

AGENDA

1.00 GOVERNANCE

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

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

- 2.01 Check Register – October 2025
- 2.02 Regular Meeting Minutes – October 14, 2025
- 2.03 2025 Third Quarter Utilities Performance Metrics Scorecard Statistics
- 2.04 2025 Third Quarter Delinquent Items
- 2.05 2025 Assessments
- 2.06 2026 Wire Bid
- 2.07 Summary of Information Security Committee Closed Session

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

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

- 4.01 Commission Policy Review – G.4e2 – Electric Services

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

- 5.01 Financial Report – September 2025
- 5.02 Electric and Water Cost of Service and Rate Design Study
- 5.03 Payment in Lieu of Taxes to City of Elk River
- 5.04 Financial Reserves & Investment Committee Update – Verbal
- 5.05 Management Policy – A.10 – Financial Reserves
- 5.06 Commission Policy – 5.A – Margins Policy
- 5.07 2026 Utilities Fee Schedule
- 5.08 Health Insurance Update
- 5.09 Wage & Benefits Committee Proposed 2026 Adjustments
- 5.10 Advanced Metering Infrastructure Update
- 5.11 Verizon Water Tower Lease Agreements

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

- 6.01 Staff Updates
- 6.02 City Council Update
- 6.03 Future Planning (Announce the next regular meeting, special meeting, or planned quorum.)
 - a. Regular Commission Meeting – December 9, 2025

-
- b. 2025 Governance Agenda
 - 6.04 Other Business (Items added during agenda approval.)
 - 7.00 ADJOURN REGULAR MEETING**

CHECK REGISTER

October 2025

APPROVED BY:

John Dietz

Jill Larson-Vito

Mary Stewart

Matt Westgaard

Nick Zerwas

11/03/2025 1:43:03 pm

Page: 1

Payroll/Labor

Check Register Totals

10/10/2025 To 10/10/2025

<u>Pays</u>	<u>Job</u>	<u>Amount</u>	<u>Hours</u>
Gross Pay			
2	Reg Hours	186,840.05	3,457.50
20	Reg Salary	0.00	0.00
3	Overtime	733.14	11.25
4	Double Time	0.00	0.00
5	On-Call/Stand-by	3,239.18	56.00
24	FLSA	98.49	0.00
25	Rest Time	0.00	0.00
10	Bonus Pay	0.00	0.00
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	7,811.91	130.75
SICK	Sick Pay	6,911.28	115.00
HOL	Holiday Pay	0.00	0.00
78	Retro Earnings	0.00	0.00
5-2	On-Call/Stand-by/OT	899.90	10.25
18A	Commissioner Reimb. - Water	150.00	0.00
104A	Commission Stipend - Water	15.00	0.00
VAC	Vacation Pay - Manager	0.00	0.00
PTOY	Personal Day - Year	284.72	8.00
UNPD	Time Off without Pay	0.00	0.00
3C	Overtime-Comp Time	273.31	4.00
4C	Double Time-Comp Time	232.44	2.00
CM3C	Overtime-Comp Time Adjusted	-273.31	-4.00
CM4C	Double Time-Comp Time Adjusted	-232.44	-2.00
COMP	Comp Time Taken	334.80	6.75
106	Longevity Pay	0.00	0.00
MIL	Military Pay - Calendar Year	0.00	0.00
10W	Bonus Pay	0.00	0.00
ESST	Earned Safet & Sick Time	109.26	3.00
Gross Pay Total:		<u>208,087.73</u>	<u>3,798.50</u>
Total Pays:		208,087.73	3,798.50

11/03/2025 1:43:42 pm

Page: 1

Payroll/Labor

Check Register Totals

10/24/2025 To 10/24/2025

<u>Pays</u>	<u>Job</u>	<u>Amount</u>	<u>Hours</u>
Gross Pay			
2	Reg Hours	181,504.28	3,363.75
20	Reg Salary	0.00	0.00
3	Overtime	783.47	10.50
4	Double Time	142.36	2.00
5	On-Call/Stand-by	3,020.50	56.00
24	FLSA	17.13	0.00
25	Rest Time	622.66	11.00
10	Bonus Pay	379.50	6.00
105	Perf. Metr. Distr.	0.00	0.00
VAC	Vacation Pay	16,182.79	259.75
SICK	Sick Pay	2,494.25	62.50
HOL	Holiday Pay	0.00	0.00
78	Retro Earnings	0.00	0.00
5-2	On-Call/Stand-by/OT	483.33	6.00
VAC	Vacation Pay - Manager	0.00	0.00
PTOY	Personal Day - Year	0.00	0.00
UNPD	Time Off without Pay	0.00	0.00
3C	Overtime-Comp Time	202.94	2.50
4C	Double Time-Comp Time	0.00	0.00
CM3C	Overtime-Comp Time Adjusted	-202.94	-2.50
CM4C	Double Time-Comp Time Adjusted	0.00	0.00
COMP	Comp Time Taken	1,090.94	22.00
106	Longevity Pay	0.00	0.00
MIL	Military Pay - Calendar Year	0.00	0.00
10W	Bonus Pay	0.00	0.00
ESST	Earned Safet & Sick Time	691.98	19.00
Gross Pay Total:		207,413.19	3,818.50
Total Pays:		207,413.19	3,818.50

11/03/2025 1:42:10 PM

**Accounts Payable
Check Register**

Page 1

10/01/2025 To 10/31/2025

Bank Account: 1 - GENERAL FUND

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
2384 10/6/25	WIRE	5655	FISERV	CC FEES - SEPT 2025	2,726.44
				CC FEES - SEPT 2025	681.61
				CC FEES - SEPT 2025	642.72
				CC FEES - SEPT 2025	160.68
				CC FEES - SEPT 2025	6,366.34
				CC FEES - SEPT 2025	1,591.59
				CC FEES - SEPT 2025	71.04
				CC FEES - SEPT 2025	17.76
				CC FEES - SEPT 2025	851.56
				CC FEES - SEPT 2025	212.89
				CC FEES - SEPT 2025	2,794.39
				CC FEES - SEPT 2025	698.60
Total for Check/Tran - 2384:					16,815.62
Total for Bank Account - 1 :					(1) 16,815.62

11/03/2025 1:42:10 PM

Accounts Payable Check Register

Page 2

10/01/2025 To 10/31/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
4961 10/1/25	WIRE	152	IRS - USA TAX PMT (ELECTRONIC)	PAYROLL TAXES - FEDERAL & FICA	18,696.91
				PAYROLL TAXES - FEDERAL & FICA	24,481.88
				PAYROLL TAXES - FEDERAL & FICA	3,799.23
				PAYROLL TAXES - FEDERAL & FICA	5,365.16
Total for Check/Tran - 4961:					52,343.18
4962 10/2/25	WIRE	154	MINNESOTA REVENUE (ELECTRONIC)	PAYROLL TAXES - STATE	7,931.47
				PAYROLL TAXES - STATE	1,664.89
Total for Check/Tran - 4962:					9,596.36
4964 10/2/25	WIRE	738	HEALTHEQUITY, INC	FSA CLAIM REIMBURSEMENTS - 114	638.40
				FSA CLAIM REIMBURSEMENTS - 114	159.60
Total for Check/Tran - 4964:					798.00
4969 10/6/25	WIRE	166	ONLINE UTILITY EXCHANGE (ELECTR	UTILITY EXCHANGE REPORT	378.24
				UTILITY EXCHANGE REPORT	94.56
Total for Check/Tran - 4969:					472.80
4970 10/14/25	WIRE	285	JOHN HANCOCK	W&A EMPLOYER CONTRIBUTION	80.00
				W&A MANAGER CONTRIBUTION	418.00
				WENZEL EMPLOYEE CONTRIBUTIONS	1,737.59
				WENZEL MANAGER CONTRIBUTIONS	127.25
				DEF COMP ROTH CONTRIBUTIONS W&A	795.00
				WENZEL EE ROTH MGR CONTRIBUTIONS	290.75
				W&A EMPLOYER CONTRIBUTION	120.00
				W&A MANAGER CONTRIBUTION	64.12
				WENZEL EMPLOYEE CONTRIBUTIONS	183.96
				WENZEL MANAGER CONTRIBUTIONS	31.81
				DEF COMP ROTH CONTRIBUTIONS W&A	150.00
				WENZEL EE ROTH MGR CONTRIBUTIONS	32.31
Total for Check/Tran - 4970:					4,030.79
4971 10/8/25	WIRE	738	HEALTHEQUITY, INC	ADMINISTRATIVE FEE INVOICE - OCT 2025	129.00
				ADMINISTRATIVE FEE INVOICE - OCT 2025	25.50

11/03/2025 1:42:10 PM

Accounts Payable Check Register

Page 3

10/01/2025 To 10/31/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
Total for Check/Tran - 4971:					154.50
4972 10/15/25	WIRE	152	IRS - USA TAX PMT (ELECTRONIC)	PAYROLL TAXES - FEDERAL & FICA	18,684.60
				PAYROLL TAXES - FEDERAL & FICA	23,841.70
				PAYROLL TAXES - FEDERAL & FICA	3,721.13
				PAYROLL TAXES - FEDERAL & FICA	5,085.44
Total for Check/Tran - 4972:					51,332.87
4973 10/15/25	WIRE	153	PERA (ELECTRONIC)	PERA EMPLOYEE CONTRIBUTION	10,715.80
				PERA CONTRIBUTIONS	12,364.45
				PERA EMPLOYEE CONTRIBUTION	2,377.49
				PERA CONTRIBUTIONS	2,743.24
Total for Check/Tran - 4973:					28,200.98
4974 10/15/25	WIRE	598	MINNESOTA CHILD SUPPORT PAYMEN	CHILD SUPPORT	589.75
4976 10/15/25	WIRE	738	HEALTHEQUITY, INC	HSA ER CONTRIBUTION - 202	410.60
				HSA ER CONTRIBUTION - 202	102.65
				HSA EMPLOYEE CONTRIBUTION	2,699.42
				HSA EMPLOYEE CONTRIBUTION	476.42
				FSA CLAIM REIMBURSEMENTS - 164	153.85
				FSA CLAIM REIMBURSEMENTS - 164	38.46
Total for Check/Tran - 4976:					3,881.40
4977 10/16/25	WIRE	154	MINNESOTA REVENUE (ELECTRONIC)	PAYROLL TAXES - STATE	7,938.84
				PAYROLL TAXES - STATE	1,627.96
Total for Check/Tran - 4977:					9,566.80
4978 10/17/25	WIRE	160	VOYA INSTITUTIONAL TRUST COMPAN	HCSP EMPLOYEE CONTRIBUTIONS	2,462.10
				HCSP EMPLOYEE CONTRIBUTIONS	446.15
Total for Check/Tran - 4978:					2,908.25
4979 10/17/25	WIRE	161	VOYA INSTITUTIONAL TRUST COMPAN	MNDP EE MANAGER CONTRIBUTIONS	356.46
				MNDP EMPLOYEE CONTRIBUTIONS	3,323.58
				MNDP EMPLOYER CONTRIBUTION	1,099.94

11/03/2025 1:42:10 PM

Accounts Payable Check Register

Page 4

10/01/2025 To 10/31/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				MNDP EMPLOYER MGR CONTRIBUTION	599.52
				MNDP EE ROTH CONTRIBUTIONS	1,783.51
				MNDP EE ROTH MGR CONTRIBUTIONS	243.06
				MNDP EE MANAGER CONTRIBUTIONS	50.08
				MNDP EMPLOYEE CONTRIBUTIONS	239.69
				MNDP EMPLOYER CONTRIBUTION	136.27
				MNDP EMPLOYER MGR CONTRIBUTION	82.76
				MNDP EE ROTH CONTRIBUTIONS	393.43
				MNDP EE ROTH MGR CONTRIBUTIONS	32.68
				Total for Check/Tran - 4979:	8,340.98
4981 10/16/25	WIRE	8606	QUADIENT FINANCE USA, INC	POSTAGE & INK	974.98
				POSTAGE & INK	243.74
				Total for Check/Tran - 4981:	1,218.72
4983 10/27/25	WIRE	153	PERA (ELECTRONIC)	PERA EMPLOYEE CONTRIBUTION	10,665.49
				PERA CONTRIBUTIONS	12,306.39
				PERA EMPLOYEE CONTRIBUTION	2,437.58
				PERA CONTRIBUTIONS	2,812.58
				Total for Check/Tran - 4983:	28,222.04
4984 10/27/25	WIRE	598	MINNESOTA CHILD SUPPORT PAYMEN	CHILD SUPPORT	589.75
4985 10/14/25	WIRE	9654	CARDMEMBER SERVICE	FIRST NATIONAL BANK VISA	9,426.08
				FIRST NATIONAL BANK VISA	2,668.07
				Total for Check/Tran - 4985:	12,094.15
4986 10/21/25	WIRE	174	MINNESOTA REVENUE SALES TX (ELE	SALES AND USE TAX - SEPT 2025	310,804.91
				SALES AND USE TAX - SEPT 2025	-2.44
				SALES AND USE TAX - SEPT 2025	11,467.53
				Total for Check/Tran - 4986:	322,270.00
4987 10/28/25	WIRE	152	IRS - USA TAX PMT (ELECTRONIC)	PAYROLL TAXES - FEDERAL & FICA	18,453.87
				PAYROLL TAXES - FEDERAL & FICA	23,661.62

11/03/2025 1:42:10 PM

Accounts Payable Check Register

Page 5

10/01/2025 To 10/31/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				PAYROLL TAXES - FEDERAL & FICA	3,847.03
				PAYROLL TAXES - FEDERAL & FICA	5,220.74
				Total for Check/Tran - 4987:	51,183.26
4988 10/28/25	WIRE	160	VOYA INSTITUTIONAL TRUST COMPAN	HCSP EMPLOYEE CONTRIBUTIONS	2,439.52
				HCSP EMPLOYEE CONTRIBUTIONS	456.18
				Total for Check/Tran - 4988:	2,895.70
4989 10/28/25	WIRE	161	VOYA INSTITUTIONAL TRUST COMPAN	MNDP EE MANAGER CONTRIBUTIONS	356.43
				MNDP EMPLOYEE CONTRIBUTIONS	3,320.50
				MNDP EMPLOYER CONTRIBUTION	1,099.09
				MNDP EMPLOYER MGR CONTRIBUTION	599.53
				MNDP EE ROTH CONTRIBUTIONS	1,824.52
				MNDP EE ROTH MGR CONTRIBUTIONS	243.10
				MNDP EE MANAGER CONTRIBUTIONS	50.11
				MNDP EMPLOYEE CONTRIBUTIONS	242.77
				MNDP EMPLOYER CONTRIBUTION	137.12
				MNDP EMPLOYER MGR CONTRIBUTION	82.75
				MNDP EE ROTH CONTRIBUTIONS	393.42
				MNDP EE ROTH MGR CONTRIBUTIONS	32.64
				Total for Check/Tran - 4989:	8,381.98
4990 10/28/25	WIRE	285	JOHN HANCOCK	W&A EMPLOYER CONTRIBUTION	80.00
				W&A MANAGER CONTRIBUTION	418.00
				WENZEL EMPLOYEE CONTRIBUTIONS	1,874.40
				WENZEL MANAGER CONTRIBUTIONS	127.25
				DEF COMP ROTH CONTRIBUTIONS W&A	795.00
				WENZEL EE ROTH MGR CONTRIBUTIONS	290.75
				W&A EMPLOYER CONTRIBUTION	120.00
				W&A MANAGER CONTRIBUTION	64.12
				WENZEL EMPLOYEE CONTRIBUTIONS	183.93
				WENZEL MANAGER CONTRIBUTIONS	31.81
				DEF COMP ROTH CONTRIBUTIONS W&A	150.00

11/03/2025 1:42:10 PM

Accounts Payable Check Register

Page 6

10/01/2025 To 10/31/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				WENZEL EE ROTH MGR CONTRIBUTIONS	32.31
				Total for Check/Tran - 4990:	4,167.57
4991 10/28/25	WIRE	738	HEALTHEQUITY, INC	HSA EMPLOYEE CONTRIBUTION	2,655.72
				HSA EMPLOYEE CONTRIBUTION	470.12
				Total for Check/Tran - 4991:	3,125.84
4992 10/29/25	WIRE	738	HEALTHEQUITY, INC	FSA CLAIM REIMBURSEMENTS - 164	153.85
				FSA CLAIM REIMBURSEMENTS - 164	38.46
				Total for Check/Tran - 4992:	192.31
4993 10/30/25	WIRE	154	MINNESOTA REVENUE (ELECTRONIC)	PAYROLL TAXES - STATE	7,873.38
				PAYROLL TAXES - STATE	1,692.37
				Total for Check/Tran - 4993:	9,565.75
22532 10/3/25	DD	728	ARCHER PLUMBING LLC	WATER METER INSTALL	636.46
				WATER METER INSTALL	-46.46
				Total for Check/Tran - 22532:	590.00
22533 10/3/25	DD	665	MICHAEL ATWOOD	Mileage	53.20
				Mileage	167.30
				Total for Check/Tran - 22533:	220.50
22534 10/3/25	DD	6	BEAUDRY OIL COMPANY	ULTRAPURE DEF	294.38
22535 10/3/25	DD	4344	CENTRAL MUNICIPAL POWER AGENCY	2ND CIRCUIT	117,852.18
22536 10/3/25	DD	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 2 - ACCT 41038 - AUG 2025	103.77
				CYCLE 2 - ACCT 41038 - AUG 2025	5.46
				CYCLE 2 - INV GRP 413 - AUG 2025	100.00
				CYCLE 2 - INV GRP 413 - AUG 2025	548.48
				CYCLE 1 - INV GRP 421 - AUG 2025	7,084.89
				CYCLE 2 - INV GRP 436 - AUG 2025	3,626.42
				Total for Check/Tran - 22536:	11,469.02
22537 10/3/25	DD	671	FASTENAL COMPANY	Red Locate Paint	1,722.07

11/03/2025 1:42:10 PM

Accounts Payable Check Register

Page 7

10/01/2025 To 10/31/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				WASHERS	27.77
				Total for Check/Tran - 22537:	1,749.84
22538 10/3/25	DD	626	JENNY FOSS	Mileage	52.19
				Schools and Meetings	98.97
				Mileage	13.05
				Schools and Meetings	24.74
				Total for Check/Tran - 22538:	188.95
22539 10/3/25	DD	664	FRONTIER ENERGY, INC	PROFESSIONAL SERVICES - AUG 2025	10,000.00
22540 10/3/25	DD	404	GARAGE DOOR STORE	REMOTES	320.93
				REMOTES	45.85
				Total for Check/Tran - 22540:	366.78
22541 10/3/25	DD	8469	KATHY A GREENBERG	CERTIFIED MAIL	10.48
				POSTAGE DUE	3.52
				POSTAGE-VENDOR CHECK TO CANADA PO15745	1.70
				POSTAGE DUE	0.88
				Total for Check/Tran - 22541:	16.58
22542 10/3/25	DD	731	HEARTLAND BUSINESS SYTEMS LLC	Network	1,200.00
				Network	300.00
				Total for Check/Tran - 22542:	1,500.00
22543 10/3/25	DD	5686	HYDROCORP	BACKFLOW DEVICE INSPECTION - SEPT 2025	1,229.33
22544 10/3/25	DD	8083	JT SERVICES OF MINNESOTA	GREEN LED LIGHTS	8,705.51
22545 10/3/25	DD	353	MELISSA KARPINSKI	Schools and Meetings	10.14
				Schools and Meetings	2.53
				Mileage	17.81
				Mileage-Schools and Meetings	4.45
				Total for Check/Tran - 22545:	34.93
22546 10/3/25	DD	39	MMUA	LINEMAN COLLEGE #3 - 190	755.00

11/03/2025 1:42:10 PM

Accounts Payable Check Register

Page 8

10/01/2025 To 10/31/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
22547 10/3/25	DD	135	WATER LABORATORIES INC	WATER SAMPLING - SEPT 2025	360.00
22600 10/8/25	DD	11	CITY OF ELK RIVER	MISC PARTS & SUPPLIES - PD CITY IN ERROR	-86.26
				MISC PARTS & SUPPLIES - PD CITY IN ERROR	-18.01
				PARTS & LABOR FOR UNIT #3	-40.01
				PARTS & LABOR FOR UNIT #3	743.01
				LABOR FOR UNIT #17	61.75
				LABOR FOR UNIT #17	3.25
				PARTS & LABOR FOR UNIT #3	-0.58
				PARTS & LABOR FOR UNIT #3	72.83
				LABOR FOR UNIT # 30	65.00
				PARTS & LABOR FOR UNIT #21	-7.13
				PARTS & LABOR FOR UNIT #21	357.71
				PARTS & LABOR FOR UNIT #56	71.17
				LABOR FOR UNIT #12	65.00
				LABOR FOR UNIT #22	65.00
				MARCO SHARED COSTS	6,069.89
				MARCO SHARED COSTS	1,517.47
				FUEL USAGE - AUG 2025	2,301.48
				FUEL USAGE - AUG 2025	961.05
				PARTS & LABOR FOR UNIT #10	1,276.67
Total for Check/Tran - 22600:					13,479.29
22601 10/8/25	DD	728	ARCHER PLUMBING LLC	WATER METER INSTALL	636.46
				WATER METER INSTALL	-46.46
Total for Check/Tran - 22601:					590.00
22602 10/8/25	DD	6	BEAUDRY OIL COMPANY	DIESEL FUEL	3,202.51
22603 10/8/25	DD	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 3 - INV GRP 395 - AUG 2025	13,795.53
				CYCLE 3 - INV GRP 414 - AUG 2025	125.00
				CYCLE 3 - INV GRP 414 - AUG 2025	655.29
Total for Check/Tran - 22603:					14,575.82

11/03/2025 1:42:10 PM

Accounts Payable Check Register

Page 9

10/01/2025 To 10/31/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
22604 10/8/25	DD	671	FASTENAL COMPANY	PEDESTAL COVER SCREWS	101.59
22605 10/8/25	DD	809	HAWKINS, INC.	CHLORINE CYLINDER RENTAL	160.00
				Water Chemicals	1,266.45
				Total for Check/Tran - 22605:	1,426.45
22606 10/8/25	DD	731	HEARTLAND BUSINESS SYTEMS LLC	Network	1,947.72
				Network	778.94
				Network	486.93
				Network	194.74
				Total for Check/Tran - 22606:	3,408.33
22607 10/8/25	DD	8083	JT SERVICES OF MINNESOTA	Splice Cleaner	353.18
22608 10/8/25	DD	1001	MINNESOTA MUNICIPAL POWER AGEN	Purchased Power - SEPT 2025	2,373,802.70
				Purchased Power - SEPT 2025	681,860.78
				Total for Check/Tran - 22608:	3,055,663.48
22609 10/8/25	DD	618	PARKER THEISEN	Schools and Meetings	10.92
				Schools and Meetings	2.74
				Total for Check/Tran - 22609:	13.66
22610 10/8/25	DD	610	WRIGHT HENNEPIN COOPERATIVE ELE	SECURITY - 1435 & 1705 MAIN ST	54.55
				SECURITY - 1435 & 1705 MAIN ST	7.79
				Total for Check/Tran - 22610:	62.34
22611 10/15/25	DD	9	BORDER STATES ELECTRIC SUPPLY	LOAD BREAK	3,237.00
				COLD SHRINK SPLICE	746.50
				Fuse Holder	353.31
				MISC PARTS & SUPPLIES	2,601.33
				Mtce of URD Primary	891.58
				GALVINIZED MESH	-11.17
				Mesh	152.94
				PHOTOEYE	1,110.35
				GALVANIZED MESH	-11.17

11/03/2025 1:42:10 PM

Accounts Payable Check Register

Page 10

10/01/2025 To 10/31/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				Mesh	152.94
				Mtce of OH Primary	393.60
				Mtce of OH Primary	392.49
				Mtce of URD Primary	1,807.99
				Mtce of OH Primary	290.50
				Mtce of URD Primary	1,009.71
				Mtce of URD Primary	1,197.16
				ANCHORS & COLD SHRINK TERMINATORS	1,740.16
				Tool	91.75
				Mtce of URD Primary	1,631.09
				Mtce of URD Primary	-25.47
				MOUNTING BRACKET	184.00
Total for Check/Tran - 22611:					17,936.59
22612 10/15/25	DD	11	CITY OF ELK RIVER	FRANCHISE FEE CREDIT - AUG 2025	-725.00
				TRASH BILLED - SEPT 2025	168,119.36
Total for Check/Tran - 22612:					167,394.36
22613 10/15/25	DD	3667	ELFERING & ASSOCIATES	PROFESSIONAL SERVICES - SEPT 2025	300.00
				PROFESSIONAL SERVICES - SEPT 2025	2,400.00
				PROFESSIONAL SERVICES - SEPT 2025	900.00
Total for Check/Tran - 22613:					3,600.00
22614 10/15/25	DD	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 4 - INV GRP 396 - SEPT 2025	243.43
				CYCLE 4 - INV GRP 415 - SEPT 2025	175.00
				CYCLE 4 - INV GRP 415 - SEPT 2025	1,507.88
Total for Check/Tran - 22614:					1,926.31
22615 10/15/25	DD	404	GARAGE DOOR STORE	GARAGE DOOR REPAIR	-2.06
				GARAGE DOOR REPAIR	303.93
				GARAGE DOOR REPAIR	-0.30
				GARAGE DOOR REPAIR	43.43
Total for Check/Tran - 22615:					345.00

11/03/2025 1:42:10 PM

Accounts Payable Check Register

Page 11

10/01/2025 To 10/31/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
22616 10/15/25	DD	846	HACH COMPANY	SAMPLING SUPPLIES	-39.87
				SAMPLING SUPPLIES	563.35
Total for Check/Tran - 22616:					523.48
22617 10/15/25	DD	417	LOCATORS & SUPPLIES INC.	Blue Locate Flags	485.30
22618 10/15/25	DD	330	METRO SALES, INC	COPIER MTC CONTRACT - 8/21 to 9/20/25	169.25
				COPIER MTC CONTRACT - 8/21 to 9/20/25	42.31
Total for Check/Tran - 22618:					211.56
22619 10/15/25	DD	39	MMUA	LINEMAN COLLEGE - 195	755.00
22620 10/15/25	DD	573	NCPERS MINNESOTA	EXTRA LIFE INSURANCE - NOV 2025	284.80
				EXTRA LIFE INSURANCE - NOV 2025	35.20
Total for Check/Tran - 22620:					320.00
22621 10/15/25	DD	358	OLSEN CHAIN & CABLE, INC.	CARABINER	-6.29
				CARABINER	86.20
Total for Check/Tran - 22621:					79.91
22669 10/23/25	DD	728	ARCHER PLUMBING LLC	WATER METER INSTALL	760.53
				WATER METER INSTALL	-55.53
				WATER METER REPAIRS	600.00
Total for Check/Tran - 22669:					1,305.00
22670 10/23/25	DD	6	BEAUDRY OIL COMPANY	UNLEADED FUEL	2,569.13
22671 10/23/25	DD	8843	CAMPBELL KNUTSON	LEGAL SERVICES - SEPT 2025	3,076.80
				LEGAL SERVICES - SEPT 2025	769.20
Total for Check/Tran - 22671:					3,846.00
22672 10/23/25	DD	11	CITY OF ELK RIVER	REVENUE TRANSFER - SEPT 2025	160,269.00
				SEWER BILLED - SEPT 2025	252,328.12
				STORMWATER BILLED - SEPT 2025	57,060.81
Total for Check/Tran - 22672:					469,657.93
22673 10/23/25	DD	7448	CRC	CUSTOMER SERVICE AFTER HOURS	2,679.47

11/03/2025 1:42:10 PM

Accounts Payable Check Register

Page 12

10/01/2025 To 10/31/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				CUSTOMER SERVICE AFTER HOURS	669.87
				Total for Check/Tran - 22673:	3,349.34
22674 10/23/25	DD	626	JENNY FOSS	Schools and Meetings	32.35
22675 10/23/25	DD	91	GOPHER STATE ONE-CALL	LOCATES FOR - SEPT 2025	592.52
				LOCATES FOR - SEPT 2025	31.18
				Total for Check/Tran - 22675:	623.70
22676 10/23/25	DD	809	HAWKINS, INC.	Water Chemicals	2,880.69
22677 10/23/25	DD	818	DEREK C LUTTER	Backflow School	46.65
				Mileage - Backflow school	70.00
				Total for Check/Tran - 22677:	116.65
22678 10/23/25	DD	39	MMUA	2025 QTR 4 JTS & SAFETY TRAINING	5,007.60
				2025 QTR 4 JTS TRAINING	2,241.25
				2025 QTR 4 SAFETY TRAINING (City)	6,259.50
				2025 QTR 4 JTS & SAFETY TRAINING	1,251.90
				Total for Check/Tran - 22678:	14,760.25
22679 10/23/25	DD	9300	NISC	AGREEMENTS INVOICE - SEPT 2025	53.92
				AGREEMENTS INVOICE - SEPT 2025	785.79
				AGREEMENTS INVOICE - SEPT 2025	11,432.91
				AGREEMENTS INVOICE - SEPT 2025	260.00
				AGREEMENTS INVOICE - SEPT 2025	336.76
				AGREEMENTS INVOICE - SEPT 2025	2,570.91
				AGREEMENTS INVOICE - SEPT 2025	70.09
				PRINT SERVICES - SEPT 2025	6,811.14
				PRINT SERVICES - SEPT 2025	908.73
				PRINT SERVICES - SEPT 2025	1,702.78
				MISC INVOICE - SEPT 2024	621.48
				MISC INVOICE - SEPT 2024	155.37
				Total for Check/Tran - 22679:	25,709.88

11/03/2025 1:42:10 PM

Accounts Payable Check Register

Page 13

10/01/2025 To 10/31/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
22680 10/23/25	DD	358	OLSEN CHAIN & CABLE, INC.	PIPE CHOKER SLING - UNIT #10	118.52
22681 10/23/25	DD	817	SPENCER FANE LLP	LEGAL SERVICES - SEPT 2025	748.00
22682 10/23/25	DD	8808	WATER CONSERVATION SERVICE, INC.	Survey	7,872.00
22683 10/30/25	DD	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 1 - INV GRP 421 - SEPT 2025	8,619.68
				CYCLE 1 - ACCT 183 - SEPT 2025	644.02
				CYCLE 1 - INV GRP 101 - SEPT 2025	3,548.72
				CYCLE 1 - INV GRP 101 - SEPT 2025	46.23
				CYCLE 1 - INV GRP 101 - SEPT 2025	1,351.82
				CYCLE 1 - INV GRP 101 - SEPT 2025	542.37
				CYCLE 1 - INV GRP 101 - SEPT 2025	337.95
				CYCLE 1 - INV GRP 325 - SEPT 2025	325.00
				CYCLE 1 - INV GRP 325 - SEPT 2025	16,810.82
Total for Check/Tran - 22683:					32,226.61
22684 10/30/25	DD	846	HACH COMPANY	MISC PARTS & SUPPLIES	-5.22
				MISC PARTS & SUPPLIES	71.49
Total for Check/Tran - 22684:					66.27
22685 10/30/25	DD	412	LEIDOS ENGINEERING, LLC	VERIZON POLE ATTACHMENTS	9,010.00
22686 10/30/25	DD	130	RESCO	Transformer	17,125.00
				Discount	-8.56
				RISER ARRESTER	2,034.00
				Discount	-1.02
Total for Check/Tran - 22686:					19,149.42
22687 10/30/25	DD	603	ROYAL SUPPLY INC	OFFICE & SHOP SUPPLIES	784.46
				OFFICE & SHOP SUPPLIES	196.12
Total for Check/Tran - 22687:					980.58
22688 10/30/25	DD	8808	WATER CONSERVATION SERVICE, INC.	WATER LEAK LOCATE - 11218 191ST	377.00
89863 10/2/25	CHK	328	1ST AYD CORPORATION	SHOP SUPPLIES	196.67

11/03/2025 1:42:10 PM

Accounts Payable Check Register

Page 14

10/01/2025 To 10/31/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				SHOP SUPPLIES	49.17
				Total for Check/Tran - 89863:	245.84
89864 10/2/25	CHK	9999	BLECHTA EXTERIOR CLEANING	Hydrant Rental Deposit Refund - 3/4"	103.95
89865 10/2/25	CHK	9999	BLECHTA EXTERIOR CLEANING	Hydrant Rental Deposit Refund	1,337.31
89866 10/2/25	CHK	9997	CYNTHIA BLUHM	Credit Balance Refund	20.81
89867 10/2/25	CHK	3982	CENTERPOINT ENERGY	NATURAL GAS & IRON REMOVAL	382.69
				NATURAL GAS & IRON REMOVAL	91.69
				Total for Check/Tran - 89867:	474.38
89868 10/2/25	CHK	549	CHARTER COMMUNICATIONS	OFFICE TELEPHONE	197.38
				OFFICE TELEPHONE	49.35
				Total for Check/Tran - 89868:	246.73
89869 10/2/25	CHK	28	CINTAS	MATS & TOWELS	529.75
				MATS & TOWELS	75.67
				MATS & TOWELS	529.75
				MATS & TOWELS	75.67
				Total for Check/Tran - 89869:	1,210.84
89870 10/2/25	CHK	537	COLLINS BROTHERS TOWING INC	TOWING - UNIT #5	375.00
89871 10/2/25	CHK	54	CORE & MAIN LP	WATER LID	193.17
				VALVES	1,282.96
				Total for Check/Tran - 89871:	1,476.13
89872 10/2/25	CHK	656	DGR ENGINEERING	PROFESSIONAL SERVICES - AUG 2025	10,472.50
				PROFESSIONAL SERVICES - AUG 2025	5,000.00
				Total for Check/Tran - 89872:	15,472.50
89873 10/2/25	CHK	2789	E.H. RENNER & SONS, INC	Well 4	2,100.00
89874 10/2/25	CHK	8660	ENERSYS	Batteries	1,603.46
89875 10/2/25	CHK	9999	EVERLIGHT SOLAR LLC	Refund solar app fee - Hamilton	96.80

11/03/2025 1:42:10 PM

Accounts Payable Check Register

Page 15

10/01/2025 To 10/31/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
89876 10/2/25	CHK	572	EVERSPRING INN AND SUITES-MARSH	OVERHEAD SCHOOL HOTEL - 182	298.71
				OVERHEAD SCHOOL HOTEL - 111	298.71
Total for Check/Tran - 89876:					597.42
89877 10/2/25	CHK	8247	FERGUSON WATERWORKS #2516	Valve Wrench	784.51
89878 10/2/25	CHK	9997	MADISON FINKE	Credit Balance Refund	83.92
89879 10/2/25	CHK	8949	FS3 INC.	PARTS FOR UNIT #56	498.57
89880 10/2/25	CHK	5091	GREAT PLAINS INSTITUTE	2025 MN DRIVE ELECTRIC DUES	475.00
89881 10/2/25	CHK	9997	HPA US1 LLC	Credit Balance Refund	215.64
89882 10/2/25	CHK	5341	HUBBARD ELECTRIC	METER REPLACE - 9694 PARKINGTON	699.79
				METER REPLACE - 9694 PARKINGTON	-14.59
Total for Check/Tran - 89882:					685.20
89883 10/2/25	CHK	9997	LENNAR HOMES	Credit Balance Refund	144.56
89884 10/2/25	CHK	9997	LENNAR HOMES	Credit Balance Refund	163.51
89885 10/2/25	CHK	9997	LENNAR HOMES	Credit Balance Refund	159.80
89886 10/2/25	CHK	9997	LENNAR HOMES	Credit Balance Refund	165.11
89887 10/2/25	CHK	9997	LEWIS CUSTOM HOMES, INC	Credit Balance Refund	190.83
89888 10/2/25	CHK	8605	MARCO TECHNOLOGIES, LLC	OFFICE 365 - 8/24 to 9/23/25	1,314.24
				OFFICE 365 - 8/24 to 9/23/25	305.37
				ACE PROGRAM - 8/29 to 9/28/25	1,437.80
				ACE PROGRAM - 8/29 to 9/28/25	359.45
Total for Check/Tran - 89888:					3,416.86
89889 10/2/25	CHK	145	MENARDS	MISC PARTS & SUPPLIES	101.79
				WATERSTOP	9.68
				REBATE	-14.53

11/03/2025 1:42:10 PM

Accounts Payable Check Register

Page 16

10/01/2025 To 10/31/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				REBATE	-29.63
				REBATE	-6.66
				Total for Check/Tran - 89889:	60.65
89890 10/2/25	CHK	9997	AGUSTIN E MENDOZA GUILLEN	Credit Balance Refund	30.38
89891 10/2/25	CHK	520	MICHELS UTILITY SERVICES, INC	TREHCHING - ANNA'S ACRES	19,317.95
89892 10/2/25	CHK	8796	MOBILE VEHICLE INTEGRATION	PARTS & LABOR FOR UNIT #7	-25.50
				PARTS & LABOR FOR UNIT #7	569.65
				Total for Check/Tran - 89892:	544.15
89893 10/2/25	CHK	633	MUTUAL OF OMAHA	ELEC LIFE INSURANCE - OCT 2025	216.81
				LIFE,STD & LTD INSURANCE - OCT 2025	2,380.33
				ELEC LIFE INSURANCE - OCT 2025	202.94
				LIFE,STD & LTD INSURANCE - OCT 2025	604.18
				Total for Check/Tran - 89893:	3,404.26
89894 10/2/25	CHK	120	NAPA AUTO PARTS	UNIT #31 AIR FILTER & CABLE LUBE	35.19
89895 10/2/25	CHK	9997	DALE ONSTAD	Credit Balance Refund	582.19
89896 10/2/25	CHK	9997	MICHAEL POTTER	Credit Balance Refund	177.00
89897 10/2/25	CHK	630	PRINCETON RENTAL INC	DRILL CORE RENTAL & BIT	116.61
89898 10/2/25	CHK	9997	JACOB REYNOLDS	Credit Balance Refund	54.33
89899 10/2/25	CHK	9997	SHIRLY SEIDENKRANZ	Credit Balance Refund	353.97
89900 10/2/25	CHK	9997	SFR ACQUISITIONS I LLC	Credit Balance Refund	160.65
89901 10/2/25	CHK	848	SHERBURNE COUNTY PUBLIC WORKS	UTILITY PERMIT	100.00
89902 10/2/25	CHK	9997	LYNANN SMITH	Credit Balance Refund	404.66
89903 10/2/25	CHK	8141	SPEEDCUTTERS OUTDOOR MAINTENA	LANDSCAPE WEEDING	122.71
				LANDSCAPE WEEDING	17.53

11/03/2025 1:42:10 PM

Accounts Payable Check Register

Page 17

10/01/2025 To 10/31/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
Total for Check/Tran - 89903:					140.24
89904 10/2/25	CHK	9997	DALLAS ST HILAIRE	Credit Balance Refund	39.51
89905 10/2/25	CHK	6107	STUART C. IRBY CO.	Woodpecker Wrap	1,505.18
				Tool	98.88
				GLOVES	-515.63
Total for Check/Tran - 89905:					1,088.43
89906 10/2/25	CHK	3360	THE UPS STORE 5093	SHIPPING - OIL SAMPLES	39.52
				SHIPPING - OIL SAMPLES	46.69
Total for Check/Tran - 89906:					86.21
89907 10/2/25	CHK	543	USABBLUEBOOK	THREAD SEALANT	152.05
89908 10/2/25	CHK	55	WESCO RECEIVABLES CORP.	Bee Spray	117.02
				FIBERGLASS X ARM	6,053.25
				SWITCHGEAR	82,314.00
Total for Check/Tran - 89908:					88,484.27
89909 10/8/25	CHK	5342	ALTERNATE BUSINESS FURNITURE, IN	Panel	362.03
89910 10/8/25	CHK	4531	AT & T MOBILITY	CELL PHONES & iPad BILLING	29.18
				CELL PHONES & iPad BILLING	2,503.38
				CELL PHONES & iPad BILLING	12.50
				CELL PHONES & iPad BILLING	641.64
Total for Check/Tran - 89910:					3,186.70
89911 10/8/25	CHK	8079	BAYCOM, INC.	Toughbook	3,130.53
				Toughbook	3,130.54
Total for Check/Tran - 89911:					6,261.07
89912 10/8/25	CHK	5224	BLUE CROSS BLUE SHIELD OF MINNES	VISION INSURANCE - NOV 2025	271.71
				VISION INSURANCE - NOV 2025	84.33
Total for Check/Tran - 89912:					356.04
89913 10/8/25	CHK	654	BULLFROG IND	PAINT CABINET	3,960.00

11/03/2025 1:42:10 PM

Accounts Payable Check Register

Page 18

10/01/2025 To 10/31/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
89914 10/8/25	CHK	54	CORE & MAIN LP	WATER METERS	20,511.65
				WASHERS & GASKETS	-4.30
				WASHERS & GASKETS	59.05
				WATER METER	8,899.59
				Probe	1,972.94
Total for Check/Tran - 89914:					31,438.93
89915 10/8/25	CHK	5249	DRIVER & VEHICLE SERVICES	CRASH REPORT	5.00
89916 10/8/25	CHK	24	ELK RIVER PRINTING & VENTURE PRO	WATER DOOR HANGERS - BACKFLOW	105.69
89917 10/8/25	CHK	8949	FS3 INC.	JAWS - UNIT #56	346.49
				UTILITY WORK AHEAD SIGN	173.85
Total for Check/Tran - 89917:					520.34
89918 10/8/25	CHK	5377	KODIAK POWER SYSTEMS, INC	DOWN PAYMENT - PO 15783	45,406.62
89919 10/8/25	CHK	145	MENARDS	MISC PARTS & SUPPLIES	22.54
89920 10/8/25	CHK	119	MINNESOTA COMPUTER SYSTEMS INC	COPIER MTC CONTRACT - 9/12 to 10/11/25	125.96
				COPIER MTC CONTRACT - 9/12 to 10/11/25	31.49
Total for Check/Tran - 89920:					157.45
89921 10/8/25	CHK	6149	OLD REPUBLIC SURETY GROUP	UTILITY PERMIT	250.00
89922 10/8/25	CHK	811	PRIME ADVERTISING & DESIGN, INC.	MONTHLY HOSTING OF WEBSITE	40.00
				MONTHLY HOSTING OF WEBSITE	40.00
				MONTHLY HOSTING OF WEBSITE	20.00
				Marketing	1,500.00
Total for Check/Tran - 89922:					1,600.00
89923 10/8/25	CHK	8606	QUADIENT FINANCE USA, INC	POSTAGE MACHINE LEASE - 8/6 to 11/5/25	226.66
				POSTAGE MACHINE LEASE - 8/6 to 11/5/25	56.66
Total for Check/Tran - 89923:					283.32
89924 10/8/25	CHK	3218	RDO EQUIPMENT CO.	PARTS FOR UNIT #56	208.73

11/03/2025 1:42:10 PM

Accounts Payable Check Register

Page 19

10/01/2025 To 10/31/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				HONDA ENGINE - UNIT #56	1,503.80
				Total for Check/Tran - 89924:	1,712.53
89925 10/8/25	CHK	6107	STUART C. IRBY CO.	Glove Protector	225.05
89926 10/8/25	CHK	3360	THE UPS STORE 5093	SHIPPING - OIL SAMPLES	40.18
89927 10/8/25	CHK	7795	TITAN MACHINERY	REPLACE LIFT CHARGER	2,136.01
89928 10/8/25	CHK	331	TRANSUNION	SKIP TRACING - AUG 2025	60.00
				SKIP TRACING - AUG 2025	15.00
				Total for Check/Tran - 89928:	75.00
89929 10/8/25	CHK	222	UC LABORATORY	WATER SAMPLES - SEPT 2025	16.17
89930 10/15/25	CHK	1	AMERICAN PUBLIC POWER ASSOCIATI	POWERTRX RELIABILITY SUBSCRIPTION	325.00
89931 10/15/25	CHK	9266	BRAUN INTERTEC CORPORATION	East Sub	1,688.60
89932 10/15/25	CHK	9997	CAPSTONE HOMES	Credit Balance Refund	129.63
89933 10/15/25	CHK	9997	CAPSTONE HOMES	Credit Balance Refund	117.09
89934 10/15/25	CHK	9997	CAPSTONE HOMES	Credit Balance Refund	87.63
89935 10/15/25	CHK	9997	CAPSTONE HOMES	Credit Balance Refund	61.70
89936 10/15/25	CHK	9997	CHRISTIAN BUILDERS	INACTIVE REFUND	32.26
89937 10/15/25	CHK	9997	REBECCA CICH	INACTIVE REFUND	27.12
89938 10/15/25	CHK	9997	HAILEY DEFLORIN	INACTIVE REFUND	186.39
89939 10/15/25	CHK	122	ELK RIVER WINLECTRIC	PVC METER OFFSET	-8.83
				PVC METER OFFSET	120.99
				WIRE	41,066.16
				MISC PARTS & SUPPLIES	-0.94
				MISC PARTS & SUPPLIES	12.92
				MISC PARTS & SUPPLIES	70.04

11/03/2025 1:42:10 PM

Accounts Payable Check Register

Page 20

10/01/2025 To 10/31/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				MISC PARTS & SUPPLIES	-5.10
				Mtce of OH Primary	20.00
				Interduct	2,783.18
				MISC PARTS & SUPPLIES	-203.18
				PVC ELBOW	199.40
				WIRE	117,610.58
				CONDUIT	-9.44
				Mtce of OH Primary	129.24
				Total for Check/Tran - 89939:	161,785.02
89940 10/15/25	CHK	9997	ANNIKA FRIEND	INACTIVE REFUND	20.84
89941 10/15/25	CHK	5550	GEARED UP APPAREL	NEW EE WATER BOTTLES	258.90
				NEW EE WATER BOTTLES	64.73
				Total for Check/Tran - 89941:	323.63
89942 10/15/25	CHK	7492	GENERAL REPAIR SERVICE	HEAD KIT	-229.11
				Pump Kit	3,138.32
				Total for Check/Tran - 89942:	2,909.21
89943 10/15/25	CHK	9997	RON GRAMS	INACTIVE REFUND	59.27
89944 10/15/25	CHK	9997	GRAND NUTRITION	INACTIVE REFUND	295.13
89945 10/15/25	CHK	730	GREATAMERICA FINANCIAL SERVICES	LEASE FOR COPIER AT PLANT	105.01
				LEASE FOR COPIER AT PLANT	26.26
				Total for Check/Tran - 89945:	131.27
89946 10/15/25	CHK	631	HEALTHPARTNERS	DENTAL EE INSURANCE - NOV 2025	816.89
				DENTAL ER INSURANCE - NOV 2025	2,204.95
				MEDICAL EE INSURANCE - NOV 2025	10,689.25
				MEDICAL ER INSURANCE - NOV 2025	57,160.09
				MEDICAL COBRA INSURANCE - NOV 2025	1,320.06
				DENTAL EE INSURANCE - NOV 2025	140.04
				DENTAL ER INSURANCE - NOV 2025	665.82

11/03/2025 1:42:10 PM

Accounts Payable Check Register

Page 21

10/01/2025 To 10/31/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				MEDICAL EE INSURANCE - NOV 2025	2,752.75
				MEDICAL ER INSURANCE - NOV 2025	15,425.67
				Total for Check/Tran - 89946:	91,175.52
89947 10/15/25	CHK	9997	MIKE HIPPE	INACTIVE REFUND	379.41
89948 10/15/25	CHK	9997	HP MINNESOTA I, LLC	Credit Balance Refund	279.07
89949 10/15/25	CHK	5341	HUBBARD ELECTRIC	REPLACE EXISTING SERVICE - 18299 BOSTON	606.33
				REPLACE EXISTING SERVICE - 18299 BOSTON	-5.94
				REPLACE EXISTING SERVICE - 12891 MISSISS	606.33
				REPLACE EXISTING SERVICE - 12891 MISSISS	-5.94
				REPLACE EXISTING SERVICE - 12903 BOSTON	606.33
				REPLACE EXISTING SERVICE - 12903 BOSTON	-5.94
				Total for Check/Tran - 89949:	1,801.17
89950 10/15/25	CHK	82	JERRY'S ELECTRIC INC	TRANSFORMER REPAIRS	18,345.00
				TRANSFORMER REPAIRS	31,615.00
				Total for Check/Tran - 89950:	49,960.00
89951 10/15/25	CHK	9997	PAULA KONCZAL	INACTIVE REFUND	336.34
89952 10/15/25	CHK	9997	LEE KUPCZYNSKI	INACTIVE REFUND	740.09
89953 10/15/25	CHK	9997	NICHITA LIUBIMOV	INACTIVE REFUND	195.59
89954 10/15/25	CHK	9997	DARCI MADSEN	INACTIVE REFUND	211.57
89955 10/15/25	CHK	9997	DAN MATTSON	INACTIVE REFUND	83.84
89956 10/15/25	CHK	145	MENARDS	MISC PARTS & SUPPLIES	151.58
				MISC PARTS & SUPPLIES	22.08
				Total for Check/Tran - 89956:	173.66
89957 10/15/25	CHK	9997	ALEXA MEYER	INACTIVE REFUND	400.96
89958 10/15/25	CHK	9997	JEFFREY MICHAELSON	INACTIVE REFUND	170.86

11/03/2025 1:42:10 PM

Accounts Payable Check Register

Page 22

10/01/2025 To 10/31/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
89959 10/15/25	CHK	8454	MINNESOTA DEPT OF LABOR & INDUS	Dues & Subscriptions	126.88
				Dues & Subscriptions	18.12
Total for Check/Tran - 89959:					145.00
89960 10/15/25	CHK	9997	ROBERT MOE	INACTIVE REFUND	326.20
89961 10/15/25	CHK	9997	PREMIER CUSTOM HOMES, INC	INACTIVE REFUND	69.23
89962 10/15/25	CHK	9997	MEGAN RAUBENHEIMER	INACTIVE REFUND	293.28
89963 10/15/25	CHK	574	REPUBLIC SERVICES, INC	TRASH & RECYCLING SERVICE - SEPT 2025	139.81
				TRASH & RECYCLING SERVICE - SEPT 2025	1,944.70
				TRASH & RECYCLING SERVICE - SEPT 2025	59.92
				TRASH & RECYCLING SERVICE - SEPT 2025	277.82
				TRASH & RECYCLING SERVICE - SEPT 2025	407.66
				TRASH & RECYCLING SERVICE - SEPT 2025	72.87
				TRASH & RECYCLING SERVICE - SEPT 2025	10.41
Total for Check/Tran - 89963:					2,913.19
89964 10/15/25	CHK	9997	RUM RIVER COUNSELING INC	INACTIVE REFUND	257.36
89965 10/15/25	CHK	9997	GUILLERMO SALDANA	INACTIVE REFUND	102.22
89966 10/15/25	CHK	9997	SFR ACQUISITIONS III, LLC	INACTIVE REFUND	200.18
89967 10/15/25	CHK	9997	AMBER SHENKLE	INACTIVE REFUND	1,023.74
89968 10/15/25	CHK	6107	STUART C. IRBY CO.	Mtce of OH Primary	418.50
				Mtce of OH Primary	401.76
				SQUIRREL GUARD	533.52
Total for Check/Tran - 89968:					1,353.78
89969 10/15/25	CHK	9997	BOB TIMMONS	INACTIVE REFUND	155.42
89970 10/15/25	CHK	5744	UNITED HEALTHCARE SERVICES, INC.	CIP REBATE - VFD & CHILLER	19,724.42
89971 10/15/25	CHK	9997	THAD WALTERS	INACTIVE REFUND	151.88

11/03/2025 1:42:10 PM

Accounts Payable Check Register

Page 23

10/01/2025 To 10/31/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
89972 10/15/25	CHK	55	WESCO RECEIVABLES CORP.	Mtce of OH Primary	656.50
89973 10/15/25	CHK	9997	EVE XIONG	INACTIVE REFUND	191.47
89974 10/15/25	CHK	9997	JULIE YAKIN	INACTIVE REFUND	1,033.20
89975 10/23/25	CHK	766	ACE HARDWARE	SUBSTATION KEYS	25.73
89976 10/23/25	CHK	522	ALTERNATIVE TECHNOLOGIES, INC	OIL SAMPLING	198.00
89977 10/23/25	CHK	9997	PRAYSHA ALTRINGER	INACTIVE REFUND	28.45
89978 10/23/25	CHK	662	BENEFIT EXTRAS, INC	COBRA ADMINISTRATION - SEPT 2025	15.00
89979 10/23/25	CHK	5592	CITY OF DAYTON	FRANCHISE FEE - 2025 QTR 3	2,543.85
89980 10/23/25	CHK	3498	CITY OF OTSEGO	FRANCHISE FEE - 2025 QTR 3	18,505.79
89981 10/23/25	CHK	54	CORE & MAIN LP	TOUCHPAD	180.96
			TOUCHPAD		-13.21
			RUBBER WASHER		40.73
			RUBBER WASHER		-2.98
Total for Check/Tran - 89981:					205.50
89982 10/23/25	CHK	9997	DIANE DONNELLY	INACTIVE REFUND	99.32
89983 10/23/25	CHK	9997	RONALD EBNER	INACTIVE REFUND	19.41
89984 10/23/25	CHK	9997	ECLIPSE PROPERTIES LLC	INACTIVE REFUND	76.37
89985 10/23/25	CHK	9997	MICHELLE FONKEN	INACTIVE REFUND	224.85
89986 10/23/25	CHK	53	GREAT RIVER ENERGY	2025 QTR 3 CONNECTION SERVICES	1,875.00
89987 10/23/25	CHK	9997	JEFF JOHANSSON	INACTIVE REFUND	38.30
89988 10/23/25	CHK	9999	LESTER WATER WORKS	Hydrant Rental Deposit Refund	1,324.64
89989 10/23/25	CHK	9997	TAMIKA LEWIS	INACTIVE REFUND	103.33

11/03/2025 1:42:10 PM

Accounts Payable Check Register

Page 24

10/01/2025 To 10/31/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
89990 10/23/25	CHK	8605	MARCO TECHNOLOGIES, LLC	PRINTER MTC CONTRACT - 10/1 to 11/1/25	196.66
				PRINTER MTC CONTRACT - 10/1 to 11/1/25	49.16
Total for Check/Tran - 89990:					245.82
89991 10/23/25	CHK	9997	ALIVIA MARS	INACTIVE REFUND	31.23
89992 10/23/25	CHK	145	MENARDS	CONCRETE MIX	90.62
				MISC PARTS & SUPPLIES	5.47
Total for Check/Tran - 89992:					96.09
89993 10/23/25	CHK	633	MUTUAL OF OMAHA	ELEC LIFE INSURANCE - NOV 2025	216.81
				LIFE,STD & LTD INSURANCE - NOV 2025	2,456.01
				ELEC LIFE INSURANCE - NOV 2025	202.94
				LIFE,STD & LTD INSURANCE - NOV 2025	622.45
Total for Check/Tran - 89993:					3,498.21
89994 10/23/25	CHK	583	NORTHWESTERN POWER EQUIP CO IN	Labor	1,723.87
				Repair	645.95
Total for Check/Tran - 89994:					2,369.82
89995 10/23/25	CHK	22	PLUNKETT'S PEST CONTROL, INC	PEST CONTROL PROGRAM	1,476.92
				PEST CONTROL PROGRAM	210.99
				RODENT BAIT STATIONS	117.99
				RODENT BAIT STATIONS	16.85
Total for Check/Tran - 89995:					1,822.75
89996 10/23/25	CHK	9999	POPLIN UNDERGROUND DRILLING CO	Hydrant Rental Deposit Refund	1,023.66
89997 10/23/25	CHK	3218	RDO EQUIPMENT CO.	PARTS & LABOR FOR UNIT #56	2,893.25
89998 10/23/25	CHK	9997	TALIA ROMAN	INACTIVE REFUND	47.26
89999 10/23/25	CHK	8141	SPEEDCUTTERS OUTDOOR MAINTENA	LAWN MOWING SERVICES - OCT 2025	867.69
				LAWN MOWING SERVICES - OCT 2025	2,155.57
Total for Check/Tran - 89999:					3,023.26
90000 10/23/25	CHK	463	ST LOUIS MRO, INC	DRUG SCREENING - 202	20.00

11/03/2025 1:42:10 PM

Accounts Payable Check Register

Page 25

10/01/2025 To 10/31/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				DRUG SCREENING - 202	5.00
				Total for Check/Tran - 90000:	25.00
90001 10/23/25	CHK	6107	STUART C. IRBY CO.	Tool	158.21
				Tool	125.85
				Total for Check/Tran - 90001:	284.06
90002 10/23/25	CHK	9997	LEANN STURSA	INACTIVE REFUND	66.56
90003 10/23/25	CHK	8611	TRUCK GEAR USA	UNIT #13 BOX	2,028.05
90004 10/23/25	CHK	9997	CARL TSENG	INACTIVE REFUND	6.28
90005 10/23/25	CHK	8381	VERIFIED CREDENTIALS, LLC	BACKGROUND SCREENING - 202	54.00
				BACKGROUND SCREENING - 202	13.50
				Total for Check/Tran - 90005:	67.50
90006 10/23/25	CHK	783	VICTORY CLEANING SERVICES	MONTHLY CLEANING FOR THE PLANT-SEPT 2025	3,114.90
				MONTHLY CLEANING FOR THE PLANT-SEPT 2025	444.98
				Total for Check/Tran - 90006:	3,559.88
90007 10/23/25	CHK	375	VIKING ELECTRIC	REDUCING WASHER	-10.39
				REDUCING WASHER	142.31
				LIMIT SWITCH	220.07
				CONDUIT NIPPLE	4.09
				Total for Check/Tran - 90007:	356.08
90008 10/30/25	CHK	4531	AT & T MOBILITY	iPADS	-264.70
				iPad	3,279.38
				iPad	346.40
				iPADS	-13.92
				iPad	172.60
				iPad	18.22
				Total for Check/Tran - 90008:	3,537.98
90009 10/30/25	CHK	2920	BATTERIES PLUS BULBS	FLOOR SCRUBBER BATTERY	471.86

11/03/2025 1:42:10 PM

Accounts Payable Check Register

Page 26

10/01/2025 To 10/31/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				FLOOR SCRUBBER BATTERY	67.41
				BATTERIES	88.35
				Total for Check/Tran - 90009:	627.62
90010 10/30/25	CHK	8079	BAYCOM, INC.	Toughbook	416.40
				Toughbook	416.40
				Total for Check/Tran - 90010:	832.80
90011 10/30/25	CHK	28	CINTAS	MATS & TOWELS	529.75
				MATS & TOWELS	75.67
				MATS & TOWELS	529.75
				MATS & TOWELS	75.67
				Total for Check/Tran - 90011:	1,210.84
90012 10/30/25	CHK	9997	CRAFTSMAN CUSTOM HOMES INC	Credit Balance Refund	195.67
90013 10/30/25	CHK	9997	CRAFTSMAN CUSTOM HOMES INC	Credit Balance Refund	199.57
90014 10/30/25	CHK	9997	EVERGREEN TOWNHOMES, LLC	Credit Balance Refund	65.36
90015 10/30/25	CHK	9997	EVERGREEN TOWNHOMES, LLC	Credit Balance Refund	230.29
90016 10/30/25	CHK	8247	FERGUSON WATERWORKS #2516	HYDRANT FLAG	301.20
				HYDRANT FLAG	-22.00
				HYDRANT PARTS	2,480.35
				HYDRANT PARTS	-200.84
				HYDRANT PARTS	270.85
				Total for Check/Tran - 90016:	2,829.56
90017 10/30/25	CHK	8949	FS3 INC.	LUBRICANT	151.55
				PACRITE & ZANRITE - UNIT #56	912.02
				Total for Check/Tran - 90017:	1,063.57
90018 10/30/25	CHK	5518	HIERLINGER SHOES	EMPLOYEE CLOTHING - 142 BOOTS	256.49
90020 10/30/25	CHK	5341	HUBBARD ELECTRIC	REPLACE EXISTING SERVICE-14346 190TH	618.29
				REPLACE EXISTING SERVICE-14346 190TH	-6.81

11/03/2025 1:42:10 PM

Accounts Payable Check Register

Page 27

10/01/2025 To 10/31/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				REPLACE EXISTING SERVICE-13520 96TH	633.56
				REPLACE EXISTING SERVICE-13520 96TH	-7.92
				Total for Check/Tran - 90020:	1,237.12
90021 10/30/25	CHK	9999	L&K TREE & SHRUB, INC	Hydrant Rental Deposit Refund	229.55
90022 10/30/25	CHK	9997	LENNAR HOMES	Credit Balance Refund	228.74
90023 10/30/25	CHK	9997	LENNAR HOMES	Credit Balance Refund	198.80
90024 10/30/25	CHK	9997	LENNAR HOMES	Credit Balance Refund	189.44
90025 10/30/25	CHK	9997	LENNAR HOMES	Credit Balance Refund	25.22
90026 10/30/25	CHK	9997	LGI HOMES, MN	Credit Balance Refund	153.40
90027 10/30/25	CHK	9997	LGI HOMES, MN	Credit Balance Refund	38.40
90028 10/30/25	CHK	9997	LGI HOMES, MN	Credit Balance Refund	68.80
90029 10/30/25	CHK	8605	MARCO TECHNOLOGIES, LLC	MICROSOFT 365 - 9/24 to 10/23/25	1,314.18
				MICROSOFT 365 - 9/24 to 10/23/25	305.35
				Total for Check/Tran - 90029:	1,619.53
90030 10/30/25	CHK	145	MENARDS	KNEELING PAD & SHOVEL - UNIT #4	46.35
				PAIS	5.37
				Total for Check/Tran - 90030:	51.72
90031 10/30/25	CHK	120	NAPA AUTO PARTS	SOCKET - UNIT #30	30.19
				HOSE CLAMP	-15.47
				HOSE CLAMP	15.47
				Total for Check/Tran - 90031:	30.19
90032 10/30/25	CHK	3218	RDO EQUIPMENT CO.	PARTS FOR UNIT #50	-28.60
				PARTS FOR UNIT #50	363.98
				Total for Check/Tran - 90032:	335.38
90033 10/30/25	CHK	6107	STUART C. IRBY CO.	Tools	195.94

11/03/2025 1:42:10 PM

Accounts Payable Check Register

Page 28

10/01/2025 To 10/31/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
90034 10/30/25	CHK	822	SUMMIT AR	COMMISSIONS DUE COLLECTION AGENCY	14.51
90035 10/30/25	CHK	3360	THE UPS STORE 5093	SHIPPING - SAMPLES	19.72
90036 10/30/25	CHK	820	TOWN SQUARE PUBLICATIONS	ER CHAMBER AD	632.00
				ER CHAMBER AD	158.00
Total for Check/Tran - 90036:					790.00
90037 10/30/25	CHK	8523	TRI CAP	CIP LOW INCOME - #574235 COLE	1,578.67
90038 10/30/25	CHK	819	TWIN CITIES PROMO	OFFICE SUPPLIES	364.18
				OFFICE SUPPLIES	91.05
Total for Check/Tran - 90038:					455.23
90039 10/30/25	CHK	375	VIKING ELECTRIC	IVORY SWITCH	-29.75
				IVORY SWITCH	407.45
				MISC PARTS & SUPPLIES	396.06
				MISC PARTS & SUPPLIES	-28.92
Total for Check/Tran - 90039:					744.84
90040 10/30/25	CHK	55	WESCO RECEIVABLES CORP.	3M SPLICE	961.50
90041 10/30/25	CHK	5451	WRUCK SEWER AND PORTABLE RENT	PORTA-POTTY - 9/26 to 10/23/25	4.04
Total for Bank Account - 5 :					(261) 5,308,741.99
Grand Total :					(262) 5,325,557.61

11/03/2025

1:42:10 PM

Accounts Payable Check Register

Page 29

PARAMETERS ENTERED:**Check Date:** 10/01/2025 To 10/31/2025**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 UTILITIES CONFERENCE ROOM**

October 14, 2025

Members Present: Chair John Dietz, Vice Chair Mary Stewart, Commissioners Jill Larson-Vito, 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
Jenny Foss, Communications & Administrative Coordinator

Others Present: Jared Shepherd, Attorney; 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

Moved by Commissioner Westgaard and seconded by Commissioner Larson-Vito to approve the October 14, 2025, agenda. Motion carried 5-0.

2.0 CONSENT AGENDA (Approved By One Motion)

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

2.1 Check Register – September 2025

2.2 Regular Meeting Minutes – September 9, 2025

Motion carried 5-0.

3.0 OPEN FORUM

No one appeared for open forum.

4.0 POLICY & COMPLIANCE

4.1 Commission Policy Review – G.4e1 – Customer Accounts

Mr. Mauren presented his memo, reviewing the policy that sets the Commission's expectations for the general manager regarding customer accounts, applications, and account management.

Staff also presented three proposed updates to the policy; correcting a typo, adding specificity to a procedure, and rewording language around the Cold Weather Rule to avoid the need for future updates. The Commission agreed with these proposed updates.

Moved by Commissioner Stewart and seconded by Commissioner Zerwas to approve the staff recommended changes to policy G.4e1 – Customer Accounts. Motion carried 5-0.

5.0 BUSINESS ACTION

5.1 Financial Report – August 2025

Ms. Karpinski presented the August financials, showing the combined electric and water net position of 5.64% Year to Date (YTD) or approximately \$1.973 million.

Chair Dietz asked what accounted for the Water Connection Fees balance being at a higher level. Mr. Ninow responded that there have been several construction projects, including a Les Schwab Tire Shop, Vireo Health facility, the second addition of the Bradford Park development, and an addition at Spectrum High School that contributed to the total.

Moved by Commissioner Westgaard and seconded by Commissioner Larson-Vito to receive the August 2025 Financial Report. Motion carried 5-0.

5.2 2026 Annual Business Plan: Electric and Water Expenses

Ms. Karpinski presented a preliminary overview of the 2026 Annual Business Plan: Electric and Water Expenses for approval at the December meeting. Key items were the following:

- The 2026 budget for electric expenses is a 0.6% increase compared to the current year's budget (excluding purchased power). Most notable accounts are the transfer to City of Elk River (budgeting for a PILOT increase from 4% to 4.5%), depreciation

which is due to large capital projects being put into service, an expected 10% increase to medical insurance premiums and the addition of Minnesota's paid leave, which take effect January 1, 2026. The budgeted Payment in Lieu of Taxes (PILOT) amount for 2026 is \$2.227 million. PILOT is comprised of \$1.955 million based off 4.5% of the City of Elk River sales calculation, and \$272,000 in donated utilities and labor.

- The 2026 budget for water expenses is a 3.2% increase compared to the current year's budget. Most notable accounts are depreciation which is due to large capital projects being put into service, dues & subscriptions – fees due to a Minnesota Department of Health water connection fee increase, medical insurance due to an expected 10% increase to premiums, and the addition of Minnesota's paid leave which takes effect January 1, 2026.
- Both the Electric and Water budgets include a 4% wage adjustment effective on January 1, 2026. The budgets also account for adding an IT Technician position and filling the vacant Systems Engineer and Lineworker positions during 2026.

In response to a note that ERMU would be handling tree trimming in house during 2026 rather than contracting the work, Commissioner Stewart asked if staff felt there were resources available to complete the work that needed to be done. Mr. Gieser explained that after doing an internal tree trimming audit, staff felt the work could be managed internally.

Ms. Karpinski explained that based on forecasts from ERMU's power provider, Minnesota Municipal Power Agency, staff was budgeting for a purchased power increase of about 3%. She added that there will be a cost of service and rate study presented by Dave Berg at the November commission meeting. Staff explained that purchased power constitutes about 70% of the electric budget.

5.3 Payment in Lieu of Taxes to City of Elk River

Mr. Hanson presented the report which provided background on the electric Payment in Lieu of Taxes (PILOT) program, financial breakdown of its components, and regional comparisons. The report also showed 5-year cash reserve and funding source projections for the electric and water departments. The report noted that ERMU's current payment of 4% of revenue is below regional medians. It also showed that ERMU's electricity and labor being donated to the City equated to an additional 0.62% in PILOT value. Staff proposed two approaches to the program going forward.

- Option 1 - Raise the PILOT percentage to 4.5% and continue to offer electricity and labor donations to the City.
- Option 2 - Raise the PILOT percentage to 5% and begin to invoice the City for electricity and labor.

Staff then brought forward the concept of a PILOT for water service, proposing either

- Option 1 - A payment of 2% of revenue with continued donated contributions.

- Option 2 - A payment of 3% and to begin billing the City for water and labor/materials.

Mr. Hansons explained that staff was proposing water PILOT rates of 2% to 3% as a discussion starter after hearing from other municipal utilities in the state with water PILOTs ranging from 1% to 6%.

There was discussion about how ERMU tracks donated water in order to potentially bill the City in the future. Staff explained that ERMU donates water for firefighting, public ice rink filling, and street sweeping with all but the latter posing challenges in tracking usage for billing. Staff stated that in some cases estimates may be required.

Staff noted that increases to the PILOT for both electric and water will directly impact margins that fund reserves. Staff added that there are large projects planned for 2026 including a new substation and a large transformer replacement. Staff explained that bonding will be necessary for future capital projects regardless of any PILOT adjustment.

Staff shared that during preliminary conversations with Dave Berg who is in the process of developing a cost of service and rate design Study for ERMU, he explained that generally the Utility's reserve balances for the water department are about average, whereas electric reserves are lower than average. The Financial Reserves & Investment Committee was tasked with reviewing management's reserve policy and bringing back options for adjustments.

The Commission opted to defer action to the November meeting when there will be a preliminary presentation on the cost of service and rate design study by Dave Berg Consulting, LLC. Staff explained that the study is operating off a 4.5% electric PILOT.

Commissioner Zerwas shared his opinion that there is currently a good relationship between the City, ERMU, and community stakeholders regarding the donation of labor and services. He explained that reduced cooperation over fees is not a preferable result. ERMU staff and Mr. Portner described how that working relationship has developed over the years and expressed a desire for it to continue.

Commissioner Stewart shared her opinion that the electric PILOT calculation should not include power costs adjustments passed on by ERMU's power provider during catastrophic events. The Commission asked staff to craft language that would define the circumstances in which power cost adjustments are not included in the PILOT calculation.

There was general consensus that both a 5% electric and 3% water PILOT with labor, electricity, and water usage being invoiced to the City offered the most straightforward and transparent approach. However, the Commission felt it was best to hold off on a final decision until the November commission meeting when the preliminary cost-of-service study and the Financial Reserve policy will be discussed.

5.4 **Advanced Metering Infrastructure Update**

Mr. Hanson presented his update, saying he was glad to report there were only 14 remaining residential water meters to exchange and that two residents who were previously actively holding out on the replacement have either been replaced or were scheduled to be.

Mr. Hanson explained that the exchange effort has been following the timeline provided in ordinance to ensure ERMU is on good legal standing throughout the project.

Mr. Hanson explained that shut offs for those who have not had their water meters exchanged were beginning October 22. He added that staff would be staggering shutoffs to be available for reconnections but will not call out staff after hours for reconnection. There are to be no shut offs on Fridays.

Chair Dietz asked what types of responses staff had been receiving out in the field from property owners. Mr. Hanson said responses varied from being receptive and explaining they were unaware of the project to avoiding staff when they arrive. Mr. Ninow added there have been a few questioning conversations, but water department staff do a good job defusing the situation, and customer service staff do an excellent job with de-escalation.

Chair Dietz commended staffs' efforts on getting the list of remaining meter exchanges down to 14.

6.0 **BUSINESS DISCUSSION**

6.1 **Staff Updates**

On behalf of staff, Mr. Hanson thanked the Commission for providing lunch earlier that day, prior to an energy safety presentation put on by Connexus Energy at the field services building.

Mr. Gieser explained the Feeder 65 rebuild planned for 2026 will now start in 2025 due to project schedule changes.

Mr. Mauren highlighted the fact that the November meeting was pushed out from the second Tuesday to the second Wednesday due to the Veteran's Day office closure.

6.2 **City Council Update**

Chair Dietz gave a City Council Update.

6.3 **Future Planning**

Chair Dietz announced the following:

- a. Regular Commission Meeting – November 12, 2025
- b. 2025 Governance Agenda

6.5 **Other Business**

There was no other business.

7.0 **ADJOURN REGULAR MEETING**

Moved by Commissioner Westgaard and seconded by Commissioner Stewart to adjourn the regular meeting of the Elk River Municipal Utilities Commission 4:44 p.m. Motion carried 5-0.

Minutes prepared by Tony Mauren.

John J. Dietz, ERMU Commission Chair

Tina Allard, City Clerk

TO: ERMU Commission	FROM: Melissa Karpinski – Finance Manager
MEETING DATE: November 12, 2025	AGENDA ITEM NUMBER: 2.03
SUBJECT: 2025 Third 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 2024, we are tracking progress for 2025, to be awarded in 2026. 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 2025 fiscal year, and completion of the audit, the final score card will be evaluated and presented to the Commission for awarding the related distribution in 2026. We will be tracking the progress of the company and the related score card quarterly throughout 2025. The third quarter scorecard is attached, with some notes for the third quarter results.

FINANCIAL IMPACT:

None, until awarded the following year.

ATTACHMENTS:

- Performance Metrics and Incentive Compensation Policy Score Card – 2025 3rd Quarter

Elk River Municipal Utilities
G.4g1a - Performance Metrics and Incentive Compensation Policy Scorecard - 2025

Category	Percent	Sub-Category	Sub-Percent	Goal	Score	Awarded Multiplier Percent
Safety, Reliability and Quality of Utility Services	40	Water Quality Standards	5	Meet Requirements		
		Lead and Copper quality	5	90th percentile		
		Bacteria Detection	5	0 positive samples		
		CAIDI	5	<120 Min		
		SAIDI	5	<60 Min		
		SAIFI	5	<0.4		
		Line Loss	5	<5%		
		Water Loss	5	<12%		
Workforce Development	20	Employee Turnover	10	< 7.5%		
		Participation in Recommended and Mandatory Trainings	10	95%		
Financial Goals	20	Margins/Net Profit	15	> Budget		
		Inventory Accuracy	5	≥98%		
Communications/ Customer Service	10	Clean Energy Choice Program Participation	5	+30 net		
		Conservation Improvement Program	5	≥95%		
Strategic Plan	10	Dashboard Progress (Average)	10	≥50%		
Total Multiplier:						

met requirement

met requirement

0 on target

64 on target

19 on target

0.3 on target

3% on target

8% on target

0% on target

99% on target

on target

100% on target

+58 on target

91% off target

69% on target

1.9%

Adopted December 12, 2012
 Revised October 11, 2016
 Revised December 17, 2019
 Revised December 14, 2021
 Revised December 13, 2022
 Revised December 12, 2023
 Revised December 10, 2024

TO: ERMU Commission	FROM: Melissa Karpinski – Finance Manager
MEETING DATE: November 12, 2025	AGENDA ITEM NUMBER: 2.04
SUBJECT: 2025 Third Quarter Delinquent Items	
ACTION REQUESTED: Approve the 2025 third quarter delinquent items submitted.	

BACKGROUND:

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

- Assessments are delays in collecting the money owed and 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%-75% of the amounts collected after the agency receives their split, as we have started placing new accounts with a different agency.
- Revenue Recapture (RR) is the program through the state where funds are collected from individuals' tax refunds and remitted to us, with the balance (if any) remitted to the individual. It presents an opportunity to collect funds rather than splitting with a collection agency or having to write them off completely. There is a six-year limit for keeping items on RR and if uncollected at this time, amounts are removed and written off.
- Write Offs are amounts removed from the books with no further collection efforts being extended.

DISCUSSION:

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

- The amounts listed for assessments culminate in the fourth quarter and include items previously submitted to other collection services, and if not collected, are removed and assessed. The assessment amount for 2025 is \$0.00 as there has been no activity yet for this year.
- The amounts submitted **only** to Collection Agencies for 2025 is \$147.98. (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 Q3 2025 RR amount is \$5,614.42. We collected a total of \$1,321.75 from RR in Q3 2025.
- Write Offs for Q3 2025 of \$2,772.02, which is 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 \$2,743.81 in Q3 2025 due to the statute of limitations.

The attached report shows those dollars submitted to both the Collection Agency and RR. The third quarter totals are \$5,614.42. To break these totals down by provider, it is \$5,082.11 for Electric, \$455.27 for Franchise Fees, \$39.26 for Sewer, \$23.51 for Water, and \$14.27 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 .02%.

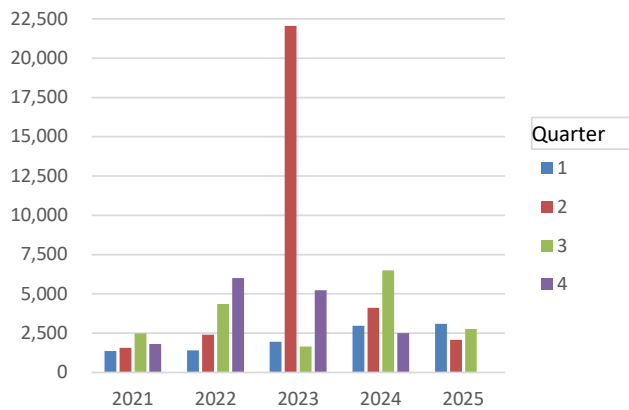
ATTACHMENTS:

- 2025 Third Quarter Delinquent Items Comparison
- 2025 Third Quarter Delinquent Items Submitted

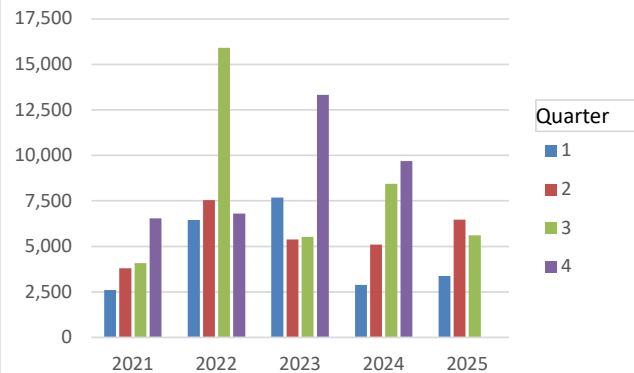
Delinquent Items Comparisons

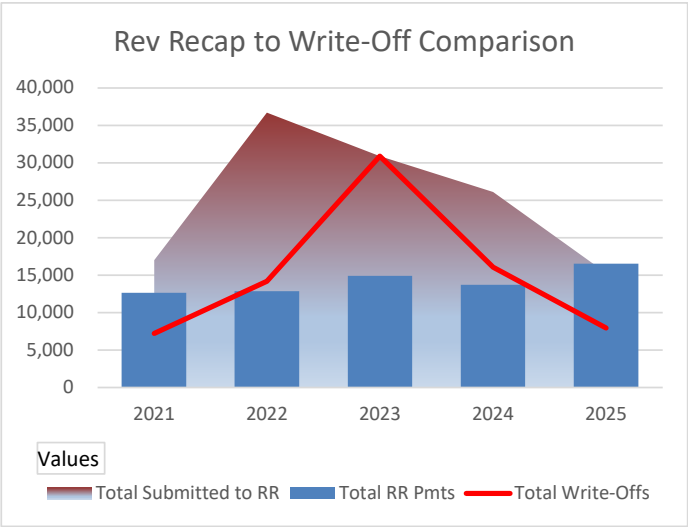
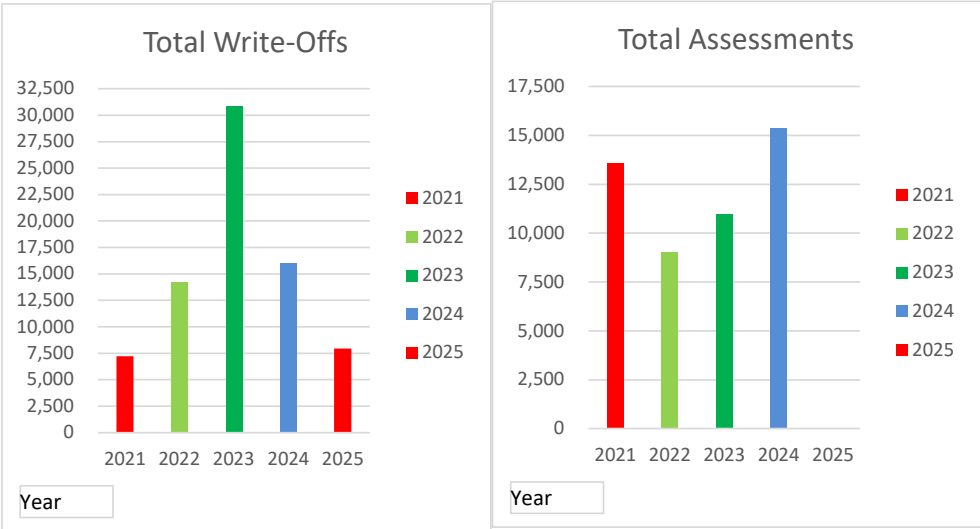
Year	Quarter	Assessments	Collection Agency	Revenue Recapture	Rev Recap/Coll Agen	Write-Offs	Rev Recap Pmts
2021	1	-	-	2,600.71	2,600.71	1,362.30	5,875.40
2021	2	-	-	3,802.55	3,802.55	1,559.69	1,841.70
2021	3	-	-	4,085.99	4,085.99	2,482.70	2,132.85
2021	4	13,572.01	-	6,532.49	6,532.49	1,819.22	2,784.22
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	-	-	8,444.30	8,444.30	6,495.34	1,322.98
2024	4	15,379.59	-	9,691.36	9,691.36	2,498.27	258.83
2025	1	-	-	3,379.27	3,379.27	3,097.48	10,193.73
2025	2	-	147.98	6,313.45	6,461.43	2,082.66	5,004.02
2025	3	-	-	5,614.42	5,614.42	2,772.02	1,321.75
2025	4				-		

Quarterly Write-Offs by Year



Quarterly Amt's Submitted for Collection by Year





Sum of Total AR	Column Labels
Row Labels	B
1ERUE	5,082.11
2ERUW	23.51
3CTYS	39.26
6CTYF	455.27
7CTYS	14.27
Grand Total	5,614.42

TO: ERMU Commission	FROM: Sara Youngs – Administrations Director
MEETING DATE: November 12, 2025	AGENDA ITEM NUMBER: 2.05
SUBJECT: 2025 Assessments	
ACTION REQUESTED: Approve 2025 Assessments Listing totaling \$32,397.42 to provide to City Council for assessment on property taxes.	

BACKGROUND:

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

DISCUSSION:

Attached is a listing of proposed assessments for customers with outstanding balances that remain unpaid for water, sewer, stormwater, trash, and qualifying electric and franchise fee services. The assessment total for 2025 is \$32,397.42. The City Council would need to approve the assessments and take them to the County for the actual assessment on property taxes. The City Council will receive this listing for approval at their November 18 meeting, pending our Commission's approval.

All services are aggregated together on the listing attachment to show the total per property ID. The totals per service are reflected at the bottom of the listing. For your reference, the total assessments in 2025 were \$15,379.59.

ATTACHMENTS:

- 2025 Assessments Listing

2025 Assessment Listing

<u>Service Address</u>	<u>Property ID</u>	<u>Total</u>
10021 179TH AVE NW	75-756-0196	232.73
10034 190TH AVE NW	75-847-0425	245.08
10049 189TH AVE NW	75-869-0512	456.13
10113 192ND LN NW	75-761-0130	422.06
10125 TWIN LAKES PKWY NW	75-920-0355	322.97
10135 TWIN LAKES PKWY NW	75-920-0350	822.80
10179 189TH AVE NW	75-866-0530	271.53
1027 4TH ST NW	75-408-0125	373.53
10445 207TH CIR NW	75-715-0120	210.31
10616 175TH AVE NW	75-002-4315	15.05
10726 190TH AVE NW	75-768-0505	76.19
10793 190TH LN NW	75-908-0210	569.45
10812 190TH LN NW	75-908-0115	93.89
10825 185TH CT NW	75-746-0146	979.40
10936 181ST LN NW	75-655-0008	172.96
10955 178TH AVE NW	75-710-0047	53.64
11036 192ND CT NW	75-516-0545	532.76
11049 192ND CIR NW	75-708-0305	197.58
11085 196TH AVE NW	75-589-0340	389.54
11086 196TH LN NW	75-604-0350	194.21
1111 4TH ST NW UPSTAIRS	75-408-0540	268.60
11121 195TH CIR NW	75-658-0125	112.90
11139 190TH AVE NW	75-522-0342	61.74
11160 190TH AVE NW	75-522-0410	292.46
11160 191ST AVE NW	75-516-0475	422.60
11454 190TH LN NW	75-548-0420	98.22
11478 190TH LN NW	75-559-0115	54.04
1175 SCHOOL ST NW	75-133-1115	280.02
1175 SCHOOL ST NW APT 8	75-133-1115	23.75
1179 SCHOOL ST NW	75-133-1115	230.26
1179 SCHOOL ST NW APT 7	75-133-1115	24.68
1179 SCHOOL ST NW APT 8	75-133-1115	28.01
11800 196TH AVE NW	75-872-0120	722.61
11820 196TH AVE NW	75-872-0120	43.92
12434 193RD LN NW	75-650-0310	76.00
12925 RANCH RD NW	75-497-0105	40.94
12950 MEADOWVALE RD NW	75-465-0410	197.82
13104 192 1/2 CT NW	75-573-0148	170.28
13427 190TH AVE NW	75-482-0115	230.64
13690 186TH AVE NW	75-131-1460	182.80
13899 200TH AVE NW	75-502-0315	101.38
14031 185TH AVE NW UNIT B	75-871-0105	26.70
1705 TIPTON CIR NW	75-535-0330	1,356.50

2025 Assessment Listing

<u>Service Address</u>	<u>Property ID</u>	<u>Total</u>
17588 GRANT ST NW	75-691-0626	383.35
17833 TYLER DR NW	75-710-0085	35.11
17915 MACON ST NW	75-609-0225	456.17
17931 GARY ST NW	75-546-0230	183.25
18257 DENVER ST NW	75-491-0530	473.44
18327 TYLER ST NW	75-647-0220	515.00
18530 OGDEN ST NW	75-884-0220	47.39
18537 PASCAL DR NW	75-623-0106	352.39
18575 SALEM ST NW	75-901-0140	166.61
18584 SMITH ST NW	75-723-0304	574.83
18602 SALEM ST NW	75-901-0260	143.54
18603 OGDEN ST NW	75-884-0305	324.95
18610 QUEEN ST NW	75-623-0502	160.88
18646 YANKTON ST NW	75-496-0130	62.48
18692 YANKTON ST NW	75-463-0150	212.71
18731 EDISON ST NW	75-890-0375	525.84
18731 IVANHOE ST NW	75-920-0335	109.21
18736 ALBANY ST NW	75-493-0160	154.62
18784 YANKTON ST NW	75-463-0030	232.32
18811 FILLMORE ST NW	75-905-0245	689.63
18830 SMITH DR NW	75-735-0230	571.66
18938 ZUMBRO ST NW	75-465-0110	653.49
19013 JOHNSON ST NW	75-866-0520	137.18
19019 FILLMORE ST NW	75-866-0215	37.66
19064 IVANHOE ST NW	75-848-0502	469.24
19092 JOHNSON ST NW	75-866-0705	1,654.27
19112 IVANHOE DR NW	75-761-0440	211.57
19141 JOHNSON ST NW	75-839-0225	211.74
19171 JOHNSON ST NW	75-839-0210	58.50
19191 KENT ST NW	75-506-0290	383.84
19262 OGDEN ST NW	75-130-4106	368.46
19336 OXFORD ST NW	75-428-0206	62.38
19575 LOWELL ST NW	75-872-0105	40.25
19646 ZANE CT NW	75-617-0255	585.91
19684 TWIN LAKES RD NW	75-125-2110	420.57
19757 IRVING ST NW	75-503-0480	103.94
20023 ZANE ST NW	75-510-0425	490.94
20211 AUBURN ST NW	75-508-0235	151.70
212 XENIA AVE NW	75-413-0820	145.92
22246 MEADOWVALE RD NW	75-792-0120	468.56
314 BALDWIN AVE NW	75-423-0090	923.39
351 LINE AVE NW	75-423-0050	177.44
374 BALDWIN AVE NW	75-423-0150	733.16

2025 Assessment Listing

<u>Service Address</u>	<u>Property ID</u>	<u>Total</u>
384 BALDWIN AVE NW	75-423-0160	378.54
429 LINE AVE NW	75-134-4116	136.13
544 AUBURN PL NW APT A	75-441-0140	460.05
604 RAILROAD DR NW	75-405-1150	583.32
608 RAILROAD DR NW	75-405-1150	1,004.97
620 6TH ST NW	75-412-0205	204.85
623 JEFFERSON LN NW	75-446-0202	69.17
70 6 1/2 ST NW	75-530-0145	683.96
814 PROCTOR AVE NW	75-133-1100	1,236.21
814 PROCTOR AVE NW APT 3B	75-133-1100	33.96
814 PROCTOR AVE NW APT 3D	75-133-1100	30.79
814 PROCTOR AVE NW APT 3G	75-133-1100	33.96
9833 187TH LN NW	75-890-0245	196.67
9850 221ST AVE NW	75-112-1206	309.35
9961 190TH AVE NW	75-866-0355	491.32
Grand Total		\$32,397.42

Total Electric and Franchise Assessment	\$18,588.10
Total Water Assessment	\$4,936.03
Total Sewer Assessment	\$4,798.57
Total Trash Assessment	\$3,331.72
Total Stormwater Assessment	\$743.00
Grand Total	\$32,397.42

TO: ERMU Commission	FROM: Thomas Geiser – Operations Director
MEETING DATE: November 12, 2025	AGENDA ITEM NUMBER: 2.06
SUBJECT: 2026 Wire Bid	
ACTION REQUESTED: Adopt Resolution 25-8 awarding contracts for 2026 Electric Cable Inventory	

BACKGROUND/ DISCUSSION:

On November 5, 2025, ERMU held a bid opening for 1/0 primary electric cable. The bid advertisement explained that both price and delivery times would be factors in determining the lowest responsible bidder.

- It appears that for 46,750 feet of 1/0 15KV primary URD, TRXLPE, Rural Electric Supply Cooperative of Moorhead, MN is the lowest responsible bidder with Prysmian TRXLPE at \$151,531.24, complying with the minimum qualifications for price and delivery time.

Staff is asking that the Commission adopt the attached resolution to award contract.

FINANCIAL IMPACT:

This is budgeted within 2026 Capital Projects

ATTACHMENTS:

- Resolution No. 25-8 Awarding Contracts for 2026 Electric Cable Inventory

RESOLUTION NO. 25-8

BOARD OF COMMISSIONERS
ELK RIVER MUNICIPAL UTILITIES

A RESOLUTION AWARDING CONTRACTS FOR 2026 ELECTRIC CABLE INVENTORY

WHEREAS, pursuant to an advertisement for bids for Elk River Municipal Utilities 2026 electric cable inventory, bids were received, opened, and tabulated according to State law, and the following bids were received complying with the advertisements:

46,750 feet of 1/0 15 KV Primary URD, TRXLPE

Contractor	Wire Manufacturer	Total Firm Price	Total Escalated Price	Delivery
Border States	Southwire	-	\$153,915.68	6 weeks
Border States	Prysmian	\$167,821.28	\$159,498.85	23-25 weeks
Resco	Prysmian	-	\$151,531.24	18-20 weeks
Wesco	CME	\$173,442.50	\$168,767.50	25 weeks

WHEREAS, the advertisement for bids expressly noted that ERMU would consider both price and promptness of delivery in determining the lowest responsible bidder;

WHEREAS, it appears that for 46,750 feet of 1/0 15 KV Primary URD, TRXLPE, Rural Electric Supply Cooperative of Moorhead, MN is the lowest responsible bidder for TRXLPE at \$151,531.24, complying with the minimum qualifications for price and delivery time; and

WHEREAS, Staff recommends awarding the contract for 1/0 15 KV Primary URD, TRXLPE to Rural Electric Supply Cooperative of Moorhead, Minnesota.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF ELK RIVER MUNICIPAL UTILITIES, BASED UPON THE FOREGOING RECITALS INCORPORATED HEREIN, AS FOLLOWS:

1. That the Chair and General Manager are authorized and directed to execute a contract with Rural Electric Supply Cooperative for the bid of 46,750 feet of 1/0 15 KV Primary URD, TRXLPE, in the amount of \$151,531.24.

This Resolution Passed and Adopted this 12th day of November 2025.

John J. Dietz, Chair

Mark Hanson, General Manager

TO: ERMU Commission	FROM: Tony Mauren – Governance & Communications Manager
MEETING DATE: November 12, 2025	AGENDA ITEM NUMBER: 2.07
SUBJECT: Summary of Information Security Committee Closed Session	
ACTION REQUESTED: Chair Stewart to provide a summary of the Information Security Committee	

BACKGROUND:

On November 6, 2025, the Information Security Committee held a scheduled meeting. Portions of this meeting were closed to the public pursuant to Minnesota Statute § 13D.05, subd. 3(d) to discuss security recommendations regarding ERMU and the City of Elk River’s telecommunications system, the disclosure of which could compromise public safety and the electronic security of financial information. State statute requires that the Committee shall then summarize its conclusions from the closed session at the next public meeting.

DISCUSSION:

Summary from Chair Stewart:

- **Committee Members present from ERMU:** Chair Mary Stewart, General Manager Mark Hanson, Administrations Director Sara Youngs, Technical Services Superintendent Mike Tietz, IT/OT Technician Parker Theisen
- **Committee Members present from the City of Elk River:** City Council Member J. Brian Calva, City Administrator Cal Portner, Assistant City Administrator Joe Stremcha, IT Manager Seth Calvin, IT Specialist Carl Munzke
- **Also present:** ERMU Governance & Communications Manager Tony Mauren, City of Elk River Network Specialist Jake Tourville.

The Information Security Committee convened on November 6, 2025, for a regularly scheduled meeting. The open portion of the meeting consisted of approving the agenda and the previous meeting minutes. The Committee also voted to appoint IT Specialist Carl Munzke as a representative of the City.

The Committee then moved into a closed session. In the closed session the group received an update on security testing, the system’s cloud performance, security information and event management, and incident response plans.

Mary Stewart
Commission Chair

TO: ERMU Commission	FROM: Tony Mauren – Governance & Communications Manager
MEETING DATE: November 12, 2025	AGENDA ITEM NUMBER: 4.01
SUBJECT: Commission Policy Review – G.4e2 – Electric Services	
ACTION REQUESTED: None	

BACKGROUND/DISCUSSION:

This month commissioners are reviewing policy G.4e2 – Electric Services to make comments, ask questions, or recommend updates.

With policy G.4e2, the Commission sets forth its expectations for the General Manager concerning the provisions of electric services with practical safeguarding of persons, buildings and their contents from hazards arising from the use of electricity for light, heat, power, radio and television signaling, and other safeguards to life and property.

Staff is not recommending any updates.

ATTACHMENTS:

- ERMU Policy – G.4e2 – Electric Services

Section: Governance	Category: Delegation to Management Policies
Policy Reference: G.4e2	Policy Title: Electric Services

PURPOSE:

With this policy, the Commission sets forth its expectations for the General Manager concerning the provisions of electric services with practical safeguarding of persons, buildings and their contents from hazards arising from the use of electricity for light, heat, power, radio and television signaling, and other safeguards to life and property.

POLICY:

Consistent with the ***Core Customer Services Policy***, the ERMU Commission expects the General Manager to ensure that customers receive safe, reliable, cost effective and quality long term electric utility service that directly support ERMU's core purpose and mission as stated in the ***Organizational Core Purpose Policy*** and ***Mission Statement Policy***.

The ERMU Commission expects the General Manager to establish processes, procedures, and management policy which clearly define the terms for providing electric service.

Consistent with this general statement, the General Manager shall:

1. Establish policy and procedures for the provisions of electric services which are compliant with applicable rules, regulations, standards, code, and law including but not limited to the following:
 - a. ERMU shall operate under the National Electrical Safety Code (NESC).
 - b. All connected electric loads shall be required for their installation to comply with the National Electrical Code (NEC).
2. Establish metering policy and procedures which address, but are not limited to the following:
 - a. The meter shall be the point of sale (POS). The meter shall be owned and maintained by ERMU. The customer shall be subject to all metering equipment costs as identified in the Commission adopted ***Fee Schedule***. Customers shall be allowed one service and one meter to measure energy consumption and demand, unless otherwise approved by the General Manager or a designee.

- b. Residential customers will be furnished with a meter and secondary service.
 - c. Commercial customers will be furnished with a meter but must supply and own the secondary service wire from the ERMU designated power source.
3. Establish policy regarding the redistribution of energy consistent with the following:
- a. All energy sold by ERMU is to be used by the customer for the purposes designated or implied in the ***Rates Schedule*** applicable to their installation. Energy so sold may not be resold or redistributed to other metered users unless specifically approved by the General Manager.
4. Establish policy and procedures for customer disputes:
- a. Consistent with the ***Dispute Resolution Committee Charter Policy***, provide an option for a customer appeal process through the Dispute Resolution Committee for customer issues where resolution requires action not authorized or delegated to management.

POLICY HISTORY:

Adopted	May 12, 2020
Revised	May 14, 2024

TO: ERMU Commission	FROM: Melissa Karpinski – Finance Manager
MEETING DATE: November 12, 2025	AGENDA ITEM NUMBER: 5.01
SUBJECT: Financial Report – September 2025	
ACTION REQUESTED: Receive the September 2025 Financial Report	

DISCUSSION:

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

Electric

September year to date (YTD) electric kWh sales are up 5% from the prior year. For further breakdown:

- Residential usage is up 6%
- Small Commercial usage is up 2%
- Large Commercial usage is up 5%

For September 2025, 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

September YTD gallons of water sold are up 9% from the prior year. For further breakdown:

- Residential use is up 11%
- Commercial use is up 7%

For September 2025, 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
- Electric Balance Sheet
- Water Balance Sheet
- Summary Electric Statement of Revenues, Expenses and Changes in Net Position
- Summary Water Statement of Revenues, Expenses and Changes in Net Position
- Graphs Prior Year and YTD 2024
- Detailed Electric Statement of Revenues, Expenses and Changes in Net Position

- Detailed Water Statement of Revenues, Expenses and Changes in Net Position
- Financial Presentation

**ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
COMBINED BALANCE SHEET
FOR PERIOD ENDING SEPTEMBER 2025**

	<u>ELECTRIC</u>	<u>WATER</u>
ASSETS		
CURRENT ASSETS		
CASH	4,808,882	6,411,869
ACCOUNTS RECEIVABLE	2,793,498	5,293,924
INVENTORIES	2,294,289	58,808
PREPAID ITEMS	244,419	66,257
CONSTRUCTION IN PROGRESS	2,052,982	309,307
TOTAL CURRENT ASSETS	<u>12,194,070</u>	<u>12,140,164</u>
RESTRICTED ASSETS		
BOND RESERVE FUND	1,779,016	0
EMERGENCY RESERVE FUND	7,656,601	4,292,591
UNRESTRICTED RESERVE FUND	0	0
TOTAL RESTRICTED ASSETS	<u>9,435,617</u>	<u>4,292,591</u>
FIXED ASSETS		
PRODUCTION	795,920	17,217,448
LFG PROJECT	0	0
TRANSMISSION	2,305,024	0
DISTRIBUTION	55,672,322	30,869,561
GENERAL	25,630,632	1,632,203
FIXED ASSETS (COST)	<u>84,403,897</u>	<u>49,719,212</u>
LESS ACCUMULATED DEPRECIATION	<u>(38,794,731)</u>	<u>(24,949,263)</u>
TOTAL FIXED ASSETS, NET	45,609,166	24,769,949
INTANGIBLE ASSETS		
POWER AGENCY MEMBERSHIP BUY-IN	21,546,212	0
LOSS OF REVENUE INTANGIBLE	7,169,412	0
LESS ACCUMULATED AMORTIZATION	<u>(4,675,796)</u>	<u>0</u>
TOTAL INTANGIBLE ASSETS, NET	24,039,828	0
OTHER ASSETS AND DEFERRED OUTFLOWS	<u>322,181</u>	<u>61,420</u>
TOTAL ASSETS	<u><u>91,600,862</u></u>	<u><u>41,264,124</u></u>
LIABILITIES AND FUND EQUITY		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	5,596,446	403,098
SALARIES AND BENEFITS PAYABLE	1,161,041	172,776
DUE TO CITY	910,978	5,489
DUE TO OTHER FUNDS	0	0
NOTES PAYABLE-CURRENT PORTION	0	0
BONDS PAYABLE-CURRENT PORTION	0	0
UNEARNED REVENUE	4,830	490,443
TOTAL CURRENT LIABILITIES	<u>7,673,296</u>	<u>1,071,806</u>
LONG TERM LIABILITIES		
OPEB LIABILITY	0	0
LFG PROJECT	0	0
DUE TO COUNTY	0	0
DUE TO CITY	0	0
BONDS PAYABLE, LESS CURRENT PORTION	27,165,503	1,485,306
PENSION LIABILITIES	1,708,036	328,984
TOTAL LONG TERM LIABILITIES	<u>28,873,539</u>	<u>1,814,290</u>
TOTAL LIABILITIES	<u>36,546,835</u>	<u>2,886,096</u>
DEFERRED INFLOWS OF RESOURCES	<u>1,206,975</u>	<u>4,689,086</u>
FUND EQUITY		
CAPITAL ACCOUNT CONST COST	1,779,016	0
CONTRIBUTED CAPITAL	0	0
RETAINED EARNINGS	49,623,773	33,451,758
NET INCOME (LOSS) (THROUGH PREVIOUS MONTH)	2,444,264	237,184
TOTAL FUND EQUITY	<u>53,847,052</u>	<u>33,688,942</u>
TOTAL LIABILITIES & FUND EQUITY	<u><u>91,600,862</u></u>	<u><u>41,264,124</u></u>

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

	<u>September 30, 2025</u>	<u>August 31, 2025</u>	<u>Current Month Change from Prior Month</u>
ASSETS			
CURRENT ASSETS			
CASH	4,808,882	3,223,829	1,585,052
ACCOUNTS RECEIVABLE	2,793,498	3,848,495	(1,054,997)
INVENTORIES	2,294,289	2,163,407	130,882
PREPAID ITEMS	244,419	221,660	22,758
CONSTRUCTION IN PROGRESS	2,052,982	2,077,790	(24,808)
TOTAL CURRENT ASSETS	<u>12,194,070</u>	<u>11,535,182</u>	<u>658,888</u>
RESTRICTED ASSETS			
BOND RESERVE FUND	1,779,016	1,779,016	0
EMERGENCY RESERVE FUND	7,656,601	7,624,536	32,066
TOTAL RESTRICTED ASSETS	<u>9,435,617</u>	<u>9,403,551</u>	<u>32,066</u>
FIXED ASSETS			
PRODUCTION	795,920	795,920	0
TRANSMISSION	2,305,024	2,305,024	0
DISTRIBUTION	55,672,322	55,402,721	269,600
GENERAL	25,630,632	25,630,632	0
FIXED ASSETS (COST)	<u>84,403,897</u>	<u>84,134,297</u>	<u>269,600</u>
LESS ACCUMULATED DEPRECIATION	<u>(38,794,731)</u>	<u>(38,561,085)</u>	<u>(233,647)</u>
TOTAL FIXED ASSETS, NET	<u>45,609,166</u>	<u>45,573,212</u>	<u>35,954</u>
INTANGIBLE ASSETS			
POWER AGENCY MEMBERSHIP BUY-IN	21,546,212	21,546,212	0
LOSS OF REVENUE INTANGIBLE	7,169,412	7,169,412	0
LESS ACCUMULATED AMORTIZATION	<u>(4,675,796)</u>	<u>(4,620,118)</u>	<u>(55,678)</u>
TOTAL INTANGIBLE ASSETS, NET	<u>24,039,828</u>	<u>24,095,506</u>	<u>(55,678)</u>
OTHER ASSETS AND DEFERRED OUTFLOWS	<u>322,181</u>	<u>322,181</u>	<u>0</u>
TOTAL ASSETS	<u><u>91,600,862</u></u>	<u><u>90,929,633</u></u>	<u><u>671,229</u></u>
LIABILITIES AND FUND EQUITY			
CURRENT LIABILITIES			
ACCOUNTS PAYABLE	5,596,446	5,562,441	34,005
SALARIES AND BENEFITS PAYABLE	1,161,041	1,091,741	69,301
DUE TO CITY	910,978	854,858	56,120
UNEARNED REVENUE	4,830	6,440	(1,610)
TOTAL CURRENT LIABILITIES	<u>7,673,296</u>	<u>7,515,479</u>	<u>157,816</u>
LONG TERM LIABILITIES			
BONDS PAYABLE, LESS CURRENT PORTION	27,165,503	27,170,491	(4,989)
PENSION LIABILITIES	1,708,036	1,708,036	0
TOTAL LONG TERM LIABILITIES	<u>28,873,539</u>	<u>28,878,527</u>	<u>(4,989)</u>
TOTAL LIABILITIES	<u>36,546,835</u>	<u>36,394,007</u>	<u>152,828</u>
DEFERRED INFLOWS OF RESOURCES	<u>1,206,975</u>	<u>1,206,975</u>	<u>0</u>
FUND EQUITY			
CAPITAL ACCOUNT CONST COST	1,779,016	1,779,016	0
RETAINED EARNINGS	49,623,773	49,623,773	0
NET INCOME (LOSS) (THROUGH PREVIOUS MONTH)	2,444,264	1,925,862	518,401
TOTAL FUND EQUITY	<u>53,847,052</u>	<u>53,328,651</u>	<u>518,401</u>
TOTAL LIABILITIES & FUND EQUITY	<u><u>91,600,862</u></u>	<u><u>90,929,633</u></u>	<u><u>671,229</u></u>

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

	<u>September 30, 2025</u>	<u>August 31, 2025</u>	<u>Current Month Change from Prior Month</u>
ASSETS			
CURRENT ASSETS			
CASH	6,411,869	6,014,814	397,055
ACCOUNTS RECEIVABLE	5,293,924	5,354,325	(60,402)
INVENTORIES	58,808	35,436	23,371
PREPAID ITEMS	66,257	59,198	7,059
CONSTRUCTION IN PROGRESS	309,307	248,725	60,583
TOTAL CURRENT ASSETS	<u>12,140,164</u>	<u>11,712,498</u>	<u>427,666</u>
RESTRICTED ASSETS			
EMERGENCY RESERVE FUND	4,292,591	4,284,575	8,016
TOTAL RESTRICTED ASSETS	<u>4,292,591</u>	<u>4,284,575</u>	<u>8,016</u>
FIXED ASSETS			
PRODUCTION	17,217,448	17,217,448	0
DISTRIBUTION	30,869,561	30,869,561	0
GENERAL	1,632,203	1,632,203	0
FIXED ASSETS (COST)	<u>49,719,212</u>	<u>49,719,212</u>	<u>0</u>
LESS ACCUMULATED DEPRECIATION	<u>(24,949,263)</u>	<u>(24,834,056)</u>	<u>(115,207)</u>
TOTAL FIXED ASSETS, NET	<u>24,769,949</u>	<u>24,885,156</u>	<u>(115,207)</u>
INTANGIBLE ASSETS			
OTHER ASSETS AND DEFERRED OUTFLOWS	<u>61,420</u>	<u>61,420</u>	<u>0</u>
TOTAL ASSETS	<u><u>41,264,124</u></u>	<u><u>40,943,649</u></u>	<u><u>320,475</u></u>
LIABILITIES AND FUND EQUITY			
CURRENT LIABILITIES			
ACCOUNTS PAYABLE	403,098	340,504	62,593
SALARIES AND BENEFITS PAYABLE	172,776	155,565	17,212
DUE TO CITY	5,489	5,080	409
UNEARNED REVENUE	490,443	439,381	51,062
TOTAL CURRENT LIABILITIES	<u>1,071,806</u>	<u>940,530</u>	<u>131,276</u>
LONG TERM LIABILITIES			
BONDS PAYABLE, LESS CURRENT PORTION	1,485,306	1,485,861	(554)
PENSION LIABILITIES	328,984	328,984	0
TOTAL LONG TERM LIABILITIES	<u>1,814,290</u>	<u>1,814,845</u>	<u>(554)</u>
TOTAL LIABILITIES	<u>2,886,096</u>	<u>2,755,375</u>	<u>130,722</u>
DEFERRED INFLOWS OF RESOURCES	<u>4,689,086</u>	<u>4,689,086</u>	<u>0</u>
FUND EQUITY			
RETAINED EARNINGS	33,451,758	33,451,758	0
NET INCOME (LOSS) (THROUGH PREVIOUS MONTH)	237,184	47,430	189,754
TOTAL FUND EQUITY	<u>33,688,942</u>	<u>33,499,188</u>	<u>189,754</u>
TOTAL LIABILITIES & FUND EQUITY	<u><u>41,264,124</u></u>	<u><u>40,943,649</u></u>	<u><u>320,475</u></u>

ELK RIVER MUNICIPAL UTILITIES ELK RIVER, MINNESOTA STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR PERIOD ENDING SEPTEMBER 2025											
	2025 SEPTEMBER	2025 YTD	2025 YTD BUDGET	YTD Budget Variance	2025 YTD Bud Var%	2025 ANNUAL BUDGET	2024 SEPTEMBER	2024 YTD	YTD VARIANCE	2024 v. 2025 Actual Var%	Variance Item
Electric Revenue											
Operating Revenue											
Elk River	3,988,023	31,201,774	30,985,383	216,391	1	41,085,728	3,873,523	28,920,540	2,281,234	8	
Otsego	409,429	3,263,329	3,094,404	168,925	5	4,073,730	379,058	2,940,694	322,635	11	
Rural Big Lake	20,350	170,265	176,292	(6,027)	(3)	231,863	18,255	158,034	12,231	8	
Dayton	26,319	218,282	215,509	2,773	1	281,987	23,926	195,315	22,966	12	
Public St & Hwy Lighting	23,885	212,990	195,750	17,240	9	261,000	21,732	195,497	17,493	9	
Other Electric Sales	400	3,600	3,600	0	0	4,800	400	3,600	0	0	
Total Operating Revenue	4,468,406	35,070,239	34,670,938	399,301	1	45,939,108	4,316,895	32,413,680	2,656,559	8	
Other Operating Revenue											
Interest/Dividend Income	33,133	349,232	262,500	86,732	33	350,000	44,810	276,985	72,248	26	(1)
Customer Penalties	36,806	224,692	213,750	10,942	5	285,000	29,770	208,444	16,248	8	
Connection Fees	122,900	294,121	112,500	181,621	161	150,000	11,025	263,407	30,714	12	(2)
Misc Revenue	159,988	1,260,099	735,625	524,474	71	972,500	235,565	1,314,313	(54,214)	(4)	(3)
Total Other Revenue	352,827	2,128,145	1,324,375	803,770	61	1,757,500	321,171	2,063,149	64,996	3	
Total Revenue	4,821,233	37,198,384	35,995,313	1,203,072	3	47,696,608	4,638,066	34,476,830	2,721,555	8	
Expenses											
Purchased Power	3,055,663	23,985,375	23,774,951	210,424	1	30,599,628	2,824,043	22,576,155	1,409,220	6	
Operating & Mtce Expense	19,854	217,158	250,150	(32,992)	(13)	341,000	19,184	195,055	22,103	11	
Transmission Expense	3,104	27,485	57,000	(29,515)	(52)	76,000	2,890	40,857	(13,372)	(33)	(4)
Distribution Expense	34,212	380,030	391,125	(11,095)	(3)	521,500	33,886	341,742	38,288	11	
Maintenance Expense	206,470	1,398,579	1,607,875	(209,296)	(13)	2,144,500	88,733	1,389,092	9,487	1	
Depreciation & Amortization	289,325	2,593,857	2,504,664	89,193	4	3,339,552	275,083	2,476,540	117,317	5	
Interest Expense	59,983	555,121	555,120	0	0	735,069	63,258	583,975	(28,854)	(5)	
Other Operating Expense	4,341	77,127	207,550	(130,423)	(63)	482,400	8,963	80,403	(3,276)	(4)	(5)
Customer Accounts Expense	36,769	313,099	352,500	(39,401)	(11)	470,000	40,622	324,467	(11,368)	(4)	
Administrative Expense	366,967	3,333,284	3,590,971	(257,687)	(7)	4,783,849	348,211	3,041,217	292,068	10	
General Expense	45,131	438,954	479,850	(40,896)	(9)	639,800	88,205	458,982	(20,028)	(4)	
Total Expenses(before Operating Transfers)	4,121,819	33,320,069	33,771,756	(451,687)	(1)	44,133,298	3,793,078	31,508,485	1,811,583	6	
Operating Transfer											
Operating Transfer/Other Funds	160,269	1,254,761	1,239,415	15,346	1	1,643,429	155,643	1,163,133	91,629	8	
Utilities & Labor Donated	20,743	179,291	198,750	(19,459)	(10)	265,000	19,068	169,487	9,804	6	
Total Operating Transfer	181,012	1,434,052	1,438,165	(4,113)	(0)	1,908,429	174,710	1,332,620	101,432	8	
Net Income Profit(Loss)	518,401	2,444,264	785,392	1,658,872	211	1,654,881	670,278	1,635,724	808,539	49	

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

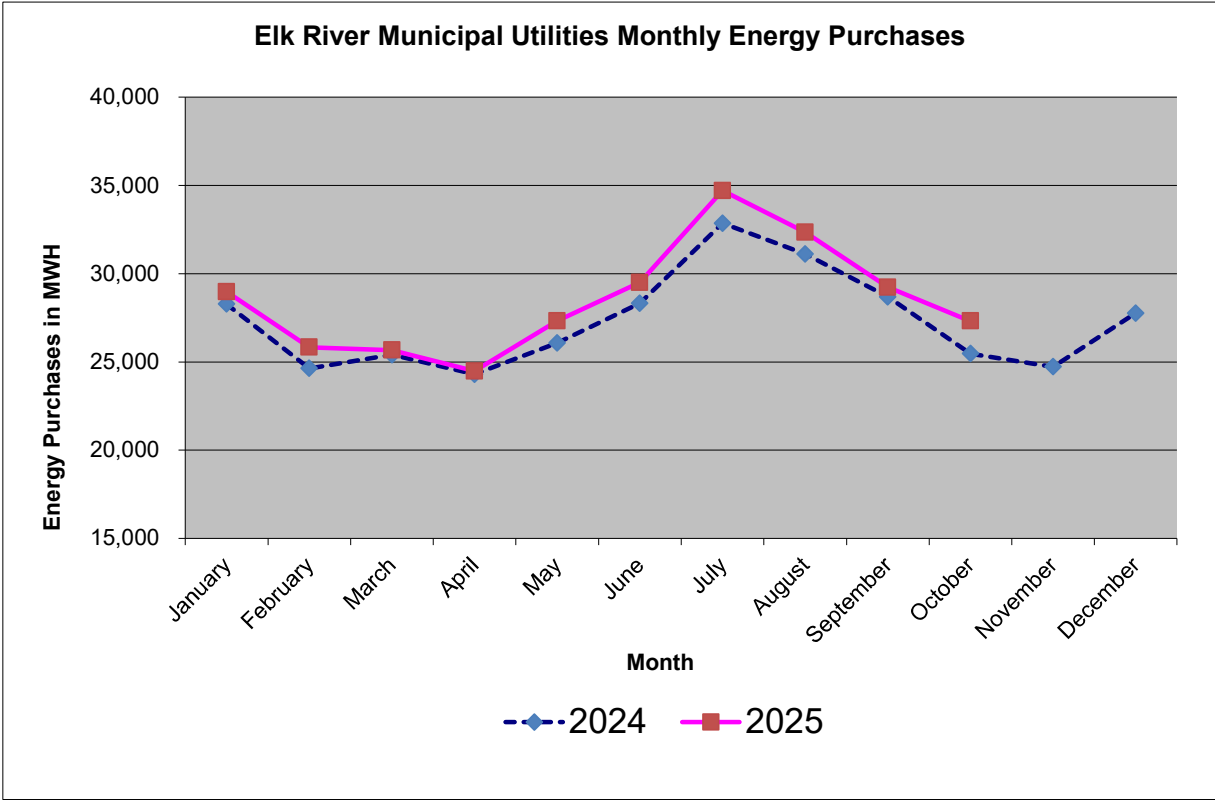
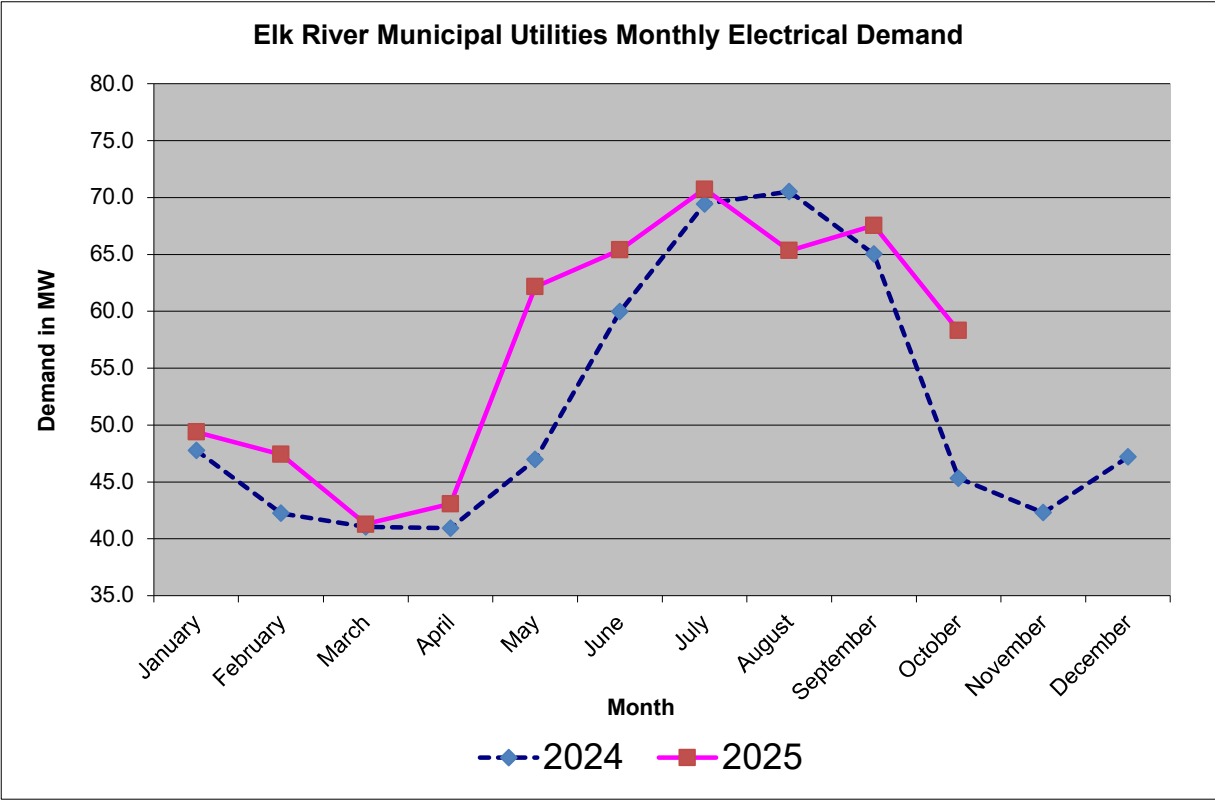
- (1) YTD budget variance is due to a conservative budget amount. PYTD variance is mainly due to more funds being invested with UBS and change in Fair Market Value.
- (2) YTD budget variance is due to a large agreement in September and June.
- (3) YTD budget variance is mainly due to Contributions from Customers having large SOWs for additional service and/or upgrade and transmission investments.
- (4) YTD budget variance is due to labor expense for transmission mtce (engineer position not filled yet).
- (5) YTD budget variance is due to loss on disposition of property (disposal of assets) due to timing.

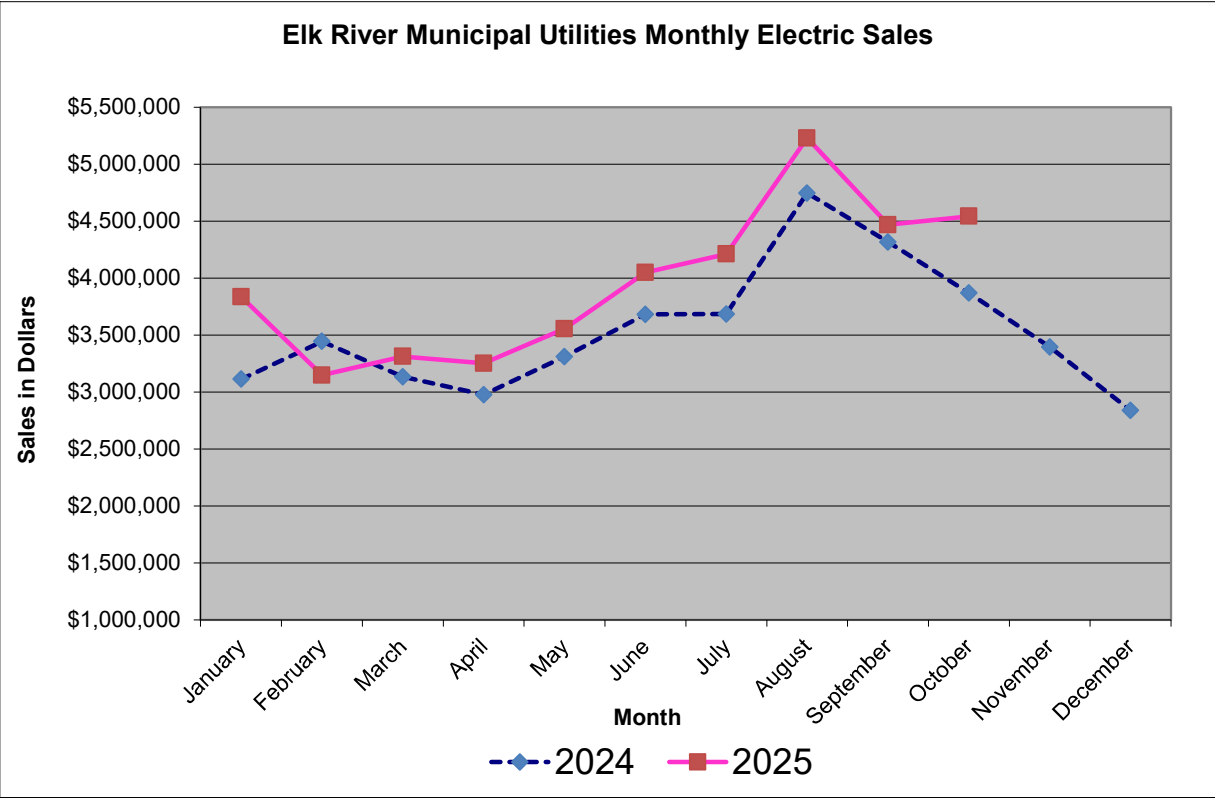
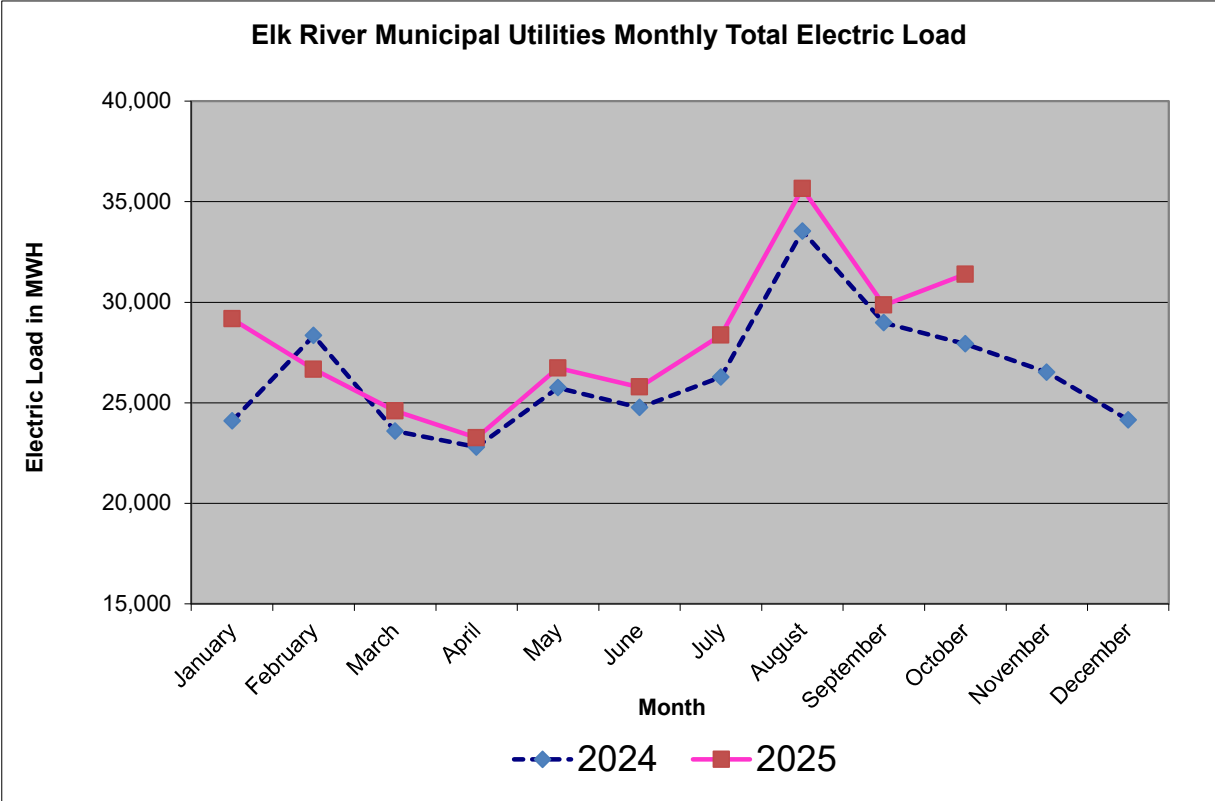
ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR PERIOD ENDING SEPTEMBER 2025

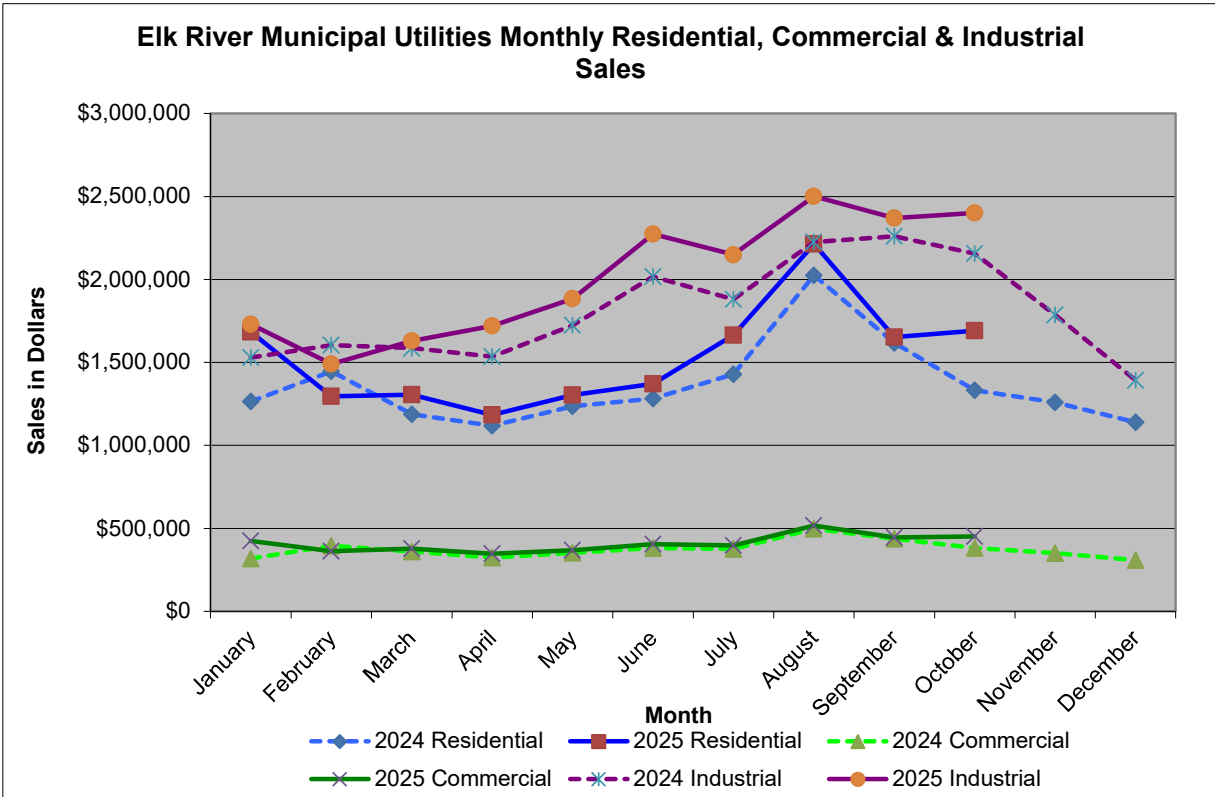
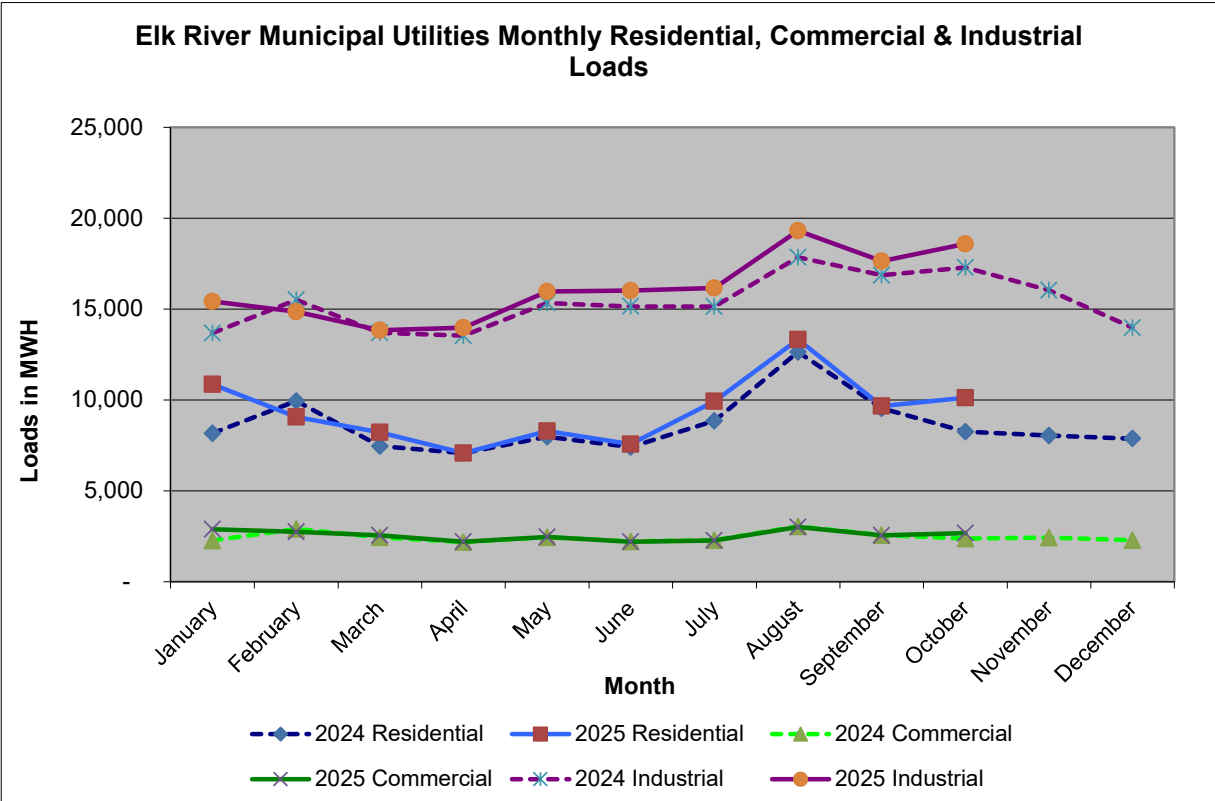
	2025 SEPTEMBER	2025 YTD	2025 YTD BUDGET	YTD Budget Variance	2025 YTD Bud Var%	2025 ANNUAL BUDGET	2024 SEPTEMBER	2024 YTD	YTD VARIANCE	2024 v. 2025 Actual Var%	Variance Item
Water Revenue											
Operating Revenue											
Water Sales	370,279	2,293,044	2,480,892	(187,847)	(8)	3,143,314	332,221	2,076,616	216,428	10	
Total Operating Revenue	370,279	2,293,044	2,480,892	(187,847)	(8)	3,143,314	332,221	2,076,616	216,428	10	
Other Operating Revenue											
Interest/Dividend Income	9,385	97,594	113,250	(15,656)	(14)	151,000	12,724	84,579	13,015	15	
Customer Penalties	2,764	25,865	21,000	4,865	23	28,000	2,980	18,229	7,636	42	
Connection Fees	102,971	636,284	238,875	397,409	166	318,500	55,970	405,582	230,702	57	(1)
Misc Revenue	42,314	116,206	19,700	96,506	490	426,100	1,001	10,394	105,812	1,018	(2)
Total Other Revenue	157,435	875,949	392,825	483,124	123	923,600	72,675	518,784	357,165	69	
Total Revenue	527,714	3,168,993	2,873,716	295,276	10	4,066,914	404,896	2,595,400	573,593	22	
Expenses											
Production Expense	8,706	94,171	101,250	(7,079)	(7)	135,000	8,791	95,514	(1,344)	(1)	
Pumping Expense	59,070	480,499	504,113	(23,614)	(5)	672,150	59,957	455,167	25,332	6	
Distribution Expense	40,313	366,045	353,075	12,970	4	459,660	28,006	269,825	96,220	36	(3)
Depreciation & Amortization	115,207	1,038,555	994,399	44,156	4	1,325,866	100,102	907,200	131,356	14	
Interest Expense	2,496	23,978	23,978	0	0	31,466	2,712	25,812	(1,833)	(7)	
Other Operating Expense	52	(15,416)	16,563	(31,978)	(193)	60,750	60	963	(16,379)	(1,701)	(4)
Customer Accounts Expense	10,186	77,140	78,937	(1,797)	(2)	105,250	9,028	71,713	5,428	8	
Administrative Expense	101,811	864,367	900,928	(36,561)	(4)	1,199,700	81,024	736,600	127,768	17	(5)
General Expense	70	2,421	9,188	(6,767)	(74)	12,250	287	2,455	(34)	(1)	
Total Expenses(before Operating Transfers)	337,912	2,931,760	2,982,431	(50,671)	(2)	4,002,092	289,968	2,565,247	366,513	14	
Operating Transfer											
Utilities & Labor Donated	48	48	1,500	(1,452)	(97)	2,000	0	0	48	0	
Total Operating Transfer	48	48	1,500	(1,452)	(97)	2,000	0	0	48	0	
Net Income Profit(Loss)	189,754	237,184	(110,215)	347,399	315	62,822	114,927	30,153	207,031	687	

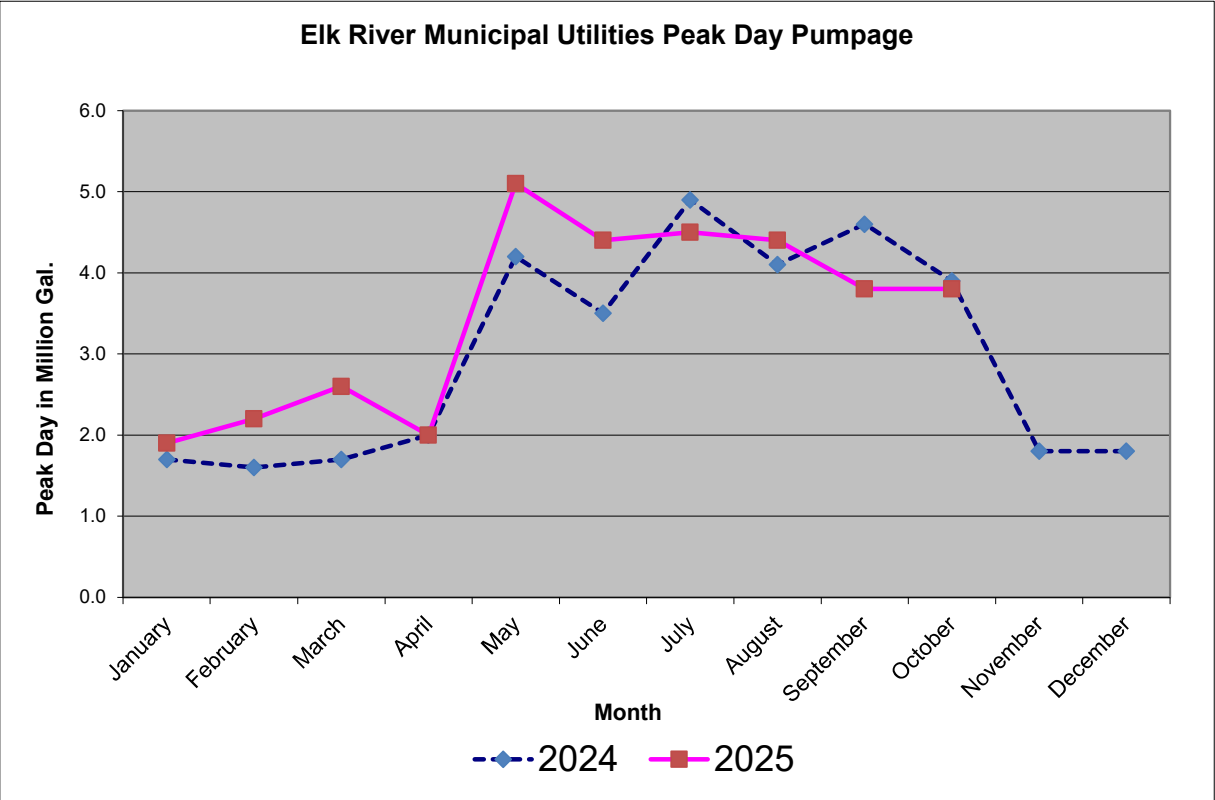
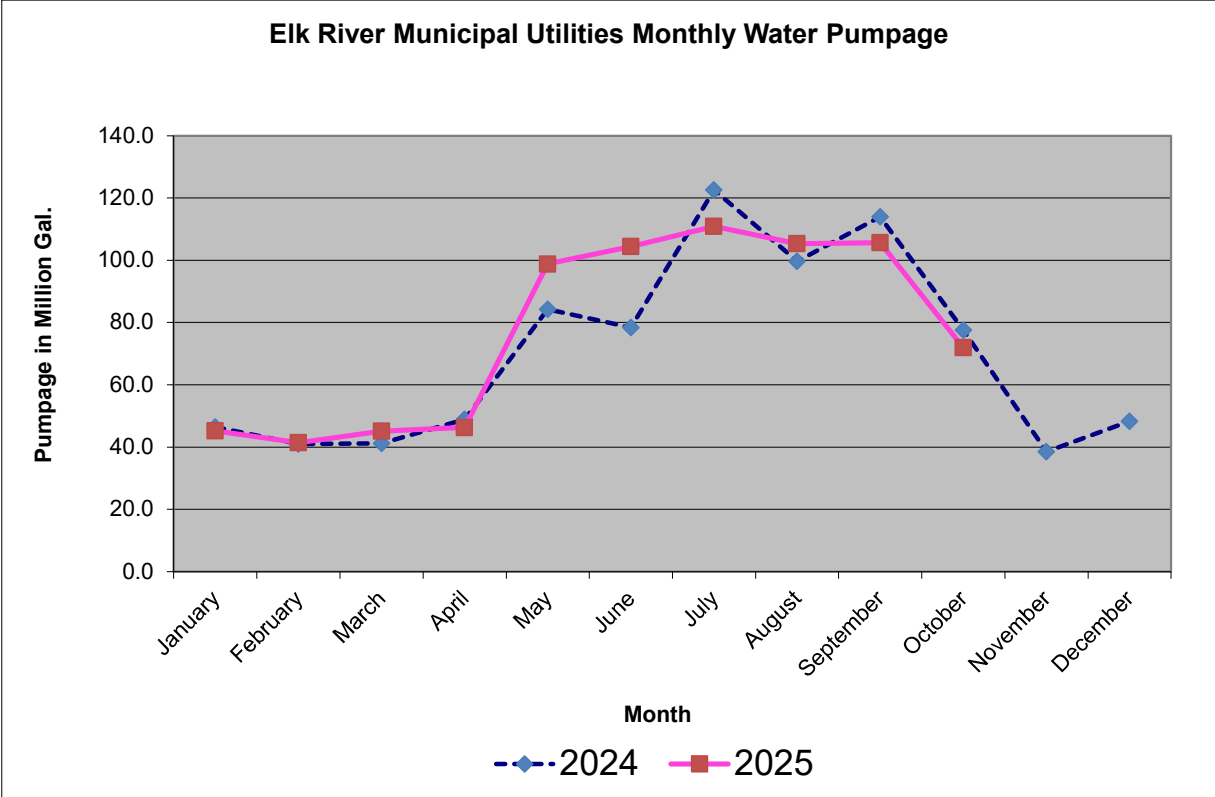
Item Variance of +/- \$15,000 and +/- 15%

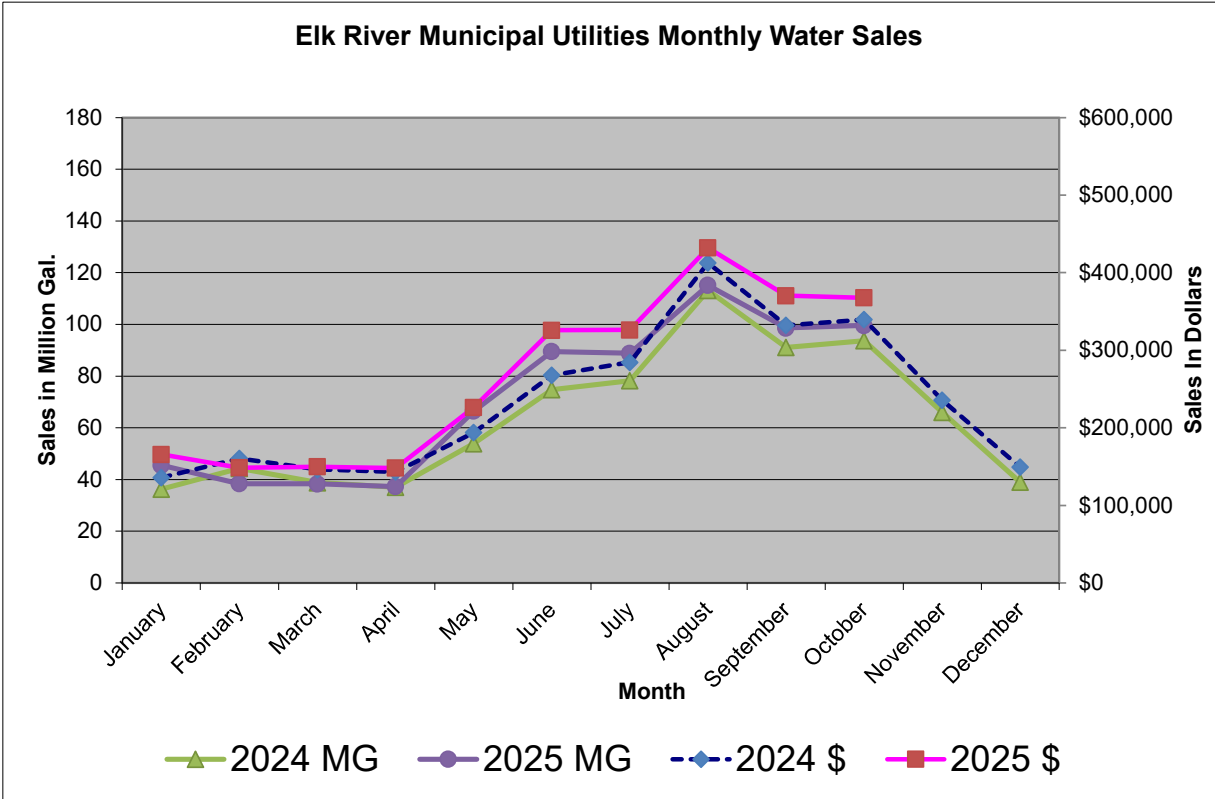
- (1) YTD budget variance is due to connection fees being budgeted conservatively and PYTD variance is due to more WAC fees in 2025.
- (2) YTD budget variance and PYTD variance is due to 3M settlement and Contributions from Developers.
- (3) PYTD variance is mainly due to one large watermain repair in 2025 and AMI project (water meter repairs).
- (4) YTD budget variance and PYTD variance is due AMI (timing).
- (5) PYTD variance is mainly due to consulting (Cty Rd 44, Power Plant, Scada, Service Line Inventory), Salaries (Comp Study change and COLA), Medical Insurance, Sick Pay (change in accrual), and Legal Fees (PFAS).











ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR PERIOD ENDING SEPTEMBER 2025

		2025 SEPTEMBER	2025 YTD	2025 YTD BUDGET	2025 ANNUAL BUDGET	2025 YTD Bud Var%	2024 SEPTEMBER	2024 YTD	YTD VARIANCE	2024 v. 2025 Actual Var%
Electric Revenue										
Operating Revenue										
Elk River										
	ELECT SALES - ELK RIVER RESID	1,273,749	10,705,140	10,712,865	14,008,158	0	1,272,399	10,134,370	570,769	6
	ELECT SALES - ELK RIVER NON-D	318,066	2,632,704	2,714,335	3,561,584	(3)	319,658	2,576,679	56,024	2
	ELECT SALES - ELK RIVER DEMA	1,872,995	14,029,747	13,867,691	18,661,634	1	1,815,849	13,428,286	601,461	4
	PCA SALES REVENUE - ELK RIVE	162,449	1,236,483	1,170,352	1,522,421	6	148,216	885,263	351,220	40
	PCA SALES REVENUE - ELK RIVE	41,461	319,636	320,080	423,421	0	38,188	242,299	77,336	32
	PCA SALES REVENUE - ELK RIVE	319,301	2,278,061	2,200,057	2,908,507	4	279,211	1,653,640	624,421	38
	Total For Elk River:	3,988,022	31,201,773	30,985,382	41,085,728	1	3,873,522	28,920,539	2,281,233	8
Otsego										
	ELECT SALES - OTSEGO RESIDEN	153,192	1,220,838	1,179,948	1,546,756	3	141,496	1,149,987	70,850	6
	ELECT SALES - OTSEGO NON-DEM	52,385	411,394	377,095	499,327	9	50,395	379,575	31,818	8
	ELECT SALES - OTSEGO DEMAND	151,873	1,239,079	1,198,938	1,587,577	3	142,969	1,137,680	101,398	9
	PCA SALES REVENUE - OTSEGO R	19,434	140,409	131,465	168,103	7	16,301	98,806	41,603	42
	PCA SALES REVENUE - OTSEGO N	7,063	52,716	36,613	46,753	44	6,164	35,987	16,728	46
	PCA SALES REVENUE - OTSEGO D	25,479	198,891	170,343	225,212	17	21,731	138,656	60,235	43
	Total For Otsego:	409,429	3,263,328	3,094,404	4,073,730	5	379,058	2,940,694	322,634	11
Rural Big Lake										
	ELECT SALES - BIG LAKE RESIDE	17,419	149,416	153,464	199,359	(3)	15,767	142,044	7,372	5
	ELECT SALES - BIG LAKE NON-DE	605	3,188	3,788	4,810	(16)	586	3,351	(162)	(5)
	PCA SALES REVENUE - BIG LAKE	2,250	17,315	16,338	21,666	6	1,834	12,378	4,936	40
	PCA SALES REVENUE - BIG LAKE	74	343	2,700	6,026	(87)	65	260	83	32
	Total For Rural Big Lake:	20,350	170,264	176,291	231,863	(3)	18,254	158,034	12,230	8
Dayton										
	ELECT SALES - DAYTON RESIDEN	19,828	165,241	163,136	212,063	1	18,131	151,346	13,894	9
	ELECT SALES - DAYTON NON-DE	3,553	30,780	30,796	40,465	0	3,351	28,666	2,113	7
	PCA SALES REVENUE - DAYTON R	2,513	18,781	17,076	23,047	10	2,084	12,908	5,873	45
	PCA SALES REVENUE - DAYTON	423	3,478	4,500	6,410	(23)	359	2,394	1,084	45
	Total For Dayton:	26,318	218,281	215,508	281,986	1	23,926	195,315	22,966	12
Public St & Hwy Lighting										
	ELECT SALES - SEC LTS	23,884	212,989	195,750	261,000	9	21,732	195,496	17,493	9
	Total For Public St & Hwy Lighting:	23,884	212,989	195,750	261,000	9	21,732	195,496	17,493	9
Other Electric Sales										
	SUB-STATION CREDIT	400	3,600	3,600	4,800	0	400	3,600	0	0

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR PERIOD ENDING SEPTEMBER 2025

	2025 SEPTEMBER	2025 YTD	2025 YTD BUDGET	2025 ANNUAL BUDGET	2025 YTD Bud Var%	2024 SEPTEMBER	2024 YTD	YTD VARIANCE	2024 v. 2025 Actual Var%
Electric									
Total For Other Electric Sales:	400	3,600	3,600	4,800	0	400	3,600	0	0
Total Operating Revenue	<u>4,468,405</u>	<u>35,070,238</u>	<u>34,670,937</u>	<u>45,939,108</u>	<u>1</u>	<u>4,316,895</u>	<u>32,413,680</u>	<u>2,656,558</u>	<u>8</u>
Other Operating Revenue									
Interest/Dividend Income									
INTEREST & DIVIDEND INCOME	33,133	349,232	262,500	350,000	33	44,810	276,984	72,247	26
Total For Interest/Dividend Income:	33,133	349,232	262,500	350,000	33	44,810	276,984	72,247	26
Customer Penalties									
CUSTOMER DELINQUENT PENALT	36,805	224,692	213,750	285,000	5	29,770	208,444	16,248	8
Total For Customer Penalties:	36,805	224,692	213,750	285,000	5	29,770	208,444	16,248	8
Connection Fees									
DISCONNECT & RECONNECT CHA	122,900	294,121	112,500	150,000	161	11,025	263,407	30,714	12
Total For Connection Fees:	122,900	294,121	112,500	150,000	161	11,025	263,407	30,714	12
Misc Revenue									
MISC ELEC REVENUE - TEMP CHG	0	2,640	1,874	2,500	41	0	2,170	470	22
STREET LIGHT	37,000	50,000	7,500	10,000	567	0	23,400	26,600	114
TRANSMISSION INVESTMENTS	62,424	529,574	450,000	600,000	18	54,448	481,422	48,152	10
MISC NON-UTILITY	7,924	102,514	82,500	110,000	24	47,948	132,607	(30,093)	(23)
GAIN ON DISPOSITION OF PROPER	0	22,755	25,000	25,000	(9)	8,600	8,600	14,155	165
CONTRIBUTIONS FROM CUSTOME	52,639	552,615	168,750	225,000	227	124,568	666,113	(113,498)	(17)
Total For Misc Revenue:	159,987	1,260,099	735,625	972,500	71	235,565	1,314,313	(54,213)	(4)
Total Other Revenue	<u>352,826</u>	<u>2,128,145</u>	<u>1,324,375</u>	<u>1,757,500</u>	<u>61</u>	<u>321,171</u>	<u>2,063,149</u>	<u>64,996</u>	<u>3</u>
Total For Total Other Revenue:	352,826	2,128,145	1,324,375	1,757,500	61	321,171	2,063,149	64,996	3
Total Revenue	<u>4,821,232</u>	<u>37,198,384</u>	<u>35,995,312</u>	<u>47,696,608</u>	<u>3</u>	<u>4,638,066</u>	<u>34,476,829</u>	<u>2,721,554</u>	<u>8</u>
Expenses									
Purchased Power									
PURCHASED POWER	2,373,802	18,061,605	18,233,306	23,315,290	(1)	2,309,805	17,404,205	657,399	4
ENERGY ADJUSTMENT CLAUSE	681,860	5,923,769	5,541,644	7,284,337	7	514,237	5,171,949	751,820	15
Total For Purchased Power:	3,055,663	23,985,375	23,774,951	30,599,628	1	2,824,042	22,576,155	1,409,220	6
Operating & Mtce Expense									
OPERATING SUPERVISION	13,751	120,104	112,500	150,000	7	13,288	103,100	17,003	16
DIESEL OIL FUEL	0	0	0	0	0	0	159	(159)	(100)
NATURAL GAS	370	16,953	20,400	30,000	(17)	359	12,951	4,001	31

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR PERIOD ENDING SEPTEMBER 2025

	2025 SEPTEMBER	2025 YTD	2025 YTD BUDGET	2025 ANNUAL BUDGET	2025 YTD Bud Var%	2024 SEPTEMBER	2024 YTD	YTD VARIANCE	2024 v. 2025 Actual Var%
Electric									
ELECTRIC & WATER CONSUMPTI	4,192	44,127	47,500	65,000	(7)	4,038	41,515	2,611	6
PLANT SUPPLIES & OTHER EXPEN	342	6,618	11,250	15,000	(41)	614	7,215	(596)	(8)
MISC POWER GENERATION EXPE	16	814	749	1,000	9	0	501	313	63
MAINTENANCE OF STRUCTURE -	414	9,205	15,000	20,000	(39)	882	9,665	(460)	(5)
MTCE OF PLANT ENGINES/GENER	0	729	3,750	5,000	(81)	0	4,061	(3,332)	(82)
MTCE OF PLANT/LAND IMPROVE	766	18,604	39,000	55,000	(52)	0	15,882	2,721	17
Total For Operating & Mtce Expense:	19,854	217,158	250,150	341,000	(13)	19,183	195,054	22,103	11
Transmission Expense									
TRANSMISSION MTCE AND EXPE	3,103	27,484	56,999	76,000	(52)	2,889	40,857	(13,372)	(33)
Total For Transmission Expense:	3,103	27,484	56,999	76,000	(52)	2,889	40,857	(13,372)	(33)
Distribution Expense									
REMOVE EXISTING SERVICE & M	0	936	1,500	2,000	(38)	101	101	834	819
SCADA EXPENSE	5,815	47,431	45,000	60,000	5	5,049	36,850	10,580	29
TRANSFORMER EXPENSE OH & U	1,875	12,697	18,749	25,000	(32)	2,147	12,718	(20)	0
MTCE OF SIGNAL SYSTEMS	395	3,276	2,250	3,000	46	0	1,010	2,265	224
METER EXPENSE - REMOVE & RE	0	1,110	1,125	1,500	(1)	0	466	644	138
TEMP SERVICE - INSTALL & REM	0	2,161	7,499	10,000	(71)	116	338	1,822	538
MISC DISTRIBUTION EXPENSE	26,125	312,415	315,000	420,000	(1)	26,470	290,255	22,160	8
Total For Distribution Expense:	34,212	380,030	391,124	521,500	(3)	33,885	341,742	38,288	11
Maintenance Expense									
MTCE OF STRUCTURES	8,203	70,556	69,000	92,000	2	7,648	64,180	6,375	10
MTCE OF SUBSTATIONS	3,148	10,679	33,750	45,000	(68)	146	8,106	2,572	32
MTCE OF SUBSTATION EQUIPME	639	35,945	112,500	150,000	(68)	(6,838)	80,926	(44,981)	(56)
MTCE OF OH LINES/TREE TRIM	772	159,027	224,500	300,000	(29)	1,813	214,225	(55,197)	(26)
MTCE OF OH LINES/STANDBY	4,547	33,298	37,500	50,000	(11)	4,392	32,946	352	1
MTCE OF OH PRIMARY	27,526	140,792	142,499	190,000	(1)	21,689	135,767	5,025	4
MTCE OF URD PRIMARY	34,611	259,104	225,000	300,000	15	12,119	202,098	57,005	28
LOCATE ELECTRIC LINES	15,368	88,106	93,750	125,000	(6)	11,695	77,462	10,643	14
LOCATE FIBER LINES	361	3,323	1,874	2,500	77	256	2,157	1,165	54
MTCE OF LINE TRANSFORMERS	56,454	87,089	56,250	75,000	55	699	38,028	49,061	129
MTCE OF STREET LIGHTING	8,744	47,173	51,750	69,000	(9)	9,839	58,751	(11,577)	(20)
MTCE OF SECURITY LIGHTING	500	12,849	18,749	25,000	(31)	1,144	17,942	(5,093)	(28)
MTCE OF METERS	3,778	18,127	60,000	80,000	(70)	5,056	52,059	(33,932)	(65)
VOLTAGE COMPLAINTS	0	2,913	9,000	12,000	(68)	169	4,612	(1,698)	(37)
SALARIES TRANSMISSION & DIST	2,839	26,440	27,000	36,000	(2)	2,921	22,940	3,500	15

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR PERIOD ENDING SEPTEMBER 2025

	2025 SEPTEMBER	2025 YTD	2025 YTD BUDGET	2025 ANNUAL BUDGET	2025 YTD Bud Var%	2024 SEPTEMBER	2024 YTD	YTD VARIANCE	2024 v. 2025 Actual Var%
Electric									
ELECTRIC MAPPING	8,507	113,720	116,250	155,000	(2)	4,566	107,589	6,130	6
FIBER MAPPING	0	0	11,250	15,000	(100)	0	0	0	0
MTCE OF OH SECONDARY	1,239	23,093	17,250	23,000	34	1,966	15,650	7,443	48
MTCE OF URD SECONDARY	8,278	65,442	56,250	75,000	16	4,698	43,434	22,007	51
TRANSPORTATION EXPENSE	20,949	200,893	243,749	325,000	(18)	4,749	210,211	(9,317)	(4)
Total For Maintenance Expense:	206,469	1,398,578	1,607,875	2,144,500	(13)	88,733	1,389,091	9,486	1
Depreciation & Amortization									
DEPRECIATION	233,646	2,092,755	2,003,561	2,671,415	4	219,404	1,975,438	117,316	6
AMORTIZATION	55,677	501,101	501,102	668,136	0	55,677	501,101	0	0
Total For Depreciation & Amortization:	289,324	2,593,857	2,504,663	3,339,551	4	275,082	2,476,540	117,316	5
Interest Expense									
INTEREST EXPENSE - BONDS	64,971	600,017	600,017	794,932	0	68,246	628,871	(28,854)	(5)
AMORTIZATION OF DEBT DISCOU	(4,988)	(44,896)	(44,896)	(59,863)	0	(4,988)	(44,896)	0	0
Total For Interest Expense:	59,982	555,120	555,120	735,069	0	63,257	583,974	(28,854)	(5)
Other Operating Expense									
EV CHARGING EXPENSE	108	1,378	1,050	1,400	31	248	1,934	(556)	(29)
LOSS ON DISPOSITION OF PROP (C	0	15,758	160,000	160,000	(90)	3,886	7,992	7,766	97
LOSS ON DISPOSITION OF PROP (N	0	15,437	0	0	0	0	0	15,437	0
OTHER DONATIONS	0	217	1,500	2,000	(86)	0	0	217	0
MUTUAL AID	0	7,012	0	0	0	0	27,519	(20,506)	(75)
PENSION EXPENSE	0	0	0	259,000	0	0	0	0	0
INTEREST EXPENSE - METER DEP	4,232	37,322	45,000	60,000	(17)	4,827	42,956	(5,633)	(13)
Total For Other Operating Expense:	4,340	77,126	207,550	482,400	(63)	8,962	80,402	(3,275)	(4)
Customer Accounts Expense									
METER READING EXPENSE	2,585	24,894	26,250	35,000	(5)	4,507	35,234	(10,339)	(29)
DISCONNECT/RECONNECT EXPEN	0	658	7,499	10,000	(91)	1,679	11,743	(11,085)	(94)
MISC CUSTOMER ACCOUNTS EXP	34,086	280,098	299,999	400,000	(7)	33,545	264,752	15,346	6
BAD DEBT EXPENSE & RECOVER	97	7,446	18,749	25,000	(60)	888	12,736	(5,290)	(42)
Total For Customer Accounts Expense:	36,769	313,098	352,499	470,000	(11)	40,622	324,467	(11,368)	(4)
Administrative Expense									
SALARIES OFFICE & COMMISSION	88,582	734,745	813,750	1,085,000	(10)	77,832	666,132	68,612	10
TEMPORARY STAFFING	0	0	2,999	4,000	(100)	0	0	0	0
OFFICE SUPPLIES	7,900	88,214	101,250	135,000	(13)	5,229	66,505	21,708	33
ELECTRIC & WATER CONSUMPTI	2,422	19,140	24,000	32,000	(20)	2,480	20,996	(1,855)	(9)
BANK FEES	219	2,068	2,250	3,000	(8)	207	2,028	40	2

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR PERIOD ENDING SEPTEMBER 2025

	2025 SEPTEMBER	2025 YTD	2025 YTD BUDGET	2025 ANNUAL BUDGET	2025 YTD Bud Var%	2024 SEPTEMBER	2024 YTD	YTD VARIANCE	2024 v. 2025 Actual Var%
Electric									
LEGAL FEES	3,824	12,688	22,500	30,000	(44)	4,729	19,848	(7,160)	(36)
AUDITING FEES	1,720	15,480	15,480	20,640	0	1,640	13,960	1,520	11
INSURANCE	10,584	120,914	146,250	195,000	(17)	15,385	138,960	(18,046)	(13)
UTILITY SHARE - DEFERRED COM	5,044	98,781	96,374	128,500	2	5,669	97,955	825	1
UTILITY SHARE - MEDICAL/DENT	62,820	702,848	735,779	942,322	(4)	62,660	667,810	35,037	5
UTILITY SHARE - PERA	27,137	248,086	241,125	321,500	3	24,285	228,829	19,257	8
UTILITY SHARE - FICA	26,993	245,195	236,625	315,500	4	24,020	223,694	21,501	10
EMPLOYEE SICK PAY	15,026	209,413	153,000	204,000	37	11,395	122,922	86,490	70
EMPLOYEE HOLIDAY PAY	15,953	110,556	113,225	194,100	(2)	14,812	103,764	6,791	7
EMPLOYEE VACATION & PTO PA	25,388	283,533	251,909	325,000	13	22,829	260,486	23,047	9
UPMIC DISTRIBUTION	19,218	59,534	64,500	86,000	(8)	31,639	75,435	(15,900)	(21)
LONGEVITY PAY	1,700	9,945	9,945	9,945	0	0	2,920	7,025	241
CONSULTING FEES	6,070	74,656	179,250	239,000	(58)	6,643	40,307	34,348	85
TELEPHONE	2,810	25,463	28,500	38,000	(11)	(455)	22,878	2,585	11
ADVERTISING	1,127	10,680	15,000	20,000	(29)	663	9,640	1,040	11
DUES & SUBSCRIPTIONS - FEES	15,152	106,311	114,006	152,009	(7)	10,952	92,882	13,429	14
SCHOOLS & MEETINGS	26,403	147,240	215,000	292,333	(32)	24,744	155,652	(8,411)	(5)
MTCE OF GENERAL PLANT & OFFI	865	7,785	8,250	11,000	(6)	845	7,605	180	2
Total For Administrative Expense:	366,966	3,333,284	3,590,970	4,783,849	(7)	348,211	3,041,216	292,067	10
General Expense									
CIP REBATES - RESIDENTIAL	17,929	74,538	68,068	90,758	10	7,139	65,824	8,713	13
CIP REBATES - COMMERCIAL	0	79,762	83,999	112,000	(5)	54,327	98,271	(18,509)	(19)
CIP - ADMINISTRATION	10,654	134,620	137,223	182,965	(2)	10,611	143,085	(8,464)	(6)
CIP - MARKETING	3,653	38,947	38,426	51,235	1	2,956	38,979	(31)	0
CIP - LABOR	8,942	79,161	100,366	133,822	(21)	8,554	74,292	4,868	7
CIP REBATES - LOW INCOME	0	0	14,040	18,720	(100)	0	3,468	(3,468)	(100)
CIP - LOW INCOME LABOR	860	7,456	7,499	10,000	(1)	711	6,980	475	7
ENVIRONMENTAL COMPLIANCE	3,024	24,237	26,250	35,000	(8)	3,294	25,358	(1,121)	(4)
MISC GENERAL EXPENSE	66	230	3,975	5,300	(94)	610	2,720	(2,490)	(92)
Total For General Expense:	45,131	438,954	479,849	639,800	(9)	88,205	458,982	(20,028)	(4)
Total Expenses(before Operating Transfers)	4,121,819	33,320,068	33,771,755	44,133,298	(1)	3,793,077	31,508,485	1,811,583	6
Operating Transfer									
Operating Transfer/Other Funds									
TRANSFER TO CITY ELK RIVER R	160,269	1,254,761	1,239,415	1,643,429	1	155,642	1,163,132	91,628	8

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR PERIOD ENDING SEPTEMBER 2025

	2025 SEPTEMBER	2025 YTD	2025 YTD BUDGET	2025 ANNUAL BUDGET	2025 YTD Bud Var%	2024 SEPTEMBER	2024 YTD	YTD VARIANCE	2024 v. 2025 Actual Var%
Electric									
Total For Operating Transfer/Other Funds:	160,269	1,254,761	1,239,415	1,643,429	1	155,642	1,163,132	91,628	8
Utilities & Labor Donated									
UTILITIES & LABOR DONATED TO	20,743	179,290	198,749	265,000	(10)	19,067	169,487	9,803	6
Total For Utilities & Labor Donated:	20,743	179,290	198,749	265,000	(10)	19,067	169,487	9,803	6
Total Operating Transfer									
Total For Total Operating Transfer:	181,012	1,434,051	1,438,165	1,908,429	0	174,710	1,332,619	101,432	8
Net Income Profit(Loss)	518,401	2,444,263	785,391	1,654,880	211	670,278	1,635,724	808,539	49

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR PERIOD ENDING SEPTEMBER 2025

	2025 SEPTEMBER	2025 YTD	2025 YTD BUDGET	2025 ANNUAL BUDGET	2025 YTD Bud Var%	2024 SEPTEMBER	2024 YTD	YTD VARIANCE	2024 v. 2025 Actual Var%
Water									
Revenue									
Operating Revenue									
Water Sales									
WATER SALES RESIDENTIAL	187,668	1,287,839	1,418,885	1,768,457	(9)	171,174	1,150,332	137,506	12
WATER SALES COMMERCIAL	118,695	764,422	782,027	1,024,735	(2)	106,794	716,716	47,705	7
WATER SALES IRRIGATION	63,914	240,782	279,979	350,120	(14)	54,252	209,566	31,215	15
Total For Water Sales:	370,278	2,293,044	2,480,891	3,143,313	(8)	332,220	2,076,615	216,428	10
Total Operating Revenue	370,278	2,293,044	2,480,891	3,143,313	(8)	332,220	2,076,615	216,428	10
Total For Total Operating Revenue:	370,278	2,293,044	2,480,891	3,143,313	(8)	332,220	2,076,615	216,428	10
Other Operating Revenue									
Interest/Dividend Income									
INTEREST & DIVIDEND INCOME	9,385	97,027	112,500	150,000	(14)	12,724	84,020	13,006	15
OTHER INTEREST/MISC REVENUE	0	566	749	1,000	(24)	0	558	8	1
Total For Interest/Dividend Income:	9,385	97,594	113,249	151,000	(14)	12,724	84,578	13,015	15
Customer Penalties									
CUSTOMER PENALTIES	2,764	25,864	20,999	28,000	23	2,979	18,229	7,635	42
Total For Customer Penalties:	2,764	25,864	20,999	28,000	23	2,979	18,229	7,635	42
Connection Fees									
WATER/ACCESS/CONNECTION FE	94,470	571,412	191,250	255,000	199	47,979	363,264	208,148	57
CUSTOMER CONNECTION FEES	6,417	50,858	24,374	32,500	109	4,044	25,606	25,251	99
BULK WATER SALES/HYDRANT R	2,084	14,013	23,249	31,000	(40)	3,946	16,710	(2,697)	(16)
Total For Connection Fees:	102,971	636,284	238,874	318,500	166	55,969	405,581	230,702	57
Misc Revenue									
MISC NON-UTILITY	30	340	74	100	355	25	75	264	349
GAIN ON DISPOSITION OF PROPER	0	0	8,000	8,000	(100)	0	0	0	0
MISCELLANEOUS REVENUE	41,308	62,500	375	500	16,567	0	716	61,783	8,617
HYDRANT MAINTENANCE PROGR	975	8,775	11,250	15,000	(22)	975	9,600	(825)	(9)
CONTRIBUTIONS FROM DEVELOP	0	44,590	0	0	0	0	0	44,590	0
WATER TOWER LEASE	0	0	0	327,500	0	0	0	0	0
LEASE INTEREST REVENUE	0	0	0	75,000	0	0	0	0	0
Total For Misc Revenue:	42,313	116,205	19,700	426,100	490	1,000	10,393	105,812	1,018
Total Other Revenue	157,435	875,948	392,824	923,600	123	72,675	518,783	357,164	69
Total For Total Other Revenue:	157,435	875,948	392,824	923,600	123	72,675	518,783	357,164	69

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR PERIOD ENDING SEPTEMBER 2025

	2025 SEPTEMBER	2025 YTD	2025 YTD BUDGET	2025 ANNUAL BUDGET	2025 YTD Bud Var%	2024 SEPTEMBER	2024 YTD	YTD VARIANCE	2024 v. 2025 Actual Var%
Water									
Total Revenue	527,713	3,168,992	2,873,716	4,066,913	10	404,895	2,595,399	573,593	22
Expenses									
Production Expense									
MTCE OF STRUCTURES	8,705	94,170	101,250	135,000	(7)	8,791	95,514	(1,343)	(1)
Total For Production Expense:	8,705	94,170	101,250	135,000	(7)	8,791	95,514	(1,343)	(1)
Pumping Expense									
SUPERVISION	7,292	59,063	56,999	76,000	4	6,557	53,025	6,037	11
ELECTRIC & GAS UTILITIES	26,931	218,846	232,499	310,000	(6)	23,969	196,016	22,830	12
SAMPLING	1,887	18,445	18,112	24,150	2	977	18,060	385	2
CHEMICAL FEED	4,307	37,056	37,500	50,000	(1)	2,877	30,001	7,054	24
MTCE OF WELLS	19,390	139,764	150,000	200,000	(7)	21,621	148,055	(8,291)	(6)
SCADA - PUMPING	(738)	7,321	9,000	12,000	(19)	3,954	10,006	(2,684)	(27)
Total For Pumping Expense:	59,070	480,498	504,112	672,150	(5)	59,956	455,166	25,331	6
Distribution Expense									
MTCE OF WATER MAINS	16,953	139,585	131,249	175,000	6	13,106	73,952	65,632	89
LOCATE WATER LINES	2,622	22,082	15,000	20,000	47	1,325	10,750	11,331	105
MTCE OF WATER SERVICES	0	0	375	500	(100)	0	0	0	0
WATER METER SERVICE	8,357	66,491	52,499	70,000	27	5,576	48,856	17,635	36
BACKFLOW DEVICE INSPECTION	3,332	17,559	18,950	23,160	(7)	1,378	15,569	1,989	13
MTCE OF CUSTOMERS SERVICE	3,016	25,415	26,250	35,000	(3)	2,727	24,655	760	3
WATER MAPPING	867	21,784	12,750	17,000	71	986	15,238	6,545	43
FIBER MAPPING	0	0	11,250	15,000	(100)	0	0	0	0
MTCE OF WATER HYDRANTS - PU	2,490	13,891	16,499	22,000	(16)	680	19,446	(5,555)	(29)
MTCE OF WATER HYDRANTS - PR	106	3,124	4,500	6,000	(31)	0	4,192	(1,067)	(25)
WATER CLOTHING/PPE	86	11,254	11,250	15,000	0	0	9,451	1,802	19
WAGES WATER	830	6,761	7,499	10,000	(10)	750	5,797	964	17
TRANSPORTATION EXPENSE	1,650	17,711	18,000	24,000	(2)	1,472	15,657	2,054	13
WATER PERMIT	0	20,382	27,000	27,000	(25)	0	26,255	(5,873)	(22)
Total For Distribution Expense:	40,313	366,044	353,075	459,660	4	28,006	269,824	96,219	36
Depreciation & Amortization									
DEPRECIATION	115,207	1,038,555	994,399	1,325,865	4	100,101	907,199	131,355	14
Total For Depreciation & Amortization:	115,207	1,038,555	994,399	1,325,865	4	100,101	907,199	131,355	14
Interest Expense									
INTEREST EXPENSE - BONDS	3,050	28,966	28,966	38,117	0	3,266	30,799	(1,833)	(6)

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR PERIOD ENDING SEPTEMBER 2025

Water		2025	2025	2025	2025	2025 YTD	2024	2024	YTD	2024 v. 2025
		SEPTEMBER	YTD	YTD BUDGET	ANNUAL BUDGET	Bud Var%	SEPTEMBER	YTD	VARIANCE	Actual Var%
	AMORTIZATION OF DEBT DISCOU	(554)	(4,988)	(4,988)	(6,651)	0	(554)	(4,988)	0	0
	Total For Interest Expense:	2,495	23,978	23,978	31,466	0	2,712	25,811	(1,833)	(7)
Other Operating Expense										
	LOSS ON DISPOSITION OF PROP (C	0	0	16,000	16,000	(100)	0	0	0	0
	LOSS ON DISPOSITION OF PROP (N	0	(16,271)	0	0	0	0	0	(16,271)	0
	DAM MAINTENANCE EXPENSE	0	388	0	0	0	0	177	211	119
	PENSION EXPENSE	0	0	0	44,000	0	0	0	0	0
	INTEREST EXPENSE - METER DEP	51	467	562	750	(17)	60	785	(318)	(41)
	Total For Other Operating Expense:	51	(15,415)	16,562	60,750	(193)	60	962	(16,378)	(1,701)
Customer Accounts Expense										
	METER READING EXPENSE	524	4,602	5,249	7,000	(12)	617	3,746	856	23
	MISC CUSTOMER ACCOUNTS EXP	9,661	72,537	73,500	98,000	(1)	8,410	67,947	4,590	7
	BAD DEBT EXPENSE & RECOVER	0	0	187	250	(100)	0	19	(19)	(100)
	Total For Customer Accounts Expense:	10,186	77,140	78,937	105,250	(2)	9,028	71,712	5,427	8
Administrative Expense										
	SALARIES OFFICE & COMMISSION	25,162	219,421	216,000	288,000	2	22,981	194,601	24,820	13
	TEMPORARY STAFFING	0	0	749	1,000	(100)	0	0	0	0
	OFFICE SUPPLIES	4,252	23,511	22,500	30,000	4	1,584	14,807	8,703	59
	ELECTRIC & WATER CONSUMPTI	605	4,787	5,249	7,000	(9)	620	5,251	(463)	(9)
	BANK FEES	54	528	524	700	1	51	522	5	1
	LEGAL FEES	9,261	20,277	3,750	5,000	441	785	3,877	16,400	423
	AUDITING FEES	430	4,416	5,024	6,700	(12)	410	4,036	379	9
	INSURANCE	3,502	31,410	33,000	44,000	(5)	3,555	31,507	(96)	0
	UTILITY SHARE - DEFERRED COM	853	16,904	18,074	24,100	(6)	899	16,339	565	3
	UTILITY SHARE - MEDICAL/DENT	17,345	179,084	208,074	269,977	(14)	15,545	158,803	20,280	13
	UTILITY SHARE - PERA	6,120	50,780	51,374	68,500	(1)	4,903	44,073	6,707	15
	UTILITY SHARE - FICA	5,920	50,381	49,500	66,000	2	4,734	43,570	6,811	16
	EMPLOYEE SICK PAY	3,287	37,678	26,250	35,000	44	2,641	22,704	14,973	66
	EMPLOYEE HOLIDAY PAY	3,554	23,154	24,222	41,525	(4)	3,126	19,096	4,058	21
	EMPLOYEE VACATION & PTO PA	4,723	54,193	51,272	66,000	6	4,041	47,494	6,699	14
	UPMIC DISTRIBUTION	4,436	12,941	13,875	18,500	(7)	6,274	16,027	(3,085)	(19)
	WELLHEAD PROTECTION	0	0	1,530	2,000	(100)	0	0	0	0
	LONGEVITY PAY	425	2,130	2,130	2,130	0	0	730	1,400	192
	CONSULTING FEES	3,059	39,136	43,049	57,400	(9)	1,456	10,521	28,614	272
	TELEPHONE	717	6,210	5,625	7,500	10	13	5,243	966	18

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR PERIOD ENDING SEPTEMBER 2025

	2025 SEPTEMBER	2025 YTD	2025 YTD BUDGET	2025 ANNUAL BUDGET	2025 YTD Bud Var%	2024 SEPTEMBER	2024 YTD	YTD VARIANCE	2024 v. 2025 Actual Var%
Water									
ADVERTISING	281	6,685	3,750	5,000	78	87	2,525	4,160	165
DUES & SUBSCRIPTIONS - FEES	1,836	57,914	68,461	89,961	(15)	1,222	59,942	(2,027)	(3)
SCHOOLS & MEETINGS	5,763	20,873	44,875	60,956	(53)	5,877	33,026	(12,152)	(37)
MTCE OF GENERAL PLANT & OFFI	216	1,944	2,062	2,750	(6)	211	1,899	45	2
Total For Administrative Expense:	101,811	864,367	900,928	1,199,699	(4)	81,024	736,599	127,767	17
General Expense									
CIP REBATES - RESIDENTIAL	0	621	3,750	5,000	(83)	223	820	(198)	(24)
CIP REBATES - COMMERCIAL	0	0	375	500	(100)	0	0	0	0
CIP - MARKETING	0	0	1,500	2,000	(100)	0	1,117	(1,117)	(100)
CIP - LABOR	0	0	1,874	2,500	(100)	0	0	0	0
ENVIRONMENTAL COMPLIANCE	69	1,799	1,500	2,000	20	63	517	1,281	247
MISC GENERAL EXPENSE	0	0	187	250	(100)	0	0	0	0
Total For General Expense:	69	2,421	9,187	12,250	(74)	287	2,454	(33)	(1)
Total Expenses(before Operating Transfers)	337,911	2,931,760	2,982,430	4,002,091	(2)	289,968	2,565,246	366,513	14
Operating Transfer									
Utilities & Labor Donated									
WATER & LABOR DONATED TO CI	48	48	1,500	2,000	(97)	0	0	48	0
Total Operating Transfer									
Total For Total Operating Transfer:	48	48	1,500	2,000	(97)	0	0	48	0
Net Income Profit(Loss)	189,753	237,184	(110,214)	62,821	315	114,927	30,152	207,031	687



September 2025 Financials

Report Highlights

August YTD Profit & Profit Margin %

Profit & Profit Margins % January 2025 – September 2025

\$2,681,448

6.64%

Revenue
\$40,367,377

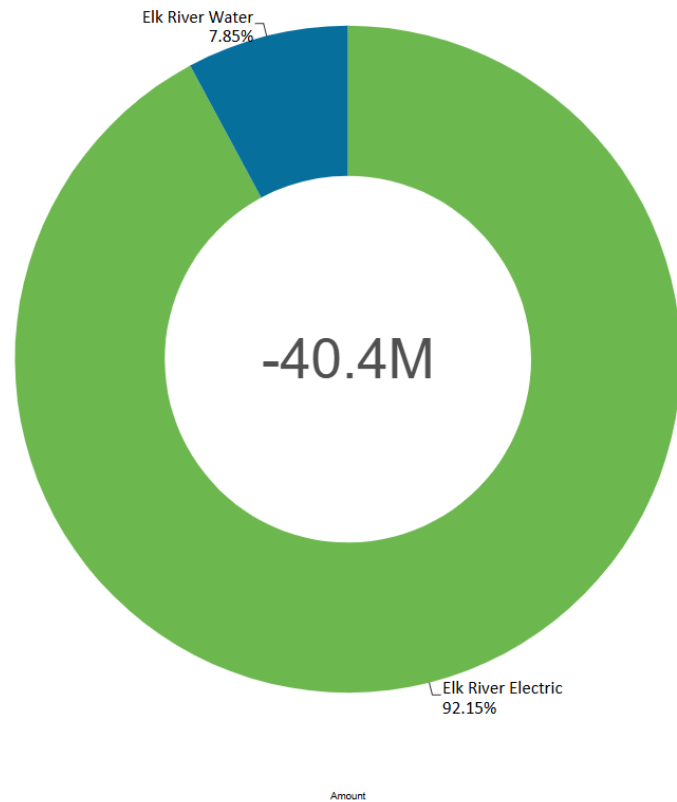
Expense
\$37,685,929

Purpose: To show the overall health of the organization.

- YTD ERMU's revenue is exceeding expenses by \$2.7M
- Resulting in a profit margin of 6.64%

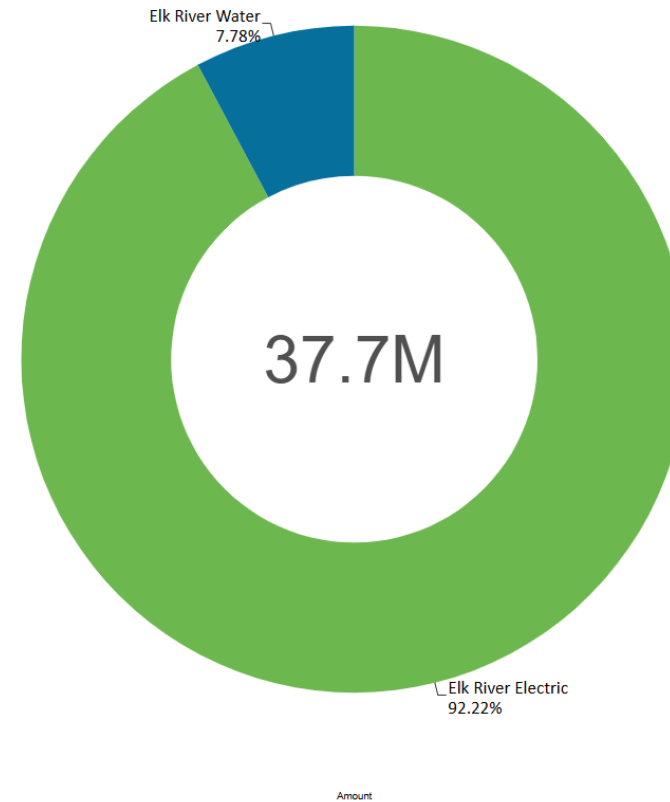
Revenue vs Expense (January – September)

REVENUE



REVENUE

EXPENSE



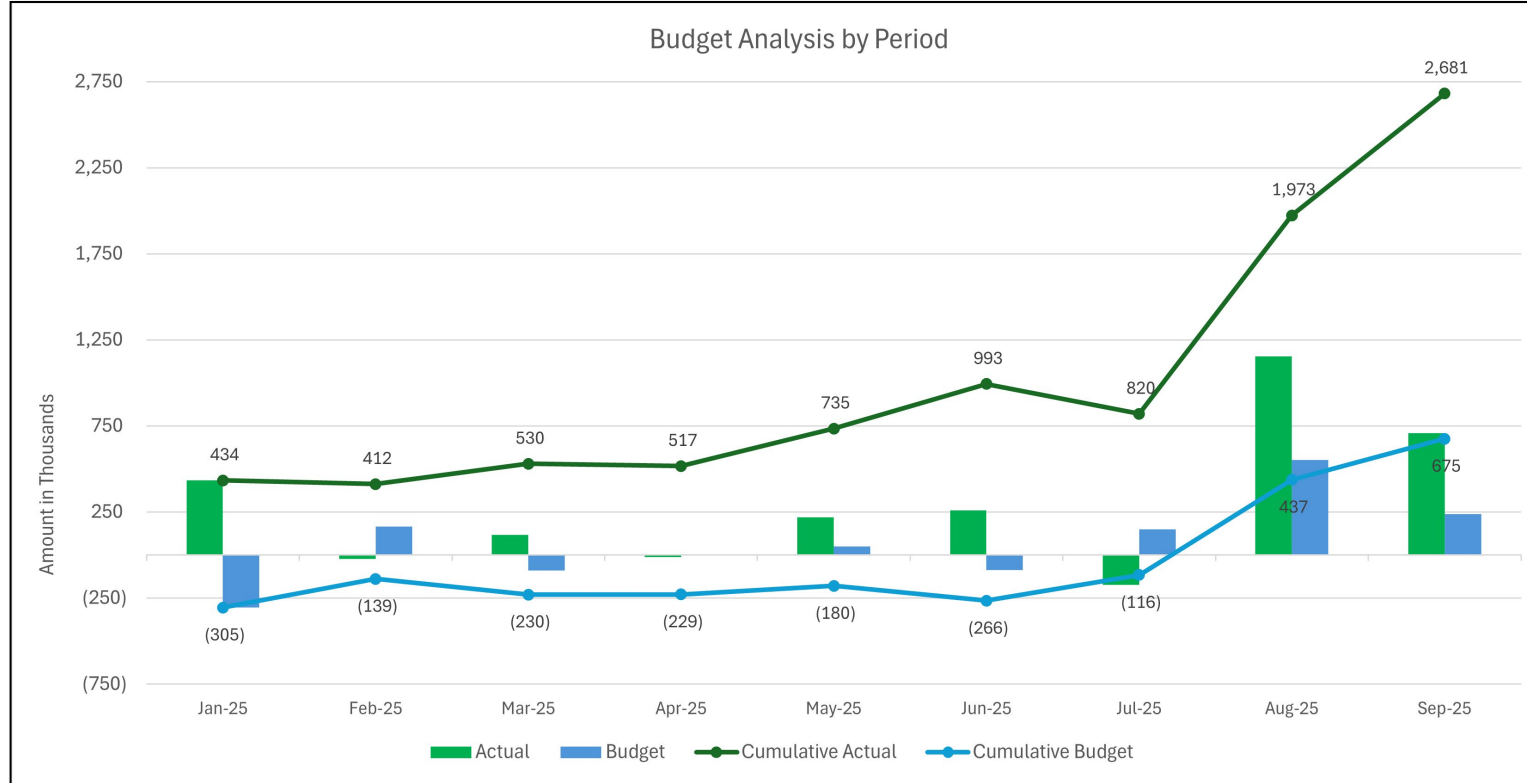
EXPENSE

Purpose: To compare revenue vs expense by utility service.

- Green illustrates electric and blue illustrates water.
- Overall, revenue is greater than expense.

PRESENTED AT MEETING - SEPTEMBER 2025 FINANCIAL PRESENTATION

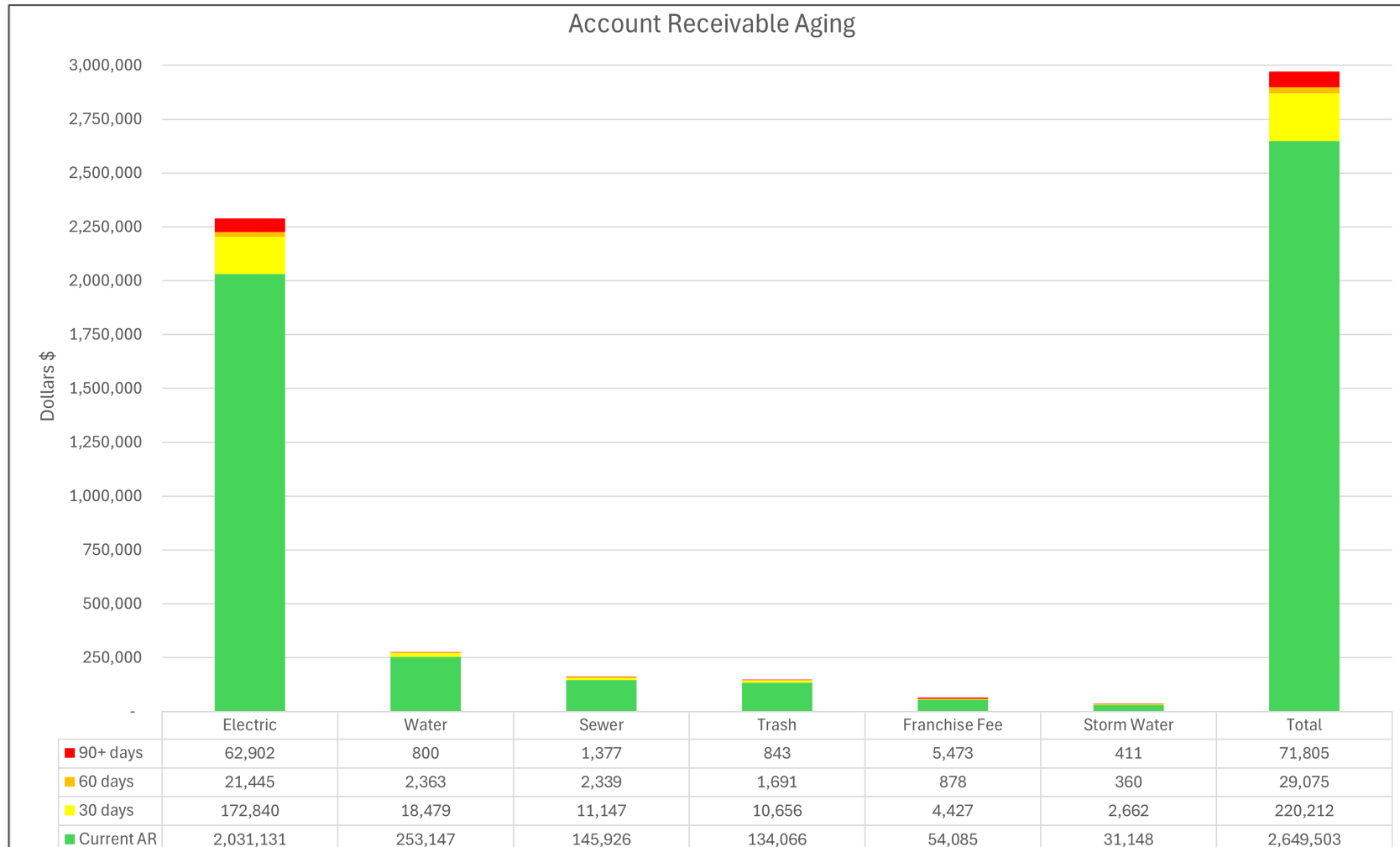
September YTD Actuals to Budget Comparison



Purpose: To illustrate the combined net position actuals versus budgeted amounts.

- Overall, ERMU is favorable to budget YTD

Accounts Receivable-Utility Aging 9/30/2025

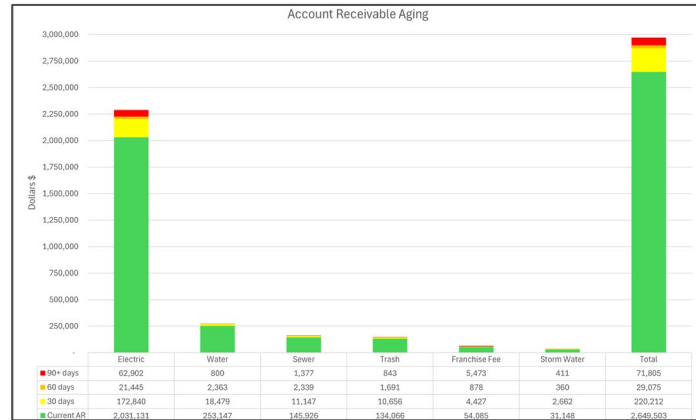


Purpose: an overview of outstanding payments from customers and how long they are past due.

- City services make up \$407k of total A/R balances of \$2.971M
- Over 90 days is only 2% of total A/R compared to 89% being current

**GREEN
IS
GOOD!**

Accounts Receivable-Utility Aging 9/30/2025

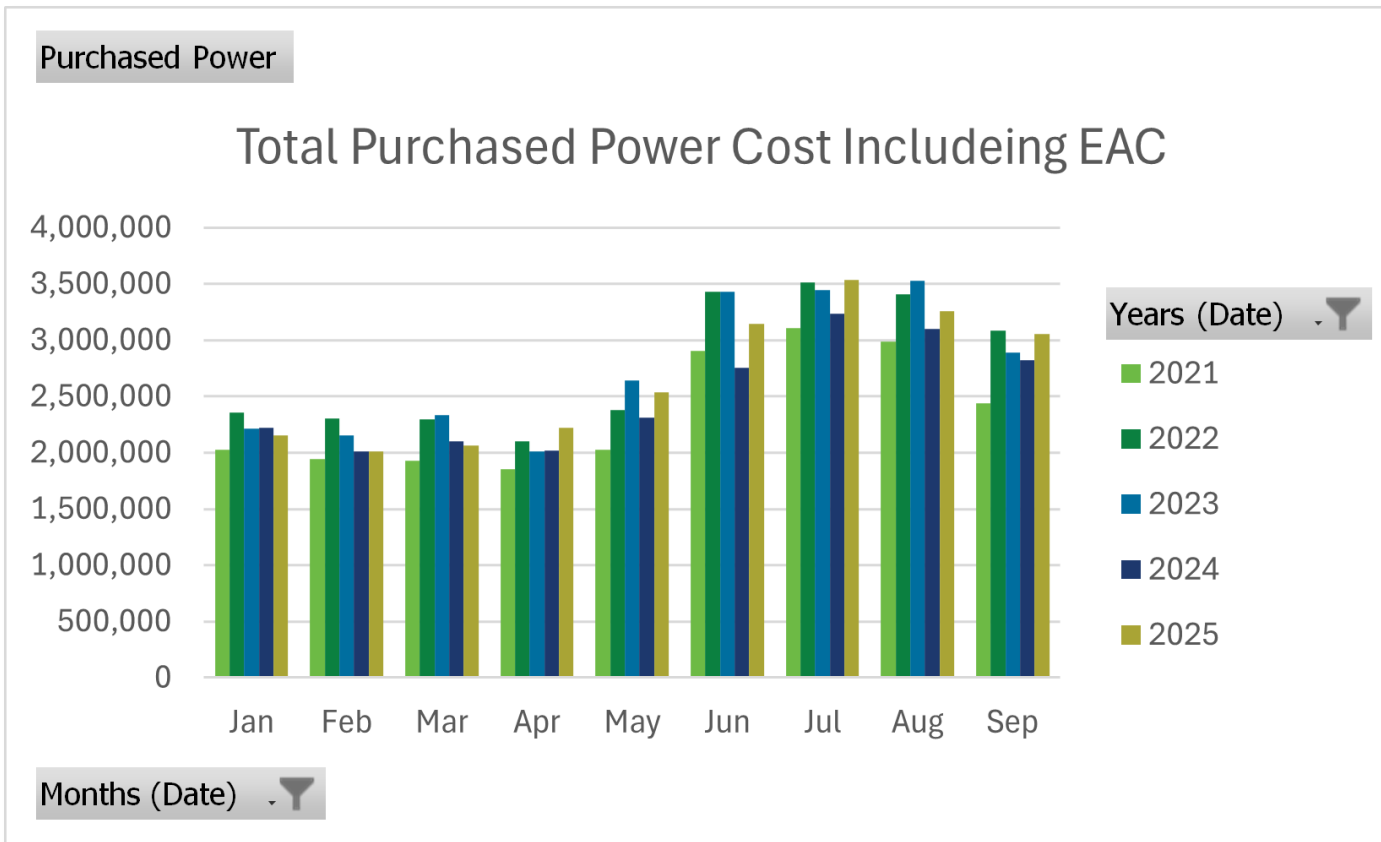


Note: Electric and water accounts receivable can be reviewed separately on the “Combined Balance Sheet” provided in the packet.

ELK RIVER MUNICIPAL UTILITIES ELK RIVER, MINNESOTA COMBINED BALANCE SHEET FOR PERIOD ENDING SEPTEMBER 2025

	ELECTRIC	WATER
ASSETS		
CURRENT ASSETS		
CASH	4,808,882	6,411,869
ACCOUNTS RECEIVABLE	2,793,498	5,293,924
INVENTORIES	2,294,289	58,808
PREPAID ITEMS	244,419	66,257
CONSTRUCTION IN PROGRESS	2,052,982	309,307
TOTAL CURRENT ASSETS	12,194,070	12,140,164

Electric Department – Purchased Power

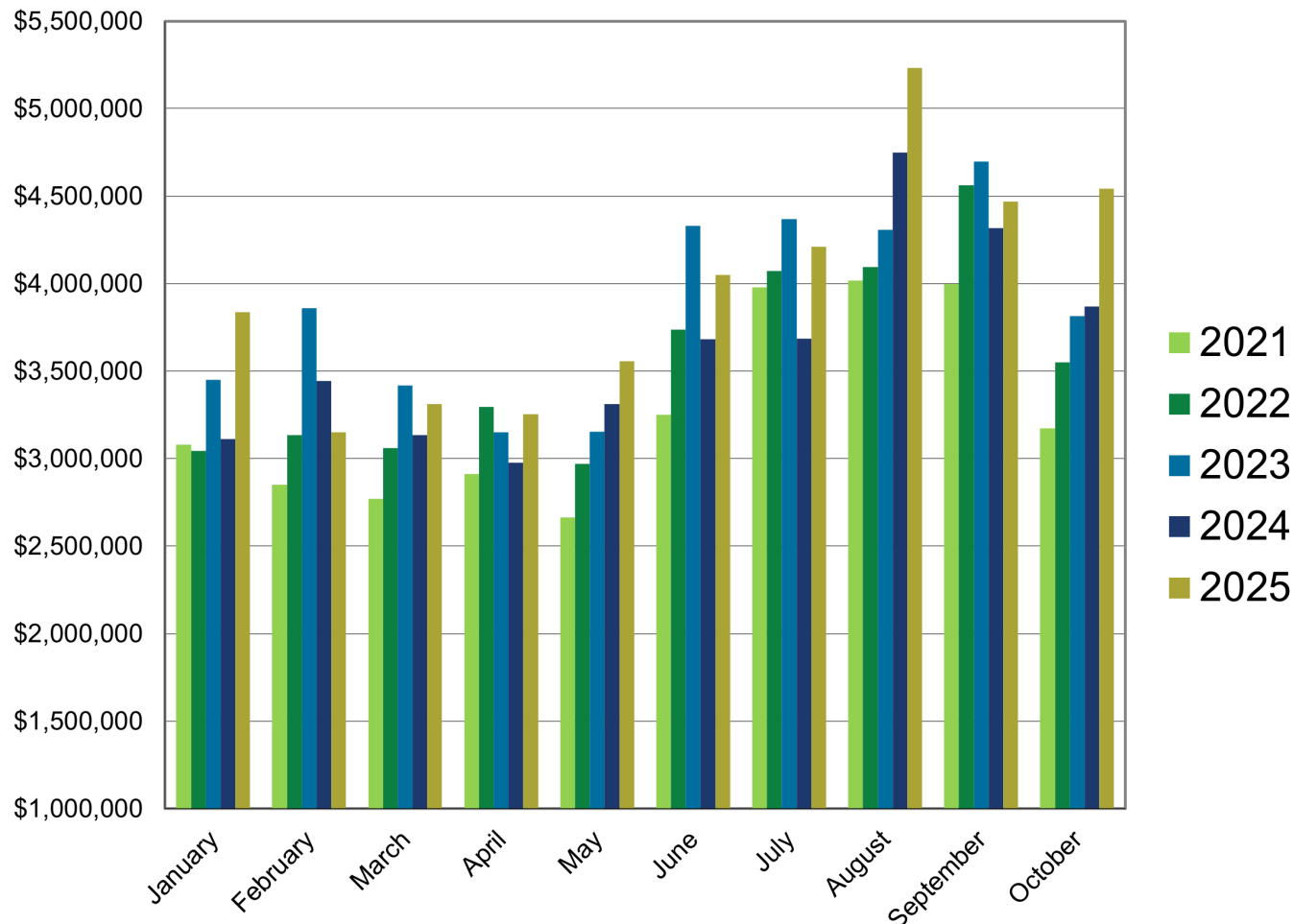


Purpose: To illustrate trends in purchased power costs.

- Purchased power 2025 YTD is approximately 69% of total expenses.
- 2025 YTD purchased power is unfavorable to budget 1%.
- 2025 is 6% higher than 2024. YTD 2025 is \$1.409M more than 2024. 3% higher kWh purchased which also results in higher EAC charges.

Electric Department – Electric Usage Sales

Monthly Electric Sales \$

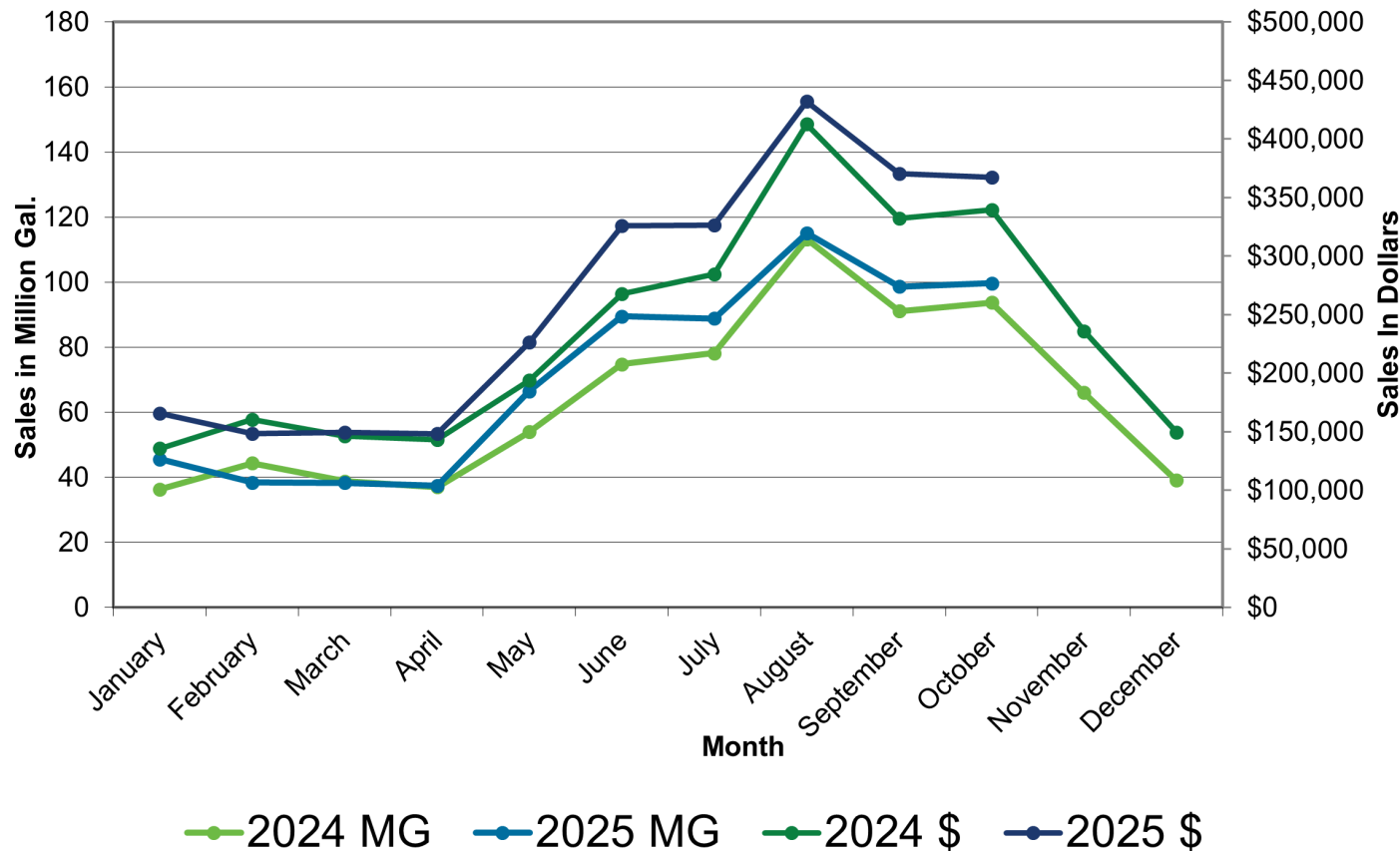


Purpose: To illustrate a 5-year comparison in electric usage sales.

- Usage can vary greatly from year to year with weather being a primary factor.
- Electric kWh usage is 6% higher in 2025 as compared to 2024.
- ***Through October 2025***

Water Department – Water Usage Sales

Elk River Municipal Utilities Monthly Water Sales



Purpose: To illustrate trends and view comparisons in water usage sales.

- Usage can vary greatly from year to year based on a variety of factors such as weather.
- The water sales graph highlights both usage and revenue dollars.
- Water usage is up YTD 9% over prior year.
- Revenue is up YTD 10% over prior year due to increased usage and rates.
- ***Through October 2025***



Thank You!

Melissa Karpinski, CPA - Finance Manager
mkarpinski@ermumn.com

TO: ERMU Commission	FROM: Mark Hanson - General Manager
MEETING DATE: November 12, 2025	AGENDA ITEM NUMBER: 5.02
SUBJECT: Electric and Water Cost of Service and Rate Design Study	
ACTION REQUESTED: None	

BACKGROUND:

ERMU staff have been working with Dave Berg Consulting, LLC to complete electric and water cost of service and rate design studies. The purpose of this work is to evaluate potential updates to ERMU's electric and water retail rates, as well as applicable utility fees. Staff evaluated changes in operating conditions, including but not limited to monthly fixed costs, additional service fees, potential changes to the financial reserve policy, and new data from the advance metering infrastructure (AMI) project related to electric and water usage.

DISCUSSION:

Mr. Berg will review the preliminary findings prior to the final reports, which are scheduled for discussion and approval at the December commission meeting. This review will replace the Governance agenda item, *Annual Business Plan – Review Proposed 2026 Rates and Other Revenue*.

Elk River Municipal Utilities Commission
Electric/Water Rate Study Update
Dave Berg – Dave Berg Consulting
November 12, 2025

- Study Summary
- Electric Operating Results at Existing Rates (no rate changes going forward)
- Electric Cost of Service Analysis attached
- Existing Electric Rates attached
- New Reserves Goal
- Power Cost Adjustment (PCA) Policy
- Electric Rate Increase Impacts
 - 2% per year = \$10 million reserve increase
 - 3% per year = \$15 million reserve increase
- Water Operating Results at Existing Rates (no rate changes going forward)
- Water Cost of Service Analysis attached
- Existing Water Rates attached
- New Reserves Goal
- Water Rate Increase Impacts
 - 3% per year = \$0.95 million reserve increase
 - 4% per year = \$1.3 million reserve increase
- December 9 meeting final recommendation

HANDOUT AT MEETING - RATE DESIGN STUDY

Exhibit 2-A

Elk River Municipal Utilities Electric Operating Results at Existing Rates

	Historical					Projected				
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
OPERATING REVENUES										
Charges for services	\$ 36,573,483	\$ 39,473,717	\$ 42,355,712	\$ 43,986,269	\$ 42,557,925	\$ 46,622,070	\$ 47,952,123	\$ 49,279,479	\$ 49,497,951	\$ 49,718,169
LFG project	1,141,482	1,019,097	935,004	-	-	-	-	-	-	-
Generation credit	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800
Connection maintenance	160,186	263,330	243,088	151,296	317,234	150,000	255,000	255,000	255,000	255,000
Customer penalties	42,556	-	284,452	308,374	295,143	285,000	305,000	305,000	305,000	305,000
Total Operating Revenues	\$ 37,922,507	\$ 40,760,944	\$ 43,823,056	\$ 44,450,739	\$ 43,175,102	\$ 47,061,870	\$ 48,516,923	\$ 49,844,279	\$ 50,062,751	\$ 50,282,969
OPERATING EXPENSES										
Purchased Power	\$ 24,240,440	\$ 28,169,146	\$ 31,544,604	\$ 31,232,788	\$ 28,590,698	\$ 31,019,478	\$ 31,596,071	\$ 32,060,510	\$ 32,532,005	\$ 33,017,341
Production	963,858	1,002,631	793,299	315,057	266,783	341,000	321,993	331,653	341,602	351,850
Transmission and Distribution	1,494,841	1,583,165	2,015,665	2,224,113	2,437,569	2,742,000	2,605,000	2,683,150	2,763,645	2,846,554
Services to City	229,086	224,814	231,861	253,564	229,359	265,000	-	-	-	-
Depreciation	2,896,839	2,957,685	3,062,751	3,177,120	3,317,829	3,339,552	3,533,136	3,805,265	3,932,057	4,076,885
Customer accounts	346,090	337,760	391,238	433,553	430,396	470,000	435,000	448,050	461,492	475,336
General and administrative	3,787,850	3,350,641	4,372,187	4,421,557	4,718,264	5,906,049	5,719,200	5,890,776	6,067,499	6,249,524
Total Operating Expenses	\$ 33,959,004	\$ 37,625,842	\$ 42,411,605	\$ 42,057,752	\$ 39,990,898	\$ 44,083,079	\$ 44,210,400	\$ 45,219,404	\$ 46,098,299	\$ 47,017,491
OPERATING INCOME	\$ 3,963,503	\$ 3,135,102	\$ 1,411,451	\$ 2,392,987	\$ 3,184,204	\$ 2,978,791	\$ 4,306,523	\$ 4,624,875	\$ 3,964,453	\$ 3,265,478
NON-OPERATING REVENUE (EXPENSE)										
Interest income	\$ 134,468	\$ 52,514	\$ (159,502)	\$ 158,310	\$ 338,157	\$ 350,000	350,000	350,000	350,000	350,000
Miscellaneous revenue	547,009	635,764	906,323	928,553	925,800	712,500	793,000	793,000	793,000	793,000
Interest expense and other	(606,313)	(836,474)	(851,199)	(811,210)	(773,748)	(735,069)	(699,543)	(678,256)	(671,606)	(631,606)
Gain (Loss) on sale of capital assets	23,263	(45,214)	41,938	59,556	(16,154)	25,000	25,000	25,000	25,000	25,000
Total Non-Operating Revenues (Expenses)	\$ 98,427	\$ (193,410)	\$ (62,440)	\$ 335,209	\$ 474,055	\$ 352,431	\$ 468,457	\$ 489,744	\$ 496,394	\$ 536,394
Income before Contributions and Transfers	\$ 4,061,930	\$ 2,941,692	\$ 1,349,011	\$ 2,728,196	\$ 3,658,259	\$ 3,331,222	\$ 4,774,980	\$ 5,114,619	\$ 4,460,846	\$ 3,801,872
Contributions from Customers	\$ 174,557	\$ 385,316	\$ 298,935	\$ 489,452	\$ 690,934	\$ 225,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000
Transfers to Other City Funds	(1,340,218)	(1,407,734)	(1,531,633)	(1,620,378)	(1,527,629)	\$ (1,908,429)	\$ (2,128,191)	\$ (2,186,416)	\$ (2,195,999)	\$ (2,205,659)
Special Item	-	-	-	-	-	-	-	-	-	-
CHANGE IN NET POSITION	\$ 2,896,269	\$ 1,919,274	\$ 116,313	\$ 1,597,270	\$ 2,821,564	\$ 1,647,793	\$ 2,996,789	\$ 3,278,203	\$ 2,614,847	\$ 1,946,213
As Percent of Revenues	7.6%	4.7%	0.3%	3.6%	6.5%	3.5%	6.2%	6.6%	5.2%	3.9%
UNRESTRICTED CASH RESERVES										
Beginning of Year						\$ 13,014,941	\$ 9,591,172	\$ 7,849,950	\$ 9,737,785	\$ 9,236,793
Plus Change in Net Position						1,647,793	2,996,789	3,278,203	2,614,847	1,946,213
Plus Depreciation						3,339,552	3,533,136	3,805,265	3,932,057	4,076,885
Plus Interfund Borrowing						-	1,400,000	-	(1,400,000)	-
Less Capital Improvements						(6,486,114)	(8,163,871)	(3,803,750)	(4,344,850)	(4,280,350)
Less Loss of Revenue Payments						(935,000)	(472,275)	(316,884)	(198,046)	(100,816)
Less Debt Principal						(990,000)	(1,035,000)	(1,075,000)	(1,105,000)	(1,140,000)
End of Year					\$ 13,014,941	\$ 9,591,172	\$ 7,849,950	\$ 9,737,785	\$ 9,236,793	\$ 9,738,725
Existing Reserve goal						\$ 9,181,524	\$ 8,926,859	\$ 9,125,130	\$ 9,299,725	\$ 9,484,684
Percent of goal						104%	88%	107%	99%	103%

**ELK RIVER MUNICIPAL UTILITIES
COMPARISON OF REVENUES AND
ALLOCATED ELECTRIC COSTS
2024 TEST YEAR**

Customer Classification	Total Allocated Costs	Total Revenues	Difference
Residential	\$ 16,283,647	\$ 16,583,227	\$ (299,580)
Commercial Non-demand	\$ 4,166,924	\$ 4,401,535	\$ (234,611)
Commercial Demand	\$ 14,258,918	\$ 13,875,362	\$ 383,556
Industrial	\$ 7,438,663	\$ 7,288,029	\$ 150,634
Total	\$ 42,148,152	\$ 42,148,152	\$ -

Customer Classification	Total Allocated Costs	Total Revenues	Difference
Residential	38.6%	39.3%	-1.8%
Commercial Non-demand	9.9%	10.4%	-5.3%
Commercial Demand	33.8%	32.9%	2.8%
Industrial	17.6%	17.3%	2.1%
Total	100.0%	100.0%	0.0%

Elk River Municipal Utilities
Existing and Proposed Electric Rates

<u>Class</u>	<u>Current Rate</u>
Residential ER012/ERA13	
Customer (per month)	\$ 15.00
Summer Energy (per kWh)	\$ 0.13734
Non-summer Energy (per kWh)	\$ 0.12548
Off Peak Storage ERSW1	
Energy (per kWh)	\$ 0.0501
Off Peak Dual Fuel Space Heating ERDF1	
Energy (per kWh)	\$ 0.0651
Ground Heat Pump EGSH	
Energy (per kWh)	\$ 0.0983
Electric Vehicle Charging EEVOF/EEVON	
Summer On -Peak (per kWh)	\$ 0.137334
Non-summer On-Peak (per kWh)	\$ 0.125480
Off -Peak (per kWh)	\$ 0.065100
Commercial Non-Demand ECN16/ECNAE	
Customer (per month)	\$ 32.00
Summer Energy (per kWh)	\$ 0.13304
Non-summer Energy (per kWh)	\$ 0.11141
Commercial Non-Demand Heat Pump ECGSH	
Customer (per month)	\$ 30.50
Energy (per kWh)	\$ 0.0983
Commercial Demand ECD15/EDG38	
Customer (per month)	\$ 77.00
Energy (per kWh)	\$ 0.07035
Summer Demand (per kW)	\$ 16.75
Non-summer Demand (per kW)	\$ 11.75
Commercial Demand On/Off Peak ECOP1/ECOP2	
Customer (per month)	\$ 77.00
Energy (per kWh)	\$ 0.07350
Summer Demand (per kW)	\$ 16.75
Non-summer Demand (per kW)	\$ 11.75
Off-peak Demand (per kW)	\$ 6.30
Large Industrial (Target/United Health)	
Customer (per month)	\$ 115.00
Energy (per kWh)	\$ 0.06962
Summer Demand (per kW)	\$ 16.25
Non-summer Demand (per kW)	\$ 11.25
Security Lights (per month)	
Standard Low Output w/ Wood Pole	\$ 10.00
Standard Low Output	\$ 12.00
Standard Medium Output	\$ 17.00
Standard High Output	\$ 22.00
Standard Low Output w/ Decorative Pole	\$ 24.00
Decorative Med Output w/ Decorative Pole	\$ 33.00

HANDOUT AT MEETING - RATE DESIGN STUDY

Exhibit 2-A

Elk River Municipal Utilities Water Operating Results at Existing Rates

	Historical					Projected				
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
OPERATING REVENUES										
Charges for services	\$ 2,613,812	\$ 3,049,140	\$ 2,887,276	\$ 3,305,148	\$ 2,803,602	\$ 3,053,746	\$ 3,053,746	\$ 3,053,746	\$ 3,053,746	\$ 3,053,746
Connection maintenance	56,931	71,520	75,365	55,733	72,409	63,500	65,000	65,000	65,000	65,000
Customer penalties	3,801	-	26,194	23,118	31,102	28,000	35,000	35,000	35,000	35,000
Total Operating Revenues	\$ 2,674,544	\$ 3,120,660	\$ 2,988,835	\$ 3,383,999	\$ 2,907,113	\$ 3,145,246	\$ 3,153,746	\$ 3,153,746	\$ 3,153,746	\$ 3,153,746
OPERATING EXPENSES										
Production	\$ 502,748	\$ 674,815	\$ 681,079	\$ 667,881	\$ 780,844	\$ 807,150	\$ 793,000	\$ 816,790	\$ 841,294	\$ 866,533
Distribution	251,259	412,534	307,192	321,566	462,083	520,410	498,125	513,069	528,461	544,315
Services to City	463	1,259	540	-	-	2,000	2,000	2,000	2,000	2,000
Depreciation	1,133,179	1,139,802	1,117,357	1,174,752	1,223,033	1,325,866	1,415,000	1,488,828	1,514,770	1,844,058
Customer accounts	66,509	72,213	81,285	88,640	96,615	105,250	104,250	107,378	110,599	113,917
General and administrative	719,527	844,475	980,528	943,138	1,006,969	1,211,950	1,315,595	1,355,063	1,395,715	1,437,587
Total Operating Expenses	\$ 2,673,685	\$ 3,145,098	\$ 3,167,981	\$ 3,195,977	\$ 3,569,544	\$ 3,972,626	\$ 4,127,970	\$ 4,283,128	\$ 4,392,839	\$ 4,808,409
OPERATING INCOME	\$ 859	\$ (24,438)	\$ (179,146)	\$ 188,022	\$ (662,431)	\$ (827,380)	\$ (974,224)	\$ (1,129,382)	\$ (1,239,092)	\$ (1,654,663)
NON-OPERATING REVENUE (EXPENSE)										
Interest income	\$ 33,454	\$ 24,677	\$ (30,592)	\$ 57,360	\$ 104,286	\$ 151,000	\$ 126,000	\$ 135,205	\$ 145,410	\$ 139,799
Miscellaneous revenue	262,311	292,330	424,994	418,451	429,016	418,100	473,350	473,350	473,350	473,350
Interest expense and other	(23,516)	(65,296)	(40,948)	(36,444)	(33,949)	(31,466)	(28,782)	(33,800)	(31,000)	(28,000)
New debt interest	-	-	-	-	-	-	-	-	(166,400)	(332,800)
Gain (Loss) on sale of capital assets	3,507	(662)	(9,150)	2,940	(5,090)	8,000	4,000	4,000	4,000	4,000
Total Non-Operating Revenues (Expenses)	\$ 275,756	\$ 251,049	\$ 344,304	\$ 442,307	\$ 494,263	\$ 545,634	\$ 574,568	\$ 578,755	\$ 425,360	\$ 256,349
Income before Contributions and Transfers	\$ 276,615	\$ 226,611	\$ 165,158	\$ 630,329	\$ (168,168)	\$ (281,746)	\$ (399,657)	\$ (550,626)	\$ (813,732)	\$ (1,398,314)
Connection Fees	\$ 595,482	\$ 548,948	\$ 1,547,930	\$ 253,341	\$ 477,998	\$ 255,000	\$ 366,000	\$ 500,000	\$ 500,000	\$ 500,000
Contributions from Developers	477,194	552,920	940,306	-	-	-	-	-	-	-
Contributions from Customers	-	-	-	-	21,910	-	-	-	-	-
Transfers from/(to) Other City Funds	-	195,245	-	1,348,943	-	-	(61,075)	(61,075)	(61,075)	(61,075)
Grants	-	3,288	-	-	-	-	-	-	-	-
CHANGE IN NET POSITION	\$ 1,349,291	\$ 1,527,012	\$ 2,653,394	\$ 2,232,613	\$ 331,740	\$ (26,746)	\$ (94,732)	\$ (111,701)	\$ (374,807)	\$ (959,388)
As Percent of Revenues	50.4%	48.9%	88.8%	66.0%	11.4%	-0.9%	-3.0%	-3.5%	-11.9%	-30.4%
UNRESTRICTED CASH RESERVES										
Beginning of Year						\$ 9,961,189	\$ 9,603,680	\$ 7,239,099	\$ 7,767,976	\$ 8,354,289
Plus Change in Net Position						(26,746)	(94,732)	(111,701)	(374,807)	(959,388)
Plus Depreciation						1,325,866	1,415,000	1,488,828	1,514,770	1,844,058
Interfund Borrowing							(1,400,000)		1,400,000	
Plus Debt Proceeds						-	-	-	8,000,000	-
Less Debt Principal						(65,000)	(70,000)	(70,000)	(75,000)	(75,000)
Less New Debt Principal						-	-	-	-	(279,400)
Less Capital Improvements						(1,591,629)	(2,214,850)	(778,250)	(9,878,650)	(852,650)
End of Year					\$ 9,961,189	\$ 9,603,680	\$ 7,239,099	\$ 7,767,976	\$ 8,354,289	\$ 8,031,909
Existing Reserve goal						\$ 1,422,162	\$ 1,460,285	\$ 1,669,550	\$ 2,154,234	\$ 2,199,375
Percent of goal						675%	496%	465%	388%	365%

**ELK RIVER MUNICIPAL UTILITIES
COMPARISON OF REVENUES AND
ALLOCATED WATER COSTS
2024 TEST YEAR**

Customer Classification	Total Allocated Costs	Total Revenues	Difference
Residential	\$ 1,507,470	\$ 1,564,571	\$ (57,101)
Commercial/Industrial	\$ 1,303,534	\$ 1,246,433	\$ 57,101
Total	<u>\$ 2,811,004</u>	<u>\$ 2,811,004</u>	<u>\$ -</u>

Customer Classification	Total Allocated Costs	Total Revenues	Difference
Residential	53.6%	55.7%	-3.6%
Commercial/Industrial	46.4%	44.3%	4.6%
Total	<u>100.0%</u>	<u>100.0%</u>	<u>0.0%</u>

Elk River Municipal Utilities
Existing and Proposed Water Rates

<u>Class</u>	<u>Current Rate</u>
<u>Residential</u>	
Customer (per month)	\$ 10.23
<u>Usage</u>	
Tier 1 (\$/1000 gallons) 0-9000 gallons	\$ 2.04
Tier 2 (\$/1000 gallons) 9000-15,000 gallons	\$ 3.64
Tier 3 (\$/1000 gallons) over 15,000 gallons	\$ 4.20
<u>Commercial</u>	
<u>Customer (per month)</u>	
3/4 inch	\$ 12.27
1 inch	\$ 13.65
1 1/4 inch	\$ 15.02
1 1/2 inch	\$ 16.38
2 inch	\$ 21.83
3 inch	\$ 47.75
4 inch	\$ 65.48
6 inch	\$ 95.49
8 inch	\$ 129.60
Irrigation	\$ 21.83
<u>Usage</u>	
Tier 1 (\$/1000 gallons)	\$ 2.04
Tier 2 (\$/1000 gallons)	\$ 3.64
Tier 3 (\$/1000 gallons)	\$ 4.20
Tiers adjust based on winter usage	

TO: ERMU Commission	FROM: Mark Hanson - General Manager
MEETING DATE: November 12, 2025	AGENDA ITEM NUMBER: 5.03
SUBJECT: Payment in Lieu of Taxes to City of Elk River	
ACTION REQUESTED: Approve Revisions to Commission Policy G.2a1 - Payment In Lieu of Taxes (PILOT) and Other Donations to the City of Elk River	

BACKGROUND:

At the October 14, 2025, commission meeting, commission members discussed revisions to ERMU's Payment in Lieu of Taxes (PILOT) policy. Commission Policy G.2a1, Payment in Lieu of Taxes and Other Donations to the City of Elk River outlines the PILOT agreement between the City Council and the ERMU Commission. The Commission discussed several options for revising ERMU's PILOT policy to bring it in line with the national (5.1%), regional (4.8%), and revenue-based (5.0%) medians presented in the American Public Power Association's (APPA) May 2024 Public Power Pays Back report, which was included in the October packet. ERMU's current revenue transfer is 4.0% plus approximately 0.62% in donated labor, materials, and electricity.

DISCUSSION:

The Commission directed staff to review the following potential revisions to the PILOT policy and bring back redline updates for review and approval by the Commission.

- 1) Increase the revenue transfer from 4.0% to 5.0% of the revenue generated by ERMU's electric customers within the corporate boundaries of the City of Elk River. Customers qualifying for the Transmission Transformed Service (TTS) rate will remain exempt from the revenue transfer. ERMU currently has no TTS customers. For 2026, this would increase ERMU's revenue transfer by a projected \$434,365 to \$2,171,826.
- 2) Create a revenue transfer exemption for catastrophic events resulting in an increased energy adjustment clause (EAC) from our power supplier, Minnesota Municipal Power Agency (MMPA). The 5% revenue transfer would not be paid on the increased EAC. A catastrophic event would be defined by MMPA's use of their rate stabilization fund to offset the impact of the catastrophic event on its members.
- 3) Institute a revenue transfer of 2% of the revenue generated by ERMU's water customers. ERMU currently does not make a water revenue transfer. For 2026, this would result in a projected revenue transfer of \$63,000.

At the October commission meeting, the Commission discussed a 3% revenue transfer due, in part, to the expected ability to charge the city for water that was previously donated. Staff have not been able to determine a consistent means of accurately capturing the estimated \$26,200 in water used by the city for firefighting, ice rinks, and street sweeping. Consequently, staff recommend starting with a 2% revenue transfer.

- 4) ERMU shall begin charging the City of Elk River for all electricity for streetlights and signal lights. These costs are currently donated.
- 5) ERMU shall continue donating water to the City of Elk River for use by:
 - a. The Elk River Fire Department (ERFD) for the purpose of extinguishing fires within the City of Elk River and other cities under contract with the ERFD.
 - b. The Elk River Parks Department for the purpose of creating ice rinks for public/non-enterprise use.
 - c. The Elk River Streets Department for the purpose of street sweeping.
- 6) ERMU shall begin charging the City of Elk River for labor costs associated with specific tasks when requested by the City. Examples include, but are not limited to, hanging banners, maintenance of street lighting and warning sirens, re-lamping of signal lights and city ball fields, installation of temporary lighting, locating of underground wires, tree trimming, and dam maintenance. These costs are currently donated.

The projected net change in electric PILOT contribution is an increase of \$154,365 (\$434,365 revenue transfer increase – \$272,000 in electric charges – \$8,000 in labor charges). For water, the projected net increase is \$61,680 (\$63,000 revenue transfer - \$1,320 in labor charges).

The attached redline PILOT policy reflects these changes. A clean policy is also attached.

ATTACHMENTS:

- ERMU Policy - G.2a1 - Payment In Lieu of Taxes (PILOT) and Other Donations to the City of Elk River (redlined copy)
- ERMU Policy G.2a1 - Payment In Lieu of Taxes (PILOT) and Other Donations to the City of Elk River (clean copy)

Section: Governance	Category: Governance Policies
Policy Reference: G.2a1	Policy Title: Payment in Lieu of Taxes and Other Donations to the City of Elk River

PURPOSE:

The success of ERMU is linked with the success of our community. And the success of our community is linked with the operation of our city government and ERMU. ERMU was purchased by the City of Elk River in 1945 and separate governance was created per State Statute in 1947. Although governed separately, ERMU is still an important component of our local government and our city services.

It is typical for a municipal utility to provide a Payment in Lieu of Taxes (PILOT) and other donations to their city, regardless of a separation of governance. Although typical, this contribution should never inhibit ERMU's ability to make repayment on debt, cause ERMU to become non-competitive, or inhibit needed investment in personnel or infrastructure which may hurt ERMU's ability to meet the needs of their customers. For these reasons the PILOT and other donations should be reviewed at least once every five (5) years by the ERMU Commission.

POLICY:

The PILOT and other donations to the City of Elk River shall be as follows:

1. Payment in Lieu of Taxes (PILOT); Electric – The electric PILOT transfer from Elk River Municipal Utilities to the City of Elk River shall be four-five percent (45%) of the revenues generated by ERMU's electric customers, except customers qualifying for the Transmission Transformed Service rate, within the corporate boundaries of the City of Elk River.

For the customers that qualify for the Transmission Transformed Service rate, the PILOT transfer from ERMU to the City of Elk River shall be four-five percent (45%) of the margin remaining from the evenly split charge per kWh to cover dispatching, billing, and administrative costs incurred by the wholesale power provider and ERMU.

Should a catastrophic event occur, the five percent (5%) revenue transfer shall not be paid on the increased energy adjustment clause (EAC) from our power supplier, Minnesota

Municipal Power Agency (MMPA). A catastrophic event shall be defined by MMPA's use of their rate stabilization fund to offset the impact of the catastrophic event on its members.

~~1.2.~~Payment in Lieu of Taxes (PILOT); Water – The water PILOT transfer from Elk River Municipal Utilities to the City of Elk River shall be two percent (2%) of the revenues generated by ERMU's water customers.

~~2. Donated Electricity – Elk River Municipal Utilities shall donate all electricity to the City of Elk River for street lights and signal lights.~~

~~3. Donated Water – Elk River Municipal Utilities shall donate water~~ to the City of Elk River:

- ~~• For use by the Elk River Fire Department (ERFD) for the purpose of extinguishing fires within the City of Elk River and other cities under contract with the Elk River Fire Department.~~
- ~~• For the purpose of creating ice rinks for public/-non-enterprise use, ERMU shall donate water for use by the Elk River Parks Department.~~
- ~~• Elk River Municipal Utilities shall donate water for the use by the Elk River Streets Department for the use purpose of street sweeping.~~

~~3. Donated Labor – Because of specialized skills and equipment, ERMU may be able to provide a better value to our community by donating labor to the City of Elk River. For example, ERMU has trained employees and the equipment to hang banners where the City does not. In this example, ERMU is able to provide this donated service to the City for less cost than a third party, creating greater value to our community. For such situations, ERMU shall donate labor to the City of Elk River, as appropriate, where a greater value is created for our community and where ERMU is not subjected to undue burden.~~

~~In addition to hanging banners, other examples include: maintenance of street lighting, relamping signal lights, locating underground fiber optics and/or other facilities, administration costs associated with the billing of city franchise fees, installation of temporary lighting, relamping of city ball field lighting, installation and/or maintenance of city warning sirens, meter reading for wastewater, assistance with tree trimming, etc...~~

POLICY HISTORY:

Adopted December 6, 1994

Revised June 6, 2008

Revised July 2, 2013

Revised October 13, 2015

Revised January 1, 2016

Revised October 8, 2019

Revised May 11, 2021

Reviewed October 10, 2023

[Revised November 12, 2025](#)

Section: Governance	Category: Governance Policies
Policy Reference: G.2a1	Policy Title: Payment in Lieu of Taxes and Other Donations to the City of Elk River

PURPOSE:

The success of ERMU is linked with the success of our community. And the success of our community is linked with the operation of our city government and ERMU. ERMU was purchased by the City of Elk River in 1945 and separate governance was created per State Statute in 1947. Although governed separately, ERMU is still an important component of our local government and our city services.

It is typical for a municipal utility to provide a Payment in Lieu of Taxes (PILOT) and other donations to their city, regardless of a separation of governance. Although typical, this contribution should never inhibit ERMU's ability to make repayment on debt, cause ERMU to become non-competitive, or inhibit needed investment in personnel or infrastructure which may hurt ERMU's ability to meet the needs of their customers. For these reasons the PILOT and other donations should be reviewed at least once every five (5) years by the ERMU Commission.

POLICY:

The PILOT and other donations to the City of Elk River shall be as follows:

1. Payment in Lieu of Taxes (PILOT); Electric – The electric PILOT transfer from Elk River Municipal Utilities to the City of Elk River shall be five percent (5%) of the revenues generated by ERMU's electric customers, except customers qualifying for the Transmission Transformed Service rate, within the corporate boundaries of the City of Elk River.

For the customers that qualify for the Transmission Transformed Service rate, the PILOT transfer from ERMU to the City of Elk River shall be five percent (5%) of the margin remaining from the evenly split charge per kWh to cover dispatching, billing, and administrative costs incurred by the wholesale power provider and ERMU.

Should a catastrophic event occur, the five percent (5%) revenue transfer shall not be paid on the increased energy adjustment clause (EAC) from our power supplier, Minnesota

Municipal Power Agency (MMPA). A catastrophic event shall be defined by MMPA's use of their rate stabilization fund to offset the impact of the catastrophic event on its members.

2. Payment in Lieu of Taxes (PILOT); Water – The water PILOT transfer from Elk River Municipal Utilities to the City of Elk River shall be two percent (2%) of the revenues generated by ERMU's water customers.
3. Donated Water – Elk River Municipal Utilities shall donate water to the City of Elk River:
 - For the purpose of extinguishing fires within the City of Elk River and other cities under contract with the Elk River Fire Department.
 - For the purpose of creating ice rinks for public/non-enterprise use.
 - For the purpose of street sweeping.

POLICY HISTORY:

Adopted December 6, 1994
Revised June 6, 2008
Revised July 2, 2013
Revised October 13, 2015
Revised January 1, 2016
Revised October 8, 2019
Revised May 11, 2021
Reviewed October 10, 2023
Revised November 12, 2025



COMMISSION POLICY

Section: Governance	Category: Governance Policies
Policy Reference: G.2a1	Policy Title: Payment in Lieu of Taxes and Other Donations to the City of Elk River

PURPOSE:

The success of ERMU is linked with the success of our community. And the success of our community is linked with the operation of our city government and ERMU. ERMU was purchased by the City of Elk River in 1945 and separate governance was created per State Statute in 1947. Although governed separately, ERMU is still an important component of our local government and our city services.

It is typical for a municipal utility to provide a Payment in Lieu of Taxes (PILOT) and other donations to their city, regardless of a separation of governance. Although typical, this contribution should never inhibit ERMU's ability to make repayment on debt, cause ERMU to become non-competitive, or inhibit needed investment in personnel or infrastructure which may hurt ERMU's ability to meet the needs of their customers. For these reasons the PILOT and other donations should be reviewed at least once every five (5) years by the ERMU Commission.

POLICY:

The PILOT and other donations to the City of Elk River shall be as follows:

1. Payment in Lieu of Taxes (PILOT); Electric – The electric PILOT transfer from Elk River Municipal Utilities to the City of Elk River shall be four-five percent (45%) of the revenues generated by ERMU's electric customers, except customers qualifying for the Transmission Transformed Service rate, within the corporate boundaries of the City of Elk River.

For the customers that qualify for the Transmission Transformed Service rate, the PILOT transfer from ERMU to the City of Elk River shall be four-five percent (45%) of the margin remaining from the evenly split charge per kWh to cover dispatching, billing, and administrative costs incurred by the wholesale power provider and ERMU.

Should a catastrophic event occur, the five percent (5%) revenue transfer shall not be paid on the increased energy adjustment clause (EAC) from our power supplier, Minnesota Municipal Power Agency (MMPA). A catastrophic event shall be defined by as an event so

ERMU Commission Policy – G.2a1 Payment in Lieu of Taxes and Other Donations to the City of Elk River

devastating that MMPA's use of their rate stabilization fund to offset the impact of the catastrophic event on its members, alone is insufficient, requiring MMPA to pass on the additional expenses to its members through significantly increased EAC charges.

1.2. Payment in Lieu of Taxes (PILOT); Water – The water PILOT transfer from Elk River Municipal Utilities to the City of Elk River shall be two percent (2%) of the revenues generated by ERMU's water customers.

2. Donated Electricity – Elk River Municipal Utilities shall donate all electricity to the City of Elk River for street lights and signal lights.

3. Donated Water – Elk River Municipal Utilities shall donate water to the City of Elk River:

- Ffor use by the Elk River Fire Department (ERFD) for the purpose of extinguishing fires within the City of Elk River and other cities under contract with the Elk River Fire Department ERFD.
- For For the purpose of creating ice rinks for public/-non-enterprise use, ERMU shall donate water for use by the Elk River Parks Department.
- Elk River Municipal Utilities shall donate water Ffor the use by the Elk River Streets Department for the use purpose of of street sweeping.

3. Donated Labor – Because of specialized skills and equipment, ERMU may be able to provide a better value to our community by donating labor to the City of Elk River. For example, ERMU has trained employees and the equipment to hang banners where the City does not. In this example, ERMU is able to provide this donated service to the City for less cost than a third party, creating greater value to our community. For such situations, ERMU shall donate labor to the City of Elk River, as appropriate, where a greater value is created for our community and where ERMU is not subjected to undue burden.

In addition to hanging banners, other examples include: maintenance of street lighting, relamping signal lights, locating underground fiber optics and/or other facilities, administration costs associated with the billing of city franchise fees, installation of temporary lighting, relamping of city ball field lighting, installation and/or maintenance of city warning sirens, meter reading for wastewater, assistance with tree trimming, etc...

POLICY HISTORY:

Adopted December 6, 1994

Revised June 6, 2008

Revised July 2, 2013

Revised October 13, 2015

Revised January 1, 2016

ERMU Commission Policy – G.2a1 Payment in Lieu of Taxes and Other Donations to the City of Elk River

Revised October 8, 2019

Revised May 11, 2021

Reviewed October 10, 2023

Revised November 12, 2025

TO: ERMU Commission	FROM: Mark Hanson - General Manager
MEETING DATE: November 12, 2025	AGENDA ITEM NUMBER: 5.05
SUBJECT: ERMU Management Policy – A.10 – Financial Reserves	
ACTION REQUESTED: None	

BACKGROUND:

For ERMU there are two utility funds, the Electric Utility and the Water Utility. These funds have separate reserves. Their reserve balances are classified as either restricted for debt service or unrestricted designated reserve.

At the October 27, 2025, meeting of the Financial Reserves & Investments Committee (FR&IC), the Committee reviewed the attached Management Policy – A.10 – Financial Reserves. After comparing ERMU’s financial reserve policy with those of several similar municipal utilities (attached), the Committee recommended several updates to ERMU’s policy. These updates are presented below.

DISCUSSION:

ERMU’s current financial reserves policy for both electric and water defines two types of reserve layers and associated target levels:

- Restricted for Debt Service: This layer is established to maintain compliance with bond covenants. The target level for this layer is set at the level specified by bond covenants.
- Unrestricted Designated Reserve: This layer is established to address the short-term financial variability inherent in operating a municipal utility.
 - For electric, the target level is set at the sum of six months operating expenditures, less depreciation and less purchase power costs, plus the sum of next year’s total principal and interest payments, plus one month budgeted average purchase power cost.
 - For water, the target level is set at the sum of six months operating expenditures less depreciation, plus the sum of next year’s total principal and interest payments.

After comparing ERMU's financial reserve balances with those of similar municipal utilities, the Committee determined our current reserve balance for electric, while meeting the current targets, is considerably lower than the average of the other utilities reviewed. Similarly, the current reserve balance for water, while substantially higher than its target levels, is still lower than the average of the other utilities reviewed. The Committee explored several options for revising both the identified reserve layers within the policy and the associated target levels.

The Committee recommends adding multiple reserve layers to the current policy. As before, reserve balances will be classified as either Restricted or Unrestricted Designated. The recommended layers, and their associated target levels, are outlined below:

Restricted Layers:	Target Level:
Debt Service	Specified by bond covenants
Trunk/Capacity (Water Only)	Water Access Charges and Trunk Funds received will be restricted to Trunk/Capacity capital projects

Unrestricted Designated Layers:	Target Level:
Annual Debt Service Reserve	Current year's principal and interest payment due on outstanding debt
Operating Reserve	_____ months* budgeted operating expenses, including purchased power for electric
Capital Reserve	Average of the next five (5) year capital plan in annual budget
Catastrophic Reserve	Estimated replacement cost of a substation (electric reserves) or water treatment plant (water reserves)

* See attached implementation scenarios

Example implementation scenarios, using the layers/targets shown above, are presented in the attached table. The FR&IC's recommendations would increase our financial reserve target levels. Anticipated reserve shortfalls range from \$1,300,000 to \$7,000,000 for electric and \$800,000 to \$1,300,000 for water, depending on which policy updates are adopted by the Commission. Addressing these shortfalls in a timely manner may impact rates and margins. ERMU's cost of service study consultant, Dave Berg, will be available for questions during the discussion.

Staff request feedback on desired policy changes. Commission action is not required as A.10 - Financial Reserves is a management policy. Due to its impact on rate setting, however, staff will provide the Commission with a revised policy at the December meeting based on the feedback received at the November meeting.

ATTACHMENTS:

- ERMU Policy - A.10 - Financial Reserves
- Raw Data and Example Implementation Scenarios

Section: Management	Category: Administration Policies
Policy Reference: A.10	Policy Title: Financial Reserves Policy

1.0 Purpose and Summary

In order to maintain stable rates and provide reliable services, Elk River Municipal Utilities (ERMU) requires financial buffers in the form of reserves to mitigate changes in costs or operational performance. For ERMU there are two utility funds, the Electric Utility and the Water Utility. These funds shall have separate reserves. Their reserve balances shall be classified as either *Restricted for Debt Service* or *Unrestricted Designated Reserve*.

The target levels for these reserves shall be determined by the criteria herein. These target levels and target criteria will be reviewed annually, modified by Utilities Commission to support the long-term goals of ERMU, and adopted with the annual budget. Unless otherwise specified by bond covenants, these reserve balances shall be invested consistent with ERMU's Management Investment Policy.

2.0 Electric Utility Reserve Classifications

Restricted for Debt Service: This reserve is established to maintain compliance with bond covenants.

The target level for this reserve shall be set at the level specified by bond covenants.

Unrestricted Designated Reserve: This reserve is established to address the short-term financial variability inherent in operating an Electric Utility. Potential sources of this variability include but are not limited to: risks associated with natural disasters, reduction in overall customer usage, changes in total system load resulting from the actions of large customers, failure to achieve budgeted levels of net income, changes in cost of purchased power, changes in interest income, and general operational exposures.

The target level for this reserve shall be set at the sum of 6 months operating expenditures less depreciation and less purchase power costs, plus the sum of next year's total principal and

interest payments, plus one month budgeted average purchase power cost. The balance above this target level shall be unrestricted.

3.0 Water Utility Reserve Classifications

Restricted for Debt Service: This reserve is established to maintain compliance with bond covenants.

The target level for this reserve shall be set at the level specified by bond covenants.

Unrestricted Designated Reserve: This reserve is established to address the short-term financial variability inherent in operating a Water Utility. Potential sources of this variability include but are not limited to: risks associated with natural disasters, reduction in overall customer usage, changes in total system usage resulting from the actions of large customers, failure to achieve budgeted levels of net income, changes in interest income, and general operational exposures.

The target level for this reserve shall be set at the sum of 6 months operating expenditures less depreciation plus the sum of next year's total principal and interest payments. The balance above this target level shall be unrestricted.

4.0 Year-end Reserve Balances

If the year-end reserve balances are above their target levels after the completion of the year-end audit, these balances shall be unrestricted with a defaulting designation as working capital. The Utilities Commission shall then consider optimal uses of these unrestricted reserves through any of the following but not limited to: working capital, designated for power costs (electric fund only), debt reduction, retention for reserve fund growth for future needs, or use for rate stabilization or reduction.

If the year-end reserve balances are below their target levels after the completion of the year-end audit, the Utilities Commission shall consider the balances and plan for their replenishment to target levels in a timely manner.

POLICY HISTORY:

Adopted	May 11, 2010
Revised	May 10, 2011
*Moved	November 12, 2019
Revised	July 14, 2020

*As part of the Policy Manual Initiative, authority of this Financial Reserves Policy was delegated to management on November 12, 2019, and the policy was moved to the Management Policy Manual.

Raw Data from Peer Utility Survey

	Electric					Water					Gas		Combined	
	Cash	Operating Revenue	%	Operating Expense	Cash to monthly expense	Cash	Operating Revenue	%	Operating Expense	Cash to monthly expense	Operating Revenue	Operating Expense	Cash to Operating Rev	Cash to monthly expense
ERMU	\$13,014,941	\$43,175,102	30%	\$39,990,898	3.9	\$9,961,189	\$2,907,113	343%	\$3,569,544	33.5			50%	6.3
Utility 1	\$46,980,105	\$58,871,852	80%	\$51,656,395	10.9	\$37,051,175	\$6,945,345	533%	\$7,188,437	61.9			128%	17.1
Utility 2*	\$25,635,206	\$40,282,925		\$38,263,718			\$6,029,215		\$5,247,039		\$16,308,008	\$15,650,279	41%	5.2
Utility 3	\$13,684,979	\$48,422,751	28%	\$44,886,460	3.7	\$7,681,009	\$5,103,830	150%	\$4,339,461	21.2			40%	5.2
Utility 4	\$13,095,878	\$14,545,312	90%	\$13,328,736	11.8								90%	11.8
Average			66%		8.8			342%		38.9			70%	9.1

* Utility did not provide sufficient detail to differentiate their reserves by service type (electric, water, gas)

Example Implementation Scenarios

	Current		3 Months Operating		2 Months Operating		1.5 Months Operating	
	Electric	Water	Electric	Water	Electric	Water	Electric	Water
2024 Y/E Balance	\$14,793,957	\$9,961,189	\$14,793,957	\$9,961,189	\$14,793,957	\$9,961,189	\$14,793,957	\$9,961,189
Restricted WAC/Trunk*	N/A		N/A	-	N/A	-	N/A	-
Restricted for Debt Service**	\$1,779,016	\$0	\$1,779,016	-	\$1,779,016	-	\$1,779,016	-
Operating***	\$9,988,709	\$1,423,172	\$11,311,701	\$991,494	\$7,541,134	\$660,996	\$5,655,851	\$495,747
Annual DS			\$1,784,932	\$103,117	\$1,784,932	\$103,117	\$1,784,932	\$103,117
Capital			\$3,400,000	\$2,160,000	\$3,400,000	\$2,160,000	\$3,400,000	\$2,160,000
Catastrophic			\$3,500,000	\$8,000,000	\$3,500,000	\$8,000,000	\$3,500,000	\$8,000,000
Unrestricted	\$3,026,232	\$8,538,017	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserves	\$14,793,957	\$9,961,189	\$21,775,649	\$11,254,611	\$18,005,082	\$10,924,113	\$16,119,799	\$10,758,864
Variance from Current			-\$6,981,692	-\$1,293,422	-\$3,211,125	-\$962,924	-\$1,325,842	-\$797,675

*No target, varies annually based on development

**Currently, only Electric has this reserve requirement

***Current reserve policy uses six months less depreciation, one month purchased power, plus annual debt principal and interest

TO: ERMU Commission	FROM: Mark Hanson - General Manager
MEETING DATE: November 12, 2025	AGENDA ITEM NUMBER: 5.06
SUBJECT: Commission Policy – 5.A - Margins	
ACTION REQUESTED: Approve Revisions to Commission Policy G.5a – Margins	

BACKGROUND:

At the October 27, 2025, meeting of the Financial Reserves & Investments Committee (FR&IC), the Committee reviewed Management Policy A.10 – Financial Reserves. After comparing ERMU’s financial reserve policy with those of several similar municipal utilities, the Committee recommended several updates to ERMU’s policy. Staff will present these recommended updates to the Commission at the November 2025 commission meeting. Since the proposed changes to the Financial Reserve policy may impact ERMU’s margins policy, staff also recommend that Commission Policy – G.5a – Margins be reviewed and updated accordingly.

DISCUSSION:

The policy updates recommended by the FR&IC would increase the financial reserve targets. Achieving these higher reserve targets will likely require higher margins. Depending on which financial reserve policy updates are adopted by the Commission, anticipated reserve balance shortfalls range from \$1,300,000 to \$7,000,000 for electric and \$800,000 to \$1,300,000 for water. Addressing these shortfalls in a timely manner will require higher margins. Accordingly, staff recommend the use of a cap, or maximum margin, rather than a range. These maximums should be used for reference only as capital contributions can significantly affect margins.

1. Electric –The budget shall be developed with a maximum margins of 10% of total revenue.
2. Water –The budget shall be developed with a maximum margins of 15% of total revenue.

The attached redlined Margins policy reflects these changes. A clean policy is also attached.

ATTACHMENTS:

- G.5a – Margins (redlined copy)
- G.5b – Margins (clean copy)

COMMISSION POLICY

Section: Governance	Category: Results Policies
Policy Reference: G.5a	Policy Title: Margins

PURPOSE:

Consistent with all **Results Policies**, the Commission shall establish clear expectations for producing the right results for the right people in the right way. With this policy the Commission affirms their commitment to the **Organization Fundamentals Policies** prioritizing financial and organization health by setting an annual goal for ~~operational-net~~ margins.

The annual strategic and business planning, consistent with the **Financial Planning and Budgeting Policy**, shall be conducted such that the organization has appropriate ~~operating-net~~ margins. By establishing clear expectations for ~~operating-net~~ margins through policy, the Commission creates clear and consistent direction for the General Manager.

This clear direction provides stability in organizational vision allowing the General Manager, while developing the annual budget and business plan, to more effectively utilize long range tools, such as multi-~~ple~~-year capital improvement plans, to produce both short term and long term financial and organizational health. ~~Additionally, this practice helps to avoid inconsistent direction to the General Manager from year to year such as tight margins one year due to rate competitiveness concerns and concerns another year about revenues and desiring higher margins. This margins policy should serve as a guide only as extenuating circumstances may require higher margins.~~

POLICY:

To promote financial health and organization stability, the General Manager shall develop the annual business plan and budgets for the following services as follows:

1. Electric –The budget shall be developed with margins that are a maximum of 10% at least ~~1.5% of total revenue but no greater than 3.5%~~ of total revenue.
2. Water –The budget shall be developed with margins that are a maximum of 15% at least ~~1.5% of total revenue but no greater than 3.5%~~ of total revenue.

*Margins will also meet requirements set by any bond convenience.

POLICY HISTORY:

Adopted October 11, 2022

Revised December 13, 2022

Revised November 12, 2025

COMMISSION POLICY

Section: Governance	Category: Results Policies
Policy Reference: G.5a	Policy Title: Margins

PURPOSE:

Consistent with all ***Results Policies***, the Commission shall establish clear expectations for producing the right results for the right people in the right way. With this policy the Commission affirms their commitment to the ***Organization Fundamentals Policies*** prioritizing financial and organization health by setting an annual goal for net margins.

The annual strategic and business planning, consistent with the ***Financial Planning and Budgeting Policy***, shall be conducted such that the organization has appropriate net margins. By establishing clear expectations for net margins through policy, the Commission creates clear and consistent direction for the General Manager.

This clear direction provides stability in organizational vision allowing the General Manager, while developing the annual budget and business plan, to more effectively utilize long range tools, such as multi-year capital improvement plans, to produce both short term and long term financial and organizational health. This margins policy should serve as a guide only as extenuating circumstances may require higher margins.

POLICY:

To promote financial health and organization stability, the General Manager shall develop the annual business plan and budgets for the following services as follows:

1. Electric –The budget shall be developed with margins that are a maximum of 10% of total revenue.
2. Water –The budget shall be developed with margins that are a maximum of 15% of total revenue.

*Margins will also meet requirements set by any bond convenance.

POLICY HISTORY:

Adopted October 11, 2022

Revised December 13, 2022

Revised November 12, 2025

TO: ERMU Commission	FROM: Sara Youngs – Administrations Director
MEETING DATE: November 12, 2024	AGENDA ITEM NUMBER: 5.07
SUBJECT: 2026 Utilities Fee Schedule	
ACTION REQUESTED: Approve the 2026 Utilities Fee Schedule for Adoption into Ordinance by the City Council	

BACKGROUND:

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

DISCUSSION:

ERMU staff conducts an annual review of the proposed fees for the upcoming year. Any proposed changes are outlined below and in red font on the attached fee schedule.

ELECTRIC FEES

After evaluation of our schedule of rates/aid to construction methodology, staff reviewed our current 2025 fee schedule to determine any necessary adjustments. Based on the review, staff is recommending the following changes:

New Electric Connection (standard) – A proposed addition of clarifying language and an increase from \$875 to \$900. The amount reflects labor and material cost increases.

New Electric Connection - Non-Standard Loads (i.e. seasonal cabin, RV panel, Billboards, electric fence, etc.) – A new proposed fee. Non-standard service would be paid 100% of labor and material cost.

Minimum Temporary Electric Service – Existing Transformer – A proposed removal of the word “fee” from the description and an increase from \$220 to \$350. The amount reflects labor and material cost increases.

Minimum Temporary Electric Service – Without Existing Transformer – A proposed removal the word “fee” from the description and an increase from \$850 to \$1,000. The amount reflects labor and material cost increases.

Non-Standard Temporary Electric Service - (Additional infrastructure needed to install service to customer) - Non-standard service would be paid 100% of labor and material cost.

Security Light – Wood Pole with Fixture - A proposed increase from \$975 to \$1,500. The amount reflects labor and material cost increases.

Security Light – Existing Pole - A proposed increase from \$350 to \$600. The amount reflects labor and material cost increases.

WATER FEES

Hydrant Water Sales – Units (per 1000 gallons) - A proposed increase from \$4.20 to the approved third tier water rate approved at the December commission meeting. The amount reflects the increase in operational costs, infrastructure maintenance, and water quality improvements.

FINANCIAL IMPACT:

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

ATTACHMENTS:

- Proposed - 2026 Utilities Fee Schedule

Elk River Municipal Utilities			
Proposed 2026 Utilities Fee Schedule			
Fee Description	2025	Proposed 2026	Proposed Increase
ELECTRIC			
New Residential Electric Connection - Developer - Lot with ERMU water service	\$ 975.00		
New Residential Electric Connection - Developer - Lot without ERMU water service	\$ 1,475.00		
New Electric Connection - Standard	\$ 875.00	\$ 900.00	2.86%
New Electric Connection - Non Standard Loads (i.e seasonal cabin, RV panel, Billboards, electric fence, etc.)		100%	
New Wire Footages over 200' (per foot)	\$ 5.00		
New Service Frost Trenching (per foot)	\$ 6.00		
New Commercial & Industrial Electric Connection	50%		
Service Upgrades or Additions for Existing Customers	100%		
Minimum Temporary Electric Service Fee- Existing Transformer (standard)	\$ 220.00	\$ 350.00	59.10%
Minimum Temporary Electric Service Fee- Without Existing Transformer (standard)	\$ 850.00	\$ 1,000.00	17.65%
Non-Standard Temporary Electric Service - (Additional infrastructure needed to install service to customer)		100%	
Grid Access Fee	\$ 5.56		
Street Light - 30' Decorative Pole with 6' Arm and Cobra Fixture	\$ 3,400.00		
Street Light - 23' Decorative Pole with Cobra Fixture	\$ 2,400.00		
Street Light - 14' Decorative Pole with Cobra Fixture	\$ 5,500.00		
Street Light - 14' Decorative Pole with Acorn Fixture	\$ 7,500.00		
Security Light - Wood Pole with Fixture	\$ 975.00	\$ 1,500.00	53.85%
Security Light - Existing Pole	\$ 350.00	\$ 600.00	71.43%
Pole Attachment Fee (per pole)	\$ 15.00		
Meter Installation Fee (per individually metered apartment unit)	\$ 25.00		
WATER			
Water Access Charge = Water Connection Charge + Water Availability Charge	\$ 3,990.00		
Water Connection Charge (Per Plumbing Unit) - Builder	\$ 3,600.00		
Water Availability Charge (Per Plumbing Unit) - Developer	\$ 390.00		
Abandoned Water Service (minimum)	\$ 6,000.00		
Backflow Preventer Device Non-Compliance (per month)	\$100.00		
Deposit for 3/4" Hydrant Meter	\$ 175.00		
Deposit for 2 1/2" Hydrant Meter	\$ 1,500.00		
Hydrant Water Sales - Rental (per week)	\$ 50.00		
Hydrant Water Sales - Units (per 1000 gallons)	\$ 4.20		
Hydrant Wrench	\$ 40.00		
Private Hydrant Maintenance Program Monthly Fee	\$ 5.00		
ADMINISTRATIVE			
Administrative Fee for Continued Submission of Checks After No-Check Notice Given	\$ 20.00		
Administrative Fee for Continued Submission of Payment After Account Closed	\$ 20.00		
Billable Cost of Materials Markup	15%		
Billable Labor Markup	58%		
Billable Vehicle / Equipment (per employee per hour)	\$ 50.00		
Commercial Application Fee	\$ 20.00		
Electric Service Disconnect/Trip Fee - Meter Technician	\$ 50.00		
Electric Service Disconnect/Trip Fee - Line Crew	\$ 150.00		
Water Service Disconnect/Trip Fee - Water Operator	\$ 100.00		
Manual Meter Reading Fee (per month)	\$ 50.00		
Additional Manual Meter Reading Fee (per month)	\$ 10.00		
Meter Tampering Fee	\$ 250.00		
Meter Testing Fee	\$ 50.00		
NSF Fee	\$ 30.00		
Penalty Amount	10%		
Photocopies (per page)	\$ 0.25		
Red Tag Handling Fee	\$ 20.00		

TO: ERMU Commission	FROM: Mark Hanson – General Manager
MEETING DATE: November 12, 2025	AGENDA ITEM NUMBER: 5.08
SUBJECT: Health Insurance Update	
ACTION REQUESTED: Approve the 2026 ERMU health insurance plan renewal and Health Savings Account (HSA) contribution amounts.	

BACKGROUND:

Five years ago, ERMU transitioned to a high-deductible health plan (HDHP) with health savings account (HSA) eligibility. At that time, the Wage & Benefits Committee established the following employer contribution structure:

- 85% employer-paid contribution to health insurance premiums.
- Employer-funded HSA contribution equal to 85% of each employee's deductible.
- The Commission agreed to review the employer HSA contribution annually.

DISCUSSION:

As part of the annual benefits renewal process, our broker solicited proposals from the three major carriers in the small group market. All carriers are implementing significant rate increases and plan design changes to offset rising healthcare costs and utilization. The table below shows a comparison between the three carriers:

Carrier	HealthPartners	BlueCross/BlueShield	Medica
Individual/Family Deductible	\$2,700/\$5,400	\$3,050/\$6,100	\$2,850/\$5,700
Out-of-Pocket Maximum	\$2,700/\$5,400	\$3,050/\$6,100	\$3,650/\$7,300
Rate Increase	14.87%	11.15%	2.32%
Projected 2026 Budget Impact	\$153,834.96	\$115,361.28	\$23,982.72

HealthPartners (Current)

Advantages:

- Lowest deductible and out-of-pocket maximum
- Includes vision and dental coverage for children (ages 0-18)
- No administrative burden to switch carriers
- 25% discount on dental insurance when bundled

Disadvantages:

- Highest premium cost increase

BlueCross/BlueShield

Advantages:

- Mid-range pricing and coverage levels

Disadvantages:

- Higher deductible and out-of-pocket maximum than HealthPartners
- Vision only (no dental) for children
- Administrative time required to implement carrier change
- No dental bundling discount

Medica

Advantages:

- Lowest premium cost

Disadvantages:

- Highest out-of-pocket maximum (\$3,650/\$7,300)
- Copays on most prescriptions until the out-of-pocket maximum is reached
- Vision only (no dental) for children
- Administrative time required to implement carrier change
- No dental bundling discount

SUMMARY:

Although changing from HealthPartners has some disadvantages, most notably the loss of the bundling discount, higher deductibles, and the administrative costs of changing carriers, the overall cost difference between HealthPartners and Medica is significant. Even with losing the bundling discount and maintaining HSA contributions at 85% of plan deductibles, switching to Medica saves ERMU approximately \$87,000 compared to staying with HealthPartners.

While Medica's higher deductibles and out-of-pocket maximums represent increased financial exposure for staff, maintaining the HSA contribution at 85% helps reduce it, making the switch to Medica a sound financial decision for both ERMU and staff.

Staff recommend the Commission approve the following for 2026:

1. Select Medica as our health insurance carrier
2. No change to ERMU's employer contribution (remains at 85% of plan premium)
3. No change to ERMU's HSA contribution (remains at 85% of plan deductibles)

If approved, the anticipated employee monthly premiums for medical coverage would be:

- Individual: \$142.00
- Individual+1: \$284.00
- Family: \$426.00

TO: ERMU Commission	FROM: Mark Hanson - General Manager
MEETING DATE: November 12, 2025	AGENDA ITEM NUMBER: 5.09
SUBJECT: Wage & Benefits Committee Proposed 2026 Adjustments	
ACTION REQUESTED: Approve the 2026 Wage and Benefits Adjustments, effective January 1, 2026.	

BACKGROUND:

The Wage & Benefits Committee (WBC) met on September 2 and October 27, 2025, to review possible wage and benefits adjustments for 2026. The agenda included the following items for discussion:

1. Annual Wage Adjustment
2. Staff presentation of "Ideas and Things to Consider"

At the September 2 meeting, staff made one primary request for 2026: an annual wage adjustment for all employees equal to the average lineworker adjustment within the seven "metro average" utilities (Anoka, Chaska, North St. Paul, Shakopee, Great River Energy, Wright Hennepin Electric, and Connexus Energy).

Additionally, staff provided a document outlining the following ideas for the committee's future consideration and potential implementation:

- An increase to the amount of paid sick leave converted to an employee's post-employment Health Care Savings Plan (HCSP) at retirement
- An increase to the number of on-call hours that are paid while in "standby" mode during an employee's week of on-call duty
- An increase to the amount of compensatory time ("comp time") an employee could utilize annually

DISCUSSION:

2026 Wage Adjustment: At the October 27 meeting, the Committee discussed staff's request to include an additional 0.5% adjustment in addition to the average adjustment for the seven metro average utilities. The Committee determined that the 0.5% increase should not be included in ERMU's 2026 wage adjustment calculation because it was associated with one utility's market adjustment rather than an annual cost of living adjustment.

The Committee clarified ERMU's approach to wage adjustments going forward: while the Committee will continue to track metro average lineworker wages annually (which includes all adjustments made by comparison utilities), ERMU's metro average wage adjustment calculation will only factor in annual cost of living adjustments. Market adjustments will not be included in the metro average wage adjustment calculation. If ERMU lineworker or other employee wages appear to fall below an acceptable range compared to the market, a separate market wage adjustment will be studied and brought to the Committee for review.

As of the October 27 meeting, the average cost of living adjustment for the seven metro average utilities was calculated as 3.41%. Two of the seven utilities required estimated adjustments based on available information. Staff informed the Committee they anticipate a wage adjustment range of 3.34% to 3.48% depending on where the final two utilities land. The Committee supported bringing forward the anticipated range for Commission consideration. Since the October WBC meeting, however, one of the two previously estimated utilities have confirmed their 2026 adjustment, lowering the anticipated range to 3.34% to 3.41%

As in past years, the metro average is presented as a data point to inform the Commission's decision-making. The Commission retains full discretion to set the annual wage adjustment at any amount it deems appropriate.

Ideas and Things to Consider (informational only): Staff also presented three items for the Committee's future consideration. The Committee discussed these matters but took no action.

- *Paid Sick Leave & Health Care Savings Plan (HCSP) Conversion:* Staff requested consideration for updating the Paid Sick Leave conversion plan to help retiring employees pay for privatized health insurance and medical expenses. The current plan converts accrued sick leave to the HCSP at 100% only after an employee reaches 32+ years of service. Staff noted this is a very hard employment goal to achieve, so it hurts employees who come to ERMU later in their careers.
- *Increasing on-call compensation from 14 hours per week to 16 hours per:* Staff noted that utilities with lower overtime hours, such as ERMU, tend to have higher on-call standby compensation.
- *Compensatory Time:* Staff raised the topic of comp-time policies, specifically the concept of rolling hours or increased annual utilization limits. Staff acknowledged that not all employees share the same perspective on this issue, but noted it remains an area where some employees feel improvement could be beneficial.

REQUESTED ACTION:

Staff request commission approval of a wage adjustment range of 3.34% to 3.41%. If the metro average falls outside this range after the remaining utility confirms its adjustment, staff will bring the wage adjustment recommendation back to the Commission for approval.

ATTACHMENTS:

- Staff's Asks and Consideration Ideas for 2026 Wage & Benefit Committee Conversation

Wage & Benefit Committee Conversation

9/2/2025

Ask:

- **Wage** - 0.5% (verify actual calculation) recoup from last year with latecomer N. St. Paul contract differential + Metro Average change adjustment for 2026.

Ideas & Things to Consider – Discussions of Staff:

- **Paid Sick Leave & HCSP Conversion** – We would appreciate consideration on updating our Paid Sick Leave Payout plan. This would help employees pay for privatized health insurance and medical expenses after their years of service at ERMU.
 - Anyone that retires from ERMU.
 - How much is put in after 960 hours are accrued each year.
 - It takes 10 years of no sick time to get to 960 hours. Most are not going to get there in 10 years. It already has longevity built in for the accrual and conversion for our HCSP.
- **On-Call:** This is a discussion that keeps coming up each year. We've brought this forward over the last handful of years at different times. The thought is to move On-Call to 16 hours per week from 14 hours. An additional hour for each weekend day. The structure of high overtime hours as regular practice seems to be the difference between on-call standardized time between other organizations. Those with lower OT tend to have higher on-call standby time.
- **Comp-Time:** Each year there tends to be some Comp-time talks amongst staff and one idea is about rolling hours. Not all employees have the same thoughts, but it is an area that some feel could be improved upon, and conversation or ideas may be helpful.

TO: ERMU Commission	FROM: Mark Hanson - General Manager
MEETING DATE: November 12, 2025	AGENDA ITEM NUMBER: 5.10
SUBJECT: Advanced Metering Infrastructure Update (AMI)	
ACTION REQUESTED: None	

BACKGROUND:

Following the Advanced Metering Infrastructure discussion and commission direction during the September 9, 2025, and October 14, 2025, commission meetings, staff took steps to contact the remaining residential water customers who had not scheduled their water meter replacement. To ensure consistent communication, all outreach was aligned with Elk River City Ordinance 78-24, which requires property owners to provide Elk River Municipal Utilities (ERMU) with access to meters for the purpose of maintenance and replacement.

- On September 15, 2025, certified letters were sent to 75 non-responsive residential water customers, requiring a response by October 3, 2025, to avoid further action and possible disconnection for failing to replace their water meter.
- On October 6, 2025, disconnection notices were posted for 54 non-responsive residential water customers, requiring a response by October 21, 2025, to avoid water service disconnection for failing to replace their water meter.
- From October 9-17, 2025, water staff visited properties requiring water meter replacement to locate, and verify access to, water shut off valves. Staff had meters available for immediate replacement.
- On October 22, staff reviewed the four remaining customers who have not yet replaced their water meters. Three of these customers were found to have inoperable shut-off valves. In accordance with city ordinance, a notice was mailed and posted at each service address. The notice instructed customers to schedule an appointment by Monday, October 27. If no appointment was scheduled, a contractor would perform the necessary repairs at the owner's expense to enable ERMU staff to shut off the water at the valve.

DISCUSSION:

As of October 29, 2025, all residential water meters have been replaced or retrofitted, totaling 5,204 meters during the AMI project. ERMU and our plumbing contractor, Archer Plumbing, are currently working with the remaining seven commercial customers on water meter exchanges, with 528 commercial meters replaced or retrofitted to date.

In April 2024, the Commission voted to absorb residential repair costs estimated at \$300 per job for approximately 100–150 homes, totaling \$30,000–\$45,000. Actual residential repair costs totaled \$44,333.75. One commercial repair totaled \$16,050, bringing total repair costs to \$60,383.75.

The final list of Opt-Out customers, now referred to as manual meter read customers, includes four electric customers, two of whom also have water. Their meters have been exchanged but the radios have been turned off.

Delivery of electric polyphase meters is expected later this year. Once received, staff will begin replacing electric meters as time permits. Staff anticipate it will take approximately six months to install the meters once received.

TO: ERMU Commission	FROM: Mark Hanson - General Manager
MEETING DATE: November 12, 2025	AGENDA ITEM NUMBER: 5.11
SUBJECT: Verizon Water Tower Lease Agreements	
ACTION REQUESTED: None	

BACKGROUND:

ERMU currently has four water tower attachment lease agreements with Verizon Wireless, LLC, one on each of the four water towers. Two were executed in 2014 (Gary and Johnson towers), one in 2016 (Auburn tower), and one in 2020 (Freeport tower). Each lease agreement had an initial five-year term with four additional five-year renewal periods. All four lease agreements started with first-year lease amounts of \$30,000. The first three lease agreements include an annual escalator of 4%. Freeport tower has a 2% escalator with a provision that if Verizon removes their equipment from any of the other three towers the annual rent amount for the Freeport tower shall increase by 20% of the then current lease amount.

DISCUSSION:

Staff have received multiple requests from Verizon representatives to either buy out our current lease agreements for a lump sum amount or renegotiate the current lease terms to lower both the annual rent payment and the annual escalator. The lump sum offer is also contingent on granting a perpetual easement on the property (no end date).

Verizon states they are offering these options in lieu of potentially terminating the existing lease agreements. According to Verizon, their current lease agreement costs on a national level are not sustainable. The following table presents Verizon's offers to date (no offer has been made for the Freeport tower):

Tower	Current Lease Terms	Expires	Future Payments	Lump Sum Offer	New Lease Terms	Expires	Future Payments
Auburn	\$30,000/year 4% / year	2041	\$1,106,346	\$700,000	\$30,000/year 15% / 5 years	2050	\$1,011,357
Gary	\$30,000/year 4% / year	2039	\$798,603	\$900,000	\$33,600/year 15% / 5 years	2041	\$583,380
Johnson	\$30,000/year 4% / year	2039	\$798,603	\$745,000	\$30,000/year 3% / year	2056	\$1,427,262

While the lump sum offer may appear attractive, granting a perpetual easement on the property poses significant long-term risks due to the many unknowns that the future may bring. Most importantly, the water towers are distribution system assets, so granting a perpetual easement, which may limit future options, is very dangerous.

Similarly, it is unwise to renegotiate any of the current lease agreements since the proposed terms offer a lower escalator and a lower annual rent. To illustrate this point, the table below lists the reduction in revenue if the proposed lease terms were used throughout the remainder of the current lease periods. Additionally, while the longer duration of the proposed terms may seem promising, there is nothing preventing Verizon from requesting additional reductions to the lease agreements at some point in the future.

Tower	Expires	Existing Lease Future Payments	Proposed Lease Future Payments	Reduction in Revenue
Auburn	2041	\$1,106,346	\$566,501	\$539,845
Gary	2039	\$798,603	\$494,508	\$304,095
Johnson	2039	\$798,603	\$468,534	\$330,069

Staff are presenting Verizon's offers to maintain transparency with the Commission and our customers but recommend against accepting them. If the Commission is interested in pursuing any of Verizon's offers, staff will engage with Verizon in pursuit of the desired option(s). The results of any negotiated terms would be presented at a future commission meeting.

ATTACHMENTS:

- Verizon's offer for Auburn Street Tower, Site ID 162187
- Verizon's offer for Gary Street Tower, Site ID 123107
- Verizon's offer for Johnson Street Tower, Site ID 123332



October 31, 2025

Elk River Municipal Utilities
13069 Orono Parkway
Elk River, MN 55330
Attn: Mark Hanson
Site Name: Min Millennium

Site ID: 162187

Dear Mark,,

I am following up with you regarding our recent telephone conversation setting forth Verizon Wireless's Lease Optimization Program. As discussed during our conversation, Verizon Wireless is interested in making certain modifications to the cell site lease regarding the Verizon Wireless communications facility on your property. These lease modifications will allow the cell site on your property to better meet Verizon Wireless's current operational needs and enhance its long-term value to the overall network.

Criteria for Cell Site Retention

As we discussed, Verizon Wireless would like to include this site in its long-term portfolio under the following terms:

- **New Rent Amount:** \$2,500.00 per month, commencing on (1/1/2026)
- **New Rent Escalator:** Fifteen Percent (15%) every 5 years (next increase on 1/1/2031)
- **Additional Renewal Terms:** Four (4) additional five (5) year renewal terms

-
- **Lump Sum Payment Option:** Provide a one-time lump sum payment of **\$700,000.00**. In return, you will grant a perpetual easement on your property.

The foregoing proposal does not constitute a binding offer to amend the lease. No legal obligation is created by this letter or any other written or oral communications until a written amendment to the lease has been signed by both Landlord and Verizon Wireless. Verizon Wireless will continue to abide by the terms of the current lease until an amendment has been executed or the existing lease has been terminated or expires. Verizon Wireless values its affiliation with you and hopes that you choose to secure your site(s) to continue a long and mutually profitable relationship in the years to come. After having reviewed this proposal, please contact me prior to **November 12, 2025**.

Sincerely,



Lynne Rush
Lease Consultant
Lease Optimization - CENREV



O +1 (469) 4219101

180 Washington Valley Road, Bedminster, NJ 07921



October 10, 2025

Elk River Municipal Utilities

13069 Orono Parkway

PO Box 430

Elk River, WI 55330

Attn: Mark Hanson

Site Name: Min Chewbacca

Site ID: 123107

Dear Mark,

I am following up with you regarding our recent telephone conversation setting forth Verizon Wireless's Lease Optimization Program. As discussed during our conversation, Verizon Wireless is interested in making certain modifications to the cell site lease regarding the Verizon Wireless communications facility on your property. These lease modifications will allow the cell site on your property to better meet Verizon Wireless's current operational needs and enhance its long-term value to the overall network. **Criteria for Cell Site Retention**

As we discussed, Verizon Wireless would like to include this site in its long-term portfolio under the following terms:

- **New Rent Amount:** \$2,800.00 per month, commencing on (6/1/2026)
- **New Rent Escalator:** Fifteen Percent (15%) every 5 years (next increase on 6/1/2031)
- **Additional Renewal Terms:** Two (2) additional five (5) year renewal terms

-
- **Lump Sum Payment Option:** Provide a one-time lump sum payment of **\$900,000.00**. In return, you will grant a perpetual easement on your property.

The foregoing proposal does not constitute a binding offer to amend the lease. No legal obligation is created by this letter or any other written or oral communications until a written amendment to the lease has been signed by both Landlord and Verizon Wireless. Verizon Wireless will continue to abide by the terms of the current lease until an amendment has been executed or the existing lease has been terminated or expires. Verizon Wireless values its affiliation with you and hopes that you choose to secure your site(s) to continue a long and mutually profitable relationship in the years to come. After having reviewed this proposal, please contact me prior to **October 20, 2025**.

Sincerely,



Lynne Rush

Lease Consultant

Lease Optimization - CENREV

O +1 (469) 4219101



180 Washington Valley Road, Bedminster, NJ 07921



October 7, 2025

Elk River Municipal Utilities

Site Name: **Min Vieths**

Site ID: **123332**

Dear Landlord,

I am following up with you regarding our recent telephone conversation setting forth Verizon Wireless's Lease Optimization Program. As discussed during our conversation, Verizon Wireless is interested in making certain modifications to the cell site lease regarding the Verizon Wireless communications facility on your property. These lease modifications will allow the cell site on your property to better meet Verizon Wireless's current operational needs and enhance its long-term value to the overall network.

Criteria for Cell Site Retention

As we discussed, Verizon Wireless would like to include this site in its long-term portfolio under the following terms:

- **New Rent Amount:** \$30,000.00 per year, commencing on (8/1/2026)
 - **New Rent Escalator:** Three Percent (3%) every year (next increase on 8/1/2027)
 - **Additional Renewal Terms:** **Five (5)** additional five (5) year renewal terms
-

- **Lump Sum Payment Option:** Provide a one-time lump sum payment of **\$745,000.00**. In return, you will grant a perpetual easement on your property.

Additionally, in order to maintain long-term operational flexibility, Verizon Wireless requires that the following language, substantially in the form of the following, be added to the Lease:

Right of First Refusal. Notwithstanding anything contained in the [Lease] to the contrary, if at any time after the Effective Date, [LESSOR] receives an offer or letter of intent, from any person or entity that is in the business of owning, managing or operating communications facilities or is in the business of acquiring landlord interests in agreements relating to communications facilities, to purchase fee title, an easement, a lease, a license, or any other interest in the [Property] or any portion thereof or to acquire any interest in the [Lease], or an option for any of the foregoing, [LESSOR] shall provide written notice to [LESSEE] of said offer ("[LESSOR]'s Notice"). [LESSOR]'s Notice shall include the prospective buyer's name, the purchase price being offered, and any other consideration being offered, the other terms and conditions of the offer, a description of the portion of and interest in the [Property] and/or the [Lease] which will be conveyed in the proposed transaction, and a copy of any letters of intent or form agreements presented to [LESSOR] by the third-party offeror. [LESSEE] shall have the right of first refusal to meet any bona fide offer of sale or transfer on the terms and conditions of such offer or by effectuating a transaction with substantially equivalent financial terms. If [LESSEE] fails to provide written notice to [LESSOR] that [LESSEE] intends to meet such bona fide offer within 60 days after receipt of [LESSOR]'s Notice, [LESSOR] may proceed with the proposed transaction in accordance with the terms and conditions of such third-party offer, in which event the [Lease] shall continue in full force and effect and the right of first refusal described in this Section shall survive any such conveyance to a third party. If [LESSEE] provides [LESSOR] with notice of [LESSEE]'s intention to meet the third party offer within 60 days after receipt of [LESSOR]'s Notice, then if [LESSOR]'s Notice describes a transaction involving greater space than the [Premises], [LESSEE] may elect to proceed with a transaction covering only the [Premises] and the purchase price shall be prorated on a square footage basis. Further, [LESSOR] acknowledges and agrees that if [LESSEE] exercises this right of first refusal, [LESSEE] may require a reasonable period of time to conduct due diligence and effectuate the closing of a transaction on substantially equivalent financial terms of the third-party offer. [LESSEE] may elect to amend the [Lease] to effectuate the proposed financial terms of the third party offer rather than acquiring fee simple title or an easement interest in the [Premises]. For purposes of this Section, any transfer, bequest or devise of [LESSOR]'s interest in the [Property] as a result of the death of [LESSOR], whether by will or intestate succession, or any conveyance to [LESSOR]'s family members by direct conveyance or by conveyance to a trust for the benefit of family members shall not be considered a sale for which [LESSEE] has any right of first refusal.



The foregoing proposal does not constitute a binding offer to amend the lease. No legal obligation is created by this letter or any other written or oral communications until a written amendment to the lease has been signed by both Landlord and Verizon Wireless. Verizon Wireless will continue to abide by the terms of the current lease until an amendment has been executed or the existing lease has been terminated or expires. Verizon Wireless values its affiliation with you and hopes that you choose to secure your site(s) to continue a long and mutually profitable relationship in the years to come. After having reviewed this proposal, please contact me prior to **October 13, 2025**.

Sincerely,

Mark Gillaspy



Mark Gillaspy

Lease Consultant

Lease Optimization - CENREV

O (469) 833-2965

180 Washington Valley Road, Bedminster, NJ 07921

TO: ERMU Commission	FROM: Mark Hanson – General Manager
MEETING DATE: November 12, 2025	AGENDA ITEM NUMBER: 6.01a
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- ERMU’s HR Generalist and I have been working closely with our benefits consultant to identify the best options for ERMU’s benefits programs and to plan our 2026 open enrollment meetings.
- ERMU’s finance manager and administrations director and I have been meeting with our cost of service consultant to identify and provide necessary data to support the on-going cost of service study.
- Key staff and I have been meeting with Minnesota Municipal Power Agency (MMPA) representatives in support of two large projects: connection of a 3.5 MW future solar site to our Waco substation and the construction of MMPA’s renewable natural gas project. Both projects require a significant amount of work by ERMU staff through the spring of 2027. MMPA has expressed their appreciation of our ongoing partnership efforts to ensure both projects are a success.
- I joined the City’s public works and community development directors in meeting with the developer for the proposed northeast development (east of Twin Lakes Elementary School). The roughly 200-acre site could include as many as 400 dwelling units, depending on the final approved layout.
- The MMPA Board of Directors met on October 28, 2025, at Chaska City Hall in Chaska, Minnesota, and via videoconference. Commissioner Stewart and I attended. The public summary follows:
 - The Board reviewed the Agency’s financial and operating performance for September 2025.
 - Participation in the residential Clean Energy Choice program increased by 36 customers. Customer penetration for the program is 6.7%.
 - The Board discussed the status of renewable projects the Agency is pursuing.

TO: ERMU Commission	FROM: Sara Youngs – Administrations Director
MEETING DATE: November 12, 2025	AGENDA ITEM NUMBER: 6.01b
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- The Cold Weather Rule (CWR) is in effect from October 1, 2025, through April 30, 2026. During this time, all electric service disconnections will follow state regulations. We encourage customers experiencing financial hardship to explore energy assistance programs or set up a payment plan to avoid service interruptions. Please note that funding for the Federal Low-Income Home Energy Assistance Program (LIHEAP) has been delayed due to the federal government shutdown.
- ERMU disconnections for October -
 - Cycle 1 – 12 disconnections.
 - Cycle 2 – 6 disconnections.
 - Cycle 3 – 2 disconnections.
 - Cycle 4 – no disconnections.
- Office walk-in traffic for October consisted of 112 customers, averaging 28 per week over the four-week period.
- Currently there are ten active residential solar photovoltaic projects planned or under construction in the ERMU service territory.
- The Advanced Metering Infrastructure water meter replacement efforts focused heavily on communication and coordination to schedule the remaining residential water meter replacement appointments. With these efforts all residential water meters have been replaced. Currently, we have seven commercial water meters to replace.
- Our credit & collections specialist ran the processes to separate the assessable amounts from all applicable accounts. Our accounting department then prepared the final spreadsheets with those amounts for presentation in the commission packet and to be sent to the city. This process really is a collaborative effort every year.
- Our IT team continues to collaborate with Marco on the ACE365 project and has recently updated our multi-factor authentication for enhanced security. They are also continuing work on building out the electric and water OT networks.

- Following the National Information Solutions Cooperative's (NISC) Member Information Conference, staff have been actively reviewing our 2026 strategic initiatives to leverage NISC SmartHub and Messenger features for enhanced customer engagement.
- The administration's director participated in the American Public Power Association's Customer Connection Conference in Salt Lake City from November 2-5, 2025. This event offered valuable insights into ERMU's strengths and future opportunities. Key highlights included:
 - Customer engagement strategies
 - Technology integration
 - Regulatory updates

TO: ERMU Commission	FROM: Melissa Karpinski – Finance Manager
MEETING DATE: November 12, 2025	AGENDA ITEM NUMBER: 6. 01c
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- Staff continues compiling 2026 budget information.
- Continued efforts on cost of service and rate studies.
- ERMU received its second settlement payment related to our portion of the 3M Aqueous Film-Forming Foam (AFFF) liability litigation. The total settlement value from 3M is \$99,778.85 with a net settlement award to-date of \$42,133.95 after attorney's fees and other deductions. We should be receiving final payment before the end of the year for \$29,942.31. ERMU also received a settlement payment related to our portion of the Dupont AFFF litigation. The total settlement from Dupont is \$11,964.81. The Dupont net settlement award was \$8,383.74 after attorneys' fees and other deductions.
- Continued research and review of our reserve balances and reserves policy.
- The Financial Reserves & Investment Committee met on October 27 and is meeting again before the November Commission meeting.
- The auditors from Abdo will be performing preliminary audit work on December 4. The 2025 audit field work is scheduled for February 18-20.

TO: ERMU Commission	FROM: Tony Mauren – Governance & Communications Manager
MEETING DATE: November 12, 2025	AGENDA ITEM NUMBER: 6.01d
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- In November all customers will receive the attached Customer Privacy Notice which is required to be sent out annually and explains how we protect customers' personal information.
- In addition to the bill insert topic, November social media topics will include tree trimming information, a daylight saving time reminder, lighting and lighting control rebate details, holiday office closures, and a commission meeting reminder.
- The Communications & Administrative Coordinator attended the American Public Power Association Customer Connections Conference (CCC) in Salt Lake City, Utah, November 2-5. The CCC provides an opportunity to share ideas, network with other communication professionals and sponsors, and grow as an individual through three days of breakout sessions and keynote speakers.
- ERMU staff hosted a tour for the Elk River Area Chamber of Commerce's Leadership group as part of "History Day." Water Superintendent Dave Ninow led a tour of the Lake Orono Dam. Technical Services Superintendent Mike Tietz guided participants through the decommissioned power plant. Governance & Communications Manager Tony Mauren and Communications & Administrative Coordinator Jenny Foss provided a tour of the field services facility, highlighting the integration of historically focused wall art throughout the building. Each participant received the attached ERMU historical flyer with a link to the History of ERMU book created for our 100-year celebration.
- Families enjoyed the nice weather on Friday, October 24, at the Downtown Trick-or-Treat event. ERMU's booth featured a decorated bucket truck, tables with sunglasses, glow sticks, and candy for the kids. This year's theme was Beach Day with an under-the-sea backdrop for family photos. From the office Jenny, Tony, and Lead Customer Service Representative Jessica participated along with lineworkers Josh and Alex B. Photos attached.
- Updates to ERMU's website went live on Thursday, October 23. While the overall look remains familiar, the main purpose was to enhance security. The site has transitioned to

a new content management system and IT staff report that our site has improved its security rating.

- Following the National Information Solutions Cooperative's (NISC) Member Information Conference, communications and customer service staff are working with the administrations director to enhance the SmartHub user experience through improved branding, updated language, and other refinements with the help of NISC.
- The Minnesota Clerks and Finance Officer Association's Record Retention Task Force met on October 15 to continue its review of the General Record Retention Schedule for Minnesota Cities. The group is researching necessary updates to the schedule in preparation for a future edition publication, with Tony being assigned the utilities-focused portions of the schedule. The retention schedule is a reference for municipal staff across the state, providing data privacy classifications and record retention periods to maintain best practices and statutory compliance. The task force's recommendations are reviewed by a panel consisting of the attorney general, state auditor, legislative auditor, and the director of the Minnesota Historical Society for final approval. The last update was in 2021.

ATTACHMENTS:

- Bill Insert – Customer Privacy Notice
- ERACC Leadership Tour Flyer – History Day 2025
- Photos – Downtown Elk River Trick or Treat Event 2025

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

FACTS	WHAT DOES ELK RIVER MUNICIPAL UTILITIES DO WITH YOUR PERSONAL INFORMATION?
Why?	All utilities need to obtain and share customers' personal information to run their business. We collect this data to properly identify you and the services you receive, to bill you for those services, collect payments, and report to state and federal authorities. If you do not provide the information, we will be unable to provide you with the requested services. We will share the information you provide only as necessary to provide the services, to obtain payment, and to report to other governmental authorities as required.
What?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: • Social Security number and income • Account balances and payment history • Credit history and credit scores • Financial banking information and/or credit card information
How?	When you are no longer our customer, we continue to retain and share your information as described in this notice. In the section below we list the reasons Elk River Municipal Utilities chooses to obtain and share, and whether you can limit this sharing.

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

Who we are

Who is providing this notice?

Elk River Municipal Utilities

What we do

How does Elk River Municipal Utilities protect my personal information?

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

How does Elk River Municipal Utilities collect my personal information?

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

- Open a utility account
- Pay your bill

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

Why can't I limit all sharing?

Federal law gives you the right to limit only:

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

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

Definitions

Affiliates

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

Nonaffiliates

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

Joint marketing

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

- Elk River Municipal Utilities does not have joint marketing arrangements

Other important information

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

OUR MISSION

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

OUR VISION

Provide exceptional services and value to those we serve.

OUR VALUES

-  **INTEGRITY**
-  **QUALITY**
-  **COMMUNICATION**
-  **SAFETY**
-  **COMPETITIVE**

Elk River Municipal Utilities: Our History

ERMU has seen tremendous growth throughout the past century and into the next. Much has changed since our rich history began with a businessman who was determined to bring power to the Village of Elk River.

In June of 1915, businessman and real estate developer Fred Waterman incorporated the Elk River Power and Light Company, now known as Elk River Municipal Utilities. Construction began on the hydroelectric power plant, which included a 200-horsepower turbine engine housed in a 30-foot by 30-foot structure located next to the dam on Orono Lake. Elk River residents were eager to enter the world of modern conveniences that electric appliances could provide: incandescent lamps, flat irons, electric fans, vacuum cleaners, and much more. In 1920 the municipal water system was created, and the first water tower was constructed as a means to protect the city after several fires scorched the downtown area. This was just the beginning of providing quality long-term electric and water utility service to our beloved community.



Today, ERMU serves more than 13,800 electric customers in Elk River and the surrounding area. With 646 miles of electric lines, annual energy sales reach nearly 317 million kilowatt hours. ERMU's water system supplies water to approximately 5,800 customers, with 127 miles of water mains and annual water sales exceeding 775 million gallons.

ERMU has played a large role in shaping the community of Elk River and surrounding areas and continues to grow.

Scan the QR code to read *A History of Elk River Municipal Utilities*, published in 2015 in celebration of our 100 years of service, to learn more.



Photos—Downtown Elk River Trick-or-Treat 2025



TO: ERMU Commission	FROM: Thomas Geiser – Operations Director
MEETING DATE: November 12, 2025	AGENDA ITEM NUMBER: 6.01e
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. Maps 1 through 72 are complete.
- Still working through the lack of communication and action regarding the reclosers that were recalled. We continue to wait for our 30 units to be repaired.
- ERMU has started its copper switchgear replacement plan.
- Working with Minnesota Municipal Power Agency solar and gas plant projects.
- Working through Lumen's pole attachment request.
- ERMU received one of two line trucks on October 30, Digger #9. We are still waiting on Bucket Truck #5 to be received at the end of December. The two trucks being replaced will go to auction.
- We had our wire bid opening on Wednesday, November 5 for our 1/0 underground primary.

TO: ERMU Commission	FROM: Chris Sumstad – Electric Superintendent
MEETING DATE: November 12, 2025	AGENDA ITEM NUMBER: 6.01f
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- Installed 17 new residential services, which involves the connection of a secondary line once the customer requests service.
- Crews continue to work on installation of the primary wire to Minnesota Municipal Power Agency's renewable natural gas injection site off Baldwin Street east of Highway 169.
- Joe Schmidt, Safety Instructor from Minnesota Municipal Utilities Association (MMUA), was here October 29 and 30, and held safety meetings for all staff on fire safety and extinguisher use.
- Jay Reading, Safety Instructor from MMUA, was here October 28, and held job training and safety education on digger derrick operations.
- Crews are working on replacing a few dead front oil switchgear with dead front non-oil switchgear. This will continue as we receive more shipments of gear.
- Carr's Tree Service returned November 3 and will be tree trimming until the end of the year.
- We have a line crew working at the new East substation, installing conduits, ground grids, and lighting.
- The bore crew has started working on replacing older open concentric primary on 223rd Avenue in the northwest part of Elk River.
- We had a pole fire on October 15 outside the West substation due to tracking of a disconnect switch. Crews were able to switch this out and avoid an outage. They then replaced the pole, overhead gang switch, and brought new feeder wire out from inside the substation to the pole.

TO: ERMU Commission	FROM: Mike Tietz – Technical Services Superintendent
MEETING DATE: November 12, 2025	AGENDA ITEM NUMBER: 6.01g
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- In October, the locators processed 445 locate tickets. These consisted of 366 normal tickets, 3 emergency tickets, 43 updated tickets, 12 meetings, 3 planning, 2 boundary surveys, and 16 cancellations. This resulted in a 5.1% decrease in tickets from the previous month and a 12.1% decrease from the prior October.
- In October, the electrical technicians completed 51 service order tasks, updated the power bill, addressed customer meter issues and any off-peak concerns.
- The Advanced Metering Infrastructure (AMI) residential water meters were completed in October. The electrical technicians have been busy testing current transformers in preparation for the arrival of our polyphase meters for our demand commercial customers. We continue to receive some of our returned merchandise authorization/warranty meters back from Sensus. We have approximately 5,754 (100%) water meters and 13,283 (94%) electric meters that are installed within the system and our overall AMI project is approximately 96% completed.
- The East substation concrete foundation work was completed in October. Staff has been able to take advantage of the weather and have installed all of the feeder exit conduits and communication/electrical conduits throughout the site. The control building was delivered and placed onto its foundation on November 4. The remaining fence work was completed by the contractor and staff have begun working on the ground grid installation and is expected to be wrapped up by the middle of November. Assembly of the steel structures is expected to start in March and will be constructed by ERMU staff. Commissioning of the substation is still expected to be completed by September 1, 2026.
- Our monthly peak was 57.27 MW on October 2, at 4:23pm.

TO: ERMU Commission	FROM: Dave Ninow – Water Superintendent
MEETING DATE: November 12, 2025	AGENDA ITEM NUMBER: 6.01h
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- Delivered 8 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 23 routine fluoride samples
 - All samples met MDH standards
 - Submitted MDH Fluoride Report
- Water department staff devoted a great deal of time and effort to finding ways to make personal contact with residential customers who had been unresponsive to all previous attempts to communicate that their water meter needed to be exchanged for the Advanced Metering Infrastructure project.
- With the concrete pad for the onsite backup generator at Well #3 installed and initial electric work roughed in, the generator was placed on October 29 in preparation for connection.
- Now that there is an approved set of plans for Bradford Park 2nd Addition, work on new water main installation has begun.
- The pipe, pump, and motor have been removed from Well #6 for scheduled preventative maintenance checks. All five 20' sections of pipe show signs of corrosion most likely from electrolysis and will be replaced with new pipes. The pump and motor are in good condition and will be put back in service.
- A revision of our original service line material inventory of all service connections in the water distribution system has been submitted to MDH. The inventory shows that there are 39 services consisting of galvanized pipe that MDH will require to be replaced, and 107 services where the pipe material is still unknown. We worked with Short Elliot Hendrickson to revise the inventory through assistance we had applied for and received through MDH.
- Verizon Wireless' contractor held a preconstruction meeting for upgrades to their telecommunications equipment at Auburn Street Water Tower. Work should begin in a

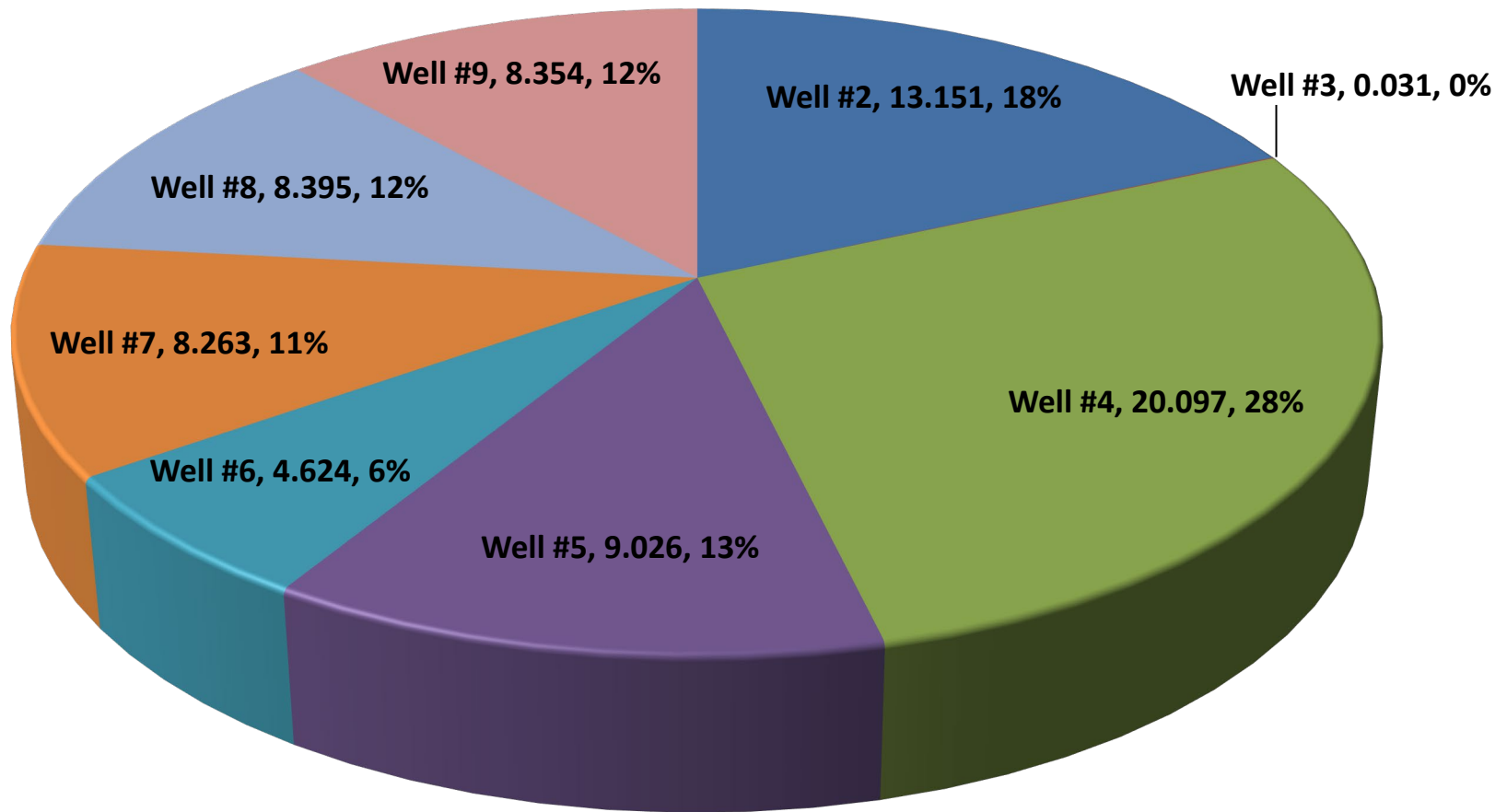
couple of weeks. An amendment has been added to their lease agreement for additional antennas they will be installing on the tower with this project.

- Work on installation of fiberoptic service to Wells #2, #6, and Freeport Water Tower continues.

ATTACHMENTS:

- October 2025 Pumping by Well

October 2025 Monthly Pumping By Well



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

Tuesday, January 14: • Annual Review of Committee Charters	Tuesday, February 11: • Review Strategic Plan and 2024 Annual Business Plan Results
Tuesday, March 11: • Oath of Office • Election of Officers • Annual Commissioner Orientation and Review Governance Responsibilities and Role	Tuesday, April 8: • Audit of 2024 Financial Report • Financial Reserves Allocations • Review 2024 Performance Metrics
Tuesday, May 13: • Annual General Manager Performance Evaluation and Goal Setting	Tuesday, June 3: • Annual Commission Performance Evaluation
Tuesday, July 8:	Tuesday, August 12: • Annual Business Plan – Review Proposed 2026 Travel, Training, Dues, Subscriptions, and Fees Budget • Review and Update Strategic Plan
Tuesday, September 9: • Annual Business Plan – Review Proposed 2026 Capital Projects Budget	Tuesday, October 14: • Annual Business Plan – Review Proposed 2026 Expenses Budget
Wednesday, November 12: • Annual Business Plan - Review Proposed 2026 Rates and Other Revenue • Adopt 2026 Fee Schedule • 2026 Stakeholder Communication Plan	Tuesday, December 9: • Adopt 2026 Official Depository and Delegate Authority for Electronic Funds Transfers • Designate Official 2026 Newspaper • Approve 2026 Regular Meeting Schedule • Adopt 2026 Governance Agenda • Adopt 2026 Annual Business Plan