
				MNDP EMPLOYER MGR CONTRIBUTION	64.83
				MNDP EE ROTH CONTRIBUTIONS	384.44
				MNDP EE ROTH MGR CONTRIBUTIONS	24.82
Total for Check/Tran - 4152:					7,859.04
4153 11/10/23	WIRE	598	MINNESOTA CHILD SUPPORT PAYMEN	CHILD SUPPORT/LEVY	562.52
4154 11/10/23	WIRE	7463	FURTHER	HSA EMPLOYEE CONTRIBUTION	2,256.43
				HSA EMPLOYEE CONTRIBUTION	327.74
Total for Check/Tran - 4154:					2,584.17
4155 11/15/23	WIRE	7463	FURTHER	FSA CLAIM REIMBURSEMENTS - 168	360.00
4156 11/15/23	WIRE	152	IRS - USA TAX PMT (ELECTRONIC)	PAYROLL TAXES - FEDERAL & FICA	13,937.31
				PAYROLL TAXES - FEDERAL & FICA	21,127.72
				PAYROLL TAXES - FEDERAL & FICA	2,150.98
				PAYROLL TAXES - FEDERAL & FICA	3,809.70
Total for Check/Tran - 4156:					41,025.71
4157 11/16/23	WIRE	154	MINNESOTA REVENUE (ELECTRONIC)	PAYROLL TAXES - STATE	6,346.10
				PAYROLL TAXES - STATE	1,087.35

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
Total for Check/Tran - 4157:					7,433.45
4159 11/14/23	WIRE	9654	CARDMEMBER SERVICE	FIRST NATIONAL BANK VISA	8,054.06
				FIRST NATIONAL BANK VISA	4,582.45
Total for Check/Tran - 4159:					12,636.51
4160 11/21/23	WIRE	7463	FURTHER	ADMINISTRATIVE FEE INVOICE - Nov 2023	127.20
				ADMINISTRATIVE FEE INVOICE - Nov 2023	25.30
Total for Check/Tran - 4160:					152.50
4161 11/21/23	WIRE	174	MINNESOTA REVENUE SALES TX (ELE	SALES AND USE TAX - OCT 2023	199,427.64
				SALES AND USE TAX - OCT 2023	-1.25
				SALES AND USE TAX - OCT 2023	8,784.61
Total for Check/Tran - 4161:					208,211.00
4163 11/22/23	WIRE	7463	FURTHER	FSA CLAIM REIMBURSEMENTS - 164	461.57
				FSA CLAIM REIMBURSEMENTS - 164	115.39
Total for Check/Tran - 4163:					576.96
4164 11/24/23	WIRE	153	PERA (ELECTRONIC)	PERA EMPLOYEE CONTRIBUTION	9,501.53
				PERA CONTRIBUTIONS	10,963.29
				PERA EMPLOYEE CONTRIBUTION	1,680.76
				PERA CONTRIBUTIONS	1,939.34
Total for Check/Tran - 4164:					24,084.92
4165 11/27/23	WIRE	160	HCSP (ELECTRONIC)	HCSP EMPLOYEE CONTRIBUTIONS	1,953.94
				HCSP EMPLOYEE CONTRIBUTIONS	254.57
Total for Check/Tran - 4165:					2,208.51
4166 11/27/23	WIRE	161	MNDCP (ELECTRONIC)	MNDCP EE MANAGER CONTRIBUTIONS	279.03
				MNDCP EMPLOYEE CONTRIBUTIONS	3,541.98
				MNDCP EMPLOYER CONTRIBUTION	1,171.99
				MNDCP EMPLOYER MGR CONTRIBUTION	466.78
				MNDCP EE ROTH CONTRIBUTIONS	968.51
				MNDCP EE ROTH MGR CONTRIBUTIONS	187.75

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11/01/2023 To 11/30/2023

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				MNDP EE MANAGER CONTRIBUTIONS	40.01
				MNDP EMPLOYEE CONTRIBUTIONS	256.50
				MNDP EMPLOYER CONTRIBUTION	374.43
				MNDP EMPLOYER MGR CONTRIBUTION	64.82
				MNDP EE ROTH CONTRIBUTIONS	384.43
				MNDP EE ROTH MGR CONTRIBUTIONS	24.81
				Total for Check/Tran - 4166:	7,761.04
4167 11/27/23	WIRE	285	JOHN HANCOCK	W&A EMPLOYER CONTRIBUTION	1,030.34
				W&A MANAGER CONTRIBUTION	452.54
				WENZEL EMPLOYEE CONTRIBUTIONS	2,139.67
				WENZEL MANAGER CONTRIBUTIONS	233.06
				DEF COMP ROTH CONTRIBUTIONS W&A	925.80
				WENZEL EE ROTH MGR CONTRIBUTIONS	219.48
				W&A EMPLOYER CONTRIBUTION	311.61
				W&A MANAGER CONTRIBUTION	35.08
				WENZEL EMPLOYEE CONTRIBUTIONS	201.62
				WENZEL MANAGER CONTRIBUTIONS	11.84
				DEF COMP ROTH CONTRIBUTIONS W&A	206.25
				WENZEL EE ROTH MGR CONTRIBUTIONS	23.24
				Total for Check/Tran - 4167:	5,790.53
4168 11/27/23	WIRE	7463	FURTHER	HSA EMPLOYEE CONTRIBUTION	2,152.95
				HSA EMPLOYEE CONTRIBUTION	331.22
				Total for Check/Tran - 4168:	2,484.17
4169 11/28/23	WIRE	598	MINNESOTA CHILD SUPPORT PAYMEN	CHILD SUPPORT/LEVY	562.52
4170 11/29/23	WIRE	152	IRS - USA TAX PMT (ELECTRONIC)	PAYROLL TAXES - FEDERAL & FICA	13,934.85
				PAYROLL TAXES - FEDERAL & FICA	20,509.04
				PAYROLL TAXES - FEDERAL & FICA	2,034.43
				PAYROLL TAXES - FEDERAL & FICA	3,551.58
				Total for Check/Tran - 4170:	40,029.90

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
4171 11/29/23	WIRE	7463	FURTHER	FSA CLAIM REIMBURSEMENTS - 136	1,500.00
4172 11/30/23	WIRE	154	MINNESOTA REVENUE (ELECTRONIC)	PAYROLL TAXES - STATE	6,317.07
				PAYROLL TAXES - STATE	1,039.78
Total for Check/Tran - 4172:					7,356.85
18874 11/2/23	DD	211	JENNY S BIORN	WELLNESS INCENTIVES	40.00
				WELLNESS INCENTIVES	10.00
Total for Check/Tran - 18874:					50.00
18926 11/9/23	DD	665	MICHAEL ATWOOD	BACKFLOW SCHOOL - 191	220.09
18927 11/17/23	DD	4984	ANGELA HAUGE	Wellness Expenses	264.00
				Wellness Expenses	66.00
Total for Check/Tran - 18927:					330.00
18974 11/30/23	DD	609	SARA YOUNGS	CUSTOMER CONNECT CONF MILEAGE - 181	57.64
				CUSTOMER CONNECT CONF MILEAGE - 181	14.41
Total for Check/Tran - 18974:					72.05
86695 11/2/23	CHK	11	CITY OF ELK RIVER	FRANCHISE FEE CREDIT - SEPT 2023	-675.00
				2023 QTR 3 FRANCHISE FEE	240,869.42
				AR ADJ FOR WRITE-OFF	-218.97
				AUGUST METERED FRANCHISE FEE	675.00
				BANKO REVERSE	8.63
				JULY METERED FRANCHISE FEE	675.00
				SEPT METERED FRANCHISE FEE	675.00
Total for Check/Tran - 86695:					242,009.08
86696 11/2/23	CHK	9997	STEPHANIE ABRAMS	INACTIVE REFUND	82.88
86697 11/2/23	CHK	1	AMERICAN PUBLIC POWER ASSOCIATI	2024 MEMBERSHIP DUES	17,963.60
				2024 DEED RENEWAL	3,592.72
Total for Check/Tran - 86697:					21,556.32
86698 11/2/23	CHK	4531	AT & T MOBILITY	CELL PHONES & iPad BILLING	29.18

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				CELL PHONES & iPad BILLING	11.52
				CELL PHONES & iPad BILLING	2,538.41
				CELL PHONES & iPad BILLING	12.50
				CELL PHONES & iPad BILLING	564.07
				Total for Check/Tran - 86698:	3,155.68
86699 11/2/23	CHK	9997	NICHOLLE BEHL	INACTIVE REFUND	75.40
86700 11/2/23	CHK	9997	JUDITH BERGE	INACTIVE REFUND	539.33
86701 11/2/23	CHK	654	BULLFROG IND	SWITCH GEAR CABINET PAINTING	1,800.00
86702 11/2/23	CHK	549	CHARTER COMMUNICATIONS	OFFICE TELEPHONE	173.23
				OFFICE TELEPHONE	43.31
				Total for Check/Tran - 86702:	216.54
86703 11/2/23	CHK	28	CINTAS	MATS & TOWELS	234.73
				MATS & TOWELS	33.54
				MATS & TOWELS	234.73
				MATS & TOWELS	33.54
				Total for Check/Tran - 86703:	536.54
86704 11/2/23	CHK	11	CITY OF ELK RIVER	SIGN MATERIALS & LABOR	-0.59
				SIGN MATERIALS & LABOR	410.00
				SIGN MATERIALS & LABOR	215.08
				SIGN MATERIALS & LABOR	-2.03
				SIGN MATERIALS & LABOR	26.56
				SIGN MATERIALS & LABOR	34.15
				PARTS & LABOR FOR UNIT #3	-0.21
				PARTS & LABOR FOR UNIT #3	23.00
				PARTS & LABOR FOR UNIT #30	40.00
				PARTS & LABOR FOR UNIT #5	-24.72
				PARTS & LABOR FOR UNIT #5	538.62
				PARTS & LABOR FOR UNIT #37	32.00

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Accounts Payable Check Register

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11/01/2023 To 11/30/2023

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				PARTS & LABOR FOR UNIT #37	8.00
				PARTS & LABOR FOR UNIT #16	-1.94
				PARTS & LABOR FOR UNIT #16	66.67
				PARTS & LABOR FOR UNIT #28	-1.91
				PARTS & LABOR FOR UNIT #28	66.20
				PARTS & LABOR FOR UNIT #19	-1.91
				PARTS & LABOR FOR UNIT #11	66.20
				PARTS & LABOR FOR UNIT #5	-285.76
				PARTS & LABOR FOR UNIT #5	4,134.54
				FUEL USAGE - SEPT 2023	2,468.53
				FUEL USAGE - SEPT 2023	806.85
				Total for Check/Tran - 86704:	8,617.33
86705 11/2/23	CHK	9997	RUDY CORDOVA	INACTIVE REFUND	286.48
86706 11/2/23	CHK	54	CORE & MAIN LP	Wiring Harness	64,800.00
				GARY ST TOWER CELLULAR MODEM	-700.00
				GARY ST TOWER CELLULAR MODEM	-300.00
				Total for Check/Tran - 86706:	63,800.00
86707 11/2/23	CHK	9997	COLLIN DAY	INACTIVE REFUND	15.26
86708 11/2/23	CHK	517	EAST SIDE OIL COMPANIES, INC	OIL PICK-UP	45.00
86709 11/2/23	CHK	3667	ELFERING & ASSOCIATES	CONSULTING SERVICES - SEPT 2023	210.00
				PROFESSIONAL SERVICES - SEPT 2023	1,680.00
				Total for Check/Tran - 86709:	1,890.00
86710 11/2/23	CHK	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 2 - ACCT 436 - SEPT 2023	2,999.76
				CYCLE 2 - ACCT 41038 - SEPT 2023	100.88
				CYCLE 2 - ACCT 41038 - SEPT 2023	5.31
				CYCLE 2 - INV GRP 413 - SEPT 2023	50.00
				CYCLE 2 - INV GRP 413 - SEPT 2023	301.34
				Total for Check/Tran - 86710:	3,457.29

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
86711 11/2/23	CHK	241	FRESCO, INC	Sign Bracket	2,497.60
86712 11/2/23	CHK	80	GRAINGER	PARTS - WELL #3 HEATER	-8.39
				PARTS - WELL #3 HEATER	114.98
Total for Check/Tran - 86712:					106.59
86713 11/2/23	CHK	9997	NATASHA HATHAWAY	INACTIVE REFUND	103.51
86714 11/2/23	CHK	6836	INNOVATIVE OFFICE SOLUTIONS LLC	OFFICE SUPPLIES	451.90
				OFFICE SUPPLIES	65.01
Total for Check/Tran - 86714:					516.91
86715 11/2/23	CHK	33	ITRON INC	SOFTWARE MTC - 11/23 to 10/24	7,144.79
				SOFTWARE MTC - 11/23 to 10/24	1,786.20
Total for Check/Tran - 86715:					8,930.99
86716 11/2/23	CHK	9997	COLLEEN JAVES	INACTIVE REFUND	9.26
86717 11/2/23	CHK	8083	JT SERVICES OF MINNESOTA	RP-1 Wipes	937.22
				Towels	426.37
				DOUBLE FIXTURE ARM	683.87
Total for Check/Tran - 86717:					2,047.46
86718 11/2/23	CHK	682	KLEIN UNDERGROUND LLC	ASPHALT	1,500.00
86719 11/2/23	CHK	5453	LANDFORM PROFESSIONAL SERVICES,	STAFF PHOTOS	960.00
				STAFF PHOTOS	240.00
Total for Check/Tran - 86719:					1,200.00
86720 11/2/23	CHK	9997	REBECCA LINDBOM	INACTIVE REFUND	79.80
86721 11/2/23	CHK	417	LOCATORS & SUPPLIES INC.	OIL ONLY PADS	213.45
86722 11/2/23	CHK	8605	MARCO TECHNOLOGIES, LLC	OFFICE 365 - 9/25 to 10/24/2023	812.45
				OFFICE 365 - 9/25 to 10/24/2023	208.54
Total for Check/Tran - 86722:					1,020.99
86723 11/2/23	CHK	145	MENARDS	MISC PARTS & SUPPLIES	37.45

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Accounts Payable Check Register

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11/01/2023 To 11/30/2023

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
86724 11/2/23	CHK	120	NAPA AUTO PARTS	WIPERS - UNIT #16 & #24	60.37
86725 11/2/23	CHK	9997	NEXT GENERATION EXTERIORS LLC	INACTIVE REFUND	859.84
86726 11/2/23	CHK	43	NORTHERN TOOL	PARTS FOR UNIT #61	206.66
86727 11/2/23	CHK	45	PETTY CASH	DUPLICATE PLATE - UNIT #61	25.50
86728 11/2/23	CHK	9997	PHH MORTGAGE CORP	INACTIVE REFUND	132.22
86729 11/2/23	CHK	9997	FAITH PRANGER	INACTIVE REFUND	204.67
86730 11/2/23	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 - 86730:					1,540.00
86731 11/2/23	CHK	575	Q MARKET RESEARCH	2023 Q3 CUSTOMER SATISFACTION SURVEY	3,700.00
				2023 Q3 CUSTOMER SATISFACTION SURVEY	925.00
Total for Check/Tran - 86731:					4,625.00
86732 11/2/23	CHK	9997	CAITLIN REEVES	INACTIVE REFUND	26.26
86733 11/2/23	CHK	9997	RONALD ROBECK	INACTIVE REFUND	393.98
86734 11/2/23	CHK	9997	ANTHONY SARRACK	INACTIVE REFUND	192.79
86735 11/2/23	CHK	9997	TRAVIS SCHERTZ	INACTIVE REFUND	711.99
86736 11/2/23	CHK	848	SHERBURNE COUNTY PUBLIC WORKS	UTILITY PERMIT	100.00
86737 11/2/23	CHK	159	SHORT ELLIOTT HENDRICKSON INC	FREEPORT TOWER MAINTENANCE	4,895.00
				METER READER INSTALL	2,889.20
				METER READER INSTALL	1,238.23
				T-MOBILE DECOM AUBURN TOWER	2,721.13
Total for Check/Tran - 86737:					11,743.56

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Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
86738 11/2/23	CHK	463	ST LOUIS MRO, INC	CLEARINGHOUSE QUERY FEE	40.00
				CLEARINGHOUSE QUERY FEE	10.00
Total for Check/Tran - 86738:					50.00
86739 11/2/23	CHK	9997	CATHY STEFFENSEN	INACTIVE REFUND	92.30
86740 11/2/23	CHK	6107	STUART C. IRBY CO.	MISC PARTS & SUPPLIES	407.70
				Mtce of OH Primary	545.50
Total for Check/Tran - 86740:					953.20
86741 11/2/23	CHK	9997	KARI SULLIVAN	INACTIVE REFUND	20.48
86742 11/2/23	CHK	3360	THE UPS STORE 5093	SHIPPING - OIL SAMPLES	46.94
86743 11/2/23	CHK	375	VIKING ELECTRIC	INSULTING MASTIC	-6.02
				INSULTING MASTIC	82.60
Total for Check/Tran - 86743:					76.58
86744 11/2/23	CHK	1074	WINDSTREAM	OFFICE TELEPHONE	43.62
				OFFICE TELEPHONE	10.91
Total for Check/Tran - 86744:					54.53
86745 11/9/23	CHK	398	ALTEC INDUSTRIES, INC	PARTS & LABOR FOR UNIT #5	965.67
86746 11/9/23	CHK	522	ALTERNATIVE TECHNOLOGIES, INC	OIL SAMPLES	799.50
				OIL SAMPLES	20.00
Total for Check/Tran - 86746:					819.50
86747 11/9/23	CHK	103	AMERICAN PUMP COMPANY	CAMLOCK - UNIT #50	62.47
86748 11/9/23	CHK	6	BEAUDRY OIL COMPANY	DEF FLUID	390.87
86749 11/9/23	CHK	662	BENEFIT EXTRAS, INC	COBRA LETTER - 154	31.35
				COBRA LETTER - 154	1.65
Total for Check/Tran - 86749:					33.00
86750 11/9/23	CHK	5224	BLUE CROSS BLUE SHIELD OF MINNES	HEALTH CARE EE PREMIUMS - DEC 2023	8,645.50
				HEALTH CARE ER PREMIUMS - DEC 2023	52,809.16

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				VISION INSURANCE - DEC 2023	339.38
				HEALTH CARE EE PREMIUMS - DEC 2023	2,065.50
				HEALTH CARE ER PREMIUMS - DEC 2023	12,379.87
				VISION INSURANCE - DEC 2023	102.91
				Total for Check/Tran - 86750:	76,342.32
86751 11/9/23	CHK	97	BRENTESON COMPANIES, INC	Carson Street	16,500.00
86752 11/9/23	CHK	9997	CHRISTIAN BUILDERS	Credit Balance Refund	207.16
86753 11/9/23	CHK	11	CITY OF ELK RIVER	TRASH BILLED - OCT 2023	160,659.68
86754 11/9/23	CHK	9997	COMES INVESTMENTS INC	Credit Balance Refund	92.61
86755 11/9/23	CHK	54	CORE & MAIN LP	LIFTER	78.14
				RADIO INSTALLATION	65,100.00
				RADIO INSTALLATION	27,900.00
				G VALVE BOX	344.68
				Total for Check/Tran - 86755:	93,422.82
86756 11/9/23	CHK	9997	CTW GROUP INC	Credit Balance Refund	287.49
86757 11/9/23	CHK	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 3 - INV GRP 414 - SEPT 2023	100.00
				CYCLE 3 - INV GRP 414 - SEPT 2023	604.44
				CYCLE 3 - INV GRP 395 - SEPT 2023	12,133.45
				Total for Check/Tran - 86757:	12,837.89
86758 11/9/23	CHK	9999	ENEBAK CONSTRUCTION	Hydrant Rental Deposit Refund	700.96
86759 11/9/23	CHK	8709	FAIRVIEW HEALTH SERVICES	DRUG SCREENING - OCT 2023	205.00
				DRUG SCREENING - OCT 2023	45.00
				Total for Check/Tran - 86759:	250.00
86760 11/9/23	CHK	809	HAWKINS, INC.	CHLORINE CYLINDER RENTAL	110.00
86761 11/9/23	CHK	631	HEALTH PARTNERS	DENTAL EE INSURANCE - DEC 2023	993.95
				DENTAL ER INSURANCE - DEC 2023	2,693.90

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				DENTAL EE INSURANCE - DEC 2023	119.19
				DENTAL ER INSURANCE - DEC 2023	645.51
				Total for Check/Tran - 86761:	4,452.55
86762 11/9/23	CHK	5670	HVACREDU.NET	Website Support	375.00
86763 11/9/23	CHK	8889	KOR TERRA, INC.	LOCATE MANAGEMENT - 10/23 to 10/24	2,200.00
				LOCATE MANAGEMENT - 10/23 to 10/24	550.00
				Total for Check/Tran - 86763:	2,750.00
86764 11/9/23	CHK	9997	JESSE LINNELL	Credit Balance Refund	22.15
86765 11/9/23	CHK	417	LOCATORS & SUPPLIES INC.	RAIN GEAR - 191	263.54
86766 11/9/23	CHK	8605	MARCO TECHNOLOGIES, LLC	Cable	26.84
				Cable	3.83
				Total for Check/Tran - 86766:	30.67
86767 11/9/23	CHK	145	MENARDS	MISC PARTS & SUPPLIES	18.19
86768 11/9/23	CHK	330	METRO SALES, INC	COPIER MTC CONTRACT - 9/21 to 10/20/23	177.28
				COPIER MTC CONTRACT - 9/21 to 10/20/23	44.32
				Total for Check/Tran - 86768:	221.60
86769 11/9/23	CHK	1001	MINNESOTA MUNICIPAL POWER AGEN	PURCHASED POWER - OCT 2023	1,746,283.63
				PURCHASED POWER - OCT 2023	646,478.34
				Total for Check/Tran - 86769:	2,392,761.97
86770 11/9/23	CHK	40	MINNESOTA RURAL WATER ASSOC	MEMBERSHIP RENEWAL - 10/23 to 9/24	400.00
86771 11/9/23	CHK	3769	O'REILLY AUTOMOTIVE STORES, INC	PARTS FOR UNIT #58	166.26
86772 11/9/23	CHK	9997	KRIS OLSON	Credit Balance Refund	224.27
86773 11/9/23	CHK	9999	RACHEL CONTRACTING INC	Hydrant Rental Deposit Refund	190.94
86774 11/9/23	CHK	3218	RDO EQUIPMENT CO.	SWITCH - UNIT #59	-3.90
				SWITCH - UNIT #59	53.35

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				HINGE - UNIT #61	-7.02
				HINGE - UNIT #61	96.05
				Total for Check/Tran - 86774:	138.48
86775 11/9/23	CHK	574	REPUBLIC SERVICES, INC	TRASH & RECYCLING SERVICE - OCT 2023	1,226.61
				TRASH & RECYCLING SERVICE - OCT 2023	306.65
				TRASH & RECYCLING SERVICE - OCT 2023	260.95
				TRASH & RECYCLING SERVICE - OCT 2023	40.03
				TRASH & RECYCLING SERVICE - OCT 2023	10.01
				Total for Check/Tran - 86775:	1,844.25
86776 11/9/23	CHK	130	RESCO	Transformer	15,158.33
				Discount	-7.58
				Total for Check/Tran - 86776:	15,150.75
86777 11/9/23	CHK	686	JARED SHEPHERD	APPA LEGAL & REG CONF TRAVEL EXPENSES	1,202.64
				APPA LEGAL & REG CONF TRAVEL EXPENSES	300.66
				Total for Check/Tran - 86777:	1,503.30
86778 11/9/23	CHK	6107	STUART C. IRBY CO.	GLOVES & TESTING	-12.95
				GLOVES & TESTING	1,198.28
				Total for Check/Tran - 86778:	1,185.33
86779 11/9/23	CHK	331	TRANSUNION	SKIP TRACING - SEPT 2023	60.00
				SKIP TRACING - SEPT 2023	15.00
				Total for Check/Tran - 86779:	75.00
86780 11/9/23	CHK	8808	WATER CONSERVATION SERVICE, INC.	LEAK LOCATE - CLEVELAND & GARY ST	369.30
86781 11/9/23	CHK	135	WATER LABORATORIES INC	WATER TESTING - OCT 2023	342.00
86782 11/9/23	CHK	610	WRIGHT HENNEPIN COOPERATIVE ELE	SECURITY - 1435 MAIN, WELL #3&FREEPORT	29.71
				SECURITY - 1435 MAIN, WELL #3&FREEPORT	767.08
				Total for Check/Tran - 86782:	796.79
86783 11/17/23	CHK	522	ALTERNATIVE TECHNOLOGIES, INC	OIL SAMPLES & GAS ANALYSIS	1,859.00

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Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
86784 11/17/23	CHK	2512	AMARIL UNIFORM COMPANY	Employee Clothing - 157	-225.00
				Employee Clothing - 178	288.36
				Employee Clothing - 142	130.00
				Employee Clothing - 191	230.00
				WINTER HATS	728.00
				WINTER HATS	182.00
				Employee Clothing - 157	120.00
Total for Check/Tran - 86784:					1,453.36
86785 11/17/23	CHK	2920	BATTERIES PLUS BULBS	BATTERIES	258.48
				BATTERIES	36.92
Total for Check/Tran - 86785:					295.40
86786 11/17/23	CHK	9997	PAXTON BEADLE	INACTIVE REFUND	499.93
86787 11/17/23	CHK	9997	BELLAGALA, LLC.	INACTIVE REFUND	262.17
86788 11/17/23	CHK	9	BORDER STATES ELECTRIC SUPPLY	LUBRICANT	-25.99
				Lubricant	355.99
				Mtce of URD Primary	414.83
				BAYONET FUSE	415.51
				BAYONET FUSE	-30.34
				BLUETOOTH SCANNER	-86.62
				Scanner	1,186.50
Total for Check/Tran - 86788:					2,229.88
86789 11/17/23	CHK	9997	ROBERT BURRINGTON	INACTIVE REFUND	50.59
86790 11/17/23	CHK	54	CORE & MAIN LP	Water Meter	69,120.00
				AMI Electric Meter	34,720.00
				AMI Electric Meter	1,860.00
				Water Meter	-1,920.00
Total for Check/Tran - 86790:					103,780.00
86791 11/17/23	CHK	9192	ELK RIVER CUB FOODS	SNACKS FOR SAFETY MEETING	57.55

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Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				SNACKS FOR SAFETY MEETING	14.39
				Total for Check/Tran - 86791:	71.94
86792 11/17/23	CHK	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 4 - INV GRP 415 - OCT 2023	150.00
				CYCLE 4 - INV GRP 415 - OCT 2023	1,492.33
				CYCLE 4 - INV GRP 396 - OCT 2023	270.59
				Total for Check/Tran - 86792:	1,912.92
86793 11/17/23	CHK	122	ELK RIVER WINLECTRIC	MISC PARTS & SUPPLIES - STREET LIGHTS	-8.25
				MISC PARTS & SUPPLIES - STREET LIGHTS	113.10
				MISC PARTS & SUPPLIES	-7.99
				MISC PARTS & SUPPLIES	92.86
				MISC PARTS & SUPPLIES	16.51
				MISC PARTS & SUPPLIES	11.23
				MISC PARTS & SUPPLIES	-0.82
				Total for Check/Tran - 86793:	216.64
86794 11/17/23	CHK	671	FASTENAL COMPANY	MISC PARTS & SUPPLIES	85.24
86795 11/17/23	CHK	80	GRAINGER	UNIVERSAL COUPLING	-1.38
				UNIVERSAL COUPLING	18.90
				FIRE HOSE ADAPTOR	-2.72
				FIRE HOSE ADAPTOR	37.32
				Total for Check/Tran - 86795:	52.12
86796 11/17/23	CHK	6836	INNOVATIVE OFFICE SOLUTIONS LLC	OFFICE SUPPLIES	40.77
				OFFICE SUPPLIES	10.20
				Total for Check/Tran - 86796:	50.97
86797 11/17/23	CHK	9997	PATRICIA JOHNSON	INACTIVE REFUND	417.14
86798 11/17/23	CHK	9997	KRISTEN LADE	INACTIVE REFUND	208.27
86799 11/17/23	CHK	9997	ROXANNE LANGE	INACTIVE REFUND	86.66
86800 11/17/23	CHK	9997	LENNAR HOMES	Credit Balance Refund	100.73

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86801 11/17/23	CHK	9997	LENNAR HOMES	Credit Balance Refund	104.52
86802 11/17/23	CHK	9997	LENNAR HOMES	Credit Balance Refund	109.29
86803 11/17/23	CHK	9997	LENNAR HOMES	Credit Balance Refund	68.33
86804 11/17/23	CHK	9997	LENNAR HOMES	Credit Balance Refund	124.09
86805 11/17/23	CHK	9997	LENNAR HOMES	Credit Balance Refund	109.40
86806 11/17/23	CHK	9997	LENNAR HOMES	Credit Balance Refund	93.13
86807 11/17/23	CHK	9997	LENNAR HOMES	Credit Balance Refund	86.87
86808 11/17/23	CHK	9997	LENNAR HOMES	Credit Balance Refund	112.86
86809 11/17/23	CHK	9997	ALYSON MABRY	INACTIVE REFUND	380.51
86810 11/17/23	CHK	145	MENARDS	WEST SUB CAMERA	33.89
				MISC PARTS & SUPPLIES - UNIT #28	86.28
				MISC PARTS & SUPPLIES	3.78
				WRENCH & UTILITY BLADES	35.50
				REBATE	-11.90
				REBATE	-16.79
Total for Check/Tran - 86810:					130.76
86811 11/17/23	CHK	9273	METERING & TECHNOLOGY SOLUTION	METER COUPLINGS	588.21
86812 11/17/23	CHK	119	MINNESOTA COMPUTER SYSTEMS INC	COPIER MTC CONTRACT - 10/12 to 11/11/23	151.50
				COPIER MTC CONTRACT - 10/12 to 11/11/23	37.87
Total for Check/Tran - 86812:					189.37
86813 11/17/23	CHK	8454	MINNESOTA DEPT OF LABOR & INDUS	PRESSURE VESSEL - ENGINES	50.00
				PRESSURE VESSEL - WELL #4	10.00
				PRESSURE VESSEL - WELL #6	10.00
				PRESSURE VESSEL - WELL #7	10.00
Total for Check/Tran - 86813:					80.00

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86814 11/17/23	CHK	9300	NISC	MIC - 88 147 172 181 187	4,544.25
				MIC - 88 147 172 181 187	930.75
Total for Check/Tran - 86814:					5,475.00
86815 11/17/23	CHK	9997	PROGRESSIVE BUILDERS INC	Credit Balance Refund	125.68
86816 11/17/23	CHK	9997	PROGRESSIVE BUILDERS INC	Credit Balance Refund	81.85
86817 11/17/23	CHK	9997	REI WINNERS LLC	INACTIVE REFUND	182.44
86818 11/17/23	CHK	9997	RENOVATION CONCEPTS, LLC	INACTIVE REFUND	271.01
86819 11/17/23	CHK	9997	RENOVATION CONCEPTS, LLC	INACTIVE REFUND	271.48
86820 11/17/23	CHK	9997	RENOVATION CONCEPTS, LLC	INACTIVE REFUND	229.20
86821 11/17/23	CHK	603	ROYAL SUPPLY INC	CLEANING SUPPLIES	100.06
				CLEANING SUPPLIES	14.29
Total for Check/Tran - 86821:					114.35
86822 11/17/23	CHK	848	SHERBURNE COUNTY PUBLIC WORKS	UTILITY PERMIT	100.00
86823 11/17/23	CHK	848	SHERBURNE COUNTY PUBLIC WORKS	UTILITY PERMIT	100.00
86824 11/17/23	CHK	6107	STUART C. IRBY CO.	ARRESTER BRACKET	45.30
				WIRE	9,900.00
				INSULATING SLEEVES & TESTING - 111	-57.66
				INSULATING SLEEVES & TESTING - 111	802.30
Total for Check/Tran - 86824:					10,689.94
86825 11/17/23	CHK	3360	THE UPS STORE 5093	SHIPPING - 157	11.98
86826 11/17/23	CHK	4532	TRACTOR SUPPLY CREDIT PLAN	TRACTOR SUPPLY	175.71
				TRACTOR SUPPLY	8.00
Total for Check/Tran - 86826:					183.71
86827 11/17/23	CHK	8611	TRUCK GEAR USA	PARTS & LABOR FOR UNIT #77	2,549.08

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86828 11/17/23	CHK	9997	JOLYNNE WAHLSTROM	INACTIVE REFUND	94.40
86829 11/21/23	CHK	522	ALTERNATIVE TECHNOLOGIES, INC	OIL SAMPLES - OCT 2023	77.00
86830 11/21/23	CHK	2512	AMARIL UNIFORM COMPANY	EMPLOYEE CLOTHING - 142 EMPLOYEE CLOTHING - 162	-130.00 167.71
Total for Check/Tran - 86830:					37.71
86831 11/21/23	CHK	8843	CAMPBELL KNUTSON	LEGAL SERVICES - OCT 2023 LEGAL SERVICES - OCT 2023	1,077.98 269.50
Total for Check/Tran - 86831:					1,347.48
86832 11/21/23	CHK	3982	CENTERPOINT ENERGY	NATURAL GAS & IRON REMOVAL NATURAL GAS & IRON REMOVAL	821.10 230.63
Total for Check/Tran - 86832:					1,051.73
86833 11/21/23	CHK	11	CITY OF ELK RIVER	REVENUE TRANSFER - OCT 2023 SEWER BILLED - OCT 2023 STORMWATER BILLED - OCT 2023	138,256.93 222,105.04 53,216.27
Total for Check/Tran - 86833:					413,578.24
86834 11/21/23	CHK	7448	CRC	CUSTOMER SERVICE FOR AFTER HOURS CUSTOMER SERVICE FOR AFTER HOURS	2,267.98 567.00
Total for Check/Tran - 86834:					2,834.98
86835 11/21/23	CHK	5204	DIVERSIFIED ADJUSTMENT SERVICE, I	COLLECTION FEES - OCT 2023	23.47
86836 11/21/23	CHK	9997	KELLEE EISTERHOLD	Credit Balance Refund	35.08
86837 11/21/23	CHK	671	FASTENAL COMPANY	MISC PARTS & SUPPLIES - UNIT #59	34.30
86838 11/21/23	CHK	91	GOPHER STATE ONE-CALL	LOCATES FOR - OCT 2023 LOCATES FOR - OCT 2023	565.58 29.77
Total for Check/Tran - 86838:					595.35
86839 11/21/23	CHK	80	GRAINGER	MISC PARTS & SUPPLIES MISC PARTS & SUPPLIES	-2.74 37.71

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				CARTRIDGE/FILTER	-6.59
				CARTRIDGE/FILTER	90.23
				AUGER	242.58
				Total for Check/Tran - 86839:	361.19
86840 11/21/23	CHK	846	HACH COMPANY	MISC PARTS & SUPPLIES	-27.63
				MISC PARTS & SUPPLIES	394.56
				Total for Check/Tran - 86840:	366.93
86841 11/21/23	CHK	824	HOME DEPOT CREDIT SERVICES	HOME DEPOT	129.89
86842 11/21/23	CHK	5686	HYDROCORP	BACKFLOW DEVICE INSPECTION - OCT 2023	1,123.00
86843 11/21/23	CHK	9301	IDEAL SERVICE, INC.	SERVICE - WELL #7	245.00
86844 11/21/23	CHK	9997	KATHRYN MALENKE	Credit Balance Refund	197.26
86845 11/21/23	CHK	8605	MARCO TECHNOLOGIES, LLC	PRINTER MTC CONTRACT - 11/1 to 12/1/23	308.09
				PRINTER MTC CONTRACT - 11/1 to 12/1/23	77.02
				Total for Check/Tran - 86845:	385.11
86846 11/21/23	CHK	145	MENARDS	SECURITY BIT SET - UNIT #21	7.00
				SNOW SHOVEL & MISC PARTS	60.38
				SHOVELS	71.18
				PIPE WRENCH & HEATER	62.51
				Total for Check/Tran - 86846:	201.07
86847 11/21/23	CHK	145	MENARDS	LIGHTING COUPONS	128.00
86848 11/21/23	CHK	633	MUTUAL OF OMAHA	ELEC LIFE INSURANCE - DEC 2023	292.16
				LIFE, STD & LTD INSURANCE - DEC 2023	2,399.23
				ELEC LIFE INSURANCE - DEC 2023	143.64
				LIFE, STD & LTD INSURANCE - DEC 2023	500.60
				Total for Check/Tran - 86848:	3,335.63
86849 11/21/23	CHK	573	NCPERS MINNESOTA	EXTRA LIFE INSURANCE - DEC 2023	176.80
				EXTRA LIFE INSURANCE - DEC 2023	15.20

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
Total for Check/Tran - 86849:					192.00
86850 11/21/23	CHK	9300	NISC	PRINT INVOICE - OCT 2023	6,665.91
				PRINT INVOICE - OCT 2023	1,666.47
				AGREEMENTS INVOICE - OCT 2023	53.93
				AGREEMENTS INVOICE - OCT 2023	10,937.53
				AGREEMENTS INVOICE - OCT 2023	220.00
				AGREEMENTS INVOICE - OCT 2023	2,445.96
				AGREEMENTS INVOICE - OCT 2023	55.00
				MISC INVOICE - OCT 2023	610.36
				MISC INVOICE - OCT 2023	152.58
Total for Check/Tran - 86850:					22,807.74
86851 11/21/23	CHK	358	OLSEN CHAIN & CABLE, INC.	MISC PARTS & SUPPLIES - UNIT #10	484.18
86852 11/21/23	CHK	9997	PATHLIGHT PROPERTY MGMT	Credit Balance Refund	1,020.36
86853 11/21/23	CHK	5056	PLAISTED COMPANIES, INC.	DUMP TRAILER	50.00
				GRANITE	398.30
Total for Check/Tran - 86853:					448.30
86854 11/21/23	CHK	811	PRIME ADVERTISING & DESIGN, INC.	MARKETING & DESIGN AGREEMENT - OCT 2023	570.00
				BUSINESS CARDS - 181	50.86
				BUSINESS CARDS - 181	12.72
Total for Check/Tran - 86854:					633.58
86855 11/21/23	CHK	3218	RDO EQUIPMENT CO.	PARTS FOR UNIT #61	-23.90
				PARTS FOR UNIT #61	327.26
Total for Check/Tran - 86855:					303.36
86856 11/21/23	CHK	848	SHERBURNE COUNTY PUBLIC WORKS	BUNDLES OF LATH	-17.33
				BUNDLES OF LATH	237.33
Total for Check/Tran - 86856:					220.00
86857 11/21/23	CHK	20	SLACK PAINTING	PAINTING - 11001 190TH AVE	950.00

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
86858	11/21/23	CHK	6107	STUART C. IRBY CO.	GLOVE TESTING	83.06
					FAULT INDICATOR	1,788.00
Total for Check/Tran - 86858:						1,871.06
86859	11/21/23	CHK	8948	TRYCO LEASING INC.	LEASE FOR COPIER AT PLANT	85.49
					LEASE FOR COPIER AT PLANT	21.37
Total for Check/Tran - 86859:						106.86
86860	11/21/23	CHK	628	VICTORY CLEANING SERVICES, LLC	MONTHLY CLEANING FOR THE PLANT-OCT 2023	141.58
					MONTHLY CLEANING FOR THE PLANT-OCT 2023	20.23
					MONTHLY CLEANING FOR THE PLANT-OCT 2023	141.58
					MONTHLY CLEANING FOR THE PLANT-OCT 2023	20.23
					MONTHLY CLEANING FOR THE PLANT-OCT 2023	2,831.72
					MONTHLY CLEANING FOR THE PLANT-OCT 2023	404.53
					CLEANING - 1705 MAIN ST	188.78
					CLEANING - 1705 MAIN ST	26.97
Total for Check/Tran - 86860:						3,775.62
86861	11/21/23	CHK	55	WESCO RECEIVABLES CORP.	Cover	1,398.06
					Nylon Tie	180.19
					INSERT	412.65
Total for Check/Tran - 86861:						1,990.90
86862	11/30/23	CHK	5342	ALTERNATE BUSINESS FURNITURE, IN	Office Furniture	4,899.47
					Install	1,446.94
					Non-Contract	1,953.54
					Stool	67.06
					T-Base	196.46
					Tables	1,997.37
					Work Stations	937.91
					Install	206.70
					Non-Contract	279.08
					Stool	9.58

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				T-Base	28.06
				Tables	285.34
				Work Stations	133.99
Total for Check/Tran - 86862:					12,441.50
86863 11/30/23	CHK	2512	AMARIL UNIFORM COMPANY	EMPLOYEE CLOTHING - 190	1,880.65
86864 11/30/23	CHK	6	BEAUDRY OIL COMPANY	DIESEL	3,762.79
86865 11/30/23	CHK	549	CHARTER COMMUNICATIONS	OFFICE TELEPHONE	173.23
				OFFICE TELEPHONE	43.31
Total for Check/Tran - 86865:					216.54
86866 11/30/23	CHK	28	CINTAS	MATS & TOWELS	308.37
				MATS & TOWELS	44.06
				MATS & TOWELS	308.37
				MATS & TOWELS	44.06
Total for Check/Tran - 86866:					704.86
86867 11/30/23	CHK	11	CITY OF ELK RIVER	WATER DECALS	-0.59
				WATER DECALS	68.08
				PARTS & LABOR FOR UNIT #	3,393.08
				PARTS & LABOR FOR UNIT #	1,204.50
				PARTS & LABOR FOR UNIT #1	-2.98
				PARTS & LABOR FOR UNIT #1	104.82
				PARTS & LABOR FOR UNIT #1	-0.75
				PARTS & LABOR FOR UNIT #1	26.21
				PARTS & LABOR FOR UNIT #36	-0.12
				PARTS & LABOR FOR UNIT #36	39.59
				PARTS & LABOR FOR UNIT #36	-0.01
				PARTS & LABOR FOR UNIT #36	2.09
				PARTS & LABOR FOR UNIT #66	-20.29
				PARTS & LABOR FOR UNIT #66	457.88
				PARTS & LABOR FOR UNIT #65	-12.19

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				PARTS & LABOR FOR UNIT #65	307.12
				PARTS & LABOR FOR UNIT #17	-1.21
				PARTS & LABOR FOR UNIT #17	56.51
				PARTS & LABOR FOR UNIT #7	-4.32
				PARTS & LABOR FOR UNIT #7	119.29
				PARTS & LABOR FOR UNIT #8	-274.03
				PARTS & LABOR FOR UNIT #8	3,853.73
				Total for Check/Tran - 86867:	9,316.41
86868 11/30/23	CHK	54	CORE & MAIN LP	Water Meter	69,120.00
86869 11/30/23	CHK	5684	ELEVATION COATING, LLC	FREEPORT WATER TOWER	4,881.00
86870 11/30/23	CHK	3667	ELFERING & ASSOCIATES	PROFESSIONAL SERVICES - OCT 2023	420.00
				PROFESSIONAL SERVICES - OCT 2023	70.00
				PROFESSIONAL SERVICES - OCT 2023	3,290.00
				Total for Check/Tran - 86870:	3,780.00
86871 11/30/23	CHK	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 1 - INV GRP 421 - OCT 2023	6,472.37
				CYCLE 1 - ACCT 183 - OCT 2023	1,276.72
				CYCLE 1 - INV GRP 101 - OCT 2023	3,540.60
				CYCLE 1 - INV GRP 101 - OCT 2023	84.28
				CYCLE 1 - INV GRP 101 - OCT 2023	945.62
				CYCLE 1 - INV GRP 101 - OCT 2023	561.55
				CYCLE 1 - INV GRP 101 - OCT 2023	236.40
				CYCLE 1 - INV GRP 325 - OCT 2023	375.00
				CYCLE 1 - INV GRP 325 - OCT 2023	16,247.99
				Total for Check/Tran - 86871:	29,740.53
86872 11/30/23	CHK	8949	FS3 INC.	Measuring Wheel	286.04
86873 11/30/23	CHK	404	GARAGE DOOR STORE	GARAGE DOOR REPAIR	406.44
				GARAGE DOOR REPAIR	58.06
				Total for Check/Tran - 86873:	464.50

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
86874 11/30/23	CHK	809	HAWKINS, INC.	Water Chemicals	374.74
86875 11/30/23	CHK	5310	HOTSY MINNESOTA	CAR WASH REPAIR	256.70
				CAR WASH REPAIR	36.67
Total for Check/Tran - 86875:					293.37
86876 11/30/23	CHK	8083	JT SERVICES OF MINNESOTA	BREAKAWAY BASE	2,975.72
86877 11/30/23	CHK	9997	LGI HOMES, MN	Credit Balance Refund	116.54
86878 11/30/23	CHK	417	LOCATORS & SUPPLIES INC.	Flags	1,307.88
86879 11/30/23	CHK	145	MENARDS	MISC PARTS & SUPPLIES	23.45
				IMPACT SOCKET ADAPTER - UNIT #11 & #21	32.10
				MISC PARTS & SUPPLIES	12.95
				MISC PARTS & SUPPLIES	24.96
				MISC PARTS & SUPPLIES	37.27
Total for Check/Tran - 86879:					130.73
86880 11/30/23	CHK	120	NAPA AUTO PARTS	PARTS FOR UNIT #39	61.14
86881 11/30/23	CHK	678	NORTH COUNTRY CONCRETE, INC	Concrete Work	9,061.00
86882 11/30/23	CHK	45	PETTY CASH	POSTAGE - VERIZON REGISTERED MAIL	5.01
86883 11/30/23	CHK	8897	RALPHIE'S MINNOCO	RALPHIE'S MINNOCO	69.53
86884 11/30/23	CHK	5394	RELIABLE EQUIPMENT & SERVICE CO.,	DIRT TARP	-43.50
				Dirt Tarp	595.93
Total for Check/Tran - 86884:					552.43
86885 11/30/23	CHK	615	REVOLT ELECTRICAL SERVICES, INC.	INSPECTION - SUBSTATION 14	11,671.73
86886 11/30/23	CHK	9997	SFR ACQUISITIONS I LLC	Credit Balance Refund	98.77
86887 11/30/23	CHK	159	SHORT ELLIOTT HENDRICKSON INC	PROFESSIONAL SERVICES - OCT 2023	778.87
				PROFESSIONAL SERVICES - OCT 2023	752.35
Total for Check/Tran - 86887:					1,531.22

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
86888 11/30/23	CHK	6107	STUART C. IRBY CO.	Hex Bit	142.55
				Ratchet	380.12
				WIRE	10,180.80
				FIBER OPTIC TRACKER CABLE	628.50
Total for Check/Tran - 86888:					11,331.97
86889 11/30/23	CHK	55	WESCO RECEIVABLES CORP.	Probe	246.69
				Wildlife Projector	3,487.50
Total for Check/Tran - 86889:					3,734.19
86890 11/30/23	CHK	1074	WINDSTREAM	OFFICE TELEPHONE	43.62
				OFFICE TELEPHONE	10.91
Total for Check/Tran - 86890:					54.53
Total for Bank Account - 5 :					(225) 4,404,644.42
Grand Total :					(227) 4,417,451.09

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PARAMETERS ENTERED:**Check Date:** 11/01/2023 To 11/30/2023**Bank:** All**Vendor:** All**Check:****Journal:** All**Format:** All GL References/Amounts**Extended Reference:** No**Sort By:** Check/Transaction**Voids:** None**Payment Type:** All**Group By Payment Type:** No**Minimum Amount:** 0.00**Authorization Listing:** No**Credit Card Charges:** No

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

November 14, 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
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
Parker Theisen, IT/OT Technician
Megan Zachman, HR Generalist

Others Present: Jared Shepherd, Attorney; Cal Portner, City Administrator; Andrew Harvala, Heritage Construction

1.00 GOVERNANCE

1.01 Call Meeting to Order

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

1.02 Pledge of Allegiance

The Pledge of Allegiance was recited.

1.03 Consider the Agenda

There were no additions or corrections to the agenda.

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

2.00 CONSENT AGENDA (Approved By One Motion)

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

- 2.1 Check Register – October 2023**
- 2.2 Regular Meeting Minutes – October 10, 2023**
- 2.3 2023 Third Quarter Utilities Performance Metrics Score Card Statistics**
- 2.4 Use of ERMU Logo for Midwest Esri Utility User Group Conference Flyer**

Motion carried 5-0.

3.00 OPEN FORUM

No one appeared for open forum.

4.00 POLICY & COMPLIANCE

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

Mr. Mauren presented his memo on the agreement between ERMU and the City, explaining that it addresses the material costs and labor associated with installation and maintenance of streetlights and trail lights, as well as ERMU's role in hanging specified decorations throughout the year.

The Commission had no comments or recommended changes to the agreement.

5.00 BUSINESS ACTION

5.01 Water Service Abandonment Appeal

This item was added to the November commission meeting agenda after representatives from Cornerstone Auto and Heritage Construction, including Mr. Harvala, appeared at the October meeting's Open Forum to request an exception from ERMU's water rule requiring abandoned service lines be capped at the water main. The request was made due to the number of other underground utilities in the area that could be impacted by work.

Mr. Hanson presented his memo explaining the rationale behind ERMU's water rule that requires abandoned water services to be capped at the main. Mr. Hanson explained if a service line remains connected to the main the line is "live" and is at a greater risk of being hit as it is not connected to a facility and may be missed during location. Mr. Hanson later noted that the line had in fact been struck during this project and created a leak. He went on to explain that lines gradually age with constant water pressure.

Mr. Hanson noted there is an exemption clause in the rules when the city will not grant a permit to cap the line, adding that was not the circumstances of this case.

Mr. Hanson shared staff's recommendation to require the line to be capped at the main.

Commissioner Westgaard inquired as to whether there was a hardship in this case which would validate an exception to the rules. There was discussion.

Mr. Hanson shared that staff had sought bids to perform the work which ranged from \$5,200-\$17,000, showing that there are contractors who are willing to perform the work. He added it was the staff's position that the work would best be done now in a controlled environment as opposed to emergency work being done due to a leak.

Chair Dietz shared his opinion that staff should provide the estimates to the requester so that they can employ a contractor to do the work.

Mr. Harvala shared concerns over the number of underground utilities at the site that could be impacted during the process of capping at the main. Mr. Harvala shared his understanding that during the deconstruction of a home that occupied the property in 2005 the utilities did not require the line to be capped at the main adding the line was only discovered during the construction project. Mr. Harvala expressed Cornerstone Auto and Heritage Construction's preference to compromise by providing ERMU with \$8,000 to perform the work and take on the liability. There was discussion.

Commissioner Stewart shared her preference to follow staff's recommendation to have the property owner take responsibility for capping the line at the main.

Commissioner Bell expressed concern about the potential plight of the property owner if the rules were not followed by the Utilities when the house was demolished in 2005.

Mr. Shepherd noted that the Commission appears to be lacking information on the history of the property, adding that an exception should only be made if there is evidence that warrants it. Mr. Shepherd continued that if historical information is the basis of appeal the burden of proof should be on the property owner, adding that with a policy in place there must be a justifiable reason to change practice. Mr. Shepherd noted that whoever employs the contractor takes liability for their work.

Commissioner Stewart suggested allowing the property owner to provide evidence of the circumstances they explained.

Mr. Hanson asked Mr. Shepherd if it is generally the case that the property owner accepts the liability for the property when they purchase it.

Mr. Shepherd responded that is generally the case.

Commissioner Zerwas stated his preference to follow current rules as written unless the property owner can show previous rules were not followed by ERMU, at which point he would be inclined to re-evaluate the circumstances.

Commissioner Stewart asked if there is a timeline for when the decision needs to be made.

Mr. Harvala explained that the issue needs to be resolved for the property owner to receive a certificate of occupancy.

The Commission directed staff to make no change to the ERMU Water Rules and invited the property owner to provide any evidence.

5.02 **Financial Report – September 2023**

Ms. Karpinski presented the September 2023 financial report.

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

5.03 **2024 Annual Business Plan: Rates and Review, Stakeholder Communication Plan, CIP Budget**

Ms. Karpinski presented the rates and review, stakeholder communication plan, and CIP budget portions of the Annual Business Plan in preparation for approval of the entire plan in December.

Ms. Karpinski shared that staff was proposing a 0% electric rate increase and a 2% water rate increase for 2024.

Ms. Karpinski explained that some water projects will be happening earlier and that ERMU will likely be bonding in 2025 for water treatment plants and wells.

Ms. Karpinski also explained that ERMU would be moving to a budgeting system more comparable with other utilities in providing more of a direct pass through of Energy Adjustment Clause (EAC) charges to customers in the form of a Power Cost Adjustment (PCA).

Chair Dietz asked if staff was aware what other local utilities would have for rate changes in 2024.

Mr. Hanson responded that staff didn't know yet and added that it is common practice in Minnesota Municipal Power Agency member communities to pass through all EAC to customers in the form of a PCA, whereas ERMU had been absorbing the initial \$500,000 in increases.

Mr. Mauren contributed that a press release will be written to announce the 2024 rates in the Elk River Star Newspaper. He also shared some of the measures the communications department has taken to increase the public's awareness of ERMU's rebate offerings.

Commissioner Bell expressed concern over the fact that the vacancy in the conservation department created in early 2023 had not been filled and suggested it could be having an effect on meeting Conservation Improvement Program requirements. There was discussion.

Ms. Karpinski explained that the position is budgeted to be filled halfway through 2024.

5.04 **2024 Utilities Fee Schedule**

Mr. Hanson presented the Utilities Fee Schedule. He noted the Grid Access Fee, \$5.56 per kW in excess of four kW, prevents other customer groups from subsidizing these systems. Mr. Hanson also explained that statute requires the fee amount must be established by a rate study which ERMU had completed in 2019.

He added that some cooperative utilities cap this fee and that staff will evaluate the need for a cap in the future.

Mr. Hanson explained that the increase in Manual Meter Reading fees is related to the implementation of Advanced Metering Infrastructure which will no longer require a mobile meter reader in the community. The fee now covers the cost of mobilizing staff to read the meter in person rather than gather the data through the network.

Moved by Commissioner Westgaard and seconded by Commissioner Bell to approve the 2024 Utilities Fee Schedule for Adoption into Ordinance by the City Council. Motion carried 5-0.

5.05 **2023 Third Quarter Delinquent Items**

Ms. Karpinski presented the 2023 Third Quarter Delinquent Items.

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

5.06 **2023 Assessments**

Mr. Hanson presented the 2023 Assessments in the amount of \$10,994.99.

Chair Dietz asked if staff tracks whether properties repeatedly appear on the list year after year.

Staff responded that they do not track how often a property is assessed.

Moved by Commissioner Westgaard and seconded by Commissioner Bell to approve 2023 Assessments Listing totaling \$10,994.99 to provide to City Council for assessment on property taxes. Motion carried 5-0.

5.07 Health Insurance Update

Mr. Hanson presented the Health Insurance Update which provided details on a change in medical insurers from Blue Cross Blue Shield to HealthPartners to provide comparable coverage at a lower increase, and a continued 85% employer contribution towards premiums and health savings accounts.

Chair Dietz asked if staff had heard any concerns from employees about changing providers.

Mr. Hanson explained that he had met with staff and no concerns were expressed.

Moved by Commissioner Stewart and seconded by Commissioner Bell to approve the 2024 ERMU employee benefits offering including a continued employer contribution to health savings accounts. Motion carried 5-0.

5.08 Financial Reserves & Investment Committee Update

Commissioner Westgaard provided an update from the Financial Reserves & Investment Committee meeting which occurred immediately before the commission meeting.

The committee recommended no changes to reserve balances while recommending that staff research short-term investment opportunities.

Chair Dietz sought confirmation that the committee was recommending no changes to reserve balances in order to fund future projects.

Staff confirmed this was correct.

5.09 Customer Satisfaction Survey Report – Q3 – 2023

Mr. Mauren presented the Customer Satisfaction Survey Report – Q3 – 2023. There was discussion.

5.10 Wage & Benefit Committee Proposed 2024 Adjustments

Mr. Hanson presented the memo which laid out the following proposed adjustments for 2024:

- 4.0% wage adjustment for all staff, regardless of the Metro Average.
- Updating the Bereavement Leave Policy to include more inclusive language for relations that qualify for three days of leave and a one-day tier for aunts, uncles, and cousins.
- Adjustments to the Nightwork and Rest Time Policy to provide a two-hour minimum rest time for nightwork occurring 10:00 p.m. to 6:00 a.m. and eight hours of rest time for employees working four or more hours between the hours of 12:00 a.m. to 6:00 a.m.
- 2024 Vacation Accrual Schedule (increases to years 0-13):

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

Mr. Hanson asked that the minutes reflect that the Metro Average table presented in his memo reflects the respective entities vacation accruals for new hires.

Mr. Hanson followed up to clarify confusion at the October meeting by confirming the City offers 15 days of accruable vacation time for new hires.

Chair Dietz asked staff what the current Metro Average Wage Adjustment calculation was.

Ms. Zachman responded that it was at 3.47%.

Chair Dietz noted that ERMU offered the most time off of all the utilities listed in the Metro Average table.

Mr. Hanson shared that staff has raised concerns for losing candidates to entities that offer higher starting vacation rates. He asked that the commission consider approving a starting rate of 15 days as the hiring market is extremely competitive and ERMU hopes to continue to draw good candidates to provide high quality services.

Commissioner Bell shared his perspective that he has a hard time with the increase to vacation time given ERMU's position in the comparison.

Mr. Hanson reiterated the difficult hiring market and feedback from interview candidates was also a basis for this request.

Commissioner Zerwas asked what entities offer 15 days of time off to new hires. There was discussion.

Mr. Hanson added for consideration that ERMU is not only in competition with other utilities with regard to administration and water staff, whereas the Metro Average comes from other electric utility companies.

Mr. Ninow contributed that ERMU's current vacation offering have made it harder for the water department to hire experienced staff.

Commissioner Zerwas shared that he was amenable to do some increase in vacation accrual this year while next year creating a policy for lateral transfers for new hires with more experience, giving them more days to start with.

The Commission asked staff to develop a policy for lateral transfers.

Chair Dietz proposed the following vacation accrual schedule:

0-3 yrs.	13 days
4-9 yrs.	16 days
10-11 yrs.	17 days
12-13 yrs.	19 days
14-15 yrs.	20 days
16-18 yrs.	22 days
19 yrs.	25 days
20-21 yrs.	26 days
22-23 yrs.	27 days
24+ yrs.	28 days

There was consensus to adopt this schedule.

Chair Dietz asked that the minutes state that the committee was recommending a 4% wage adjustment instead of the Metro Average of 3.47% in response to extreme inflation but that this should not be considered a precedent for future wage adjustments.

Moved by Commissioner Stewart and seconded by Commissioner Zerwas to approve proposed 2024 Wage and Benefits Adjustments with the adaptation to the vacation accrual schedule, effective January 1, 2024. Motion carried 5-0.

5.11 PFAS Litigation Settlement

Mr. Hanson presented his memo sharing that legal staff has advised him that it was in ERMU's best interest to join a class action lawsuit against 3M and DuPont for the proliferation of Per- and polyfluoroalkyl substances (PFAS).

Chair Dietz asked if settlement money had to be used for PFAS remediation only.

Mr. Hanson responded that is unknown at this point.

There was discussion of ERMU's current PFAS level. Mr. Hanson explained there would be additional testing to get trending data.

Commissioner Zerwas shared his awareness that there are multiple legal agencies that could provide services and suggested researching an agency with a lower fee than what was listed in the retainer agreement for Lockridge Grindel Nauen.

There was discussion about contingency fee structuring.

Mr. Shepherd provided context that any firm that would be hired would apply contingency and disbursement fees like those listed in the contract provided for approval. He went on to state that while the current contract called for a 25% contingency fee it was standard for a firm to require 33.33% with 40% set aside when a case goes to trial. There was discussion.

Moved by Commissioner Westgaard and seconded by Commissioner Bell to direct staff to remain in class and file claim forms. Motion carried 5-0.

Moved by Commissioner Stewart and seconded by Commissioner Westgaard to engage legal counsel and approve retainer agreement. Motion carried 4-1. Commissioner Zerwas voted against.

6.00 BUSINESS DISCUSSION

6.01 Staff Updates

Mr. Hanson corrected his staff update to say that ERMU had only received one proposal from a contractor to conduct the compensation study that the Commission directed staff to pursue at the October meeting.

Mr. Hanson shared on behalf of the administration director that ERMU is planning to enter into a contract with Frontier Energy Services and will be bringing the contract forward soon. He explained they will be handling commercial rebates and provide a program to assist with tracking rebates.

Mr. Mauren expressed his appreciation for the opportunity to attend American Public Power Association's Legal & Regulatory Conference sharing that it was a very informative and beneficial opportunity. Mr. Shepherd also attended the conference and expressed his appreciation.

6.02 **City Council Update**

Commissioner Westgaard provided an update from the City Council covering topics including conditional use permits for outdoor storage, a home occupation ordinance, and traffic management.

6.03 **Future Planning**

Chair Dietz announced the following:

- a. Regular Commission Meeting – December 12, 2023
- b. 2023 Governance Agenda

6.04 **Other Business**

With consensus from the Commission, Commissioner Stewart requested that staff bring forward a proposal to increase the annual Employee Clothing allotment of \$75 in branded apparel for non-field staff.

There was discussion about the Employee Appreciation Lunch. The group agreed that it was a great event.

7.00 **ADJOURN REGULAR MEETING**

Moved by Commissioner Westgaard and seconded by Commissioner Bell to adjourn the regular meeting of the Elk River Municipal Utilities Commission at 5:04p.m. Motion carried 5-0.

Minutes prepared by Tony Mauren.

John J. Dietz, ERMU Commission Chair

Tina Allard, City Clerk

TO: ERMU Commission	FROM: Tony Mauren – Governance & Communications Manager
MEETING DATE: December 12, 2023	AGENDA ITEM NUMBER: 2.3
SUBJECT: Designate 2024 Official Depository and Delegate Authority for Electronic Funds Transfers	
ACTION REQUESTED: Adopt Resolution No. 23-09 Designating Official Depository of ERMU Funds and Delegating Authority for Electronic Funds Transfers	

BACKGROUND/DISCUSSION:

Minnesota Statutes Section 118A.02 sets forth the procedures for the deposit of public funds and it is necessary for the Utilities Commission to annually designate a bank (or banks) as the official depository for utility funds and delegate authority to make electronic funds transfers.

Staff recommends designating First Bank of Elk River as the utilities' official depository for the funds of ERMU for 2024, and authorizing the finance manager to designate additional depositories for the purpose of investing funds per our brokers' recommendation and our investment policy guidelines. Staff also recommends delegating authority to the finance manager for electronic funds transfers.

FINANCIAL IMPACT:

N/A

ATTACHMENT:

- Resolution No. 23-09 Designating Official Depository of ERMU Funds and Delegating Authority for Electronic Funds Transfers

RESOLUTION NO. 23-09

BOARD OF COMMISSIONERS
ELK RIVER MUNICIPAL UTILITIES

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF ELK RIVER MUNICIPAL UTILITIES
DESIGNATING DEPOSITORY OF ELK RIVER MUNICIPAL UTILITIES FUNDS AND DELEGATING
AUTHORITY FOR ELECTRONIC FUNDS TRANSFERS**

WHEREAS, Minnesota Statutes Section 118A.02 sets forth the procedures for the deposit of public funds and;

WHEREAS, it is necessary for the Utilities Commission or the utilities finance manager to annually designate a bank (or banks) as the official depository for utility funds and manage collateral pledged to such funds; and

WHEREAS, the Utilities Commission shall annually delegate the authority to make electronic funds transfers to the utilities finance manager.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of Elk River Municipal Utilities designates First Bank of Elk River as the utilities' official depository for the funds of Elk River Municipal Utilities for 2024.

BE IT FURTHER RESOLVED the utilities finance manager may designate additional depositories for the purpose of investing funds per our brokers' recommendation and our investment policy guidelines and be delegated authority for electronic funds transfers.

This Resolution Passed and Adopted this 12th day of December 2023.

John Dietz, Chair

Mark Hanson, General Manager

TO: ERMU Commission	FROM: Tony Mauren – Governance & Communications Manager
MEETING DATE: December 12, 2023	AGENDA ITEM NUMBER: 2.4
SUBJECT: 2024 Official Newspaper	
ACTION REQUESTED: <ul style="list-style-type: none"> • Designate Elk River Star News as the official newspaper for 2024. • Approve alternative disseminations of bids via ERMU’s official website. 	

BACKGROUND/DISCUSSION:

Minnesota Statutes Section 331A.04 requires the utility to annually designate a qualified newspaper for the publication of legal notices. The newspaper must meet specific rules and must be chosen based on their location.

The Star News meets those qualifications and is in the city so it must be chosen as the utilities’ official newspaper.

Looking forward, staff has researched the option to utilize ERMU’s website for bid postings. The constraints associated with publishing in the Star News include publishing deadlines and costs to ultimately reach a limited audience as projects that are bid often draw companies across the region and country. Campbell Knutson provided the following language for an alternative dissemination of bids via ERMU’s website.

Minnesota Statutes, Section 331A.03, subd. 3(a)-(b) allows for alternative dissemination of bids, requests for proposals, and requests for information through the ERMU’s official website. The publication on the website must be “in substantially the same format and for the same period of time as” a newspaper publication. Minn. Stat. § 331A.03, subd. 3(b). This means that if ERMU chooses to publish on their website, the publication must look similar to the print version of the publication. Id.; see generally Minn. Stat. § 331A.05 (form of public notices).

Publishing on the website does not allow ERMU to abandon a newspaper publication completely. See Minn. Stat. § 331A.03, subd. 3(a) and (c). For the first six months that ERMU uses its website for publication, “it must continue to publish . . . in the official newspaper.” Minn. Stat. § 331A.03, subd. 3(c). In addition, for those first six months ERMU must note in the official newspaper where to find the website publication. Id. At all times, including after the six-month transition period, ERMU must keep a description

of all bids/requests and how they were published (via website and/or official newspaper) in the regular meeting minutes of ERMU's commission meetings or in a separate newspaper notice. Minn. Stat. § 331A.03, subd. 3(a).

With Commission approval, staff would like to begin the six-month transition period to posting bids, requests for proposals, and requests for information on ERMU's official website.

TO: ERMU Commission	FROM: Tony Mauren – Governance & Communications Manager
MEETING DATE: December 12, 2023	AGENDA ITEM NUMBER: 2.5
SUBJECT: 2024 Utilities Commission Meeting Schedule	
ACTION REQUESTED: Approve the 2024 Utilities Commission Meeting Schedule	

BACKGROUND/DISCUSSION:

Per state law, a schedule of the regular meetings of the Utilities Commission must be kept on file with the city clerk's office and posted on the City's bulletin board.

Regular commission meetings are scheduled for the second Tuesday of each month at 3:30 p.m. and will be held in the Uppertown conference room at Elk River City Hall, 13065 Orono Parkway, Elk River, MN 55330.

Exceptions to this schedule will be the June 2024 meeting will be held on the first Tuesday of the month to ensure a quorum with commissioners expected to attend a conference. The August 2024 meeting will be held in the Field Services Building's Mississippi conference room, located at 1435 Main Street, Elk River, MN 55330 as the regular location will be needed for the Primary Election.

ATTACHMENTS:

- 2024 Utilities Commission Meeting Schedule

2024

Utilities Commission Meeting Schedule

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



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

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

NOTE: ALL DATES ARE SUBJECT TO CHANGE

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

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

 The June meeting will be held on the first Tuesday of the month to ensure a quorum with commissioners expected to attend a conference.
 The August meeting will be held at 1435 Main Street, Elk River, MN as the regular location will be used for the Primary Election.

Holidays

Jan 1 - New Year's Day

Jan 15 - Martin Luther King Jr. Day

Feb 19 - Presidents' Day

May 27 - Memorial Day

June 19 - Juneteenth

July 4 - Independence Day

Sept 2 - Labor Day

Nov 11 - Veterans Day

Nov 28 - Thanksgiving

Nov 29 - Day after Thanksgiving

Dec 24 - Christmas Eve

Dec 25 - Christmas Day

TO: ERMU Commission	FROM: Mark Hanson – General Manager
MEETING DATE: December 12, 2023	AGENDA ITEM NUMBER: 2.6
SUBJECT: Frontier Energy, Inc. Professional Services Agreement	
ACTION REQUESTED: Approve the Frontier Energy, Inc. professional services agreement for work related to ERMU's Conservation Improvement Program	

BACKGROUND:

Historically, Elk River Municipal Utilities (ERMU) has been unsuccessful in achieving our savings goal required by the state-mandated Conservation Improvements Program (CIP). Moving forward, ERMU will be managing our CIP efforts via the use of an energy consulting company. The selected company will provide oversight of our entire CIP and specifically manage our commercial rebates program.

DISCUSSION:

In the last several months, staff received quotes from three energy consultants to identify which best meets ERMU's needs. Based on their proprietary rebate tracking program (P3Lite), their innovative experience in the local market, and their approach to achieving CIP related goals, ERMU has selected Frontier Energy, Inc. to provide oversight of our CIP program and conduct our commercial rebate program. Frontier will engage with commercial customers to identify kilowatt-hour (kWh) savings opportunities and process commercial rebate submissions.

Combined with existing CIP efforts in our residential, electric utility infrastructure, and low-income programs, Frontier's assistance with 3.2M kWh commercial savings would put ERMU on track to reach our 5.0M kWh mandated energy savings goal. Staff requests commission approval to enter into a professional services agreement with Frontier for 3.2M kWh of energy savings.

FINANCIAL:

It is anticipated Frontier Energy, Inc. will process approximately 3.2M kWh in commercial energy savings in 2024 at a cost of \$10K/month + 0.0187/kWh. Frontier's costs will be funded via the CIP budget (set at 1.5% of gross operating revenue) and will be offset by reduced labor costs and restructured commercial rebate amounts. The CIP budget was reviewed in November as part of the annual budget process.

ATTACHMENTS:

- Frontier Energy, Inc. Professional Services Agreement

STANDARD AGREEMENT FOR PROFESSIONAL SERVICES

Agreement for Services

THIS PROFESSIONAL SERVICES AGREEMENT (“Agreement”) is made this 27th day of November, 2023, by and between **ELK RIVER MUNICIPAL UTILITIES** (“Utilities”) and **FRONTIER ENERGY, INC.**, a California corporation (“Consultant”). Utilities and Consultant, in consideration of the mutual covenants set forth herein, agree as follows:

1. Services of Consultant. Consultant shall perform energy savings calculations and assist in the management of Utilities’ commercial and residential energy conservation programs based upon Consultant’s Scope of Work as detailed in Exhibit A (the “Services”). Consultant shall exercise the same degree of care, skill, and diligence in the performance of the Services as is ordinarily possessed and exercised by a professional Consultant under similar circumstances. No other warranty, expressed or implied, is included in this Agreement or in any drawing, specification, report, or opinion produced pursuant to this Agreement. The Services will include energy savings calculations, identification of rebate opportunities for custom commercial and industrial energy efficiency projects, assistance in the management of Utilities’ commercial and residential energy conservation programs, and facilitation of communications between Utilities and its customers. Consultant is an independent provider of professional services, responsible for means and methods used in performing Consultant’s services pursuant to this Agreement.

2. Effective Date and Term.

2.1 This Agreement shall be effective upon execution by Utilities and Consultant, and the term of this Agreement shall continue through December 31, 2026.

2.2 Utilities may terminate this Agreement at any time by giving sixty (60) days written notice to Consultant (the “Termination Notice”). The Parties’ obligations hereunder shall terminate on the date that is sixty (60) days after the date of the Termination Notice (the “Termination Date”). Upon any such termination, Consultant shall be entitled to receive, and Utilities shall be obligated to pay, all fees for services rendered by that date.

2.3 Consultant may terminate this Agreement at any time by giving thirty (30) days written notice to Utilities (the “Termination Notice”). The Parties’ obligations hereunder shall terminate on the date that is thirty (30) days after the date of the Termination Notice (the

“Termination Date”). Upon any such termination, Consultant shall be entitled to receive, and Utilities shall be obligated to pay, all fees for services rendered by that date.

3. Payments to Consultant.

3.1 *Fee Schedule for Services and Expenses of Consultant.* The Fees for Professional Services shall be as specified in Exhibit A and shall comprise a one-time set up fee of \$15,000 and \$10,000 per month + \$0.0187 per kWh delivered for Utilities’ 2024 savings goal of 3,200,000 kWh.

3.2 *Times of Payments.* Consultant shall submit monthly statements for Professional Services rendered and for Reimbursable Expenses incurred. The statements will be based upon Consultant’s estimate of the proportion of the total services actually completed at the time of billing. Utilities shall make prompt monthly payments in response to Consultant’s monthly statements. Consultant shall comply with Minnesota Statutes § 471.425. Consultant must pay Subcontractor for all undisputed services provided by Subcontractor within ten days of Consultant’s receipt of payment from Utilities. Consultant must pay interest of 1.5 percent per month or any part of a month to Subcontractor on any undisputed amount not paid on time to Subcontractor. The minimum monthly interest penalty payment for an unpaid balance of \$100 or more is \$10.

3.3 *Financial Records and Audits.* Records pertinent to Consultant’s compensation under this Agreement will be kept in accordance with generally accepted accounting principles. Copies will be made available to Utilities at cost on request prior to final payment for Consultant’s services, and shall be subject to inspection and audit by Utilities or state audit officials. Consultant shall provide Utilities access to any books, documents, papers, and records which are directly pertinent to the specific contract, for the purpose of making audit, examination, excerpts, and transcriptions, for three years after final payments and all other pending matters related to this contract are closed.

4. Ownership of Documents. All documents including Plans and Specifications prepared or furnished by Consultant (and Consultant’s independent professional associates and consultants) pursuant to this Agreement are instruments of service and Utilities will be provided with original record drawing copies; however, such documents are not intended or represented to be suitable for reuse by Utilities or others on extensions of any other project. Where the documents exist in electronic format, they shall be provided to Utilities in that format, or converted to a format determined by Utilities. Any reuse without written verification or adaptation by Consultant for the specific purpose intended will be at Utilities’ sole risk.

5. Minnesota Government Data Practices Act. Consultant must comply with the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13, as it applies to (1) all data provided by Utilities pursuant to this Agreement, and (2) all data, created, collected, received, stored, used, maintained, or disseminated by Consultant pursuant to this Agreement. Consultant is subject to all the provisions of the Minnesota Government Data Practices Act, including but not limited to the civil remedies of Minnesota Statutes § 13.08, as if it were a government entity. In the event Consultant receives a request to release data, Consultant must immediately notify

Utilities. Prior to the release of any requested data, Utilities will give Consultant instructions concerning the release of such data. Consultant agrees to defend, indemnify, and hold Utilities, its officials, officers, agents, employees, and volunteers harmless from any claims resulting from any unlawful disclosure and/or use of protected data by Consultant's officers, agents, partners, employees, volunteers, assignees, or subcontractors. The terms of this Section shall survive the cancellation or termination of this Agreement.

6. Insurance.

6.1. General Liability. Prior to starting the Work, Consultant shall procure, maintain and pay for such insurance as will protect against claims for bodily injury or death, or for damage to property, including loss of use, which may arise out of operations by Consultant or by any subcontractor or by anyone employed by any of them or by anyone for whose acts any of them may be liable. Such insurance shall include, but not be limited to, minimum coverages and limits of liability specified in this Paragraph, or required by law. The policy(ies) shall name Utilities as an additional insured for the services provided under this Agreement and shall provide that Consultant's coverage shall be primary and noncontributory in the event of a loss.

6.2. Consultant shall procure and maintain the following minimum insurance coverages and limits of liability on this Project:

Workers Compensation	Statutory Limits
Employer's Liability	\$500,000 each accident \$500,000 disease policy limit \$500,000 disease each employee
Comprehensive General Liability	\$1,000,000 property damage and bodily injury per occurrence \$2,000,000 general aggregate \$2,000,000 Products – Complete Operations Aggregate \$100,000 fire legal liability each occurrence \$5,000 medical expense
Comprehensive Automobile Liability	\$1,000,000 combined single limit each accident (shall include coverage for all owned, hired and non-owned vehicles.

Umbrella or Excess Liability \$1,000,000

6.3. The Comprehensive General/Commercial General Liability policy(ies) shall be equivalent in coverage to ISO form CG 0001, and shall include the following:

- 6.3.1. Premises and Operations coverage with no explosions, collapse, or underground damage exclusion (XCU).
- 6.3.2. Products and Completed Operations coverage. Consultant agrees to maintain this coverage for a minimum of two (2) years following completion of its work. Said coverage shall apply to bodily injury and property damage arising out of the products-completed operations hazard.
- 6.3.3. Personal injury with Employment Exclusion (if any) deleted.
- 6.3.4. Broad Form CG 0001 0196 Contractual Liability coverage, or its equivalent.
- 6.3.5. Broad Form Property Damage coverage, including completed operations, or its equivalent.
- 6.3.6. Additional Insured Endorsement(s), naming “Elk River Municipal Utilities” as an Additional Insured, on ISO form CG 20 10 07 04 or such other endorsement form as is approved by the Utilities.
- 6.3.7. If the Work to be performed is on an attached community, there shall be no exclusion for attached or condominium projects.
- 6.3.8. “Stop gap” coverage for work in those states where Workers’ Compensation Insurance is provided through a state fund if Employer’s liability coverage is not available.
- 6.3.9. Severability of Insureds provision.

6.4. Professional Liability Insurance. Consultant agrees to provide to Utilities a certificate evidencing that Consultant has in effect, with an insurance company in good standing and authorized to do business in Minnesota, a professional liability insurance policy. Said policy shall insure payment of damage for legal liability arising out of the performance of professional services for Utilities. Said policy shall provide an aggregate limit of \$2,000,000. Said policy shall not name Utilities as an insured.

6.5. Consultant shall maintain in effect all insurance coverages required under this Agreement at Consultant’s sole expense and with insurance companies licensed to do business in the state in Minnesota and having a current A.M. Best rating of no less than A-, unless specifically accepted by Utilities in writing. In addition to the requirements stated above, the following applies to the insurance policies required under this Paragraph:

- 6.5.1. All policies, except the Professional Liability Insurance policy, shall be written on an “occurrence” form (“claims made” and “modified occurrence” forms are not acceptable);
- 6.5.2. All policies, except the Professional Liability Insurance policy, shall be applied on a “per project” basis;
- 6.5.3. All policies, except the Professional Liability Insurance and Worker’s Compensation Policies, shall contain a waiver of subrogation naming “Elk River Municipal Utilities”;
- 6.5.4. All policies, except the Professional Liability Insurance and Worker’s Compensation Policies, shall name “Elk River Municipal Utilities” as an additional insured;
- 6.5.5. All policies, except the Professional Liability Insurance and Worker’s Compensation Policies, shall insure the defense and indemnity obligations assumed by Consultant under this Agreement; and
- 6.5.6. All policies shall contain a provision that coverages afforded thereunder shall not be canceled or non-renewed, nor shall coverage limits be reduced by endorsement, without thirty (30) days prior written notice to the Utilities.

A copy of Consultant’s Certificate of Insurance which evidences the compliance with this Paragraph must be filed with Utilities prior to the start of Consultant’s Work. Upon request, a copy of Consultant’s insurance declaration page, Rider and/or Endorsement, as applicable shall be provided. Such documents evidencing Insurance shall be in a form acceptable to Utilities and shall provide satisfactory evidence that Consultant has complied with all insurance requirements. Renewal certificates shall be provided to Utilities prior to the expiration date of any of the required policies. Utilities will not be obligated, however, to review such Certificate of Insurance, declaration page, Rider, Endorsement or certificates or other evidence of insurance, or to advise Consultant of any deficiencies in such documents and receipt thereof shall not relieve Consultant from, nor be deemed a waiver of, Utilities’ right to enforce the terms of Consultant’s obligations hereunder. Utilities reserves the right to examine any policy provided for under this paragraph.

6.6. Effect of Consultant’s Failure to Provide Insurance. If Consultant fails to provide the specified insurance, then Consultant will defend, indemnify and hold harmless Utilities, Utilities’ officials, agents and employees from any loss, claim, liability and expense (including reasonable attorney’s fees and expenses of litigation) to the extent necessary to afford the same protection as would have been provided by the specified insurance. Except to the extent prohibited by law, this indemnity applies regardless of the extent to which the underlying occurrence (i.e., the event giving rise to a claim which would have been covered by the specified insurance) is attributable to the negligent or otherwise wrongful act or omission (including

breach of contract) of Consultant, its subcontractors, agents, employees, or delegates, Consultant agrees that this indemnity shall be construed and applied in favor of indemnification. Consultant also agrees that if applicable law limits or precludes any aspect of this indemnity, then the indemnity will be considered limited only to the extent necessary to comply with that applicable law. The stated indemnity continues until all applicable statutes of limitation have run.

If a claim arises within the scope of the stated indemnity, Utilities may require Consultant to:

- 6.6.1. Furnish and pay for a surety bond, satisfactory to Utilities, guaranteeing performance of the indemnity obligation; or
- 6.6.2. Furnish a written acceptance of tender of defense and indemnity from Consultant's insurance company.

Consultant will take the action required by Utilities within fifteen (15) days of receiving notice from Utilities.

7. Indemnification. Consultant agrees, to the fullest extent permitted by law, to indemnify and hold Utilities, its officials, officers, agents, employees, and volunteers harmless from any damage, liability, or cost (including reasonable attorney's fees and costs of defense) to the extent caused by Consultant's negligent acts, errors, or omissions in the performance of professional services under this Agreement and those of his or her subcontractors or anyone for whom Consultant is liable. No supplemental agreement or work order may reduce or limit this obligation.

8. Successors and Assigns.

8.1 Utilities and Consultant each is bound by this Agreement, and the respective partners, successors, executors, administrators, and legal representatives of Utilities and Consultant are likewise bound to the other party, to this Agreement, and to the partners, successors, executors, administrators and legal representatives (and said assigns) of such other party, in respect of all covenants, agreements, and obligations of this Agreement.

8.2 Neither Utilities nor Consultant shall assign, sublet or transfer any rights under or interest in this Agreement (including, but without limitation, monies that may become due or monies that are due) without the written consent of the other, except to the extent that any assignment, subletting, or transfer is mandated by law or the effect of this limitation may be restricted by law. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement. Nothing contained in this Section 8.2 shall prevent Consultant from employing such independent professional associates and consultants as Consultant may deem appropriate to assist in the performance of the Services.

8.3 No part of this Agreement shall be construed to give any rights or benefits in this Agreement to anyone other than Utilities and Consultant, and all duties and responsibilities

undertaken pursuant to this Agreement will be for the sole and exclusive benefit of Utilities and Consultant, and not for the benefit of any other party.

9. Copyright or Patent Infringement. Consultant shall defend actions or claims charging infringement of any copyright or patent by reason of the use or adoption of any designs, Drawings or Specifications supplied by it, and it shall hold harmless Utilities, its officials, officers, agents, employees, and volunteers from loss or damage resulting from such claims.

10. Miscellaneous.

10.1 *Governing Law; Venue.* The laws of the State of Minnesota govern the interpretation of this Agreement. In the event of litigation, the exclusive venue shall be in the District Court of the State of Minnesota for Sherburne County.

10.2 *Severability.* Any provision or part of this Agreement that is held to be void or unenforceable under any law or regulation shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon Utilities and Consultant, who agree that Agreement shall be reformed to replace such stricken provision or part with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provisions.

10.3 *Waiver.* In the particular event that either party shall at any time or times waive any breach of this Agreement by the other, such waiver shall not constitute a waiver of any other or any succeeding breach of this Agreement by either party, whether of the same or any other covenant, condition or obligation.

10.4 *Entire Agreement.* This Agreement represents the entire agreement of the parties and is a final, complete, and all-inclusive statement of the terms agreed upon, and supersedes and terminates any prior agreement(s), understanding(s), or written or verbal representation(s) made between the parties.

10.5 *Notices.* Any notice required by this Agreement to be delivered to the other party shall be in writing, and shall be either hand delivered to the other party; deposited in the United States Mail, to be delivered by certified or registered mail, return receipt requests; or deposited with an overnight courier to be delivered to the other party. Notices shall be delivered to the following address for each party:

If to Utilities:

Elk River Municipal
Utilities
ATTN: Mark Hanson
13069 Orono Parkway
P.O. Box 430
Elk River, MN
55330-0430

If to Consultant:

Frontier Energy, Inc.
ATTN: Matt Haley, VP
PO Box 530293
Atlanta, GA 30353-0923

Each party may designate a new or alternate address by providing the same to the other party in writing.

10.6 *Conflicts.* No salaried officer or employee of Utilities and no member of the ERMU Commission shall have a financial interest, direct or indirect, in this Agreement. The violation of this provision renders the Agreement void. Any federal regulations and applicable state statutes shall not be violated.

11. Non-Discrimination. During the performance of this Agreement, Consultant shall not discriminate against any employee or applicant for employment because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or age. Consultant shall post in places available to employees and applicants for employment, notices setting forth the provision of this non-discrimination clause and stating that all qualified applicants will receive consideration for employment. Consultant shall incorporate the foregoing requirements of this paragraph in all of its subcontracts for program work, and will require all of its subcontractors for such work to incorporate such requirements in all subcontracts for program work.

12. Dispute Resolution/Mediation. Each dispute, claim or controversy arising from or related to this Agreement or the relationships which result from this Agreement shall be subject to mediation as a condition precedent to initiating arbitration or legal or equitable actions by either party. Unless the parties agree otherwise, the mediation shall be in accordance with the Commercial Mediation Procedures of the American Arbitration Association then currently in effect. A request for mediation shall be filed in writing with the American Arbitration Association and the other party. No arbitration or legal or equitable action may be instituted for a period of ninety (90) days from the filing of the request for mediation unless a longer period of time is provided by agreement of the parties. Cost of mediation shall be shared equally between the parties. Mediation shall be held in the City of Elk River unless another location is mutually agreed upon by the parties. The parties shall memorialize any agreement resulting from the mediation in a Mediated Settlement Agreement, which Agreement shall be enforceable as a settlement in any court having jurisdiction thereof.

13. Exhibits; Incorporation. The following Exhibits that are attached to this Agreement are true and correct, and are incorporated into and made part of this Agreement:

Exhibit	Name	Date
A	Scope of Work and Fees	11/27/2023
B		

[Signature pages and Exhibits follow]

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective as of the date of the last signature affixed below.

ELK RIVER MUNICIPAL UTILITIES:

FRONTIER ENERGY, INC.:

BY: _____
Mark Hanson
Its: General Manager

BY: _____
Matt Haley
Its: Vice President

Date: _____

Date: _____

Exhibit A – Scope of Work and Fees

Project Description

Consultant shall perform energy savings calculations and identify rebate opportunities for custom commercial and industrial energy efficiency projects and assist in the management of Utilities' commercial and residential energy conservation programs - Performing in person site visits and facilitating communications between Utilities and its customers.

Scope of Services

Project Tasks & Deliverables:

Consultant shall undertake reasonable efforts to perform the following Tasks and produce the Deliverables:

- In Depth Understanding of TRM – Technical Reference Manual
- Keep up on baselines' updates on yearly basis
- Energy Savings vs Spending goals
- Extensive resource investment in staying on top of the latest Technologies
 - HVAC
 - Data Centers
- Commercial and Industrial Energy Audits
- Supporting design and implementation to achieve conservation goals
- Reviewing overall programs
- Supporting design and implementation of programs
- Make customers dependable on ERMU for energy needs. Use EE programs as a tool for customer service
- Assist with increasing sales through electrification
- Use Frontier's relationships with DOE and State offices to inform customers with available grants and fundings
- Expose ERMU to latest R&D
- Assist with ever changing rules and guidelines with ECO Act
- Custom Rebate Calcs
 - HVAC and Controls
 - Data Centers/IT Equipment
 - Industrial Processes
 - Refrigeration
 - Food Service Equipment
 - Specialized Lighting
 - Design Assistance – motivate customers to implement projects with energy savings, cost savings, rebate estimates and payback analysis
 - Train ERMUs internal staff
- Provide a technical software to increase efficiencies and EE program management
- Develop relationships with Trade Allies
- Meetings to update status of programs
- Clear communications and full transparency
- All the calculations and savings numbers with clear documentation on hand
- Access to P3Lite included
- Assist with filing yearly program results

EUI savings will be included as a deliverable dependent that Elk River MUC provides all the details to calculate savings remotely. Complicated calcs that need site visits and large quantity of time to calculate the savings will be evaluated for chargeable fee on case-by-case basis.

Ad hoc Services are extra – approval needed per project.

Elk River Municipal Utilities Standard Agreement for Professional Services

Compressed Air Studies
Vacuum Studies
DI material cost and labor
Low-income program assistance
Residential Energy Audits

Project Timeline

Consultant shall perform the Services and provide the Deliverables by the following dates: Yearly energy savings goals to be met by the end of each calendar year. Individual project timelines and deadlines will vary based on the size and scope of the project.

Project Completion Date: December 31st, 2026

Location of Services to be Performed

Consultant shall provide the Services in the following locations:

On-Site: Utilities site locations will vary and be determined as need arises.

Off-Site: 7935 Stone Creek Dr., Suite 140, Chanhassen, MN 55317

Key Personnel

1. Tanuj Gulati, Director
2. Doug Eli, Sr. Engineer
3. Alexandra Blair, Program Associate

Compensation Schedule

\$15,000.00 one-time fee and \$10,000.00 monthly + \$0.0187 per kWh delivered for Utilities' 2024 savings goal of 3,200,000 kWh shall be payable in consideration of the provision of the Services pursuant to this Scope of Work. Any additional work requested beyond this amount shall be negotiated outside this Scope of Work or billed according to the rates below. Mileage charges will be billed at the applicable IRS mileage rate.

Category	2023	2024	2025
President	306	324	343
Vice President	301	319	338
Sr. Director	301	319	338
Director / Principal Consultant	281	298	316
Sr. Manager / Engineering Manager	250	265	281
Manager	222	235	249
Sr. Engineer / Sr. Program Mgr	202	214	227
Engineer / Program Mgr	168	178	189
Sr. Program Consultant / Sr. Analyst	153	162	172
Program Consultant / Analyst	133	141	149
Sr. Program Coordinator / Sr. Technician	112	119	126
Program Coordinator / Technician	97	103	109
Program Associate / Direct Install Technician	81	86	91
Administrative	75	80	80

TO: ERMU Commission	FROM: Tony Mauren – Governance & Communications Manager
MEETING DATE: December 12, 2023	AGENDA ITEM NUMBER: 4.1
SUBJECT: Commission Policy Review – G.2a3 – Repairs to Private Water Utility Lines - MOU	
ACTION REQUESTED: Review the policy and provide comment.	

BACKGROUND/DISCUSSION:

This month commissioners are reviewing policy G.2a3 – Repairs to Private Water Utility Lines – Memorandum of Understanding to make comments, ask questions, or recommend updates.

A memorandum of understanding between ERMU and the City was created in April of 2012 to address the payment of costs for the connection and repair of private water lines within Elk River. City ordinance allows private property owners who are required to connect to city water, or who have private water lines which have failed, to petition the City to assess costs for connection or repair. The understanding states that these costs will initially be paid by ERMU who will subsequently be reimbursed through assessment payments collected and passed on by the City.

ATTACHMENTS:

- ERMU Policy – G.2a3 – Repairs to Private Water Utility Lines – Memorandum of Understanding

**MEMORANDUM OF UNDERSTANDING
BETWEEN
ELK RIVER MUNICIPAL UTILITIES
AND
THE CITY OF ELK RIVER, MINNESOTA
REGARDING
PAYMENT OF PRIVATE WATER LINE CONNECTION AND REPAIR COSTS**

This MEMORANDUM OF UNDERSTANDING, hereinafter referred to as "MOU", is hereby made and entered into on this 10th day of April, 2012, by and between the City of Elk River, Minnesota, hereinafter referred to as the "City" and Elk River Municipal Utilities, hereinafter referred to as the "Utilities".

1.0 Purpose

The purpose of this MOU is to address the payment of costs for the connection and repair of private water lines within the City of Elk River, Minnesota.

2.0 Connection and Repair of Private Water Lines

The City Council of the City of Elk River has adopted an ordinance which provides for payment by the city and assessment to the property owner of the costs to connect and repair private utility lines. This ordinance authorizes private property owners who are required to connect to the city water utility, or who have private water lines which have failed, to petition the City to pay the costs of connection or repair of the private water line and to assess amounts paid by the City as a special charge to the owner's property. The ordinance further provides that the City Council will establish policies regarding when and on what terms the costs to connect or repair private water lines will be eligible for payment and assessment.

3.0 Payment and Reimbursement of Elk River Municipal Utilities

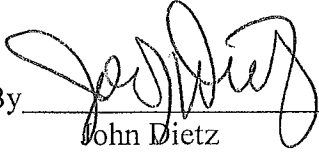
The City and Utilities agree that when payment of the costs to connect or repair private water lines has been approved pursuant to the City Code and the City Council policies, payment of the approved costs will be made by Utilities, the City will assess the costs paid by Utilities to the property, and the City will reimburse Utilities for the costs paid as the special assessments are paid. City and Utilities staff are directed to coordinate and adopt appropriate procedures to implement this payment and reimbursement process.

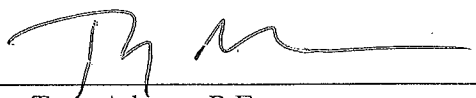
4.0 Termination of MOU

This MOU 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 and executed by the parties before becoming effective. Cancellation of this MOU shall not affect the parties rights and responsibilities regarding payments already approved and made by Utilities.


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


ELK RIVER MUNICIPAL UTILITIES

By 
John Dietz
Chair

By 
Troy Adams, P.E.
Utilities Director

THE CITY OF ELK RIVER, MINNESOTA

By 
John J. Dietz, Mayor

By 
Tina Allard, City Clerk

GP:3136155 v1

TO: ERMU Commission	FROM: Mark Hanson – General Manager
MEETING DATE: December 12, 2023	AGENDA ITEM NUMBER: 4.2
SUBJECT: 2024 Governance Agenda	
ACTION REQUESTED: Adopt the 2024 Governance Agenda.	

DISCUSSION:

In May 2017, the Commission adopted a comprehensive manual of governance policies based on the Carver Model of governance. Included in those policies is Governance Policy G.2c Agenda Planning which establishes expectations for a proactive governance process using a forward-looking agenda of recurring governance functions. The intention of this agenda is to create transparency for the occurrence of the most critical responsibilities of the Commission.

An update from the previous year comes from commission direction to adapt the Annual Commission Performance *Self-Evaluation* in July to now incorporate feedback from management. Staff also received instruction from the Commission to reduce the number of questions and prioritize written responses that elaborate on the scores submitted. Staff is working to restructure the survey accordingly.

Attached for discussion and commission approval is a proposed 2024 Governance Agenda.

ATTACHMENTS:

- 2024 Governance Agenda

<p>Tuesday, January 9:</p> <ul style="list-style-type: none"> • Annual Review of Committee Charters 	<p>Tuesday, February 13:</p> <ul style="list-style-type: none"> • Review Strategic Plan and 2023 Annual Business Plan Results
<p>Tuesday, March 12:</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 9:</p> <ul style="list-style-type: none"> • Audit of 2023 Financial Report • Financial Reserves Allocations • Review 2023 Performance Metrics
<p>Tuesday, May 14:</p> <ul style="list-style-type: none"> • Annual General Manager Performance Evaluation and Goal Setting 	<p>Tuesday, June 4:</p>
<p>Tuesday, July 9:</p> <ul style="list-style-type: none"> • Annual Commission Performance Evaluation • Review and Update Strategic Plan 	<p>Tuesday, August 13:</p> <ul style="list-style-type: none"> • Annual Business Plan – Review Proposed 2025 Travel, Training, Dues, Subscriptions, and Fees Budget
<p>Tuesday, September 10:</p> <ul style="list-style-type: none"> • Annual Business Plan – Review Proposed 2025 Capital Projects Budget 	<p>Tuesday, October 8:</p> <ul style="list-style-type: none"> • Annual Business Plan – Review Proposed 2025 Expenses Budget
<p>Tuesday, November 12:</p> <ul style="list-style-type: none"> • Annual Business Plan - Review Proposed 2025 Rates and Other Revenue • Adopt 2025 Fee Schedule • 2025 Stakeholder Communication Plan 	<p>Tuesday, December 10:</p> <ul style="list-style-type: none"> • Adopt 2025 Official Depository and Delegate Authority for Electronic Funds Transfers • Designate Official 2025 Newspaper • Approve 2025 Regular Meeting Schedule • Adopt 2025 Governance Agenda • Adopt 2025 Annual Business Plan

TO: ERMU Commission	FROM: Mark Hanson – General Manager
MEETING DATE: December 12, 2023	AGENDA ITEM NUMBER: 4.3
SUBJECT: 2024 Performance Metrics and Incentive Compensation Policy	
ACTION REQUESTED: Approve the Performance Metrics and Incentive Compensation Policy and Scorecard for 2024	

BACKGROUND:

The Commission adopted the Utilities Performance Metrics and Incentive Compensation (UPMIC) Policy in December 2012 along with revisions in 2016, 2019, 2021, and 2022. This is a company-wide performance-based program designed to incentivize employee commitment towards the company's success.

DISCUSSION:

Per policy, the metrics for measurement of the designated year need to be determined before the start of the designated year. This allows for timely communication of any changes before performance measurement begins. Staff recommends one change to the scorecard for 2024.

In 2019, the Commission approved replacing the customer satisfaction survey component with a Clean Energy Choice participation component, with a weight of 5 percent, and a goal of 15 net customers. We netted 29 new participants in 2020, 21 in 2021, and 36 in 2022. Through the third quarter of 2023, we have netted 46 new participants. Last year, staff reviewed increasing the participation goal but determined even a modest increase to 20 new participants may be challenging due to rate increases. With a zero percent rate increase recommended for 2024, staff is comfortable recommending an increase to a goal of 30 net participants for 2024.

The proposed UPMIC scorecard is attached for approval for the 2024 measurement year.

FINANCIAL IMPACT:

No additional financial impact for the 2024 budget year. The potential 3.0% distribution (increased from 2.5% as part of a two-year adjustment approved by the commission in 2022) is budgeted for and accrued throughout the year for audit purposes, and any necessary adjustments are made at year end. The actual distribution will be awarded in 2024.

ATTACHMENTS:

- ERMU Policy – G.4g1 – Performance Metrics and Incentive Compensation Policy
- ERMU Policy – G.4g1a – 2024 Performance Metrics & Incentive Compensation Scorecard

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

1.0 PURPOSE AND SUMMARY

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

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

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

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

2.0 UTILITIES PERFORMANCE METRICS SCORECARD

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

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

3.0 UTILITIES PERFORMANCE INCENTIVE COMPENSATION DISTRIBUTION CRITERIA

Under the UPMIC a Performance-Based Compensation Incentive, if earned, will be distributed to Qualifying Employees annually. The total amount available to be earned by Utilities employees as a Performance Based Compensation Incentive each year will be an amount up to 3% of the Utilities' total gross wages paid to Qualifying Employees during the Measurement Period.

The measuring period used to calculate how much, if any, of the Performance-Based Compensation Incentive the Utilities employees have earned will be the calendar year (the "Measurement Period"). After the Measurement Period is complete and the Commission has received its audit in the spring of the year following the Measurement Period, the Performance Metrics will be applied to determine whether the Performance-Based Compensation Incentive has been earned for the Measurement Period. In doing so, the performance of the Utilities in each sub-category will be reviewed. If the sub-category performance meets or exceeds the established goal, the sub-category will be scored with the designated percentage that will contribute to a total Performance Metrics Multiplier to be used as a factor in calculating the distribution earned, if any, as shown in the Scorecard ("Multiplier"). The Multiplier has a maximum factoring effect of 100%. The Multiplier is used to determine how much, if any, of the amount established by the Commission for the UPMIC Performance-Based Compensation Incentive has been earned in the Measurement Period. (For example if the Multiplier equals 100%, the distribution would equal 3%. If the Multiplier equals 75%, the distribution would equal 2.25%.) In other words, the amount established by the Commission may be earned on an annual basis by the group of Qualifying Employees (as defined below in Section 4.0) in whole, in part, or not at all.

After the Multiplier is calculated on the Scorecard, the Performance Based Compensation Incentive earned, if any, will be distributed to Qualifying Employees. The total amount to be distributed as the Performance Based Compensation Incentive will be the product of: a) the Multiplier; and b) 3% of the Utilities' total gross wages paid to Qualifying Employees during the Measurement Period.

The percentage of the Performance Based Compensation Incentive awarded to each Qualifying Employee will be based on the gross wages of each Qualifying Employee during the Measurement Period. To each Qualifying Employee, the distribution would be allocated in a lump sum equal to the product of: a) the Multiplier; and b) 3% of that employee's gross wages paid during the Measurement Period. (For example, if a Qualifying Employee's gross wages earned during the Measurement Period were equal to \$50,000 and the Multiplier was equal to 100%, the total distribution to that employee would be equal to: $\$50,000 \times 3\% \times 100\% = \$1,500$.)

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

4.0 EMPLOYEE QUALIFICATIONS AND DISTRIBUTION OF THE INCENTIVE COMPENSATION

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

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

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

GP:3300714 v4

POLICY HISTORY:

Adopted December 12, 2012

Revised January 14, 2020

Revised December 13, 2022, effective January 1, 2023

Revised December 12, 2023, effective January 1, 2024

Elk River Municipal Utilities

G.4g1a - Performance Metrics and Incentive Compensation Policy Scorecard - 2024

Category	Percent	Sub-Category	Sub-Percent	Goal	Score	Awarded Multiplier Percentage
Safety, Reliability and Quality of Utility Services	40	Water Quality Standards	5	Meet Requirements		
		Lead and Copper quality	5	90th percentile		
		Bacteria Detection	5	0 positive samples		
		CAIDI	5	<120 Min		
		SAIDI	5	<90 Min		
		SAIFI	5	< 0.5		
		Line Loss	5	<5%		
		Water Loss	5	<12%		
Workforce Development	25	Clean Energy Choice Program Participation	5	+30 net		
		Employee Turnover	10	≤ 7.5%		
		Participation in Recommended and Mandatory Trainings	10	≥ 95%		
Financial Goals	35	Margins/Net Profit	20	≥ Budget		
		Reserves	10	≥ Target		
		Inventory Accuracy	5	≥ 95%		
				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: December 12, 2023	AGENDA ITEM NUMBER: 4.4
SUBJECT: Competitive Rates Analysis	
ACTION REQUESTED: Approve the Competitive Rates Analysis	

BACKGROUND:

The Commission adopted the Competitive Rates Policy in December 2022. Per this policy, the general manager will provide an annual competitive rate analysis report to the Commission prior to rate setting for the following budget year.

DISCUSSION:

The report includes the following information:

1. Electric
 - a. Report the blended \$/kWh effective electric rate data (total revenue collected/total kWh sold) as available through the U.S. Department of Energy, Energy Information Administration, Form EIA-861. The report shall include ten-year trend data graphing ERMU electric rates compared to neighboring competitor electric utilities. Recognizing that the data release lags one year, the intent of the report shall be to provide graphical trend data for long-term planning rather than short term comparisons. The report shall be provided to the Commission annually prior to rate setting for the following budget year.
 - b. Report customer class rate analysis comparing ERMU electric rates to neighboring competitor electric utilities. The report shall include ten-year trend data graphing ERMU electric rates compared to neighboring competitor electric utilities. The intent of this is to show, from a customer perspective, how rate competitiveness would be perceived currently. The report shall include all rate classes or other unique customer types within rate classes.
2. Water
 - a. Report tiered water rate comparisons, as available locally sourced. The report shall include data graphing ERMU water rates compared to neighboring water utilities. The intent of the report shall be to provide trend data for

long-term planning rather than short-term comparisons.

- b. Report customer class rate analysis comparing ERMU water rates to neighboring communities, as available through regional Advanced Engineering and Environmental Services survey reports. The report shall include ten-year trend data graphing ERMU water rates compared to neighboring competitor water utilities. The intent of this is to show, from a customer perspective, how rate competitiveness would be perceived currently. The report shall include all rate classes.

The annual rate analysis report is attached for approval.

ATTACHMENTS:

- ERMU Policy – G.5b – Competitive Rates Policy
- Electric and Water Report with Graphs

COMMISSION POLICY

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

PURPOSE:

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

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

POLICY:

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

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

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

2. Water

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

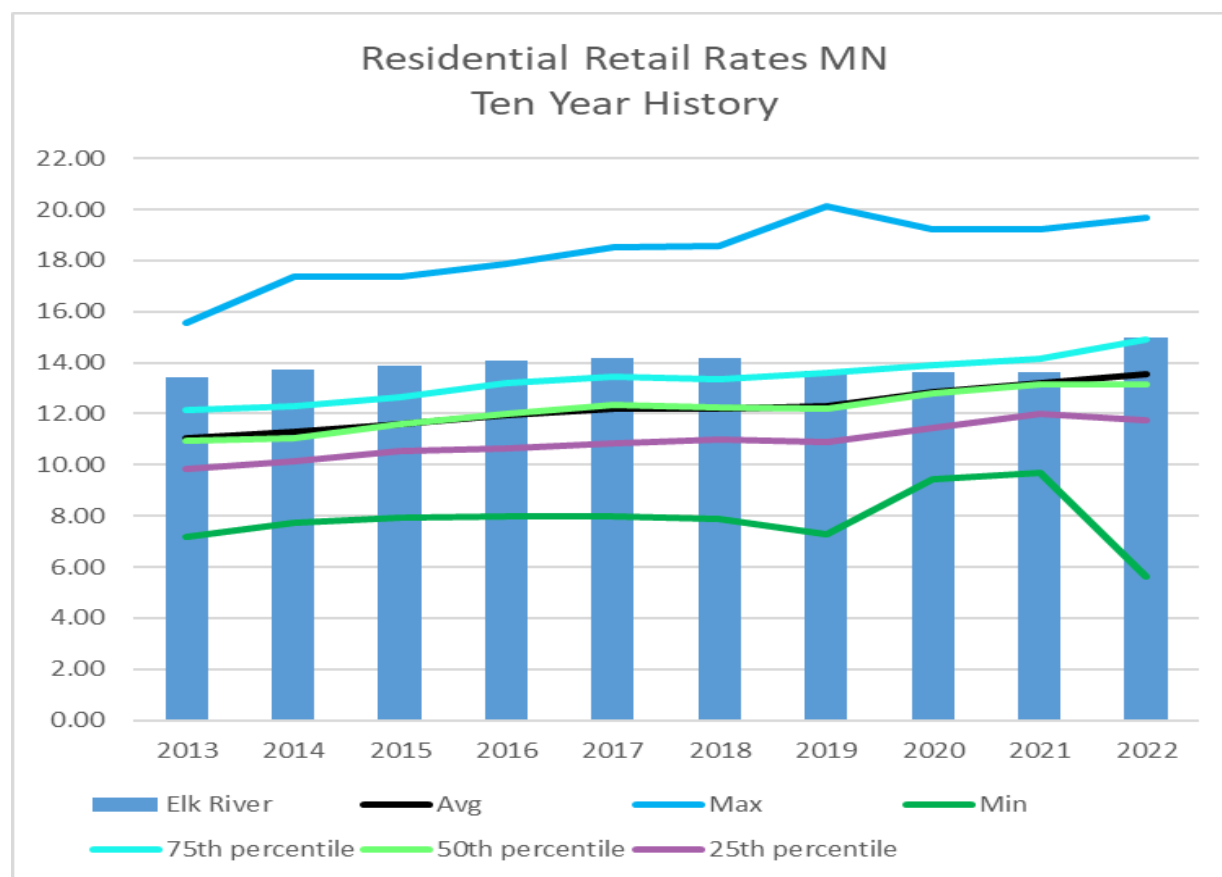
POLICY HISTORY:

Adopted December 13, 2022

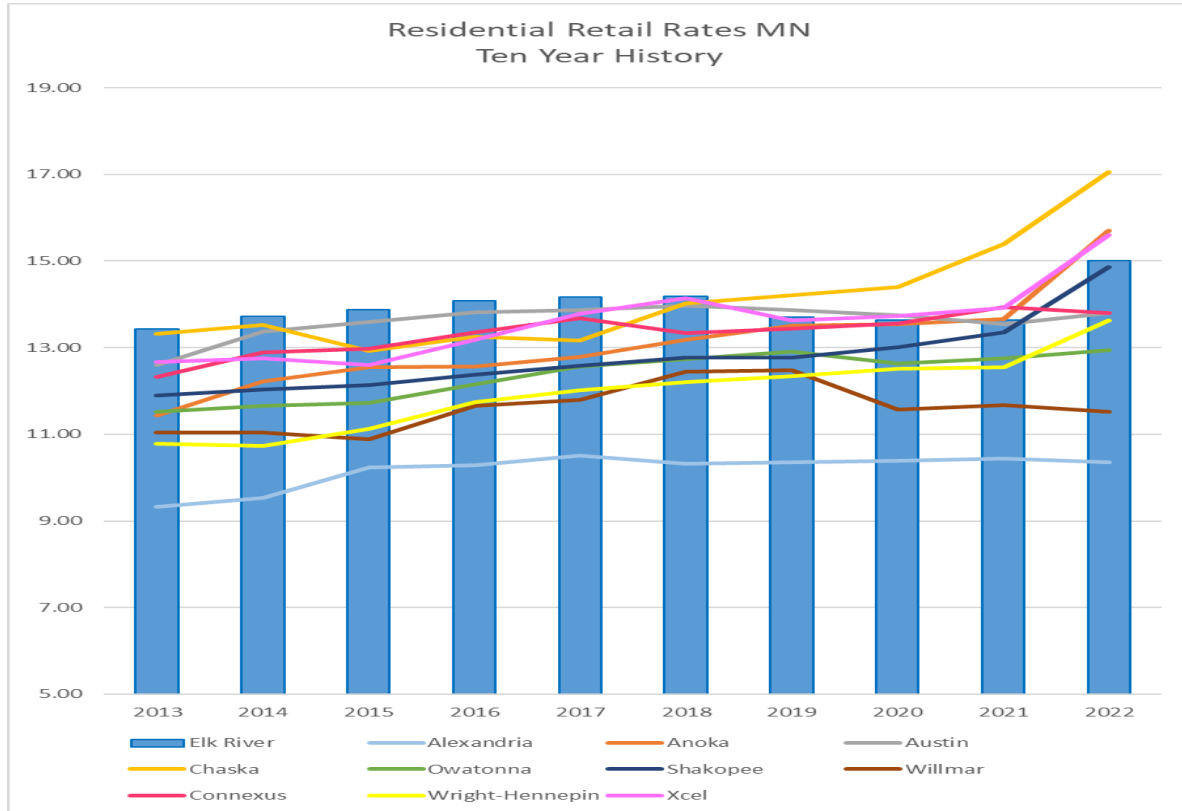
**Elk River Municipal Utilities
Competitive Rate Comparisons
2013-2022**

Electric Residential Rates

Electric Residential Retail Rates for the state of Minnesota are represented in the graph below with ten years of history from 2013 to 2022. All information is obtained from the EIA annual reports. The rate is represented in cents per kWh and compares the minimum, maximum, 25th percentile, 50th percentile, and 75th percentile (represented in the line graphs) to Elk River Municipal Utilities (represented in the vertical bar graphs.) Since 2013 ERMU has been moving from above the 75th percentile with exception of 2020-2021 moving slightly below the 75th percentile.

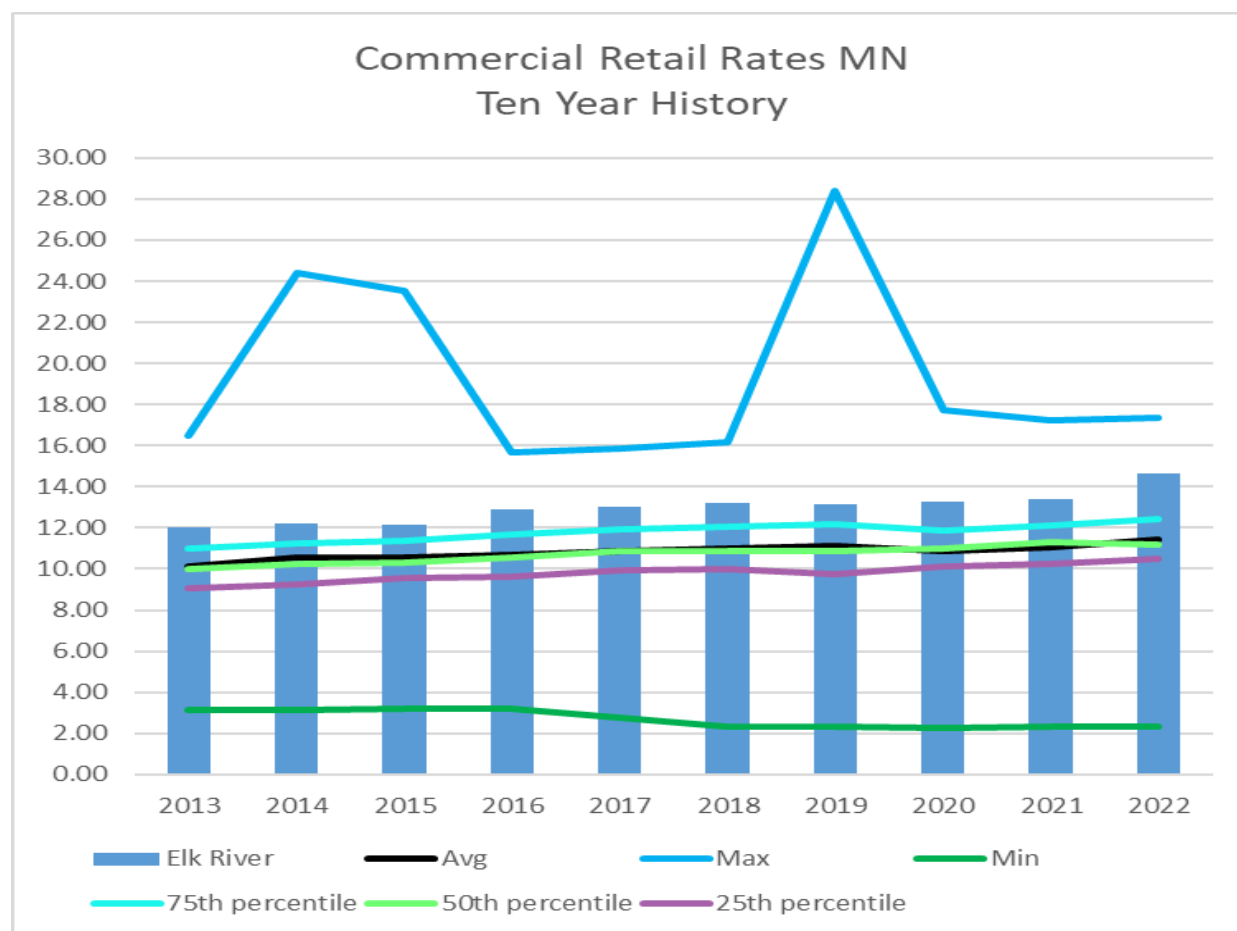


Electric Residential Retail Rates for peer utilities (selected for population size and meter counts, as well as the two neighboring Coops and the one IOU) in the state of Minnesota are represented in the graph below with ten years of history from 2013 to 2022. The rate is represented in cents per kWh and compares the rates of peer utilities to ERMU. Since 2018 ERMU has been moving from the top of the rates to more the mid-range of rates.

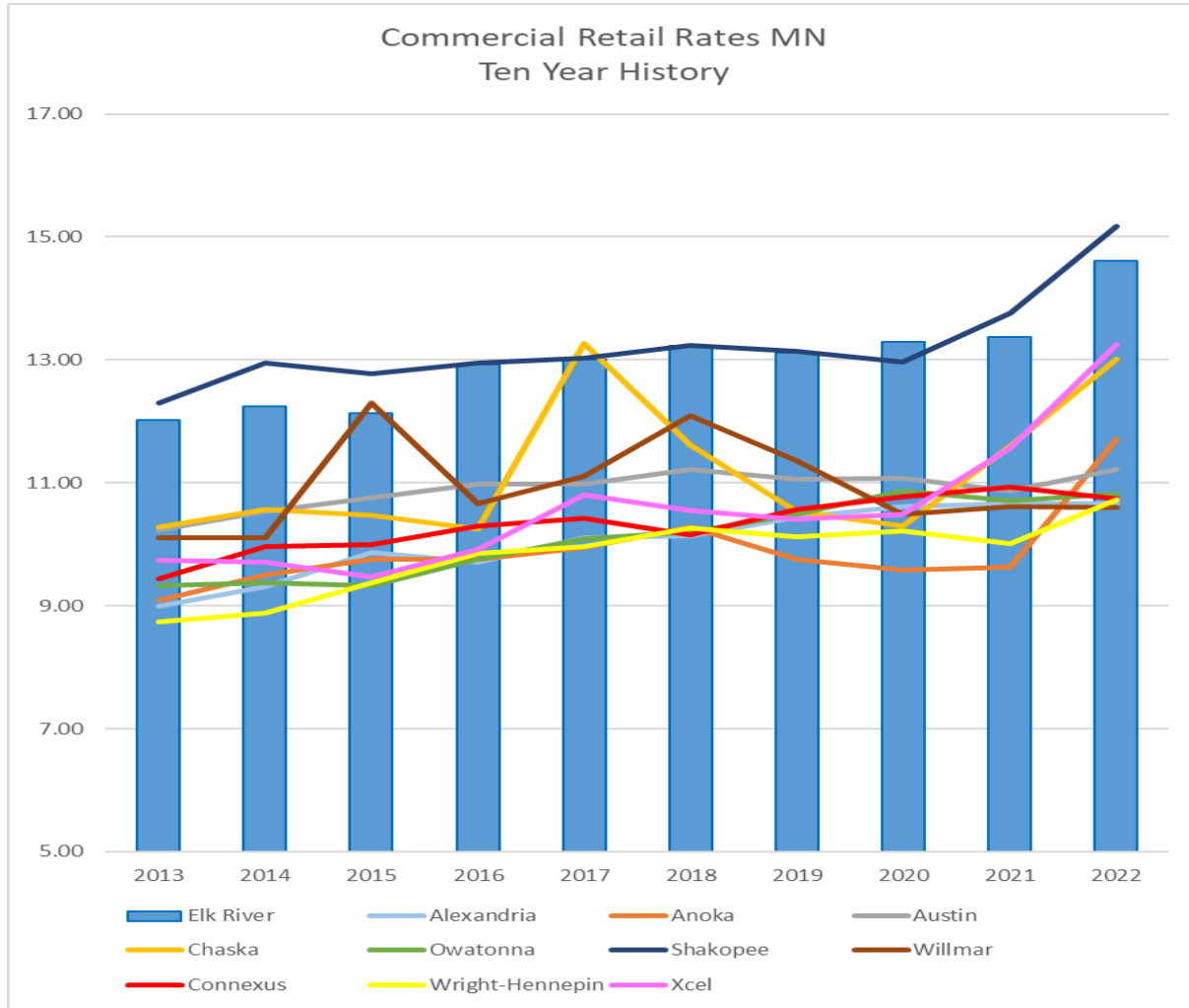


Electric Commercial Rates

Electric Commercial Retail Rates for the state of Minnesota are represented in the graph below with ten years of history from 2013 to 2022. All information is obtained from the EIA annual reports. The rate is represented in cents per kWh and compares the minimum, maximum, 25th percentile, 50th percentile, and 75th percentile (represented in the line graphs) to Elk River Municipal Utilities (represented in the vertical bar graphs.) ERMU has consistently been just above the 75th percentile.

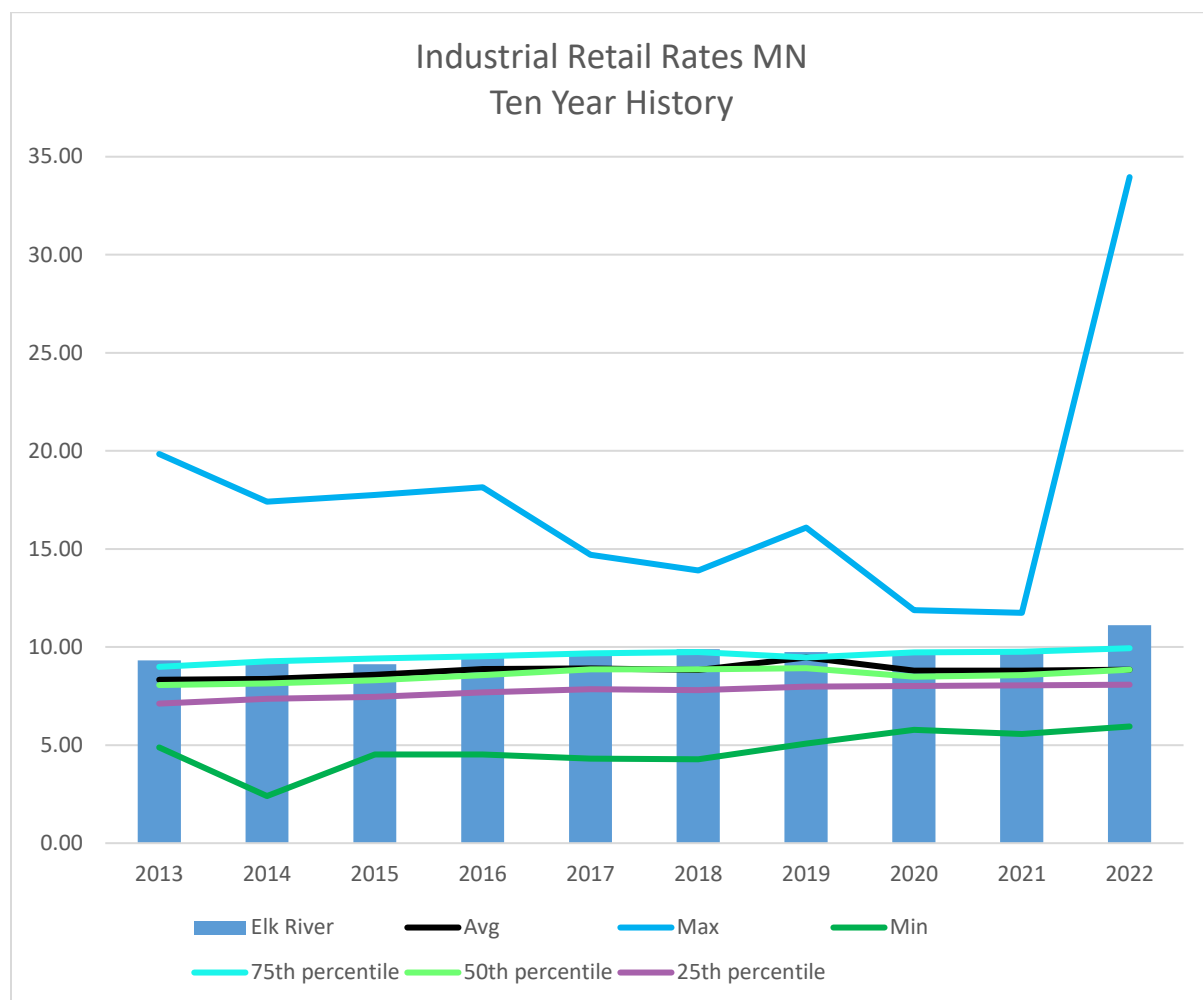


Electric Commercial Retail Rates for peer utilities (selected for population size and meter counts, as well as the two neighboring Coops and the one IOU) in the state of Minnesota are represented in the graph below with ten years of history from 2013 to 2022. The rate is represented in cents per kWh and compares the rates of peer utilities to ERMU. ERMU has consistently been near the top of the rates for commercial.

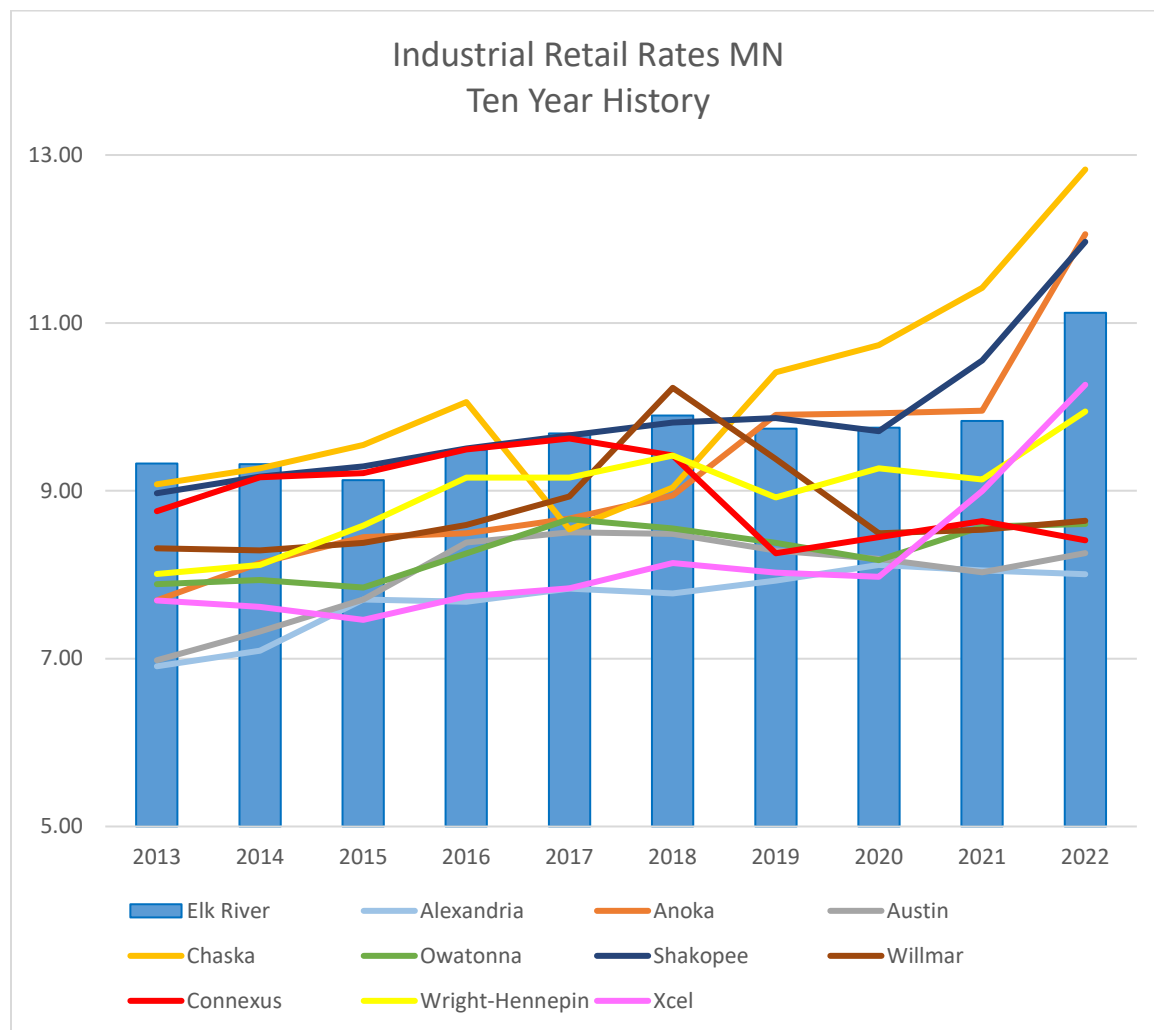


Electric Industrial Rates

Electric Industrial Retail Rates for the state of Minnesota are represented in the graph below with ten years of history from 2013 to 2022. All information is obtained from the EIA annual reports. The rate is represented in cents per kWh and compares the minimum, maximum, 25th percentile, 50th percentile, and 75th percentile (represented in the line graphs) to Elk River Municipal Utilities (represented in the vertical bar graphs.) ERMU has consistently been hovering around the 75th percentile.

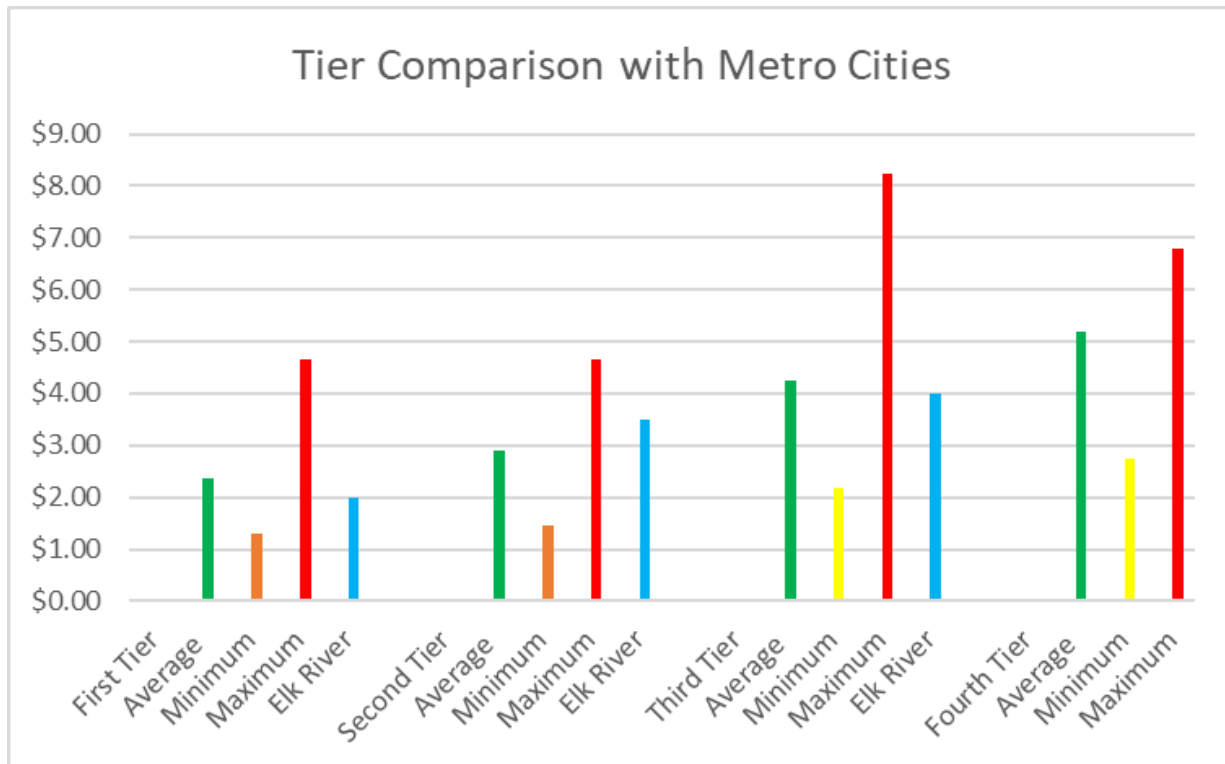


Electric Industrial Retail Rates for peer utilities (selected for population size and meter counts, as well as the two neighboring Coops and the one IOU) in the state of Minnesota are represented in the graph below with ten years of history from 2013 to 2022. The rate is represented in cents per kWh and compares the rates of peer utilities to ERMU. Since 2018 ERMU has moved from near the top of the rates to the middle of the range for industrial.



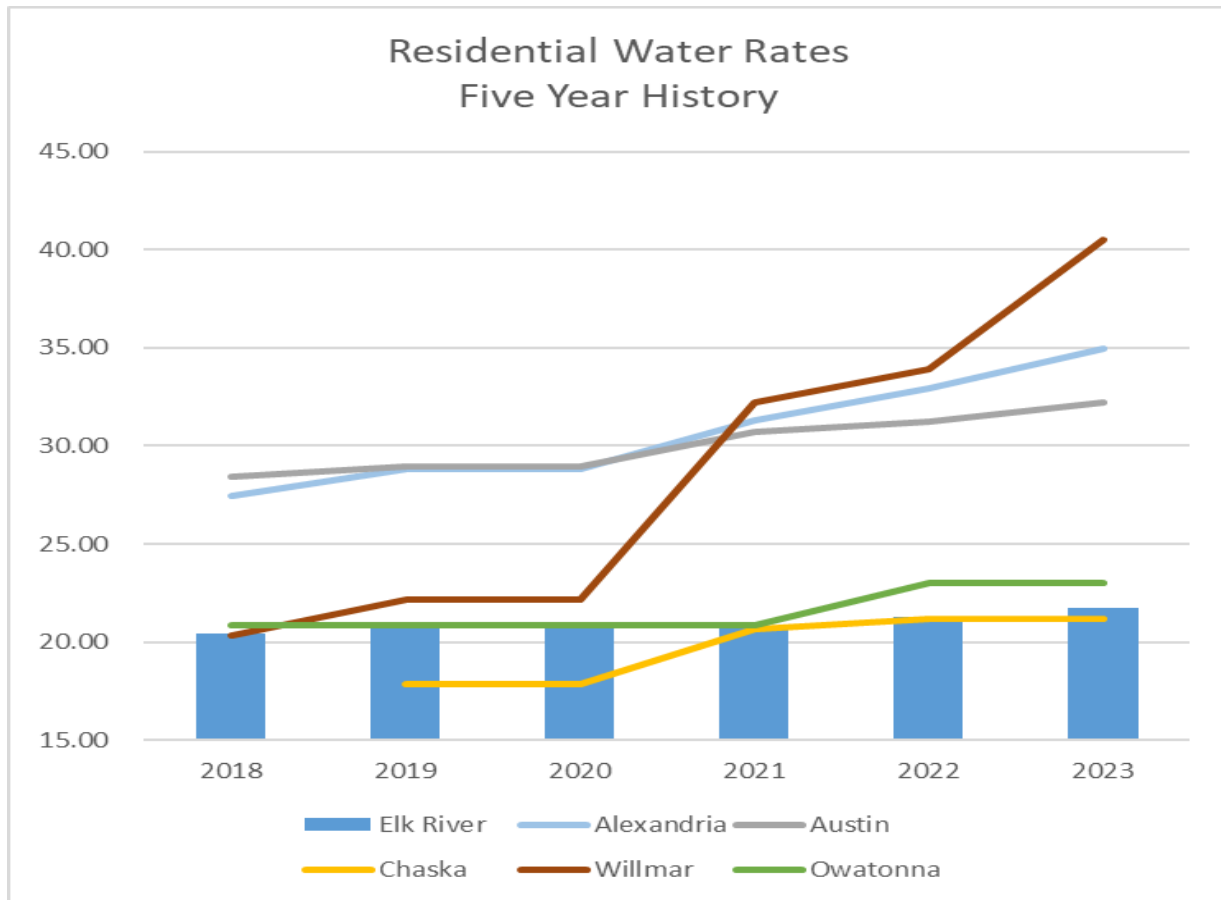
Water Rate Tiers

The graph below compares the tiers charged by Metro Cities in the state of Minnesota, with information gathered internally. The cities represented are St. Louis Park, Eden Prairie, Minnetonka, Maple Grove, Lakeville, Plymouth, Bloomington, Burnsville, Woodbury, Apple Valley, Edina, Chaska, Shakopee, Anoka, and Elk River. Some cities have four and five tiers, while ERMU only has three tiers. ERMU is slightly below average in the first tier and third tiers and above average in the second tier.



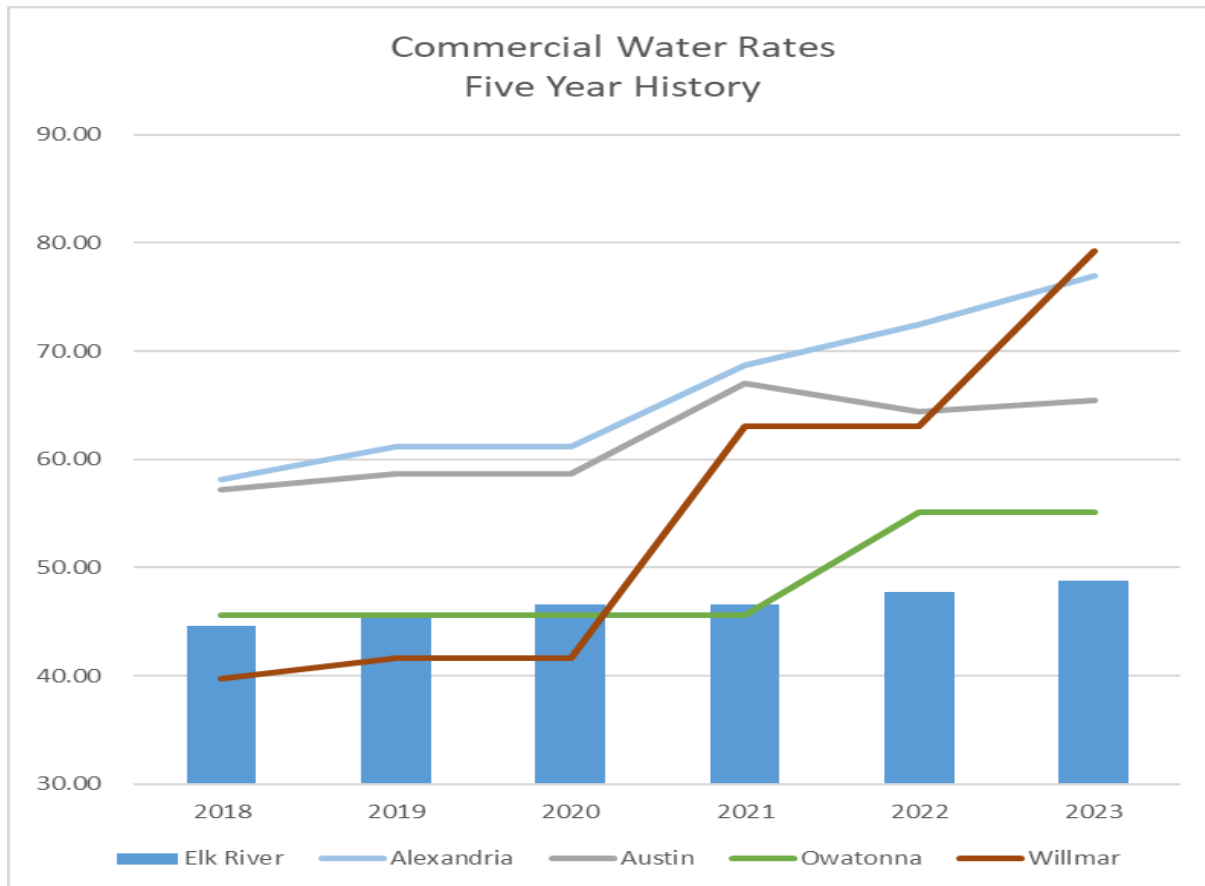
Water Residential Rates

Water Residential Retail Rates for peer utilities (selected for population size and meter counts) in the state of Minnesota are represented in the graph below with five years of history from 2018 to 2023. All information is obtained from the Advanced Engineering and Environmental Services (AE2S) annual survey reports. The rate is represented as the charges for 6,000 gallons of residential water use per month. ERMU has consistently been near the bottom of the rates.



Water Commercial Rates

Water Commercial Retail Rates for peer utilities (selected for population size and meter counts) in the state of Minnesota are represented in the graph below with five years of history from 2018 to 2023. All information is obtained from the Advanced Engineering and Environmental Services (AE2S) annual survey reports. The rate is represented as the charges for 18,000 gallons of commercial water use per month. ERMU has consistently been near the bottom of the rates.



TO: ERMU Commission	FROM: Sara Youngs – Administrations Director
MEETING DATE: December 12, 2023	AGENDA ITEM NUMBER: 4.5
SUBJECT: Energy Management Programs	
ACTION REQUESTED: Approve extension of a sunset date from December 31, 2023, to December 31, 2025, for the Dual Fuel, Electric Thermal Storage Water, and Electric Thermal Storage Space Heating programs.	

BACKGROUND:

The Dual Fuel, and Electric Thermal Storage (ETS) Water & ETS Space Heating Energy Management programs were put into moratorium in February 2017 as a result of Midcontinent Independent System Operator (MISO) market changes, obsolete communication technology, and wholesale power provider changes. At this time, the cost of upgrading the existing communication equipment is greater than any savings ERMU would recognize through peak reduction in the current MISO market and the billing practices of our wholesale power provider rates.

In 2018, staff was directed to work on a plan to help customers transition away from the current programs. The Commission and staff discussed the option of maintaining the current program for existing customers with a sunset date of 3 to 5 years. During the sunset period, the rates would be increased to reach parity with the standard general service rate. Based on the substantial capital investments customers may have in their existing systems, the Commission and staff had consensus that the 5-year sunset period would be best.

As part of the communication plan staff was to provide an annual notification to customers participating in the Dual Fuel, and ETS Water and Space Heating programs about the end date of December 31, 2023, and the need for customers to evaluate other options for space and/or water heating needs. ERMU failed to communicate the sunset date with participating customers at the end of 2022. The sunset period was offered to any person purchasing or renting a property that is participating in an affected Energy Management program until the end date of December 31, 2023.

In addition, staff was to research possible new programs during the sunset period that will provide benefit to the participating customers and ERMU. Any replacement Energy

Management programs created will be marketed, communicated, and made available to all ERMU residential customers.

DISCUSSION:

As part of the Advanced Metering Infrastructure (AMI) project staff has been in discussions with Dave Berg Consulting to determine the best course of action for establishing new Energy Management programs for the existing sunseting programs. Mr. Berg's recommendation is to review actual usage data from existing ERMU customers on AMI before establishing new Energy Management programs.

Staff is requesting the extension of the sunset date from December 31, 2023, to December 31, 2025, which will allow time for the installation of all AMI meters, review of customer usage, and for a rate study to be completed which will allow for the implementation of new Energy Management Programs.

TO: ERMU Commission	FROM: Melissa Karpinski – Finance Manager
MEETING DATE: December 12, 2023	AGENDA ITEM NUMBER: 5.1
SUBJECT: Financial Report – October 2023	
ACTION REQUESTED: Receive the October 2023 Financial Report	

DISCUSSION:

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

Electric

October year to date (YTD) electric kWh sales are down 1% from the prior year. For further breakdown:

- Residential usage is up 2%
- Small Commercial usage is up 7%
- Large Commercial usage is down 4%

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

Water

October YTD gallons of water sold are up 20% from the prior year. For further breakdown:

- Residential use is up 17%
- Commercial use is up 24%

For October 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 10.2023
- Electric Balance Sheet 10.2023
- Water Balance Sheet 10.2023
- Summary Electric Statement of Revenues, Expenses and Changes in Net Position 10.2023
- Summary Water Statement of Revenues, Expenses and Changes in Net Position 10.2023
- Graphs Prior Year and YTD 2023

- Detailed Electric Statement of Revenues, Expenses and Changes in Net Position 10.2023
- Detailed Water Statement of Revenues, Expenses and Changes in Net Position 10.2023
- Budget vs Actual Graphs – Electric 10.2023
- Budget vs Actual Graphs – Water 10.2023

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

	<u>ELECTRIC</u>	<u>WATER</u>
ASSETS		
CURRENT ASSETS		
CASH	11,372,408	9,722,565
ACCOUNTS RECEIVABLE	2,454,403	5,617,495
INVENTORIES	1,112,052	13,222
PREPAID ITEMS	260,994	54,335
CONSTRUCTION IN PROGRESS	2,631,049	1,387,698
TOTAL CURRENT ASSETS	<u>17,830,905</u>	<u>16,795,314</u>
RESTRICTED ASSETS		
BOND RESERVE FUND	1,779,016	0
EMERGENCY RESERVE FUND	2,943,090	1,364,213
UNRESTRICTED RESERVE FUND	0	0
TOTAL RESTRICTED ASSETS	<u>4,722,105</u>	<u>1,364,213</u>
FIXED ASSETS		
PRODUCTION	824,065	16,525,311
LFG PROJECT	0	0
TRANSMISSION	2,305,024	0
DISTRIBUTION	47,950,378	26,858,844
GENERAL	23,149,360	1,204,196
FIXED ASSETS (COST)	<u>74,228,827</u>	<u>44,588,350</u>
LESS ACCUMULATED DEPRECIATION	<u>(34,054,500)</u>	<u>(23,069,785)</u>
TOTAL FIXED ASSETS, NET	<u>40,174,327</u>	<u>21,518,566</u>
INTANGIBLE ASSETS		
POWER AGENCY MEMBERSHIP BUY-IN	21,546,212	0
LOSS OF REVENUE INTANGIBLE	5,290,120	0
LESS ACCUMULATED AMORTIZATION	<u>(3,395,203)</u>	<u>0</u>
TOTAL INTANGIBLE ASSETS, NET	<u>23,441,129</u>	<u>0</u>
OTHER ASSETS AND DEFERRED OUTFLOWS	<u>1,187,557</u>	<u>226,587</u>
TOTAL ASSETS	<u><u>87,356,023</u></u>	<u><u>39,904,680</u></u>
LIABILITIES AND FUND EQUITY		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	4,352,383	438,705
SALARIES AND BENEFITS PAYABLE	582,037	127,906
DUE TO CITY	930,252	2,993
DUE TO OTHER FUNDS	0	0
NOTES PAYABLE-CURRENT PORTION	0	0
BONDS PAYABLE-CURRENT PORTION	0	0
UNEARNED REVENUE	146,983	438,961
TOTAL CURRENT LIABILITIES	<u>6,011,656</u>	<u>1,008,564</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	29,225,239	1,623,054
PENSION LIABILITIES	3,789,381	725,038
TOTAL LONG TERM LIABILITIES	<u>33,014,620</u>	<u>2,348,092</u>
TOTAL LIABILITIES	<u>39,026,276</u>	<u>3,356,656</u>
DEFERRED INFLOWS OF RESOURCES	<u>54,129</u>	<u>5,121,831</u>
FUND EQUITY		
CAPITAL ACCOUNT CONST COST	1,779,016	0
CONTRIBUTED CAPITAL	0	0
RETAINED EARNINGS	45,204,945	30,887,406
NET INCOME (LOSS) (THROUGH PREVIOUS MONTH)	1,291,657	538,787
TOTAL FUND EQUITY	<u>48,275,618</u>	<u>31,426,193</u>
TOTAL LIABILITIES & FUND EQUITY	<u><u>87,356,023</u></u>	<u><u>39,904,680</u></u>

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

	October 31, 2023	September 30, 2023	Current Month Change from Prior Month
ASSETS			
CURRENT ASSETS			
CASH	11,372,408	9,832,573	1,539,835
ACCOUNTS RECEIVABLE	2,454,403	4,026,191	(1,571,789)
INVENTORIES	1,112,052	1,185,630	(73,579)
PREPAID ITEMS	260,994	195,997	64,998
CONSTRUCTION IN PROGRESS	2,631,049	2,534,118	96,930
TOTAL CURRENT ASSETS	17,830,905	17,774,510	56,395
RESTRICTED ASSETS			
BOND RESERVE FUND	1,779,016	1,779,016	0
EMERGENCY RESERVE FUND	2,943,090	2,935,328	7,762
TOTAL RESTRICTED ASSETS	4,722,105	4,714,343	7,762
FIXED ASSETS			
PRODUCTION	824,065	824,065	0
TRANSMISSION	2,305,024	2,305,024	0
DISTRIBUTION	47,950,378	47,610,417	339,961
GENERAL	23,149,360	23,135,471	13,889
FIXED ASSETS (COST)	74,228,827	73,874,977	353,850
LESS ACCUMULATED DEPRECIATION	(34,054,500)	(33,845,383)	(209,117)
TOTAL FIXED ASSETS, NET	40,174,327	40,029,594	144,734
INTANGIBLE ASSETS			
POWER AGENCY MEMBERSHIP BUY-IN	21,546,212	21,546,212	0
LOSS OF REVENUE INTANGIBLE	5,290,120	5,290,120	0
LESS ACCUMULATED AMORTIZATION	(3,395,203)	(3,339,525)	(55,678)
TOTAL INTANGIBLE ASSETS, NET	23,441,129	23,496,807	(55,678)
OTHER ASSETS AND DEFERRED OUTFLOWS	1,187,557	1,187,557	0
TOTAL ASSETS	87,356,023	87,202,810	153,213
LIABILITIES AND FUND EQUITY			
CURRENT LIABILITIES			
ACCOUNTS PAYABLE	4,352,383	4,858,927	(506,543)
SALARIES AND BENEFITS PAYABLE	582,037	537,540	44,497
DUE TO CITY	930,252	880,932	49,320
UNEARNED REVENUE	146,983	148,981	(1,998)
TOTAL CURRENT LIABILITIES	6,011,656	6,426,380	(414,724)
LONG TERM LIABILITIES			
BONDS PAYABLE, LESS CURRENT PORTION	29,225,239	29,230,227	(4,989)
PENSION LIABILITIES	3,789,381	3,789,381	0
TOTAL LONG TERM LIABILITIES	33,014,620	33,019,608	(4,989)
TOTAL LIABILITIES	39,026,276	39,445,988	(419,712)
DEFERRED INFLOWS OF RESOURCES	54,129	54,129	0
FUND EQUITY			
CAPITAL ACCOUNT CONST COST	1,779,016	1,779,016	0
RETAINED EARNINGS	45,204,945	45,204,945	0
NET INCOME (LOSS) (THROUGH PREVIOUS MONTH)	1,291,657	718,732	572,925
TOTAL FUND EQUITY	48,275,618	47,702,693	572,925
TOTAL LIABILITIES & FUND EQUITY	87,356,023	87,202,810	153,213

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

	October 31, 2023	September 30, 2023	Current Month Change from Prior Month
ASSETS			
CURRENT ASSETS			
CASH	9,722,565	9,490,824	231,741
ACCOUNTS RECEIVABLE	5,617,495	5,802,528	(185,034)
INVENTORIES	13,222	15,383	(2,161)
PREPAID ITEMS	54,335	44,230	10,105
CONSTRUCTION IN PROGRESS	1,387,698	1,117,125	270,573
TOTAL CURRENT ASSETS	<u>16,795,314</u>	<u>16,470,090</u>	<u>325,225</u>
RESTRICTED ASSETS			
EMERGENCY RESERVE FUND	1,364,213	1,362,273	1,940
TOTAL RESTRICTED ASSETS	<u>1,364,213</u>	<u>1,362,273</u>	<u>1,940</u>
FIXED ASSETS			
PRODUCTION	16,525,311	16,525,311	0
DISTRIBUTION	26,858,844	26,858,844	0
GENERAL	1,204,196	1,199,663	4,533
FIXED ASSETS (COST)	<u>44,588,350</u>	<u>44,583,817</u>	<u>4,533</u>
LESS ACCUMULATED DEPRECIATION	<u>(23,069,785)</u>	<u>(22,972,246)</u>	<u>(97,539)</u>
TOTAL FIXED ASSETS, NET	<u>21,518,566</u>	<u>21,611,571</u>	<u>(93,006)</u>
INTANGIBLE ASSETS			
OTHER ASSETS AND DEFERRED OUTFLOWS	<u>226,587</u>	<u>226,587</u>	<u>0</u>
TOTAL ASSETS	<u><u>39,904,680</u></u>	<u><u>39,670,521</u></u>	<u><u>234,159</u></u>
LIABILITIES AND FUND EQUITY			
CURRENT LIABILITIES			
ACCOUNTS PAYABLE	438,705	382,337	56,368
SALARIES AND BENEFITS PAYABLE	127,906	120,149	7,757
DUE TO CITY	2,993	2,141	851
UNEARNED REVENUE	438,961	407,124	31,836
TOTAL CURRENT LIABILITIES	<u>1,008,564</u>	<u>911,752</u>	<u>96,812</u>
LONG TERM LIABILITIES			
BONDS PAYABLE, LESS CURRENT PORTION	1,623,054	1,623,608	(554)
PENSION LIABILITIES	725,038	725,038	0
TOTAL LONG TERM LIABILITIES	<u>2,348,092</u>	<u>2,348,646</u>	<u>(554)</u>
TOTAL LIABILITIES	<u>3,356,656</u>	<u>3,260,398</u>	<u>96,258</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)	538,787	400,886	137,901
TOTAL FUND EQUITY	<u>31,426,193</u>	<u>31,288,292</u>	<u>137,901</u>
TOTAL LIABILITIES & FUND EQUITY	<u><u>39,904,680</u></u>	<u><u>39,670,521</u></u>	<u><u>234,159</u></u>

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

	2023 OCTOBER	2023 YTD	2023 YTD BUDGET	YTD Budget Variance	2023 YTD Bud Var%	2023 ANNUAL BUDGET	2022 OCTOBER	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual Var%	Variance Item
Electric											
Revenue											
Operating Revenue											
Elk River	3,438,999	33,819,331	35,290,187	(1,470,856)	(4)	42,041,326	3,204,270	31,327,280	2,492,051	8	
Otsego	317,215	3,205,260	2,851,903	353,357	12	3,385,657	288,488	2,821,515	383,745	14	
Rural Big Lake	15,590	185,005	200,491	(15,486)	(8)	238,658	15,791	170,858	14,147	8	
Dayton	19,688	230,140	241,571	(11,431)	(5)	285,471	19,133	210,858	19,283	9	
Public St & Hwy Lighting	21,618	215,819	216,667	(847)	(0)	260,000	21,671	215,256	563	0	
Other Electric Sales	400	4,000	4,000	0	0	4,800	(111,314)	1,311,928	(1,307,928)	(100)	(1)
Total Operating Revenue	3,813,510	37,659,556	38,804,819	(1,145,263)	(3)	46,215,912	3,438,040	36,057,696	1,601,860		4
Other Operating Revenue											
Interest/Dividend Income	16,041	87,176	41,667	45,509	109	50,000	(15,571)	(196,710)	283,886	144	(2)
Customer Penalties	24,786	259,595	208,333	51,261	25	250,000	24,793	237,775	21,819	9	
LFG Project	0	0	0	0	0	0	89,471	849,853	(849,853)	(100)	(3)
Connection Fees	16,375	116,731	183,333	(66,602)	(36)	220,000	25,468	178,463	(61,732)	(35)	(4)
Misc Revenue	108,108	1,113,576	778,526	335,050	43	936,231	156,473	1,065,998	47,578	4	(5)
Total Other Revenue	165,310	1,577,078	1,211,859	365,219	30	1,456,231	280,634	2,135,380	(558,302)		(26)
Total Revenue	3,978,820	39,236,633	40,016,678	(780,045)	(2)	47,672,143	3,718,674	38,193,075	1,043,558		3
Expenses											
Purchased Power	2,392,762	27,037,207	28,125,080	(1,087,874)	(4)	32,766,025	2,212,211	27,087,319	(50,112)	(0)	
Operating & Mtce Expense	19,323	268,814	254,567	14,248	6	321,000	20,908	200,470	68,345	34	(6)
Landfill Gas	0	0	0	0	0	0	57,381	553,777	(553,777)	(100)	(7)
Transmission Expense	5,426	54,857	58,333	(3,477)	(6)	70,000	4,533	54,030	826	2	
Distribution Expense	31,136	367,800	305,875	61,925	20	369,466	29,623	300,959	66,841	22	(8)
Maintenance Expense	118,264	1,388,570	1,277,250	111,320	9	1,540,500	119,639	1,238,313	150,257	12	
Depreciation & Amortization	264,795	2,636,965	2,670,290	(33,325)	(1)	3,220,836	286,157	2,534,753	102,212	4	
Interest Expense	66,412	678,008	678,008	0	0	810,832	69,425	707,460	(29,452)	(4)	
Other Operating Expense	4,247	59,451	26,904	32,547	121	74,109	18,343	51,827	7,624	15	(9)
Customer Accounts Expense	41,807	364,114	334,583	29,531	9	401,500	37,484	326,795	37,319	11	
Administrative Expense	280,594	3,164,759	3,418,545	(253,786)	(7)	4,128,585	278,448	3,054,299	110,460	4	
General Expense	23,572	316,352	485,508	(169,156)	(35)	582,609	43,758	355,180	(38,828)	(11)	(10)
Total Expenses(before Operating Transfers)	3,248,336	36,336,896	37,634,943	(1,298,047)	(3)	44,285,462	3,177,910	36,465,181	(128,284)		(0)
Operating Transfer											
Operating Transfer/Other Funds	138,257	1,392,338	1,411,607	(19,270)	(1)	1,681,653	128,872	1,288,392	103,946	8	
Utilities & Labor Donated	19,301	215,742	200,000	15,742	8	240,000	20,517	191,256	24,486	13	
Total Operating Transfer	157,558	1,608,080	1,611,607	(3,528)	(0)	1,921,653	149,389	1,479,648	128,432		9
Net Income Profit(Loss)	572,925	1,291,657	770,128	521,530	68	1,465,028	391,374	248,247	1,043,410	420	

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

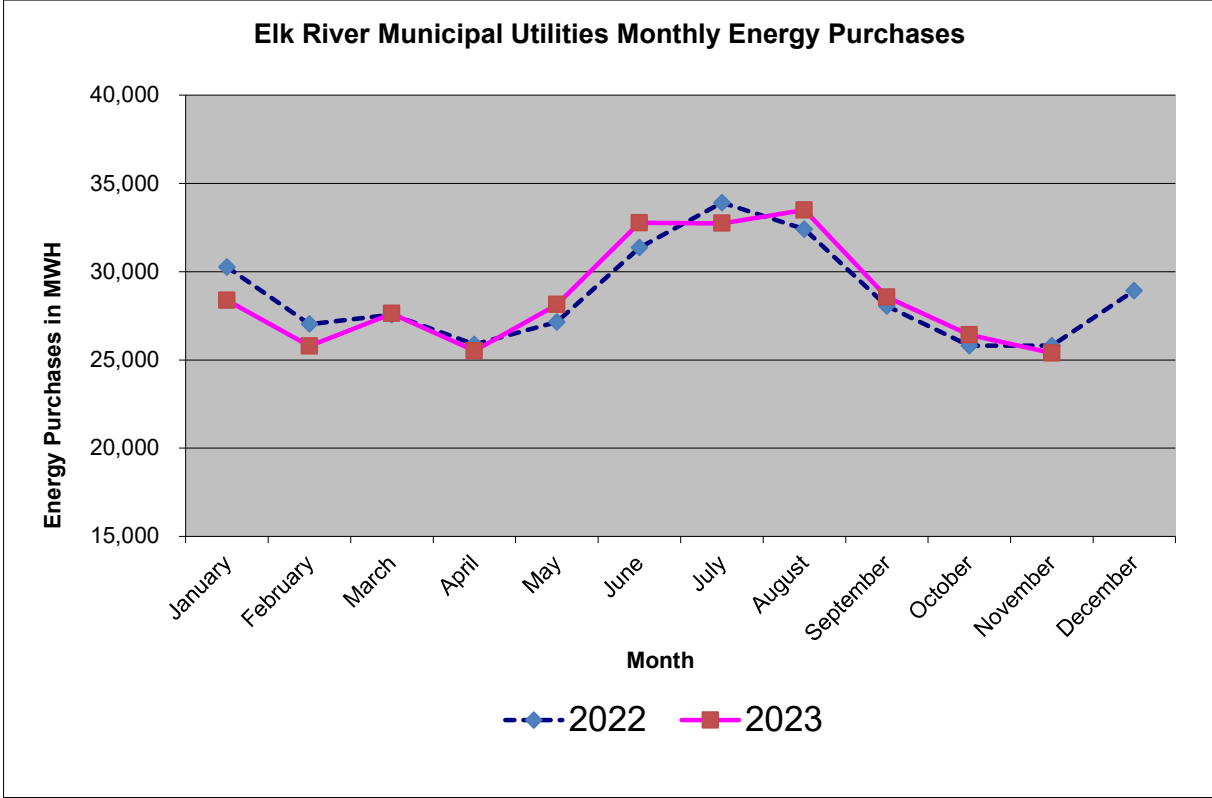
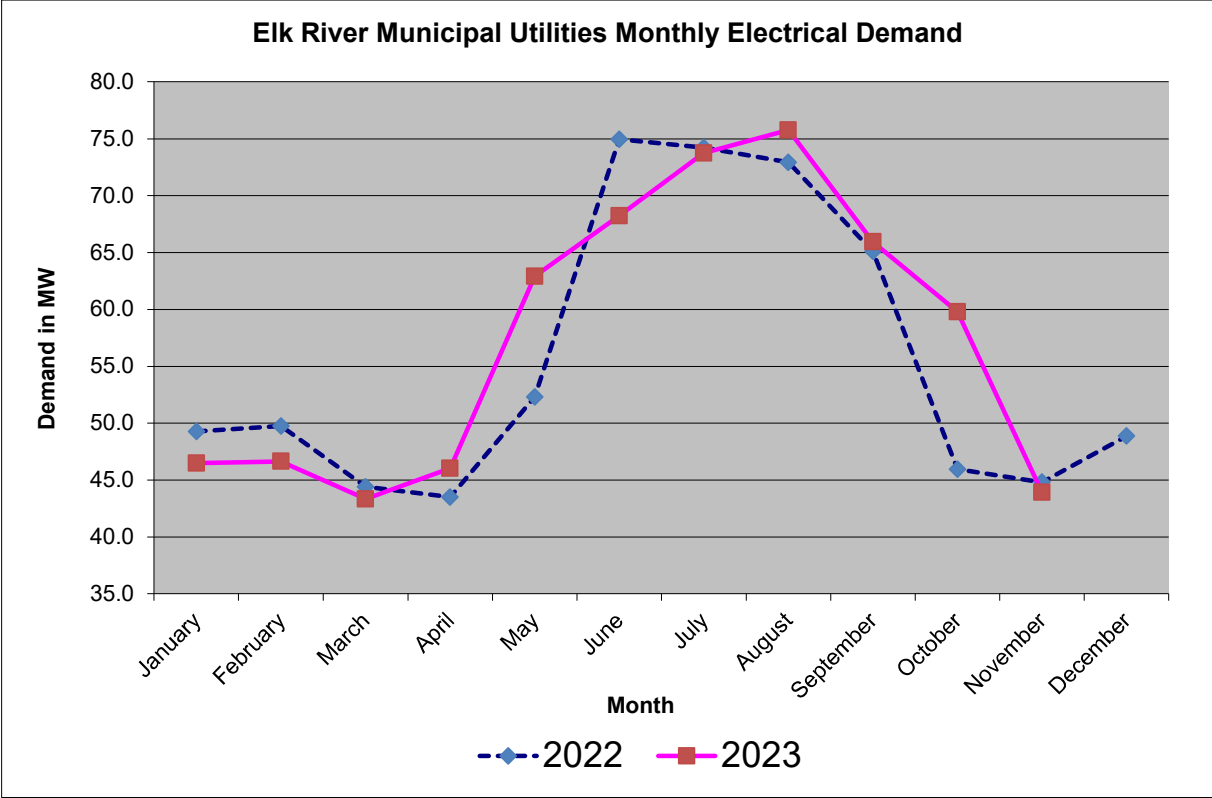
- (1) PYTD variance is due to accrual of PCA revenue in 2022 (See Rate Increase on Detailed Statement).
- (2) Budget variance is due to conservative budgeted amount. PYTD variance is due to the change in Fair Market Value of Investments.
- (3) PYTD variance is due to the LFG Project coming to an end in 2022.
- (4) YTD Budget and PYTD variance is due to less than average connection fees in 2023.
- (5) YTD Budget variance is mainly due to a conservative budgeted amount for contribution from customers.
- (6) PYTD variance is mainly due to increased labor for snow removal, additional supplies and increased electric and natural gas expense for new field services building in 2023.
- (7) PYTD variance is due to the LFG Project coming to an end in 2022.
- (8) YTD Budget 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.
- (9) YTD Budget variance is mainly due to increased interest rate on deposits.
- (10) YTD Budget variance is mainly due to less rebate dollars spent than budgeted.

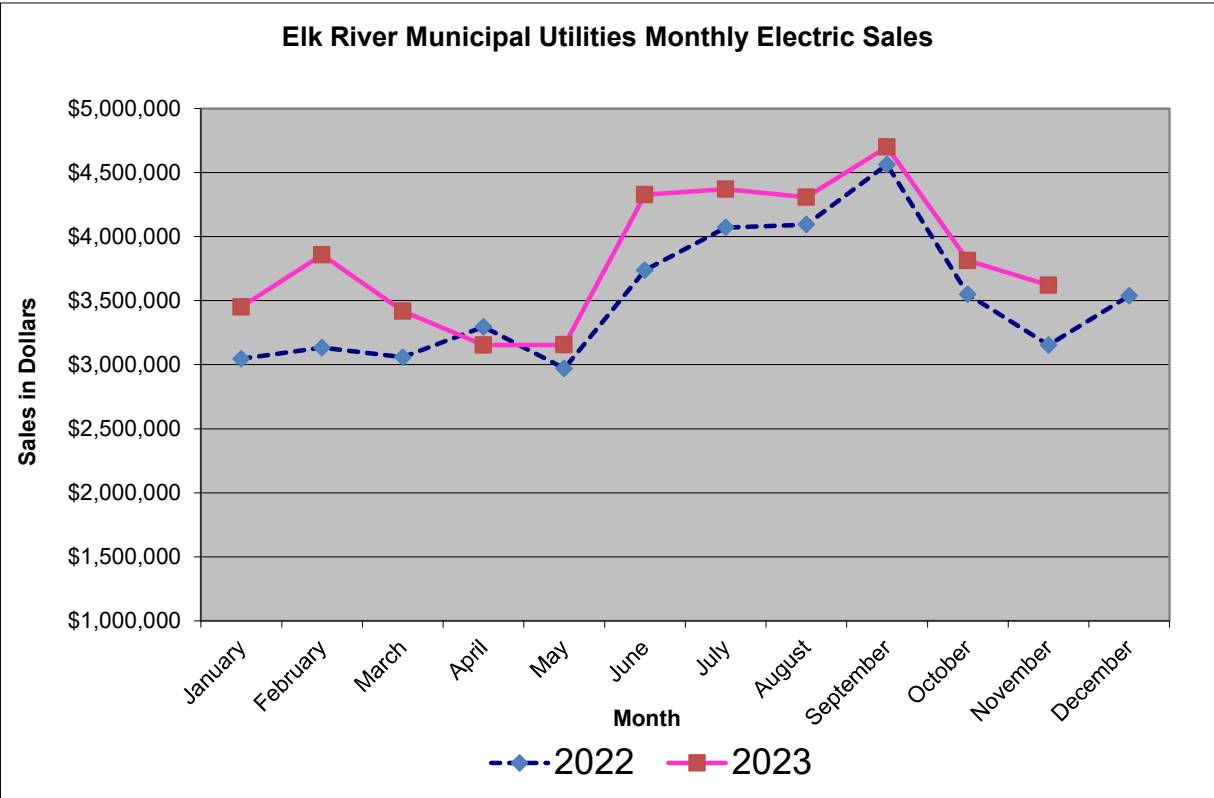
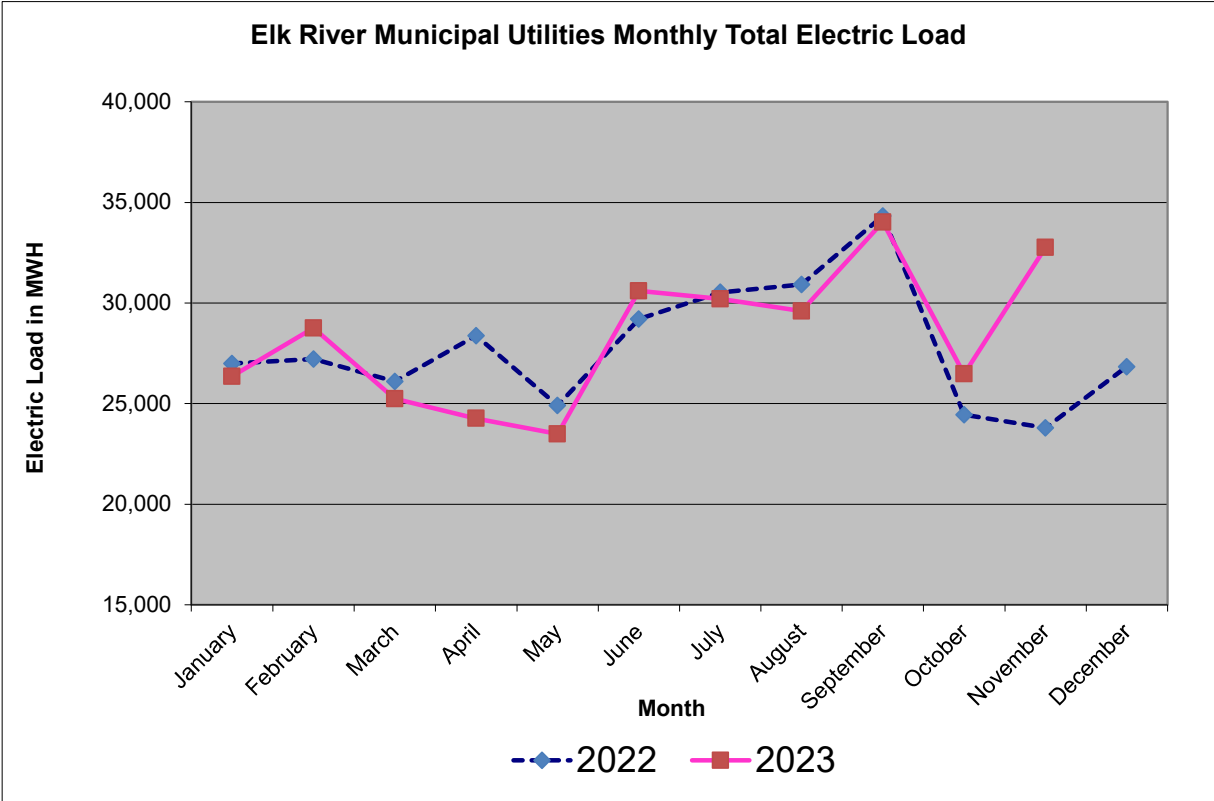
ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR PERIOD ENDING OCTOBER 2023

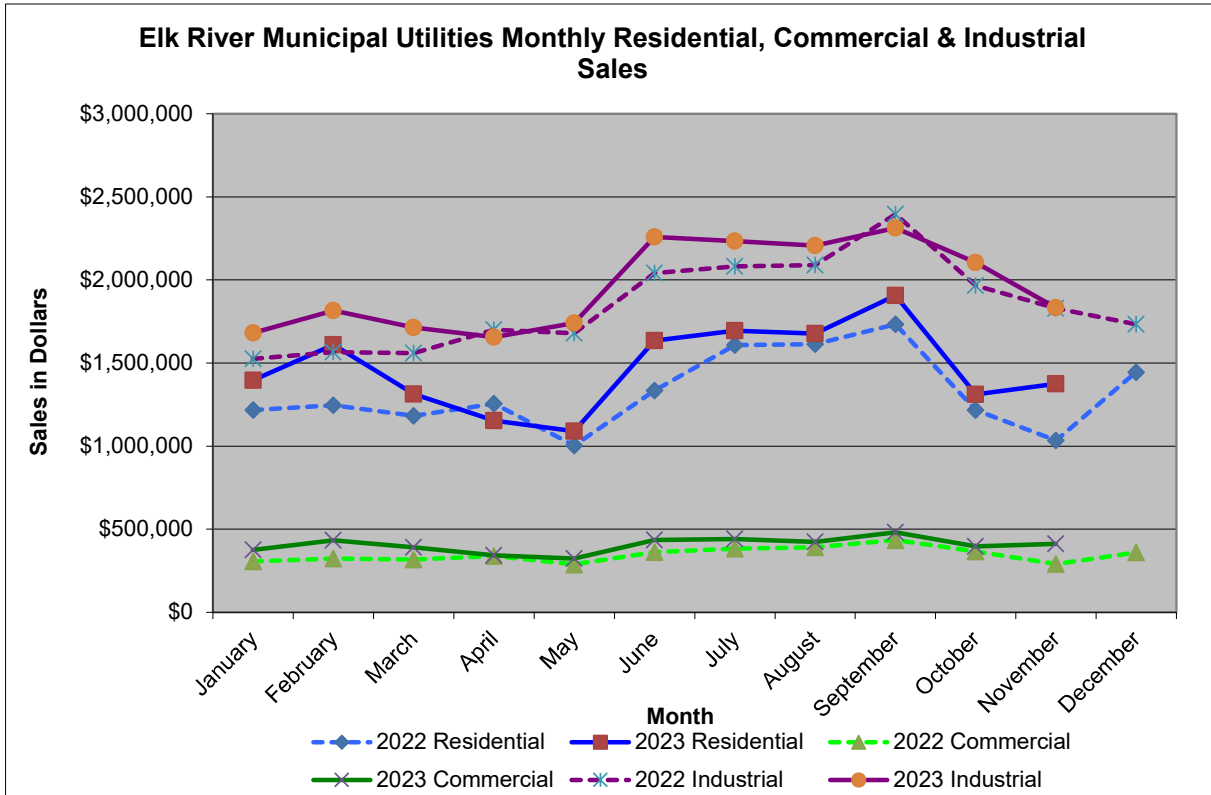
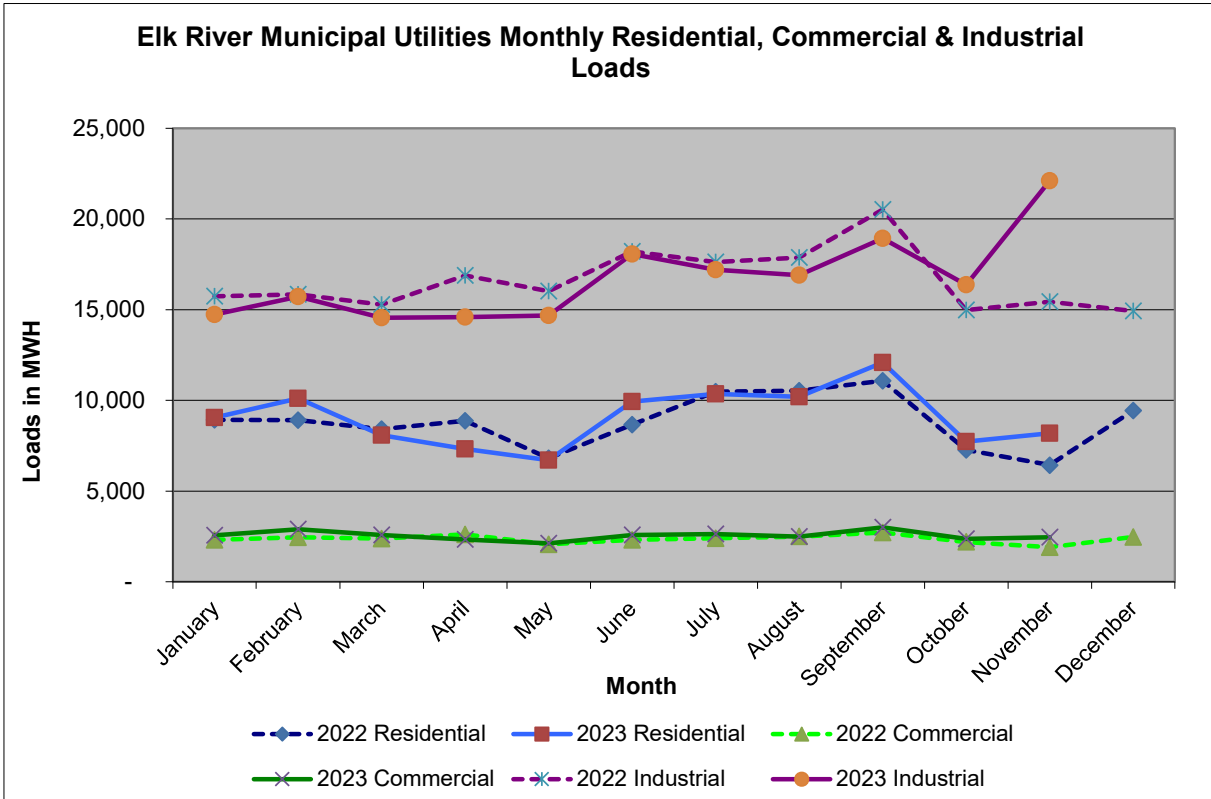
	2023 OCTOBER	2023 YTD	2023 YTD BUDGET	YTD Budget Variance	2023 YTD Bud Var%	2023 ANNUAL BUDGET	2022 OCTOBER	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual Var%	Variance Item
Water											
Revenue											
Operating Revenue											
Water Sales	321,585	2,977,421	2,228,138	749,283	34	2,503,414	291,424	2,570,885	406,536	16	(1)
Total Operating Revenue	321,585	2,977,421	2,228,138	749,283	34	2,503,414	291,424	2,570,885	406,536	16	
Other Operating Revenue											
Interest/Dividend Income	5,629	36,617	30,417	6,200	20	36,500	(2,973)	(40,922)	77,539	189	(2)
Customer Penalties	2,564	20,095	23,333	(3,238)	(14)	28,000	3,173	22,548	(2,453)	(11)	
Connection Fees	54,676	222,881	431,667	(208,785)	(48)	518,000	52,909	1,364,475	(1,141,594)	(84)	(3)
Misc Revenue	1,390	15,842	11,708	4,133	35	376,034	25,223	249,309	(233,467)	(94)	(4)
Total Other Revenue	64,260	295,435	497,125	(201,690)	(41)	958,534	78,332	1,595,410	(1,299,976)	(81)	
Total Revenue	385,845	3,272,856	2,725,263	547,593	20	3,461,948	369,756	4,166,295	(893,440)	(21)	
Expenses											
Production Expense	11,359	89,490	75,000	14,490	19	90,000	20,224	89,445	45	0	
Pumping Expense	37,220	502,453	502,500	(47)	(0)	603,000	43,803	478,840	23,613	5	
Distribution Expense	23,308	286,595	285,342	1,253	0	337,650	21,138	259,777	26,818	10	
Depreciation & Amortization	97,539	976,185	988,141	(11,956)	(1)	1,202,937	91,957	921,122	55,063	6	
Interest Expense	2,912	30,524	30,524	0	0	36,349	3,112	33,496	(2,971)	(9)	
Other Operating Expense	274	3,019	1,658	1,362	82	2,470	343	2,507	512	20	
Customer Accounts Expense	8,906	74,980	70,308	4,672	7	84,370	7,409	67,459	7,521	11	
Administrative Expense	66,363	766,142	856,349	(90,207)	(11)	1,032,655	63,785	756,340	9,802	1	
General Expense	61	4,681	15,542	(10,861)	(70)	18,650	462	6,690	(2,009)	(30)	
Total Expenses(before Operating Transfers)	247,943	2,734,069	2,825,363	(91,294)	(3)	3,408,081	252,235	2,615,675	118,394	5	
Operating Transfer											
Utilities & Labor Donated	0	0	1,250	(1,250)	(100)	1,500	540	540	(540)	(100)	
Total Operating Transfer	0	0	1,250	(1,250)	(100)	1,500	540	540	(540)	(100)	
Net Income Profit(Loss)	137,901	538,787	(101,350)	640,137	632	52,367	116,982	1,550,080	(1,011,294)	(65)	

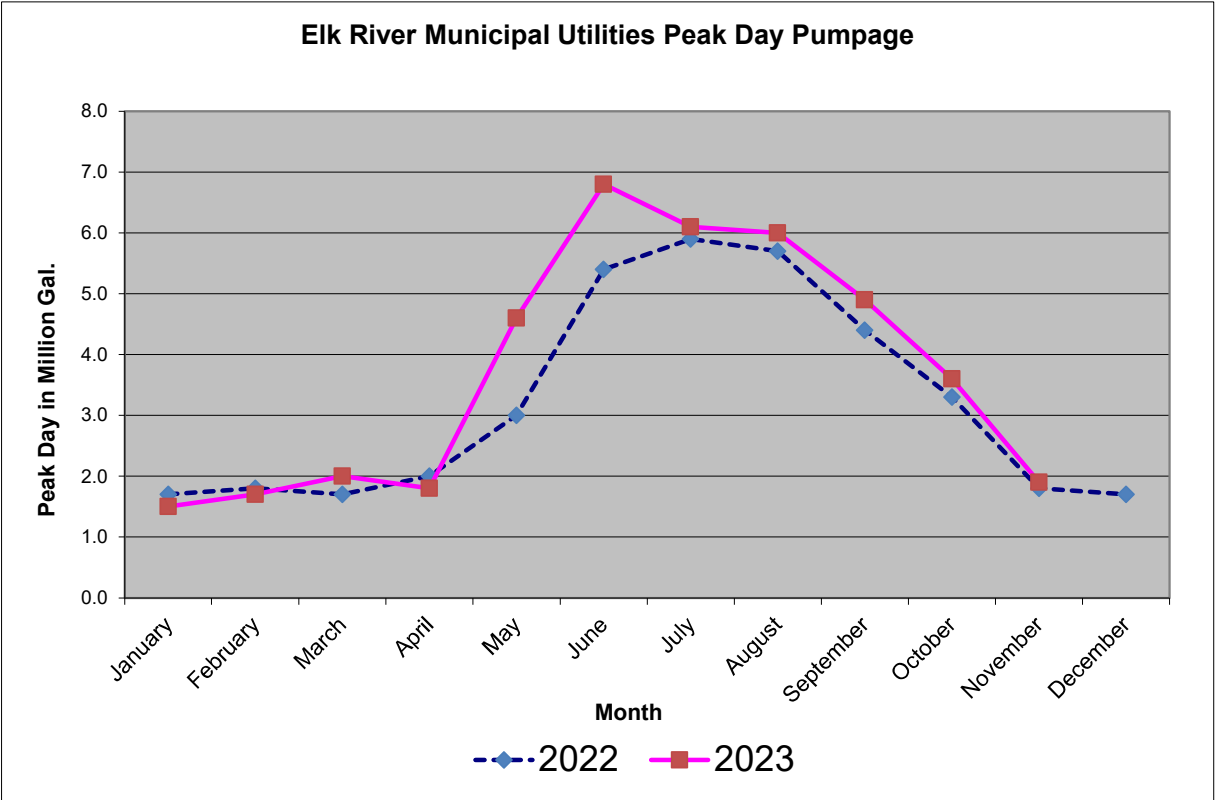
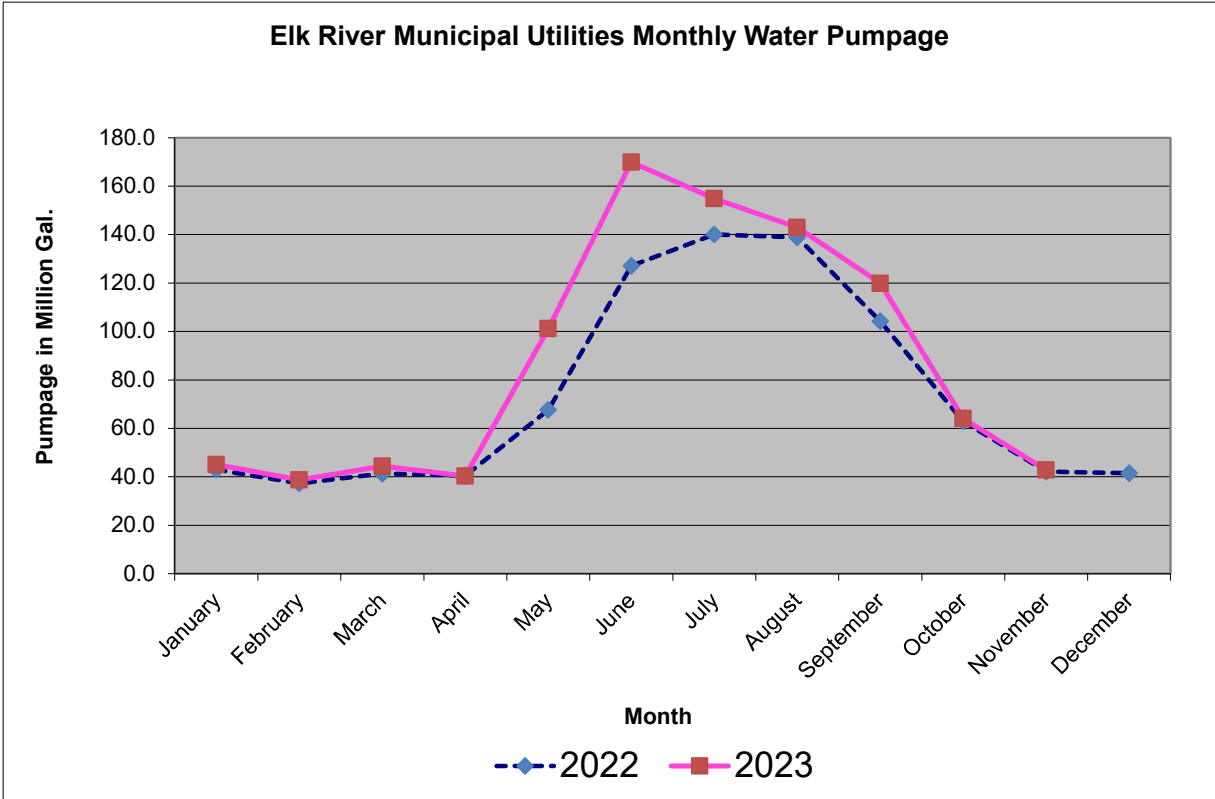
Item Variance of +/- \$15,000 and +/- 15%

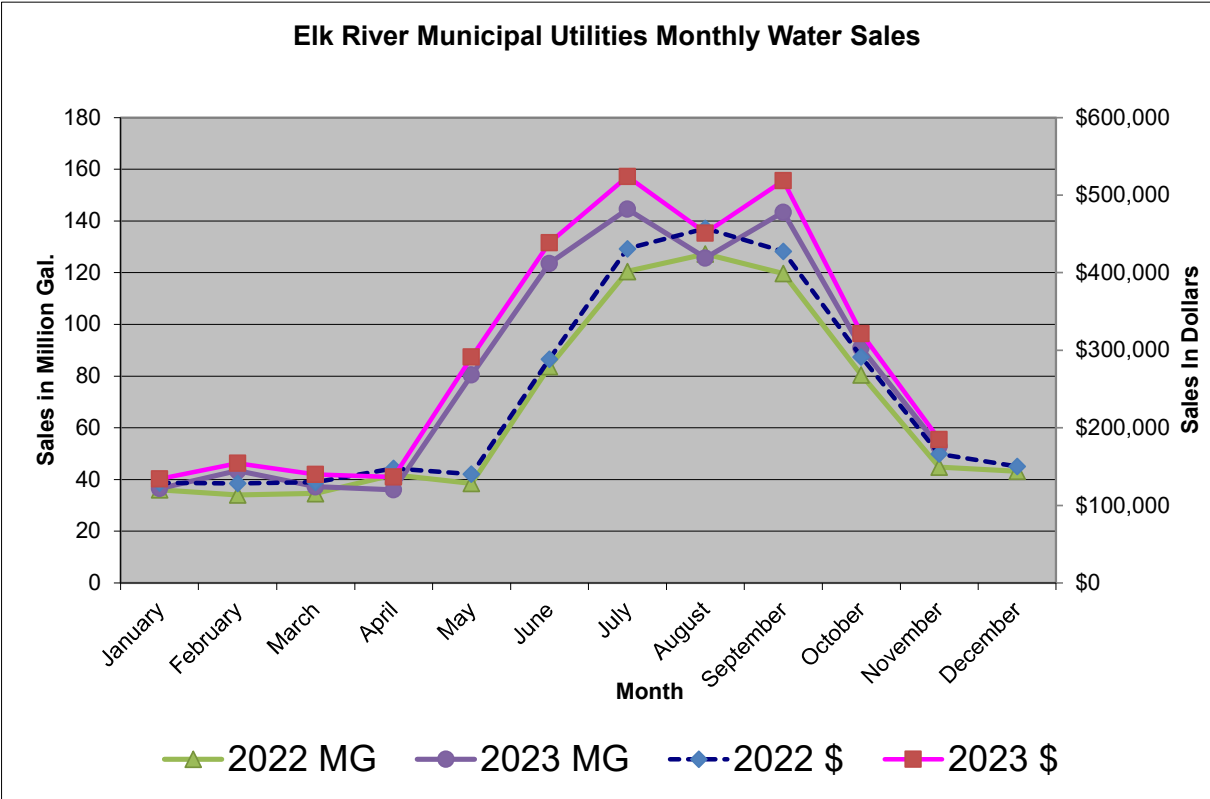
- (1) YTD Budget variance is due to usage being higher than budgeted and PYTD variance is due to rate increase and higher usage in 2023.
- (2) PYTD variance is due to the change in Fair Market Value of Investments.
- (3) YTD Budget variance is due to less than average connection fees. PYTD variance is 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
ELK RIVER, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR PERIOD ENDING OCTOBER 2023

		2023 OCTOBER	2023 YTD	2023 YTD BUDGET	2023 ANNUAL BUDGET	2023 YTD Bud Var%	2022 OCTOBER	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual Var%
Electric Revenue										
Operating Revenue										
Elk River										
	ELECT SALES - ELK RIVER RESID	1,062,635	11,742,314	11,812,478	14,039,146	(1)	1,065,230	11,568,603	173,710	2
	ELECT SALES - ELK RIVER NON-D	299,843	3,005,488	2,906,467	3,461,850	3	296,241	2,788,705	216,783	8
	ELECT SALES - ELK RIVER DEMA	1,756,246	16,078,271	16,920,596	20,243,229	(5)	1,842,798	16,969,972	(891,700)	(5)
	PCA SALES REVENUE - ELK RIVE	90,104	942,243	1,093,491	1,285,399	(14)	0	0	942,243	0
	PCA SALES REVENUE - ELK RIVE	26,472	255,303	287,884	340,814	(11)	0	0	255,303	0
	PCA SALES REVENUE - ELK RIVE	203,697	1,795,709	2,269,268	2,670,887	(21)	0	0	1,795,709	0
	Total For Elk River:	3,438,999	33,819,330	35,290,186	42,041,326	(4)	3,204,270	31,327,280	2,492,050	8
Otsego										
	ELECT SALES - OTSEGO RESIDEN	116,069	1,303,832	1,196,888	1,420,072	9	119,097	1,229,816	74,016	6
	ELECT SALES - OTSEGO NON-DEM	43,403	423,383	387,450	454,649	9	45,689	420,854	2,529	1
	ELECT SALES - OTSEGO DEMAND	129,572	1,205,019	988,148	1,180,452	22	123,701	1,170,844	34,175	3
	PCA SALES REVENUE - OTSEGO R	9,670	102,950	110,453	129,685	(7)	0	0	102,950	0
	PCA SALES REVENUE - OTSEGO N	3,925	36,753	37,863	44,260	(3)	0	0	36,753	0
	PCA SALES REVENUE - OTSEGO D	14,572	133,320	131,098	156,538	2	0	0	133,320	0
	Total For Otsego:	317,214	3,205,260	2,851,903	3,385,657	12	288,488	2,821,515	383,745	14
Rural Big Lake										
	ELECT SALES - BIG LAKE RESIDE	13,961	166,887	179,309	214,102	(7)	15,290	166,558	328	0
	ELECT SALES - BIG LAKE NON-DE	406	4,398	4,144	4,513	6	501	4,298	99	2
	PCA SALES REVENUE - BIG LAKE	1,191	13,394	16,651	19,622	(20)	0	0	13,394	0
	PCA SALES REVENUE - BIG LAKE	31	324	385	420	(16)	0	0	324	0
	Total For Rural Big Lake:	15,589	185,004	200,490	238,658	(8)	15,791	170,857	14,147	8
Dayton										
	ELECT SALES - DAYTON RESIDEN	14,970	179,572	187,251	221,646	(4)	15,840	177,140	2,432	1
	ELECT SALES - DAYTON NON-DE	3,220	33,853	33,631	39,638	1	3,292	33,717	135	0
	PCA SALES REVENUE - DAYTON R	1,242	14,086	17,359	20,286	(19)	0	0	14,086	0
	PCA SALES REVENUE - DAYTON	254	2,627	3,328	3,900	(21)	0	0	2,627	0
	Total For Dayton:	19,687	230,140	241,571	285,471	(5)	19,133	210,857	19,282	9
Public St & Hwy Lighting										
	ELECT SALES - SEC LTS	21,618	215,819	216,666	260,000	0	21,671	215,256	563	0
	Total For Public St & Hwy Lighting:	21,618	215,819	216,666	260,000	0	21,671	215,256	563	0
Other Electric Sales										
	SUB-STATION CREDIT	400	4,000	4,000	4,800	0	400	4,000	0	0
	RATE INCREASE	0	0	0	0	0	(111,714)	1,307,928	(1,307,928)	(100)

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

	2023 OCTOBER	2023 YTD	2023 YTD BUDGET	2023 ANNUAL BUDGET	2023 YTD Bud Var%	2022 OCTOBER	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual Var%
Electric									
Total For Other Electric Sales:	400	4,000	4,000	4,800	0	(111,314)	1,311,928	(1,307,928)	(100)
Total Operating Revenue	<u>3,813,509</u>	<u>37,659,555</u>	<u>38,804,818</u>	<u>46,215,912</u>	<u>(3)</u>	<u>3,438,039</u>	<u>36,057,695</u>	<u>1,601,859</u>	<u>4</u>
Other Operating Revenue									
Interest/Dividend Income									
INTEREST & DIVIDEND INCOME	16,040	87,175	41,666	50,000	109	(15,570)	(196,710)	283,886	144
Total For Interest/Dividend Income:	16,040	87,175	41,666	50,000	109	(15,570)	(196,710)	283,886	144
Customer Penalties									
CUSTOMER DELINQUENT PENALT	24,786	259,594	208,333	250,000	25	24,792	237,775	21,819	9
Total For Customer Penalties:	24,786	259,594	208,333	250,000	25	24,792	237,775	21,819	9
LFG Project									
LFG PROJECT	0	0	0	0	0	89,470	849,853	(849,853)	(100)
Total For LFG Project:	0	0	0	0	0	89,470	849,853	(849,853)	(100)
Connection Fees									
DISCONNECT & RECONNECT CHA	16,375	116,731	183,333	220,000	(36)	25,467	178,462	(61,731)	(35)
Total For Connection Fees:	16,375	116,731	183,333	220,000	(36)	25,467	178,462	(61,731)	(35)
Misc Revenue									
MISC ELEC REVENUE - TEMP CHG	0	5,774	1,666	2,000	246	590	4,970	804	16
STREET LIGHT	0	1,800	15,000	20,000	(88)	0	6,425	(4,625)	(72)
TRANSMISSION INVESTMENTS	56,166	589,062	541,025	649,231	9	48,025	521,634	67,428	13
MISC NON-UTILITY	18,720	130,267	75,000	90,000	74	54,759	174,463	(44,195)	(25)
GAIN ON DISPOSITION OF PROPER	0	40,310	0	0	0	45,000	78,538	(38,228)	(49)
CONTRIBUTIONS FROM CUSTOME	33,220	346,360	145,833	175,000	138	8,098	279,967	66,393	24
Total For Misc Revenue:	108,107	1,113,575	778,525	936,231	43	156,473	1,065,998	47,577	4
Total Other Revenue	<u>165,310</u>	<u>1,577,077</u>	<u>1,211,859</u>	<u>1,456,231</u>	<u>30</u>	<u>280,633</u>	<u>2,135,379</u>	<u>(558,301)</u>	<u>(26)</u>
Total For Total Other Revenue:	165,310	1,577,077	1,211,859	1,456,231	30	280,633	2,135,379	(558,301)	(26)
Total Revenue	<u>3,978,819</u>	<u>39,236,633</u>	<u>40,016,678</u>	<u>47,672,143</u>	<u>(2)</u>	<u>3,718,673</u>	<u>38,193,075</u>	<u>1,043,558</u>	<u>3</u>
Expenses									
Purchased Power									
PURCHASED POWER	1,746,283	20,263,323	20,886,794	24,207,981	(3)	2,212,210	27,087,318	(6,823,995)	(25)
ENERGY ADJUSTMENT CLAUSE	646,478	6,773,883	7,238,285	8,558,044	(6)	0	0	6,773,883	0
Total For Purchased Power:	2,392,761	27,037,206	28,125,080	32,766,025	(4)	2,212,210	27,087,318	(50,111)	0
Operating & Mtce Expense									

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

		2023	2023	2023	2023	2023 YTD	2022	2022	YTD	2022 v. 2023
		OCTOBER	YTD	YTD BUDGET	ANNUAL BUDGET	Bud Var%	OCTOBER	YTD	VARIANCE	Actual Var%
Electric	OPERATING SUPERVISION	11,229	101,115	114,166	137,000	(11)	13,468	110,340	(9,225)	(8)
	DIESEL OIL FUEL	0	3,854	8,333	10,000	(54)	45	1,885	1,969	104
	NATURAL GAS	821	22,665	16,200	25,000	40	903	13,361	9,304	70
	ELECTRIC & WATER CONSUMPTI	4,817	52,702	27,200	34,000	94	1,895	26,110	26,591	102
	PLANT SUPPLIES & OTHER EXPEN	568	26,526	10,833	13,000	145	3,143	8,486	18,039	213
	MISC POWER GENERATION EXPE	50	3,767	6,666	8,000	(43)	171	3,779	(11)	0
	MAINTENANCE OF STRUCTURE -	823	16,483	16,666	20,000	(1)	552	11,581	4,901	42
	MTCE OF PLANT ENGINES/GENER	541	16,818	32,500	39,000	(48)	529	10,773	6,045	56
	MTCE OF PLANT/LAND IMPROVE	471	24,881	22,000	35,000	13	197	14,152	10,729	76
	Total For Operating & Mtce Expense:	19,322	268,814	254,566	321,000	6	20,908	200,469	68,344	34
Landfill Gas										
	LANDFILL GAS PLANT PURCHASE	0	0	0	0	0	13,584	136,879	(136,879)	(100)
	LANDFILL GAS PLANT OPERATIO	0	0	0	0	0	41,518	395,634	(395,634)	(100)
	LANDFILL GAS PLANT ADMINIST	0	0	0	0	0	169	2,431	(2,431)	(100)
	LANDFILL GAS PLANT INSURANC	0	0	0	0	0	1,948	17,535	(17,535)	(100)
	LANDFILL GAS PLANT MTCE	0	0	0	0	0	160	1,295	(1,295)	(100)
	Total For Landfill Gas:	0	0	0	0	0	57,380	553,776	(553,776)	(100)
Transmission Expense										
	TRANSMISSION MTCE AND EXPE	5,425	54,856	58,333	70,000	(6)	4,533	54,030	826	2
	Total For Transmission Expense:	5,425	54,856	58,333	70,000	(6)	4,533	54,030	826	2
Distribution Expense										
	REMOVE EXISTING SERVICE & M	0	542	875	1,050	(38)	0	194	347	178
	SCADA EXPENSE	3,924	43,656	36,666	44,000	19	2,701	34,722	8,933	26
	TRANSFORMER EXPENSE OH & U	2,215	15,789	12,500	15,000	26	1,639	10,672	5,117	48
	MTCE OF SIGNAL SYSTEMS	171	2,667	1,666	2,000	60	0	1,815	851	47
	METER EXPENSE - REMOVE & RE	111	1,461	1,250	1,500	17	0	582	879	151
	TEMP SERVICE - INSTALL & REM	652	6,391	2,916	3,500	119	101	3,298	3,093	94
	MISC DISTRIBUTION EXPENSE	24,061	297,291	250,000	300,000	19	25,181	249,673	47,618	19
	INTERCONNECTION CARRYING C	0	0	0	2,416	0	0	0	0	0
	Total For Distribution Expense:	31,136	367,800	305,875	369,466	20	29,623	300,959	66,841	22
Maintenance Expense										
	MTCE OF STRUCTURES	5,250	53,977	38,333	46,000	41	2,206	21,950	32,027	146
	MTCE OF SUBSTATIONS	4,347	39,529	29,166	35,000	36	3,941	38,362	1,166	3
	MTCE OF SUBSTATION EQUIPME	9,418	52,679	64,166	77,000	(18)	6,349	38,254	14,425	38
	MTCE OF OH LINES/TREE TRIM	1,277	179,799	181,000	225,000	(1)	1,332	113,381	66,417	59

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
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FOR PERIOD ENDING OCTOBER 2023

Electric	2023	2023	2023	2023	2023 YTD	2022	2022	YTD	2022 v. 2023
	OCTOBER	YTD	YTD BUDGET	ANNUAL BUDGET	Bud Var%	OCTOBER	YTD	VARIANCE	Actual Var%
MTCE OF OH LINES/STANDBY	3,948	30,358	33,333	40,000	(9)	2,935	28,529	1,828	6
MTCE OF OH PRIMARY	12,721	134,039	141,666	170,000	(5)	18,927	165,194	(31,155)	(19)
MTCE OF URD PRIMARY	16,025	189,873	141,666	170,000	34	14,112	173,214	16,659	10
LOCATE ELECTRIC LINES	12,450	88,445	88,333	106,000	0	9,209	85,306	3,139	4
LOCATE FIBER LINES	101	371	833	1,000	(55)	163	782	(411)	(53)
MTCE OF LINE TRANSFORMERS	2,302	71,448	50,000	60,000	43	13,016	36,897	34,551	94
MTCE OF STREET LIGHTING	8,134	36,667	37,500	45,000	(2)	3,113	41,059	(4,391)	(11)
MTCE OF SECURITY LIGHTING	723	15,380	12,500	15,000	23	6,250	20,075	(4,695)	(23)
MTCE OF METERS	5,283	58,254	70,833	85,000	(18)	6,088	68,115	(9,860)	(14)
VOLTAGE COMPLAINTS	107	9,812	8,333	10,000	18	906	6,443	3,369	52
SALARIES TRANSMISSION & DIST	2,659	23,580	25,416	30,500	(7)	2,481	23,514	66	0
ELECTRIC MAPPING	5,296	98,357	79,166	95,000	24	5,465	73,004	25,352	35
MTCE OF OH SECONDARY	1,901	21,223	20,833	25,000	2	1,711	17,797	3,426	19
MTCE OF URD SECONDARY	7,132	52,598	50,000	60,000	5	4,590	53,446	(848)	(2)
TRANSPORTATION EXPENSE	19,181	232,171	204,166	245,000	14	16,837	232,981	(809)	0
Total For Maintenance Expense:	118,263	1,388,569	1,277,250	1,540,500	9	119,639	1,238,312	150,256	12
Depreciation & Amortization									
DEPRECIATION	209,116	2,080,185	2,113,510	2,552,700	(2)	230,479	1,977,973	102,211	5
AMORTIZATION	55,677	556,779	556,780	668,136	0	55,677	556,779	0	0
Total For Depreciation & Amortization:	264,794	2,636,964	2,670,290	3,220,836	(1)	286,157	2,534,753	102,211	4
Interest Expense									
INTEREST EXPENSE - BONDS	71,400	727,892	727,892	870,695	0	74,413	758,248	(30,356)	(4)
AMORTIZATION OF DEBT DISCOU	(4,988)	(49,885)	(49,885)	(59,863)	0	(4,988)	(50,788)	903	2
Total For Interest Expense:	66,412	678,007	678,007	810,832	0	69,424	707,459	(29,452)	(4)
Other Operating Expense									
EV CHARGING EXPENSE	198	1,749	6,442	7,731	(73)	505	5,634	(3,884)	(69)
LOSS ON DISPOSITION OF PROP (C	0	13,073	15,500	15,500	(16)	0	0	13,073	0
OTHER DONATIONS	0	108	2,500	3,000	(96)	198	3,681	(3,573)	(97)
DAM MAINTENANCE EXPENSE	0	0	0	0	0	29	29	(29)	(100)
MUTUAL AID	0	4,415	0	0	0	17,062	36,690	(32,274)	(88)
PENSION EXPENSE	0	0	0	45,000	0	0	0	0	0
OTHER INTEREST EXPENSE	0	378	378	378	0	378	4,132	(3,754)	(91)
INTEREST EXPENSE - METER DEP	4,048	39,725	2,083	2,500	1,807	168	1,658	38,066	2,295
Total For Other Operating Expense:	4,247	59,451	26,903	74,109	121	18,342	51,826	7,624	15

Customer Accounts Expense

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
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FOR PERIOD ENDING OCTOBER 2023

	2023 OCTOBER	2023 YTD	2023 YTD BUDGET	2023 ANNUAL BUDGET	2023 YTD Bud Var%	2022 OCTOBER	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual Var%
Electric									
METER READING EXPENSE	4,348	35,715	39,166	47,000	(9)	4,157	40,587	(4,871)	(12)
DISCONNECT/RECONNECT EXPEN	1,051	18,678	18,333	22,000	2	158	20,056	(1,378)	(7)
MISC CUSTOMER ACCOUNTS EXP	33,708	282,842	260,416	312,500	9	27,742	253,223	29,619	12
BAD DEBT EXPENSE & RECOVER	2,698	26,877	16,666	20,000	61	5,424	12,927	13,950	108
Total For Customer Accounts Expense:	41,806	364,114	334,583	401,500	9	37,483	326,795	37,318	11
Administrative Expense									
SALARIES OFFICE & COMMISSION	69,567	665,070	791,666	950,000	(16)	71,854	670,144	(5,074)	(1)
TEMPORARY STAFFING	0	0	3,333	4,000	(100)	0	0	0	0
OFFICE SUPPLIES	7,431	99,441	89,166	107,000	12	5,402	58,496	40,945	70
ELECTRIC & WATER CONSUMPTI	2,347	25,018	24,166	29,000	4	1,946	21,771	3,246	15
BANK FEES	140	1,487	2,083	2,500	(29)	141	1,580	(93)	(6)
LEGAL FEES	1,077	17,450	33,333	40,000	(48)	4,337	28,679	(11,228)	(39)
AUDITING FEES	1,623	17,193	15,433	18,520	11	1,503	15,033	2,160	14
INSURANCE	16,027	170,562	155,000	186,000	10	14,425	149,283	21,279	14
UTILITY SHARE - DEFERRED COM	5,048	105,006	103,333	124,000	2	5,000	101,584	3,421	3
UTILITY SHARE - MEDICAL/DENT	57,233	701,858	736,393	858,481	(5)	67,108	725,684	(23,825)	(3)
UTILITY SHARE - PERA	23,839	239,207	240,000	288,000	0	23,906	232,191	7,016	3
UTILITY SHARE - FICA	23,475	234,309	233,333	280,000	0	23,544	225,173	9,135	4
EMPLOYEE SICK PAY	16,026	130,784	125,000	150,000	5	11,869	124,904	5,880	5
EMPLOYEE HOLIDAY PAY	0	98,049	85,909	157,500	14	0	67,014	31,035	46
EMPLOYEE VACATION & PTO PA	18,700	237,958	212,000	250,000	12	18,350	218,452	19,505	9
UPMIC DISTRIBUTION	0	60,163	68,261	91,015	(12)	0	49,029	11,134	23
LONGEVITY PAY	2,300	15,168	14,069	16,369	8	0	2,790	12,378	444
CONSULTING FEES	0	2,732	66,666	80,000	(96)	0	54,690	(51,957)	(95)
TELEPHONE	2,986	30,825	34,166	41,000	(10)	3,986	30,815	9	0
ADVERTISING	1,675	12,589	12,500	15,000	1	456	11,286	1,303	12
DUES & SUBSCRIPTIONS - FEES	7,116	97,792	143,895	172,675	(32)	4,426	97,903	(110)	0
SCHOOLS & MEETINGS	22,974	192,058	222,500	259,925	(14)	19,579	161,693	30,364	19
MTCE OF GENERAL PLANT & OFFI	1,002	10,027	6,333	7,600	58	609	6,094	3,932	65
Total For Administrative Expense:	280,593	3,164,759	3,418,545	4,128,585	(7)	278,448	3,054,299	110,460	4
General Expense									
CIP REBATES - RESIDENTIAL	4,760	50,416	83,475	100,170	(40)	8,609	48,366	2,050	4
CIP REBATES - COMMERCIAL	0	54,432	157,985	189,583	(66)	14,968	107,575	(53,143)	(49)
CIP - ADMINISTRATION	386	11,411	16,416	19,700	(30)	424	7,565	3,845	51
CIP - MARKETING	2,691	36,611	25,032	30,039	46	3,533	26,275	10,336	39

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ELK RIVER, MINNESOTA
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FOR PERIOD ENDING OCTOBER 2023

		2023	2023	2023	2023	2023 YTD	2022	2022	YTD	2022 v. 2023
		OCTOBER	YTD	YTD BUDGET	ANNUAL BUDGET	Bud Var%	OCTOBER	YTD	VARIANCE	Actual Var%
Electric	CIP - LABOR	12,407	117,686	148,759	178,511	(21)	13,939	127,102	(9,416)	(7)
	CIP REBATES - LOW INCOME	0	13,124	15,000	18,000	(12)	0	4,185	8,939	214
	CIP - LOW INCOME LABOR	837	8,017	8,239	9,887	(3)	944	8,686	(669)	(8)
	ENVIRONMENTAL COMPLIANCE	2,504	18,458	28,515	34,219	(35)	2,621	26,630	(8,172)	(31)
	MISC GENERAL EXPENSE	(14)	6,194	2,083	2,500	197	(1,282)	(1,206)	7,401	613
	Total For General Expense:	23,572	316,351	485,507	582,609	(35)	43,757	355,179	(38,827)	(11)
Total Expenses(before Operating Transfers)		3,248,336	36,336,896	37,634,942	44,285,462	(3)	3,177,909	36,465,180	(128,284)	0
Operating Transfer										
Operating Transfer/Other Funds										
	TRANSFER TO CITY ELK RIVER R	138,256	1,392,337	1,411,607	1,681,653	(1)	128,871	1,288,391	103,945	8
	Total For Operating Transfer/Other Funds:	138,256	1,392,337	1,411,607	1,681,653	(1)	128,871	1,288,391	103,945	8
Utilities & Labor Donated										
	UTILITIES & LABOR DONATED TO	19,301	215,741	200,000	240,000	8	20,517	191,255	24,486	13
	Total For Utilities & Labor Donated:	19,301	215,741	200,000	240,000	8	20,517	191,255	24,486	13
Total Operating Transfer										
	Total For Total Operating Transfer:	157,557	1,608,079	1,611,607	1,921,653	0	149,389	1,479,647	128,432	9
Net Income Profit(Loss)		572,925	1,291,657	770,127	1,465,028	68	391,374	248,247	1,043,410	420

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

	2023 OCTOBER	2023 YTD	2023 YTD BUDGET	2023 ANNUAL BUDGET	2023 YTD Bud Var%	2022 OCTOBER	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual Var%
Water									
Revenue									
Operating Revenue									
Water Sales									
WATER SALES RESIDENTIAL	155,108	1,665,664	1,240,487	1,397,043	34	142,148	1,474,373	191,290	13
WATER SALES COMMERCIAL	120,320	921,369	742,913	850,022	24	102,652	809,411	111,957	14
WATER SALES IRRIGATION	46,155	390,386	244,737	256,349	60	46,623	287,099	103,287	36
Total For Water Sales:	<u>321,584</u>	<u>2,977,420</u>	<u>2,228,138</u>	<u>2,503,414</u>	<u>34</u>	<u>291,424</u>	<u>2,570,884</u>	<u>406,535</u>	<u>16</u>
Total Operating Revenue	<u>321,584</u>	<u>2,977,420</u>	<u>2,228,138</u>	<u>2,503,414</u>	<u>34</u>	<u>291,424</u>	<u>2,570,884</u>	<u>406,535</u>	<u>16</u>
Total For Total Operating Revenue:	<u>321,584</u>	<u>2,977,420</u>	<u>2,228,138</u>	<u>2,503,414</u>	<u>34</u>	<u>291,424</u>	<u>2,570,884</u>	<u>406,535</u>	<u>16</u>
Other Operating Revenue									
Interest/Dividend Income									
INTEREST & DIVIDEND INCOME	5,629	36,073	29,166	35,000	24	(2,973)	(41,514)	77,588	187
OTHER INTEREST/MISC REVENUE	0	543	1,250	1,500	(57)	0	592	(49)	(8)
Total For Interest/Dividend Income:	<u>5,629</u>	<u>36,616</u>	<u>30,416</u>	<u>36,500</u>	<u>20</u>	<u>(2,973)</u>	<u>(40,922)</u>	<u>77,538</u>	<u>189</u>
Customer Penalties									
CUSTOMER PENALTIES	2,564	20,094	23,333	28,000	(14)	3,172	22,548	(2,453)	(11)
Total For Customer Penalties:	<u>2,564</u>	<u>20,094</u>	<u>23,333</u>	<u>28,000</u>	<u>(14)</u>	<u>3,172</u>	<u>22,548</u>	<u>(2,453)</u>	<u>(11)</u>
Connection Fees									
WATER/ACCESS/CONNECTION FE	43,905	185,810	375,000	450,000	(50)	45,390	1,297,321	(1,111,510)	(86)
CUSTOMER CONNECTION FEES	4,021	15,515	33,333	40,000	(53)	2,168	52,741	(37,225)	(71)
BULK WATER SALES/HYDRANT R	6,750	21,555	23,333	28,000	(8)	5,351	14,413	7,141	50
Total For Connection Fees:	<u>54,676</u>	<u>222,881</u>	<u>431,666</u>	<u>518,000</u>	<u>(48)</u>	<u>52,909</u>	<u>1,364,475</u>	<u>(1,141,593)</u>	<u>(84)</u>
Misc Revenue									
MISC NON-UTILITY	60	100	41	50	138	0	110	(10)	(9)
GAIN ON DISPOSITION OF PROPER	0	2,940	0	0	0	0	0	2,940	0
MISCELLANEOUS REVENUE	0	258	416	500	(38)	0	287	(28)	(10)
HYDRANT MAINTENANCE PROGR	1,330	12,543	11,250	13,500	11	975	11,254	1,288	11
CONTRIBUTIONS FROM DEVELOP	0	0	0	65,000	0	0	0	0	0
WATER TOWER LEASE	0	0	0	296,984	0	24,248	237,656	(237,656)	(100)
Total For Misc Revenue:	<u>1,390</u>	<u>15,841</u>	<u>11,708</u>	<u>376,034</u>	<u>35</u>	<u>25,223</u>	<u>249,309</u>	<u>(233,467)</u>	<u>(94)</u>
Total Other Revenue	<u>64,259</u>	<u>295,434</u>	<u>497,125</u>	<u>958,534</u>	<u>(41)</u>	<u>78,332</u>	<u>1,595,410</u>	<u>(1,299,975)</u>	<u>(81)</u>
Total For Total Other Revenue:	<u>64,259</u>	<u>295,434</u>	<u>497,125</u>	<u>958,534</u>	<u>(41)</u>	<u>78,332</u>	<u>1,595,410</u>	<u>(1,299,975)</u>	<u>(81)</u>

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

		2023	2023	2023	2023	2023 YTD	2022	2022	YTD	2022 v. 2023
		OCTOBER	YTD	YTD BUDGET	ANNUAL BUDGET	Bud Var%	OCTOBER	YTD	VARIANCE	Actual Var%
Water										
	Total Revenue	<u>385,844</u>	<u>3,272,855</u>	<u>2,725,263</u>	<u>3,461,948</u>	<u>20</u>	<u>369,756</u>	<u>4,166,295</u>	<u>(893,439)</u>	<u>(21)</u>
Expenses										
Production Expense										
	MTCE OF STRUCTURES	<u>11,358</u>	<u>89,489</u>	<u>75,000</u>	<u>90,000</u>	<u>19</u>	<u>20,224</u>	<u>89,444</u>	<u>44</u>	<u>0</u>
	Total For Production Expense:	<u>11,358</u>	<u>89,489</u>	<u>75,000</u>	<u>90,000</u>	<u>19</u>	<u>20,224</u>	<u>89,444</u>	<u>44</u>	<u>0</u>
Pumping Expense										
	SUPERVISION	<u>6,187</u>	<u>52,794</u>	<u>57,500</u>	<u>69,000</u>	<u>(8)</u>	<u>6,307</u>	<u>54,118</u>	<u>(1,323)</u>	<u>(2)</u>
	ELECTRIC & GAS UTILITIES	<u>18,780</u>	<u>266,660</u>	<u>240,000</u>	<u>288,000</u>	<u>11</u>	<u>19,455</u>	<u>237,906</u>	<u>28,754</u>	<u>12</u>
	SAMPLING	<u>1,695</u>	<u>13,057</u>	<u>12,500</u>	<u>15,000</u>	<u>4</u>	<u>1,274</u>	<u>11,685</u>	<u>1,371</u>	<u>12</u>
	CHEMICAL FEED	<u>1,923</u>	<u>42,201</u>	<u>41,666</u>	<u>50,000</u>	<u>1</u>	<u>8,165</u>	<u>33,503</u>	<u>8,697</u>	<u>26</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>8,315</u>	<u>124,867</u>	<u>137,500</u>	<u>165,000</u>	<u>(9)</u>	<u>8,311</u>	<u>132,256</u>	<u>(7,388)</u>	<u>(6)</u>
	SCADA - PUMPING	<u>317</u>	<u>2,871</u>	<u>13,333</u>	<u>16,000</u>	<u>(78)</u>	<u>287</u>	<u>9,323</u>	<u>(6,452)</u>	<u>(69)</u>
	Total For Pumping Expense:	<u>37,220</u>	<u>502,453</u>	<u>502,500</u>	<u>603,000</u>	<u>0</u>	<u>43,803</u>	<u>478,839</u>	<u>23,613</u>	<u>5</u>
Distribution Expense										
	MTCE OF WATER MAINS	<u>9,242</u>	<u>135,765</u>	<u>100,000</u>	<u>120,000</u>	<u>36</u>	<u>7,786</u>	<u>73,382</u>	<u>62,383</u>	<u>85</u>
	LOCATE WATER LINES	<u>1,088</u>	<u>7,878</u>	<u>14,375</u>	<u>17,250</u>	<u>(45)</u>	<u>1,215</u>	<u>10,378</u>	<u>(2,500)</u>	<u>(24)</u>
	MTCE OF WATER SERVICES	<u>0</u>	<u>240</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>897</u>	<u>(656)</u>	<u>(73)</u>
	WATER METER SERVICE	<u>3,366</u>	<u>27,768</u>	<u>55,000</u>	<u>66,000</u>	<u>(50)</u>	<u>5,100</u>	<u>64,055</u>	<u>(36,287)</u>	<u>(57)</u>
	BACKFLOW DEVICE INSPECTION	<u>1,503</u>	<u>16,871</u>	<u>14,200</u>	<u>16,000</u>	<u>19</u>	<u>48</u>	<u>10,765</u>	<u>6,106</u>	<u>57</u>
	MTCE OF CUSTOMERS SERVICE	<u>2,661</u>	<u>25,231</u>	<u>25,416</u>	<u>30,500</u>	<u>(1)</u>	<u>2,323</u>	<u>23,591</u>	<u>1,639</u>	<u>7</u>
	WATER MAPPING	<u>577</u>	<u>11,716</u>	<u>10,416</u>	<u>12,500</u>	<u>12</u>	<u>395</u>	<u>9,319</u>	<u>2,397</u>	<u>26</u>
	MTCE OF WATER HYDRANTS - PU	<u>1,309</u>	<u>12,548</u>	<u>15,833</u>	<u>19,000</u>	<u>(21)</u>	<u>1,655</u>	<u>16,347</u>	<u>(3,798)</u>	<u>(23)</u>
	MTCE OF WATER HYDRANTS - PR	<u>57</u>	<u>3,665</u>	<u>4,166</u>	<u>5,000</u>	<u>(12)</u>	<u>300</u>	<u>4,120</u>	<u>(455)</u>	<u>(11)</u>
	WATER CLOTHING/PPE	<u>286</u>	<u>9,142</u>	<u>7,500</u>	<u>9,000</u>	<u>22</u>	<u>216</u>	<u>7,514</u>	<u>1,627</u>	<u>22</u>
	WAGES WATER	<u>647</u>	<u>5,921</u>	<u>6,083</u>	<u>7,300</u>	<u>(3)</u>	<u>1,005</u>	<u>7,177</u>	<u>(1,255)</u>	<u>(17)</u>
	TRANSPORTATION EXPENSE	<u>2,569</u>	<u>14,093</u>	<u>13,750</u>	<u>16,500</u>	<u>2</u>	<u>1,089</u>	<u>13,856</u>	<u>236</u>	<u>2</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>23,308</u>	<u>286,595</u>	<u>285,341</u>	<u>337,650</u>	<u>0</u>	<u>21,138</u>	<u>259,776</u>	<u>26,818</u>	<u>10</u>
Depreciation & Amortization										
	DEPRECIATION	<u>97,539</u>	<u>976,185</u>	<u>988,141</u>	<u>1,202,937</u>	<u>(1)</u>	<u>91,956</u>	<u>921,121</u>	<u>55,063</u>	<u>6</u>
	Total For Depreciation & Amortization:	<u>97,539</u>	<u>976,185</u>	<u>988,141</u>	<u>1,202,937</u>	<u>(1)</u>	<u>91,956</u>	<u>921,121</u>	<u>55,063</u>	<u>6</u>
Interest Expense										
	INTEREST EXPENSE - BONDS	<u>3,466</u>	<u>36,066</u>	<u>36,066</u>	<u>43,000</u>	<u>0</u>	<u>3,666</u>	<u>39,037</u>	<u>(2,971)</u>	<u>(8)</u>
	AMORTIZATION OF DEBT DISCOU	<u>(554)</u>	<u>(5,542)</u>	<u>(5,542)</u>	<u>(6,651)</u>	<u>0</u>	<u>(554)</u>	<u>(5,542)</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 OCTOBER 2023

Water		2023	2023	2023	2023	2023 YTD	2022	2022	YTD	2022 v. 2023
		OCTOBER	YTD	YTD BUDGET	ANNUAL BUDGET	Bud Var%	OCTOBER	YTD	VARIANCE	Actual Var%
	Total For Interest Expense:	2,912	30,524	30,524	36,349	0	3,112	33,495	(2,971)	(9)
	Other Operating Expense									
	LOSS ON DISPOSITION OF PROP (C	0	0	0	500	0	0	0	0	0
	DAM MAINTENANCE EXPENSE	168	1,876	1,458	1,750	29	244	1,430	446	31
	OTHER INTEREST EXPENSE	0	94	95	95	0	94	1,033	(938)	(91)
	INTEREST EXPENSE - METER DEP	105	1,048	104	125	908	4	44	1,004	2,282
	Total For Other Operating Expense:	273	3,019	1,657	2,470	82	343	2,507	511	20
	Customer Accounts Expense									
	METER READING EXPENSE	225	1,845	2,083	2,500	(11)	214	2,029	(183)	(9)
	MISC CUSTOMER ACCOUNTS EXP	8,680	73,162	68,016	81,620	8	7,194	65,401	7,760	12
	BAD DEBT EXPENSE & RECOVER	0	(28)	208	250	(113)	0	28	(56)	(200)
	Total For Customer Accounts Expense:	8,906	74,979	70,308	84,370	7	7,409	67,458	7,520	11
	Administrative Expense									
	SALARIES OFFICE & COMMISSION	20,299	193,391	223,750	268,500	(14)	20,925	195,262	(1,871)	(1)
	TEMPORARY STAFFING	0	0	833	1,000	(100)	0	0	0	0
	OFFICE SUPPLIES	1,415	21,220	21,250	25,500	0	1,278	12,011	9,208	77
	ELECTRIC & WATER CONSUMPTI	586	6,254	6,666	8,000	(6)	486	5,442	811	15
	BANK FEES	35	384	520	625	(26)	34	410	(26)	(7)
	LEGAL FEES	269	3,731	7,500	9,000	(50)	732	5,974	(2,243)	(38)
	AUDITING FEES	405	4,844	3,858	4,630	26	375	3,758	1,086	29
	INSURANCE	3,616	44,673	30,000	36,000	49	2,934	27,761	16,912	61
	UTILITY SHARE - DEFERRED COM	1,297	18,737	25,416	30,500	(26)	638	17,813	924	5
	UTILITY SHARE - MEDICAL/DENT	14,395	174,527	186,636	215,000	(6)	16,531	189,637	(15,110)	(8)
	UTILITY SHARE - PERA	4,299	44,231	45,000	54,000	(2)	4,537	44,538	(307)	(1)
	UTILITY SHARE - FICA	4,151	42,787	43,333	52,000	(1)	4,401	42,849	(61)	0
	EMPLOYEE SICK PAY	2,129	22,806	22,500	27,000	1	2,482	21,605	1,201	6
	EMPLOYEE HOLIDAY PAY	0	17,362	16,800	30,800	3	0	11,954	5,407	45
	EMPLOYEE VACATION & PTO PA	2,992	41,114	37,454	44,000	10	3,123	38,614	2,499	6
	UPMIC DISTRIBUTION	0	10,967	13,551	18,069	(19)	0	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	3,106	3,106	(17)	0	310	2,271	733
	CONSULTING FEES	490	8,516	29,166	35,000	(71)	472	19,882	(11,366)	(57)
	TELEPHONE	676	6,997	7,916	9,500	(12)	923	7,227	(229)	(3)
	ADVERTISING	418	3,822	5,416	6,500	(29)	114	2,693	1,129	42
	DUES & SUBSCRIPTIONS - FEES	1,201	54,994	61,000	78,320	(10)	(29)	57,922	(2,927)	(5)

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

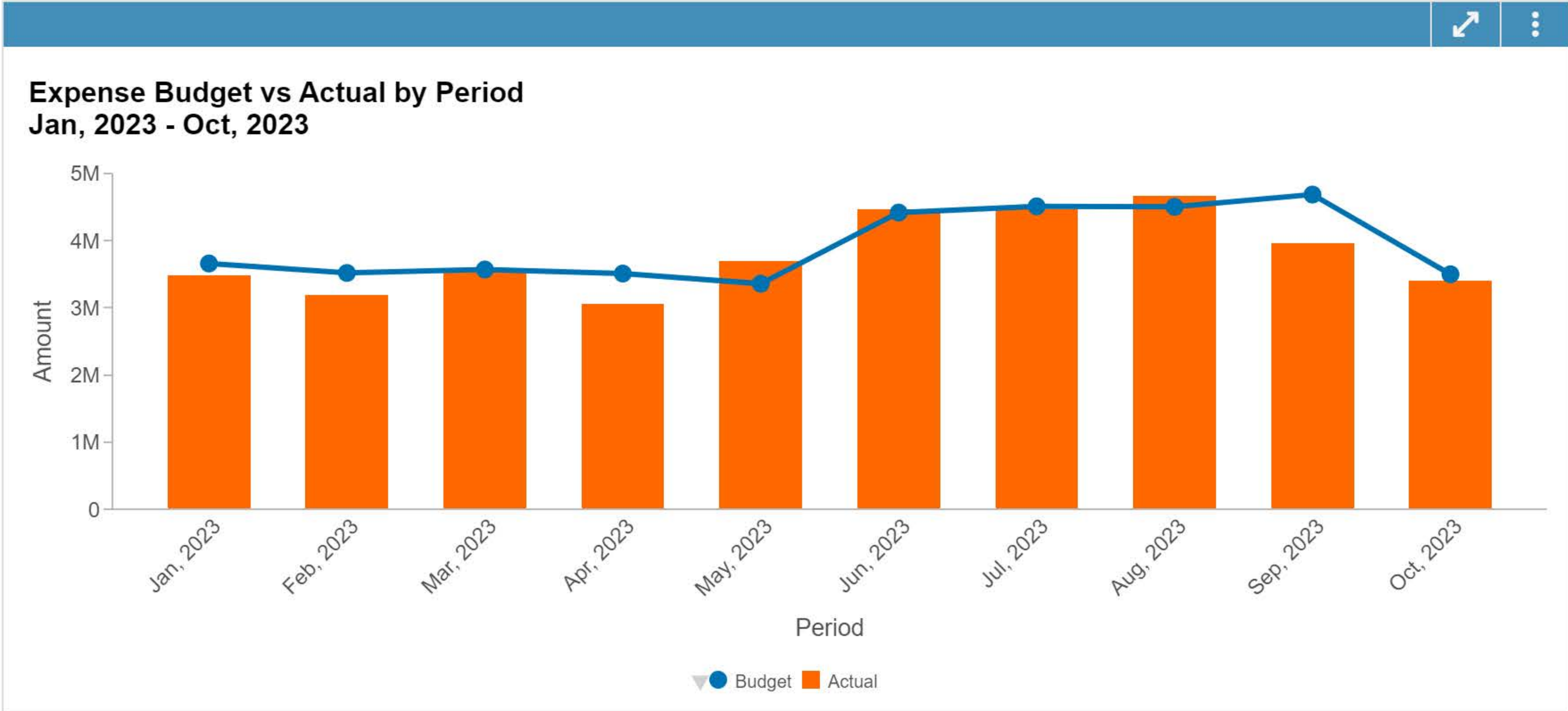
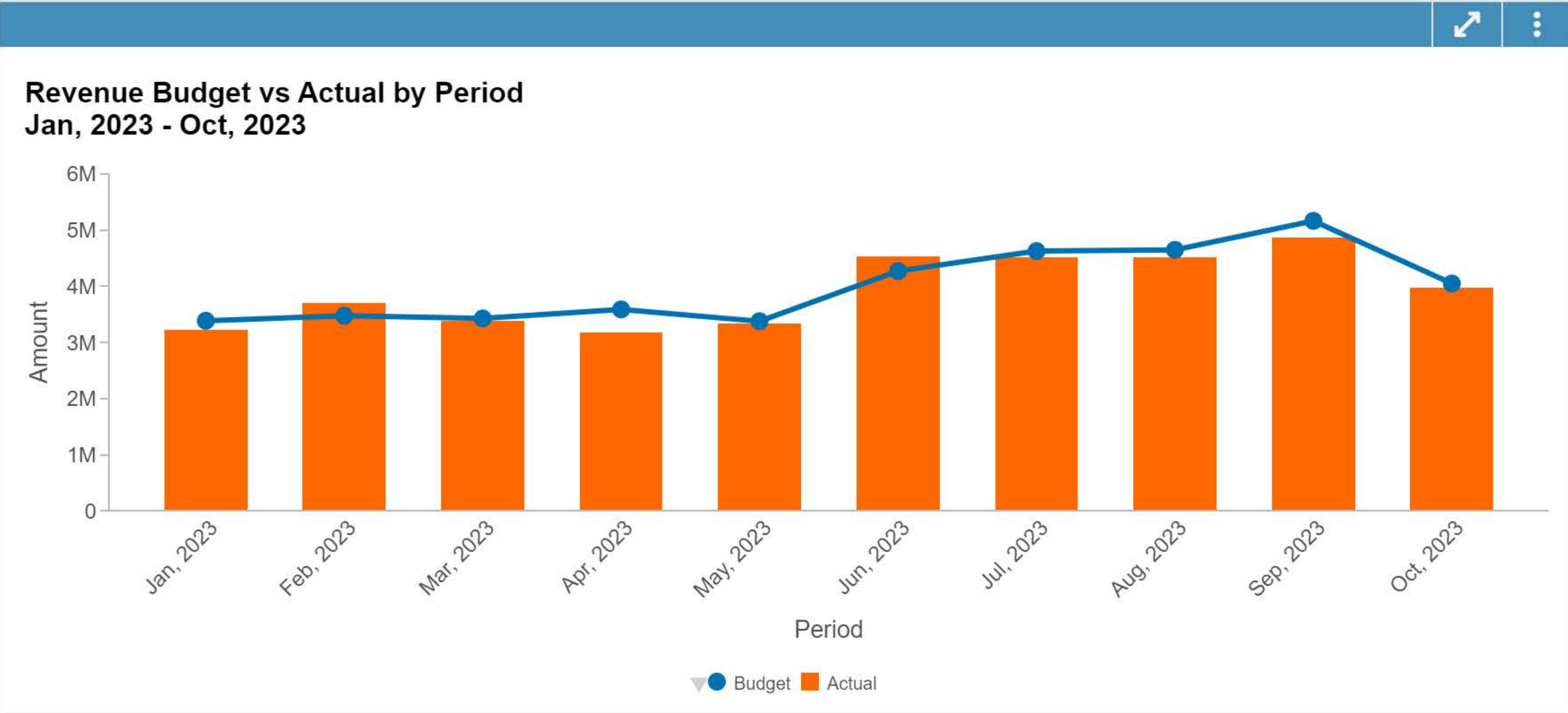
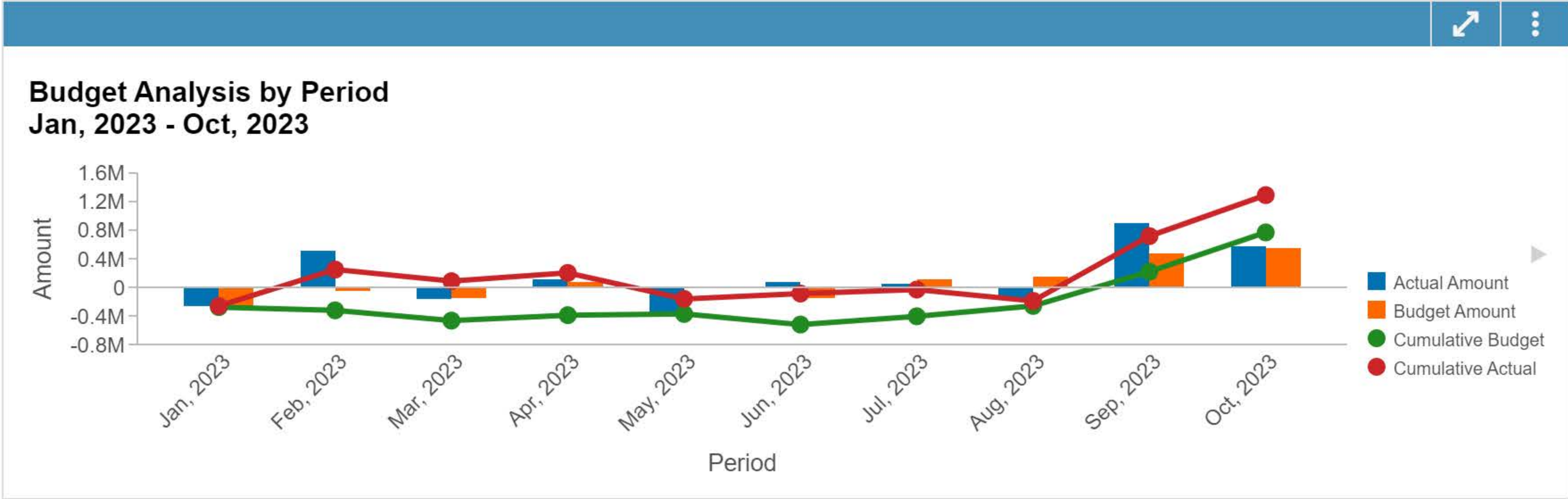
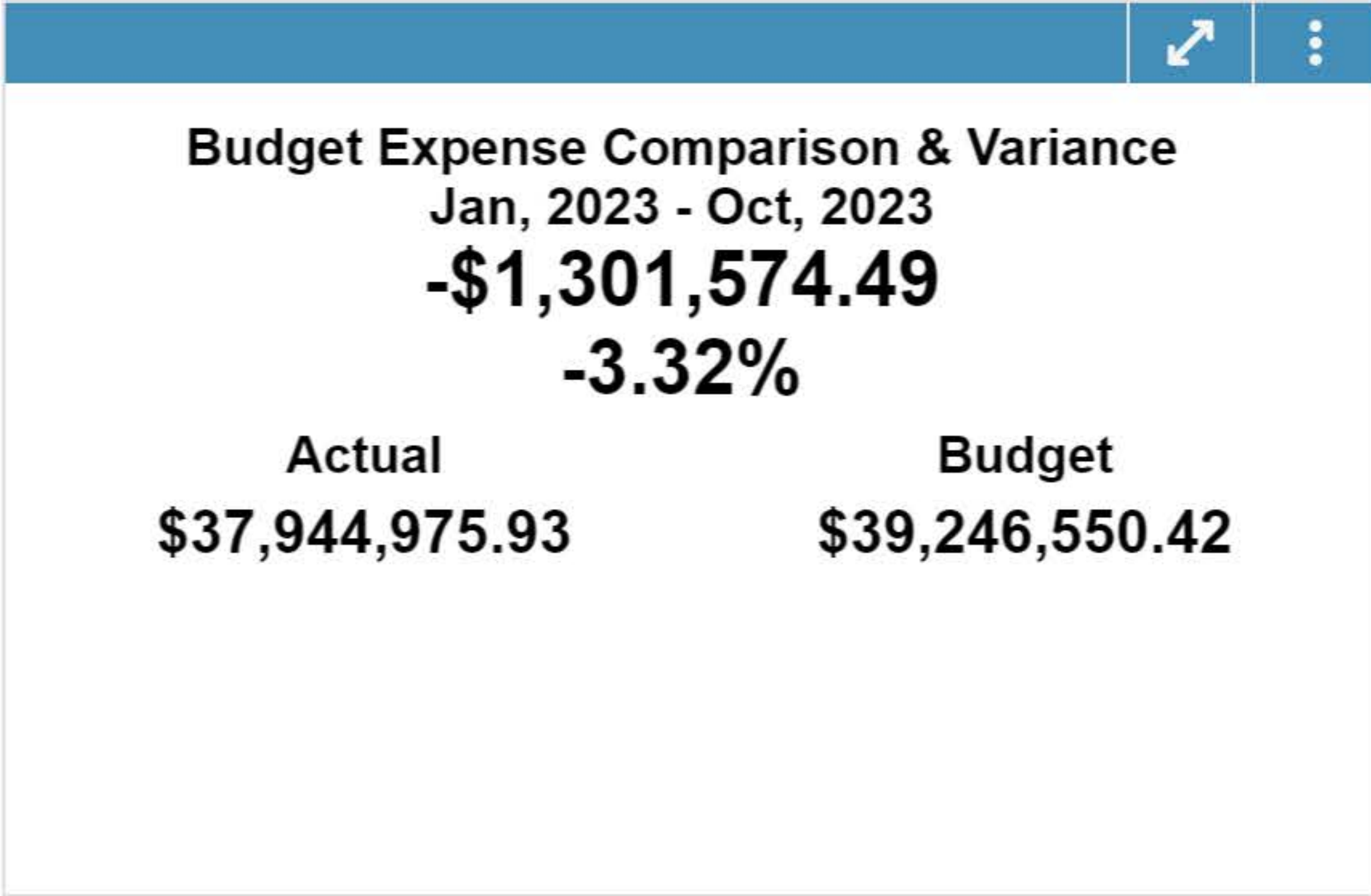
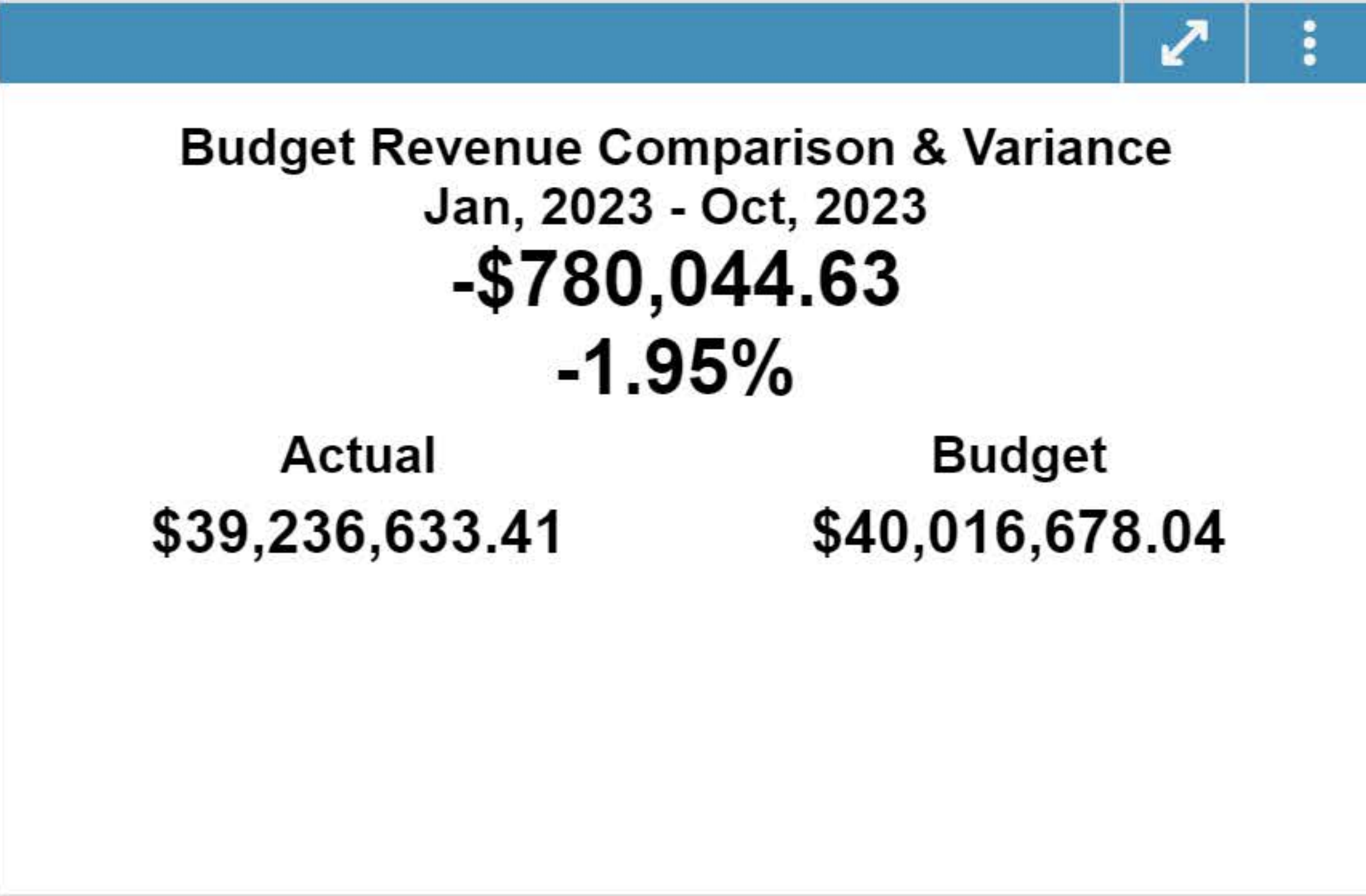
	2023 OCTOBER	2023 YTD	2023 YTD BUDGET	2023 ANNUAL BUDGET	2023 YTD Bud Var%	2022 OCTOBER	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual Var%
Water									
SCHOOLS & MEETINGS	7,431	32,825	53,087	63,705	(38)	3,667	34,514	(1,689)	(5)
MTCE OF GENERAL PLANT & OFFI	250	2,506	1,583	1,900	58	152	1,523	983	65
Total For Administrative Expense:	66,363	766,141	856,348	1,032,655	(11)	63,784	756,339	9,801	1
General Expense									
CIP REBATES - RESIDENTIAL	0	1,185	8,750	10,500	(86)	0	834	351	42
CIP REBATES - COMMERCIAL	0	0	416	500	(100)	0	0	0	0
CIP - MARKETING	0	966	416	500	132	0	613	353	58
CIP - LABOR	0	1,288	3,916	4,700	(67)	407	3,760	(2,471)	(66)
ENVIRONMENTAL COMPLIANCE	61	1,264	1,833	2,200	(31)	53	1,481	(217)	(15)
MISC GENERAL EXPENSE	0	(24)	208	250	(112)	0	0	(24)	0
Total For General Expense:	61	4,681	15,541	18,650	(70)	461	6,690	(2,009)	(30)
Total Expenses(before Operating Transfers)	247,943	2,734,068	2,825,363	3,408,081	(3)	252,234	2,615,675	118,393	5
Operating Transfer									
Utilities & Labor Donated									
WATER & LABOR DONATED TO CI	0	0	1,250	1,500	(100)	539	539	(539)	(100)
Total Operating Transfer									
Total For Total Operating Transfer:	0	0	1,250	1,500	(100)	539	539	(539)	(100)
Net Income Profit(Loss)	137,901	538,786	(101,349)	52,367	632	116,982	1,550,080	(1,011,293)	(65)

202301

61 - Elk River Electric

202310

Closed Period



Beginning Fiscal Period[YYYYMM]
202301

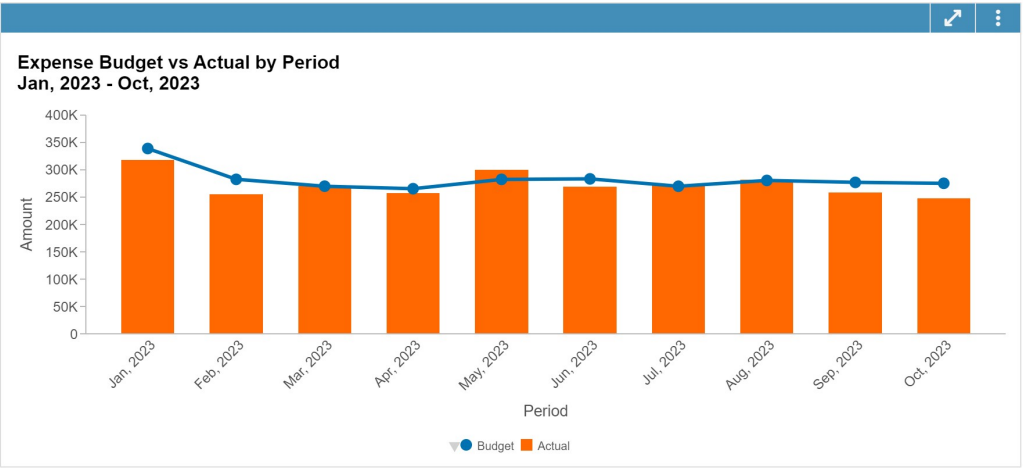
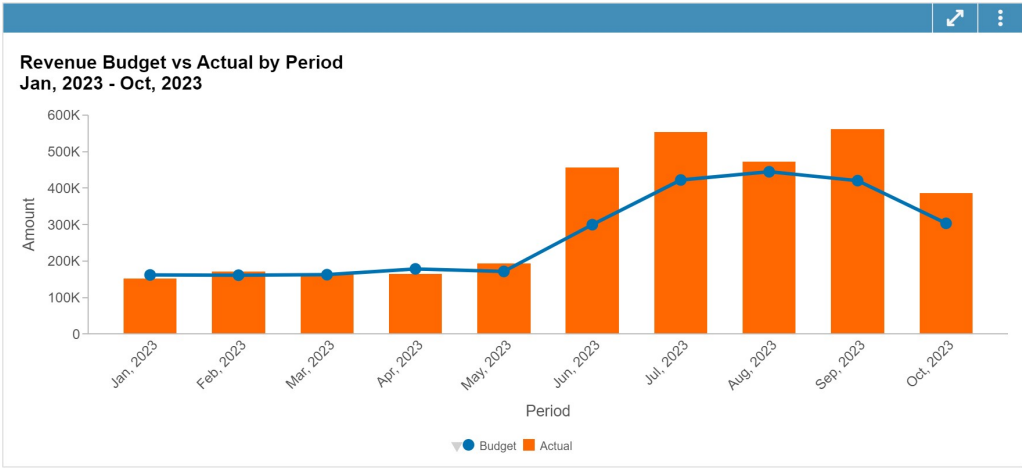
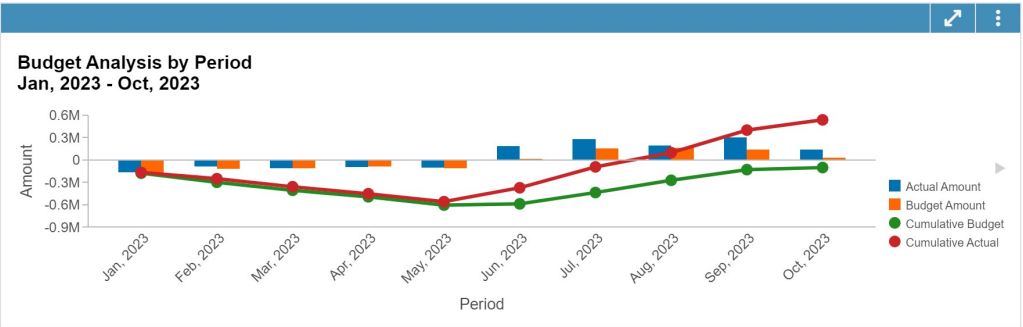
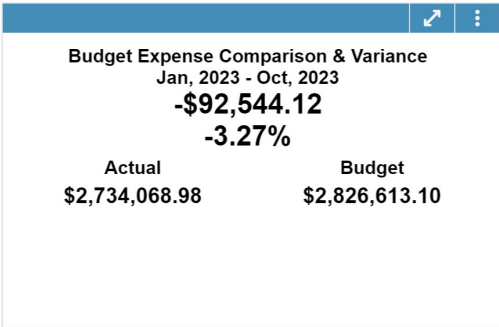
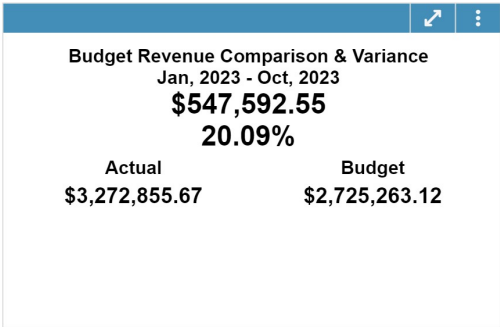
GL Division
62 - Elk River Water

GL Department
All

Ending Fiscal Period[YYYYMM]
202310

GL Activity
All

Period Type
Closed Period



TO: ERMU Commission	FROM: Melissa Karpinski – Finance Manager
MEETING DATE: December 12, 2023	AGENDA ITEM NUMBER: 5.2
SUBJECT: 2024 Annual Business Plan (Budget, Schedule of Rates & Fees)	
ACTION REQUESTED: Adopt the 2024 Annual Business Plan	

BACKGROUND:

In November, the preliminary 2024 Annual Business Plan was presented to the Commission. There have been some changes due to finalizing of projects and expenses. The final highlights are discussed below.

DISCUSSION:

Electric Budget and Rates

As discussed in November, we are proposing a 0% rate increase for 2024.

Notable items in the electric budget for 2024 are:

- 4.00% wage adjustment for all pay plan groups.
- Conservative estimate for usage and growth.
- 0% rate increase for wholesale power.
- Contracting for tree trimming of \$145k.
- Increased pension expense due to 2022 actual.
- Increased loss on disposition of capital due to Advanced Metering Infrastructure (AMI) implementation.
- Administrative expenses for Utilities Performance Metric Incentive Compensation (UPMIC) Distribution for change in percentage and additional consulting fees for a rate study, compensation study, and NISC business consult.
- Replacement of Digger Truck #9.
- Replacement of Truck #13.
- Electric Service Territory acquisition loss of revenue for Areas 1&2, 3&4, 5&6, and 7&8 from reserves.
- County Road 12 interconnection agreement with Connexus from reserves.
- East substation design and construction from reserves
- Otsego transformer replacement from reserves.
- Feeder construction from reserves.

***AMI project from inter-fund borrowing.

Water Budget and Rates

As discussed in November, we are proposing a 2% rate increase for 2024.

Notable items in the water budget for 2024 are:

- 4.00% wage adjustment for all pay plan groups.
- Conservative estimate for usage and growth.
- Increased pension expense due to 2022 actual.
- Increased loss on disposition of capital due to AMI implementation.
- Administrative expenses for UPMIC Distribution for change in percentage and additional consulting fees for a rate study, compensation study, and NISC business consult.
- AMI project from reserves.
- Water main construction from reserves.

Summary

Submitted for approval is the 2024 Annual Business Plan which includes the 2024 Budget and the 2024 Schedule of Rates & Fees. The 2024 fees were approved by the commission in November and are being presented here unchanged. The adoption of the 2024 Schedule of Rates & Fees through the adoption of the Annual Business Plan shall supersede and replace all previously adopted tariffs, rates, and fees.

FINANCIAL IMPACT:

Notable items discussed above. As previously discussed, we are proposing a rate increase of 0% for electric and 2% for water.

ATTACHMENTS:

- Proposed 2024 Annual Business Plan
 - 2024 Budget
 - 2024 Schedule of Rates & Fees



2024 Annual Business Plan

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2024 BUDGET

- Summary of Budgets
- Electric Revenue and Expense Budget
- Water Revenue and Expense Budget
- Electric Capital Budget
- Administration and Technical Services Capital Budgets
- Water Capital Budget
- Training and Travel Budget
- Dues and Subscriptions Budget
- Conservation Improvement Program Budget

2024 SCHEDULE OF RATES & FEES

- Residential All Electric Service Rate
- Residential Electric Service Rate
- Residential Clean Energy Choice Program Rate
- Non-Demand All Electric Service Rate
- Non-Demand Electric Service Rate
- Demand All Electric Service Rate
- Demand Electric Service Rate
- Large Industrial Demand Electric Service Rate
- Transmission Transformed Service Rate
- Commercial Clean Energy Choice Program Rate
- Off-Peak Demand Electric Service Rate
- Commercial All Electric with Ground Source Heat Pump Service Rate
- Ground Source Heat Pump Program Rate
- Electric Vehicle Charging Rates
- Energy Management Program Rates
- Street/Security Light Service Rate
- Water Service Rates
- Fee Schedule



2024 Budget

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

ELECTRIC BUDGET SUMMARY		2024	
ELECTRIC REVENUE	\$	48,521,831	
ELECTRIC EXPENDITURES		(46,948,091)	
ELECTRIC NET FOR CAPITAL		1,573,740	3.24% Margin
DEBT RETIREMENT		(955,000)	
NET LESS DEBT PRINCIPAL PMTS		618,740	
CAPITAL EQUIPMENT/CONSTRUCTION		(11,163,890)	
FUND FROM RESERVES		100,000 *	County Rd 35 Feeder to Waco
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		(3,099,310)	
DEPRECIATION		3,107,612	
NET TO RESERVES		8,302 *	Note that this is separate from above funding of draw on reserves
WATER BUDGET SUMMARY		2024	
WATER REVENUE	\$	3,728,289	
WATER EXPENDITURES		(3,649,282)	
WATER NET FOR CAPITAL		79,007	2.12% Margin
DEBT RETIREMENT		(60,000)	
NET LESS DEBT PRINCIPAL PMTS		19,007	
CAPITAL EQUIPMENT/CONSTRUCTION		(4,121,950)	
FUND FROM RESERVES		2,400,000 *	AMI
FUND FROM RESERVES		950,000 *	Water Main Construction (Upland/Meadowvale)
NET		(752,943)	
DEPRECIATION		1,148,988	
NET TO RESERVES		396,045 *	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	2,970,644	2,670,887	-	
Total for Elk River:	42,685,299	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	223,597	156,538	-	
Total for Otsego:	3,514,568	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	22,385	20,286	-	
440.447 PCA SALES REVENUE - DAYTON NON-DEMAND	4,231	3,900	-	
Total for Dayton:	292,752	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:	47,000,831	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	48,521,831	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	
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	295,000	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:	506,900	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	
920.9291 CONSULTING FEES	97,600	80,000	54,841	AE2S, NISC, Rate Study, Comp Study

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
2024 ELECTRIC BUDGET

	2024 Annual	2023 Annual	2022 Annual	
Electric	Budget	Budget	Actual	
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:	4,208,492	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)	44,976,679	44,285,462	43,067,541	1.6%
Operating Transfer				
Operating Transfer/Other Funds				
597.8262 TRANSFER TO CITY ELK RIVER REVENUE	1,707,412	1,681,653	1,531,632	4% of Elk River Sales
Total for Operating Transfer/Other Funds:	1,707,412	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:	1,971,412	1,921,653	1,763,493	
Net Income Profit(Loss)	1,573,740	1,465,028	116,314	

**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	1,595,404	1,397,043	1,660,446	
610.6102 Water Sales Commercial	923,908	850,022	926,107	
610.6103 Water Sales Irrigation	268,691	256,349	300,720	
Total for Water Sales:	2,788,003	2,503,414	2,887,276	
Total Operating Revenue	2,788,003	2,503,414	2,887,275	
Total for Total Operating Revenue:	2,788,003	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	-	-	
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	3,728,289	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	67,500	69,000	66,134	
710.7181 ELECTRIC & GAS UTILITIES	335,171	288,000	281,124	
710.7182 SAMPLING	17,000	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:	645,671	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	

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

Water	2024 Annual Budget	2023 Annual Budget	2022 Annual Actual	
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	
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	65,000	-	68,974	GASB 68
597.8311 OTHER INTEREST EXPENSE	-	95	1,222	
597.8341 INTEREST EXPENSE - METER DEPOSITS	1,300	125	53	Increased interest rates
Total for Other Operating Expense:	82,300	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	45,900	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:	1,092,624	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)	3,647,782	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				
Total for Total Operating Transfer:	1,500	1,500	540	
Net Income Profit(Loss)	79,007	52,367	2,653,396	

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	<i>*Projects listed in order of priority</i>

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	Reserves
\$ 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	
\$ 25,000	Concrete at FSB dumpsters/fuel station	
\$ 10,000	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	\$ 1,315,000	

Total Capital \$ 11,163,890

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 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

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	
	\$ 150,000	Freeport Booster Station	
	\$ 50,000	Auburn Tower Wash Outside	
	\$ 40,000	Auburn Tower Mixer	
	\$ 15,000	Placeholder for undetermined projects	
	\$ 55,000	SCADA upgrades	
	\$ 150,000	Well #7, 8, 9 Fiber	
	\$ 2,400,000	AMI	Reserves
	\$ 950,000	Water Main Construction (Upland/Meadowvale)	Reserves
Subtotal	\$ 3,986,000		

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 \$ 4,121,950

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
TRAVEL & TRAINING BUDGET FOR 2024

	# Attending	Budget 2024	Budget 2023	Budget 2022	Comments
Electric					
Advanced Staking Workshop	1 staff	1,900	1,900	1,900	
APPA Linemen Rodeo team	3 staff	5,500	5,000	4,500	1 team - Lafayette, Louisiana
Apprenticeship	1 staff	625	1,875	3,125	
Commercial Driving School	1 staff	3,000	3,000	-	
Competent Person training	2 staff	1,220	950	950	
Cross Training School/Diesel Workshop	2 staff	1,960	1,960	1,960	
Member Information Conf (NISC)	1 staff	2,513	2,363	2,363	Inventory attending
MMUA Locator Workshop	2 staff	720	720	720	
MMUA Meter School	2 staff	1,830	1,960	1,960	
MMUA Overhead Hot Line School	2 staff	2,575	2,140	2,140	ST no registration
MMUA Stepping Into Leadership	1 staff	3,600	5,080	2,200	
MMUA Substation Workshop	2 staff	2,240	2,140	2,140	
MMUA T&O Conference	2 staff	460	460	460	Inventory Foreperson and Assistant attending parti
MMUA Transformer School	2 staff	2,370	2,370	2,370	
MMUA Underground School	2 staff	2,575	2,140	2,140	ST no registration
PCB Training	1 staff	1,233	1,233	1,233	
Regional Workshop	8 staff	920	920	920	
Tree Trimming/Chainsaw Workshop	4 staff	2,060	2,060	2,060	
Leadership Training		7,000	6,957	6,957	Identified need in Survey
Additional Training		3,000	2,000	2,000	Inventory Assistant
	0%	47,301	47,228	42,098	
Water					
AWWA National Conference	2 staff	3,000	-	-	Anaheim, CA
Backflow Tester Certification Class	1 staff	1,200	-	2,400	
Backflow Tester Re-Certification Class	2 staff	1,050	-	-	Every 3 years
Commercial Driving School	2 staff	6,000	-	-	
MMUA Electrical Skills	2 staff	1,200	-	-	2024
MMUA Stepping Into Leadership	1 staff	-	1,870	2,200	18 month program
Professional Operator and Development	1 staff	750	750	750	
Public Works Certificate Program	1 staff	2,350	2,350	-	
Staking University	2 staff	2,200	-	-	
Unlicensed Electrician Continuing Education	1 staff	60	60	60	
Wastewater Certification Continuing Education	4 staff	2,000	2,000	2,000	
Water Certification Continuing Education	4 staff	2,668	2,668	2,668	
Leadership Training		1,750	1,739	1,739	Identified need in Survey
Additional Training		2,500	2,500	2,500	
	70%	23,728	13,937	14,317	
Technical Services					
ESRI User Conference	1 staff	2,000	2,000	-	
Infrared Camera training	1 staff	2,200	2,500	2,000	
Midwest ESRI User Group	1 staff	810	-	-	
MMUA Diesel Workshop	2 staff	-	-	850	
MMUA Generation School	2 staff	1,850	2,000	-	
MMUA Locator Workshop		-	-	-	
MMUA Stepping Into Leadership	1 staff	3,600	3,580	-	
MN Electric Meter School	1 staff	700	700	700	
Power Quality training	2 staff	1,100	1,000	1,000	
Staking University	1 staff	1,100	-	-	
Substation School	1 staff	1,000	2,000	890	
UMMA summer mtg	1 staff	800	800	475	
UMMA winter mtg	1 staff	750	800	435	
Xylem Reach Conference	2 staff	5,300	-	-	AMI
Leadership Training		2,200	2,174	2,174	Identified need in Survey
Additional Training		2,500	1,500	1,500	
	36%	25,910	19,054	10,024	
Management/Commission					
Advanced Training	1 staff	1,900	1,900	1,900	
APPA Customer Connections Conference	1 staff	3,500	-	-	
APPA E&O Conference	3 staff	6,000	6,185	6,185	New Orleans, Louisiana
APPA Legal & Regulatory Conference	1 staff	-	3,350	-	
APPA Legislative Round-up	4 staff/comm	8,600	6,475	6,475	
APPA National Conference	3 staff/comm	9,150	3,050	3,050	
APPA Rodeo	2 staff	2,500	2,420	-	Lafayette, Louisiana
APPA Training (Mgmt, CS, Fin, Eng, CIP, etc)	2 staff	7,000	7,000	2,500	
AWWA	2 staff	3,400	3,400	1,700	Water Certification Continuing Education
AWWA National Conference	2 staff	5,000	4,200	2,100	Anaheim, CA
Chippewa Valley Tech - Electric Training Non-Lineman	2 staff	2,800	2,800	-	
Clerk's Conference	1 staff	800	-	800	
CPA CPE	1 staff	2,000	1,500	1,500	
Engineering MPSPYCON	2 staff	1,000	1,000	3,500	
Engineering seminar	1 staff	2,000	2,000	2,000	
JTS Spring and Fall Meeting	1 staff	500	420	-	
Kentucky Equipment Show	2 staff	-	3,000	-	odd year
Member Information Conf (NISC)	2 staff	5,100	4,726	4,726	
MMUA Annual Summer Meeting	3 staff/ 5 comm	7,900	7,406	7,406	
MMUA Emergency Preparedness	3 staff	1,365	-	-	
MMUA Leadership Academy	1 staff	-	4,310	4,310	
MMUA Legislative Round-up	2 staff/1 comm	1,400	1,305	1,305	
MMUA Stepping Into Leadership	1 staff	3,600	3,580	-	12 month program
MMUA T&O Conference	5 staff	3,325	3,325	3,325	
MN Municipal Clerks Institute	1 staff	-	1,000	1,000	Complete 2023
MRWA	2 staff	1,000	1,000	500	Water Certification Continuing Education
Project Management Certification Training	1 staff	1,400	700	-	
UMMA Meter Workshop	1 staff	435	435	435	
UMMA winter mtg	1 staff	2,000	475	475	
Wastewater Certification Continuing Education	1 staff	500	500	500	
Management Training		10,000	20,000	20,000	
Leadership Training		5,000	4,348	4,348	
Additional Training		3,000	3,000	3,000	
	-3%	102,175	104,810	83,040	
Office					
APPA Customer Connections Conference	1 staff	3,500	3,500	-	Communications
APPA Cybersecurity Summit	1 staff	1,500	1,500	1,500	IT
Chamber Leadership Program	1 staff	475	475	475	
Clerk's Conference	1 staff	-	800	800	Communications
IT SCCP Online Education	1 staff	500	500	500	IT
Member Information Conf (NISC)	3 staff	7,600	7,089	4,726	Added additional staff for preparation of AMI
MMUA Stepping Into Leadership		-	-	-	
MRA Employment Law Update	1 staff	250	250	250	
SHRM Conference	1 staff	3,000	3,000	3,000	HR
Customer Service		3,000	3,000	3,000	Identified need in Survey
Communications Training	1 staff	1,000	1,000	1,000	
Financial/Accounting (APA, NISC & Misc)		5,000	1,650	1,650	APA Continuing Ed, Misc PR, Excel, Accounting Misc
IT Training (NISC/Misc)	1 staff	1,000	1,000	1,000	IT
Leadership Training	11 staff	5,000	4,783	4,783	Identified need in Survey
Additional Training		1,000	1,000	1,000	
	11%	32,825	29,547	23,684	
Safety Training					
Safe Driver Training	7 staff	2,100	2,100	2,100	
Additional Training		1,000	1,000	1,000	
Hearing Test		700	700	700	
Labor		106,343	102,253	99,275	
	4%	110,143	106,053	103,075	
Education					
		3,000	3,000	3,000	
		3,000	3,000	3,000	
		3,000	3,000	3,000	
Total		348,082	323,629	279,238	
Total Change		8%	16%		

ELK RIVER MUNICIPAL UTILITIES
DUES & SUBSCRIPTIONS - FEES BUDGET FOR 2024

Description	Budget 2024	Budget 2023	Actual 2022	
accessiBe	500	490		
Adobe Creative Cloud software	1,700	1,720	1,576	Includes stock image subscription
Adobe Pro software	2,300	1,200	1,235	Additional for CS Dept
Adobe Sign for Enterprise	600	-	-	New for electronic signatures
AMI	15,000	-	-	New for 2024
Annual Water Quality Report	3,500	-	2,950	
APPA DEED Program Dues	3,600	3,600	3,466	
APPA Dues	17,964	17,338	17,332	
AWWA Annual Fee Dues	2,245	2,120	2,128	
AWWA Partnership Safe Water Treatment/Distribution	100	100	-	
Bond Administrative & Management Fees	6,400	6,400	6,163	US Bank, City (Disclosure Fees), Moody's, Baker Tilly
Citizen Serve	3,800	3,800	-	
Customer Service Chat Feature	-	4,000	-	
Customer Service Survey	-	6,000	-	
Drug and Alcohol Random Testing	1,500	1,500	856	
Economic Development Association	-	350	-	MN Deed, EDA of MN
Elk River Chamber Membership	600	620	980	
ESRI Small Govt Enterprise agreement	30,000	27,300	28,067	
GASB Subscription	-	287	-	
Government Jobs	800	-	-	New job posting subscription
Homeland Security (Hazardous Chemical Fee)	700	700	700	
HR professional membership(s)	1,400	1,400	1,653	SHRM and MRA
MMTG Dues	-	6,550	6,549	Dues no longer being billed
MMUA Membership Dues	34,409	33,839	33,839	
MMUA Monthly Safety Meetings	32,000	30,500	30,697	
MPCA Permit Fee - Engines	360	360	257	
MPCA Permit Fee - WTP	350	350	-	
MRWA Annual Fee	400	300	300	
Municipi-pals Membership	-	25	-	
Quarterly MN Dept of Health Water Connection Fee	57,000	55,500	54,177	
Rotary	300	300	150	
SIEM Solution	-	2,380	-	
Survey Monkey	400	390	384	
SUSA Membership	250	125	-	
Miscellaneous	7,470	6,281	6,924	Detail below
Bond Underwriter's Discount	-	20,000	-	AMI Bonding
Bond Service Professional Fee	-	15,000	-	AMI Bonding
Total	225,648	250,825	200,385	
			209	
Budget Change	-10%	23%		
<i>Budget Change without Bonding Expenses</i>	<i>5%</i>	<i>6%</i>		
Miscellaneous	7,470	6,281	6,924	Total
Amazon Business Prime Membership	200	200	193	
APA - Northstar Chapter Membership Fee	50	50		
APA Membership Renewal	300	298	275	
APPA SEP Fee	-	-	-	Every 2 years - 2025
AWWA Membership Renewal	560	324	81	7 memberships
Backflow Tester Certification Recert	500	-	-	1st in 2024
BPMS Software	-	-	-	
Class A Electrical License	-	130	-	Odd year renewal
CPA License Renewal	105	102	102	
CPP Certification Renew	-	-	-	Every 5 years (renewed in 2021)
Engineer License Renewal	250	-	-	Even year renewal
Excellence in Power Entry Fee	150	-	50	
Fire Alarm Monitoring	500	-	475	
Go Daddy	70	150	60	
IEEE Membership Renewal	210	241	210	
ISC2 Certification (IT)	125	125	125	
IT ProTV	240	240	238	
Journey worker A Electrician License Fee	43	43	43	
Marco Meraki Licenses	1,045	1,045	357	
Master A Electrician License Fee	-	73	-	Odd year renewal
MCFOA Membership	92	92	49	2 memberships
Misc Bonds/Permits	1,000	1,000	579	
MN Society of CPA Membership	710	680	680	2 memberships
MPCA Wastewater Certification Renewal	92	92	92	4 renewals
Notary Renewal Fee	120	-	120	Renews 1/2024 and 12/2027 - 5 years
RP3 Application Fee	-	-	1,200	Every 3 years
Sprinkler Inspection	450	350	431	
State Registration Backflow Prevention	400	400	84	
Supervisors Legal Update Renewal	-	530	504	
Unlicensed Electrician Fee	19	24	55	
Water Operator License	69	92	23	
Zoom	170	170	162	
Digicert - mapping	-	-	268	
Excel Univ Pass	-	-	468	

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
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Total Estimated kWh Savings	4,994,857
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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



2024 Schedule of Rates & Fees



RESIDENTIAL ALL ELECTRIC SERVICE RATE

Available: Within Elk River Municipal Utilities (ERMU) established service territory.

Applicable: To single-family residences and individually metered apartments for all domestic purposes with electric energy as a sole source of heating, and when all service is supplied through a single meter, provided ratings of individual single-phase motors do not exceed five (5) horsepower.

Character of Service: AC, 60 cycles, 120/240 volt, three wire, single-phase.

Special Conditions: Residential service to a multiple dwelling or apartment house through a single meter is allowed for existing services only. Service under this rate schedule shall not be sub-metered and resold to the individual tenants on the basis of usage and the cost of electric service to the tenant must be furnished without specific charge or price which varies with the quantity of energy used.

Any apartment or dwelling unit which has separate permanent kitchen facilities shall be considered as one single family private residence.

Meter equipment must be accessible to our service department at any time.

Residential All Electric Service Rate:

Basic Monthly Electric Charge: \$15.00 per month

Summer

\$0.13734/ kWh / month

Winter

\$0.12548/ kWh / month

Summer Rate: Applicable during the five monthly billing periods of June – October.

Winter Rate: Applicable during the seven monthly billing periods of November – May.

Rates are subject to application of Power Cost Adjustment (PCA).

Federal, state, and local taxes may apply.

Minimum Bill: The Basic Monthly Electric Charge.

Billing and Terms of Payment: See ERMU Service Policies Policy (Billing Due Dates, and Penalties and Delinquent Notices.)

Residential All Electric Service Rate

Terms and Conditions:

1. Usage may be fractionalized on the actual days of service for application of a change in rate or changing from summer to winter or from winter to summer rates.
2. Service will be furnished pursuant to ERMU's rules.
3. Extensions made for service under this schedule are subject to the provisions of ERMU's rules governing Extension of Service and Facilities.
4. The rates set forth herein may be modified by the amount of any governmental changes imposed and levied on transmission, distribution, production, or the sale of electrical power.
5. Exceptions by management approval only.

Adopted ~~December 13, 2022~~ December 12, 2023
Effective ~~January 1, 2023~~ January 1, 2024



RESIDENTIAL ELECTRIC SERVICE RATE

Available: Within Elk River Municipal Utilities (ERMU) established service territory.

Applicable: To single-family residences and individually metered apartments for all domestic purposes when all service is supplied through a single meter, provided ratings of individual single-phase motors do not exceed five (5) horsepower.

Character of Service: AC, 60 cycles, 120/240 volt, three wire, single-phase.

Special Conditions: Residential service to a multiple dwelling or apartment house through a single meter is allowed for existing services only. Service under this rate schedule shall not be sub-metered and resold to the individual tenants on the basis of usage and the cost of electric service to the tenant must be furnished without specific charge or price which varies with the quantity of energy used.

Any apartment or dwelling unit which has separate permanent kitchen facilities shall be considered as one single family private residence.

Meter equipment must be accessible to our service department at any time.

Residential Electric Service Rate:

Basic Monthly Electric Charge: \$15.00 per month

Summer

Winter

\$0.13734 / kWh / month

\$0.12548 / kWh / month

Summer Rate: Applicable during the five monthly billing periods of June – October.

Winter Rate: Applicable during the seven monthly billing periods of November – May.

Rates are subject to application of Power Cost Adjustment (PCA).

Federal, state, and local taxes may apply.

Minimum Bill: Basic Monthly Electric Charge.

Billing and Terms of Payment: See ERMU Service Policies Policy (Billing Due Dates, and Penalties and Delinquent Notices.)

Residential Electric Service Rate

Terms and Conditions:

1. Usage may be fractionalized on the actual days of service for application of a change in rate or changing from summer to winter or from winter to summer rates.
2. Service will be furnished pursuant to ERMU's rules.
3. Extensions made for service under this schedule are subject to the provisions of ERMU's rules governing Extension of Service and Facilities.
4. The rates set forth herein may be modified by the amount of any governmental changes imposed and levied on transmission, distribution, production, or the sale of electrical power.
5. Exceptions by management approval only.

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RESIDENTIAL CLEAN ENERGY CHOICE PROGRAM RATE

Available: Within Elk River Municipal Utilities (ERMU) established service territory.

Applicable: To ERMU customers receiving service under another residential electric rate.

This Program is available to residential customers choosing to purchase renewable energy. Customers' will have the option to purchase 50, 75 or 100 percent of the monthly energy consumption from renewable energy sources.

ERMU customers receiving service under the electric vehicle charging rate will be automatically enrolled in the Residential Clean Energy Choice Program Rate at the 100 percent participation level at no additional monthly charge.

The customer shall agree to:

1. Complete an application - through the online registration process, or by returning a printed copy to ERMU.
2. Clearly indicate the participation level and the additional monthly charge applicable to the 50, 75 or 100 percent subscription level desired.
3. Provide notice to ERMU to cancel participation.

ERMU shall provide:

1. Monthly billing statement with the Clean Energy Choice participation level clearly identified.
2. The applicable incremental cost per participation level will be identified and added to the billing statement.

Participation Level %	Monthly Charge
50	\$1
75	\$2
100	\$3

Federal, state and local taxes may apply.

Adopted ~~December 13, 2022~~ December 12, 2023

Effective ~~January 1, 2023~~ January 1, 2024



NON-DEMAND ALL ELECTRIC SERVICE

Available: Within Elk River Municipal Utilities (ERMU) established service territory.

Applicable: Available for non-residential customer accounts. Existing or new Customer accounts with electric energy as a sole source of heating, and with actual or projected demands of less than 50 kW for the previous 12 consecutive months if applicable. When the Customer achieves an actual maximum demand of 50 kW or greater, the Customer will be placed on the Demand Electric Service rate in the next billing cycle. The Customer accounts shall be in compliance with all policies, procedures, and safety requirements, and shall be taken through one meter. Rating of individual single-phase motors and other single-phase power and heating units served under this schedule shall not exceed ten (10) horsepower (or 7.355 kW) except by special permission. (Not applicable to resale, standby or auxiliary service.)

Character Of Service: AC, 60 cycles, 120 volts or 120/240 volts, single-phase; 120/208 volts, or 277/480 volts, three-phase. Four wire, 240 volts three phase will only be applicable to existing customers now being served by this voltage. A Customer requiring voltages other than that already established by ERMU shall be required to provide suitable space and location for ERMU's' transformers, metering and associated equipment.

Special Conditions: One meter shall be installed to service one class of business. If additional buildings are required for a given business, they shall be interconnected by the customer to obtain one meter. If additional meters and services are requested by the customer, each shall be treated as a separate customer and billed individually.

Meter equipment must be accessible to our service department at any time.

Installation of Demand Meter: At the option of ERMU, a demand meter may be installed on any customer whose monthly usage exceeds 15,000 kWh.

Non-Demand All Electric Service Rate:

Basic Monthly Electric Charge: \$32.00 per month

Summer

\$0.13304 / kWh / month

Winter

\$0.11141 / kWh / month

Summer Rate: Applicable during the five monthly billing periods of June – October.

Winter Rate: Applicable during the seven monthly billing periods of November – May.

Rates are subject to application of Power Cost Adjustment (PCA).

Non-Demand All Electric Service Rate

Federal, state, and local taxes may apply.

Minimum Bill: The Basic Monthly Electric Charge plus \$1.00 per kW per month of excess transformer capacity requested by customer.

In case of equipment having abnormally low annual utilization factors or unusual operating characteristics, special minimum charges may be prescribed by ERMU.

Power Factor Adjustment: The rates set forth in this schedule are based on the maintenance by the Customer of a power factor of not less than 98% at all times. If the power factor, as measured by the electric department, is lower than 98%, the monthly demand charge may be multiplied by the ratio 98% divided by the measured power factor, or at ERMU's option, the power factor may be corrected at the Customer's expense.

Fluctuating Loads: Customers operating equipment having a highly fluctuating or large instantaneous demand, such as welders and X-ray machines, shall be required to pay all non-betterment costs of isolating the load from the balance of ERMU's lines. No motor larger than ten (10) HP (or 7.355 kW) will be allowed to be across-the-line started without notification and written authorization from ERMU. In addition, Customers who fail to provide adequate corrective equipment shall be required to own and maintain their own transformers.

Billing and Terms of Payment: See ERMU Service Policies Policy (Billing Due Dates, and Penalties and Delinquent Notices.)

Terms and Conditions:

1. Usage may be fractionalized on the actual days of service for application of a change in rate or changing from summer to winter or from winter to summer rates.
2. Service will be furnished pursuant to ERMU's rules.
3. Extensions made for service under this schedule are subject to the provisions of ERMU's rules governing Extension of Service and Facilities.
4. The rate set forth herein may be modified by the amount of any governmental changes imposed and levied on transmission, distribution, production, or the sale of electrical power.
5. Exceptions by management approval only.

Adopted ~~December 13, 2022~~ December 12, 2023
Effective ~~January 1, 2023~~ January 1, 2024



NON-DEMAND ELECTRIC SERVICE RATE

Available: Within Elk River Municipal Utilities (ERMU) established service territory.

Applicable: Available for non-residential customer accounts. Existing or new Customer accounts with actual or projected demands of less than 50 kW for the previous 12 consecutive months if applicable. When the Customer achieves an actual maximum demand of 50 kW or greater, the Customer will be placed on the Demand Electric Service rate in the next billing cycle. The Customer accounts shall be in compliance with all policies, procedures, and safety requirements, and shall be taken through one meter. Rating of individual single-phase motors and other single-phase power and heating units served under this schedule shall not exceed ten (10) horsepower (or 7.355 kW) except by special permission. (Not applicable to resale, standby or auxiliary service.)

Character Of Service: AC, 60 cycles, 120 volts or 120/240 volts, single-phase; 120/208 volts, or 277/480 volts, three-phase. Four wire, 240 volts three phase will only be applicable to existing customers now being served by this voltage. A Customer requiring voltages other than that already established by ERMU shall be required to provide suitable space and location for ERMU's transformers, metering and associated equipment.

Special Conditions: One meter shall be installed to service one class of business. If additional buildings are required for a given business, they shall be interconnected by the customer to obtain one meter. If additional meters and services are requested by the customer, each shall be treated as a separate customer and billed individually.

Meter equipment must be accessible to our service department at any time.

Installation of Demand Meter: At the option of ERMU, a demand meter may be installed on any customer whose monthly usage exceeds 15,000 kWh.

Non-Demand Service Rate:

Basic Monthly Electric Charge: \$32.00 per month

Summer

\$0.13304 / kWh / month

Winter

\$0.11141 / kWh / month

Summer Rate: Applicable during the five monthly billing periods of June – October.

Winter Rate: Applicable during the seven monthly billing periods of November – May.

Rates are subject to application of Power Cost Adjustment (PCA).

Non-Demand Electric Service Rate

Federal, state, and local taxes may apply.

Minimum Bill: The Basic Monthly Electric Charge plus \$1.00 per kW per month of excess transformer capacity requested by customer.

In the case of equipment having abnormally low annual utilization factors or unusual operating characteristics, special minimum charges may be prescribed by ERMU.

Power Factor Adjustment: The rates set forth in this schedule are based on the maintenance by the Customer of a power factor of not less than 98% at all times. If the power factor, as measured by the electric department, is lower than 98%, the monthly demand charge may be multiplied by the ratio 98% divided by the measured power factor, or at ERMU's option, the power factor may be corrected at the Customer's expense.

Fluctuating Loads: Customers operating equipment having a highly fluctuating or large instantaneous demand, such as welders and X-ray machines, shall be required to pay all non-betterment costs of isolating the load from the balance of ERMU's lines. No motor larger than ten (10) HP (or 7.355 kW) will be allowed to be across-the-line started without notification and written authorization from ERMU. In addition, Customers who fail to provide adequate corrective equipment shall be required to own and maintain their own transformers.

Billing and Terms of Payment: See ERMU Service Policies Policy (Billing Due Dates, and Penalties and Delinquent Notices.)

Terms and Conditions:

1. Usage may be fractionalized on the actual days of service for application of a change in rate or changing from summer to winter or from winter to summer rates.
2. Service will be furnished pursuant to ERMU's rules.
3. Extensions made for service under this schedule are subject to the provisions of ERMU's rules governing Extension of Service and Facilities.
4. The rate set forth herein may be modified by the amount of any governmental changes imposed and levied on transmission, distribution, production, or the sale of electrical power.
5. Exceptions by management approval only.

Adopted ~~December 13, 2022~~ December 12, 2023
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DEMAND ALL ELECTRIC SERVICE RATE

Available: Within Elk River Municipal Utilities (ERMU) established service territory.

Applicable: Available for non-residential customer accounts. Existing or new Customer accounts with electric energy as a sole source of heating, and with actual or projected demand greater than or equal to 50 kW. A Customer account with a billing demand of less than 50 kW for 12 consecutive months will be given the option of switching to the Non-Demand rate. The Customer accounts shall be in compliance with all policies, procedures, and safety requirements, and shall be taken through one meter. (Not applicable to resale, standby or auxiliary service.) A Customer on this rate may qualify for integrity testing.

Character Of Service: AC, 60 cycles, 120 volts or 120/240 volts, single-phase; 120/208 volts, or 277/480 volts, three-phase. Four wire, 240 volts three-phase will only be applicable to existing customers now being served by this voltage. A customer requiring voltages other than that already established shall be required to provide suitable space and location for ERMU's transformers, metering and associated equipment.

Special Conditions: One meter shall be installed to service one class of business. If additional buildings are required for a given business, they shall be interconnected by the customer to obtain one meter, unless an exception is approved by management. If additional meters and services are requested by the customer, each shall be treated as a separate customer and billed individually.

Meter equipment must be accessible to our service department at any time.

Demand Service Rate:

Basic Monthly Electric Charge: \$ 77.00 per month.

	<u>Summer</u>	<u>Winter</u>
Demand Charge:	\$16.75	\$11.75 in kW / month
Energy Charge:	\$0.07035	\$0.07035 in kWh / month

Summer Rate: Applicable during the five monthly billing periods of June – October.

Winter Rate: Applicable during the seven monthly billing periods of November – May.

Rates are subject to application of Power Cost Adjustment (PCA).

Federal, state and local taxes may apply.

Demand All Electric Service Rate

Minimum Bill: Maximum billing demand during previous twelve months times 3.0% of the demand charge, or the actual demand multiplied by the demand charge, whichever is greater plus \$1.00 per kW per month of excess transformer capacity requested by customer.

Determination of Billing Demand: The billing demand shall be the highest measured demand (corrected for power factor if required) during any fifteen (15) minute period occurring in the current billing period. But in no month shall the billing demand be greater than the value in kW determined by dividing the kWh sales for the billing month by 75 hours per month. This billing adjustment applies only if the customer's peak demand DOES NOT occur between the hours of 3:00 p.m. and 10:00 p.m.

Fluctuating Loads: Customers operating equipment having a highly fluctuating or large instantaneous demand, such as welders and X-ray machines, shall be required to pay all non-betterment costs of isolating the load from the balance of ERMU's system so that the load will not unduly interfere with service on ERMU's lines. In addition, Customers who fail to provide adequate corrective equipment shall be required to own and maintain their own transformers. No motor larger than ten (10) HP (or 7.355 kW) will be allowed to be across-the-line started without notification and written authorization from ERMU.

Power Factor Adjustment: For loads of 50 kW or more, or at the option of ERMU for loads of less than 50 kW, power factor adjustments may be made in the billing demand, when the power factor, as determined by test, at the time of the Customer's maximum use is less than 98%. If the power factor, as measured by ERMU's electric department, is lower than 98%, the monthly demand charge may be multiplied by the ratio 98% divided by the measured power factor, or at ERMU's option, the power factor may be corrected at the Customer's expense.

Billing and Terms of Payment: See ERMU Service Policies Policy (Billing Due Dates, and Penalties and Delinquent Notices.)

Terms and Conditions:

1. Usage may be fractionalized on the actual days of service for application of a change in rate.
2. Service will be furnished pursuant to ERMU's rules.
3. Extensions made for service under this schedule are subject to the provisions of ERMU's rules governing Extension of Service and Facilities.
4. The rates set forth herein may be modified by the amount of any governmental changes imposed and levied on transmission, distribution, production, or the sale of electrical power.
5. Exceptions by management approval only.

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DEMAND ELECTRIC SERVICE RATE

Available: Within Elk River Municipal Utilities (ERMU) established service territory.

Applicable: Available for non-residential customer accounts. Existing or new Customer accounts with actual or projected demand greater than or equal to 50 kW. A Customer account with a billing demand of less than 50 kW for 12 consecutive months will be given the option of switching to the Non-Demand rate. The Customer accounts shall be in compliance with all policies, procedures, and safety requirements, and shall be taken through one meter. (Not applicable to resale, standby or auxiliary service.) A Customer on this rate may qualify for integrity testing.

Character Of Service: AC, 60 cycles, 120 volts or 120/240 volts, single-phase; 120/208 volts, or 277/480 volts, three-phase. Four wire, 240 volts three-phase will only be applicable to existing customers now being served by this voltage. A customer requiring voltages other than that already established shall be required to provide suitable space and location for ERMU's transformers, metering and associated equipment.

Special Conditions: One meter shall be installed to service one class of business. If additional buildings are required for a given business, they shall be interconnected by the customer to obtain one meter, unless an exception is approved by management. If additional meters and services are requested by the customer, each shall be treated as a separate customer and billed individually.

Meter equipment must be accessible to our service department at any time.

Demand Service Rate:

Basic Monthly Electric Charge: \$77.00 per month.

	<u>Summer</u>	<u>Winter</u>
Demand Charge:	\$ 16.75	\$11.75 in kW / month
Energy Charge:	\$0.07035	\$0.07035 in kWh / month

Summer Rate: Applicable during the five monthly billing periods of June – October.

Winter Rate: Applicable during the seven monthly billing periods of November – May.

Rates are subject to application of Power Cost Adjustment (PCA).

Federal, state and local taxes may apply.

Demand Electric Service Rate

Minimum Bill: Maximum billing demand during previous twelve months times 3.0% of the demand charge, or the actual demand multiplied by the demand charge, whichever is greater plus \$1.00 per kW per month of excess transformer capacity requested by customer.

Determination of Billing Demand: The billing demand shall be the highest measured demand (corrected for power factor if required) during any fifteen (15) minute period occurring in the current billing period. But in no month shall the billing demand be greater than the value in kW determined by dividing the kWh sales for the billing month by 75 hours per month. This billing adjustment applies only if the customer's peak demand DOES NOT occur between the hours of 3:00 p.m. and 10:00 p.m.

Fluctuating Loads: Customers operating equipment having a highly fluctuating or large instantaneous demand, such as welders and X-ray machines, shall be required to pay all non-betterment costs of isolating the load from the balance of Elk River Municipal Utilities' system so that the load will not unduly interfere with service on Elk River Municipal Utilities' lines. In addition, Customers who fail to provide adequate corrective equipment shall be required to own and maintain their own transformers. No motor larger than ten (10) HP (or 7.355 kW) will be allowed to be across-the-line started without notification and written authorization from ERMU.

Power Factor Adjustment: For loads of 50 kW or more, or at the option of ERMU for loads of less than 50 kW, power factor adjustments may be made in the billing demand, when the power factor, as determined by test, at the time of the Customer's maximum use is less than 98%. If the power factor, as measured by ERMU's electric department, is lower than 98%, the monthly demand charge may be multiplied by the ratio 98% divided by the measured power factor, or at ERMU's option, the power factor may be corrected at the Customer's expense.

Billing and Terms of Payment: See ERMU Service Policies Policy (Billing Due Dates, and Penalties and Delinquent Notices.)

Terms and Conditions:

1. Usage may be fractionalized on the actual days of service for application of a change in rate.
2. Service will be furnished pursuant to ERMU's rules.
3. Extensions made for service under this schedule are subject to the provisions of ERMU's rules governing Extension of Service and Facilities.
4. The rates set forth herein may be modified by the amount of any governmental changes imposed and levied on transmission, distribution, production, or the sale of electrical power.
5. Exceptions by management approval only.

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LARGE INDUSTRIAL DEMAND ELECTRIC SERVICE RATE

Available: Within Elk River Municipal Utilities (ERMU) established service territory.

Applicable: Available for non-residential customer accounts. Existing or new Customer accounts with actual or projected demand greater than or equal to 1 MW. A Customer account with a billing demand of less than 1 MW for 12 consecutive months may be switched to the Demand Electric Service Rate. The Customer accounts shall be in compliance with all policies, procedures, safety requirements, and shall be taken through one or more meters. Not applicable to resale, standby or auxiliary service.

Character Of Service: 3-Phase Primary, 7,200/12,470 volt, AC, 60 cycles.

Special Conditions: Customer must provide a location suitable for the installation of a utility metering cabinet(s). Customer will be responsible for providing suitable wire and connection in the utility owned metering cabinet(s). The primary meter(s) and cabinet(s) shall be installed to service one class of business. If additional buildings are required for a given business, they shall be interconnected by the customer to the existing meter(s), unless an exception is approved by management. If additional meters and services are requested by the customer, each shall be treated as a separate customer and billed individually. A customer on the rate may qualify for integrity testing.

ERMU equipment and metering must be accessible to ERMU 24 hours per day.

Demand Service Rate:

Basic Monthly Electric Charge: \$115.00 per month.

	<u>Summer</u>	<u>Winter</u>
Demand Charge:	\$ 16.25	\$11.25 in kW / month
Energy Charge:	\$0.06962	\$0.06962 in kWh / month

Summer Rate: Applicable during the five monthly billing periods of June – October.

Winter Rate: Applicable during the seven monthly billing periods of November – May.

Rates are subject to application of Power Cost Adjustment (PCA).

Federal, state, and local taxes may apply.

Minimum Bill: Maximum billing demand during previous twelve months times 3.0% of the demand charge, or the actual demand multiplied by the demand charge, whichever is greater plus \$1.00 per kW per month of excess transformer capacity requested by customer.

Large Industrial Demand Electric Service Rate

Determination of Billing Demand: The billing demand shall be the highest measured demand (corrected for power factor if required) during any fifteen (15) minute period occurring in the current billing period.

Fluctuating Loads: Customers operating equipment having a highly fluctuating or large instantaneous demand, such as welders and X-ray machines, shall be required to pay all non-betterment costs of isolating the load from the balance of ERMU's system so that the load will not unduly interfere with service on ERMU's lines. No motor larger than ten (10) HP (or 7.355 kW) will be allowed to be across-the-line started without notification and written authorization from ERMU.

Power Factor Adjustment: Power factor adjustments may be made in the billing demand, when the power factor, as determined by test, at the time of the Customer's maximum use is less than 98%. If the power factor, as measured by ERMU's electric department, is lower than 98%, the monthly demand charge may be multiplied by the ratio 98% divided by the measured power factor, or at ERMU's option, the power factor may be corrected at the Customer's expense.

Billing and Terms of Payment: See ERMU Service Policies Policy (Billing Due Dates, and Penalties and Delinquent Notices.)

Terms and Conditions:

1. Usage may be fractionalized on the actual days of service for application of a change in rate.
2. Service will be furnished pursuant to ERMU's rules.
3. Extensions made for service under this schedule are subject to the provisions of ERMU's rules governing Extension of Service and Facilities.
4. The rates set forth herein may be modified by the amount of any governmental changes imposed and levied on transmission, distribution, production, or the sale of electrical power.
5. Exceptions by management approval only.

Adopted ~~December 13, 2022~~ December 12, 2023
Effective ~~January 1, 2023~~ January 1, 2024



TRANSMISSION TRANSFORMED SERVICE RATE

Available: Within Elk River Municipal Utilities (ERMU) established service territory.

Applicable: Available for new non-residential Customer accounts with projected demand greater than or equal to 10 MW. The Customer must maintain an annual load factor greater than or equal to 75%. A Customer account with a monthly billing demand of less than 10 MW for 12 consecutive months or an annual load factor less than 75% may be switched to another electric rate schedule (additional charges may apply to recover stranded costs). The Customer owned equipment must be in compliance with all policies, procedures, safety requirements, and applicable electrical codes.

Character of Service: 3-Phase Transmission Transformed 7,200/12,470-volt, AC, 60 cycles.

Special Conditions: The Customer must execute a contract with the utility that commits to a minimum term of service, identifies the annual peak demand and load factor, agrees to the requirements for registering generation with Midcontinent Independent System Operator (MISO) if applicable, and accepts the certain risks that include fluctuating market-based rates and prices established by MISO.

The Customer must connect directly to the Utility's distribution substation(s) and provide the location suitable for the installation of the utility owned transformer(s) and metering equipment on the Customer's property. Customer will be responsible for providing suitable wire and connection in the utility owned metering equipment. The metering equipment shall be installed to service one class of business. If additional buildings are required for a given business, they shall be interconnected by the customer to maintain one metered account, unless an exception is approved by management. If additional meters and services are requested by the customer, each shall be treated as a separate customer and billed individually.

ERMU equipment and metering must be accessible to ERMU 24 hours per day.

Transmission Demand Charge:

Transmission Demand charges are determined by monthly maximum metered 15-minute Customer demand, adjusted for applicable MISO zone transmission losses. All applicable MISO transmission charges, including but not limited to the below, shall apply to all transmission demand quantities:

- A. Schedule 1
- B. Schedule 2
- C. Schedule 9
- D. Schedule 26

Transmission Transformed Service Rate

Capacity Charge:

Capacity charges are determined by Customer selection of one of the options below:

- A. If customer has its own generation, then the capacity billing determinant shall be the maximum metered 15-minute demand in excess of Customer's registered generation in a given month. To qualify for this billing determinant, Customer's generation must be registered with MISO and comply with all MISO requirements for capacity resources.
- B. If Customer does not have its own generation, or if Customer fails to register its generation with MISO or fails to comply with all MISO requirements for capacity resources, then the capacity billing determinant shall be monthly maximum metered 15-minute Customer demand.

The following charges shall apply to all capacity quantities. The above-defined billing determinant multiplied by:

- A. \$10.90 per kW-month for all capacity quantities during the months of June through September.
- B. \$3.60 per kW-month for all capacity quantities during the months of October through May.

Energy Charge:

Energy billing is determined by actual hourly usage. The following charges shall apply to all energy (kWh) quantities:

- A. MISO Real-Time Locational Marginal Price at the applicable MISO Node.
- B. All applicable MISO Ancillary Services Charges.
- C. MISO Multi-Value Project Charges.
- D. A charge of \$0.002 per kWh for the cost of compliance with the State of Minnesota's Renewable Energy Standard.
- E. A charge of \$0.01 per kWh to cover all dispatch, billing, and administrative costs. This charge shall be inclusive of all regulatory charges collected by Utility on all customers.

City fees, such as franchise and storm water, will apply.

Federal, state, and local taxes may apply.

Failure to Generate: If Customer has registered generation that does not perform as registered when requested by utility, utility's wholesale supplier, or MISO, Customer shall be responsible for:

- A. Any financial or other penalties imposed by MISO related to the generation's failure to perform.
- B. All costs of utility or utility's wholesale supplier to acquire replacement capacity to replace registered generation that did not perform.

Transformation Charge: Customer shall pay a monthly transformation charge based on the cost of providing transmission transformed service to Customer, including recovery of costs for any new substation or related facilities.

Transmission Transformed Service Rate

Minimum Bill: Charges for failure to meet minimum peak demand and load factor requirements shall be outlined in the contract between Customer and Utility.

Power Factor Adjustment: Power factor adjustments may be made in the billing demand, when the power factor, as determined by test, at the time of the Customer's maximum use is less than 98%. If the power factor, as measured by ERMU's electric department, is lower than 98%, the monthly demand charge may be multiplied by the ratio 98% divided by the measured power factor, or at ERMU's option, the power factor may be corrected at the Customer's expense.

Billing and Terms of Payment: See ERMU Service Policies Policy (Billing Due Dates, and Penalties and Delinquent Notices.)

Terms and Conditions:

1. Service shall comply with all applicable ERMU Policies and rules.
2. Extensions made for service under this schedule are subject to the provisions of ERMU's rules governing Extension of Service and Facilities.
3. Customer is responsible for any new charges or fees imposed by MISO or any new regulatory or legislative action that results in increased costs to provide power supply to Customer.
4. All rates in this electric rate schedule are subject to change with commission approval.
5. Exceptions by management approval only.

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COMMERCIAL CLEAN ENERGY CHOICE PROGRAM RATE

Available: Within Elk River Municipal Utilities (ERMU) established service territory.

Applicable: To ERMU customers receiving service under another commercial electric rate.

This Program is available to commercial customers choosing to purchase renewable energy. Customers' will be required to participate for one calendar year and the applicable Clean Energy Choice incremental charge will apply to all energy sold in the calendar year.

The customer shall agree to:

1. Contact ERMU staff to discuss program participation.
2. Sign a contractual agreement for one calendar year prior to December 1 for participation in the upcoming year.
3. Continue to participate in the program annually until customer provides written notice of cancelation to ERMU.
4. Provide written notice of cancelation in the program to ERMU prior to December 1 of a given year for the upcoming year.

ERMU shall provide:

1. Estimate of annual incremental charge for participating in program.
2. Clean Energy Choice incremental charge per kWh is \$0.002.
3. The incremental charge applies to all kWh purchases in excess of the Wholesale Renewable Energy Standard.
4. The incremental charge will be calculated based on actual kWh consumed in the billing period.
5. The incremental charge will be calculated as follows:
[kWh consumed X (100% - Wholesale Renewable Energy Standard) X \$0.002]
6. Monthly billing statement with the Clean Energy Choice incremental charge identified.
7. Program price changes by November 1 for the coming year.

Federal, state and local taxes may apply.

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OFF-PEAK DEMAND ELECTRIC SERVICE RATE

Available: Within Elk River Municipal Utilities (ERMU) established service territory.

Applicable: Available for non-residential customer accounts. Existing or new Customer accounts with actual or projected demand greater than or equal to 50 kW. A Customer account with a billing demand of less than 50 kW for 12 consecutive months will be given the option of switching to the Non-Demand rate. The Customer accounts shall be in compliance with all policies, procedures, and safety requirements, and shall be taken through one meter. (Not applicable to resale, standby or auxiliary service.)

Character Of Service: AC, 60 cycles, 120 volts or 120/240 volts, single-phase; 120/208 volts, or 277/480 volts, three-phase. Four wire, 240 volts three-phase will only be applicable to existing customers now being served by this voltage. A customer requiring voltages other than that already established shall be required to provide suitable space location of ERMU's transformers, metering and associated equipment.

Special Conditions: One meter shall be installed to service one class of business. If additional buildings are required for a given business, they shall be interconnected by the customer to obtain one meter, unless an exception is approved by management. If additional meters and services are requested by the customer, each shall be treated as a separate customer.

Meter equipment must be accessible to our service department at any time.

Off Peak Demand Service Rate:

Basic Monthly Electric Charge: \$75.50 per month.

	<u>Summer</u>	<u>Winter</u>
Demand Charge:		
On-Peak	\$ 16.75	\$11.75 in kW / month
Off-Peak	\$6.30	\$6.30 in kW / month
Energy Charge:	\$0.0735	\$0.0735 in kWh / month
On-Peak Demand:	Actual demand during On-Peak Periods	
On-Peak Period:	3:00 PM -10:00 PM weekdays	
Off-Peak Demand:	Actual demand during Off-Peak Periods less On-Peak Demand	
Off-Peak Period:	All non On-Peak Periods	

Summer Rate: Applicable during the five monthly billing periods of June – October.

Winter Rate: Applicable during the seven monthly billing periods of November – May.

Rates are subject to application of Power Cost Adjustment (PCA).

Off-Peak Demand Electric Service Rate

Federal, state, and local taxes may apply.

Minimum Bill: Maximum billing demand during previous twelve months times 3.0% of the demand charge, or the actual demand multiplied by the demand charge, whichever is greater plus \$1.00 per kW per month of excess transformer capacity requested by customer.

Determination of Billing Demand: The billing demand shall be the highest measured demand (corrected for power factor if required) during any fifteen (15) minute period occurring in the current billing period. But in no month shall the billing demand be greater than the value in kW determined by dividing the kWh sales for the billing month by 75 hours per month. This billing adjustment applies only if the customer's peak demand DOES NOT occur between the hours of 3:00 p.m. and 10:00 p.m.

Fluctuating Loads: Customers operating equipment having a highly fluctuating or large instantaneous demand, such as welders and X-ray machines, shall be required to pay all non-betterment costs of isolating the load from the balance of ERMU's system so that the load will not unduly interfere with service on ERMU's lines. No motor larger than ten (10) HP (or 7.355 kW) will be allowed to be across-the-line started without notification and written authorization from ERMU.

In addition, Customers who fail to provide adequate corrective equipment shall be required to own and maintain their own transformers.

Power Factor Adjustment: For loads of 50 kW or more, or at the option of ERMU for loads of less than 50 kW, power factor adjustments will be made in the billing demand, when the power factor, as determined by test, at the time of the Customer's maximum use is less than 98%. If the power factor, as measured by ERMU's electric department, is lower than 98%, the monthly demand charge may be multiplied by the ratio 98% divided by the measured power factor, or at ERMU's option, the power factor may be corrected at the Customer's expense.

Billing and Terms of Payment: See ERMU Service Policies Policy (Billing Due Dates, and Penalties and Delinquent Notices.)

Terms and Conditions:

1. Usage may be fractionalized on the actual days of service for application of a change in rate.
2. Service will be furnished pursuant to ERMU's rules.
3. Extensions made for service under this schedule are subject to the provisions of ERMU's rules governing Extension of Service and Facilities.
4. The rates set forth herein may be modified by the amount of any governmental changes imposed and levied on transmission, distribution, production, or the sale of electrical power.
5. Exceptions by management approval only.

Adopted ~~December 13, 2022~~ December 12, 2023

Effective ~~January 1, 2023~~ January 1, 2024



COMMERCIAL ALL ELECTRIC WITH GROUND SOURCE HEAT PUMP SERVICE RATE

Available: Within Elk River Municipal Utilities (ERMU) established service territory.

Applicable: To commercial customers having a single meter that includes a ground source heat pump (GSHP) in excess of 50 kW but no more than 150 kW in aggregated name plate capacity of the GSHP equipment (condensers and pumps).

Character of Service: AC, 60 cycles, 120/240 volts, three wire, and three-phase.

Special Conditions: This Program is available to commercial customers. A GSHP will be the only central heating and/or cooling system for the commercial workspaces. Commercial structures that are classified as Utility and Miscellaneous Group U by the International Code Council are not eligible for this rate. GSHPs that qualify for this program will not be interrupted. A GSHP paired with another heating source such as natural gas, fuel oil, or propane may qualify for the Dual Fuel Program.

To qualify for the special rate, the customer shall provide:

1. The GSHP is the only heat source. Only closed loop GSHPs are eligible for this rate beginning September 1, 2016.
2. ERMU and the customer will agree on a meter location prior to the meter socket installation.
3. Commercial customers may have a separate meter to determine the energy and demand of the GSHP. Electric usage for the non-heating/cooling energy use of the building may be metered and priced using the appropriate rate (demand, or non-demand) schedule.
4. Accommodations for a meter and associated wiring installed according to the applicable electrical codes and will be installed by a qualified electrician.
5. Inspection by a State certified inspector and representative of ERMU.
6. Customers on this rate will not be eligible for the Dual Fuel Program.

Meter equipment must be accessible to our service department at any time.

Ground Source Heat Pump Service Rate:

Basic Monthly Electric Charge: \$ 30.50 per month

Energy Charge: \$0.0983 / kWh

Rates are subject to application of Power Cost Adjustment (PCA).

Federal, state, and local taxes may apply.

Minimum Bill: Basic Monthly Electric Charge.

Commercial All Electric with Ground Source Heat Pump Service Rate

Billing and Terms of Payment: See ERMU Service Policies Policy (Billing Due Dates, and Penalties and Delinquent Notices.)

Terms and Conditions:

1. Usage may be fractionalized on the actual days of service for application of a change in rate, or changing from summer to winter or from winter to summer rates.
2. Service will be furnished pursuant to ERMU's rules.
3. Extensions made for service under this schedule are subject to the provisions of ERMU's rules governing Extension of Service and Facilities.
4. The rates set forth herein may be modified by the amount of any governmental changes imposed and levied on transmission, distribution, production, or the sale of electrical power.
5. Exceptions by management approval only.

Adopted ~~December 13, 2022~~ December 12, 2023
Effective ~~January 1, 2023~~ January 1, 2024



GROUND SOURCE HEAT PUMP PROGRAM RATE

Available: Within Elk River Municipal Utilities (ERMU) established service territory.

Applicable: To single family residences, non-demand and demand customers receiving service under another rate, who add a second meter for any of the following controlled loads:

Ground Source Heat Pump Rate: This Program is available to residential and commercial customers. A ground source heat pump (GSHP) is a central heating and/or cooling system for residential living spaces or commercial work spaces. Residential living spaces will meet all the applicable Minnesota state building codes. Commercial structures that are classified as Utility and Miscellaneous Group U by the International Code Council are not eligible for this rate. This program is available to residential or commercial customers with a GSHP as their sole heat source. GSHPs that qualify for this program will not be interrupted. A GSHP paired with another heating source such as natural gas, fuel oil, or propane may qualify for the Dual Fuel program.

To qualify for the special rate, the customer shall provide:

1. The GSHP is the only heat source. Only closed loop GSHPs are eligible for this rate beginning January 1, 2016.
2. ERMU and the customer will agree on a meter location prior to the meter socket installation.
3. Commercial customers may have a separate meter to determine the load of the heat pumps. Electric usage for the remainder of the building will be metered and priced using the appropriate rate (Demand or Non-Demand).
4. Accommodations for a meter and associated wiring installed according to the applicable electrical codes and will be installed by a qualified electrician.
5. Inspection by a State certified electrical inspector and a representative of ERMU.

ERMU shall provide:

1. All electric energy consumed by the primary electric heating system at \$0.0983 per kWh.
2. A meter socket to accommodate the meter in a mutually agreed to location.
3. A meter to measure electricity consumed by the electric heating system.

Rates are subject to application of Power Cost Adjustment (PCA).

Federal, state, and local taxes may apply.

Adopted ~~December 13, 2022~~ December 12, 2023

Effective ~~January 1, 2023~~ January 1, 2024



ELECTRIC VEHICLE CHARGING RATES

Residential and Commercial Electric Vehicle Charging Rate

Available: Within Elk River Municipal Utilities (ERMU) established service territory.

Applicable: To single family residences, non-demand and demand customers receiving service under another rate.

Electric Vehicle Charging Rate: This Program is available to all customers of ERMU that own an electrically powered vehicle used for on road transportation. Charging of the vehicle can occur any time but will be subject to on-peak and off-peak energy charges per hour daily. On-peak hours are Monday through Friday between 10 AM and 10 PM. Off-peak hours are Monday through Friday between 10 PM and 10 AM, Saturdays, Sundays, and the following holidays (New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day).

To qualify for the special rate, the customer shall provide:

1. Electric vehicle charging station that is used for the sole purpose of charging electric vehicles. This charging station must be 240 volt.
2. Customer is responsible for installation of the additional meter socket in a mutually agreed upon location.
3. Inspection by a State Certified electrical inspector of all metering equipment and provide an affidavit to ERMU when completed.

ERMU shall provide:

1. All on-peak electric energy consumed by the electric vehicle charging equipment will be at the summer rate of \$0.137334 /kWh for the five monthly billing periods of June – October, and the winter rate of \$0.12548/kWh for the seven monthly billing periods of November – May.
2. All off-peak electric energy consumed by electric vehicle charging equipment will be at the rate of \$0.0651/kWh.
3. This equipment will be available for charging at applicable rates 24 hours per day and is not subject to any load control strategies.
4. All electric energy provided to an account that participates in this rate will be automatically enrolled in the Clean Energy Choice Program at the 100 percent participation level at no additional monthly charge.
5. All electric energy provided for the electric vehicle charging equipment will be 100 percent renewable.
6. Electric meter.
7. Final inspection prior to meter activation to ensure only qualified loads are being supplied through the electric vehicle charging equipment.

Electric Vehicle Charging Rates

Rates are subject to application of Power Cost Adjustment (PCA).

Federal, state, and local taxes may apply.

Public Electric Vehicle Charging Rate: This rate is available to anyone charging an electric vehicle or plugin electric vehicle at a public electric vehicle charging station owned and operated by ERMU within the ERMU service territory. All persons must have an active ChargePoint account or have the capability to create a ChargePoint account prior to utilizing the charging equipment for an electric vehicle or plug-in hybrid electric vehicle.

To charge at the public charging stations customers shall:

1. Utilize their existing ChargePoint account or create a new account using a credit or debit card prior to charging the electric vehicle or plug-in hybrid.

ERMU shall provide:

1. Access to public electric vehicle charging stations located in the ERMU service territory.
2. The chargers will be either level two (240 volt) or DC Fast Charging (480 volt) charging equipment.
3. Electric energy consumed at the level two charging stations will be at a rate of \$0.20 per kWh at all times.
4. Electric energy consumed at the DC Fast Charging station will be at a rate of \$0.25 per kWh at all times.
5. Electric energy provided at the public electric vehicle charging stations will be 100 percent renewable.

Federal, state, and local taxes may apply.

Adopted ~~December 13, 2022~~ December 12, 2023

Effective ~~January 1, 2023~~ January 1, 2024



MORATORIUM EFFECTIVE FEBRUARY 14, 2017 ON THE FOLLOWING LOAD CONTROL PROGRAMS

ENERGY MANAGEMENT PROGRAM RATES

Available: Within Elk River Municipal Utilities (ERMU) established service territory.

Applicable: To single family residences, non-demand and demand customers receiving service under another rate, who add a second meter for any of the following controlled loads:

Dual Fuel Space Heating Rate: This Program is available to residential customers only. A dual fuel space heating system consists of an electric heating system and a secondary non-electric space heating system both capable of heating the living space at design conditions. Interruptions of the electric heating system will usually occur for up to 12 hours daily on peak winter days and a maximum of 400 hours per heating season.

To qualify for the special rate, the customer shall provide:

1. An electric space heating system which can be interrupted by a single 5 amp rated relay.
2. A secondary non-electric space heating system capable of automatic start-up and continuous operation upon interruption of the electric heating system.
3. Obtain a load control device furnished by ERMU.
4. Accommodations for a meter and load control device and associated wiring installed according to the applicable electrical codes, and installed by a qualified electrician.
5. Inspection by a State certified electrical inspector and a representative of ERMU.
6. Radiant heat in the slab of the building qualifies for dual fuel, not electric thermal storage.
7. Dual Fuel is not allowed in garages, pole sheds, or any structure that does not confirm to the residential building code.
8. Exceptions by management approval only.

ERMU shall provide:

1. All electric energy consumed by the primary electric heating system at \$0.0651 per kWh.
2. During peak load conditions, ERMU will turn customer controlled electrical heat off for extended periods of time as stated above.
3. A meter to measure electricity consumed by the electric heating system.
4. A load control device and meter socket to accommodate the meter.

Rate is subject to application of Power Cost Adjustment (PCA).

Federal, state and local taxes may apply.

MORATORIUM EFFECTIVE FEBRUARY 14, 2017 ON THE FOLLOWING LOAD CONTROL PROGRAMS

Energy Management Program Rates

Electric Thermal Storage (ETS) Space Heating Rate: This Program is available to all ERMU customers. An ETS space heating system is designed to store heat produced by electricity generated during eight off-peak hours for use in heating during the remaining on-peak hours daily. Off-peak hours typically occur between 11 PM and 7 AM. Qualifying ETS configurations may be central storage furnaces, room storage heaters or slab (deep heat) systems including combinations of same.

To qualify for the special rate, the customer shall provide:

1. An ETS space heating system listed by UL or some other nationally recognized testing agency which can be interrupted by a single 5 amp rated relay.
2. Obtain a load control device from ERMU.
3. Accommodations for a meter and load control device and associated wiring installed according to the applicable electrical codes, and installed by a qualified electrician.
4. Inspection by a State certified electrical inspector and a representative of ERMU.

ERMU shall provide:

1. All electric energy consumed by this ETS system at \$0.0501 per kWh.
2. This equipment will be energized only for 8 off peak hours daily. Additional on-time is provided on weekend days and holidays.
3. A meter to measure electricity consumed by the ETS space heating system.
4. A load control device which will automatically control ETS space heating system during on-peak hours.

Rate is subject to application of Power Cost Adjustment (PCA).

Federal, state, and local taxes may apply.

Electric Thermal Storage (ETS) Water Heating Rate: This Program is available to all ERMU customers. An ETS water heater is designed with extra storage capacity to provide total domestic hot water needs from electricity consumed only during eight off-peak hours daily. Off-peak hours typically occur between 11 PM and 7 AM. Qualifying ETS configurations may be a large single tank, dual tanks plumbed in series, or an electric and non-electric tank plumbed in series with the electric placed on the cold water side. Electric water heater must have an energy factor of .91 or more and a minimum of 80 gallons of storage capacity.

To qualify for the special rate, the customer shall provide:

1. An ETS water heating system which can be interrupted directly by a single 30 amp rated relay.
2. Obtain a load control device from ERMU.
3. Accommodations for a meter and load control device and associated wiring installed according to the applicable electrical codes, and installed by a qualified electrician.
4. Inspection by a State certified electrical inspector and a representative of ERMU.
5. This rate is not available for hot water use in any production process for Commercial and Industrial users.

MORATORIUM EFFECTIVE FEBRUARY 14, 2017 ON THE FOLLOWING LOAD CONTROL PROGRAMS

Energy Management Program Rates

ERMU shall provide:

1. All electric energy consumed by the ETS water heater at \$0.0501 per kWh.
2. This equipment will be energized only for 8 off-peak hours daily.
3. A meter to measure electricity consumed by the ETS water heater.
4. A load control device and meter socket to accommodate the off-peak meter.

Rate is subject to application of Power Cost Adjustment (PCA).

Federal, state, and local taxes may apply.

Adopted ~~December 13, 2022~~ December 12, 2023

Effective ~~January 1, 2023~~ January 1, 2024



STREET/SECURITY LIGHT SERVICE RATE

Available: To any customer meeting Elk River Municipal Utilities (ERMU) criteria for service under this schedule, and whose lighting needs are not being furnished under any other schedule. Installation costs will be determined by ERMU per the Utilities Fee Schedule or on a time and materials basis.

Applicable: As determined by ERMU, but generally to non-metered roadway and area lighting.

Character Of Service: 120/240 volts, AC, as available.

Street/Security Light Service

Federal, state, and local taxes may apply.

Type	Monthly Rate Per Fixture
Standard Low Output (<249 Watt HPS, <74 Watt LED)	\$10.00
Standard Medium Output (250-399 Watt HPS, 75-124 Watt LED)	\$16.00
Standard High Output (400 Watt or larger HPS, 125 Watt or larger LED)	\$21.00
Standard Low Output with Decorative Pole (<74 Watt LED)	\$18.00
Decorative Medium Output with Decorative Pole (75-124 Watt LED)	\$26.00

Ownership of Equipment: ERMU will install, own, and operate the lights, including fixtures and control equipment, unless otherwise agreed upon by ERMU and the Customer.

Lamp Replacements: Lamp replacements will be made by ERMU.

Billing and Terms of Payment: See ERMU Service Policies Policy (Billing Due Dates, and Penalties and Delinquent Notices.)

General Terms and Conditions Applicable To Non-Metered Lighting Service:

1. Area lighting installed on ERMU poles shall not be of the type that interferes with climbing room, work space, or wire clearance as defined by the National Electrical Safety Code and is to be installed below the secondary line and service drops, all per ERMU's specification.
2. All area lights installed under this schedule shall be equipped with a photo-electric control which will limit the hours of illumination from dusk to dawn (approximately 4,400 hours per year).
3. The rates set forth herein may be modified by the amount of any governmental changes imposed and levied on transmission, distribution, production, or the sale of electrical power.

Street/Security Light Service Rate

4. Exceptions by management approval only.

Adopted ~~December 13, 2022~~ December 12, 2023
Effective ~~January 1, 2023~~ January 1, 2024



WATER SERVICE RATES

Available: To all customers who have municipal water service available at their property, lying within the corporate limits of the City of Elk River.

Special Conditions: Each customer served by one meter. Multiple living entities, such as apartments, may be served by a combined meter upon approval of the Elk River Municipal Utilities (ERMU) and acceptance of applicable charges.

Special Charges: A basic monthly water charge shall be applied to each meter based on the meter size according to the schedule below, and is separate from any water use. Included in the basic monthly water charge is \$0.81 that is collected on a monthly basis from each service connection (excluding irrigation only accounts) to recover the total annual cost of \$9.72 for the State of Minnesota Safe Water Testing Program (Minnesota Statutes 144.3831).

Water Rates:

METER TYPE	BASIC MONTHLY CHARGE	1 st TIER Cost per 1000 gallons	2 nd TIER Cost per 1000 gallons	3 rd TIER Cost per 1000 gallons
Residential	\$9.83 10.03	\$1.98 2.02	\$3.50 3.57	\$4.00 4.08
Commercial ¾	\$11.79 12.03	\$1.98 2.02	\$3.50 3.57	\$4.00 4.08
Commercial 1	\$13.12 13.38	\$1.98 2.02	\$3.50 3.57	\$4.00 4.08
Commercial 1 ¼	\$14.44 14.73	\$1.98 2.02	\$3.50 3.57	\$4.00 4.08
Commercial 1 ½	\$15.75 16.06	\$1.98 2.02	\$3.50 3.57	\$4.00 4.08
Commercial 2	\$20.98 21.40	\$1.98 2.02	\$3.50 3.57	\$4.00 4.08
Commercial 3	\$45.89 46.81	\$1.98 2.02	\$3.50 3.57	\$4.00 4.08
Commercial 4	\$62.94 64.20	\$1.98 2.02	\$3.50 3.57	\$4.00 4.08
Commercial 6	\$91.78 93.62	\$1.98 2.02	\$3.50 3.57	\$4.00 4.08
Commercial 8	\$124.57 127.06	\$1.98 2.02	\$3.50 3.57	\$4.00 4.08
Commercial Irrigation Seasonally or Permanently Installed	\$20.98 21.40		\$3.50 3.57	\$4.00 4.08

Federal, state, and local taxes may apply.

Water Service Rates

Residential Rate Tier Definition:

First Tier Rate = 0 – 9,000 gallons per month.

Second Tier Rate = Between 9,000 and 15,000 gallons per month.

Third Tier Rate = Above 15,000 gallons per month.

Commercial Rate Tier Definition:

First Tier Rate = 0 – 1.1 X previous year's winter measurement period average monthly consumption.

Second Tier Rate = Between 1.1 X previous year's winter measurement period average monthly consumption to 1.1 X previous year's winter measurement period average monthly consumption + 40,000 gallons.

Third Tier Rate = Above 1.1 X previous year's winter measurement period average monthly consumption + 40,000 gallons.

Winter Measurement Period Definition: December – April billing cycles.

For new customers, if a minimum of 3 winter months previous year's history is not available to establish the Tier amount, the First Tier rate shall be utilized until a minimum of 3 months history is established.

Commercial irrigation is not eligible for First Tier Rate as there is no winter use.

Minimum Bill: Basic monthly water charge plus any charges applicable to multiple living entities.

Billing and Terms of Payment: See ERMU Service Policies Policy (Billing Due Dates, and Penalties and Delinquent Notices.)

Adopted ~~December 13, 2022~~ December 12, 2023

Effective ~~January 1, 2023~~ January 1, 2024

2024 Utilities Fee Schedule

ELECTRIC	
New Residential Electric Connection - Developer - Lot with ERMU water service	\$975.00
New Residential Electric Connection - Developer - Lot without ERMU water service	\$1,475.00
New Electric Connection - Builder	\$875.00
New Wire Footages over 200' (per foot)	\$5.00
New Service Frost Trenching (per foot)	\$6.00
New Commercial & Industrial Electric Connection	50%
Service Upgrades or Additions for Existing Customers	100%
Minimum Temporary Electric Service Fee - Existing Transformer	\$220.00
Minimum Temporary Electric Service Fee - Without Existing Transformer	\$850.00
Grid Access Fee (per kW in excess of 4 kW)	\$5.56
Street Light - 30' Decorative Pole with 6' Arm and Cobra Fixture	\$2,700.00
Street Light - 23' Decorative Pole with Cobra Fixture	\$1,800.00
Street Light - 14' Decorative Pole with Cobra Fixture	\$4,100.00
Street Light - 14' Decorative Pole with Acorn Fixture	\$5,300.00
Security Light - Wood Pole with Fixture	\$975.00
Security Light - Existing Pole	\$350.00
Pole Attachment Fee (per pole)	\$15.00
Meter Installation Fee (per individually metered apartment unit)	\$22.00
WATER	
Water Access Charge = Water Connection Charge + Water Availability Charge	\$3,990.00
Water Connection Charge (Per Plumbing Unit) - Builder	\$3,600.00
Water Availability Charge (Per Plumbing Unit) - Developer	\$390.00
Abandoned Water Service (minimum)	\$6,000.00
Backflow Preventer Device Non-Compliance (per month)	\$100.00
Deposit for 5/8" Hydrant Meter	\$150.00
Deposit for 2 1/2" Hydrant Meter	\$1,000.00
Hydrant Water Sales - Rental (per week)	\$50.00
Hydrant Water Sales - Units (per 1000 gallons)	\$4.00
Hydrant Wrench	\$40.00
Private Hydrant Maintenance Program Monthly Fee	\$5.00
ADMINISTRATIVE	
Administrative Fee for Continued Submission of Checks After No-Check Notice Given	\$20.00
Administrative Fee for Continued Submission of Checks of Payment After Account Closed	\$20.00
Billable Cost of Materials Markup	15%
Billable Labor Markup	55%
Billable Vehicle / Equipment (per hour)	\$45.00
Commerical Application Fee	\$20.00
Electric Service Disconnect/Trip Fee - Meter Technician	\$50.00
Electric Service Disconnect/Trip Fee - Line Crew	\$150.00
Water Service Disconnect/Trip Fee - Water Operator	\$100.00
Manual Meter Reading Fee (per month)	\$50.00
Additional Manual Metering Reading Fee (per month)	\$10.00
Meter Tampering Fee	\$250.00
Meter Testing Fee	\$50.00
NSF Fee	\$30.00
Penalty Amount	10%
Photocopies (per page)	\$0.25
Red Tag Handling Fee	\$20.00

TO: ERMU Commission	FROM: Mark Hanson – General Manager
MEETING DATE: December 12, 2023	AGENDA ITEM NUMBER: 5.3
SUBJECT: Compensation Study Update	
ACTION REQUESTED: Approve Compensation Study Professional Services Agreement with Baker Tilley	

BACKGROUND:

At the October 2023 commission meeting, staff presented an in-house, utility-wide compensation study as part of the Wage & Benefit Committee update. After discussion and clarifying questions, the Commission directed staff to identify a third-party consultant to conduct a compensation study with all ERMU positions reviewed. For 2024 budget planning, staff were also directed to include \$30-\$40K for consultant fees and \$133K for possible salary adjustments (pending study results).

DISCUSSION:

HR Generalist Megan Zachman and General Manager Mark Hanson met with, and received proposals from, three industry leading public sector compensation consultants: DDA Consulting, Gallagher Consulting, and Baker Tilley. Consultants were interviewed to provide additional insight into their process, timeline, and experience. The interviews also focused on their approach to resolving differences with potential comparable utilities regarding geographic location, utility size/type, and competing labor markets. The table below summarizes the proposed fees, as well as the identified pros and cons, for each of the three consultants.

Name	Fee	Pros	Cons
DDA	\$19,475	Price; local manager/analyst; shortest timeline	Least adaptable process to account for unique positions, geographic challenges, and local market conditions
Baker Tilley	\$25,100	Experience; adaptability; semi-local; moderate fee	Manager is not local (but analyst is)
Gallagher	\$35,500	Utility-arena experience; adaptability	Price; national firm with non-local analysts/managers; longest timeline

The information gathered was then reviewed to identify the consultant that offered ERMU the best overall value. Baker Tilley stood out for their combination of experience, price, timeline, and approach. We believe they offer ERMU the best overall value.

Since the compensation study will be based on duties and responsibilities found in our job descriptions, managers have been tasked with reviewing and updating job descriptions for all positions in each of their respective work groups.

NEXT STEPS:

Staff recommends approval of a professional services agreement with Baker Tilly for \$25,100 to complete a utility-wide compensation study. The project is expected to kick-off in early January and be complete by the end of April. Staff anticipates providing a formal update at the February commission meeting to review recommended comparable utilities. A final presentation of results will be provided at either the April or May commission meeting.

ATTACHMENTS:

Baker Tilley Professional Services Agreement for Compensation Study

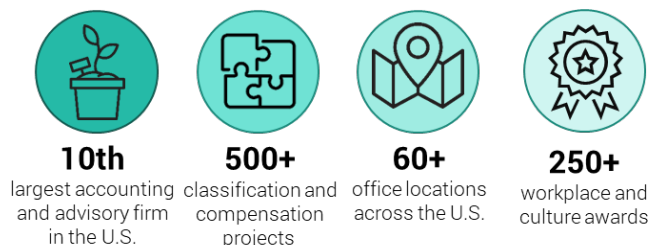
About Baker Tilly

Elk River Municipal Utilities will work with a consistent team of Value Architects™ who understand your organization and can add value from day one. The combination of your engagement team's human capital experience and service knowledge translates into tangible results for the ERMU.

Offering our resources: Baker Tilly at a glance

Our firm has the reputation, resources and reach to address the challenges you face as a public sector organization — both now and in the future.

We dedicate ourselves to delivering efficiency, quality, creativity, innovation and forward-thinking solutions. We are passionate about enhancing and protecting our clients' value, which is a collective effort by everyone across our firm. The ERMU will receive an exceptional experience. Below are some key facts about our firm.



COMPREHENSIVE EXPERIENCE TO SERVE YOU

Elk River Municipal Utilities will receive support and guidance from a respected firm that continues to grow

Celebrating more than 90 years serving our valued clients

As a future-looking firm, we celebrate more than 90 years of dedication to our clients by honoring our roots and continuing to shape our future. We embrace the fact that business can't stand still — and we won't stand still. As we help our clients identify new needs and opportunities, we continuously innovate and evolve to work better.



Our roots took hold in 1931 in Waterloo, Wisconsin, where we began as a public accounting firm specializing in canning factory audits. Since that time, we have grown with more than 40 different business combinations, each with its own rich history, expanding our presence coast to coast and globally and expanding our scope across industries, services and areas of expertise. One thing has not changed over time: **our shared passion for supporting our clients in achieving their purpose.**

As we reimagine our lasting impact, we remain grounded in our timeless core values. Through dedication, creativity and adaptability, Baker Tilly will continue to become more connected to our clients, our people, our communities and our profession.

Public sector specialization

Baker Tilly has served local governments since our establishment more than 90 years ago. We are one of the few professional services firms with a state and local government practice dedicated entirely to serving public sector clients.

Unlike many of our contemporaries, Baker Tilly is organized by industry, not service line. What does this mean for Elk River Municipal Utilities? It means you will be served by a carefully selected team that blends our government-focused professionals with experienced specialists in compensation projects. The ERMU will be working with knowledgeable professionals who understand the specific challenges you face and provide innovative solutions to help you overcome them.



State and local government is a complex, unique environment shaped by fiscal, regulatory and operational considerations not found in other industries. Recognizing this complexity and eagerness to serve as a true **Value Architect™** to the public sector, Baker Tilly formalized its dedicated public sector specialization more than 60 years ago.

More than 350 Baker Tilly professionals — including nearly 30 partners and principals — focus directly on serving state and local governments, providing hundreds of thousands of client service hours annually to the public sector. Our practice serves nearly 4,000 state and local government entities nationwide, including cities, counties, municipalities, school districts, public utilities and transit organizations. Your engagement team is ready to help you find solutions to the obstacles that stand between you and your goals.





















Celebrating our recent combination with Management Partners.

In October 2022, Management Partners combined with Baker Tilly to create a premier public sector consulting practice. To continue serving and improving communities, local leaders need trusted consultants to help navigate change. This combination adds a unique and significant layer of experience to Baker Tilly's robust public sector practice. Our project team members are former local government leaders and managers stemming from all operational facets. They have nearly three decades of field-tested techniques and proven methodologies.



Cultivating an engaging culture to offer a consistent public sector team that will serve you for many years

We view our commitment to staff continuity as the cornerstone of building a lasting relationship with Elk River Municipal Utilities. You can expect to see the same engagement team members for additional recruitment services in the future.

EVIDENCE OF OUR TEAM MEMBER-FOCUSED CULTURE AND COMMITMENT TO EXCELLENCE		
<p>Baker Tilly was included in People Magazine's 2022 Companies That Care list, which recognizes companies who put their employees and communities first</p> 	<p>Recognized as one of America's Best Large Employers in 2021 and 2022 by Forbes</p>  	<p>Received 250+ culture awards and workplace recognitions firmwide</p>     
<p>Ranked as a top 10 accounting and advisory firm for workplace prestige and quality on Vault Accounting's Accounting 50 list; culture is the number one reason that team members join our ranks and stay at our firm</p> 	<p>Baker Tilly has again been certified as one of the Best Workplaces in Consulting and Professional Services – one of only 25 companies recognized on this list</p> 	       


Exceptional professionals thrive at Baker Tilly because we foster an engaging culture through diversity and inclusion, work-life balance, continuous learning opportunities, career advancement and employee recognition. As evidence of our team member-focused culture, Baker Tilly proudly presents a variety of recognitions and awards.

CULTIVATING AN ENGAGING CULTURE

Our commitment to attracting and retaining a top-quality workforce benefit Elk River Municipal Utilities through engaged team members and staff continuity.

Aligning key engagement team members with your goals

Your handpicked team of professionals offers a collaborative focus supported by the breadth and depth of our firm's national resources. We believe in strong personal relationships, which means a personal interest in Elk River Municipal Utilities from some of our most experienced team members.

INTENTIONALLY SELECTED ENGAGEMENT TEAM FOR ELK RIVER MUNICIPAL UTILITIES	
	Jada Kent, MPA, CCP — Director
	2500 Dallas Parkway, Suite 300, Plano, TX 75093 +1 (972) 748 0514 jada.kent@bakertilly.com
	Jada is a director with Baker Tilly's public sector advisory practice and has a background in human capital consulting, including classification and compensation, organizational assessments and executive recruitment. Jada serves as the practice leader of the compensation consulting team and has been with the firm since 2015. She earned a Master of Public Administration from the University of Texas at Dallas, is a member of the North Texas Compensation Association (NTCA) and is a Certified Compensation Professional (CCP) .
	Sarah Towne, MPA, CCA — Manager
	8626 N Himes Avenue, Tampa, FL 33614 +1 (813) 252 1433 sarah.towne@bakertilly.com
	Sarah is a manager with a background in higher education, local government, and human resources management. Before joining Baker Tilly, Sarah was an adjunct faculty and course coordinator for the online MPA program at the University of North Carolina's School of Government. She is a Southeastern Conference for Public Administration member and served on the Section for Personnel Administration and Labor Relations (SPALR) board for the American Society of Public Administration (ASPA). She earned a Master of Public Administration and a graduate certificate in women's studies from Appalachian State University. Sarah is a Certified Compensation Analyst (CCA) .
	Jay Borcena — Analyst
	11150 Santa Monica Blvd., Suite 600, Los Angeles, CA 90025 +1 (312) 775 - 6865 jay.borcena@bakertilly.com
	Jay Borcena is an accomplished and customer-focused professional with over 15 years of leadership experience in human resources. With expertise in compensation, benefits, HRIS, project management, and talent acquisition, Jay has consistently developed and executed HR strategies aligned with organizational objectives. His passion for empowering clients to reach their full potential and commitment to cultivating inclusive work environments have been instrumental in his success. A strong educational background, proven track record, extensive experience, deep expertise, and passion for helping clients achieve their goals make Jay a valuable asset in the field of Human Resources. With his collaborative approach, data-driven decision-making, and commitment to fostering inclusive work environments, he is well-equipped to drive organizational growth and navigate the complexities of the modern business world.

INTENTIONALLY SELECTED ENGAGEMENT TEAM FOR ELK RIVER MUNICIPAL UTILITIES



Nicholas Cahala, PHR - Analyst

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Nic is a consultant with a background in government municipality experience with the ERMU of Milwaukee. His experience includes working as a Human Resources Representative in the Department of Public Works. His focus areas included recruitment and retention, administration of rules and policies, ADA and FMLA administration, and other compliance matters. Nic has earned his Master of Business Administration and has obtained the Professional in Human Resources (PHR) certificate from HRCI.



J.D. McCauley, SPHR, SHRM-SCP — Senior consultant

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J.D. is a senior consultant with nine years of experience in local government human resources. Before joining Baker Tilly, J.D. served in HR roles in ERMU and county governments in the Southeast and was a consultant providing compensation compliance services to not-for-profit and public sector clients. J.D. has a Ph.D. in policy studies from Clemson University, a Master of Business Administration from Georgia Southern University, and a bachelor's degree from California State University. J.D. is a Senior Professional in Human Resources (SPHR), Senior Certified HR Professional (SHRM-SCP), Certified Employee Benefits Specialist (CEBS) and is in the progress of obtaining a Certified Public Manager designation.



Janet Jackson - Analyst

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Janet is a consultant whose background consists of public, non-profit, and private sector experience. Three of those years were spent in Tennessee and Arizona local government as a Compensation & Benefits Analyst. Prior to joining Baker Tilly, she served as a Total Rewards Manager for a non-profit organization. Janet's focus areas and core functions include developing and implementing all compensation and benefits plans. She earned her Master of Business in Human Resources from Belhaven University. Janet earned a Master of Business in Human Resources from Belhaven University.



Thomas Patton, CCA — Analyst

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Thomas is an analyst with a background in human resources management and human resources development. He assists the team with data collection and job description writing. His focus is coordinating the data collection process and ensuring the team gathers quality information for the project's success. In addition, he assists the team by crafting high-quality job descriptions that accurately reflect the essence of the position being analyzed. Before Thomas's current role, he supported the team as an administrative assistant. Thomas earned a Bachelor of Science in human resources development from the University of Minnesota — Twin Cities. Thomas is a **Certified Compensation Analyst (CCA)**.

INTENTIONALLY SELECTED ENGAGEMENT TEAM FOR ELK RIVER MUNICIPAL UTILITIES



Lexi Scholten, CCA — Senior consultant

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Lexi is a senior consultant whose background consists of municipality and county experience. She has more than six years of experience in Minnesota local government administration and human resources management. Before joining Baker Tilly, she served as the central services/human resources director for a county in southern Minnesota and a clerk/treasurer for a small ERMU in southern Minnesota. Her focus areas and core functions included administering, developing, and implementing all personnel functions, acting as delegated authority for union contract relations, and coordinating all compensation functions. Her local government experience also includes presenting to elected officials, providing technical and administrative support to councils and boards, serving as head election judge, and maintaining official public records. Lexi earned a Bachelor of Science in management with a focus in human resources from Minnesota State University, Mankato. Lexi is a **Certified Compensation Analyst (CCA)**.

ELK RIVER MUNICIPAL UTILITIES WILL RECEIVE TANGIBLE RESULTS WITH BAKER TILLY

All engagement team members are committed to Elk River Municipal Utilities' success. Their state and local government experience and service expertise translate into tangible results for the ERMU.

Our team is specifically focused on providing compensation consulting services to local government organizations nationwide. We have seen and solved our share of challenges and will bring our extensive knowledge and experience to assist Elk River Municipal Utilities with its comprehensive position classification and compensation study. We are passionate about serving local government organizations and equally passionate about providing our compensation expertise. Our enthusiasm for performing this classification and compensation study with organizations like Elk River Municipal Utilities is not easy to match.

Similar client experience

Your proposed engagement team has conducted hundreds of similar studies nationwide, resulting in successful implementations in governments, large and small.

We focus our knowledge, skills and expertise on the public sector and have partnered with organizations all over the country to provide compensation-related services.

500+ projects completed

Our engagement team has conducted more than 500 successful compensation projects.

- **Our SAFE job evaluation system is a fair, consistent, defensible and objective methodology for comparing position characteristics.** In today's environment, organizations need to know that their methods are proven and sound. SAFE gives you a tested methodology that distinguishes the value of your positions using nine compensable factors.
- **With Baker Tilly, you do not just get a study; you get a customized system.** When we perform a study for our clients, we train them to utilize and maintain it going forward. When we leave, you will have a completed study **and** a classification system to grow with you into the future. As positions evolve, new positions are created, and market conditions change, your HR staff will be able to make the appropriate adjustments using the SAFE job evaluation system.

- **We know that a good study rests on quality data.** Our recommendations are data-based, and our process follows best practices guidelines in the collection and analysis of that data. In working with public sector organizations, we know that the results we submit to you may become public record. This means, our reputation stands on the quality of those results and the validity of our recommendations. This is why we have quality assurance protocols in place to safeguard the quality of our data.
- **We will assign Certified Compensation Professional / Analyst to analyze your market data and build your new pay structures.** Our team understands that compensation analysis is both an art and a science. We have a strong cadre of trained, experienced professionals working together to ensure appropriate and competitive pay structures are presented for consideration.

Listing our relevant experience

Following is a sample of organizations for whom Baker Tilly is currently or has recently provided classification and compensation services over the last few years. We realize the list is lengthy, but so is our experience working with organizations very similar to and very different from yours. We hope you will trust that our length and depth of experience means we've seen and solved our share of challenges and can assist you and your organization through this study and any challenges you may also be facing.

SAMPLE OF RELEVANT PROJECTS: PRESENT — 2018				
Year	Client	State	Project	Pop.
Pending	Madison	WI	Class & comp study	269,196
Pending	Sioux City	IA	Class & comp study	85,617
Pending	Trinity River Authority	TX	Class & comp study	
Pending	Ulster County	NY	Class & comp study	182,951
Current	Burke County	NC	Class & comp study	87,611
Pending	Columbus	OH	Compensation study	906,528
Current	Compton	CA	Class & comp study	93,597
Current	Douglas County	NV	Class & comp study	49,870
Current	Franklin County	NC	Class & comp study	68,570
Current	Greene County	VA	Class & comp study	19,779
Current	Greensboro	NC	Pay equity study	298,236
Current	Miami	FL	Compensation study	305,756
Current	Milwaukee Metro Sewer District	WI	Class & comp study	
Current	Middletown	CT	Class & comp study	47,108
Current	Mono County	CA	Class & comp study	13,247
Current	North Las Vegas	NV	Class & comp study	247,248
Current	Pasco	WA	Class & comp study	78,871
Current	Paso Robles	CA	Class & comp study	31,759
Current	Richfield	MN	Class & comp study	36,527
Current	Saginaw	TX	Class & comp study	
Current	Sampson County	NC	Class & comp study	58,990
Current	Seattle Housing Authority	WA	Class & comp study	
Current	Stevens Point	WI	Class & comp study	25,670
Current	St. Cloud HRA	MN	Market study	
Current	Summit County	CO	Class & comp study	31,055
Current	Wayzata	MN	Market study	4,378

SAMPLE OF RELEVANT PROJECTS: PRESENT — 2018				
Year	Client	State	Project	Pop.
2023	Ashland	KY	Pay & class study	21,625
2023	Bemidji	MN	Market study	14,574
2023	Bexar County	TX	Comp & perf management study	1,990,000
2023	Clark County	WA	Class & comp study	511,404
2023	Eudora	KS	Pay & class study	6,408
2023	Fort Wayne	IN	Class & comp study	263,886
2023	Goshen	IN	Wage & comp study & benefits analysis	34,108
2023	Guadalupe County	TX	Class & comp study	177,036
2023	Harrisonburg	VA	Class & comp study	51,814
2023	Hernando County	FL	Classification study	200,638
2023	Laurinburg	NC	Class & comp study	15,118
2023	Marion	IA	Class & comp study	41,535
2023	Minnehaha Creek Watershed District	MN	Class & comp study	
2023	Montgomery County	TX	Compensation study	607,391
2023	New Brighton	MN	Class & comp study	23,454
2023	Prince Edward County	VA	Comp consulting services	22,950
2023	Rockingham County	VA	Class & comp study	81,244
2023	Scott County	VA	Class & comp study	21,534
2023	Victoria County	TX	Class & comp study	92,035
2023	Waite Park	MN	Market study	8,360
2023	Wheaton	IL	Classification study	53,970
2023	Woodstock	VA	Class & comp study	5,807
2022	Abilene	TX	Class & comp study	124,156
2022	Apex	NC	Class, comp & org study	51,370
2022	Appleton	WI	Class & comp study	75,644
2022	Beeville	TX	Comp & benefits study	12,863
2022	Bellingham	WA	E-Team class & comp study	89,045
2022	Bluffton	IN	Comp & class study	9,919
2022	Chesapeake Bay Bridge Tunnel	VA	Class & comp update	
2022	Chisago County	MN	Class & comp study	53,916
2022	Cibolo	TX	Class & comp study	28,920
2022	Colleyville	TX	Pay & class	26,945
2022	Corpus Christi MPO	TX	Market study	
2022	Cumberland County	VA	Pay & class study	9,824
2022	Duplin County	NC	Compensation study	58,967
2022	East Central WI Reg Planning Comm	WI	Compensation study	
2022	Eastern Shore of Virginia E911	VA	Market study	
2022	Essex County School System	VA	Comp & class study	
2022	Evanston	IL	Pay & class study	78,110
2022	Evansville	WI	Compensation study	5,378

SAMPLE OF RELEVANT PROJECTS: PRESENT — 2018				
Year	Client	State	Project	Pop.
2022	Fluvanna County	VA	Class & comp study	27,270
2022	Greenbelt	MD	Class & comp study	24,921
2022	Horicon	WI	Class & comp study	3,595
2022	Horizon Public Health	MN	Class & comp study	
2022	Illinois Toll Hwy Authority	IL	Class & comp study	
2022	Isanti County	MN	Class & comp study	40,596
2022	Jackson	WY	Class & comp study	10,760
2022	Janesville	WI	Pay & class study	65,616
2022	Lake Elmo	MN	Class & comp study	12,899
2022	Lake Forest	IL	Compensation study	19,367
2022	Maplewood	MN	Class & comp study	40,545
2022	Marble Falls	TX	Pay & class study	6,932
2022	Monroe	NC	Comp & class study	35,105
2022	Olive Township	IN	Compensation study	5,248
2022	Oswego	IL	Compensation study	34,585
2022	Pleasant Prairie	WI	Market study	21,250
2022	Pope County	MN	Pay plan update	11,048
2022	Pueblo Board of Water Works	CO	Market study	
2022	Racine	WI	Benefits & comp study	77,081
2022	Rosemount	MN	Class & comp study	24,292
2022	Roswell	NM	Pay & class study	47,941
2022	Sherburne County	MN	Compensation study	97,238
2022	Trempealeau	WI	Treasurer/Deputy Clerk review	1,775
2022	Vigo County	IN	Class & comp study	107,038
2022	Virgin Islands Water & Power Authority	USVI	Class, comp & org study	
2022	Virginia Railway Express	VA	Class & comp study	
2022	Wayzata	MN	Class & comp study	4,434
2022	West Point	VA	Comp & class study	3,292
2022	Williamson Co. & Cities Health District	TX	Class & comp study	
2021	Amelia County	VA	Class & comp study	13,145
2021	Auburn	IN	Comp & class study	13,056
2021	Basehor	KS	Class & comp study	5,951
2021	Bedford Regional Water Authority	VA	Class & comp study	
2021	Bellingham/Whatcom Co Housing Auth	WA	Pay equity study	
2021	Farragut	TN	Class & comp study	22,729
2021	Fertile	MN	Class & comp study	833
2021	Harrisonville	MO	Comp & job analysis	10,043
2021	Horizon Public Health	MN	Pay plan update	
2021	Hutchinson	MN	Compensation study	13,914
2021	Ligonier	IN	Comp & class study	4,654

SAMPLE OF RELEVANT PROJECTS: PRESENT — 2018				
Year	Client	State	Project	Pop.
2021	Nisswa	MN	Compensation study	1,817
2021	Port Arthur	TX	Class & comp study	55,109
2021	Potomac/Rappahannock Trans Comm	VA	Class & comp study	
2021	Richmond	IN	Compensation study	35,353
2021	Salem	VA	Electric Power Division pay structure	25,317
2021	Spring Lake Park	MN	Class & comp study	6,535
2021	Stevens Point	WI	Compensation study	26,229
2021	Western Prairie Human Services	MN	Class & comp study	
2020	Blackstone	VA	Class & comp study	3,391
2020	Crystal	MN	Compensation study	22,463
2020	Elko New Market	MN	Pay plan update	4,760
2020	Fosston	MN	Class & comp study	1,481
2020	Independent School District No. 0625	MN	Principal wage study	
2020	Jackson	MS	Compensation study	164,422
2020	Jordan	MN	Class & comp study	6,225
2020	Leland	NC	Class & comp update	20,294
2020	Middleton	WI	Class & comp study	19,660
2020	Onalaska	WI	Class & comp study	18,712
2020	Otsego	MN	Compensation study	17,357
2020	Rappahannock County	VA	Comp & class study	7,321
2020	Sauk Rapids	MN	Class & comp study	13,703
2020	Scott County CDA	MN	Market study	
2020	Traverse County	MN	Class & comp study	3,308
2020	Vienna	VA	Class & comp study	16,489
2020	Waite Park	MN	Compensation study	7,718
2020	Windsor	VA	Class & comp study	2,626
2019	Adams County	WI	Class & comp study	19,973
2019	AppalCART	NC	Class & comp study	
2019	Bellingham	WA	Comp market study	89,045
2019	Brooklyn Center	MN	Compensation study	30,712
2019	Capital Region Water	PA	Class & comp study	
2019	Circle Pines	MN	Comp & class study	4,978
2019	Council Bluffs	IA	Class & comp study	62,316
2019	Dallas Housing Authority	TX	Compensation study	
2019	Fillmore Soil & Water Conserv District	MN	Class & comp study	
2019	Gastonia	NC	Class & comp study	75,536
2019	Gatesville	TX	Class & comp study	12,387
2019	Independent School District No. 2769	MN	Job desc/pay equity review	
2019	Intermediate District 0287	MN	Pay & class study	
2019	Iowa League of Cities	IA	Compensation study	3,146,000

SAMPLE OF RELEVANT PROJECTS: PRESENT — 2018				
Year	Client	State	Project	Pop.
2019	Local Government Information Systems	MN	Comp & benefits study	
2019	McFarland	WI	Market survey	8,108
2019	Montgomery	MN	Class & comp study	2,907
2019	Morehead City	NC	Class & comp study-Maintenance	9,203
2019	North Central Regional Library	WA	Comp & benefits study	
2019	Payson	AZ	Class & comp study	15,476
2019	Pittsylvania County	VA	Compensation study	62,426
2019	Pottawattamie County	IA	Class & comp study	93,386
2019	River Falls	WI	Class & comp study	15,510
2019	Rocky Mount	VA	Compensation study	4,798
2019	Saginaw County	MI	Class & comp-Phase II	195,012
2019	Saginaw County	MI	Class & comp-Phase III	195,012
2019	Salem	VA	Class & comp study	25,483
2019	Sartell	MN	Class & comp study	13,917
2019	Scandia	MN	Class & comp study	4,120
2019	Shaker Heights	OH	Class & comp study	27,387
2019	St. Charles City-County Library District	MO	Market study	
2019	Stutsman County	ND	Compensation study	20,704
2019	Tyler	TX	Class & comp study	104,991
2019	Wheaton	IL	Market survey	53,373
2019	Wright County	MN	Class & comp study	131,311
2019	Zimmerman	MN	Compensation study	5,499
2018	Battle Creek	MI	Compensation study	51,833
2018	Bemidji	MN	Compensation study	14,435
2018	Blue Springs	MO	Pay plan design	53,294
2018	Bonner Springs	KS	Comp & class study	7,665
2018	Broad River Water Authority	NC	Class & comp study	
2018	Burnsville	MN	Class & comp study	61,290
2018	Carver	MN	Compensation study	4,628
2018	Cleveland County	NC	SAFE database	97,047
2018	Cloquet	MN	Compensation plan update	12,050
2018	Craven County Schools	NC	Compensation study	
2018	Dallas Area Rapid Transit Authority	TX	Compensation study	
2018	Dayton	VA	Class & comp study	1,609
2018	DeSoto	TX	Class & comp study	52,599
2018	Dinwiddie County Schools	VA	Compensation study review	
2018	Elko New Market	MN	Pay equity report	4,513
2018	Eudora	KS	Class & comp study	6,211
2018	Grain Valley	MO	Class, comp & benefits study	13,125
2018	Harris County Housing Authority	TX	Salary & wage comparability study	

SAMPLE OF RELEVANT PROJECTS: PRESENT — 2018				
Year	Client	State	Project	Pop.
2018	Housing Authority of Durham	NC	Salary comparability study	263,016
2018	Ingleside	TX	Class & comp study	10,488
2018	Intermediate School District No. 917	MN	Job description updates & training	
2018	Johnson County	IA	Comp & class study	144,251
2018	Lakeville	MN	Class & comp study	58,562
2018	Laurinburg	NC	Class & comp study	15,774
2018	Leavenworth	KS	Compensation study	35,891
2018	Mansfield	CT	Class & comp study	25,959
2018	Minnehaha Creek Watershed District	MN	Pay equity report	1,124,000
2018	Minnetonka	MN	Class & comp study	51,638
2018	Northwest Regional Library	NC	Class & comp study	
2018	Person County	NC	Phase III C&C implementation services	39,276
2018	Rappahannock Regional Jail	VA	Compensation study	
2018	Scott County CDA	MN	Pay equity report	137,232
2018	Thibodaux	LA	Market study	14,566
2018	Verona	WI	Market survey	10,632
2018	Wabasha Soil & Water Conserv District	MN	Classification study	
2018	Willmar	MN	Compensation study	19,680
2018	Winston Salem	NC	Class & comp study-Phase II	236,441
2018	Wright Soil & Water Conserv District	MN	Class & comp study	

Management synopsis

Baker Tilly is uniquely positioned to assist Elk River Municipal Utilities in establishing an externally competitive compensation plan to help attract and retain qualified workers to provide quality services to your community.

The following overview of the project has been prepared to provide an apples-to-apples comparison to other firms providing similar services.

1. Project initiation

- a. Planning meeting with the project team, timeline established
- b. Data request and review
- c. Leadership and employee communication meetings, if desired

2. Position review

- a. Title review
- b. Systematic Analysis and Factor Evaluation (SAFE®) job evaluation
- c. Review and finalize results with the organization's project team

3. Market assessment

- a. Public peer organizations and benchmark positions identified
- b. Custom market survey distributed to collect information
- c. Quality assurance review of market results
- d. Review and finalize results with the organization's project team

4. Pay plan development

- a. Pay structure(s) developed, grade assignments established
- b. Review and finalize results with the organization's project team
- c. Implementation costing scenarios calculated
- d. *Pay policy/practices review and recommendations, optional*

5. Final report

- a. Final report developed
- b. Final presentations conducted
- c. Delivery of project documentation

Project Scope

Our extensive expertise, human capital consulting experience and collaborative approach positions Baker Tilly as an exceptional firm to serve your human capital needs.

Methodology for conducting a classification and compensation study

The following pages outline our methodology and proposed project scope for Elk River Municipal Utilities' classification and compensation study. Baker Tilly's approach and project tools were developed by Certified Compensation Professionals and Analyst on our team. We take pride in our ability to provide your organization with sound results and recommendations that, if implemented, are fair and defensible.

Phase 1

Project Initiation and data collection

Baker Tilly will begin by meeting with the ERMU's project team to establish working relationships, finalize a work plan, and establish a project timeline. Next, Baker Tilly will collect documentation from ERMU, such as job descriptions, organization charts, pay plans, policy handbook, an employee census file, etc.

Phase 2

Job Evaluation

Baker Tilly has a proprietary point-factor job evaluation system known as SAFE® (Systematic Analysis and Factor Evaluation), which was developed specifically for the evaluation of public sector positions. For each compensable factor, there are multiple levels with a point value for each. The end result of this process is a total score for each position. This is used to determine a hierarchy of jobs relative to internal equity. SAFE is consistent with federal Equal Pay Act and Minnesota Local Government Pay Equity requirements.

COMPENSABLE FACTOR	WEIGHT	DESCRIPTIONS / MEASUREMENT
1. Education	16%	Minimum formal education level required by the position
2. Experience	12%	Minimum years of experience required by the position
3. Level of work	14%	Degree of difficulty of work performed by the position
4. Human relations	8%	Type and level of human interactions
5. Physical demands	5%	Physical exertion performed by the position
6. Working conditions	7%	Environmental conditions experienced by the positions
7. Independence to act	12%	Degree of independence to make decisions and act on them
8. Impact of actions	14%	Severity of consequences as a result of decisions
9. Supervision exercised	14%	Type and level of supervision exercised
	100%	TOTAL

Baker Tilly will use ERMU's existing job descriptions to conduct job evaluation. New PAQs can be completed as necessary to capture new or changed positions. These results will be reconciled against the other positions to maintain internal equity.

Phase 3:

Market Assessment

Peer organizations: Baker Tilly will recommend a list of comparable and competitive peer organizations to include in the study. To maintain a competitive price for the project, we have assumed the custom market survey will be distributed to 10 public peer organizations. Data from 3 published sources will be included as a private sector representative.

Private sector companies rarely respond to market survey requests. Therefore, to represent the private sector in the data set, we utilize pay data contained in the following survey sources:

- CompAnalyst
- Economic Research Institute
- PayFactors

Benchmark positions: We understand that this project includes approximately 32 job classification titles and, as such, all 32 positions will be included in the survey as benchmarks.

Data analysis: In distributing the custom market study, Baker Tilly will request base pay ranges for analogous positions. The survey will include a minimum qualification and a summary of work performed by each position to assist peers in matching their positions. Baker Tilly will review and validate survey responses to confirm a 75% overlap in duties and responsibilities, as this is the best practice definition of a "good" match.

Adjustments may be applied to establish consistency in market comparison; those include:

- Adjustments for differences in workweek hours
- Aging the data if it's not for the current fiscal year
- Geographic cost of labor adjustments

Baker Tilly will deliver three market reports once the compiled data has been analyzed for quality assurance. First, an aggregate of the average minimum, midpoint, and maximum for each benchmark; second, a comparison of the ERMU's current midpoints against the market average midpoint; third, a comparison of the full range against the market.

Sample Market Results

Department	Benchmark Position	# of Matches	Average Minimum	Average Midpoint	Average Maximum	% Range Spread
Administration	Town Manager	14	\$133,003.42	\$166,327.94	\$192,779.77	45%
Finance	Finance Manager	12	\$87,484.24	\$105,244.77	\$128,690.21	47%
Finance	Finance Office Clerk	12	\$43,750.82	\$52,916.05	\$62,081.29	42%
Multiple	Administrative Assistant	19	\$42,709.35	\$52,112.32	\$61,515.30	44%
Municipal Court	Municipal Court Clerk	12	\$51,559.54	\$63,222.89	\$76,148.08	48%
Personnel/Town Clerk	Senior Deputy Town Clerk	13	\$56,707.23	\$68,626.66	\$80,165.01	41%
Planning and Building	Building Official	15	\$82,170.77	\$101,907.19	\$114,654.55	40%
Police	Lieutenant	13	\$87,691.54	\$103,135.86	\$121,882.38	39%
Police	Police Officer	14	\$61,385.45	\$73,172.82	\$85,020.00	39%
Police	Sergeant	15	\$76,798.53	\$91,309.10	\$105,819.67	38%
Public Works	Equipment Operator	12	\$49,796.70	\$60,221.63	\$70,646.57	42%
Public Works	Facilities Assistant	18	\$44,470.32	\$54,913.53	\$64,697.56	45%
Public Works	Facilities Manager	18	\$78,592.35	\$95,755.79	\$114,117.09	45%
Public Works	Fleet Manager	14	\$75,596.40	\$94,616.97	\$111,316.90	47%
Public Works	Journeyman Mechanic	17	\$51,758.29	\$62,686.63	\$73,614.97	42%
Public Works	Street Operator	13	\$44,365.97	\$55,904.46	\$65,812.66	48%
Public Works	Streets Manager	15	\$75,199.78	\$91,965.53	\$106,197.62	41%
Transit	Custodian	12	\$34,809.15	\$42,461.03	\$50,112.90	44%

Sample Market Comparison

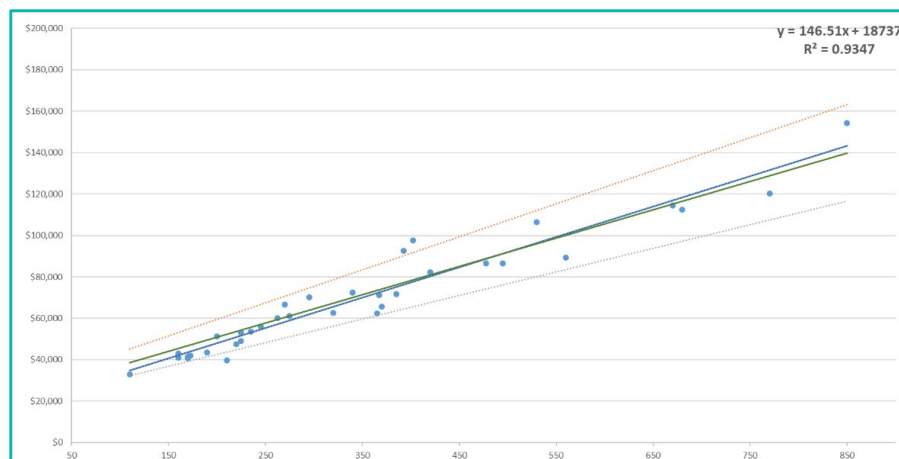
Department	Position Title	Current Midpoint	95% of Market	+ / (-) Mkt	Average Midpoint	+ / (-) Mkt	105% of Market	+ / (-) Mkt
Administration	Town Manager		\$158,011.54		\$166,327.94		\$174,644.34	
Finance	Finance Manager	\$ 87,140.65	\$99,982.54	▲14.7%	\$105,244.77	▲20.8%	\$110,507.01	▲26.8%
Finance	Finance Office Clerk	\$ 50,797.97	\$50,270.25	▼(1.0%)	\$52,916.05	▲4.2%	\$55,561.86	▲9.4%
Multiple	Administrative Assistant	\$ 58,840.00	\$49,506.71	▼(15.9%)	\$52,112.32	▼(11.4%)	\$54,717.94	▼(7.0%)
Municipal Court	Municipal Court Clerk	\$ 61,818.78	\$60,061.75	▼(2.8%)	\$63,222.89	▲2.3%	\$66,384.04	▲7.4%
Personnel/Town Clerk	Senior Deputy Town Clerk	\$ 75,141.11	\$65,195.32	▼(13.2%)	\$68,626.66	▼(8.7%)	\$72,057.99	▼(4.1%)
Planning and Building	Building Official	\$106,046.14	\$96,811.83	▼(8.7%)	\$101,907.19	▼(3.9%)	\$107,002.55	▲0.9%
Police	Lieutenant	\$106,046.14	\$97,979.06	▼(7.6%)	\$103,135.86	▼(2.7%)	\$108,292.65	▲2.1%
Police	Police Officer	\$ 75,141.11	\$69,514.18	▼(7.5%)	\$73,172.82	▼(2.6%)	\$76,831.46	▲2.2%
Police	Sergeant	\$ 91,552.14	\$86,743.65	▼(5.3%)	\$91,309.10	▼(0.3%)	\$95,874.56	▲4.7%
Public Works	Equipment Operator	\$ 53,337.87	\$57,210.55	▲7.3%	\$60,221.63	▲12.9%	\$63,232.71	▲18.6%
Public Works	Facilities Assistant	\$ 53,337.87	\$52,167.85	▼(2.2%)	\$54,913.53	▲3.0%	\$57,659.20	▲8.1%
Public Works	Facilities Manager	\$ 85,015.27	\$90,968.00	▲7.0%	\$95,755.79	▲12.6%	\$100,543.58	▲18.3%
Public Works	Fleet Manager	\$ 87,140.65	\$89,886.12	▲3.2%	\$94,616.97	▲8.6%	\$99,347.81	▲14.0%
Public Works	Journeyman Mechanic	\$ 71,562.96	\$59,552.30	▼(16.8%)	\$62,686.63	▼(12.4%)	\$65,820.96	▼(8.0%)
Public Works	Street Operator	\$ 50,797.97	\$53,109.24	▲4.5%	\$55,904.46	▲10.1%	\$58,699.68	▲15.6%
Public Works	Streets Manager	\$ 87,140.65	\$87,367.25	▲0.3%	\$91,965.53	▲5.5%	\$96,563.80	▲10.8%
Transit	Custodian	\$ 43,881.19	\$40,337.97	▼(8.1%)	\$42,461.03	▼(3.2%)	\$44,584.08	▲1.6%
			AVERAGE	▼(3.9%)	AVERAGE	▲1.2%	AVERAGE	▲6.3%

Phase 4

Pay Plan

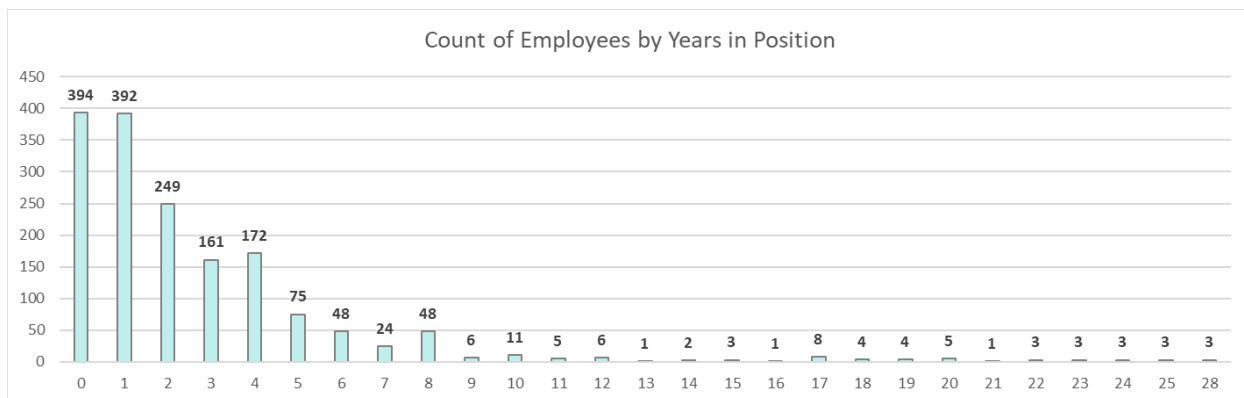
Baker Tilly will prepare a new pay structure for ERMU based on the results of the project. Grade assignments will be established based on job evaluation results, per MN law. The relationship between internal and external data points will be measured through a regression analysis to ensure an unbiased and equitable approach to establishing grade assignments and pay plan adjustments. These results will be reviewed and finalized with ERMU's project team.

Sample regression analysis



Implementation and costing analysis

Up to this point, the study has focused on the value of the position. Once the grade assignments are finalized, Baker Tilly will estimate the cost for the ERMU to implement the new classification and compensation plan for the 34 positions. This will include the minimum cost to implement and can look at a scenario for employees to receive across the board adjustments, and/ or a scenario to address pay compression by moving employees into their new pay range relative to years in position.



Phase 5

Project completion and communication

A final report will be prepared to explain the methodology followed, the results produced and recommendations to the ERMU based on those results. The report will specifically document position title recommendations, market survey results (average minimum, midpoint and maximums), proposed pay structure(s), recommended grade assignments and implementation costing calculations for each scenario. This report **will not** document or publish employee-specific information.

Our methodology is based on best practices outlined by World at Work and the Society for Human Resources Management (SHRM). We will proudly stand behind the results of your study through implementation, including a presentation to the ERMU.

The ERMU has made an important commitment to its staff by taking steps to undergo a classification and compensation study such as this one. Therefore, Baker Tilly highly recommends presenting the results of the study to employees so that they can understand what information was considered and what information was NOT considered and ask any questions they may have about the process and its results.

Finally, Baker Tilly will provide training to the ERMU's human resources staff that will be responsible for administering and maintaining the new classification and compensation system in the future. Instruction manuals about the SAFE job evaluation system will also be provided.

Ongoing maintenance

While the ERMU's team will be fully trained and able to maintain its new classification and compensation system, Baker Tilly often provides ongoing maintenance to clients after completing a classification and compensation study. Post-contract advisory and maintenance services include:

- | | |
|--|--|
| • Pay structure updates (research and application) | • Addition of new or revised positions |
| • Reclassification requests | • New job descriptions |
| • FLSA status review | • Formal appeals process |

This **is not** included in this project's scope but is recommended if the ERMU might foresee a need to address any of the above-listed tasks through an unaffiliated third party or if the HR staff may need more capacity to manage these requests internally.

Project Timeline

Your time is valuable, and one significant way we will add value to your organization is by delivering our services on time.

Co-developing a timeline to meet Apex's deadlines

Baker Tilly is prepared to initiate your comprehensive position classification and compensation study within two weeks of receiving the official notice to proceed.

** Please note that there are factors impacting the project schedule which are beyond the consulting team's control, such as holidays that impact office closures; HR operations that take up significant resources such as benefit enrollment, payroll, and budget cycles; as well as client availability to review results and approve the direction of the project. Baker Tilly will promptly advise the ERMU if any factors impact the project timeline.*

Anticipated project timeline in months: Assumes January start

PROJECT PHASE	JAN	FEB	MAR	APR
Phase 1 – Project initiation				
Phase 2 – Job Evaluation				
Phase 3 – Market Assessment				
Phase 4 – Pay Plan Development				
Phase 5 – Project completion				

COMMITMENT TO SUCCESSFULLY DELIVER SERVICES TO MEET APEX'S REQUIREMENTS

We will co-develop a timeline to provide the ERMU's services on time or ahead of schedule.

Elk River Municipal Utilities' responsibility

Data collection. Baker Tilly will prepare a detailed data request outlining what is necessary to perform these services. Data will be requested in a format compatible with Baker Tilly's computer system and project tools (Microsoft Excel and Word). Baker Tilly will examine the data for missing information and consistency upon receipt.

Salary data. Baker Tilly's ability to provide fair and defensible recommendations about pay is contingent upon the availability of that data. Baker Tilly may request ERMU's project team or leadership to contribute to outreach efforts to collect necessary data from public peer organizations and keep the project on schedule.

Review of and feedback on preliminary results. Baker Tilly encourages clients to be involved in significant decisions about preliminary results that will drive the study's final results. However, we understand that your commitment to providing uninterrupted support and services to the community must come first and that the ERMU's project team may not be as available as expected to review and approve information when provided. Baker Tilly is familiar with the ebb and flow of local government operations and will be flexible in coordinating with the ERMU to keep the project on track as much as possible.

Project Fee

Delivering a professional fee estimate for Elk River Municipal Utilities

Baker Tilly will perform the tasks as described in this proposal for the ERMU for a fixed professional fee of **\$25,100**. This fee is based upon conducting a classification and compensation study for 32 positions.

Baker Tilly will invoice the ERMU monthly based on project hours incurred.

COSTING BREAKDOWN	PRICE
Project initiation. Planning meetings with the ERMU's project team, data requests, and project setup.	\$2,800
Job Evaluation. Utilizing existing job descriptions to review and evaluate approximately 34 positions relative to all the ERMU's positions to establish internal equity.	\$2,900
Market assessment. Custom market survey distributed to up to 10 public peer organizations requesting base pay information on 32 positions. Published data from the Comp Analyst, Pay Factors, and Economic Research Institute will also be included to represent the private sector.	\$10,800
Pay plan. Development of a new pay structure based on the study's results and tested through a regression analysis. Grade assignments established by job evaluation and implementation cost scenarios prepared.	\$5,700
Project completion. Final report and presentation of results. Delivery of all project documentation and training with HR staff to maintain the new system.	\$2,900
TOTAL	\$25,100

Out-of-pocket expenses

Should the ERMU desire in person meetings or presentation from the consultant, Baker Tilly would bill the ERMU for actual out of pocket expenses related to travel.

Additional work

Should the ERMU request and authorize additional work, we would invoice the ERMU at an agreed-upon fee or our standard hourly fees.

STANDARD HOURLY RATES	
Staff level	Hourly rate
Principal, partner, managing director	\$575
Director, senior manager	\$475
Manager	\$295
Senior associate	\$230
Associate	\$185

Baker Tilly will invoice the client monthly based on project hours incurred.

Additional work would include work outside the agreed scope of services, including, but not limited to:

- Additional peer organizations
- Additional benchmark positions
- Additional pay structures
- Additional implementation scenarios
- Additional job descriptions
- Additional job audits
- Additional on-site meetings
- Additional reports
- Work related to a special request

TO: ERMU Commission	FROM: Mark Hanson – General Manager
MEETING DATE: December 12, 2023	AGENDA ITEM NUMBER: 5.4
SUBJECT: Minnesota Earned Sick and Safe Time Law	
ACTION REQUESTED: Approve the ERMU Paid Sick and Safe Leave Policy	

BACKGROUND:

Effective January 1, 2024, the Minnesota Earned Sick and Safe Time (ESST) law requires Minnesota employers to provide paid leave to employees. Minnesota’s current sick and safe leave law remains in effect until December 31, 2023, and will be replaced by the new ESST law on January 1, 2024.

DISCUSSION:

Employers must provide each employee in Minnesota with at least one hour of paid leave for every 30 hours worked, up to at least 48 hours of accrued ESST in a year. An employee is anyone (regular full-time and part-time, seasonal, and temporary) who works at least 80 hours in a year for an employer in Minnesota and is not an independent contractor. The Minnesota Department of Labor (DOL) has opined that an employer’s existing leave policy (paid time off, vacation, or sick) may already fully or partially meet ESST requirements.

Further, the DOL has stated the name of the employer’s paid time off or other paid leave policy does not matter; it does not have to be called “earned sick and safe time” to meet the requirements of the law.

ERMU’s current paid sick leave policy was amended to add the required provisions of the ESST law which include a broader scope of what paid sick leave can be used for and whom it can be used to care for. If approved, this policy will be effective January 1, 2024, and added to the ERMU employee handbook during the annual review/update in spring of 2024.

ATTACHMENTS:

ERMU Paid Sick and Safe Leave Policy
Minnesota Department of Labor & Industry Earned Sick and Safe Time Fact Sheet

42. PAID SICK AND SAFE LEAVE

Paid Sick and Safe Leave (“Paid Sick Leave”) is paid time off that applies to all employees (including temporary and part-time employees) performing work for at least 80 hours in a calendar year for the Utilities. The hourly rate of Paid Sick Leave is the same hourly rate an employee earns from employment with the Utilities.

(a) Regular Full-time Employees

Regular full-time employees accrue Paid Sick Leave at the rate of 3.70 hours per pay period (approximately 8 hours per month or 12 days per year). Regular full-time employees of the Utilities can carry over accrued and unused Paid Sick Leave into the next year, not to exceed 960 hours.

Unused Paid Sick Leave will not be paid out in wages to regular full-time employees upon termination of employment, but in some circumstances is subject to limited conversion under the Health Care Savings Plan policy found elsewhere in this Handbook.

If a regular full-time employee is on leave and using Paid Sick Leave less than the regular 8-hour day, and so not receiving full pay, the accrual is calculated on a pro rata basis in the smallest increment of time tracked by the Utilities’ payroll system (15 minutes).

(b) Regular Part-time Employees

Regular part-time employees working at the Utilities accrue sick leave pro rata based on the full-time accrual rate and not less than 1 hour for every 30 hours worked. Regular part-time employees of the Utilities can carry over accrued and unused Paid Sick Leave into the next year, not to exceed 960 hours.

Unused Paid Sick Leave will not be paid out in wages to regular part-time employees upon termination of employment, but in some circumstances is subject to limited conversion under the Health Care Savings Plan policy found elsewhere in this Handbook.

(c) Temporary Employees

Temporary employees working at the Utilities will earn one hour of Paid Sick Leave for every 30 hours worked by the employee, up to a maximum of 48 hours of Paid Sick Leave per calendar year. Upon the end of employment, accrued but not used Paid Sick Leave will be paid out to employees.

(d) Earned Paid Sick Leave Use

Paid Sick Leave may be used as it is accrued in the smallest increment of time tracked by the Utilities’ payroll system for the following circumstances:

- An employee’s own:
 - Mental or physical illness, injury or other health condition
 - Need for medical diagnosis, care or treatment, of a mental or physical illness
 - injury or health condition
 - Need for preventative care
 - Closure of the employee's place of business due to weather or other public emergency
 - The employee's inability to work or telework because the employee is prohibited from working by the city due to health concerns related to the potential transmission of a communicable illness related to a public emergency, or seeking or awaiting the results of a diagnostic test for, or a medical diagnosis of, a communicable disease related to a

public emergency and the employee has been exposed to a communicable disease or the city has requested a test or diagnosis.

- Absence due to domestic abuse, sexual assault, or stalking of the employee provided the absence is to:
 - Seek medical attention related to physical or psychological injury or disability caused by domestic abuse, sexual assault, or stalking
 - Obtain services from a victim services organization
 - Obtain psychological or other counseling
 - Seek relocation or take steps to secure an existing home due to domestic abuse, sexual assault or stalking
 - Seek legal advice or take legal action, including preparing for or participating in any civil or criminal legal proceeding related to or resulting from domestic abuse, sexual assault, or stalking
- Care of a family member:
 - With mental or physical illness, injury or other health condition Who needs medical diagnosis, care or treatment of a mental or physical illness, injury or other health condition Who needs preventative medical or health care Whose school or place of care has been closed due to weather or other public emergency
 - When it has been determined by health authority or a health care professional that the presence of the family member of the employee in the community would jeopardize the health of others because of the exposure of the family member of the employee to a communicable disease, whether or not the family member has actually contracted the communicable disease
- Absence due to domestic abuse, sexual assault or stalking of the employee's family member provided the absence is to:
 - Seek medical attention related to physical or psychological injury or disability caused by domestic abuse, sexual assault, or stalking
 - Obtain services from a victim services organization
 - Obtain psychological or other counseling
 - Seek relocation or take steps to secure an existing home due to domestic abuse, sexual assault or stalking
 - Seek legal advice or take legal action, including preparing for or participating in any civil or criminal legal proceeding related to or resulting from domestic abuse, sexual assault, or stalking

(e) For Paid Sick Leave purposes, family member includes an employee's:

- Spouse or registered domestic partner
- Child, foster child, adult child, legal ward, child for whom the employee is legal guardian, or child to whom the employee stands or stood in loco parentis
- Sibling, step sibling or foster sibling
- Biological, adoptive or foster parent, stepparent or a person who stood in loco parentis when the employee was a minor child
- Grandchild, foster grandchild or step grandchild
- Grandparent or step grandparent
- A child of a sibling of the employee
- A sibling of the parent of the employee or
- A child-in-law or sibling-in-law

- Any of the above family members of a spouse or registered domestic partner
- Any other individual related by blood or whose close association with the employee is the equivalent of a family relationship
- Up to one individual annually designated by the employee

(f) Advance Notice for use of Paid Sick Leave

If the need for Paid Sick Leave is foreseeable, the Utilities requires seven days' advance notice. However, if the need is unforeseeable, employees must provide notice of the need for Paid Sick Leave as soon as practicable. When an employee uses Paid Sick Leave for more than three consecutive days, the Utilities may require appropriate supporting documentation (such as medical documentation supporting medical leave, court records or related documentation to support the leave). However, if the employee or employee's family member did not receive services from a health care professional, or if documentation cannot be obtained from a health care professional in a reasonable time or without added expense, then reasonable documentation may include a written statement from the employee indicating that the employee is using, or used, Paid Sick Leave for a qualifying purpose. The Utilities will not require an employee to disclose details related to domestic abuse, sexual assault, or stalking or the details of the employee's or the employee's family member's medical condition. In accordance with state law, the Utilities will not require an employee using Paid Sick Leave to find a replacement worker to cover the hours the employee will be absent.

(h) Retaliation prohibited

The Utilities shall not discharge, discipline, penalize, interfere with, or otherwise retaliate or discriminate against an employee for asserting Paid Sick Leave rights, requesting a Paid Sick Leave absence, or pursuing remedies. Further, use of Paid Sick Leave will not be factored into any attendance point system the Utilities may use. Additionally, it is unlawful to report or threaten to report a person or a family member's immigration status for exercising a right under Paid Sick Leave.

(i) Benefits and return to work protections

During an employee's use of Paid Sick Leave, an employee will continue to receive the Utilities' employer insurance contribution as if they were working, and the employee will be responsible for any share of their insurance premiums.

An employee returning from time off using accrued Paid Sick Leave is entitled to return to their Utilities employment at the same rate of pay received when their leave began, plus any automatic pay adjustments that may have occurred during the employee's time off. Seniority during Paid Sick Leave absences will continue to accrue as if the employee has been continually employed.

When there is a separation from employment with the Utilities and the employee is rehired again within 180 days of separation, previously accrued Paid Sick Leave that had not been used, will be reinstated. An employee is entitled to use and accrue Paid Sick Leave at the commencement of reemployment.

Earned sick and safe time as of Jan. 1, 2024

WHAT IS SICK AND SAFE TIME?

Sick and safe time is paid leave employers must provide to employees in Minnesota that can be used for certain reasons, including when an employee is sick, to care for a sick family member or to seek assistance if an employee or their family member has experienced domestic abuse.



WHO IS ELIGIBLE?

An employee is eligible for sick and safe time if they:

- work at least 80 hours in a year for an employer in Minnesota; and
- are not an independent contractor.

Temporary and part-time employees are eligible for sick and safe time. Sick and safe time requirements will not apply to building and construction industry employees who are represented by a building and construction trades labor organization if a valid waiver of these requirements is provided in a collective bargaining agreement.

HOW MUCH LEAVE CAN EMPLOYEES EARN?

An employee earns one hour of sick and safe time for every 30 hours worked and can earn a maximum of 48 hours each year unless the employer agrees to a higher amount.

AT WHAT RATE MUST THE LEAVE BE PAID?

Sick and safe time must be paid at the same hourly rate an employee earns when they are working.

WHAT CAN THE LEAVE BE USED FOR?

Employees can use their earned sick and safe time for reasons such as:

- the employee's mental or physical illness, treatment or preventive care;
- a family member's mental or physical illness, treatment or preventive care;
- absence due to domestic abuse, sexual assault or stalking of the employee or a family member;
- closure of the employee's workplace due to weather or public emergency or closure of a family member's school or care facility due to weather or public emergency; and
- when determined by a health authority or health care professional that the employee or family member is at risk of infecting others with a communicable disease.

WHICH FAMILY MEMBERS ARE INCLUDED?

Employees may use earned sick and safe time for their following family members:

1. their child, including foster child, adult child, legal ward, child for whom the employee is legal guardian or child to whom the employee stands or stood in loco parentis (in place of a parent);
2. their spouse or registered domestic partner;
3. their sibling, stepsibling or foster sibling;
4. their biological, adoptive or foster parent, stepparent or a person who stood in loco parentis (in place of a parent) when the employee was a minor child;
5. their grandchild, foster grandchild or step-grandchild;
6. their grandparent or step-grandparent;
7. a child of a sibling of the employee;
8. a sibling of the parents of the employee;
9. a child-in-law or sibling-in-law;
10. any of the family members listed in 1 through 9 above of an employee's spouse or registered domestic partner;
11. any other individual related by blood or whose close association with the employee is the equivalent of a family relationship; and
12. up to one individual annually designated by the employee.

Earned sick and safe time as of Jan. 1, 2024

WHAT ADDITIONAL SICK AND SAFE TIME RESPONSIBILITIES DO EMPLOYERS HAVE?

In addition to providing their employees with one hour of paid leave for every 30 hours worked, up to at least 48 hours each year, employers are required to:

- include the total number of earned sick and safe time hours accrued and available for use, as well as the total number of earned sick and safe time hours used, on earnings statements provided to employees at the end of each pay period;
- provide employees with a notice by Jan. 1, 2024 — or at the start of employment, whichever is later — in English and in an employee's primary language if that is not English, informing them about earned sick and safe time; and
- include a sick and safe time notice in the employee handbook, if the employer has an employee handbook.

The Minnesota Department of Labor and Industry will prepare a uniform employee notice that employers can use and will make it available in the five most common languages spoken in Minnesota.

CURRENT SICK AND SAFE TIME LOCAL ORDINANCES

Earned sick and safe time local ordinances already exist in the cities of Bloomington, Duluth, Minneapolis and St. Paul, Minnesota. When Minnesota's statewide earned sick and safe time law goes into effect Jan. 1, 2024, employers must follow the most protective law that applies to their employees.



Sick time

For physical or
mental health
conditions, illness
or injury



Safe time

To address domestic
abuse, sexual assault
or stalking



Labor Standards • 443 Lafayette Road N. • St. Paul, MN 55155
651-284-5075 • 800-342-5354 • dli.mn.gov • dli.laborstandards@state.mn.us

Notice: This is a brief summary of Minnesota law. It is intended as a guide and is not to be considered a substitute for Minnesota Statutes regarding earned sick and safe leave.

TO: ERMU Commission	FROM: Mark Hanson – General Manager
MEETING DATE: December 12, 2023	AGENDA ITEM NUMBER: 6.1a
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- With the extended warm weather pattern, Heritage Construction’s subcontractor was able to complete the work to cap the abandoned service line at the water main. Work was completed on Tuesday, December 5. There were no issues with the surrounding utilities in the area.
- I attended Minnesota Municipal Utilities Association’s 2023 Technical & Operations Conference last week. Our very own HR Generalist Megan Zachman was asked to facilitate a round table discussion on a variety of HR topics including the new Employee Sick and Safe Time requirements.
- Commissioner Stewart and I attended the Board of Directors of the Minnesota Municipal Power Agency (MMPA) on November 21, 2023, at Chaska’s City Hall. The public summary of the meeting is below:
 - The Board reviewed the Agency’s financial and operating performance for October 2023.
 - Customer penetration for the residential Clean Energy Choice program increased to 5.2%. There was an increase of 92 customers participating in the residential Clean Energy Choice program from September to October.
 - 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: December 12, 2023	AGENDA ITEM NUMBER: 6.1b
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- Office walk-in traffic for November consisted of 109 customers, averaging 27 customers per week over the 4-week period.
- ERMU red tag notification count for November under the Cold Weather Rule.
 - Cycle 2 – 8 red tag notifications
 - Cycle 3 – 7 red tag notifications
 - Cycle 4 – 11 red tag notifications
 - Cycle 1 – 20 red tag notifications and 1 disconnection
 - Cycle 2 - 10 red tag notifications
- The administration director and billing specialist have started the year-end training with our software provider National Information Solutions Cooperative.
- During the month of November 2023, the customer service team entered 65 payment arrangements with customers. During November 2022 there were 104 payment arrangements.
- Training is scheduled with Star Energy on December 12 for the NOVA Power Portal, being deployed January 1, 2024. All distributed energy interconnection applications will be submitted through this portal, which tracks and manages the application process for the solar vendor, customer, and utility.
- Currently there are 12 active residential solar photovoltaic projects planned or under construction in the ERMU service territory.
- In the last 30 days, combined the level two charger located downtown and in the parking lot in front of ERMU had 42 sessions and provided customers with 677kWh of green energy.

TO: ERMU Commission	FROM: Melissa Karpinski – Finance Manager
MEETING DATE: December 12, 2023	AGENDA ITEM NUMBER: 6.1c
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- The auditors from Abdo are performing preliminary audit work on December 7 on-site. 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, which will be done remotely.
- Our 2022 MN Department of Revenue Sales and Use Tax Refund of \$11,645.11 has been submitted for peer review. We should receive payment soon.
- Transitioning open enrollment to a paperless solution via iVUE Connect – Financials went very well. Kathy, our accounts payable/payroll specialist, did an amazing job taking this project on.

TO: ERMU Commission	FROM: Tony Mauren – Governance & Communications Manager
MEETING DATE: December 12, 2023	AGENDA ITEM NUMBER: 6.1d
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- The December bill insert going to all customers is the winter edition of our newsletter, The Current. It provides information on the Advanced Metering Infrastructure project, bill payment services through SmartHub, how to avoid scams, ERMU's Smart Energy Provider designation, tree trimming, and the Recycle Coach app. As mentioned at the November meeting, the sidebar on the front page now features information about ERMU's rebates and QR code to make accessing them easy.
- In addition to highlighting the bill insert topics, social media posts this month feature a variety of items including the commission meeting notice, water conservation rebates, introducing new employees, as well as holiday closures and garbage delays. ERMU is also partnering with the City to promote its Holiday Lights Tour. We shared [the City's Facebook post](#) on November 20 and had additional posts on November 29 and December 6. ERMU is also utilizing its social media channels to promote the City's [Adopt a Hydrant program](#).
- The Governance & Communications Manager attended Minnesota Municipal Utilities Association's Government Relations virtual meeting held on November 28. The group reviewed the expected asks for the 2024 session including: exempting data centers from Renewable Energy Standard calculations, passing a sufficient bonding bill for projects in need of financial assistance – with particular focus on water and wastewater facilities, preventing municipal water systems from needing to raise rates to manage PFAS levels, and repealing a ban on siting and use of nuclear power facilities in Minnesota.
- In May 2023 it was reported that three staff members (communications coordinator, IT/OT technician, and GIS/mapping technician) were enrolling in a Drone Pilot Ground School to be able to utilize drones in capturing more engaging and descriptive visuals as well as performing quick and safe equipment inspections. I am happy to report that Communications & Administrative Coordinator Jenny Foss successfully passed the

Aeronautical Knowledge Test required by the Federal Aviation Administration on December 5, earning her Remote Pilot Certification. ERMU has purchased a drone based on City staff recommendations and Jenny can't wait to get it up in the air. Much much more to come!

ATTACHMENTS:

- Bill Insert – The Current Winter 2023



GO GREEN, SAVE GREEN WITH ERMU

Saving money, decreasing energy usage, and conserving resources has never been easier with programs and rebates from ERMU. Take a closer look at the many ways residential and commercial customers can save.

RESIDENTIAL

- > AC Tune-Up
- > Energy Efficient Appliances
- > Electric Vehicle Charger
- > HVAC
- > Irrigation Tune-Up
- > Water Conservation

COMMERCIAL

- > Lighting
- > HVAC
- > VFD and ASD Drives
- > Other Equipment
- > Custom Grants

Click the "Programs & Rebates" tab at ERMUMN.COM to learn more or simply scan the QR code below.



ERMU Begins a New Era of Service

Elk River Municipal Utilities is excited to announce the start of the Advanced Metering Infrastructure (AMI) project. The 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.

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. Installation details will be available at ERMUMN.COM throughout the project.

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.



"We are very excited to announce that ERMU's Advanced Metering Infrastructure (AMI) project is moving forward after years of careful planning and preparation. AMI will no doubt add another important chapter to ERMU's rich history of bringing exceptional service to our valued customers."

- Mark Hanson, General Manager

Save Money and Time with SmartHub

SmartHub is a web and mobile app that allows you to take control of all aspects of your utility account. Pay your bill, set up automatic payments, manage your use, and contact ERMU with service issues quickly and easily online or on your mobile device.

Detailed graphs available through SmartHub allow you to monitor your utility usage 24/7 and track your consumption. This can help you find ways to reduce your usage and save.

Additionally, SmartHub's Auto Pay Program helps you save time, avoid service interruptions, and eliminate late fees by allowing you to set up automatic payments using your preferred method (credit, debit, checking, or savings) while still letting you view your itemized bill.

To learn more about the many benefits of managing your ERMU account with SmartHub simply search "Manage Your Account" at ERMUMN.COM.



SMART MANAGEMENT
SMART USAGE
SMART SAVINGS



WINTER TREE TRIMMING

Each year, ERMU field staff and contractors trim tree branches to reduce the chances of interference with power lines, which can cause outages and dangerous situations.

The work is typically done in the winter, after the leaves have fallen, because it is easier to see the structure of each branch and make minimal cuts. The cold temperatures help prevent diseases and parasites from entering freshly cut limbs.

To learn more search "Tree Trimming" at ERMUMN.COM.



recycle coach

DOWNLOAD RECYCLE COACH

Do you find yourself always wondering when your recycling gets collected or what items are recyclable? Get answers by downloading the Recycle Coach app today.

The Recycle Coach app is a handy suite of tools provided by the City of Elk River that will make you a pro-recycler!

Safety Tips to Protect Against Utility Scams

Utility scammers work year-round, although the Better Business Bureau reports that most scam-related activity occurs in peak winter and summer months when homeowners rely on heat or air conditioning. Scammers may act via telephone, email, or even in person. Knowing the official processes and procedures that ERMU follows when working with customers will give you confidence that your account is being appropriately managed and that your information is secure. Protect yourself with these tips and reminders:



- ▶ ERMU does not do immediate disconnections. Before disconnecting any service, we will mail letters, send automated phone calls, and discuss payment arrangements. We do not disconnect during evening hours or on weekends.
- ▶ An ERMU representative will never ask you to verbally provide banking information. All payments over the phone occur on an automated line, using your keypad.
- ▶ ERMU does not accept gift cards or prepaid debit cards for bill payment. Instructions to pay by prepaid debit or wire transfer are a red flag.
- ▶ Do not rely on Caller ID, even if it shows the name of your utility company. Scammers can "spoof" line identification to make it appear as though the call is originating from ERMU.
- ▶ Delete all suspicious emails that demand immediate verification of personal information. Do not click on any included links.
- ▶ Set up a SmartHub account for the ability to confirm your account status 24/7.
- ▶ Any contact that is proven to be a scam should be reported to the police.
- ▶ Remember, if you receive a phone call and you're unsure whether you are talking to an actual ERMU representative, hang up and call 763.441.2020.

ERMU Recognized as Smart Energy Provider

ERMU joins less than 100 public power utilities nationwide in earning a Smart Energy Provider (SEP) designation from the American Public Power Association (APPA). This honor recognizes ERMU's commitment to and proficiency in initiatives that support the goal of providing safe, reliable, low-cost, and sustainable electric service. Kris Sellstrom, chair of APPA's Energy Innovation Committee, presented the designations on November 13 in San Antonio, Texas during APPA's annual Customer Connections Conference.



**SMART
ENERGY
PROVIDER**

American Public Power Association

The SEP designation, which lasts for two years (December 1, 2023 to November 30, 2025), recognizes public power utilities for demonstrating leading practices in four key disciplines: smart energy program structure; energy efficiency and distributed energy resources programs; environmental and sustainability initiatives; and customer experience. This is the third time ERMU has earned this recognition.

TO: ERMU Commission	FROM: Thomas Geiser – Operations Director
MEETING DATE: December 12, 2023	AGENDA ITEM NUMBER: 6.1e
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- Staff have been attending meetings with Sherburne County to plan for the County Road 44 project.
- Working through maps for the new GIS mapping system that we plan to move forward with in the future.
- Working on 2024 Budget.
- Worked with the City to disconnect sidewalk outlets from Main Street light poles so we could use the breaker to light up the wreaths along the street.
- Staff continues to attend weekly Advanced Metering Infrastructure meetings.
- The general manager, technical services superintendent, electric superintendent, engineering manager, and I attended the Minnesota Municipal Utilities Association's Technical & Operations Conference in St. Cloud, December 5-7. There was a lot of good information shared throughout.
- Bucket truck #4 from Altec was received Wednesday, November 29. The former bucket truck #4 will be sold at auction. The end date for that auction is Tuesday, December 12.

TO: ERMU Commission	FROM: Chris Sumstad – Electric Superintendent
MEETING DATE: December 12, 2023	AGENDA ITEM NUMBER: 6.1f
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- Installed 17 new residential services, which involves the connection of a secondary line once the customer requests service.
- The bore crew began replacing underground primary wire along 202nd Avenue in northwest Elk River. This is part of the same wire replacement area they have been working on along Rawlins Street, Pascal Drive, and 201st Avenue.
- Crews rerouted approximately 800 feet of three phase underground primary at the landfill. The existing wire was in conflict with a building project planned there.
- We extended three phase underground primary 1500 feet east along 225th Avenue and north up Baldwin Street on the east side of Highway 169. This will serve the three phase needs at the Martin Marietta gravel pit located on the north side of the wind turbine.
- Crews are currently working on installing the three phase service for the new Beaudry storage facility located on the north side of our West substation along County Road 1.
- Minnesota Municipal Utilities Association (MMUA) Safety Trainer Joe Schmidt was here on November 29 and held training on chemical safety and scissor lift operations for field staff.
- Jay Reading from MMUA was here for a Job Training & Safety session on November 21. This training was for our line crews and covered personal protective grounding.
- Carr's Tree Service returned on November 20 to continue their tree trimming. They will be working in our service area until the end of March.

- Crews are currently working on installing five new streetlights along Dodge Street from Elk Hills Drive to 192nd Avenue.
- Field Crew Foreperson Russ Stuhr completed the Stepping into Leadership course on November 17. This course is offered through MMUA and lasts over 12 months including a couple two day in-person sessions along with many three-hour virtual sessions totaling approximately 50 hours.
- Crews added a three phase service on York Avenue. Customer needs required an additional voltage to what was already existing. This is one of the last three phase service installs of 2023. Lead times are still a year or more on new transformer orders.
- Crews found over 12 inches of frost in areas the Monday after Thanksgiving. The mild weather since has helped some and we hope for a few more warm days in December!

TO: ERMU Commission	FROM: Mike Tietz –Technical Services Superintendent
MEETING DATE: December 12, 2023	AGENDA ITEM NUMBER: 6.1g
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- In November, the locators processed 424 locate tickets. These consisted of 334 normal tickets, 5 emergency tickets, 39 updated tickets, 31 cancellations, 5 meets, 1 non-excavation, and 71 boundary surveys. This resulted in an 8.6% decrease in tickets from the previous month and is a 102.9% increase from the prior November.
- Electrical technicians completed 216 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 continue to be installed in new services and where we may have had an existing meter failure. We have narrowed down the AMI endpoint installation proposals to two vendors. We have scheduled interviews with them for December 15 and hope to make a decision that day. We are still anticipating a start date of March 2024 for mass deployment of meters. Integration with NISC has been starting to come together this month and we are looking forward to starting our meter data management system implementation in December.
- For the month of November, staff did not run generators. Engine #4 is still waiting on plugs that are on backorder.
- Connexus Energy utilized their feeders out of our Waco and North substations for a short time due to a transmission issue caused by a vehicle hitting a guy wire on a transmission structure near Baldwin Township. We also experienced an interruption, but Great River Energy was able to perform some emergency switching and restore power to our substations in about 3 minutes.
- I attended Minnesota Power Systems Conference in St. Paul during the week of November 6 which I found very informational. There was a wide range of topics covered from supply chain updates, to small modular reactor technology, to electric vehicle penetration in distribution systems. Thank you to the Commission for allowing me to continue to attend this annual conference.

TO: ERMU Commission	FROM: Dave Ninow – Water Superintendent
MEETING DATE: December 12, 2023	AGENDA ITEM NUMBER: 6.1h
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

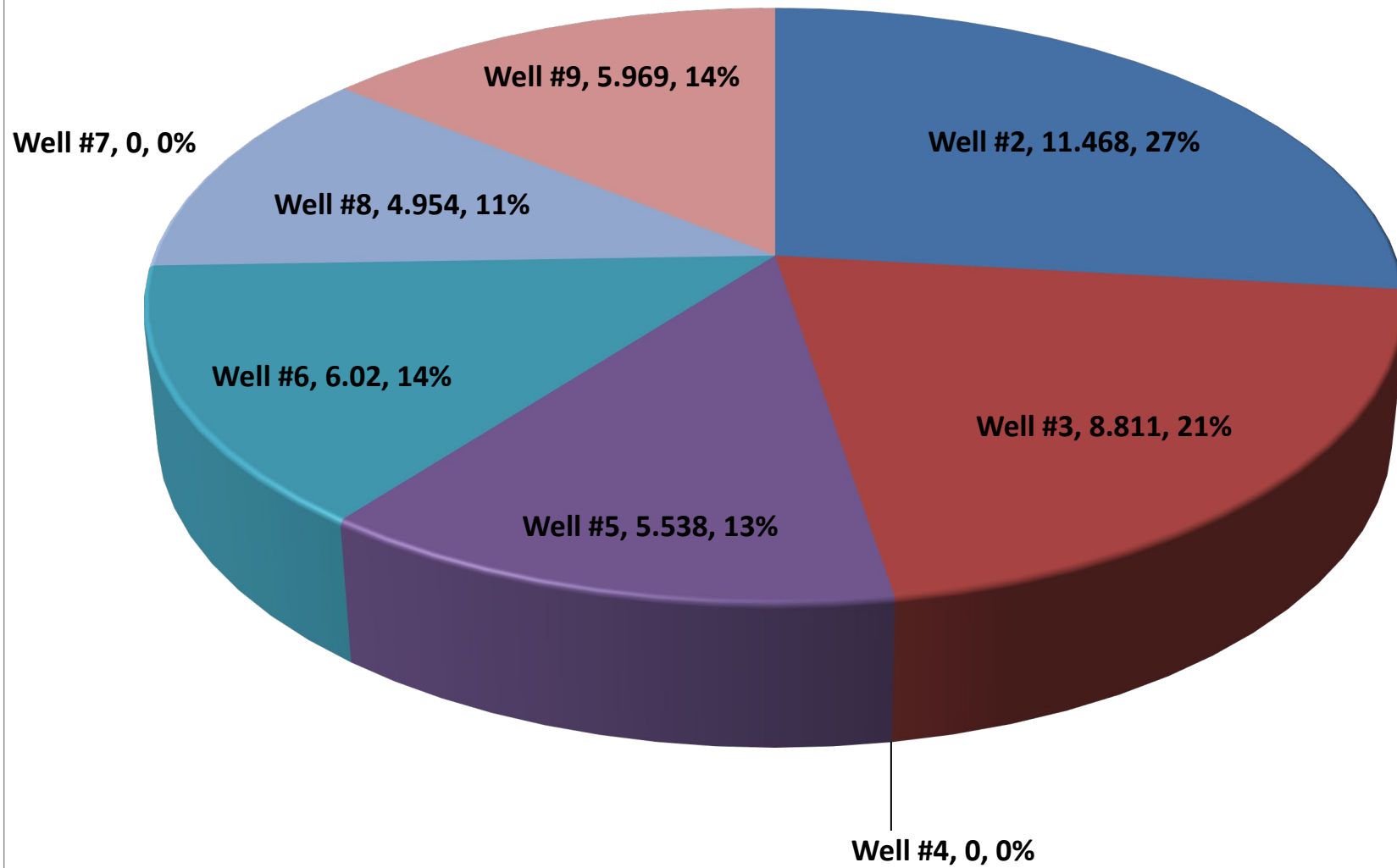
- Delivered 13 new water meters, installed a Smart Point module, and took curb stop ties.
- Completed 15 BACTI/Total Chlorine Residual Samples
 - All confirmed negative for Coliform Bacteria
 - Bacteriological/Disinfectant Residual Monthly Report submitted to the MDH
- Completed 20 routine fluoride samples
 - All samples met MDH standards
 - Submitted MDH Fluoride Report
- Submitted Discharge Monitoring Report (DMR) for the Diesel Generation Plant to the Minnesota Pollution Control Agency.
- The pump that was removed from Well #4 for inspection was in poor condition and needed replacement. The new pump, motor, and drop pipe have been reinstalled. Because Well #4 is a naturally flowing well water flows over the top of the well casing once the cap has been removed. The fire department brought a pumper truck to keep the water at bay during the removal, televising, and reinstallation process. A big thank you to the fire department for their assistance.
- The panel view operator interface terminal that failed has been replaced at the water treatment plant for Wells #7 and #9. The programable logic controller (PLC) was also replaced to allow for transitioning our Supervisory Control and Data Acquisition (SCADA) system from communicating through radio to fiber optic. This project has been identified in the water capital budget.
- The water operators have started annual maintenance of the water treatment plants. This process includes inspecting and recharging the iron and manganese removal pressure filters.

- We have once again placed protective plastic bags on fire hydrants along high traffic roads to protect them from corrosion from road salt. Staff had purchased clear bags to prevent the public's misconception that red bags indicated the hydrant was out of service. The fire department has requested a return to the red bags in future years to maximize visibility.

ATTACHMENTS:

- November 2023 Pumping by Well

November 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: December 12, 2023	AGENDA ITEM NUMBER: 6.1i
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- We continue to work with City of Elk River IT staff on expansion of the fiber loop to the northeast area of Elk River and have a project kickoff meeting with the contractor during the week of December 11.
- We continue to work with DGR and WEG on design questions for the Otsego substation transformer, and still expect full review drawings in January of 2024.
- We continue to work on 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.
- We are expanding Multi Factor Authentication and have noticed an increase in spam and phishing emails recently.

<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