

AGENDA

1.0 GOVERNANCE

- 1.1 Call Meeting to Order
- 1.2 Pledge of Allegiance
- 1.3 Consider the Agenda
- 1.4 Water Operator Certification Verbal Acknowledgement: Michael Atwood – Class D, Bill Courtright – Class C, Derek Palmer – Class A

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

- 2.1 Check Register – June 2024
- 2.2 Regular Meeting Minutes – June 4, 2024
- 2.3 Update Cogeneration and Small Power Production Tariff – Schedules 1 and 2

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.2f - Commission Officer Roles, Responsibilities, and Succession
- 4.2 Annual Strategic Plan Review
- 4.3 Employee Handbook Annual Updates

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

- 5.1 2024 Compensation Study Update
- 5.2 Financial Report – May 2024
- 5.3 Advanced Metering Infrastructure Update

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

- 6.1 Staff Updates
- 6.2 City Council Update
- 6.3 Future Planning (Announce the next regular meeting, special meeting, or planned quorum.)
 - a. Sherburne County Parade – July 20
 - b. MMPA Annual Meeting – July 23 – Le Sueur, MN
 - c. Regular Commission Meeting – August 13, 2024 – **Field Services Building**
 - d. 2024 Governance Agenda
- 6.4 Other Business (Items added during agenda approval.)

7.0 ADJOURN REGULAR MEETING

CHECK REGISTER

June 2024

APPROVED BY:

Paul Bell

John Dietz

Mary Stewart

Matt Westgaard

Nick Zerwas

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Payroll/Labor

Check Register Totals

06/07/2024 To 06/07/2024

Pays	Job	Amount	Hours
Gross Pay			
2	Reg Hourly	103,185.89	2,430.25
20	Reg Salary	38,901.62	587.00
3	Overtime	548.19	6.50
4	Double Time	0.00	0.00
5	On-Call/Stand-by	2,716.42	56.00
24	FLSA	0.00	0.00
25	Rest Time	165.17	3.00
10	Bonus Pay	624.25	11.00
18	Commissioner Reimb - Electric	600.00	0.00
104	Commission Stipend	60.00	0.00
105	Perf. Metr. Distr.	0.00	0.00
VAC	Vacation Pay	11,601.45	233.00
SICK	Sick Pay	2,218.71	49.50
HOL	Holiday Pay	17,238.32	360.00
78	Retro Earnings	0.00	0.00
5-2	On-Call/Stand-by/OT	0.00	0.00
18A	Commissioner Reimb. - Water	150.00	0.00
10-3	Bonus Pay Overtime	0.00	0.00
104A	Commission Stipend - Water	15.00	0.00
PVT	Purchased Vacation Time	0.00	0.00
PTOY	Personal Day - Year	256.24	8.00
3C	Overtime-Comp Time	1,198.42	15.75
4C	Double Time-Comp Time	0.00	0.00
CM3C	Overtime-Comp Time Adjusted	-1,198.42	-15.75
CM4C	Double Time-Comp Time Adjusted	0.00	0.00
COMP	Comp Time Taken	560.16	12.00
106	Longevity Pay	0.00	0.00
10W	Bonus Pay	438.13	11.00
103W	Bonus Pay Overtime	0.00	0.00
Gross Pay Total:		<u>179,279.55</u>	<u>3,767.25</u>
Total Pays:		<u>179,279.55</u>	<u>3,767.25</u>

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Payroll/Labor Check Register Totals

06/21/2024 To 06/21/2024

<u>Pays</u>	<u>Job</u>	<u>Amount</u>	<u>Hours</u>
Gross Pay			
2	Reg Hourly	110,159.86	2,638.75
20	Reg Salary	40,661.27	616.00
3	Overtime	1,349.38	16.50
4	Double Time	451.40	4.00
5	On-Call/Stand-by	2,793.20	56.00
24	FLSA	117.87	0.00
25	Rest Time	225.70	4.00
10	Bonus Pay	1,872.75	33.00
18	Commissioner Reimb - Electric	0.00	0.00
104	Commissioner Stipend	240.00	0.00
105	Perf. Metr. Distr.	0.00	0.00
VAC	Vacation Pay	16,067.32	304.50
SICK	Sick Pay	4,842.32	91.25
HOL	Holiday Pay	0.00	0.00
78	Retro Earnings	0.00	0.00
5-2	On-Call/Stand-by/OT	1,183.47	14.00
18A	Commissioner Reimb. - Water	0.00	0.00
10-3	Bonus Pay Overtime	0.00	0.00
104A	Commission Stipend - Water	60.00	0.00
PVT	Purchased Vacation Time	0.00	0.00
PTOY	Personal Day - Year	928.88	16.00
3C	Overtime-Comp Time	2,140.54	27.50
4C	Double Time-Comp Time	0.00	0.00
CM3C	Overtime-Comp Time Adjusted	-2,235.53	-28.75
CM4C	Double Time-Comp Time Adjusted	0.00	0.00
COMP	Comp Time Taken	0.00	0.00
106	Longevity Pay	0.00	0.00
10W	Bonus Pay	1,911.84	48.00
103W	Bonus Pay Overtime	0.00	0.00
Gross Pay Total:		<u>182,770.27</u>	<u>3,840.75</u>
Total Pays:		<u>182,770.27</u>	<u>3,840.75</u>

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**Accounts Payable
Check Register**

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06/01/2024 To 06/30/2024**Bank Account: 1 - GENERAL FUND**

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
2368 6/4/24	WIRE	5655	FIRST DATA	CC FEES - MAY 2024	3,171.98
				CC FEES - MAY 2024	793.00
				CC FEES - MAY 2024	1,954.06
				CC FEES - MAY 2024	488.51
				CC FEES - MAY 2024	559.58
				CC FEES - MAY 2024	139.90
				CC FEES - MAY 2024	845.77
				CC FEES - MAY 2024	211.44
				CC FEES - MAY 2024	51.83
				CC FEES - MAY 2024	12.96
				CC FEES - MAY 2024	602.10
				CC FEES - MAY 2024	150.53
Total for Check/Tran - 2368:					8,981.66
Total for Bank Account - 1 :					(1) 8,981.66

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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
4391 6/5/24	WIRE	7463	FURTHER	FSA CLAIM REIMBURSEMENTS - 164 168	456.73
				FSA CLAIM REIMBURSEMENTS - 164 168	38.46
Total for Check/Tran - 4391:					495.19
4392 6/6/24	WIRE	166	ONLINE UTILITY EXCHANGE (ELECTR	UTILITY EXCHANGE REPORT - MAY 2024	473.28
				UTILITY EXCHANGE REPORT - MAY 2024	118.32
Total for Check/Tran - 4392:					591.60
4395 6/7/24	WIRE	153	PERA (ELECTRONIC)	PERA EMPLOYEE CONTRIBUTION	9,595.88
				PERA CONTRIBUTIONS	11,072.17
				PERA EMPLOYEE CONTRIBUTION	1,825.01
				PERA CONTRIBUTIONS	2,105.77
Total for Check/Tran - 4395:					24,598.83
4396 6/10/24	WIRE	160	HCSP (ELECTRONIC)	HCSP EMPLOYEE CONTRIBUTIONS	2,024.24
				HCSP EMPLOYEE CONTRIBUTIONS	282.40
Total for Check/Tran - 4396:					2,306.64
4397 6/10/24	WIRE	161	MNDP (ELECTRONIC)	MNDP EE MANAGER CONTRIBUTIONS	305.73
				MNDP EMPLOYEE CONTRIBUTIONS	3,231.06
				MNDP EMPLOYER CONTRIBUTION	2,508.99
				MNDP EMPLOYER MGR CONTRIBUTION	507.39
				MNDP EE ROTH CONTRIBUTIONS	688.52
				MNDP EE ROTH MGR CONTRIBUTIONS	201.66
				MNDP EE MANAGER CONTRIBUTIONS	26.07
				MNDP EMPLOYEE CONTRIBUTIONS	255.22
				MNDP EMPLOYER CONTRIBUTION	345.23
				MNDP EMPLOYER MGR CONTRIBUTION	53.45
				MNDP EE ROTH CONTRIBUTIONS	384.42
				MNDP EE ROTH MGR CONTRIBUTIONS	27.38
Total for Check/Tran - 4397:					8,535.12
4398 6/10/24	WIRE	285	JOHN HANCOCK	W&A EMPLOYER CONTRIBUTION	676.20
				W&A MANAGER CONTRIBUTION	468.48

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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
				WENZEL EMPLOYEE CONTRIBUTIONS	1,193.64
				WENZEL MANAGER CONTRIBUTIONS	238.75
				DEF COMP ROTH CONTRIBUTIONS W&A	1,016.30
				WENZEL EE ROTH MGR CONTRIBUTIONS	229.73
				W&A EMPLOYER CONTRIBUTION	219.00
				W&A MANAGER CONTRIBUTION	51.32
				WENZEL EMPLOYEE CONTRIBUTIONS	79.04
				WENZEL MANAGER CONTRIBUTIONS	26.79
				DEF COMP ROTH CONTRIBUTIONS W&A	199.02
				WENZEL EE ROTH MGR CONTRIBUTIONS	24.53
				WRONG CANCELLATION DATE - 147	43.54
				WRONG CANCELLATION DATE - 147	10.89
				Total for Check/Tran - 4398:	4,477.23
4399 6/10/24	WIRE	598	MINNESOTA CHILD SUPPORT PAYMEN	CHILD SUPPORT/LEVY	562.52
4400 6/11/24	WIRE	7463	FURTHER	HSA EMPLOYEE CONTRIBUTION	2,476.34
				HSA EMPLOYEE CONTRIBUTION	429.73
				Total for Check/Tran - 4400:	2,906.07
4401 6/12/24	WIRE	152	IRS - USA TAX PMT (ELECTRONIC)	FEDERAL & FICA OVERPAID	-1,088.14
				FEDERAL & FICA OVERPAID	-756.74
				PAYROLL TAXES - FEDERAL & FICA	14,385.19
				PAYROLL TAXES - FEDERAL & FICA	21,515.06
				PAYROLL TAXES - FEDERAL & FICA	2,456.06
				PAYROLL TAXES - FEDERAL & FICA	4,285.92
				Total for Check/Tran - 4401:	40,797.35
4402 6/13/24	WIRE	154	MINNESOTA REVENUE (ELECTRONIC)	STATE TAXES OVERPAID	-309.13
				PAYROLL TAXES - STATE	6,559.49
				PAYROLL TAXES - STATE	1,249.35
				Total for Check/Tran - 4402:	7,499.71
4405 6/17/24	WIRE	9654	CARDMEMBER SERVICE	FIRST NATIONAL BANK VISA	4,605.32

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				FIRST NATIONAL BANK VISA	1,853.74
				Total for Check/Tran - 4405:	6,459.06
4408 6/21/24	WIRE	7463	FURTHER	ADMINISTRATIVE FEE INVOICE - JUNE 2024	129.50
				ADMINISTRATIVE FEE INVOICE - JUNE 2024	25.50
				Total for Check/Tran - 4408:	155.00
4409 6/20/24	WIRE	174	MINNESOTA REVENUE SALES TX (ELE	SALES AND USE TAX - MAY 2024	194,286.17
				SALES AND USE TAX - MAY 2024	-1.12
				SALES AND USE TAX - MAY 2024	4,458.95
				Total for Check/Tran - 4409:	198,744.00
4410 6/18/24	WIRE	7463	FURTHER	FSA CLAIM REIMBURSEMENTS - 147 164	1,152.26
				FSA CLAIM REIMBURSEMENTS - 147 164	288.06
				Total for Check/Tran - 4410:	1,440.32
4411 6/25/24	WIRE	153	PERA (ELECTRONIC)	PERA EMPLOYEE CONTRIBUTION	9,735.08
				PERA CONTRIBUTIONS	11,232.79
				PERA EMPLOYEE CONTRIBUTION	1,854.73
				PERA CONTRIBUTIONS	2,140.06
				Total for Check/Tran - 4411:	24,962.66
4412 6/25/24	WIRE	160	HCSP (ELECTRONIC)	HCSP EMPLOYEE CONTRIBUTIONS	2,088.70
				HCSP EMPLOYEE CONTRIBUTIONS	280.83
				Total for Check/Tran - 4412:	2,369.53
4413 6/25/24	WIRE	161	MNDP (ELECTRONIC)	MNDP EE MANAGER CONTRIBUTIONS	290.18
				MNDP EMPLOYEE CONTRIBUTIONS	3,210.84
				MNDP EMPLOYER CONTRIBUTION	2,258.63
				MNDP EMPLOYER MGR CONTRIBUTION	491.81
				MNDP EE ROTH CONTRIBUTIONS	688.49
				MNDP EE ROTH MGR CONTRIBUTIONS	201.63
				MNDP EE MANAGER CONTRIBUTIONS	41.62
				MNDP EMPLOYEE CONTRIBUTIONS	275.44
				MNDP EMPLOYER CONTRIBUTION	345.59

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				MNDGP EMPLOYER MGR CONTRIBUTION	69.03
				MNDGP EE ROTH CONTRIBUTIONS	384.45
				MNDGP EE ROTH MGR CONTRIBUTIONS	27.41
				Total for Check/Tran - 4413:	8,285.12
4414 6/25/24	WIRE	285	JOHN HANCOCK	W&A EMPLOYER CONTRIBUTION	521.91
				W&A MANAGER CONTRIBUTION	468.48
				WENZEL EMPLOYEE CONTRIBUTIONS	1,192.70
				WENZEL MANAGER CONTRIBUTIONS	238.75
				DEF COMP ROTH CONTRIBUTIONS W&A	1,016.28
				WENZEL EE ROTH MGR CONTRIBUTIONS	229.73
				W&A EMPLOYER CONTRIBUTION	192.91
				W&A MANAGER CONTRIBUTION	51.32
				WENZEL EMPLOYEE CONTRIBUTIONS	78.71
				WENZEL MANAGER CONTRIBUTIONS	26.79
				DEF COMP ROTH CONTRIBUTIONS W&A	199.04
				WENZEL EE ROTH MGR CONTRIBUTIONS	24.53
				Total for Check/Tran - 4414:	4,241.15
4415 6/25/24	WIRE	598	MINNESOTA CHILD SUPPORT PAYMEN	CHILD SUPPORT/LEVY	562.52
4416 6/26/24	WIRE	152	IRS - USA TAX PMT (ELECTRONIC)	PAYROLL TAXES - FEDERAL & FICA	15,098.47
				PAYROLL TAXES - FEDERAL & FICA	21,944.72
				PAYROLL TAXES - FEDERAL & FICA	2,483.68
				PAYROLL TAXES - FEDERAL & FICA	4,359.26
				Total for Check/Tran - 4416:	43,886.13
4417 6/26/24	WIRE	7463	FURTHER	FSA CLAIM REIMBURSEMENTS - 172	336.87
				FSA CLAIM REIMBURSEMENTS - 172	84.22
				Total for Check/Tran - 4417:	421.09
4418 6/27/24	WIRE	154	MINNESOTA REVENUE (ELECTRONIC)	PAYROLL TAXES - STATE	6,798.35
				PAYROLL TAXES - STATE	1,260.57
				Total for Check/Tran - 4418:	8,058.92

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
4419 6/27/24	WIRE	7463	FURTHER	HSA EMPLOYEE CONTRIBUTION	2,470.24
				HSA EMPLOYEE CONTRIBUTION	435.83
Total for Check/Tran - 4419:					2,906.07
19858 6/6/24	DD	543	USABBLUEBOOK	Analyzer	-98.04
				HYDRANT WRENCH	98.04
Total for Check/Tran - 19858:					0.00
19859 6/6/24	DD	11	CITY OF ELK RIVER	FRANCHISE FEE CREDIT - APRIL 2024	-625.00
				TRASH BILLED - MAY 2024	164,838.27
Total for Check/Tran - 19859:					164,213.27
19860 6/6/24	DD	3667	ELFERING & ASSOCIATES	PROFESSIONAL SERVICES - APRIL 2024	652.50
				PROFESSIONAL SERVICES - APRIL 2024	4,350.00
Total for Check/Tran - 19860:					5,002.50
19861 6/6/24	DD	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 2 - INV GRP 413 - APRIL 2024	50.00
				CYCLE 2 - INV GRP 413 - APRIL 2024	290.26
				CYCLE 2 - ACCT 41038 - APRIL 2024	116.57
				CYCLE 2 - ACCT 41038 - APRIL 2024	6.14
				CYCLE 2 - INV GRP 436 - APRIL 2024	3,127.61
Total for Check/Tran - 19861:					3,590.58
19862 6/6/24	DD	664	FRONTIER ENERGY, INC	PROFESSIONAL SERVICES - APRIL 2024	12,482.82
19863 6/6/24	DD	846	HACH COMPANY	POCKET PH TESTER	-16.00
				POCKET PH TESTER	219.00
Total for Check/Tran - 19863:					203.00
19864 6/6/24	DD	809	HAWKINS, INC.	CHLORINE CYLINDER RENTAL	190.00
				Water Chemicals	1,482.21
Total for Check/Tran - 19864:					1,672.21
19865 6/6/24	DD	8083	JT SERVICES OF MINNESOTA	BOX PAD	6,900.00
19866 6/6/24	DD	1001	MINNESOTA MUNICIPAL POWER AGEN	PURCHASED POWER - MAY 2024	1,611,302.99

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				PURCHASED POWER - MAY 2024	701,324.76
				Total for Check/Tran - 19866:	2,312,627.75
19867 6/6/24	DD	5056	PLAISTED COMPANIES, INC.	PULVERIZED BLACK DIRT	87.22
19868 6/6/24	DD	603	ROYAL SUPPLY INC	OFFICE SUPPLIES	360.74
				OFFICE SUPPLIES	90.18
				Total for Check/Tran - 19868:	450.92
19869 6/6/24	DD	7798	MATT SCHWARTZ	169 PROJECT MEAL	11.17
19870 6/6/24	DD	733	BLAINE SNYDER	HWY 169 PROJECT MEAL	14.44
19871 6/6/24	DD	9276	RUSSELL STUHR	GASKET - UNIT #56	5.71
19872 6/14/24	DD	724	ALLEGiant UTILITY SERVICES, LLC	AMI PROJECT MANAGEMENT FEE	4,760.00
				AMI PROJECT MANAGEMENT FEE	2,040.00
				Total for Check/Tran - 19872:	6,800.00
19873 6/14/24	DD	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 3 - INV GRP 414 - APRIL 2024	100.00
				CYCLE 3 - INV GRP 414 - APRIL 2024	525.60
				CYCLE 3 - INV GRP 395 - APRIL 2024	9,552.56
				Total for Check/Tran - 19873:	10,178.16
19874 6/14/24	DD	671	FASTENAL COMPANY	MISC PARTS & SUPPLIES	128.26
19875 6/14/24	DD	809	HAWKINS, INC.	Water Chemicals	997.64
19876 6/14/24	DD	5131	DANIEL R PLUDE	FLAG POLE PARTS	1.32
				FLAG POLE PARTS	0.18
				Total for Check/Tran - 19876:	1.50
19877 6/14/24	DD	130	RESCO	Transformer	25,886.00
				Transformer	3,698.00
				Discount	-14.79
				Total for Check/Tran - 19877:	29,569.21
19878 6/14/24	DD	603	ROYAL SUPPLY INC	GARBAGE BAGS	78.54

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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
				GARBAGE BAGS	19.63
				Total for Check/Tran - 19878:	98.17
19879 6/14/24	DD	135	WATER LABORATORIES INC	WATER SAMPLING - MAY 2024	360.00
19880 6/14/24	DD	609	SARA YOUNGS	EE RECOGNITION - 128	40.00
19929 6/20/24	DD	1074	WINDSTREAM	OFFICE TELEPHONE	-4.15
				OFFICE TELEPHONE	3.32
				OFFICE TELEPHONE	0.83
				Total for Check/Tran - 19929:	0.00
19930 6/20/24	DD	191	AMERICAN PAYMENT CENTERS	DROP BOX CHARGES - 2024 QTR 3	224.38
				DROP BOX CHARGES - 2024 QTR 3	56.10
				Total for Check/Tran - 19930:	280.48
19931 6/20/24	DD	550	BAKER TILLY USA, LLP	COMPENSATION STUDY	2,320.00
				COMPENSATION STUDY	580.00
				Total for Check/Tran - 19931:	2,900.00
19932 6/20/24	DD	9	BORDER STATES ELECTRIC SUPPLY	Tool Bag	134.83
				SPLICE	3,298.26
				PADDLE	1,115.32
				PADDLE	-81.42
				CT's	2,946.24
				Mtce of OH Primary	273.77
				CONDUIT	308.49
				CONDUIT	-0.61
				Mtce of OH Primary	8.37
				WEDGE CLAMP & CONNECTOR	-19.66
				Mtce of OH Primary	269.26
				WIRE	2,652.25
				WIRE	-193.61
				PADDLE	-29.97

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**Accounts Payable
Check Register**

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06/01/2024 To 06/30/2024**Bank Account: 5 - GENERAL FUND WITHDRAWALS**

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				Mtce of URD Primary	410.61
				CONDUIT	-4.89
				Mtce of OH Primary	66.93
				GLOVES	-1.25
				Gloves	17.15
				Wire	8,090.63
				WIRE	-590.63
				PO 15363 shipped wrong line #1	-2,085.77
				MISC PARTS & SUPPLIES	2,345.74
				MISC PARTS & SUPPLIES	-156.42
				MISC PARTS & SUPPLIES	2,085.77
				GLOVES	-14.31
				Gloves	196.03
				GLOVES	-60.24
				MISC PARTS & SUPPLIES	2,478.95
				MISC PARTS & SUPPLIES	-12.92
				Mtce of OH Primary	65.76
				Mtce of URD Primary	176.80
				Mtce of OH Primary	555.45
				Mtce of OH Primary	660.81
				MISC PARTS & SUPPLIES	-12.48
				MISC PARTS & SUPPLIES	939.75
				Mtce of URD Primary	171.08
				Stands	2,807.50
				CONDUIT	308.49
				COLD SHRINK SPLICE - WRONG ITEM	-939.75
				MISC PARTS & SUPPLIES - PO 15360 wrong	-939.75
Total for Check/Tran - 19932:					27,240.56
19933 6/20/24	DD	8843	CAMPBELL KNUTSON	LEGAL SERVICES - MAY 2024	979.20
				LEGAL SERVICES - MAY 2024	244.80

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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
Total for Check/Tran - 19933:					1,224.00
19934 6/20/24	DD	11	CITY OF ELK RIVER	REVENUE TRANSFER - MAY 2024	118,774.98
				SEWER BILLED - MAY 2024	232,082.81
				STORMWATER BILLED - MAY 2024	56,465.25
Total for Check/Tran - 19934:					407,323.04
19935 6/20/24	DD	7448	CRC	CUSTOMER SERVICE AFTER HOURS	2,525.05
				CUSTOMER SERVICE AFTER HOURS	631.26
Total for Check/Tran - 19935:					3,156.31
19936 6/20/24	DD	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 4 - INV GRP 415 - MAY 2024	150.00
				CYCLE 4 - INV GRP 415 - MAY 2024	1,494.22
				CYCLE 4 - INV GRP 396 - MAY 2024	271.97
Total for Check/Tran - 19936:					1,916.19
19937 6/20/24	DD	671	FASTENAL COMPANY	MISC PARTS & SUPPLIES	8.91
19938 6/20/24	DD	91	GOPHER STATE ONE-CALL	LOCATES FOR - MAY 2024	748.98
				LOCATES FOR - MAY 2024	39.42
Total for Check/Tran - 19938:					788.40
19939 6/20/24	DD	5310	HOTSY MINNESOTA	CAR WASH SUPPLIES	427.21
				CAR WASH SUPPLIES	61.02
Total for Check/Tran - 19939:					488.23
19940 6/20/24	DD	5686	HYDROCORP	BACKFLOW DEVICE INSPECTION - MAY 2024	1,261.00
19941 6/20/24	DD	8083	JT SERVICES OF MINNESOTA	MAST ARM FOR POLE	2,491.91
19942 6/20/24	DD	9300	NISC	PRINT SERVICES - MAY 2024	6,092.12
				PRINT SERVICES - MAY 2024	1,523.04
				AGREEMENTS INVOICE - MAY 2024	53.92
				AGREEMENTS INVOICE - MAY 2024	755.48
				AGREEMENTS INVOICE - MAY 2024	11,055.36
				AGREEMENTS INVOICE - MAY 2024	260.00

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Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				AGREEMENTS INVOICE - MAY 2024	323.78
				AGREEMENTS INVOICE - MAY 2024	2,467.97
				AGREEMENTS INVOICE - MAY 2024	70.07
				MISC SERVICES - MAY 2024	350.64
				MISC SERVICES - MAY 2024	10,519.33
				MISC SERVICES - MAY 2024	675.21
				MISC SERVICES - MAY 2024	160.29
				MISC SERVICES - MAY 2024	150.28
				MISC SERVICES - MAY 2024	4,508.29
				MISC SERVICES - MAY 2024	168.81
				MISC SERVICES - MAY 2024	40.07
				Total for Check/Tran - 19942:	39,174.66
19943 6/20/24	DD	5616	TKDA	PROFESSIONAL SERVICES - MAY 2024	798.44
				PROFESSIONAL SERVICES - MAY 2024	342.19
				Total for Check/Tran - 19943:	1,140.63
19944 6/20/24	DD	5536	VESSCO, INC	PROFESSIONAL SERVICES - JAN 2024	1,050.00
19945 6/20/24	DD	628	VICTORY CLEANING SERVICES, LLC	MONTHLY CLEANING FOR THE PLANT-MAY 2024	3,012.95
				MONTHLY CLEANING FOR THE PLANT-MAY 2024	430.42
				1705 MAIN ST CLEANING - MAY 2024	188.78
				1705 MAIN ST CLEANING - MAY 2024	26.97
				Total for Check/Tran - 19945:	3,659.12
19946 6/20/24	DD	610	WRIGHT HENNEPIN COOPERATIVE ELESECURITY & REPAIRS	SECURITY & REPAIRS	144.63
					1,041.89
				Total for Check/Tran - 19946:	1,186.52
19947 6/27/24	DD	9	BORDER STATES ELECTRIC SUPPLY	GLOVES	-13.17
				GLOVES	72.11
				Gloves	108.22
				COLD SHRINK	939.75
				Total for Check/Tran - 19947:	1,106.91

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

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19948 6/27/24	DD	5077	DEZURIK, INC.	Value	2,025.00
19949 6/27/24	DD	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 1 - INV GRP 421 - MAY 2024	6,525.55
				CYCLE 1 - ACCT 183 - MAY 2024	1,152.04
				CYCLE 1 - INV GRP 101 - MAY 2024	2,759.08
				CYCLE 1 - INV GRP 101 - MAY 2024	113.24
				CYCLE 1 - INV GRP 101 - MAY 2024	983.24
				CYCLE 1 - INV GRP 101 - MAY 2024	428.79
				CYCLE 1 - INV GRP 101 - MAY 2024	245.81
				CYCLE 1 - INV GRP 325 - MAY 2024	325.00
				CYCLE 1 - INV GRP 325 - MAY 2024	15,458.96
Total for Check/Tran - 19949:					27,991.71
19950 6/27/24	DD	671	FASTENAL COMPANY	Red Locate Paint	409.37
				MISC PARTS & SUPPLIES	17.51
Total for Check/Tran - 19950:					426.88
19951 6/27/24	DD	404	GARAGE DOOR STORE	GARAGE DOOR REPAIR	271.25
				GARAGE DOOR REPAIR	38.75
Total for Check/Tran - 19951:					310.00
19952 6/27/24	DD	8469	KATHY A GREENBERG	Office Supplies	24.38
				Office Supplies	6.10
Total for Check/Tran - 19952:					30.48
19953 6/27/24	DD	809	HAWKINS, INC.	Water Chemicals	376.97
				Water Chemicals	644.17
Total for Check/Tran - 19953:					1,021.14
19954 6/27/24	DD	8083	JT SERVICES OF MINNESOTA	FIBERGLASS POLE	11,839.29
19955 6/27/24	DD	5006	KATY OLSON	Water Clothing/PPE	288.98
19956 6/27/24	DD	416	MIKE TIETZ	BATTERIES	124.98
87798 6/6/24	CHK	9997	805 SCHOOL ST LLC	Credit Balance Refund	121.36

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Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
87799 6/6/24	CHK	4531	AT & T MOBILITY	CELL PHONES & iPad BILLING	29.18
				CELL PHONES & iPad BILLING	2,542.74
				CELL PHONES & iPad BILLING	12.49
				CELL PHONES & iPad BILLING	555.03
Total for Check/Tran - 87799:					3,139.44
87800 6/6/24	CHK	9997	RENDA BAIRD	INACTIVE REFUND	98.43
87801 6/6/24	CHK	9997	KYLA BANGASSER	INACTIVE REFUND	175.16
87802 6/6/24	CHK	5224	BLUE CROSS BLUE SHIELD OF MINNES	VISION INSURANCE - JULY 2024	292.39
				VISION INSURANCE - JULY 2024	71.39
Total for Check/Tran - 87802:					363.78
87803 6/6/24	CHK	54	CORE & MAIN LP	Electric Meter	190,960.00
87804 6/6/24	CHK	9997	JOY DALY	INACTIVE REFUND	69.36
87805 6/6/24	CHK	9997	ANDREW DECK	INACTIVE REFUND	148.89
87806 6/6/24	CHK	9997	JANE DOHRMANN	INACTIVE REFUND	671.84
87807 6/6/24	CHK	24	ELK RIVER PRINTING & VENTURE PRO	DOOR HANGERS	399.07
87808 6/6/24	CHK	9997	MARK FAUE	INACTIVE REFUND	44.67
87809 6/6/24	CHK	8247	FERGUSON WATERWORKS #2516	key	426.39
87810 6/6/24	CHK	9997	JAMES FLATEN	INACTIVE REFUND	71.22
87811 6/6/24	CHK	9997	WILLIAM FLICK	INACTIVE REFUND	170.84
87812 6/6/24	CHK	8949	FS3 INC.	HANDHOLE HOOK	43.38
				HANDHOLE HOOK	43.38
				HANDHOLE HOOK	43.41
				HANDHOLE HOOK	43.38
Total for Check/Tran - 87812:					173.55

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87813 6/6/24	CHK	9997	MEGAN GNITKA	INACTIVE REFUND	37.43
87814 6/6/24	CHK	9997	SUZANNE HILL	INACTIVE REFUND	249.27
87815 6/6/24	CHK	5341	HUBBARD ELECTRIC	FIBER EXTENSION - WATER	2,191.60
				FIBER EXTENSION - WATER	1,894.29
				FIBER EXTENSION - WATER	2,280.74
				HEATERS - WELL #7 & AUBURN TOWER	2,731.20
				FIBER EXTENSION - WELL #4	737.67
Total for Check/Tran - 87815:					9,835.50
87816 6/6/24	CHK	9997	JAY KETTLER	INACTIVE REFUND	63.34
87817 6/6/24	CHK	9997	LEWIS CUSTOM HOMES, INC	Credit Balance Refund	160.95
87818 6/6/24	CHK	9997	MAKING MEMORIES CERAMICS	INACTIVE REFUND	244.87
87819 6/6/24	CHK	145	MENARDS	WALL BRACKETS	68.34
87820 6/6/24	CHK	9273	METERING & TECHNOLOGY SOLUTION	COMMUNICATION DEVICE	-11.31
				COMMUNICATION DEVICE	154.81
				E SERIES METER	2,626.84
Total for Check/Tran - 87820:					2,770.34
87821 6/6/24	CHK	716	MOTION AUTOMATION INTELLIGENCE	Fiber Equipment	5,517.17
				SCADA	9,244.10
				SCADA	476.99
Total for Check/Tran - 87821:					15,238.26
87822 6/6/24	CHK	9999	NORTHDAL CONSTRUCTION	Hydrant Rental Deposit Refund	903.77
87823 6/6/24	CHK	9997	KOLBY PEACOCK	INACTIVE REFUND	77.13
87824 6/6/24	CHK	9997	JULIE PETTIT	INACTIVE REFUND	138.00
87825 6/6/24	CHK	9997	JESSE PETTY	INACTIVE REFUND	99.31
87826 6/6/24	CHK	811	PRIME ADVERTISING & DESIGN, INC.	Service Agreement	1,500.00

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Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
87827 6/6/24	CHK	3796	PRO-TEC DESIGN, INC	PROFESSIONAL SERVICES - MAY 2024	66.94
				PROFESSIONAL SERVICES - MAY 2024	9.56
Total for Check/Tran - 87827:					76.50
87828 6/6/24	CHK	9999	RACHEL CONTRACTING INC	Hydrant Rental Deposit Refund	645.74
87829 6/6/24	CHK	9997	CHRISTINA SOULE	INACTIVE REFUND	6.55
87830 6/6/24	CHK	9997	PATRICIA STRACK	INACTIVE REFUND	158.50
87831 6/6/24	CHK	3360	THE UPS STORE 5093	SHIPPING - UNIT #53 PARTS	20.87
87832 6/6/24	CHK	331	TRANSUNION	SKIP TRACING - APRIL 2024	60.00
				SKIP TRACING - APRIL 2024	15.00
Total for Check/Tran - 87832:					75.00
87833 6/6/24	CHK	209	ULINE	Shelving	1,324.97
87834 6/6/24	CHK	9997	KYLE VANVLEET	INACTIVE REFUND	79.19
87835 6/14/24	CHK	568	ALLINA HEALTH SYSTEM	AED BATTERY PAK	1,300.00
87836 6/14/24	CHK	2512	AMARIL UNIFORM COMPANY	Employee Clothing - 195	443.55
				Employee Clothing - 194	170.00
				Employee Clothing - 157	480.00
				Employee Clothing - 135	403.50
				Employee Clothing - 171	1,362.25
				Employee Clothing - 128	171.50
Total for Check/Tran - 87836:					3,030.80
87837 6/14/24	CHK	2920	BATTERIES PLUS BULBS	BATTERIES	104.32
				BATTERIES - REBATE	-9.87
				BATTERIES	5.49
				BATTERIES - REBATE	-3.20
Total for Check/Tran - 87837:					96.74

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87838 6/14/24	CHK	9997	ALLEN CARLSTROM	INACTIVE REFUND	383.73
87839 6/14/24	CHK	54	CORE & MAIN LP	EXTENDED WARRANTY - TOWER TRANSCEIVERS	7,980.00
				EXTENDED WARRANTY - TOWER TRANSCEIVERS	3,420.00
				Washer	708.15
				WASHERS & GASKETS	-51.69
				METER COUPLINGS	788.18
				METER COUPLINGS	-57.53
				Washer	1,837.63
				WASHER & GASKET	-134.15
Total for Check/Tran - 87839:					14,490.59
87840 6/14/24	CHK	9997	SCOTT DOWNING	INACTIVE REFUND	227.79
87841 6/14/24	CHK	9997	ASHLEY EVERETT	INACTIVE REFUND	167.86
87842 6/14/24	CHK	8949	FS3 INC.	PARTS FOR UNIT #56	1,904.49
87843 6/14/24	CHK	9997	GRANITE SHORES APARTMENTS	Credit Balance Refund	12,833.70
87844 6/14/24	CHK	308	HASSAN SAND & GRAVEL	PULVERIZED TOPSOIL	128.91
				Discount	-2.37
				PULVERIZED TOPSOIL	128.91
				Discount	-2.37
				PULVERIZED TOPSOIL	466.02
				Discount	-6.32
Total for Check/Tran - 87844:					712.78
87845 6/14/24	CHK	631	HEALTH PARTNERS	DENTAL EE INSURANCE - JULY 2024	827.90
				DENTAL ER INSURANCE - JULY 2024	2,254.87
				MEDICAL EE INSURANCE - JULY 2024	9,417.70
				MEDICAL ER INSURANCE - JULY 2024	50,910.38
				DENTAL EE INSURANCE - JULY 2024	106.80
				DENTAL ER INSURANCE - JULY 2024	549.24
				MEDICAL EE INSURANCE - JULY 2024	2,216.30

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				MEDICAL ER INSURANCE - JULY 2024	13,187.93
				Total for Check/Tran - 87845:	79,471.12
87846 6/14/24	CHK	9997	HPA US1 LLC	Credit Balance Refund	117.20
87847 6/14/24	CHK	6836	INNOVATIVE OFFICE SOLUTIONS LLC	OFFICE SUPPLIES	264.41
				OFFICE SUPPLIES	66.11
				Total for Check/Tran - 87847:	330.52
87848 6/14/24	CHK	9997	LOGAN JACOBSON	INACTIVE REFUND	40.35
87849 6/14/24	CHK	9997	ROSE KEIFER	INACTIVE REFUND	1,119.95
87850 6/14/24	CHK	9997	MARYANNE KURENITZ	INACTIVE REFUND	352.22
87851 6/14/24	CHK	9997	LENNAR HOMES	Credit Balance Refund	43.91
87852 6/14/24	CHK	9997	LENNAR HOMES	Credit Balance Refund	113.42
87853 6/14/24	CHK	9997	LENNAR HOMES	Credit Balance Refund	125.14
87854 6/14/24	CHK	9997	LENNAR HOMES	Credit Balance Refund	90.59
87855 6/14/24	CHK	9997	LENNAR HOMES	Credit Balance Refund	105.71
87856 6/14/24	CHK	9997	LENNAR HOMES	Credit Balance Refund	118.23
87857 6/14/24	CHK	9997	CARTER LEUTHOLD	INACTIVE REFUND	47.63
87858 6/14/24	CHK	9997	STEPHEN LINEGAR	INACTIVE REFUND	281.84
87859 6/14/24	CHK	8605	MARCO TECHNOLOGIES, LLC	PRINTER MTC CONTRACT - 6/1 to 7/1/24	308.09
				PRINTER MTC CONTRACT - 6/1 to 7/1/24	77.02
				Total for Check/Tran - 87859:	385.11
87860 6/14/24	CHK	145	MENARDS	LADDER RACK	53.93
				MISC PARTS & SUPPLIES	93.30
				PAINTING SUPPLIES	115.77
				MISC PARTS & SUPPLIES - WELL #7	35.12

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				REBATE	-22.74
				REBATE	-3.82
				Total for Check/Tran - 87860:	271.56
87861 6/14/24	CHK	330	METRO SALES, INC	OFFICE SUPPLIES	212.68
				OFFICE SUPPLIES	53.17
				Total for Check/Tran - 87861:	265.85
87862 6/14/24	CHK	5446	MUNICIPAL BUILDERS, INC	REMOVE & REPLACE BFV	850.00
				Install Valve	3,400.00
				Total for Check/Tran - 87862:	4,250.00
87863 6/14/24	CHK	43	NORTHERN TOOL	PARTS FOR UNIT #4	162.00
87864 6/14/24	CHK	811	PRIME ADVERTISING & DESIGN, INC.	MONTHLY HOSTING OF WEBSITE	40.00
				MONTHLY HOSTING OF WEBSITE	40.00
				MONTHLY HOSTING OF WEBSITE	20.00
				MARKETING & DESIGN - ADD'L HRS MAY 2024	465.00
				MARKETING & DESIGN - ADD'L HRS MAY 2024	116.25
				Total for Check/Tran - 87864:	681.25
87865 6/14/24	CHK	3218	RDO EQUIPMENT CO.	KNIFE SHARPENING	168.43
87866 6/14/24	CHK	574	REPUBLIC SERVICES, INC	TRASH & RECYCLING SERVICE - MAY 2024	1,672.64
				TRASH & RECYCLING SERVICE - MAY 2024	238.95
				TRASH & RECYCLING SERVICE - MAY 2024	327.46
				TRASH & RECYCLING SERVICE - MAY 2024	56.05
				TRASH & RECYCLING SERVICE - MAY 2024	8.01
				Total for Check/Tran - 87866:	2,303.11
87867 6/14/24	CHK	9997	ANN SARAZIN	INACTIVE REFUND	259.92
87868 6/14/24	CHK	159	SHORT ELLIOTT HENDRICKSON INC	PROFESSIONAL SERVICES - APRIL 2024	2,820.47
87869 6/14/24	CHK	9997	ANTHONY TASSI	INACTIVE REFUND	105.87

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87870 6/14/24	CHK	4532	TRACTOR SUPPLY CREDIT PLAN	TRACTOR SUPPLY	237.30
87871 6/14/24	CHK	375	VIKING ELECTRIC	RAIL	-18.25
				RAIL	249.95
Total for Check/Tran - 87871:					231.70
87872 6/14/24	CHK	9997	AMANDA WELLMAN	INACTIVE REFUND	101.76
87873 6/20/24	CHK	5619	ALDEN POOL AND MUNICIPAL SUPPLY	DEHUMIDIFIER & FILTERS	-100.00
				Dehumidifier	7,053.15
Total for Check/Tran - 87873:					6,953.15
87874 6/20/24	CHK	103	AMERICAN PUMP COMPANY	SUCTION HOSE - UNIT #50	513.81
87875 6/20/24	CHK	9997	BODNAR BROTHERS AND SONS LLC	Credit Balance Refund	205.95
87876 6/20/24	CHK	54	CORE & MAIN LP	SOFTWARE SUPPORT	11,900.00
				SOFTWARE SUPPORT	5,100.00
Total for Check/Tran - 87876:					17,000.00
87877 6/20/24	CHK	5348	CORPORATE FOUR INSURANCE AGENC	RENEWAL - 7/1/24 to 7/1/25	3,600.00
				RENEWAL - 7/1/24 to 7/1/25	900.00
Total for Check/Tran - 87877:					4,500.00
87878 6/20/24	CHK	9997	JESSE CRAFT	Credit Balance Refund	267.59
87879 6/20/24	CHK	2789	E.H. RENNER & SONS, INC	WELL #7 REPAIRS	103,200.00
87880 6/20/24	CHK	122	ELK RIVER WINLECTRIC	SWITCHGEAR	2,964.00
				PVC COUPLING	25.45
				MISC PARTS & SUPPLIES	-0.74
				MISC PARTS & SUPPLIES	10.03
				FUEL HACKZALL - UNI T#8	-11.83
				FUEL HACKZALL - UNI T#8	162.11
				POLE SAW	-30.49
				POLE SAW	417.49

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Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				MISC PARTS & SUPPLIES	-19.50
				MISC PARTS & SUPPLIES	267.00
				Total for Check/Tran - 87880:	3,783.52
87881 6/20/24	CHK	8709	FAIRVIEW HEALTH SERVICES	PRE-EMPLOYMENT SCREENING - 194	45.00
87882 6/20/24	CHK	8247	FERGUSON WATERWORKS #3326	Dock	1,760.00
				Gas Dector	595.00
				Total for Check/Tran - 87882:	2,355.00
87883 6/20/24	CHK	668	GILLELAND CHEVROLET CADILLAC, I	Truck 13	56,748.75
87884 6/20/24	CHK	80	GRAINGER	SAFETY EQUIPMENT	-5.95
				SAFETY EQUIPMENT	81.37
				Total for Check/Tran - 87884:	75.42
87885 6/20/24	CHK	731	HEARTLAND BUSINESS SYTEMS LLC	Firewall	1,000.00
				Firewall	1,000.00
				Total for Check/Tran - 87885:	2,000.00
87886 6/20/24	CHK	824	HOME DEPOT CREDIT SERVICES	HOME DEPOT	179.50
				HOME DEPOT	194.97
				Total for Check/Tran - 87886:	374.47
87887 6/20/24	CHK	9301	IDEAL SERVICE, INC.	Maintenance	517.50
87888 6/20/24	CHK	6836	INNOVATIVE OFFICE SOLUTIONS LLC	OFFICE SUPPLIES	15.10
				OFFICE SUPPLIES	3.78
				Total for Check/Tran - 87888:	18.88
87889 6/20/24	CHK	9997	GAIL JAMES	Credit Balance Refund	175.47
87890 6/20/24	CHK	48	LEAGUE OF MN CITIES INS TRUST	LIABILITY INSURANCE - 2024 QTR 1	30,946.10
				LIABILITY INSURANCE - 2024 QTR 1	6,925.90
				Total for Check/Tran - 87890:	37,872.00
87891 6/20/24	CHK	9997	CANDY MATHISON	Credit Balance Refund	13.67

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87892 6/20/24	CHK	145	MENARDS	MISC PARTS & SUPPLIES	21.56
				MISC PARTS & SUPPLIES	25.88
				MISC PARTS & SUPPLIES	29.73
				MISC PARTS & SUPPLIES	14.53
				WEDGE ANCHORS	16.45
Total for Check/Tran - 87892:					108.15
87894 6/20/24	CHK	9997	MINNESOTA HOME VENTURE, INC.	Credit Balance Refund	213.67
87895 6/20/24	CHK	573	NCPERS MINNESOTA	EXTRA LIFE INSURANCE - JULY 2024	224.80
				EXTRA LIFE INSURANCE - JULY 2024	15.20
Total for Check/Tran - 87895:					240.00
87896 6/20/24	CHK	3218	RDO EQUIPMENT CO.	PARTS FOR UNIT #50	-4.67
				PARTS FOR UNIT #50	59.48
				PARTS FOR UNIT #56	12.30
				PRIMER PAINT - UNIT #56	21.50
Total for Check/Tran - 87896:					88.61
87897 6/20/24	CHK	674	STAR ENERGY SERVICES LLC	NOVA POWER PORTAL RENEWAL - 7/24 to 6/25	2,000.00
87898 6/20/24	CHK	9997	BRIAN SUDRLA	Credit Balance Refund	67.16
87899 6/20/24	CHK	3360	THE UPS STORE 5093	SHIPPING - WATER METERS	38.08
				SHIPPING & MATERIALS	19.98
Total for Check/Tran - 87899:					58.06
87900 6/20/24	CHK	3739	US BANK	ADMIN FEE - ELEC REV SERIES 2021B	500.00
87901 6/20/24	CHK	8381	VERIFIED CREDENTIALS, LLC	BACKGROUND SCREENING - 194 195	67.50
				BACKGROUND SCREENING - 194 195	67.50
Total for Check/Tran - 87901:					135.00
87902 6/27/24	CHK	328	1ST AYD CORPORATION	DEF & PARTS CLEANER	84.26
				DEF & PARTS CLEANER	497.38
Total for Check/Tran - 87902:					581.64

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
87903 6/27/24	CHK	725	A1 RENT IT	CHAINSAW	36.67
87904 6/27/24	CHK	2512	AMARIL UNIFORM COMPANY	EMPLOYEE CLOTHING - 178	161.61
				EMPLOYEE CLOTHING - 193	153.14
				EMPLOYEE CLOTHING - 193	8.06
				EMPLOYEE CLOTHING - 195	160.50
				EMPLOYEE CLOTHING - 172	254.00
				EMPLOYEE CLOTHING - 172	63.50
				EMPLOYEE CLOTHING - 142	216.15
				EMPLOYEE CLOTHING - 187	136.90
				EMPLOYEE CLOTHING - 187	7.20
Total for Check/Tran - 87904:					1,161.06
87905 6/27/24	CHK	1327	AUTOMATIC SYSTEMS CO	PROGRAMMING - WELL #2 & #4	700.00
				PROGRAMMING - WELL #4 & #7	700.00
Total for Check/Tran - 87905:					1,400.00
87906 6/27/24	CHK	2920	BATTERIES PLUS BULBS	LITHIUM COIN BATTERIES	17.24
87907 6/27/24	CHK	5538	BUDDERFLY, INC	CIP - CONSERVATION REBATE	41.20
87908 6/27/24	CHK	654	BULLFROG IND	CABINET & POLE PAINTING	7,708.00
87909 6/27/24	CHK	9997	SARA CARLSON	INACTIVE REFUND	236.66
87910 6/27/24	CHK	3982	CENTERPOINT ENERGY	NATURAL GAS & IRON REMOVAL	388.74
				NATURAL GAS & IRON REMOVAL	131.43
Total for Check/Tran - 87910:					520.17
87911 6/27/24	CHK	54	CORE & MAIN LP	FLANGE SET	382.51
				Electric Meter	190,960.00
Total for Check/Tran - 87911:					191,342.51
87912 6/27/24	CHK	75	DEANO'S COLLISION & MECHANICAL	PARTS & LABOR FOR UNIT #14	5,004.48
				PARTS & LABOR FOR UNIT #14	263.39
Total for Check/Tran - 87912:					5,267.87

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
87913 6/27/24	CHK	9999	ELK RIVER YOUTH HOCKEY ASSOCIAT	Hydrant Rental Deposit Refund	862.77
87914 6/27/24	CHK	8949	FS3 INC.	THREADED COUPLER	180.89
87915 6/27/24	CHK	730	GREATAMERICA FINANCIAL SERVICES	LEASE FOR COPIER AT PLANT	105.01
				LEASE FOR COPIER AT PLANT	26.26
Total for Check/Tran - 87915:					131.27
87916 6/27/24	CHK	6836	INNOVATIVE OFFICE SOLUTIONS LLC	OFFICE SUPPLIES	15.10
				OFFICE SUPPLIES	3.78
Total for Check/Tran - 87916:					18.88
87917 6/27/24	CHK	82	JERRY'S ELECTRIC INC	TRANSFORMER REPAIR	4,415.00
				TRANSFORMER REPAIR	4,415.00
Total for Check/Tran - 87917:					8,830.00
87918 6/27/24	CHK	9997	SARA KELLER	INACTIVE REFUND	56.54
87919 6/27/24	CHK	9997	LGI HOMES, MN	Credit Balance Refund	207.09
87920 6/27/24	CHK	9997	LGI HOMES, MN	Credit Balance Refund	169.90
87921 6/27/24	CHK	9997	LGI HOMES, MN	Credit Balance Refund	231.03
87922 6/27/24	CHK	9997	LGI HOMES, MN	Credit Balance Refund	234.94
87923 6/27/24	CHK	9997	LGI HOMES, MN	Credit Balance Refund	155.92
87924 6/27/24	CHK	9997	LGI HOMES, MN	Credit Balance Refund	178.58
87925 6/27/24	CHK	9997	LGI HOMES, MN	Credit Balance Refund	189.88
87926 6/27/24	CHK	9997	LGI HOMES, MN	Credit Balance Refund	165.41
87927 6/27/24	CHK	9997	LGI HOMES, MN	Credit Balance Refund	189.42
87928 6/27/24	CHK	9997	LGI HOMES, MN	Credit Balance Refund	494.20
87929 6/27/24	CHK	726	LINDSEY SYSTEMS	Bushings	2,074.19

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06/01/2024 To 06/30/2024

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
87930 6/27/24	CHK	8605	MARCO TECHNOLOGIES, LLC	OFFICE 365 - 5/24 to 6/23/24	1,035.59
				OFFICE 365 - 5/24 to 6/23/24	225.56
Total for Check/Tran - 87930:					1,261.15
87931 6/27/24	CHK	145	MENARDS	MISC PARTS & SUPPLIES	49.55
				CARABINER KEYRING	12.82
				TOOLBOX ORGANIZERS	-10.74
				REBATE	-1.75
				REBATE	-17.48
				REBATE	-0.32
Total for Check/Tran - 87931:					32.08
87932 6/27/24	CHK	7293	MINNESOTA DEPT OF COMMERCE	2025 Q1 CIP INDIRECT ASSESSMENT	7,029.70
87933 6/27/24	CHK	16	MINNESOTA DEPT OF HEALTH	WATER OPERATOR CERTIFICATION - 191	23.00
87934 6/27/24	CHK	16	MINNESOTA DEPT OF HEALTH	WATER CONNECTION FEE - 2024 2ND QTR	13,904.00
87935 6/27/24	CHK	633	MUTUAL OF OMAHA	ELEC LIFE INSURANCE - JULY 2024	200.98
				LIFE,STD & LTD INSURANCE - JULY 2024	2,346.82
				ELEC LIFE INSURANCE - JULY 2024	203.12
				LIFE,STD & LTD INSURANCE - JULY 2024	510.96
Total for Check/Tran - 87935:					3,261.88
87936 6/27/24	CHK	9997	KRISTIN POTTER	INACTIVE REFUND	82.79
87937 6/27/24	CHK	9997	PRINCIPAL PROPERTIES LLC	Credit Balance Refund	469.30
87938 6/27/24	CHK	3218	RDO EQUIPMENT CO.	PARTS FOR UNIT #50	-28.60
				PARTS FOR UNIT #50	363.98
Total for Check/Tran - 87938:					335.38
87939 6/27/24	CHK	9997	DANIEL SILLS	INACTIVE REFUND	240.35
87940 6/27/24	CHK	6107	STUART C. IRBY CO.	Ground Clamp	527.50
87941 6/27/24	CHK	690	SUNBELT SOLOMON	Transformer	21,909.41

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06/01/2024 To 06/30/2024**Bank Account: 5 - GENERAL FUND WITHDRAWALS**

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
87942 6/27/24	CHK	9997	SARAH TUBMAN	INACTIVE REFUND	94.32
87943 6/27/24	CHK	9997	JANEE UDALLA	INACTIVE REFUND	153.90
87944 6/27/24	CHK	9997	SAMANTHA VALE	INACTIVE REFUND	136.14
87945 6/27/24	CHK	375	VIKING ELECTRIC	HIGH RISE RAIL	264.80
87946 6/27/24	CHK	9997	DANAE VOLKERS	INACTIVE REFUND	231.84
87947 6/27/24	CHK	9997	VERONICA WALTERS	INACTIVE REFUND	128.84
87948 6/27/24	CHK	55	WESCO RECEIVABLES CORP.	VACUUM INTERRUPTER	7,688.84
				ALUMINUM CABINET	4,814.64
				GROUND SLEEVE	2,200.00
Total for Check/Tran - 87948:					14,703.48
Total for Bank Account - 5 :					(224) 4,379,214.78
Grand Total :					(225) 4,388,196.44

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PARAMETERS ENTERED:**Check Date:** 06/01/2024 To 06/30/2024**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**

June 4, 2024

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

Members Absent: Commissioner Matt Westgaard

ERMU Staff Present: Mark Hanson, General Manager
Sara Youngs, Administrations Director
Melissa Karpinski, Finance Manager
Tony Mauren, Governance & Communications Manager
Tom Geiser, Operations Director
Mike Tietz, Technical Services Superintendent
Dave Ninow, Water Superintendent
Chris Kerzman, Engineering Manager
Megan Zachman, Human Resources Generalist
Jenny Foss, Communications & Administrative Coordinator
Michelle Martindale, Collection Specialist
Jenny Biorn, Accountant

Others Present: Amy Schmidt, Attorney; Cal Portner, City Administrator; Sarah Towne, Consulting Manager with Baker Tilly

1.0 GOVERNANCE

1.1 Call Meeting to Order

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

1.2 Pledge of Allegiance

The Pledge of Allegiance was recited.

1.3 Consider the Agenda

Chair Dietz suggested that item 5.5 Compensation Study be moved ahead of item 5.1 Financial Report to respect the time of Baker Tilly staff which would be presenting that item.

Moved by Commissioner Stewart and seconded by Commissioner Zerwas to approve the amended June 4, 2024, agenda. Motion carried 4-0

2.0 CONSENT AGENDA (Approved By One Motion)

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

2.1 Check Register – May 2024

2.2 Regular Meeting Minutes – May 14, 2024

2.3 Summary of General Manager Performance Evaluation Closed Session

2.4 Summary of Information Security Committee Closed Session

Motion carried 4-0.

3.0 OPEN FORUM

No one appeared for open forum.

4.0 POLICY & COMPLIANCE

4.1 Commission Policy Review – G.2e1 – Conflicts of Interest

Mr. Mauren presented policy G.2e1 – Conflicts of Interest for review noting the action request to approve updates was incorrect and there are no recommended updates to this policy. There were no questions, comments, or proposed changes from the Commission regarding this policy.

4.2 Annual Commission Performance Evaluation

Mr. Hanson presented the Annual Commission Performance Evaluation stating he was pleased with the overall scoring consistency between management staff and the commissioners.

Chair Dietz asked if this was the first time managers have been included in the commissioner review process. Mr. Hanson confirmed it was.

Chair Dietz requested that Mr. Hanson lead the evaluation results discussion.

While reviewing the results, Mr. Hanson responded to a commissioner's comment asking if there are more opportunities for collaboration between ERMU and the City to bring greater value to the community. Mr. Hanson stated that the partnership between ERMU and city staff is strong, leading to frequent interactions. Mr. Hanson also noted that ERMU staff's consistent attendance at the city administrator's weekly meeting has been beneficial.

In response to a manager's comment from the survey, commissioners acknowledged the importance of reducing distractions such as cell phone use in the meeting, while

communicating that occasionally their daily responsibilities require them to maintain an open line of communication.

Mr. Hanson noted that feedback from managers shows a consensus that direction from the Commission via the general manager has improved.

Mr. Hanson expressed appreciation for Mr. Mauren's inclusion of a comparison graph of the scoring between commissioners and managers.

When referencing the open-ended portion of the evaluation, Mr. Hanson stated that he was very pleased with the number of positive comments from management which indicated a favorable perception of commission performance.

Chair Dietz expressed his appreciation for the improved evaluation process.

Commissioner Stewart also acknowledged the improved format, especially pointing out how the evaluation results were displayed.

Commissioner Bell asked if the results could be displayed on the screen next year so he can access the comments on his iPad. Mr. Mauren noted the request.

Mr. Hanson asked the Commission if they would like to see a similar update to the general manager evaluation to include the consolidation of questions and a focus on written comments, like the commission evaluation updates. The Commission agreed they would like to see an updated general manager evaluation that can be adopted if approved.

Mr. Hanson confirmed the same approval process would be followed for a general manager evaluation update as was implemented for the commission evaluation update.

5.0 BUSINESS ACTION

5.5 Compensation Study

Mr. Hanson reviewed the compensation study background information noting that all ten commission-approved comparable peers responded to the request for information and all 35 positions at ERMU had a 75% or greater match in duties and responsibilities, contributing to the validity of the study results. Mr. Hanson then introduced Ms. Towne, consulting manager with Baker Tilly, who was involved in the compensation study process as well as the development of the proposed pay plan.

Ms. Towne presented the report from Baker Tilly explaining the methodology and results of the compensation study. After an extensive review of the data, Baker Tilly determined that ERMU's current pay structure is 4.4% below the market minimum, 9.5% below the market midpoint, and 12.8% below the market maximum.

Ms. Towne then presented a proposed pay plan that would place ERMU at the market midpoint (average). The pay plan includes the following characteristics which will result in compensation uniformity and fairness:

- A nine step plan, up from the current five step plan
- 20 position grade assignments, which include all ERMU positions
- Plans are aligned to 100% market at midpoint (step 4), this will bring compensation up from the current status of below market value to market midpoint (average)
- Provide consistent and predictable percentages between steps

Commissioner Bell expressed concern about how the pay plan would be implemented. Mr. Hanson asked that commissioners focus on the pay plan itself and after approving an appropriate plan let management work with Baker Tilly on the implementation details as it is a very complex process.

Commissioner Bell noted that the slide related to position grade assignments was missing a grade three. Ms. Towne explained that grade three is not actually missing but rather ERMU does not have a current position ranked at that grade. She also stated that having open grades allows for growth and development as current positions evolve or new positions are added.

Chair Dietz asked if cost-of-living adjustments will be added to the dollar amount of each step year after year. Ms. Towne confirmed that it is common practice with organizations to adjust their pay structure each year to keep pace with market averages.

Commissioner Stewart asked Ms. Towne to give insight on trends based on her extensive experience with other companies and the Minnesota market. Ms. Towne replied that many organizations are keeping step plans and there is no movement to an open range structure. She continued that both employees and administration tend to like the step plan structure, explaining that they are easy to budget for and understand year over year. Ms. Towne also noted that most organizations in ERMU's market space have between seven and nine steps and that is what is currently trending right now.

Mr. Hanson clarified that he asked for nine steps in the proposed plans for two reasons. One was that it would be cost effective to transition to a new pay structure while staying market competitive with nine steps. The other was to foster employee longevity by offering more consistent and desirable wage increases with each step along with cost-of-living adjustments.

Commissioner Bell expressed concern for how an approved plan would be funded. Mr. Hanson clarified that the cost of adopting, for example, the proposed plan 1b with an implementation date of August 1, 2024, would be covered by the amount requested by the Commission to be included in the 2024 budget for the compensation study.

After additional discussion of the information presented, Ms. Towne presented Baker Tilly's recommendations.

Chair Dietz asked if a final report will be provided to the Commission. Ms. Towne said that after meeting with Mr. Hanson to clarify the details needed in the final report, it would take about one month to complete.

The Commission was concerned that a nine step pay plan was too long. They requested a new seven-step plan from Baker Tilly that kept the minimum and maximum values presented in the nine-step plan to position ERMU as an employer of choice and foster employee longevity. The Commission also asked for real-life examples of a seven step pay plan using actual ERMU positions.

Commissioner Bell inquired about the impact to customer rates if a new pay structure is approved. Ms. Karpinski stated rates would not be affected because funds have already been included in the 2024 budget and there is also room to reduce the electric and margins based on policy.

Mr. Hanson confirmed most of the cost could be absorbed by adjusting margins while remaining policy compliant.

Commissioner Zerwas asked to include any bonus pay programs in the final report as well.

Chair Dietz asked for additional information on how many of the ten comparable organizations also have bonus or longevity pay programs.

The Commission decided to postpone action until the July regular commission meeting to review the new and requested information, and to give Commissioner Westgaard, who was absent, a chance to review it as well.

Moved by Commissioner Bell and seconded by Commissioner Stewart to postpone action on the Compensation Study until the July regular commission meeting. Motion carried 4-0.

5.1 Financial Report – April 2024

Ms. Karpinski presented the financials for April 2024 noting the graphs only show data through April due to the commission meeting being moved up to the first week in June.

In response to a request for information from the Commission, Ms. Karpinski stated that \$122,000 between electric and water has been budgeted in 2024 for Utilities Performance Metric Incentive Compensation to be paid in 2025 if all of the metrics are met.

Chair Dietz raised a question on footnote 2 in the electric budget. Mr. Hanson explained that a large customer paid upfront for two large transformers that they need.

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

5.2 Customer Satisfaction Survey – First Quarter 2024

Mr. Mauren presented the key findings from the Customer Satisfaction Survey completed in the first quarter of 2024. Mr. Mauren then reported on his follow up with Q Market Research to provide context to the results, specifically related to rates, rebates, and confusion about ERMU's role with the city's trash service.

Mr. Portner asked if specific questions about garbage and recycling services could be added to the survey to get a better understanding of why customers are unhappy with aspects of the service.

Ms. Youngs acknowledged that it would be beneficial for the City Council to review specific feedback from customers to assist them when making decisions about trash service providers.

5.3 Advanced Metering Infrastructure Update

Mr. Tietz reported there have been 136 residential water meter replacements as of May 30. He also noted that the contractor faced some challenges with the initial deployment of residential appointment letters and staffing. The staffing issues resulted in approximately 50 appointments needing to be rescheduled.

Chair Dietz asked if the water meter installations would be complete prior to receiving and installing any electric meters. Mr. Tietz could confirm that only water meters are being installed at this time.

Mr. Hanson stated supply chain issues still present a challenge for the contractor to move forward with electric meter exchanges without running the risk of a stoppage.

Chair Dietz asked if there has been any customer feedback regarding the new water meters. Ms. Youngs said there was one positive customer call and three minor issues reported by customers requiring a second visit from a technician.

Mr. Tietz stated that the issues have been addressed with Allegiant, the letter has been corrected, and new technicians are being hired and trained. Allegiant plans to mail another 1500 residential letters once those technicians are trained and available.

Commissioner Bell reported that his water meter has been updated to the new meter and he was very impressed with the level of customer service and professionalism from the Allegiant technician.

Commissioner Stewart inquired about the two phone numbers on the appointment letter being the same. Allegiant clarified with staff at an earlier meeting that having both numbers listed exactly how they would need to be entered on the specific type of phone line being used eliminated confusion. Landlines require dialing 1 before the number, while cell phones do not.

5.4 **East Substation Construction Project**

Mr. Kerzman presented the East substation construction project information requesting approval from the Commission to authorize the project and authorize staff to begin procurement efforts and to approve the attached Task Order no. 2 from DGR Engineering.

Chair Dietz expressed concern for the project's increase in cost and asked for clarification on the budget timeline. Mr. Kerzman said the cost will be shared between the 2025 and 2026 budgets.

Ms. Karpinski noted they haven't started the 2025 budget; however, the project is part of the 20-year plan.

Mr. Hanson stated that the increase in cost is again due to the nationwide supply chain issues. There was discussion.

Moved by Commissioner Stewart and seconded by Commissioner Bell to authorize East Substation Project and authorize staff to begin procurement efforts in accordance with procurement policies. Motion carried 4-0.

Moved by Commissioner Bell and seconded by Commissioner Zerwas to approve DGR Engineering Task Order No. 2 for Engineering Services for East Substation. Motion carried 4-0.

6.0 **BUSINESS DISCUSSION**

6.1 **Staff Updates**

Mr. Hanson reported he will be out of the office attending two separate conferences out of state.

Mr. Mauren informed the commission he will be sending them an email with information about the Minnesota Municipal Utilities Association's summer conference.

Mr. Tietz updated his staff memo numbers to show that there were 605 locate tickets completed in May 2024 which was a 25% increase from April 2024 and a 7.89% decrease from prior year. He also added that the electrical technicians completed 362 service orders instead of 350.

Commissioner Stewart asked if the similarity between utilities in the average service availability number, despite other scores in the reliability report varying, comes down to the number of customers. Mr. Tietz confirmed that is correct.

6.2 **City Council Update**

Commissioner Westgaard was unavailable to provide a City Council update.

6.3 **Future Planning**

Chair Dietz announced the following:

- a. Regular Commission Meeting – July 9, 2024
- b. 2021 Governance Agenda

6.5 **Other Business**

There was no other business.

7.0 **ADJOURN REGULAR MEETING**

Moved by Commissioner Stewart and seconded by Commissioner Bell to adjourn the regular meeting of the Elk River Municipal Utilities Commission at 5:38 p.m. Motion carried 4-0.

Minutes prepared by Jenny Foss.

John J. Dietz, ERMU Commission Chair

Tina Allard, City Clerk

TO: ERMU Commission	FROM: Sara Youngs – Administrations Director
MEETING DATE: July 9, 2024	AGENDA ITEM NUMBER: 2.3
SUBJECT: Update Cogeneration and Small Power Production Tariff - Schedules 1 and 2	
ACTION REQUESTED: Approve the update to the tariff	

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 which are 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.

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. The customer elects the rate schedule with the method of reimbursement to be based on the size of the facility. Attached are the updated schedules for 2024.

DISCUSSION:

To ensure that all distributed energy resource (DER) installers and ERMU customers are aware of the monthly fees that may be associated with the installation of a DER system, we are adding a footnote at the end of the Cogeneration and Small Power Production Tariff- Schedule 1 and 2 stating, "As of January 2024, a monthly Grid Access Fee will apply to all interconnection applications. Please review ERMU's fee schedule for the amount."

ATTACHMENTS:

- Updated Cogeneration and Small Power Production Tariff – Schedules 1 and 2

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

As of January 2024, a monthly Grid Access Fee will apply to all interconnection applications. Please review ERMU's fee schedule for the amount.

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: Tony Mauren – Governance & Communications Manager
MEETING DATE: July 9, 2024	AGENDA ITEM NUMBER: 4.1
SUBJECT: Commission Policy Review – G.2f – Commission Officer Roles, Responsibilities, and Succession	
ACTION REQUESTED: Review the policy and provide comment	

BACKGROUND/DISCUSSION:

This month commissioners are reviewing policy G.2f – Commission Officer Roles, Responsibilities, and Succession to make comments, ask questions, or recommend updates.

This policy establishes the functions for which ERMU’s officers are accountable and the limits of authority that the Commission delegates to its officers.

Staff is not recommending any changes to the policy.

ATTACHMENTS:

- ERMU Policy – G.2f – Commission Officer Roles, Responsibilities, and Succession

COMMISSION POLICY

Section: Governance	Category: Governance Policies
Policy Reference: G.2f	Policy Title: Commission Officer Roles, Responsibilities, and Succession

PURPOSE:

With this policy, the Commission communicates the functions for which ERMU's officers are accountable and the limits of authority that the Commission delegates to its officers.

POLICY:

The offices of the ERMU Commission include a Chair, a Vice-Chair, and a Secretary. The Commission elects the Chair and Vice Chair to one-year terms each year during its regular meeting in the month of March. An officer's term begins that day and expires without action of the Commission upon resignation or death of the officer or upon failure of the officer to comply with the criteria necessary to hold the office. An officer's term is extended without action of the Commission until a successor is duly elected. Any Commission member is eligible for office at any time; however, a Commission member nominated for the position of Chair will normally have served at least one term as Vice-Chair. The office of Secretary is held by the General Manager; however, the General Manager may appoint another employee as Secretary, with the concurrence of the Commission.

Chair

The Chair is accountable to the Commission for the integrity of the Commission's governance process. The Commission authorizes the Chair to call and schedule special meetings, set its meeting agendas, preside over its meetings and, with limitations, represent the Commission to outside parties. The Commission expects the Chair to set and maintain a friendly and productive tone for all meetings, encouraging full participation of all Commission members, effective deliberation and decision-making, and constructive resolution of disagreements. More specifically:

1. The expected result of the Chair's function is that the Commission behaves in a manner that is consistent with its own policies and in full compliance with those obligations that others, with legitimate authority, impose on it from outside the organization. The Chair, by planning

the Commission's governance and meeting agendas will ensure that the Commission addresses those matters which, according to Commission policy, clearly belong to the Commission to determine, not to the General Manager. The Chair, by presiding over Commission meetings, will ensure that deliberation and decision-making at Commission meetings will be fair, open, and thorough, but also timely, orderly, and to the point.

2. The authority of the Chair is limited to Commission decision-making that falls within areas covered by Commission policies on **Governance** and **Commission-Management Connection**, except where the Commission specifically delegates portions of this same authority to others. The Commission authorizes the Chair to use any reasonable interpretation of the provisions in these policies in the discharge of duties.
 - a. The Commission empowers the Chair to call and schedule all special meetings, set all meeting agendas, and preside over all Commission meetings with all of the commonly accepted power of that position (e.g., Ruling, recognizing, handling disagreements and unacceptable behaviors, etc).
 - b. The Commission empowers the Chair, exercising reasonable discretion, to control the conduct of all meetings. This includes, but is not limited to, determining the time to be devoted to any particular matter before the Commission, whether any person in attendance may address the Commission on any subject and the order or duration of any presentations or comments permitted, closure of discussion on any matter before the Commission, and expulsion of any person whose conduct is disruptive. The Commission may, by a motion and majority vote of the Commissioners present, overrule the Chair on decisions related to the conduct of meetings.
 - c. For purposes of meeting management, the Commission adopts the Rules contained in the current edition of **Robert's Rules of Order Newly Revised** for all situations to which they are applicable and in which they are not inconsistent with ERMU's bylaws, policies and any special rules of order that the Commission may adopt.
 - d. The Commission authorizes the Chair to execute official documents on its behalf.
 - e. The Commission empowers the Chair to organize the work of the Commission, and to assign specific tasks to Commission members and to Committees established by the Commission. Specifically, the Commission empowers the Chair to schedule and coordinate the annual process for performance planning and evaluation of the General Manager.
 - f. The Chair has no authority to make decisions about policies created by the Commission within the **Results** and **Delegations to Management** policy areas. As a result, the Chair has no authority to supervise or direct the General Manager.
 - g. The Chair may represent the Commission to outside parties in announcing Commission-stated positions and in stating decisions and interpretations of Commission policy within the areas delegated by the Commission. The Chair will report to the Commission, as

soon as practical, any communications made on behalf of the Commission. Representation of the Commission to outside parties is subject to the following limitations:

- i. Communications must be consistent with ERMU's core purpose, core values, and mission, and with the role and authority of the Commission as set forth by Commission policies.
 - ii. Communications must, as far as practical, represent the collective wisdom or position of the Commission.
 - iii. Communications must be limited to deliberations already conducted, actions taken, or decisions made. Communications must not be speculative in nature.
- h. The Chair may delegate the authority granted in this policy to others (e.g. Vice-Chair), but remains accountable for its use.

Vice-Chair

The principal function of the Commission Vice-Chair is to prepare for the office of Chair and to take over the functions of the Chair when the Chair is unavailable, or otherwise at the request of the Chair.

Secretary

The principal function of the Commission Secretary is to ensure that:

1. Notices of Commission meetings, meeting agendas, and supporting materials are prepared and distributed as required by Policy;
2. Appropriate written records of Commission meetings are prepared and distributed to all Commission members and the General Manager three (3) days prior to the next Commission meeting;
3. Resolutions and other official actions of the Commission are prepared and executed in proper form; and
4. Written records of Commission meetings, including resolutions and other official actions are archived in secure location(s) and disposed of in compliance with applicable laws and regulations.

POLICY HISTORY:

Adopted May 9, 2017

TO: ERMU Commission	FROM: Mark Hanson - General Manager
MEETING DATE: July 9, 2024	AGENDA ITEM NUMBER: 4.2
SUBJECT: Annual Strategic Plan Review	
ACTION REQUESTED: Consensus on high level strategic themes and dashboard initiatives	

BACKGROUND:

In August 2017, the Commission adopted a comprehensive manual of governance policies based on the Carver Model of governance. Per the Governance Policy G4.c Strategic and Business Planning, and consistent with Policy G.2c Agenda Planning, the Commission and management shall review an annual update of the strategic plan in July and review and adopt the financial plan for the succeeding five-year period in December.

Per policy, the strategic plan shall provide “strategic direction for a period of not less than five (5) future fiscal years in terms of high-level elements such as vision, core purpose, core values, mission, key result areas, and broadly stated strategic objectives that are intended to achieve the organizational outcomes contained in the Commission’s Authority and Purpose Policies.” Included in the Commission’s Authority and Purpose Policies are the bylaws, organizational core purpose, mission, vision, values, fundamentals, and planning themes. These policies are summarized on the attached document.

All policies, decisions, initiatives, and tasks by ERMU on behalf of our consumer owners should be in direct line with the commission’s authority and purpose. All planning is conducted through a process which categorizes initiatives under commission-adopted planning themes aligned with our mission, vision, values, and fundamentals. This process is intentionally transparent to our consumer owners and clearly defines how ERMU is expected to operate.

DISCUSSION:

The purpose of a Strategic Plan is to establish long-term direction and goals for an organization and develop a plan to get there. The leadership team underwent a lengthy process to review the existing authority and purpose polices and identify new initiatives for consideration in the annual business plan/budgeting process.

The team started with a discussion of high-level planning questions such as “What should our strategic plan look like?” and “Do our Mission, Vision and Values resonate with you?” We then reviewed the current initiatives in the plan. We asked the question: “Are they truly strategic

level initiatives?” If no longer considered strategic, the initiative was removed from the dashboard.

The attached dashboard includes the 2024 initiatives in progress that have already been run through the budgeting process. In past years, the dashboard has been larger, encompassing more work than was achievable. Last year, special attention was given to reducing the number of items with the goal of completing all initiatives listed. While we did not complete all the initiatives, we succeeded in closing 10 of them (notes for each initiative closure are provided on the attached dashboard).

Of the remaining 10 initiatives, one (GIS mapping) was removed because it was far enough along to be reclassified as operational. We expect to complete four others by the end of 2024:

- Theme 1, Initiative 2: Evaluate Role of Committees
- Theme 2, Initiative 1: Update Management Policy Manual
- Theme 2, Initiative 2: Wall Art for Field Services Building
- Theme 3, Initiative 1: Review/Update Authority and Purpose Policies

While progress in the remaining five initiatives will continue in 2024, these initiatives are expected to carry over into 2025 and possibly beyond. These five initiatives are:

- Theme 1, Initiative 1: Disaster Recovery Plan
- Theme 3, Initiative 2: Volt/VAR Control
- Theme 4, Initiative 1: Completion of AMI
- Theme 5, Initiative 1: Planning for Future Wells, Treatment and Storage
- Theme 6, Initiative 1: Renew Rate/Cost of Service Study; Develop Load Management

Lastly, the dashboard may change as the management team continues to evaluate our Authority and Purpose Policies, specifically our Mission, Vision and Values. Any recommended changes to either the strategic planning process and/or our Mission, Vision and Values statements will be discussed at a future commission meeting.

Staff is looking for the Commission to discuss high-level strategic themes and is looking for the Commission to have consensus on these themes leading into the budgeting process. Additionally, staff is looking for commission discussion on the initiatives and how these priorities align with the Commission’s intended strategic direction for the organization.

ATTACHMENTS:

- ERMU Mission, Vision, Values, Fundamentals, and Themes
- ERMU Dashboard 2024-2026

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.

ERMU Initiatives Dashboard								Updated: 6-24-2024
Item	Initiative	Description	Project Lead	Goal	Status	Updated	Notes/Updates	
Theme 1: Communication - Improve the effectiveness of our communications inside the organization, with our customers, and with the community.								
1	Display Options for Achievement Awards	Research display options for pictures, plaques, awards, etc., and additional branding signage for mission/vision items.	TM	2023	100%	7/27/2023	COMPLETE: The display area in the office hallway has been updated.	
2	Identify New Forms of Interaction with Customers	Develop and implement new features that will enhance interaction with customers. Targeted enhancements: Chat Feature, Text Feature, and residential online application.	SY	2024	100%	1/25/2024	COMPLETE: Chat and online application features are fully operational. Continued efforts for communication will be operational as we explore additional SmartHub and Messenger enhancements.	
1	Disaster Recovery Plan	Develop a disaster recovery/emergency response plan. (Prereq for Reliable Public Power Provider Designation Renewal.)	MT/TG	2024-25	25%	6/24/2024	ERMU held its disaster recovery TTX on December 16th. Reached out to Connexus for info on training bird dogs. ERMU and ERFD went through a dark sky scenario May 15th. Mark, Tom G. and Chris S. attended MMUA's Disaster Recovery Training July 12-13. Mike, Chris and myself will attend MMUA Emergency Plan Conference February 21-22 2024. Awaiting a copy of Shakopee's plan to use as a blueprint.	
2	Evaluate role of all Committees; Develop Community Engagement Committee	Look at responsibilities, membership and frequency of all committees. Create a committee to identify and track potential internal initiatives (annual company meeting) and external opportunities (National Energy Foundation partnership for school district engagement).	TM/SY	2024	60%	6/24/2024	All committees have been evaluated. Enhancements will include ensuring a at least one manager from both the office and field locations will participate on all committees. Additionally all committees will have a charter explaining their purpose, budget and meeting frequency. A community engagement committee will not be created.	

ERMU Initiatives Dashboard							Updated: 6-24-2024
Item	Initiative	Description	Project Lead	Goal	Status	Updated	Notes/Updates
Theme 2: Personnel and Governance - Develop our most valuable and vulnerable assets....our commissioners, employees, leaders, and future leaders.							
1	Develop Succession Planning Procedure	Develop succession planning and staff addition procedure for use by the W&BC. Shall include process for evaluating needs of depts based on overall strategic plan and prioritizing additions.	GM	2024	100%	2/14/2024	Removed as Operational. Succession planning is the roll of every manager.
4	Develop Staff Development Program for 2024	Includes topics and presenters. Develop opportunities for office staff to engage with field staff to better understand each other's roles.	MH/TG/ SY	2024	100%	6/24/2024	COMPLETE: Pertinent field staff have rotated through office to provide training. This effort has been successful and will be recurring every one to two years. Office Staff will be provided the oppoutunity yearly for a ride along with field staff.
1	Management Policy Manual	Format policy manual. Review and revise policies.	GM/TM	2023-24	85%	6/24/2024	Management staff contnues to review management policies bi-weekly. This is a 2023-2024 initiative.
2	Wall Art for Field Services Building	Determine best way to enhance the FSB office environment through art and sound panels.	TM/TG	2024	40%	6/24/2024	Staff has provided much of the art/photos/maps needed for the project and will be working with KJ branding on final designs.

ERMU Initiatives Dashboard							Updated: 6-24-2024
Item	Initiative	Description	Project Lead	Goal	Status	Updated	Notes/Updates
Theme 3: Strategic Thinking - Create a culture of strategic thinking and ensure line of sight from mission to vision.							
1	Plan for Electric Vehicle Chargers	Develop a plan for getting out of operating public chargers for electric vehicle charging. Also includes developing administrative and operational plans/procedures for upgrading our distribution system in response to commercial and residential owned chargers.	SY/TG	2023-24	100%	1/25/2024	COMPLETE: The Level 3 (DC Fast Charger) has been removed from Coborn's parking lot. The Level 2 charger downtown is in the process of being turned over to the City's EDA. ERMU will continue to own/maintain the Level 2 charger in our office parking lot.
2	Develop Load Management Programs	Develop appropriate demand response/load management programs to best utilize capabilities of new AMI meters.	SY	2024	0%	1/25/2024	On hold until rate study is completed. Fall of 2024. Will need to evaluate the costs and benefits of direct load control versus time of use rates. If TOU rates are the method of choice staff should work on a rate analysis to determine the number of time periods and rates associated with time periods. Move to Theme 6
1	Review/Update Authority and Purpose Policies	Review the need to update our strategic guidance to ensure relevancy to current industry trends and the changing socio-economic environment.	MH	2024	75%	6/24/2024	The management team is reviewing potential edits to our mission, mission and values.
2	Volt/VAR Control	Investigate methods to identify/predict peak usage times and implement Volt/VAR control strategies to reduce peak usage.	MT	2025	0%	9/22/2022	On hold until after the AMI deployment is completed

ERMU Initiatives Dashboard

Updated: 6-24-2024

Item	Initiative	Description	Project Lead	Goal	Status	Updated	Notes/Updates
Theme 4: Technology - Implement the prudent use of technology to improve efficiency and increase customer choice, communication, and value.							
1	ESRI GIS Mapping	Complete the implementation of the mapping system including GPS data collection to transition field staff over to the using the ESRI maps.	CK	2023	40%	7/27/2023	Developing a plan and process thru monthly meetings to meet internal customers' needs. ESRI Enterprise Server upgrade is in process as of 12/1/22. The new server has the software installed and is waiting for the databases to be copied over. Field Managers are working with GIS to learn and recommend changes. Tom, Chris S have made corrections to all 115 maps. Ang has been making the corrections needed to move forward. Removed as Operational.
2	Mosaic Utilization	Research updates in Mosaic and find ways to utilize its resources.	MK	2023-24	100%	6/24/2024	COMPLETE: Have begun to utilize some canned reports/graphs for reporting, and have also found useful reports that are not available in iVUE. Beginning to identify graphs/info to customize portals for operations and executive staff. Future enhancements will be tracked operationally.
3	NISC Module Integration	Revisit roadmap analysis of NISC modules (including: TOU data and MDMS, mapping, OMS, Mobile) for initial/ongoing costs, prerequisites, ROI, and end value to customers. Develop implementation plan.	SY/MT	2023-24	100%	6/24/2024	COMPETE: AMI integration with billing and MDMS is complete. Continued efforts for process improvements will be part of the ongoing AMI implementation which is now operational.
1	Completion of AMI	Complete system wide implementation of an Advanced Metering Infrastructure (AMI) system to empower our customers with control, choice and convenience.	MT	2023-25	10%	6/24/2024	Starting May 6, 2024 Mass water meter replacement project began. Mass electric meter replacement project is on hold until the delivery of additional electric meters.

ERMU Initiatives Dashboard							Updated: 6-24-2024
Item	Initiative	Description	Project Lead	Goal	Status	Updated	Notes/Updates
Theme 5: Growth - Assess the growth curve to make decisions regarding organizational change.							
+	Field Services Building Construction	Work with the Construction Manager and Architect to complete the construction within the approved budgeted amount.	CK	2023	100%	6/24/2024	We are reviewing and working through the final punch list items with RJM and they are working to get remaining subcontractors on site in September. Only warranty work remains.
1	Planning for future Wells, Treatment and Storage in NE area	Create a longterm plan for the installation of needed infrastructure to support the northeast expansion of the urban services area.	DN	2024-25	10%	6/24/2024	Had an initial conversation with the DNR informing them that we plan to add wells to our system. Our engineering consultant is currently evaluating locations for future wells and water towers. Short Elliot Hendrickson Inc. (S.E.H.) will be assisting us with the next steps of updating our current water supply plan, analyzing source water options for new wells, vetting preliminary sites chosen for future wells, and coordinating with MDH & DNR for proper permitting.

ERMU Initiatives Dashboard								Updated: 6-24-2024	
Item	Initiative	Description	Project Lead	Goal	Status	Updated	Notes/Updates		
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.									
4	Meter/Data Audit Procedure	Develop comprehensive procedure for meter/data audit process.	MT, SY	2023-24	100%	6/24/2024	Operational now. Enough meters have been replaced that new/updated procedures are in place.		
2	Develop Written Procedures for Work Flow between Field and Office	Many of our daily efforts involve interactions between administrative and field personnel. These interactions range from ad hoc to formal exchanges. To ensure consistency and continuity, these interactions should be reviewed and formalized into written procedures.	SY/TG	2024	100%	6/24/2024	Operational now. Administrative procedures have been updated, our electric rules, water rules and fee schedule have all been updated and are being consistently applied.		
1	Renew Rate/Cost of Service Study; Develop Load Management Programs	Develop appropriate demand response/load management programs to best utilize capabilities of new AMI meters.	SY	2025	0%	6/24/2024	Moved (and retitled) from Theme 6. On hold until rate study is completed. Will need to evaluate the costs and benefits of direct load control versus time-of-use rates. If TOU rates are the method of choice staff should work on a rate analysis to determine the number of time periods and rates associated with time periods.		
Definition of Roles:				Key and Color Code: Critically behind schedule, over budget, and/or short of resources. Will affect other dependent steps. At risk, behind schedule, over budget, and/or short of resources. On schedule, within budget, sufficiently allocated resources to complete as planned. Completed.					
Project Lead:	Ultimately answerable for the success of an initiative. Prioritizes action items based on company values. Critically analyze and ensure best practices. Allocate/organize resources to ensure successful completion. Develops RACI team.								
RACI Team	Responsible:	Ultimately answerable for the correct and thorough completion of the action item; delegates the work to those responsible. Makes decisions as authorized by Project Lead. Oversees item documentation.							
	Accountable:	Those who do the work to achieve the action item. Internal and/or external. Group or individuals.							
	Consultant:	Those whose opinions are sought, typically subject matter experts; and with who there is two-way communication. Not typically involve in all aspects of action item. Not a decision maker.							
	Informed:	Those who are kept up-to-date on progress; often only one-way communication.							

TO: ERMU Commission	FROM: Megan Zachman – HR Generalist
MEETING DATE: July 9, 2024	AGENDA ITEM NUMBER: 4.3
SUBJECT: Employee Handbook Annual Updates	
ACTION REQUESTED: Adopt the revised ERMU Employee Handbook	

BACKGROUND:

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

DISCUSSION:

Minimal changes were made to the Employee Handbook for 2024. The items listed below have been added and/or updated in the handbook since its last revision in June 2023.

- Revise Date in footer and on cover page.
- Revise Table of Contents and page numbers.
- Eliminate gendered language.
- Update “marijuana” to “cannabis” to match current legal terminology.
- Update “Employer” with “the Utilities” for consistency throughout handbook.
- Revise Section 3. Equal Employment Opportunity, to include language from the Crown Act.
- Revise Section 5. Harassment Prohibited, to include language from the Crown Act, language on types of harassment, scope of policy, and the employee’s reporting responsibility.
- Revise Section 6. Business Conduct, to include added employee expectation.
- Revise Section 13. Commitment to a Drug and Alcohol-Free Workplace, to reflect the new cannabis legalization.
- Revise Section 14. Exposure to Hazardous Substances, to update the Minn Stat. referenced.
- Revise Section 17. Supplemental Employment, to include added employee expectations.
- Revise Section 19. Attendance, to update language that aligns with ERMU’s revised Paid Sick Leave Policy.
- Revise Section 20. Discipline, Dismissal & Layoff, to add language about Policy’s intent.

- Revise Section 22. Performance Reviews, to update language on Performance Metrics Incentive eligibility.
- Revise Section 23. Work Hours, Overtime, and Compensatory Time, to add language on eligibility.
- Revise Section 37. Night Work and Rest Time, to include updated paid rest time amounts earned for night work.
- Revise Section 40. Vacation, to include updated vacation accruals.
- Revise Section 43. Paid Sick Leave, to include all new provisions of Minnesota's new Employee Sick and Safe Time law.
- Revise Section 44. Employee Clothing, to update the annual clothing allowance for office staff.
- Revise Section 45. Health Care Savings Plan, to add the percentage of paid sick leave conversion to post-employment HCSP at time of retirement.
- Revise Section 46. 457 Deferred Compensation, to remove language on the Governor's salary cap (repealed 2023).
- Revise Section 47. Health Insurance Coverage, to reflect cost increase.
- Add Section 55. The Family and Medical Leave Act.
- Remove Section 56. Minnesota Sick Family Member or Safety Leave (*section has been replaced with Paid Sick and Safe Time (section 43). The underlying statute has been repealed*).
- Revise Section 63. Bereavement Leave, to include more inclusive language for relations that qualify for three days of leave and a one-day tier for aunts, uncles, cousins, nieces and nephews.
- Revise Section 66. Paid Leave Donation, to remove Finance Manager as approver.

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

ATTACHMENTS:

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



EMPLOYEE HANDBOOK

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

July 2024

Office: 763-441-2020

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RECEIPT AND ACKNOWLEDGMENT

(EMPLOYEE REFERENCE COPY)

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

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

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

Date

Print or Type Name

Employee Signature

1. IMPORTANT NOTICE ABOUT THIS HANDBOOK

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

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

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

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

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

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

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

PERSONNEL RECORDS

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

ACCESS TO PERSONNEL RECORDS

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

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

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

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

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

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

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

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

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

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

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

GENERAL WORKPLACE POLICIES

2. OPEN DOOR POLICY

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

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

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

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

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

3. EQUAL EMPLOYMENT OPPORTUNITY

The Utilities pledges its best efforts to avoid discrimination against any employee or applicant for employment because of race (inclusive of traits associated with race, including but not limited to hair texture and hair styles such as braids, locs, and twists), color, creed, religion, sex, sexual orientation, gender identity or expression, age, national origin, marital status, familial status, pregnancy, genetic information, veteran status, status with regard to public assistance, disability, status as a patient enrolled in the state of Minnesota medical cannabis registry program or an enrolled patient's positive drug test for cannabis except where required by state or federal law, or any other status that may be protected by state or federal law.

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

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

4. DISABILITY ACCOMMODATION

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

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

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

Retaliation against any individual for making a good faith complaint under this Equal Employment Opportunity/Disability Accommodation policy, for opposing discrimination,

or for participating in an investigation of any claim regarding discrimination or disability accommodation is strictly prohibited.

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

5. HARASSMENT PROHIBITED

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

Definitions of Sexual and Other Forms of Harassment

Harassment consists of unwelcome conduct based on a person's race (inclusive of traits associated with race, including but not limited to hair texture and hair styles such as braids, locs and twists), color, creed, religion, national origin, sex, sexual orientation, gender identity, disability, age, marital status, genetic information, status with regard to public assistance, veteran status, or any other protected class status that is interfering with your job performance, or creating an intimidating, hostile, or offensive work environment; or when submission to such conduct is:

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

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

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

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

- use of offensive or demeaning terms that have sexual connotations;
- telling suggestive jokes or stories and conversations about sexual exploits, sexual preferences, and desires;
- jokes, cartoons, pictures, objects or stories that have a sexual content;
- comments about an individual's body or appearance where such comments go beyond mere courtesy;
- threats, demands or suggestions, whether subtle or obvious that an employee's work status, advancement or other terms and conditions of employment are contingent upon the employee's toleration of or acquiescence to unwelcome sexual advances;
- repeated, unwelcome sexual flirtations, propositions, or invitations to social engagements; or
- unwelcome and objectionable physical contact or physical proximity.

Scope of Policy

The Utilities prohibits harassment of any type or form. This policy prohibits same sex harassment as well as harassment by members of the opposite sex. In addition, this policy prohibits sexual harassment and any other form of harassment by any individual, including Utilities managers, employees, co-workers, and third parties such as clients, elected officials, consultants, contractors or vendors who deal with the Utilities' employees. This policy applies to social media posts, tweets, etc., that are about or may be seen by employees, managers, clients, etc.

Procedure for Reporting Harassment

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

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

your supervisor; and/or

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

the Human Resources Representative.

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

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

Employees who observe sexual harassment or discriminatory behavior must promptly report these observations under this policy.

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

Confidentiality – No Retaliation

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

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

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

Questions About This Policy

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

6. BUSINESS CONDUCT

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

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

1. Not performing assigned duties to the best of the employee's ability at all times.
2. Not rendering prompt and courteous service to customers and the public at all times.

3. Not maintaining courtesy and professionalism towards other employees.
4. Unauthorized possession of Utilities property.
5. Falsifying timekeeping records or any other Utilities records.
6. Dishonesty or intentional misrepresentation or omission of facts.
7. Violating the Utilities' work rules regarding alcohol and illegal drugs.
8. Violating the Utilities' rules regarding Electronic Communications.
9. Fighting or threatening violence in the workplace.
10. Negligence or improper conduct leading to damage of employer-owned or customer-owned property.
11. Insubordination or other disrespectful conduct, including failing to respond to warnings or directives to improve conduct or performance.
12. Violation of safety or health rules.
13. Sexual or other unlawful or unwelcome harassment.
14. Unauthorized possession of firearms or any object that could be considered a dangerous weapon (or other violation of the Utilities' weapons policy).
15. Excessive absenteeism or any absence without reasonable notice.
16. Unauthorized disclosure of business secrets or confidential information.
17. Misuse of Utilities resources.
18. Any other behavior unacceptable to Utilities management or any conduct inconsistent with the policies in this Handbook or the rules, practices or standards of the Utilities.

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

7. ETHICS, GIFTS AND CONFLICTS OF INTEREST

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

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

8. EMPLOYMENT OF RELATIVES

It is generally the policy of the Utilities not to employ relatives or cohabitants of current employees or Utilities Commissioners. The purpose of this policy is to prevent conflicts of interest, the appearance of such conflicts, undue influence over an individual's employment, and distraction from workplace productivity and safety. Occasional exceptions may be made to this general policy for legitimate business reasons in the discretion of the Utilities; provided, however, that in no event will relatives or cohabitants be permitted to be in a direct reporting relationship at the Utilities. "Relative" for purposes of this policy includes parent, marital or non-marital domestic spouse, sibling, child and step-child, grandparent, grandchild, parent-in-law, a person for whom the employee is a legal guardian, first cousin, sibling-in-law, son/daughter-in-law, niece/nephew, and aunt/uncle.

9. WHISTLEBLOWERS

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

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

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

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

10. WAGE INFORMATION

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

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

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

11. WEAPONS PROHIBITED

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

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

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

12. EMPLOYEE SAFETY

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

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

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

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

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

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

13. COMMITMENT TO A DRUG AND ALCOHOL-FREE WORKPLACE

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

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

Prohibited Conduct

The Utilities expressly prohibits the following activities at any time that the employee or other person is either (1) on the Utilities' facilities (whether or not the employee is working) or (2) on duty or conducting Utilities business (either on or away from the Utilities' facilities) (the locations in (1) and (2) above are collectively referred to as the "Workplace" under this policy):

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

While the use of cannabis has been legalized under the laws of some states, it remains an illegal drug under federal law and it is a substance that can cause impairment. Its use in, or impact on, the Workplace is prohibited by the Utilities' policy. The Utilities does not discriminate against employees on the basis of their off-duty use of cannabis that is in compliance with any applicable state law. However, employees may not possess, consume or be impaired by cannabis while in the Workplace, even if the employee has a valid prescription for medical cannabis. This includes the use or possession of lower-potency hemp products containing THC.

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

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

Utilities-Sponsored Events

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

Workplace Searches and Inspections

In order to achieve the goals of this policy and maintain a safe, healthy, and productive work environment, the Utilities reserves the right at all times to search employees at the Workplace, as well as their surroundings and possessions, for substances or materials in violation of this policy. This right extends to the search or inspection of clothing, desks, bags, briefcases, containers, packages, boxes, lunch boxes, and any vehicles on or in the Workplace where prohibited items may be concealed. Employees should have no expectation of privacy while in the Workplace, except in restrooms, locker rooms, or dressing areas.

Drug Testing

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

14. EXPOSURE TO HAZARDOUS SUBSTANCES

Any employee routinely exposed to hazardous substances or harmful physical agents as defined in the Minnesota Employee Right to Know Act (Minn. Stat. § 182.65 et seq.) shall be trained before being assigned or reassigned work exposing the employee to such substances or agents and shall be given training annually thereafter. Training shall include an explanation of how and where information about hazards is stored in the workplace, how the hazards are labeled, and where to obtain specific information. The supervisor (or other designee) shall provide for such training and for compliance with the Minnesota Employee Right to Know Act, including the establishment of specific policies to insure compliance with the state law and regulations. An employee acting in good faith has the right to refuse to work under conditions which the employee reasonably believes present an imminent danger of death or serious physical harm to the employee.

15. SOLICITATION AND DISTRIBUTION

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

The term *solicitation* means any oral or electronic communication that encourages, advocates, demands, or requests any position or action or contribution of money, time,

effort, personal involvement or membership in any organization or the sale or purchase of any merchandise or service.

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

Non-Employees

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

Employees

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

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

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

Related Policies

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

Violation of This Policy By an Employee

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

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

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

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

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

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

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

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

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

- Employees must respect all copyrights and intellectual property rights of others' materials, and may not copy, retrieve, modify or forward copyrighted, patented or trademarked materials except as permitted by the owner or as a single copy for reference use only.
- Internet and other ECS usage is not confidential. The Utilities receives detailed monthly reports on Internet usage by individual employees and the Utilities' software tracks each Internet site you visit.

Bandwidth Conservation

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

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

17. SUPPLEMENTAL EMPLOYMENT

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

Utilities employees must not receive compensation from another individual or employer for services performed during hours for which the employee is also being compensated by the Utilities. No employee of the Utilities will work for another employer or the employee's own business while using paid sick leave from the Utilities for those same hours.

Fire Department Participation

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

18. REPORT OF PERSONNEL CHANGES

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

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

19. ATTENDANCE

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

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

20. DISCIPLINE, DISMISSAL & LAY OFF

Discipline. The Utilities retains the right to take disciplinary and other action as it believes appropriate to manage employee performance and workplace conduct. The

type and level of discipline imposed will be at the Utilities' discretion based upon the nature and severity of the issue and the circumstances as a whole.

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

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

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

While the Utilities strives for consistency, the level of discipline taken in any given case does not establish a controlling precedent for future circumstances. This policy is not to be construed as contractual terms and is intended to serve only as a guide for employment discipline.

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

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

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

21. JOB POSTING

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

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

22. PERFORMANCE REVIEWS

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

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

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

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

Performance Metrics Incentives

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

WAGES AND HOURS

23. WORK HOURS, OVERTIME, AND COMPENSATORY TIME

General Policy

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

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

Overtime & Overtime Compensation

Overtime is earned and compensated as follows.

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

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

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

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

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

The eight hour and double time provisions above do not apply to travel and training time spent away from the regular workplace, but the forty-hour overtime pay provision does

apply in all cases where an employee is engaged in activity related to and/or required in connection with their Utilities employment.

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

Compensatory Time

Compensatory Time (“Comp Time”) is paid time off for earned overtime in lieu of direct pay. Comp Time is accrued at the rate of one and one-half hours (or, two hours for overtime earned for work on Sundays or designated holidays) for each hour of overtime earned. Comp Time may be accrued and taken in lieu of direct overtime pay in accordance with the following rules. Exempt employees do not qualify for Comp Time.

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

- If at the time an employee separates from employment with the Utilities they have accrued unused Comp Time, all such Comp Time will be paid out at the hourly pay rate the employee is earning at the time of separation.

24. EMPLOYEE CLASSIFICATIONS

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

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

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

Employees are classified according to the following definitions:

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

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

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

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

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

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

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

25. TIME REPORTING POLICY

General Policy

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

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

Recording Time

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

- Amount of Time Worked in increments of the nearest one-quarter hour;
- Description of the activities performed during the time worked;
- Identification of the account to be charged (accounting system designation); and

- The work order(s) to which the time applies (as appropriate).

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

Frequency

Non-exempt employees are required to fill out their timecards daily. It is preferred that employees fill out their timecards at the end of each completed workday, but timecards may be completed within the first hour of arriving at work on the subsequent workday. This is not intended to conflict with payroll deadlines for paperwork.

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

Time Deductions for Breaks

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

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

Ensuring Accuracy of Timekeeping Reports

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

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

PLEASE NOTE FURTHER: Because of the regularity of our break and work schedules, the Utilities automatically deducts scheduled unpaid lunch breaks. If an employee does not receive the 30-minute unpaid lunch break on any given shift, the Utilities will pay you for that 30-minutes. We can do so, however, only if you notify us that you did not get your break. ***It is your responsibility to provide this notice to your supervisor.*** A pattern of not

taking unpaid lunch breaks may subject an employee to discipline; but it will never result in the Utilities failing or refusing to pay for such time.

Special Note About Work Performed Outside of Scheduled Times and Places

Each non-exempt employee must accurately record and properly report all time spent performing work for the Utilities, regardless of the location where such work is performed. Employees generally should not perform work at times or places outside of the times and places they are scheduled to work by the Utilities. If a need for work outside of scheduled times or places is, or should be, anticipated, the employee should seek permission to perform such work from Utilities management in advance, and if permission is not secured in advance such work should generally not be performed. Performing work outside of scheduled and approved times and places may result in discipline; it shall not under any circumstances, however, result in an employee not being paid for time spent performing Utilities work. In the case of a non-exempt employee who is on call, the on-call stipend paid to the employee covers all compensation due for calls taken as to which there is no call out.

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

Further to the Special Note above: Time Worked Remotely

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

26. REMOTE WORK POLICY

Purpose

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

Elk River Municipal Utilities is committed to providing excellent customer service for our customers, as well as attracting and retaining critical employee talent, increasing productivity and efficiency and saving on workspace and costs. A remote work policy can

help provide these benefits. Working remotely should never be allowed to adversely affect external or internal service or operational needs of the Utilities.

General Guidelines

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

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

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

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

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

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

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

- The length of an employee's continuous, regular employment and degree of success performing their job duties.
- Remote work requires the same focus on job duties as if the employee were in the office; repeated interruptions from household members, pets or other distractions may disqualify an employee from remote work.
- There must be adequate department coverage during all standard hours.
- There must be no adverse impact on internal or external customers.
- There must be no known safety issues associated with working remotely.
- There must not be any known security issues with technology or otherwise.

- Employees working under a Performance Improvement Plan are not eligible for remote work.
- Internal and external customers must be given direction on who to contact in the employee's absence if the employee is not available during all business hours.
- A remote work schedule must not result in additional overtime for the employee or co-workers.
- The employee will not be allowed to work outside the State of Minnesota except when travelling on Utilities business or during time when the employee is otherwise scheduled to be away from work.
- The Utilities may end an employee's remote work arrangement at any time.
- There may be other or additional considerations when an employee with a qualifying disability requests remote work as a reasonable accommodation. The Utilities will follow its Reasonable Accommodations Policy and consider such requests on a case by case basis.

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

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

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

Work Hours, Calendars and Meetings

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

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

Exempt employees, (those who are classified as exempt from the overtime requirements of the FLSA) must follow the Utilities' applicable payroll and timekeeping policies as

discussed in Sections 25 and 27 of this Handbook and are generally accountable for their normal work week hours.

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

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

Remote workers must attend all required meetings, including those which normally would be held on a remote workday, and are also responsible for obtaining information from optional meetings when such meetings impact their work with the Utilities. Supervisors are responsible for setting expectations for their work teams regarding whether meeting attendance will be in-person, remote or hybrid, considering these guidelines:

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

Work Environment and Technology

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

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

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

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

Utilities Employment Policy and Benefits Coverage

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

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

27. FAIR PAY POLICY

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

ALL EMPLOYEES

Protection of Employee Rights

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

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

Record Your Time And Review Your Pay Stub

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

The Utilities makes every effort to ensure that its employees are paid correctly. Occasionally, however, inadvertent mistakes can happen. When mistakes happen, the Utilities will promptly make any corrections necessary to provide you with the pay to which you were entitled and as otherwise required by law. To assist the Utilities in its

efforts, please review your pay stub when you receive it to make sure it is correct. If you believe a mistake has occurred or if you have any questions, please use the following procedure.

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

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

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

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

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

NON-EXEMPT EMPLOYEES

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

You should not work any hours that are not scheduled or requested of you by the Utilities unless you are authorized to do so by your supervisor. Do not start work early, finish work late, work during a meal break or perform any other extra or overtime work unless you are authorized to do so and you record such time on your time card. Non-exempt employees are strictly prohibited from performing any "off-the-clock" work. "Off-the-clock" work

means work you perform but fail to report on your time card. Any employee who fails to report or inaccurately reports hours worked will be subject to disciplinary action, up to and including termination.

It is a violation of the Utilities' policy for any employee to falsify a time card, or to alter another employee's time card. It is also a serious violation of Utilities policy for any employee or manager to instruct another employee to incorrectly or falsely report hours worked or alter another employee's time card to under-report or over-report hours worked. If any manager or employee instructs you to either (1) incorrectly or falsely under-report or over-report your hours worked, or (2) alter another employee's time records to inaccurately or falsely report that employee's hours worked, you should report the situation immediately to the Payroll Specialist, the Finance Manager, or your supervisor/manager.

On Call Time For Non-Exempt Employees

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

EXEMPT EMPLOYEES

Salary Basis of Compensation

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

Attendance and Recording Time for Exempt Employees

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

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

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

On Call Time For Exempt Employees

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

Deductions from an Exempt Employee's Salary

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

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

Important Definitions.

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

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

Permissible Deductions from Salary.

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

- Full day absences for personal reasons.
- Full day absences for sickness or disability (which absence may otherwise be paid through any sick time benefits available to the salaried employee, if any).
- Full day disciplinary suspensions for infractions of the Employer's written policies and procedures.

- Full day disciplinary suspensions for violations of workplace safety rules of major significance.
- To offset amounts received as payment for jury and witness fees or military pay.
- The first or last week of employment in the event the employee works less than a full week.

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

Impermissible Deductions from Salary.

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

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

Permissible Deductions from An Exempt Employee's Leave Bank.

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

Questions or Concerns about This Fair Pay Policy

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

28. BREAKS FOR NURSING MOTHERS TO PUMP BREAST MILK

Employees who need to express breast milk for their infant child during the twelve (12) months following the birth of the child will be provided with reasonable break times for this purpose each day, as long as such breaks do not unduly disrupt company operations. As far as possible, such breaks must run concurrently with regular break times otherwise

provided; and must be arranged so that the requirements of the job can be adequately met by other staff on duty. It is not necessary for an employee to clock out for such breaks unless regular unpaid meal break time is being used; the Utilities will not reduce the compensation of any employee as a result of taking lactation breaks.

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

29. CALL OUT TIME: REGULAR FIELD WORKERS

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

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

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

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

30. ON-CALL

Regular Field Workers.

Required On-Call Rotation for Regular Field Workers.

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

Residency Rule. The residency rule applies to the regular field workers who may be required to serve on-call. The residency

rule is that these employees must live within a twenty (20) mile radius or thirty minute commute of the power plant.

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

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

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

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

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

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

on the same basis as do workers who are in an on-call rotation.

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

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

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

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

Superintendents.

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

Water Superintendent. The Water Superintendent is required to be available to triage or respond on an as-needed basis to emergency calls 24 hours a day, seven days a week without rotation. Such on-call time and availability is not working time. The Water Superintendent is not required to remain within the residency radius and does not receive

additional compensation for on-call time or for actual response time. The call out time policy does not apply to the Water Superintendent. The Water Superintendent shall arrange for another qualified Utilities employee to be on call: 1) during their scheduled vacation periods; 2) when it is necessary for the Water Superintendent to use accrued sick leave.

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

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

31. ELECTRIC RE-CONNECT TIME

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

32. STORM PAY

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

these assignments equally with priority on maintaining proper staffing levels at Elk River Municipal Utilities.

33. LEAD PAY DIFFERENTIAL

An employee who is currently a lineworker shall assume the duties of a lead lineworker when the lead lineworker is absent from a crew, *provided that* only the most senior lineworker on a crew shall assume the lead lineworker's duties. The lineworker assuming such duties shall receive a rate differential equal to 3% of the applicable rate of pay times the number of hours worked during which the lineworker assumed such lead duties.

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

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

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

34. LONGEVITY PAY

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

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

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

Milestone: Years of Service Longevity Pay Amount

8 years	\$1,550
---------	---------

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

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

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

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

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

35. PAYCHECK DEDUCTIONS

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

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

36. PAYCHECKS

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

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

37. NIGHTWORK REST TIME

The Utilities will provide regular field workers who must report to work between 10:00 p.m. and 6:00 a.m. with one (1) hour paid rest time per hour worked, with a minimum of two (2) hours of rest time earned per night work occurrence. Employees will not earn rest time for work performed during such window on Saturday or Sunday.

Regular field workers who are asked to perform snow removal/clean-up duties during the night work period are excluded from the two (2) hour paid rest time minimum and will instead receive one (1) hour of paid rest time for every hour of snow removal/clean-up performed between 10:00 p.m. to 6:00 a.m.

Additionally, the Utilities will provide a regular field worker with eight (8) hours of paid rest time when they have worked four (4) or more consecutive hours between the hours of 12:00 a.m. to 6:00 a.m.

The worker must make arrangements with their supervisor before taking such rest time. This nightwork rest time shall be taken during the next scheduled work shift. If the supervisor does not release the worker to take this nightwork rest time, all hours worked by the worker on the next scheduled shift shall be paid at one and one half times the worker's base rate of pay. It is the employee's responsibility to notify the supervisor and obtain approval prior to taking the rest time. It is also the employee's responsibility to take the nightwork rest time if it is approved by the supervisor. The employee's failure to take approved nightwork rest time shall result in forfeiture of such rest time.

Nightwork rest time does not apply and is not paid in connection with travel or training time away from the regular workplace.

38. TRAVEL AND TRAINING TIME

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

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

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

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

BENEFITS

39. GENERAL BENEFITS

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

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

40. VACATION

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

<u>Years of Service</u>	<u>Accrued Per Pay Period</u>	<u>Accrued Per Year</u>
0-3	4.00 hours	13 days
4-9	4.93 hours	16 days
10-11	5.24 hours	17 days
12-13	5.85 hours	19 days
14-15	6.16 hours	20 days
16-18	6.77 hours	22 days
19	7.70 hours	25 days
20-21	8.00 hours	26 days
22-23	8.31 hours	27 days
24+	8.62 hours	28 days

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

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

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

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

Unused vacation days may be carried over from year-to-year, but only to a limited extent, as follows. Unused vacation carryover will be limited to the number of hours accrued during the previous year. Accrued vacation days beyond the carryover limit are lost. For example, if an employee with 2 years of service has accrued but not used 15 vacation days by the end of the pay period containing their anniversary date, they will only be permitted to carryover 13 days to the next year.

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

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

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

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

41. PURCHASED VACATION TIME (PVT)

Upon starting employment and during each annual open enrollment period, an employee may purchase up to 40 hours of additional paid vacation time. If an employee decides to purchase vacation time, the employee pays for the hours on a pre-tax basis. The cost of the purchased vacation time will be deducted equally from each paycheck over the course of the year and paid out at the rate in effect upon payout.

Vacation is purchased in one-hour increments with a minimum purchase of eight hours and a maximum purchase of 40 hours. **Per IRS regulations, the purchased vacation time**

can only be used once the employee's entire accrued vacation time has been exhausted.

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

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

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

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

42. PAID SICK AND SAFE LEAVE

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

(a) Regular Full-time Employees

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

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

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

(b) Regular Part-time Employees

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

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

(c) Temporary Employees

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

(d) Earned Paid Sick Leave Use

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

- An employee's own:
 - Mental or physical illness, injury or other health condition
 - Need for medical diagnosis, care or treatment, of a mental or physical illness
 - injury or health condition
 - Need for preventative care
 - Closure of the employee's place of business due to weather or other public emergency
 - The employee's inability to work or telework because the employee is prohibited from working by the city due to health concerns related to the potential transmission of a communicable illness related to a public emergency, or seeking or awaiting the results of a diagnostic test for, or a medical diagnosis of, a communicable disease related to a public emergency and the employee has been exposed to a communicable disease or the city has requested a test or diagnosis.
 - Absence due to domestic abuse, sexual assault, or stalking of the employee provided the absence is to:
 - Seek medical attention related to physical or psychological injury or disability caused by domestic abuse, sexual assault, or stalking
 - Obtain services from a victim services organization
 - Obtain psychological or other counseling
 - Seek relocation or take steps to secure an existing home due to domestic abuse, sexual assault or stalking

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

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

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

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

(f) Advance Notice for use of Paid Sick Leave

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

(h) Retaliation prohibited

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

(i) Benefits and return to work protections

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

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

When there is a separation from employment with the Utilities and the employee is rehired again within 180 days of separation, previously accrued Paid Sick Leave that had not been used, will be

reinstated. An employee is entitled to use and accrue Paid Sick Leave at the commencement of reemployment.
their

43. PAID HOLIDAYS

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

<i>New Years Day</i>	<i>Labor Day</i>
<i>Martin Luther King Day</i>	<i>Veterans Day</i>
<i>Presidents Day</i>	<i>Thanksgiving Day</i>
<i>Memorial Day</i>	<i>Friday following Thanksgiving Day</i>
<i>Juneteenth Day</i>	<i>Christmas Eve Day</i>
<i>Independence Day</i>	<i>Christmas Day</i>

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

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

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

44. EMPLOYEE CLOTHING

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

For regular field workers potentially exposed to electric hazards, the Utilities will provide an initial issue of five fire retardant long sleeved shirts, five fire retardant pants, and five fire retardant tee shirts per outside employee exposed to electric hazards. A second set of five fire retardant long sleeved shirts, five fire retardant pants, and five fire retardant tee shirts will be issued after the probationary period. As an alternative option, one fire retardant hooded fleece may be substituted for two fire retardant long-sleeved shirts and/or one sweatshirt may be substituted for two long-sleeved shirts. Field Supervisors may substitute logoed fire retardant dress shirts for fire retardant uniform shirts. Provided clothing may also include: lineworker's climbing boots, summer work boots, rubber boots, rubber overshoes, insulated winter boots, and coveralls (used for maintenance on trucks). The Utilities will issue a check to the supplier for the covered items. For Commissioners and employees other than regular field workers, the Utilities will provide a \$120 annual allowance for Utilities logo clothing.

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

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

45. HEALTH CARE SAVINGS PLAN

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

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

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

- a. Employees with fewer than 10 years of service are required to contribute 1% of their gross wages.
 - b. Employees with fewer than 20 years of service and at least 10 years of service are required to contribute 2% of their gross wages.
 - c. Employees with at least 20 years of service are required to contribute 3% of their gross wages.
2. Employees who have accrued over 960 hours of sick time will have 50% of those hours converted to cash and deposited in their Post Employment Health Care Savings account. The conversion will take place once a year at the end of December.
3. Employees who voluntarily end their employment and who give the Utilities proper (generally at least two-weeks) notice, and employees whose employment ends involuntarily because of lack of work, will have 50% of unused sick leave, up to a maximum of 120 days, converted into cash and deposited into their Post Employment Health Care Savings account provided they sign and do not rescind an agreement releasing claims arising out of their employment, in a form prescribed by the Utilities. Employees involuntarily

terminated by the Utilities for any reason other than lack of work shall not be eligible to receive such conversion. No contributions will be accepted by the Plan on behalf of an employee after the death of the employee.

4. Employees who retire immediately eligible to claim their pension and who give the Utilities proper notice (generally at least two-weeks) shall have a portion of their unused sick, leave up to 960 hours, converted into cash and deposited into their Post Employment Health Care Savings account, but only on the condition that they sign and do not rescind an agreement releasing claims arising out of their employment, in a form prescribed by the Utilities. The amount of unused sick leave to be converted to cash and deposited into an employee's Post Employment Health Care Savings account will be determined by the number of years an employee has worked at ERMU at time of retirement. The chart below shows the years of service and percentage of unused sick leave eligible for conversion to the employee's Post Employment Health Care Saving Plan.

0-7 years	50%
8-11 years	55%
12-15 years	60%
16-19 years	65%
20-23 years	70%
24-27 years	80%
28-31 years	90%
32+ years	100%

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

46. 457 DEFERRED COMPENSATION

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

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

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

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

47. HEALTH INSURANCE COVERAGE

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

COVERAGE	MONTHLY EMPLOYEE SHARE
• Employee	\$114
• Employee + 1	\$228
• Family	\$346

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

48. DENTAL INSURANCE

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

49. LONG-TERM DISABILITY

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

50. LIFE INSURANCE

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

51. SHORT TERM DISABILITY INSURANCE

A Short-Term Disability Plan is provided to eligible employees who regularly work at least 30 hours per week. Scheduled benefit amount: 60% of weekly earnings subject to a maximum amount of \$1,000.00 per week. Employees may qualify for this benefit after a fourteen day elimination period with a maximum coverage amount up to eleven weeks. Employees should consult the Summary Plan Description ("SPD") for details regarding coverage and eligibility. A copy of this SPD will be provided to employees and is available upon request.

52. VISION INSURANCE

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

53. HOME COMPUTER LOAN POLICY

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

1. The purchased computer and software shall be new, not reconditioned, not used.
2. The purchased computer shall be used in the employee's home.
3. Employee must provide a receipt reflecting the purchase of this computer.
4. The Utilities will provide an interest-free loan for the purchase of this computer up to \$1,200.00, for a term not to exceed 12 months.

5. Employee will repay the computer loan to the Utilities in not more than 25 equal installment payments authorized and made through payroll deduction, upon the employee's election by signed authorization form.
6. Employee must maintain ownership and possession of the computer for the duration of the loan term.
7. If the employee leaves the Utilities before the loan is paid back in full, the Utilities will withhold the outstanding portion of the loan from the employee's final paychecks (including any check for unused and unpaid benefits) as authorized by the employee in the authorization form signed at the time the loan is made.

54. EDUCATIONAL ASSISTANCE

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

1. All full-time Utilities employees with at least three months of continuous employment are potentially eligible for reimbursement under this policy.
2. The Utilities may pay up to 100% reimbursement of the costs for tuition, registration, fees, books and course required materials after successful completion of a pre-approved course. Courses must be at accredited colleges, universities, or vocational schools or be short courses conducted by recognized professional training organizations.
3. A course may be approved if:
 - a) It is directly related to the employee's work for the Utilities.
 - b) It is required by a program of study leading to a degree that is directly related to the employee's work for the Utilities.
 - c) It will improve the employee's work for the Utilities.
 - d) It is expected to be completed within a time acceptable to the Utilities.
4. This policy will not cover recreational or personal interest courses.
5. Prior to registration, the employee must have full approval for the course from Utilities' management designated as having approval authority for such matters.
6. The Utilities reserves the right to disapprove educational assistance requests and to amend or eliminate this policy from time to time in its discretion.

7. Total reimbursements to an employee during the academic year may not exceed \$3,000.
8. Not eligible for reimbursement are costs of:
 - a) late fees and fees due to an employee error
 - b) meals, transportation, lodging, insurance, etc.
9. If an employee is eligible for education assistance from any outside source (e.g.: G.I. Bill, grants, scholarships, etc.), the employee must apply for any assistance first and request the balance through this Education Assistance Policy.
10. Termination of employment prior to completion of a course will disqualify the employee for educational assistance.
11. Courses not satisfactorily completed within the time expected or otherwise acceptable to the Utilities will not receive reimbursement but must instead be paid for by the employee.
12. Course attendance and preparation must take place outside of scheduled work hours and must not jeopardize the employee's work performance.
13. Employees will be paid for any time used in attending courses for which they are required by the Utilities to attend. All tuition and fees for such course will be paid for by the Utilities.

LEAVES OF ABSENCE

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

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

55. FAMILY MEDICAL LEAVE ACT

(a) Eligibility

To qualify to take FMLA leave under this policy, an employee must meet all the following conditions:

- Have worked for the Utilities for 12 months (or 52 weeks) prior to the date the leave is to commence. The 12 months or 52 weeks need not have been consecutive; however, the Utilities will not consider any service 7 years prior to the employee's most recent hire date.
- Have worked at least 1,250 hours during the 12-month period prior to the date when the leave is requested to commence. The principles established under the Fair Labor Standards Act ("FLSA") determine the number of hours worked by an employee.

(b) Types of Leave Covered by FMLA

Leave will be granted to all eligible employees for any of the following reasons:

- The birth of a child, including prenatal care, or placement of a child with the employee for adoption or foster care;
- To care for a spouse, child, or parent who has a serious health condition;
- Due to a serious health condition that makes the employee unable to perform the essential functions of the position;
- A covered military member's active duty or call to duty or to care for a covered military member (Military Caregiver and Qualified Exigency Leave) (described below).

(c) Definitions

- **"Spouse"** does not include domestic partners or common-law spouses.
- **"Caring for"** a covered family member includes psychological as well as physical care. It also includes acquiring care and sharing care duties. An eligible **"child,"** with some exceptions, is under 18 years of age.
- An eligible **"parent"** includes a biological parent or a person who stood in the place of a parent.
- **"Serious Health Condition"** means an illness, injury, impairment, or physical or mental condition that involves one of the following:
 - **Hospital Care:** Any period of incapacity or treatment connected with inpatient care (i.e., an overnight stay) in a hospital, hospice, or residential medical care facility;
 - **Pregnancy:** Any period of incapacity due to pregnancy, prenatal medical care or childbirth;

- **Absence Plus Treatment:** A period of incapacity of more than three consecutive calendar days that also involves continuing treatment by or under the supervision of a health care provider.
- **Chronic Conditions Requiring Treatments:** An incapacity from a chronic condition which requires periodic visits for treatment by a health care provider, continues over an extended period of time, and may cause episodic rather than a continuing period of incapacity;
- **Permanent/Long-Term Conditions Requiring Supervision**
- **Multiple Treatments:** Any period of absence to receive multiple treatments (including any period of recovery therefrom) by a health care provider or by a provider of health care services under orders of, or on referral by, a health care provider.

(d) Length and Amount of Leave

The length of FMLA leave is not to exceed twelve (12) weeks in any twelve (12) month period. The leave year is calculated based on a 12-month period measured forward.

(Example: Lucia takes FMLA leave for the first time on November 6th. She may use up to 12 workweeks of leave during the 12-month period that begins November 6th and ends November 5th of the next year.

The entitlement to FMLA leave for the birth or placement of a child for adoption expires twelve (12) months after the birth or placement of that child. See also Section 56, Parenting Leave, below.

(e) How Leave May be Taken

FMLA leave may be taken for 12 (or less) consecutive weeks, may be used intermittently (a day periodically when needed), or may be used to reduce the workweek or workday, resulting in a reduced hour schedule. In all cases, the leave may not exceed a total of 12 workweeks.

Intermittent leave may be taken when medically necessary for the employee's serious health condition or to care for a seriously ill family member. Intermittent leave must be documented in the medical certification form as medically necessary.

If an employee is taking intermittent leave or leave on a reduced schedule for planned medical treatment, the employee must make a reasonable effort to schedule the treatment so as to not disrupt the Utilities business.

In instances when intermittent or reduced schedule leave for the employee or employee's family member is foreseeable or is for planned medical treatment, including recovery from a serious health condition, the Utilities may temporarily transfer an employee to an available alternative position with equivalent pay and benefits if the alternative position would better accommodate the intermittent or reduced schedule.

Intermittent/reduced scheduled leave may be taken to care for a newborn or newly placed adopted or foster care child only with the Utilities approval.

(f) Procedure for Requesting Leave and Notice

All employees requesting FMLA leave must provide written or verbal notice of the need for the leave to Human Resources.

When the need for the leave is foreseeable, the employee must give verbal or written notice to his/her supervisor at least thirty (30) days prior to the date on which leave is to begin.

If thirty (30) days' notice cannot be given, the employee is required to give as much notice as practicable, including following required call-in procedures.

The Utilities requires an employee on FMLA leave to report periodically on the employee's status and intent to return to work.

(g) Certification and Documentation Requirements

For leave due to an employee's serious health condition or that of an employee's family member, the Utilities will require the completion of a Medical Certification form by the attending physician or practitioner. The form must be submitted by the employee to Human Resources within fifteen (15) calendar days after leave is requested. If the form is not submitted in a timely fashion, the employee must provide a reasonable explanation for the delay. Failure to provide medical certification may result in a denial or delay of the leave.

When leave is due to an employee's own serious health condition, a fitness for duty certification (FFD) will be required before an employee can return to work. Failure to timely provide such certification may eliminate or delay an employee's right to reinstatement under the FMLA.

If an employee is using intermittent leave and reasonable safety concerns exist regarding the employee's ability to perform their duties, a FFD certificate may be required as frequently as every 30 days during periods when the employee has used intermittent leave.

Recertification of leave may be required if the employee requests an extension of the original length approved by the Utilities or if the circumstances regarding the leave have changed. Recertification may also be required if there is a question as to the validity of the certification or if the employee is unable to return to work due to the serious health condition.

(h) Annual Medical Certification and Recertification

Where the employee's need for leave due to the employee's own serious health condition lasts beyond a single leave year, the Utilities will require employees to provide a new medical certification in each subsequent leave year.

(i) Reinstatement

Employees returning from Family and Medical Leave will be reinstated in the same position or a position equivalent in pay, benefits, and other terms and conditions of employment.

(j) Group Health Insurance and Other Benefits, Concurrent Leave and substitution of Paid Leave

An employee granted leave under this policy will continue to be covered under the Utilities group health and dental insurance plan under the same conditions and at the same level of the Utilities contribution as would have been provided had the employee been continuously employed during the leave period. The employee will be required to continue payment of the employee portion of group insurance coverage while on leave. Arrangements for payment of the employee's portion of premiums must be made by the employee with the Utilities.

If there are changes in the Utilities contribution levels while the employee is on leave, those changes will take place as if the employee were still on the job.

Rights to additional continued benefits will depend on whether leave is paid or unpaid. Any paid disability leave benefits (Short Term Disability or Long Term Disability), sick leave, vacation or compensatory time off available to employees for a covered reason (an employee's serious health condition or a covered family member's serious health condition, including worker's compensation leave and Minnesota State Parenting Leave) will run concurrently with FMLA.

(k) Failure to Return to Work After FMLA

Under certain circumstances, if the employee does not return to work at the end of the FMLA leave for at least 30 calendar days, the Utilities may require the employee to repay the portion of the monthly cost paid by the Utilities for group health plan benefits. The Utilities may also require the employee to repay any amounts the Utilities paid on the employee's behalf to maintain benefits other than group health plan benefits.

(l) Activities Prohibited During FMLA

While on leave, an employee may not engage in activities (including employment) which have the same or similar requirements and essential functions of an employee's current position.

While on leave, an employee may not engage in any activity that conflicts with the best interests of the Utilities. Such conduct will result in disciplinary action up to and including termination of employment.

Employees seeking a medical leave of absence will be required to present medical documentation to support the need for the leave, on-going documentation to support the need for continued leave, and documentation to support a return to work.

During Unpaid Medical Leave, employees will be expected to keep in regular contact with human resources. When you anticipate your return to work, please notify human resources of your expected return date at least one week before the end of your leave.

Employees on an Unpaid Medical Leave of Absence may be subject to COBRA notice and continuation benefits and will be solely responsible for payment of the entire COBRA.

Failure to keep in touch with management during your leave, failure to advise management of your availability to return to work, or failure to return to work following leave will be considered a voluntary resignation of your employment.

(m) FMLA – Qualified Exigency and Military Caregiver Leave

Eligible employees (described above) whose spouse, son, daughter, or parent either has been notified of an impending call or order to covered active military duty or who is already on covered active duty may take up to 12 weeks of leave for reasons related to or affected by the family member's call-up or service.

The qualifying exigency must be one of the following: (1) short-notice deployment; (2) military events and activities; (3) childcare and school activities; (3) financial and legal arrangements; (5) counseling; (6) rest and recuperation; (7) post-deployment activities; (8) parental care; or (9) additional activities that arise out of active duty, provided that the employer and employee agree, including agreement on timing and duration of the leave.

(n) Military Caregiver Leave

An employee eligible for FMLA leave (described above) who is the spouse, son, daughter, parent, or next of kin of a covered servicemember may take up to 26 weeks in a single 12-month period to care for that servicemember.

The family member must be a current member of the Armed Forces (including a member of the National Guard or Reserves), who has a serious injury or illness incurred in the line of duty on active duty for which they are undergoing medical treatment, recuperation, or therapy, or otherwise is on outpatient status or on the temporary disability retired list. Eligible employees may not take leave under this provision to care for former members of the Armed Forces, former members of the National Guard and Reserves, or members on the permanent disability retired list.

(o) Definitions

- A “**son or daughter of a covered servicemember**” means the covered servicemember’s biological, adopted, or foster child, stepchild, legal ward, or a child for whom the covered servicemember stood in loco parentis, and who is of any age.
- A “**parent of a covered servicemember**” means a covered servicemember’s biological, adoptive, step, or foster father or mother, or any other individual who

stood in loco parentis to the covered servicemember. This term does not include parents “in law.”

- The “**next of kin of a covered servicemember**” is the nearest blood relative, other than the covered servicemember’s spouse, parent, son, or daughter, in the following order of priority: blood relatives who have been granted legal custody of the servicemember by court decree or statutory provisions, brothers and sisters, grandparents, aunts and uncles, and first cousins, unless the covered servicemember has specifically designated in writing another blood relative as their nearest blood relative for purposes of military caregiver leave under the FMLA. When no such designation is made, and there are multiple family members with the same level of relationship to the covered servicemember, all such family members shall be considered the covered servicemember’s next of kin and may take FMLA leave to provide care to the covered servicemember, either consecutively or simultaneously. When such designation has been made, the designated individual shall be deemed to be the covered servicemember’s only next of kin.
- “**Covered active duty**” means:
 - “Covered active duty” for members of a regular component of the Armed Forces means duty during deployment of the member with the Armed Forces to a foreign country.
 - “Covered active duty” for members of the reserve components of the Armed Forces (members of the U.S. National Guard and Reserves) means duty during deployment of the member with the Armed Forces to a foreign country under a call or order to active duty in a contingency operation as defined in section 101(a)(13)(B) of Title 10 of the United States Code.
- “**Covered servicemember**” means:
 - An Armed Forces member (including the National Guard or Reserves) undergoing medical treatment, recuperation, or therapy or otherwise in outpatient status or on the temporary disability retired list, for a serious injury or illness”; or
 - A veteran who is undergoing medical treatment, recuperation, or therapy, for a serious injury or illness and who was a member of the Armed Forces (including a member of the National Guard or Reserves) at any time during the period of 5 years preceding the date on which the veteran undergoes that medical treatment, recuperation, or therapy.
- “**Serious injury or illness**” means:
 - In the case of a member of the Armed Forces (including a member of the National Guard or Reserves), means an injury or illness that was incurred by the member in line of duty on active duty in the Armed Forces (or existed before the beginning of the member’s active duty and was aggravated by service in line of duty on active duty in the Armed Forces)

- and that may render the member medically unfit to perform the duties of the member's office, grade, rank, or rating; and
- In the case of a veteran who was a member of the Armed Forces (including a member of the National Guard or Reserves) at any time during a period when the person was a covered servicemember, means a qualifying (as defined by the Secretary of Labor) injury or illness incurred by a covered servicemember in the line of duty on active duty that may render the servicemember medically unfit to perform the duties of their office, grade, rank or rating.

(p) Amount of Leave – Qualified Exigency

An eligible employee can take up to 12 weeks of leave for a qualified exigency.

(q) Amount of Leave – Military Caregiver

An eligible employee taking military caregiver leave is entitled to 26 workweeks of leave during a “single 12-month period.” The “single 12-month period” begins on the first day the eligible employee takes FMLA leave to care for a covered servicemember and ends 12 months after that date.

Leave taken for any FMLA reason counts towards the 26-week entitlement. If an employee does not take all 26 workweeks of leave to care for a covered servicemember during this “single 12-month period,” the remaining part of the 26 workweeks of leave entitlement to care for the covered servicemember is forfeited. 29 C.F.R. § 825.127(e)(1) (2017).

(r) Certification of Qualifying Exigency for Military Family Leave

The Utilities will require certification of the qualifying exigency for military family leave. The employee must respond to such a request within 15 days of the request or provide a reasonable explanation for the delay. Failure to provide certification may result in a denial of continuation of leave. This certification will be provided using the DOL Certification of Qualifying Exigency for Military Family Leave.

(s) Certification for Serious Injury or Illness of Covered Servicemember for Military Family Leave

The Utilities will require certification for the serious injury or illness of the covered servicemember. The employee must respond to such a request within 15 days of the request or provide a reasonable explanation for the delay. Failure to provide certification may result in a denial of continuation of leave. This certification will be provided using the DOL Certification for Serious Injury or Illness of Covered Servicemember.

All other provisions of the FMLA policy, including Use of Paid Leave, Employee Status and Benefits During Leave, Procedure for Requesting Leave, and Benefits During Leave and Reinstatement, are outlined above in the FMLA policy.

56. PARENTING LEAVE

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

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

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

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

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

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

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

57. SCHOOL ACTIVITIES LEAVE POLICY

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

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

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

58. BONE MARROW AND ORGAN DONATION LEAVE

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

59. NATIONAL GUARD AND RESERVE LEAVE

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

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

60. MILITARY LEAVE FOR UNIFORMED SERVICE

Except as provided otherwise in the National Guard and Reserve Leave Policy above, employees who are members of, apply to perform, or have an obligation to perform service in a uniformed service will be granted an unpaid leave of absence to perform such service. Military leave requests shall be made to the immediate supervisor. The term "uniformed service" means the Armed Forces, the Army National Guard and the Air National Guard when engaged in active duty, active duty for training, initial active duty for training,

inactive duty training, full-time National Guard duty, the commissioned corps of the Public Health Service, and any other category of persons designated by the President in time of war or emergency. As soon as an employee is informed of the dates of the military training, they should notify their supervisor and request a leave of absence, even if they have not yet received written orders.

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

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

61. JURY/WITNESS DUTY LEAVE

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

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

62. PERSONAL LEAVE DAY

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

63. BEREAVEMENT LEAVE

A leave of absence, with pay and fringe benefits may be granted to a regular full-time employee for a maximum of three (3) days in the event of the death of a spouse, domestic partner, child (including stepchild, foster child, or another child for whom the employee serves as primary guardian), parent (including stepparent, foster parent, or other individual who served the role of an employee's parental figure or guardian), parent-in-law, sibling, sibling-in-law, grandparent (including step-grandparent), or grandchild (including step-grandchild).

Additionally, a leave of absence with pay and fringe benefits may be granted to a full-time employee for up to one (1) day in the event of the death of an aunt, uncle, cousin, niece, or nephew.

With the approval of ERMU's general manager, additional leave may be granted in certain unique family arrangements.

64. GENERAL LEAVE

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

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

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

65. VOTING LEAVE; SERVICE AS ELECTION JUDGE

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

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

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

66. PAID LEAVE DONATION

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

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

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

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

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

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

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

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

RECEIPT AND ACKNOWLEDGMENT

(EMPLOYER COPY:

MUST BE SIGNED AND RETURNED TO MANAGEMENT)

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

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

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

Date

Print or Type Name

Employee Signature



UTILITIES COMMISSION MEETING

TO: ERMU Commission	FROM: Mark Hanson – General Manager
MEETING DATE: July 9, 2024	AGENDA ITEM NUMBER: 5.1
SUBJECT: 2024 Compensation Study Update	
ACTION REQUESTED: Approve a Revised Pay Plan, Implementation Method, and Implementation Date	

BACKGROUND:

At the June 2024 commission meeting, the Commission received Baker Tilly's 2024 Compensation Study, including a proposed pay plan. Sarah Towne, Baker Tilly's consulting manager, reviewed the process used to identify the market pay averages and develop a proposed pay plan. She stated on average, ERMU is 4.4% below market at the minimum, 9.5% below market at the midpoint, and 12.8% below market at the maximum. This under-market positioning likely impacts ERMU's ability to attract and retain talent.

Ms. Towne then reviewed the differences between ERMU's existing pay plans and Baker Tilly's proposed plan. Most notably, the proposed plan is a single plan across all the pay categories. ERMU currently maintains four separate pay plans: managers, office, field, and lineworkers. By consolidating all positions into a single plan, job evaluation driven grade assignments are more consistent and equitable. The second significant difference is the proposed plan is a 9-step plan instead of the existing five-step plans. Lastly, Ms. Towne presented four possible implementation scenarios for how to transition staff from ERMU's existing pay plans to the proposed plan.

After discussing the proposed pay plan and implementation scenarios, the Commission generally agreed a 9-step plan was too long. Additionally, commission members generally agreed it was in ERMU's best interest to strive for slightly market leading maximums.

In closing, the Commission directed staff to work with Baker Tilly to develop a revised 7-step plan with the same maximums as the 9-step plan. Commission members also asked staff to provide examples of how staff would transition from ERMU's current plan to the proposed plan, and to determine whether the surveyed comparable peers offered incentive pay programs.

DISCUSSION:

Baker Tilly's Sarah Towne will present two options for a 7-step pay plan. A 7-step plan offers a balanced approach by providing more frequent salary adjustments than the existing 5-step

plan, but not as many as the proposed 9-step plan. This ensures that employees receive regular pay increases while maintaining the perception of meaningful progression.

- Pay Plan “A”
 - Maxes out at the former Step 9 amounts presented in June
 - Represents a slightly market leading plan (14.9% average increase)
 - Positions ERMU's pay at approximately 2% above market average at Step 7
- Pay Plan “B”
 - Maxes out at the former Step 8 amounts presented in June
 - Represents a slightly market lagging plan (10.9% average increase)
 - Positions ERMU's pay at approximately 2% below market average at Step 7

Associated implementation scenarios for each plan will also be provided. Three revised implementation scenarios are described below. Regardless of which scenario is selected, no employee would transition into a step that results in a pay decrease. The first attachment provides comparative examples for each scenario.

- 1) Scenario 1: **Closest** Step without a Decrease. This scenario places employees at the closest higher step from their current salary, ensuring no reduction in pay while aligning with the new pay plan.
- 2) Scenario 2: Stay on **Current** Step. This scenario keeps all employees at their current step level. Since Step 5 employees would increase to the new max over three years (Steps 5-7), this option most closely resembles the transition process presented to the commission in November 2023.
- 3) Scenario 3: Steps based on years in position. This scenario only looks at the number of years spent in their current position, regardless of current step or prior experience. Due to their similarity to Scenario 2, costs for this option are not included in this report.

Commission members asked staff to research which of the comparable peers surveyed in the study also had a performance-based incentive (PBI) program. Of the ten peer utilities surveyed, six have existing PBI programs. Of the four utilities that did not currently have a PBI program, two stated they were interested in creating one.

As a follow-up question, staff was asked to estimate the implementation costs over the next three years, assuming a 4% cost of living adjustment (COLA) and a 2080-hour work year. The average monthly impact to ERMU's roughly 19,000 metered accounts is also provided. Scenario 1 assumes backpay to early January 2024 since the \$135K budgeted for comp study transition costs exceeds the 2024 implementation cost. Scenario 2 assumes a delayed effective date to prevent the 2024 implementation costs from exceeding the budgeted transition amount.

Pay Plan A: Step 7 = Former Column 9 (Slightly Market Leading)

1) Closest Step	2024	2025	2026	2027	Total
Transition	\$135,000*	\$217,659	\$162,843	\$121,045	\$641,015
4% COLA	\$0	\$8,706	\$6,514	\$4,842	\$20,062
Total:	\$135,000	\$226,365	\$169,356	\$125,887	\$661,077

Cost per Account:	\$0.61	\$0.99	\$0.74	\$0.55
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*Scenario 1 assumes backpay to early January.

2) Current Step	2024	2025	2026	2027	Total
Transition	\$135,000*	\$225,530	\$171,055	\$34,466	\$566,051
4% COLA	\$0	\$9,021	\$6,842	\$1,379	\$17,242
Total:	\$135,000	\$234,551	\$177,897	\$35,845	\$583,293
Cost per Account:	\$0.59	\$1.03	\$0.78	\$0.16	

*Scenario 2 assumes a delayed effective date due to transition budget.

Pay Plan B: Step 7 = Former Column 8 (Slightly Market Lagging)

1) Closest Step	2024	2025	2026	2027	Total
Transition	\$110,576*	\$173,130	\$105,568	\$99,726	\$489,000
4% COLA	0	\$6,925	\$4,223	\$3,989	\$15,137
Total:	\$110,576	\$180,055	\$109,791	\$103,715	\$504,137
Cost per Account:	\$0.48	\$0.79	\$0.48	\$0.45	

*Scenario 1 assumes backpay to January 1.

2) Current Step	2024	2025	2026	2027	Total
Transition	\$135,000*	\$168,260	\$108,521	\$28,662	\$440,442
4% COLA	0	\$6,730	\$4,341	\$1,146	\$12,218
Total:	\$135,000	\$174,990	\$112,862	\$29,808	\$452,660
Cost per Account:	\$0.59	\$0.50	\$0.76	\$0.13	

*Scenario 2 assumes a delayed effective date due to transition budget.

As shown in the above tables, if implemented in 2024, costs would be limited to the \$135K budgeted for implementation costs. Although past performance does not guarantee future results, ERMU's past margins would indicate our rates would not need to be adjusted solely due to the implementation of the proposed pay plan. We could absorb the anticipated annual costs shown above and still meet our commission-approved margins.

NEXT STEPS:

In addition to approving a pay plan, the Commission will need to select an implementation scenario and an effective date. Once a pay plan is approved, Baker Tilly will provide a final report documenting the process, the results, and the approved pay plan. Staff will update our payroll system in accordance with the approved plan, implementation scenario, and effective date. If the effective date is in the past, backpay will be calculated and paid out as required.

ATTACHMENT:

- Proposed Pay Plan Options
- Example Implementation Scenarios

Pay Plan Options

Pay Plan A: Step 7 = Former Column 9 (Slightly Market Leading)

Grad	1	2	3	4	5	6	7	Midpoint Differential	Step Diff	Proposed Range Spread
1	\$47,393	\$49,881	\$52,500	\$55,256	\$58,157	\$61,210	\$64,424		5.3%	35.9%
2	\$49,387	\$52,177	\$55,125	\$58,240	\$61,530	\$65,007	\$68,679	5.0%	5.7%	39.1%
3	\$54,326	\$57,395	\$60,638	\$64,064	\$67,684	\$71,508	\$75,548	10.0%	5.7%	39.1%
4	\$56,499	\$59,691	\$63,064	\$66,627	\$70,392	\$74,369	\$78,571	4.0%	5.7%	39.1%
5	\$58,760	\$62,080	\$65,587	\$69,293	\$73,208	\$77,344	\$81,714	4.0%	5.7%	39.1%
6	\$61,110	\$64,562	\$68,210	\$72,064	\$76,135	\$80,437	\$84,982	4.0%	5.7%	39.1%
7	\$64,165	\$67,791	\$71,621	\$75,668	\$79,943	\$84,460	\$89,232	5.0%	5.7%	39.1%
8	\$67,374	\$71,180	\$75,202	\$79,451	\$83,940	\$88,682	\$93,693	5.0%	5.7%	39.1%
9	\$70,742	\$74,739	\$78,962	\$83,423	\$88,137	\$93,117	\$98,378	5.0%	5.7%	39.1%
10	\$76,402	\$80,718	\$85,279	\$90,097	\$95,188	\$100,566	\$106,248	8.0%	5.7%	39.1%
11	\$83,538	\$87,715	\$92,101	\$96,706	\$101,541	\$106,618	\$111,949	8.0%	5.0%	34.0%
12	\$91,057	\$95,610	\$100,390	\$105,410	\$110,680	\$116,214	\$122,025	9.0%	5.0%	34.0%
13	\$101,123	\$105,674	\$110,429	\$115,398	\$120,591	\$126,018	\$131,689	10.0%	4.5%	30.2%
14	\$110,225	\$115,185	\$120,368	\$125,785	\$131,445	\$137,360	\$143,541	9.0%	4.5%	30.2%
15	\$120,145	\$125,551	\$131,201	\$137,105	\$143,275	\$149,722	\$156,460	9.0%	4.5%	30.2%
16	\$126,763	\$131,517	\$136,449	\$141,566	\$146,875	\$152,382	\$158,097	4.0%	3.8%	24.7%
17	\$134,369	\$139,408	\$144,636	\$150,060	\$155,687	\$161,525	\$167,583	6.0%	3.8%	24.7%
18	\$142,431	\$147,773	\$153,314	\$159,063	\$165,028	\$171,217	\$177,637	6.0%	3.8%	24.7%
19	\$150,977	\$156,639	\$162,513	\$168,607	\$174,930	\$181,490	\$188,296	6.0%	3.8%	24.7%
20	\$187,212	\$194,232	\$201,516	\$209,073	\$216,913	\$225,047	\$233,487	24.0%	3.8%	24.7%

Pay Plan B: Step 7 = Former Column 8 (Slightly Market Lagging)

Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Midpoint Differential	Step Diff (1-4)	Step Diff (4-7)	Range Spread
1	\$46,725	\$49,528	\$52,500	\$55,650	\$57,737	\$59,902	\$62,148		6.00%	3.75%	33%
2	\$48,601	\$51,761	\$55,125	\$58,708	\$61,056	\$63,499	\$66,039	5.00%	6.50%	4.00%	36%
3	\$53,462	\$56,937	\$60,638	\$64,579	\$67,163	\$69,849	\$72,643	10.00%	6.50%	4.00%	36%
4	\$55,601	\$59,215	\$63,064	\$67,163	\$69,850	\$72,644	\$75,549	4.00%	6.50%	4.00%	36%
5	\$57,825	\$61,584	\$65,587	\$69,850	\$72,644	\$75,550	\$78,572	4.00%	6.50%	4.00%	36%
6	\$60,138	\$64,047	\$68,210	\$72,644	\$75,549	\$78,571	\$81,714	4.00%	6.50%	4.00%	36%
7	\$63,145	\$67,250	\$71,621	\$76,276	\$79,327	\$82,501	\$85,801	5.00%	6.50%	4.00%	36%
8	\$66,303	\$70,612	\$75,202	\$80,090	\$83,294	\$86,625	\$90,091	5.00%	6.50%	4.00%	36%
9	\$69,618	\$74,143	\$78,962	\$84,095	\$87,458	\$90,957	\$94,595	5.00%	6.50%	4.00%	36%
10	\$75,187	\$80,074	\$85,279	\$90,822	\$94,455	\$98,233	\$102,163	8.00%	6.50%	4.00%	36%
11	\$81,970	\$86,888	\$92,101	\$97,627	\$101,044	\$104,581	\$108,241	8.00%	6.00%	3.50%	32%
12	\$89,347	\$94,708	\$100,390	\$106,413	\$110,138	\$113,993	\$117,982	9.00%	6.00%	3.50%	32%
13	\$98,281	\$104,178	\$110,429	\$117,055	\$120,566	\$124,183	\$127,909	10.00%	6.00%	3.00%	30%
14	\$107,127	\$113,555	\$120,368	\$127,590	\$131,418	\$135,360	\$139,421	9.00%	6.00%	3.00%	30%
15	\$116,768	\$123,775	\$131,201	\$139,073	\$143,245	\$147,543	\$151,969	9.00%	6.00%	3.00%	30%
16	\$128,616	\$132,475	\$136,449	\$140,542	\$144,759	\$149,102	\$153,575	4.00%	3.00%	3.00%	19%
17	\$136,333	\$140,423	\$144,636	\$148,975	\$153,444	\$158,048	\$162,789	6.00%	3.00%	3.00%	19%
18	\$144,513	\$148,849	\$153,314	\$157,913	\$162,651	\$167,530	\$172,556	6.00%	3.00%	3.00%	19%
19	\$153,184	\$157,780	\$162,513	\$167,388	\$172,410	\$177,582	\$182,910	6.00%	3.00%	3.00%	19%
20	\$189,948	\$195,647	\$201,516	\$207,561	\$213,788	\$220,202	\$226,808	24.00%	3.00%	3.00%	19%

Example Implementation Scenarios
(All examples are currently at Step 5)

(All examples are currently at Step 5)													Midpoint				Maximum				Scenario 1 Closest Step, no Decr.				Scenario 2 Stay on Current Step				Scenario 3 Steps based on YIP			
Current Salary	YIP	Plan Grade	Minimum							Midpoint							Maximum				Scenario 1 Closest Step, no Decr.				Scenario 2 Stay on Current Step				Scenario 3 Steps based on YIP			
			1	2	3	4	5	6	7	1	2	3	4	5	6	7	New Step Amount	Increase Amount	New Step	New Step Amount	Increase Amount	New Step	New Step Amount	Increase Amount	New Step	New Salary	Increase Amount	New Step				
\$127,566	5	17		\$134,369	\$139,408	\$144,636	\$150,060	\$155,687	\$161,525	\$167,583							\$134,369	\$6,803	1	\$134,369	\$155,687	\$28,121	5	\$155,687	\$28,121	5	\$155,687	\$28,121	5			
\$136,864	4	17		\$134,369	\$139,408	\$144,636	\$150,060	\$155,687	\$161,525	\$167,583							\$139,408	\$2,544	2	\$139,408	\$155,687	\$18,823	5	\$155,687	\$18,823	5	\$150,060	\$13,196	4			
\$136,864	4	17		\$134,369	\$139,408	\$144,636	\$150,060	\$155,687	\$161,525	\$167,583							\$139,408	\$2,544	2	\$139,408	\$155,687	\$18,823	5	\$155,687	\$18,823	5	\$150,060	\$13,196	4			
\$95,826	8	11		\$83,538	\$87,715	\$92,101	\$96,706	\$101,541	\$106,618	\$111,949							\$96,706	\$880	4	\$96,706	\$101,541	\$5,716	5	\$101,541	\$5,716	5	\$111,949	\$16,124	7			
\$95,826	4	11		\$83,538	\$87,715	\$92,101	\$96,706	\$101,541	\$106,618	\$111,949							\$96,706	\$880	4	\$96,706	\$101,541	\$5,716	5	\$101,541	\$5,716	5	\$96,706	\$880	4			
\$95,826	1	11		\$83,538	\$87,715	\$92,101	\$96,706	\$101,541	\$106,618	\$111,949							\$96,706	\$880	4	\$96,706	\$101,541	\$5,716	5	\$101,541	\$5,716	5	\$96,706	\$880	4			

New ERMU Compensation Plan

7/2/24

- New plan takes effect 1-1-25
- Employees will slot into the same step they are on the old plan. You shouldn't have to lose time in service years when slotting into the new plan. For example if you are making \$75,000 and you are currently at step 5 and the new plan says that wage puts you at Step 3, you are going backwards and are not getting credit for your longevity.
- Use the Market "Stay on Current Step" 7 step plan
- Add \$150,000 line item to 2025 budget and \$150,000 line item to 2026 budget for additional wages in new compensation plan
- Employees will increase $\frac{1}{2}$ step in 2025 and $\frac{1}{2}$ step in 2026 essentially making it an 8 step plan. This would give us time to afford the increase. Even with a $\frac{1}{2}$ step (approximately 2.5% increase), cost of living increase (assume 4%) and 2025 UPMIC (assume 3%) that would still result in an overall increase of just under 10%.
- UPMIC would be paid to all in spring 2025.
- Change rules for UPMIC in 2025 affecting years starting in 2026. Starting with 2026 only employees who have spent one full year in the final step of their pay plan would be eligible for UPMIC. This would allow senior employees to receive more than just the COLA if they have used up all the steps of the pay plan. Those that are not at the top step are still receiving large yearly increases with the step increase and the annual COLA.
- Keep the current Longevity Plan in place starting with payouts after eight years of employment.

TO: ERMU Commission	FROM: Melissa Karpinski – Finance Manager
MEETING DATE: July 9, 2024	AGENDA ITEM NUMBER: 5.2
SUBJECT: Financial Report – May 2024	
ACTION REQUESTED: Receive the May 2024 Financial Report	

DISCUSSION:

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

Electric

May year to date (YTD) electric kWh sales are down 3% from the prior year. For further breakdown:

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

For May 2024, 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

May YTD gallons of water sold are up 7% from the prior year. For further breakdown:

- Residential use is up 7%
- Commercial use is down 8%

For May 2024, the Water Department overall is ahead of prior YTD and 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 05.2024
- Electric Balance Sheet 05.2024
- Water Balance Sheet 05.2024
- Summary Electric Statement of Revenues, Expenses and Changes in Net Position 05.2024
- Summary Water Statement of Revenues, Expenses and Changes in Net Position 05.2024
- Graphs Prior Year and YTD 2024

- Detailed Electric Statement of Revenues, Expenses and Changes in Net Position 05.2024
- Detailed Water Statement of Revenues, Expenses and Changes in Net Position 05.2024
- Budget vs Actual Graphs – Electric 05.2024
- Budget vs Actual Graphs – Water 05.2024

**ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
COMBINED BALANCE SHEET
FOR PERIOD ENDING MAY 2024**

	<u>ELECTRIC</u>	<u>WATER</u>
ASSETS		
CURRENT ASSETS		
CASH	5,771,470	5,450,338
ACCOUNTS RECEIVABLE	2,730,688	5,328,022
INVENTORIES	1,392,685	12,089
PREPAID ITEMS	225,759	52,015
CONSTRUCTION IN PROGRESS	1,536,682	2,788,214
TOTAL CURRENT ASSETS	<u>11,657,284</u>	<u>13,630,678</u>
RESTRICTED ASSETS		
BOND RESERVE FUND	1,779,016	0
EMERGENCY RESERVE FUND	7,191,602	4,176,341
UNRESTRICTED RESERVE FUND	0	0
TOTAL RESTRICTED ASSETS	<u>8,970,618</u>	<u>4,176,341</u>
FIXED ASSETS		
PRODUCTION	824,065	16,874,001
LFG PROJECT	0	0
TRANSMISSION	2,305,024	0
DISTRIBUTION	49,617,387	28,135,913
GENERAL	24,532,672	1,239,085
FIXED ASSETS (COST)	<u>77,279,148</u>	<u>46,249,000</u>
LESS ACCUMULATED DEPRECIATION	<u>(35,336,734)</u>	<u>(23,772,242)</u>
TOTAL FIXED ASSETS, NET	41,942,414	22,476,757
INTANGIBLE ASSETS		
POWER AGENCY MEMBERSHIP BUY-IN	21,546,212	0
LOSS OF REVENUE INTANGIBLE	6,223,278	0
LESS ACCUMULATED AMORTIZATION	<u>(3,784,949)</u>	<u>0</u>
TOTAL INTANGIBLE ASSETS, NET	23,984,542	0
OTHER ASSETS AND DEFERRED OUTFLOWS	690,058	126,311
TOTAL ASSETS	<u><u>87,244,916</u></u>	<u><u>40,410,088</u></u>
LIABILITIES AND FUND EQUITY		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	4,381,401	340,926
SALARIES AND BENEFITS PAYABLE	696,406	108,572
DUE TO CITY	759,180	1,113
DUE TO OTHER FUNDS	0	0
NOTES PAYABLE-CURRENT PORTION	0	0
BONDS PAYABLE-CURRENT PORTION	460,000	60,000
UNEARNED REVENUE	13,982	181,455
TOTAL CURRENT LIABILITIES	<u>6,310,970</u>	<u>692,065</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	28,235,319	1,559,174
PENSION LIABILITIES	2,720,477	500,450
TOTAL LONG TERM LIABILITIES	<u>30,955,796</u>	<u>2,059,624</u>
TOTAL LIABILITIES	<u>37,266,766</u>	<u>2,751,689</u>
DEFERRED INFLOWS OF RESOURCES	836,813	4,937,984
FUND EQUITY		
CAPITAL ACCOUNT CONST COST	1,779,016	0
CONTRIBUTED CAPITAL	0	0
RETAINED EARNINGS	46,802,217	33,120,013
NET INCOME (LOSS) (THROUGH PREVIOUS MONTH)	560,104	(399,598)
TOTAL FUND EQUITY	<u>49,141,337</u>	<u>32,720,415</u>
TOTAL LIABILITIES & FUND EQUITY	<u><u>87,244,916</u></u>	<u><u>40,410,088</u></u>

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

	May 31, 2024	April 30, 2024	Current Month Change from Prior Month
ASSETS			
CURRENT ASSETS			
CASH	5,771,470	10,528,080	(4,756,611)
ACCOUNTS RECEIVABLE	2,730,688	2,042,847	687,841
INVENTORIES	1,392,685	1,434,907	(42,221)
PREPAID ITEMS	225,759	244,152	(18,393)
CONSTRUCTION IN PROGRESS	1,536,682	1,300,146	236,536
TOTAL CURRENT ASSETS	11,657,284	15,550,132	(3,892,848)
RESTRICTED ASSETS			
BOND RESERVE FUND	1,779,016	1,779,016	0
EMERGENCY RESERVE FUND	7,191,602	2,977,508	4,214,095
TOTAL RESTRICTED ASSETS	8,970,618	4,756,523	4,214,095
FIXED ASSETS			
PRODUCTION	824,065	824,065	0
TRANSMISSION	2,305,024	2,305,024	0
DISTRIBUTION	49,617,387	49,498,519	118,868
GENERAL	24,532,672	24,522,131	10,541
FIXED ASSETS (COST)	77,279,148	77,149,739	129,409
LESS ACCUMULATED DEPRECIATION	(35,336,734)	(35,116,690)	(220,044)
TOTAL FIXED ASSETS, NET	41,942,414	42,033,049	(90,635)
INTANGIBLE ASSETS			
POWER AGENCY MEMBERSHIP BUY-IN	21,546,212	21,546,212	0
LOSS OF REVENUE INTANGIBLE	6,223,278	6,223,278	0
LESS ACCUMULATED AMORTIZATION	(3,784,949)	(3,729,271)	(55,678)
TOTAL INTANGIBLE ASSETS, NET	23,984,542	24,040,220	(55,678)
OTHER ASSETS AND DEFERRED OUTFLOWS	690,058	690,058	0
TOTAL ASSETS	87,244,916	87,069,983	174,934
LIABILITIES AND FUND EQUITY			
CURRENT LIABILITIES			
ACCOUNTS PAYABLE	4,381,401	4,182,105	199,295
SALARIES AND BENEFITS PAYABLE	696,406	741,136	(44,730)
DUE TO CITY	759,180	938,717	(179,537)
BONDS PAYABLE-CURRENT PORTION	460,000	460,000	0
UNEARNED REVENUE	13,982	15,980	(1,998)
TOTAL CURRENT LIABILITIES	6,310,970	6,337,939	(26,969)
LONG TERM LIABILITIES			
BONDS PAYABLE, LESS CURRENT PORTION	28,235,319	28,240,308	(4,989)
PENSION LIABILITIES	2,720,477	2,720,477	0
TOTAL LONG TERM LIABILITIES	30,955,796	30,960,785	(4,989)
TOTAL LIABILITIES	37,266,766	37,298,723	(31,957)
DEFERRED INFLOWS OF RESOURCES	836,813	836,813	0
FUND EQUITY			
CAPITAL ACCOUNT CONST COST	1,779,016	1,779,016	0
RETAINED EARNINGS	46,802,217	46,802,217	0
NET INCOME (LOSS) (THROUGH PREVIOUS MONTH)	560,104	353,213	206,891
TOTAL FUND EQUITY	49,141,337	48,934,446	206,891
TOTAL LIABILITIES & FUND EQUITY	87,244,916	87,069,983	174,934

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

	May 31, 2024	April 30, 2024	Current Month Change from Prior Month
ASSETS			
CURRENT ASSETS			
CASH	5,450,338	8,324,536	(2,874,198)
ACCOUNTS RECEIVABLE	5,328,022	5,280,833	47,189
INVENTORIES	12,089	8,968	3,121
PREPAID ITEMS	52,015	54,951	(2,937)
CONSTRUCTION IN PROGRESS	2,788,214	2,663,495	124,720
TOTAL CURRENT ASSETS	13,630,678	16,332,784	(2,702,105)
RESTRICTED ASSETS			
EMERGENCY RESERVE FUND	4,176,341	1,372,818	2,803,524
TOTAL RESTRICTED ASSETS	4,176,341	1,372,818	2,803,524
FIXED ASSETS			
PRODUCTION	16,874,001	16,874,001	0
DISTRIBUTION	28,135,913	28,135,913	0
GENERAL	1,239,085	1,234,574	4,511
FIXED ASSETS (COST)	46,249,000	46,244,488	4,511
LESS ACCUMULATED DEPRECIATION	(23,772,242)	(23,671,592)	(100,651)
TOTAL FIXED ASSETS, NET	22,476,757	22,572,896	(96,139)
INTANGIBLE ASSETS			
OTHER ASSETS AND DEFERRED OUTFLOWS	126,311	126,311	0
TOTAL ASSETS	40,410,088	40,404,809	5,279
LIABILITIES AND FUND EQUITY			
CURRENT LIABILITIES			
ACCOUNTS PAYABLE	340,926	249,678	91,248
SALARIES AND BENEFITS PAYABLE	108,572	114,664	(6,092)
DUE TO CITY	1,113	9,290	(8,177)
BONDS PAYABLE-CURRENT PORTION	60,000	60,000	0
UNEARNED REVENUE	181,455	181,455	0
TOTAL CURRENT LIABILITIES	692,065	615,086	76,979
LONG TERM LIABILITIES			
BONDS PAYABLE, LESS CURRENT PORTION	1,559,174	1,559,728	(554)
PENSION LIABILITIES	500,450	500,450	0
TOTAL LONG TERM LIABILITIES	2,059,624	2,060,178	(554)
TOTAL LIABILITIES	2,751,689	2,675,265	76,425
DEFERRED INFLOWS OF RESOURCES	4,937,984	4,937,984	0
FUND EQUITY			
RETAINED EARNINGS	33,120,013	33,120,013	0
NET INCOME (LOSS) (THROUGH PREVIOUS MONTH)	(399,598)	(328,453)	(71,145)
TOTAL FUND EQUITY	32,720,415	32,791,560	(71,145)
TOTAL LIABILITIES & FUND EQUITY	40,410,088	40,404,809	5,279

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR PERIOD ENDING MAY 2024

	2024 MAY	2024 YTD	2024 YTD BUDGET	YTD Budget Variance	2024 YTD Bud Var%	2024 ANNUAL BUDGET	2023 MAY	2023 YTD	YTD VARIANCE	2023 v. 2024 Actual Var%	Variance Item
Electric Revenue											
Operating Revenue											
Elk River	2,951,826	14,259,576	15,745,257	(1,485,681)	-9%	42,685,299	2,850,363	14,522,483	(262,907)	-2%	
Otsego	302,591	1,429,333	1,249,253	180,080	14%	3,514,568	250,614	1,323,274	106,059	8%	
Rural Big Lake	16,187	82,920	94,602	(11,682)	-12%	243,412	14,375	84,023	(1,103)	-1%	
Dayton	19,541	98,919	110,581	(11,662)	-11%	292,752	17,689	100,746	(1,826)	-2%	
Public St & Hwy Lighting	21,740	108,592	108,333	258	0%	260,000	21,545	107,807	784	1%	
Other Electric Sales	400	2,000	2,000	0	0%	4,800	400	2,000	0	0%	
Total Operating Revenue	3,312,285	15,981,340	17,310,027	(1,328,686)	-8%	47,000,831	3,154,986	16,140,333	(158,993)	-1%	
Other Operating Revenue											
Interest/Dividend Income	22,706	67,603	35,417	32,186	91%	85,000	(1,512)	30,987	36,616	118%	(1)
Customer Penalties	20,266	102,258	118,750	(16,492)	-14%	285,000	23,860	119,219	(16,961)	-14%	
Connection Fees	5,700	130,426	56,250	74,176	132%	135,000	12,263	46,416	84,010	181%	(2)
Misc Revenue	218,408	700,641	421,667	278,974	66%	1,016,000	139,903	476,953	223,687	47%	(3)
Total Other Revenue	267,080	1,000,928	632,083	368,844	58%	1,521,000	174,515	673,576	327,352	49%	
Total Revenue	3,579,365	16,982,268	17,942,110	(959,842)	-5%	48,521,831	3,329,501	16,813,908	168,359	1%	
Expenses											
Purchased Power	2,312,628	10,659,877	11,701,066	(1,041,189)	-9%	32,756,447	2,639,791	11,347,539	(687,662)	-6%	
Operating & Mtce Expense	18,886	121,822	167,183	(45,361)	-27%	369,000	21,752	171,192	(49,370)	-29%	(4)
Transmission Expense	4,846	25,474	30,000	(4,526)	-15%	72,000	6,214	26,419	(945)	-4%	
Distribution Expense	38,771	221,722	176,458	45,264	26%	425,917	35,953	220,773	948	0%	(5)
Maintenance Expense	125,053	870,706	775,375	95,331	12%	1,668,500	134,470	730,551	140,155	19%	(6)
Depreciation & Amortization	275,722	1,375,973	1,294,840	81,133	6%	3,107,612	264,134	1,320,825	55,148	4%	
Interest Expense	65,175	327,110	327,110	0	0%	785,810	68,225	342,323	(15,213)	-4%	
Other Operating Expense	5,046	28,904	23,375	5,529	24%	506,900	4,295	20,767	8,137	39%	
Customer Accounts Expense	36,969	169,958	182,917	(12,959)	-7%	439,000	53,217	186,830	(16,873)	-9%	
Administrative Expense	316,003	1,751,542	1,816,603	(65,061)	-4%	4,208,492	308,565	1,708,982	42,560	2%	
General Expense	35,965	203,547	265,417	(61,869)	-23%	637,000	22,117	156,100	47,447	30%	(7)
Total Expenses(before Operating Transfers)	3,235,062	15,756,635	16,760,344	(1,003,708)	-6%	44,976,679	3,558,732	16,232,302	(475,667)	-3%	
Operating Transfer											
Operating Transfer/Other Funds	118,775	573,889	629,810	(55,922)	-9%	1,707,412	114,711	616,979	(43,091)	-7%	
Utilities & Labor Donated	18,637	91,640	110,000	(18,360)	-17%	264,000	18,305	123,773	(32,134)	-26%	(8)
Total Operating Transfer	137,412	665,528	739,810	(74,282)	-10%	1,971,412	133,015	740,752	(75,224)	-10%	
Net Income Profit(Loss)	206,891	560,104	441,956	118,148	27%	1,573,740	(362,246)	(159,146)	719,250	452%	

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

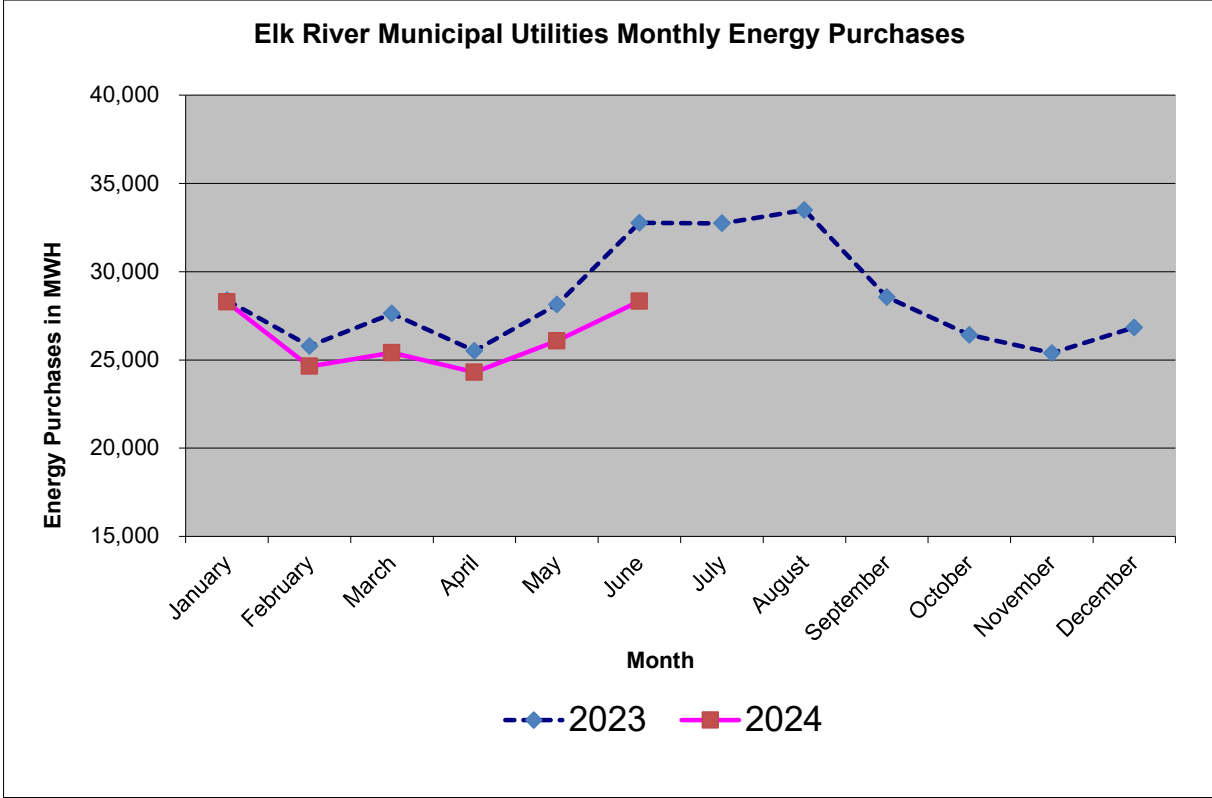
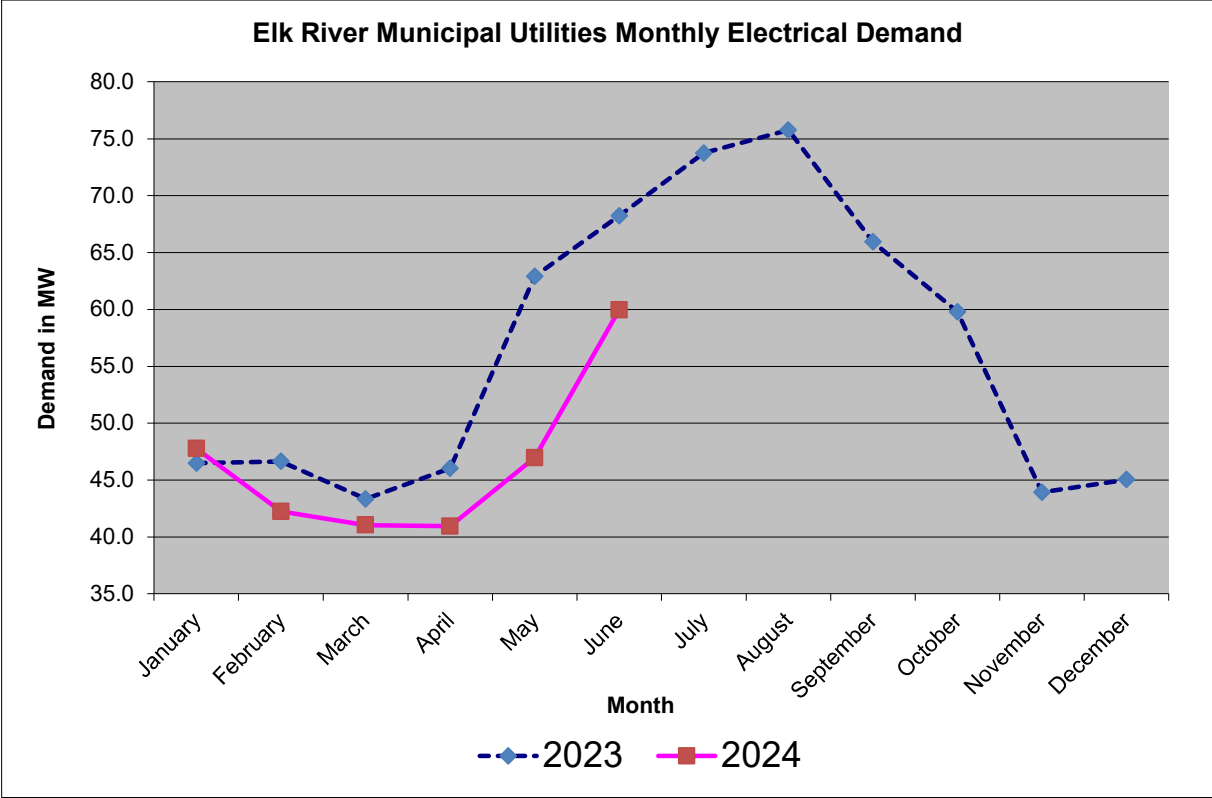
- (1) YTD budget variance is due to conservative budgeted amount. PYTD variance is due to the change in Fair Market Value of Investments. Also note that more funds were transferred to UBS in May 2024.
- (2) YTD budget and PYTD variance due to large a large connection agreement in January 2024.
- (3) YTD budget and PTYD variance is mainly due to Contributions from Customers having a couple large SOW for transformers for additional service and/or upgrade.
- (4) YTD budget variance is mainly due to natural gas expense and labor expense for Mtce of Plant Engines and Mtce of Plant/Land Improvement. PYTD variance is mainly due to plant supplies and natural gas expense (due to new FSB), and Mtce of Plant Engines (labor).
- (5) YTD budget variance is mainly due to Misc Distribution (labor).
- (6) PYTD variance is mainly due to increased tree trimming expense (contractors and ERMU labor), increased 2024 labor expense for: Mtce of Substation Equipment, Mtce of URD Primary, and Electric Mapping.
- (7) YTD budget variance is mainly due to timing of rebates and the budget having an even spread. PYTD variance is due to professional services from Frontier Energy in 2024.
- (8) PYTD variance is due to Furniture & Things energy audit in 2023.

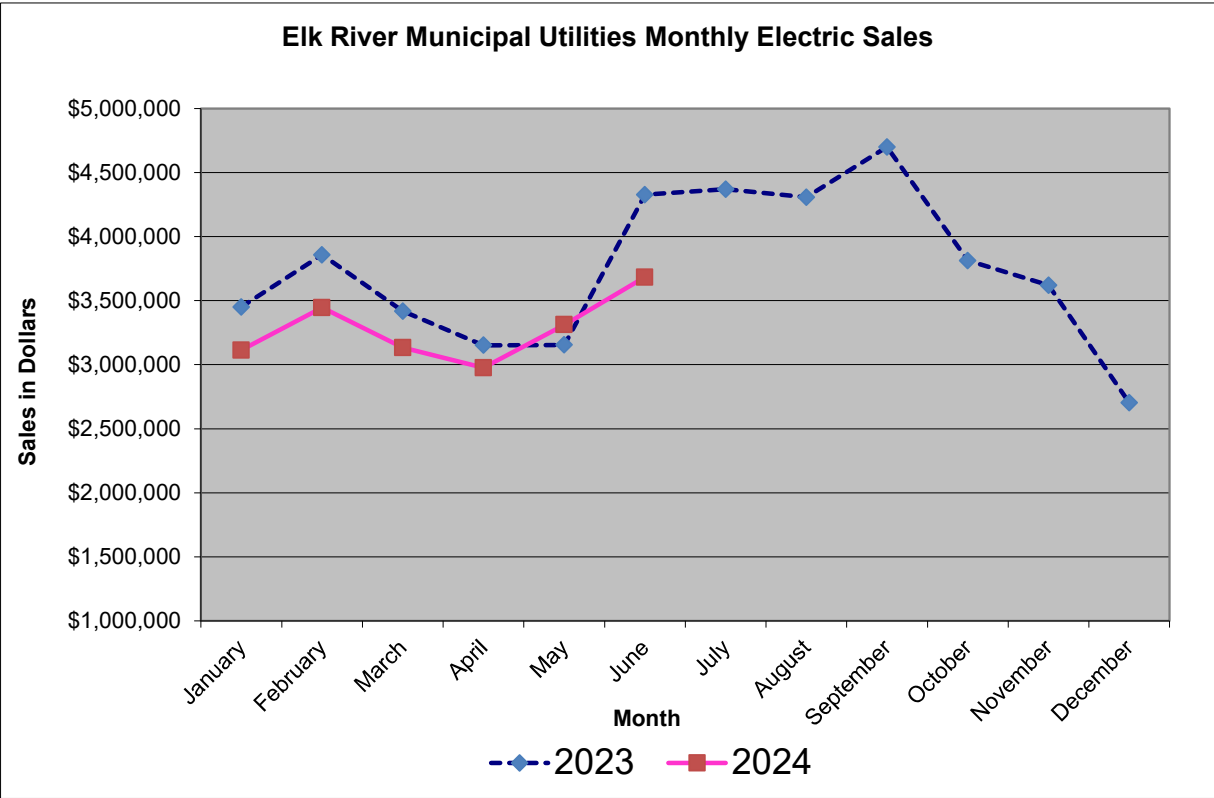
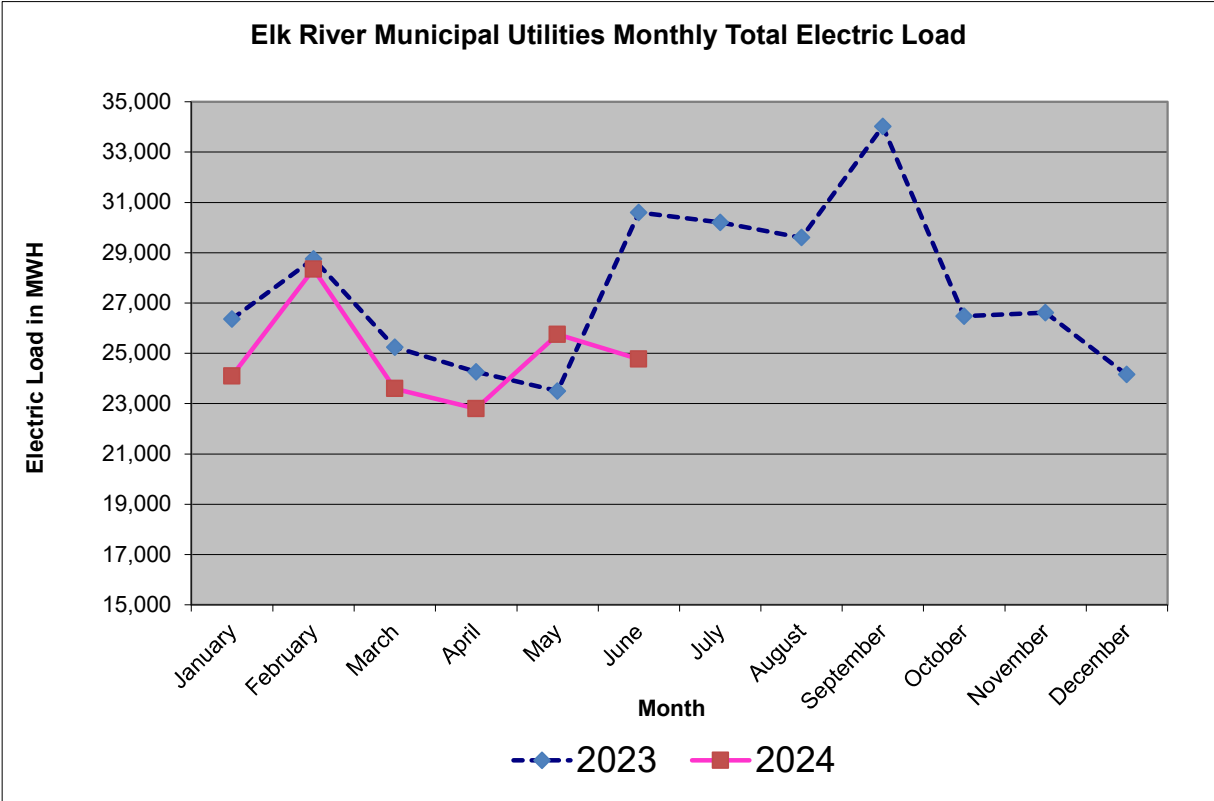
ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR PERIOD ENDING MAY 2024

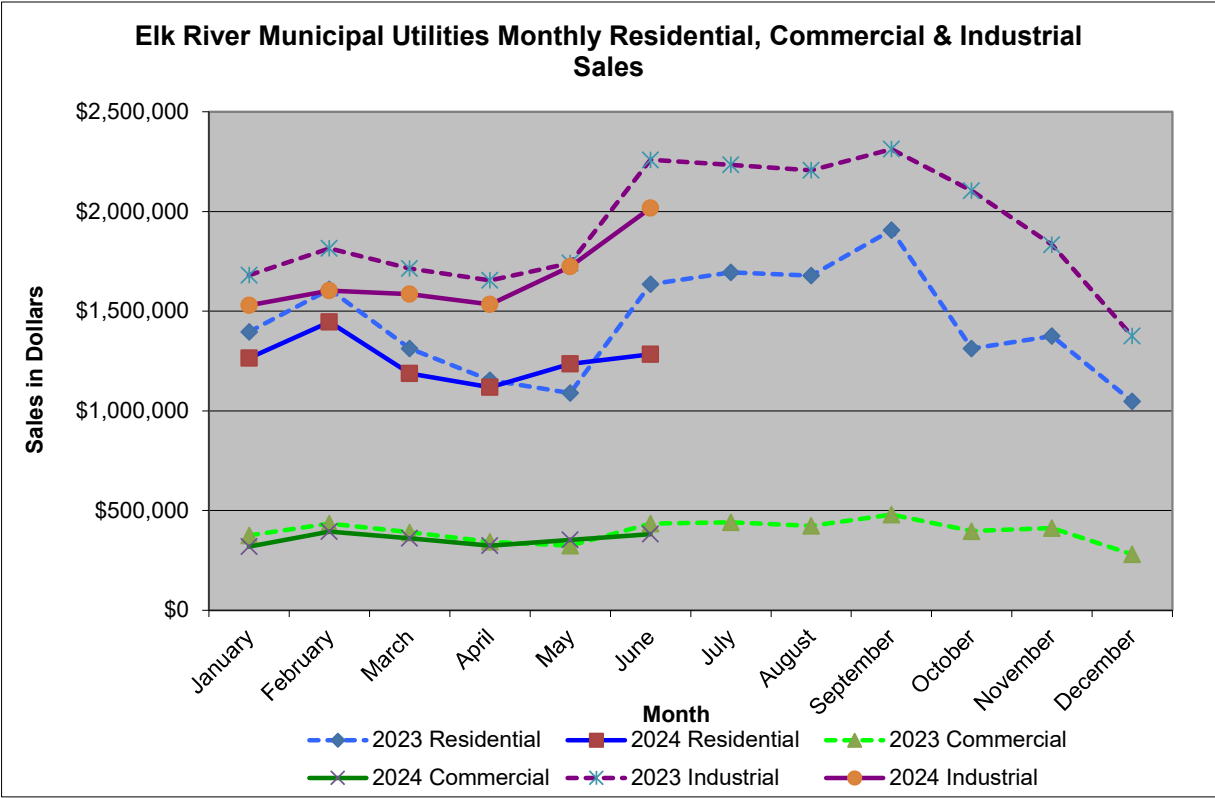
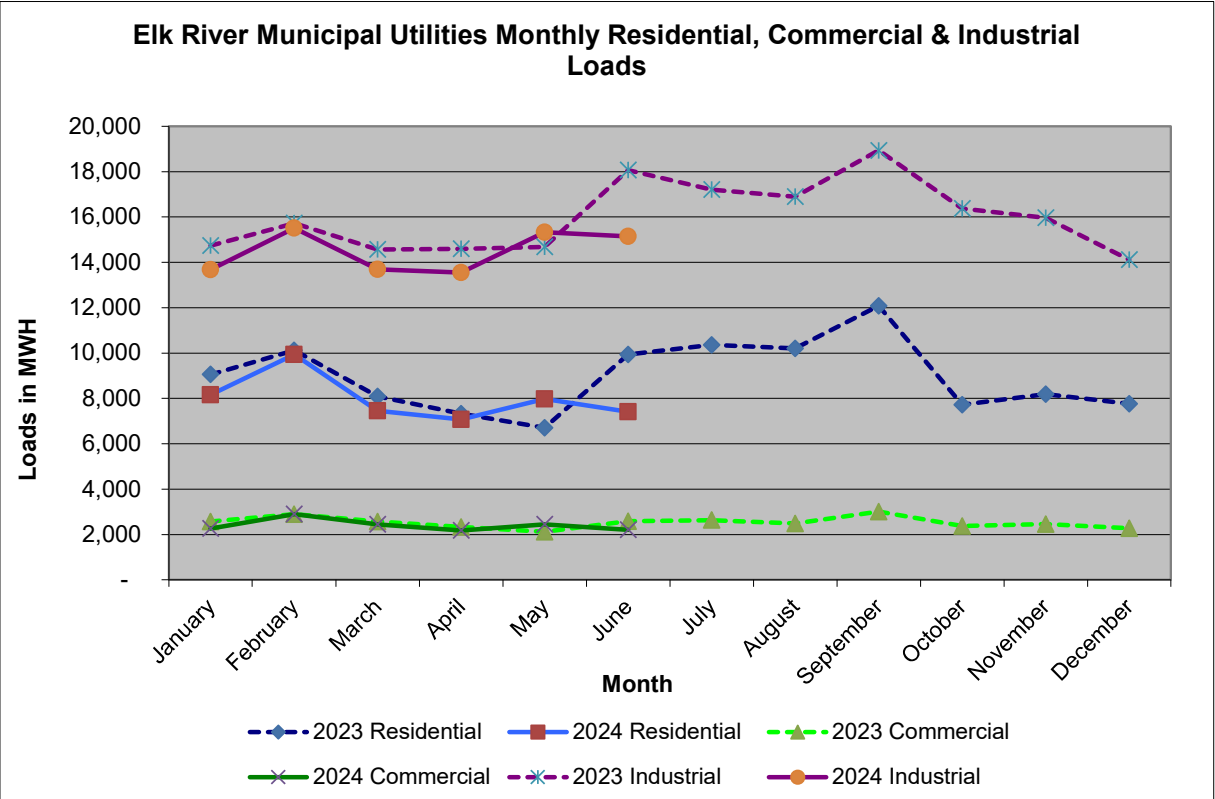
	2024 MAY	2024 YTD	2024 YTD BUDGET	YTD Budget Variance	2024 YTD Bud Var%	2024 ANNUAL BUDGET	2023 MAY	2023 YTD	YTD VARIANCE	2023 v. 2024 Actual Var%	Variance Item
Water Revenue											
Operating Revenue											
Water Sales	193,866	779,491	656,661	122,830	19%	2,788,003	158,173	723,373	56,119	8% (1)	
Total Operating Revenue	193,866	779,491	656,661	122,830	19%	2,788,003	158,173	723,373	56,119	8%	
Other Operating Revenue											
Interest/Dividend Income	6,875	25,922	17,292	8,630	50%	41,500	1,090	14,103	11,819	84%	
Customer Penalties	2,254	8,792	10,417	(1,624)	-16%	25,000	1,188	6,148	2,644	43%	
Connection Fees	11,740	186,960	106,250	80,710	76%	255,000	32,540	93,916	93,044	99%	(2)
Misc Revenue	975	5,721	6,479	(758)	-12%	618,786	975	6,060	(339)	-6%	
Total Other Revenue	21,845	227,395	140,438	86,957	62%	940,286	35,793	120,227	107,168	89%	
Total Revenue	215,710	1,006,886	797,098	209,788	26%	3,728,289	193,966	843,599	163,287	19%	
Expenses											
Production Expense	14,016	56,845	47,917	8,928	19%	115,000	11,255	48,407	8,438	17%	
Pumping Expense	33,222	216,271	269,030	(52,759)	-20%	645,671	57,122	234,201	(17,930)	-8%	(3)
Distribution Expense	37,450	150,966	191,460	(40,493)	-21%	422,250	31,883	150,525	441	0%	(4)
Depreciation & Amortization	100,651	503,890	478,750	25,140	5%	1,148,988	97,652	487,424	16,466	3%	
Interest Expense	2,912	14,562	14,562	0	0%	33,949	3,112	15,562	(1,000)	-6%	
Other Operating Expense	80	563	1,375	(812)	-59%	82,300	253	2,308	(1,745)	-76%	
Customer Accounts Expense	8,608	37,952	38,229	(277)	-1%	91,750	7,134	36,723	1,229	3%	
Administrative Expense	89,594	424,138	472,386	(48,247)	-10%	1,092,624	91,526	424,186	(48)	0%	
General Expense	324	1,296	6,354	(5,058)	-80%	15,250	232	3,389	(2,093)	-62%	
Total Expenses(before Operating Transfers)	286,856	1,406,485	1,520,062	(113,578)	-7%	3,647,782	300,170	1,402,726	3,758	0%	
Operating Transfer											
Utilities & Labor Donated	0	0	625	(625)	-100%	1,500	0	0	0	0%	
Total Operating Transfer	0	0	625	(625)	-100%	1,500	0	0	0	0%	
Net Income Profit(Loss)	(71,145)	(399,598)	(723,589)	323,991	45%	79,007	(106,204)	(559,127)	159,528	29%	

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

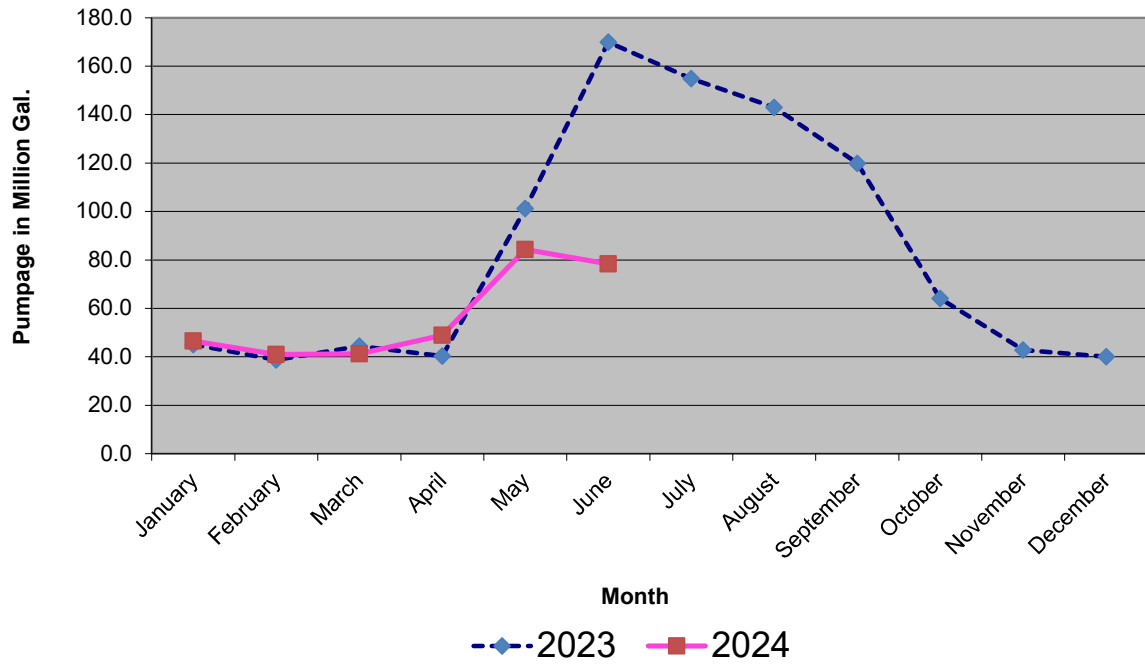
- (1) YTD budget variance is due to above average usage.
- (2) YTD budget and PYTD variance due to large 2 large connection agreements in January 2024.
- (3) YTD budget variance is mainly due to Electric usage being lower at Well 7 and Well 9 due to maintenance issues.
- (4) YTD budget variance is mainly due to the budget amount for Mtce of Water Mains having an even budget spread.



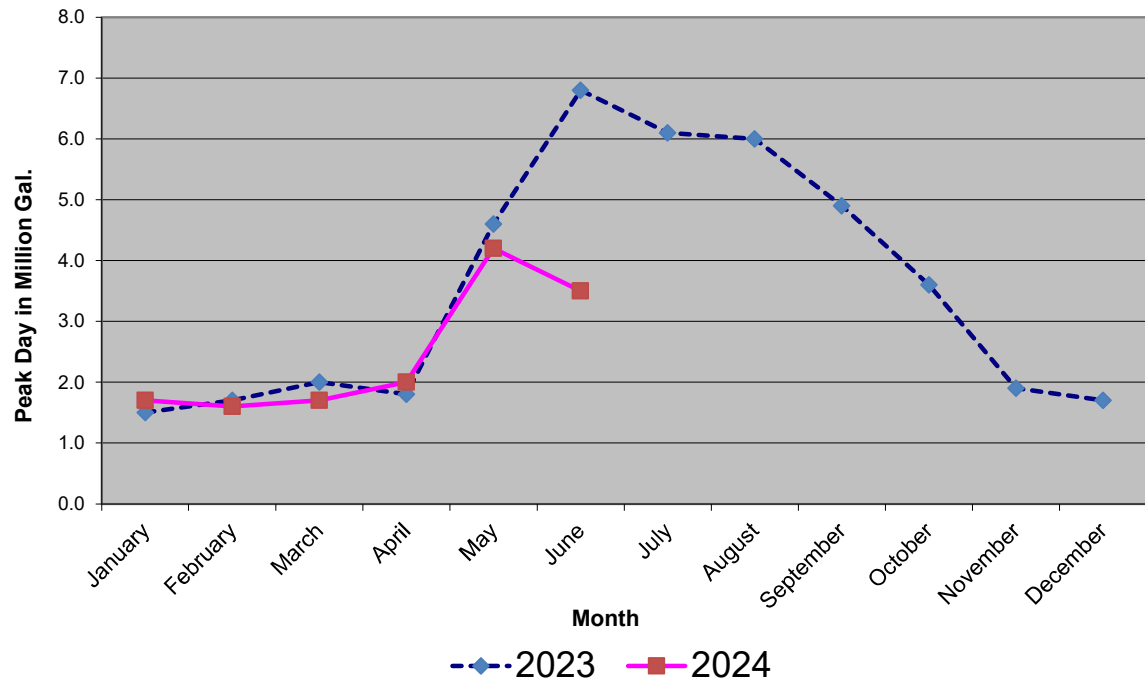


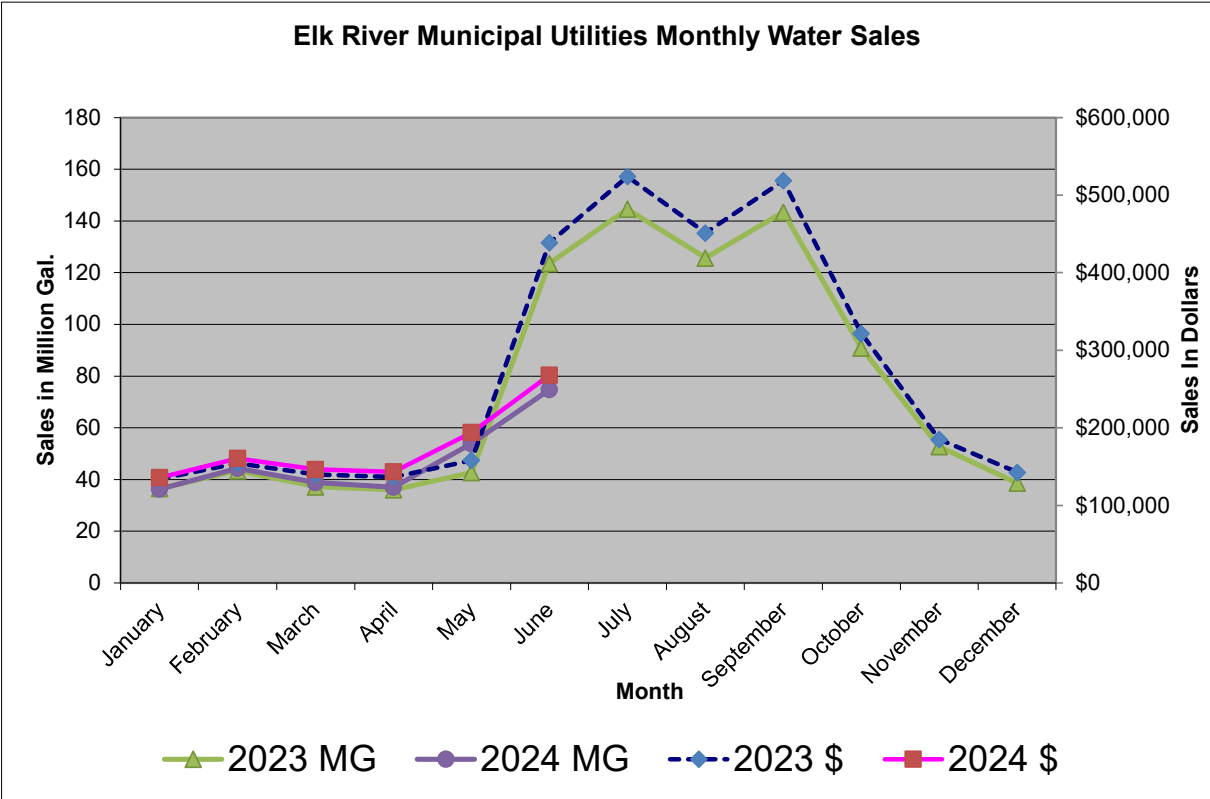


Elk River Municipal Utilities Monthly Water Pumpage



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 MAY 2024

		2024 MAY	2024 YTD	2024 YTD BUDGET	2024 ANNUAL BUDGET	2024 YTD Bud Var%	2023 MAY	2023 YTD	YTD VARIANCE	2023 v. 2024 Actual Var%
Electric Revenue										
Operating Revenue										
Elk River										
	ELECT SALES - ELK RIVER RESID	987,429	5,042,507	5,264,533	14,221,539	(4)	858,689	5,099,017	(56,509)	(1)
	ELECT SALES - ELK RIVER NON-D	262,271	1,326,282	1,407,595	3,634,057	(6)	237,662	1,373,251	(46,969)	(3)
	ELECT SALES - ELK RIVER DEMA	1,402,468	6,554,611	7,178,372	19,965,865	(9)	1,405,934	6,774,843	(220,231)	(3)
	PCA SALES REVENUE - ELK RIVE	89,635	416,780	573,268	1,485,155	(27)	94,899	392,501	24,279	6
	PCA SALES REVENUE - ELK RIVE	26,304	123,547	170,697	408,036	(28)	29,213	117,518	6,028	5
	PCA SALES REVENUE - ELK RIVE	183,716	795,846	1,150,790	2,970,644	(31)	223,964	765,350	30,495	4
	Total For Elk River:	2,951,825	14,259,576	15,745,256	42,685,299	(9)	2,850,363	14,522,483	(262,906)	(2)
Otsego										
	ELECT SALES - OTSEGO RESIDEN	113,880	569,871	518,924	1,438,521	10	94,953	548,659	21,212	4
	ELECT SALES - OTSEGO NON-DEM	37,189	170,776	156,271	477,265	9	30,548	162,751	8,024	5
	ELECT SALES - OTSEGO DEMAND	121,091	559,854	404,281	1,154,078	38	95,736	500,523	59,331	12
	PCA SALES REVENUE - OTSEGO R	10,223	46,045	62,608	162,572	(26)	10,304	41,463	4,581	11
	PCA SALES REVENUE - OTSEGO N	3,849	15,836	24,968	58,535	(37)	3,859	14,181	1,654	12
	PCA SALES REVENUE - OTSEGO D	16,355	66,948	82,199	223,596	(19)	15,212	55,694	11,253	20
	Total For Otsego:	302,591	1,429,333	1,249,253	3,514,568	14	250,614	1,323,274	106,059	8
Rural Big Lake										
	ELECT SALES - BIG LAKE RESIDE	14,631	75,744	85,388	216,883	(11)	12,763	77,179	(1,435)	(2)
	ELECT SALES - BIG LAKE NON-DE	195	866	817	4,737	6	164	826	40	5
	PCA SALES REVENUE - BIG LAKE	1,348	6,267	8,191	21,268	(23)	1,435	5,981	285	5
	PCA SALES REVENUE - BIG LAKE	11	41	205	522	(80)	10	35	6	20
	Total For Rural Big Lake:	16,187	82,919	94,602	243,411	(12)	14,374	84,022	(1,102)	(1)
Dayton										
	ELECT SALES - DAYTON RESIDEN	14,969	76,643	85,626	224,525	(10)	13,234	79,524	(2,881)	(4)
	ELECT SALES - DAYTON NON-DE	2,962	14,910	14,620	41,609	2	2,722	14,153	756	5
	PCA SALES REVENUE - DAYTON R	1,341	6,145	8,551	22,385	(28)	1,432	5,983	161	3
	PCA SALES REVENUE - DAYTON	268	1,220	1,783	4,231	(32)	300	1,083	136	13
	Total For Dayton:	19,541	98,919	110,581	292,751	(11)	17,688	100,745	(1,826)	(2)
Public St & Hwy Lighting										
	ELECT SALES - SEC LTS	21,739	108,591	108,333	260,000	0	21,544	107,807	784	1
	Total For Public St & Hwy Lighting:	21,739	108,591	108,333	260,000	0	21,544	107,807	784	1
Other Electric Sales										
	SUB-STATION CREDIT	400	2,000	2,000	4,800	0	400	2,000	0	0

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR PERIOD ENDING MAY 2024

	2024 MAY	2024 YTD	2024 YTD BUDGET	2024 ANNUAL BUDGET	2024 YTD Bud Var%	2023 MAY	2023 YTD	YTD VARIANCE	2023 v. 2024 Actual Var%
Electric									
Total For Other Electric Sales:	400	2,000	2,000	4,800	0	400	2,000	0	0
Total Operating Revenue	<u>3,312,285</u>	<u>15,981,340</u>	<u>17,310,026</u>	<u>47,000,831</u>	<u>(8)</u>	<u>3,154,986</u>	<u>16,140,332</u>	<u>(158,992)</u>	<u>(1)</u>
Other Operating Revenue									
Interest/Dividend Income									
INTEREST & DIVIDEND INCOME	22,705	67,602	35,416	85,000	91	(1,511)	30,987	36,615	118
Total For Interest/Dividend Income:	22,705	67,602	35,416	85,000	91	(1,511)	30,987	36,615	118
Customer Penalties									
CUSTOMER DELINQUENT PENALT	20,266	102,258	118,750	285,000	(14)	23,859	119,218	(16,960)	(14)
Total For Customer Penalties:	20,266	102,258	118,750	285,000	(14)	23,859	119,218	(16,960)	(14)
Connection Fees									
DISCONNECT & RECONNECT CHA	5,700	130,426	56,250	135,000	132	12,263	46,416	84,009	181
Total For Connection Fees:	5,700	130,426	56,250	135,000	132	12,263	46,416	84,009	181
Misc Revenue									
MISC ELEC REVENUE - TEMP CHG	0	880	2,083	5,000	(58)	1,855	5,114	(4,234)	(83)
STREET LIGHT	0	12,600	2,500	10,000	404	1,800	1,800	10,800	600
TRANSMISSION INVESTMENTS	45,144	232,637	277,500	666,000	(16)	59,922	258,092	(25,455)	(10)
MISC NON-UTILITY	7,644	44,540	45,833	110,000	(3)	8,486	63,551	(19,010)	(30)
CONTRIBUTIONS FROM CUSTOME	165,618	409,983	93,750	225,000	337	67,839	148,394	261,588	176
Total For Misc Revenue:	218,408	700,640	421,666	1,016,000	66	139,903	476,953	223,687	47
Total Other Revenue	<u>267,080</u>	<u>1,000,927</u>	<u>632,083</u>	<u>1,521,000</u>	<u>58</u>	<u>174,514</u>	<u>673,575</u>	<u>327,352</u>	<u>49</u>
Total For Total Other Revenue:	267,080	1,000,927	632,083	1,521,000	58	174,514	673,575	327,352	49
Total Revenue	<u>3,579,365</u>	<u>16,982,267</u>	<u>17,942,109</u>	<u>48,521,831</u>	<u>(5)</u>	<u>3,329,500</u>	<u>16,813,908</u>	<u>168,359</u>	<u>1</u>
Expenses									
Purchased Power									
PURCHASED POWER	1,611,302	7,810,413	8,391,293	24,250,423	(7)	1,850,523	8,335,418	(525,004)	(6)
ENERGY ADJUSTMENT CLAUSE	701,324	2,849,462	3,309,771	8,506,023	(14)	789,267	3,012,120	(162,657)	(5)
Total For Purchased Power:	2,312,627	10,659,876	11,701,065	32,756,447	(9)	2,639,790	11,347,538	(687,662)	(6)
Operating & Mtce Expense									
OPERATING SUPERVISION	11,289	57,823	54,583	131,000	6	11,030	51,174	6,648	13
DIESEL OIL FUEL	159	159	4,166	10,000	(96)	250	3,657	(3,497)	(96)
NATURAL GAS	388	11,417	21,200	33,000	(46)	335	20,473	(9,055)	(44)
ELECTRIC & WATER CONSUMPTI	3,911	24,145	29,650	66,000	(19)	4,541	28,752	(4,606)	(16)

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR PERIOD ENDING MAY 2024

	2024 MAY	2024 YTD	2024 YTD BUDGET	2024 ANNUAL BUDGET	2024 YTD Bud Var%	2023 MAY	2023 YTD	YTD VARIANCE	2023 v. 2024 Actual Var%
Electric									
PLANT SUPPLIES & OTHER EXPEN	216	5,111	6,250	15,000	(18)	1,628	20,304	(15,193)	(75)
MISC POWER GENERATION EXPE	0	485	3,333	8,000	(85)	409	3,192	(2,707)	(85)
MAINTENANCE OF STRUCTURE -	1,330	4,677	8,750	21,000	(47)	1,989	10,118	(5,440)	(54)
MTCE OF PLANT ENGINES/GENER	1,215	3,334	16,250	39,000	(79)	1,314	13,173	(9,839)	(75)
MTCE OF PLANT/LAND IMPROVE	373	14,667	23,000	46,000	(36)	252	20,344	(5,677)	(28)
Total For Operating & Mtce Expense:	18,885	121,822	167,183	369,000	(27)	21,752	171,192	(49,370)	(29)
Transmission Expense									
TRANSMISSION MTCE AND EXPE	4,845	25,474	30,000	72,000	(15)	6,213	26,419	(945)	(4)
Total For Transmission Expense:	4,845	25,474	30,000	72,000	(15)	6,213	26,419	(945)	(4)
Distribution Expense									
REMOVE EXISTING SERVICE & M	0	0	833	2,000	(100)	0	542	(542)	(100)
SCADA EXPENSE	2,863	16,454	18,750	45,000	(12)	2,883	16,966	(512)	(3)
TRANSFORMER EXPENSE OH & U	1,083	6,869	6,250	15,000	10	1,302	7,417	(548)	(7)
MTCE OF SIGNAL SYSTEMS	333	682	1,250	3,000	(45)	557	1,166	(483)	(41)
METER EXPENSE - REMOVE & RE	0	241	625	1,500	(61)	902	1,002	(761)	(76)
TEMP SERVICE - INSTALL & REM	0	222	2,916	7,000	(92)	681	4,815	(4,593)	(95)
MISC DISTRIBUTION EXPENSE	34,491	197,252	145,833	350,000	35	29,625	188,862	8,389	4
INTERCONNECTION CARRYING C	0	0	0	2,417	0	0	0	0	0
Total For Distribution Expense:	38,771	221,721	176,458	425,917	26	35,952	220,773	948	0
Maintenance Expense									
MTCE OF STRUCTURES	8,470	36,706	20,833	50,000	76	9,970	22,704	14,001	62
MTCE OF SUBSTATIONS	69	6,471	15,000	36,000	(57)	1,954	18,159	(11,687)	(64)
MTCE OF SUBSTATION EQUIPME	9,515	62,477	32,916	79,000	90	7,694	22,094	40,383	183
MTCE OF OH LINES/TREE TRIM	311	205,641	176,000	230,000	17	1,337	167,472	38,169	23
MTCE OF OH LINES/STANDBY	3,111	17,428	16,666	40,000	5	3,159	14,943	2,485	17
MTCE OF OH PRIMARY	17,028	62,740	70,833	170,000	(11)	14,195	68,468	(5,727)	(8)
MTCE OF URD PRIMARY	24,002	89,265	91,666	220,000	(3)	27,627	70,855	18,410	26
LOCATE ELECTRIC LINES	11,421	37,020	45,833	110,000	(19)	13,008	32,806	4,213	13
LOCATE FIBER LINES	52	526	625	1,500	(16)	101	134	391	290
MTCE OF LINE TRANSFORMERS	2,283	13,620	25,000	60,000	(46)	4,147	7,787	5,833	75
MTCE OF STREET LIGHTING	3,930	24,995	20,833	50,000	20	4,308	13,934	11,061	79
MTCE OF SECURITY LIGHTING	1,388	8,711	6,250	15,000	39	1,081	8,186	525	6
MTCE OF METERS	6,941	33,569	33,333	80,000	1	3,918	23,556	10,013	43
VOLTAGE COMPLAINTS	289	2,137	5,000	12,000	(57)	1,231	4,923	(2,786)	(57)
SALARIES TRANSMISSION & DIST	2,761	12,908	12,500	30,000	3	2,635	11,936	972	8

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR PERIOD ENDING MAY 2024

	2024 MAY	2024 YTD	2024 YTD BUDGET	2024 ANNUAL BUDGET	2024 YTD Bud Var%	2023 MAY	2023 YTD	YTD VARIANCE	2023 v. 2024 Actual Var%
Electric									
ELECTRIC MAPPING	6,019	88,773	41,666	100,000	113	5,029	72,052	16,721	23
MTCE OF OH SECONDARY	2,560	7,305	10,416	25,000	(30)	1,519	7,971	(665)	(8)
MTCE OF URD SECONDARY	4,874	19,669	25,000	60,000	(21)	5,914	19,027	642	3
TRANSPORTATION EXPENSE	20,020	140,734	125,000	300,000	13	25,634	143,534	(2,800)	(2)
Total For Maintenance Expense:	125,052	870,706	775,375	1,668,500	12	134,470	730,550	140,155	19
Depreciation & Amortization									
DEPRECIATION	220,043	1,097,583	1,016,450	2,439,475	8	208,455	1,042,435	55,147	5
AMORTIZATION	55,677	278,389	278,390	668,136	0	55,677	278,389	0	0
Total For Depreciation & Amortization:	275,721	1,375,973	1,294,840	3,107,611	6	264,133	1,320,825	55,147	4
Interest Expense									
INTEREST EXPENSE - BONDS	70,163	352,052	352,052	845,673	0	73,213	367,265	(15,212)	(4)
AMORTIZATION OF DEBT DISCOU	(4,988)	(24,942)	(24,942)	(59,863)	0	(4,988)	(24,942)	0	0
Total For Interest Expense:	65,174	327,110	327,110	785,810	0	68,224	342,322	(15,212)	(4)
Other Operating Expense									
EV CHARGING EXPENSE	230	1,105	1,291	3,100	(14)	211	605	500	83
LOSS ON DISPOSITION OF PROP (C	0	4,105	0	155,800	0	0	0	4,105	0
OTHER DONATIONS	0	0	1,250	3,000	(100)	108	108	(108)	(100)
PENSION EXPENSE	0	0	0	295,000	0	0	0	0	0
OTHER INTEREST EXPENSE	0	0	0	0	0	0	378	(378)	(100)
INTEREST EXPENSE - METER DEP	4,815	23,693	20,833	50,000	14	3,975	19,675	4,017	20
Total For Other Operating Expense:	5,046	28,904	23,375	506,900	24	4,295	20,767	8,137	39
Customer Accounts Expense									
METER READING EXPENSE	3,900	16,250	19,583	47,000	(17)	4,030	16,464	(213)	(1)
DISCONNECT/RECONNECT EXPEN	2,203	5,126	9,166	22,000	(44)	2,843	8,316	(3,189)	(38)
MISC CUSTOMER ACCOUNTS EXP	30,712	142,264	143,750	345,000	(1)	26,854	138,268	3,996	3
BAD DEBT EXPENSE & RECOVER	152	6,315	10,416	25,000	(39)	19,488	23,781	(17,465)	(73)
Total For Customer Accounts Expense:	36,968	169,957	182,916	439,000	(7)	53,217	186,830	(16,872)	(9)
Administrative Expense									
SALARIES OFFICE & COMMISSION	77,450	375,136	378,333	908,000	(1)	69,460	338,451	36,685	11
TEMPORARY STAFFING	0	0	1,666	4,000	(100)	0	0	0	0
OFFICE SUPPLIES	5,629	34,355	52,083	125,000	(34)	9,314	56,317	(21,962)	(39)
ELECTRIC & WATER CONSUMPTI	2,278	10,580	16,666	40,000	(37)	2,923	11,858	(1,278)	(11)
BANK FEES	225	1,089	1,041	2,500	5	157	748	340	45
LEGAL FEES	979	4,836	12,500	30,000	(61)	2,563	10,632	(5,796)	(55)
AUDITING FEES	1,640	7,400	9,166	22,000	(19)	1,623	9,076	(1,676)	(18)

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
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FOR PERIOD ENDING MAY 2024

	2024 MAY	2024 YTD	2024 YTD BUDGET	2024 ANNUAL BUDGET	2024 YTD Bud Var%	2023 MAY	2023 YTD	YTD VARIANCE	2023 v. 2024 Actual Var%
Electric									
INSURANCE	15,414	77,390	79,166	190,000	(2)	22,723	93,788	(16,398)	(17)
UTILITY SHARE - DEFERRED COM	9,289	69,439	50,000	120,000	39	9,527	71,037	(1,598)	(2)
UTILITY SHARE - MEDICAL/DENT	59,900	426,127	433,772	870,000	(2)	57,958	418,602	7,524	2
UTILITY SHARE - PERA	32,185	130,707	125,833	302,000	4	24,508	121,143	9,564	8
UTILITY SHARE - FICA	32,076	126,849	122,916	295,000	3	24,603	117,438	9,411	8
EMPLOYEE SICK PAY	9,681	50,676	68,750	165,000	(26)	10,631	76,999	(26,323)	(34)
EMPLOYEE HOLIDAY PAY	14,362	60,225	62,545	172,000	(4)	13,371	56,743	3,482	6
EMPLOYEE VACATION & PTO PA	21,206	146,870	126,090	275,000	16	19,080	130,079	16,791	13
UPMIC DISTRIBUTION	(2,883)	27,085	25,250	101,000	7	0	18,817	8,268	44
LONGEVITY PAY	1,680	1,680	1,680	6,964	0	0	1,923	(243)	(13)
CONSULTING FEES	2,386	27,954	40,666	97,600	(31)	3,415	3,415	24,539	719
TELEPHONE	2,920	14,588	15,833	38,000	(8)	3,024	15,908	(1,319)	(8)
ADVERTISING	1,617	6,131	7,916	19,000	(23)	1,161	6,035	96	2
DUES & SUBSCRIPTIONS - FEES	10,537	52,493	57,305	137,533	(8)	10,208	49,053	3,440	7
SCHOOLS & MEETINGS	16,578	95,699	122,000	274,894	(22)	21,304	95,896	(197)	0
MTCE OF GENERAL PLANT & OFFI	845	4,225	5,416	13,000	(22)	1,002	5,013	(788)	(16)
Total For Administrative Expense:	316,002	1,751,542	1,816,602	4,208,492	(4)	308,564	1,708,981	42,560	2
General Expense									
CIP REBATES - RESIDENTIAL	10,040	34,084	37,815	90,758	(10)	3,005	16,325	17,759	109
CIP REBATES - COMMERCIAL	0	21,227	46,666	112,000	(55)	1,800	34,299	(13,071)	(38)
CIP - ADMINISTRATION	10,022	59,352	76,235	182,965	(22)	394	4,581	54,771	1,196
CIP - MARKETING	1,699	24,762	21,347	51,235	16	3,730	18,269	6,493	36
CIP - LABOR	8,209	43,481	55,759	133,822	(22)	12,493	60,258	(16,776)	(28)
CIP REBATES - LOW INCOME	0	1,602	7,800	18,720	(79)	0	4,270	(2,667)	(62)
CIP - LOW INCOME LABOR	787	3,983	4,166	10,000	(4)	789	4,253	(270)	(6)
ENVIRONMENTAL COMPLIANCE	2,617	12,864	14,583	35,000	(12)	35	7,793	5,071	65
MISC GENERAL EXPENSE	2,588	2,186	1,041	2,500	110	(130)	6,049	(3,863)	(64)
Total For General Expense:	35,964	203,547	265,416	637,000	(23)	22,117	156,100	47,447	30
Total Expenses(before Operating Transfers)	3,235,062	15,756,635	16,760,343	44,976,678	(6)	3,558,731	16,232,301	(475,666)	(3)
Operating Transfer									
Operating Transfer/Other Funds									
TRANSFER TO CITY ELK RIVER R	118,774	573,888	629,810	1,707,411	(9)	114,710	616,979	(43,090)	(7)
Total For Operating Transfer/Other Funds:	118,774	573,888	629,810	1,707,411	(9)	114,710	616,979	(43,090)	(7)

Utilities & Labor Donated

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR PERIOD ENDING MAY 2024

Electric		2024	2024	2024	2024	2024 YTD	2023	2023	YTD	2023 v. 2024
		MAY	YTD	YTD BUDGET	ANNUAL BUDGET	Bud Var%	MAY	YTD	VARIANCE	Actual Var%
	UTILITIES & LABOR DONATED TO	18,636	91,639	110,000	264,000	(17)	18,304	123,773	(32,133)	(26)
	Total For Utilities & Labor Donated:	18,636	91,639	110,000	264,000	(17)	18,304	123,773	(32,133)	(26)
	Total Operating Transfer									
	Total For Total Operating Transfer:	137,411	665,528	739,810	1,971,411	(10)	133,015	740,752	(75,224)	(10)
	Net Income Profit(Loss)	206,890	560,104	441,956	1,573,740	27	(362,246)	(159,146)	719,250	452

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR PERIOD ENDING MAY 2024

	2024 MAY	2024 YTD	2024 YTD BUDGET	2024 ANNUAL BUDGET	2024 YTD Bud Var%	2023 MAY	2023 YTD	YTD VARIANCE	2023 v. 2024 Actual Var%
Water									
Revenue									
Operating Revenue									
Water Sales									
WATER SALES RESIDENTIAL	114,421	475,575	406,843	1,595,403	17	92,060	441,747	33,827	8
WATER SALES COMMERCIAL	69,683	286,068	239,107	923,908	20	49,608	258,530	27,538	11
WATER SALES IRRIGATION	9,759	17,846	10,710	268,691	67	16,504	23,094	(5,247)	(23)
Total For Water Sales:	193,865	779,491	656,660	2,788,003	19	158,172	723,372	56,118	8
Total Operating Revenue	193,865	779,491	656,660	2,788,003	19	158,172	723,372	56,118	8
Total For Total Operating Revenue:	193,865	779,491	656,660	2,788,003	19	158,172	723,372	56,118	8
Other Operating Revenue									
Interest/Dividend Income									
INTEREST & DIVIDEND INCOME	6,875	25,921	16,666	40,000	56	1,090	14,102	11,818	84
OTHER INTEREST/MISC REVENUE	0	0	625	1,500	(100)	0	0	0	0
Total For Interest/Dividend Income:	6,875	25,921	17,291	41,500	50	1,090	14,102	11,818	84
Customer Penalties									
CUSTOMER PENALTIES	2,254	8,792	10,416	25,000	(16)	1,188	6,148	2,644	43
Total For Customer Penalties:	2,254	8,792	10,416	25,000	(16)	1,188	6,148	2,644	43
Connection Fees									
WATER/ACCESS/CONNECTION FE	10,800	165,830	83,333	200,000	99	31,835	83,135	82,694	99
CUSTOMER CONNECTION FEES	855	10,193	12,500	30,000	(18)	703	4,438	5,754	130
BULK WATER SALES/HYDRANT R	84	10,936	10,416	25,000	5	0	6,341	4,595	72
Total For Connection Fees:	11,740	186,960	106,250	255,000	76	32,539	93,916	93,044	99
Misc Revenue									
MISC NON-UTILITY	0	20	20	50	(5)	0	20	0	0
TRANSFER IN FROM CITY	0	0	0	230,000	0	0	0	0	0
MISCELLANEOUS REVENUE	0	0	208	500	(100)	0	258	(258)	(100)
HYDRANT MAINTENANCE PROGR	975	5,700	6,250	15,000	(9)	975	5,781	(80)	(1)
CONTRIBUTIONS FROM DEVELOP	0	0	0	65,000	0	0	0	0	0
WATER TOWER LEASE	0	0	0	308,236	0	0	0	0	0
Total For Misc Revenue:	975	5,720	6,479	618,786	(12)	975	6,059	(338)	(6)
Total Other Revenue	21,844	227,394	140,437	940,286	62	35,792	120,226	107,168	89
Total For Total Other Revenue:	21,844	227,394	140,437	940,286	62	35,792	120,226	107,168	89

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR PERIOD ENDING MAY 2024

		2024 MAY	2024 YTD	2024 YTD BUDGET	2024 ANNUAL BUDGET	2024 YTD Bud Var%	2023 MAY	2023 YTD	YTD VARIANCE	2023 v. 2024 Actual Var%
Water										
	Total Revenue	<u>215,710</u>	<u>1,006,886</u>	<u>797,098</u>	<u>3,728,289</u>	<u>26</u>	<u>193,965</u>	<u>843,599</u>	<u>163,286</u>	<u>19</u>
Expenses										
	Production Expense									
	MTCE OF STRUCTURES	<u>14,015</u>	<u>56,844</u>	<u>47,916</u>	<u>115,000</u>	<u>19</u>	<u>11,254</u>	<u>48,407</u>	<u>8,437</u>	<u>17</u>
	Total For Production Expense:	<u>14,015</u>	<u>56,844</u>	<u>47,916</u>	<u>115,000</u>	<u>19</u>	<u>11,254</u>	<u>48,407</u>	<u>8,437</u>	<u>17</u>
	Pumping Expense									
	SUPERVISION	<u>5,968</u>	<u>28,982</u>	<u>28,125</u>	<u>67,500</u>	<u>3</u>	<u>5,888</u>	<u>26,888</u>	<u>2,094</u>	<u>8</u>
	ELECTRIC & GAS UTILITIES	<u>22,843</u>	<u>97,285</u>	<u>139,654</u>	<u>335,171</u>	<u>(30)</u>	<u>36,778</u>	<u>123,251</u>	<u>(25,966)</u>	<u>(21)</u>
	SAMPLING	<u>1,279</u>	<u>7,068</u>	<u>7,083</u>	<u>17,000</u>	<u>0</u>	<u>674</u>	<u>6,677</u>	<u>390</u>	<u>6</u>
	CHEMICAL FEED	<u>3,924</u>	<u>13,096</u>	<u>22,083</u>	<u>53,000</u>	<u>(41)</u>	<u>6,815</u>	<u>12,846</u>	<u>250</u>	<u>2</u>
	MTCE OF WELLS	<u>11,369</u>	<u>65,859</u>	<u>68,750</u>	<u>165,000</u>	<u>(4)</u>	<u>6,631</u>	<u>63,099</u>	<u>2,759</u>	<u>4</u>
	SCADA - PUMPING	<u>(12,162)</u>	<u>3,978</u>	<u>3,333</u>	<u>8,000</u>	<u>19</u>	<u>332</u>	<u>1,436</u>	<u>2,541</u>	<u>177</u>
	Total For Pumping Expense:	<u>33,222</u>	<u>216,271</u>	<u>269,029</u>	<u>645,671</u>	<u>(20)</u>	<u>57,122</u>	<u>234,200</u>	<u>(17,929)</u>	<u>(8)</u>
	Distribution Expense									
	MTCE OF WATER MAINS	<u>16,885</u>	<u>33,281</u>	<u>72,916</u>	<u>175,000</u>	<u>(54)</u>	<u>19,878</u>	<u>75,569</u>	<u>(42,287)</u>	<u>(56)</u>
	LOCATE WATER LINES	<u>1,260</u>	<u>5,493</u>	<u>7,187</u>	<u>17,250</u>	<u>(24)</u>	<u>1,269</u>	<u>2,459</u>	<u>3,034</u>	<u>123</u>
	MTCE OF WATER SERVICES	<u>0</u>	<u>0</u>	<u>208</u>	<u>500</u>	<u>(100)</u>	<u>0</u>	<u>184</u>	<u>(184)</u>	<u>(100)</u>
	WATER METER SERVICE	<u>4,341</u>	<u>18,912</u>	<u>27,500</u>	<u>66,000</u>	<u>(31)</u>	<u>953</u>	<u>8,147</u>	<u>10,764</u>	<u>132</u>
	BACKFLOW DEVICE INSPECTION	<u>1,372</u>	<u>6,895</u>	<u>7,522</u>	<u>20,000</u>	<u>(8)</u>	<u>1,724</u>	<u>7,425</u>	<u>(529)</u>	<u>(7)</u>
	MTCE OF CUSTOMERS SERVICE	<u>2,574</u>	<u>13,422</u>	<u>13,750</u>	<u>33,000</u>	<u>(2)</u>	<u>2,505</u>	<u>12,383</u>	<u>1,038</u>	<u>8</u>
	WATER MAPPING	<u>1,891</u>	<u>11,026</u>	<u>6,250</u>	<u>15,000</u>	<u>76</u>	<u>1,156</u>	<u>7,900</u>	<u>3,126</u>	<u>40</u>
	MTCE OF WATER HYDRANTS - PU	<u>2,257</u>	<u>14,699</u>	<u>8,333</u>	<u>20,000</u>	<u>76</u>	<u>2,113</u>	<u>4,570</u>	<u>10,128</u>	<u>222</u>
	MTCE OF WATER HYDRANTS - PR	<u>888</u>	<u>1,552</u>	<u>2,500</u>	<u>6,000</u>	<u>(38)</u>	<u>99</u>	<u>26</u>	<u>1,525</u>	<u>5,652</u>
	WATER CLOTHING/PPE	<u>4,274</u>	<u>8,640</u>	<u>4,166</u>	<u>10,000</u>	<u>107</u>	<u>28</u>	<u>7,283</u>	<u>1,357</u>	<u>19</u>
	WAGES WATER	<u>555</u>	<u>3,274</u>	<u>3,125</u>	<u>7,500</u>	<u>5</u>	<u>622</u>	<u>3,005</u>	<u>269</u>	<u>9</u>
	TRANSPORTATION EXPENSE	<u>1,146</u>	<u>7,510</u>	<u>10,000</u>	<u>24,000</u>	<u>(25)</u>	<u>1,530</u>	<u>5,815</u>	<u>1,695</u>	<u>29</u>
	WATER PERMIT	<u>0</u>	<u>26,255</u>	<u>28,000</u>	<u>28,000</u>	<u>(6)</u>	<u>0</u>	<u>15,752</u>	<u>10,502</u>	<u>67</u>
	Total For Distribution Expense:	<u>37,449</u>	<u>150,966</u>	<u>191,459</u>	<u>422,250</u>	<u>(21)</u>	<u>31,883</u>	<u>150,525</u>	<u>440</u>	<u>0</u>
	Depreciation & Amortization									
	DEPRECIATION	<u>100,650</u>	<u>503,890</u>	<u>478,750</u>	<u>1,148,987</u>	<u>5</u>	<u>97,652</u>	<u>487,424</u>	<u>16,465</u>	<u>3</u>
	Total For Depreciation & Amortization:	<u>100,650</u>	<u>503,890</u>	<u>478,750</u>	<u>1,148,987</u>	<u>5</u>	<u>97,652</u>	<u>487,424</u>	<u>16,465</u>	<u>3</u>
	Interest Expense									
	INTEREST EXPENSE - BONDS	<u>3,466</u>	<u>17,333</u>	<u>17,333</u>	<u>40,600</u>	<u>0</u>	<u>3,666</u>	<u>18,333</u>	<u>(999)</u>	<u>(5)</u>
	AMORTIZATION OF DEBT DISCOU	<u>(554)</u>	<u>(2,771)</u>	<u>(2,771)</u>	<u>(6,651)</u>	<u>0</u>	<u>(554)</u>	<u>(2,771)</u>	<u>0</u>	<u>0</u>
	Total For Interest Expense:	<u>2,912</u>	<u>14,562</u>	<u>14,562</u>	<u>33,949</u>	<u>0</u>	<u>3,112</u>	<u>15,562</u>	<u>(999)</u>	<u>(6)</u>

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR PERIOD ENDING MAY 2024

	2024 MAY	2024 YTD	2024 YTD BUDGET	2024 ANNUAL BUDGET	2024 YTD Bud Var%	2023 MAY	2023 YTD	YTD VARIANCE	2023 v. 2024 Actual Var%
Water									
Other Operating Expense									
LOSS ON DISPOSITION OF PROP (C	0	0	0	14,000	0	0	0	0	0
DAM MAINTENANCE EXPENSE	19	19	833	2,000	(98)	147	1,689	(1,669)	(99)
PENSION EXPENSE	0	0	0	65,000	0	0	0	0	0
OTHER INTEREST EXPENSE	0	0	0	0	0	0	94	(94)	(100)
INTEREST EXPENSE - METER DEP	60	543	541	1,300	0	104	524	19	4
Total For Other Operating Expense:	79	563	1,375	82,300	(59)	252	2,307	(1,744)	(76)
Customer Accounts Expense									
METER READING EXPENSE	581	1,234	1,041	2,500	19	209	855	379	44
MISC CUSTOMER ACCOUNTS EXP	8,026	36,717	37,083	89,000	(1)	6,924	35,867	850	2
BAD DEBT EXPENSE & RECOVER	0	0	104	250	(100)	0	0	0	0
Total For Customer Accounts Expense:	8,608	37,952	38,229	91,750	(1)	7,134	36,722	1,229	3
Administrative Expense									
SALARIES OFFICE & COMMISSION	22,194	109,418	118,750	285,000	(8)	20,387	97,464	11,953	12
TEMPORARY STAFFING	0	0	416	1,000	(100)	0	0	0	0
OFFICE SUPPLIES	1,282	7,310	15,416	37,000	(53)	5,122	12,868	(5,558)	(43)
ELECTRIC & WATER CONSUMPTI	569	2,646	4,583	11,000	(42)	730	2,964	(318)	(11)
BANK FEES	62	284	250	600	14	39	193	90	47
LEGAL FEES	244	1,179	3,750	9,000	(69)	640	2,122	(942)	(44)
AUDITING FEES	410	2,396	2,500	6,000	(4)	405	2,815	(419)	(15)
INSURANCE	3,460	17,381	17,916	43,000	(3)	13,667	27,473	(10,092)	(37)
UTILITY SHARE - DEFERRED COM	1,775	11,285	8,750	21,000	29	1,756	11,985	(699)	(6)
UTILITY SHARE - MEDICAL/DENT	14,704	98,764	105,454	220,000	(6)	14,952	105,252	(6,488)	(6)
UTILITY SHARE - PERA	6,222	25,191	23,333	56,000	8	4,582	23,001	2,189	10
UTILITY SHARE - FICA	6,216	24,569	22,500	54,000	9	4,459	22,046	2,523	11
EMPLOYEE SICK PAY	1,873	10,856	12,083	29,000	(10)	1,399	13,126	(2,270)	(17)
EMPLOYEE HOLIDAY PAY	2,875	10,277	11,636	32,000	(12)	2,528	9,604	672	7
EMPLOYEE VACATION & PTO PA	3,941	27,050	24,000	52,000	13	3,071	23,223	3,827	16
UPMIC DISTRIBUTION	0	5,834	5,250	21,000	11	0	3,632	2,202	61
WELLHEAD PROTECTION	0	0	850	2,000	(100)	0	6,861	(6,861)	(100)
LONGEVITY PAY	420	420	420	837	0	0	101	318	316
CONSULTING FEES	1,314	7,996	19,125	45,900	(58)	273	5,883	2,112	36
TELEPHONE	649	3,425	3,750	9,000	(9)	685	3,620	(194)	(5)
ADVERTISING	404	1,726	2,083	5,000	(17)	563	2,266	(540)	(24)
DUES & SUBSCRIPTIONS - FEES	19,086	40,031	41,600	88,114	(4)	15,053	34,571	5,459	16

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR PERIOD ENDING MAY 2024

Water		2024	2024	2024	2024	2024 YTD	2023	2023	YTD	2023 v. 2024
		MAY	YTD	YTD BUDGET	ANNUAL BUDGET	Bud Var%	MAY	YTD	VARIANCE	Actual Var%
	SCHOOLS & MEETINGS	1,672	15,036	26,675	61,072	(44)	955	11,851	3,185	27
	MTCE OF GENERAL PLANT & OFFI	211	1,055	1,291	3,100	(18)	250	1,253	(198)	(16)
	Total For Administrative Expense:	89,593	424,138	472,385	1,092,623	(10)	91,526	424,186	(47)	0
General Expense										
	CIP REBATES - RESIDENTIAL	50	75	2,083	5,000	(96)	175	502	(427)	(85)
	CIP REBATES - COMMERCIAL	0	0	208	500	(100)	0	0	0	0
	CIP - MARKETING	212	941	833	2,000	13	0	588	353	60
	CIP - LABOR	0	0	2,083	5,000	(100)	0	1,288	(1,288)	(100)
	ENVIRONMENTAL COMPLIANCE	60	280	1,041	2,500	(73)	57	1,013	(733)	(72)
	MISC GENERAL EXPENSE	0	0	104	250	(100)	0	(4)	4	100
	Total For General Expense:	323	1,296	6,354	15,250	(80)	232	3,389	(2,092)	(62)
	Total Expenses(before Operating Transfers)	286,855	1,406,484	1,520,062	3,647,781	(7)	300,169	1,402,726	3,758	0
Operating Transfer										
Utilities & Labor Donated										
	WATER & LABOR DONATED TO CI	0	0	625	1,500	(100)	0	0	0	0
	Total Operating Transfer									
	Total For Total Operating Transfer:	0	0	625	1,500	(100)	0	0	0	0
	Net Income Profit(Loss)	(71,145)	(399,598)	(723,588)	79,007	45	(106,203)	(559,126)	159,528	29

Beginning Fiscal Period[YYYYMM]

202401

GL Division

61 - Elk River Electric

GL Department

All

Ending Fiscal Period[YYYYMM]

202405

GL Activity

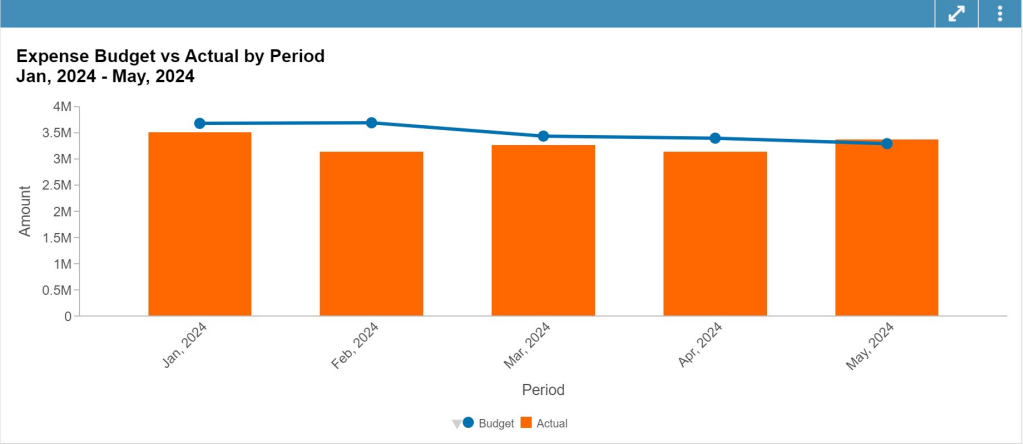
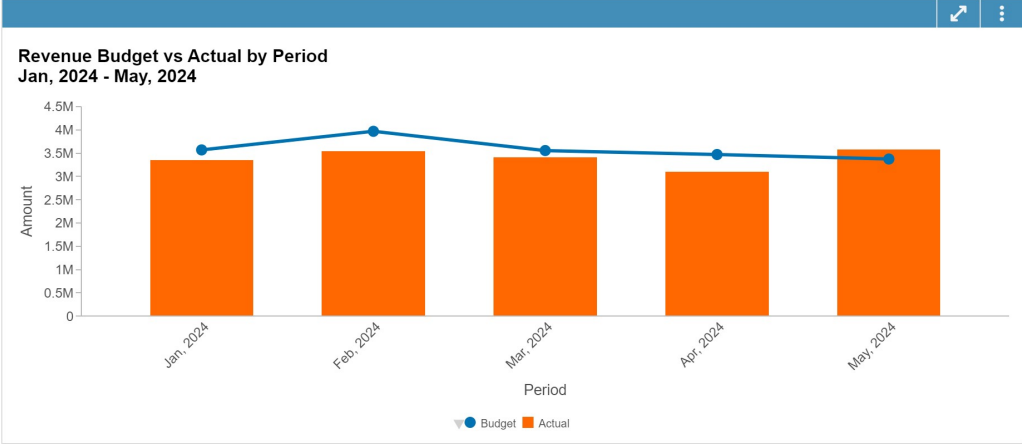
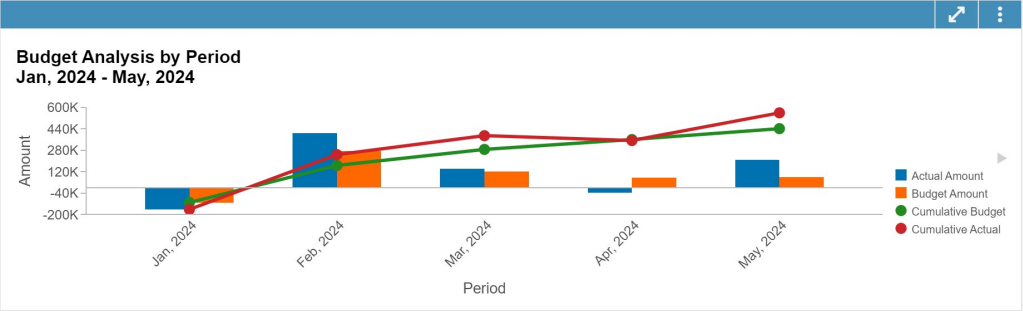
All

Period Type

Closed Period

Budget Revenue Comparison & Variance Jan, 2024 - May, 2024	
-\$959,842.16	
-5.35%	
Actual	Budget
\$16,982,267.76	\$17,942,109.92

Budget Expense Comparison & Variance Jan, 2024 - May, 2024	
-\$1,077,990.45	
-6.16%	
Actual	Budget
\$16,422,163.46	\$17,500,153.91



Beginning Fiscal Period[YYYYMM]

202401

GL Division

62 - Elk River Water

GL Department

All

Ending Fiscal Period[YYYYMM]

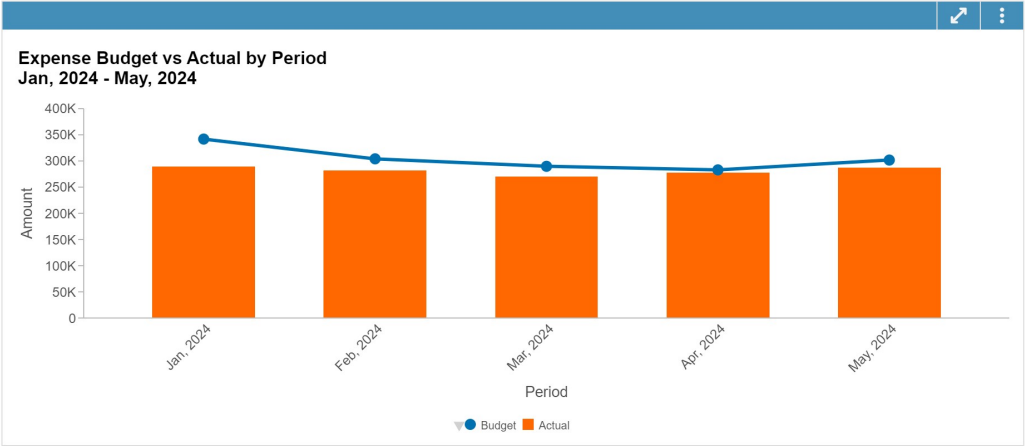
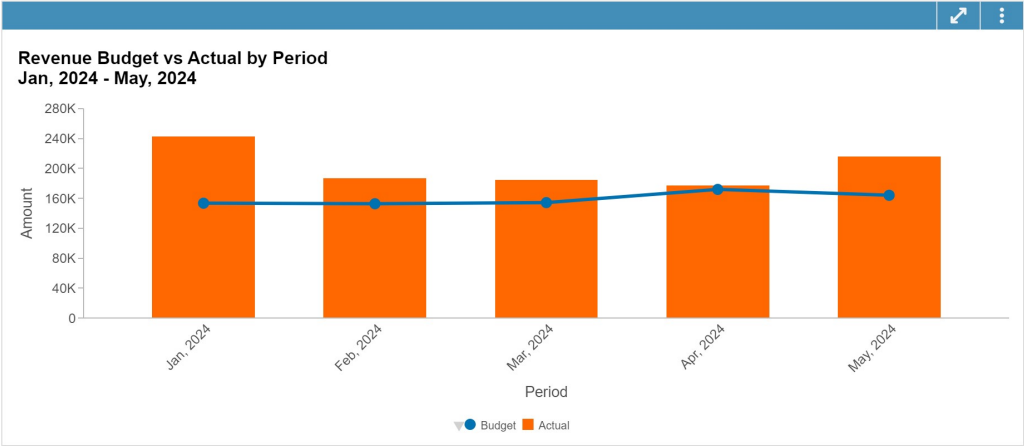
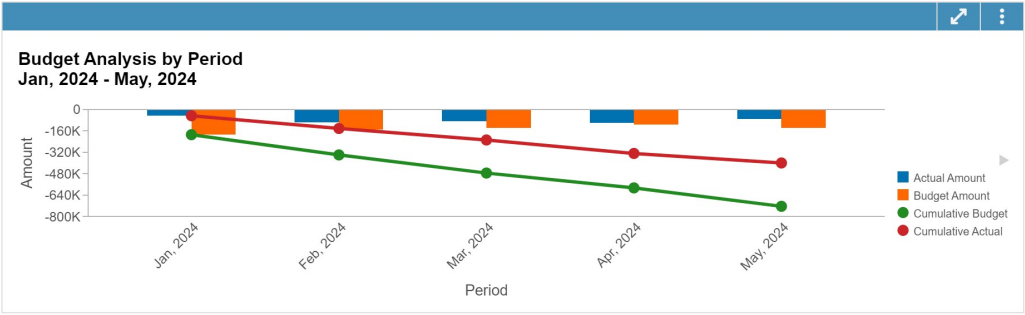
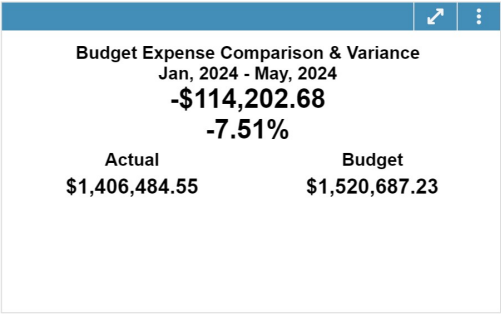
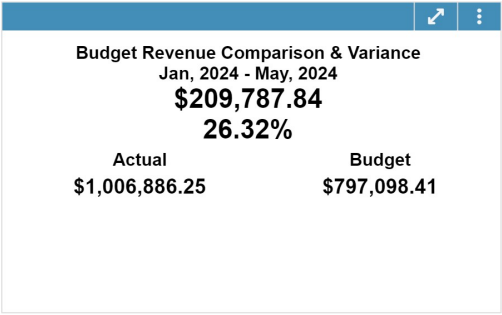
202405

GL Activity

All

Period Type

Closed Period



TO: ERMU Commission	FROM: Mike Tietz – Technical Services Superintendent
MEETING DATE: July 9, 2024	AGENDA ITEM NUMBER: 5.3
SUBJECT: Advanced Metering Infrastructure Update	
ACTION REQUESTED: None	

DISCUSSION:

- As of July 1, Allegiant has completed 507 residential water meter replacements and 34 retrofits. The pace is slower than expected due to staffing issues that Allegiant is trying to resolve. Allegiant is planning to have a total of four technicians by the middle of July.
- Staff has approved the commercial appointment letter and a few changes to the residential letter. The next round of appointment letters is expected to go in the mail on July 3.
- Allegiant has completed the setup of a scheduling database for commercial services and is in the process of moving work orders to the appropriate databases.
- Allegiant's commercial meter subcontractor (Archer Plumbing) has completed five commercial meter replacements as of July 1 and has another four scheduled. Staff met with Allegiant and Archer Plumbing at Rinker Materials to go over the details of the replacements.
- To date we have made four residential repairs utilizing Karsten Nelson (Archer Plumbing) who is a master plumber and has agreed to set pricing for the replacement of the utility side meter shut-off valve so that Allegiant can complete the meter exchange.
- TKDA has been performing spot inspections for us throughout this project. Our Sensus AMI residential water meters have already shown us a benefit that I believe is a real game-changer for both our customers and the utility by identifying issues quickly, and thereby conserving water consumption. These smart meters provide notification of continuous flow, even in small quantities through the meter, which helps us to quickly identify potential leaks and notify our customers about their water usage. Most of these types of leaks would never have been identified using our old Automated Meter Reading system. This new technology empowers the customer to seek out the source of their

leak and take appropriate action to not only reduce water waste but also save money on their bill almost immediately. We are working on developing a way to track these potential savings for future reference.

- We are still working with our distributor to develop a plan and commitment from the manufacturer to provide us with an accurate shipment schedule for the electric meters. We are still waiting for another 2,000 electric meters before we begin installations.
- On June 7, ERMU respectfully requested a change in project management from Allegiant for the remainder of the AMI project. Our new project manager started on June 24, and we are working together to resolve issues that have been identified prior to his arrival.

TO: ERMU Commission	FROM: Mark Hanson – General Manager
MEETING DATE: July 9, 2024	AGENDA ITEM NUMBER: 6.1a
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- As reported earlier, Engineering Manager Chris Kerzman has submitted his notice of resignation after 5+ years of service with ERMU. In addition to his many engineering contributions, I'd like to personally thank Chris for his support, counsel, and resourcefulness in meeting the needs of our stakeholders. Chris's last day will be Friday, July 12. Prior to making decisions on next steps, we'll be taking the necessary time to evaluate the engineering manager position and the future needs of the organization.
- As reported earlier, I've been working with Connexus Energy and representatives of the Northfork Homeowners Association (HOA) in Ramsey for an easement to run an underground tie line across their property. I started working with the HOA after learning the lack of an agreement held up construction for nearly two years. Connexus had even started pursuing an alternate route. I am happy to report an easement agreement with the HOA is now in place allowing construction to start this summer. Since ERMU is responsible for the construction costs, had an agreement not been reached, the alternate route could have cost ERMU an additional \$150K to construct.
- The Board of Directors of the Minnesota Municipal Power Agency (MMPA) met on June 25, 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 operating & financial performance for May 2024.
 - Clean Energy Choice program participation remained at 5.5%.
 - The Board discussed the status of renewable projects the Agency is pursuing.
 - The Board discussed the upcoming MMPA annual dinner meeting with city officials.
- I'm happy to report that ERMU led the way at last month's operational update during the MMPA Board Meeting with 17 additions to our Clean Energy Choice program. Kudos to our customer service staff for hitting our highest single-month increase!

TO: ERMU Commission	FROM: Sara Youngs – Administrations Director
MEETING DATE: July 9, 2024	AGENDA ITEM NUMBER: 6.1b
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- Office walk-in traffic for June consisted of 180 customers, averaging 36 customers per week over the five-week period.
- Currently there are six active residential solar photovoltaic projects planned or under construction in the ERMU service territory.
- Attended a webinar hosted by STAR Energy Services on June 26 for training on Utility Required Profile (URP). Training included an overview of what a URP is, the role of the utility, the role of the distributed energy resource (DER) owner/installer, and how to incorporate the new requirements with the witness test process.
- ERMU disconnections for June.
 - Cycle 3 – 20 disconnections
 - Cycle 4 – 10 disconnections
 - Cycle 1 – 32 disconnections
- Backflow prevention inspection notices have been mailed to all residential and commercial customers. Residential inspections are being completed by ERMU's water department with an anticipated completion date of September 1, 2024. Commercial customers are required to schedule an appointment with a registered plumber. As part of ERMU's fee schedule, customers that fail or do not comply with the inspection will be charged \$100 per month for non-compliance.
- Administrations Director daily efforts continue to focus on ERMU's Advanced Metering Infrastructure (AMI) project; the AMI team meets weekly for a project update with Allegiant and Core & Main.

TO: ERMU Commission	FROM: Melissa Karpinski – Finance Manager
MEETING DATE: July 9, 2024	AGENDA ITEM NUMBER: 6.1c
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- Staff submitted responses/information for the 2023 Energy Information Administration's form 861 data quality review.
- The League of Minnesota Cities Insurance Trust property appraisal on-site visit was completed on June 28. Follow-up questions have been submitted.
- Staff submitted information for IRS examination (audit) of 2016A electric bonds.

TO: ERMU Commission	FROM: Tony Mauren – Governance & Communications Manager
MEETING DATE: July 9, 2024	AGENDA ITEM NUMBER: 6.1d
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- In July, residential electric customers will receive the appliance and home efficiency rebate flyer. This is the first distribution of the redesigned rebate flyers created by communications staff to coincide with Frontier Energy’s programs and processes. As explained in June, ERMU is once again partnering with the City’s Housing and Redevelopment Authority (HRA) to distribute the attached Home Improvement Resources flyer to all residential customers in the Elk River urban services area. The flyer highlights grants, low-interest loans, and weatherization programs from the City as well as Tri-CAP. We last partnered with the HRA in February 2023 to distribute the flyer and they found it to be one of their most effective outreach efforts.
- In addition to bill insert topics, social media posts this month feature the commission meeting notice, Smart Irrigation month, ERMU’s participation in the Sherburne County Parade, a payment drop box location reminder, and the Independence Day closure.
- I am excited to share that ERMU’s Communications & Administrative Coordinator Jenny Foss has been invited to present at the American Public Power Association’s Customer Connections Conference, occurring October 27-30 in Louisville, KY! Jenny was asked to join the presentation following her excellent contributions to multiple interviews that have been shared with the Commission. Here is the session abstract:

Maximizing Impact: Customer Service Strategies for Small Municipal Teams

In an era of increasing pressure to effectively engage customers, achieving success with limited resources can be challenging. Despite relative limited resources, public power utilities are often expected to achieve customer service objectives comparable to those of investor-owned utilities. Share strategic insights into how small teams can be resourceful and savvy in enhancing customer satisfaction, including by leveraging the opportunities unique to smaller public power utilities, namely, community involvement in events and local partnerships. Examine how digital platforms and data analysis tools can help your path to success.

ATTACHMENTS:

- Bill Insert – ERMU Appliance and Home Efficiency Rebate Flyer
- Bill Insert – Home Improvement Resources Flyer

APPLIANCE AND HOME EFFICIENCY RESIDENTIAL REBATES

Clothes Dryer • Clothes Washer • Dehumidifier •
Dishwasher • New Refrigerator/Freezer •
Recycled Refrigerator/Freezer • Air Purifier •
Ceiling Fan • Ceiling Fan with LED Light •
Tier II Power Strip • Smart Irrigation Controller
Installation • Toilet • Variable Speed Pool Pumps



See back for details regarding specific rebate requirements.



ERMU makes it easier to save energy and money on **ENERGY STAR**®-certified and **WaterSense**-labeled products with appliance and home efficiency rebates. When you purchase rebate-qualifying products, you'll conserve natural resources by using less energy and water. This not only helps to reduce long-term utility rates but also controls energy costs.

How to Receive a Rebate

(Valid for customers of Elk River Municipal Utilities only. Rebates come in the form of a bill credit.)

- 1 Complete the front and back of this rebate form.
 - 2 Include a copy of the original itemized sales receipt and/or invoice for each product.
 - 3 Include a copy of the energy guide label containing **ENERGY STAR**® Symbol or denotation if applicable.
 - 4 Mail or bring to
Elk River Municipal Utilities
ATTN Rebate Program
13069 Orono Pkwy NW, Elk River, MN 55330
- OR** Email customerservice@ermumn.com



CUSTOMER INFORMATION (please complete all information below)

Name _____ Phone _____ County _____
Install Address _____ City _____ State _____ Zip _____
Email _____ Account # _____

RETAILER / CONTRACTOR / INSTALLER INFORMATION

Company Name _____ Phone _____ Email Address _____
Mailing Address _____ City _____ State _____ Zip _____

CERTIFICATIONS AND SIGNATURE

I hereby certify that

- The information contained in this application is accurate and complete.
- All installation is complete, and the unit(s) is operational prior to submitting application.
- All rules of this rebate program have been followed.

I agree to verification of equipment installation which may include a site inspection by a program or utility representative. I understand that I am not allowed to receive more than one rebate from this program on any piece of equipment. I agree to indemnify, defend, hold harmless and release ERMU from any claims, damages, liabilities, costs and expenses (including reasonable attorney's fees) arising from or relating to the removal, disposal, installation or operation of any equipment or related materials in connection with the programs described in this application, including any incidental, special or consequential damages.

ERMU reserves the right to reject any rebate application submitted as a result of work performed by a contractor who has failed to adhere to the terms and conditions established for the rebate program.

Homeowner Signature _____ Print Name _____ Date _____

PRODUCTS THAT QUALIFY FOR REBATES (Rebates valid up to one year after date of installation)

CLOTHES DRYER (Must be ENERGY STAR® certified)

REBATE: \$40 / UNIT

Quantity _____

Type (select one in each group)

☐ Gas

☐ Electric

☐ Compact

☐ Standard

☐ Vented

☐ Ventless

Manufacturer Name _____ Model Number _____ Date of Install _____

CLOTHES WASHER (Must be ENERGY STAR® certified)

REBATE: \$40 / UNIT

Quantity _____

Building Type (select one)

☐ Reverse Cycle

☐ Louvered

Type (select one) ☐ Front Load

☐ Top Load

Capacity (cubic feet) _____

Drying Energy Source (select one)

☐ Gas

☐ Electric

☐ Unknown

Manufacturer Name _____ Model Number _____ Date of Install _____

DEHUMIDIFIER (Must be ENERGY STAR® certified AND UEF greater than 2)

REBATE: \$30 / UNIT

Quantity _____ Capacity (pints / day) _____ New Unit Energy Factor (UEF) _____

Manufacturer Name _____ Model Number _____ Date of Install _____

DISHWASHER (Must be ENERGY STAR® certified)

REBATE: \$40 / UNIT

Quantity _____

Type (select one)

☐ Compact

☐ Standard

Manufacturer Name _____ Model Number _____ Date of Install _____

REFRIGERATOR/FREEZER

(Must be ENERGY STAR® certified)

REBATE: \$100 / UNIT (When buying new and recycling an old unit in working order)

\$35 / UNIT (When buying new only)

Quantity _____ Type (select one) ☐ Freezer ☐ Refrigerator ☐ Both

Style (select one) ☐ Compact Chest ☐ Compact Upright ☐ Standard Upright

Through the Door Ice (select one) ☐ Yes ☐ No

Defrost Type (select one)

☐ Manual

☐ Auto

☐ Partial Auto

Configuration (select one) ☐ Refrigerator Only

☐ Top Mounted Freezer

☐ Side by Side

☐ Bottom Mounted Freezer

Manufacturer Name _____ Model Number _____ Date of Install _____

ADDITIONAL ITEMS THAT QUALIFY FOR REBATES (See below)

Select any applicable item(s) below. A representative may need to contact you for additional information.

☐ ENERGY STAR® Air Purifier - \$35

☐ ENERGY STAR® Ceiling Fan - \$10

☐ Tier II Power Strip - \$20

☐ ENERGY STAR® Ceiling Fan with Integral LED Light - \$20

☐ Variable Speed Pool Pumps w/E.F. < 3.8 - \$200

☐ WaterSense-labeled toilet with a rating of 1.28 gallons or fewer per flush - \$25

☐ WaterSense-labeled smart irrigation controller and installation - Up to 50% of the device and installation costs. Not to exceed \$250
Must be linked to local weather via internet, weather station, or an ET water server.

Manufacturer Name _____ Model Number _____ Date of Install _____



Open the door to home enhancement opportunities

Homeowners, renters, and property managers in Elk River may have the opportunity to update their home with health and safety repairs and general improvements. The partnership between ERMU, Tri-CAP, and the City of Elk River is focused on improving the safety, livability, energy efficiency, and accessibility of a home. Please note: All options listed below are on a first-come, first-served basis while funds are available.

Home Improvement Programs Available

- **Tri-CAP sponsored Energy Assistance Program** offers assistance with utility bill payment and/or fuel delivery for income eligible homeowners
- **Tri-CAP sponsored Weatherization Assistance Program** is federally funded for income eligible homeowners
- **City of Elk River Housing Rehabilitation Loan Program** has no maximum income limit

Home Improvement Possibilities

For a complete list of possible projects — from plumbing and electrical, to HVAC and energy efficiency, to cosmetic upgrades and everything in between — please review the details on the back of this form.

**Partnering to Make Your Home
an Energy Efficient, Healthy,
and Safe Environment**



Tri-CAP | 320.251.1612 | 888.765.5597 | Email: general@tricap.org | www.tricap.org

Tri-CAP Energy Assistance Program

The Energy Assistance Program is a federally funded program. Grants are based on household size, income, fuel type, and energy usage.

ELIGIBILITY

- Households at or below 50% of the state median income (see guidelines)
- Tri-CAP provides energy assistance to Sherburne county residents

HOME IMPROVEMENT SERVICES

- Help for utility bill payment and/or fuel delivery
- Emergency heating system repair or replacement

2024 Maximum EAP Income Guidelines
Based on 50% State Median Income

Household Size	1 Month Gross Income
1	\$2,722
2	\$3,559
3	\$4,397
4	\$5,235
5	\$6,072
6	\$6,910
7	\$7,067
8	\$7,224
9	\$7,381
10	\$7,538

Tri-CAP Weatherization Assistance Program

Provides services at no cost to the customer to reduce energy consumption and eliminate health and safety concerns for eligible homeowners and renters.

ELIGIBILITY

- Customers are eligible if they have not received weatherization in the last 15 years and if the total household income before taxes is equal to or less than 200% of the Federal Poverty guidelines. **No credit check required.**
- Tri-CAP provides weatherization services to Sherburne county residents.

HOME IMPROVEMENT SERVICES

- Comprehensive energy audit
- Insulation (attic and walls)
- Weather stripping
- Caulking
- Furnace clean and tune up
- Health and safety items such as smoke alarms and carbon monoxide detectors
- Emergency refrigerator replacement

Elk River Housing and Redevelopment Authority | 763.635.1000 | ElkRiverMN.gov

City of Elk River Housing Rehabilitation Loan Program

The Elk River Housing and Redevelopment Authority is making financing available for homeowners to make property improvements. Loan amounts are from \$5,000-\$35,000, with no maximum income limit, and terms up to 15 years with a 4% fixed interest rate. Closing costs may apply. Please contact the City of Elk River to learn more about the loan terms.

ELIGIBILITY

- 1-4 unit owner-occupied residential properties located in the City of Elk River with sewer and water service
- Townhomes, condominiums, and properties held in trust are eligible

TYPES OF IMPROVEMENTS

- Roofing
- Siding
- Doors/windows
- Plumbing
- Electrical
- HVAC
- Insulation
- Solar
- Garage
- Driveways
- Sidewalks/steps
- Painting
- Flooring
- Additions
- Landscaping



TO: ERMU Commission	FROM: Thomas Geiser – Operations Director
MEETING DATE: July 9, 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 with other ERMU staff.
- Working through 2024 projects and equipment/material needs.
- Working on scheduling equipment demos for our 2025 equipment replacement needs.
- Meet with city staff and members of Capstone Homes to talk about a property development along Highway 10 in the southeast region of Elk River.
- Engineering Manager Chris Kurzman's last day with ERMU is July 12.
- ERMU management staff had its annual strategic planning meeting on June 20.
- Still attending Highway 169 Redefine meetings every Tuesday.
- Received a new three-quarter ton Chevy pickup Friday June 21 to replace existing pickup #13.
- Working with ERMU and city staff on the new fiber loop. There are a few issues to work out.
- Replaced the downtown banners along Main Street in Elk River for the City.

TO: ERMU Commission	FROM: Chris Sumstad – Electric Superintendent
MEETING DATE: July 9, 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.
- Joe Schmidt, safety instructor from Minnesota Municipal Utilities Association (MMUA), was here on June 26 and 27 visiting jobsites and performing building inspections.
- Mike Willets, Jay Reading, and Joe Schmidt, all from MMUA, were at the field services building on June 27 and met with our line crew to discuss items from the latest American Public Power Association safety manual regarding personal grounding.
- Crews have been performing underground maintenance on the system, replacing aging cabinets and equipment inside these cabinets that may be vulnerable to failure.
- A vehicle struck a three phase pole on 221st Avenue near Grant Street in Elk River on June 6. The feeder recloser operated but remained energized causing a power outage for one customer. Crews replaced the pole that day, restoring power to the customer by 8 p.m.
- Two fiberglass streetlights were also struck by vehicles in Elk River, requiring the replacement of the pole and LED light head.
- Our crews are starting to place underground wire along 65th Avenue in Otsego. This will tie into Anna Acres, a new 50 lot development being constructed south of 65th Avenue.
- Crews replaced a 600-amp underground switchgear cabinet at Twin Lakes Road and 178th Avenue in Elk River. We replace one or two of these units annually, with the new units having a dead front, meaning no live parts are exposed.
- We continue to replace old high-pressure sodium streetlights with new LED models. The latest section replaced was along Main Street from the field services building to downtown Elk River.

TO: ERMU Commission	FROM: Mike Tietz – Technical Services Superintendent
MEETING DATE: July 9, 2024	AGENDA ITEM NUMBER: 6.1g
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- In June, the locators processed 428 locate tickets. These consisted of 338 normal tickets, 5 emergency tickets, 45 updated tickets, 10 cancellations, 10 meets, 5 boundary surveys, 1 correction, and 14 non-excavations. This resulted in a 29.3% decrease in tickets from the previous month and is a 34.8% decrease from the prior June.
- Electrical technicians completed approximately 514 service order tasks, updated the power bill, addressed customer meter issues and any off-peak concerns.
- The Advanced Metering Infrastructure (AMI) residential water meters and residential electric meters continue to be installed in new services. The electrical technicians have been busy changing out our Automated Meter Reading meters to AMI around the system and recently completed the meter installations at several different apartment buildings. TKDA's inspector has been performing random inspections of Allegiant's water meter installations to make sure that the contractor is performing the work to ERMU's standards and following the contract.
- For the month of June, staff did not run generators at the power plant.
- We have received the soil borings and resistivity test results and have forwarded them to DGR for engineering analysis for our East substation project. Also, staff and I have been reviewing control building options for this project and should have a decision made soon.
- Great River Energy discontinued use of their feeder tie at Station #14, bank 3 substation on June 12.

TO: ERMU Commission	FROM: Dave Ninow – Water Superintendent
MEETING DATE: July 9, 2024	AGENDA ITEM NUMBER: 6.1h
SUBJECT: Staff Update	
ACTION REQUESTED: None	

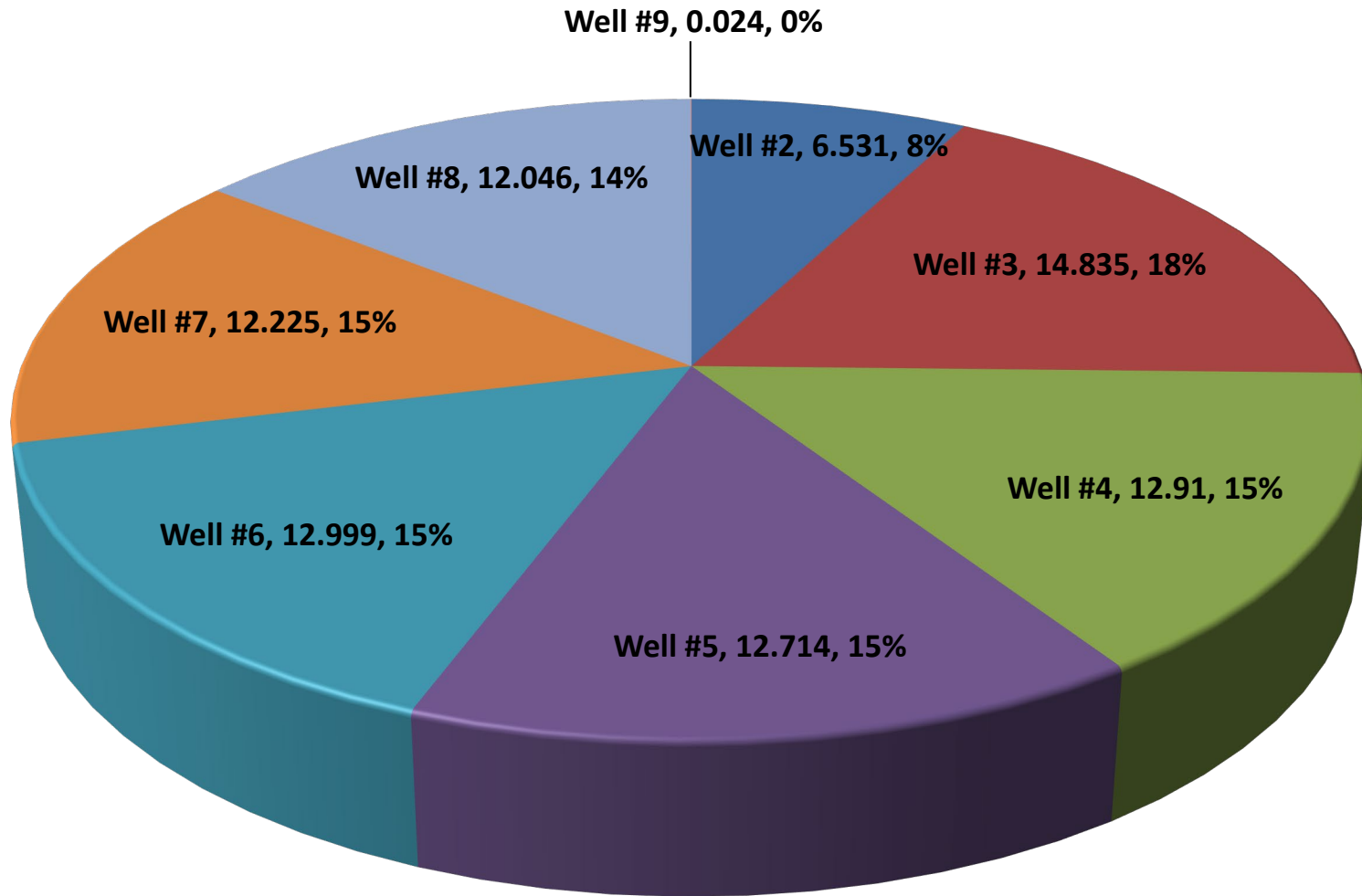
DISCUSSION:

- Delivered 7 new water meters, installed a Smart Point radio transceiver 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 19 routine fluoride samples.
 - All samples met MDH standards.
 - Submitted MDH Fluoride Report.
- Submitted Discharge Monitoring Report to the Minnesota Pollution Control Agency for the Diesel Generation Plant.
- Assisting Allegiant staff with issues that have come up in exchanging water meters for the Advanced Metering Infrastructure project has taken up a fair amount of water department staff's time.
- Cargill staff have expressed interest in connecting their new feed mill building to city water and sewer services. They have been directed to submit a plan for ERMU and City staff to review.
- We discovered a leak in the raw water main pipe running from Well 9 to the water treatment plant for Wells 7 and 9. The leak, which was at the connection point between the pipe and a valve located in the driveway to Well 9, was excavated and repaired. With the assistance of our own bore rig staff, we took advantage of having the effluent pipe from Well 8 exposed to install a water service line and sample tap. This allows staff to collect water samples for quality testing there instead of having to take them from fire hydrants along the road.
- Water Department staff have been working on preventative maintenance for fire hydrants and repairing issues identified during flushing.

ATTACHMENTS:

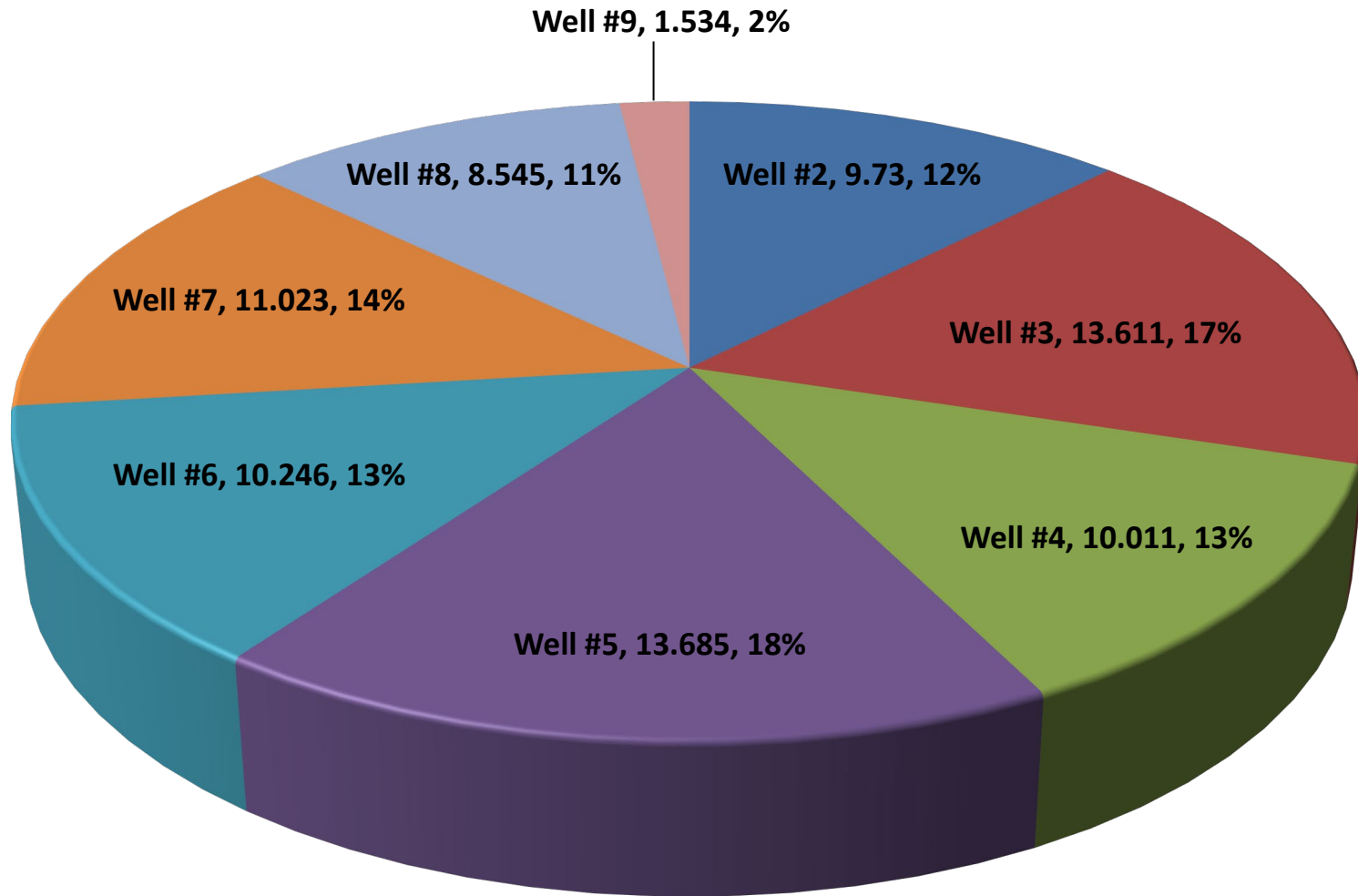
- May 2024 Pumping by Well
- June 2024 Pumping by Well

May 2024 Monthly Pumping By Well



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

June 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: July 9, 2024	AGENDA ITEM NUMBER: 6.1i
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- Fiber splicing continues on the expansion of the fiber loop. Both ERMU and City of Elk River IT staff have assembled a punch list for the contractor to address.
- Staff has received network equipment for the water OT network and is working with the vendor to load configuration and complete testing prior to installation.
- Staff has been working with City of Elk River IT staff to update fiber mapping to make better splicing information and cable characteristics available.
- Staff has sent out requests for quotations for the East substation high voltage circuit breaker and worked with DGR to prepare specifications and advertise for bids for the East substation transformer. Bid opening is scheduled for August 1, with expected award at the August commission meeting.
- The operations director and I met with RJM Construction on July 2 to review a list of 10 warranty items for the field services building and continue to work on remaining closeout items.

Tuesday, January 9: • Annual Review of Committee Charters	Tuesday, February 13: • Review Strategic Plan and 2023 Annual Business Plan Results
Tuesday, March 12: • Oath of Office • Election of Officers • Annual Commissioner Orientation and Review Governance Responsibilities and Role	Tuesday, April 9: • Audit of 2023 Financial Report • Financial Reserves Allocations • Review 2023 Performance Metrics
Tuesday, May 14: • Annual General Manager Performance Evaluation and Goal Setting	Tuesday, June 4: • Annual Commission Performance Evaluation
Tuesday, July 9: • Review and Update Strategic Plan	Tuesday, August 13: • Annual Business Plan – Review Proposed 2025 Travel, Training, Dues, Subscriptions, and Fees Budget
Tuesday, September 10: • Annual Business Plan – Review Proposed 2025 Capital Projects Budget	Tuesday, October 8: • Annual Business Plan – Review Proposed 2025 Expenses Budget
Tuesday, November 12: • Annual Business Plan - Review Proposed 2025 Rates and Other Revenue • Adopt 2025 Fee Schedule • 2025 Stakeholder Communication Plan	Tuesday, December 10: • 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