REGULAR MEETING OF THE
UTILITIES COMMISSION
August 13, 2024, 3:30 P.M.
ERMU Field Services Building

AGENDA

1.0 GOVERNANCE
1.1 Call Meeting to Order
1.2 Pledge of Allegiance
1.3 Consider the Agenda
1.4 Recognition of Employee Longevity – Melissa Karpinski, 8 years

2.0 CONSENT (Routine items. No discussion. Approved by one motion.)
2.1 Check Register – July 2024
2.2 Regular Meeting Minutes – July 9, 2024
2.3 2024 Second Quarter Utilities Performance Metrics Score Card Statistics
2.4 2024 Second Quarter YTD Earned Sick and Safe Time Usage
2.5 Bond Trust Services Corporation Agreement

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.2g – Commission Committees

5.0 BUSINESS ACTION (Current business action requests and performance monitoring reports.)
5.1 2024 Compensation Study Update
5.2 Financial Report – June 2024
5.3 2024 Second Quarter Delinquent Items
5.4 2025 Annual Business Plan: Travel and Training; Dues, Subscriptions, and Fees Budget
5.5 Award of East Substation Bid
5.6 Future of ERMU Power Plant
5.7 Field Services Building Project Closeout

6.0 BUSINESS DISCUSSION (Future business planning, general updates, and informational reports.)
6.1 Staff Updates
6.2 City Council Update
6.3 Future Planning (Announce the next regular meeting, special meeting, or planned quorum.)
a. Regular Commission Meeting – September 10, 2024
b. Quorum – MMUA Summer Conference, August 19-21, 2024 – Fargo/Moorhead
d. 2024 Governance Agenda
6.4 Other Business (Items added during agenda approval.)

7.0 ADJOURN REGULAR MEETING

Elk River Municipal Utilities

TO:	FROM:
ERMU Commission	Mark Hanson – General Manager
MEETING DATE:	**AGENDA ITEM NUMBER:**
August 13, 2024	1.4
SUBJECT:	
Recognition of Employee Longevity – Melissa Karpinski, 8 years	
ACTION REQUESTED:	
Recognize Melissa Karpinski for 8 years of service and award the Longevity Bonus paycheck.	

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

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

DISCUSSION:
Melissa Karpinski has been an employee with ERMU since August 9, 2016, and, therefore, has earned the 8-year longevity pay benefit. We recognize Melissa and all her contributions to the success of ERMU through her service.

CHECK REGISTER

July 2024

APPROVED BY:

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Paul Bell

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John Dietz

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Mary Stewart

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Matt Westgaard

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Nick Zerwas

Payroll/Labor
Check Register Totals

07/05/2024 To 07/05/2024

Pays		Job	Amount	Hours
Gross Pay				
2	Reg Hourly		102,784.77	2,428.00
20	Reg Salary		37,689.16	564.00
3	Overtime		770.41	10.50
4	Double Time		434.92	4.00
5	On-Call/Stand-by		2,720.14	56.00
24	FLSA		39.39	0.00
25	Rest Time		0.00	0.00
10	Bonus Pay		737.75	13.00
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		12,840.45	265.00
SICK	Sick Pay		3,132.97	75.75
HOL	Holiday Pay		17,238.32	360.00
78	Retro Earnings		0.00	0.00
5-2	On-Call/Stand-by/OT		375.35	5.00
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		1,643.76	32.00
3C	Overtime-Comp Time		1,092.68	15.50
4C	Double Time-Comp Time		0.00	0.00
CM3C	Overtime-Comp Time Adjusted		-1,092.68	-15.50
CM4C	Double Time-Comp Time Adjusted		0.00	0.00
COMP	Comp Time Taken		136.95	2.50
106	Longevity Pay		0.00	0.00
10W	Bonus Pay		318.64	8.00
103W	Bonus Pay Overtime		0.00	0.00
	Gross Pay Total:		181,687.98	3,823.75
	Total Pays:		181,687.98	3,823.75

Payroll/Labor
Check Register Totals

07/19/2024 To 07/19/2024

Pays		Job	Amount	Hours
Gross Pay				
2	Reg Hourly		94,001.99	2,256.50
20	Reg Salary		36,173.49	550.50
3	Overtime		1,829.29	22.75
4	Double Time		3,322.31	29.64
5	On-Call/Stand-by		2,716.42	56.00
24	FLSA		133.57	0.00
25	Rest Time		282.13	5.00
10	Bonus Pay		1,745.06	30.75
105	Perf. Metr. Distr.		0.00	0.00
VAC	Vacation Pay		23,082.01	461.50
SICK	Sick Pay		3,209.97	67.75
HOL	Holiday Pay		17,238.32	360.00
78	Retro Earnings		0.00	0.00
5-2	On-Call/Stand-by/OT		1,368.29	17.25
10-3	Bonus Pay Overtime		0.00	0.00
PVT	Purchased Vacation Time		0.00	0.00
PTOY	Personal Day - Year		0.00	0.00
3C	Overtime-Comp Time		272.84	4.00
4C	Double Time-Comp Time		796.72	6.86
CM3C	Overtime-Comp Time Adjusted		-177.85	-2.75
CM4C	Double Time-Comp Time Adjusted		-796.72	-6.86
COMP	Comp Time Taken		48.25	1.00
106	Longevity Pay		0.00	0.00
10W	Bonus Pay		0.00	0.00
103W	Bonus Pay Overtime		0.00	0.00
	Gross Pay Total:		185,246.09	3,859.89
	Total Pays:		185,246.09	3,859.89

Accounts Payable
Check Register

07/01/2024 To 07/31/2024

Bank Account: 1 - GENERAL FUND

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
2369	7/5/24	WIRE	5655	FIRST DATA	CC FEES - JUNE 2024	2,027.90
					CC FEES - JUNE 2024	506.97
					CC FEES - JUNE 2024	491.52
					CC FEES - JUNE 2024	122.88
					CC FEES - JUNE 2024	1,012.21
					CC FEES - JUNE 2024	253.05
					CC FEES - JUNE 2024	34.47
					CC FEES - JUNE 2024	8.62
					CC FEES - JUNE 2024	663.63
					CC FEES - JUNE 2024	165.91
					CC FEES - JUNE 2024	5,440.54
					CC FEES - JUNE 2024	1,360.14
					Total for Check/Tran - 2369:	12,087.84
					Total for Bank Account - 1 : (1)	12,087.84

07/01/2024 To 07/31/2024

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
4424	7/3/24	WIRE	7463	FURTHER	FSA CLAIM REIMBURSEMENTS - 164 172		378.46
					FSA CLAIM REIMBURSEMENTS - 164 172		94.62
						Total for Check/Tran - 4424:	473.08
4425	7/9/24	WIRE	598	MINNESOTA CHILD SUPPORT PAYMEN	CHILD SUPPORT/LEVY		562.52
4426	7/9/24	WIRE	153	PERA (ELECTRONIC)	PERA EMPLOYEE CONTRIBUTION		9,622.93
					PERA CONTRIBUTIONS		11,103.38
					PERA EMPLOYEE CONTRIBUTION		1,878.36
					PERA CONTRIBUTIONS		2,167.33
						Total for Check/Tran - 4426:	24,772.00
4427	7/10/24	WIRE	152	IRS - USA TAX PMT (ELECTRONIC)	PAYROLL TAXES - FEDERAL & FICA		14,616.00
					PAYROLL TAXES - FEDERAL & FICA		21,725.42
					PAYROLL TAXES - FEDERAL & FICA		2,539.07
					PAYROLL TAXES - FEDERAL & FICA		4,434.98
						Total for Check/Tran - 4427:	43,315.47
4428	7/10/24	WIRE	160	HCSP (ELECTRONIC)	HCSP EMPLOYEE CONTRIBUTIONS		2,035.75
					HCSP EMPLOYEE CONTRIBUTIONS		284.66
						Total for Check/Tran - 4428:	2,320.41
4429	7/10/24	WIRE	161	MNDCP (ELECTRONIC)	MNDCP EE MANAGER CONTRIBUTIONS		290.18
					MNDCP EMPLOYEE CONTRIBUTIONS		3,216.78
					MNDCP EMPLOYER CONTRIBUTION		2,001.23
					MNDCP EMPLOYER MGR CONTRIBUTION		491.81
					MNDCP EE ROTH CONTRIBUTIONS		688.49
					MNDCP EE ROTH MGR CONTRIBUTIONS		201.63
					MNDCP EE MANAGER CONTRIBUTIONS		41.62
					MNDCP EMPLOYEE CONTRIBUTIONS		269.50
					MNDCP EMPLOYER CONTRIBUTION		318.99
					MNDCP EMPLOYER MGR CONTRIBUTION		69.03
					MNDCP EE ROTH CONTRIBUTIONS		384.45
					MNDCP EE ROTH MGR CONTRIBUTIONS		27.41

07/01/2024 To 07/31/2024

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
						Total for Check/Tran - 4429:	8,001.12
4430	7/10/24	WIRE	285	JOHN HANCOCK	W&A EMPLOYER CONTRIBUTION		413.86
					W&A MANAGER CONTRIBUTION		468.48
					WENZEL EMPLOYEE CONTRIBUTIONS		1,390.35
					WENZEL MANAGER CONTRIBUTIONS		238.75
					DEF COMP ROTH CONTRIBUTIONS W&A		1,016.26
					WENZEL EE ROTH MGR CONTRIBUTIONS		229.73
					W&A EMPLOYER CONTRIBUTION		178.46
					W&A MANAGER CONTRIBUTION		51.32
					WENZEL EMPLOYEE CONTRIBUTIONS		78.90
					WENZEL MANAGER CONTRIBUTIONS		26.79
					DEF COMP ROTH CONTRIBUTIONS W&A		199.06
					WENZEL EE ROTH MGR CONTRIBUTIONS		24.53
						Total for Check/Tran - 4430:	4,316.49
4431	7/5/24	WIRE	166	ONLINE UTILITY EXCHANGE (ELECTR	UTILITY EXCHANGE REPORT - JUNE 2024		367.44
					UTILITY EXCHANGE REPORT - JUNE 2024		91.86
						Total for Check/Tran - 4431:	459.30
4433	7/10/24	WIRE	7463	FURTHER	FSA CLAIM REIMBURSEMENTS - 172		43.34
					FSA CLAIM REIMBURSEMENTS - 172		10.83
						Total for Check/Tran - 4433:	54.17
4434	7/11/24	WIRE	154	MINNESOTA REVENUE (ELECTRONIC)	PAYROLL TAXES - STATE		6,649.74
					PAYROLL TAXES - STATE		1,291.10
						Total for Check/Tran - 4434:	7,940.84
4435	7/12/24	WIRE	7463	FURTHER	HSA EMPLOYEE CONTRIBUTION		2,472.87
					HSA EMPLOYEE CONTRIBUTION		433.20
						Total for Check/Tran - 4435:	2,906.07
4436	7/17/24	WIRE	7463	FURTHER	FSA CLAIM REIMBURSEMENTS - 147 164		333.06
					FSA CLAIM REIMBURSEMENTS - 147 164		83.26
						Total for Check/Tran - 4436:	416.32

Accounts Payable
Check Register

07/01/2024 To 07/31/2024

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
4438	7/15/24	WIRE	9654	CARDMEMBER SERVICE	FIRST NATIONAL BANK VISA		6,438.92
					FIRST NATIONAL BANK VISA		1,180.67
						Total for Check/Tran - 4438:	7,619.59
4440	7/19/24	WIRE	160	HCSP (ELECTRONIC)	HCSP CORRECTION - 190		11.80
					HCSP CORRECTION - 191		5.77
						Total for Check/Tran - 4440:	17.57
4441	7/19/24	WIRE	153	PERA (ELECTRONIC)	PERA EMPLOYEE CONTRIBUTION		9,944.86
					PERA CONTRIBUTIONS		11,474.83
					PERA EMPLOYEE CONTRIBUTION		1,838.32
					PERA CONTRIBUTIONS		2,121.14
						Total for Check/Tran - 4441:	25,379.15
4442	7/22/24	WIRE	160	HCSP (ELECTRONIC)	HCSP EMPLOYEE CONTRIBUTIONS		2,090.17
					HCSP EMPLOYEE CONTRIBUTIONS		278.32
						Total for Check/Tran - 4442:	2,368.49
4443	7/22/24	WIRE	161	MNDCP (ELECTRONIC)	MNDCP EE MANAGER CONTRIBUTIONS		290.18
					MNDCP EMPLOYEE CONTRIBUTIONS		3,221.49
					MNDCP EMPLOYER CONTRIBUTION		1,858.68
					MNDCP EMPLOYER MGR CONTRIBUTION		491.84
					MNDCP EE ROTH CONTRIBUTIONS		688.52
					MNDCP EE ROTH MGR CONTRIBUTIONS		201.66
					MNDCP EE MANAGER CONTRIBUTIONS		41.62
					MNDCP EMPLOYEE CONTRIBUTIONS		264.79
					MNDCP EMPLOYER CONTRIBUTION		314.54
					MNDCP EMPLOYER MGR CONTRIBUTION		69.00
					MNDCP EE ROTH CONTRIBUTIONS		384.42
					MNDCP EE ROTH MGR CONTRIBUTIONS		27.38
						Total for Check/Tran - 4443:	7,854.12
4444	7/22/24	WIRE	285	JOHN HANCOCK	W&A EMPLOYER CONTRIBUTION		413.86
					W&A MANAGER CONTRIBUTION		455.32

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
					WENZEL EMPLOYEE CONTRIBUTIONS	1,234.22
					WENZEL MANAGER CONTRIBUTIONS	238.75
					DEF COMP ROTH CONTRIBUTIONS W&A	1,016.26
					WENZEL EE ROTH MGR CONTRIBUTIONS	216.57
					W&A EMPLOYER CONTRIBUTION	178.46
					W&A MANAGER CONTRIBUTION	51.32
					WENZEL EMPLOYEE CONTRIBUTIONS	78.45
					WENZEL MANAGER CONTRIBUTIONS	26.79
					DEF COMP ROTH CONTRIBUTIONS W&A	199.06
					WENZEL EE ROTH MGR CONTRIBUTIONS	24.53
					Total for Check/Tran - 4444:	4,133.59
4445	7/22/24	WIRE	598	MINNESOTA CHILD SUPPORT PAYMEN	CHILD SUPPORT/LEVY	562.52
4446	7/23/24	WIRE	7463	FURTHER	HSA EMPLOYEE CONTRIBUTION	2,475.50
					HSA EMPLOYEE CONTRIBUTION	430.57
					Total for Check/Tran - 4446:	2,906.07
4447	7/23/24	WIRE	7463	FURTHER	ADMINISTRATIVE FEE INVOICE - JULY 2024	129.50
					ADMINISTRATIVE FEE INVOICE - JULY 2024	25.50
					Total for Check/Tran - 4447:	155.00
4448	7/24/24	WIRE	152	IRS - USA TAX PMT (ELECTRONIC)	PAYROLL TAXES - FEDERAL & FICA	15,720.23
					PAYROLL TAXES - FEDERAL & FICA	22,377.12
					PAYROLL TAXES - FEDERAL & FICA	2,474.81
					PAYROLL TAXES - FEDERAL & FICA	4,317.60
					Total for Check/Tran - 4448:	44,889.76
4449	7/24/24	WIRE	7463	FURTHER	FSA CLAIM REIMBURSEMENTS - 147 163	3,257.20
					FSA CLAIM REIMBURSEMENTS - 147 163	93.10
					Total for Check/Tran - 4449:	3,350.30
4451	7/25/24	WIRE	154	MINNESOTA REVENUE (ELECTRONIC)	PAYROLL TAXES - STATE	6,992.19
					PAYROLL TAXES - STATE	1,255.44

Accounts Payable
Check Register

07/01/2024 To 07/31/2024

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
						Total for Check/Tran - 4451:	8,247.63
4452	7/23/24	WIRE	174	MINNESOTA REVENUE SALES TX (ELE	SALES AND USE TAX - JUNE 2024		259,474.48
					SALES AND USE TAX - JUNE 2024		-1.08
					SALES AND USE TAX - JUNE 2024		130,018.60
						Total for Check/Tran - 4452:	389,492.00
4457	7/31/24	WIRE	7463	FURTHER	FSA CLAIM REIMBURSEMENTS - 164		153.86
					FSA CLAIM REIMBURSEMENTS - 164		38.46
						Total for Check/Tran - 4457:	192.32
19957	7/2/24	DD	543	USABLUEBOOK	Analyzer		-591.11
					RETRACTABLE QUILL		591.11
						Total for Check/Tran - 19957:	0.00
19958	7/2/24	DD	6	BEAUDRY OIL COMPANY	DIESEL		3,265.78
					UNLEADED FUEL		1,132.15
						Total for Check/Tran - 19958:	4,397.93
19959	7/2/24	DD	11	CITY OF ELK RIVER	PARTS & LABOR FOR UNIT #52		-34.15
					PARTS & LABOR FOR UNIT #52		623.75
					PARTS & LABOR FOR UNIT #52		-8.53
					PARTS & LABOR FOR UNIT #52		155.93
					PARTS & LABOR FOR UNIT #16		-7.75
					PARTS & LABOR FOR UNIT #16		431.27
					PARTS & LABOR FOR UNIT #8		-5.81
					PARTS & LABOR FOR UNIT #8		274.62
					PARTS & LABOR FOR UNIT #62		-3.50
					PARTS & LABOR FOR UNIT #62		64.24
					PARTS & LABOR FOR UNIT #50		-11.65
					PARTS & LABOR FOR UNIT #50		224.63
					DOT INSPECTION - UNIT #39		227.50
					PARTS & LABOR FOR UNIT #5		-10.62
					PARTS & LABOR FOR UNIT #5		373.04

07/01/2024 To 07/31/2024

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
					PARTS & LABOR FOR UNIT #33	-0.45
					PARTS & LABOR FOR UNIT #33	21.59
					PARTS & LABOR FOR UNIT #33	-0.02
					PARTS & LABOR FOR UNIT #33	1.13
					INSURANCE - 7/1/24 to 6/30/25	2,963.20
					INSURANCE - 7/1/24 to 6/30/25	740.80
					FUEL USAGE - MAY 2024	2,213.59
					FUEL USAGE - MAY 2024	964.26
					Total for Check/Tran - 19959:	9,197.07
19960	7/2/24	DD	3667	ELFERING & ASSOCIATES	PROFESSIONAL SERVICES - MAY 2024	72.50
					PROFESSIONAL SERVICES - MAY 2024	3,045.00
					Total for Check/Tran - 19960:	3,117.50
19961	7/2/24	DD	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 2 - INV GRP 436 - MAY 2024	3,765.48
					CYCLE 2 - ACCT 41038 -	109.59
					CYCLE 2 - ACCT 41038 -	5.77
					CYCLE 2 - INV GRP 413 - MAY 2024	50.00
					CYCLE 2 - INV GRP 413 - MAY 2024	274.09
					Total for Check/Tran - 19961:	4,204.93
19962	7/2/24	DD	664	FRONTIER ENERGY, INC	PROFESSIONAL SERVICES - MAY 2024	10,022.01
19963	7/2/24	DD	809	HAWKINS, INC.	CHLORINE CYLINDER RENTAL	150.00
19964	7/2/24	DD	731	HEARTLAND BUSINESS SYTEMS LLC	Firewall	1,439.80
					Firewall	1,660.31
					Support	831.29
					Firewall	1,439.80
					Firewall	1,660.31
					Support	831.29
					Total for Check/Tran - 19964:	7,862.80
19965	7/2/24	DD	7583	ANTHONY HUBBARD	EMPLOYEE CLOTHING - 106 BOOTS	141.55

07/01/2024 To 07/31/2024

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
					EMPLOYEE CLOTHING - 106 BOOTS	7.45
					Total for Check/Tran - 19965:	149.00
19966	7/2/24	DD	8083	JT SERVICES OF MINNESOTA	SECONDARY PEDESTAL	3,943.28
20019	7/11/24	DD	724	ALLEGIANT UTILITY SERVICES, LLC	PROFESSIONAL SERVICES - 6/1 to 6/15/24	20,987.06
					PROFESSIONAL SERVICES - 6/1 to 6/15/24	8,994.45
					Total for Check/Tran - 20019:	29,981.51
20020	7/11/24	DD	11	CITY OF ELK RIVER	FRANCHISE FEE CREDIT - MAY 2024	-625.00
					TRASH BILLED - JUNE 2024	164,771.55
					Total for Check/Tran - 20020:	164,146.55
20021	7/11/24	DD	36	CROW RIVER FARM EQUIP CO	THREADING ON RODS & COLLARS	-7.88
					THREADING ON RODS & COLLARS	107.88
					Total for Check/Tran - 20021:	100.00
20022	7/11/24	DD	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 3 - INV GRP 414 - MAY 2024	100.00
					CYCLE 3 - INV GRP 414 - MAY 2024	495.89
					CYCLE 3 - INV GRP 395 - MAY 2024	11,696.01
					Total for Check/Tran - 20022:	12,291.90
20023	7/11/24	DD	604	MARK HANSON	APPA NAT'L CONF PER DIEM - 186	171.15
20024	7/11/24	DD	809	HAWKINS, INC.	Water Chemicals	376.97
					Water Chemicals	830.35
					Total for Check/Tran - 20024:	1,207.32
20025	7/11/24	DD	8083	JT SERVICES OF MINNESOTA	Tool	202.90
20026	7/11/24	DD	417	LOCATORS & SUPPLIES INC.	Tool	289.20
					Locate Flag Red	657.34
					Total for Check/Tran - 20026:	946.54
20027	7/11/24	DD	330	METRO SALES, INC	COPIER MTC CONTRACT - 5/21 to 6/20/24	151.73
					COPIER MTC CONTRACT - 5/21 to 6/20/24	37.93
					Total for Check/Tran - 20027:	189.66

Accounts Payable
Check Register

07/01/2024 To 07/31/2024

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
20028	7/11/24	DD	1001	MINNESOTA MUNICIPAL POWER AGEN	Purchased Power - JUNE 2024	2,212,337.86
					Purchased Power - JUNE 2024	544,004.06
					Total for Check/Tran - 20028:	2,756,341.92
20029	7/11/24	DD	358	OLSEN CHAIN & CABLE, INC.	PARTS FOR UNIT #56	127.81
20077	7/18/24	DD	728	ARCHER PLUMBING LLC	WATER METER REPAIRS - 532 6TH ST	300.00
					WATER METER REPAIRS - 1528 & 1221 5TH ST	-2.70
					WATER METER REPAIRS - 1528 & 1221 5TH ST	711.98
					WATER METER INSTALLATION	300.00
					Total for Check/Tran - 20077:	1,309.28
20078	7/18/24	DD	5133	PAUL BELL	APPA NAT'L CONF EXPENSES - 160	142.00
20079	7/18/24	DD	9	BORDER STATES ELECTRIC SUPPLY	WIRE	6,052.02
					WIRE	-441.80
					PROBE WRENCH	-31.81
					PROBE WRENCH	435.77
					WEDGE CLAMP	-7.05
					Mtce of OH Primary	96.45
					CARDS FOR SWITCHGEAR	5,331.88
					CARDS FOR SWITCHGEAR	-389.23
					Mtce of URD Primary	939.75
					CRIMPERS	-5.52
					CRIMPERS	75.62
					FUSES	3,420.97
					FUSES	-249.74
					Mtce of URD Primary	526.75
					KIt	5,053.44
					PADDLE	-82.42
					Mtce of URD Primary	1,129.18
					TENSION SLEEVE	518.55
					FUSE HOLDER	1,398.71

Accounts Payable
Check Register

07/01/2024 To 07/31/2024

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
						Total for Check/Tran - 20079:	23,771.52
20080	7/18/24	DD	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 4 - INV GRP 415 - JUNE 2024		150.00
					CYCLE 4 - INV GRP 415 - JUNE 2024		1,352.42
					CYCLE 4 - INV GRP 396 - JUNE 2024		215.85
						Total for Check/Tran - 20080:	1,718.27
20081	7/18/24	DD	626	JENNY FOSS	COOKIES FOR MEETINGS		11.99
					COOKIES FOR MEETINGS		3.00
						Total for Check/Tran - 20081:	14.99
20082	7/18/24	DD	5550	GEARED UP APPAREL	CIP - PARADE T-SHIRTS		245.75
20083	7/18/24	DD	809	HAWKINS, INC.	Water Chemicals		709.17
20084	7/18/24	DD	5686	HYDROCORP	Backflow Device Inspection - JUNE 2024		1,261.00
20085	7/18/24	DD	417	LOCATORS & SUPPLIES INC.	Tool		117.00
					RAIN GEAR - 167		275.76
						Total for Check/Tran - 20085:	392.76
20086	7/18/24	DD	8897	RALPHIE'S MINNOCO	RALPHIE'S MINNOCO		70.67
20087	7/18/24	DD	135	WATER LABORATORIES INC	Sampling - JUNE 2024		378.00
20088	7/18/24	DD	610	WRIGHT HENNEPIN COOPERATIVE ELE	SECURITY - 1435 & 1705 MAIN ST		54.55
					SECURITY - 1435 & 1705 MAIN ST		7.79
						Total for Check/Tran - 20088:	62.34
20089	7/25/24	DD	724	ALLEGIANT UTILITY SERVICES, LLC	WATER METER INSTALL - 5/16 to 5/31/24		11,616.75
					WATER METER INSTALL - 5/16 to 5/31/24		-848.03
						Total for Check/Tran - 20089:	10,768.72
20090	7/25/24	DD	728	ARCHER PLUMBING LLC	AMI REPAIRS - 369 JACKSON AVE NW		300.00
20091	7/25/24	DD	8843	CAMPBELL KNUTSON	LEGAL SERVICES - JUNE 2024		2,631.53
					LEGAL SERVICES - JUNE 2024		657.88
						Total for Check/Tran - 20091:	3,289.41

07/01/2024 To 07/31/2024

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
20092	7/25/24	DD	11	CITY OF ELK RIVER	REVENUE TRANSFER - JUNE 2024	133,172.70
					SEWER BILLED - JUNE 2024	235,362.35
					STORMWATER BILLED - JUNE 2024	56,451.75
					FRANCHISE FEE CREDIT - JUNE 2024	-625.00
					Total for Check/Tran - 20092:	424,361.80
20093	7/25/24	DD	7448	CRC	CUSTOMER SERVICE AFTER HOURS	2,724.34
					CUSTOMER SERVICE AFTER HOURS	681.09
					Total for Check/Tran - 20093:	3,405.43
20094	7/25/24	DD	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 1 - INV GRP 421 - JUNE 2024	6,443.96
					CYCLE 1 - ACCT 183 - JUNE 2024	1,025.13
					CYCLE 1 - INV GRP 101 - JUNE 2024	3,149.15
					CYCLE 1 - INV GRP 101 - JUNE 2024	103.85
					CYCLE 1 - INV GRP 101 - JUNE 2024	1,134.82
					CYCLE 1 - INV GRP 101 - JUNE 2024	502.87
					CYCLE 1 - INV GRP 101 - JUNE 2024	283.70
					CYCLE 1 - INV GRP 325 - JUNE 2024	325.00
					CYCLE 1 - INV GRP 325 - JUNE 2024	15,373.10
					Total for Check/Tran - 20094:	28,341.58
20095	7/25/24	DD	91	GOPHER STATE ONE-CALL	LOCATES FOR - JUNE 2024	534.80
					LOCATES FOR - JUNE 2024	28.15
					Total for Check/Tran - 20095:	562.95
20096	7/25/24	DD	8083	JT SERVICES OF MINNESOTA	FIBERGLASS POLE	2,367.87
20097	7/25/24	DD	9300	NISC	AGREEMENTS INVOICE - JUNE 2024	53.94
					AGREEMENTS INVOICE - JUNE 2024	755.48
					AGREEMENTS INVOICE - JUNE 2024	11,059.50
					AGREEMENTS INVOICE - JUNE 2024	260.00
					AGREEMENTS INVOICE - JUNE 2024	323.77
					AGREEMENTS INVOICE - JUNE 2024	2,468.89
					AGREEMENTS INVOICE - JUNE 2024	65.00

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
					MISC INVOICE - JUNE 2024	638.38
					MISC INVOICE - JUNE 2024	36.25
					MISC INVOICE - JUNE 2024	159.59
					MISC INVOICE - JUNE 2024	9.06
					PRINT SERVICES - JUNE 2024	5,904.45
					PRINT SERVICES - JUNE 2024	1,346.63
					PRINT SERVICES - JUNE 2024	1,543.05
					PRINT SERVICES - JUNE 2024	336.65
					Total for Check/Tran - 20097:	24,960.64
20098	7/25/24	DD	460	DEREK S PALMER	Transportation Expense	6.87
20099	7/25/24	DD	130	RESCO	DOUBLE ANCHOR	534.56
					Discount	-0.27
					Transformer	29,383.00
					Discount	-14.69
					Total for Check/Tran - 20099:	29,902.60
20100	7/25/24	DD	5616	TKDA	PROFESSIONAL SERVICES - JUNE 2024	4,921.08
20101	7/25/24	DD	628	VICTORY CLEANING SERVICES, LLC	MONTHLY CLEANING FOR THE PLANT-JUN 2024	2,726.00
					MONTHLY CLEANING FOR THE PLANT-JUN 2024	389.43
					1705 MAIN MONTHLY CLEANING - JUNE 2024	189.22
					1705 MAIN MONTHLY CLEANING - JUNE 2024	27.03
					Total for Check/Tran - 20101:	3,331.68
87949	7/2/24	CHK	2	AMERICAN WATER WORKS ASSOC	MEMBERSHIP RENEWAL - 157	79.00
87950	7/2/24	CHK	4531	AT & T MOBILITY	CELL PHONES & iPAD BILLING	30.47
					CELL PHONES & iPAD BILLING	2,539.17
					CELL PHONES & iPAD BILLING	13.06
					CELL PHONES & iPAD BILLING	553.64
					Total for Check/Tran - 87950:	3,136.34
87951	7/2/24	CHK	376	BLAINE LOCK & SAFE, INC.	Building Mant	1,214.72

07/01/2024 To 07/31/2024

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
					Building Mant		173.52
						Total for Check/Tran - 87951:	1,388.24
87952	7/2/24	CHK	6138	BLUE EGG BAKERY	COOKIES FOR MEETINGS		138.56
					COOKIES FOR MEETINGS		34.64
						Total for Check/Tran - 87952:	173.20
87953	7/2/24	CHK	549	CHARTER COMMUNICATIONS	OFFICE TELEPHONE		189.99
					OFFICE TELEPHONE		47.50
						Total for Check/Tran - 87953:	237.49
87954	7/2/24	CHK	28	CINTAS	MATS & TOWELS		280.09
					MATS & TOWELS		40.01
					MATS & TOWELS		280.09
					MATS & TOWELS		40.01
						Total for Check/Tran - 87954:	640.20
87955	7/2/24	CHK	54	CORE & MAIN LP	Ally Meter		8,847.53
					MISC PARTS & SUPPLIES		-642.60
						Total for Check/Tran - 87955:	8,204.93
87956	7/2/24	CHK	5249	DRIVER & VEHICLE SERVICES	TAXES & LICENSE FEES - UNIT #13		3,934.73
87957	7/2/24	CHK	8247	FERGUSON WATERWORKS #2516	MISC PARTS & SUPPLIES		271.85
					MISC PARTS & SUPPLIES		-19.85
					Hydrant Part		146.94
						Total for Check/Tran - 87957:	398.94
87958	7/2/24	CHK	241	FRESCO, INC	Ball		180.11
87959	7/2/24	CHK	6204	GEMINI GROUP LLC	Quality Report		3,359.00
87960	7/2/24	CHK	308	HASSAN SAND & GRAVEL	PULVERIZED TOPSOIL		233.01
					PULVERIZED TOPSOIL		233.01
					Discount		-8.64
						Total for Check/Tran - 87960:	457.38

07/01/2024 To 07/31/2024

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
87962	7/2/24	CHK	9997	LEWIS CUSTOM HOMES, INC	Credit Balance Refund	126.52
87963	7/2/24	CHK	9997	LEWIS CUSTOM HOMES, INC	Credit Balance Refund	191.21
87964	7/2/24	CHK	9997	LEWIS CUSTOM HOMES, INC	Credit Balance Refund	200.44
87965	7/2/24	CHK	145	MENARDS	SHOP SUPPLIES	26.88
					SUBSTATION PANELS	12.93
					Total for Check/Tran - 87965:	39.81
87966	7/2/24	CHK	9273	METERING & TECHNOLOGY SOLUTION	DELTA METER PARTS	3,318.15
87967	7/2/24	CHK	119	MINNESOTA COMPUTER SYSTEMS INC	COPIER MTC CONTRACT - 5/12 to 6/11/24	17.26
					COPIER MTC CONTRACT - 5/12 to 6/11/24	4.32
					Total for Check/Tran - 87967:	21.58
87968	7/2/24	CHK	8796	MOBILE VEHICLE INTEGRATION	PARTS & LABOR FOR UNIT #13	-24.32
					PARTS & LABOR FOR UNIT #13	858.20
					Total for Check/Tran - 87968:	833.88
87969	7/2/24	CHK	716	MOTION AUTOMATION INTELLIGENCE	Fiber Equipment	265.00
87970	7/2/24	CHK	716	MOTION AUTOMATION INTELLIGENCE	Fiber Equipment	2,329.59
87971	7/2/24	CHK	120	NAPA AUTO PARTS	MISC PARTS & SUPPLIES	20.84
					MISC PARTS & SUPPLIES	21.10
					MISC PARTS & SUPPLIES	23.72
					MISC PARTS & SUPPLIES	154.63
					Total for Check/Tran - 87971:	220.29
87972	7/2/24	CHK	43	NORTHERN TOOL	PARTS FOR UNIT #61	43.50
87973	7/2/24	CHK	811	PRIME ADVERTISING & DESIGN, INC.	MONTHLY HOSTING OF WEBSITE - JULY 2024	40.00
					MONTHLY HOSTING OF WEBSITE - JULY 2024	40.00
					MONTHLY HOSTING OF WEBSITE - JULY 2024	20.00
					Service Agreement	1,500.00
					Total for Check/Tran - 87973:	1,600.00

Accounts Payable
Check Register

07/01/2024 To 07/31/2024

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
87974	7/2/24	CHK	9161	SHERBURNE COUNTY AREA UNITED W	EMPLOYEE CONTRIBUTIONS		48.00
					EMPLOYEE CONTRIBUTIONS		12.00
						Total for Check/Tran - 87974:	60.00
87975	7/2/24	CHK	159	SHORT ELLIOTT HENDRICKSON INC	PROFESSIONAL SERVICES - MAY 2024		1,827.15
					AUBURN TANK MAINTENANCE		931.07
						Total for Check/Tran - 87975:	2,758.22
87976	7/2/24	CHK	20	SLACK PAINTING	AUBURN TOWER MTC		51,100.00
87977	7/2/24	CHK	902	STRUCTURAL BUILDINGS INC.	Concrete		16,604.88
					Concrete		2,372.12
						Total for Check/Tran - 87977:	18,977.00
87978	7/2/24	CHK	6107	STUART C. IRBY CO.	Black Tape		647.25
					Black Tape Wide		883.50
						Total for Check/Tran - 87978:	1,530.75
87979	7/2/24	CHK	8808	WATER CONSERVATION SERVICE, INC.	LEAK LOCATE		392.21
87980	7/2/24	CHK	3535	WATSON COMPANY	CANDY FOR PARADE		325.31
87981	7/11/24	CHK	398	ALTEC INDUSTRIES, INC	PARTS FOR UNIT #10		19.72
87982	7/11/24	CHK	5342	ALTERNATE BUSINESS FURNITURE, IN	OFFICE CHAIRS		8,351.68
					OFFICE CHAIRS		-38.71
					OFFICE CHAIRS		2,087.92
					OFFICE CHAIRS		-9.68
						Total for Check/Tran - 87982:	10,391.21
87983	7/11/24	CHK	728	ARCHER PLUMBING LLC	WATER METER REPAIRS - 565 6TH ST		500.00
87984	7/11/24	CHK	9997	VICTOR ARNOLD	INACTIVE REFUND		117.40
87985	7/11/24	CHK	1327	AUTOMATIC SYSTEMS CO	SCADA		76,526.00
87986	7/11/24	CHK	9997	SAIGE BAKER	INACTIVE REFUND		13.29

Accounts Payable
Check Register

07/01/2024 To 07/31/2024

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
87987	7/11/24	CHK	9997	MARILYN BLOOMQUIST	INACTIVE REFUND	12.18
87988	7/11/24	CHK	5224	BLUE CROSS BLUE SHIELD OF MINNES	VISION INSURANCE - AUG 2024	292.39
					VISION INSURANCE - AUG 2024	71.39
					Total for Check/Tran - 87988:	363.78
87989	7/11/24	CHK	9997	CHRISTIAN BUILDERS	INACTIVE REFUND	42.38
87990	7/11/24	CHK	656	DGR ENGINEERING	PROFESSIONAL SERVICES - MAY 2024	1,548.00
87991	7/11/24	CHK	9999	ENEBAK CONSTRUCTION	Hydrant Rental Deposit Refund	709.16
87992	7/11/24	CHK	8709	FAIRVIEW HEALTH SERVICES	PRE-EMPLOYMENT SCREENING - 195	115.00
87993	7/11/24	CHK	8949	FS3 INC.	PARTS FOR UNIT #56	1,089.96
					PRESSURE WASHER NOZZLE - UNIT #50	35.09
					Total for Check/Tran - 87993:	1,125.05
87994	7/11/24	CHK	5091	GREAT PLAINS INSTITTUTE	2024 DRIVE ELECTRIC MN DUES	500.00
87995	7/11/24	CHK	730	GREATAMERICA FINANCIAL SERVICES	LEASE FOR COPIER AT PLANT	105.01
					LEASE FOR COPIER AT PLANT	26.26
					Total for Check/Tran - 87995:	131.27
87996	7/11/24	CHK	9997	CRYSTAL GURROLA	INACTIVE REFUND	91.35
87997	7/11/24	CHK	631	HEALTH PARTNERS	DENTAL EE INSURANCE - AUG 2024	861.03
					DENTAL ER INSURANCE - AUG 2024	2,335.03
					MEDICAL EE INSURANCE - AUG 2024	9,162.90
					MEDICAL ER INSURANCE - AUG 2024	55,010.82
					DENTAL EE INSURANCE - AUG 2024	106.80
					DENTAL ER INSURANCE - AUG 2024	568.46
					MEDICAL EE INSURANCE - AUG 2024	2,239.10
					MEDICAL ER INSURANCE - AUG 2024	13,504.58
					Total for Check/Tran - 87997:	83,788.72
87998	7/11/24	CHK	6836	INNOVATIVE OFFICE SOLUTIONS LLC	OFFICE SUPPLIES	97.01

07/01/2024 To 07/31/2024

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
					OFFICE SUPPLIES	24.26
					OFFICE SUPPLIES	3.67
					OFFICE SUPPLIES	0.92
					Total for Check/Tran - 87998:	125.86
87999	7/11/24	CHK	5381	INSIGHT PUBLIC SECTOR	SCADA Equipment	927.63
88000	7/11/24	CHK	9997	PRECIOUS JOHNSON	INACTIVE REFUND	69.70
88001	7/11/24	CHK	9997	TIMOTHY JOHNSON	INACTIVE REFUND	293.61
88002	7/11/24	CHK	9997	JEANA KIDD	INACTIVE REFUND	789.83
88003	7/11/24	CHK	9997	ANDY LARSON	INACTIVE REFUND	112.70
88004	7/11/24	CHK	9997	LENNAR HOMES	Credit Balance Refund	107.02
88005	7/11/24	CHK	9997	LENNAR HOMES	Credit Balance Refund	110.51
88006	7/11/24	CHK	9997	LENNAR HOMES	Credit Balance Refund	119.17
88007	7/11/24	CHK	9997	LENNAR HOMES	Credit Balance Refund	121.70
88008	7/11/24	CHK	9997	LENNAR HOMES	Credit Balance Refund	114.90
88009	7/11/24	CHK	145	MENARDS	BUILDER TOTE - UNIT #8	26.96
					PARTS FOR UNIT #21	213.13
					MISC PARTS & SUPPLIES	17.97
					BRACES & SCREWS - POLE BUNK	29.30
					PVC	20.94
					SINK SPRAYER	15.08
					SINK SPRAYER	2.16
					BATTERY MAINTAINER - UNIT #10	24.41
					MISC PARTS & SUPPLIES	33.13
					MISC PARTS & SUPPLIES	15.59
					DUAL SURFACE BRUSH	14.98

07/01/2024 To 07/31/2024

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
					Total for Check/Tran - 88009:	413.65
88010	7/11/24	CHK	9273	METERING & TECHNOLOGY SOLUTION	CIRCUIT BOARD	1,237.26
88011	7/11/24	CHK	9997	BRADY NETTELL	INACTIVE REFUND	50.00
88012	7/11/24	CHK	43	NORTHERN TOOL	MISC PARTS & SUPPLIES	43.50
					MISC PARTS & SUPPLIES	32.61
					Total for Check/Tran - 88012:	76.11
88013	7/11/24	CHK	9997	JESSICA OSLIN	INACTIVE REFUND	402.87
88014	7/11/24	CHK	9997	JERON PRONGER	INACTIVE REFUND	64.21
88015	7/11/24	CHK	574	REPUBLIC SERVICES, INC	TRASH & RECYCLING SERVICE - JUNE 2024	1,580.86
					TRASH & RECYCLING SERVICE - JUNE 2024	225.84
					TRASH & RECYCLING SERVICE - JUNE 2024	323.17
					TRASH & RECYCLING SERVICE - JUNE 2024	56.05
					TRASH & RECYCLING SERVICE - JUNE 2024	8.01
					Total for Check/Tran - 88015:	2,193.93
88016	7/11/24	CHK	848	SHERBURNE COUNTY PUBLIC WORKS	UTILITY PERMIT	100.00
					UTILITY PERMIT	100.00
					Total for Check/Tran - 88016:	200.00
88017	7/11/24	CHK	6107	STUART C. IRBY CO.	Black Tape Wide	98.17
88018	7/11/24	CHK	9997	TECHARRAY LLC	INACTIVE REFUND	173.15
88019	7/11/24	CHK	9997	THE GIVING GROUP	INACTIVE REFUND	205.16
88020	7/11/24	CHK	2560	THE SHERWIN-WILLIAMS CO.	PAINT - WELL DOOR	57.15
88021	7/11/24	CHK	331	TRANSUNION	SKIP TRACING - MAY 2024	60.00
					SKIP TRACING - MAY 2024	15.00
					Total for Check/Tran - 88021:	75.00
88022	7/11/24	CHK	9997	ARLENE WELLS	Credit Balance Refund	99.55

07/01/2024 To 07/31/2024

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
88023	7/11/24	CHK	9997	ALISTAIR WILSON	INACTIVE REFUND		49.86
88024	7/11/24	CHK	9997	MATT WOLNEY	INACTIVE REFUND		32.77
88025	7/11/24	CHK	9997	KAYLA ZACHMAN	INACTIVE REFUND		28.66
88026	7/18/24	CHK	398	ALTEC INDUSTRIES, INC	FREIGHT FOR PART FOR UNIT #8		-150.68
					PARTS FOR UNIT #8		1,063.87
						Total for Check/Tran - 88026:	913.19
88027	7/18/24	CHK	662	BENEFIT EXTRAS, INC	COBRA - 163 168		70.00
88028	7/18/24	CHK	9997	ANTHONY BRANDT	INACTIVE REFUND		435.72
88029	7/18/24	CHK	54	CORE & MAIN LP	BURY LUG		72.64
88030	7/18/24	CHK	9997	DR HORTON, INC	Credit Balance Refund		222.52
88031	7/18/24	CHK	9997	DR HORTON, INC	Credit Balance Refund		203.01
88032	7/18/24	CHK	24	ELK RIVER PRINTING & VENTURE PRO	ENVELOPES WITH HOLES		550.39
					ENVELOPES WITH HOLES		137.60
						Total for Check/Tran - 88032:	687.99
88033	7/18/24	CHK	122	ELK RIVER WINLECTRIC	MISC PARTS & SUPPLIES		-4.91
					MISC PARTS & SUPPLIES		67.25
					HATCHET CHAIN		-1.62
					Misc Distribution Exp		22.25
					CONDUIT		-1.57
					CONDUIT		21.55
					CONDUIT		103.39
					CONDUIT		-7.55
					CONDUIT		167.03
					CONDUIT		-16.13
					Mtce of OH Primary		221.04
					MEASURING WHEEL - UNIT #21		-5.92

07/01/2024 To 07/31/2024

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
					MEASURING WHEEL - UNIT #21	80.92
					RUBBER BROOM	-20.25
					RUBBER BROOM	277.25
					CLOSING PLATE	-2.63
					CLOSING PLATE	35.95
					BLANKS	-4.11
					BLANKS	56.39
					Total for Check/Tran - 88033:	988.33
88034	7/18/24	CHK	3624	ESRI	esri	23,732.50
					esri	5,933.13
					Total for Check/Tran - 88034:	29,665.63
88035	7/18/24	CHK	9997	RICHARD FOURNIER	INACTIVE REFUND	142.87
88036	7/18/24	CHK	9997	BRITTANY GANLEY	INACTIVE REFUND	90.68
88037	7/18/24	CHK	9997	JORGENSON HOMES INC	INACTIVE REFUND	111.29
88038	7/18/24	CHK	9997	DAN KUHL	INACTIVE REFUND	152.99
88039	7/18/24	CHK	8605	MARCO TECHNOLOGIES, LLC	PRINTER MTC CONTRACT - 7/1 to 8/1/24	344.08
					PRINTER MTC CONTRACT - 7/1 to 8/1/24	86.02
					Total for Check/Tran - 88039:	430.10
88040	7/18/24	CHK	188	MARTIES FARM SERVICE INC	WEED KILLER	-10.88
					WEED KILLER	149.13
					WEED KILLER	-1.56
					WEED KILLER	21.31
					Total for Check/Tran - 88040:	158.00
88041	7/18/24	CHK	145	MENARDS	MISC PARTS & SUPPLIES	20.48
					MISC PARTS & SUPPLIES	35.00
					MISC PARTS & SUPPLIES	36.60
					Total for Check/Tran - 88041:	92.08

07/01/2024 To 07/31/2024

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
88042	7/18/24	CHK	739	MINNESOTA OCCUPATIONAL HEALTH	HEARING TEST - 159	41.00
88043	7/18/24	CHK	39	MMUA	MMUA SUMMER CONF -32 136 186 151 160 189	2,120.00
					MMUA SUMMER CONF -32 136 186 151 160 189	1,040.00
					MMUA SUMMER CONF - 20	408.00
					MMUA SUMMER CONF - 20	102.00
					Total for Check/Tran - 88043:	3,670.00
88044	7/18/24	CHK	716	MOTION AUTOMATION INTELLIGENCE	SALES TAX REFUND - PO 15364	-170.07
					SALES TAX REFUND - PO 15364	-402.76
					SALES TAX REFUND - PO 15364	-19.35
					SALES TAX - PO 15364	-631.39
					Fiber Equipment	8,648.95
					Total for Check/Tran - 88044:	7,425.38
88045	7/18/24	CHK	735	OTTO ASSOC ENGINEERS & LAND SUR	STAKING SERVICES	800.00
88046	7/18/24	CHK	8606	QUADIENT FINANCE USA, INC	POSTAGE MACHINE LEASE - 5/6 to 8/5/24	226.66
					POSTAGE MACHINE LEASE - 5/6 to 8/5/24	56.66
					Total for Check/Tran - 88046:	283.32
88047	7/18/24	CHK	9997	ROGER GUS ENTERPRISES	INACTIVE REFUND	142.69
88048	7/18/24	CHK	9997	SFR ACQUISITIONS I LLC	Credit Balance Refund	362.78
88049	7/18/24	CHK	740	STAR NEWS	3 YR SUBSCRIPTION	57.60
					3 YR SUBSCRIPTION	14.40
					3 YR SUBSCRIPTION	57.60
					3 YR SUBSCRIPTION	14.40
					3 YR SUBSCRIPTION	57.60
					3 YR SUBSCRIPTION	14.40
					Total for Check/Tran - 88049:	216.00
88050	7/18/24	CHK	6107	STUART C. IRBY CO.	MISC PARTS & SUPPLIES	4,836.00
					TRACKER FAULT	11,552.50

07/01/2024 To 07/31/2024

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
					Total for Check/Tran - 88050:	16,388.50
88051	7/18/24	CHK	690	SUNBELT SOLOMON	SALES TAX CREDIT PO 15334	-1,599.41
					Transformer	20,310.00
					Total for Check/Tran - 88051:	18,710.59
88052	7/18/24	CHK	6206	TIMRON PRECISION GEAR, INC.	CIP - LIGHTING & HEAT PUMP REBATE	636.89
88053	7/18/24	CHK	8523	TRI CAP	CIP LOW INCOME - CHERKAS	1,865.15
88054	7/18/24	CHK	222	UC LABORATORY	WATER SAMPLES	16.17
88055	7/18/24	CHK	5744	UNITED HEALTHCARE SERVICES, INC.	CIP - LIGHTING REBATE	20,193.09
88056	7/18/24	CHK	3739	US BANK	ADMIN FEE - 2021C SERIES WATER BOND	500.00
88057	7/18/24	CHK	5035	VISION METERING, LLC	Meters	1,525.00
88058	7/18/24	CHK	3396	WRIGHT COUNTY HWY DEPT	UTILITY PERMIT	100.00
88059	7/25/24	CHK	1327	AUTOMATIC SYSTEMS CO	REPAIRS - WELL #4	394.55
					ALARM REPAIRS - 1435 MAIN ST	605.00
					Total for Check/Tran - 88059:	999.55
88060	7/25/24	CHK	3982	CENTERPOINT ENERGY	NATURAL GAS & IRON REMOVAL	394.87
					NATURAL GAS & IRON REMOVAL	93.57
					Total for Check/Tran - 88060:	488.44
88061	7/25/24	CHK	5592	CITY OF DAYTON	FRANCHISE FEE - 2024 QTR 2	2,511.04
88062	7/25/24	CHK	3498	CITY OF OTSEGO	FRANCHISE FEES - 2024 QTR 2	17,865.00
					FRANCHISE FEES - 2024 QTR 2 (DUP PMT)	-4.00
					Total for Check/Tran - 88062:	17,861.00
88063	7/25/24	CHK	54	CORE & MAIN LP	AMI INTERFACE	2,800.00
					AMI INTERFACE	1,200.00
					Electric Meter	93,635.50
					ELECTRIC METERS	-6,835.50

Accounts Payable
Check Register

07/01/2024 To 07/31/2024

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
						Total for Check/Tran - 88063:	90,800.00
88064	7/25/24	CHK	3173	DELL MARKETING LP	Laptop		8,417.30
					Laptop		2,104.34
						Total for Check/Tran - 88064:	10,521.64
88065	7/25/24	CHK	9997	WILLIAM FLICK	INACTIVE REFUND		170.84
88066	7/25/24	CHK	9997	CALEB HANSON	Credit Balance Refund		151.71
88067	7/25/24	CHK	824	HOME DEPOT CREDIT SERVICES	HOME DEPOT		40.90
					HOME DEPOT		46.63
						Total for Check/Tran - 88067:	87.53
88068	7/25/24	CHK	9997	ERIC MILLIS	Credit Balance Refund		680.21
88069	7/25/24	CHK	633	MUTUAL OF OMAHA	ELEC LIFE INSURANCE - AUG 2024		217.53
					LIFE,STD & LTD INSURANCE - AUG 2024		2,348.24
					ELEC LIFE INSURANCE - AUG 2024		203.12
					LIFE,STD & LTD INSURANCE - AUG 2024		517.86
						Total for Check/Tran - 88069:	3,286.75
88070	7/25/24	CHK	573	NCPERS MINNESOTA	EXTRA LIFE INSURANCE - AUG 2024		224.80
					EXTRA LIFE INSURANCE - AUG 2024		15.20
						Total for Check/Tran - 88070:	240.00
88071	7/25/24	CHK	9997	BRITTANY PERSING	Credit Balance Refund		116.27
88072	7/25/24	CHK	9999	THE POWER WASHING COMPANY	Hydrant Rental Deposit Refund		148.51
88073	7/25/24	CHK	9997	TWIN STAR EQUIPMENT & MFG CO	Credit Balance Refund		1,014.96
88074	7/25/24	CHK	55	WESCO RECEIVABLES CORP.	TRANSFORMER BOX PAD		11,318.97
						Total for Bank Account - 5 : (197)	4,706,632.74
						Grand Total : (198)	4,718,720.58

Accounts Payable
Check Register

PARAMETERS ENTERED:

Check Date:	07/01/2024 To 07/31/2024
Bank:	All
Vendor:	All
Check:	
Journal:	All
Format:	All GL References/Amounts
Extended Reference:	No
Sort By:	Check/Transaction
Voids:	None
Payment Type:	All
Group By Payment Type:	No
Minimum Amount:	0.00
Authorization Listing:	No
Credit Card Charges:	No

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

July 9, 2024

Members Present:	Chair John Dietz, Vice Chair Mary Stewart, Commissioners Paul Bell, Matt Westgaard, and Nick Zerwas
ERMU Staff Present:	Mark Hanson, General Manager Sara Youngs, Administrations Director Melissa Karpinski, Finance Manager Tony Mauren, Governance & Communications Manager Tom Geiser, Operations Director Chris Sumstad, Electric Superintendent Mike Tietz, Technical Services Superintendent Dave Ninow, Water Superintendent Chris Kerzman, Engineering Manager Jenny Foss, Communications & Administrative Coordinator Megan Zachman, HR Generalist Derek Palmer, Water Operator Bill Courtright, Water Utility Worker Michael Atwood, Water Operator
Others Present:	Jared Shepherd, Attorney; Sarah Towne, Consulting Manager with Baker Tilly; Cal Portner, City Administrator

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 requested the addition of item 6.4 Landscaping and Commissioner Zerwas requested the addition of item 6.5 Per-and polyfluoroalkyl substances (PFAS) Litigation Update.

Moved by Commissioner Westgaard and seconded by Commissioner Bell to approve the amended July 9, 2024, agenda. Motion carried 5-0

1.4 **Water Operator Certification Verbal Acknowledgement: Michael Atwood – Class D, Bill Courtright – Class C, Derek Palmer – Class A**

Mr. Ninow shared that following completion of the state's water supply system operator exam, three members of ERMU's water department earned certifications. Mr. Ninow added that Derek Palmer's Class A license is a testament to his initiative, as ERMU's system requires only a Class B license. Mr. Ninow congratulated staff.

Chair Dietz asked if all staff is working towards a Class B license.

Mr. Ninow stated that they were, even though ERMU is only required to have one Class B licensed operator. He added it is very much to ERMU's advantage to have all staff licensed to give them skills and knowledge to operate independently.

Chair Dietz commended staff for their accomplishment.

The Commission and the rest of the staff gave them a round of applause.

2.0 CONSENT AGENDA (Approved By One Motion)

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

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

Motion carried 5-0.

3.0 OPEN FORUM

No one appeared for open forum.

4.0 POLICY & COMPLIANCE

4.1 **Commission Policy Review – G.2f - Commission Officer Roles, Responsibilities, and Succession**

Mr. Mauren presented his memo, requesting the Commission's review of the policy. Neither staff nor the Commission had any comments, questions or recommended changes.

4.2 **Annual Strategic Plan Review**

Mr. Hanson presented the memo which offered background on the strategic plan review process. He highlighted the fact that one of the items from last year's plan, a review of ERMU's Mission, Vision, Values policies, will be brought back at a later meeting. He noted that the structure of the strategic plan may change with updates to those policies but as those updates have not been approved, this plan maintains the same structure as versions from previous years. Mr. Hanson explained that the primary focus in this process was to not create minor strategic initiatives that could distract from major initiatives like the Advanced Metering Infrastructure (AMI) implementation. Mr. Hanson then invited the Commission to discuss the plan.

Commissioner Westgaard shared his agreement with reviewing the Mission, Vision, and Values policies for update, as well as focusing on the remaining nine initiatives, in particular AMI.

Commissioner Stewart commended staff on completing the tasks they had.

Chair Dietz stated his opinion that more focused strategic initiatives is a good approach.

The Commission reached consensus on high level strategic themes and dashboard initiatives.

4.3 **Employee Handbook Annual Update**

Ms. Zachman presented her memo on the 26 updates to the Employee Handbook, produced in cooperation with Campbell Knutson. She explained the revisions consisted largely of updated labor law language and approved wage and benefit changes. There were also changes to improve clarity, consistency, and conciseness. Ms. Zachman added that the biggest changes were adapting previous language for ERMU's sick time policy to meet state guidelines that went into effect on January 1, 2024, and including Family Medical Leave Act language.

Chair Dietz asked how employees were notified of the changes.

Ms. Zachman responded that electronic and/or hard copies are provided to staff and that she personally presents changes in meetings.

Commissioner Westgaard asked if there were significant changes to the drug and alcohol policy with particular regard to recreational cannabis legalization.

Ms. Zachman explained that drugs and alcohol are separate topics outside of ERMU's Employee Handbook. She noted that a previous edition of the handbook had anticipated those changes and updated the language, making it general enough to not require major edits for this round. She added that the Commercial Driver's License drug policy is under review by legal staff to ensure that language matches across all publications.

Moved by Commissioner Stewart and seconded by Commissioner Westgaard to adopt the revised ERMU Employee Handbook. Motion carried 5-0.

5.0 BUSINESS ACTION

5.1 2024 Compensation Study Update

Mr. Hanson provided a summary of the discussion from the June commission meeting. He then talked through his memo, discussed potential costs depending on the selected plan, and presented methods of implementation. Mr. Hanson explained that following commission direction from the June meeting, he had asked Baker Tilly to create a seven step slightly market leading plan, where the seventh step was in line with the ninth step in June. For the purpose of comparison and providing the Commission with options, he also had Baker Tilly staff create a seven step slightly market lagging plan with the seventh step matching step eight from June.

Mr. Hanson also highlighted the section of his memo which addressed the question from the previous month about how many comparable utilities had performance compensation programs like ERMU's Utilities Performance Metrics Incentive Compensation (UPMIC). He explained that six of the ten had some form of performance compensation, with two interested in implementing a performance-based program, and two that were not.

Mr. Hanson described the tables in the report which quantify total cost through 2027 for a 4% annual wage adjustment.

He then reminded the Commission that $135,000 had been set aside in the 2024 budget towards a compensation adjustment. He pointed out the portion of the chart that explained that depending on the implementation scenario, the Commission could potentially have the option to back pay the adjustment to January 1, 2024, while other scenarios would need to begin in August to meet the 2024 budget.

Mr. Hanson explained that there is a cost benefit to implementing the current step plan in 2024 as opposed to beginning any plan in January 2025, namely that a plan that began August of 2024 could have a lower cost, having not been in place for the first eight months of the year. Also bringing employees into the plan at their current step, which generally places them further along in their respective pay plans, will mean having fewer step increases than the closest step implementation.

Mr. Hanson confirmed a point raised at the June meeting that the costs to implement either pay plan could be paid by margins while keeping the Utilities within policy and not requiring a rate increase specifically due to this matter. This is also due to spreading costs over multiple years and a partial first year of implementation.

Mr. Hanson explained that staff is looking for Commission approval on one of the payment plans, an implementation scenario, and the effective date.

Chair Dietz distributed and presented his proposal titled *New ERMU Compensation Plan 7/2/24*, which was added to the packet after the meeting. There was discussion.

Regarding Chair Dietz's proposal there was concern that limiting performance compensation to employees who had been in their last step for one calendar year would affect benefits for newer employees and impact the environment of shared goals across all staff that the program is intended to create. Commissioners also felt employing the half step increases could confuse the issue and would create an eighth step when the Commission requested a seven-step plan at the June meeting.

Mr. Hanson shared that under Chair Dietz's proposed plan some employees will have a pay decrease in total compensation, in particular for those who have a smaller pay increase due to their role being appropriately compensated currently.

Commissioner Westgaard shared his perspective that the pay plan selected should be market leading and that the current step implementation made the most sense to him. He added his stance that benefits such as the UPMIC should be calculated in an employee's total compensation. He continued by stating his expectation that any plan would take effect on approval without necessarily including back payment.

Commissioner Stewart shared her prepared comments stating that she was neutral to the number of steps the plan consisted of, having gone from nine the previous month to seven. In focusing on the UPMIC and Longevity pay bonus programs, Commissioner Stewart restated the fact that six of the ten comparable utilities have performance compensation plans with two researching the option. She highlighted the fact that UPMIC is not guaranteed and can be withheld if certain budget thresholds are not met. She explained that in human resources this is commonly classified as "at risk" pay which cannot be counted on as income. Commissioner Stewart shared her belief that it is important to keep the UPMIC and Longevity Pay programs, adding her perspective that removing them to allow pay increase is a "shell game." She stated that the Commission chose to do the study because ERMU is behind in pay, and that money had been reserved to implement the plan which has been developed for a year and through significant investment to have it done professionally. She stated that the proposed pay plans do not make ERMU the gold standard in pay but bring the Utilities up to a market average. Commissioner Stewart stated that she agreed with the current step implementation scenario. Commissioner Stewart stated her appreciation for Chair Dietz sharing his ideas on compensation study but shared that she was in favor of focusing on the recommendations from the consultant.

Commissioner Bell stated his opinion that the pay for staff should be market leading, be implemented this year, and at the current step. He added his belief that some goals on the UPMIC are not challenging or affected by circumstances outside of staff's control, such as a large storm causing major outages, reducing reliability statistics. Commissioner Bell shared that he thinks the UPMIC is a beneficial program but suggested creating more difficult to obtain goals while removing items out of staff's control.

Commissioner Stewart noted that the goals for the UPMIC are approved by the Commission in December for the following year.

Mr. Hanson offered to have staff bring options for updates to the UPMIC program in response to Commissioner Bell's comments.

Ms. Karpinski noted that staff has not always achieved 100% of UPMIC goals. She also advised that the Commission could adjust the weighting of the individual goals. Ms. Karpinski shared her perspective that the program helps staff take pride in their work.

Commissioner Zerwas shared that he would be open to reworking UPMIC, in particular how items are weighted. He stated his position that the plan should be slightly leading market pay with the current step implementation. He added that he was not interested in significant back pay, rather the plan would start moving forward. He shared his perspective that the Commission needed to "bite the bullet" to address the compensation issue.

Commissioner Westgaard asked if variable components like benefits were factored into the study.

Mr. Hanson responded that they were not.

Commissioner Westgaard stated his belief that benefits should be factored in, and while longevity pay is not significant to these considerations, he asked how the UPMIC could be factored into the calculations.

Mr. Hanson explained that guidance from Baker Tilly was to keep the pay plan and employee benefits as separate issues; suggesting the body approve the plan, implementation scenario, and effective date and then address changes to benefits after a set period of time had passed. Mr. Hanson added that updates to the UPMIC could be brought to the Commission before December so there was time to discuss options.

Mr. Hanson sought confirmation on his understanding of the discussion at that point. He stated the consensus appeared to be selecting a market leading plan, a current step implementation scenario, and an effective date that met the budgeted amount of

$135,000. Mr. Hanson estimated that would allow the plan to begin around mid-August. There was no dissent from the Commission.

Commissioner Zerwas inquired as to what it would look like to hold the $135,000 budgeted funds to be put towards a January 1, 2025, effective date.

Mr. Hanson replied that approach negates the data in the table as it would require the full implementation cost for the first year of the plan with the addition of any wage adjustment. Mr. Hanson restated that the cost advantage in implementing the current step plan in 2024 is the budgeted amount limits the total first year implementation cost to only the last four months of the year.

Ms. Towne explained that the cost advantage is due to the one-time cost to change people over to the new plan. She added that wage data is perishable and delaying implementation could mean going from meeting the market to an estimated lag of about 5 percent.

There was discussion about how step increases would be initiated going forward; whether they would occur on a calendar year cycle or at the anniversary date as they currently occur. This is to be decided after plan approval.

Commissioner Westgaard proposed the Commission consider selecting a market leading plan, with the current step implementation, and an effective date of August 27 based on pay periods and budget calculations.

Chair Dietz stated that he was not prepared to vote until he receives more information on the comparable utilities' performance incentive programs. He asked to see a chart of the actual percentage of payout from previous years and be provided details about the other six comparable utilities performance compensation plans.

Commissioner Stewart asked the rest of the Commission if they were prepared to vote.

Commissioner Zerwas stated he was fine with the August 2024 start to the plan but added that he doesn't want to force a vote if a member does not feel prepared to vote.

Commissioner Bell stated he would like to discuss the UPMIC further.

Chair Dietz reiterated that he wanted to hear more about other utilities.

Ms. Towne again recommended keeping base pay and benefits decisions separate.

Commissioner Stewart reminded the group that any changes to the UPMIC could not be made until later in 2024 for a 2025 measurement period, suggesting the UPMIC could be updated even with an approved payment plan.

Mr. Hanson made the point that the pay plan is no longer market leading if the Commission chose the market lagging plan and reduced or eliminated the UPMIC, adding the Commission could choose a market leading payment plan and decide to remove the UPMIC program when the policy is reviewed later in the year. He encouraged the Commission to make these decisions separately as there appeared to be consensus on the plan, implementation, and effective date.

Ms. Towne again supported that approach, noting there are many potential variables to supplemental income whereas the base pay being proposed is more stable year to year.

Ms. Karpinski followed up with information on the UPMIC payout, explaining that over the last six years it had been paid out at the full amount twice.

The Commission agreed, with there being no impact to the effective date, it would be preferable to wait to vote at the August regular meeting when the requested information could be provided.

Moved by Commissioner Zerwas and seconded by Chair Dietz to postpone action to the August regular commission meeting. Motion carried 5-0.

5.2 **Financial Report – May 2024**

Ms. Karpinski presented the May 2024 Financial Report.

Ms. Karpinski highlighted a reduction in the Cash line item of the Electric Balance sheet due to removing $7 million from savings to be placed in investments. She confirmed there was still an amount staff was comfortable with in savings.

She reported generally that as of May, the finances were looking good.

Moved by Commissioner Westgaard and seconded by Commissioner Stewart to receive the May 2024 Financial Report. Motion carried 5-0.

5.3 **Advanced Metering Infrastructure Update**

Mr. Tietz presented his memo to the Commission. There was discussion.

6.0 BUSINESS DISCUSSION

6.1 Staff Updates

Mr. Hanson and Ms. Karpinski informed the Commission that they had meetings about a potential energy transmission investment opportunity that, if viable, would be brought back for a future meeting.

Mr. Mauren highlighted the bullet on his update sharing the Communications & Administrative Coordinator Jenny Foss had been invited to be a presenter at the American Public Power Association's Customer Connections Conference in October in Louisville, KY. Mr. Mauren commended all of Ms. Foss's great work, which has made her a leader amongst her peers.

Mr. Mauren informed the Commission that the August 13 meeting would occur at the field services building per the approved meeting calendar as the city would be using the Uppertown Conference Room for the Primary Election.

This being his last meeting with ERMU, Mr. Kerzman shared that he enjoyed his time working for the Utilities and that he valued it a lot.

Chair Dietz thanked Mr. Kerzman for his work overseeing the field services building construction project.

6.2 City Council Update

Commissioner Westgaard provided a city council update.

6.3 Future Planning

Chair Dietz announced the following:
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

6.5 Other Business

Chair Dietz explained that a citizen had drawn his attention to the landscaping at the field services building, in particular weeds growing in the mulch and the potential need to remove the tree that is dropping the seeds, which also appears to be dying.

Mr. Hanson explained that he had met with the construction manager and that tree would be removed. He added that the eastern portion of the lot was originally planned to be prairie grass however the lot had been planted as regular lawn grass and would be treated as such going forward.

Commissioner Zerwas requested an update on the filing of paperwork for the settlement with DuPont and 3M due to introducing PFAS to public drinking water systems.

Attorney Shepard confirmed that he had been in contact with the law firm Lockridge, Grindall, Nauen who is submitting documents and that they were prepared to meet the July 12, 2024, filing deadline.

Commissioner Zerwas asked if the City was pursuing settlements for non-drinking water system contamination.

Mr. Portner responded that they were not at that point.

7.0 ADJOURN REGULAR MEETING

Moved by Commissioner Bell and seconded by Commissioner Zerwas to adjourn the regular meeting of the Elk River Municipal Utilities Commission at 5:25 p.m. Motion carried 5-0.

Minutes prepared by Tony Mauren.

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John J. Dietz, ERMU Commission Chair

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Tina Allard, City Clerk

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	FROM: Melissa Karpinski – Finance Manager
MEETING DATE: August 13, 2024	**AGENDA ITEM NUMBER:** 2.3
SUBJECT: 2024 Second Quarter Utilities Performance Metrics Scorecard Statistics	
ACTION REQUESTED: None	

BACKGROUND:
Following the Commission's adoption of the Performance Metrics program in December 2012 and the latest revision in 2023, we will be tracking the progress for 2024, to be awarded in 2025. This is a company performance-based program designed to incentivize employee commitment towards the company's success. Divided into categories representing core values of the company and again into sub-categories that are quantifiable, this program is designed to track goals that require companywide support from the employees to continually achieve. When the employees work together as a team to achieve these goals, the company recognizes a corresponding increase in value to our customers.

DISCUSSION:
At close of the fiscal 2024 year, and completion of the audit, the final score card will be evaluated and presented to the Commission for awarding the related distribution in 2025. We will be tracking the progress of the company and the related score card quarterly throughout 2024. The second quarter scorecard is attached, with some notes for the second quarter results.

FINANCIAL IMPACT:
None, until awarded the following year.

ATTACHMENTS:
- Performance Metrics and Incentive Compensation Policy Score Card – 2024 Second Quarter

Elk River Municipal Utilities
G.4g1a - Performance Metrics and Incentive Compensation Policy Score Card - 2024

Category	Percent	Sub-Category	Sub-Percent	Goal	Score	Awarded Multiplier Percentage	Notes	Current Result
Safety, Reliability and Quality of Utility Services	40	Water Quality Standards	5	Meet Requirements			met requirement	
		Lead and Copper quality	5	90th percentile			met requirement	90
		Bacteria Detection	5	0 positive samples			on target	0
		CAIDI	5	<120 Min			off target	150.932
		SAIDI	5	<90 Min			on target	11.388
		SAIFI	5	< 0.5			on target	0.076
		Line Loss	5	<5%			on target	4.9%
		Water Loss	5	<12%			on target	8.4%
Workforce Development	25	Clean Energy Choice Program Participation	5	+30 net			on target	30
		Employee Turnover	10	≤ 7.5%			on target	4%
		Participation in Recommended and Mandatory Trainings	10	≥ 95%			off target	94%
Financial Goals	35	Margins/Net Profit	20	≥ Budget			on target	
		Reserves	10	≥ Target			on target	
		Inventory Accuracy	5	≥ 95%			on target	99.8%
				Total Multiplier:				

Adopted December 12, 2012
Revised October 11, 2016
Revised December 17, 2019
Revised December 14, 2021
Revised December 13, 2022
Revised December 13, 2023

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	FROM: Mark Hanson – General Manager
MEETING DATE: August 13, 2024	**AGENDA ITEM NUMBER:** 2.4
SUBJECT: 2024 Second Quarter YTD Earned Sick and Safe Time Usage	
ACTION REQUESTED: None	

BACKGROUND:
Effective January 1, 2024, the Minnesota Earned Sick and Safe Time (ESST) law requires Minnesota employers to provide paid leave to employees. The Commission adopted the policy at their December 2023 commission meeting. ERMU's adopted policy went beyond the minimum requirements of the ESST law by applying the eligibility criteria to all accrued sick time. Upon approving the policy, the Commission asked for quarterly updates on sick time usage through 2024.

DISCUSSION:
To track the usage between prior eligibility requirements and the new ESST provisions, sick time usage was categorized into the following requirements (family equivalent was used to track when care was needed for someone beyond the former eligibility requirements):

- Prior Eligibility Requirements:
  - Medical Care, Self or Family
  - Daycare Closure, Family
- New ESST Provisions
  - Work/School Closure, Self or Family
  - Medical Care, Family Equivalent
  - Daycare Closure, Family Equivalent
  - Work/School Closure, Family Equivalent
  - Funeral, Family Equivalent

2024 second quarter year-to-date, 1,377 hours of sick time were used. Of the total time, 1,307.5 hours were used for medical care of self or family members; 61.5 hours were used due to daycare closure; and 8 hours were used due to school closure. Only the eight hours used due to school closure would have required vacation time prior to the adoption of the ESST provisions.

As a reference for comparison, 1,352.25 hours of sick time was used 2023 second quarter year-to-date.

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	**FROM:** Melissa Karpinski – Finance Manager
MEETING DATE: August 13, 2024	**AGENDA ITEM NUMBER:** 2.5
SUBJECT: Bond Trust Services Corporation Agreement	
ACTION REQUESTED: • Adopt, by motion, Resolution 24-7 appointing Bond Trust Services Corporation as fiscal agent in connection with certain outstanding obligations • Approve, by motion, the agreement with Bond Trust Services Corporation as the authorized Paying Agent for certain outstanding obligations	

BACKGROUND/DISCUSSION:
Ehlers was recently appointed as ERMU's Financial Advisor. It is recommended that ERMU utilize Bond Trust Services Corporation (BTSC) as the paying agent for utilities bonds. ERMU currently uses US Bank, and the transition will reduce points of contact and reduce transaction fees. The effective date is August 15, 2024, to allow sufficient time for US Bank and BTSC to coordinate the transfer after the August 1, 2024, payments.

FINANCIAL IMPACT:
None/immaterial

ATTACHMENTS:
- Resolution Appointing Bond Trust Services Corporation as Fiscal Agent in connection with certain outstanding obligations
- Bond Trust Services Corporation Paying Agency Agreement

ELK RIVER MUNICIPAL UTILTIES, MINNESOTA

RESOLUTION NO. 24-7 APPOINTING BOND TRUST SERVICES CORPORATION AS FISCAL AGENT IN CONNECTION WITH CERTAIN OUTSTANDING OBLIGATIONS

WHEREAS, the ELK RIVER MUNCIPAL UTILTIES (the "ERMU") has outstanding certain debt obligations described below (collectively, the "Obligations");

I. $9,755,000 Electric Revenue Bonds, Series 2016A
II. $10,000,000 Electric Revenue Bonds, Series 2018A
III. $11,810,000 Electric Revenue Bonds, Series 2021B
IV. $1,615,000 General Obligation Water Utility Revenue Bonds, Series 2021C

WHEREAS, the Obligations were issued in book-entry-only form registered in the name of CEDE & CO. as nominee of The Depository Trust Company, New York, New York ("DTC"), and DTC acts as securities depository for the Obligations;

WHEREAS, the ERMU Council deems it to be necessary, desirable and in the best interest of the ERMU to appoint a new bank or trust company to serve as fiscal agent and to perform the duties of registrar, paying agent, transfer agent, authenticating agent and fiscal agent (the "Fiscal Agent") for such Obligations; and

WHEREAS, U.S. Bank Trust Company, a national banking association, is currently acting as Fiscal Agent for the Obligations and deems it to be necessary, desirable and in the best interest of the ERMU to appoint Bond Trust Services Corporation as successor Fiscal Agent for the Obligations.

NOW, THEREFORE, the Council of the ERMU, does resolve that:

<u>Section 1. Appointment of Fiscal Agent.</u> The principal of and interest on the Obligations shall be paid by Bond Trust Services Corporation, Roseville, Minnesota, which is hereby appointed as the ERMU's Fiscal Agent ("BTSC"), pursuant to the provisions of Section Sec. 475.553, Minnesota Statues, to be effective immediately upon adoption and approval as of the date of this resolution and upon compliance with all requirements to appoint a successor Fiscal Agent under the documents relating to the Obligations.

<u>Section 2. Fiscal Agency Agreement.</u> The Fiscal Agency Agreement between the ERMU and BTSC shall be substantially in the forms attached hereto as <u>Exhibit A</u> and is hereby approved, and the ERMU shall pay such fees and expenses of BTSC set forth in the Fiscal Agency Agreement. The ERMU commission chair and general manager are hereby authorized to execute the Fiscal Agency Agreement.

Section 3. Notice of Appointment of Fiscal Agent. The officers of the ERMU are authorized and directed to work with the ERMU's financial advisor and dissemination agent, Ehlers & Associates, Inc., to provide notice of the appointment of the BTSC to DTC and to issue a material event notice regarding the appointment of the BTSC in accordance with the terms of the ERMU continuing disclosure obligations with respect to the Obligations under Rule 15c2-12 of the Securities and Exchange Commission.

Adopted and recorded this 13th Day of August 2024

____

John Dietz, Commission Chair

Attest:

____

Mark Hanson, General Manager

[SEAL]

AGREEMENT RELATING TO PAYING AGENCY, REGISTRAR, AND TRANSFER AGENCY

THIS AGREEMENT, entered into on August 15, 2024, by and between the Elk River Municipal Utilities, Minnesota (the "Issuer") and **BOND TRUST SERVICES CORPORATION,** a wholly owned subsidiary of Ehlers & Associates, Inc. (the "Agent"), a corporation duly organized and existing as a limited purpose trust company under the laws of the State of Minnesota, Section 48A.03.

WHEREAS, the Issuer has by Resolution (the "Bond Resolution"), authorized the issuance of the following (the "Bonds");

- $9,755,000 Electric Revenue Bonds, Series 2016A
- $10,000,000 Electric Revenue Bonds, Series 2018A
- $11,810,000 Electric Revenue Bonds, Series 2021B
- $1,615,000 General Obligation Water Utility Revenue Bonds, Series 2021C

WHEREAS, the Issuer has designated the Agent as the paying agent, registrar and transfer agent for the Bonds;

WHEREAS, the Agent has agreed to serve in such capacities for and on behalf of the Issuer and has full power and authority to perform and serve in such capacities for the Bonds;

NOW THEREFORE, the Issuer and the Agent, each in consideration of the representations, covenants and agreements of the other as set forth herein, mutually represent, covenant and agree as follows:

Section 1. **Agent's Duties**.

1.1 Registrar. The Agent shall keep at its principal corporate trust office in Roseville, Minnesota a Bond Register in which the Agent, in its capacity as registrar, shall provide for the registration of ownership of the bonds and the registration of transfers and exchanges of the Bonds entitled to be registered, transferred or exchanged pursuant to the terms of the Bonds Resolution and the Bonds.

1.2. Transfer of Bonds. Upon surrender to the Agent for transfer of any Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Agent duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, together with a guarantee of the signature satisfactory to the Agent, the Agent shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Agent may, however, close the books for registration of any transfer after the 15th day of the month preceding each interest payment date and until such interest payment date.

1.3. Exchange of Bonds. Whenever any Bonds are surrendered to the Agent for exchange, the Agent shall authenticate and deliver the Bonds which, under the Bond Resolution, the owner making the exchange is entitled to receive.

1.4. Cancellation. All Bonds or coupons surrendered upon any transfer or exchange and unissued inventory at maturity shall be marked paid and canceled by the Agent and destroyed pursuant to Minnesota statutes, Section 475.553, subd. 2, unless otherwise directed by the Issuer.

1.5. Improper or Unauthorized Transfer. When any Bond is presented to the Agent for transfer, the Agent may refuse to transfer the same until it is satisfied that the endorsement on such Bond or written instrument of transfer is valid and genuine and the requested transfer is legally authorized. The Agent shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

1.6. Persons Deemed Owners. The Agent shall treat the person in whose name any Bond is at any time registered in the Bond Register as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

1.7. Taxes, Fees and Charges. For every transfer or exchange of Bonds the Agent may impose upon the owner thereof a charge sufficient to pay or reimburse the Agent for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a Bond surrendered for redemption.

1.8. Mutilated, Lost, Stolen or Destroyed Bonds. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Agent shall deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Bond or in lieu of and in substitution for any such Bond destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Agent in connection therewith; and, in the case of a Bond destroyed, stolen or lost, upon filing by the owner with the Agent of evidence satisfactory to it that such Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Agent of an appropriate bond of indemnity in form, substance and amount as may be required by law and as is satisfactory to the Agent, in which bond the Issuer and the Agent shall be named as obligees. All Bonds so surrendered to the Agent shall be canceled by it and evidence of such cancellation shall be given to the Issuer. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms it shall not be necessary to issue a new Bond prior to payment, provided that the owner shall first provide the Agent with a bond of indemnity as set forth above.

1.9. Records, Statements, Payment of Interest and Principal. The Agent shall:

(a) keep true and accurate accounts of the outstanding principal balance of the Bonds;
(b) not less than thirty (30) days before the due date of any principal of or interest on the Bonds, send a statement to the Issuer of the amount which will be required to pay the principal of and interest on the Bonds on such date;
(c) pay such of the interest on the Bonds as is due on each stated interest payment date, with the funds received from the Issuer, by check or draft mailed, no later than the interest payment date, to the registered owners of the Bonds as of the close of business on the 15th day (whether or not a business day) of the preceding month, at their addresses as they appear on the Bond Register;
(d) pay such of the principal of the Bonds as is due on the stated payment dates, with the funds received from the Issuer, upon presentation of the Bonds for payment;
(e) if Agent fails to make timely payment, the Agent will pay all charges from depositories for untimely payments;.
(f) forthwith upon presentation and payment of the Bonds cancel the same and retain and dispose of the same in the manner set forth in Section 1.4 hereof; and

The Agent shall not be required to pay interest on any funds of the Issuer for any period during which such funds are held by the Agent awaiting the interest payment date or the presentation of the Bonds for payment. Any funds remaining in the possession of the Agent for payment of the Bonds three (3) years after the date for the payment thereof has expired shall, subject to any applicable escheat law, be returned to the Issuer upon demand.

1.10. Reliance on Documents. The Agent may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates, opinions or other documents furnished to the Agent by or on behalf of the Issuer. The Agent shall not be liable for any error or judgment made in good faith by or on behalf of Agent in the performance of the duties of Agent herein.

1.11. Delivery of Records to Issuer; Retention. The Agent may, from time to time at its discretion, deliver to the Issuer, for safekeeping or disposition by the Issuer in accordance with law, such records accumulated in the performance of its duties as it may deem expedient, and the Issuer assumes all responsibility for any failure thereafter to produce any paper, record or document so returned, if and when required.

Section 2. Issuer's Duties.

2.1 Provision of the Executed Bonds. The Issuer shall provide the Agent with such executed Bonds as are required to issue the Bonds in exchange for or upon transfer of outstanding Bonds.

2.2 Provision of Funds to pay Principal and Interest. The Issuer may pay the Agent for the interest and principal due by check, however, the check must be received by the Agent for deposit no later than *five business days* before the debt service payment date in order for the bondholder payments to be released on the payment date. Check payments received from the Issuer after the deadline will result in bondholder payments being released after a *three business day* clearance. If the Issuer pays by wire, the wire should be sent to the Agent *one business day* prior to the debt service payment date.

OR The Issuer has agreed to participate in the **Minnesota City Credit Enhancement Program** for this issue, and has committed to comply with all requirements of this program. By state law, participation in the program requires that an amount sufficient for each payment be paid to the paying agent at least **three business days** prior to the payment date. In order to ensure clearance of the funds within the required time, check payments must be received by the Agent for deposit at least *five business days* before the payment date. If the Issuer pays by wire, the wire must be sent to the Agent at least *three business days* before the payment date.

2.3 Payment of Fees and Charges of Agent. The Issuer shall pay to the Agent reasonable fees and charges for services performed hereunder in accordance with the Agent's fee schedule attached hereto as Schedule A for the first two years of the Agreement and thereafter according to Agent's then current fee schedule in effect at the time of the service. The fees and charges of said Agent shall in no event become a charge against the funds remitted by the Issuer for payment of principal and interest on the Bonds.

2.4 Payment of Reimbursable Charges Incurred by Agent. The Issuer agrees to reimburse Agent, upon Agent's request, for all reasonable expenses, disbursements and advances incurred or made by the Agent in accordance with any of the provisions of the Agreement (including the reasonable compensation and the expenses and disbursements of its agents and counsel)

2.5 Failure to Provide Funds. If available funds needed for payment do not reach the Agent by any interest payment date, payment of items may be refused and the Issuer may be charged for reasonable expenses incurred and extra service performed in accordance with the Agent’s fee schedule in effect at the time of the payment date. The Issuer shall pay all charges or penalties from depositories if they fail to make timely payments provided, however, that the Agent agrees to abide by the depository requirement for same day wire transfer of funds for debt service payment.

2.6 Indemnification. The Issuer shall indemnify and hold the Agent harmless from and against any loss, cost, charge, expense, judgment or liability that it may incur in the exercise of its powers and duties hereunder and which is not due to its negligence or default.

Section 3. Termination.

This agreement will terminate upon the later of the date of final payment of the principal and interest on the Bonds to the holders thereof or the date on which any remaining funds held by the Agent are remitted to the Issuer. Either party may terminate this agreement by written notice mailed to the other party at least thirty (30) days prior to termination date, upon which event the Agent shall return all cash and Bonds in its possession to the Issuer or its order and shall deliver the Bond Register to the Issuer or its order and the Issuer shall pay any accrued and unpaid fees and service charges to the Agent. In the event that such termination is by the Issuer, Issuer shall pay a termination fee as set forth by the Agent at the time of termination. No termination fee will be charged to the Issuer if the termination is due to the failure by the Agent to provide the services outlined in this Agreement. No early termination hereunder shall be effective until a successor Paying Agent/Registrar has been appointed by the Issuer and notice of the appointment of the successor has been given to the holder of Bonds.

IN WITNESS WHEREOF, the Issuer and the Agent have caused this agreement to be executed in their respective names by their duly authorized representatives, in two counterparts, each of which shall be deemed an original.

Elk River Municipal Utilities, Minnesota
13069 Orono Parkway NW
Elk River, MN 55330-0490

By: ___________________________________
Printed Name: John Dietz
Printed Title: Commission Chair

BOND TRUST SERVICES CORPORATION
3060 Centre Pointe Drive, Suite 110
Roseville, MN 55113

By: Nha Nguyen
Nha Nguyen
Paying Agent Administrator

REGISTRAR AND PAYING AGENT FEE SCHEDULE FOR BOOK-ENTRY ONLY TRANSACTION

I. Initial Fee: $450.00

The initial fee payable at closing covers:

1) Review of final bond documents;
2) Communication with Municipal Advisor and Bond Counsel;
3) Coordination of delivery of Bond(s) for closing; and
4) Set up of necessary accounts and records.

II. Annual Administration Fee: $475.00

The annual fee, payable in advance, covers:

1) Invoicing and collection of scheduled debt service payments;
2) Documentation and wiring of scheduled debt service payments;
3) Handling all correspondence and communications with The Depository Trust Company;
4) Maintenance of Issuer's account;
5) Destruction of Bond(s);
6) Processing of optional redemption notices; and
7) Audit verification letters.

III. Additional Services:

1) Processing of Mandatory Sinking Fund Notices - $100 per notice

Fees for services other than those listed above not contemplated at the time of issuance will be charged based on the type of service performed, expenses incurred, time involved, and responsibility assumed.

The above fees may be subject to periodic review and/or adjustment.

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

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

BACKGROUND/DISCUSSION:
This month commissioners are reviewing policy G.2g – Commission Committees to make comments, ask questions, or recommend updates.

With this policy, the Commission establishes and communicates its purposes and the means by which it creates and empowers committees to assist the Commission in its work.

Staff is not recommending any changes to the policy.

ATTACHMENTS:
- ERMU Policy – G.2g – Commission Committees

Elk River Municipal Utilities

COMMISSION POLICY

Section: Governance	Category: Governance Policies
Policy Reference: **G.2g**	Policy Title: **Commission Committees**

PURPOSE:

With this policy, the Commission establishes and communicates its purposes and the means by which it creates and empowers committees to assist the Commission in its work. This policy applies to any group formed by Commission action, whether or not it is called a committee and whether or not the group includes Commission members. It does not apply to committees formed under the authority of the General Manager.

POLICY:

Commission committees, when created, will be used to reinforce the wholeness of the Commission and never to interfere with the delegation of authority from the Commission to the General Manager or to any officer of the Commission. Commission committees will not have direct involvement with current management and staff employee functions.

Consistent with this general statement:

1. The Commission will use committees sparingly and only for as long as required to accomplish its purposes. Committees may be appropriate in circumstances where the Commission recognizes the need for more in-depth review of information and issues, and where a committee is the best way to make effective and efficient use of available Commission member expertise and time. Committees may also be appropriate where it is necessary or desirable for the Commission to visibly demonstrate regulatory compliance or accountability to its stakeholders (e.g. Financial Reserves and Investments Committee).

2. Committees ordinarily will assist the Commission in the following specific ways by:

    a. Monitoring organization performance metrics and related information;

    b. Preparing policy alternatives and their implications for Commission deliberation and action;

   c. Determining the level of compliance with existing Commission policies and evaluating the results of policy compliance or non-compliance.

3. When the Commission creates a committee, it will develop and approve by resolution a written committee charter that sets forth the purposes, duration, expected outcomes, leadership, membership, delegated authority, available resources, and other information needed for the committee to function successfully. The General Manager will designate management/staff committee members if so requested. The Commission, by majority vote, will appoint Commission members to committees and remove or replace them, as appropriate. The Commission, by majority vote, will also appoint, remove, and replace a Committee Chair, Vice-Chair and any other positions of leadership that the Commission determines appropriate.

4. The Commission recognizes that appointments to a Committee provide opportunities for learning and Governance development. Accordingly, the Commission endeavors to appoint Commission members to committee leadership positions who do not already hold a Commission office.

5. The Commission will review the committee charter and performance of any standing committee at least annually to determine if changes are required or if the committee is still required.

6. Commission committees may not convene a meeting that includes a quorum of the Commission.

7. Commission committees may not speak or act for the Commission except when formally given such authority for specific and time-limited purposes. Expectations and authorities will be carefully stated in order not to conflict with authority delegated to the General Manager or Commission Chair.

8. Commission committees may not exercise authority over management and staff employees. The General Manager is accountable to the whole Commission and is not required to obtain approval of any Commission committee before taking an executive action.

9. Commission committees will avoid relating to or identifying with discrete parts of the organization rather than the whole. A Commission committee that has helped the Commission create policy on a particular subject will not be used to monitor organizational performance on that same subject, except with specific Commission approval.

POLICY HISTORY:

Adopted May 9, 2017

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	**FROM:** Mark Hanson – General Manager
MEETING DATE: August 13, 2024	**AGENDA ITEM NUMBER:** 5.1
SUBJECT: 2024 Compensation Study Update	
ACTION REQUESTED: Approve Pay Plan, Implementation Scenario, and Implementation Date	

BACKGROUND:
At the July 2024 commission meeting, the Commission received and discussed Baker Tilly's proposed options for a market leading base pay plan and a market lagging base pay plan. The respective plans (attached) are approximately 2% above/below the average market maximum.

Staff sought commission direction in three areas: which base pay plan (leading or lagging), which implementation scenario (closest step, current step, or years in position) and a preferred implementation date. The Commission expressed a desire to be market leading in pay but deferred selection of a pay plan until the influence of performance-based compensation (PBC) programs on total compensation could be better understood. Commission members also expressed a preference to implement a new pay plan via the current step scenario and recommended an August 27, 2024, implementation date if a new pay plan is approved.

A thorough discussion occurred whether PBC programs should be considered when defining what it means to be market leading. In other words, if you are market leading in base pay, but your talent competition is market leading <u>and</u> offers a PBC program, you are not market leading in total compensation. To better understand this issue, the Commission directed staff to provide additional information regarding the PBC programs of ERMU's comparable peers in the compensation study.

For reference, our current Utilities Performance Metrics and Incentive Compensation (UPMIC) policy was adopted December 2012 with the following description:

> *This is a company performance-based program designed to incentivize employee commitment towards the company's success. Divided into categories representing core values of the company and again into sub-categories that are quantifiable, this program is designed to track goals that require companywide support of the employees to continually achieve. When the employees work together as a team to achieve these goals, the company recognizes a corresponding increase in value to our customers.*

DISCUSSION:
As stated last month, six of the ten comparable peers surveyed have existing PBC programs. Three of those peers were municipal utilities, and three were private sector peers.

The three municipal peers have similar PBC programs. All three focus on the performance of the individual, not the company. Employees qualify for incentive pay based on either specific criteria or an annual performance evaluation by their manager. If incentive criteria are exceeded, the individual is awarded additional pay. Depending on the utility, the additional pay is either a percentage of base pay (ranging from 2%-8%) or an additional step increase.

The private sector utilities are more focused on company-wide performance. One bases their incentive compensation around business improvement savings. If yearly goals are met, all employees share equally in an incentive payout of up to 20% of identified savings (up to a $2500 cap per employee). Two other private sector peers have companywide programs that are very similar to our UPMIC with performance metrics around safety, reliability, member service, continuous improvement, financial, etc. Employees receive an annual incentive payment based on the company's overall "scorecard" performance. One utility stated they use an annual predetermined flat amount, regardless of wage for non-exempt staff (as opposed to a percentage of wage). The other uses a payout scale that ranges from 3% to 10% of base wage for non-exempt employees, with an average of 5-8% over the last several years. Payout levels for both firms increased for managers and directors (depending on position).

Our UPMIC is more than just a form of "at risk" compensation. It was specifically designed to bring the company together as one team by having every employee contribute to its success. All ERMU employees take ownership and pride in their respective roles in maximizing the potential payout. Staff will ask one another across departments how they're doing and what's holding them back. It often serves as a form of friendly competition as well. Since its inception in 2013, it has been paid out at the maximum rate four out of eleven (4/11) years. The average payout is 94.5% of the maximum payout (see the attached table for more information).

If the Commission desires to modify the UPMIC, options include decreasing the payout amount, increasing the criteria goals (i.e. making it harder to achieve), changing criteria focal points (i.e. do away with retention and use annual performance review completion rate instead), changing the criteria weighting, or any combination of such options. Proposed adjustments could be discussed at the Wage and Benefit committee and brought before the Commission in time to review/approve before the 2025 UPMIC performance period begins (January 1, 2025).

NEXT STEPS:
Once a pay plan, implementation scenario, and effective date are approved, Baker Tilly will provide a final report documenting the process, results, and approvals. Staff will update our payroll system with the approved plan, implementation scenario, and effective date.

ATTACHMENTS:
- Proposed Pay Plan Options
- Utilities Performance Metric Incentive Compensation Payout History

Pay Plan Options

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

Grade	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%

ERMU Utilities Performance Metric Incentive Compensation Payout History

Year	Maximum	Result	Total Payout	Average Payout	# of employees	Non-Manager Payout	Average Non-Manager Payout
2013	2%	2.0%	$45,908	$1,275	36	$34,851	
2014	2%	1.9%	$44,093	$1,225	36	$33,335	
2015	2%	2.0%	$57,463	$1,336	43	$44,355	
2016	2%	1.9%	$55,530	$1,388	40	$42,213	
2017	2%	1.9%	$57,633	$1,406	41	$42,544	
2018	2%	1.8%*	$57,453	$1,368	42	$42,509	
2019	2%	1.7%	$57,586	$1,405	41	$39,389	$1,271
2020	2%	1.7%	$55,661	$1,358	41	$37,354	$1,205
2021	2%	1.9%	$72,205	$1,679	43	$54,148	$1,547
2022	2%	2.0%	$78,870	$1,793	44	$59,176	$1,691
2023	2.5%	2.5%	$104,576	$2,324	45	$75,298	$2,092
2024	3%	2.85%**	$116,305	$2,643	44		

*The Commission voted to change the payout from 1.7% to 1.8%

**2024 estimated amount includes proposed pay plan adjustments and current UPMIC scorecard results for Q2, 2024

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	FROM: Melissa Karpinski – Finance Manager
MEETING DATE: August 13, 2024	**AGENDA ITEM NUMBER:** 5.2
SUBJECT: Financial Report – June 2024	
ACTION REQUESTED: Receive the June 2024 Financial Report	

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

Electric
June year to date (YTD) electric kWh sales are down 6% from the prior year. For further breakdown:

- Residential usage is down 6%
- Small Commercial usage is down 4%
- Large Commercial usage is down 6%

For June 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
June YTD gallons of water sold are down 11% from the prior year. For further breakdown:

- Residential use is down 20%
- Commercial use is up less than .5%

For June 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 06.2024
- Electric Balance Sheet 06.2024
- Water Balance Sheet 06.2024
- Summary Electric Statement of Revenues, Expenses and Changes in Net Position 06.2024
- Summary Water Statement of Revenues, Expenses and Changes in Net Position 06.2024
- Graphs Prior Year and YTD 2024

- Detailed Electric Statement of Revenues, Expenses and Changes in Net Position 06.2024
- Detailed Water Statement of Revenues, Expenses and Changes in Net Position 06.2024
- Budget vs Actual Graphs – Electric 06.2024
- Budget vs Actual Graphs – Water 06.2024

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

	ELECTRIC	WATER
ASSETS		
CURRENT ASSETS		
CASH	5,693,124	5,528,296
ACCOUNTS RECEIVABLE	3,097,224	5,377,576
INVENTORIES	1,360,708	11,722
PREPAID ITEMS	260,807	60,132
CONSTRUCTION IN PROGRESS	1,868,621	2,953,209
TOTAL CURRENT ASSETS	12,280,483	13,930,936
RESTRICTED ASSETS		
BOND RESERVE FUND	1,779,016	0
EMERGENCY RESERVE FUND	7,221,903	4,183,917
UNRESTRICTED RESERVE FUND	0	0
TOTAL RESTRICTED ASSETS	9,000,919	4,183,917
FIXED ASSETS		
PRODUCTION	824,065	17,048,464
LFG PROJECT	0	0
TRANSMISSION	2,305,024	0
DISTRIBUTION	49,758,323	28,135,913
GENERAL	24,593,356	1,239,085
FIXED ASSETS (COST)	77,480,767	46,423,462
LESS ACCUMULATED DEPRECIATION	(35,556,157)	(23,873,914)
TOTAL FIXED ASSETS, NET	41,924,610	22,549,548
INTANGIBLE ASSETS		
POWER AGENCY MEMBERSHIP BUY-IN	21,546,212	0
LOSS OF REVENUE INTANGIBLE	6,223,278	0
LESS ACCUMULATED AMORTIZATION	(3,840,627)	0
TOTAL INTANGIBLE ASSETS, NET	23,928,864	0
OTHER ASSETS AND DEFERRED OUTFLOWS	690,058	126,311
TOTAL ASSETS	87,824,935	40,790,711
LIABILITIES AND FUND EQUITY		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	4,880,911	519,735
SALARIES AND BENEFITS PAYABLE	716,517	113,815
DUE TO CITY	863,890	5,111
DUE TO OTHER FUNDS	0	0
NOTES PAYABLE-CURRENT PORTION	0	0
BONDS PAYABLE-CURRENT PORTION	460,000	60,000
UNEARNED REVENUE	11,985	334,127
TOTAL CURRENT LIABILITIES	6,933,303	1,032,788
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	28,230,331	1,558,620
PENSION LIABILITIES	2,720,477	500,450
TOTAL LONG TERM LIABILITIES	30,950,808	2,059,070
TOTAL LIABILITIES	37,884,111	3,091,858
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)	522,778	(359,144)
TOTAL FUND EQUITY	49,104,011	32,760,869
TOTAL LIABILITIES & FUND EQUITY	87,824,935	40,790,711

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
ELECTRIC BALANCE SHEET

	June 30, 2024	May 31, 2024	Current Month Change from Prior Month
ASSETS			
CURRENT ASSETS			
CASH	5,693,124	5,771,470	(78,345)
ACCOUNTS RECEIVABLE	3,097,224	2,730,688	366,536
INVENTORIES	1,360,708	1,392,685	(31,978)
PREPAID ITEMS	260,807	225,759	35,047
CONSTRUCTION IN PROGRESS	1,868,621	1,536,682	331,939
TOTAL CURRENT ASSETS	12,280,483	11,657,284	623,199
RESTRICTED ASSETS			
BOND RESERVE FUND	1,779,016	1,779,016	0
EMERGENCY RESERVE FUND	7,221,903	7,191,602	30,301
TOTAL RESTRICTED ASSETS	9,000,919	8,970,618	30,301
FIXED ASSETS			
PRODUCTION	824,065	824,065	0
TRANSMISSION	2,305,024	2,305,024	0
DISTRIBUTION	49,758,323	49,617,387	140,936
GENERAL	24,593,356	24,532,672	60,683
FIXED ASSETS (COST)	77,480,767	77,279,148	201,619
LESS ACCUMULATED DEPRECIATION	(35,556,157)	(35,336,734)	(219,423)
TOTAL FIXED ASSETS, NET	41,924,610	41,942,414	(17,804)
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	(3,840,627)	(3,784,949)	(55,678)
TOTAL INTANGIBLE ASSETS, NET	23,928,864	23,984,542	(55,678)
OTHER ASSETS AND DEFERRED OUTFLOWS	690,058	690,058	0
TOTAL ASSETS	87,824,935	87,244,916	580,018
LIABILITIES AND FUND EQUITY			
CURRENT LIABILITIES			
ACCOUNTS PAYABLE	4,880,911	4,381,401	499,510
SALARIES AND BENEFITS PAYABLE	716,517	696,406	20,111
DUE TO CITY	863,890	759,180	104,710
BONDS PAYABLE-CURRENT PORTION	460,000	460,000	0
UNEARNED REVENUE	11,985	13,982	(1,998)
TOTAL CURRENT LIABILITIES	6,933,303	6,310,970	622,333
LONG TERM LIABILITIES			
BONDS PAYABLE, LESS CURRENT PORTION	28,230,331	28,235,319	(4,989)
PENSION LIABILITIES	2,720,477	2,720,477	0
TOTAL LONG TERM LIABILITIES	30,950,808	30,955,796	(4,989)
TOTAL LIABILITIES	37,884,111	37,266,766	617,345
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)	522,778	560,104	(37,326)
TOTAL FUND EQUITY	49,104,011	49,141,337	(37,326)
TOTAL LIABILITIES & FUND EQUITY	87,824,935	87,244,916	580,018

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
WATER BALANCE SHEET

	June 30, 2024	May 31, 2024	Current Month Change from Prior Month
ASSETS			
CURRENT ASSETS			
CASH	5,528,296	5,450,338	77,958
ACCOUNTS RECEIVABLE	5,377,576	5,328,022	49,554
INVENTORIES	11,722	12,089	(367)
PREPAID ITEMS	60,132	52,015	8,118
CONSTRUCTION IN PROGRESS	2,953,209	2,788,214	164,995
TOTAL CURRENT ASSETS	13,930,936	13,630,678	300,257
RESTRICTED ASSETS			
EMERGENCY RESERVE FUND	4,183,917	4,176,341	7,575
TOTAL RESTRICTED ASSETS	4,183,917	4,176,341	7,575
FIXED ASSETS			
PRODUCTION	17,048,464	16,874,001	174,462
DISTRIBUTION	28,135,913	28,135,913	0
GENERAL	1,239,085	1,239,085	0
FIXED ASSETS (COST)	46,423,462	46,249,000	174,462
LESS ACCUMULATED DEPRECIATION	(23,873,914)	(23,772,242)	(101,672)
TOTAL FIXED ASSETS, NET	22,549,548	22,476,757	72,790
INTANGIBLE ASSETS			
OTHER ASSETS AND DEFERRED OUTFLOWS	126,311	126,311	0
TOTAL ASSETS	40,790,711	40,410,088	380,623
LIABILITIES AND FUND EQUITY			
CURRENT LIABILITIES			
ACCOUNTS PAYABLE	519,735	340,926	178,810
SALARIES AND BENEFITS PAYABLE	113,815	108,572	5,243
DUE TO CITY	5,111	1,113	3,998
BONDS PAYABLE-CURRENT PORTION	60,000	60,000	0
UNEARNED REVENUE	334,127	181,455	152,672
TOTAL CURRENT LIABILITIES	1,032,788	692,065	340,724
LONG TERM LIABILITIES			
BONDS PAYABLE, LESS CURRENT PORTION	1,558,620	1,559,174	(554)
PENSION LIABILITIES	500,450	500,450	0
TOTAL LONG TERM LIABILITIES	2,059,070	2,059,624	(554)
TOTAL LIABILITIES	3,091,858	2,751,689	340,169
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)	(359,144)	(399,598)	40,454
TOTAL FUND EQUITY	32,760,869	32,720,415	40,454
TOTAL LIABILITIES & FUND EQUITY	40,790,711	40,410,088	380,623

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

	2024 JUNE	2024 YTD	2024 YTD BUDGET	YTD Budget Variance	2024 YTD Bud Var%	2024 ANNUAL BUDGET	2023 JUNE	2023 YTD	YTD VARIANCE	2023 v. 2024 Actual Var%	Variance Item
Electric											
Revenue											
Operating Revenue											
Elk River	3,311,783	17,571,359	19,854,920	(2,283,561)	(12)	42,685,299	3,886,613	18,409,096	(837,736)	(5)	
Otsego	314,597	1,743,931	1,593,993	149,938	9	3,514,568	374,625	1,697,899	46,032	3	
Rural Big Lake	15,177	98,097	116,709	(18,613)	(16)	243,412	19,878	103,900	(5,804)	(6)	
Dayton	18,562	117,481	138,060	(20,579)	(15)	292,752	25,520	126,265	(8,784)	(7)	
Public St & Hwy Lighting	21,725	130,317	130,000	317	0	260,000	21,625	129,432	885	1	
Other Electric Sales	400	2,400	2,400	0	0	4,800	400	2,400	0	0	
Total Operating Revenue	3,682,244	19,663,585	21,836,082	(2,172,498)	(10)	47,000,831	4,328,660	20,468,993	(805,408)	(4)	
Other Operating Revenue											
Interest/Dividend Income	34,275	101,878	42,500	59,378	140	85,000	3,068	34,055	67,822	199	(1)
Customer Penalties	17,799	120,058	142,500	(22,442)	(16)	285,000	20,399	139,618	(19,560)	(14)	
Connection Fees	20,425	150,851	67,500	83,351	123	135,000	11,425	57,841	93,010	161	(2)
Misc Revenue	64,983	765,624	508,000	257,623	51	1,016,000	174,938	651,891	113,732	17	(3)
Total Other Revenue	137,482	1,138,410	760,500	377,910	50	1,521,000	209,830	883,406	255,004	29	
Total Revenue	3,819,727	20,801,995	22,596,582	(1,794,588)	(8)	48,521,831	4,538,490	21,352,399	(550,404)	(3)	
Expenses											
Purchased Power	2,756,342	13,416,219	15,165,459	(1,749,240)	(12)	32,756,447	3,429,531	14,777,070	(1,360,851)	(9)	
Operating & Mtce Expense	16,177	137,999	193,250	(55,251)	(29)	369,000	18,547	189,739	(51,740)	(27)	(4)
Transmission Expense	5,034	30,508	36,000	(5,492)	(15)	72,000	6,560	32,979	(2,471)	(7)	
Distribution Expense	26,403	248,125	211,750	36,375	17	425,917	30,863	251,636	(3,511)	(1)	(5)
Maintenance Expense	153,321	1,024,027	896,250	127,777	14	1,668,500	104,051	834,602	189,425	23	(6)
Depreciation & Amortization	275,101	1,651,074	1,553,808	97,266	6	3,107,612	261,223	1,582,048	69,026	4	
Interest Expense	65,175	392,285	392,285	0	0	785,810	68,225	410,547	(18,263)	(4)	
Other Operating Expense	5,020	33,924	28,050	5,874	21	506,900	4,227	24,994	8,930	36	
Customer Accounts Expense	35,888	205,846	219,500	(13,654)	(6)	439,000	30,091	216,921	(11,076)	(5)	
Administrative Expense	302,345	2,053,887	2,149,497	(95,609)	(4)	4,208,492	297,018	2,005,999	47,888	2	
General Expense	63,050	266,597	318,500	(51,903)	(16)	637,000	40,130	196,230	70,367	36	(7)
Total Expenses(before Operating Transfers)	3,703,856	19,460,492	21,164,348	(1,703,856)	(8)	44,976,679	4,290,464	20,522,766	(1,062,274)	(5)	
Operating Transfer											
Operating Transfer/Other Funds	133,173	707,061	794,197	(87,136)	(11)	1,707,412	156,164	773,143	(66,081)	(9)	
Utilities & Labor Donated	20,024	111,664	132,000	(20,336)	(15)	264,000	18,046	141,819	(30,155)	(21)	(8)
Total Operating Transfer	153,197	818,725	926,197	(107,472)	(12)	1,971,412	174,209	914,962	(96,237)	(11)	
Net Income Profit(Loss)	(37,326)	522,778	506,038	16,741	3	1,573,740	73,817	(85,329)	608,107	713	

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 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 and PYTD variance is due to most expense accounts being favorable to budget and less than prior year.

(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, Mtce of Street Lighting, Transportation, 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.

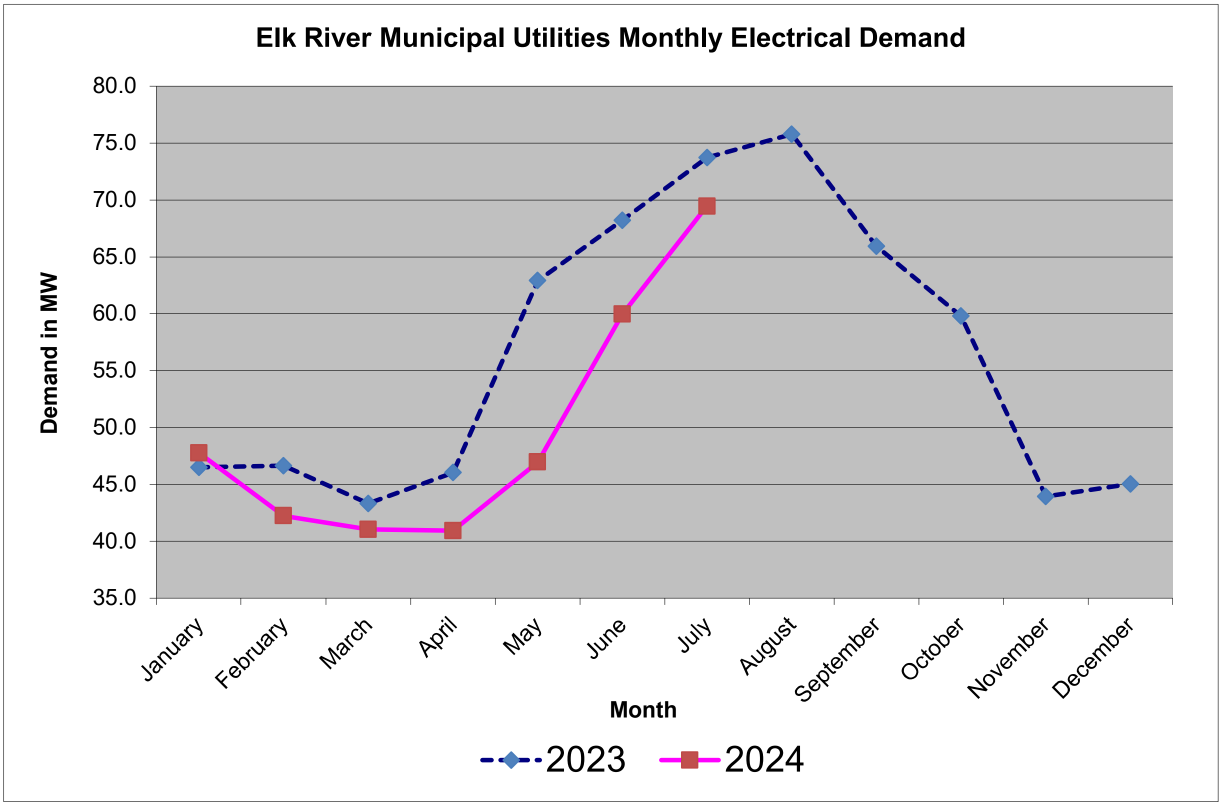
(8) PYTD variance is due to Furniture & Things energy audit in 2023.

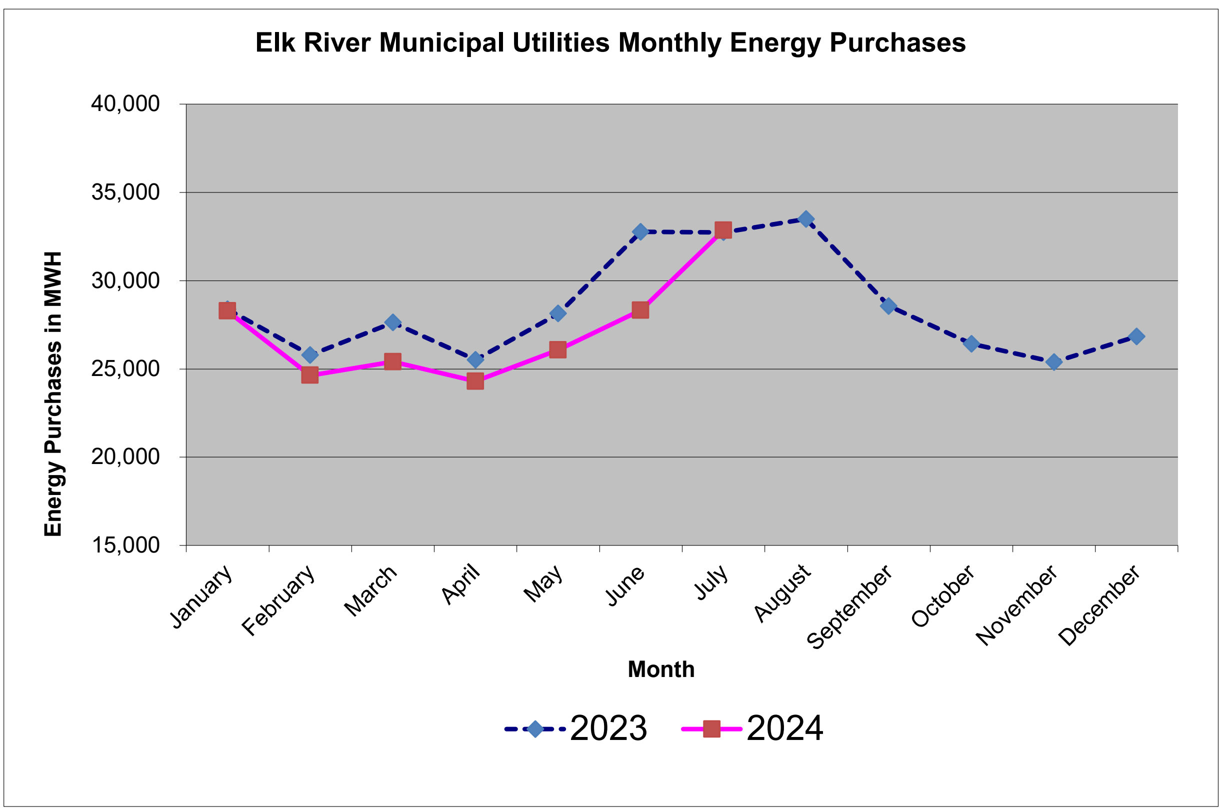
ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR PERIOD ENDING JUNE 2024

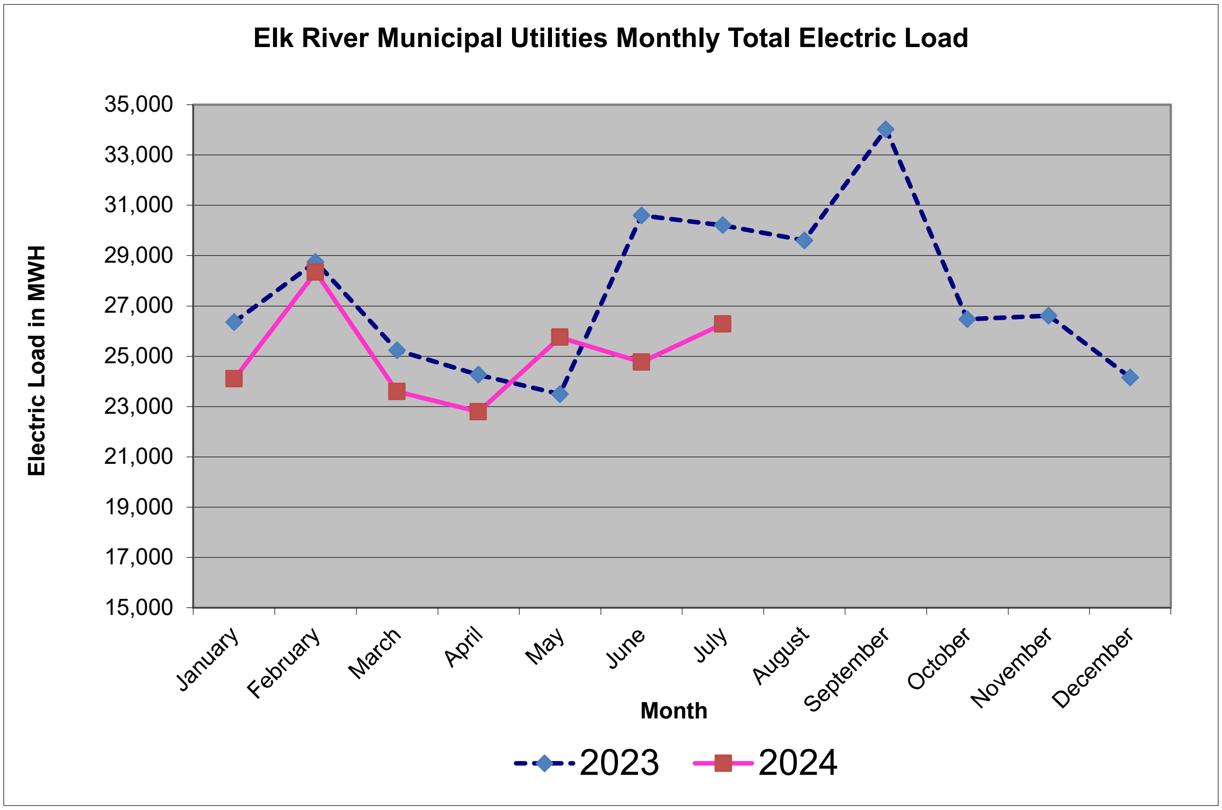
Water	2024 JUNE	2024 YTD	2024 YTD BUDGET	YTD Budget Variance	2024 YTD Bud Var%	2024 ANNUAL BUDGET	2023 JUNE	2023 YTD	YTD VARIANCE	2023 v. 2024 Actual Var%	Variance Item
Revenue											
Operating Revenue											
Water Sales	267,693	1,047,184	935,572	111,612	12	2,788,003	438,631	1,162,004	(114,819)	(10)	
Total Operating Revenue	267,693	1,047,184	935,572	111,612	12	2,788,003	438,631	1,162,004	(114,819)	(10)	
Other Operating Revenue											
Interest/Dividend Income	9,214	35,135	20,750	14,385	69	41,500	2,254	16,356	18,779	115	(1)
Customer Penalties	1,080	9,873	12,500	(2,627)	(21)	25,000	1,134	7,282	2,590	36	
Connection Fees	25,940	212,900	127,500	85,400	67	255,000	12,961	106,877	106,023	99	(2)
Misc Revenue	1,496	7,217	7,775	(558)	(7)	618,786	975	7,035	182	3	
Total Other Revenue	37,730	265,125	168,525	96,600	57	940,286	17,324	137,551	127,575	93	
Total Revenue	305,423	1,312,309	1,104,097	208,213	19	3,728,289	455,955	1,299,554	12,755	1	
Expenses											
Production Expense	7,965	64,810	57,500	7,310	13	115,000	7,086	55,493	9,316	17	
Pumping Expense	45,006	261,277	322,836	(61,559)	(19)	645,671	53,215	287,416	(26,139)	(9)	(3)
Distribution Expense	23,209	174,175	225,125	(50,950)	(23)	422,250	33,650	184,176	(10,001)	(5)	(4)
Depreciation & Amortization	101,672	605,562	574,500	31,062	5	1,148,988	97,653	585,077	20,485	4	
Interest Expense	2,912	17,475	17,474	0	0	33,949	3,112	18,675	(1,200)	(6)	
Other Operating Expense	219	782	1,650	(868)	(53)	82,300	105	2,413	(1,631)	(68)	
Customer Accounts Expense	8,277	46,229	45,875	354	1	91,750	6,711	43,434	2,796	6	
Administrative Expense	75,084	499,222	553,570	(54,347)	(10)	1,092,624	67,674	491,860	7,362	1	
General Expense	626	1,923	7,625	(5,702)	(75)	15,250	353	3,742	(1,819)	(49)	
Total Expenses(before Operating Transfers)	264,969	1,671,454	1,806,155	(134,701)	(7)	3,647,782	269,559	1,672,286	(832)	(0)	
Operating Transfer											
Utilities & Labor Donated	0	0	750	(750)	(100)	1,500	0	0	0	0	
Total Operating Transfer	0	0	750	(750)	(100)	1,500	0	0	0	0	
Net Income Profit(Loss)	40,454	(359,144)	(702,808)	343,663	49	79,007	186,395	(372,731)	13,587	4	

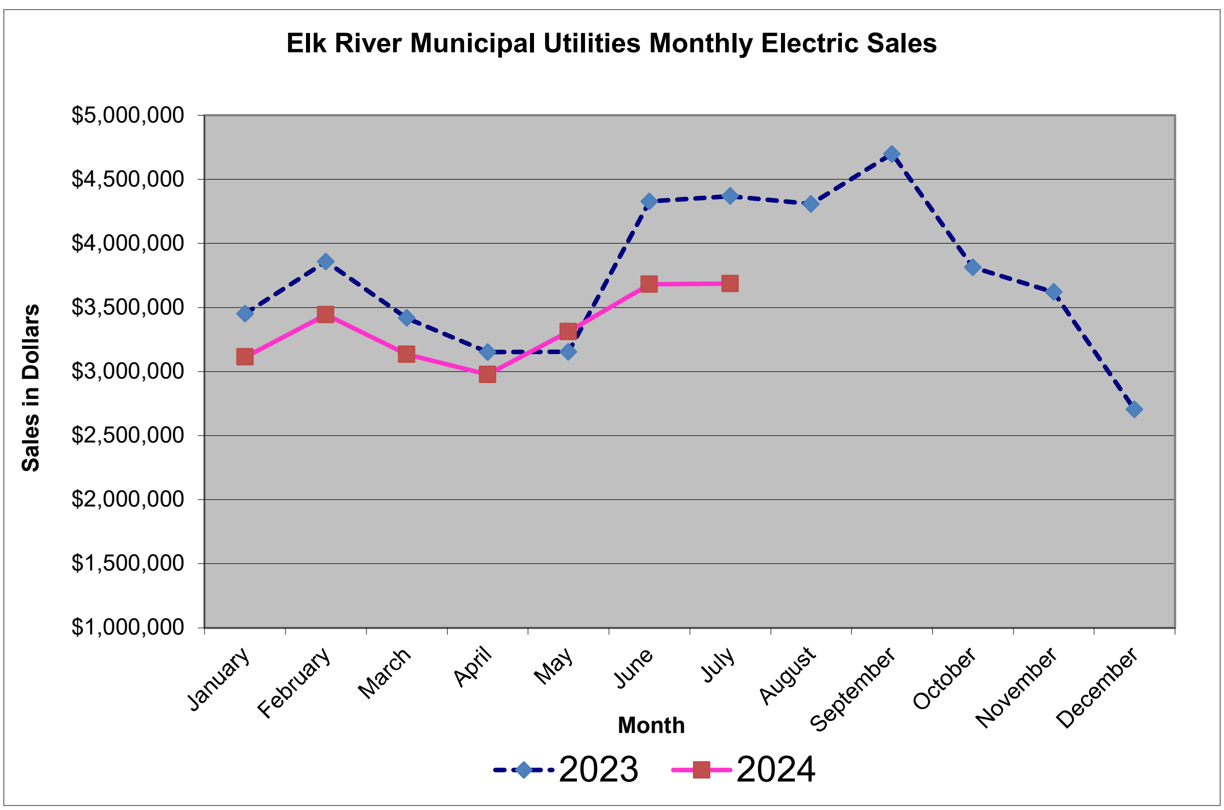
Item Variance of +/- $15,000 and +/- 15%

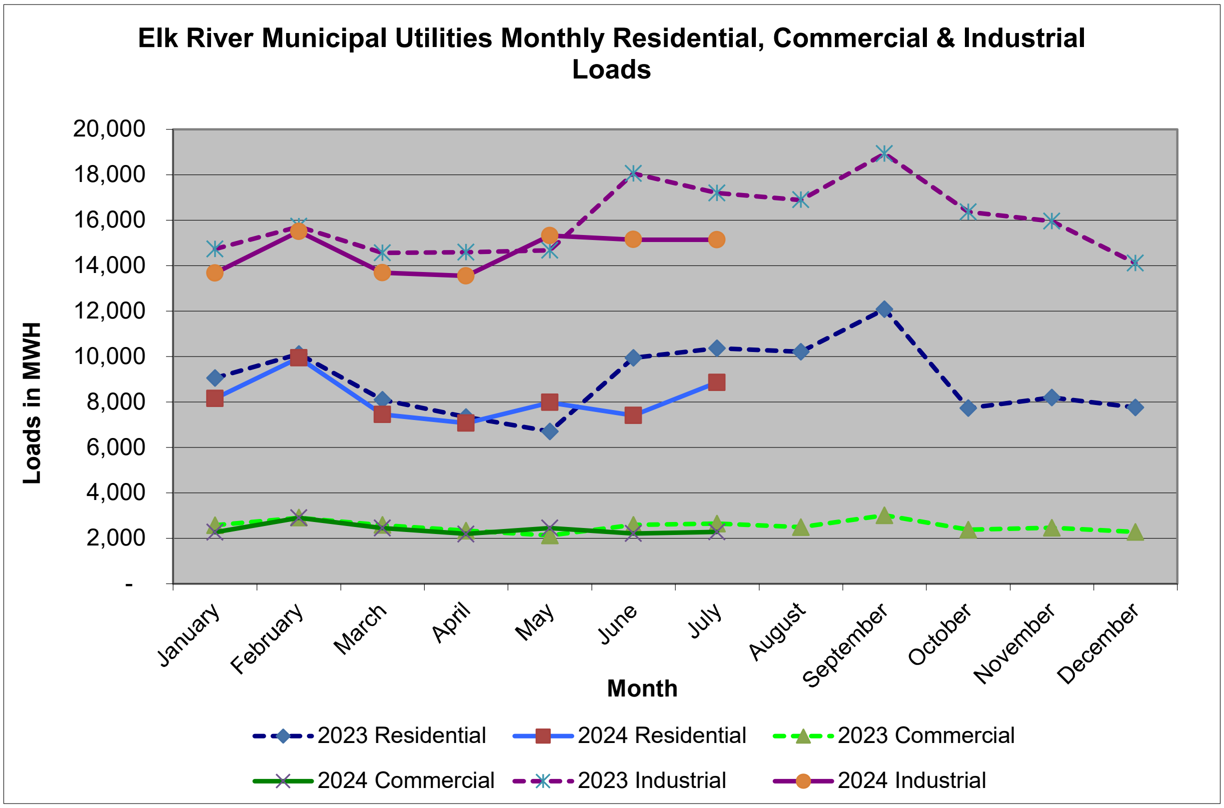
(1) PYTD variance is due to the change in Fair Market Value of Investments. Also more funds were transferred to UBS in May 2024.
(2) YTD budget and PYTD variance due to large 2 large connection agreements in January 2024.
(3) YTD budget variance is mainly due to Electric usage being lower at Well 7 and 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.

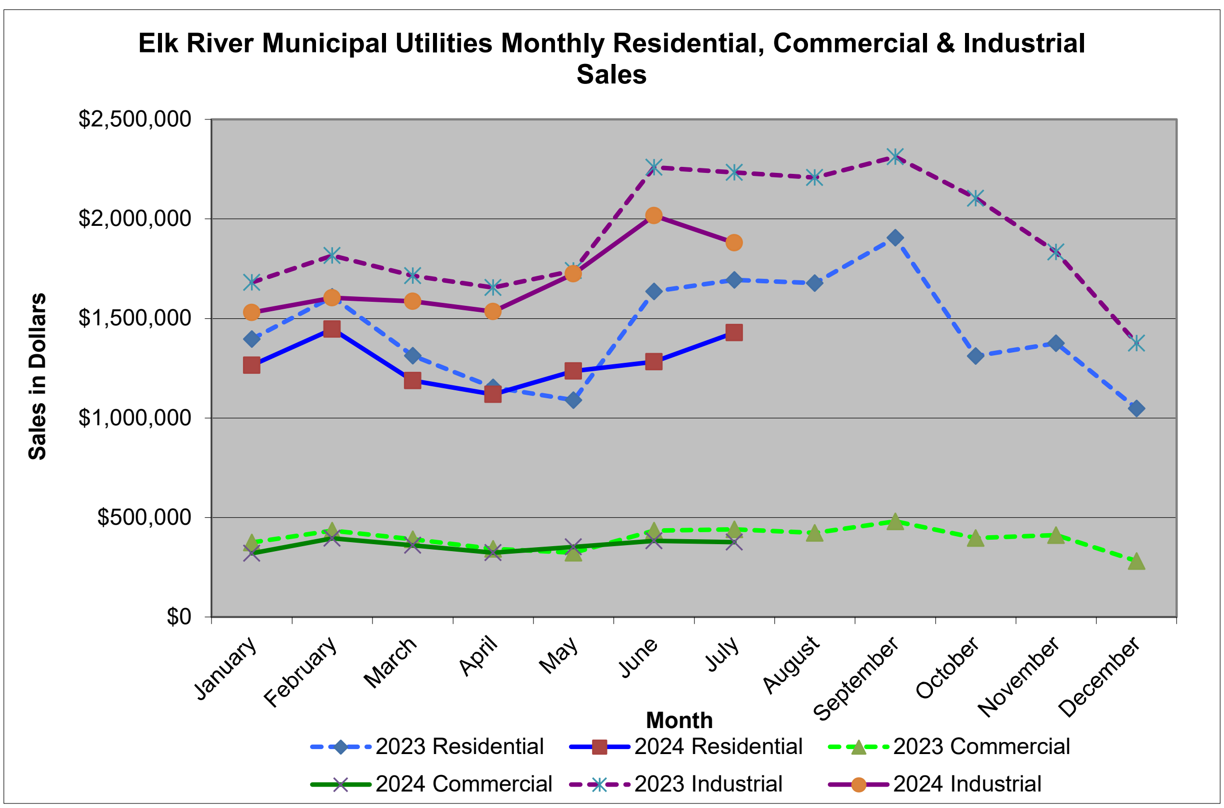

Elk River Municipal Utilities Monthly Electrical Demand
Demand in MW
80.0
75.0
70.0
65.0
60.0
55.0
50.0
45.0
40.0
35.0
January
February
March
April
May
June
July
August
September
October
November
December
Month
2023
2024

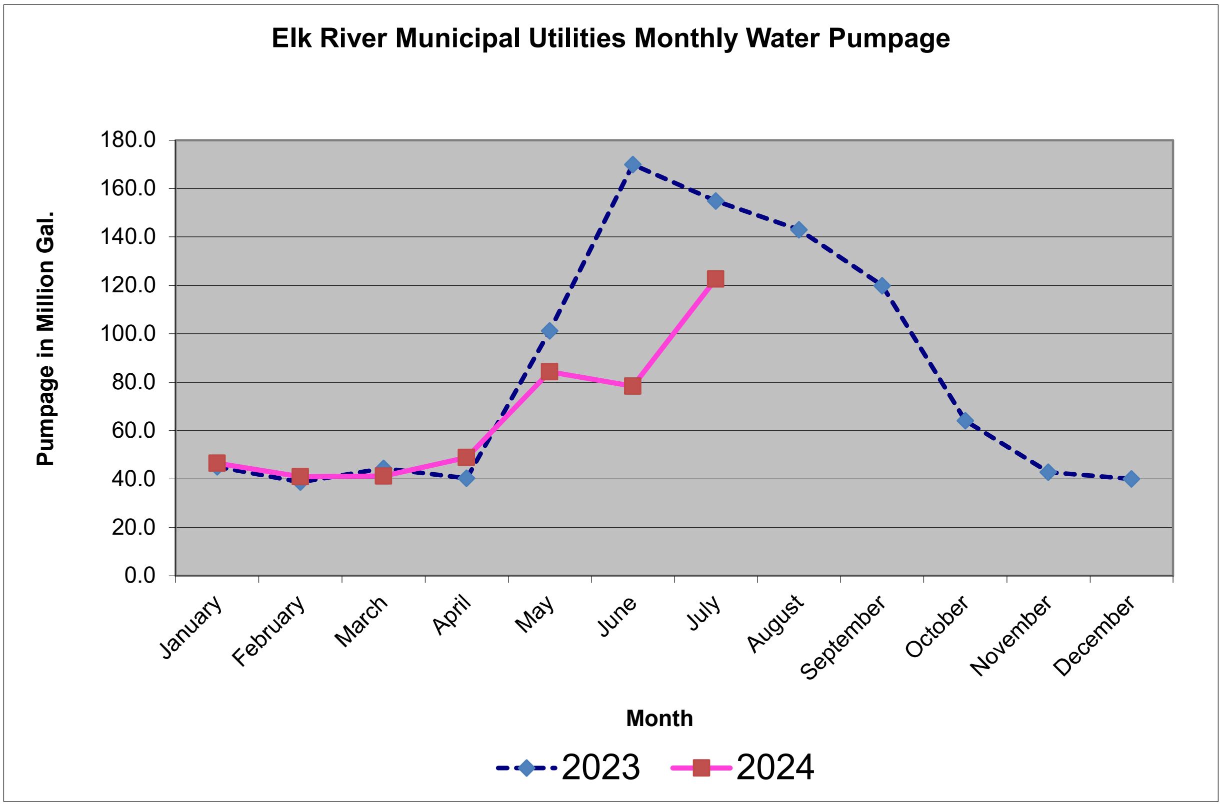

Elk River Municipal Utilities Monthly Energy Purchases
Energy Purchases in MWH
40,000
35,000
30,000
25,000
20,000
15,000
January
February
March
April
May
June
July
August
September
October
November
December
Month
2023
2024

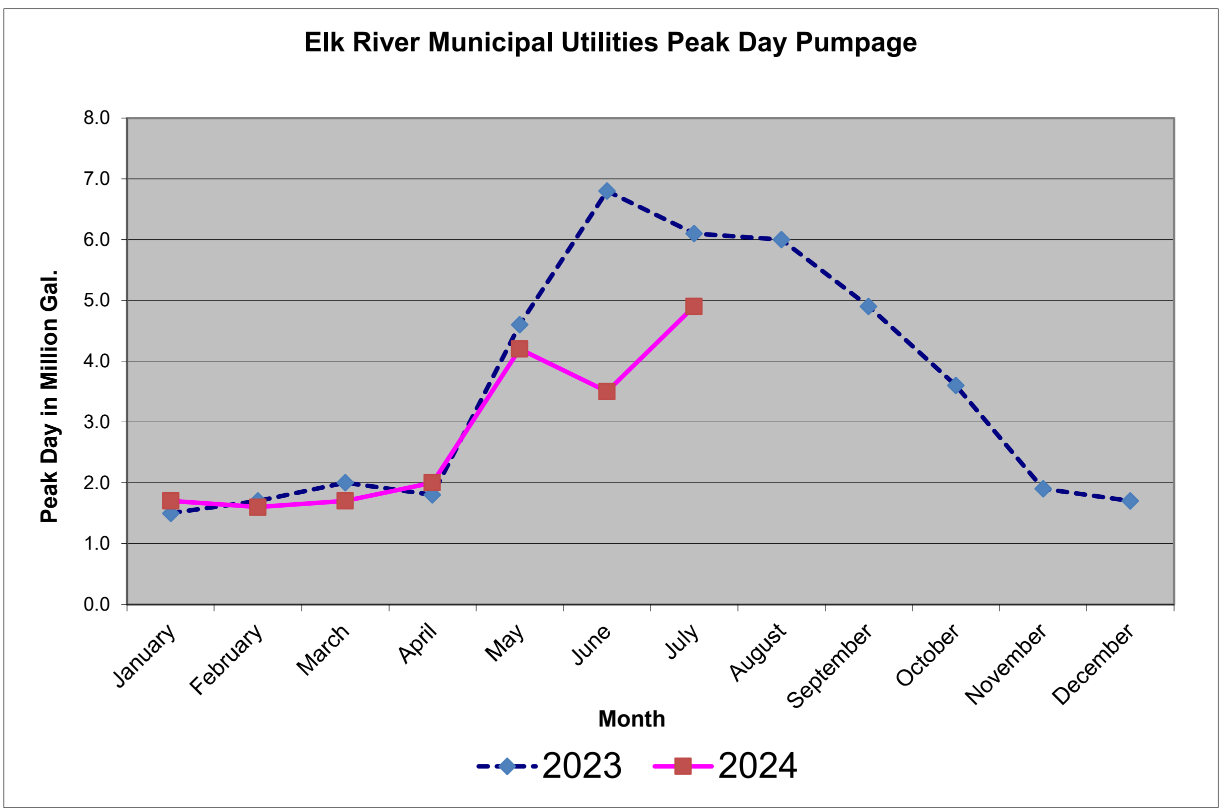

Elk River Municipal Utilities Monthly Total Electric Load
Electric Load in MWH
35,000
33,000
31,000
29,000
27,000
25,000
23,000
21,000
19,000
17,000
15,000
January
February
March
April
May
June
July
August
September
October
November
December
Month
2023
2024

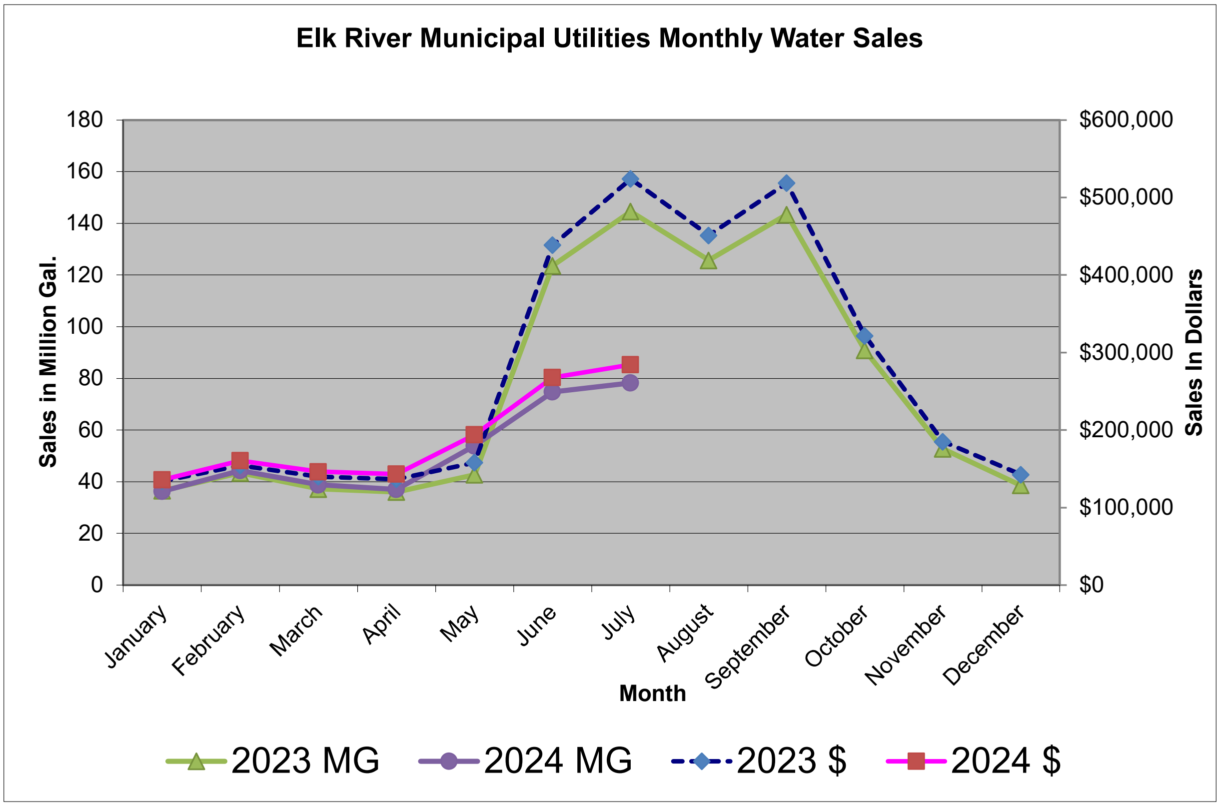

Elk River Municipal Utilities Monthly Electric Sales
Sales in Dollars
$5,000,000
$4,500,000
$4,000,000
$3,500,000
$3,000,000
$2,500,000
$2,000,000
$1,500,000
$1,000,000
January
February
March
April
May
June
July
August
September
October
November
December
Month
2023
2024


Elk River Municipal Utilities Monthly Residential, Commercial & Industrial Loads
Loads in MWH
20,000
18,000
16,000
14,000
12,000
10,000
8,000
6,000
4,000
2,000
-
January
February
March
April
May
June
July
August
September
October
November
December
Month
2023 Residential
2024 Residential
2023 Commercial
2024 Commercial
2023 Industrial
2024 Industrial


Elk River Municipal Utilities Monthly Residential, Commercial & Industrial Sales
Sales in Dollars
$2,500,000
$2,000,000
$1,500,000
$1,000,000
$500,000
$0
January
February
March
April
May
June
July
August
September
October
November
December
Month
2023 Residential
2024 Residential
2023 Commercial
2024 Commercial
2023 Industrial
2024 Industrial


Elk River Municipal Utilities Monthly Water Pumpage
Pumpage in Million Gal.
180.0
160.0
140.0
120.0
100.0
80.0
60.0
40.0
20.0
0.0
January
February
March
April
May
June
July
August
September
October
November
December
Month
2023
2024


Elk River Municipal Utilities Peak Day Pumpage
Peak Day in Million Gal.
8.0
7.0
6.0
5.0
4.0
3.0
2.0
1.0
0.0
January
February
March
April
May
June
July
August
September
October
November
December
Month
2023
2024


Elk River Municipal Utilities Monthly Water Sales
Sales in Million Gal.
180
160
140
120
100
80
60
40
20
0
$600,000
$500,000
$400,000
$300,000
$200,000
$100,000
$0
Sales In Dollars
January
February
March
April
May
June
July
August
September
October
November
December
Month
2023 MG
2024 MG
2023 $
2024 $

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

Electric	2024 JUNE	2024 YTD	2024 YTD BUDGET	2024 ANNUAL BUDGET	2024 YTD Bud Var%	2023 JUNE	2023 YTD	YTD VARIANCE	2023 v. 2024 Actual Var%
Revenue									
Operating Revenue									
Elk River									
ELECT SALES - ELK RIVER RESID	1,013,730	6,056,237	6,624,151	14,221,539	(9)	1,316,872	6,415,889	(359,651)	(6)
ELECT SALES - ELK RIVER NON-D	280,019	1,606,301	1,738,884	3,634,057	(8)	323,206	1,696,457	(90,156)	(5)
ELECT SALES - ELK RIVER DEMA	1,620,394	8,175,006	9,156,684	19,965,865	(11)	1,867,102	8,641,945	(466,939)	(5)
PCA SALES REVENUE - ELK RIVE	114,560	531,341	711,294	1,485,155	(25)	119,265	511,767	19,573	4
PCA SALES REVENUE - ELK RIVE	32,678	156,225	206,010	408,036	(24)	29,591	147,110	9,115	6
PCA SALES REVENUE - ELK RIVE	250,399	1,046,246	1,417,894	2,970,644	(26)	230,574	995,925	50,321	5
Total For Elk River:	3,311,783	17,571,359	19,854,920	42,685,299	(12)	3,886,612	18,409,095	(837,736)	(5)
Otsego									
ELECT SALES - OTSEGO RESIDEN	110,421	680,293	655,241	1,438,521	4	144,127	692,786	(12,492)	(2)
ELECT SALES - OTSEGO NON-DEM	41,107	211,883	205,727	477,265	3	51,507	214,259	(2,375)	(1)
ELECT SALES - OTSEGO DEMAND	126,636	686,491	520,132	1,154,078	32	143,430	643,953	42,538	7
PCA SALES REVENUE - OTSEGO R	12,259	58,304	77,682	162,572	(25)	12,880	54,343	3,960	7
PCA SALES REVENUE - OTSEGO N	4,918	20,755	30,133	58,535	(31)	4,893	19,074	1,680	9
PCA SALES REVENUE - OTSEGO D	19,253	86,202	105,075	223,596	(18)	17,786	73,481	12,721	17
Total For Otsego:	314,597	1,743,930	1,593,992	3,514,568	9	374,624	1,697,898	46,031	3
Rural Big Lake									
ELECT SALES - BIG LAKE RESIDE	13,151	88,896	104,861	216,883	(15)	17,600	94,780	(5,884)	(6)
ELECT SALES - BIG LAKE NON-DE	486	1,353	1,436	4,737	(6)	626	1,452	(98)	(7)
PCA SALES REVENUE - BIG LAKE	1,485	7,753	10,163	21,268	(24)	1,595	7,577	175	2
PCA SALES REVENUE - BIG LAKE	52	93	247	522	(62)	54	90	3	4
Total For Rural Big Lake:	15,176	98,096	116,709	243,411	(16)	19,877	103,900	(5,803)	(6)
Dayton									
ELECT SALES - DAYTON RESIDEN	13,812	90,455	106,136	224,525	(15)	19,048	98,572	(8,117)	(8)
ELECT SALES - DAYTON NON-DE	2,927	17,837	19,161	41,609	(7)	4,396	18,550	(712)	(4)
PCA SALES REVENUE - DAYTON R	1,521	7,666	10,610	22,385	(28)	1,690	7,673	(7)	0
PCA SALES REVENUE - DAYTON	301	1,521	2,152	4,231	(29)	384	1,468	53	4
Total For Dayton:	18,561	117,480	138,060	292,751	(15)	25,519	126,265	(8,784)	(7)
Public St & Hwy Lighting									
ELECT SALES - SEC LTS	21,725	130,317	130,000	260,000	0	21,624	129,432	884	1
Total For Public St & Hwy Lighting:	21,725	130,317	130,000	260,000	0	21,624	129,432	884	1
Other Electric Sales									
SUB-STATION CREDIT	400	2,400	2,400	4,800	0	400	2,400	0	0

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

Electric	2024 JUNE	2024 YTD	2024 YTD BUDGET	2024 ANNUAL BUDGET	2024 YTD Bud Var%	2023 JUNE	2023 YTD	YTD VARIANCE	2023 v. 2024 Actual Var%
Total For Other Electric Sales:	400	2,400	2,400	4,800	0	400	2,400	0	0
Total Operating Revenue	3,682,244	19,663,584	21,836,082	47,000,831	(10)	4,328,659	20,468,992	(805,408)	(4)
Other Operating Revenue									
Interest/Dividend Income									
INTEREST & DIVIDEND INCOME	34,274	101,877	42,499	85,000	140	3,068	34,055	67,822	199
Total For Interest/Dividend Income:	34,274	101,877	42,499	85,000	140	3,068	34,055	67,822	199
Customer Penalties									
CUSTOMER DELINQUENT PENALT	17,799	120,057	142,500	285,000	(16)	20,399	139,618	(19,560)	(14)
Total For Customer Penalties:	17,799	120,057	142,500	285,000	(16)	20,399	139,618	(19,560)	(14)
Connection Fees									
DISCONNECT & RECONNECT CHA	20,425	150,851	67,500	135,000	123	11,425	57,841	93,009	161
Total For Connection Fees:	20,425	150,851	67,500	135,000	123	11,425	57,841	93,009	161
Misc Revenue									
MISC ELEC REVENUE - TEMP CHG	220	1,100	2,500	5,000	(56)	0	5,114	(4,014)	(78)
STREET LIGHT	0	12,600	5,000	10,000	152	0	1,800	10,800	600
TRANSMISSION INVESTMENTS	57,149	289,786	333,000	666,000	(13)	64,139	322,232	(32,445)	(10)
MISC NON-UTILITY	7,613	52,153	55,000	110,000	(5)	8,393	71,944	(19,790)	(28)
GAIN ON DISPOSITION OF PROPER	0	0	0	0	0	24,600	24,600	(24,600)	(100)
CONTRIBUTIONS FROM CUSTOME	0	409,983	112,500	225,000	264	77,804	226,199	183,783	81
Total For Misc Revenue:	64,982	765,623	508,000	1,016,000	51	174,937	651,891	113,732	17
Total Other Revenue	137,482	1,138,409	760,500	1,521,000	50	209,830	883,406	255,003	29
Total For Total Other Revenue:	137,482	1,138,409	760,500	1,521,000	50	209,830	883,406	255,003	29
Total Revenue	3,819,726	20,801,994	22,596,582	48,521,831	(8)	4,538,490	21,352,398	(550,404)	(3)
Expenses									
Purchased Power									
PURCHASED POWER	2,212,337	10,022,751	11,081,334	24,250,423	(10)	2,549,788	10,885,207	(862,455)	(8)
ENERGY ADJUSTMENT CLAUSE	544,004	3,393,466	4,084,123	8,506,023	(17)	879,742	3,891,862	(498,396)	(13)
Total For Purchased Power:	2,756,341	13,416,218	15,165,458	32,756,447	(12)	3,429,531	14,777,070	(1,360,851)	(9)
Operating & Mtce Expense									
OPERATING SUPERVISION	9,558	67,381	65,500	131,000	3	8,790	59,965	7,416	12
DIESEL OIL FUEL	0	159	4,999	10,000	(97)	0	3,657	(3,497)	(96)
NATURAL GAS	394	11,812	21,600	33,000	(45)	321	20,794	(8,982)	(43)

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

Electric	2024 JUNE	2024 YTD	2024 YTD BUDGET	2024 ANNUAL BUDGET	2024 YTD Bud Var%	2023 JUNE	2023 YTD	YTD VARIANCE	2023 v. 2024 Actual Var%
ELECTRIC & WATER CONSUMPTI	4,174	28,320	34,650	66,000	(18)	4,372	33,124	(4,804)	(15)
PLANT SUPPLIES & OTHER EXPEN	507	5,618	7,500	15,000	(25)	354	20,659	(15,041)	(73)
MISC POWER GENERATION EXPE	16	501	4,000	8,000	(87)	232	3,425	(2,923)	(85)
MAINTENANCE OF STRUCTURE -	606	5,284	10,500	21,000	(50)	1,497	11,615	(6,331)	(55)
MTCE OF PLANT ENGINES/GENER	490	3,824	19,500	39,000	(80)	1,529	14,702	(10,878)	(74)
MTCE OF PLANT/LAND IMPROVE	429	15,096	25,000	46,000	(40)	1,450	21,795	(6,698)	(31)
Total For Operating & Mtce Expense:	16,177	137,999	193,250	369,000	(29)	18,547	189,739	(51,740)	(27)
Transmission Expense									
TRANSMISSION MTCE AND EXPE	5,034	30,508	36,000	72,000	(15)	6,559	32,979	(2,470)	(7)
Total For Transmission Expense:	5,034	30,508	36,000	72,000	(15)	6,559	32,979	(2,470)	(7)
Distribution Expense									
REMOVE EXISTING SERVICE & M	0	0	1,000	2,000	(100)	0	542	(542)	(100)
SCADA EXPENSE	3,292	19,747	22,500	45,000	(12)	3,584	20,550	(803)	(4)
TRANSFORMER EXPENSE OH & U	1,092	7,961	7,500	15,000	6	1,242	8,659	(697)	(8)
MTCE OF SIGNAL SYSTEMS	327	1,010	1,500	3,000	(33)	540	1,706	(696)	(41)
METER EXPENSE - REMOVE & RE	225	466	750	1,500	(38)	0	1,002	(536)	(53)
TEMP SERVICE - INSTALL & REM	0	222	3,499	7,000	(94)	58	4,874	(4,651)	(95)
MISC DISTRIBUTION EXPENSE	21,464	218,716	175,000	350,000	25	25,436	214,299	4,417	2
INTERCONNECTION CARRYING C	0	0	0	2,417	0	0	0	0	0
Total For Distribution Expense:	26,402	248,124	211,750	425,917	17	30,862	251,636	(3,511)	(1)
Maintenance Expense									
MTCE OF STRUCTURES	6,042	42,749	25,000	50,000	71	9,759	32,463	10,285	32
MTCE OF SUBSTATIONS	1,054	7,525	18,000	36,000	(58)	596	18,756	(11,230)	(60)
MTCE OF SUBSTATION EQUIPME	12,544	75,021	39,499	79,000	90	5,935	28,030	46,991	168
MTCE OF OH LINES/TREE TRIM	1,220	206,861	177,000	230,000	17	503	167,975	38,886	23
MTCE OF OH LINES/STANDBY	3,685	21,113	19,999	40,000	6	2,287	17,231	3,882	23
MTCE OF OH PRIMARY	16,295	79,036	85,000	170,000	(7)	13,641	82,110	(3,073)	(4)
MTCE OF URD PRIMARY	28,448	117,714	109,999	220,000	7	20,752	91,607	26,106	28
LOCATE ELECTRIC LINES	9,537	46,558	55,000	110,000	(15)	10,770	43,577	2,980	7
LOCATE FIBER LINES	403	929	750	1,500	24	101	236	693	294
MTCE OF LINE TRANSFORMERS	11,362	24,983	30,000	60,000	(17)	3,355	11,143	13,840	124
MTCE OF STREET LIGHTING	15,224	40,219	25,000	50,000	61	2,756	16,691	23,528	141
MTCE OF SECURITY LIGHTING	1,332	10,043	7,500	15,000	34	2,346	10,532	(488)	(5)
MTCE OF METERS	4,774	38,344	40,000	80,000	(4)	3,883	27,440	10,904	40
VOLTAGE COMPLAINTS	951	3,088	6,000	12,000	(49)	856	5,780	(2,691)	(47)

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

Electric	2024 JUNE	2024 YTD	2024 YTD BUDGET	2024 ANNUAL BUDGET	2024 YTD Bud Var%	2023 JUNE	2023 YTD	YTD VARIANCE	2023 v. 2024 Actual Var%
SALARIES TRANSMISSION & DIST	2,032	14,941	15,000	30,000	0	2,235	14,172	769	5
ELECTRIC MAPPING	4,040	92,814	49,999	100,000	86	5,976	78,028	14,785	19
MTCE OF OH SECONDARY	1,857	9,163	12,499	25,000	(27)	2,966	10,938	(1,774)	(16)
MTCE OF URD SECONDARY	3,140	22,810	30,000	60,000	(24)	5,142	24,169	(1,359)	(6)
TRANSPORTATION EXPENSE	29,372	170,107	150,000	300,000	13	10,183	153,717	16,389	11
Total For Maintenance Expense:	153,321	1,024,027	896,250	1,668,500	14	104,051	834,602	189,425	23
Depreciation & Amortization									
DEPRECIATION	219,423	1,317,006	1,219,740	2,439,475	8	205,544	1,247,980	69,026	6
AMORTIZATION	55,677	334,067	334,068	668,136	0	55,677	334,067	0	0
Total For Depreciation & Amortization:	275,101	1,651,074	1,553,808	3,107,611	6	261,222	1,582,047	69,026	4
Interest Expense									
INTEREST EXPENSE - BONDS	70,163	422,215	422,215	845,673	0	73,213	440,478	(18,262)	(4)
AMORTIZATION OF DEBT DISCOU	(4,988)	(29,931)	(29,931)	(59,863)	0	(4,988)	(29,931)	0	0
Total For Interest Expense:	65,174	392,284	392,284	785,810	0	68,224	410,547	(18,262)	(4)
Other Operating Expense									
EV CHARGING EXPENSE	218	1,324	1,549	3,100	(15)	251	856	467	54
LOSS ON DISPOSITION OF PROP (C	0	4,105	0	155,800	0	0	0	4,105	0
OTHER DONATIONS	0	0	1,500	3,000	(100)	0	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	4,801	28,494	25,000	50,000	14	3,975	23,650	4,843	20
Total For Other Operating Expense:	5,020	33,924	28,050	506,900	21	4,226	24,993	8,930	36
Customer Accounts Expense									
METER READING EXPENSE	4,461	20,712	23,500	47,000	(12)	3,390	19,855	857	4
DISCONNECT/RECONNECT EXPEN	1,463	6,589	10,999	22,000	(40)	2,483	10,800	(4,210)	(39)
MISC CUSTOMER ACCOUNTS EXP	29,708	171,973	172,500	345,000	0	25,337	163,606	8,367	5
BAD DEBT EXPENSE & RECOVER	254	6,569	12,499	25,000	(47)	(1,121)	22,659	(16,089)	(71)
Total For Customer Accounts Expense:	35,888	205,845	219,499	439,000	(6)	30,090	216,921	(11,075)	(5)
Administrative Expense									
SALARIES OFFICE & COMMISSION	65,984	441,120	454,000	908,000	(3)	65,254	403,705	37,414	9
TEMPORARY STAFFING	0	0	1,999	4,000	(100)	0	0	0	0
OFFICE SUPPLIES	13,551	47,906	62,500	125,000	(23)	9,995	66,313	(18,407)	(28)
ELECTRIC & WATER CONSUMPTI	2,429	13,009	19,999	40,000	(35)	2,821	14,680	(1,670)	(11)
BANK FEES	206	1,295	1,249	2,500	4	130	879	416	47
LEGAL FEES	2,631	7,467	15,000	30,000	(50)	672	11,304	(3,836)	(34)

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

Electric	2024 JUNE	2024 YTD	2024 YTD BUDGET	2024 ANNUAL BUDGET	2024 YTD Bud Var%	2023 JUNE	2023 YTD	YTD VARIANCE	2023 v. 2024 Actual Var%
AUDITING FEES	1,640	9,040	10,999	22,000	(18)	1,623	10,699	(1,659)	(16)
INSURANCE	15,414	92,804	94,999	190,000	(2)	16,709	110,498	(17,693)	(16)
UTILITY SHARE - DEFERRED COM	7,871	77,310	60,000	120,000	29	8,408	79,446	(2,135)	(3)
UTILITY SHARE - MEDICAL/DENT	59,895	486,022	496,090	870,000	(2)	55,209	473,812	12,210	3
UTILITY SHARE - PERA	22,315	153,023	151,000	302,000	1	23,880	145,024	7,998	6
UTILITY SHARE - FICA	21,815	148,665	147,499	295,000	1	23,886	141,324	7,340	5
EMPLOYEE SICK PAY	10,258	60,934	82,500	165,000	(26)	8,999	85,998	(25,064)	(29)
EMPLOYEE HOLIDAY PAY	14,362	74,588	62,545	172,000	19	13,759	70,503	4,084	6
EMPLOYEE VACATION & PTO PA	21,746	168,616	147,363	275,000	14	18,868	148,947	19,669	13
UPMIC DISTRIBUTION	16,709	43,795	50,500	101,000	(13)	17,644	36,462	7,333	20
LONGEVITY PAY	0	1,680	1,680	6,964	0	5,580	7,503	(5,823)	(78)
CONSULTING FEES	0	27,954	48,799	97,600	(43)	0	3,415	24,539	719
TELEPHONE	2,902	17,490	19,000	38,000	(8)	3,024	18,933	(1,442)	(8)
ADVERTISING	825	6,956	9,499	19,000	(27)	998	7,033	(76)	(1)
DUES & SUBSCRIPTIONS - FEES	9,904	62,398	68,766	137,533	(9)	9,599	58,652	3,745	6
SCHOOLS & MEETINGS	11,036	106,735	137,000	274,894	(22)	8,947	104,843	1,891	2
MTCE OF GENERAL PLANT & OFFI	845	5,070	6,499	13,000	(22)	1,002	6,016	(946)	(16)
Total For Administrative Expense:	302,345	2,053,887	2,149,496	4,208,492	(4)	297,017	2,005,999	47,887	2
General Expense									
CIP REBATES - RESIDENTIAL	6,410	40,494	45,379	90,758	(11)	10,151	26,476	14,018	53
CIP REBATES - COMMERCIAL	20,871	42,099	55,999	112,000	(25)	5,705	40,004	2,095	5
CIP - ADMINISTRATION	20,792	80,144	91,482	182,965	(12)	1,885	6,467	73,677	1,139
CIP - MARKETING	2,735	27,498	25,617	51,235	7	2,648	20,917	6,580	31
CIP - LABOR	6,995	50,477	66,910	133,822	(25)	11,283	71,541	(21,063)	(29)
CIP REBATES - LOW INCOME	1,865	3,468	9,360	18,720	(63)	7,609	11,879	(8,411)	(71)
CIP - LOW INCOME LABOR	744	4,728	4,999	10,000	(5)	780	5,033	(305)	(6)
ENVIRONMENTAL COMPLIANCE	2,612	15,477	17,500	35,000	(12)	24	7,818	7,659	98
MISC GENERAL EXPENSE	22	2,208	1,249	2,500	77	41	6,091	(3,882)	(64)
Total For General Expense:	63,049	266,596	318,499	637,000	(16)	40,129	196,229	70,367	36
Total Expenses(before Operating Transfers)	3,703,856	19,460,491	21,164,347	44,976,678	(8)	4,290,464	20,522,765	(1,062,274)	(5)
Operating Transfer									
Operating Transfer/Other Funds									
TRANSFER TO CITY ELK RIVER R	133,172	707,061	794,196	1,707,411	(11)	156,163	773,142	(66,081)	(9)
Total For Operating Transfer/Other Funds:	133,172	707,061	794,196	1,707,411	(11)	156,163	773,142	(66,081)	(9)

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

Electric	2024 JUNE	2024 YTD	2024 YTD BUDGET	2024 ANNUAL BUDGET	2024 YTD Bud Var%	2023 JUNE	2023 YTD	YTD VARIANCE	2023 v. 2024 Actual Var%
Utilities & Labor Donated									
UTILITIES & LABOR DONATED TO	20,024	111,663	132,000	264,000	(15)	18,045	141,819	(30,155)	(21)
Total For Utilities & Labor Donated:	20,024	111,663	132,000	264,000	(15)	18,045	141,819	(30,155)	(21)
Total Operating Transfer									
Total For Total Operating Transfer:	153,196	818,724	926,196	1,971,411	(12)	174,209	914,961	(96,236)	(11)
Net Income Profit(Loss)	(37,326)	522,778	506,037	1,573,740	3	73,817	(85,328)	608,106	713

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

Water	2024 JUNE	2024 YTD	2024 YTD BUDGET	2024 ANNUAL BUDGET	2024 YTD Bud Var%	2023 JUNE	2023 YTD	YTD VARIANCE	2023 v. 2024 Actual Var%
Revenue									
Operating Revenue									
Water Sales									
WATER SALES RESIDENTIAL	142,170	617,745	575,546	1,595,403	7	285,791	727,539	(109,793)	(15)
WATER SALES COMMERCIAL	93,121	379,190	327,738	923,908	16	101,687	360,217	18,973	5
WATER SALES IRRIGATION	32,400	50,247	32,286	268,691	56	51,152	74,247	(23,999)	(32)
Total For Water Sales:	267,692	1,047,184	935,571	2,788,003	12	438,630	1,162,003	(114,819)	(10)
Total Operating Revenue									
	267,692	1,047,184	935,571	2,788,003	12	438,630	1,162,003	(114,819)	(10)
Total For Total Operating Revenue:	267,692	1,047,184	935,571	2,788,003	12	438,630	1,162,003	(114,819)	(10)
Other Operating Revenue									
Interest/Dividend Income									
INTEREST & DIVIDEND INCOME	9,213	35,135	19,999	40,000	76	2,253	16,356	18,779	115
OTHER INTEREST/MISC REVENUE	0	0	750	1,500	(100)	0	0	0	0
Total For Interest/Dividend Income:	9,213	35,135	20,749	41,500	69	2,253	16,356	18,779	115
Customer Penalties									
CUSTOMER PENALTIES	1,080	9,872	12,499	25,000	(21)	1,134	7,282	2,590	36
Total For Customer Penalties:	1,080	9,872	12,499	25,000	(21)	1,134	7,282	2,590	36
Connection Fees									
WATER/ACCESS/CONNECTION FE	21,600	187,430	100,000	200,000	87	11,190	94,325	93,104	99
CUSTOMER CONNECTION FEES	2,783	12,976	15,000	30,000	(13)	966	5,404	7,571	140
BULK WATER SALES/HYDRANT R	1,556	12,493	12,499	25,000	0	805	7,146	5,347	75
Total For Connection Fees:	25,940	212,900	127,500	255,000	67	12,961	106,877	106,023	99
Misc Revenue									
MISC NON-UTILITY	0	20	25	50	(20)	0	20	0	0
TRANSFER IN FROM CITY	0	0	0	230,000	0	0	0	0	0
MISCELLANEOUS REVENUE	521	521	250	500	108	0	258	262	101
HYDRANT MAINTENANCE PROGR	975	6,675	7,500	15,000	(11)	975	6,756	(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:	1,496	7,216	7,775	618,786	(7)	975	7,034	182	3
Total Other Revenue									
	37,730	265,125	168,525	940,286	57	17,323	137,550	127,574	93
Total For Total Other Revenue:	37,730	265,125	168,525	940,286	57	17,323	137,550	127,574	93

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

Water	2024 JUNE	2024 YTD	2024 YTD BUDGET	2024 ANNUAL BUDGET	2024 YTD Bud Var%	2023 JUNE	2023 YTD	YTD VARIANCE	2023 v. 2024 Actual Var%
Total Revenue	305,423	1,312,309	1,104,096	3,728,289	19	455,954	1,299,554	12,755	1
Expenses									
Production Expense									
MTCE OF STRUCTURES	7,964	64,809	57,499	115,000	13	7,086	55,493	9,316	17
Total For Production Expense:	7,964	64,809	57,499	115,000	13	7,086	55,493	9,316	17
Pumping Expense									
SUPERVISION	5,274	34,257	33,750	67,500	2	4,128	31,016	3,240	10
ELECTRIC & GAS UTILITIES	21,886	119,172	167,585	335,171	(29)	35,261	158,513	(39,341)	(25)
SAMPLING	1,038	8,107	8,500	17,000	(5)	764	7,442	665	9
CHEMICAL FEED	3,087	16,184	26,500	53,000	(39)	5,782	18,628	(2,444)	(13)
MTCE OF WELLS	13,322	79,182	82,500	165,000	(4)	7,044	70,144	9,037	13
SCADA - PUMPING	396	4,374	4,000	8,000	9	234	1,670	2,703	162
Total For Pumping Expense:	45,005	261,276	322,835	645,671	(19)	53,214	287,415	(26,138)	(9)
Distribution Expense									
MTCE OF WATER MAINS	4,599	37,881	87,499	175,000	(57)	15,612	91,182	(53,301)	(58)
LOCATE WATER LINES	1,301	6,795	8,625	17,250	(21)	1,135	3,594	3,200	89
MTCE OF WATER SERVICES	0	0	250	500	(100)	0	184	(184)	(100)
WATER METER SERVICE	2,067	20,979	33,000	66,000	(36)	4,706	12,853	8,125	63
BACKFLOW DEVICE INSPECTION	2,268	9,163	10,000	20,000	(8)	1,810	9,235	(71)	(1)
MTCE OF CUSTOMERS SERVICE	2,551	15,973	16,500	33,000	(3)	2,435	14,818	1,154	8
WATER MAPPING	1,111	12,138	7,500	15,000	62	1,063	8,963	3,174	35
MTCE OF WATER HYDRANTS - PU	2,590	17,289	10,000	20,000	73	2,574	7,145	10,144	142
MTCE OF WATER HYDRANTS - PR	2,068	3,621	3,000	6,000	21	2,694	2,721	900	33
WATER CLOTHING/PPE	456	9,097	4,999	10,000	82	336	7,619	1,477	19
WAGES WATER	555	3,829	3,750	7,500	2	451	3,456	373	11
TRANSPORTATION EXPENSE	3,637	11,148	12,000	24,000	(7)	830	6,646	4,502	68
WATER PERMIT	0	26,255	28,000	28,000	(6)	0	15,752	10,502	67
Total For Distribution Expense:	23,208	174,174	225,125	422,250	(23)	33,650	184,175	(10,001)	(5)
Depreciation & Amortization									
DEPRECIATION	101,671	605,562	574,500	1,148,987	5	97,652	585,077	20,485	4
Total For Depreciation & Amortization:	101,671	605,562	574,500	1,148,987	5	97,652	585,077	20,485	4
Interest Expense									
INTEREST EXPENSE - BONDS	3,466	20,800	20,799	40,600	0	3,666	22,000	(1,199)	(5)
AMORTIZATION OF DEBT DISCOU	(554)	(3,325)	(3,325)	(6,651)	0	(554)	(3,325)	0	0
Total For Interest Expense:	2,912	17,474	17,474	33,949	0	3,112	18,674	(1,199)	(6)

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

Water	2024 JUNE	2024 YTD	2024 YTD BUDGET	2024 ANNUAL BUDGET	2024 YTD Bud Var%	2023 JUNE	2023 YTD	YTD VARIANCE	2023 v. 2024 Actual Var%
Other Operating Expense									
LOSS ON DISPOSITION OF PROP (C	0	0	0	14,000	0	0	0	0	0
DAM MAINTENANCE EXPENSE	158	177	1,000	2,000	(82)	0	1,689	(1,511)	(90)
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	604	649	1,300	(7)	104	629	(25)	(4)
Total For Other Operating Expense:	218	781	1,650	82,300	(53)	104	2,412	(1,631)	(68)
Customer Accounts Expense									
METER READING EXPENSE	610	1,845	1,249	2,500	48	167	1,022	822	80
MISC CUSTOMER ACCOUNTS EXP	7,666	44,383	44,500	89,000	0	6,543	42,411	1,972	5
BAD DEBT EXPENSE & RECOVER	0	0	124	250	(100)	0	0	0	0
Total For Customer Accounts Expense:	8,277	46,229	45,874	91,750	1	6,710	43,433	2,795	6
Administrative Expense									
SALARIES OFFICE & COMMISSION	19,396	128,814	142,500	285,000	(10)	18,577	116,042	12,772	11
TEMPORARY STAFFING	0	0	499	1,000	(100)	0	0	0	0
OFFICE SUPPLIES	3,074	10,384	18,499	37,000	(44)	1,809	14,678	(4,293)	(29)
ELECTRIC & WATER CONSUMPTI	607	3,253	5,500	11,000	(41)	705	3,670	(416)	(11)
BANK FEES	51	336	300	600	12	32	226	109	49
LEGAL FEES	657	1,837	4,500	9,000	(59)	168	2,290	(452)	(20)
AUDITING FEES	410	2,806	3,000	6,000	(6)	405	3,220	(414)	(13)
INSURANCE	3,460	20,842	21,499	43,000	(3)	3,671	31,145	(10,303)	(33)
UTILITY SHARE - DEFERRED COM	1,340	12,625	10,500	21,000	20	1,310	13,295	(669)	(5)
UTILITY SHARE - MEDICAL/DENT	14,704	113,468	121,818	220,000	(7)	14,974	120,226	(6,758)	(6)
UTILITY SHARE - PERA	4,323	29,514	28,000	56,000	5	4,022	27,024	2,490	9
UTILITY SHARE - FICA	4,416	28,985	27,000	54,000	7	4,151	26,198	2,787	11
EMPLOYEE SICK PAY	1,604	12,460	14,500	29,000	(14)	1,303	14,430	(1,969)	(14)
EMPLOYEE HOLIDAY PAY	2,876	13,153	11,636	32,000	13	2,527	12,131	1,021	8
EMPLOYEE VACATION & PTO PA	4,015	31,066	28,000	52,000	11	3,112	26,335	4,730	18
UPMIC DISTRIBUTION	3,918	9,752	10,500	21,000	(7)	2,652	6,284	3,468	55
WELLHEAD PROTECTION	0	0	1,020	2,000	(100)	0	6,861	(6,861)	(100)
LONGEVITY PAY	0	420	420	837	0	2,170	2,271	(1,851)	(82)
CONSULTING FEES	0	7,996	22,950	45,900	(65)	1,400	7,283	712	10
TELEPHONE	644	4,069	4,500	9,000	(10)	685	4,305	(236)	(5)
ADVERTISING	206	1,932	2,500	5,000	(23)	249	2,516	(583)	(23)
DUES & SUBSCRIPTIONS - FEES	1,808	41,840	43,600	88,114	(4)	1,746	36,318	5,521	15

Water	2024 JUNE	2024 YTD	2024 YTD BUDGET	2024 ANNUAL BUDGET	2024 YTD Bud Var%	2023 JUNE	2023 YTD	YTD VARIANCE	2023 v. 2024 Actual Var%
SCHOOLS & MEETINGS	7,356	22,393	28,775	61,072	(22)	1,746	13,597	8,795	65
MTCE OF GENERAL PLANT & OFFI	211	1,266	1,549	3,100	(18)	250	1,504	(238)	(16)
Total For Administrative Expense:	75,083	499,222	553,569	1,092,623	(10)	67,673	491,860	7,362	1
General Expense									
CIP REBATES - RESIDENTIAL	237	312	2,500	5,000	(87)	144	646	(333)	(52)
CIP REBATES - COMMERCIAL	0	0	250	500	(100)	0	0	0	0
CIP - MARKETING	336	1,277	1,000	2,000	28	189	777	500	64
CIP - LABOR	0	0	2,500	5,000	(100)	0	1,288	(1,288)	(100)
ENVIRONMENTAL COMPLIANCE	52	332	1,249	2,500	(73)	40	1,053	(721)	(69)
MISC GENERAL EXPENSE	0	0	124	250	(100)	(20)	(24)	24	(100)
Total For General Expense:	626	1,922	7,625	15,250	(75)	353	3,742	(1,819)	(49)
Total Expenses(before Operating Transfers)	264,969	1,671,453	1,806,154	3,647,781	(7)	269,559	1,672,285	(831)	0
Operating Transfer									
Utilities & Labor Donated									
WATER & LABOR DONATED TO CI	0	0	750	1,500	(100)	0	0	0	0
Total Operating Transfer									
Total For Total Operating Transfer:	0	0	750	1,500	(100)	0	0	0	0
Net Income Profit(Loss)	40,453	(359,144)	(702,807)	79,007	49	186,395	(372,731)	13,586	4

Beginning Fiscal Period[YYYYMM]	GL Division	GL Department
202401	61 - Elk River Electric	All

Ending Fiscal Period[YYYYMM]	GL Activity	Period Type
202406	All	Closed Period

Budget Revenue Comparison & Variance
Jan, 2024 - Jun, 2024

-$1,794,587.75
-7.94%

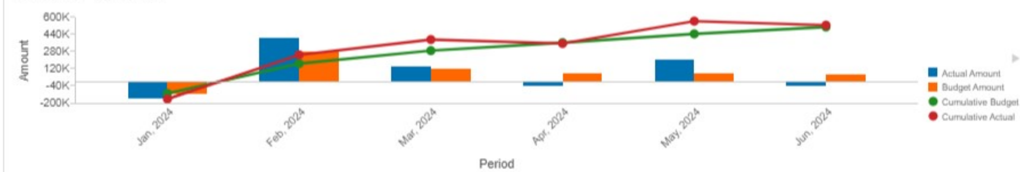
Actual	Budget
$20,801,994.51	$22,596,582.26

Budget Expense Comparison & Variance
Jan, 2024 - Jun, 2024

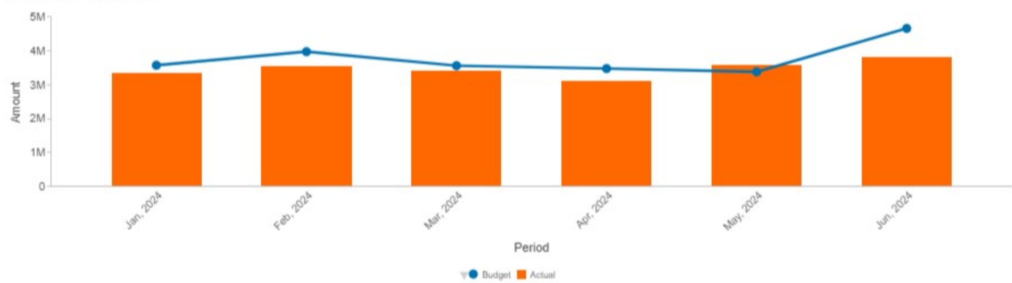
-$1,811,328.25
-8.20%

Actual	Budget
$20,279,216.46	$22,090,544.71

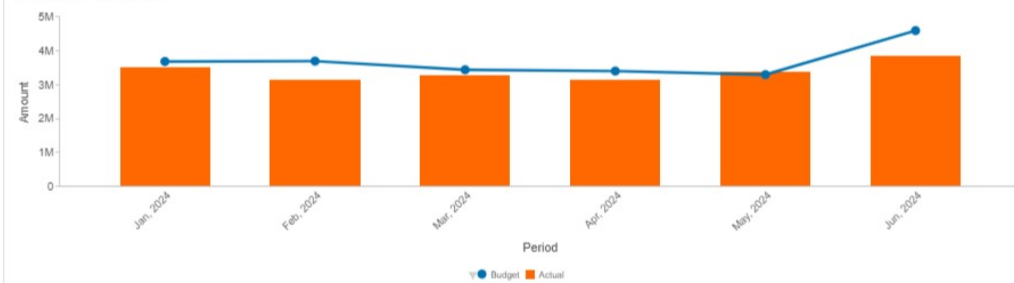
Budget Analysis by Period
Jan, 2024 - Jun, 2024



Revenue Budget vs Actual by Period
Jan, 2024 - Jun, 2024



Expense Budget vs Actual by Period
Jan, 2024 - Jun, 2024



Beginning Fiscal Period[YYYYMM]	GL Division	GL Department
202401	62 - Elk River Water	All

Ending Fiscal Period[YYYYMM]	GL Activity	Period Type
202406	All	Closed Period

Budget Revenue Comparison & Variance
Jan, 2024 - Jun, 2024

$208,212.52
18.86%

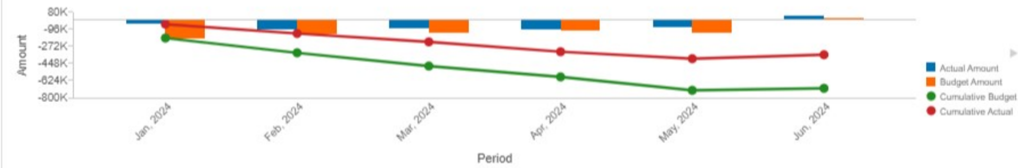
Actual	Budget
$1,312,309.41	$1,104,096.89

Budget Expense Comparison & Variance
Jan, 2024 - Jun, 2024

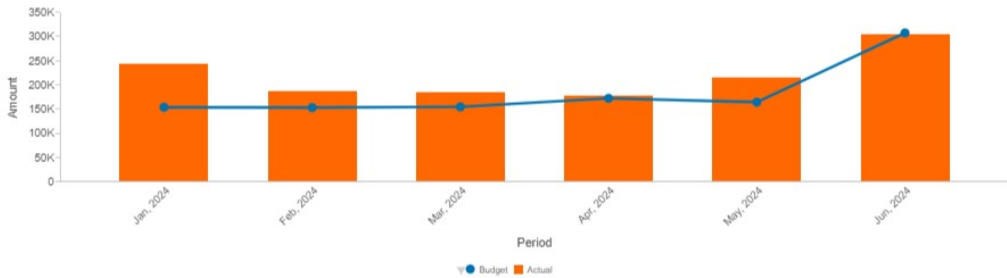
-$135,450.89
-7.50%

Actual	Budget
$1,671,453.85	$1,806,904.74

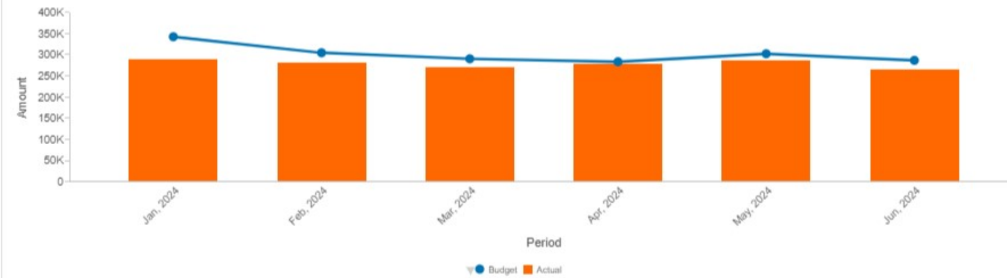
Budget Analysis by Period
Jan, 2024 - Jun, 2024



Revenue Budget vs Actual by Period
Jan, 2024 - Jun, 2024



Expense Budget vs Actual by Period
Jan, 2024 - Jun, 2024



Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	**FROM:** Melissa Karpinski – Finance Manager
MEETING DATE: August 13, 2024	**AGENDA ITEM NUMBER:** 5.3
SUBJECT: 2024 Second Quarter Delinquent Items	
ACTION REQUESTED: Approve the 2024 second quarter delinquent items submitted.	

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

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

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

- The amounts listed for assessments culminate in the fourth quarter and include items previously submitted to other collection services, and if not collected, are removed and assessed. The assessment amount for 2024 is $0.00 as there has not been activity yet for this year.
- The amounts submitted ***only*** to Collection Agencies for 2024 is $0.00. (Please note that amounts submitted to Revenue Recapture were also submitted to Collection Agencies.)

- The amounts submitted to Revenue Recapture were less than the prior year. The Q2 2024 RR amount is $5,095.50. We have collected a total of $3,166.13 from RR in Q2 2024.
- Write Offs for Q2 2024 of $4,102.00 are significantly less than the prior year. The biggest impact to Write Offs is due to the removal of old account balances due to a six-year limit mandated by the state. We have had to remove, and write off, a total of $3,977.13 in Q2 2024 due to the statute of limitations. The remaining write offs were due to bankruptcies of $102.78 and small balances of $22.09.

The attached report listing shows those dollars submitted to both the Collection Agency and RR. The second quarter totals are $5,095.50. To break these totals down by provider, it is $3,642.01 for Electric, $520.58 for Franchise Fees, $357.63 for Sewer, $302.12 for Trash, $203.09 for Water and $70.07 for Storm Water.

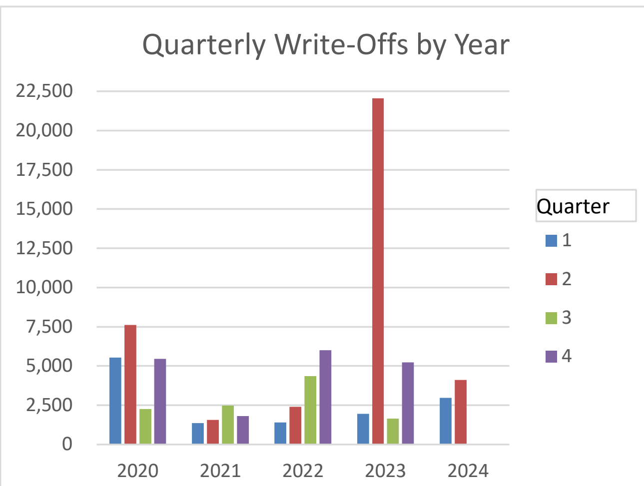
Our allowance for doubtful accounts (a reserve for bad debt/write offs) is $25,605 or .05% uncollectible accounts per revenue dollar. According to the American Public Power Association’s most recent published standard ratios (2021) the industry standard is between .15% and 1.49%. Interestingly, the Northern/Central Plains average is .15%. Our totals for the year are below the national average, at .03%.

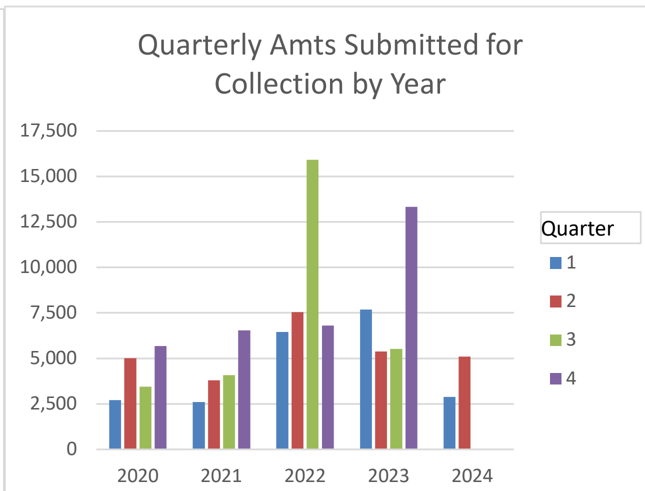
ATTACHMENTS:

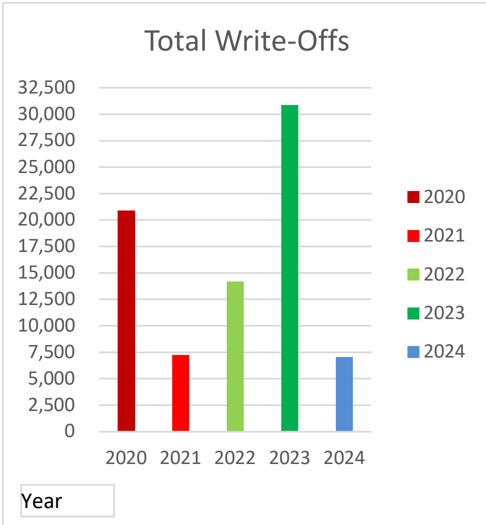
- 2024 Second Quarter Delinquent Items Comparison
- 2024 Second Quarter Delinquent Items Submitted

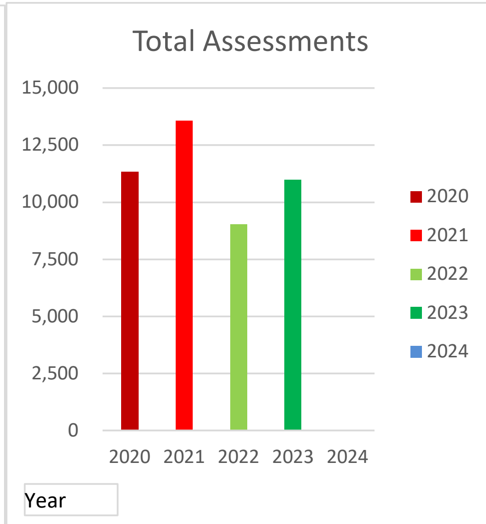
Delinquent Items Comparisons

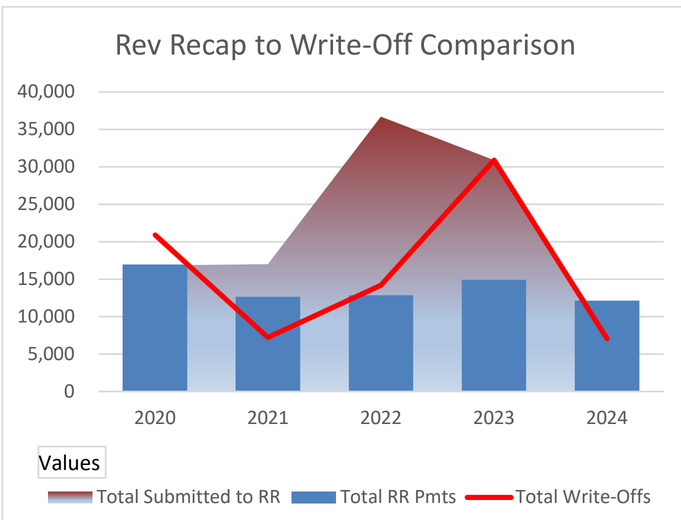
Year	Quarter	Assessments	Collection Agency	Revenue Recapture	Rev Recap/Coll Agen	Write-Offs	Rev Recap Pmts
2020	1	-	-	2,707.86	2,707.86	5,537.23	8,315.08
2020	2	-	-	5,016.46	5,016.46	7,621.65	5,203.80
2020	3	-	-	3,447.14	3,447.14	2,262.18	2,022.43
2020	4	11,324.36	-	5,668.90	5,668.90	5,464.99	1,424.25
2021	1	-	-	2,600.71	2,600.71	1,362.30	5,875.40
2021	2	-	-	3,802.55	3,802.55	1,559.69	1,841.70
2021	3	-	-	4,085.99	4,085.99	2,482.70	2,132.85
2021	4	13,572.01	-	6,532.49	6,532.49	1,819.22	2,784.22
2022	1	-	-	6,446.46	6,446.46	1,405.27	6,749.22
2022	2	-	-	7,547.92	7,547.92	2,402.70	3,648.77
2022	3	-	-	15,900.91	15,900.91	4,364.37	2,285.05
2022	4	9,042.25	-	6,796.66	6,796.66	6,008.66	167.94
2023	1	-	520.00	7,160.11	7,680.11	1,961.37	7,179.17
2023	2	-	-	5,379.18	5,379.18	22,049.08	3,449.26
2023	3	-	-	5,514.33	5,514.33	1,643.54	2,723.58
2023	4	10,994.99	465.14	12,853.33	13,318.47	5,222.43	1,564.65
2024	1	-	-	2,879.26	2,879.26	2,962.89	8,955.64
2024	2	-	-	5,095.50	5,095.50	4,102.00	3,166.13
2024	3						
2024	4						






Total Write-Offs
32,500
30,000
27,500
25,000
22,500
20,000
17,500
15,000
12,500
10,000
7,500
5,000
2,500
0
2020 2021 2022 2023 2024
2020
2021
2022
2023
2024
Year


Total Assessments
15,000
12,500
10,000
7,500
5,000
2,500
0
2020 2021 2022 2023 2024
2020
2021
2022
2023
2024
Year


Rev Recap to Write-Off Comparison
40,000
35,000
30,000
25,000
20,000
15,000
10,000
5,000
0
2020 2021 2022 2023 2024
Values
Total Submitted to RR
Total RR Pmts
Total Write-Offs

Sum of Total AR	Agency	
Provider	B	Grand Total
1ERUE	3,642.01	3,642.01
2ERUW	203.09	203.09
3CTYS	357.63	357.63
4CTYT	302.12	302.12
6CTYF	520.58	520.58
7CTYS	70.07	70.07
Grand Total	**5,095.50**	**5,095.50**

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	FROM: Melissa Karpinski – Finance Manager
MEETING DATE: August 13, 2024	**AGENDA ITEM NUMBER:** 5.4
SUBJECT: 2025 Annual Business Plan: Travel & Training Budget; Dues & Subscriptions, and Fees Budget	
ACTION REQUESTED: No action is required.	

DISCUSSION:

The 2025 budgeting process has begun. Per the 2024 Governance Agenda the budgeting process schedule is as follows:

August Meeting:	Travel & Training Dues & Subscriptions - Fees
September Meeting:	20 Year Capital Projections Capital Projections Conservation Improvement Program
October Meeting:	Projected Purchased Power Costs Projected Sales Revenues Projected Expenses
November Meeting:	Completed Budget with Rate Analysis
December Meeting:	Adopt Budget with Rate changes (if any)

FINANCIAL IMPACT:

The Travel & Training budget has a 0% increase over the prior year. Proposed additions for 2025 are as follows:

- Additional APPA training.
- Additional staff attending Xylem Reach Conference (Advanced Metering Infrastructure conference that will likely be attended for the next 4 to 5 years).

The Dues & Subscriptions - Fees budget has a 4% increase over the prior year. The largest increase is due to Adobe Sign, which allows online signatures for customer agreements. All other increases are immaterial in nature.

ATTACHMENTS:

- Proposed 2025 Travel & Training Budget
- Proposed 2025 Dues & Subscriptions - Fees Budget

ELK RIVER MUNCIPAL UTILITIES
TRAVEL & TRAINING BUDGET FOR 2025

	# Attending		Budget 2025	Budget 2024	Budget 2023	Comments
Electric						
Advanced Staking Workshop	1 staff		-	1,900	1,900	
APPA Linemen Rodeo team	3 staff		6,000	4,500	5,000	1 team - Roseville, CA
Apprenticeship	1 staff		625	625	1,875	
Commercial Driving School	1 staff		-	3,000	3,000	
Competent Person training	2 staff		1,300	1,220	950	
Cross Training School/Diesel Workshop	2 staff		-	1,960	1,960	
Member Information Conf (NISC)	1 staff		2,500	2,500	2,363	Inventory attending
MMUA Locator Workshop	1 staff		350	720	720	
MMUA Meter School	2 staff		1,900	1,830	1,960	
MMUA Overhead Hot Line School	2 staff		2,600	2,575	2,140	ST no registration
MMUA Stepping Into Leadership	1 staff		3,600	3,600	5,080	12 month program
MMUA Substation Workshop	2 staff		2,500	2,240	2,140	
MMUA T&O Conference	2 staff		500	460	460	Inventory Foreperson and Assistant attending partial
MMUA Transformer School	2 staff		2,400	2,370	2,370	
MMUA Underground School	2 staff		2,600	2,575	2,140	ST no registration
PCB Training	1 staff		1,250	1,250	1,233	
Regional Workshop	8 staff		1,000	920	920	
Tree Trimming/Chainsaw Workshop	2 staff		1,030	2,060	2,060	
Leadership Training			7,500	6,900	6,957	Identified need in Survey
Additional Training			3,000	3,000	2,000	
		-12%	40,655	46,205	47,228	
Water						
AWWA National Conference	2 staff		-	2,000	-	Anaheim, CA
AWWA MN	2 staff		500	-	-	
Backflow Tester Certification Class	1 staff		1,125	1,125	-	
Backflow Tester Re-Certification Class	2 staff		1,000	1,000		Every 3 years
Commercial Driving School	2 staff		3,000	6,000	-	
MMUA Electrical Skills	2 Staff		-	1,000	-	2024
MMUA Stepping Into Leadership	1 staff		-	-	1,870	
Professional Operator and Development	1 staff		-	750	750	
Public Works Certificate Program	1 staff		-	2,350	2,350	
Staking University	2 staff		-	2,000	-	
Unlicensed Electrician Continuing Education	1 staff		60	60	60	
Wastewater Certification Continuing Education	4 staff		2,000	2,000	2,000	
Water Certification Continuing Education	4 staff		3,000	2,668	2,668	
Leadership Training			2,500	1,725	1,739	Identified need in Survey
Additional Training			3,000	2,500	2,500	
		-36%	16,185	25,178	13,937	
Technical Services						
Advanced Staking Workshop	1 staff		1,900	-	-	
Engineering MPSYCON	1 staff		500	-	-	
ESRI User Conference	1 staff		2,000	2,000	2,000	
Infrared Camera training	1 staff		2,200	2,200	2,500	
Midwest ESRI User Group	1 staff		1,000	800	-	
MMUA Diesel Workshop	2 staff		-	-	-	
MMUA Generation School	2 staff		-	1,850	2,000	
MMUA Locator Workshop	1 staff		-	-	-	
MMUA Stepping Into Leadership	1 staff		-	3,100	3,580	12 month program
MN Electric Meter School	1 staff		700	700	700	
Power Quality training	2 staff		1,100	1,100	1,000	
Staking University	1 staff		-	1,100	-	
Substation School	1 staff		1,250	1,000	2,000	
UMMA summer mtg	1 staff		800	800	800	
UMMA winter mtg	1 staff		750	750	800	
Xylem Reach Conference	1 staff		3,000	5,300	-	AMI
Leadership Training			2,500	2,150	2,174	Identified need in Survey
Additional Training			2,500	2,500	1,500	
		-20%	20,200	25,350	19,054	
Management/Commission						
Advanced Training	1 staff		-	1,900	1,900	
APPA Customer Connections Conference	1 staff		3,000	3,000	-	
APPA E&O Conference	3 staff		6,000	6,000	6,185	Sacramento, CA
APPA Legal & Regulatory Conference	1 staff		4,000	-	3,350	

General Ledger Account
Schools & Meetings
920.9305

ELK RIVER MUNCIPAL UTILITIES
TRAVEL & TRAINING BUDGET FOR 2025

APPA Legislative Round-up	4 staff/comm		9,000	8,600	6,475	
APPA National Conference	4 staff/comm		5,000	9,150	3,050	
APPA Rodeo	2 staff		2,500	2,500	2,420	Roseville, CA
APPA Training (Mgmt, CS, Fin, Eng, CIP, etc)	2 staff		7,000	7,000	7,000	
AWWA	2 staff		3,000	3,000	3,400	Water Certification Continuing Education
AWWA National Conference	1 staff/ 1 comm		5,000	2,000	4,200	Anaheim, CA
Chippewa Valley Tech - Electric Training Non-Lineman	2 staff		2,800	2,800	2,800	
Clerk's Conference	1 staff		-	800	-	
CPA CPE	1 staff		1,500	1,500	1,500	
Engineering MPSYCON	1 staff		500	1,000	1,000	
Engineering seminar	1 staff		-	2,000	2,000	
JTS Spring and Fall Meeting	1 staff		500	500	420	
Kentucky Equipment Show	2 staff		3,000	-	3,000	odd year
Member Information Conf (NISC)	2 staff		5,000	4,850	4,726	Louisvill, KY
MMUA Annual Summer Meeting	3 staff/ 5 comm		7,500	7,500	7,406	
MMUA Emergency Preparedness	3 staff		2,000	1,365	-	
MMUA Leadership Academy	1 staff		-	-	4,310	
MMUA Legislative Round-up	2 staff/1 comm		1,500	1,400	1,305	
MMUA Stepping Into Leadership	1 staff		-	3,600	3,580	12 month program
MMUA T&O Conference	5 staff		3,500	3,325	3,325	
MN Municipal Clerks Institute	1 staff		-	-	1,000	Complete 2023
MRWA	2 staff		1,000	1,000	1,000	Water Certification Continuing Education
PCB Workshop	1 staff		1,250	-	-	
Project Management Certification Training	1 staff		-	1,400	700	
UMMA Meter Workshop	1 staff		450	435	435	
UMMA winter mtg	1 staff		750	750	475	
Wastewater Certification Continuing Education	1 staff		500	500	500	
Xylem Reach Conference	1 staff		3,000	-	-	
Management Training			5,000	10,000	20,000	
Leadership/Mgmt Training			5,000	5,000	4,348	
Additional Training			3,000	3,000	3,000	
		-4%	92,250	95,875	104,810	
Office						
APPA Customer Connections Conference	1 staff		3,000	3,000	3,500	Communications
APPA Cybersecurity Summit	1 staff		1,500	1,500	1,500	IT
Chamber Leadership Program	1 staff		600	475	475	
Clerk's Conference	1 staff		800	-	800	Communications
IT SCCP Online Education	1 staff		500	500	500	IT
Member Information Conf (NISC)	3 staff		7,500	7,250	7,089	IT, Communicaitons, and CS
MMUA Stepping Into Leadership			3,600	-	-	CS lead
MRA Employment Law Update	1 staff		250	250	250	
SHRM Conference	1 staff		3,000	3,000	3,000	HR
Customer Service			3,000	3,000	3,000	Identified need in Survey
Communications Training	1 staff		1,000	1,000	1,000	
Financial/Accounting (APA, NISC & Misc)			3,000	3,000	1,650	APA Continuing Ed, Misc PR, Excel, Accounting Misc
IT Training (NISC/Misc)	1 staff		1,000	1,000	1,000	IT
Xylem Reach Conference	1 staff		3,000	-	-	AMI
Leadership Training	11 staff		5,000	5,175	4,783	Identified need in Survey
Additional Training			1,000	1,000	1,000	
		25%	37,750	30,150	29,547	
Safety Training						
Safe Driver Training	7 staff		2,350	2,100	2,100	
Additional Training			1,000	1,000	1,000	
Hearing Test			600	550	700	
Labor			121,478	106,560	102,253	
		14%	125,428	110,210	106,053	
Education						
			3,000	3,000	3,000	
			3,000	3,000	3,000	
		Total	335,468	335,968	323,629	
		Total Change	0%			

General Ledger Account
Schools & Meetings
920.9305

ELK RIVER MUNCIPAL UTILITIES
DUES & SUBSCRIPTIONS - FEES BUDGET FOR 2025

Description	Budget 2025	Budget 2024	Actual 2023		Water	Electric
accessiBe	500	500	490		100.00	400.00
Adobe Products	8,000	4,600	10,552	Includes creative cloud, pro and sign	920.00	3,680.00
AMI	11,000	15,000	-	New for 2024	4,500.00	10,500.00
Annual Water Quality Report	3,500	3,500	-	coded to different g/l acct	3,500.00	-
APPA DEED Program Dues	3,600	3,600	3,467		-	3,600.00
APPA Dues	18,500	17,964	17,337		-	17,964.00
AWWA Annual Fee Dues	2,300	2,245	2,191		2,245.00	-
AWWA Partnership Safe Water Treatment/Distribution	100	100	-		100.00	-
Bond Administrative & Management Fees	6,500	6,400	5,331	US Bank, City (Disclosure Fees), Moody's, Baker Tilly	900.00	5,500.00
Citizen Serve	4,000	3,800	-		1,900.00	1,900.00
Drug and Alcohol Random Testing	2,000	1,500	925		192.00	1,308.00
Elk River Chamber Membership	650	600	208		120.00	480.00
ESRI Small Govt Enterprise agreement	31,000	30,000	29,906		6,000.00	24,000.00
Government Jobs	1,000	800	800	New job posting subscription	160.00	640.00
Homeland Security (Hazardous Chemical Fee)	700	700	700	MN Dept of Public Safety Hazardous Material Fee We	700.00	-
HR professional membership(s)	1,500	1,400	1,495	SHRM and MRA	280.00	1,120.00
MMUA Membership Dues	36,500	34,409	34,409		-	34,409.00
MMUA Monthly Safety Meetings	34,000	32,000	29,515		5,200	26,800.00
MPCA Permit Fee - Engines	370	360	257	air annual fee and wastewater fee 1705	-	360.00
MPCA Permit Fee - WTP	350	350	-	730.7399	350.00	-
MRWA Annual Fee	400	400	400		400.00	-
Quarterly MN Dept of Health Water Connection Fee	57,000	57,000	54,957		57,000.00	-
Rotary	300	300	-		60.00	240.00
Survey Monkey	500	400	468		80.00	320.00
SUSA Membership	250	250	-		250.00	-
Miscellaneous	10,500	7,470	4,982	Detail below	3,157.40	4,312.60
Bond Underwriter's Discount	-	-	-	Water Bonding 2026?	-	-
Bond Service Professional Fee	-	-	-	Water Bonding 2026?	-	-
Total	235,020	225,648	198,392		88,114.40	137,533.60

Budget Change	4%

General Ledger Account
Dues & Subscriptions - Fees
920.9303

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	**FROM:** Mike Tietz – Technical Services Superintendent
MEETING DATE: August 13, 2024	**AGENDA ITEM NUMBER:** 5.5
SUBJECT: East Substation Power Transformer Bid	
ACTION REQUESTED: Accept WEG Transformers USA, LLC bid for transformer and award contract contingent upon final review by legal counsel.	

BACKGROUND:
Approved with the 2024 budget was the addition of a new electric substation. This new substation named East substation will be located on Lot 1, Block 1 within Natures Edge Business Center Third Addition. The official address is 16740 Gateway Road. Staff worked with DGR Engineering to assemble the transformer specifications for the project. Notice for formal bids were sent out to bidders on June 26, 2024, with bids opened on August 1,2024.

DISCUSSION:
One of the larger components of the substation addition is the transformer. This transformer steps down the 69kV transmission system to ERMU's distribution voltage of 12.47kV. The cost of this transformer exceeds the statutory threshold amount and is subject to competitive bidding law. The quotes and equipment specifications were reviewed by our substation engineering contractor, DGR Engineering. Specifications in the bid solicitation included a minimum requirement of delivery date by September 1, 2026, with possible preference given to units manufactured and assembled in the United States. In the bid specifications, ERMU reserved the right to consider the minimum requirements, give preference to units manufactured and assembled in the United States, and to award the bid as deemed to be in ERMU’s best interest.

Two bids were received:

1	Niagara Power Transformer Corporation	$1,369,945
2	WEG Transformers USA, LLC	$1,535,200

Despite having a lower bid, Bidder 1 could not meet the delivery date requirement. Bidder 2 could meet the delivery date requirement, possibly with a unit manufactured and assembled outside of the United States.

Upon bid opening, DGR conducted due diligence with both Bidders. Such due diligence confirmed the delivery date for Bidder 1 later than September 1, 2026. Therefore, Bidder 1 was rejected for failure to meet the minimum bid requirements. DGR's due diligence affirmed that Bidder 2 could deliver a unit manufactured and assembled in the United States, before the required delivery date, and at the price in the bid.

Because of this difference in delivery time and the indirect costs and system load considerations associated with extending the construction schedule, based on the bid requirements as solicited, it is in the best interest of ERMU and the project to award the bid to WEG Transformers USA, LLC for $1,535,200. The recommendation letter from DGR Engineering is attached.

FINANCIAL IMPACT:
Previous project estimates included $1,500,000 for the transformer. Staff are working with DGR and WEG to agree to payment terms that would be within the 2024 budget, with the remainder of the transformer costs paid in 2026 and will be reflected in the 2026 budget.

ATTACHMENT:
- DGR Recommendation of Award of Contract - WEG

August 8, 2024

Elk River Municipal Utilities
Attn: Mike Tietz
13069 Orono Parkway, PO Box 430
Elk River, MN 55330

RE: **Award Recommendation**
Furnishing an Electric Power Transformer – East Substation
DGR Project No. 429902

Dear Mike:

We have reviewed the bids received on August 1, 2024 for the above-referenced project. A bid summary form of the bid results is enclosed. We have checked the bids for mathematical accuracy and compliance with the bid specifications. We are hereby prepared to offer the following recommendation.

There was one (1) responsive bid received with a total purchase price of $1,535,200.00. This bid was submitted by WEG Transformers USA, LLC (WEG). WEG has successfully completed similar projects for us in the past, and we know of no reasons why they would not perform well on this project. WEG's price was comparable to low bidder pricing on recent DGR projects for similar sized transformers. We are therefore recommending that WEG be awarded the contract for Furnishing an Electric Power Transformer for a total purchase price of $1,535,200.00, contingent on the successful negotiation of proposal clarifications, payment terms, and terms and conditions.

There was one (1) non-responsive bid received by Niagara Power Transformer Corporation (Niagara). The specifications require that the power transformer be delivered by September 1, 2026, and Niagara quoted a delivery date in February 2027. Niagara failed to meet the required delivery date listed in the specifications and thus their bid was determined to be non-responsive.

Please review our recommendation and feel free to contact us with any questions you or the Board may have. Please let us know when an award has been made. We will be sending a copy of the bid summary to all bidders and plan holders.

Best Regards,
DGR Engineering

Brenton Thompson

Brenton Thompson, P.E.
Enclosure: Bid Summary

BID SUMMARY

FURNISHING AN ELECTRIC POWER TRANSFORMER - EAST SUBSTATION
ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA

(1) - 15/20/25 MVA, ONAN/ONAF/ONAF @ 55º C
16.8/22.4/28 MVA, ONAN/ONAF/ONAF @ 65º C
DELTA - GRDY, 69-13.2/7.62 kV, w/LTC

DGR ENGINEERING
1302 South Union Street
Rock Rapids, Iowa 51246
DGR Project No. 429902

Bid Letting:
August 1, 2024 - 2:00 PM

Bidder and Address	Bid Security (%)	Acknowledge Addendum #1	BASE BID		Delivery*	Manufacturer / Location	Comments
			Total Purchase Price (7C)	Total Eval. Price (8G)			
WEG Transformers USA, LLC 6350 WEG Drive Washington, MO 63090	5% Bid Bond	Yes	**$1,535,200.00**	**$1,708,967.00**	July, 2026	Washington, MO	
Niagara Power Transformer Corp 1755 Dale Road Buffalo, NY 14225	5% Bid Bond	Yes	$1,369,945.00	$1,549,174.00	February, 2027	Buffalo, NY	Non-responsive bid: Failed to meet the delivery date required per the specifications.

*Specifications required delivery by Sept 1, 2026
Corrected Amount

UTILITIES COMMISSION MEETING

TO: ERMU Commission	FROM: Mark Hanson – General Manager
MEETING DATE: August 13, 2024	AGENDA ITEM NUMBER: 5.6
SUBJECT: Future of ERMU Power Plant	
ACTION REQUESTED: Discussion Only	

BACKGROUND:
Elk River Municipal Utilities (ERMU) has maintained the existing power plant since its construction in 1947. The original two engines, with a combined generating capacity of 1.1 megawatts (MW) of electricity supplied power to the village of Elk River until 1961 when a third engine, with a generating capacity of 3.0 MW, joined them. The final engine, with a generating capacity of 5.0 MW, was installed in 1972. However, by the mid-1970s, large-scale power generation plants and transmission lines created the availability of inexpensive, reliable power. By 1978, Elk River met all their power needs through a cooperative purchasing agency. Since then, the plant has been maintained for auxiliary purposes only.

For the last 40+ years, the engines have run for 60-120 minutes once a month to test their operational status. Unfortunately, the intermittent, short duration run times associated with these backup generation test runs are the worst possible scenario for engines of this era. These engines were built to reach operating temperature and run for long periods of time. The large temperature swings associated with intermittent runs are extremely tough on the lubrication and cooling systems. Not surprisingly, costs to maintain the engines have continued to rise. Additionally, since we do not have full-time staff dedicated to the operation and maintenance of these engines they will only continue to decline.

In late 2022, staff explored an opportunity via a Midcontinent Independent System Operator (MISO) emergency demand response (EDR) program to create a revenue stream to offset the increasing maintenance costs of the engines. The requirements of the EDR program proved too complex so the enrollment effort was postponed until pending changes were better understood. Since then, MISO has increased both their reliability criteria, their fees for noncompliance, and lowered their potential revenue payouts. As such, the EDR program is considerably less attractive, especially given the current condition (reliability) of our engines.

Lastly, the generators have limited value as a backup power source due to the significant redundancy within our own distribution network and within GRE’s transmission network achieved over the last 40 years. All our substations have multiple interconnected transmission lines and multiple distribution tie-lines between substations which provide for a multitude of backfeeding capabilities.

DISCUSSION:
Recently discovered reliability issues will require substantial investment to resolve (potentially exceeding $500K). It is currently unknown whether the engines would start, run, and carry a sizeable load for any significant amount of time. Staff recommends against investing in the engines due to their age, overall condition, and relatively low value as an operational asset.

In recognizing that decommissioning the power plant is a significant, permanent decision, staff request direction on what additional information is needed to assist in making the decision. If decommissioning is determined to be the best course of action, staff would provide disposal options and recommendations for the potential use of the building at a future commission meeting.

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	FROM: Mark Hanson – General Manager
MEETING DATE: August 13, 2024	**AGENDA ITEM NUMBER:** 5.7
SUBJECT: Field Services Building Project Closeout	
ACTION REQUESTED: Provide Direction on Desired Outcomes	

BACKGROUND:
Our $12.3 million Field Services Building construction contract is nearing final closeout. Only a few punch list items remain (estimated at roughly $5000 in total value). As such, ERMU staff and legal counsel have started initial project closeout conversations with the contractor, RJM Construction LLC.

Currently, ERMU is retaining $250,000 from RJM's final invoice. There are several issues that factor into the retainage amount: the variability in the concrete floor thickness and rebar placement (~$120,000), the default of the steel contractor (~$37,000), and the failure of RJM to submit complete closeout documentation (~$123,000). Additional details are provided below:

- Concrete Floor (Ultra Concrete, Inc.): Staff estimated the floor scans show eight areas with rebar significantly outside of the specified tolerances. Future potential repairs are estimated at $15,000 each for a total of $120,000. A specialist has been retained to review the concrete floor and estimate future costs. An expert will help remove the uncertainty, be an accepted basis to contest RJM's position, and allow ERMU to move forward with a legal claim if an agreement cannot be reached.
- Steel Contractor (Thornberg Erecting and Steel Services, Inc.): RJM obtained a judgment against Thornberg in the amount of $492,021.96. Unfortunately, Thornberg has since gone out of business and only $37,138 has been recovered to date. Staff's position is the $37,138 should go to ERMU and an additional settlement term should be RJM's assignment to ERMU of all its rights to future recoveries associated with the judgment. RJM has stated their legal costs far exceed the $37,138 recovered. Their plan is to keep any recovered amounts to offset their legal costs until they have recovered their costs.
- 1% Administrative Retainage: No state agency or local unit of government can make final payment to a contractor (or subcontractors) until the Minnesota Department of Revenue has certified that they fulfilled their Minnesota withholding tax requirements. RJM has a few missing Lien Waivers and IC-134 forms that are needed. MN Statute 337.10 allows us to withhold up to one percent ($123,238) of the contract value until all

forms have been submitted. ERMU’s possible exposure due to fines on unfiled IC-134s would justify most, if not all, of the full withholding. RJM has stated the retainage should be based solely on the non-compliant subcontractors: Sambatek = $682, Windsor = $1,359, Ultra = $34,788, Wolf River = $31,262 (or $68,091 in total). RJM has not provided a position on what, if any, of the total amount would be offered to ERMU as part of a closeout agreement.

DISCUSSION:
It is highly unlikely RJM will agree to close out the project with ERMU keeping the entire $250,000 currently retained. Rather, each issue will be debated on its own merits resulting in a mutually agreed upon total amount.

To ensure a potential agreement aligns with commission expectations, staff requests commission direction if a specific outcome is desired on any of the above issues. Absent specific direction, staff will work with ERMU’s legal counsel to pursue the most advantageous outcome overall. Once a potential agreement is reached, staff will bring it to a future commission meeting for approval.

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

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

DISCUSSION:

- Staff is revising the system engineer position description which will replace the engineering manager position, both of which were held by Chris Kerzman over the course of his tenure. The position will report to the technical services superintendent and will be an individual contributor role. Once the job description is finalized, it will be sent to Baker Tilly for evaluation and pay grade assignment. Staff will then post the position in accordance with our regular hiring process.

- We hosted our second company-wide training session on Thursday, August 1, with facilitator, Lisa Negstad. The focus of the session was self-awareness and effective conversations. Employee feedback was very positive with the majority of the feedback centering around the value of the content because of its relevance both professionally and personally.

- The Minnesota Municipal Power Agency (MMPA) Board of Directors met on July 23, 2024, at the Le Sueur Fire Hall in Le Sueur, Minnesota with some participants joining via video conference. Commissioner Stewart and I attended. The public summary follows:
    - The Board reviewed the Agency's operating and financial performance for June 2024.
    - Clean Energy Choice program participation increased to 5.6%.
    - Management provided a preliminary projection of MMPA's rates for 2025, indicating there will be no increase in budgeted rates from 2024 to 2025.
    - The Board discussed the status of renewable projects the Agency is pursuing.
    - Following the Board meeting, MMPA held its annual dinner meeting with city officials (Commissioners Stewart, Bell, Zerwas and I attended).

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

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

DISCUSSION:

- Office walk-in traffic for July consisted of 136 customers, averaging 34 customers per week over the four-week period.

- Currently there are seven active residential solar photovoltaic projects planned or under construction in the ERMU service territory.

- In the last 30 days, combined the level two charger located downtown and in the parking lot in front of ERMU offices had 47 sessions and provided customers with 574 kWh of green energy.

- ERMU disconnections for July
  - Cycle 3 – 19 disconnections
  - Cycle 4 – 11 disconnections
  - Cycle 1 – 39 disconnections
  - Cycle 2 - 17 disconnections

- Administrations director's 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.

- Administrations director is working with Frontier Energy to report ERMU's 2023 Energy Conservation and Optimization (ECO) results. The State of Minnesota implemented a new online reporting platform for utilities to report their yearly ECO results and plans. The original deadline for reporting on 2023 results was August 1, 2024, but has been extended to August 31, 2024.

- Credit and collections specialist is wrapping up the State of Minnesota Revenue Recapture (RR) audit with a deadline of August 24, 2024, to correct any violations and respond to the audit findings. Overall, ERMU had a clean audit with RR, and we are confident that our current processes and procedures align with the RR program requirements.

- IT staff is working with the fiber contractor to complete the punch list items.

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

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

DISCUSSION:

- Bi-annual bond payments due August 1 have been paid totaling $961,778.13. The bond payments due were the bonds from 2016 and 2018 for our Minnesota Municipal Power Agency buy-in maturing in 2036 and 2048, respectively; and 2021 electric bond and 2021 water bond for the new field services building maturing in 2051 and 2041, respectively.

- First Bank of Elk River was on-site August 6 to conduct annual ACH training.

- Staff met with Abdo on August 7 for our annual listening call. During this call we discuss how the prior audit went and current happenings at the utility.

- Staff is compiling 2025 budget information.

UTILITIES COMMISSION MEETING

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

DISCUSSION:

- In August, residential electric customers will receive the heat pump and HVAC equipment rebate flyers which are attached.
- In addition to bill insert topics, social media posts this month feature the commission meeting notice, fire hydrant clearance requirements, budget billing program, water saving tips, and the Labor Day closure.
- ERMU's Hydrant Hysteria teammates, Angela Hauge and Katy Olson, were featured on the front page in the July 27 edition of the Star News. Check out the article!
- As staff continues work to improve rebate participation and Conservation Improvement Program results, the August 3 edition of the Star News featured a front-page ad directing readers to ERMU's rebate page.


Winner of Orono 2-Mile serious about running — at age 13. Page 2

STAR NEWS

Lumberjacks' inaugural season on the line; VFW team advanced to state. Page 24, 26

Saturday, August 3, 2024 ★ Vol. 152, No. 32

Elk River ★ Otsego ★ Rogers ★ Zimmerman

Elk RiverFest 2024

Kids, families have a ball

Photos on pages 18-19 • Orono 2-Mile winner on page 2 • Sips on Main coverage on pages 20, 23 • Family Zone coverage on page 22

Discover savings with ERMU rebates!

Appliances
EV Charger
Heat Pumps
HVAC
Lighting

Elk River Municipal Utilities

ATTACHMENTS:

- Bill Insert – ERMU Heat Pump Rebate Flyer
- Bill Insert – ERMU HVAC Equipment Rebate Flyer

Elk River Municipal Utilities

HEAT PUMPS
RESIDENTIAL REBATES

- Air Source Heat Pump Tune Up
- Central and Ductless Heat Pumps
- Cold Climate Heat Pumps
- Ground Source Heat Pumps
- Heat Pump Water Heater

See back for details regarding specific rebate requirements.

Take advantage of ERMU's heat pump rebates for on-the-spot savings and year-round comfort. Consider the sustainability of a heat pump when upgrading your home's heating and cooling system and experience reduced energy usage with increased savings.

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 qualifying product.
3. Include a copy of the AHRI Certificate of Product Ratings. This document can be provided by your contractor.
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

OR SCAN HERE to submit documents online.

CUSTOMER INFORMATION (please complete all information below)

Name ____________ Phone ____________ County ____________

Install Address ____________ City ____________ State ____________ Zip ____________

Email ____________ Account # ____________

Building Type (select one) ☐ Single Family ☐ Multi Family

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 ____________

Elk River Municipal Utilities

ENERGY STAR

HEAT PUMPS
RESIDENTIAL REBATE APPLICATION

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

AIR SOURCE HEAT PUMP TUNE UP

REBATE: Up to $75 / UNIT

(Must provide professional contractor invoice showing tune up activity performed)

Quantity ________ Cooling Capacity (Tons) ________ Unit Efficiency: SEER ________ EER ________

Completed (check all that apply) ☐ Condenser Coil Cleaning & Filter Change ☐ Refrigerant Charge Correction & Air Flow Correction

Contractor Name ________ Date of Service ________

CENTRAL AND DUCTLESS HEAT PUMPS

REBATE: $400 / UNIT

(Units 15.2 SEER2 & 7.8 HSPF2 or higher will qualify. Must be ENERGY STAR® certified)

Quantity ________ Cooling Capacity (BTU/hour) ________ Heating Capacity (BTU/hour) ________

SEER2 ________ EER2 ________ HSPF2 ________

Manufacturer Name ________ Model Number ________ Date of Install ________

COLD CLIMATE HEAT PUMPS

REBATE: $1,000 / UNIT

(Minimum 15.2 SEER2, 8.1 HSPF2, & COP >=1.75 at 5˚F. Must be ENERGY STAR® certified)

**Must meet Northeast Energy Efficiency Partnership (NEEP) efficiency specifications for cold climate models*

Quantity ________ Cooling Capacity (BTU/hour) ________ Heating Capacity (BTU/hour) ________

SEER2 ________ HSPF2 ________

If the old system had a furnace, enter furnace capacity (BTU/hour) ________

Manufacturer Name ________ Model Number ________ Date of Install ________

GROUND SOURCE HEAT PUMPS

REBATE: $600 / TON

(Closed-loop system only. Must be ENERGY STAR® certified)

Cooling Capacity (BTU/hour) ________ Heating Capacity (BTU/hour) ________

EER ________ COP ________

Manufacturer Name ________ Model Number ________ Date of Install ________

HEAT PUMP WATER HEATER

REBATE: $400 / UNIT 50-79 gallon | $450 / UNIT < 80 gallon

(Must have UEF of 2 or higher. Must be ENERGY STAR® certified)

Quantity ________ New Unit Tank Size (gallons) ________

Uniform Energy Factor (UEF) ________ *If greater than 55 gallons must be greater than 2.2*

Space Heating Type (select one) ☐ Electric ☐ Gas Style

Manufacturer Name ________ Model Number ________ Date of Install ________

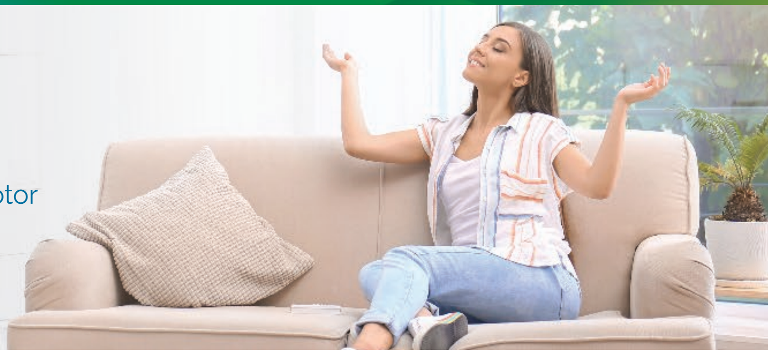
Elk River Municipal Utilities

HVAC EQUIPMENT
RESIDENTIAL REBATES

ENERGY STAR

- Central AC
- Central AC Tune Up
- Mini Split Ductless Air Conditioner
- Air Conditioner Room Unit/Window AC
- Replacement Furnace with ECM Blower Motor
- ECM Circulators
- Thermostats (Programmable and WiFi)

See back for details regarding specific rebate requirements.



Over half of the energy used in your home goes to heating and cooling, so when the time comes to update your HVAC equipment, ERMU makes it easy to make the smart choice. Residential electric customers can receive rebates in the form of credits on their utility bills now and enjoy reduced energy costs for years to come.

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 qualifying product.
3. Include a copy of the AHRI Certificate of Product Ratings. This document can be provided by your contractor.
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

OR SCAN HERE to submit documents online.

CUSTOMER INFORMATION (please complete all information below)

Name ____________________ Phone ____________________ County ____________________

Install Address ____________________ City ____________________ State ____________________ Zip ____________________

Email ____________________ Account # ____________________

Building Type (select one) ☐ Single Family ☐ Multi Family

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 ____________________

Elk River Municipal Utilities

ENERGY STAR

HVAC EQUIPMENT
RESIDENTIAL REBATE APPLICATION

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

CENTRAL AC (Units 15.2 SEER2 or higher will qualify. Must be ENERGY STAR® certified)
REBATE: $125 / UNIT

Quantity ____________ Cooling Capacity (BTU/hour) ____________

NEW UNIT EFFICIENCY | SEER2 ____________ EER2 ____________

Manufacturer Name ____________ Model Number ____________ Date of Install ____________

CENTRAL AC TUNE UP
REBATE: Up to $75 / UNIT

(Must provide professional contractor invoice showing tune up activity performed)

Quantity ____________ Cooling Capacity (Tons) ____________ Unit Efficiency: SEER ____________ EER ____________

Completed (check all that apply) ☐ Condenser Coil Cleaning & Filter Change ☐ Refrigerant Charge Correction & Air Flow Correction

Contractor Name ____________ Date of Service ____________

MINI SPLIT DUCTLESS AIR CONDITIONER
REBATE: $150 / UNIT

(Units 15.2 SEER2 or higher will qualify. Must be ENERGY STAR® certified)

Quantity ____________ Cooling Capacity (BTU/hour) ____________ SEER2 ____________

Manufacturer Name ____________ Model Number ____________ Date of Install ____________

AIR CONDITIONER ROOM UNIT/WINDOW AC (Must be ENERGY STAR® certified)
REBATE: $10 / UNIT

Quantity ____________ Cooling Capacity (BTU/hour) ____________ CEER Rating ____________

Features (select one) ☐ Reverse Cycle ☐ Louvered Style (select one) ☐ Sleeve ☐ Window

Manufacturer Name ____________ Model Number ____________ Date of Install ____________

REPLACEMENT FURNACE WITH ECM BLOWER MOTOR (Must be ENERGY STAR® certified)
REBATE: $150 / UNIT

Quantity ____________ Central AC in Building (select one) ☐ Yes ☐ No

Manufacturer Name ____________ Model Number ____________ Date of Install ____________

ECM CIRCULATOR (Must be ENERGY STAR® certified)
REBATE: $100 / UNIT (Not to exceed 50% of pump cost)

Quantity ____________ Pump Wattage ____________

Function of Pump (select one) ☐ Domestic Hot Water ☐ Space Heating Hot Water Date of Install ____________

THERMOSTAT (Must be ENERGY STAR® certified)
REBATE: $20 / UNIT (Programmable) or $40 / UNIT (WiFi compatible)

Quantity ____________ Heating Type (select one) ☐ Electric ☐ ASHP ☐ GSHP ☐ Gas

New Thermostat Type (select one) ☐ Tier 1 (Programmable) ☐ Tier 2 (Communicating – WiFi) ☐ Tier 3 (Analytics Capable – WiFi)

Manufacturer Name ____________ Model Number ____________ Date of Install ____________

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

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

DISCUSSION:

- Staff is working through the second round of maps for the new GIS mapping system that we plan to move forward with in the future.
- Attending Advanced Metering Infrastructure (AMI) meetings weekly with other ERMU staff.
- Working through 2025 projects and equipment/material needs.
- Working on scheduling equipment demos for our 2025 equipment replacements.
- Still attending weekly Highway 169 Redefine project meetings every Tuesday.
- Working on the 2025 capital budget and wire bid.
- Working with Johhny Pops' electrician on their second service plans.
- Working through Vireo Health's service needs.
- Working with staff on filling the system engineer position.
- Working with staff on our future East substation project.
- We had a tree knock out feeder 62 after the two inches of rain we had August 5, which caused an outage to roughly 1170 customers. Staff was able to clear the tree and have power restored within 90 minutes.

UTILITIES COMMISSION MEETING

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

DISCUSSION:

- Installed 11 new residential services, which involves the connection of a secondary line once the customer requests service.

- Crews energized the Cornerstone Auto electric vehicle chargers this month. Multiple level 2 and 3 chargers are present at this site.

- Work continues installing electric infrastructure into Anna Acres, a new 50-lot development being constructed south of 65th Avenue in Otsego.

- Crews replaced a 600-amp underground switchgear cabinet at County Road 13 and Viking Boulevard.

- Two of our lineworkers helped Connexus Energy with outage restoration on Sunday, July 14, after a few rounds of stormy weather the previous evening.

- Installed a new three phase service to a future auto shop in Otsego near Target.

- Three field staff helped at Elk River's Summer Safety Camp held at City Hall, July 9.

- Crews continue to replace older high-pressure sodium streetlights with newer LED versions.

- Jay Reading from Minnesota Municipal Utilities Association was here July 22 and provided safety training on lightning protection and grounding best practices.

- Crews continue to perform maintenance on both the underground and overhead systems, addressing issues found during our annual equipment checks this past winter.

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

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

DISCUSSION:

- In July, locators processed 412 locate tickets. These consisted of 347 normal tickets, 2 emergency tickets, 39 updated tickets, 8 cancellations, 10 meets, 1 boundary survey, 2 corrections, and 3 non-excavations. This resulted in a 3.7% decrease in tickets from the previous month and a 30.9% decrease from the prior July.

- Electrical technicians completed 513 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. The decision was made to discontinue TKDA's inspection services as of August 1.

- For the month of July, staff did not run generators at the power plant.

- We received two bids for the East substation power transformer at the August 1 bid opening. We received multiple quotes for the 115kV switch ranging from $12,047 to $18,795 and will be ordering the Southern States ($17,963) unit. We also received two quotes for the 115kV Circuit Breaker: Siemens for $114,200 and GE for $168,825. We are ordering the Siemens unit. DGR is reviewing grading plans, and we expect to start work on the site this fall. These are all budgeted project items for the East substation.

- Connexus Energy utilized their emergency feeder tie at our Waco, Bank 2 substation from July 23 to 25. They experienced a fault on one of their reclosers at their Big Lake substation that resulted in a fire.

- Our monthly peak was 69.97 MW on July 31 at 2:47pm.

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

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

DISCUSSION:

- Delivered nine 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 22 routine fluoride samples
  - All samples met MDH standards
  - Submitted MDH Fluoride Report

- Submitted Discharge Monitoring Report (DMR) for the Water Treatment Plants to the Minnesota Pollution Control Agency (MPCA).

- Submitted DMR for the Diesel Generation Plant to the MPCA.

- Lead and Copper Rule Revisions require public water systems to identify the service line materials of all service connections in their distribution system regardless of ownership status. All community water systems must prepare an inventory of ALL service lines (including those not in use) connected to the distribution system. Utilizing available assistance from MDH, engineering firm Short Elliot Hendrickson (S.E.H.) reviewed ERMU, City, and County records to develop and submit the initial service line inventory before the October 2024 deadline.

- A water distribution system improvement identified during planning for the Highway 169 Redefine project was connecting existing water main at the intersection of Main Street and Zane Street. Connecting these mains will improve water service redundancy and water flow in that area. Ames has installed about 200 feet of new water main pipe to connect the existing mains in that area. Water department staff worked with Ames for water main shutdowns, inspections, and testing of the new pipe. Projected costs for planned water system work to be done within MnDOT's Highway 169 Redefine project were paid in 2022, true up costs for any additional work needed during the project will be included in the 2025 budget.

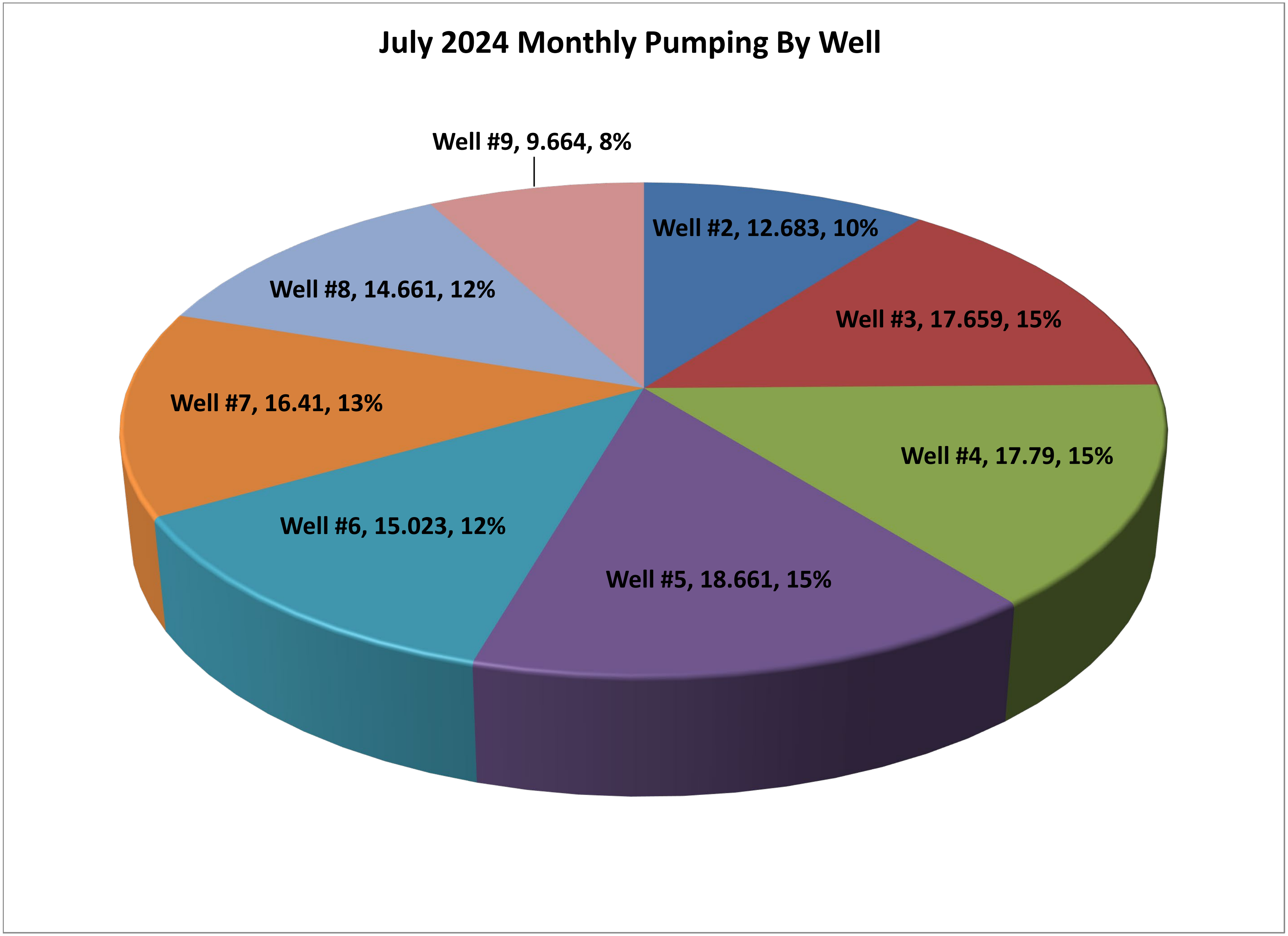
- Work on the annual water system leak detection survey has begun. The initial part of the survey should take a couple of weeks. The next step will be to investigate any potential leaks identified.

- Representatives of AT&T have requested more structural information on Freeport Water Tower to decide if they want to pursue entering into a lease agreement with ERMU to have telecommunication equipment on that tower. The representative said It is difficult to know how long their decision will take.

- The water operators have also been exercising and repairing distribution system gate valves as part of the annual gate valve exercising program.

ATTACHMENTS:

- July 2024 Pumping by Well



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

Elk River Municipal Utilities

2024 GOVERNANCE AGENDA

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