



NOTICE OF PUBLIC MEETING

MEETING OF THE ELK RIVER MUNICIPAL UTILITIES COMMISSION

**Tuesday, February 13, 2024, 3:30 p.m.
Elk River City Hall
13065 Orono Parkway
Elk River, Minnesota**

Notice is Hereby Given that the Elk River Municipal Utilities Commission will hold their scheduled monthly meeting on February 13, 2024, at 3:30 p.m., at the Elk River City Hall, 13065 Orono Parkway, Elk River, MN.

One commissioner may participate via interactive television at the following locations, which shall be open and accessible to the public during the meeting:

The Lighthouse Resort, 455 East Beach Boulevard, Suite 1608, Gulf Shores, AL, 36542

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


Mark Hanson, General Manager


Date

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 – January 2024
- 2.2 Regular Meeting Minutes – January 9, 2024
- 2.3 Special Meeting Minutes – January 29, 2024
- 2.4 Committee Charter Updates
- 2.5 Distributed Energy Resources and Net Metering Rules
- 2.6 Cogeneration and Small Power Production Tariff – Schedule 1 and 2
- 2.7 Transmission Transformed Service Rate
- 2.8 Rate Correction – Off-Peak Demand Service Rate

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

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

- 4.1 Commission Policy Review – G.2b – Governing Style
- 4.2 Annual Safety Report
- 4.3 Commissioner Evaluation Questions Update

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

- 5.1 Financial Report – December 2023
- 5.2 2023 Fourth Quarter Delinquent Items
- 5.3 Strategic Plan and 2023 Annual Business Plan Results
- 5.4 Compensation Study Update
- 5.5 Meter Installation Services Master Services Agreement – Allegiant Utility Services, LLC

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

- 6.1 Staff Update
- 6.2 City Council Update
- 6.3 Future Planning (Announce the next regular meeting, special meeting, or planned quorum.)
 - a. Commission Orientation – March 12, 2024, 2:30 p.m.
 - b. Regular Commission Meeting – March 12, 2024
 - c. 2024 Governance Agenda

6.4 Other Business (Items added during agenda approval.)

7.0 ADJOURN REGULAR MEETING

CHECK REGISTER

January 2024

APPROVED BY:

Paul Bell

John Dietz

Mary Stewart

Matt Westgaard

Nick Zerwas

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Payroll/Labor Check Register Totals

01/05/2024 To 01/05/2024

<u>Pays</u>	<u>Job</u>	<u>Amount</u>	<u>Hours</u>
Gross Pay			
2	Reg Hourly	75,345.25	1,817.00
20	Reg Salary	24,585.07	394.50
3	Overtime	574.14	7.25
4	Double Time	1,302.12	12.00
5	On-Call/Stand-by	2,744.02	56.00
24	FLSA	35.41	0.00
25	Rest Time	108.51	2.00
10	Bonus Pay	436.56	8.00
18	Commissioner Reimb - Electric	600.00	0.00
VAC	Vacation Pay	12,658.79	250.25
SICK	Sick Pay	4,676.61	103.00
HOL	Holiday Pay	50,828.72	1,096.00
5-2	On-Call/Stand-by/OT	335.77	4.25
18A	Commissioner Reimb. - Water	150.00	0.00
PTOY	Personal Day - Year	390.52	9.25
Gross Pay Total:		<u>174,771.49</u>	<u>3,759.50</u>
Total Pays:		<u>174,771.49</u>	<u>3,759.50</u>

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Payroll/Labor Check Register Totals

01/19/2024 To 01/19/2024

<u>Pays</u>	<u>Job</u>	<u>Amount</u>	<u>Hours</u>
Gross Pay			
2	Reg Hourly	103,814.67	2,416.75
20	Reg Salary	38,442.96	584.25
3	Overtime	202.48	3.25
4	Double Time	368.56	4.00
5	On-Call/Stand-by	2,869.86	56.00
24	FLSA	0.00	0.00
25	Rest Time	0.00	0.00
10	Bonus Pay	1,757.08	31.00
18	Commissioner Reimb - Electric	0.00	0.00
104	Commission Stipend	60.00	0.00
VAC	Vacation Pay	9,836.58	178.75
SICK	Sick Pay	2,694.60	65.25
HOL	Holiday Pay	17,626.24	368.00
5-2	On-Call/Stand-by/OT	0.00	0.00
18A	Commissioner Reimb. - Water	0.00	0.00
104A	Commission Stipend - Water	15.00	0.00
PTOY	Personal Day - Year	1,929.28	32.00
3C	Overtime-Comp Time	447.51	5.50
CM3C	Overtime-Comp Time Adjusted	-447.51	-5.50
10W	Bonus Pay	159.08	4.00
Gross Pay Total:		<u>179,776.39</u>	<u>3,743.25</u>
Total Pays:		179,776.39	3,743.25

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Accounts Payable Check Register

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01/01/2024 To 01/31/2024

Bank Account: 1 - GENERAL FUND

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
2360 1/4/24	WIRE	5655	FIRST DATA	CC FEES - DEC 2023	1,654.19
				CC FEES - DEC 2023	413.55
				CC FEES - DEC 2023	505.06
				CC FEES - DEC 2023	126.26
				CC FEES - DEC 2023	862.18
				CC FEES - DEC 2023	215.54
				CC FEES - DEC 2023	29.82
				CC FEES - DEC 2023	7.45
				CC FEES - DEC 2023	668.20
				CC FEES - DEC 2023	167.05
				CC FEES - DEC 2023	4,699.00
				CC FEES - DEC 2023	1,174.75
Total for Check/Tran - 2360:					10,523.05
2361 1/5/24	WIRE	5631	AMERICAN EXPRESS	ACH FEES - DEC 2023	175.56
				ACH FEES - DEC 2023	43.89
Total for Check/Tran - 2361:					219.45
Total for Bank Account - 1 :					(2) 10,742.50

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Accounts Payable Check Register

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
4204 1/3/24	WIRE	7463	FURTHER	HSA EMPLOYEE CONTRIBUTION	2,092.92
				HSA EMPLOYEE CONTRIBUTION	330.81
Total for Check/Tran - 4204:					2,423.73
4206 1/8/24	WIRE	153	PERA (ELECTRONIC)	PERA EMPLOYEE CONTRIBUTION	9,603.16
				PERA CONTRIBUTIONS	11,080.52
				PERA EMPLOYEE CONTRIBUTION	1,708.22
				PERA CONTRIBUTIONS	1,971.03
Total for Check/Tran - 4206:					24,362.93
4207 1/8/24	WIRE	160	HCSP (ELECTRONIC)	HCSP EMPLOYEE CONTRIBUTIONS	1,966.17
				HCSP EMPLOYEE CONTRIBUTIONS	261.42
Total for Check/Tran - 4207:					2,227.59
4208 1/8/24	WIRE	160	HCSP (ELECTRONIC)	2023 EXCESS SICK PAY - 9 32 59	4,754.84
				2023 EXCESS SICK PAY - 9 32 59	88.97
Total for Check/Tran - 4208:					4,843.81
4209 1/8/24	WIRE	161	MNDP (ELECTRONIC)	MNDP EE MANAGER CONTRIBUTIONS	280.15
				MNDP EMPLOYEE CONTRIBUTIONS	3,621.79
				MNDP EMPLOYER CONTRIBUTION	4,590.28
				MNDP EMPLOYER MGR CONTRIBUTION	468.64
				MNDP EE ROTH CONTRIBUTIONS	968.49
				MNDP EE ROTH MGR CONTRIBUTIONS	188.49
				MNDP EE MANAGER CONTRIBUTIONS	40.17
				MNDP EMPLOYEE CONTRIBUTIONS	262.69
				MNDP EMPLOYER CONTRIBUTION	647.14
				MNDP EMPLOYER MGR CONTRIBUTION	65.09
				MNDP EE ROTH CONTRIBUTIONS	384.45
				MNDP EE ROTH MGR CONTRIBUTIONS	24.92
Total for Check/Tran - 4209:					11,542.30
4210 1/8/24	WIRE	285	JOHN HANCOCK	W&A EMPLOYER CONTRIBUTION	2,897.93
				WENZEL EMPLOYEE CONTRIBUTIONS	1,571.61

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				WENZEL MANAGER CONTRIBUTIONS	234.00
				DEF COMP ROTH CONTRIBUTIONS W&A	870.54
				WENZEL EE ROTH MGR CONTRIBUTIONS	221.78
				W&A EMPLOYER CONTRIBUTION	328.64
				W&A MANAGER CONTRIBUTION	35.56
				WENZEL MANAGER CONTRIBUTIONS	11.88
				DEF COMP ROTH CONTRIBUTIONS W&A	192.60
				WENZEL EE ROTH MGR CONTRIBUTIONS	23.68
				Total for Check/Tran - 4210:	6,388.22
4211 1/8/24	WIRE	598	MINNESOTA CHILD SUPPORT PAYMEN	CHILD SUPPORT/LEVY	562.52
4212 1/5/24	WIRE	166	ONLINE UTILITY EXCHANGE (ELECTR	UTILITY EXCHANGE REPORT - DEC 2023	317.76
				UTILITY EXCHANGE REPORT - DEC 2023	79.44
				Total for Check/Tran - 4212:	397.20
4213 1/10/24	WIRE	152	IRS - USA TAX PMT (ELECTRONIC)	PAYROLL TAXES - FEDERAL & FICA	13,648.54
				PAYROLL TAXES - FEDERAL & FICA	21,210.40
				PAYROLL TAXES - FEDERAL & FICA	2,019.50
				PAYROLL TAXES - FEDERAL & FICA	3,783.42
				Total for Check/Tran - 4213:	40,661.86
4214 1/11/24	WIRE	154	MINNESOTA REVENUE (ELECTRONIC)	PAYROLL TAXES - STATE	6,283.63
				PAYROLL TAXES - STATE	1,047.51
				Total for Check/Tran - 4214:	7,331.14
4215 1/10/24	WIRE	7463	FURTHER	FSA CLAIM REIMBURSEMENTS - 172	227.08
				FSA CLAIM REIMBURSEMENTS - 172	56.77
				Total for Check/Tran - 4215:	283.85
4216 1/9/24	WIRE	7463	FURTHER	HSA EMPLOYEE CONTRIBUTION	3,134.09
				HSA EMPLOYEE CONTRIBUTION	434.00
				2024 HSA ERMU CONTRIBUTION	125,800.00
				2024 HSA ERMU CONTRIBUTION	25,075.00

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
Total for Check/Tran - 4216:					154,443.09
4220 1/16/24	WIRE	7463	FURTHER	FSA CLAIM REIMBURSEMENTS - 164	153.86
				FSA CLAIM REIMBURSEMENTS - 164	38.46
				FSA CLAIM REIMBURSE-119 147 163 164 167	12,795.46
				FSA CLAIM REIMBURSE-119 147 163 164 167	170.06
Total for Check/Tran - 4220:					13,157.84
4222 1/22/24	WIRE	153	PERA (ELECTRONIC)	PERA EMPLOYEE CONTRIBUTION	9,804.96
				PERA CONTRIBUTIONS	11,313.44
				PERA EMPLOYEE CONTRIBUTION	1,875.64
				PERA CONTRIBUTIONS	2,164.17
Total for Check/Tran - 4222:					25,158.21
4223 1/22/24	WIRE	160	HCSP (ELECTRONIC)	HCSP EMPLOYEE CONTRIBUTIONS	2,018.75
				HCSP EMPLOYEE CONTRIBUTIONS	285.38
Total for Check/Tran - 4223:					2,304.13
4224 1/22/24	WIRE	161	MNDP (ELECTRONIC)	MNDP EE MANAGER CONTRIBUTIONS	290.18
				MNDP EMPLOYEE CONTRIBUTIONS	3,649.50
				MNDP EMPLOYER CONTRIBUTION	4,616.46
				MNDP EMPLOYER MGR CONTRIBUTION	485.43
				MNDP EE ROTH CONTRIBUTIONS	968.49
				MNDP EE ROTH MGR CONTRIBUTIONS	195.25
				MNDP EE MANAGER CONTRIBUTIONS	41.62
				MNDP EMPLOYEE CONTRIBUTIONS	286.78
				MNDP EMPLOYER CONTRIBUTION	672.76
				MNDP EMPLOYER MGR CONTRIBUTION	67.43
				MNDP EE ROTH CONTRIBUTIONS	384.45
				MNDP EE ROTH MGR CONTRIBUTIONS	25.81
Total for Check/Tran - 4224:					11,684.16
4225 1/22/24	WIRE	285	JOHN HANCOCK	W&A EMPLOYER CONTRIBUTION	2,477.99
				W&A MANAGER CONTRIBUTION	480.90

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				WENZEL EMPLOYEE CONTRIBUTIONS	1,601.36
				WENZEL MANAGER CONTRIBUTIONS	251.17
				DEF COMP ROTH CONTRIBUTIONS W&A	876.63
				WENZEL EE ROTH MGR CONTRIBUTIONS	229.73
				W&A EMPLOYER CONTRIBUTION	258.82
				W&A MANAGER CONTRIBUTION	37.82
				WENZEL EMPLOYEE CONTRIBUTIONS	64.66
				WENZEL MANAGER CONTRIBUTIONS	13.29
				DEF COMP ROTH CONTRIBUTIONS W&A	194.16
				WENZEL EE ROTH MGR CONTRIBUTIONS	24.53
Total for Check/Tran - 4225:					6,511.06
4226 1/22/24	WIRE	598	MINNESOTA CHILD SUPPORT PAYMEN	CHILD SUPPORT/LEVY	562.52
4228 1/24/24	WIRE	152	IRS - USA TAX PMT (ELECTRONIC)	PAYROLL TAXES - FEDERAL & FICA	14,063.68
				PAYROLL TAXES - FEDERAL & FICA	21,596.66
				PAYROLL TAXES - FEDERAL & FICA	2,291.97
				PAYROLL TAXES - FEDERAL & FICA	4,143.82
Total for Check/Tran - 4228:					42,096.13
4229 1/25/24	WIRE	154	MINNESOTA REVENUE (ELECTRONIC)	PAYROLL TAXES - STATE	6,469.10
				PAYROLL TAXES - STATE	1,182.51
Total for Check/Tran - 4229:					7,651.61
4230 1/24/24	WIRE	7463	FURTHER	FSA CLAIM REIMBURSEMENTS - 172	185.95
				FSA CLAIM REIMBURSEMENTS - 172	46.49
Total for Check/Tran - 4230:					232.44
4231 1/23/24	WIRE	7463	FURTHER	HSA EMPLOYEE CONTRIBUTION	3,131.68
				HSA EMPLOYEE CONTRIBUTION	436.41
Total for Check/Tran - 4231:					3,568.09
4232 1/23/24	WIRE	7463	FURTHER	ADMINISTRATIVE FEE INVOICE - JAN 2024	134.00
				ADMINISTRATIVE FEE INVOICE - JAN 2024	25.50

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				2024 ADMIN FEE ANNUAL FEE	320.00
				2024 ADMIN FEE ANNUAL FEE	80.00
				Total for Check/Tran - 4232:	559.50
4233 1/24/24	WIRE	174	MINNESOTA REVENUE SALES TX (ELE	SALES AND USE TAX - DEC 2023	154,852.87
				SALES AND USE TAX - DEC 2023	-2.44
				SALES AND USE TAX - DEC 2023	2,771.57
				Total for Check/Tran - 4233:	157,622.00
4234 1/17/24	WIRE	7463	FURTHER	EE CONTRIBUTION IN ERROR - 147	28.85
4235 1/16/24	WIRE	9654	CARDMEMBER SERVICE	FIRST NATIONAL BANK VISA	11,134.81
				FIRST NATIONAL BANK VISA	2,841.25
				Total for Check/Tran - 4235:	13,976.06
19138 1/5/24	DD	496	WILLIAM COURTRIGHT	BACKFLOW RENEWAL - 162	38.00
19139 1/5/24	DD	460	DEREK S PALMER	BACKFLOW RENEWAL - 174	38.00
19140 1/5/24	DD	423	MARY STEWART	MMPA MTG MILEAGE & MEAL - 151	90.23
19141 1/12/24	DD	122	ELK RIVER WINLECTRIC	CONDUIT	933.33
				CONDUIT	-933.33
				Total for Check/Tran - 19141:	0.00
19142 1/12/24	DD	583	NORTHWESTERN POWER EQUIP CO IN	SPLITTER	-6,155.56
				SPLITTER	6,155.56
				Total for Check/Tran - 19142:	0.00
19143 1/12/24	DD	693	CURTIS ARNDT	CUT KEY	5.39
19191 1/18/24	DD	211	JENNY S BIORN	Wellness Expenses	160.00
				Wellness Expenses	40.00
				Total for Check/Tran - 19191:	200.00
19192 1/18/24	DD	618	PARKER THEISEN	Schools and Meetings	7.84
				Schools and Meetings	1.96

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
Total for Check/Tran - 19192:					9.80
19193 1/25/24	DD	6107	STUART C. IRBY CO.	CLOSE OUT PO 15185	-33.44
				CLOSE OUT PO	33.44
Total for Check/Tran - 19193:					0.00
87026 1/5/24	CHK	11	CITY OF ELK RIVER	FRANCHISE FEE CREDIT - NOV 2023	-675.00
				TRASH BILLED - DEC 2023	160,359.74
Total for Check/Tran - 87026:					159,684.74
87027 1/5/24	CHK	102	ABDO LLP	AUDIT SERVICES - 2023	5,080.00
				AUDIT SERVICES - 2023	1,270.00
Total for Check/Tran - 87027:					6,350.00
87028 1/5/24	CHK	2512	AMARIL UNIFORM COMPANY	Employee Clothing - 167	273.89
				Employee Clothing - 168	140.00
Total for Check/Tran - 87028:					413.89
87029 1/5/24	CHK	9997	JAMIE ANDERSON	Credit Balance Refund	201.53
87030 1/5/24	CHK	4531	AT & T MOBILITY	CELL PHONES & iPad BILLING	29.18
				CELL PHONES & iPad BILLING	2,541.28
				CELL PHONES & iPad BILLING	12.49
				CELL PHONES & iPad BILLING	554.12
Total for Check/Tran - 87030:					3,137.07
87031 1/5/24	CHK	9997	JESSE BERGMANN	INACTIVE REFUND	59.39
87032 1/5/24	CHK	6138	BLUE EGG BAKERY	COOKIES FOR MEETINGS	176.80
				COOKIES FOR MEETINGS	44.20
Total for Check/Tran - 87032:					221.00
87033 1/5/24	CHK	314	CAER FOOD SHELF	CUSTOMER DONATIONS	46.05
87034 1/5/24	CHK	9997	CARNOVA LLC	Credit Balance Refund	1,015.28
87035 1/5/24	CHK	9997	CARNOVA LLC	Credit Balance Refund	108.85

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
87036 1/5/24	CHK	549	CHARTER COMMUNICATIONS	OFFICE TELEPHONE & CABLE	181.23
				OFFICE TELEPHONE & CABLE	45.31
Total for Check/Tran - 87036:					226.54
87037 1/5/24	CHK	28	CINTAS	MATS & TOWELS	308.37
				MATS & TOWELS	44.06
				MATS & TOWELS	308.37
				MATS & TOWELS	44.06
Total for Check/Tran - 87037:					704.86
87038 1/5/24	CHK	11	CITY OF ELK RIVER	PARTS & LABOR FOR UNIT #10	157.14
				PARTS & LABOR FOR UNIT #27	-1.39
				PARTS & LABOR FOR UNIT #27	58.93
				PARTS & LABOR FOR UNIT #27	-3.15
				PARTS & LABOR FOR UNIT #27	93.13
				PARTS & LABOR FOR UNIT #33	-2.19
				PARTS & LABOR FOR UNIT #33	144.02
				PARTS & LABOR FOR UNIT #33	-0.12
				PARTS & LABOR FOR UNIT #33	7.58
				PARTS & LABOR FOR UNIT #21	-12.54
				PARTS & LABOR FOR UNIT #21	411.63
				PARTS & LABOR FOR UNIT #31	-14.46
				PARTS & LABOR FOR UNIT #31	278.00
				PARTS & LABOR FOR UNIT #13	-1.88
				PARTS & LABOR FOR UNIT #13	65.73
				PARTS & LABOR FOR UNIT #14	-1.58
				PARTS & LABOR FOR UNIT #14	59.61
				PARTS & LABOR FOR UNIT #14	-0.09
				PARTS & LABOR FOR UNIT #14	3.14
				PARTS & LABOR FOR UNIT #12	-1.91
				PARTS & LABOR FOR UNIT #12	66.20
				2023 QTR 4 SAFETY PROGRAM	4,838.32

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				2023 QTR 4 SAFETY PROGRAM	1,209.58
				SIGN LABOR & MATERIALS	-9.53
				SIGN LABOR	277.20
				SIGN MATERIALS	130.73
				SIGN LABOR & MATERIALS	-1.83
				SIGN LABOR	52.80
				SIGN MATERIALS	24.92
				FUEL USAGE - NOV 2023	2,911.74
				FUEL USAGE - NOV 2023	743.07
				Total for Check/Tran - 87038:	11,482.80
87039 1/5/24	CHK	54	CORE & MAIN LP	TRANSCEIVER	350.00
				TRANSCEIVER	150.00
				Total for Check/Tran - 87039:	500.00
87040 1/5/24	CHK	1272	CRYSTEEL TRUCK EQUIPMENT INC	UNIT #16 TOMMY GATE	5,413.82
				UNIT #26 TOMMY GATE	5,413.82
				Total for Check/Tran - 87040:	10,827.64
87041 1/5/24	CHK	3667	ELFERING & ASSOCIATES	PROFESSIONAL SERVICES - NOV 2023	420.00
				PROFESSIONAL SERVICES - NOV 2023	70.00
				HWY 169 MODIFICATIONS	2,590.00
				Total for Check/Tran - 87041:	3,080.00
87042 1/5/24	CHK	9192	ELK RIVER CUB FOODS	COOKIES FOR MEETINGS	15.19
				COOKIES FOR MEETINGS	3.80
				Total for Check/Tran - 87042:	18.99
87043 1/5/24	CHK	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 2 - ACCT 41038 - NOV 2023	146.94
				CYCLE 2 - ACCT 41038 - NOV 2023	7.73
				CYCLE 2 - INV GRP 413 - NOV 2023	50.00
				CYCLE 2 - INV GRP 413 - NOV 2023	232.65
				CYCLE 2 - ACCT 436 - NOV 2023	2,262.36
				Total for Check/Tran - 87043:	2,699.68

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
87044 1/5/24	CHK	9997	MELISSA ERICKSON	Credit Balance Refund	542.58
87045 1/5/24	CHK	9997	KATIE ERVASTI	INACTIVE REFUND	78.64
87046 1/5/24	CHK	9997	FAIRWAY INDEPENDENT MORTGAGE	INACTIVE REFUND	650.44
87047 1/5/24	CHK	8247	FERGUSON WATERWORKS #2516	NOZZLE ASSY	148.36
87048 1/5/24	CHK	9997	KATIE FRANASCHOUK	Credit Balance Refund	24.42
87049 1/5/24	CHK	664	FRONTIER ENERGY, INC	START UP FEE	15,000.00
87050 1/5/24	CHK	340	FURNITURE AND THINGS	CIP - LIGHTING RETROFIT	500.00
87051 1/5/24	CHK	5118	GRAND RENTAL STATION	CHAINSAW PARTS & REPAIR	123.37
87052 1/5/24	CHK	9997	MEGAN GRANNING	Credit Balance Refund	14.84
87053 1/5/24	CHK	809	HAWKINS, INC.	CYLINDER RENTAL	250.00
87054 1/5/24	CHK	9997	JACKIE HESSE	INACTIVE REFUND	133.43
87055 1/5/24	CHK	9997	HOMES BY SUPERIOR CONSTRUCTION,	Credit Balance Refund	69.95
87056 1/5/24	CHK	9997	MELANIE JOHNSON	INACTIVE REFUND	232.48
87057 1/5/24	CHK	9997	CHRIS JUSSILA	INACTIVE REFUND	243.51
87058 1/5/24	CHK	7826	KENNEDY & GRAVEN, CHARTERED	LEGAL SERVICES - NOV 2023	474.30
87059 1/5/24	CHK	9997	LAURIE KIELY	INACTIVE REFUND	112.04
87060 1/5/24	CHK	9997	EUGENE KROUSE	INACTIVE REFUND	406.29
87061 1/5/24	CHK	9997	DAVID LANGHOFF	INACTIVE REFUND	73.71
87062 1/5/24	CHK	9997	GINNELL LEMON	INACTIVE REFUND	511.89
87063 1/5/24	CHK	9997	LGI HOMES, MN	Credit Balance Refund	168.51
87064 1/5/24	CHK	9997	LGI HOMES, MN	Credit Balance Refund	88.45

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87065 1/5/24	CHK	9997	HERIANA LORETO	INACTIVE REFUND	69.58
87066 1/5/24	CHK	8605	MARCO TECHNOLOGIES, LLC	OFFICE 365 - 11/25 to 12/24/23	822.85
				OFFICE 365 - 11/25 to 12/24/23	211.13
Total for Check/Tran - 87066:					1,033.98
87067 1/5/24	CHK	145	MENARDS	MISC PARTS & SUPPLIES	182.56
				ADAPTER - UNIT #50	-6.46
				PARTS - ENGINE #4	6.12
				MISC PARTS & SUPPLIES	29.08
				REBATE	-4.26
				REBATE	-4.73
				REBATE	-11.63
				REBATE	-13.35
Total for Check/Tran - 87067:					177.33
87068 1/5/24	CHK	9997	DENNIS MYRON	Credit Balance Refund	126.85
87069 1/5/24	CHK	120	NAPA AUTO PARTS	Transportation Exp	9.70
				PARTS FOR UNIT #59	-8.38
				PARTS FOR UNIT #59	130.26
				OIL & FUEL FILTER - UNIT #61	55.63
				AIR FILTER - UNIT #70	53.82
Total for Check/Tran - 87069:					241.03
87070 1/5/24	CHK	573	NCPERS MINNESOTA	EXTRA LIFE INSURANCE - JAN 2024	208.80
				EXTRA LIFE INSURANCE - JAN 2024	15.20
Total for Check/Tran - 87070:					224.00
87071 1/5/24	CHK	9997	JESSICA POGORELCE	INACTIVE REFUND	77.09
87072 1/5/24	CHK	811	PRIME ADVERTISING & DESIGN, INC.	MONTHLY HOSTING OF WEBSITE	40.00
				MONTHLY HOSTING OF WEBSITE	40.00
				MONTHLY HOSTING OF WEBSITE	20.00
Total for Check/Tran - 87072:					100.00

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87073 1/5/24	CHK	3218	RDO EQUIPMENT CO.	PARTS FOR UNIT #59	-17.26
				PARTS FOR UNIT #59	219.80
				PARTS FOR UNIT #61	-60.40
				PARTS FOR UNIT #61	769.03
				PARTS FOR UNIT #59	-28.11
				PARTS FOR UNIT #59	358.00
				OIL FILTER - UNIT #70	-4.40
				OIL FILTER - UNIT #70	55.92
				PARTS FOR UNIT #59	-25.98
				PARTS FOR UNIT #59	355.87
Total for Check/Tran - 87073:					1,622.47
87074 1/5/24	CHK	9997	MACKENZIE ROSIN	Credit Balance Refund	32.23
87075 1/5/24	CHK	603	ROYAL SUPPLY INC	CIP - LIGHTING REBATE	286.00
87076 1/5/24	CHK	603	ROYAL SUPPLY INC	ICE MELT	82.13
				ICE MELT	11.73
				LAUNDRY DETERGENT	-7.56
				LAUNDRY DETERGENT	103.56
				LAUNDRY DETERGENT	-1.89
				LAUNDRY DETERGENT	25.89
Total for Check/Tran - 87076:					213.86
87077 1/5/24	CHK	9997	KAHLIN SCHOEBERL	Credit Balance Refund	114.81
87078 1/5/24	CHK	9997	CYNTHIA SCHROERS	Credit Balance Refund	44.54
87079 1/5/24	CHK	9997	IRINA SHARGORODSKAYA	INACTIVE REFUND	66.17
87080 1/5/24	CHK	9161	SHERBURNE COUNTY AREA UNITED W	EMPLOYEE CONTRIBUTIONS	102.01
				EMPLOYEE CONTRIBUTIONS	17.99
Total for Check/Tran - 87080:					120.00
87081 1/5/24	CHK	9997	SNL INVESTMENTS LLC	INACTIVE REFUND	467.88

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87082 1/5/24	CHK	6107	STUART C. IRBY CO.	Stickers	713.59
				Mtce of OH Primary	880.00
				Mtce of URD Primary	1,280.00
				CURRENT TRANSFORMERS	-108.20
				CURRENT TRANSFORMERS	1,482.20
				Meter Socket	841.43
Total for Check/Tran - 87082:					5,089.02
87083 1/5/24	CHK	9997	MIKE STUTTGEN	INACTIVE REFUND	118.69
87084 1/5/24	CHK	9997	RUSSELL SWANSON	Credit Balance Refund	14.78
87085 1/5/24	CHK	331	TRANSUNION	SKIP TRACING - NOV 2023	60.00
				SKIP TRACING - NOV 2023	15.00
Total for Check/Tran - 87085:					75.00
87086 1/5/24	CHK	9997	MICHELE TROTT	INACTIVE REFUND	102.87
87087 1/5/24	CHK	135	WATER LABORATORIES INC	WATER SAMPLES - DEC 2023	408.00
87088 1/5/24	CHK	55	WESCO RECEIVABLES CORP.	BOLT	423.73
87089 1/5/24	CHK	8046	WHOLE ENERGY & HARDWARE INC	LOW INCOME ENERGY KITS	2,885.12
87090 1/5/24	CHK	1074	WINDSTREAM	OFFICE TELEPHONE	43.62
				OFFICE TELEPHONE	10.91
Total for Check/Tran - 87090:					54.53
87091 1/5/24	CHK	9997	CHARLENE YOUNGREN	Credit Balance Refund	79.00
87092 1/12/24	CHK	2512	AMARIL UNIFORM COMPANY	Employee Clothing - 119	154.76
87093 1/12/24	CHK	2920	BATTERIES PLUS BULBS	BATTERY - WELL #3	17.21
87094 1/12/24	CHK	5013	CARR'S TREE SERVICE, INC	TREE TRIMMING - 12/4/23	7,445.81
87095 1/12/24	CHK	3667	ELFERING & ASSOCIATES	PROFESSIONAL SERVICES - NOV 2023	910.00

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87096 1/12/24	CHK	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 3 - INV GRP 414 - NOV 2023	100.00
				CYCLE 3 - INV GRP 414 - NOV 2023	457.24
				CYCLE 3 - INV GRP 395 - NOV 2023	7,759.25
Total for Check/Tran - 87096:					8,316.49
87097 1/12/24	CHK	809	HAWKINS, INC.	Water Chemicals	543.38
87098 1/12/24	CHK	2401	HOME DEPOT (STORE #2821)	CIP - LIGHTING COUPONS	88.00
87099 1/12/24	CHK	6836	INNOVATIVE OFFICE SOLUTIONS LLC	OFFICE SUPPLIES	98.45
				OFFICE SUPPLIES	10.27
Total for Check/Tran - 87099:					108.72
87100 1/12/24	CHK	9997	DANIEL KRUGER	Credit Balance Refund	192.88
87101 1/12/24	CHK	9997	DANIEL KRUGER	Credit Balance Refund	152.49
87102 1/12/24	CHK	9997	DANIEL KRUGER	Credit Balance Refund	202.62
87103 1/12/24	CHK	9997	LENNAR HOMES	Credit Balance Refund	136.09
87104 1/12/24	CHK	9997	LENNAR HOMES	Credit Balance Refund	116.22
87105 1/12/24	CHK	9997	LENNAR HOMES	Credit Balance Refund	117.98
87106 1/12/24	CHK	9997	LENNAR HOMES	Credit Balance Refund	108.05
87107 1/12/24	CHK	9997	LENNAR HOMES	Credit Balance Refund	102.53
87108 1/12/24	CHK	9997	LENNAR HOMES	Credit Balance Refund	132.12
87109 1/12/24	CHK	9997	LENNAR HOMES	Credit Balance Refund	105.25
87110 1/12/24	CHK	9997	LENNAR HOMES	Credit Balance Refund	98.48
87111 1/12/24	CHK	9997	LENNAR HOMES	Credit Balance Refund	100.03
87112 1/12/24	CHK	9997	LENNAR HOMES	Credit Balance Refund	114.41

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87113 1/12/24	CHK	9997	LENNAR HOMES	Credit Balance Refund	109.94
87114 1/12/24	CHK	691	M3 CONTRACTING	PIPE PLACED	380.00
				3 PHASE PLACEMENT	13,110.00
Total for Check/Tran - 87114:					13,490.00
87115 1/12/24	CHK	9997	JOHN MCCHESENEY	Credit Balance Refund	22.46
87116 1/12/24	CHK	145	MENARDS	PARTS FOR UNIT #50	1.72
				ADAPTER - UNIT #50	6.46
				PARTS FOR WELL #2	93.05
				PARTS FOR WELL #2	63.60
Total for Check/Tran - 87116:					164.83
87117 1/12/24	CHK	9273	METERING & TECHNOLOGY SOLUTION	BRASS E-SERIES METER	2,659.00
				METER	998.14
Total for Check/Tran - 87117:					3,657.14
87118 1/12/24	CHK	330	METRO SALES, INC	COPIER MTC CONTRACT - 11/21 to 12/20/23	187.13
				COPIER MTC CONTRACT - 11/21 to 12/20/23	46.79
Total for Check/Tran - 87118:					233.92
87119 1/12/24	CHK	119	MINNESOTA COMPUTER SYSTEMS INC	COPIER MTC CONTRACT -12/12/23 to 1/11/24	196.31
				COPIER MTC CONTRACT -12/12/23 to 1/11/24	49.07
Total for Check/Tran - 87119:					245.38
87120 1/12/24	CHK	349	MINNESOTA EQUIPMENT INC	PARTS FOR UNIT #56	855.42
				MISC PARTS & SUPPLIES	257.78
Total for Check/Tran - 87120:					1,113.20
87121 1/12/24	CHK	1001	MINNESOTA MUNICIPAL POWER AGEN	PURCHASED POWER - DEC 2023	1,611,485.34
				PURCHASED POWER - DEC 2023	531,182.93
Total for Check/Tran - 87121:					2,142,668.27
87122 1/12/24	CHK	43	NORTHERN TOOL	SHOP TOOLS	338.27
87123 1/12/24	CHK	811	PRIME ADVERTISING & DESIGN, INC.	Marketing	1,440.00

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87124 1/12/24	CHK	3218	RDO EQUIPMENT CO.	PARTS - UNIT #53	-4.65
				PARTS - UNIT #53	59.13
Total for Check/Tran - 87124:					54.48
87125 1/12/24	CHK	9997	JEFFREY REICHERT	Credit Balance Refund	278.41
87126 1/12/24	CHK	574	REPUBLIC SERVICES, INC	TRASH & RECYCLING	1,392.68
				TRASH & RECYCLING	198.95
				TRASH & RECYCLING	281.88
				TRASH & RECYCLING	40.03
				TRASH & RECYCLING	10.01
Total for Check/Tran - 87126:					1,923.55
87127 1/12/24	CHK	159	SHORT ELLIOTT HENDRICKSON INC	AUBURN TOWER TANK MTC	3,386.02
87128 1/12/24	CHK	6107	STUART C. IRBY CO.	Meter Socket	841.43
87129 1/12/24	CHK	557	TOWMASTER	PARTS & LABOR FOR UNIT #7	8,564.00
87130 1/12/24	CHK	8523	TRI CAP	CIP Rebates - Low Income	183.54
87131 1/18/24	CHK	5342	ALTERNATE BUSINESS FURNITURE, IN	Tackboard	327.56
				Tackboard	203.81
				Tackboards	394.24
				Tackboard	46.79
				Tackboard	29.10
				Tackboards	56.32
Total for Check/Tran - 87131:					1,057.82
87132 1/18/24	CHK	1	AMERICAN PUBLIC POWER ASSOCIATI	eRELIABILITY TRACKER SUBSCRIPTION	250.00
87133 1/18/24	CHK	662	BENEFIT EXTRAS, INC	COBRA RENEWAL FEE	300.00
				COBRA RENEWAL FEE	75.00
Total for Check/Tran - 87133:					375.00
87134 1/18/24	CHK	5224	BLUE CROSS BLUE SHIELD OF MINNES	VISION INSURANCE - FEB 2024	270.34

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				VISION INSURANCE - FEB 2024	46.12
				Total for Check/Tran - 87134:	316.46
87135 1/18/24	CHK	9	BORDER STATES ELECTRIC SUPPLY	CABLE SEALING KIT	-6.00
				CABLE SEALING KIT	82.26
				GANG SWITCH	6,782.14
				PADDLE	-58.08
				Mtce of URD Primary	795.54
				GANG SWITCH	6,782.14
				WIRE	418.67
				STAPLES	-8.25
				STAPLES	113.12
				COMPRESSION SLEEVE	-88.65
				Mtce of URD Primary	1,214.25
				Mtce of URD Primary	345.75
				SCREW	-7.91
				SCREW	108.45
				Total for Check/Tran - 87135:	16,473.43
87136 1/18/24	CHK	5013	CARR'S TREE SERVICE, INC	TREE TRIMMING - 12/11/2023	7,445.81
				TREE TRIMMING - 12/18/23	7,831.93
				TREE TRIMMING - 12/25/23	5,369.18
				TREE TREIMMING - 12/25/23	5,448.53
				Tree Trimming	-5,448.53
				Total for Check/Tran - 87136:	20,646.92
87137 1/18/24	CHK	11	CITY OF ELK RIVER	PARTS & LABOR FOR UNIT #6	-10.68
				PARTS & LABOR FOR UNIT #6	222.49
				PARTS & LABOR FOR UNIT #6	-0.57
				PARTS & LABOR FOR UNIT #6	11.72
				Total for Check/Tran - 87137:	222.96
87138 1/18/24	CHK	54	CORE & MAIN LP	Water Meter	32,400.00

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87139 1/18/24	CHK	7509	DEPARTMENT OF MOTOR VEHICLES	TITLE & TABS - UNIT #4	18,911.16
87140 1/18/24	CHK	695	DM ENTERPRISES, LLC	CIP - LIGHTING RETROFIT	16,050.00
87141 1/18/24	CHK	2789	E.H. RENNER & SONS, INC	WELL #4 REHABILITATION	22,819.10
87142 1/18/24	CHK	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 4 - INV GRP 396 - DEC 2023	176.13
				CYCLE 4 - INV GRP 415 - DEC 2023	150.00
				CYCLE 4 - INV GRP 415 - DEC 2023	1,325.01
Total for Check/Tran - 87142:					1,651.14
87143 1/18/24	CHK	122	ELK RIVER WINLECTRIC	MISC PARTS & SUPPLIES	11.81
				MISC PARTS & SUPPLIES	-0.85
				TRANSFORMER BOX PAD	6,388.00
				CONVERSE	1,445.53
				CONVERSE	-105.53
				Misc Distribution Exp	25.96
				MISC PARTS & SUPPLIES	-1.89
				MISC PARTS & SUPPLIES - WEST SUB	-0.59
				MISC PARTS & SUPPLIES - WEST SUB	8.05
				MISC PARTS & SUPPLIES - WEST SUB	-6.12
				MISC PARTS & SUPPLIES - WEST SUB	83.82
				CIRCUIT BREAKER - JOHNSON TOWER	-1.09
				CIRCUIT BREAKER - JOHNSON TOWER	14.86
				Misc Distribution Exp	261.14
				MISC PARTS & SUPPLIES	-19.06
				MISC PARTS & SUPPLIES	-158.33
				PARTS FOR METERS	-1.54
				PARTS FOR METERS	21.01
				PVC COUPLING	-0.14
				Misc Distribution Exp	1.92
Total for Check/Tran - 87143:					7,966.96

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87144 1/18/24	CHK	671	FASTENAL COMPANY	Orange Locate Paint	90.18
87145 1/18/24	CHK	692	FOBBE CONTRACTING, INC	FIRE HYDRANT REPAIR	1,700.00
87146 1/18/24	CHK	809	HAWKINS, INC.	Water Chemicals	586.14
				Water Chemicals	1,631.38
				Total for Check/Tran - 87146:	2,217.52
87147 1/18/24	CHK	631	HEALTH PARTNERS	DENTAL EE - JAN 2024	847.65
				MEDICAL EE - JAN 2024	9,317.00
				DENTAL ER - JAN 2024	2,314.11
				MEDICAL ER - JAN 2024	51,192.58
				DENTAL EE - JAN 2024	106.80
				MEDICAL EE - JAN 2024	2,199.00
				DENTAL ER - JAN 2024	549.24
				MEDICAL ER - JAN 2024	13,205.23
				Total for Check/Tran - 87147:	79,731.61
87148 1/18/24	CHK	5686	HYDROCORP	Backflow Device Inspection - Dec 2023	1,123.00
87149 1/18/24	CHK	5381	INSIGHT PUBLIC SECTOR	REPLACEMENT BATTERY CARTRIDGE	-11.93
				REPLACEMENT BATTERY CARTRIDGE	-4.15
				Adobe	4,186.41
				Adobe	1,046.61
				Adobe	1,431.95
				Adobe	357.98
				Total for Check/Tran - 87149:	7,006.87
87150 1/18/24	CHK	444	LANO EQUIPMENT, INC	AIR FILTER - UNIT #58	100.68
87151 1/18/24	CHK	145	MENARDS	PARTS FOR UNIT #7	23.71
				CLEANING SUPPLIES	70.73
				CLEANING SUPPLIES	10.11
				MISC PARTS & SUPPLIES	24.32
				Total for Check/Tran - 87151:	128.87

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87152 1/18/24	CHK	9273	METERING & TECHNOLOGY SOLUTION	METER	757.43
87153 1/18/24	CHK	633	MUTUAL OF OMAHA	ELEC LIFE INSURANCE - JAN 2024	234.08
				LIFE, STD LTD INSURANCE - JAN 2024	2,601.89
				ELEC LIFE INSURANCE - JAN 2024	203.12
				LIFE, STD LTD INSURANCE - JAN 2024	517.85
Total for Check/Tran - 87153:					3,556.94
87154 1/18/24	CHK	120	NAPA AUTO PARTS	PARTS FOR UNIT #50	55.63
				PARTS FOR UNIT #58	29.71
Total for Check/Tran - 87154:					85.34
87155 1/18/24	CHK	3796	PRO-TEC DESIGN, INC	REPAIR DOOR STRIKE	746.16
				Security	2,391.71
				Securitu	142.50
				Security	186.48
				Secutity	12.69
				Security	1,581.25
				Security	225.89
Total for Check/Tran - 87155:					5,286.68
87156 1/18/24	CHK	8897	RALPHIE'S MINNOCO	RALPHIE'S MINNOCO	91.02
87157 1/18/24	CHK	3218	RDO EQUIPMENT CO.	PARTS FOR UNIT #56	1,557.99
				PARTS FOR UNIT #62	-28.11
				PARTS FOR UNIT #62	358.00
				PARTS FOR UNIT #56	2.56
				PARTS FOR UNIT #56	122.92
Total for Check/Tran - 87157:					2,013.36
87158 1/18/24	CHK	674	STAR ENERGY SERVICES LLC	PROFESSIONAL SERVICES - DEC 2023	500.00
87159 1/18/24	CHK	487	JOHN THOM	WATER SUPPLY CLASS - 162	175.00
				WATER SUPPLY SCHOOL - 191	175.00
				WATER SUPPLY CLASS - 174	175.00

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				WATER SUPPLY CLASS - 63	175.00
				WATER SUPPLY CLASS - 157	175.00
				Total for Check/Tran - 87159:	875.00
87160 1/18/24	CHK	4532	TRACTOR SUPPLY CREDIT PLAN	TRACTOR SUPPLY	520.26
87161 1/18/24	CHK	610	WRIGHT HENNEPIN COOPERATIVE ELESECURITY - 1435 & 1705 MAIN ST	SECURITY - 1435 & 1705 MAIN ST	279.19
					3.61
				Total for Check/Tran - 87161:	282.80
87162 1/25/24	CHK	328	1ST AYD CORPORATION	SHOP SUPPLIES	262.64
				SHOP SUPPLIES	76.24
				Total for Check/Tran - 87162:	338.88
87163 1/25/24	CHK	519	ALL STATE COMMUNICATIONS, INC	TERMINATED FIBER	1,830.40
				TERMINATED FIBER	261.48
				Total for Check/Tran - 87163:	2,091.88
87164 1/25/24	CHK	2	AMERICAN WATER WORKS ASSOC	AWWA MEMBERSHIP - 162	79.00
				AWWA MEMBERSHIP - 63	79.00
				Total for Check/Tran - 87164:	158.00
87165 1/25/24	CHK	7003	BURNDY LLC	Tool Repair	539.38
87166 1/25/24	CHK	8843	CAMPBELL KNUTSON	LEGAL SERVICES - DEC 2023	546.00
				LEGAL SERVICES - DEC 2023	136.50
				Total for Check/Tran - 87166:	682.50
87167 1/25/24	CHK	5592	CITY OF DAYTON	2023 QTR 4 FRANCHISE FEES	2,480.88
87168 1/25/24	CHK	11	CITY OF ELK RIVER	FRANCHISE FROM ASSESSMENTS - 2021	42.85
				FRANCHISE FROM ASSESSMENTS - 2022	135.44
				STORMWATER BILLED - DEC 2023	53,290.74
				SEWER BILLED - DEC 2023	220,767.44
				REVENUE TRANSFER - DEC 2023	98,037.79
				Total for Check/Tran - 87168:	372,274.26

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
87169 1/25/24	CHK	3498	CITY OF OTSEGO	2023 QTR 4 FRANCHISE FEES	17,213.96
87170 1/25/24	CHK	5478	COMLINK SOLUTIONS LLC	FIBER EXTENSION	4,200.88
				Materials	2,966.64
				Panel Splicing	1,000.00
				Pull Fiber	6,860.00
				Splice	1,000.00
				Testing	500.00
				Traffic	600.00
Total for Check/Tran - 87170:					17,127.52
87171 1/25/24	CHK	7448	CRC	CUSTOMER SERVICE FOR AFTER HOURS	2,213.98
				CUSTOMER SERVICE FOR AFTER HOURS	553.49
Total for Check/Tran - 87171:					2,767.47
87172 1/25/24	CHK	656	DGR ENGINEERING	PROFESSIONAL SERVICES - DEC 2023	3,223.00
87173 1/25/24	CHK	4459	DVS RENEWAL	TAB RENEWAL - UNIT #1	17.00
				TAB RENEWAL - UNIT #1	4.25
				TAB RENEWAL - UNIT #10	21.25
				TAB RENEWAL - UNIT #11	21.25
				TAB RENEWAL - UNIT #12	21.25
				TAB RENEWAL - UNIT #13	21.25
				TAB RENEWAL - UNIT #14	20.19
				TAB RENEWAL - UNIT #14	1.06
				TAB RENEWAL - UNIT #15	21.25
				TAB RENEWAL - UNIT #16	21.25
				TAB RENEWAL - UNIT #17	21.25
				TAB RENEWAL - UNIT #18	21.25
				TAB RENEWAL - UNIT #19	21.25
				TAB RENEWAL - UNIT #2	20.19
				TAB RENEWAL - UNIT #2	1.06
				TAB RENEWAL - UNIT #20	21.25

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				TAB RENEWAL - UNIT #21	21.25
				TAB RENEWAL - UNIT #22	21.25
				TAB RENEWAL - UNIT #23	21.25
				TAB RENEWAL - UNIT #24	21.25
				TAB RENEWAL - UNIT #25	21.25
				TAB RENEWAL - UNIT #26	21.25
				TAB RENEWAL - UNIT #28	21.25
				TAB RENEWAL - UNIT #29	21.25
				TAB RENEWAL - UNIT #3	21.25
				TAB RENEWAL - UNIT #30	21.25
				TAB RENEWAL - UNIT #31	21.25
				TAB RENEWAL - UNIT #33	20.19
				TAB RENEWAL - UNIT #33	1.06
				TAB RENEWAL - UNIT #34	21.25
				TAB RENEWAL - UNIT #35	20.19
				TAB RENEWAL - UNIT #35	1.06
				TAB RENEWAL - UNIT #36	20.19
				TAB RENEWAL - UNIT #36	1.06
				TAB RENEWAL - UNIT #37	17.00
				TAB RENEWAL - UNIT #37	4.25
				TAB RENEWAL - UNIT #38	281.25
				TAB RENEWAL - UNIT #5	21.25
				TAB RENEWAL - UNIT #6	20.19
				TAB RENEWAL - UNIT #6	1.06
				TAB RENEWAL - UNIT #7	21.25
				TAB RENEWAL - UNIT #8	21.25
				TAB RENEWAL - UNIT #9	21.25
				TAB RENEWAL - UNIT #39	21.25
				TAB RENEWAL - UNIT #40	21.25
				TAB RENEWAL - UNIT #41	21.25
				TAB RENEWAL - UNIT #42	21.25

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				TAB RENEWAL - UNIT #43	21.25
				TAB RENEWAL - UNIT #44	21.25
				TAB RENEWAL - UNIT #45	21.25
				TAB RENEWAL - UNIT #46	21.25
				TAB RENEWAL - UNIT #47	21.25
				TAB RENEWAL - UNIT #48	21.25
				TAB RENEWAL - UNIT #49	21.25
				TAB RENEWAL - UNIT #50	21.25
				TAB RENEWAL - UNIT #51	25.25
				TAB RENEWAL - UNIT #60	22.25
				TAB RENEWAL - UNIT #61	32.25
				TAB RENEWAL - UNIT #67	21.25
				TAB RENEWAL - UNIT #75	21.25
				TAB RENEWAL - UNIT #77	21.25
				Total for Check/Tran - 87173:	1,402.25
87174 1/25/24	CHK	9192	ELK RIVER CUB FOODS	SAFETY TRAINING SNACKS	58.69
				SAFETY TRAINING SNACKS	14.67
				Total for Check/Tran - 87174:	73.36
87175 1/25/24	CHK	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 1 - INV GRP 421 - DEC 2023	5,602.84
				CYCLE 1 - ACCT 183 - DEC 2023	1,795.02
				CYCLE 1 - INV GRP 101 - DEC 2023	3,644.91
				CYCLE 1 - INV GRP 101 - DEC 2023	84.11
				CYCLE 1 - INV GRP 101 - DEC 2023	625.78
				CYCLE 1 - INV GRP 101 - DEC 2023	596.59
				CYCLE 1 - INV GRP 101 - DEC 2023	156.45
				CYCLE 1 - INV GRP 325 - DEC 2023	375.00
				CYCLE 1 - INV GRP 325 - DEC 2023	15,858.95
				Total for Check/Tran - 87175:	28,739.65
87176 1/25/24	CHK	9997	TIM ELROD	Credit Balance Refund	330.89

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
87177 1/25/24	CHK	91	GOPHER STATE ONE-CALL	LOCATES FOR - DEC 2023	168.01
				LOCATES FOR - DEC 2023	8.84
Total for Check/Tran - 87177:					176.85
87178 1/25/24	CHK	80	GRAINGER	CUT OFF WHEEL & ADAPTER	-3.19
				CUT OFF WHEEL & ADAPTER	43.74
Total for Check/Tran - 87178:					40.55
87179 1/25/24	CHK	53	GREAT RIVER ENERGY	2023 Q4 CONNECTION SERVICES	1,875.00
87180 1/25/24	CHK	631	HEALTH PARTNERS	DENTAL EE - FEB 2024	827.90
				DENTAL ER - FEB 2024	2,254.87
				HEALTH EE - FEB 2024	9,763.70
				HEALTH ER - FEB 2024	53,342.80
				DENTAL EE - FEB 2024	106.80
				DENTAL ER - FEB 2024	549.24
				HEALTH EE - FEB 2024	2,216.30
				HEALTH ER - FEB 2024	13,187.93
Total for Check/Tran - 87180:					82,249.54
87181 1/25/24	CHK	824	HOME DEPOT CREDIT SERVICES	HOME DEPOT	191.18
				HOME DEPOT	267.29
Total for Check/Tran - 87181:					458.47
87182 1/25/24	CHK	9997	DAVE KIRCHOFF	Credit Balance Refund	17.91
87183 1/25/24	CHK	9997	LGI HOMES, MN	Credit Balance Refund	214.76
87184 1/25/24	CHK	9997	LGI HOMES, MN	Credit Balance Refund	166.47
87185 1/25/24	CHK	8605	MARCO TECHNOLOGIES, LLC	OFFICE 365 - 12/25 to 1/24/24	822.85
				OFFICE 365 - 12/25 to 1/24/24	211.13
Total for Check/Tran - 87185:					1,033.98
87186 1/25/24	CHK	8605	MARCO TECHNOLOGIES, LLC	PRINTER MTC CONTRACT - 1/1 to 2/1/24	308.09
				PRINTER MTC CONTRACT - 1/1 to 2/1/24	77.02

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
Total for Check/Tran - 87186:					385.11
87187 1/25/24	CHK	145	MENARDS	MISC PARTS & SUPPLIES	28.23
				RETURN FOR IN-STORE CREDIT	-16.62
				STAPLES	10.73
				MISC PARTS & SUPPLIES	12.30
				COTTER PIN - UNIT #56	0.82
				MISC PARTS & SUPPLIES	28.18
Total for Check/Tran - 87187:					63.64
87188 1/25/24	CHK	6053	MINNESOTA HIGHWAY SAFETY & RES	DRVER SAFETY-162 169 172 182 187 190 191	1,496.25
				DRVER SAFETY-162 169 172 182 187 190 191	708.75
Total for Check/Tran - 87188:					2,205.00
87189 1/25/24	CHK	39	MMUA	2024 MEMBER DUES	35,403.00
87190 1/25/24	CHK	633	MUTUAL OF OMAHA	ELEC LIFE INSURANCES - FEB 2024	234.08
				LIFE INSURANCES - FEB 2024	2,482.71
				ELEC LIFE INSURANCES - FEB 2024	203.12
				LIFE INSURANCES - FEB 2024	521.30
Total for Check/Tran - 87190:					3,441.21
87191 1/25/24	CHK	573	NCPERS MINNESOTA	EXTRA LIFE INSURANCE - FEB 2024	240.80
				EXTRA LIFE INSURANCE - FEB 2024	15.20
Total for Check/Tran - 87191:					256.00
87192 1/25/24	CHK	9300	NISC	PRINT SERVICES - DEC 2023	7,229.51
				PRINT SERVICES - DEC 2023	1,807.38
				MISC INVOICE - DEC 2023	9,056.90
				MISC INVOICE - DEC 2023	641.08
				MISC INVOICE - DEC 2023	354.49
				MISC INVOICE - DEC 2023	3,881.53
				MISC INVOICE - DEC 2023	167.35
				MISC INVOICE - DEC 2023	88.63

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				AGREEMENTS INVOICE - DEC 2023	53.93
				AGREEMENTS INVOICE - DEC 2023	10,937.53
				AGREEMENTS INVOICE - DEC 2023	220.00
				AGREEMENTS INVOICE - DEC 2023	2,445.96
				AGREEMENTS INVOICE - DEC 2023	55.00
				Total for Check/Tran - 87192:	36,939.29
87193 1/25/24	CHK	9997	JUDITH PARSONS	Credit Balance Refund	175.00
87194 1/25/24	CHK	5056	PLAISTED COMPANIES, INC.	CRUSHED CONCRETE	303.81
87195 1/25/24	CHK	5225	QUESTLINE	KEY ACCOUNTS NEWSLETTERS	9,285.20
87196 1/25/24	CHK	130	RESCO	ARRESTER	6,730.00
				ARRESTER	1,522.75
				Discount	-4.13
				Total for Check/Tran - 87196:	8,248.62
87197 1/25/24	CHK	6575	ROGERS PRINTING AND PROMOTIONA	ENVELOPES - Q MARKET RESEARCH	245.10
				ENVELOPES - Q MARKET RESEARCH	61.27
				Total for Check/Tran - 87197:	306.37
87198 1/25/24	CHK	603	ROYAL SUPPLY INC	TIDE PODS	-7.56
				TIDE PODS	103.56
				TIDE PODS	-1.89
				TIDE PODS	25.89
				Total for Check/Tran - 87198:	120.00
87199 1/25/24	CHK	9997	TALL PINES 2 LLC	Credit Balance Refund	230.51
87200 1/25/24	CHK	3360	THE UPS STORE 5093	SHIPPING	95.63
87201 1/25/24	CHK	8948	TRYCO LEASING INC.	LEASE FOR COPIER AT PLANT	85.49
				LEASE FOR COPIER AT PLANT	21.37
				Total for Check/Tran - 87201:	106.86

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
87202 1/25/24	CHK	687	UTILITY LOGIC	CONNECTION LEAD	103.72
87203 1/25/24	CHK	628	VICTORY CLEANING SERVICES, LLC	CLEANING 1435 MAIN ST - DEC 2023	2,690.14
				CLEANING 1435 MAIN ST - DEC 2023	384.30
				CLEANING 1705 MAIN ST - DEC 2023	188.78
				CLEANING 1705 MAIN ST - DEC 2023	26.97
Total for Check/Tran - 87203:					3,290.19
87204 1/25/24	CHK	429	WALMAN OPTICAL	SAFETY GLASSES - 152	-33.90
				SAFETY GLASSES - 152	464.25
				SAFETY GLASSES - 152	-1.78
				SAFETY GLASSES - 152	24.43
				SAFETY GLASSES - 149	-34.64
				SAFETY GLASSES - 149	474.49
				SAFETY GLASSES - 149	-1.83
				SAFETY GLASSES - 149	24.98
Total for Check/Tran - 87204:					916.00
87205 1/25/24	CHK	55	WESCO RECEIVABLES CORP.	MISC PARTS & SUPPLIES	732.00
Total for Bank Account - 5 :					(215) 3,857,327.78
Grand Total :					(217) 3,868,070.28

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PARAMETERS ENTERED:**Check Date:** 01/01/2024 To 01/31/2024**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**

January 9, 2024

Members Present: Chair John Dietz, Vice Chair Mary Stewart, Commissioners Matt Westgaard,
Present via Zoom: Commissioner Paul Bell participated in the meeting via interactive television
as he was out of the state at the time of the meeting.

Members Absent: Nick Zerwas

ERMU Staff Present: Mark Hanson, General Manager
Sara Youngs, Administrations Director
Melissa Karpinski, Finance Manager
Tony Mauren, Governance & Communications Manager
Tom Geiser, Operations Director
Chris Sumstad, Electric Superintendent
Dave Ninow, Water Superintendent
Chris Kerzman, Engineering Manager
Jenny Foss, Communications & Administrative Coordinator

Others Present: Jared Shepherd, Attorney

1.0 GOVERNANCE

1.1 Call Meeting to Order

Chair Dietz noted the absence of Commissioner Zerwas.

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

1.2 Pledge of Allegiance

The Pledge of Allegiance was recited.

1.3 Consider the Agenda

Chair Dietz highlighted that item 5.3 Transmission Investment Opportunity had been added to the packet on Monday.

Moved by Commissioner Westgaard and seconded by Commissioner Stewart to approve the January 9, 2024, agenda. Motion carried 4-0

2.0 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 – December 2023

Elk River Municipal Utilities Commission Meeting Minutes

January 9, 2024

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2.2 Regular Meeting Minutes – December 12, 2023

Motion carried 4-0.

3.0 OPEN FORUM

No one appeared for open forum.

4.0 POLICY & COMPLIANCE

4.1 Annual Review of Committee Charters

Mr. Mauren presented the annual review of committee charters noting changes made in 2023. He went on to explain that legal staff had provided additional language to clarify the open status of committee meetings. To the last sentence in the Role of the Committee Chair section in the Wage & Benefit, Financial Reserves & Investment, and Information Security charters, the clause "...and in accordance with the Open Meeting Law" was to be added. Mr. Mauren added legal staff's guidance that closing a meeting does not come at the chair's discretion but from an affirmative vote.

Mr. Shepherd confirmed that he would provide direction to the Commission when it was allowable to close a committee meeting.

Mr. Hanson provided simplified language that the last sentence could read "Committee meetings may be open or closed in accordance with Open Meeting Law."

Mr. Shepherd approved of that change.

Moved by Commissioner Westgaard and seconded by Commissioner Stewart to approve updates to the Wage & Benefit, Financial Reserves & Investment, and Information Security Committees' charters per legal staff's recommendation. Motion carried 4-0.

5.0 BUSINESS ACTION

5.1 Financial Report – November 2023

Ms. Karpinski presented the financial report for November 2023. She noted that the electric department overall is ahead of prior year and favorable to budget year-to-date mainly due to rate increases, no longer absorbing the initial \$500,000 in Energy Clause Adjustments (EAC), and the EAC being less than prior year and budget. Ms. Karpinski continued that the water department is behind prior year-to-date but favorable to budget, which is caused by a reduced amount in the connection fees line but a 20 percent increase in usage.

There was discussion about projections for the December budget numbers, noting favorable profit levels.

Ms. Karpinski explained that she and Mr. Hanson had opted not to charge a Power Cost Adjustment (PCA) to customers in December to stay in line with ERMU's Margins policy. She continued that ERMU was charged \$531,000 in adjustments for December by its power provider, Minnesota Municipal Power Agency (MMPA). It was explained that approximately half of the PCA is built into ERMU's rates.

Moved by Commissioner Stewart and seconded by Commissioner Westgaard to receive the November 2023 Financial Report. Motion carried 4-0.

5.2 ERMU Clothing Allowance Update

Mr. Hanson presented the ERMU clothing allowance update following the Commission recommendation at the November meeting that staff review potentially increasing the annual \$75 clothing allowance for non-field staff and the Commission. He added that \$75 has been the allowed amount since August of 2014. Mr. Hanson explained that upon reviewing multiple years of orders, the average expense paid by staff beyond the allowance was about \$22.50. Mr. Hanson went on to clarify that the average was brought down by the fact that some staff do not spend more than the allowance or barely exceed it, while people buying an additional item typically spend \$35-\$40, which is how staff selected the proposed total of \$120.

Chair Dietz asked if the office staff have uniforms.

Staff responded that they do not.

Moved by Commissioner Bell and seconded by Commissioner Westgaard to approve the new clothing allowance amount of \$120. Motion carried 4-0.

5.3 Transmission Investment Opportunity

Mr. Hanson presented an investment opportunity with the transmission project that ERMU participates in through a partnership with Central Minnesota Power Agency/Services (CMPAS). In August 2023, the CapX2020 Brookings Owners submitted applications to the Minnesota Public Utilities Commission to install separate 345 kV circuits on double-circuit-capable structures. In anticipation of cash requirements related to projects, CMPAS would like to have commitments from current participants totaling \$2 million in additional funds. As ERMU is an 18.89 percent owner of the project, its portion would be about \$378,000. Mr. Hanson explained that CMPAS does not require funds to be deposited in the CMPAS account immediately, but to be readily available and transferred to CMPAS within 3 to 5 days upon request. Mr. Hanson also explained that he is looking for the Commission to provide a cap on the amount of money they are willing to make available for the investment as some of participants may not wish to pursue this opportunity which would increase the shares for the remaining participants. Mr. Hanson recommended the Commission consider a cap of \$500,000.

Ms. Stewart shared her opinion that this project is an excellent opportunity for smaller agencies like ERMU to participate in transmission investment.

Chair Dietz asked what ERMU's original investment into the project was.

Mr. Hanson explained that ERMU was not required to invest actual dollars into this specific transmission project, rather it committed to contributing dollars if needed, likening the arrangement to cosigning on a loan, while ERMU does earn revenue.

Chair Dietz asked how many communities are involved in the project.

Mr. Hanson shared there are 15 communities involved and added CMPAS's projection that all participating communities will commit to the project.

In responding to a question from Chair Dietz, Mr. Hanson explained that any money that needs to be paid will come from electric reserves.

Commissioner Westgaard clarified that it was indeed electric unrestricted reserves, and asked if staff felt having to pay could impact capital projects.

Ms. Karpinski shared that she didn't think it would create any issues.

Mr. Hanson added that with final budget numbers for 2023 coming, staff expects to need a smaller interfund loan for the Advanced Metering Infrastructure (AMI) project.

Chair Dietz asked staff the amount of interest ERMU has earned to date.

Mr. Hanson responded slightly over 10%.

Commissioner Stewart added that state mandates will likely increase the need for transmission going forward.

There was discussion.

Moved by Commissioner Stewart and seconded by Commissioner Westgaard to approve the transmission investment opportunity and to authorize up to and not to exceed \$500,000. Motion carried 4-0.

6.0 BUSINESS DISCUSSION

6.1 Staff Updates

Chair Dietz congratulated Mr. Hanson on being appointed as secretary for MMPA's board of directors.

6.2 **City Council Update**

Commissioner Westgaard provided an update from the City Council on topics including a cannabis manufacturing ordinance, zone changes, and park dedication fees. Chair Dietz noted changes to home occupation ordinances.

6.3 **Future Planning**

Chair Dietz announced the following:

- a. Regular Commission Meeting – February 13, 2024
- b. 2024 Governance Agenda

6.5 **Other Business**

Mr. Mauren notified the Commission that its annual orientation will be held prior to the March meeting and consist of a presentation from Frontier Energy on the updates to ERMU's Conservation Improvement Program.

Chair Dietz requested an update on the AMI project.

Mr. Hanson shared that staff selected an endpoint meter installation company and is working with them on establishing agreements. He added that staff is monitoring meter delivery for potential supply chain issues due to backlog. Currently ERMU has a commitment for the first 1,000 meters.

There was discussion about AMI capabilities and alternative metering options.

7.0 **ADJOURN REGULAR MEETING**

Moved by Commissioner Westgaard and seconded by Commissioner Stewart to adjourn the regular meeting of the Elk River Municipal Utilities Commission at 4:06 p.m. Motion carried 4-0.

Minutes prepared by Tony Mauren.

John J. Dietz, ERMU Commission Chair

Tina Allard, City Clerk

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

January 29, 2024

Members Present: Chair John Dietz, Vice Chair Mary Stewart, and Commissioner Matt Westgaard

Present via Zoom: Commissioner Paul Bell participated in the meeting via interactive television as he was out of the state at the time of the meeting.

Members Not Present: Nick Zerwas

ERMU Staff Present: Mark Hanson, General Manager
Tony Mauren, Governance & Communications Manager
Megan Zachman, HR Generalist

1.0 CALL MEETING TO ORDER

The special meeting of the Utilities Commission was called to order at 8:32 a.m. by Chair Dietz.

2.0 BUSINESS ACTION

2.1 2024 Pay Equity Report Filing

Mr. Hanson passed out a revised memo and revised report documents.

Mr. Hanson thanked the commissioners for appearing for a special meeting to approve the Pay Equity Report Filing, which is filed every three years to help ensure that male and female employees are fairly compensated for comparable work, within the deadline mandated by the state. He added that Commissioner Stewart noted an error in the original documents that made it necessary to create the revised versions. She noticed that the communications & administrative coordinator was listed as being filled by a male but was a female staff member. Mr. Hanson shared that this correction improved the results for ERMU. He also noted that there was a change to show the correct number of lineworkers (5) and lead lineworkers (4), as those numbers had previously been reversed. Mr. Hanson stated that the revised Underpayment Ratio is 167.39 an increased and improved score. He added that the T-test score of -0.041 was also positive and showed that ERMU is in compliance by both metrics.

Chair Dietz asked if staff monitors the data annually or just every three years as mandated by the state.

Ms. Zachman responded that going forward staff will test results every year to ensure compliance. There was discussion.

Commissioner Stewart followed up on a question she had about how the departure of the conservation & key accounts staff member in 2023 impacted results.

Mr. Hanson explained that if a position is not intended to be filled, as staff intends to change the role from a manager to a coordinator, it must be removed from the list by December 31. He explained that staff had removed it on January 1, so it was included. There was discussion.

There was discussion about how staff identifying as nonbinary were considered. Staff said they would research the matter.

Moved by Commissioner Westgaard and seconded by Commissioner Stewart to approve the 2024 Pay Equity Report Filing. Motion carried 4-0

3.0 ADJOURNMENT

There being no further business, Chair Dietz adjourned the special meeting of the Utilities Commission at 8:40 a.m.

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: February 13, 2024	AGENDA ITEM NUMBER: 2.4
SUBJECT: Committee Charter Updates	
ACTION REQUESTED: Approve updated committee charter language.	

BACKGROUND/DISCUSSION:

At the January 2024 meeting, the Commission performed its annual reviews of its committee charters. During discussion it was recommended and approved to update the language to state that “Committee Meetings may be open or closed in accordance with Open Meeting Law.”

At the time of the meeting the Dispute Resolution Committee Charter was not incorporated in that update under the assumption that disputes related to account information would be classified as private or nonpublic and therefore automatically be closed. Advice from legal staff is to make the language consistent across all charters.

Attached is the updated Dispute Resolution Committee Charter with two redline edits stating, “For qualifying customer disputes, the Committee will provide: ~~a formal~~ an informal hearing in ~~a closed meeting~~ accordance with Open Meeting Law allowing the customers to communicate the concern...”

ATTACHMENTS:

- Updated ERMU Policy - G.2g4 - Dispute Resolution Committee Charter

COMMISSION POLICY

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

PURPOSE:

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

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

MEMBERSHIP:

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

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

ROLE OF THE COMMITTEE CHAIR:

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

special rules of order that the Commission may adopt.

AUTHORITY:

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

SPECIFIC DUTIES:

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

SCHEDULE:

The Committee shall meet on an as-needed basis.

TERMINATION:

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

POLICY HISTORY:

Adopted	January 12, 2021
Revised	February 14, 2023
Revised	February 13, 2024

TO: ERMU Commission	FROM: Sara Youngs – Administrations Director
MEETING DATE: February 13, 2024	AGENDA ITEM NUMBER: 2.5
SUBJECT: Distributed Energy Resources and Net Metering Rules	
ACTION REQUESTED: Resolution 24-11 – Adopt by resolution the ERMU Rules Governing the Interconnection of Cogeneration and Small Power Production Facilities	

BACKGROUND:

Every municipal electric utility in Minnesota must have rules for governing the interconnection of cogeneration and small power production facilities to fulfill the requirements of Minnesota Statutes, Section 216B.1611 subd. 3. Included in the rules are requirements pertaining to the required tariffs, and processes for the interconnection of cogeneration and small power production facilities, also known as Distributed Energy Resources (DER). The rules established will reflect the expectations and obligations for both the municipal utility and customers who seek to interconnect their own electric generation facilities with the distribution system.

On February 9, 2022, the Minnesota Municipal Utilities Association’s Board of Directors recognized and agreed to host Minnesota Municipal Interconnection Process (M-MIP) 2022 booklets, forms, and agreement templates on its website so municipal electric utilities across the state can adopt a distributed generation tariff that is compliant with Minnesota Public Utilities Commission requirements, as required by statute. In addition, the documents will promote consistency and transparency for all municipal utilities and retail customers interconnecting with the distribution system.

On May 10, 2022, the commission adopted resolution 22-7 Rules Governing the Interconnection of Cogeneration and Small Power Production Facilities.

DISCUSSION: To allow for consistency with M-MIP 2022 booklets, forms, and agreement templates the changes proposed in the rules reflect consistent naming of the cogeneration and small power production schedules. Schedules 1 and 2 of tariff rates are filed annually in the first quarter of each year.

ATTACHMENTS:

- Redline - Rules Governing the Interconnection of Cogeneration and Small Power Production Facilities
- Resolution No. 24-1 - ERMU Rules Governing the Interconnection of Cogeneration and Small Power Production Facilities

Rules
Governing the Interconnection of
Cogeneration and Small Power Production Facilities
with
Elk River Municipal Utilities

Part A. DEFINITIONS

Subpart 1. Applicability. For purposes of these rules, the following terms have the meanings given them below.

Subp. 2. Average retail utility energy rate. "Average retail utility energy rate" means, for any class of utility customer, the quotient of the total annual class revenue from sales of electricity minus the annual revenue resulting from fixed charges, divided by the annual class kilowatt-hour sales. For purposes of determining the "average retail utility energy rate," the utility may consider a retail demand rate as a fixed charge and may exclude such annual revenue from the calculation. The computation shall use data from the most recent 12- month period available.

Subp. 3. Backup power. "Backup power" means electric energy or capacity supplied by the utility to replace energy ordinarily generated by a qualifying facility's own generation equipment during an unscheduled outage of the facility.

Subp. 4. Capacity. "Capacity" means the capability to produce, transmit, or deliver electric energy and is determined using the aggregate nameplate ratings of all qualifying systems located on the customer side of the point of common coupling. The nameplate ratings of each qualifying system are the maximum alternating current capacity values at the point of DER coupling that could be measured in a 15-minute interval period.

Subp. 5. Capacity costs. "Capacity costs" means the costs associated with providing the capability to deliver energy. The utility's capacity costs consist of the capital costs of facilities from the utility and the utility's wholesale provider used to generate, transmit, and distribute electricity and the fixed operating and maintenance costs of these facilities.

Subp. 6. Customer. "Customer" means the person or entity named on the utility electric bill for the premises.

Subp. 7. Energy. "Energy" means electric energy, measured in kilowatt-hours.

Subp. 8. Energy costs. "Energy costs" means the variable costs associated with the production of electric energy. They consist of fuel costs and variable operating and maintenance expenses.

Subp. 9. Firm power. "Firm power" means energy delivered by the qualifying facility to the utility with at least a 65 percent on-peak capacity factor in the month. The capacity factor is based upon the qualifying facility's maximum metered capacity delivered to the utility during the on-peak hours for the month.

Subp. 10. Governing body. "Governing body" means Elk River Municipal Utilities Commission.

Subp. 11. Interconnection costs. "Interconnection costs" means the reasonable costs of connecting, switching, metering, transmission, distribution, safety provisions, and administrative costs incurred by the utility that are directly related to installing and maintaining the physical facilities necessary to permit interconnected operations with a qualifying facility. Costs are considered interconnection costs only to the extent that they exceed the costs the utility would incur in selling electricity to the customer as a non-generating customer.

Subp. 12. Interruptible power. "Interruptible power" means electric energy or capacity supplied by

the utility to a customer subject to interruption under the provisions of the utility's tariff applicable to the retail class of customers to which the customer would belong irrespective of their ability to generate electricity.

Subp. 13. Maintenance power. "Maintenance power" means electric energy or capacity supplied by the utility during scheduled outages of a qualifying facility.

Subp. 14. On-peak hours. "On-peak hours" means either those hours formally designated by the utility as on-peak for ratemaking purposes or those hours for which its typical loads are at least 85 percent of its average maximum monthly loads.

Subp. 15. Point of common coupling. "Point of common coupling" means the point where a qualifying facility's generation system, including the point of generator output, is connected to the utility's electric power grid.

Subp. 16. Point of distributed energy resource connection. "Point of distributed energy resource connection" means the point where a qualifying facility's generation system, including the point of generator output, is connected to the customer's electric system and meets the current definition of IEEE 1547.

Subp. 17. Purchase. "Purchase" means the purchase by the utility of electric energy or capacity or both from a customer with a qualifying facility.

Subp. 18. Qualifying facility. "Qualifying facility" means a cogeneration or small power production facility which satisfies the conditions established in Code of Federal Regulations, title 18, part 292. The initial operation date or initial installation date of a cogeneration or small power production facility must not prevent the facility from being considered a qualifying facility for the purposes of this chapter if it otherwise satisfies all stated conditions.

Subp. 19. Sale. "Sale" means the sale of electric energy or capacity or both by the utility to a customer with a qualifying facility.

Subp. 20a. Standby charge. "Standby charge" means the charge imposed by the utility upon a customer with a qualifying facility for the recovery of costs for the provision of standby services necessary to make electricity service available to the customer.

Subp. 20b. Standby service. "Standby service" means supplemental or backup electric service or power provided by the utility that provides reliability to customers who generate all or a portion of their electricity needs from a qualifying facility greater than 40 kW when the customer's own ability to generate will not be sufficient to meet the customer's need while the customer remains connected to the distribution system.

Subp. 21. Supplementary power. "Supplementary power" means electric energy or capacity supplied by the utility which is regularly used by a customer with a qualifying facility in addition to that which the facility generates itself.

Subp. 22. System emergency. "System emergency" means a condition on the utility's system which is imminently likely to result in significant disruption of service to customers or to endanger life or property.

Subp. 23. Utility. “Utility” means Elk River Municipal Utilities.

Part B. SCOPE AND PURPOSE

The purpose of these rules is to implement certain provisions of Minnesota Statutes Section 216B.164; the Public Utility Regulatory Policies Act of 1978, United States Code, title 16, §824a-3; and the Federal Energy Regulatory Commission regulations, Code of Federal Regulations, title 18, part 292. These rules shall be applied in accordance with their intent to give the maximum possible encouragement to cogeneration and small power production consistent with protection of the utility’s ratepayers and the public.

Part C. FILING REQUIREMENTS

The utility shall file for review and approval by the governing body, a cogeneration and small power production tariff containing schedules 1 – 3 and shall thereafter file annual updates of schedules 1 and 2 in the first quarter of the year. Schedule 3’s contents shall remain the standing guidance unless and until the utility files changes.

SCHEDULE 1.

Schedule 1 shall contain the calculation of the average retail utility energy rates for each utility customer class.

SCHEDULE 2.

Schedule 2 shall contain the rates at which the utility purchases energy and capacity. If the utility has more than one wholesale supplier, schedule 2 shall contain the rates of that supplier from which purchases may first be avoided.

SCHEDULE 3.

Schedule 3 shall contain or indicate by reference to a publicly available document the utility's interconnection process, or “distributed generation tariff” adopted in compliance with Minnesota Statutes Section 216B.1611, subd. 3(2), including standard contract forms to be used with customers interconnecting qualifying facilities as well as general technical interconnection and interoperability requirements.

The utility shall also adopt technical specifications with utility-specific safety standards, technical requirements for distributed energy resource systems, required operating procedures for interconnected operations, and the functions to be performed by any control and protective apparatus.

Part D. AVAILABILITY OF FILINGS

All filings shall be maintained at the utility's general office and any other offices of the utility where rate tariffs are kept. The filings shall be made available for public inspection during normal business hours. The utility shall supply the current year’s distributed generation rates, interconnection procedures and application form on the utility website, if practicable, or at the utility office.

Part E. REPORTING REQUIREMENTS

The utility shall report to the governing body for its review and approval an annual report including information in subparts 1-3. The utility shall also comply with other federal and state reporting of distributed generation to federal and state agencies expressly required by statute.

Subpart 1. Summary of average retail utility energy rate. A summary of the qualifying facilities that are currently served under average retail utility energy rate.

Subp. 2. Other qualifying facilities. A summary of the qualifying facilities that are not currently served under average retail utility energy rate.

Subp. 3. Wheeling. A summary of the wheeling undertaken with respect to qualifying facilities.

Part F. PURCHASE AND CONTRACT REQUIREMENTS

Subpart 1. Requirement to purchase. The utility shall purchase energy and capacity from any customer who offer to sell energy and capacity from a qualifying facility to the utility and agrees to the conditions in these rules.

Subp. 2. Written contract. A written contract shall be executed between a customer seeking to interconnect a qualifying facility and the utility.

Part G. EXCLUSIVE SERVICE RIGHT RETAINED

The utility reserves its right to be the exclusive provider of electric service to all present and future customers in its service area as provided for in Minnesota Statutes, Sections 216B.40-44. The utility, therefore, refuses permission to interconnect or to continue to purchase energy produced from a facility not owned or leased at a fixed periodic payment amount by the electric utility account holder for the premise upon which the facility is located, unless that right is explicitly waived in writing by the utility for the specified facility.

Part H. ELECTRICAL CODE COMPLIANCE

Subpart 1. Compliance; standards. The interconnection between the qualifying facility and the utility must comply with the requirements in the most recently published edition of the National Electrical Safety Code issued by the Institute of Electrical and Electronics Engineers. The interconnection is subject to subparts 2 and 3.

Subp. 2. Interconnection. A customer with a qualifying facility is responsible for complying with all applicable local, state, and federal codes, including building codes, the National Electrical Code (NEC), the National Electrical Safety Code (NESC), and noise and emissions standards. The utility shall require proof that the qualifying facility is in compliance with the NEC before the interconnection is made. The customer seeking to interconnect a qualifying facility must obtain installation approval from an electrical inspector recognized by the Minnesota State Board of Electricity.

Subp. 3. Generation system. A qualifying facility's generation system and installation must comply with the American National Standards Institute/Institute of Electrical and Electronics Engineers (ANSI/IEEE) standards applicable to the installation.

Part I. RESPONSIBILITY FOR APPARATUS

A customer seeking to interconnect a qualifying facility, without cost to the utility, must furnish, install, operate, and maintain in good order and repair any apparatus the qualifying facility needs in order to operate in accordance with schedule 3.

Part J. TYPES OF POWER TO BE OFFERED; STANDBY SERVICE

Subpart 1. Service to be offered. The utility shall offer maintenance, interruptible, supplementary, and backup power to a customer seeking to interconnect a qualifying facility upon request.

Subp. 2. Standby service. The utility shall offer a customer seeking to interconnect a qualifying facility standby power or service at the utility's applicable standby rate schedule.

Part K. DISCONTINUING SALES DURING EMERGENCY

The utility may discontinue sales to a customer with an interconnected qualifying facility during a system emergency if the discontinuance and recommencement of service is not discriminatory.

Part L. RATES FOR UTILITY SALES TO A CUSTOMER WITH AN INTERCONNECTED QUALIFYING FACILITY

Rates for sales to a customer with a qualifying facility are governed by the applicable tariff for the class of electric utility customers to which the customer belongs or would belong were they not a customer with an interconnected qualifying facility. Such rates are not guaranteed and may change from time to time at the discretion of the utility.

Part M. STANDARD RATES FOR PURCHASES FROM QUALIFYING FACILITIES

Subpart 1. Qualifying facilities with 100-kilowatt capacity or less. For qualifying facilities with capacity of 100 kilowatts or less, standard purchase rates apply. The utility shall make available four types of standard rates, described in parts M, N, O, and P. A customer interconnecting a qualifying facility with a capacity of 100 kilowatts or less must choose interconnection under one of these rates, and must specify their choice in the written contract required in part V. Any net credit to a customer for their qualifying facility must, at their option, be credited to their account with the utility or returned by check or comparable electronic payment service within 15 days of the billing date. The option chosen must be specified in the written contract required in part V. A customer with an interconnected qualifying facility remains responsible for any monthly service charges and demand charges specified in the tariff under which they consume electricity from the utility.

Subp. 2. Qualifying facilities over 100-kilowatt capacity. A customer interconnecting a qualifying facility with more than 100-kilowatt capacity has the option to negotiate a contract with the utility or, if they commit to provide firm power, be compensated under standard rates.

Subp. 3. Grid access charge. A customer with an interconnected qualifying facility shall be assessed a monthly grid access charge to recover the fixed costs not already paid by the customer through the customer's existing billing arrangement. The additional charge shall be reasonable and appropriate for the class of customer based on the most recent cost of service study defining the grid access charge. The cost-of-service study for the grid access charge shall be made available for review by the customer of the utility upon request.

Part N. AVERAGE RETAIL UTILITY ENERGY RATE

Subpart 1. Applicability. The average retail utility energy rate is available only to customers

interconnecting qualifying facilities with capacity of less than 40 kilowatts who choose not to offer electric power for sale on either a time-of-day basis, a simultaneous purchase and sale basis or roll-over credit basis.

Subp. 2. Method of billing. The utility shall bill the customer with an interconnected qualifying facility for the excess of energy supplied by the utility above energy supplied by the qualifying facility during each billing period according to the utility's applicable retail rate schedule.

Subp. 3. Additional calculations for billing. When the energy generated by the qualifying facility exceeds that supplied by the utility to the customer at the same site during the same billing period, the utility shall compensate the customer for the excess energy at the average retail utility energy rate.

Part O. SIMULTANEOUS PURCHASE AND SALE BILLING RATE

Subpart 1. Applicability. The simultaneous purchase and sale rate is available only to customers with qualifying facilities with capacity of less than 40 kilowatts who choose not to offer electric power for sale on average retail utility energy rate basis, time-of-day basis or roll-over credit basis.

Subp. 2. Method of billing. A customer with a qualifying facility must be billed for all energy and capacity they consume during a billing period according to the utility's applicable retail rate schedule.

Subp. 3. Compensation to a customer with a qualifying facility; energy purchase. The utility shall purchase all energy which is made available to it by the qualifying facility. At the option of the customer, the qualifying facility's entire generation may be deemed to be made available to the utility. Compensation to the customer must be the energy rate shown on schedule 4 2.

Subp. 4. Compensation to a customer with a qualifying facility; capacity purchase. If a customer with a qualifying facility provides firm power to the utility, the capacity component must be the utility's net annual avoided capacity cost per kilowatt-hour averaged over all hours shown on schedule 4 2, divided by the number of hours in the billing period. If the qualifying facility does not provide firm power to the utility, no capacity component may be included in the compensation paid to the customer.

Part P. TIME-OF-DAY PURCHASE RATES

Subpart 1. Applicability. Time-of-day rates are required for customers interconnecting qualifying facilities with capacity of 40 kilowatts or more and less than or equal to 100 kilowatts, and they are optional for customers interconnecting qualifying facilities with capacity less than 40 kilowatts. Time-of-day rates are also optional for customers interconnecting qualifying facilities with capacity greater than 100 kilowatts if these qualifying facilities provide firm power.

Subp. 2. Method of billing. The interconnecting customer must be billed for all energy and capacity they consume during each billing period according to the utility's applicable retail rate schedule.

Subp. 3. Compensation to qualifying facility; energy purchases. The utility shall purchase all energy which is made available to it by the qualifying facility. Compensation to the interconnecting

customer must be the energy rate shown on schedule 4 2.

Subp. 4. Compensation to qualifying facility; capacity purchases. If the qualifying facility provides firm power to the utility, the capacity component must be the capacity cost per kilowatt shown on schedule 4 2 divided by the number of on-peak hours in the billing period. The capacity component applies only to deliveries during on-peak hours. If the qualifying facility does not provide firm power to the utility, no capacity component may be included in the compensation paid to the interconnecting customer.

Part Q. ROLL-OVER CREDIT PURCHASE RATES

Subpart 1. Applicability. The roll-over credit rate is available only to interconnecting customers with qualifying facilities with capacity of less than 40 kilowatts who choose not to offer electric power for sale on average retail utility energy rate basis, time-of-day basis or simultaneous purchase and sale basis.

Subp. 2. Method of billing. The utility shall bill the interconnecting customer for the excess of energy supplied by the utility above energy supplied by the qualifying facility during each billing period according to the utility's applicable retail rate schedule.

Subp. 3. Additional calculations for billing. When the energy generated by the qualifying facility exceeds that supplied by the utility during a billing period, the utility shall apply the excess kilowatt hours as a credit to the next billing period kilowatt hour usage. Excess kilowatt hours that are not offset in the next billing period shall continue to be rolled over to the next consecutive billing period. Any excess kilowatt hours rolled over that are remaining at the end of each calendar year shall cancel with no additional compensation.

Part R. CONTRACTS NEGOTIATED BY CUSTOMER

An interconnecting customer with a qualifying facility with capacity greater than 100 kilowatts must negotiate a contract with the utility setting the applicable rates for payments to the customer of avoided capacity and energy costs.

Subpart 1. Amount of capacity payments. The interconnecting customer who negotiates a contract under part Q must be entitled to the full avoided capacity costs of the utility. The amount of capacity payments will be determined by the utility and the utility's wholesale power provider.

Subp. 2. Full avoided energy costs. The interconnecting customer who negotiates a contract under part Q must be entitled to the full avoided energy costs of the utility. The costs must be adjusted as appropriate to reflect line losses.

Part S. WHEELING

Interconnecting customers with qualifying facilities with capacity of 30 kilowatts or greater that are interconnected to the utility's distribution system who choose to sell the output of the qualifying facility to any other utility, must pay any appropriate wheeling charges to the utility. Within 15 days of receiving payment from the utility ultimately receiving the qualifying facility's output, the utility shall pay the interconnecting customer the payment less the charges it has incurred and its own reasonable wheeling costs.

Part T. NOTIFICATION TO CUSTOMERS

Subpart 1. Contents of written notice. Following each annual review and approval by the utility of the cogeneration rate tariffs the utility shall furnish in the monthly newsletter or similar mailing, written notice to each of its customers that the utility is obligated to interconnect with and purchase electricity from cogenerators and small power producers.

Subp. 2. Availability of information. The utility shall make available to all interested persons upon request, the interconnection process and requirements adopted by the utility, pertinent rate schedules and sample contractual agreements.

Part U. DISPUTE RESOLUTION

In case of a dispute between a utility and a customer interconnecting a qualifying facility or an impasse in negotiations between them, either party may petition the governing body to determine the issue.

Part V. INTERCONNECTION CONTRACTS

Subpart 1. Interconnection standards. The utility shall provide a customer applying for interconnection with a copy of, or electronic link to, the utility's adopted interconnection process and requirements.

Subp. 2. Existing contracts. Any existing interconnection contract executed between the utility and a customer interconnecting a qualifying facility with capacity of less than 40 kilowatts remains in force until terminated by mutual agreement of the parties or as otherwise specified in the contract. The governing body has assumed all dispute responsibilities as listed in existing interconnection contracts. Disputes are resolved in accordance with Part T.

Subp. 3. Renewable energy credits; ownership. Generators own all renewable energy credits unless other ownership is expressly provided for by a contract between a generator and the utility.

Part W. UNIFORM CONTRACT

The form for uniform contract form shown in subpart 1 shall be used between the utility and a qualifying facility having less than 40 kilowatts of capacity.

Subpart 1. Uniform Contract for Cogeneration and Small Power Production Facilities. (See attached contract form.)

UNIFORM CONTRACT FOR COGENERATION AND SMALL POWER PRODUCTION FACILITIES

THIS CONTRACT is entered into _____, ____, by Elk River Municipal
Utilities, a municipal utility under Minnesota law, (hereafter called "Utility") and
_____ (hereafter called "Customer").

RECITALS

The Customer has installed electric generating facilities, consisting of
_____ (Description of facilities),
rated at _____ kilowatts AC of electricity, on property located at
_____.

The Customer is an electric service recipient named on a service account of the Utility.

The Customer is prepared to generate electricity in parallel with the Utility.

The Customer's electric generating facilities meet the requirements of the Rules
Governing Cogeneration and Small Power Production Facilities adopted by the Utility and
any technical standards for interconnection the Utility has established that are authorized
by those rules.

The Utility is obligated under federal and Minnesota law to accommodate interconnection
with the Customer's facilities and to purchase electricity offered for sale by the Customer
from those facilities.

A contract between the Customer and the Utility is required for operation of facilities
interconnected with the Utility system.

AGREEMENTS

The Customer and the Utility agree:

1. The Utility will sell electricity to the Customer under the rate schedule in force for
the class of customer to which the Customer belongs.
2. The Utility will buy electricity from the Customer under the current rate schedule
filed with the city council or city-appointed governing body of the Utility. The
Customer elects the rate schedule category hereinafter indicated:

- _____ a. Average retail utility energy rate.
 - Facilities capacity must be less than 40 kW.
- _____ b. Simultaneous purchase and sale billing rate.
 - Facilities capacity must be less than 40 kW.
- _____ c. Roll-over credits.
 - Facilities capacity must be less than 40 kW.
- _____ d. Time-of-day purchase rates.
 - Facilities capacity must be 40 kW or more and less than or equal to 100 kW.

A copy of the presently approved rate schedule is attached to this contract.

3. The rates for sales and purchases of electricity may change over the time this contract is in force, due to actions of the Utility or the State of Minnesota, and the Customer and the Utility agree that sales and purchases will be made under the rates in effect each month during the time this contract is in force.
4. The Utility will compute the charges and payments for purchases and sales for each billing period. Any net credit to the Customer, other than kilowatt-hour credits under clause 2(c), will be made under one of the following options as chosen by the Customer.
 - _____ a. Credit to the Customer's account with the Utility.
 - _____ b. Paid by check or electronic payment service to the Customer within fifteen (15) days of the billing date.
5. Renewable energy credits associated with generation from the facility are owned by:
_____.
6. The Customer must operate their electric generating facilities within any rules, regulations, and policies adopted by the Utility not prohibited by the rules governing cogeneration and small power production facilities on the Utility's system which provide reasonable technical connection and operating specifications for the facilities and are consistent with the Minnesota Public Utilities Commission's rules adopted under Minnesota Statutes §216B.164, subdivision 6.
7. The Customer will not enter into an arrangement whereby electricity from the generating facilities will be sold to an end user in violation of the Utility's exclusive right to provide electric service in its service area under Minnesota Statutes, Section 216B.37-44.

8. The Customer will operate their electric generating facilities so that they conform to the national, state, and local electric and safety codes, and the Customer will be responsible for the costs of conformance.
9. The Customer is responsible for the actual, reasonable costs of interconnection which are estimated to be \$_____. The Customer will pay the Utility in this way:
- _____
- _____.
10. The Customer will give the Utility reasonable access to its property and electric generating facilities if the configuration of those facilities does not permit disconnection or testing from the Utility 's side of the interconnection. If the Utility enters the Customer's property, the Utility will remain responsible for its personnel.
11. The Utility may stop providing electricity to the Customer during a system emergency. The Utility will not discriminate against the Customer when it stops providing electricity or when it resumes providing electricity.
12. The Utility may stop purchasing electricity from the Customer when necessary for the Utility to construct, install, maintain, repair, replace, remove, investigate, or inspect any equipment or facilities within its electric system. The Utility may stop purchasing electricity from the Customer in the event the generating facilities listed in this contract are documented to be causing power quality, safety or reliability issues to the Utility's electric distribution system.

The Utility will notify the Customer in this way before it stops purchasing electricity:

_____.

13. The Customer will keep in force general liability insurance against personal or property damage due to the installation, interconnection, and operation of its electric generating facilities. The amount of insurance coverage will be \$ _____ . (The amount must be consistent with requirements for like-sized facilities under the interconnection process or distributed generation tariff adopted by the Utility pursuant to Minnesota Statutes §216B.1611, subdivision 3, clause 2.)
14. The Customer and the Utility agree to attempt to resolve all disputes arising hereunder promptly and in a good faith manner.
15. The city council or city-appointed body governing the Utility has authority to consider and determine disputes, if any, that arise under this contract in

accordance with procedures in the rules it adopts implementing Minnesota Statutes Section 216B.164, pursuant to subdivision 9 thereunder.

- 16.** This contract becomes effective as soon as it is signed by the Customer and the Utility. This contract will remain in force until either the Customer or the Utility gives written notice to the other that the contract is canceled. This contract will be canceled thirty (30) days after notice is given. If the listed electric generating facilities are not interconnected to the Utility's distribution system within twelve months of the contract being signed by the Customer and the Utility, the contract terminates. The Customer and the Utility may delay termination by mutual agreement.
- 17.** Neither the Customer nor the Utility will be considered in default as to any obligation if the Customer or the Utility is prevented from fulfilling the obligation due to an act of nature, labor disturbance, act of public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, an order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or other cause beyond the Customer's or Utility's control. However, the Customer or Utility whose performance under this contract is hindered by such an event shall make all reasonable efforts to perform its obligations.
- 18.** This contract can only be amended or modified by mutual agreement in writing signed by the Customer and the Utility.
- 19.** The Customer must notify the Utility prior to any change in the electric generating facilities' capacity size or generating technology according to the interconnection process adopted by the Utility.
- 20.** Termination of this contract is allowed (i) by the Customer at any time without restriction; (ii) by Mutual Agreement between the Utility and the Customer; (iii) upon abandonment or removal of electric generating facilities by the Customer; (iv) by the Utility if the electric generating facilities are continuously non-operational for any twelve (12) consecutive month period; (v) by the Utility if the Customer fails to comply with applicable interconnection design requirements or fails to remedy a violation of the interconnection process; or (vi) by the Utility upon breach of this contract by the Customer unless cured with notice of cure received by the Utility prior to termination.
- 21.** In the event this contract is terminated, the Utility shall have the rights to disconnect its facilities or direct the Customer to disconnect its generating facilities.
- 22.** This contract shall continue in effect after termination to the extent necessary to allow either the Utility or the Customer to fulfill rights or obligations that arose under the contract.

23. Transfer of ownership of the generating facilities shall require the new owners and the Utility to execute a new contract. Upon the execution of a new contract with the new owners this contract shall be terminated.
24. The Customer and the Utility shall at all times indemnify, defend, and save each other harmless from any and all damages, losses, claims, including claims and actions relating to injury or death of any person or damage to property, costs and expenses, reasonable attorneys' fees and court costs, arising out of or resulting from the Customer's or the Utility's performance of its obligations under this contract, except to the extent that such damages, losses or claims were caused by the negligence or intentional acts of the Customer or the Utility.
25. The Utility and the Customer will each be responsible for their own acts or omissions and the results thereof to the extent authorized by law and shall not be responsible for the acts or omissions of any others and the results thereof.
26. The Customer's and the Utility's liability to each other for failure to perform their obligations under this contract shall be limited to the amount of direct damage actually occurred. In no event, shall the Customer or the Utility be liable to each other for any punitive, incidental, indirect, special, or consequential damages of any kind whatsoever, including for loss of business opportunity or profits, regardless of whether such damages were foreseen.
27. The Utility does not give any warranty, expressed or implied, to the adequacy, safety, or other characteristics of the Customer's interconnected system.
28. This contract contains all the agreements made between the Customer and the Utility. The Customer and Utility are not responsible for any agreements other than those stated in this contract.

THE CUSTOMER AND THE UTILITY HAVE READ THIS CONTRACT AND AGREE TO BE BOUND BY ITS TERMS. AS EVIDENCE OF THEIR AGREEMENT, THEY HAVE EACH SIGNED THIS CONTRACT BELOW ON THE DATE LISTED BY SIGNER.

CUSTOMER

By:

Printed Name:

DATE:

UTILITY

By:

Printed Name:

DATE:

RESOLUTION NO. 24-1

BOARD OF COMMISSIONERS
ELK RIVER MUNICIPAL UTILITIES

A RESOLUTION ADOPTING ELK RIVER MUNICIPAL UTILITIES RULES GOVERNING THE INTERCONNECTION OF COGENERATION AND SMALL POWER PRODUCTION FACILITIES

WHEREAS the City of Elk River (“City”) is served by Elk River Municipal Utilities (“ERMU”), which is committed to providing customers with reliable and affordable power; and

WHEREAS the purpose of the Rules Governing the Interconnection of Cogeneration and Small Power Production Facilities (“Rules”) is for ERMU to implement certain provisions of Minnesota Statutes Section 216B.164, the Public Utility Regulatory Policies Act of 1978, and Federal Energy Regulatory Commission regulations related to customer-owned distributed energy resources; and

WHEREAS ERMU Commission is now adopting these Rules to replace a previously adopted similar version of these Rules and their accompanying, “Policy Regarding Distributed Energy Resources and Net Metering;” and

WHEREAS the original adoption of these Rules established that, in accordance with Minnesota Statutes Section 216B.164, subdivision 9, everywhere in that section, the term “commission” appears, it refers to the ERMU Commission and, so, the ERMU Commission may resolve disputes relating to the provisions of §216B.164 as they apply to ERMU; and

WHEREAS these Rules shall be implemented to give the maximum possible encouragement to cogeneration and small power production consistent with protection of the utility’s ratepayers and the public in accordance with Minnesota Statutes Section 216B.164, subdivision 1; and

WHEREAS these Rules require ERMU to file with the ERMU for its review and approval a cogeneration and small power production tariff and annual updates of the rates described therein; and

WHEREAS the cogeneration and small power production tariff includes a calculation of ERMU average retail utility energy rates, and the rates at which ERMU purchases energy and capacity; and

WHEREAS all filings under these rules shall be maintained at the ERMU offices and shall be made available for public inspection during normal business hours.

NOW THEREFORE, BE IT RESOLVED that the Elk River Municipal Utilities Commission adopts the Rules Governing the Interconnection of Cogeneration and Small Power Production Facilities with ERMU attached as Exhibit A to this Resolution.

This Resolution Passed and Adopted this 13th day of February 2024.

John Dietz, Chair

Mark Hanson, General Manager

TO: ERMU Commission	FROM: Sara Youngs – Administrations Director
MEETING DATE: February 13, 2024	AGENDA ITEM NUMBER: 2.6
SUBJECT: Cogeneration and Small Power Production Tariff - Schedules 1 and 2	
ACTION REQUESTED: Resolution 24-2 - Adopt by resolution the ERMU Cogeneration and Small Power Production Tariff – Schedules 1 and 2	

BACKGROUND:

Every municipal electric utility should have a policy reflecting the expectations and obligations of the utility and customers who seek to interconnect their own electric generation facilities with the distribution system. For ERMU these facilities consist of wind or solar photovoltaic systems that are less than 40kW.

To allow for consistency over all municipals in the state, ERMU staff continues to use models established by the Minnesota Public Utilities Commission and modified by the Minnesota Municipal Utilities Association (MMUA) and Minnesota Municipal Power Agency (MMPA). The policies were adopted by the Commission at the February 13, 2018, commission meeting, and revised policies were adopted at the May 14, 2019, commission meeting.

DISCUSSION:

The policies and rules outline that, at least annually, the Commission will review and adopt Schedules 1 and 2 of the Cogeneration and Small Power Production Tariff. The two schedules reflect the average retail rates for the applicable class of customer and the method of reimbursement selected by the customer owning the distributed generation facility. Attached are the updated schedules for 2024.

ATTACHMENTS:

- Resolution No. 24-2 - ERMU Cogeneration and Small Power Production Tariff

RESOLUTION NO. 24-2

BOARD OF COMMISSIONERS
ELK RIVER MUNICIPAL UTILITIES

**A RESOLUTION APPROVING THE UPDATED COGENERATION AND SMALL POWER
PRODUCTION TARIFF FOR ELK RIVER MUNICIPAL UTILITIES**

WHEREAS, the Rules Governing the Interconnection of Cogeneration and Small Power Production Facilities (“Rules”) with Elk River Municipal Utilities (“ERMU”) and Minnesota Statutes Section 216B.164 (“Statute”) require ERMU to file a Cogeneration and Small Power Production Tariff with ERMU Commission annually; and

WHEREAS, the statute and the Rules require the information contained in schedules 1, 2 and 3 described in Exhibit A to this Resolution; and

WHEREAS, these filings shall be maintained at ERMU offices and shall be made available for public inspection during normal business hours.

THEREFORE, BE IT RESOLVED that the Elk River Municipal Utilities Commission approves the Cogeneration and Small Power Production Tariff attached as Exhibit A to this Resolution for transactions following the date of adoption stated below.

This Resolution Passed and Adopted this 13th day of February 2024.

John Dietz, Chair

Mark Hanson, General Manager

EXHIBIT A

COGENERATION AND SMALL POWER PRODUCTION TARIFF

TARIFF

Pursuant to its Rules Governing the Interconnection of Cogeneration and Small Power Production Facilities, Elk River Municipal Utilities (“Utility”) establishes and/or updates its Cogeneration and Small Power Production Tariff (“Tariff”) for billing and sales transactions following the date of Tariff approval as follows.

The Tariff shall consist of the following three schedules.

SCHEDULE 1.

Calculation of average retail utility energy rates for each utility customer class.

SCHEDULE 2.

Rates at which Utility purchases energy and capacity from the wholesale supplier from which purchases may first be avoided.

SCHEDULE 3.

Utility's adopted interconnection process, or “distributed generation tariff” adopted in compliance with Minnesota Statutes Section 216B.1611, subd. 3(2), including standard contract forms to be used with customers interconnecting qualifying facilities as well as general technical interconnection and interoperability requirements.

Average Retail Utility Energy Rate: Available to any Qualifying Facility of less than 40 kW capacity that does not select either Roll Over Credits, Simultaneous Purchase and Sale Billing or Time of Day rates.

Utility shall bill Qualifying Facilities for any excess of energy supplied by Utility above energy supplied by the Qualifying Facility during each billing period according to Utility's applicable rate schedule. Utility shall pay the customer for the energy generated by the Qualifying Facility that exceeds that supplied by Utility during a billing period at the "average retail utility energy rate." "Average retail utility energy rate" means, for any class of utility customer, the quotient of the total annual class revenue from sales of electricity minus the annual revenue resulting from fixed charges, divided by the annual class kilowatt-hour sales. Data from the most recent 12-month period available shall be used in the computation.

"Average retail utility energy rates" are as follows:

Customer Class	2024 Average Retail Utility Energy Rate
Residential	\$0.1431 /kWh
Commercial Non-Demand	\$0.1321 /kWh
Commercial Demand	\$0.0826/kWh
Large Industrial Demand	\$0.0833 /kWh

SCHEDULE 2 – WHOLESALE SUPPLY RATES

Wholesale Supply Rates: A “non-generating utility” must list the rates at which it purchases energy and capacity. If the utility has more than one wholesale supplier, the rates listed are of that supplier from which purchases may first be avoided.

	<u>Energy (\$/kWh)</u>	<u>Capacity (\$/kWh)</u>	<u>REC (\$/kWh)</u>
Summer Months (June-Sept)			
On Peak	0.0535	0	0
Off Peak	0.0338	0	0
All Hours	0.0428	0	0
Winter Months (Oct-May)			
On Peak	0.0432	0	0
Off Peak	0.0345	0	0
All Hours	0.0386	0	0
Annual (January-December)	0.0400	0	0

SCHEDULE 3 – INTERCONNECTION PROCESS

Interconnection Process: In order to provide for coordinated interconnection of customer-owned distributed energy resources and comply with Minnesota Statutes Section 216B.1611, subd. 3(2), Utility has adopted the “Minnesota Municipal Interconnection Process (M-MIP) 2022” as recognized by the Minnesota Municipal Utilities Association Board of Directors at its February 9, 2022, meeting and made publicly available at mmua.org.

General technical requirements may be found in the [Minnesota Technical Interconnection and Interoperability Requirements \(TIIR\)](#) as adopted by the Minnesota Public Utilities Commission on January 22, 2020 as part of DOCKET NO. E-999/CI-16-521.

For utility-specific safety standards, required operating procedures for interconnected operations, and the functions to be performed by any control and protective apparatus, please contact Utility for its Technical Specifications Manual (TSM).

TO: ERMU Commission	FROM: Sara Youngs – Administrations Director
MEETING DATE: February 13, 2024	AGENDA ITEM NUMBER: 2.7
SUBJECT: Transmission Transformed Service Rate	
ACTION REQUESTED: Approve the amended Transmission Transformed Service Rate, effective February 13, 2024	

BACKGROUND:

On November 12, 2019, the ERMU Utilities Commission approved the terms of the Transmission Transformed Service Rate, effective November 13, 2019. This rate would be used by Minnesota Municipal Power Agency (MMPA) and ERMU to provide large customers building new facilities access to competitive energy rates. To qualify for the rate the applicant would need to be connected directly to a substation on their property, meet a minimum load capacity requirement, operate at a pre-defined load factor threshold, and provide for all capacity and service requirements except for energy delivery.

DISCUSSION:

As a result of the changing wholesale electric market conditions, MMPA has updated the rate structure for these customers. The amended rates have gone from fixed capacity charges to wholesale market rates established by the Midcontinent Independent System Operator (MISO) for capacity quantities above the MISO registered generation quantities.

This rate is for customers that are comfortable with the risks and responsibilities associated with market-based rates in MISO. The customer will be responsible for managing all the MISO transmission, capacity, and energy costs. The customer will also pay \$0.01/kWh to be split between MMPA and ERMU to cover all dispatch, billing, and administrative costs, including but not limited to franchise fees, and regulatory charges collected by ERMU on all customers.

ATTACHMENTS:

- Transmission Transformed Service Rate



TRANSMISSION TRANSFORMED SERVICE RATE

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

Applicable: Available for new non-residential Customer accounts with projected annual peak demand greater than or equal to 10 MW. The Customer must maintain a minimum average annual peak demand of 10 MW with an annual load factor greater than 75%. If Customer fails to meet the minimum peak or load factor the Customer 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 substation 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 at applicable rate schedule.

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

Billing Determinants

1. **Energy:** Actual metered hourly usage.
2. **Transmission Demand:** Monthly maximum metered 15-minute Customer demand, adjusted for applicable MISO zone transmission losses.
3. **Capacity:** Customer shall select one of the options below:
 - a. If the 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 billing period. To qualify for the billing determinant in the

Transmission Transformed Service Rate

preceding sentence, 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 the monthly maximum metered 15-minute Customer demand, scaled up for transmission losses and planning reserve margins.

Rates

The following charges shall apply to all energy quantities:

- MISO Real-Time Locational Marginal Price at the applicable MISO Node
- All applicable MISO Ancillary Services Charges
- MISO Multi-Value Project Charges
- A charge of 0.2 cents per kWh for the cost of compliance with the State of Minnesota's Renewable Energy Standard
- A charge of one cent per kWh to cover all dispatch, billing, and administrative costs. This charge shall be inclusive of all franchise fees and regulatory charges imposed by Utility on all customers.

The following charges shall apply to all transmission demand quantities:

- All applicable MISO transmission charges, including but not limited to:
 - Schedule 1
 - Schedule 2
 - Schedule 9
 - Schedule 26

The following charges shall apply to all capacity quantities:

- The above-defined Capacity billing determinant multiplied by the MISO Zone 1 Capacity Auction Clearing Price for a given period.

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.

All rates in this electric rate schedule are subject to change on an annual basis. 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.

Adopted February 13, 2024
Effective February 13, 2024

TO: ERMU Commission	FROM: Tony Mauren – Governance & Communications Manager
MEETING DATE: February 13, 2024	AGENDA ITEM NUMBER: 2.8
SUBJECT: Rate Correction – Off-Peak Demand Service Rate	
ACTION REQUESTED: Approve the correction to the Off-Peak Demand Electric Service Rate’s Basic Monthly Electric Charge.	

BACKGROUND/DISCUSSION:

At its December 12, 2023, meeting the Commission reviewed and approved the 2024 Schedule of Rates & Fees as a part of the Annual Business Plan.

Unintentionally left out of the updated rates was a change to the Basic Monthly Electric Charge for the Off-Peak Demand Electric Service Rate. In order to align this rate with all other commercial demand electric service rates the base charge should be increased from \$75.50 to \$77.00.

FINANCIAL IMPACT:

None, budgeted rate increase.

ATTACHMENTS:

- Corrected – Off-Peak Demand Electric Service Rate



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~~ \$77.00 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 12, 2023

Effective January 1, 2024

Revised February 13, 2024

TO: ERMU Commission	FROM: Tony Mauren – Governance & Communications Manager
MEETING DATE: February 13, 2024	AGENDA ITEM NUMBER: 4.1
SUBJECT: Commission Policy Review – G.2b – Governing Style	
ACTION REQUESTED: Review the policy and provide comment	

BACKGROUND/DISCUSSION:

This month commissioners are reviewing policy G.2b – Governing Style to make comments, ask questions, or recommend updates.

This policy establishes an institutional philosophy and approach that will allow the Commission to govern with excellence. It lays out 13 principles of governance that commissioners will adhere to, including periodic evaluation and discussion of its policies. This monthly review of one policy from the Commission manual, which began in January of 2023, helps the Commission meet that standard.

ATTACHMENTS:

- ERMU Policy – G.2b – Governing Style

Section: Governance	Category: Governance Policies
Policy Reference: G.2b	Policy Title: Governing Style

PURPOSE:

With this policy, the Commission intends to establish and articulate an institutional philosophy and approach that will enable it to govern with excellence.

POLICY:

Commission Members, individually and collectively, will act in ways that visibly demonstrate the ERMU style of governance. Commission members will lead proactively and the Commission will enforce upon itself the discipline needed to govern effectively and consistently.

Consistent with the preceding general statements:

1. The Commission will guide and inspire Management and staff employees toward a strategic vision through the thoughtful and proactive development of written policies that express clear expectations and shared accountability for results.
2. The Commission's policies will reflect its statutory authority, effectively meeting its responsibilities while representing and balancing the sometimes competing interests of customers, the ERMU utility business enterprises, the City of Elk River, ERMU employees, and others who may be affected, either directly or indirectly, by ERMU's decisions and actions.
3. The Commission will govern ERMU as the significant business enterprise that it is, enabling ERMU to provide quality services to its customers and prudent financial contributions to the City, while responsibly managing and sustaining its physical assets and financial resources.
4. The Commission, with support from the General Manager, will set its own agenda for governance and, to the greatest extent practical, will initiate its own policies. The Commission will consider and adopt policies in accordance with its stated ***Principles for Policy Development***. The Commission will routinely review, evaluate and update its policies, as necessary.

5. By adopting and enacting its policies, the Commission will create and sustain a governance structure and processes in which the respective roles and accountabilities of the Commission and Management are clearly delineated, understood, and mutually supported.
6. The Commission will promote a sense of partnership, trust, and mutual respect among its individual members, with ERMU Management and staff employees, and with customers, City, and community interests to provide value to all stakeholders.
7. The Commission will establish and use a variety of methods to promote two-way communications and dialogue about ERMU's future direction, accomplishments, and major challenges among its stakeholders.
8. The Commission will support the development of a values-based organization with high standards of professional conduct, interpersonal behaviors, and self-accountability for results.
9. The Commission will encourage mutual respect, open dialogue and expression of diverse viewpoints among Commission members and Management; the Commission will acknowledge and effectively handle disagreements, working toward consensus in its deliberations and decisions.
10. The Commission will support the hiring and retention of a capable General Manager, who will be responsible to the Commission for the management and operation of ERMU's utility businesses. The Commission will also support the General Manager in creating an organization which attracts and retains capable management and staff employees, and develops leaders.
11. Commission members will devote appropriate attention, time and energy to govern effectively. They will understand their responsibilities and take advantage of opportunities for continuing education and development that improve their governance capabilities.
12. The Commission will seek to create a reputation that attracts qualified and dedicated persons to become Commission members. It will do this by building public understanding of its governance role, as well as the commitments and contributions of its individual members.
13. The Commission will periodically evaluate and discuss its policies and the performance of the ERMU organization in relation to those policies, with particular attention to the needs and expectations of its various stakeholders.

POLICY HISTORY:

Adopted May 9, 2017
Reviewed February 13, 2024

TO: ERMU Commission	FROM: Mark Hanson – General Manager
MEETING DATE: February 13, 2024	AGENDA ITEM NUMBER: 4.2
SUBJECT: 2023 Annual Safety Report	
ACTION REQUESTED: None	

BACKGROUND:

Minnesota Rules Chapter 7826 Public Utilities Commission Electric Utility Standards cover safety, reliability, service, and reporting requirements. Per 7826.0100(A), municipal utilities are exempt from these requirements. However, the Elk River Municipal Utilities Commission adopted several parts of this chapter as a Distribution Reliability Standard policy. This policy includes an Annual Safety Report requirement. The policy requires ERMU to “file an annual safety performance report with its local governing body. The report will include summaries of all reports filed with the Occupational Safety and Health Administration (OSHA) and the Occupational Safety and Health Division of the Minnesota Department of Labor and Industry during the calendar year.” Elk River Municipal Utilities only files OSHA’s Form 300A.

DISCUSSION:

In 2023, there were six (6) recordable cases which resulted in 5 days away from work. Attached is OSHA’s Form 300A that has been filed. It is a summary of (recordable) work-related injuries and illnesses during the year. Also attached is OSHA’s Form 300A from 2022 for reference.

ATTACHMENTS:

- 2023 OSHA Form 300A (Submitted 1/31/2024 and amended 2/6/2024)
- 2022 OSHA Form 300A (Submitted 1/27/2023)

OSHA's Form 300A (Rev. 04/2004)

Summary of Work-Related Injuries and Illnesses

Note: You can type input into this form and save it.
Because the forms in this recordkeeping package are "fillable/writable" PDF documents, you can type into the input form fields and then save your inputs using the free Adobe PDF Reader.

Year 20 23



U.S. Department of Labor
Occupational Safety and Health Administration

Form approved OMB no. 1218-0176

All establishments covered by Part 1904 must complete this Summary page, even if no work-related injuries or illnesses occurred during the year. Remember to review the Log to verify that the entries are complete and accurate before completing this summary.

Using the Log, count the individual entries you made for each category. Then write the totals below, making sure you've added the entries from every page of the Log. If you had no cases, write "0."

Employees, former employees, and their representatives have the right to review the OSHA Form 300 in its entirety. They also have limited access to the OSHA Form 301 or its equivalent. See 29 CFR Part 1904.35, in OSHA's recordkeeping rule, for further details on the access provisions for these forms.

Number of Cases

Total number of deaths	Total number of cases with days away from work	Total number of cases with job transfer or restriction	Total number of other recordable cases
<u>0</u>	<u>1</u>	<u>0</u>	<u>5</u>
(G)	(H)	(I)	(J)

Number of Days

Total number of days away from work	Total number of days of job transfer or restriction
<u>5</u>	<u>49</u>
(K)	(L)

Injury and Illness Types

Total number of . . . (M)			
(1) Injuries	<u>6</u>	(4) Poisonings	<u>0</u>
(2) Skin disorders	<u>0</u>	(5) Hearing loss	<u>0</u>
(3) Respiratory conditions	<u>0</u>	(6) All other illnesses	<u>0</u>

Post this Summary page from February 1 to April 30 of the year following the year covered by the form.

Public reporting burden for this collection of information is estimated to average 58 minutes per response, including time to review the instructions, search and gather the data needed, and complete and review the collection of information. Persons are not required to respond to the collection of information unless it displays a currently valid OMB control number. If you have any comments about these estimates or any other aspects of this data collection, contact: US Department of Labor, OSHA Office of Statistical Analysis, Room N-3644, 200 Constitution Avenue, NW, Washington, DC 20210. Do not send the completed forms to this office.

Establishment information

Your establishment name Elk River Municipal Utilities

Street 13069 Orono Parkway

City Elk River State MN Zip 55330

Industry description (e.g., *Manufacture of motor truck trailers*)

Municipal Utility - Electric and Water

North American Industrial Classification (NAICS), if known (e.g., 336212)

221122

Employment information (If you don't have these figures, see the Worksheet on the next page to estimate.)

Annual average number of employees 46

Total hours worked by all employees last year 84,026.00

Sign here

Knowingly falsifying this document may result in a fine.

I certify that I have examined this document and that to the best of my knowledge the entries are true, accurate, and complete.

[Signature] General Manager
Company executive Title
Phone 763-441-2020 Date February 6, 2024

Reset

OSHA's Form 300A (Rev. 04/2004)

Summary of Work-Related Injuries and Illnesses

Note: You can type input into this form and save it.
Because the forms in this recordkeeping package are "fillable/writable" PDF documents, you can type into the input form fields and then save your inputs using the free Adobe PDF Reader.

Year 20 22



U.S. Department of Labor
Occupational Safety and Health Administration

Form approved OMB no. 1218-0176

All establishments covered by Part 1904 must complete this Summary page, even if no work-related injuries or illnesses occurred during the year. Remember to review the Log to verify that the entries are complete and accurate before completing this summary.

Using the Log, count the individual entries you made for each category. Then write the totals below, making sure you've added the entries from every page of the Log. If you had no cases, write "0."

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Number of Cases			
Total number of deaths	Total number of cases with days away from work	Total number of cases with job transfer or restriction	Total number of other recordable cases
<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
(G)	(H)	(I)	(J)

Number of Days	
Total number of days away from work	Total number of days of job transfer or restriction
<u>0</u>	<u>0</u>
(K)	(L)

Injury and Illness Types			
Total number of . . . (M)			
(1) Injuries	<u>1</u>	(4) Poisonings	<u>0</u>
(2) Skin disorders	<u>0</u>	(5) Hearing loss	<u>0</u>
(3) Respiratory conditions	<u>0</u>	(6) All other illnesses	<u>0</u>

Post this Summary page from February 1 to April 30 of the year following the year covered by the form.

Public reporting burden for this collection of information is estimated to average 58 minutes per response, including time to review the instructions, search and gather the data needed, and complete and review the collection of information. Persons are not required to respond to the collection of information unless it displays a currently valid OMB control number. If you have any comments about these estimates or any other aspects of this data collection, contact: US Department of Labor, OSHA Office of Statistical Analysis, Room N-3644, 200 Constitution Avenue, NW, Washington, DC 20210. Do not send the completed forms to this office.

Establishment information

Your establishment name Elk River Municipal Utilities

Street 13069 Orono Parkway

City Elk River State MN Zip 55330

Industry description (e.g., *Manufacture of motor truck trailers*)

Municipal utility - electric and water

North American Industrial Classification (NAICS), if known (e.g., 336212)

221122

Employment information (If you don't have these figures, see the Worksheet on the next page to estimate.)

Annual average number of employees 47

Total hours worked by all employees last year 84,585.68

Sign here

Knowingly falsifying this document may result in a fine.

I certify that I have examined this document and that to the best of my knowledge the entries are true, accurate, and complete.

[Signature] General Manager

Company executive Title

Phone (763) 441-2020 Date 01/27/2023

Reset

TO: ERMU Commission	FROM: Tony Mauren – Governance & Communications Manager
MEETING DATE: February 13, 2024	AGENDA ITEM NUMBER: 4.3
SUBJECT: Commissioner Evaluation Questions Update	
ACTION REQUESTED: Adopt updated commissioner evaluation questions	

BACKGROUND:

During the review of the Annual Commission Performance Self-Evaluation results at the July 11, 2023, meeting, the Commission had consensus to adapt this annual Governance Agenda item. One requested change was to reduce the number of questions, in order to support another request for respondents to focus on providing more detailed written comments that offer better context for the scores. The Commission also requested that ERMU management staff participate in the evaluation of their performance.

Staff reviewed the original survey (attached for reference) and worked to focus the questions with minimal loss to the breadth of topics.

DISCUSSION:

As shown in the second attachment, staff found it important to combine similar topics in the first two questions, while the new questions three through seven are largely rewritten/abridged versions of original questions. The open questions at the end were reduced from four to three and broadened to offer respondents the opportunity to share additional thoughts.

Staff also removed questions it felt were unnecessary or redundant. Question 6 from 2023 referencing Robert's Rules of Order was removed following commission feedback that there was comfort in the body's collective knowledge of the topic. Question 10 about the general manager's performance was removed as evaluating that position is an entire and separate Governance Agenda item. Staff felt question 11 focusing on the Commission's consideration for customers is already a key element of organizational purpose in question 1. Question 12, which addresses the Commission's consideration for ERMU's employees, was removed as staff felt it conflicted with the body's One Employee policy, which establishes the general manager as its singular personnel responsibility.

The proposed questions for 2024 are:

1. *The Commission makes decisions in accordance with ERMU's purpose, mission, vision, and values to achieve desired results and collectively supports those decisions.*
2. *The Commission partners with the City on opportunities to bring greater value to the community, while maintaining its responsibility to ERMU customers as well as its governance and conduct policies.*
3. *Commission members are present and engaged during official meetings, prepared to perform their assigned duties, participate in discussion, and make decisions. Members also take advantage of opportunities for continuing education, development, and industry networking.*
4. *The Commission as a body and its individual members never provide direction or job performance evaluation, either formal or informal, to any employee other than the general manager.*
5. *The Commission effectively monitors organizational performance utilizing either internal or external methods, measuring performance against expected outcomes and clearly defined goals.*
6. *The Commission demonstrates the ability, through governance and oversight, to plan for immediate and future needs by effective budgeting and planning consistent with policy.*
7. *The Commission ensures the protection of assets, the mitigation of risks, and legal compliance through governance and oversight.*
8. *With respect to the Commission's performance, what has been done well?*
9. *With respect to the Commission's performance, what should be done differently?*
10. *With respect to ERMU governance, what additional comments do you have?*

Staff requests the Commission provide feedback and adopt questions for the new survey. Per the Governance Agenda, results will be presented at the July 9, 2024, meeting.

ATTACHMENTS:

- 2023 ERMU Commission Self Evaluation Questions
- Proposed 2024 ERMU Commission Evaluation Questions Reorganization

ERMU Board Self-Evaluation Questions – 2023

1. **Organizational Purpose:** The *Authority and Purpose Policies* category in ERMU's *Commission Governance Policies* provides clearly defined guidelines and direction for decisions and planning. When making decisions on immediate action items and when planning for future needs the commission's decisions consistently align with the organizational purpose, mission, vision, and values.
2. **Commission Purpose:** As adopted in *Commission Policy G.2 Commission Purpose* and consistent with policy *G.4e Core Customer Services*, the commission's principal purpose is to ensure that the organization achieves the desired results for the intended beneficiaries at acceptable costs through acceptable means. In other words, the commission achieves the right things for the right people at the right costs in the right way. The commission has consistently demonstrated compliance with this policy through governance and oversight.
3. **Relationship with the City:** Although governed autonomously from the City of Elk River, ERMU is part of the city government. The commission and council have aligned responsibilities to serve the community. The commission has demonstrated alignment with the council in ways that realized opportunities for greater value while maintaining their fiduciary responsibilities to ERMU customers through both action and support consistent with *Commission Governance Policy G.2a Commission – City Council Relationship and Roles*.
4. **Preparedness:** Consistent with policy *G.2b Governing Style*, Commission members devote appropriate attention, time, and energy to governing effectively by taking advantage of opportunities for continuing education, development, and industry networking; and, commission members are present and engaged during official meetings prepared to perform their assigned duties, participate in discussion, and make decisions in a manner consistent with policy *G.2e Commission Member Conduct*.
5. **Ethics:** Commissioners demonstrate behavior consistent with ERMU's standards of high ethical conduct and governing style as adopted in the *Commission Governance Policies* including policies *G.2b Governing Style* and *G.2e Commission Member Conduct*.
6. **Process:** Official meetings are conducted professionally consistent with *Robert's Rules of Order*; and, commission members' demonstrated behavior is consistent with the defined officer roles and responsibilities adopted in policy *G.2f Commission Officer Roles, Responsibilities and Succession*.
7. **One Voice:** It is the responsibility of the commission to engage in discussion to fully explore topics to make the best decisions possible with the information available at the time. Even if the commission does not have consensus, it is the responsibility of the commission to support the

majority vote of a quorum of the commission members on any official action of the commission body. The commission body's actions demonstrate "one voice" consistent with adopted *Commission Governance Policy G.3a Controlling Authority*.

8. **One Direct Report:** The commission body has one direct report. As adopted in Commission Governance Policy G.3c General Manager Accountability, the commission as a body and the commission members individually will never give direction to anyone other than the General Manager, and will refrain from evaluating, either formally or informally, the job performance of any employee other than the General Manager.
9. **Organizational Performance:** The commission effectively monitors organizational performance utilizing either internal or external methods measuring performance against expected outcomes (for example, the annual budget) and clearly defined goals (for example, the *Utilities Performance Metrics Scorecard*) as established in *Commission Governance Policy G.3d Monitoring Performance of the General Manager* and *G.5 Goals and Results*.
10. **General Manager Performance:** The commission conducts annual performance evaluation and goal setting for the General Manager comparing personal performance and conduct in relation to commission policies and clearly defined commission expectations in a manner consistent with adopted policy *G.3e General Manager Performance Planning and Evaluation*.
11. **Customers:** The commission demonstrates consideration for external stakeholders through effective governance and oversight consistent with policies *G.4d Customer Interests*, *G.4e Core Customer Services*, *G.4p External Communications*, and *G.4q Community Involvement*.
12. **Employees:** The commission demonstrates consideration for internal stakeholders through effective governance and oversight consistent with policies *G.4f Employee Interests* and *G.4g Organizational, Staffing, and Compensation*.
13. **Planning:** The commission demonstrates the ability through governance and oversight to plan for immediate and future needs by effective budgeting and planning consistent with policies *G.4c Strategic and Business Planning* and *G.4h Financial Planning and Budgeting*.
14. **Assets, Risk, and Compliance:** Consistent with adopted policies *G.4l Protection of Assets*, *G.4m Corporate Risk Management*, and *G.4n Legal and Regulatory Compliance*, the commission effectively protects ERMU through governance and oversight ensuring the protection of assets, mitigation of risks, and legal compliance.
15. **Environment:** The commission demonstrates environmental stewardship through governance and oversight, and through thoughtful consideration of environmental consequence of operations and decisions in a manner consistent with policy *G.4o Environmental Stewardship*.

Questions 16-20: open ended questions

16. **Start:** With respect to the commission's performance, what should the commission start doing to be more effective?
17. **Stop:** With respect to the commission's performance, what should the commission stop doing to be more effective?
18. **More:** With respect to the commission's performance, what should the commission do more of to be more effective?
19. **Less:** With respect to the commission's performance, what should the commission do less of to be more effective?
20. **Other:** Are there any additional comments regarding the commission's performance?

Proposed ERMU Commission Evaluation Questions – 2024

Question 1 – Combines original questions 1,2, and 7, provided below, significant elements highlighted.

Organizational Purpose: The Authority and Purpose Policies category in ERMU’s Commission Governance Policies provides clearly defined guidelines and direction for decisions and planning. When making decisions on immediate action items and when planning for future needs the commission’s decisions consistently align with the organizational purpose, mission, vision, and values.

Commission Purpose: As adopted in Commission Policy G.2 Commission Purpose and consistent with policy G.4e Core Customer Services, the commission’s principal purpose is to ensure that the organization achieves the desired results for the intended beneficiaries at acceptable costs through acceptable means. In other words, the commission achieves the right things for the right people at the right costs in the right way. The commission has consistently demonstrated compliance with this policy through governance and oversight.

One Voice: It is the responsibility of the commission to engage in discussion to fully explore topics to make the best decisions possible with the information available at the time. Even if the commission does not have consensus, it is the responsibility of the commission to support the majority vote of a quorum of the commission members on any official action of the commission body. The commission body’s actions demonstrate “one voice” consistent with adopted Commission Governance Policy G.3a Controlling Authority.

New Question 1:

The Commission makes decisions in accordance with ERMU’s purpose, mission, vision, and values to achieve desired results and collectively supports those decisions.

Question 2 – Combines original questions 3 and 5, provided below, significant elements highlighted.

Relationship with the City: Although governed autonomously from the City of Elk River, ERMU is part of the city government. The commission and council have aligned responsibilities to serve the community. The commission has demonstrated alignment with the council in ways that realized opportunities for greater value while maintaining their fiduciary responsibilities to ERMU customers through both action and support consistent with Commission Governance Policy G.2a Commission – City Council Relationship and Roles.

Ethics: Commissioners demonstrate behavior consistent with ERMU’s standards of high ethical conduct and governing style as adopted in the Commission Governance Policies including policies G.2b Governing Style and G.2e Commission Member Conduct

New Question 2:

The Commission partners with the City on opportunities to bring greater value to the community, while maintaining its responsibility to ERMU customers as well as its governance and conduct policies.

Question 3 – Reorganizes and simplifies original question 4, provided below, significant elements highlighted.

Preparedness: Consistent with policy G.2b Governing Style, Commission members devote appropriate attention, time, and energy to governing effectively by taking advantage of opportunities for continuing education, development, and industry networking; and, commission members are present and engaged during official meetings prepared to perform their assigned duties, participate in discussion, and make decisions in a manner consistent with policy G.2e Commission Member Conduct.

New Question 3:

Commission members are present and engaged during official meetings, prepared to perform their assigned duties, participate in discussion, and make decisions. Members also take advantage of opportunities for continuing education, development, and industry networking.

Question 4 – Reorganizes and simplifies original question 8, provided below, significant elements highlighted.

One Direct Report: The commission body has one direct report. As adopted in Commission Governance Policy G.3c General Manager Accountability, the commission as a body and the commission members individually will never give direction to anyone other than the General Manager, and will refrain from evaluating, either formally or informally, the job performance of any employee other than the General Manager.

New Question 4:

The Commission as a body and its individual members never provide direction or job performance evaluation, either formal or informal, to any employee other than the general manager.

Question 5 – Reorganizes and simplifies original question 9, provided below, significant elements highlighted.

Organizational Performance: The commission effectively monitors organizational performance utilizing either internal or external methods measuring performance against expected outcomes (for example, the annual budget) and clearly defined goals (for example, the Utilities Performance Metrics Scorecard) as established in Commission Governance Policy G.3d Monitoring Performance of the General Manager and G.5 Goals and Results.

New Question 5:

The Commission effectively monitors organizational performance utilizing either internal or external methods, measuring performance against expected outcomes and clearly defined goals.

Question 6 – Reorganizes and simplifies original question 13, provided below, significant elements highlighted.

Planning: The commission demonstrates the ability through governance and oversight to plan for immediate and future needs by effective budgeting and planning consistent with policies G.4c Strategic and Business Planning and G.4h Financial Planning and Budgeting.

New Question 6:

The Commission demonstrates the ability, through governance and oversight, to plan for immediate and future needs by effective budgeting and planning consistent with policy.

Question 7 – Reorganizes and simplifies original question 14, provided below, significant elements highlighted.

Assets, Risk, and Compliance: Consistent with adopted policies G.4l Protection of Assets, G.4m Corporate Risk Management, and G.4n Legal and Regulatory Compliance, the commission effectively protects ERMU through governance and oversight ensuring the protection of assets, mitigation of risks, and legal compliance.

New Question 7:

The Commission ensures the protection of assets, the mitigation of risks, and legal compliance through governance and oversight.

Question 8

With respect to the Commission's performance, what has been done well?

Question 9

With respect to the Commission's performance, what should be done differently?

Question 10

With respect to ERMU governance, what additional comments do you have?

TO: ERMU Commission	FROM: Melissa Karpinski – Finance Manager
MEETING DATE: February 13, 2024	AGENDA ITEM NUMBER: 5.1
SUBJECT: Financial Report – December 2023	
ACTION REQUESTED: Receive the December 2023 Financial Report	

DISCUSSION:

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

Electric

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

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

For December 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

December YTD gallons of water sold are up 18% from the prior year. For further breakdown:

- Residential use is up 15%
- Commercial use is up 22%

For December 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 12.2023
- Electric Balance Sheet 12.2023
- Water Balance Sheet 12.2023
- Summary Electric Statement of Revenues, Expenses and Changes in Net Position 12.2023
- Summary Water Statement of Revenues, Expenses and Changes in Net Position 12.2023
- Graphs Prior Year and YTD 2024

- Detailed Electric Statement of Revenues, Expenses and Changes in Net Position 12.2023
- Detailed Water Statement of Revenues, Expenses and Changes in Net Position 12.2023
- Budget vs Actual Graphs – Electric 12.2023
- Budget vs Actual Graphs – Water 12.2023

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

	<u>ELECTRIC</u>	<u>WATER</u>
ASSETS		
CURRENT ASSETS		
CASH	11,898,427	9,557,628
ACCOUNTS RECEIVABLE	2,373,501	5,606,512
INVENTORIES	1,048,510	17,102
PREPAID ITEMS	185,599	35,211
CONSTRUCTION IN PROGRESS	834,235	1,476,495
TOTAL CURRENT ASSETS	<u>16,340,273</u>	<u>16,692,948</u>
RESTRICTED ASSETS		
BOND RESERVE FUND	1,779,016	0
EMERGENCY RESERVE FUND	2,952,992	1,366,689
UNRESTRICTED RESERVE FUND	0	0
TOTAL RESTRICTED ASSETS	<u>4,732,007</u>	<u>1,366,689</u>
FIXED ASSETS		
PRODUCTION	824,065	16,798,616
LFG PROJECT	0	0
TRANSMISSION	2,305,024	0
DISTRIBUTION	49,317,397	26,875,344
GENERAL	24,261,526	1,224,045
FIXED ASSETS (COST)	<u>76,708,012</u>	<u>44,898,005</u>
LESS ACCUMULATED DEPRECIATION	<u>(34,239,985)</u>	<u>(23,266,258)</u>
TOTAL FIXED ASSETS, NET	<u>42,468,027</u>	<u>21,631,746</u>
INTANGIBLE ASSETS		
POWER AGENCY MEMBERSHIP BUY-IN	21,546,212	0
LOSS OF REVENUE INTANGIBLE	6,223,278	0
LESS ACCUMULATED AMORTIZATION	<u>(3,506,559)</u>	<u>0</u>
TOTAL INTANGIBLE ASSETS, NET	<u>24,262,932</u>	<u>0</u>
OTHER ASSETS AND DEFERRED OUTFLOWS	<u>1,187,557</u>	<u>226,587</u>
TOTAL ASSETS	<u><u>88,990,796</u></u>	<u><u>39,917,970</u></u>
LIABILITIES AND FUND EQUITY		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	5,519,649	386,634
SALARIES AND BENEFITS PAYABLE	651,207	139,981
DUE TO CITY	807,459	3,095
DUE TO OTHER FUNDS	0	0
NOTES PAYABLE-CURRENT PORTION	0	0
BONDS PAYABLE-CURRENT PORTION	955,000	60,000
UNEARNED REVENUE	142,988	438,961
TOTAL CURRENT LIABILITIES	<u>8,076,304</u>	<u>1,028,671</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	28,260,262	1,561,945
PENSION LIABILITIES	3,789,381	725,038
TOTAL LONG TERM LIABILITIES	<u>32,049,643</u>	<u>2,286,983</u>
TOTAL LIABILITIES	<u>40,125,946</u>	<u>3,315,654</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)	1,826,760	593,079
TOTAL FUND EQUITY	<u>48,810,721</u>	<u>31,480,485</u>
TOTAL LIABILITIES & FUND EQUITY	<u><u>88,990,796</u></u>	<u><u>39,917,970</u></u>

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

	December 31, 2023	November 30, 2023	Current Month Change from Prior Month
ASSETS			
CURRENT ASSETS			
CASH	11,898,427	11,198,133	700,295
ACCOUNTS RECEIVABLE	2,373,501	3,002,100	(628,599)
INVENTORIES	1,048,510	1,054,079	(5,568)
PREPAID ITEMS	185,599	231,621	(46,022)
CONSTRUCTION IN PROGRESS	834,235	2,677,087	(1,842,851)
TOTAL CURRENT ASSETS	<u>16,340,273</u>	<u>18,163,019</u>	<u>(1,822,746)</u>
RESTRICTED ASSETS			
BOND RESERVE FUND	1,779,016	1,779,016	0
EMERGENCY RESERVE FUND	2,952,992	2,944,240	8,751
TOTAL RESTRICTED ASSETS	<u>4,732,007</u>	<u>4,723,256</u>	<u>8,751</u>
FIXED ASSETS			
PRODUCTION	824,065	824,065	0
TRANSMISSION	2,305,024	2,305,024	0
DISTRIBUTION	49,317,397	48,121,819	1,195,578
GENERAL	24,261,526	23,147,919	1,113,607
FIXED ASSETS (COST)	<u>76,708,012</u>	<u>74,398,827</u>	<u>2,309,185</u>
LESS ACCUMULATED DEPRECIATION	<u>(34,239,985)</u>	<u>(34,236,977)</u>	<u>(3,008)</u>
TOTAL FIXED ASSETS, NET	<u>42,468,027</u>	<u>40,161,850</u>	<u>2,306,177</u>
INTANGIBLE ASSETS			
POWER AGENCY MEMBERSHIP BUY-IN	21,546,212	21,546,212	0
LOSS OF REVENUE INTANGIBLE	6,223,278	5,290,120	933,159
LESS ACCUMULATED AMORTIZATION	<u>(3,506,559)</u>	<u>(3,450,881)</u>	<u>(55,678)</u>
TOTAL INTANGIBLE ASSETS, NET	<u>24,262,932</u>	<u>23,385,451</u>	<u>877,481</u>
OTHER ASSETS AND DEFERRED OUTFLOWS	<u>1,187,557</u>	<u>1,187,557</u>	<u>0</u>
TOTAL ASSETS	<u><u>88,990,796</u></u>	<u><u>87,621,133</u></u>	<u><u>1,369,663</u></u>
LIABILITIES AND FUND EQUITY			
CURRENT LIABILITIES			
ACCOUNTS PAYABLE	5,519,649	4,029,210	1,490,439
SALARIES AND BENEFITS PAYABLE	651,207	621,036	30,171
DUE TO CITY	807,459	745,285	62,174
BONDS PAYABLE-CURRENT PORTION	955,000	0	955,000
UNEARNED REVENUE	142,988	144,986	(1,998)
TOTAL CURRENT LIABILITIES	<u>8,076,304</u>	<u>5,540,517</u>	<u>2,535,787</u>
LONG TERM LIABILITIES			
BONDS PAYABLE, LESS CURRENT PORTION	28,260,262	29,220,250	(959,989)
PENSION LIABILITIES	3,789,381	3,789,381	0
TOTAL LONG TERM LIABILITIES	<u>32,049,643</u>	<u>33,009,631</u>	<u>(959,989)</u>
TOTAL LIABILITIES	<u>40,125,946</u>	<u>38,550,148</u>	<u>1,575,798</u>
DEFERRED INFLOWS OF RESOURCES	<u>54,129</u>	<u>54,129</u>	<u>0</u>
FUND EQUITY			
CAPITAL ACCOUNT CONST COST	1,779,016	1,779,016	0
RETAINED EARNINGS	45,204,945	45,204,945	0
NET INCOME (LOSS) (THROUGH PREVIOUS MONTH)	1,826,760	2,032,895	(206,135)
TOTAL FUND EQUITY	<u>48,810,721</u>	<u>49,016,856</u>	<u>(206,135)</u>
TOTAL LIABILITIES & FUND EQUITY	<u><u>88,990,796</u></u>	<u><u>87,621,133</u></u>	<u><u>1,369,663</u></u>

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

	December 31, 2023	November 30, 2023	Current Month Change from Prior Month
ASSETS			
CURRENT ASSETS			
CASH	9,557,628	9,585,625	(27,998)
ACCOUNTS RECEIVABLE	5,606,512	5,616,821	(10,309)
INVENTORIES	17,102	12,939	4,163
PREPAID ITEMS	35,211	48,079	(12,867)
CONSTRUCTION IN PROGRESS	1,476,495	1,463,212	13,283
TOTAL CURRENT ASSETS	<u>16,692,948</u>	<u>16,726,676</u>	<u>(33,728)</u>
RESTRICTED ASSETS			
EMERGENCY RESERVE FUND	1,366,689	1,364,501	2,188
TOTAL RESTRICTED ASSETS	<u>1,366,689</u>	<u>1,364,501</u>	<u>2,188</u>
FIXED ASSETS			
PRODUCTION	16,798,616	16,525,311	273,306
DISTRIBUTION	26,875,344	26,875,344	0
GENERAL	1,224,045	1,205,204	18,841
FIXED ASSETS (COST)	<u>44,898,005</u>	<u>44,605,858</u>	<u>292,146</u>
LESS ACCUMULATED DEPRECIATION	<u>(23,266,258)</u>	<u>(23,167,379)</u>	<u>(98,880)</u>
TOTAL FIXED ASSETS, NET	<u>21,631,746</u>	<u>21,438,480</u>	<u>193,267</u>
INTANGIBLE ASSETS			
OTHER ASSETS AND DEFERRED OUTFLOWS	<u>226,587</u>	<u>226,587</u>	<u>0</u>
TOTAL ASSETS	<u><u>39,917,970</u></u>	<u><u>39,756,243</u></u>	<u><u>161,727</u></u>
LIABILITIES AND FUND EQUITY			
CURRENT LIABILITIES			
ACCOUNTS PAYABLE	386,634	275,999	110,635
SALARIES AND BENEFITS PAYABLE	139,981	135,740	4,242
DUE TO CITY	3,095	901	2,193
BONDS PAYABLE-CURRENT PORTION	60,000	0	60,000
UNEARNED REVENUE	438,961	438,961	0
TOTAL CURRENT LIABILITIES	<u>1,028,671</u>	<u>851,600</u>	<u>177,071</u>
LONG TERM LIABILITIES			
BONDS PAYABLE, LESS CURRENT PORTION	1,561,945	1,622,500	(60,554)
PENSION LIABILITIES	725,038	725,038	0
TOTAL LONG TERM LIABILITIES	<u>2,286,983</u>	<u>2,347,538</u>	<u>(60,554)</u>
TOTAL LIABILITIES	<u>3,315,654</u>	<u>3,199,138</u>	<u>116,516</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)	593,079	547,868	45,210
TOTAL FUND EQUITY	<u>31,480,485</u>	<u>31,435,274</u>	<u>45,210</u>
TOTAL LIABILITIES & FUND EQUITY	<u><u>39,917,970</u></u>	<u><u>39,756,243</u></u>	<u><u>161,727</u></u>

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

	2023 DECEMBER	2023 YTD	2023 YTD BUDGET	YTD Budget Variance	2023 YTD Bud Var%	2023 ANNUAL BUDGET	2022 DECEMBER	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual Var%	Variance Item
Electric											
Revenue											
Operating Revenue											
Elk River	2,433,461	39,485,338	42,041,326	(2,555,988)	(6)	42,041,326	3,171,610	37,373,184	2,112,154	6	
Otsego	220,975	3,752,121	3,385,657	366,464	11	3,385,657	302,635	3,351,689	400,432	12	
Rural Big Lake	13,068	216,032	238,658	(22,626)	(9)	238,658	19,105	203,559	12,473	6	
Dayton	15,042	267,288	285,471	(18,183)	(6)	285,471	22,387	249,416	17,872	7	
Public St & Hwy Lighting	21,674	259,192	260,000	(808)	(0)	260,000	21,729	258,671	521	0	
Other Electric Sales	400	4,800	4,800	0	0	4,800	(225,320)	900,468	(895,668)	(99)	(1)
Total Operating Revenue	2,704,619	43,984,771	46,215,912	(2,231,141)	(5)	46,215,912	3,312,146	42,336,988	1,647,783	4	
Other Operating Revenue											
Interest/Dividend Income	46,659	158,310	50,000	108,310	217	50,000	33,153	(159,502)	317,812	199	(2)
Customer Penalties	19,454	308,374	250,000	58,374	23	250,000	17,992	284,452	23,922	8	(3)
LFG Project	0	0	0	0	0	0	0	935,004	(935,004)	(100)	(4)
Connection Fees	11,135	151,296	220,000	(68,704)	(31)	220,000	38,575	243,088	(91,792)	(38)	(5)
Misc Revenue	232,703	1,496,597	936,231	560,366	60	936,231	130,902	1,307,320	189,277	14	(6)
Total Other Revenue	309,952	2,114,578	1,456,231	658,347	45	1,456,231	220,622	2,610,362	(495,784)	(19)	
Total Revenue	3,014,571	46,099,348	47,672,143	(1,572,795)	(3)	47,672,143	3,532,768	44,947,350	1,151,999	3	
Expenses											
Purchased Power	2,142,668	31,232,788	32,766,025	(1,533,237)	(5)	32,766,025	2,325,352	31,544,604	(311,816)	(1)	
Operating & Mtce Expense	27,441	315,056	321,000	(5,944)	(2)	321,000	36,054	273,671	41,385	15	(7)
Landfill Gas	0	0	0	0	0	0	(38,905)	519,630	(519,630)	(100)	(8)
Transmission Expense	4,445	63,811	70,000	(6,189)	(9)	70,000	5,148	63,953	(142)	(0)	
Distribution Expense	31,133	434,319	369,466	64,853	18	369,466	38,390	386,598	47,721	12	(9)
Maintenance Expense	163,413	1,679,313	1,540,500	138,813	9	1,540,500	151,167	1,512,235	167,078	11	
Depreciation & Amortization	275,117	3,177,100	3,220,836	(43,736)	(1)	3,220,836	295,010	3,062,751	114,349	4	
Interest Expense	66,412	810,832	810,832	(0)	0	810,832	69,425	846,309	(35,477)	(4)	
Other Operating Expense	4,303	68,071	74,109	(6,038)	(8)	74,109	348,129	401,008	(332,938)	(83)	(10)
Customer Accounts Expense	34,704	433,494	401,500	31,994	8	401,500	30,580	391,238	42,256	11	
Administrative Expense	319,812	3,795,826	4,128,585	(332,759)	(8)	4,128,585	281,386	3,659,777	136,049	4	
General Expense	34,755	388,038	582,609	(194,571)	(33)	582,609	24,652	405,767	(17,729)	(4)	(11)
Total Expenses(before Operating Transfers)	3,104,204	42,398,647	44,285,462	(1,886,815)	(4)	44,285,462	3,566,386	43,067,542	(668,895)	(2)	
Operating Transfer											
Operating Transfer/Other Funds	98,038	1,620,378	1,681,653	(61,275)	(4)	1,681,653	127,568	1,531,633	88,745	6	
Utilities & Labor Donated	18,464	253,564	240,000	13,564	6	240,000	19,563	231,861	21,703	9	
Total Operating Transfer	116,502	1,873,941	1,921,653	(47,712)	(2)	1,921,653	147,131	1,763,493	110,448	6	
Net Income Profit(Loss)	(206,135)	1,826,760	1,465,028	361,732	25	1,465,028	(180,749)	116,314	1,710,446	1,471	

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

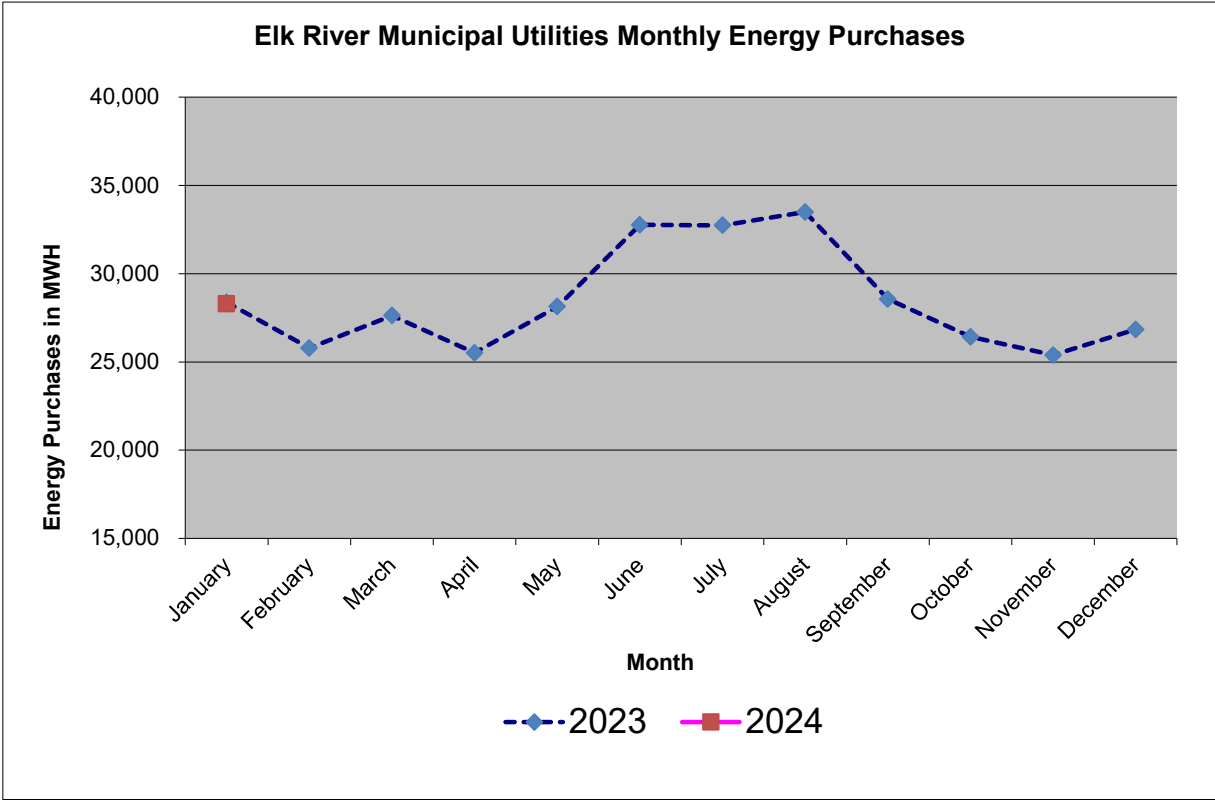
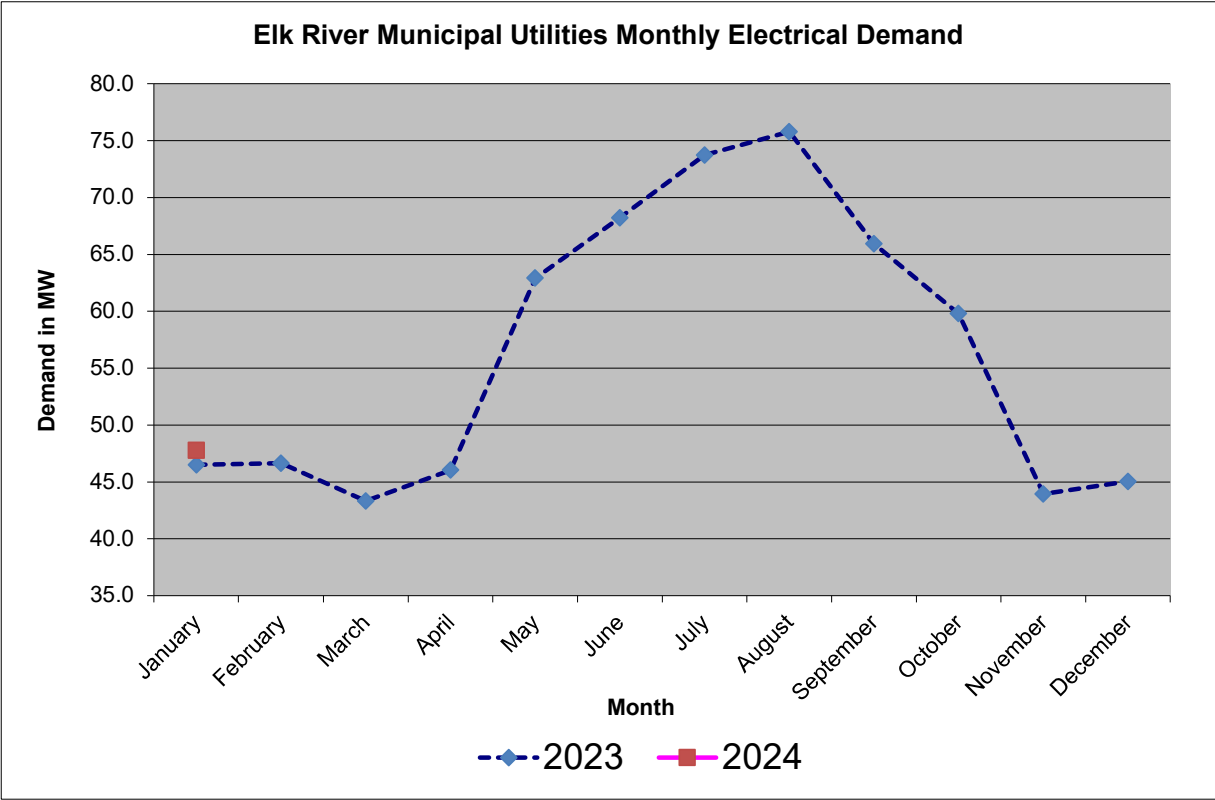
- (1) PYTD variance is due to accrual of PCA revenue in 2022 (See Rate Increase on Detailed Statement).
- (2) Budget variance is due to conservative budgeted amount. PYTD variance is due to the change in Fair Market Value of Investments.
- (3) Budget variance is due to conservative budgeted amount.
- (4) PYTD variance is due to the LFG Project coming to an end in 2022.
- (5) YTD Budget and PYTD variance is due to less than average connection fees in 2023.
- (6) YTD Budget variance is mainly due to a conservative budgeted amount for contribution from customers and misc non-utility and higher than anticipated transmission investment revenue.
- (7) PYTD variance is mainly due to increased electric & water expense for new field services building in 2023.
- (8) PYTD variance is due to the LFG Project coming to an end in 2022.
- (9) YTD Budget variance is mainly due to increased labor (inventory, tool repair, maintenance of rubber goods, electrical apparatus maintenance/repair, and grounds testing/maintenance), tools and uniform expense in 2023.
- (10) PYTD variance is due to Pension Expense being recognized as a year-end audit entry.
- (11) YTD Budget variance is mainly due to less rebate dollars spent than budgeted.

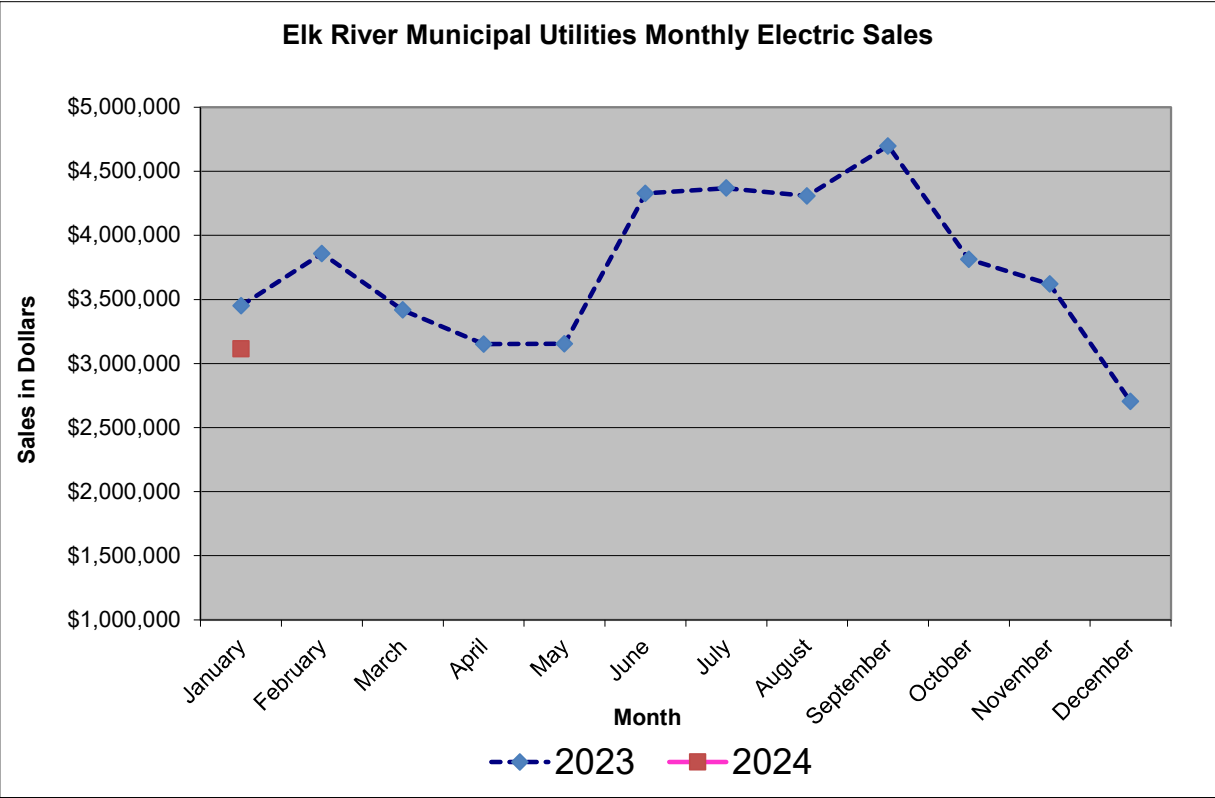
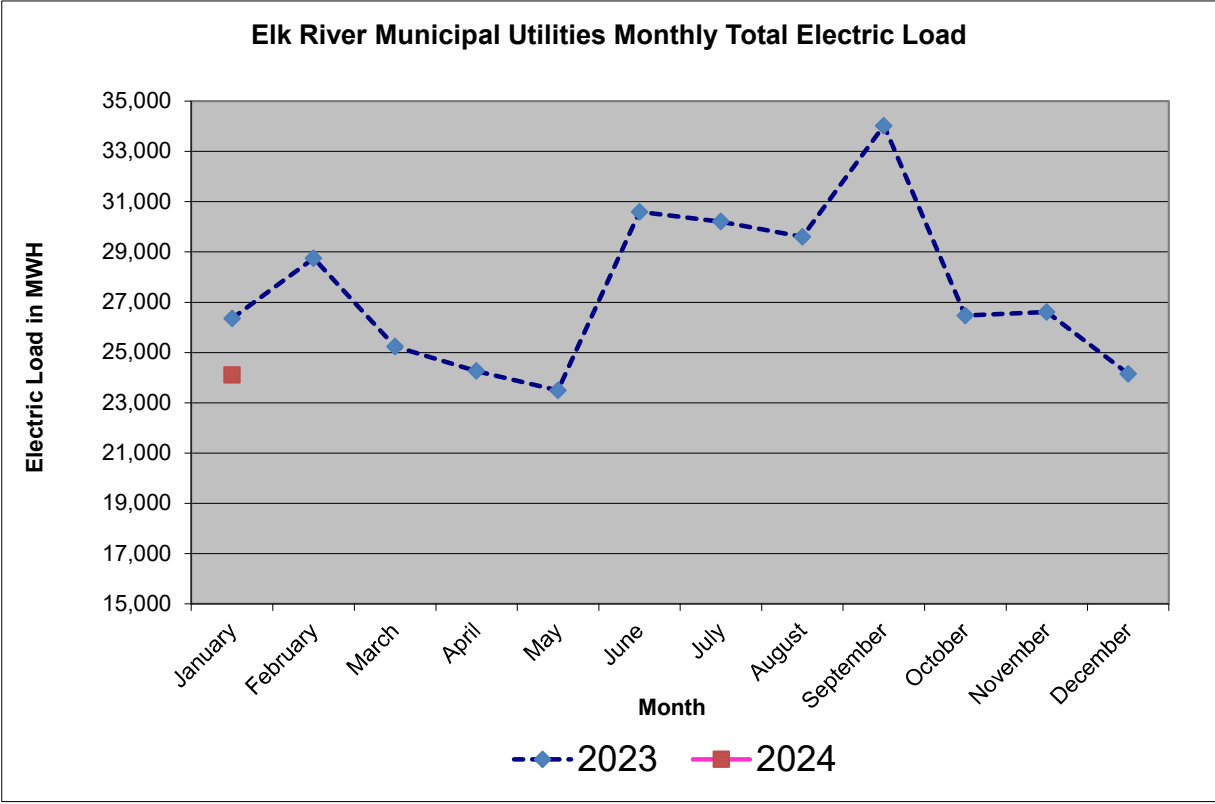
ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR PERIOD ENDING DECEMBER 2023

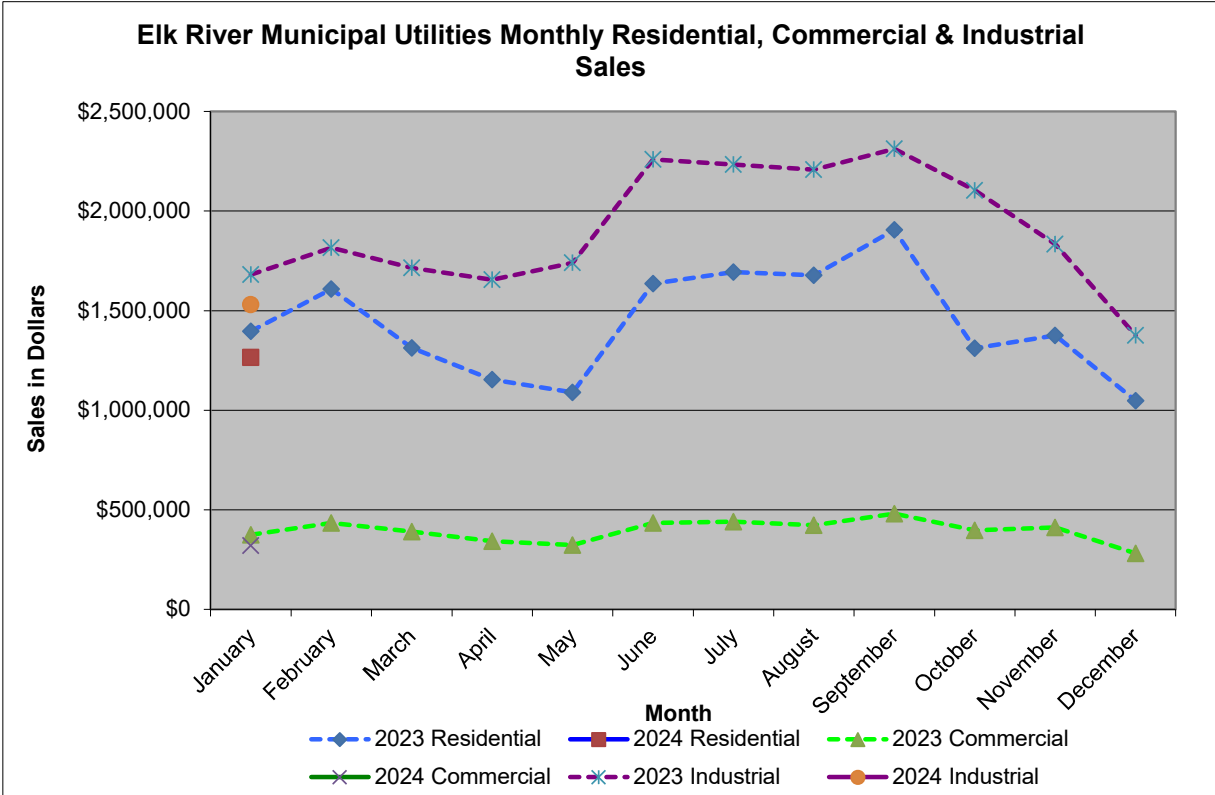
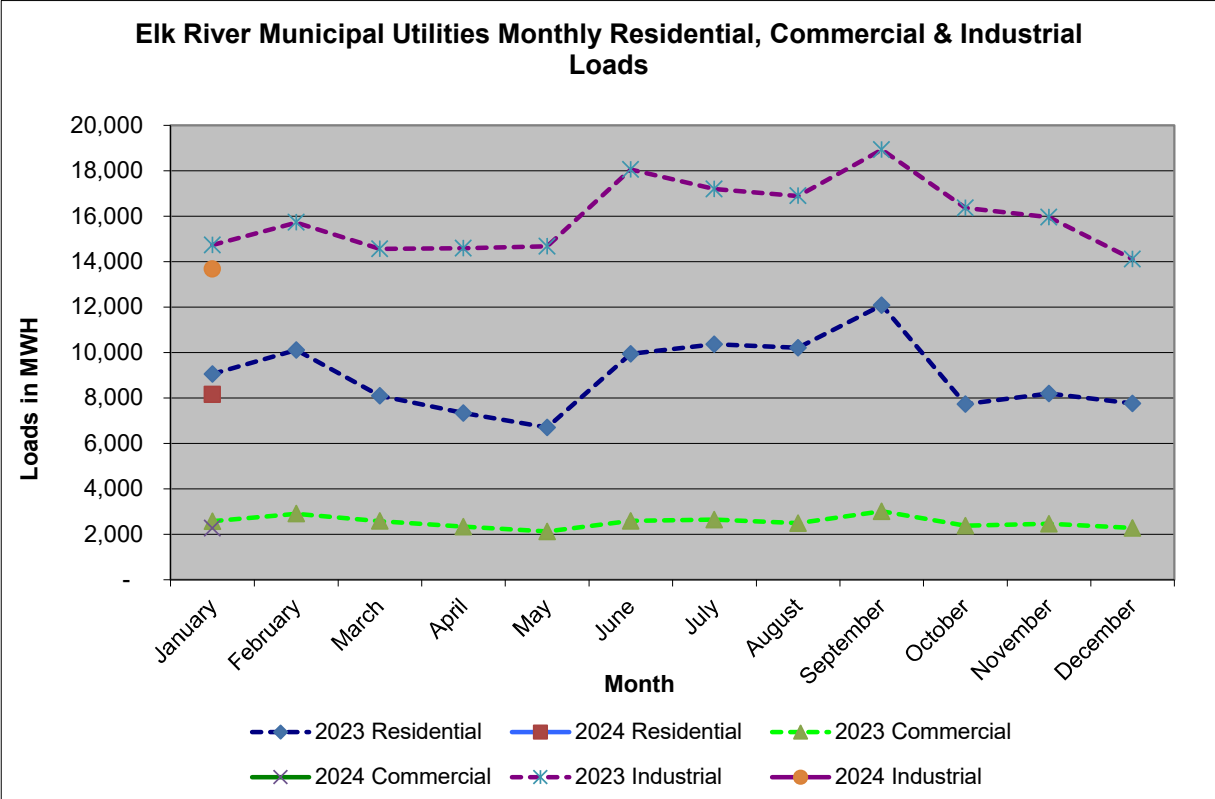
	2023 DECEMBER	2023 YTD	2023 YTD BUDGET	YTD Budget Variance	2023 YTD Bud Var%	2023 ANNUAL BUDGET	2022 DECEMBER	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual Var%	Variance Item
Water											
Revenue											
Operating Revenue											
Water Sales	142,554	3,305,147	2,503,414	801,733	32	2,503,414	150,156	2,887,276	417,872	14	(1)
Total Operating Revenue	142,554	3,305,147	2,503,414	801,733	32	2,503,414	150,156	2,887,276	417,872	14	
Other Operating Revenue											
Interest/Dividend Income	13,726	58,447	36,500	21,947	60	36,500	9,529	(29,455)	87,902	298	(2)
Customer Penalties	961	23,118	28,000	(4,882)	(17)	28,000	1,023	26,194	(3,077)	(12)	
Connection Fees	25,351	309,075	518,000	(208,925)	(40)	518,000	18,728	1,623,295	(1,314,221)	(81)	(3)
Misc Revenue	89,348	106,184	376,034	(269,850)	(72)	376,034	1,088,898	1,364,163	(1,257,979)	(92)	(4)
Total Other Revenue	129,386	496,823	958,534	(461,711)	(48)	958,534	1,118,178	2,984,197	(2,487,374)	(83)	
Total Revenue	271,940	3,801,970	3,461,948	340,022	10	3,461,948	1,268,335	5,871,473	(2,069,503)	(35)	
Expenses											
Production Expense	9,176	104,829	90,000	14,829	16	90,000	16,833	114,397	(9,569)	(8)	
Pumping Expense	25,688	563,051	603,000	(39,949)	(7)	603,000	50,755	566,684	(3,633)	(1)	
Distribution Expense	12,915	318,338	337,650	(19,312)	(6)	337,650	27,216	305,583	12,755	4	
Depreciation & Amortization	98,880	1,172,659	1,202,937	(30,278)	(3)	1,202,937	104,278	1,117,357	55,302	5	
Interest Expense	2,912	36,349	36,349	0	0	36,349	3,112	39,720	(3,371)	(8)	
Other Operating Expense	107	3,234	2,470	764	31	2,470	78,294	80,954	(77,721)	(96)	(5)
Customer Accounts Expense	7,851	88,625	84,370	4,255	5	84,370	6,851	81,285	7,340	9	
Administrative Expense	69,797	917,672	1,032,655	(114,983)	(11)	1,032,655	59,298	904,027	13,644	2	
General Expense	(597)	4,136	18,650	(14,514)	(78)	18,650	416	7,529	(3,393)	(45)	
Total Expenses(before Operating Transfers)	226,730	3,208,892	3,408,081	(199,189)	(6)	3,408,081	347,053	3,217,536	(8,645)	(0)	
Operating Transfer											
Utilities & Labor Donated	0	0	1,500	(1,500)	(100)	1,500	0	540	(540)	(100)	
Total Operating Transfer	0	0	1,500	(1,500)	(100)	1,500	0	540	(540)	(100)	
Net Income Profit(Loss)	45,210	593,079	52,367	540,712	1,033	52,367	921,282	2,653,397	(2,060,318)	(78)	

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

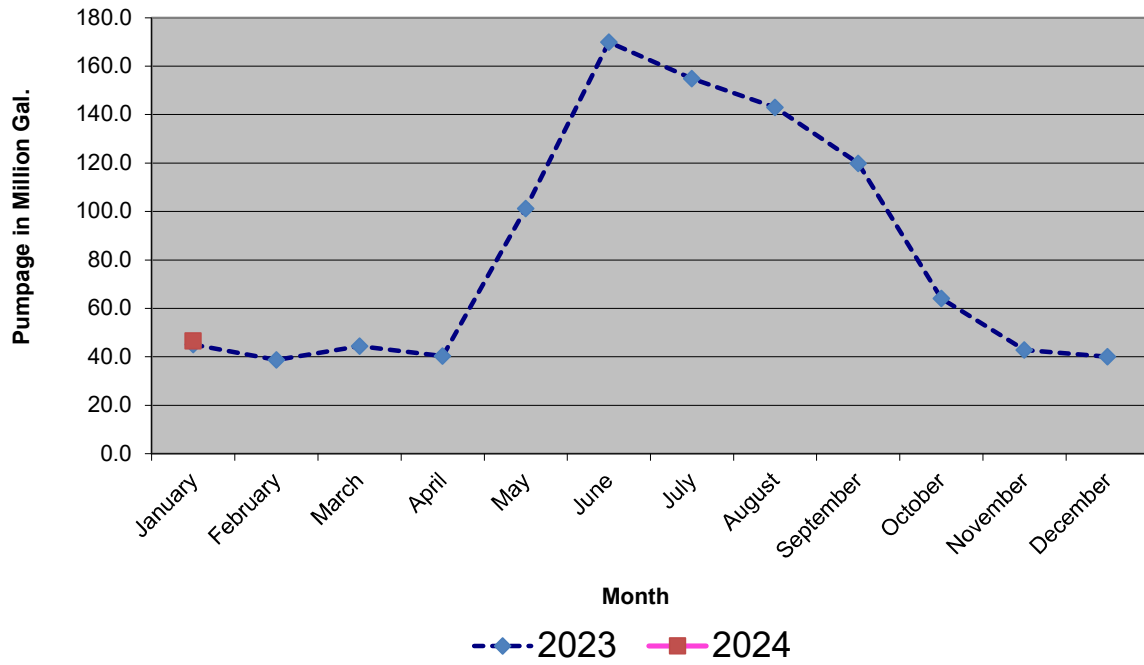
- (1) YTD Budget variance is due to usage being higher than budgeted.
- (2) YTD Budget variance is due to conservative budgeted amount. PYTD variance is due to the change in Fair Market Value of Investments.
- (3) YTD Budget variance is due to less than average connection fees. PYTD variance is due to more Connection Fees in 2022.
- (4) YTD Budget variance is due to Water Tower lease revenue being recognized as year-end audit entry. PYTD variance is due to Contribution from Developers (2023 not booked yet) and Water Tower lease revenue being recognized annually in 2023 vs monthly in 2022 (GASB 87).
- (5) PYTD variance is due to Pension Expense being recognized as a year-end audit entry.



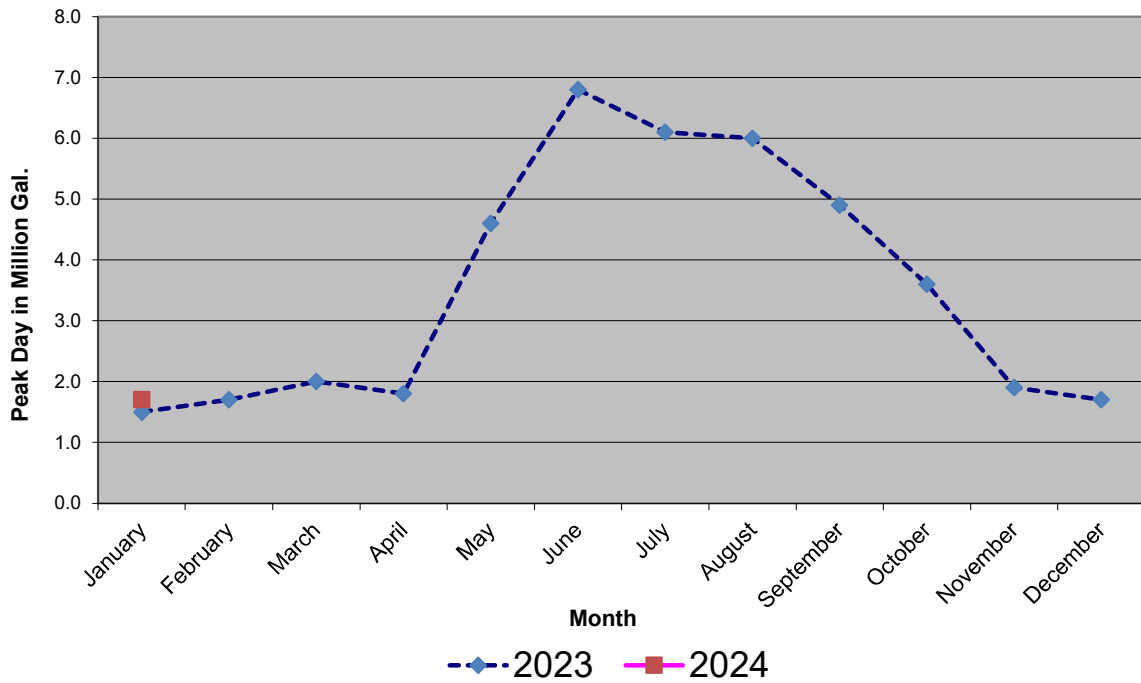


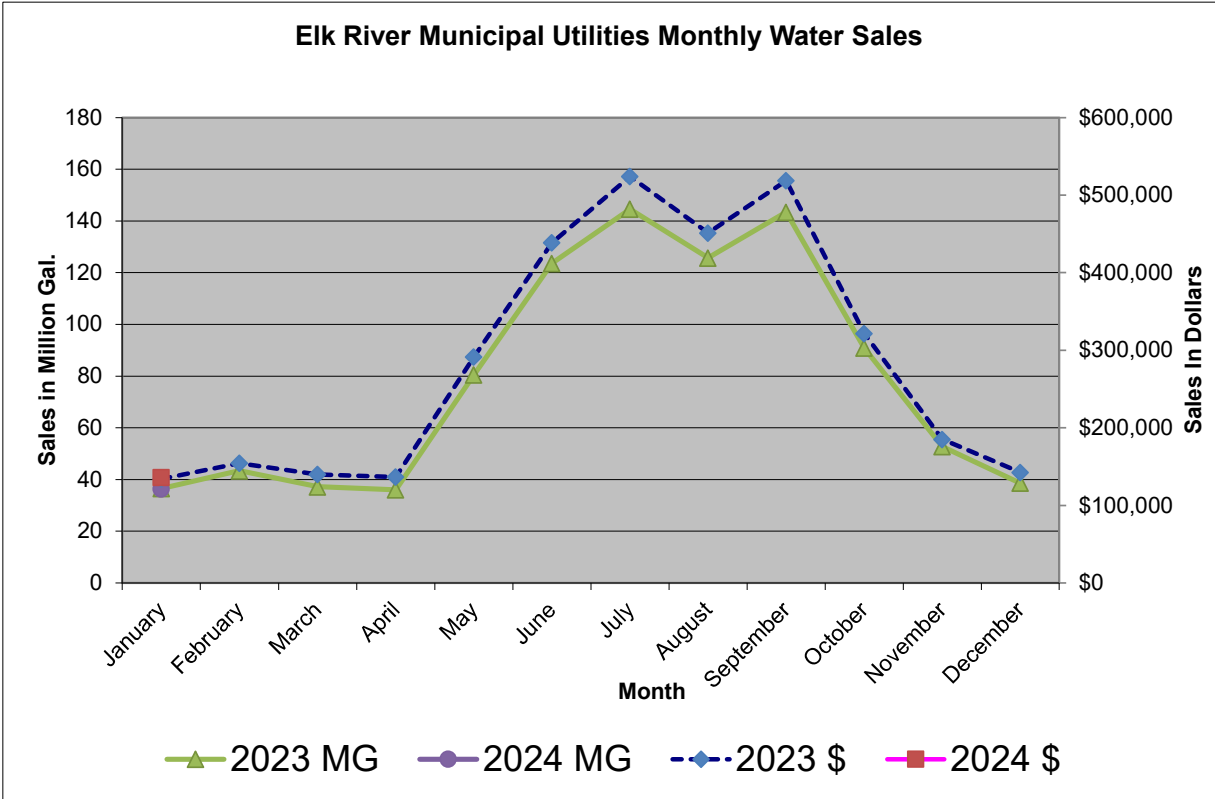


Elk River Municipal Utilities Monthly Water Pumpage



Elk River Municipal Utilities Peak Day Pumpage





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

	2023 DECEMBER	2023 YTD	2023 YTD BUDGET	2023 ANNUAL BUDGET	2023 YTD Bud Var%	2022 DECEMBER	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual Var%
Electric Revenue									
Operating Revenue									
Elk River									
ELECT SALES - ELK RIVER RESID	925,842	13,774,416	14,039,146	14,039,146	(2)	1,272,307	13,749,299	25,117	0
ELECT SALES - ELK RIVER NON-D	234,339	3,545,392	3,461,850	3,461,850	2	297,759	3,321,584	223,807	7
ELECT SALES - ELK RIVER DEMA	1,273,278	18,843,492	20,243,229	20,243,229	(7)	1,601,543	20,302,300	(1,458,807)	(7)
PCA SALES REVENUE - ELK RIVE	0	1,040,554	1,285,399	1,285,399	(19)	0	0	1,040,554	0
PCA SALES REVENUE - ELK RIVE	0	283,171	340,814	340,814	(17)	0	0	283,171	0
PCA SALES REVENUE - ELK RIVE	0	1,998,310	2,670,887	2,670,887	(25)	0	0	1,998,310	0
Total For Elk River:	2,433,461	39,485,337	42,041,326	42,041,326	(6)	3,171,609	37,373,184	2,112,153	6
Otsego									
ELECT SALES - OTSEGO RESIDEN	94,436	1,520,947	1,420,072	1,420,072	7	132,630	1,459,139	61,807	4
ELECT SALES - OTSEGO NON-DEM	24,282	497,057	454,649	454,649	9	39,784	493,846	3,210	1
ELECT SALES - OTSEGO DEMAND	102,255	1,428,814	1,180,452	1,180,452	21	130,219	1,398,702	30,112	2
PCA SALES REVENUE - OTSEGO R	0	113,642	129,685	129,685	(12)	0	0	113,642	0
PCA SALES REVENUE - OTSEGO N	0	41,419	44,260	44,260	(6)	0	0	41,419	0
PCA SALES REVENUE - OTSEGO D	0	150,238	156,538	156,538	(4)	0	0	150,238	0
Total For Otsego:	220,974	3,752,121	3,385,657	3,385,657	11	302,634	3,351,688	400,432	12
Rural Big Lake									
ELECT SALES - BIG LAKE RESIDE	12,930	196,033	214,102	214,102	(8)	18,919	198,877	(2,844)	(1)
ELECT SALES - BIG LAKE NON-DE	137	4,789	4,513	4,513	6	186	4,681	108	2
PCA SALES REVENUE - BIG LAKE	0	14,868	19,622	19,622	(24)	0	0	14,868	0
PCA SALES REVENUE - BIG LAKE	0	340	420	420	(19)	0	0	340	0
Total For Rural Big Lake:	13,068	216,031	238,658	238,658	(9)	19,105	203,558	12,473	6
Dayton									
ELECT SALES - DAYTON RESIDEN	12,485	208,525	221,646	221,646	(6)	19,058	209,677	(1,151)	(1)
ELECT SALES - DAYTON NON-DE	2,556	40,282	39,638	39,638	2	3,328	39,738	543	1
PCA SALES REVENUE - DAYTON R	0	15,521	20,286	20,286	(23)	0	0	15,521	0
PCA SALES REVENUE - DAYTON	0	2,958	3,900	3,900	(24)	0	0	2,958	0
Total For Dayton:	15,041	267,288	285,471	285,471	(6)	22,386	249,416	17,871	7
Public St & Hwy Lighting									
ELECT SALES - SEC LTS	21,673	259,191	260,000	260,000	0	21,728	258,671	520	0
Total For Public St & Hwy Lighting:	21,673	259,191	260,000	260,000	0	21,728	258,671	520	0
Other Electric Sales									
SUB-STATION CREDIT	400	4,800	4,800	4,800	0	400	4,800	0	0
RATE INCREASE	0	0	0	0	0	(225,719)	895,668	(895,668)	(100)

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

		2023 DECEMBER	2023 YTD	2023 YTD BUDGET	2023 ANNUAL BUDGET	2023 YTD Bud Var%	2022 DECEMBER	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual Var%
Electric	Total For Other Electric Sales:	400	4,800	4,800	4,800	0	(225,319)	900,468	(895,668)	(99)
	Total Operating Revenue	2,704,619	43,984,770	46,215,912	46,215,912	(5)	3,312,145	42,336,987	1,647,783	4
	Other Operating Revenue									
Interest/Dividend Income										
	INTEREST & DIVIDEND INCOME	46,659	158,309	50,000	50,000	217	33,153	(159,502)	317,812	199
	Total For Interest/Dividend Income:	46,659	158,309	50,000	50,000	217	33,153	(159,502)	317,812	199
Customer Penalties										
	CUSTOMER DELINQUENT PENALT	19,454	308,374	250,000	250,000	23	17,992	284,452	23,922	8
	Total For Customer Penalties:	19,454	308,374	250,000	250,000	23	17,992	284,452	23,922	8
LFG Project										
	LFG PROJECT	0	0	0	0	0	0	935,004	(935,004)	(100)
	Total For LFG Project:	0	0	0	0	0	0	935,004	(935,004)	(100)
Connection Fees										
	DISCONNECT & RECONNECT CHA	11,135	151,296	220,000	220,000	(31)	38,575	243,087	(91,791)	(38)
	Total For Connection Fees:	11,135	151,296	220,000	220,000	(31)	38,575	243,087	(91,791)	(38)
Misc Revenue										
	MISC ELEC REVENUE - TEMP CHG	0	5,994	2,000	2,000	200	660	5,630	364	6
	STREET LIGHT	0	6,300	20,000	20,000	(68)	10,800	23,525	(17,225)	(73)
	TRANSMISSION INVESTMENTS	100,323	739,768	649,231	649,231	14	93,882	697,070	42,698	6
	MISC NON-UTILITY	19,271	182,451	90,000	90,000	103	6,632	187,014	(4,562)	(2)
	GAIN ON DISPOSITION OF PROPER	21,620	72,630	0	0	0	0	78,538	(5,908)	(8)
	PERA PENSION REVENUE	0	0	0	0	0	16,608	16,608	(16,608)	(100)
	CONTRIBUTIONS FROM CUSTOME	91,488	489,451	175,000	175,000	180	2,319	298,934	190,517	64
	Total For Misc Revenue:	232,703	1,496,597	936,231	936,231	60	130,901	1,307,320	189,277	14
	Total Other Revenue	309,951	2,114,577	1,456,231	1,456,231	45	220,621	2,610,362	(495,784)	(19)
	Total For Total Other Revenue:	309,951	2,114,577	1,456,231	1,456,231	45	220,621	2,610,362	(495,784)	(19)
	Total Revenue	3,014,570	46,099,348	47,672,143	47,672,143	(3)	3,532,767	44,947,349	1,151,998	3
Expenses										
Purchased Power										
	PURCHASED POWER	1,611,485	23,416,660	24,207,981	24,207,981	(3)	2,325,351	31,544,604	(8,127,943)	(26)
	ENERGY ADJUSTMENT CLAUSE	531,182	7,816,127	8,558,044	8,558,044	(9)	0	0	7,816,127	0
	Total For Purchased Power:	2,142,668	31,232,788	32,766,025	32,766,025	(5)	2,325,351	31,544,604	(311,816)	(1)

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

	2023 DECEMBER	2023 YTD	2023 YTD BUDGET	2023 ANNUAL BUDGET	2023 YTD Bud Var%	2022 DECEMBER	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual Var%
Electric									
Operating & Mtce Expense									
OPERATING SUPERVISION	9,133	120,165	137,000	137,000	(12)	13,805	138,044	(17,878)	(13)
DIESEL OIL FUEL	60	3,915	10,000	10,000	(61)	729	2,980	935	31
NATURAL GAS	3,322	28,240	25,000	25,000	13	4,807	20,631	7,608	37
ELECTRIC & WATER CONSUMPTI	5,439	62,628	34,000	34,000	84	3,376	32,884	29,744	90
PLANT SUPPLIES & OTHER EXPEN	953	27,882	13,000	13,000	114	938	13,912	13,970	100
MISC POWER GENERATION EXPE	141	3,909	8,000	8,000	(51)	911	5,079	(1,170)	(23)
MAINTENANCE OF STRUCTURE -	1,608	19,304	20,000	20,000	(3)	1,908	20,294	(989)	(5)
MTCE OF PLANT ENGINES/GENER	2,348	19,571	39,000	39,000	(50)	514	11,756	7,815	66
MTCE OF PLANT/LAND IMPROVE	4,432	29,436	35,000	35,000	(16)	9,061	28,086	1,350	5
Total For Operating & Mtce Expense:	27,441	315,055	321,000	321,000	(2)	36,053	273,670	41,385	15
Landfill Gas									
LANDFILL GAS PLANT PURCHASE	0	0	0	0	0	0	136,879	(136,879)	(100)
LANDFILL GAS PLANT OPERATIO	0	0	0	0	0	(57,809)	337,825	(337,825)	(100)
LANDFILL GAS PLANT ADMINIST	0	0	0	0	0	18,798	25,847	(25,847)	(100)
LANDFILL GAS PLANT INSURANC	0	0	0	0	0	(33)	17,501	(17,501)	(100)
LANDFILL GAS PLANT MTCE	0	0	0	0	0	140	1,576	(1,576)	(100)
Total For Landfill Gas:	0	0	0	0	0	(38,904)	519,630	(519,630)	(100)
Transmission Expense									
TRANSMISSION MTCE AND EXPE	4,445	63,810	70,000	70,000	(9)	5,148	63,952	(142)	0
Total For Transmission Expense:	4,445	63,810	70,000	70,000	(9)	5,148	63,952	(142)	0
Distribution Expense									
REMOVE EXISTING SERVICE & M	217	759	1,050	1,050	(28)	104	599	160	27
SCADA EXPENSE	4,997	53,498	44,000	44,000	22	5,062	42,498	11,000	26
TRANSFORMER EXPENSE OH & U	1,749	19,018	15,000	15,000	27	1,567	13,243	5,775	44
MTCE OF SIGNAL SYSTEMS	0	2,667	2,000	2,000	33	57	1,872	794	42
METER EXPENSE - REMOVE & RE	149	1,610	1,500	1,500	7	0	582	1,028	177
TEMP SERVICE - INSTALL & REM	0	9,206	3,500	3,500	163	419	3,718	5,488	148
MISC DISTRIBUTION EXPENSE	21,603	345,140	300,000	300,000	15	28,762	321,667	23,472	7
INTERCONNECTION CARRYING C	2,416	2,416	2,416	2,416	0	2,416	2,416	0	0
Total For Distribution Expense:	31,133	434,318	369,466	369,466	18	38,389	386,598	47,720	12
Maintenance Expense									
MTCE OF STRUCTURES	10,904	70,799	46,000	46,000	54	5,334	30,934	39,865	129
MTCE OF SUBSTATIONS	850	40,623	35,000	35,000	16	3,844	60,276	(19,652)	(33)
MTCE OF SUBSTATION EQUIPME	9,448	79,615	77,000	77,000	3	942	42,073	37,541	89

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Electric	2023	2023	2023	2023	2023 YTD	2022	2022	YTD	2022 v. 2023
	DECEMBER	YTD	YTD BUDGET	ANNUAL BUDGET	Bud Var%	DECEMBER	YTD	VARIANCE	Actual Var%
MTCE OF OH LINES/TREE TRIM	31,565	225,909	225,000	225,000	0	28,060	145,876	80,032	55
MTCE OF OH LINES/STANDBY	3,179	36,654	40,000	40,000	(8)	2,940	33,623	3,031	9
MTCE OF OH PRIMARY	10,253	152,226	170,000	170,000	(10)	14,732	190,502	(38,275)	(20)
MTCE OF URD PRIMARY	5,199	214,304	170,000	170,000	26	9,816	201,178	13,126	7
LOCATE ELECTRIC LINES	5,382	105,451	106,000	106,000	(1)	3,354	95,624	9,826	10
LOCATE FIBER LINES	202	624	1,000	1,000	(38)	65	880	(256)	(29)
MTCE OF LINE TRANSFORMERS	11,156	83,650	60,000	60,000	39	5,383	43,183	40,467	94
MTCE OF STREET LIGHTING	5,750	48,781	45,000	45,000	8	14,633	66,957	(18,176)	(27)
MTCE OF SECURITY LIGHTING	1,795	18,471	15,000	15,000	23	280	21,799	(3,327)	(15)
MTCE OF METERS	6,965	69,871	85,000	85,000	(18)	5,242	77,069	(7,198)	(9)
VOLTAGE COMPLAINTS	317	10,389	10,000	10,000	4	1,763	9,130	1,258	14
SALARIES TRANSMISSION & DIST	2,162	28,029	30,500	30,500	(8)	2,388	28,316	(287)	(1)
ELECTRIC MAPPING	9,473	111,093	95,000	95,000	17	17,704	97,145	13,948	14
MTCE OF OH SECONDARY	2,576	26,387	25,000	25,000	6	1,603	21,753	4,634	21
MTCE OF URD SECONDARY	10,629	68,402	60,000	60,000	14	2,229	57,283	11,119	19
TRANSPORTATION EXPENSE	35,598	288,024	245,000	245,000	18	30,844	288,624	(599)	0
Total For Maintenance Expense:	163,412	1,679,312	1,540,500	1,540,500	9	151,166	1,512,235	167,077	11
Depreciation & Amortization									
DEPRECIATION	219,439	2,508,964	2,552,700	2,552,700	(2)	239,332	2,394,615	114,348	5
AMORTIZATION	55,677	668,135	668,136	668,136	0	55,677	668,135	0	0
Total For Depreciation & Amortization:	275,117	3,177,100	3,220,836	3,220,836	(1)	295,010	3,062,751	114,348	4
Interest Expense									
INTEREST EXPENSE - BONDS	71,400	870,693	870,695	870,695	0	74,413	907,074	(36,381)	(4)
AMORTIZATION OF DEBT DISCOU	(4,988)	(59,862)	(59,863)	(59,863)	0	(4,988)	(60,765)	903	1
Total For Interest Expense:	66,412	810,831	810,832	810,832	0	69,424	846,308	(35,477)	(4)
Other Operating Expense									
EV CHARGING EXPENSE	200	2,173	7,731	7,731	(72)	411	6,552	(4,379)	(67)
LOSS ON DISPOSITION OF PROP (C	0	13,073	15,500	15,500	(16)	36,600	36,600	(23,526)	(64)
OTHER DONATIONS	0	108	3,000	3,000	(96)	209	3,891	(3,783)	(97)
DAM MAINTENANCE EXPENSE	0	0	0	0	0	0	29	(29)	(100)
MUTUAL AID	0	4,415	0	0	0	3,717	40,408	(35,992)	(89)
PENSION EXPENSE	0	0	45,000	45,000	(100)	306,643	306,643	(306,643)	(100)
OTHER INTEREST EXPENSE	0	378	378	378	0	378	4,888	(4,510)	(92)
INTEREST EXPENSE - METER DEP	4,102	47,921	2,500	2,500	1,817	168	1,995	45,926	2,302
Total For Other Operating Expense:	4,302	68,070	74,109	74,109	8	348,128	401,008	(332,937)	(83)

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	2023 DECEMBER	2023 YTD	2023 YTD BUDGET	2023 ANNUAL BUDGET	2023 YTD Bud Var%	2022 DECEMBER	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual Var%
Electric									
Customer Accounts Expense									
METER READING EXPENSE	3,893	43,805	47,000	47,000	(7)	5,434	49,300	(5,495)	(11)
DISCONNECT/RECONNECT EXPEN	977	20,348	22,000	22,000	(8)	1,199	23,150	(2,801)	(12)
MISC CUSTOMER ACCOUNTS EXP	29,129	340,198	312,500	312,500	9	23,962	305,794	34,404	11
BAD DEBT EXPENSE & RECOVER	703	29,142	20,000	20,000	46	(17)	12,993	16,149	124
Total For Customer Accounts Expense:	34,704	433,494	401,500	401,500	8	30,579	391,238	42,256	11
Administrative Expense									
SALARIES OFFICE & COMMISSION	57,839	785,848	950,000	950,000	(17)	65,640	805,290	(19,442)	(2)
TEMPORARY STAFFING	0	0	4,000	4,000	(100)	0	0	0	0
OFFICE SUPPLIES	5,121	112,297	107,000	107,000	5	6,414	71,132	41,164	58
ELECTRIC & WATER CONSUMPTI	2,027	28,882	29,000	29,000	0	10,097	37,423	(8,541)	(23)
BANK FEES	288	1,886	2,500	2,500	(25)	124	2,002	(115)	(6)
LEGAL FEES	546	20,028	40,000	40,000	(50)	4,456	29,545	(9,516)	(32)
AUDITING FEES	1,623	20,439	18,520	18,520	10	1,503	18,039	2,400	13
INSURANCE	15,440	201,330	186,000	186,000	8	5,006	170,663	30,667	18
UTILITY SHARE - DEFERRED COM	5,588	116,375	124,000	124,000	(6)	5,290	112,637	3,737	3
UTILITY SHARE - MEDICAL/DENT	60,569	824,442	858,481	858,481	(4)	17,821	809,783	14,658	2
UTILITY SHARE - PERA	23,607	286,887	288,000	288,000	0	24,566	280,969	5,918	2
UTILITY SHARE - FICA	23,288	280,348	280,000	280,000	0	24,238	272,892	7,455	3
EMPLOYEE SICK PAY	11,881	151,949	150,000	150,000	1	10,930	146,800	5,148	4
EMPLOYEE HOLIDAY PAY	27,845	168,236	157,500	157,500	7	28,538	139,307	28,929	21
EMPLOYEE VACATION & PTO PA	20,364	279,368	250,000	250,000	12	18,820	256,901	22,467	9
UPMIC DISTRIBUTION	29,383	89,547	91,015	91,015	(2)	18,323	67,353	22,194	33
LONGEVITY PAY	0	15,168	16,369	16,369	(7)	1,240	4,030	11,138	276
CONSULTING FEES	0	2,732	80,000	80,000	(97)	150	54,841	(52,108)	(95)
TELEPHONE	2,997	36,810	41,000	41,000	(10)	3,908	38,140	(1,330)	(3)
ADVERTISING	552	13,765	15,000	15,000	(8)	408	12,246	1,519	12
DUES & SUBSCRIPTIONS - FEES	19,373	124,702	172,675	172,675	(28)	11,874	125,051	(349)	0
SCHOOLS & MEETINGS	10,471	222,742	259,925	259,925	(14)	17,054	193,041	29,701	15
MTCE OF GENERAL PLANT & OFFI	1,002	12,032	7,600	7,600	58	4,978	11,682	350	3
Total For Administrative Expense:	319,812	3,795,825	4,128,585	4,128,585	(8)	281,385	3,659,777	136,048	4
General Expense									
CIP REBATES - RESIDENTIAL	3,828	60,902	100,170	100,170	(39)	4,545	60,641	261	0
CIP REBATES - COMMERCIAL	16,836	71,268	189,583	189,583	(62)	1,525	109,100	(37,832)	(35)
CIP - ADMINISTRATION	500	27,286	19,700	19,700	39	424	8,415	18,870	224

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		2023	2023	2023	2023	2023 YTD	2022	2022	YTD	2022 v. 2023
		DECEMBER	YTD	YTD BUDGET	ANNUAL BUDGET	Bud Var%	DECEMBER	YTD	VARIANCE	Actual Var%
Electric	CIP - MARKETING	(1,218)	36,225	30,039	30,039	21	1,296	29,024	7,201	25
	CIP - LABOR	9,773	138,208	178,511	178,511	(23)	13,349	153,297	(15,089)	(10)
	CIP REBATES - LOW INCOME	3,068	16,193	18,000	18,000	(10)	0	4,185	12,008	287
	CIP - LOW INCOME LABOR	645	9,391	9,887	9,887	(5)	851	10,399	(1,007)	(10)
	ENVIRONMENTAL COMPLIANCE	2,496	23,454	34,219	34,219	(31)	2,673	31,920	(8,466)	(27)
	MISC GENERAL EXPENSE	(1,175)	5,108	2,500	2,500	104	(13)	(1,218)	6,326	519
	Total For General Expense:	34,754	388,037	582,609	582,609	(33)	24,652	405,766	(17,728)	(4)
Total Expenses(before Operating Transfers)		3,104,203	42,398,647	44,285,462	44,285,462	(4)	3,566,386	43,067,541	(668,894)	(2)
Operating Transfer										
Operating Transfer/Other Funds										
	TRANSFER TO CITY ELK RIVER R	98,037	1,620,377	1,681,653	1,681,653	(4)	127,567	1,531,632	88,744	6
	Total For Operating Transfer/Other Funds:	98,037	1,620,377	1,681,653	1,681,653	(4)	127,567	1,531,632	88,744	6
Utilities & Labor Donated										
	UTILITIES & LABOR DONATED TO	18,464	253,563	240,000	240,000	6	19,563	231,860	21,702	9
	Total For Utilities & Labor Donated:	18,464	253,563	240,000	240,000	6	19,563	231,860	21,702	9
Total Operating Transfer										
	Total For Total Operating Transfer:	116,502	1,873,941	1,921,653	1,921,653	(2)	147,130	1,763,493	110,447	6
Net Income Profit(Loss)		(206,135)	1,826,760	1,465,028	1,465,028	25	(180,749)	116,314	1,710,445	1,471

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	2023 DECEMBER	2023 YTD	2023 YTD BUDGET	2023 ANNUAL BUDGET	2023 YTD Bud Var%	2022 DECEMBER	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual Var%
Water									
Revenue									
Operating Revenue									
Water Sales									
WATER SALES RESIDENTIAL	87,842	1,854,122	1,397,043	1,397,043	33	93,189	1,660,446	193,675	12
WATER SALES COMMERCIAL	52,088	1,048,578	850,022	850,022	23	55,403	926,107	122,470	13
WATER SALES IRRIGATION	2,622	402,446	256,349	256,349	57	1,563	300,720	101,725	34
Total For Water Sales:	142,553	3,305,147	2,503,414	2,503,414	32	150,156	2,887,275	417,871	14
Total Operating Revenue	142,553	3,305,147	2,503,414	2,503,414	32	150,156	2,887,275	417,871	14
Total For Total Operating Revenue:	142,553	3,305,147	2,503,414	2,503,414	32	150,156	2,887,275	417,871	14
Other Operating Revenue									
Interest/Dividend Income									
INTEREST & DIVIDEND INCOME	13,183	57,359	35,000	35,000	64	8,986	(30,591)	87,951	288
OTHER INTEREST/MISC REVENUE	543	1,086	1,500	1,500	(28)	543	1,136	(49)	(4)
Total For Interest/Dividend Income:	13,726	58,446	36,500	36,500	60	9,529	(29,455)	87,901	298
Customer Penalties									
CUSTOMER PENALTIES	961	23,117	28,000	28,000	(17)	1,022	26,194	(3,076)	(12)
Total For Customer Penalties:	961	23,117	28,000	28,000	(17)	1,022	26,194	(3,076)	(12)
Connection Fees									
WATER/ACCESS/CONNECTION FE	18,000	253,340	450,000	450,000	(44)	14,400	1,547,929	(1,294,588)	(84)
CUSTOMER CONNECTION FEES	1,836	24,478	40,000	40,000	(39)	862	57,145	(32,666)	(57)
BULK WATER SALES/HYDRANT R	5,514	31,255	28,000	28,000	12	3,465	18,220	13,035	72
Total For Connection Fees:	25,350	309,074	518,000	518,000	(40)	18,727	1,623,295	(1,314,220)	(81)
Misc Revenue									
MISC NON-UTILITY	0	120	50	50	140	40	150	(30)	(20)
PERA PENSION REVENUE	0	0	0	0	0	3,178	3,178	(3,178)	(100)
TRANSFER IN FROM CITY	88,372	88,372	0	0	0	0	0	88,372	0
GAIN ON DISPOSITION OF PROPER	0	2,940	0	0	0	0	0	2,940	0
MISCELLANEOUS REVENUE	0	258	500	500	(48)	0	1,019	(761)	(75)
HYDRANT MAINTENANCE PROGR	975	14,493	13,500	13,500	7	1,397	13,627	865	6
CONTRIBUTIONS FROM DEVELOP	0	0	65,000	65,000	(100)	940,305	940,305	(940,305)	(100)
WATER TOWER LEASE	0	0	296,984	296,984	(100)	65,526	327,431	(327,431)	(100)
LEASE INTEREST REVENUE	0	0	0	0	0	78,451	78,451	(78,451)	(100)
Total For Misc Revenue:	89,347	106,184	376,034	376,034	(72)	1,088,898	1,364,163	(1,257,978)	(92)
Total Other Revenue									

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	2023 DECEMBER	2023 YTD	2023 YTD BUDGET	2023 ANNUAL BUDGET	2023 YTD Bud Var%	2022 DECEMBER	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual Var%
Water									
	129,386	496,823	958,534	958,534	(48)	1,118,178	2,984,197	(2,487,374)	(83)
Total For Total Other Revenue:	129,386	496,823	958,534	958,534	(48)	1,118,178	2,984,197	(2,487,374)	(83)
Total Revenue	271,939	3,801,970	3,461,948	3,461,948	10	1,268,334	5,871,472	(2,069,502)	(35)
Expenses									
Production Expense									
MTCE OF STRUCTURES	9,176	104,828	90,000	90,000	16	16,832	114,397	(9,568)	(8)
Total For Production Expense:	9,176	104,828	90,000	90,000	16	16,832	114,397	(9,568)	(8)
Pumping Expense									
SUPERVISION	4,860	63,017	69,000	69,000	(9)	6,141	66,134	(3,116)	(5)
ELECTRIC & GAS UTILITIES	18,661	300,994	288,000	288,000	5	20,204	281,124	19,870	7
SAMPLING	1,086	17,430	15,000	15,000	16	608	13,093	4,337	33
CHEMICAL FEED	3,525	46,426	50,000	50,000	(7)	3,151	32,349	14,076	44
MTCE OF ELECTRIC PUMPING EQ	0	0	0	0	0	0	46	(46)	(100)
MTCE OF WELLS	(2,868)	131,604	165,000	165,000	(20)	20,073	160,129	(28,524)	(18)
SCADA - PUMPING	422	3,576	16,000	16,000	(78)	575	13,807	(10,230)	(74)
Total For Pumping Expense:	25,687	563,051	603,000	603,000	(7)	50,754	566,684	(3,632)	(1)
Distribution Expense									
MTCE OF WATER MAINS	2,308	144,453	120,000	120,000	20	13,141	91,488	52,964	58
LOCATE WATER LINES	441	8,898	17,250	17,250	(48)	150	11,045	(2,147)	(19)
MTCE OF WATER SERVICES	0	240	0	0	0	0	897	(656)	(73)
WATER METER SERVICE	235	28,604	66,000	66,000	(57)	3,173	72,990	(44,386)	(61)
BACKFLOW DEVICE INSPECTION	1,123	19,146	16,000	16,000	20	0	10,765	8,380	78
MTCE OF CUSTOMERS SERVICE	2,586	30,328	30,500	30,500	(1)	2,404	28,317	2,011	7
WATER MAPPING	2,015	17,752	12,500	12,500	42	1,654	12,236	5,515	45
MTCE OF WATER HYDRANTS - PU	2,990	16,331	19,000	19,000	(14)	4,098	21,980	(5,649)	(26)
MTCE OF WATER HYDRANTS - PR	0	3,665	5,000	5,000	(27)	650	5,104	(1,439)	(28)
WATER CLOTHING/PPE	224	10,352	9,000	9,000	15	29	7,616	2,736	36
WAGES WATER	526	7,030	7,300	7,300	(4)	1,081	9,340	(2,310)	(25)
TRANSPORTATION EXPENSE	462	15,781	16,500	16,500	(4)	832	15,427	354	2
WATER PERMIT	0	15,752	18,600	18,600	(15)	0	18,370	(2,617)	(14)
Total For Distribution Expense:	12,914	318,337	337,650	337,650	(6)	27,215	305,582	12,755	4
Depreciation & Amortization									
DEPRECIATION	98,879	1,172,659	1,202,937	1,202,937	(3)	104,278	1,117,356	55,302	5
Total For Depreciation & Amortization:	98,879	1,172,659	1,202,937	1,202,937	(3)	104,278	1,117,356	55,302	5

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	2023 DECEMBER	2023 YTD	2023 YTD BUDGET	2023 ANNUAL BUDGET	2023 YTD Bud Var%	2022 DECEMBER	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual Var%
Water									
Interest Expense									
INTEREST EXPENSE - BONDS	3,466	43,000	43,000	43,000	0	3,666	46,371	(3,371)	(7)
AMORTIZATION OF DEBT DISCOU	(554)	(6,650)	(6,651)	(6,651)	0	(554)	(6,650)	0	0
Total For Interest Expense:	2,912	36,349	36,349	36,349	0	3,112	39,720	(3,371)	(8)
Other Operating Expense									
LOSS ON DISPOSITION OF PROP (C	0	0	500	500	(100)	9,150	9,150	(9,150)	(100)
DAM MAINTENANCE EXPENSE	0	1,876	1,750	1,750	7	71	1,555	321	21
PENSION EXPENSE	0	0	0	0	0	68,974	68,974	(68,974)	(100)
OTHER INTEREST EXPENSE	0	94	95	95	0	94	1,222	(1,127)	(92)
INTEREST EXPENSE - METER DEP	107	1,262	125	125	910	4	53	1,209	2,283
Total For Other Operating Expense:	107	3,233	2,470	2,470	31	78,294	80,954	(77,720)	(96)
Customer Accounts Expense									
METER READING EXPENSE	200	2,238	2,500	2,500	(10)	152	2,347	(108)	(5)
MISC CUSTOMER ACCOUNTS EXP	7,650	86,414	81,620	81,620	6	6,698	78,909	7,504	10
BAD DEBT EXPENSE & RECOVER	0	(28)	250	250	(111)	0	28	(56)	(200)
Total For Customer Accounts Expense:	7,850	88,624	84,370	84,370	5	6,851	81,285	7,339	9
Administrative Expense									
SALARIES OFFICE & COMMISSION	16,848	228,436	268,500	268,500	(15)	19,759	234,617	(6,180)	(3)
TEMPORARY STAFFING	0	0	1,000	1,000	(100)	0	0	0	0
OFFICE SUPPLIES	1,135	24,243	25,500	25,500	(5)	1,324	14,865	9,377	63
ELECTRIC & WATER CONSUMPTI	506	7,220	8,000	8,000	(10)	2,139	8,579	(1,359)	(16)
BANK FEES	72	484	625	625	(23)	31	516	(31)	(6)
LEGAL FEES	136	4,375	9,000	9,000	(51)	1,114	7,339	(2,963)	(40)
AUDITING FEES	405	5,655	4,630	4,630	22	375	4,509	1,146	25
INSURANCE	2,991	51,107	36,000	36,000	42	256	30,952	20,154	65
UTILITY SHARE - DEFERRED COM	1,371	21,515	30,500	30,500	(29)	890	19,528	1,986	10
UTILITY SHARE - MEDICAL/DENT	14,111	202,874	215,000	215,000	(6)	3,383	209,590	(6,716)	(3)
UTILITY SHARE - PERA	4,231	52,775	54,000	54,000	(2)	4,609	53,758	(983)	(2)
UTILITY SHARE - FICA	4,077	50,873	52,000	52,000	(2)	4,589	51,807	(934)	(2)
EMPLOYEE SICK PAY	2,511	27,023	27,000	27,000	0	1,853	25,671	1,352	5
EMPLOYEE HOLIDAY PAY	5,423	30,911	30,800	30,800	0	5,155	24,827	6,083	25
EMPLOYEE VACATION & PTO PA	3,667	48,487	44,000	44,000	10	3,582	46,185	2,301	5
UPMIC DISTRIBUTION	5,440	16,408	18,069	18,069	(9)	3,857	13,761	2,646	19
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)	310	620	1,961	316

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

	2023 DECEMBER	2023 YTD	2023 YTD BUDGET	2023 ANNUAL BUDGET	2023 YTD Bud Var%	2022 DECEMBER	2022 YTD	YTD VARIANCE	2022 v. 2023 Actual Var%
Water									
CONSULTING FEES	1,260	10,266	35,000	35,000	(71)	172	20,055	(9,789)	(49)
TELEPHONE	728	8,393	9,500	9,500	(12)	891	8,900	(507)	(6)
ADVERTISING	138	4,116	6,500	6,500	(37)	102	2,933	1,183	40
DUES & SUBSCRIPTIONS - FEES	3,818	73,689	78,320	78,320	(6)	1,564	75,541	(1,852)	(2)
SCHOOLS & MEETINGS	671	36,361	63,705	63,705	(43)	2,091	41,818	(5,456)	(13)
MTCE OF GENERAL PLANT & OFFI	250	3,008	1,900	1,900	58	1,244	2,920	87	3
Total For Administrative Expense:	69,797	917,671	1,032,655	1,032,655	(11)	59,297	904,027	13,644	2
General Expense									
CIP REBATES - RESIDENTIAL	0	1,185	10,500	10,500	(89)	0	834	351	42
CIP REBATES - COMMERCIAL	0	0	500	500	(100)	0	0	0	0
CIP - MARKETING	0	966	500	500	93	0	613	353	58
CIP - LABOR	0	1,288	4,700	4,700	(73)	365	4,502	(3,213)	(71)
ENVIRONMENTAL COMPLIANCE	47	1,364	2,200	2,200	(38)	50	1,578	(214)	(14)
MISC GENERAL EXPENSE	(644)	(669)	250	250	(368)	0	0	(669)	0
Total For General Expense:	(597)	4,136	18,650	18,650	(78)	415	7,528	(3,392)	(45)
Total Expenses(before Operating Transfers)	226,729	3,208,891	3,408,081	3,408,081	(6)	347,052	3,217,536	(8,644)	0
Operating Transfer									
Utilities & Labor Donated									
WATER & LABOR DONATED TO CI	0	0	1,500	1,500	(100)	0	539	(539)	(100)
Total Operating Transfer									
Total For Total Operating Transfer:	0	0	1,500	1,500	(100)	0	539	(539)	(100)
Net Income Profit(Loss)	45,210	593,078	52,367	52,367	1,033	921,282	2,653,396	(2,060,318)	(78)

Beginning Fiscal Period[YYYYMM]

First period of fiscal year

Ending Fiscal Period[YYYYMM]

202312

GL Division

61 - Elk River Electric

GL Activity

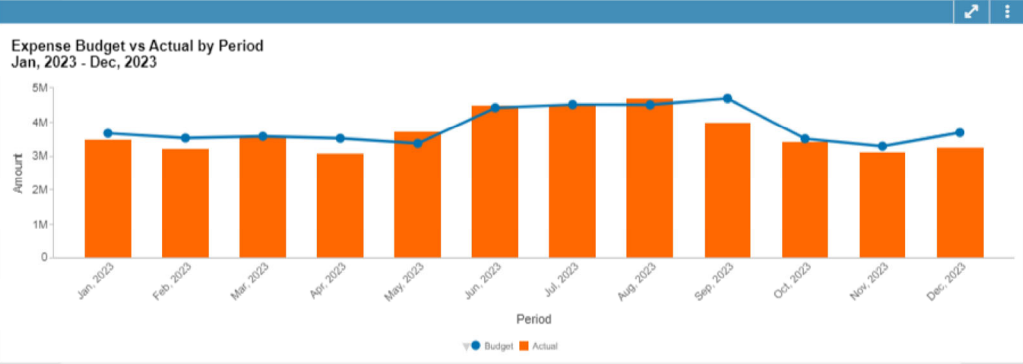
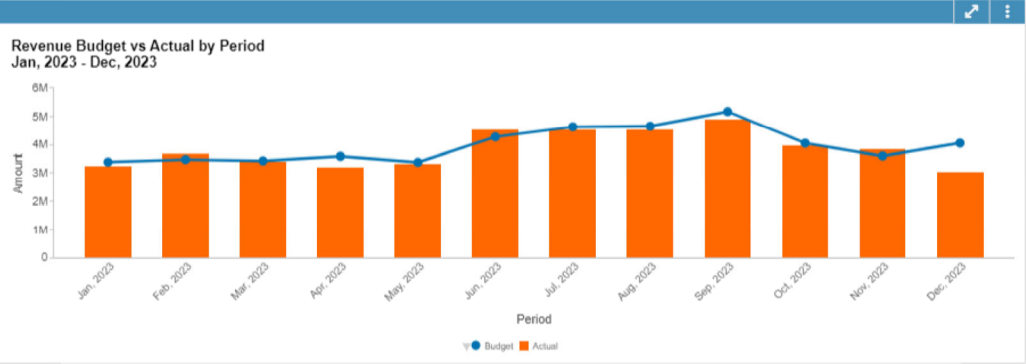
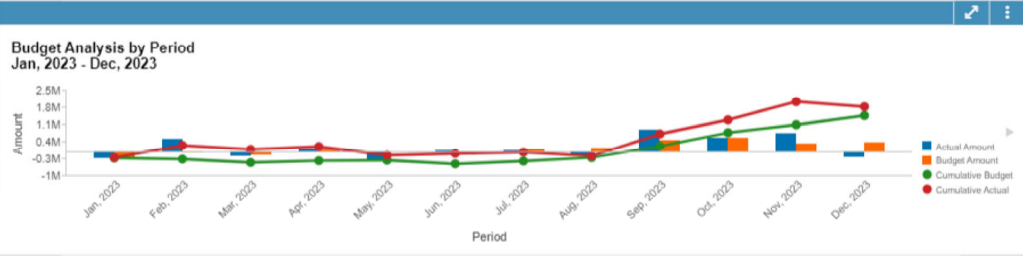
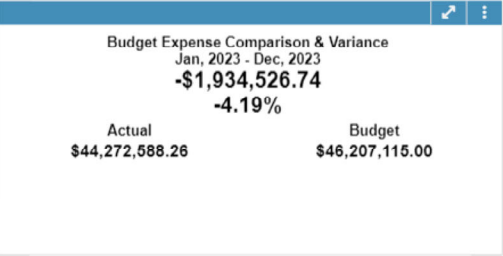
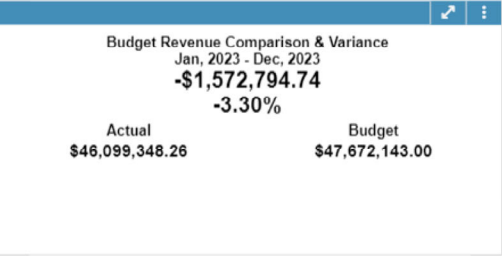
All

GL Department

All

Period Type

All Periods



Beginning Fiscal Period[YYYYMM]

First period of fiscal year

Ending Fiscal Period[YYYYMM]

202312

GL Division

62 - Elk River Water

GL Activity

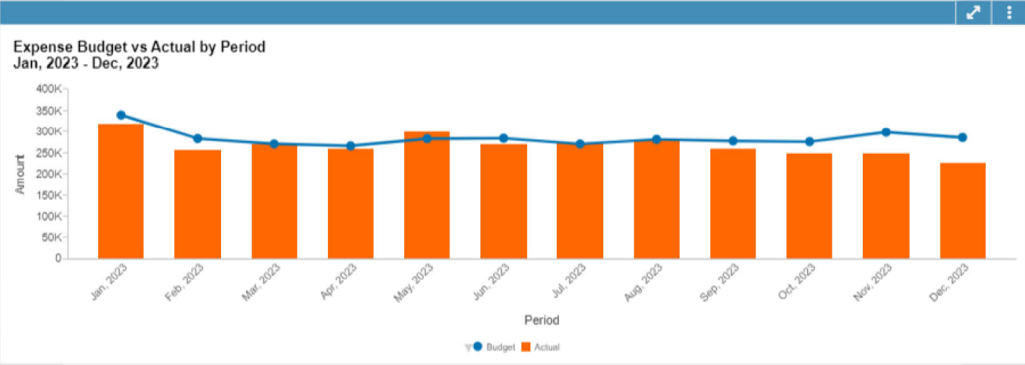
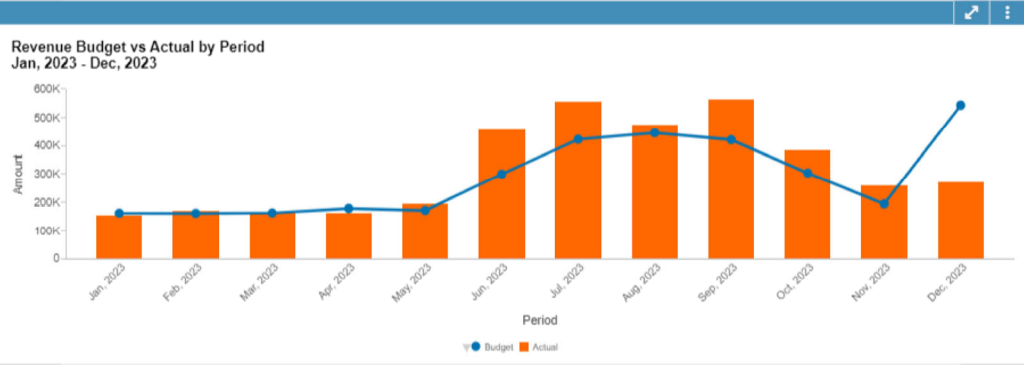
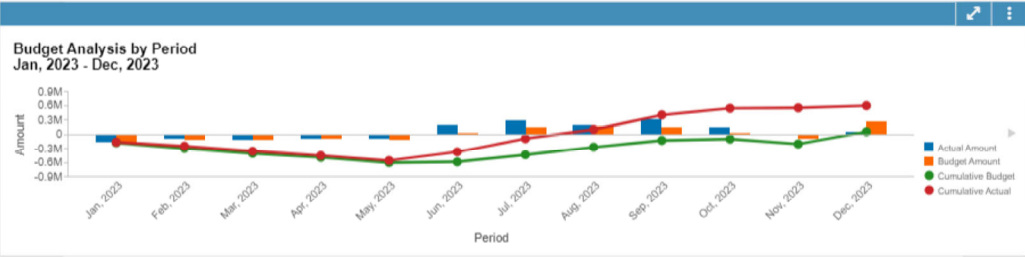
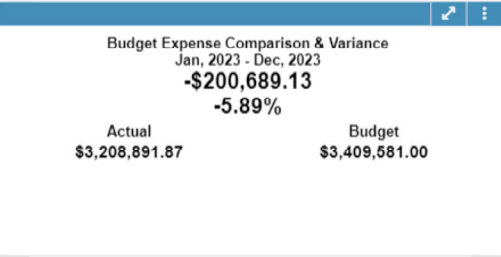
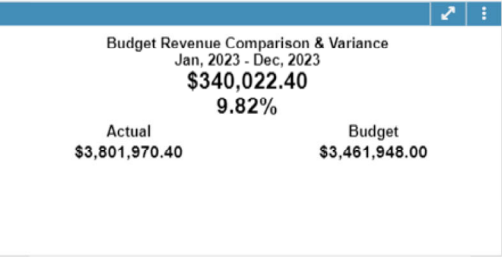
All

GL Department

All

Period Type

All Periods



TO: ERMU Commission	FROM: Melissa Karpinski – Finance Manager
MEETING DATE: February 13, 2024	AGENDA ITEM NUMBER: 5.2
SUBJECT: 2023 Fourth Quarter Delinquent Items	
ACTION REQUESTED: Approve the 2023 fourth quarter delinquent items submitted.	

BACKGROUND:

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

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

DISCUSSION:

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

- The amounts listed for assessments culminate in the fourth quarter and include items previously submitted to other collection services, and if not collected, are removed and assessed. The assessment amount for 2023 is \$10,994.99. This is around average compared to the last few years.
- The amounts submitted **only** to Collection Agencies for 2023 is \$985.14. (Please note that amounts submitted to Revenue Recapture were also submitted to Collection Agencies.)

- The amounts submitted to Revenue Recapture were less than the prior year. The 2023 RR amount is \$30,906.95. We have collected a total of \$14,916.66 from RR in 2023.
- Write Offs for 2023 of \$30,876.42 are higher than the prior year. The biggest impact to the Write Offs is due to the removal of items from the RR program due to a six-year limit mandated by the state. We have had to remove, and write off, a total of \$27,204.12 due to six-year statute of limitation in 2023.

The attached report listing shows those dollars submitted to both the Collection Agency and RR. The fourth quarter totals are \$13,318.47. To break these totals down by provider, it is \$11,296.31 for Electric, \$721.49 for Franchise Fees, \$580.19 for Sewer, \$402.27 for Water, \$236.84 for Trash, and \$81.37 for Storm Water.

The amount for fourth quarter Write Offs is \$5,222.43 which includes: amounts removed from RR meeting the six-year limit with the state program of \$4,248.64, and bankruptcy of \$883.04, and small balances of \$90.75.

Our allowance for doubtful accounts (a reserve for bad debt/write offs) is \$25,605 or .05% uncollectible accounts per revenue dollar. According to the American Public Power Association's most recent published standard ratios (2021), the industry standard is between .15% and 1.49%. Interestingly, the Northern/Central Plains average is .15%. Our totals for the year are below the national average, at .06%.

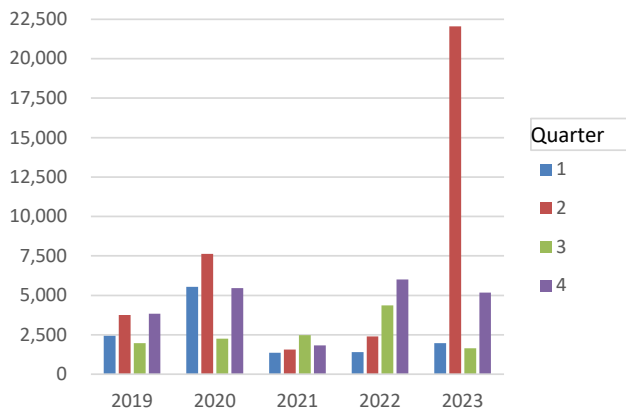
ATTACHMENTS:

- 2023 Fourth Quarter Delinquent Items Comparison
- 2023 Fourth Quarter Delinquent Items Submitted

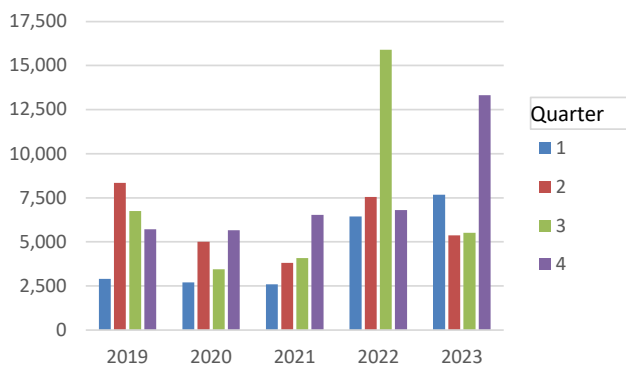
Delinquent Items Comparisons

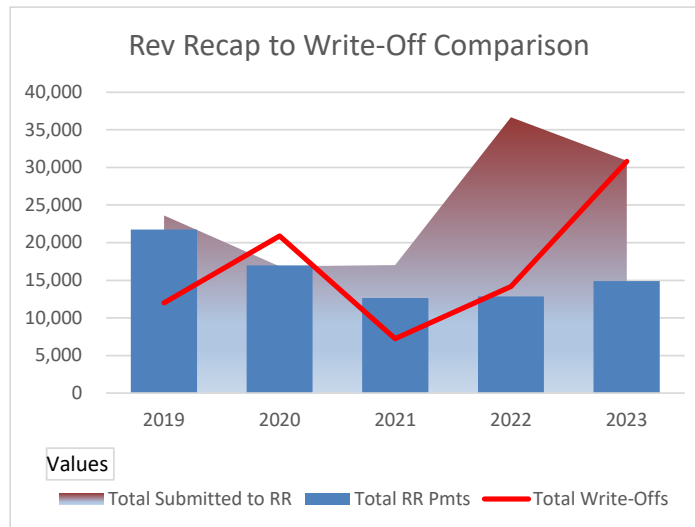
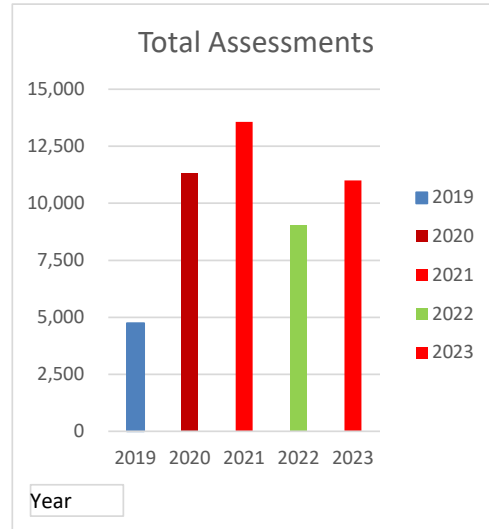
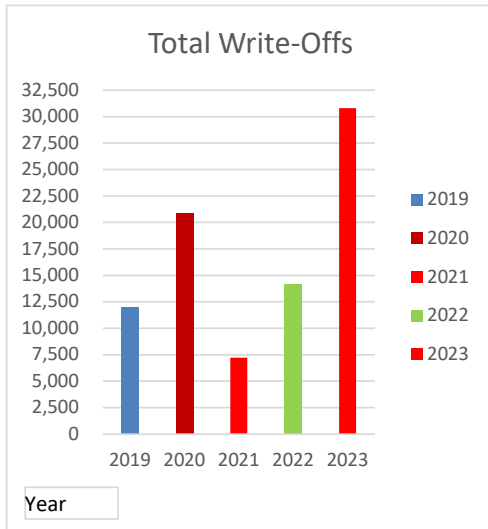
Year	Quarter	Assessments	Collection Agency	Revenue Recapture	Rev Recap/Coll Agen	Write-Offs	Rev Recap Pmts
2019	1	-	-	2,911.46	2,911.46	2,444.35	10,447.26
2019	2	-	85.77	8,267.42	8,353.19	3,755.56	8,258.66
2019	3	-	-	6,750.81	6,750.81	1,962.21	1,855.27
2019	4	4,743.53	-	5,708.23	5,708.23	3,833.53	1,172.73
2020	1	-	-	2,707.86	2,707.86	5,537.23	8,315.08
2020	2	-	-	5,016.46	5,016.46	7,621.65	5,203.80
2020	3	-	-	3,447.14	3,447.14	2,262.18	2,022.43
2020	4	11,324.36	-	5,668.90	5,668.90	5,464.99	1,424.25
2021	1	-	-	2,600.71	2,600.71	1,362.30	5,875.40
2021	2	-	-	3,802.55	3,802.55	1,559.69	1,841.70
2021	3	-	-	4,085.99	4,085.99	2,482.70	2,132.85
2021	4	13,572.01	-	6,532.49	6,532.49	1,819.22	2,784.22
2022	1	-	-	6,446.46	6,446.46	1,405.27	6,749.22
2022	2	-	-	7,547.92	7,547.92	2,402.70	3,648.77
2022	3	-	-	15,900.91	15,900.91	4,364.37	2,285.05
2022	4	9,042.25	-	6,796.66	6,796.66	6,008.66	167.94
2023	1	-	520.00	7,160.11	7,680.11	1,961.37	7,179.17
2023	2	-	-	5,379.18	5,379.18	22,049.08	3,449.26
2023	3	-	-	5,514.33	5,514.33	1,643.54	2,723.58
2023	4	10,994.99	465.14	12,853.33	13,318.47	5,222.43	1,564.65

Quarterly Write-Offs by Year



Quarterly Amts Submitted for Collection by Year





Sum of Total AR Provider	Agency B	C	Grand Total
1ERUE	11,056.06	240.25	11,296.31
2ERUW	365.40	36.87	402.27
3CTYS	491.38	88.81	580.19
4CTYT	163.73	73.11	236.84
6CTYF	705.83	15.66	721.49
7CTYS	70.93	10.44	81.37
Grand Total	12,853.33	465.14	13,318.47

TO: ERMU Commission	FROM: Mark Hanson – General Manager
MEETING DATE: February 13, 2024	AGENDA ITEM NUMBER: 5.3
SUBJECT: Strategic Plan and 2023 Annual Business Plan Results	
ACTION REQUESTED: Discussion on the effectiveness of the Strategic Plan and the Annual Business Plan as organizational health assessment tools; discussion on progress toward organizational goals.	

BACKGROUND:

In August 2017, the Commission adopted a comprehensive manual of governance policies based on the Carver Model of governance. Included in those governance policies is Governance Policy G.2c Agenda Planning. This policy notes that in the first quarter “The Commission and Management will review ERMU’s current Strategic Plan along with the results of the Annual Business Plan for the preceding fiscal year.” This annual review was confirmed and scheduled through the Commission’s adoption of the 2024 Governance Agenda.

DISCUSSION:

The Strategic Plan consists of Governance Policies G.1c-g. These policies are summarized in the attached planning themes handout. The Strategic Plan also includes a dashboard of initiatives, a management tool to track project preparation for budget consideration, oversee implemented projects, track initiative prioritization, and manage overall productivity and resource utilization. The Strategic Plan establishes long-term goals and provides a roadmap to get there.

The Annual Business Plan consists of the budget and the schedule of rates. It is a tool used to measure organizational performance, analyze risks, and provide actionable information. It provides short-term data for evaluating potential adjustments as an organization moves toward the long-term goals established by its strategic plan.

Review of the 2023 Strategic Plan:

All policies, decisions, initiatives, and tasks should be in direct line with ERMU’s Mission. All planning is conducted through a process which categorizes initiatives under commission-adopted planning themes aligned with our mission, vision, fundamentals, and values. This framework clearly defines how ERMU is expected to operate.

As an all-encompassing, multi-year plan, not every initiative will be completed each year. Some initiatives are simply too large and complex to complete in a year. Others were put on hold so

focus could be put on higher priority issues. A list of highlights, challenges, and results from the 2023 initiatives is attached.

Review of the 2023 Annual Business Plan:

The purpose of reviewing the 2023 Annual Business Plan is to evaluate the budget itself as a risk management tool in addition to a financial performance tool. By evaluating the budget as a risk management tool, staff will be better able to provide monthly information and reports to help the commission evaluate the organization's health, direction, and risks.

Overall electric utility performance for 2023 was positive. Unaudited financials indicate that revenues were unfavorable to budget by 3% but expenses were favorable to budget by 4% (mostly due to purchased power costs), for a 4% margin overall. With capital projects, reserve uses, bonding, and depreciation, we outperformed budgeted reserves contributions.

Overall water utility performance for 2023 was very positive. Unaudited financials indicate that revenues were favorable to budget by 10% and expenses were favorable to budget by 6%, for a 16% margin overall. With capital projects, reserve uses, bonding, and depreciation, we outperformed budgeted reserves contributions.

An overview of 2023 budget versus actual (unaudited) for both electric and water is provided in the attached summary.

Summary:

The results and progress from the organization's 2023 strategic and annual business plans were very positive. While it is good to recognize our successes, the discussion should not end there.

These two plans also serve as tools for the Commission to use in providing governance, establishing policy, and managing risk. They should evolve with the Commission's informational needs to effectively evaluate and govern the organization.

DISCUSSION QUESTIONS:

Staff desires commission feedback regarding the results of our 2023 Strategic and Annual Business Plans and the effectiveness of these tools in providing meaningful information. Are these tools providing the information needed to effectively:

- Lead the organization toward our mission, vision, and goals?
- Evaluate the organization's health and take corrective action when needed?
- Manage the strategic and financial risks to the organization?

ATTACHMENTS:

- ERMU Mission/Vision/Fundamentals/Values/Themes
- Highlights, Challenges, and Results from the 2023 Strategic Plan Initiatives
- ERMU Summary Comparison 2023 Budget vs Actual (Unaudited)

OUR MISSION

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

OUR VISION

Provide exceptional services and value to those we serve.

OUR FUNDAMENTALS

Safety, Reliability and Quality of Utility Services.

Customer Service and Employee Development.

Competitive Rates, and Financial and Organizational Health.

OUR VALUES



INTEGRITY

Honest, accountable and united in all that we do.



QUALITY

Services that reflect excellence, dependability and expertise.



COMMUNICATION

Respectful and engaged interactions that are timely and clear.



SAFETY

A culture that protects our customers, employees, and assets.



COMPETITIVE

Provide the best value for the services we deliver.

OUR PLANNING THEMES

THEME 1 | **COMMUNICATION**

Improve the effectiveness of our communications inside the organization, with our customers and with the community.

THEME 2 | **PERSONNEL AND GOVERNANCE**

Develop our most valuable and vulnerable assets - our commissioners, employees, leaders, and future leaders.

THEME 3 | **STRATEGIC THINKING**

Create a culture of strategic thinking and ensure line of sight from mission to vision.

THEME 4 | **TECHNOLOGY**

Implement the prudent use of technology to improve efficiency and increase customer choice, communication and value.

THEME 5 | **GROWTH**

Assess the growth curve to make decisions regarding organizational change.

THEME 6 | **PROCESS, MEASUREMENT AND FINANCIAL HEALTH**

Improve processes and measurement to better determine and report efficiency and effectiveness of organization and to ensure financial and organizational health.

Highlights, Challenges, and Results from the 2023 Strategic Plan Initiatives

- Underground feeder tie between substation 14-4 and Otsego
As the City of Otsego continues to grow, early in the summer of 2023, ERMU finished installing a new 500 MCM underground feeder line (F44) from substation 14-4 in Elk River to Otsego (F52), which is near Rockwoods. With this, ERMU can assist if anything was to happen to our Otsego substation. Currently we have a feeder line from substations 14-4 and 14-3 to support services. There is a new substation transformer due to arrive in 2026 to replace the existing equipment which is over 43 years old.
- ESRI GIS Mapping - Transition field staff to ESRI maps.
Work continued on this initiative by many staff members during 2023. We hoped for a full transition to GIS maps in 2023, but realized mid-year this would stretch into 2024-25 to ensure a complete and accurate GIS map for our staff to work with. Our current CAD mapping is strong, and we are working to proof, transfer, and proof this data again against the GIS map build. In the end, the ESRI GIS mapping product will be more accurate, contain more information, and maps will be more easily shared among employees and outside contractors such as tree trimming and pole testing firms. In addition, a one map system will free up resources currently used to maintain two.
- Evaluate Water Model – Convert old water model to modern software.
A water model is a very useful tool, allowing staff to see how our water distribution system behaves in different scenarios, how it reacts to operational changes, and how it should grow as population and demand increases. We investigated the possibility of using the ESRI software we already had and used in mapping the water model but found that it would only support basic parts of the model, not many of the essential features we were looking to utilize. The best option was to purchase the updated software that the water model was currently running on and update the information. Completing this initiative took the efforts of many staff members and was a needed step into the current initiative of planning for future wells, treatment, and storage. With this information we will create a long-term plan for the installation of needed infrastructure to support the northeast expansion of the urban services area.
- Develop/Create a Communications Plan for Employees – The Recharge - Internal Newsletter
This initiative focused on increasing employee engagement, sense of value, and understanding of ERMU's Mission, Vision, and Values. To accomplish this staff set out to implement an internal newsletter which reports monthly on accomplishments, major events, and employee profiles, creating a stronger community within ERMU to better serve the community we support. The publication was named “The Recharge” in reference to both electric and water services (i.e. recharging an aquifer) as well as it's intended goal to provide positive, fun information that recharges staff with a new appreciation for their colleagues and workplace. The first edition of The Recharge was sent on December 28, 2022, ran through 2023, and will continue going forward.

Completion of AMI / NISC Module Integration

The Advanced Metering Infrastructure (AMI) project will provide end-of-life replacement of our existing Automated Meter Reading system with the latest AMI technology in our service territory. In addition to the replacement of infrastructure, AMI technology offers ERMU access to National Information Solutions Cooperative (NISC) modules such as Meter Data Management System (MDMS) and SmartHub. AMI will provide improved service, operational efficiencies, and better billing information for our customers.

During 2023, the two project leads made up of the administrations director and the technical services superintendent created an AMI implementation team that included subject matter experts across ERMU to evaluate and finalize the SENSUS AMI Master Service Agreement with Core & Main.

Once the AMI system was selected, the AMI implementation team began the next step of the integration process by holding weekly meetings with NISC project managers to take a deep dive review of current processes. These weekly meetings allow the subject matter experts the time and space to discuss, test, and work through the logistics of implementing an AMI system while tying the new AMI system to our current NISC billing software. A subset of the team provided analysis of AMI installation vendors and selected Allegiant Utility Services, LLC to provide meter installation services for water and electric meters.

A huge part of a successful implementation includes frequent and accurate communication both to our internal and external customers. Part of the communication process was to create a FAQ AMI project page on our website for customers to find the most up to date information. In addition, at the request of the Commission, a presentation was provided to the City Council in October, outlining AMI and its benefits to the community and ERMU.

The AMI implementation process has been a long journey, but well worth the wait as we build the foundation for future programs and services for our valued customers.

- Mosaic Utilization – Research updates in Mosaic and find ways to utilize its resources
We are currently using Mosaic on an as needed basis. With the implementation of MDMS and AMI, there will continue to be more data available to utilize reporting from Mosaic. We would still like to create some useful dashboards for some users to be able to have quick information available to them.
- Network Communications Plan
Staff has been working to transition from radio to fiber communications and on supporting the growth of future facilities. We have coordinated with city staff to plan for expansion to support three wells and two water towers on the east half of Elk River. We have also been working with multiple vendors to design the best network for switching redundancies to allow for the uptime requirements of our operational technology. Installation of fiber is beginning this spring and is a multi-year process to install laterals to all identified sites.

ELK RIVER MUNICIPAL UTILITIES SUMMARY OF YEAR 2023
BUDGET vs ACTUAL (UNAUDITED)

ELECTRIC BUDGET SUMMARY	2023 Budget		2023 Actual	
ELECTRIC REVENUE	\$ 47,672,143		\$ 46,099,348	
ELECTRIC EXPENDITURES	<u>(46,207,115)</u>		<u>(44,272,588)</u>	
ELECTRIC NET FOR CAPITAL	1,465,028	3.07%	1,826,760	3.96%
DEBT RETIREMENT	(915,000)		(915,000)	
NET LESS DEBT PRINCIPAL PMTS	550,028		911,760	
CAPITAL EQUIPMENT/CONSTRUCTION	(8,213,440)		(5,880,408)	
FUND FROM RESERVES	250,000 *	Hwy 169 Redefine	26,992 *	
FUND FROM RESERVES	500,000 *	Otsego Transformer Replacement	25,778 *	
FUND FROM RESERVES	1,224,190 *	Area 1&2, 3&4 5&6 Loss of Revenue	940,467 *	
BONDING or INTER-FUND BORROWING	2,500,000 *	AMI	244,918 *	
BONDING	-	Reserves from Field Services Building	<u>1,012,973</u>	
NET	(3,189,222)		(2,962,437)	
DEPRECIATION	<u>3,220,836</u>		<u>3,177,100</u>	
NET TO RESERVES	<u>\$ 31,614 *</u>		<u>\$ 214,663 *</u>	
WATER BUDGET SUMMARY	2023 Budget		2023 Actual	
WATER REVENUE	\$ 3,461,948		\$ 3,801,970	
WATER EXPENDITURES	<u>(3,409,581)</u>		<u>(3,208,891)</u>	
WATER NET FOR CAPITAL	52,367	1.51%	593,079	15.60%
DEBT RETIREMENT	<u>(60,000)</u>		<u>(60,000)</u>	
NET LESS DEBT PRINCIPAL PMTS	(7,633)		533,079	
CAPITAL EQUIPMENT/CONSTRUCTION	(3,139,750)		(1,194,974)	
FUND FROM RESERVES	1,198,000 *	AMI	376,041 *	
FUND FROM DEVELOPER CONTRIBUTIONS	1,250,000	Water Main Construction	19,199	
BONDING	-	Reserves from Field Services Building	<u>144,710</u>	
NET	(699,383)		(121,944)	
DEPRECIATION	<u>1,202,937</u>		<u>1,172,659</u>	
NET TO RESERVES	<u>\$ 503,554 *</u>		<u>\$ 1,050,715 *</u>	

* Currently, target reserves are met.

TO: ERMU Commission	FROM: Mark Hanson – General Manager
MEETING DATE: February 13, 2024	AGENDA ITEM NUMBER: 5.4
SUBJECT: Compensation Study Update	
ACTION REQUESTED: Approve comparable peer utilities for the 2024 Compensation Study.	

BACKGROUND:

At the December 2023 commission meeting, the Commission approved entering into a professional service agreement (PSA) with Baker Tilly to complete a company-wide compensation study. The next steps outlined in the associated December commission report included: 1) the review and submittal of job descriptions, and 2) the identification of comparable utilities. After review by the respective manager, human resources, and the general manager, all 35 job descriptions currently on file have been submitted to Baker Tilly. The second step, identification of appropriate comparable peer utilities, is the subject of this report. Future next steps, undertaken once the comparable peer utilities have been approved, are provided at the end of the report.

DISCUSSION:

Baker Tilly has recommended a list of comparable and competitive peer organizations to include in the study. Their recommended list, based on labor market competition, population served, cost of living, and cost of labor, is provided in the table below.

Utilities Organization Name	Population Served	Cost of Living	Cost of Labor
Anoka Municipal Utilities - City Owned	17,900	94.8	105.4
Austin Utilities	26,200	83.9	93.7
City of Chaska Utilities - City Owned	28,000	93.4	105.5
Connexus Energy		95.6	105.4
Great River Energy		98.0	105.6
City of Moorhead Utilities - City Owned	44,700	91.1	93.5
City of North St. Paul Utilities - City Owned	12,600	97.8	105.4
Owatonna Public Utilities	26,400	90.1	92.5
Shakopee Public Utilities	44,600	93.4	105.5
Wright Hennepin Electric		96.6	105.5
Elk River Municipal Utilities	26,200	95.4	105.4

A custom market survey will be distributed to each of the recommended peer organizations requesting 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.

If needed, Baker Tilly recommends identifying two standby peers should any of the primary peer utilities not respond to the market survey. Using the same criteria as before, Baker Tilly recommends the City of Buffalo Utilities and Hibbing Public Utilities be used as standby peers.

If specific positions do not have adequate comparative data from the approved peer utilities, Baker Tilly will use the following published compensation sources as private sector representatives:

- CompAnalyst
- Economic Research Institute
- PayFactors

As is common in professional compensation studies, Baker Tilly may apply adjustments as needed to establish consistency in market comparisons. These adjustments may include:

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

NEXT STEPS:

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 ERMU’s current midpoints against the market average midpoint; third, a comparison of the full range against the market.

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 state 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.

Baker Tilly will prepare and present a final report to explain the methodology followed, the results produced, and recommendations to 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.

Baker Tilly's methodology is based on best practices outlined by World at Work and the Society for Human Resources Management (SHRM). Baker Tilly stands behind the results of their studies and will fully train appropriate staff to maintain the new classification and compensation system. That said, we may still use Baker Tilly for ongoing maintenance or updates to the compensation system such as new or significantly revised job descriptions.

TO: ERMU Commission	FROM: Mike Tietz – Technical Services Superintendent
MEETING DATE: February 13, 2024	AGENDA ITEM NUMBER: 5.5
SUBJECT: Meter Installation Services Master Services Agreement – Allegiant Utility Services, LLC	
ACTION REQUESTED: Approve Meter Installation Services Master Services Agreement between Elk River Municipal Utilities and Allegiant Utility Services, LLC, subject to attorney approval as per Commission Policy G.4i4 - Procurement.	

BACKGROUND:

With our current Advanced Metering Infrastructure (AMI) initiative to replace the existing Automated Meter Reading (AMR) system well underway, ERMU solicited proposals for services to provide the installation of all residential electric meters and all residential and commercial water meters. After a thorough review of proposals, Allegiant Utility Services, LLC was selected. In December of 2023, ERMU sent Allegiant a letter of intent stating our desire to enter into negotiations for them to provide meter installation services for the new SENSUS AMI meters.

DISCUSSION:

Allegiant Utility Services, LLC and ERMU are in the final stages of negotiating a master services agreement. This agreement addresses concerns pertaining to terms and conditions, detailed statements of work to be provided, performance, commitments, liabilities, and warranties to the satisfaction of both parties.

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

FINANCIAL IMPACT:

ERMU staff is requesting commission approval to proceed with the signing of this contract subject to our attorney's approval so that we may proceed with the installation of electric and water meters for the AMI project. This is proposed as a two-year budgeted project that has been estimated to cost around \$770,000.

ATTACHMENT:

- Meter Installation Services Master Services Agreement - Allegiant Utility Services, LLC

AMI (ADVANCED METERING INFRASTRUCTURE) ENDPOINT INSTALLATION AGREEMENT

THIS AMI INSTALLATION AGREEMENT (the “**Agreement**”) is made and entered into this ____ day of _____, 2024, by and between **ELK RIVER MUNICIPALITIES UTILITIES**, a Minnesota municipal utility (designated herein as “**Utility**”) and **ALLEGIANT UTILITY SERVICES, LLC**, a Delaware limited liability company (designated herein as “**Contractor**”). Utility and Contractor are sometimes hereinafter collectively referred to as the “**Parties**,” and “**Party**” shall mean either of them.

WHEREAS, Utility desires Contractor to perform electric meter and water Endpoint installation services and meter technician services as set forth in this Agreement; and

WHEREAS, Contractor is a professional metering installation company, and desires and agrees to perform the meter installation services as set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises set forth herein, the Parties hereby agree as follows:

1.0 Summary Conditions

1.1 Scope of Work: Except as otherwise expressly provided herein, the Contractor shall furnish at Contractor’s sole expense all materials, supplies, equipment, machinery, tools, labor, transportation and other means required to complete the work described in Exhibit A (the “Statement Of Work (SOW)”) and Attachment I Requirements Response and shall complete the Work in strict accordance with the terms, conditions and specifications herein and any specifications. Utility will provide GIS (Geographic Information Systems) output with premise-based Latitude and Longitude coordinates of meter premise locations. The Utility shall also provide customer data for Endpoints to be exchanged. If any conflict among the documents, their terms and conditions shall prevail in the following order:

- 1.1.1 Attachment I Requirements Response
- 1.1.2 Attachment II Pricing Response
- 1.1.3 Statement Of Work (Exhibit A)
- 1.1.4 Change Orders as provided after contracting
- 1.1.5 Certificate of Insurance
- 1.1.6 Certificate of naming Elk River Municipal Utilities as additional insured
- 1.1.7 Performance Bond
- 1.1.8 Workers’ Compensation Certificate
- 1.1.9 Black-Out Schedule (Attachment III)

1.2 Utility Customer Relations: The Contractor realizes the importance of the relationship between Utility and its customers. The Contractor will make every effort to be courteous to the Utility’s customers as well as respectful to the fact that all meter exchanges are being conducted on a customer’s property. The Contractor will refer all questions concerning the meters to the Utility. The Contractor will also have identifying markings on their vehicles indicating they are a contractor for the Utility.

1.3 Prices and Payment for Work: Contractor will submit an invoice of all completed work at completion of each metered location once per month in accordance with Attachment II. Payment shall be made by Utility within thirty (30) days of the date of receipt of Contractor's invoice, subject to Utility's right of inspection and approval. Any payment may be withheld in whole or in part by Utility for cause based on a customer's complaint or the report or recommendations of a Utility designated inspector or approved official. If disapproved, Contractor shall have up to thirty (30) days to correct or remedy any defect or mistake, pursuant to the terms of this Agreement. Upon satisfactory performance after any disapproval, as shall be determined by Utility at its discretion, Utility shall remit payment, including any withheld amount to Contractor within thirty (30) days.

1.4 Confidentiality: "Confidential Information" means any information furnished by Utility or its representatives in connection with this Agreement regarding Utility's property, employees, finances, operations, customers, and/or financial affairs that is non-public, confidential, or proprietary in nature, whether furnished before or after the date of this Agreement and regardless of the manner in which it is furnished. Confidential Information expressly includes, but is not limited to, the names of Utility's customers, contact information of Utility's customers and any Utility customer account information. Except as may be required by law, Contractor agrees that it will not disclose, publish, or disseminate any Confidential Information to any person or entity other than its employees or agents who have a need to know to further the purpose of this Agreement and who are subject to legally binding obligations of confidentiality no less restrictive than Contractor's obligation under this Agreement.

1.5 Independent Contractor Relationship: The Contractor is an independent Contractor and is not an employee, servant, agent, partner or in a joint venture with the Utility. The Contractor shall determine how it accomplishes the Work in accordance with this Agreement. The Utility shall not control the details of the Work performed by the Contractor. The Utility is not responsible for withholding, and shall not withhold, FICA or taxes of any kind from payments which it may owe the Contractor. Neither the contractor or its employees shall be entitled to receive any benefit which employees of the Utility are entitled to receive, and shall not be entitled to unemployment compensation, medical insurance, life insurance, paid vacations, paid holidays, pensions, profit sharing, or social security on account of their work for the Utility.

1.6 Business of Contractor and Compliance with Laws: The Contractor is engaged in the business of meter installation and meter testing and holds or maintains any licenses necessary required by the federal, state, and local governments to perform this business. The Contractor shall always take all reasonable precautions for the safety of its employees, Utility's customers, and employees, and of the public, and shall comply with all applicable provisions of Federal, State, and Municipal laws and regulations. When applicable law requires that services be performed by licensed professionals, the Contractor shall provide those services through qualified, licensed professionals. All professional engineering or design services or certifications to be provided by the Contractor, including all drawings, calculations, specifications, certifications, shop drawings and other deliverables, shall contain the signature and seal of the licensed professional preparing

them. Contractor understands licensed Professional Engineer (PE) engineering needs will be limited for this engagement. Utility and its consultants shall be entitled to rely upon the adequacy, accuracy and completeness of the services, certifications or approvals performed by such licensed professionals.

1.7 Compliance with the Law: This contract is governed by the laws of the state of Minnesota. The venue and jurisdiction for any court action regarding this contract shall be in Sherburne County, MN. The Contractor shall perform all obligations under this contract in strict compliance with all federal, state, municipal laws, rules, statutes, ordinances, and regulations, especially sections of the Occupational Safety and Health protection for workers, applicable to the performance of the Contractor under this contract.

1.8 Reimbursement of Expenses: The Utility shall not be liable to the Contractor for any expenses paid or incurred by Contractor unless otherwise agreed in writing.

1.9 Employees of Contractor: The Contractor shall be solely responsible for paying its employees. The Contractor shall be solely responsible for the paying of any and all taxes, FICA, workers' compensation, unemployment compensation, medical insurance, life insurance, paid vacations, paid holidays, pension, profit sharing, and other benefits for the Contractor and its employees, servants, and agents. Contractor understands that Contractor is responsible to pay, according to law, Contractor's income tax.

1.10 Utility is not responsible for Workers' Compensation: No workers' compensation insurance shall be obtained by Utility concerning Contractor or employees of Contractor.

1.11 Insurance: ALLEGIANT UTILITY SERVICES, LLC shall provide and maintain the minimum insurance coverage listed below. Coverage will be provided with forms and insurers acceptable to Utility, until all obligations under this Agreement are satisfied.

1. Workers' Compensation insurance to cover obligations imposed by Federal and State statutes having jurisdiction of its employees engaged in the performance of the Work, and Employers' Liability insurance with limits of not less than ONE MILLION DOLLARS (\$1,000,000).
2. Comprehensive General Liability insurance with a minimum combined single limit of not less than ONE MILLION DOLLARS (\$1,000,000) per occurrence and a general aggregate of not less than TWO MILLION DOLLARS (\$2,000,000). The policy shall include coverage for bodily injury, broad form property damage (including completed operations), personal injury (with coverage for contractual and employee claims), blanket contractual liability (including coverage for liabilities assumed under this Agreement), and products and completed operations.

3. Comprehensive Automobile Liability insurance with a combined single limit for bodily injury and property damage of not less than ONE MILLION DOLLARS (\$1,000,000) per occurrence covering ALLEGIANT UTILITY SERVICES, LLC.'s owned, hired, or non-owned vehicles.
4. General Liability Excess Endorsement (with coverage at least as broad as the underlying coverage) with minimum limits of not less than TEN MILLION DOLLARS (\$10,000,000) per occurrence, including a "drop down" provision should an aggregate limit be exhausted.

Utility shall be included on the public liability and property damage insurance and on the comprehensive general business liability insurance as an additional named insured with a waiver of subrogation. Contractor shall furnish a Certificate of Insurance and a copy of the endorsement of additional insured to Utility showing the above obligations and requirements are provided for by a qualified insurance carrier and showing Utility as an additional named insured with a waiver of subrogation on such insurance. Contractor shall maintain such coverages in full force and effect at all times during the continuance of this Agreement and shall provide notice to Utility of any change in insurance, including cancellation, at least thirty (30) days prior to the effective date of such change or cancellation. Utility shall have the right, but no obligation, at any time to review the original of any policy held by the Contractor to ascertain coverage and amounts.

1.12 Assumption of Risk and Indemnification: The Contractor shall perform the work at its own risk and assumes all responsibility for the condition of their vehicles and supplies used on job sites. The Contractor shall indemnify, defend and hold harmless Utility and its directors, officers, agents, and employees (collectively the "Indemnitees") from any claim, demand, loss, liability, and/or damage, of whatsoever nature or kind, including those brought by employees or agents of Contractor or subcontractors, if any, arising in any way out of or as a result of any act or omission of the Contractor negligence, willful misconduct, or breach of law of the Contractor, its agents, employees, Subcontractors, and suppliers, in connection with the performance of the Contractor's work pursuant to this Agreement, by Contractor, its employees, agents, or subcontractors, and Contractor agrees to defend the Utility and the Indemnitees, and to pay all costs including attorneys' fees and expenses incurred by the Utility in defending such claims. In the event of joint or concurrent negligence of Contractor and the Indemnitees Contractor's indemnification obligation hereunder shall be limited to its allocable share of such negligence attributed to it.

1.13 No Authority to Bind Utility: Contractor has no authority to enter into contracts or agreements on behalf of Utility. This Agreement does not create a partnership between the Parties.

1.14 Term of this Agreement and Termination: This Agreement is effective as of the date signed by both Parties and shall continue in effect until completion of the project.

1.15 Time is of the Essence. Time is of the essence of this Agreement.

1.16 Termination with Cause: In the event of a breach by the Contractor of any of the provisions of the Agreement or if the Contractor does not progress on the agreed upon schedule or has a lack of attention to the project, incompetence or carelessness in the performance of any or part of this Agreement, or in the event that Contractor conducts work or performs this Agreement in a manner that, in the sole opinion of Utility, endangers the public; the Utility's customers; their equipment, property, or surrounding properties, then Utility may terminate the Agreement after giving written notice to Contractor, and such default is not cured within 10-days of Contractor receipt of such notice. Upon termination, Contractor shall immediately return to Utility, its meters, and any other property of Utility.

1.17 Termination for Convenience: Utility reserves the right, at any time, to terminate this Contract, or any portion of the work, for its sole convenience. Any such termination shall be effective by delivery of a written notice of termination to Contractor specifying the extent to which the Contract and related work have been terminated with an effective date of no less than 30 days from receipt of the termination notice.

1.18 Non-Assignment of Contract: Contractor shall not assign this Agreement or any part thereof, or enter any contract with any person, firm, corporation, or entity for the performance of the Contractor's obligations thereunder, or any part thereof, without the prior, written approval of Utility in, which approval will not be unreasonably withheld, conditioned, or delayed.

1.19 Non-Waiver: The failure of either Party to exercise its rights under this Agreement shall not be deemed to be a waiver of such rights or a waiver of any subsequent breach.

1.20 Entire Agreement: This is the entire Agreement of the Parties including the exhibits and attached hereto and supersedes all prior oral and/or written understandings or agreements with respect to the subject matter hereof.

1.21 Severability: If any part of this Agreement shall be held unenforceable, the rest of this Agreement will nevertheless remain in full force and effect.

1.22 Amendments: This Agreement may be supplemented, amended, or revised only in writing signed by both Parties.

1.23 Warranty: The installation services shall have a 12-month warranty on all craftsmanship based on installation date.

This contract incorporates, herein by reference, the terms, and conditions of the following documents. If

there is a conflict among the documents, their terms and conditions shall prevail in the following order.

- Attachment I Requirements Response



Attachment%20I_ER
MU%20Requiremen

- Attachment II Pricing Response



Attachment%20II_Pr
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- Statement Of Work (Exhibit A)
- Blackout Schedule (Attachment III)



Attachment%20III_
%20Meter%20Exchai

- Certificate of Insurance
- Certificate of naming Elk River Municipal as additional insured
- Performance Bond
- Workers' Compensation Certificate
- Change Orders

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement in duplicate the day and year first above written.

ELK RIVER MUNICIPAL UTILITIES

13069 ORONO PARKWAY NW,
ELK RIVER, MN, 55330

By: _____
Mark Hanson, General Manager

ALLEGIANT UTILITY SERVICES, LLC

14319 Gregg Manor Rd STE 101
Manor, TX 78653

BY: _____
Jody Boyles, Chief Sales and Marketing Officer

Exhibit A: Statement of Work

1.0 Scope of Work Summary

The Contractor shall make a significant attempt to install 100% of the active meter/modules, other than any pre-agreed upon excluded meters before proceeding to the next metered location installations. During the term of this SOW, Contractor shall be expected to perform Services and manage the deployment process according to the Deployment Schedule. Contractor responsibilities shall include, but not be limited to, scheduling meter replacements, removing meters, installing meters, retrofitting AMI modules with existing water meters, inventory management, operating cross-dock facilities, tracking and reporting on project metrics and field deployment completion data, interface development, data file exchanges, and Work Management. Contractor will work with the Utility to make 3 attempts to exchange a meter before turning it back to the Utility (all three attempts are included in the pricing set forth below). The Utility will provide all new meters, new meter storage, material logistic support and temporary space to house de-installed meters. All National Electric Safety Code, American National Standards Institute (ANSI), and OSHA guidelines will be observed and followed by the Contractor. Any problems found on site by the Contractor's employees will be reported immediately to the Utility. A review of services will be conducted at the end of Phase I installation activities.

2.0 Definitions

"AMI" shall mean Advanced Metering Infrastructure.

"Black-Out Window" the time defined by Utility when Contractor must not complete meter exchanges.

"Certified Installed" shall mean those meters installed that have passed all QA processes with data being delivered to the Utility.

"CIS Data" shall mean the data file of work orders provided by Utility to Contractor from its customer information system NISC.

"Cycle" shall mean billing cycles that contain Routes.

"Deployment Schedule" shall mean the mutually agreed upon schedule developed by Contractor and Utility to support the scope set forth in this Statement of Work.

"Handheld" shall mean an electronic device (iPhone) or equivalent running Windows or Android on the latest version available from the manufacturer that is compatible with, and incorporated into, Contractor's software.

"Installation Attempt" shall mean physical visits, phone calls, letters, and other means to contact the End-User Customer.

"EndPoint" shall mean new AMI meter, new AMI meter and module or a new AMI module to be retrofitted with an existing water meter.

"End-User Customers" shall mean utility customers of Elk River Municipal Utilities.

"Installation Workshops" shall mean the structured startup Workshops led by Contractor for Utility staff to

jointly define the detailed requirements and specifications for this project.

“Installers” shall mean the field technicians who install meters for this project.

“Life Support” shall designate locations where there is Life Support Equipment or other critical service requiring an appointment to install meters for this project.

“Peak Workflow” (Contractor’s Work Management software) shall mean the workforce management software product used by Contractor for managing the performance of Services on this project. The utility will be using Peak Workflow for dashboard and program analytics.

“Route” shall mean meter reading routes.

“RTUs – Return to Utility” shall mean those Contractor work orders that need to be returned to Utility for further investigation or other action as defined in the Installation Workshops. RTUs are deemed complete as it relates to billing and completed work orders.

“Services” shall mean labor, material, equipment, tools, vehicles, transportation, storage, and other things and actions necessary to perform and to complete the scope set forth in this Statement of Work.

“UTC – Unable to Complete” shall mean those installations that Contractor is not currently able to complete due to issues of access or other reasons to be identified during the Installation Workshops. For avoidance of doubt, UTC items are still the responsibility of Contractor until they are either resolved or change to RTU status.

“Utility “ shall mean Elk River Municipal Utilities.

2.0 Contractor Services

2.1 Quantity of Endpoint Installation: Installation of meter and modules quantities and schedule listed below in Section 3.

2.2 Customer Appointment Letters: Printing and Distribution of Pre-installation Customer Appointment Letters to all accounts.

2.3 Door Hangers: Printing of post-deployment door hanger to be hung in the field by the installer during deployment. The Utility will draft the verbiage and graphics for the post cards and door hangers and approve the final draft prior to printing by Contractor.

2.4 Scheduling of Appointments: Contractor will use their software to schedule the EndPoint installations.

2.5 Integration: of Contractors work management software with Utility’s CIS.

2.6 Hiring of Installers: Onsite employee hiring and training of Contractor’s staff.

2.7 Data security: Accountability to secure of Utility’s data.

2.8 Hosting: Security store Contractor’s software.

2.9 Call center: services to schedule water EndPoint installation. For revisits for electric meter installations, appointments would be made by either the Installer or through the Call Center.

2.10 Customer-Facing Appointment Web site: to allow End-User Customers to schedule their appointments and to make changes to scheduled appointments.

2.11 Installation Workshops: Work session between Utility and Contractor to talk through and agree on the planned installation processes, including new installer Onboarding training required.

2.12 Installation Project Management: Contractor is responsible for all hiring, all installation reporting, installation quantity control of workmanship, scheduling, inventory management, coordination with utility staff, and supervision of all staff, including call center and staff not directly assigned to Utility. Facilitate meetings with utility and Installation leads including weekly project management meetings and monthly management team meetings.

2.13 Certified and Unreachable Meters: Document all successful EndPoint change-outs and locations. All document meters/accounts that are determined to be not possible to install where problems exist beyond the Contractor's control.

2.14 Reporting: For both planned EndPoint installation, successfully completed installations and installations where the End-User Customer failed to be available for the scheduled deployment. Some examples of the reporting include: 1) scheduled and planned EndPoint installation, 2) Summary of installation successfully completed (Certified), 3) Inventory report, 4) Escalations with accounts returned to utility for support i.e. meter bypass, bad wiring, bad dog etc. 5) other Escalations due to problems, 6) installations completed daily and running tally for the week, 7) installations completed by installer and number of escalations by installer.

2.15 Installation Work Hours: Electric Meter Installation Times: Normal hours for the Contractor to work in the field doing meter installations at End-User Customer premises should never be before or after daylight hours, typically before 8 AM or after 5 PM Monday to Friday for most instances, unless requested by the End-User Customer. The hours can be extended past 5 PM in the summer months when the daylight is longer but not before 8 AM, unless requested by the End-User Customer. The specific installation time is to be coordinated monthly between Contractor and Utility. Water Meter Working Hours for Customer Appointments: 7:00 am until 7:00 PM Monday-Friday and 8:00 to 5 PM on Saturdays. Special circumstances outside of these hours must have prior authorization from Utility.

2.16 Black-Out Window: Utility will define when Contractor must not complete meter exchanges. During Installation Work sessions, Contractor and Utility shall agree on a route release schedule that ensures routes and billing cycles will be released to the Contractor in a manner such that installations can continue on certain routes / billing cycles while others are in black-out. The black-out dates are listed in Black-Out Schedule (Attachment III)

2.17 Route Completion: Shall mean when 99% of the defined meters assigned to Contractor in the route is completed as each meter will be defined as either 1) Certified, 2) Return to Utility to Install, 3) Pending and waiting new install date/time, 4) escalated to the utility.

2.18 Water Meter Appointments: Failure of an End-User Customer to be available for a scheduled appointment such as not being home and/or allowing access to the premises is defined as a Missed Appointment.

2.19 Revisiting Installed Meter Locations: When Contractor revisits previously installed equipment at Customer's request within 14 days of installation to troubleshoot the installation, the cost of this revisit will be the same cost as the original installation. If the revisit results in Contractor determining that there was an installation issue caused by Contractor, there will be no charge to Utility for the revisit.

2.20: Unable to complete Installation: - Allegiant may come across meter locations that are unable to be completed. Classifications of Meters that are unable to be completed are: Not able to locate, End-User Customer refusal, Obstruction, Locked Gate, No Access, Unsafe Animals, Customer Side Leak, Utility Side Leak, Inoperable curb stop, Direct connect without shut offs. Meter does not match work order.

2.21: Out of Scope: Traffic lights, railroad crossing, meter exchanges in confined spaces and polyphase meters as agreed to by all Parties.

2.22: Integration with NISC: As defined in Attachment I Requirements Response.

3.0 Deployment Schedule

The Contractor must maintain a forward-looking detailed installation schedule based on the Deployment Schedule.

The Contractor will deploy approximately 100 electric meters and 20 water EndPoints during Utility's initial deployment period. The Contractor's personnel will be onsite to deploy meters for approximately 1- 2 weeks continuously, during which all meter and EndPoint installations will be performed.

- Utility shall provide updates on anticipated full deployment start date once a month after initial deployment period. At least 45 days prior to the start of the full deployment, Contractor will confirm the full deployment start date.
- Both Parties will mutually agree to the schedule in the table below.
- The agreed upon schedule is expected to have a reasonable ramp-up period at the start of the deployment followed with a steady state period anticipated to occur over a continuous 10-month period and ending with a ramp down process.
- A Deployment Schedule by EndPoint will be created as part of the Installation Workshops.

Project entails the following:

Completion of electric and water EndPoint quantities listed below.

Task	Targeted Completion Date	Estimated Calendar Months to Complete	Anticipated Calendar Months	Role of the Selected Endpoint Installation Vendor
If both Contractor and Utility agree, the dates below could be accelerated or extended.				
Project Sponsors Logistical Kick-off: (Within Two weeks from Contracting)	Month 1	3	March 2024	Logistics
Phase I Initial Deployment Area (IDA): Pre-Installation Planning, System Integration, and Installing of IDA meters	Month 1, 2 and 3		March-May 2024	Training and Install ~150 meters*
*Work Stoppage Between Phase 1 and Phase II	30-60 days	2	June 2024	None.
Phase II Full Deployment: (Full System Deployment)	Months 4-13	10	July 2024-May 2025	Install all remaining electric meters, water modules and water meters
TOTAL TIME:		15		15 months

Planned Deployment Timeline Meters Per Month

Month	Electric Meters	Water Meters & Modules Replacements	Water Modules to be Retrofit with Existing Water Meter
Months 1-3 (IDA)	100 By Contractor	20 By Contractor	5
<i>Full Deployment Area (the quantities below are estimates and will be finalized during pre-deployment workshops)</i>			
4	1210	500	75
5	1210	500	75
6	1210	500	75
7	1210	500	75
8	1210	500	75
9	1210	500	75
10	1210	500	75
11	1210	500	51

12	1210	500	0
13	1140	490	0
Total	12,270	5,010	581

4.0 Customer Installation Appointment Scheduling

- 4.1 **Electric Appointments:** For locations behind gates without gate keys available from the utility, obstructed electric meter locations and other "access " issues that an appointment may be necessary to exchange the electric meter, Contractor shall notify the Utility for mutual resolution. All electric meters are located on the outside of the premises.
- 4.2 **Maximum of 3 Attempts:** For those locations where the Contractor may be required to contact the customer prior to performing the work, the Contractor should make a minimum of three (3) attempts to contact the customer. If after three (3) attempts the Contractor is unable to contact the customer for electric or for water the customer failed to keep a committed appointment, the Contractor should then provide records showing the attempted contacts and proceed to change the meter. Please state otherwise if (3) attempts are not standard practice in Utility's preferred model and/or if it is not included in the base bid.
- 4.3 **Scheduling of Water Meter Appointment:** Contractor should provide a toll-free number for customer questions regarding installation scheduling. End-User Customers may use Contractor's toll-free number for general AMI questions. Numbers to be listed on all customer communications. Contractor must also provide a Web Based Water Meter/Module as a means for customers to schedule installation appointments via web site. The Contractor must also include a means for End-User Customers to change their installation appointments via a web site.

5.0 Work Order and Data Integration AMI Meter Implementation

Allegiant Utility Services proprietary WMS, Peak Workflow™, is purpose-built platform for utility mass deployment and exchange projects in the electric, water, gas, and clean energy markets.

Digital data is captured in real-time. As Technician captures data and photos, it is uploaded to Allegiant's cloud instantly, allowing full role-based visibility to everyone on the project including Utility staff, Program Managers, Project managers and affiliate team members. Allegiant's digital platform reduces human error that can occur during large scale projects, ties seamlessly into standard operating procedures and provides a managed workflow. All information captured in the field can be efficiently reviewed and approved with the quality assurance features. Allegiant knows the Technician may not always be connected, so Allegiant's mobile app is smart about managing data allowing Technicians to work even in the remotest areas throughout the day.

Allegiant's project team will work with Utility's staff to develop and manage the transfer of data throughout the course of the project. On average, it takes 3-4 weeks to set up all the files and build out Allegiant's work order system for a project. Project start-up and WMS configuration can be condensed to as little as 2 weeks as Allegiant's team has capability execute testing and setup quickly.

5.1 Key Peak Workflow Features

Project Management

- ◆ Track and visualize production across services installed vs. not installed
- ◆ Overall status of all work orders
- ◆ Understand all current activities in the field
- ◆ Quality assurance tools

Customer Service

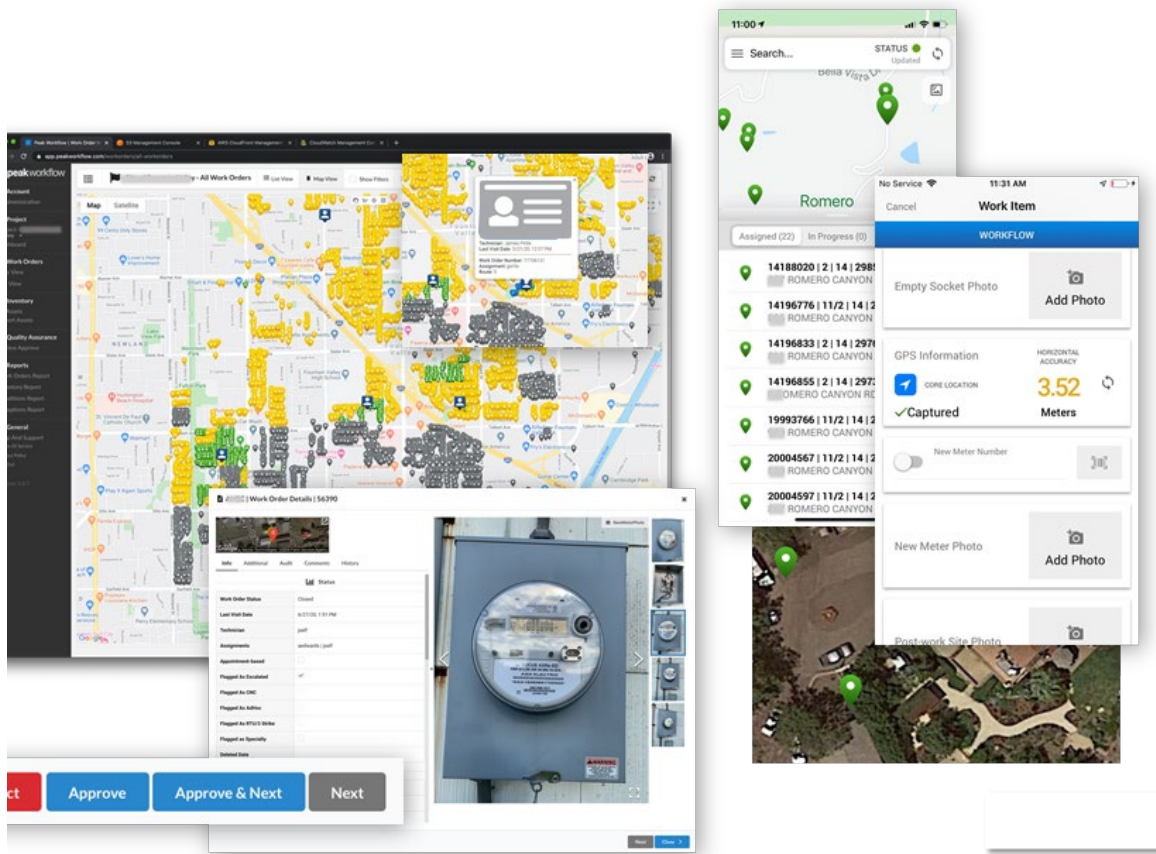
- ◆ Searchable data and photos
- ◆ Determine technician locations, view badges

Data Management

- ◆ Completion Reports
- ◆ Technician Performance Reports
- ◆ Inventory Control Reports
- ◆ Daily Activity Emails

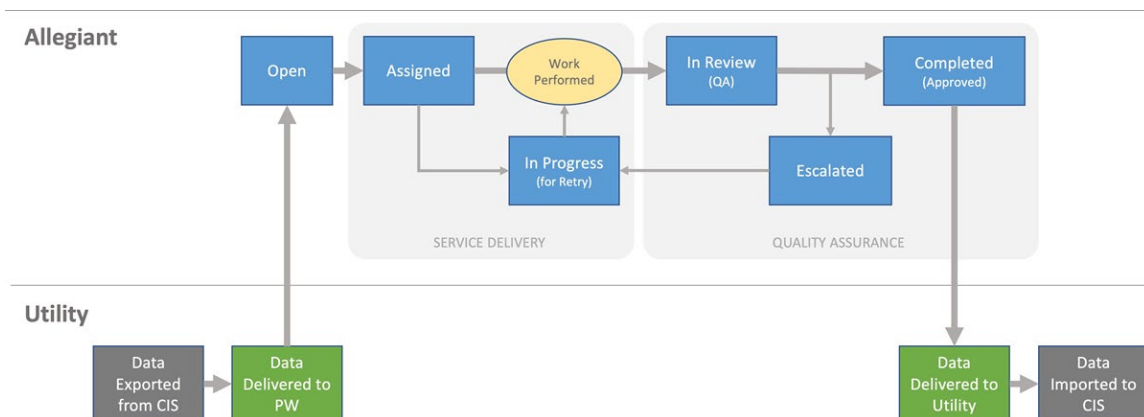
Customized, Managed and Detailed Workflow

- ◆ Enables in-field quality controls
- ◆ Enforce SOP per project
- ◆ Flexible per project requirements
- ◆ Capture data, photos and GPS
- ◆ Data validation on save



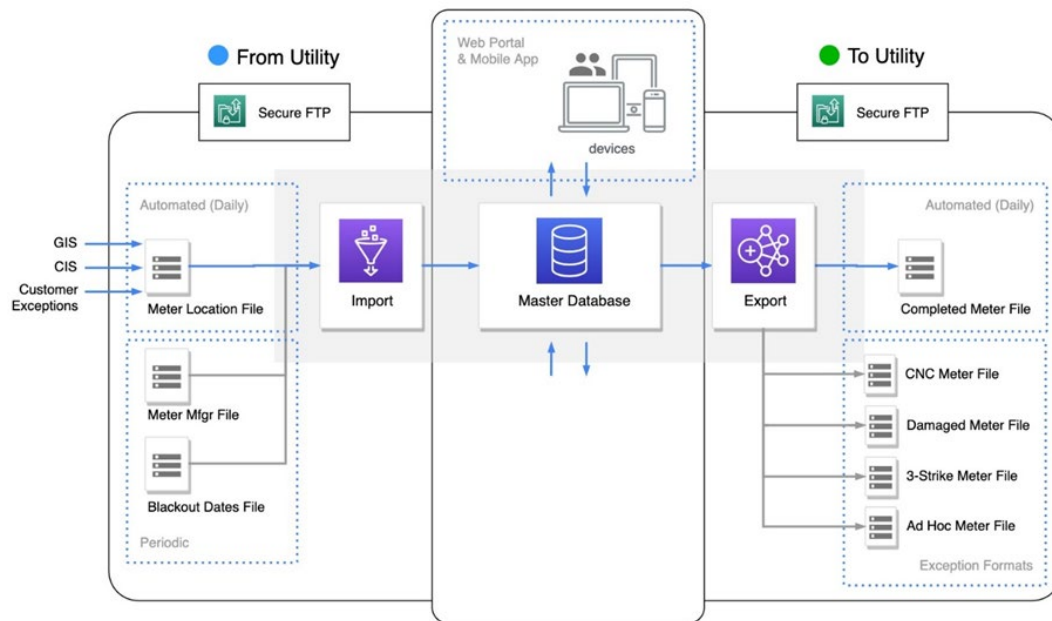
5.2 Workflow Status Overview

Information flows from the Utility's CIS into Allegiant's Service Delivery and Quality Assurance processes then exchange data is delivered back to the Utility CIS system.



5.3 Primary Data Transfer File requirements:

- Location File
- Post Meter Change Out Export File
- MMF file
- Blackout Dates
- Damaged Meter
- CNC Meter File
- 3 Strike File



5.4 Location File

Allegiant will work with Elk River, MN to create a CSV file that contains the following data elements to load into Allegiant's "Peak Workflow" program conducting the meter exchanges in the field.

Sample:

Allegiant Utility Services Template - Existing Meter Location File					CSV Preferred File Format
Instructions: Update column headers, column positions, and length constraints as appropriate to Utility's CIS.					
Required	Column Header from Utility CIS	Length	Column Position	Notes	
X	Account	50	1	Customer account number	
X	Old Meter Number	20	2	Old meter serial number (Primary Key)	
X	Last kWh Reading	10	3	Typical KWH reading	
X	Meter Form	15	4	i.e. 2S, 2S-SD, etc.	
X	Read Notes	100	5	Notes regarding service location, gate codes, etc.	
X	SubArea	50	6	i.e. Substation	
X	Circuit Number	50	7	i.e. Feeder	
X	Billing Cycle	50	8	Code or name of cycle	
X	Route	50	9	Code or name of route	
X	Old Latitude	15	10	Can be 18 if needed for NISC	
X	Old Longitude	15	11	Can be 19 if needed for NISC	

Account	Old Meter Number	Last kWh Reading	Meter Form	Read Notes	SubArea	Circuit Number	Billing Cycle	Route	Old Latitude	Old Longitude
34534534	TS3242353	3425	25	Gate Code:1234	02	04	03	01	44.9453656	-93.3358785
64645456	TS329546	4203	25		01	03	02	02	43.5403388	-109.6520657

- Location files are typically loaded daily/weekly during the course of the project to keep the data up to date.
- Files are typically sent across Allegiant's SFTP site.
- Post Meter Change Out Import File
- Allegiant will work with Utility to create a file for import into NISC for the meter change outs.

Sample:

Allegiant Utility Services Template - Completed Meter Exchange File (Extended)					CSV Preferred File Format
Instructions: Update column headers, column positions, and length constraints as appropriate to Utility's CIS.					
Exported	Column Header to Utility CIS	Length	Column Position	Notes	
X	Account	10	1	Customer account number	
X	Old Meter Number	15	2	Old meter serial number	
X	Old kWh Reading	10	3		
	Old kW Reading	10		Optional based on project	
	Old kVa Reading	10		Optional based on project	
	Old kVar Reading	10		Optional based on project	
X	New Meter	15	4		
X	New kWh Reading	10	5		
	New kW Reading	15			
	New kVa Reading	15			
	New kVar Reading	15			
	New Meter Dial	10			
X	Reading Date	8	6	UTC unless otherwise agreed	
	Meter Set Number	5			
	Demand Code	5			
	Service Location	20			
	Map Number	20			
X	New Latitude	15	7	Can be 18 if needed for NISC	
X	New Longitude	15	8	Can be 19 if needed for NISC	

Account	Old Meter Number	Old kWh Reading	New Meter	New kWh Reading	Reading Date	New Latitude	New Longitude
235345653	TS3453453	3452	81929392934	0	2019-01-01	43.5403388	-109.6520657

- Allegiant will work hand and hand with you to ensure the file formats are correct through the data validation period of the project.
- Meter change out files can be provided daily by using Allegiant's SFTP site.
- Photo uploads to the NISC or other applicable are available in batches of 1000 meters which equates to 5000 photos. Allegiant uses the standard NISC XML format for the Vault.

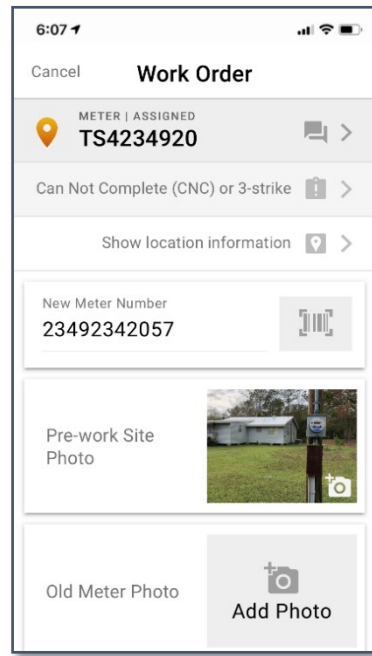
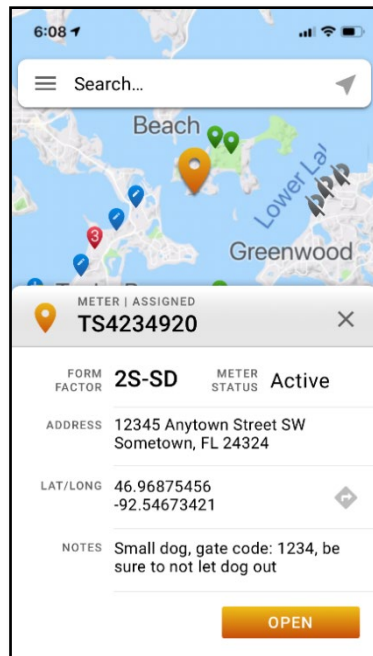
5.5 Meter Manufacture File "MMF"

- The MMF is loaded into Allegiant's WMS, Peak Workflow, program and used to validate the new meters going into the field ensuring Allegiant has the correct bar coding.
- MMF files are typically provided through the course of the project as meter shipments are delivered.

5.6 Handheld Devices

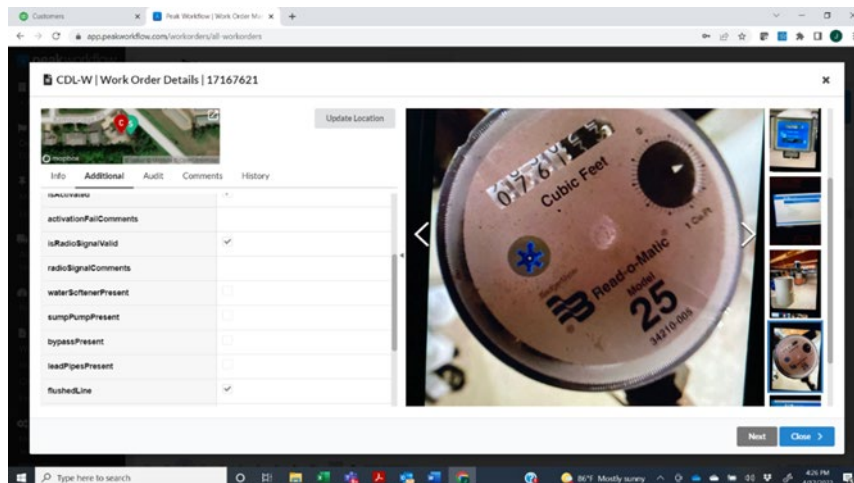
- Meters tracked in map interface on Allegiant's handhelds
- Flexible meter reading inputs

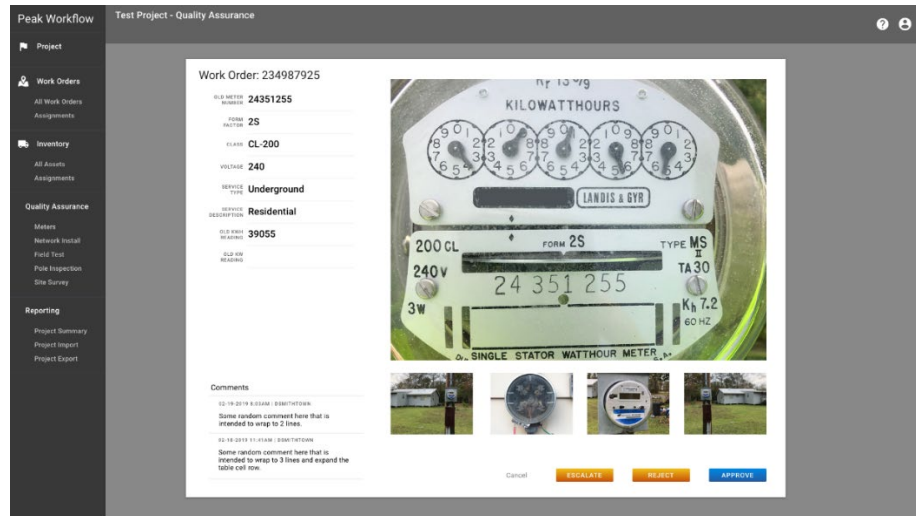
c. New meter numbers scanned in



5.7 Web Tools

Meters install detail screen:





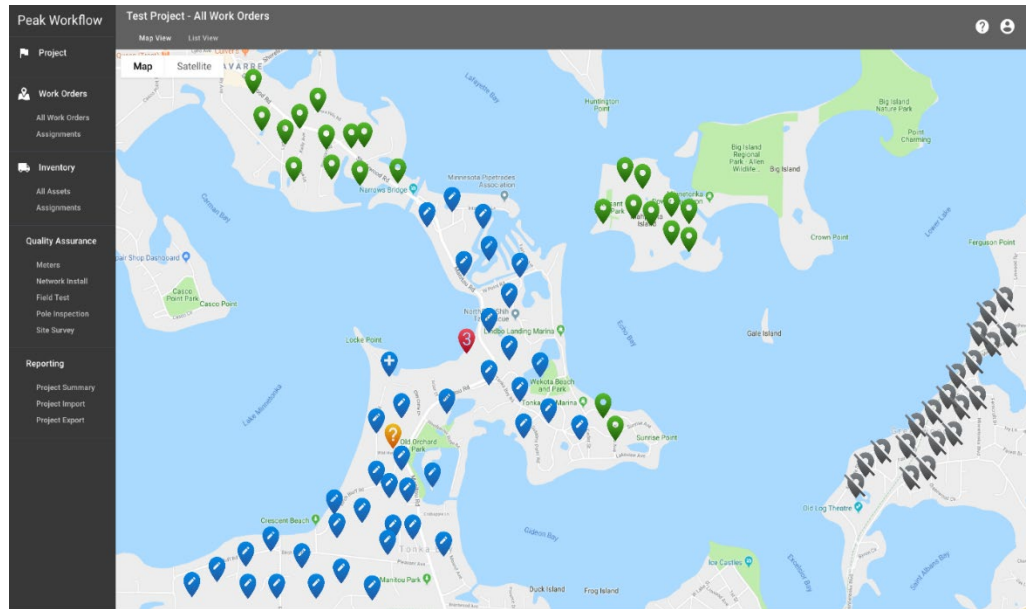
5.8 Deployment Progress Tracking

During the project onboarding process, Allegiant Utility Services will align with ERMU (Elk River Municipal Utilities) on the desired production schedule. Typically, this is based on cycle and route or substation and circuit depending on the utilities network infrastructure and other considerations. This can be focused on single geographic regions or multiple areas again determined in collaboration with the utility.

Allegiant's WMS has two primary views for work order assignment: list view and map view. The same powerful filter and search functionality is available on both views. Filters include status, district, substation, circuit, cycle, route, book, user-defined groups, form factor, technician, and other custom filters. Search includes serial numbers, customer, account, address, and other fields. Filter and search efficiently locate appropriate record set for analysis and assignment to skilled Technician.

Map views add capabilities to visualize by status including blackouts, district, substation, circuit, cycle, route, and assignment. Further shapes can be drawn directly on filtered or unfiltered views on the map to make assignments or save a user-defined group for later quick reference. For example, a program manager may filter the map view down to a specific circuit or route and form factor, then use the geo-shape tools to split it into assignments across differently skilled Technicians.

- Updated daily
- Color coded to track completed and skipped meters.
- Organized by Technician and meter type



5.9 Utility Access

- a. Unlimited access to web portal included in base contract during the deployment.
- b. Secure login for each user
- c. Custom reporting

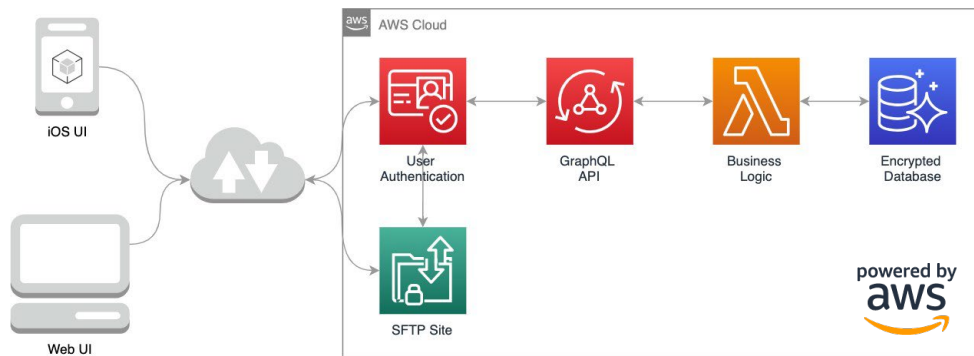
Application and Support

Allegiant's proprietary WMS, Peak Workflow, offers robust configuration to meet Utility's requirements. UTILITY will have 24/7 access to the Peak Workflow web portal and related Mobile App. UTILITY staff will be assigned various roles that allow access to appropriate features. UTILITY Admin users will have the broadest access to the web portal with capabilities to view status, view planned progress and dashboards, assign work and inventory to Technician users and report all data. UTILITY Viewer users will have access to the same views/reports as Admin's, however, cannot affect change on the data. Technician users will have access to work order maps and data capture features within the Mobile App.

- a. Administration
 - i. areas including features like quality assurance, user management and multi-project reporting for an Account-level Admin will not be accessible.
- b. Support
 - i. Allegiant provides 24X7 support on the applications.
- c. Validations
 - i. In field validation of every data entry ensures accurate information.

- ii. New meter numbers scanned for accuracy and compared to preloaded list of available meters.
- iii. Meter reading dates preloaded to allow utility defined blackout period.
- iv. Meters cannot be changed out during blackout period.
- v. Database post processing ensures data integrity and accurate billing.
- vi. Follow up reporting provided for meters not found in field, or inaccessible for change out after multiple efforts to access site.

5.10 High Level Security and Architecture



- ◆ Modern Technology Stack
- ◆ 99.9% Uptime
- ◆ Encrypted Web and Mobile access via SSL/TLS
- ◆ Data and file-level encryption
- ◆ Cloud infrastructure protected within Virtual Private Network
- ◆ Redundant backups and clustered database instances
- ◆ SFTP encrypted site for file sharing

6.0 High-level Warehousing and Storage

1. Material Handling

- a. Utility issued keys and barrel lock tools will be tracked per technician.
- b. Technician will return old meters daily
 - i. Old meter serial numbers on outside of box
 - ii. Initials of tech and date on outside of box
- c. Old meters will be palletized and shrink wrapped

2. Meter Salvage

- a. Salvage Meter Process
 - i. Allegiant palletizes and shrink wraps
 - ii. Allegiant will pick up meters Monthly after hold period

7.0 Call Center

1. Staffed 7 AM– 7 PM CST
2. #800 assigned to project

3. IP based platform support call forwarding to contacts
4. Call Volume Reporting and Issue tracking
5. Recording for calls and voicemail provided upon request

8.0 Safety Program Summary

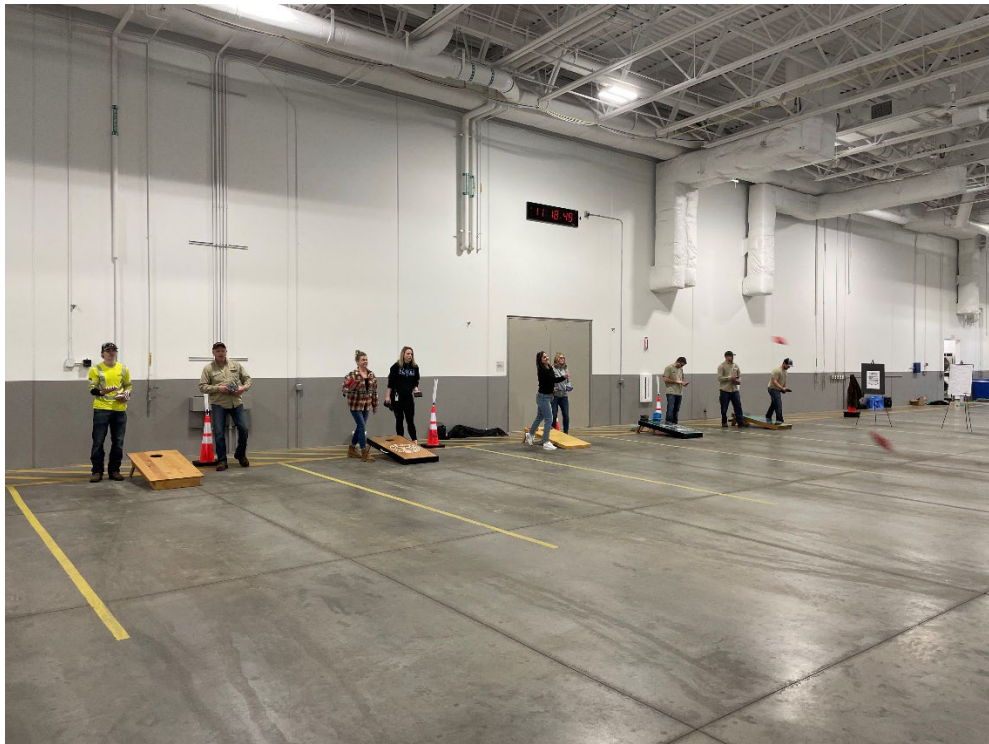
1. All employees go through rigorous hot socket and meter handling training to ensure all of Allegiant's employees are following all appropriate guidelines.
2. Each Allegiant employee wears PPE gear to include the following:
 - Safety glasses\Face shield
 - Hardhat
 - Logoed FR shirt and pants
 - Protective footwear
 - 600 Volt protective gloves and leathers
 - FR High Viz vest
3. Allegiant employees are issued appropriate contractor ID badges.
4. Daily/Weekly tailgate meetings are conducted to review the safety guidelines and review any field incidents.
5. In the event a meter exchange results in an unsafe meter can condition Allegiant's employees will follow the local utility procedures and wait onsite until a utility personnel arrives.

Safety manual will be provided for a detailed review of Allegiant's program.

TO: ERMU Commission	FROM: Mark Hanson – General Manager
MEETING DATE: February 13, 2024	AGENDA ITEM NUMBER: 6.1a
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- ERMU staff have been meeting with city staff and representatives from Vireo Health to identify and plan for their utility needs. Vireo Health is a commercial marijuana grower exploring Great River Energy's former Refuse Derived Fuel (RDF) plant, at 10700 165th Ave NW in Elk River, as a new site to expand the growing operation. If the project moves forward, Vireo has the potential to be one of our larger customers. With an anticipated peak usage of 2.5-3.0 MW, only the two datacenters would be larger.
- The Board of Directors of the Minnesota Municipal Power Agency (MMPA) met on January 23, 2024, at Chaska City Hall in Chaska, Minnesota and via videoconference. Commissioner Stewart and I attended. The public summary is below:
 - The Board reviewed the Agency's financial and operating performance for December 2023.
 - Customer penetration for the residential Clean Energy Choice program was 5.2%. There was an increase of 33 customers participating in the residential Clean Energy Choice program from November to December.
 - The Board discussed the current business environment.
 - The Board discussed the status of renewable projects the Agency is pursuing.
- Wednesday, February 7, marked our second Camaraderie Day event. During an after-action review of the first event, the management team determined it would be more efficient operationally to host the event in the winter vs the fall. Created in response to staff feedback desiring improved connectivity between office and field staff, the event not only included competitive games, but in true MN fashion, also included hot dish and dessert competitions! Special thanks to the event committee for their great work!



2024 Camaraderie Day

TO: ERMU Commission	FROM: Sara Youngs – Administrations Director
MEETING DATE: February 13, 2024	AGENDA ITEM NUMBER: 6.1b
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- Office walk-in traffic for January consisted of 113 customers, averaging 29 customers per week over the 4-week period.
- ERMU red tag notification count for January under the Cold Weather Rule.
 - Cycle 2 – 14 red tag notifications and 2 disconnections.
 - Cycle 3 – 20 red tag notifications and 1 disconnection.
 - Cycle 4 – 16 red tag notifications
 - Cycle 1 – 32 red tag notifications and 4 disconnections.
 - Cycle 2 - 10 red tag notifications and 1 disconnection.
- Rates for 2024 have been reviewed and updated for the February billing cycle.
- During the month of January 2024, the customer service team entered 51 payment arrangements with customers. During January 2023 there were 69 payment arrangements.
- Currently there are seven 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 25 sessions and provided customers with 534 kWh of green energy.
- Billing specialist participated in Meter Data Management Systems training (MDMS) offered by National Information Solutions Cooperative (NISC). MDMS will incorporate Advanced Metering Infrastructure (AMI) data which will improve business efficiencies and customer support.

- Customer service staff reviewed all active budget accounts and reached out to customers if their budget payment for 2024 had an increase greater than 10%.
- The administrations director shadowed Frontier Energy on their first commercial energy audit at 10730 175th Avenue NW.
- The credit & collections specialist finalized the review of customer accounts that received an interest credit exceeding \$10.00 which requires the filing of a 1099-INT form.
- The administration director, billing specialist, and credit & collections specialist have been working on reviewing meter data from our new AMI meters for accuracy along with reviewing current processes.
- Customer Service Representative Jessica Hibbard hosted “A Day in Local Government” as part of the Elk River Chamber of Commerce Community Leadership program.

TO: ERMU Commission	FROM: Melissa Karpinski – Finance Manager
MEETING DATE: February 13, 2024	AGENDA ITEM NUMBER: 6.1c
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- Bond payments due February 1 totaling \$944,203.13 have been paid. The bonds we have are from 2016 and 2018 for our Minnesota Municipal Power Agency (MMPA) buy-in maturing in 2036 and 2048, respectively; 2021 electric bond and 2021 water bond for the new field services building maturing in 2051 and 2041, respectively.
- The accounting department has been busy preparing for the 2023 annual audit. Our auditors from Abdo will be completing the audit field work on February 22-23.
- Training for implementation of the new General Ledger Financial Statement Reporting tool within NISC iVUE Financials has been scheduled for March 6 and 13.
- We have received a lot of our annual surveys that will be completed in the upcoming months.

TO: ERMU Commission	FROM: Tony Mauren – Governance & Communications Manager
MEETING DATE: February 13, 2024	AGENDA ITEM NUMBER: 6.1d
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- The February bill insert is the 2023 Year in Review. Communications staff did a great job capturing major events from the previous year while also getting the files to the printer in January so that information is as timely as possible. Staff will provide physical copies for the Commission and City Council when they arrive from the printer but be sure to check out the digital version in the attachments (also available to the public on our website).
- In addition to highlighting the bill insert topic, social media posts this month feature a variety of items including the commission meeting notice, holiday closure (Presidents' Day), WaterSense conservation tips, a Valentine's Day post to share our appreciation for the community, and a look at ERMU's safety training program. Minnesota Municipal Utilities Association is taking a one-year hiatus from its Tom Bovitz Memorial Scholarship as it looks to restructure the program, but ERMU will still be publishing information about our local scholarship opportunity. In 2023 it was decided to budget an increase to the award amount from \$500 to \$1,000 to ensure this scholarship provides a substantial support to students. Staff found that the amount has been \$500 since at least 2013.
- Communications staff is updating the website, forms, and processes for the residential and commercial rebate programs to be in line with the rebate management services provided by Frontier Energy.
- Staff has coordinated a presentation for the Commission from Frontier Energy on the services they are providing to the Conservation Improvement Program as well as providing an opportunity for them to answer any questions. This presentation will serve as the Commission's Annual Orientation and is scheduled for 2:30 p.m. on Tuesday, March 12 in the Uppertown Conference Room, an hour prior to the regular meeting in the same room. Thank you for adding this to your schedule.

- The March meeting will also include a review of policy updates from the previous year. Commissioners who use a physical manual can provide it to staff to make the updates.
- The committee for the strategic plan initiative to enhance the field services building through art and sound panels met on January 3 and 23. The group selected KJ Branding for the project who provided the same services at the Furniture & Things Community Events Center. The committee is working to provide direction and materials to create the artwork and those final drafts will be presented to the Commission when available. This is a 2024 initiative.
- Staff has been meeting to review the Electric and Water Rules as part of the strategic plan initiative to reformat/update the Management Policy Manual. This is a 2023-2024 initiative.
- ERMU earning the [Smart Energy Provider designation was featured in the Elk River Star News](#) on January 5. The [announcement for ERMU's 0% electric and 2% water rate increases](#) was published on February 2.
- ERMU's blog hosts [a video explaining how the electrical grid works](#). This informative video is available to us through our partnership with Questline Digital, who provides engaging content for customers on a variety of topics related to energy. This was also posted on ERMU's social media platforms.
- The Elk River Area Chamber of Commerce's Government Relations group held its scheduled meeting on February 8. During discussion on concerns over increasing developer fees, Assistant County Administrator Dan Weber informed the group that the County would be performing a housing study, which, in part, will compare developer fees across communities. Staff will make a note to provide that data when it becomes available. Staff is also expecting to receive contact information for a member of the lobbying team with The Minnesota Chamber Federation to learn more about their push for environmental permitting reform and how that may play into ERMU's Wellhead Protection initiative. Any relevant information will be provided to the Commission.

ATTACHMENTS:

- Bill Insert – 2023 Year in Review



Elk River Municipal Utilities



YEAR IN REVIEW
2023

HOMETOWN SERVICE



A LETTER FROM THE GENERAL MANAGER



As I complete my first full year as ERMU's General Manager, I can't help but feel incredibly fortunate for the opportunity to work with such dedicated staff in support of an amazing community. We take an enormous amount of pride in providing reliable, sustainable, and cost-effective electric and water utilities to our customers. And, as a community-owned municipal utility, we take great pride in sharing our accomplishments with you.

2023 was a big year for ERMU. The Field Services Building project was completed after nearly five years, from planning through construction, and we were thrilled to invite all of you to the open house in August. It was awesome to see hundreds of folks from the community come out to meet our staff, tour the building, ask questions, learn about our programs and equipment, and enjoy the various demonstrations.

The new building wasn't the only big thing to happen in 2023. Also notable for ERMU were national awards and recognition received from the American Public Power Association (APPA) and the American Water Works Association (AWWA). We received the Reliable Public Power Provider platinum designation and the Smart Energy Provider designation. There are over 2000 public power utilities across the nation, but only 5% hold both designations. Our communications team earned an Excellence in Communications award from APPA and ERMU's team was invited to compete at the national level after being the first all-female team to place in the MN AWWA Hydrant Hysteria competition.

We have a lot to be proud of, but we continue to focus on the future to improve services and value for our customers. Yes, 2023 was big, 2024 will be even bigger as we usher in the Advanced Metering Infrastructure (AMI) project which will bring a new era of service - and we are ready!

- Mark Hanson, P.E., General Manager



A NEW ERA OF SERVICE ON THE HORIZON

Elk River Municipal Utilities (ERMU) is about to begin a new era of service in 2024 with the implementation of the Advanced Metering Infrastructure (AMI). This initiative marks a significant milestone in ERMU's commitment to technological innovation and improved service delivery. The AMI project will involve the installation of new electric and water meters throughout its service territory enabling near real-time monitoring and communication between utility infrastructure and consumers. This technology not only enhances the accuracy of meter readings but also empowers customers with valuable insights into their energy usage patterns. The AMI project demonstrates ERMU's forward thinking approach to utility management, efficiency, sustainability, and system responsiveness that addresses the evolving needs of the community. For information and updates throughout the AMI project customers are encouraged to visit ERMU's website at ERMUMN.COM or contact a customer service representative at 763.441.2020 during regular business hours (8:00 a.m.- 4:30 p.m.).



HOMETOWN PRIDE



MAKING HISTORY

ERMU is proud to recognize the achievement of Water Operations Foreperson Katy and GIS/Mapping Technician Angela as they placed third in the Minnesota Section of the American Water Works Association's Hydrant Hysteria competition in Duluth, MN in September. Katy and Angela, who go by the team name "ERMU Riveters," were the first all-female team to compete in Minnesota.

The competition requires teams of two to assemble a hydrant with approximately 40 pieces in less than five minutes, testing their strength, finesse, and speed. Their best time of the competition was one minute 52 seconds. As a result of their third place finish, the ERMU Riveters have been invited to participate in the national competition in June 2024.



ERMU staff compete in the AWWA Hydrant Hysteria competition in Duluth, MN.



NATIONAL RECOGNITION

ERMU's dedicated staff are passionate about providing safe, reliable service and effective communication to the community it serves. In 2023 the outstanding efforts of our team were recognized nationally by the American Public Power Association (APPA) through a variety of awards and designations outlined below.



Powering Strong Communities

- » The Reliable Public Power Provider (RP3) platinum level designation was awarded to ERMU based on industry-recognized best practices in four important disciplines: reliability, safety, workforce development, and system improvement. ERMU joined 271 public power utilities nationwide that hold the RP3 designation.
- » The Certificate of Excellence in Reliability recognizes ERMU for its dependable electric service based on data collected from over five hundred public power utilities. ERMU was one of only 221 utilities to earn this distinction in 2023.
- » The Smart Energy Provider (SEP) designation is awarded to 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. ERMU joins less than 100 public power utilities in earning the SEP designation.
- » The Excellence in Public Power Communications award recognized ERMU's exceptional work in building a stronger, more personal connection with its customers through a social media campaign featuring staff in the field and in the community. Entries were judged by an outside panel of communications experts with awards announced at the APPA Customer Connections Conference held in San Antonio, TX.

HOMETOWN CONNECTIONS

As your hometown utility, getting involved in the community we serve is important to us. We look forward to participating in local events throughout the year so we can meet and interact with our valued customers. Together we are building a stronger community through these shared experiences.



Summer Safety Camp



Sherburne County Fair Parade



ERMU Field Services Building Open House



Day of the Dozers



Downtown Elk River Trick-or-Treat



ISD 728 Job Shadow Program



SPONSORED

Municipal utilities boost engagement with hyper-local tactics

Published Feb. 12, 2024

istockphoto.com/Jacob Wackerhausen

SPONSORED CONTENT BY  Questline Digital

Small utility, big impact

Currently, there are nearly 2,000 municipal utilities (also known as public power utilities) across the United States. With their strong ties to the community, municipal utilities have myriad opportunities for building long-term customer satisfaction.

Recent data illustrates that municipal utilities are seeing an uptick in customer engagement. Questline Digital's 2023 Energy Utility Benchmarks Report finds that municipal utilities achieved higher engagement with their email communications compared to other utility types, including investor-owned utilities (IOUs). In fact, municipal utilities experienced the highest overall click-through rate of all utility types at 3.4%.

For Elk River Municipal Utilities (ERMU), hyper-local initiatives have had a significant impact on customer engagement. The utility serves a population of about 28,000 customers (with 13,000 metered accounts) in Minnesota.

"I think the ability for Elk River to act locally allows customer engagement to come more naturally to us," says Tony Mauren,

Governance and Communications Manager at Elk River Municipal Utilities. “We have a clear market of people we serve, and we exist solely at their discretion. That’s why communicating our value to customers is a top priority.”

Out and about in the community

For municipal utilities, community involvement goes beyond sponsorships and brand recognition. ERMU recently hosted an open house event for Elk River residents to tour the new ERMU Field Services Building.

The event featured live demonstrations and building tours, giving customers a better understanding of what ERMU does and how the new building will support the community.

“In a smaller town, we don’t just sponsor events, we’re actually participating in them,” says Jenny Foss, Communications and Administrative Coordinator at Elk River Municipal Utilities.

“We’re putting a face to our utility. It’s incredibly important that we’re out in the community and engaging with customers.”

Rochester Public Utilities (RPU), which serves over 57,000 electric customers and 41,000 water customers in Rochester, Minnesota, also makes community involvement a priority.

For the past 20 years, RPU has played a major role in the city’s annual Arbor Day Celebration in partnership with Rochester Parks and Recreation, Maier Tree & Lawn and Sargent’s Gardens. The festival is the perfect opportunity to educate customers on conservation and energy efficiency.

“Sustainability is a really big part of our community,” says Patty Hanson, Manager of Utility Programs & Services at Rochester Public Utilities. “The City of Rochester has a Sustainability and

Resiliency Plan in place, and our utility has conservation programs and sustainability goals. We're continuously out and about in the community meeting with our customers and trade allies to achieve these goals."

Community collaborations

As part of the local city government, municipal utilities naturally have close relationships with various agencies and departments. These connections are great opportunities for collaborations to benefit the community and improve long-term customer satisfaction.

RPU partners with natural gas provider Minnesota Energy Resources on weatherization events at mobile home parks. They hand out LED lightbulbs and educate customers on conservation measures, how to read their energy and water bill, and more. During the Neighborhood Energy Challenge, RPU provided free attendance to the utility's "Saving Energy 101" workshops, along with free energy audits to low-income customers.

"We sent out multilingual postcards in Spanish, Somalian and English to promote the event to low-income customers receiving financial assistance," Hanson says. "We have a very diverse, multicultural base in Rochester."

ERMU collaborated with the City of Elk River Housing and Redevelopment Authority and the Tri-County Action Program (Tri-CAP) to increase awareness of its Energy Assistance and Weatherization Assistance Programs for residents facing financial hardship.

Prior to the utility's involvement, the city's housing rehabilitation loan program had a zero-percent participation rate. ERMU's Communications team created an educational direct mailer to

reach customers who may qualify for the programs. The one-page factsheet provided a quick snapshot of available programs, eligibility requirements, how to apply and other valuable information.

Following the direct mailer send, the City of Elk River received 17 inquiries (with four households participating in the HRA program) in 2023. “We had a great response with the Home Improvement Resources direct mailer,” Foss says. “To date, this is the City’s most successful initiative for increasing awareness of the HRA loan program while simultaneously bringing attention to assistance available through Tri-CAP.”

Educating customers on public power

One of the biggest challenges for municipal utilities is explaining what they do, how they operate and the value they provide to customers.

For RPU, educating customers about their various programs, services and sustainability initiatives is a priority. For example, the utility runs entertaining commercials called Tips From Tony on the local TV station. RPU Communications Coordinator Tony Benson educates customers on utility programs and timely seasonal topics.

“We’re public power — we are owned by the people of Rochester,” Hanson says. “Engaging with our customers and educating them on what we can offer as a public power utility goes a long way to help us achieve our energy efficiency and sustainability goals.”

Municipal utilities may be smaller in size, but they have a tremendous impact on their communities. With their hyper-local focus, engaging with customers is a balance of education, community collaborations and impactful utility touchpoints.

“We don’t answer to stakeholders — we answer to the community,” Mauren says. “It’s vital to communicate this distinction so customers understand the benefits of public power. We regularly communicate the value of being a public power utility and why it’s something to be proud of and excited about.”

TO: ERMU Commission	FROM: Thomas Geiser – Operations Director
MEETING DATE: February 13, 2024	AGENDA ITEM NUMBER: 6.1e
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- Working through maps for the new GIS mapping system that we plan to move forward with in the future.
- Attending weekly Advanced Metering Infrastructure meetings along with other ERMU staff.
- Working through 2024 projects and the equipment that will be needed.
- ERMU's crew is practicing for the American Public Power Association's Lineworker Rodeo, happening April 6, in Lafayette, Louisiana.
- Attended Minnesota Municipal Utilities Association's Job Training & Safety meeting in Brainard, MN January 17-18 to go over underground school topics.
- Our budgeted 2024 digger truck has been moved back to a construction start date of April 2025 due to chassis availability. We also have a new bucket truck scheduled for a construction start date of June 2025. ERMU's plan is to move forward with adding both trucks to the fleet in 2025. With that there will be no large trucks ordered in 2026 and we will replace the last digger truck in 2027.

TO: ERMU Commission	FROM: Chris Sumstad – Electric Superintendent
MEETING DATE: February 13, 2024	AGENDA ITEM NUMBER: 6.1f
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- Installed 11 new residential services, which involves the connection of a secondary line once the customer requests service.
- Crews energized the three-phase service for the new Rinker Materials building.
- Minnesota Municipal Utilities Association’s (MMUA) safety instructors were here on January 18 and 19 to certify employees in First Aid/CPR. MMUA staff were also here on January 31 and February 1 to train staff on Employee Right to Know, A Workplace Accident and Injury Reduction program, Bloodborne Pathogens and Personal Protective Equipment.
- Crews continue to tree trim and perform equipment checks and mapping updates on the system.
- Lineworkers Matt Zipp and Blaine Snyder attended the MMUA Transformer School held in Marshall, January 23-26.
- City staff have been performing department of transportation inspections on our trucks and trailers this past month. Our staff has also been working on annual maintenance and making repairs to our trenching and excavation equipment.
- We are planning our upcoming spring/summer construction schedule, putting together the jobs and working on ordering the needed inventory.
- We had a three-phase pole struck by a vehicle on Dayton River Road south of Highway 101. Although broken, the line remained upright and energized, and crews were able to change the pole without customers experiencing any outages.

TO: ERMU Commission	FROM: Mike Tietz – Technical Services Superintendent
MEETING DATE: February 13, 2024	AGENDA ITEM NUMBER: 6.1g
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- In January, the locators processed 93 locate tickets. These consisted of 70 normal tickets, 5 emergency tickets, 9 updated tickets, 4 cancellations, 2 meets, 1 non-excavation, and 2 boundary surveys. This resulted in a 38% decrease in tickets from the previous month and is a 25.7% increase from the prior January.
- Electrical technicians completed 221 service order tasks, updated the power bill, addressed customer meter issues and any off-peak concerns.
- The Advanced Metering Infrastructure residential water meters and residential electric meters continue to be installed in new services. The electrical technicians have also been actively exchanging all electric vehicle meters within the system along with any other meters located at the same premises. I have been working with our consultant and Allegiant Utility Services to complete our contract for endpoint installation. The contract has been initially reviewed by our legal team and we are finalizing the document to present to the Commission for approval at the February meeting. We are looking at a kick-off meeting in February and initial meter deployment shortly after that. The mass deployment of meters could begin as early as March if there are no issues during the initial deployment. Integration with National Information Solutions Cooperative continues to progress as expected. We have identified a few issues that we are working through testing to find the best solution before we move into the mass deployment stage.
- For the month of January, staff did not run generators.
- The substation apparatus technician assisted a contractor with the testing of Minnesota Municipal Power Agency (MMPA) and ERMU's substation meters. MMPA is required by Great River Energy to provide accuracy tests for these meters every five years to make sure that billing allocations are being recorded correctly.

TO: ERMU Commission	FROM: Dave Ninow – Water Superintendent
MEETING DATE: February 13, 2024	AGENDA ITEM NUMBER: 6.1h
SUBJECT: Staff Update	
ACTION REQUESTED: None	

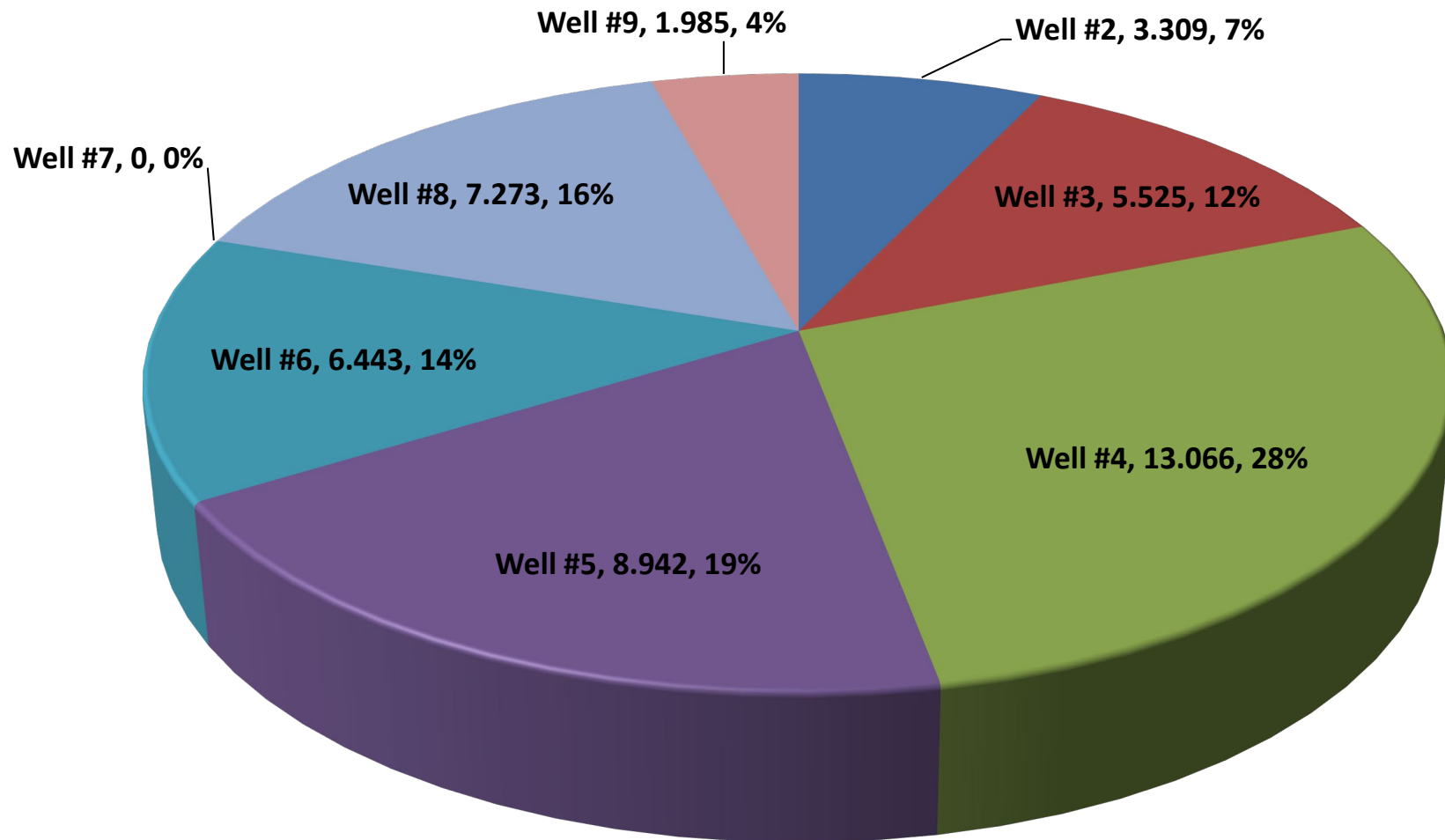
DISCUSSION:

- Delivered 7 new water meters, installed a Smart Point module, and took curb stop ties.
- Completed 20 BACTI/Total Chlorine Residual Samples
 - All confirmed negative for Coliform Bacteria
 - Bacteriological/Disinfectant Residual Monthly Report submitted to the MDH
- Completed 21 routine fluoride samples
 - All samples met MDH standards
 - Submitted MDH Fluoride Report
- Submitted Discharge Monitoring Report (DMR) to the Minnesota Pollution Control Agency (MPCA) for the Water Treatment Plants.
- Submitted DMR to the MPCA for the Diesel Generation Plant.
- Completed and submitted the Water Treatment Plant Residual Solids Annual Report to the MPCA.
- Work has been completed replacing the programable logic controller (PLC) for well 3. This will allow for the transition of our Supervisory Control and Data Acquisition (SCADA) system from communicating through radio to fiberoptic and increase the reliability of our SCADA system.
- Utility staff have been working with city staff and the contractor for the fiber loop expansion on installation of lateral lines to wells 5, 7, 8, 9, as well as Auburn and Johnson water towers.
- A contractor has been selected to install mixing equipment and perform maintenance work at Auburn Tower this spring, the contract price is \$51,100. This project is included in the 2024 water capital budget.
- The water operators have continued to work on the annual preventative maintenance of our water treatment plants.

ATTACHMENTS:

- January 2024 Pumping by Well

January 2024 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: February 13, 2024	AGENDA ITEM NUMBER: 6.1i
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- Installation of the expanded fiber loop is scheduled to begin during the week of February 12.
- 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.
- Work continues on mapping verifications, and locators are adding GPS information for water curb stops into the database. Winter mapping review and verifications are going well.

<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> <ul style="list-style-type: none"> • Annual Commission Performance Evaluation
<p>Tuesday, July 9:</p> <ul style="list-style-type: none"> • 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