Elk River Municipal Utilities

REGULAR MEETING OF THE UTILITIES COMMISSION
November 10, 2026, 3:30 P.M.
Utilities Conference Room

AGENDA

1.0 GOVERNANCE
1.1 Call Meeting to Order
1.2 Pledge of Allegiance
1.3 Consider the Agenda
1.4 American Public Power Association Smart Energy Provider Designation
1.5 Recognition of Employee Longevity – Tony Mauren, 8 Years

2.0 CONSENT (Routine items. No discussion. Approved by one motion.)
2.1 Check Register – October 2026
2.2 Regular Meeting Minutes – October 13, 2026
2.3 2026 Third Quarter Utilities Performance Metrics Scorecard Statistics
2.4 2026 Third Quarter Delinquent Items
2.5 2026 Assessments
2.6 Resolutions 26-11 & 12 - Awarding Contracts for 2027 Electric Cable Inventory
2.7 Resolution 26-13 - Awarding Contract for Treatment Plant 7 Modifications

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

4.0 POLICY & COMPLIANCE (Policy review, policy development, and compliance monitoring.)
4.1 Commission Policy Review – G.4i3 – Debt Issuance and Payment
4.2 Management Policy - Employee Engagement Program
4.3 Competitive Rates Analysis

5.0 BUSINESS ACTION (Current business action requests and performance monitoring reports.)
5.1 Financial Report – September 2026
5.2 Annual Business Plan: Rates and Review, Stakeholder Communication Plan
5.3 Financial Reserves & Investment Committee Update – Verbal
5.4 Proposed 2027 Utilities Fee Schedule
5.5 Health Insurance Update
5.6 Wage & Benefits Committee Proposed 2027 Adjustments
5.7 Installation and Maintenance Agreement for Brackets and Accessories
5.8 T-Mobile Water Tower Lease Agreement, Gary Street Tower, Amendment #4

6.0 BUSINESS DISCUSSION (Future business planning, general updates, and informational reports.)
6.1 Staff Updates
6.2 City Council Update
6.3 Future Planning (Announce the next regular meeting, special meeting, or planned quorum.)
a. Regular Commission Meeting – December 8, 2026

b. 2026 Governance Agenda

6.4 Other Business (Items added during agenda approval.)

7.0 ADJOURN REGULAR MEETING

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	**FROM:** Tony Mauren – Governance & Communications Manager
MEETING DATE: November 10, 2026	**AGENDA ITEM NUMBER:** 1.4
SUBJECT: American Public Power Association's Smart Energy Provider Designation	
ACTION REQUESTED: Receive the APPA Smart Energy Provider Designation Award for 2026–2029	

BACKGROUND / DISCUSSION:
The American Public Power Association (APPA) has awarded ERMU the Smart Energy Provider (SEP) designation. ERMU is one of 59 public power utilities nationwide that received this honor at APPA's Customer Connections Conference, held October 26 in Nashville, Tennessee. The designation lasts three years (December 1, 2026, through November 30, 2029). This is the fourth time ERMU has earned the designation, and it is our best score to date: 90 out of a possible 100 points, thanks in large part to the efforts of Communications & Administrative Coordinator Jenny Foss.

APPA evaluates community-owned public power utilities on leading practices in four disciplines:

Smart Energy Information – 20%: Structuring a smart energy program and incorporating it into operations; engaging in research and development in areas such as energy efficiency, sustainability, and distributed energy resources; and benchmarking these programs against utilities with similar attributes.

Energy Efficiency and Distributed Energy Resources (DERs) – 37%: Offering a variety of energy efficiency and DER programs, such as supply-side and demand-side energy efficiency, demand response, and distributed generation and storage, to different types of customers.

Environmental and Sustainability Programs/Initiatives – 23%: Working to reduce emissions and other adverse environmental impacts through programs and partnerships with community stakeholders. This includes tracking and evaluating emissions and emission savings from smart energy programs.

Communication/Education and Customer Experience – 20%: Communicating with customers about smart energy policies, procedures, and programs, and evaluating customer satisfaction with those programs. This includes training customer service representatives to enhance the customer experience with these programs.

ERMU is proud of its accomplishments to date and looks forward to expanding our community's access to environmentally sustainable initiatives. Through the SEP program, ERMU will continue to gain experience, improve its sustainability practices, and serve as an example for other utilities.

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	**FROM:** Mark Hanson – General Manager
MEETING DATE: November 10, 2026	**AGENDA ITEM NUMBER:** 1.5
SUBJECT: Recognition of Employee Longevity – Tony Mauren, 8 years	
ACTION REQUESTED: Recognize Tony Mauren for 8 years of service and award the Longevity Bonus paycheck	

BACKGROUND:

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

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

DISCUSSION:

Tony Mauren has been an employee with ERMU since November 13, 2018, and, therefore, has earned the 8-year longevity pay benefit. We recognize Tony and all his contributions to the success of ERMU through his service.

CHECK REGISTER

October 2026

APPROVED BY:

John Dietz

Jill Larson-Vito

Mary Stewart

Matt Westgaard

Nick Zerwas

11/04/2026 4:28:37 pm

Payroll/Labor
Check Register Totals

10/09/2026 To 10/09/2026

Pays		Job	Amount	Hours
Gross Pay				
2	Reg Hours		207,801.91	3,717.25
3	Overtime		5,513.20	69.59
4	Double Time		0.00	0.00
5	On-Call/Stand-by		3,556.98	56.00
24	FLSA		223.65	0.00
25	Rest Time		252.08	4.00
10	Bonus Pay		196.08	3.00
18	Commissioner Reimb - Electric		0.00	0.00
104	Commission Stipend		1,336.00	0.00
105	Perf. Metr. Distr.		0.00	0.00
VAC	Vacation Pay		16,371.38	264.75
SICK	Sick Pay		6,176.58	100.25
HOL	Holiday Pay		0.00	0.00
78	Retro Earnings		0.00	0.00
5-2	On-Call/Stand-by/OT		845.65	8.75
18A	Commissioner Reimb. - Water		0.00	0.00
10-3	Bonus Pay Overtime		0.00	0.00
10-4	Bonus Pay Double Time		0.00	0.00
104A	Commission Stipend - Water		334.00	0.00
PTOY	Personal Day - Year		168.88	4.00
3C	Overtime-Comp Time		346.14	3.66
4C	Double Time-Comp Time		0.00	0.00
CM3C	Overtime-Comp Time Adjusted		-346.14	-3.66
CM4C	Double Time-Comp Time Adjusted		0.00	0.00
COMP	Comp Time Taken		464.30	8.75
106	Longevity Pay		0.00	0.00
MIL	Military Pay - Calendar Year		0.00	0.00
ESST	Earned Safe & Sick Time		48.98	2.00
	Gross Pay Total:		243,289.67	4,238.34
	Total Pays:		243,289.67	4,238.34

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Payroll/Labor
Check Register Totals

10/23/2026 To 10/23/2026

Pays		Job	Amount	Hours
Gross Pay				
2	Reg Hours		205,901.58	3,620.00
3	Overtime		3,666.19	49.50
4	Double Time		500.92	4.00
5	On-Call/Stand-by		3,192.84	56.00
24	FLSA		85.60	0.00
25	Rest Time		429.94	6.50
10	Bonus Pay		196.08	3.00
105	Perf. Metr. Distr.		0.00	0.00
VAC	Vacation Pay		13,334.86	244.75
SICK	Sick Pay		7,660.42	136.50
HOL	Holiday Pay		-439.20	-8.00
78	Retro Earnings		0.00	0.00
5-2	On-Call/Stand-by/OT		588.78	5.75
10-3	Bonus Pay Overtime		0.00	0.00
10-4	Bonus Pay Double Time		0.00	0.00
PTOY	Personal Day - Year		640.57	10.00
3C	Overtime-Comp Time		280.40	3.00
4C	Double Time-Comp Time		213.28	2.50
CM3C	Overtime-Comp Time Adjusted		-280.40	-3.00
CM4C	Double Time-Comp Time Adjusted		-213.28	-2.50
COMP	Comp Time Taken		1,440.40	27.00
106	Longevity Pay		0.00	0.00
MIL	Military Pay - Calendar Year		0.00	0.00
ESST	Earned Safe & Sick Time		48.98	2.00
	Gross Pay Total:		237,247.96	4,157.00
	Total Pays:		237,247.96	4,157.00

11/04/2026 4:27:59 PM

Accounts Payable
Check Register

10/01/2026 To 10/31/2026

Bank Account: 1 - GENERAL FUND

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
2396	10/5/26	WIRE	5655	FISERV	CC FEES - SEPT 2026		2,919.51
					CC FEES - SEPT 2026		729.88
					CC FEES - SEPT 2026		1,066.26
					CC FEES - SEPT 2026		266.56
					CC FEES - SEPT 2026		7,471.46
					CC FEES - SEPT 2026		1,867.87
					CC FEES - SEPT 2026		76.16
					CC FEES - SEPT 2026		19.04
					CC FEES - SEPT 2026		982.06
					CC FEES - SEPT 2026		245.52
					CC FEES - SEPT 2026		4,119.35
					CC FEES - SEPT 2026		1,029.84
						Total for Check/Tran - 2396:	20,793.51
						Total for Bank Account - 1 : (1)	20,793.51

Accounts Payable
Check Register

10/01/2026 To 10/31/2026

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
5436	10/1/26	WIRE	154	MINNESOTA REVENUE (ELECTRONIC)	PAYROLL TAXES - STATE		9,069.29
					PAYROLL TAXES - STATE		1,901.02
						Total for Check/Tran - 5436:	10,970.31
5437	10/1/26	WIRE	738	HEALTHEQUITY, INC	FSA CLAIM REIMBURSEMENTS - 164		222.22
					FSA CLAIM REIMBURSEMENTS - 164		55.55
						Total for Check/Tran - 5437:	277.77
5439	10/2/26	WIRE	738	HEALTHEQUITY, INC	FSA CLAIM REIMBURSEMENTS - 147		418.80
					FSA CLAIM REIMBURSEMENTS - 147		104.70
						Total for Check/Tran - 5439:	523.50
5440	10/6/26	WIRE	1008	AMERICAN EXPRESS	AMERICAN EXPRESS		93.60
					AMERICAN EXPRESS		27.50
						Total for Check/Tran - 5440:	121.10
5441	10/6/26	WIRE	166	ONLINE UTILITY EXCHANGE (ELECTR	UTILITY EXCHANGE REPORT		348.00
					UTILITY EXCHANGE REPORT		87.00
						Total for Check/Tran - 5441:	435.00
5443	10/9/26	WIRE	8605	MARCO TECHNOLOGIES, LLC	LEASE FOR COPIER AT OFFICE		121.23
					LEASE FOR COPIER AT OFFICE		30.30
						Total for Check/Tran - 5443:	151.53
5444	10/9/26	WIRE	824	HOME DEPOT CREDIT SERVICES	HOME DEPOT		93.45
					HOME DEPOT		103.04
						Total for Check/Tran - 5444:	196.49
5445	10/8/26	WIRE	738	HEALTHEQUITY, INC	ADMINISTRATIVE FEE INVOICE - OCT 2026		132.90
					ADMINISTRATIVE FEE INVOICE - OCT 2026		26.10
						Total for Check/Tran - 5445:	159.00
5449	10/9/26	WIRE	153	PERA (ELECTRONIC)	PERA EMPLOYEE CONTRIBUTION		12,405.33
					PERA CONTRIBUTIONS		14,313.85
					PERA EMPLOYEE CONTRIBUTION		2,469.26
					PERA CONTRIBUTIONS		2,849.13

Accounts Payable
Check Register

10/01/2026 To 10/31/2026

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
						Total for Check/Tran - 5449:	32,037.57
5450	10/13/26	WIRE	598	MINNESOTA CHILD SUPPORT PAYMEN	CHILD SUPPORT		304.10
5451	10/13/26	WIRE	738	HEALTHEQUITY, INC	HSA EMPLOYEE CONTRIBUTION		3,155.77
					HSA EMPLOYEE CONTRIBUTION		591.04
						Total for Check/Tran - 5451:	3,746.81
5452	10/13/26	WIRE	549	CHARTER COMMUNICATIONS	CABLE & OFFICE TELEPHONE		217.46
					CABLE & OFFICE TELEPHONE		54.37
						Total for Check/Tran - 5452:	271.83
5453	10/13/26	WIRE	161	VOYA INSTITUTIONAL TRUST COMPAN	MNDCP EE MANAGER CONTRIBUTIONS		187.60
					MNDCP EMPLOYEE CONTRIBUTIONS		4,250.54
					MNDCP EMPLOYER CONTRIBUTION		1,141.12
					MNDCP EMPLOYER MGR CONTRIBUTION		644.65
					MNDCP EE ROTH CONTRIBUTIONS		1,891.39
					MNDCP EE ROTH MGR CONTRIBUTIONS		457.05
					MNDCP EE MANAGER CONTRIBUTIONS		53.69
					MNDCP EMPLOYEE CONTRIBUTIONS		374.22
					MNDCP EMPLOYER CONTRIBUTION		107.58
					MNDCP EMPLOYER MGR CONTRIBUTION		89.00
					MNDCP EE ROTH CONTRIBUTIONS		411.55
					MNDCP EE ROTH MGR CONTRIBUTIONS		35.31
						Total for Check/Tran - 5453:	9,643.70
5454	10/13/26	WIRE	8708	MEDICA	MEDICAL EE INSURANCE - OCT 2026		11,629.80
					MEDICAL ER INSURANCE - OCT 2026		64,029.96
					MEDICAL COBRA INSURANCE - OCT 2026		1,374.88
					MEDICAL EE INSURANCE - OCT 2026		2,712.20
					MEDICAL ER INSURANCE - OCT 2026		15,892.67
						Total for Check/Tran - 5454:	95,639.51
5455	10/13/26	WIRE	285	JOHN HANCOCK	W&A EMPLOYER CONTRIBUTION		80.00

10/01/2026 To 10/31/2026

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
					W&A MANAGER CONTRIBUTION		460.56
					WENZEL EMPLOYEE CONTRIBUTIONS		1,710.86
					WENZEL MANAGER CONTRIBUTIONS		148.84
					DEF COMP ROTH CONTRIBUTIONS W&A		1,025.07
					WENZEL EE ROTH MGR CONTRIBUTIONS		311.72
					W&A EMPLOYER CONTRIBUTION		20.00
					W&A MANAGER CONTRIBUTION		56.34
					WENZEL EMPLOYEE CONTRIBUTIONS		631.89
					WENZEL MANAGER CONTRIBUTIONS		21.70
					DEF COMP ROTH CONTRIBUTIONS W&A		69.93
					WENZEL EE ROTH MGR CONTRIBUTIONS		34.64
						Total for Check/Tran - 5455:	4,571.55
5456	10/13/26	WIRE	160	VOYA INSTITUTIONAL TRUST COMPAN	HCSP EMPLOYEE CONTRIBUTIONS		2,871.97
					HCSP EMPLOYEE CONTRIBUTIONS		485.21
						Total for Check/Tran - 5456:	3,357.18
5457	10/14/26	WIRE	152	IRS - USA TAX PMT (ELECTRONIC)	PAYROLL TAXES - FEDERAL & FICA		20,762.15
					PAYROLL TAXES - FEDERAL & FICA		28,063.14
					PAYROLL TAXES - FEDERAL & FICA		3,896.63
					PAYROLL TAXES - FEDERAL & FICA		5,928.40
						Total for Check/Tran - 5457:	58,650.32
5458	10/15/26	WIRE	154	MINNESOTA REVENUE (ELECTRONIC)	PAYROLL TAXES - STATE		9,379.17
					PAYROLL TAXES - STATE		1,878.19
						Total for Check/Tran - 5458:	11,257.36
5459	10/15/26	WIRE	738	HEALTHEQUITY, INC	FSA CLAIM REIMBURSEMENTS - 164		222.22
					FSA CLAIM REIMBURSEMENTS - 164		55.55
						Total for Check/Tran - 5459:	277.77
5460	10/21/26	WIRE	174	MINNESOTA REVENUE SALES TX (ELE	SALES AND USE TAX		334,389.22
					SALES AND USE TAX		-2.67
					SALES AND USE TAX		11,144.45

Accounts Payable
Check Register

10/01/2026 To 10/31/2026

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
						Total for Check/Tran - 5460:	345,531.00
5465	10/26/26	WIRE	574	REPUBLIC SERVICES, INC	TRASH & RECYCLING SERVICE - SEPT 2026		1,584.84
					TRASH & RECYCLING SERVICE - SEPT 2026		226.40
						Total for Check/Tran - 5465:	1,811.24
5466	10/26/26	WIRE	574	REPUBLIC SERVICES, INC	TRASH & RECYCLING SERVICE -		571.69
					TRASH & RECYCLING SERVICE -		87.44
					TRASH & RECYCLING SERVICE -		12.49
						Total for Check/Tran - 5466:	671.62
5467	10/27/26	WIRE	153	PERA (ELECTRONIC)	PERA EMPLOYEE CONTRIBUTION		12,206.80
					PERA CONTRIBUTIONS		14,084.74
					PERA EMPLOYEE CONTRIBUTION		2,458.14
					PERA CONTRIBUTIONS		2,836.32
						Total for Check/Tran - 5467:	31,586.00
5468	10/27/26	WIRE	160	VOYA INSTITUTIONAL TRUST COMPAN	HCSP EMPLOYEE CONTRIBUTIONS		2,804.84
					HCSP EMPLOYEE CONTRIBUTIONS		487.13
						Total for Check/Tran - 5468:	3,291.97
5469	10/27/26	WIRE	161	VOYA INSTITUTIONAL TRUST COMPAN	MNDCP EE MANAGER CONTRIBUTIONS		187.60
					MNDCP EMPLOYEE CONTRIBUTIONS		4,244.54
					MNDCP EMPLOYER CONTRIBUTION		1,146.30
					MNDCP EMPLOYER MGR CONTRIBUTION		644.65
					MNDCP EE ROTH CONTRIBUTIONS		1,892.48
					MNDCP EE ROTH MGR CONTRIBUTIONS		457.05
					MNDCP EE MANAGER CONTRIBUTIONS		53.69
					MNDCP EMPLOYEE CONTRIBUTIONS		380.22
					MNDCP EMPLOYER CONTRIBUTION		102.40
					MNDCP EMPLOYER MGR CONTRIBUTION		89.00
					MNDCP EE ROTH CONTRIBUTIONS		410.46
					MNDCP EE ROTH MGR CONTRIBUTIONS		35.31
						Total for Check/Tran - 5469:	9,643.70

Accounts Payable
Check Register

10/01/2026 To 10/31/2026

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
5470	10/27/26	WIRE	285	JOHN HANCOCK	W&A EMPLOYER CONTRIBUTION		80.99
					W&A MANAGER CONTRIBUTION		448.15
					WENZEL EMPLOYEE CONTRIBUTIONS		1,653.07
					WENZEL MANAGER CONTRIBUTIONS		136.43
					DEF COMP ROTH CONTRIBUTIONS W&A		1,025.99
					WENZEL EE ROTH MGR CONTRIBUTIONS		311.72
					W&A EMPLOYER CONTRIBUTION		19.01
					W&A MANAGER CONTRIBUTION		68.75
					WENZEL EMPLOYEE CONTRIBUTIONS		656.69
					WENZEL MANAGER CONTRIBUTIONS		34.11
					DEF COMP ROTH CONTRIBUTIONS W&A		69.01
					WENZEL EE ROTH MGR CONTRIBUTIONS		34.64
						Total for Check/Tran - 5470:	4,538.56
5471	10/27/26	WIRE	598	MINNESOTA CHILD SUPPORT PAYMEN	CHILD SUPPORT		304.10
5472	10/27/26	WIRE	738	HEALTHEQUITY, INC	FSA CLAIM REIMBURSEMENTS - 147		357.20
					FSA CLAIM REIMBURSEMENTS - 147		89.30
						Total for Check/Tran - 5472:	446.50
5473	10/27/26	WIRE	738	HEALTHEQUITY, INC	HSA EMPLOYEE CONTRIBUTION		3,137.42
					HSA EMPLOYEE CONTRIBUTION		609.39
						Total for Check/Tran - 5473:	3,746.81
5474	10/27/26	WIRE	6149	OLD REPUBLIC SURETY GROUP	UTILITY PERMIT		250.00
5475	10/29/26	WIRE	154	MINNESOTA REVENUE (ELECTRONIC)	PAYROLL TAXES - STATE		9,065.25
					PAYROLL TAXES - STATE		1,894.03
						Total for Check/Tran - 5475:	10,959.28
5476	10/29/26	WIRE	738	HEALTHEQUITY, INC	FSA/MSA Flex Payable		222.22
					FSA/MSA Flex Payable		55.55
						Total for Check/Tran - 5476:	277.77
24500	10/1/26	DD	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 2 - ACCT 41038 - SEPT 2026		108.42

Accounts Payable
Check Register

10/01/2026 To 10/31/2026

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
					CYCLE 2 - ACCT 41038 - SEPT 2026		5.71
					CYCLE 2 - INV GRP 436 - SEPT 2026		4,855.47
						Total for Check/Tran - 24500:	4,969.60
24501	10/1/26	DD	626	JENNY FOSS	2026 MIC Airport Pkg-184		79.87
					2026 MIC Mileage to airport-184		53.50
					2026 MIC hotel - 184		400.91
					2026 MIC snack - 184		23.01
					2026 MIC snack-184		12.00
					2026 MIC Airport Pkg-184		19.97
					2026 MIC Mileage to airport-184		13.38
					2026 MIC hotel - 184		100.23
					2026 MIC snack - 184		5.76
					2026 MIC snack-184		3.00
						Total for Check/Tran - 24501:	711.63
24502	10/1/26	DD	809	HAWKINS, INC.	Water Chemicals		4,807.23
24503	10/1/26	DD	5310	HOTSY MINNESOTA	EQUIPMENT WASH		484.77
					EQUIPMENT WASH		69.26
						Total for Check/Tran - 24503:	554.03
24504	10/1/26	DD	6836	INNOVATIVE OFFICE SOLUTIONS LLC	TECH SERVICES PRINTER TONER		780.25
					TECH SERVICES PRINTER TONER		41.07
						Total for Check/Tran - 24504:	821.32
24505	10/1/26	DD	8897	RALPHIE'S	RALPHIE'S		26.99
24506	10/1/26	DD	130	RESCO	Mtce of URD Primary		2,000.00
					Discount		-1.00
					Mtce of OH Primary		164.47
					Discount		-0.08
						Total for Check/Tran - 24506:	2,163.39
24564	10/8/26	DD	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 3 - INV GRP 395 - SEPT 2026		18,730.18

Accounts Payable
Check Register

10/01/2026 To 10/31/2026

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
24565	10/8/26	DD	809	HAWKINS, INC.	CHLORINE CYLINDER RENTAL		90.00
24566	10/8/26	DD	8083	JT SERVICES OF MINNESOTA	SAFETY GLASSES		166.24
					SAFETY GLASSES		41.56
					Reel Tags		4,748.12
						Total for Check/Tran - 24566:	4,955.92
24567	10/8/26	DD	828	MARILU INC	MONTHLY CLEANING FOR THE PLANT-SEPT 2026		2,982.74
					MONTHLY CLEANING FOR THE PLANT-SEPT 2026		426.11
						Total for Check/Tran - 24567:	3,408.85
24568	10/8/26	DD	39	MMUA	LINEMAN COLLEGE - 195		795.00
24569	10/8/26	DD	573	NCPERS MINNESOTA	EXTRA LIFE INSURANCE - OCT 2026		297.60
					EXTRA LIFE INSURANCE - OCT 2026		38.40
						Total for Check/Tran - 24569:	336.00
24570	10/8/26	DD	5006	KATY OLSON	Mileage		20.52
24571	10/8/26	DD	7940	SCHWEITZER ENGINEERING LABORAT	TRANSCEIVER		3,454.80
24572	10/8/26	DD	711	WEG TRANSFORMERS USA LLC	Transformer		570,480.00
24573	10/8/26	DD	610	WRIGHT HENNEPIN COOPERATIVE ELE	SEUCITY - 1435 & 1705 MAIN ST		54.55
					SEUCITY - 1435 & 1705 MAIN ST		7.79
						Total for Check/Tran - 24573:	62.34
24574	10/14/26	DD	11	CITY OF ELK RIVER	TRASH BILLED - SEPT 2026		177,402.24
24575	10/14/26	DD	6	BEAUDRY OIL COMPANY	DIESEL		1,792.50
					UNLEADED FUEL		2,294.12
						Total for Check/Tran - 24575:	4,086.62
24576	10/14/26	DD	11	CITY OF ELK RIVER	FUEL USAGE - AUG 2026		2,643.04
					FUEL USAGE - AUG 2026		1,293.31
					YARD WASTE - AUG 2026		80.00
					2026 DISCLOSURE REPORT		1,320.00

Accounts Payable
Check Register

10/01/2026 To 10/31/2026

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
					2026 DISCLOSURE REPORT		440.00
					PARTS & LABOR FOR UNIT #14		-1.21
					PARTS & LABOR FOR UNIT #14		78.32
					PARTS & LABOR FOR UNIT #14		-0.06
					PARTS & LABOR FOR UNIT #14		4.12
					PARTS & LABOR FOR UNIT #20		-1.56
					PARTS & LABOR FOR UNIT #20		86.35
					PARTS & LABOR FOR UNIT #31		-4.24
					PARTS & LABOR FOR UNIT #31		123.03
						Total for Check/Tran - 24576:	6,061.10
24577	10/14/26	DD	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 4 - INV GRP 396 - OCT 2026		292.78
24578	10/14/26	DD	3624	ESRI	esri		36,418.60
					esri		9,104.65
						Total for Check/Tran - 24578:	45,523.25
24579	10/14/26	DD	664	FRONTIER ENERGY, INC	CIP PROFESSIONAL SERVICES - AUG 2026		12,381.13
24580	10/14/26	DD	404	GARAGE DOOR STORE	REMOTE CONTROL		51.93
					REMOTE CONTROL		7.41
						Total for Check/Tran - 24580:	59.34
24581	10/14/26	DD	417	LOCATORS & SUPPLIES INC.	Truck 5		122.53
24582	10/14/26	DD	1001	MINNESOTA MUNICIPAL POWER AGEN	PURCHASED POWER - SEPT 2026		2,457,083.52
					PURCHASED POWER - SEPT 2026		663,607.03
						Total for Check/Tran - 24582:	3,120,690.55
24583	10/14/26	DD	5155	NORTHLAND PETROLEUM SERVICE	DIESEL PUMP REPAIR		-90.56
					DIESEL PUMP REPAIR		1,526.56
						Total for Check/Tran - 24583:	1,436.00
24584	10/14/26	DD	130	RESCO	Mtce of OH Primary		429.10
					Mtce of OH Primary		233.28
					Mtce of URD Primary		368.00

Accounts Payable
Check Register

10/01/2026 To 10/31/2026

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
					Discount		-0.52
					Mtce of URD Primary		534.49
					Discount		-0.25
						Total for Check/Tran - 24584:	1,564.10
24585	10/14/26	DD	135	WATER LABORATORIES INC	WATER SAMPLING - SEPT 2026		380.00
24586	10/14/26	DD	711	WEG TRANSFORMERS USA LLC	Transformer		142,620.00
24639	10/23/26	DD	6106	AID ELECTRIC CORPORATION	OFFICE LIGHTING		14,600.00
					OFFICE LIGHTING		3,650.00
						Total for Check/Tran - 24639:	18,250.00
24640	10/23/26	DD	6	BEAUDRY OIL COMPANY	ULTRAPURE DEF		378.29
24641	10/23/26	DD	9	BORDER STATES ELECTRIC SUPPLY	COMPRESSION LUG		632.58
					CRIMP CONNECTOR		694.75
					Material		1,565.50
					Mtce of URD Primary		1,086.61
					Phase Meter		708.64
						Total for Check/Tran - 24641:	4,688.08
24642	10/23/26	DD	8843	CAMPBELL KNUTSON	LEGAL SERVICES - SEPT 2026		912.00
					LEGAL SERVICES - SEPT 2026		228.00
						Total for Check/Tran - 24642:	1,140.00
24643	10/23/26	DD	11	CITY OF ELK RIVER	STORMWATER BILLED - SEPT 2026		59,258.76
					SEWER BILLED - SEPT 2026		253,291.05
					REVENUE TRANSFER - SEPT 2026		220,536.85
					REVENUE TRANSFER - SEPT 2026		8,986.84
					2026 QTR 3 FRANCHISE FEES		289,470.03
						Total for Check/Tran - 24643:	831,543.53
24644	10/23/26	DD	7448	CRC	CUSTOMER SERVICE AFTER HOURS		2,503.46
					CUSTOMER SERVICE AFTER HOURS		625.86
						Total for Check/Tran - 24644:	3,129.32

Accounts Payable
Check Register

10/01/2026 To 10/31/2026

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
24645	10/23/26	DD	671	FASTENAL COMPANY	DRILL SET - UNIT #21		145.11
24646	10/23/26	DD	626	JENNY FOSS	GSMCON 2027 - Denver, CO (5/24-27)		373.44
					GSMCON 2027 - Denver, CO (5/24-27)		93.36
						Total for Check/Tran - 24646:	466.80
24647	10/23/26	DD	91	GOPHER STATE ONE-CALL	LOCATES FOR - SEPT 2026		923.40
					LOCATES FOR - SEPT 2026		48.60
						Total for Check/Tran - 24647:	972.00
24648	10/23/26	DD	809	HAWKINS, INC.	Water Chemicals		1,805.55
24649	10/23/26	DD	417	LOCATORS & SUPPLIES INC.	Red Flags		2,196.69
24650	10/23/26	DD	573	NCPERS MINNESOTA	EXTRA LIFE INSURANCE - NOV 2026		297.60
					EXTRA LIFE INSURANCE - NOV 2026		38.40
						Total for Check/Tran - 24650:	336.00
24651	10/23/26	DD	9300	NISC	AGREEMENTS INVOICE - SEPT 2026		53.94
					AGREEMENTS INVOICE - SEPT 2026		797.02
					AGREEMENTS INVOICE - SEPT 2026		11,809.43
					AGREEMENTS INVOICE - SEPT 2026		260.00
					AGREEMENTS INVOICE - SEPT 2026		341.58
					AGREEMENTS INVOICE - SEPT 2026		2,667.60
					AGREEMENTS INVOICE - SEPT 2026		65.00
					MISC INVOICE - SEPT 2026		716.13
					MISC INVOICE - SEPT 2026		120.00
					MISC INVOICE - SEPT 2026		179.03
					MISC INVOICE - SEPT 2026		30.00
					PRINT SERVICES - SEPT 2026		7,860.40
					PRINT SERVICES - SEPT 2026		969.35
					PRINT SERVICES - SEPT 2026		1,965.10
						Total for Check/Tran - 24651:	27,834.58

Accounts Payable
Check Register

10/01/2026 To 10/31/2026

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
24652	10/23/26	DD	530	ALEXANDER SKOOG	AUTO RENTAL EAST TRANSFORMER WITNESS TES	194.34
					FUEL EAST TRANSFORMER WITNESS TESTING	23.60
					HOTEL EAST TRANSFORMER WITNESS TESTING	117.02
					MEAL EAST TRANSFORMER WITNESS TESTING	52.31
					MILEAGE EAST TRANSFORMER WITNESS TESTING	61.92
					PARKING EAST TRANSFORMER WITNESS TESTING	65.12
					Total for Check/Tran - 24652:	514.31
24653	10/23/26	DD	711	WEG TRANSFORMERS USA LLC	Transformer	213,930.00
24665	10/27/26	DD	8079	BAYCOM, INC.	Toughbook	3,273.25
					Tougbook	172.28
					Total for Check/Tran - 24665:	3,445.53
24666	10/27/26	DD	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 1 - ACCT 183	570.14
					CYCLE 1 - INV GRP 101	3,902.93
					CYCLE 1 - INV GRP 101	19.38
					CYCLE 1 - INV GRP 101	1,444.84
					CYCLE 1 - INV GRP 101	593.76
					CYCLE 1 - INV GRP 101	361.21
					CYCLE 1 - INV GRP 421	9,924.98
					Total for Check/Tran - 24666:	16,817.24
24667	10/27/26	DD	671	FASTENAL COMPANY	MISC PARTS & SUPPLIES	33.55
					Truck 21	145.11
					Total for Check/Tran - 24667:	178.66
24668	10/27/26	DD	809	HAWKINS, INC.	Water Chemicals	2,698.80
24669	10/27/26	DD	6836	INNOVATIVE OFFICE SOLUTIONS LLC	OFFICE SUPPLIES	148.35
					OFFICE SUPPLIES	37.09
					Total for Check/Tran - 24669:	185.44
24670	10/27/26	DD	5381	INSIGHT PUBLIC SECTOR	UPS	329.28
					UPS	17.32

Accounts Payable
Check Register

10/01/2026 To 10/31/2026

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
						Total for Check/Tran - 24670:	346.60
24671	10/27/26	DD	8083	JT SERVICES OF MINNESOTA	Polywater		384.51
24672	10/27/26	DD	39	MMUA	T&O CONF - 9 32 186 203 159 12.2026		2,615.00
24673	10/27/26	DD	130	RESCO	Mtce of URD Primary		40.00
24674	10/27/26	DD	603	ROYAL SUPPLY INC	OFFICE SUPPLIES		550.59
					OFFICE SUPPLIES		137.65
						Total for Check/Tran - 24674:	688.24
91488	10/1/26	CHK	328	1ST AYD CORPORATION	SAFETY VESTS		1,003.24
					SAFETY VESTS		250.81
						Total for Check/Tran - 91488:	1,254.05
91489	10/1/26	CHK	398	ALTEC INDUSTRIES, INC	PARTS FOR UNIT #4		205.98
91490	10/1/26	CHK	9999	ASTECH CORP	Hydrant Rental Deposit Refund		1,388.74
91491	10/1/26	CHK	815	B & R EXCAVATING LLC	FIBER TO OTSEGO SUBSTATION		40,945.55
91492	10/1/26	CHK	28	CINTAS	MATS & TOWELS		660.48
					MATS & TOWELS		94.36
					MATS & TOWELS		660.48
					MATS & TOWELS		94.36
						Total for Check/Tran - 91492:	1,509.68
91493	10/1/26	CHK	7509	DEPARTMENT OF MOTOR VEHICLES	SALES TAX & TITLE - UNIT #17		3,159.55
					SALES TAX & TITLE - UNIT #17		166.29
						Total for Check/Tran - 91493:	3,325.84
91494	10/1/26	CHK	9192	ELK RIVER CUB FOODS	SAFETY MTG SNACKS		28.90
					SAFETY MTG SNACKS		7.23
					SAFETY TRAINING SNACKS		24.81
					SAFETY TRAINING SNACKS		6.20
						Total for Check/Tran - 91494:	67.14

Accounts Payable
Check Register

10/01/2026 To 10/31/2026

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
91495	10/1/26	CHK	5341	HUBBARD ELECTRIC	REPLACE METER - 19262 OGDEN		836.60
					REPLACE METER - 19262 OGDEN		-23.12
						Total for Check/Tran - 91495:	813.48
91496	10/1/26	CHK	9997	LEWIS CUSTOM HOMES, INC	Credit Balance Refund		113.36
91497	10/1/26	CHK	8605	MARCO TECHNOLOGIES, LLC	ACE PROGRAM - 8/29 TO 9/28/26		1,531.39
					ACE PROGRAM - 8/29 TO 9/28/26		382.85
					CLOUD RECOVERY ACCT USAGE - AUG 2026		2.49
					CLOUD RECOVERY ACCT USAGE - AUG 2026		0.62
						Total for Check/Tran - 91497:	1,917.35
91498	10/1/26	CHK	145	MENARDS	COVER		5.09
					HORNET SPRAY		25.76
					SIGN CLIPS		19.37
						Total for Check/Tran - 91498:	50.22
91499	10/1/26	CHK	120	NAPA AUTO PARTS	Transportation Exp		84.03
					PARTS FOR UNIT #31		183.57
						Total for Check/Tran - 91499:	267.60
91500	10/1/26	CHK	583	NORTHWESTERN POWER EQUIP CO IN	Dehumidifier		10,880.27
91501	10/1/26	CHK	22	PLUNKETT'S PEST CONTROL, INC	PEST CONTROL PROGRAM		117.55
					PEST CONTROL PROGRAM		16.79
						Total for Check/Tran - 91501:	134.34
91502	10/1/26	CHK	3218	RDO EQUIPMENT CO.	TRANSMITTER - UNIT #56		4,100.00
91503	10/1/26	CHK	6107	STUART C. IRBY CO.	Warning Sign		645.96
					Warning Sign		2,045.52
					WASP SPRAY		257.12
					CRIMP		952.80
					Mtce of URD Primary		593.31
						Total for Check/Tran - 91503:	4,494.71

Accounts Payable
Check Register

10/01/2026 To 10/31/2026

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
91504	10/1/26	CHK	3360	THE UPS STORE 5093	SHIPPING - OIL SAMPLES		18.79
91505	10/1/26	CHK	209	ULINE	DUCT TAPE		82.92
					DUCT TAPE		11.83
						Total for Check/Tran - 91505:	94.75
91506	10/1/26	CHK	55	WESCO RECEIVABLES CORP.	Lamp		359.22
					MISC PARTS & SUPPLIES		3,882.60
						Total for Check/Tran - 91506:	4,241.82
91507	10/8/26	CHK	766	ACE HARDWARE	FITTING BRUSH		11.79
91508	10/8/26	CHK	218	AIRGAS USA LLC	NITROGEN		102.31
91509	10/8/26	CHK	507	AMERICAN BACKFLOW PRODUCTS CO	Repair		282.15
					Repair		40.30
						Total for Check/Tran - 91509:	322.45
91510	10/8/26	CHK	4531	AT & T MOBILITY	CELL PHONES & iPAD BILLING		70.93
					CELL PHONES & iPAD BILLING		2,710.13
					CELL PHONES & iPAD BILLING		750.21
						Total for Check/Tran - 91510:	3,531.27
91511	10/8/26	CHK	938	B & E RECYCLING STATION, INC	RECYCLE HUMIDIFIERS		40.00
91512	10/8/26	CHK	2920	BATTERIES PLUS BULBS	LOCATOR BATTERIES		28.97
91513	10/8/26	CHK	9997	SANDRA BLISS	INACTIVE REFUND		37.21
91514	10/8/26	CHK	5224	BLUE CROSS BLUE SHIELD OF MINNES	VISION INSURANCE - NOV 2026		318.37
					VISION INSURANCE - NOV 2026		91.14
						Total for Check/Tran - 91514:	409.51
91515	10/8/26	CHK	592	COMPUTER INTEGRATION TECHNOLO	OT Security		17,639.65
					OT Security		4,409.92
					OT Security		653.23
					OT Security		163.30

Accounts Payable
Check Register

10/01/2026 To 10/31/2026

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
						Total for Check/Tran - 91515:	22,866.10
91516	10/8/26	CHK	54	CORE & MAIN LP	KIMWIPES		97.02
91517	10/8/26	CHK	9997	LAURA CURRY	INACTIVE REFUND		54.55
91518	10/8/26	CHK	656	DGR ENGINEERING	PROF SERV - AUG 2026 EAST SUBSTATION		7,083.50
91519	10/8/26	CHK	122	ELK RIVER WINLECTRIC	RECEPTACLE - GARY ST TOWER		-0.26
					RECEPTACLE - GARY ST TOWER		3.44
					RECEPTACLE		43.06
					BLANK		-0.51
					BLANK		7.04
					INSULATED RING TERMINAL		29.97
					MISC PARTS & SUPPLIES		83.83
					CONDUIT		241.20
					CONDUIT		-17.61
					MISC PARTS & SUPPLIES		95.61
					MISC PARTS & SUPPLIES		-6.97
					7 DAY TIMER		-564.47
					7 DAY TIMER		564.47
					PARTS - OTSEGO SUBSTATION		170.13
					PARTS - OTSEGO SUBSTATION		92.86
					PARTS - OTSEGO SUBSTATION		6.41
					PARTS - OTSEGO SUBSTATION		13.41
					WIRE		6,796.85
					WIRE		-496.17
					EXPANSION COUPLER		-53.15
					COUPLER		-37.55
						Total for Check/Tran - 91519:	6,971.59
91520	10/8/26	CHK	572	EVERSPRING INN AND SUITES-MARSH	MMUA RODEO HOTEL - 195		102.93
					RODEO & OVERHEAD HOTEL - 111		411.72

Accounts Payable
Check Register

10/01/2026 To 10/31/2026

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
					OVERHEAD SCHOOL HOTEL - 142		308.79
					RODEO & OVERHEAD HOTEL - 190		308.79
						Total for Check/Tran - 91520:	1,132.23
91521	10/8/26	CHK	9997	CHRISTIAN GARCIA TEJADA	INACTIVE REFUND		31.93
91522	10/8/26	CHK	5550	GEARED UP APPAREL	EMPLOYEE RECOGNITION - 111		50.00
91524	10/8/26	CHK	631	HEALTHPARTNERS	DENTAL EE INSURANCE - NOV 2026		1,175.48
					DENTAL ER INSURANCE - NOV 2026		3,203.57
					DENTAL EE INSURANCE - NOV 2026		182.09
					DENTAL ER INSURANCE - NOV 2026		869.12
						Total for Check/Tran - 91524:	5,430.26
91525	10/8/26	CHK	9997	BARBARA HEMMILA	INACTIVE REFUND		63.13
91526	10/8/26	CHK	9997	SUSAN JORISSEN	INACTIVE REFUND		226.90
91527	10/8/26	CHK	9997	JOHN KAMANA	INACTIVE REFUND		274.75
91528	10/8/26	CHK	736	KLM ENGINEERING, INC.	AT&T ANTENNA - FREEPORT TOWER		7,425.00
91529	10/8/26	CHK	9997	GINA KOBYLINSKI	INACTIVE REFUND		116.58
91530	10/8/26	CHK	9997	HARRY KREUSER	INACTIVE REFUND		481.27
91531	10/8/26	CHK	9997	TRAVIS MANSKE	Credit Balance Refund		33.90
91532	10/8/26	CHK	145	MENARDS	MISC PARTS & SUPPLIES		9.32
					MISC PARTS & SUPPLIES		36.65
					WD-40		7.91
					WATER - UNIT #71		3.17
					PARTS FOR UNIT #5		27.89
					WASP TRAPS		10.77
					MISC PARTS & SUPPLIES -OTSEGO SUBSTATION		163.24
					PARTS - UNIT #61		3.01
					MISC PARTS & SUPPLIES		8.52

Accounts Payable
Check Register

10/01/2026 To 10/31/2026

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
					LEVEL - UNIT #4		12.94
						Total for Check/Tran - 91532:	283.42
91533	10/8/26	CHK	9997	MFS FOODS INC	INACTIVE REFUND		2,815.88
91534	10/8/26	CHK	119	MINNESOTA COMPUTER SYSTEMS INC	COPIER MTC CONTRACT - 9/12 to 10/11/26		107.28
					COPIER MTC CONTRACT - 9/12 to 10/11/26		26.82
						Total for Check/Tran - 91534:	134.10
91535	10/8/26	CHK	8454	MINNESOTA DEPT OF LABOR & INDUS	ANNUAL ELEVATOR OPERATOR		126.88
					ANNUAL ELEVATOR OPERATOR		18.12
						Total for Check/Tran - 91535:	145.00
91536	10/8/26	CHK	9997	ISAAC NEWBAUER	INACTIVE REFUND		221.03
91537	10/8/26	CHK	22	PLUNKETT'S PEST CONTROL, INC	PEST CONTROL PROGRAM		1,476.92
					PEST CONTROL PROGRAM		210.99
						Total for Check/Tran - 91537:	1,687.91
91538	10/8/26	CHK	811	PRIME ADVERTISING & DESIGN, INC.	MONTHLY HOSTING OF WEBSITE		60.00
					MONTHLY HOSTING OF WEBSITE		60.00
					MONTHLY HOSTING OF WEBSITE		30.00
					Marketing		1,500.00
						Total for Check/Tran - 91538:	1,650.00
91539	10/8/26	CHK	630	PRINCETON RENTAL INC	DRILL BIT & BATTERY		131.42
91540	10/8/26	CHK	3218	RDO EQUIPMENT CO.	PARTS FOR UNIT #50		-37.21
					PARTS FOR UNIT #50		473.83
						Total for Check/Tran - 91540:	436.62
91541	10/8/26	CHK	9997	ANGIE SANCE	INACTIVE REFUND		444.38
91542	10/8/26	CHK	3360	THE UPS STORE 5093	SHIPPING - SIGNAL CLAMP REPAIR		27.49
					SHIPPING - LOCATOR		36.70
						Total for Check/Tran - 91542:	64.19

Accounts Payable
Check Register

10/01/2026 To 10/31/2026

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
91543	10/8/26	CHK	375	VIKING ELECTRIC	CONDUIT & CEMENT		-15.89
					PVC Cement		182.33
					Mtce of OH Primary		217.97
						Total for Check/Tran - 91543:	384.41
91544	10/8/26	CHK	55	WESCO RECEIVABLES CORP.	Fiber Cable		1,790.73
					Mtce of URD Primary		674.43
					FUSES		4,136.40
					Tie Down		254.37
						Total for Check/Tran - 91544:	6,855.93
91545	10/8/26	CHK	9997	MATTHEW WILLIAMS	INACTIVE REFUND		95.95
91547	10/20/26	CHK	9997	MARY J RAND	Credit Balance Refund		643.58
91548	10/23/26	CHK	766	ACE HARDWARE	BRASS KEYS		25.73
91549	10/23/26	CHK	9997	DAVID ARNOLD	INACTIVE REFUND		105.48
91550	10/23/26	CHK	9997	B & W INVESTMENTS	Credit Balance Refund		24.07
91551	10/23/26	CHK	9997	CHARLES BEHLING	INACTIVE REFUND		449.69
91552	10/23/26	CHK	9997	LIUBOMYR BIZHYK	INACTIVE REFUND		59.86
91553	10/23/26	CHK	9997	CAPSTONE HOMES	Credit Balance Refund		127.95
91554	10/23/26	CHK	9997	CAPSTONE HOMES	Credit Balance Refund		122.80
91555	10/23/26	CHK	9997	CAPSTONE HOMES	Credit Balance Refund		123.25
91556	10/23/26	CHK	9997	CAPSTONE HOMES	Credit Balance Refund		92.58
91557	10/23/26	CHK	9997	NATILEE CARLSON	INACTIVE REFUND		50.06
91558	10/23/26	CHK	9997	TINA CARTER	INACTIVE REFUND		88.33
91559	10/23/26	CHK	3982	CENTERPOINT ENERGY	NATURAL GAS & IRON REMOVAL		283.16
					NATURAL GAS & IRON REMOVAL		233.15

Accounts Payable
Check Register

10/01/2026 To 10/31/2026

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
						Total for Check/Tran - 91559:	516.31
91560	10/23/26	CHK	9997	MATTHEW CHENERY	INACTIVE REFUND		274.69
91561	10/23/26	CHK	5592	CITY OF DAYTON	2026 QTR 3 FRANCHISE FEES		2,502.69
91562	10/23/26	CHK	3498	CITY OF OTSEGO	2026 QTR 3 FRANCHISE FEES		18,791.84
91563	10/23/26	CHK	54	CORE & MAIN LP	CR44 VALVE		-54.20
					CR44 VALVE		789.06
						Total for Check/Tran - 91563:	734.86
91564	10/23/26	CHK	9997	DSF PROPERTIES LLC	INACTIVE REFUND		154.59
91565	10/23/26	CHK	9997	JACOB GODFREY	INACTIVE REFUND		37.53
91566	10/23/26	CHK	9997	ROBERT GREWE	INACTIVE REFUND		98.72
91567	10/23/26	CHK	9997	VERNON HEWITT	INACTIVE REFUND		146.79
91568	10/23/26	CHK	709	HUMERATECH	FSB - INSTALLED DOOR LATCH		662.86
					FSB - INSTALLED DOOR LATCH		94.69
					FSB - TROUBLESHOOT ALARM		469.88
					FSB - TROUBLESHOOT ALARM		67.12
						Total for Check/Tran - 91568:	1,294.55
91569	10/23/26	CHK	9997	IVAN KRESTYN	INACTIVE REFUND		42.98
91570	10/23/26	CHK	9997	TIA LEAF	Credit Balance Refund		870.85
91571	10/23/26	CHK	9997	RYAN MADSEN	INACTIVE REFUND		48.89
91572	10/23/26	CHK	8605	MARCO TECHNOLOGIES, LLC	PRINTER MTC CONTRACT - 10/1 to 11/1/26		196.66
					PRINTER MTC CONTRACT - 10/1 to 11/1/26		49.16
						Total for Check/Tran - 91572:	245.82
91573	10/23/26	CHK	145	MENARDS	MAGNETIC TRAY - UNIT #4		14.65
91574	10/23/26	CHK	8340	MI-TECH SERVICES, INC	POLE INSPECTION		6,534.15

Accounts Payable
Check Register

10/01/2026 To 10/31/2026

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
91575	10/23/26	CHK	9997	JOESEPH MIETTINEN	INACTIVE REFUND		30.93
91576	10/23/26	CHK	147	MINNESOTA POLLUTION CONTROL AG	WTF & COLLECTION OP CONF - 174 11.2026		585.00
91577	10/23/26	CHK	633	MUTUAL OF OMAHA	ELEC LIFE INSURANCE - NOV 2026		299.32
					LIFE & LTD INSURANCE - NOV 2026		1,884.66
					ELEC LIFE INSURANCE - NOV 2026		218.28
					LIFE & LTD INSURANCE - NOV 2026		465.56
						Total for Check/Tran - 91577:	2,867.82
91578	10/23/26	CHK	9997	RANDY MYNAHAN	INACTIVE REFUND		438.69
91579	10/23/26	CHK	856	POWER & TEL	FIBER OPTIC CABLE		25,724.13
91580	10/23/26	CHK	159	SHORT ELLIOTT HENDRICKSON INC	Well 7/9 WTP Improvement for Well 8		285.00
					Well 7/9 WTP Improvements for Well 8		458.82
					Well 7/9/WTP Improvements for Well 8		3,067.62
						Total for Check/Tran - 91580:	3,811.44
91581	10/23/26	CHK	9997	KATELYN SMITH	INACTIVE REFUND		75.88
91582	10/23/26	CHK	9997	AMY STEINKE	INACTIVE REFUND		378.58
91583	10/23/26	CHK	9997	JEFFREY STONE	INACTIVE REFUND		603.15
91584	10/23/26	CHK	9999	TAYLOR ELECTRIC COMPANY, LLC	MR Refund		2,087.19
91585	10/23/26	CHK	3360	THE UPS STORE 5093	SHIPPING		15.49
					SHIPPING MATERIALS		8.60
						Total for Check/Tran - 91585:	24.09
91586	10/23/26	CHK	331	TRANSUNION	SKIP TRACING - SEPT 2026		80.00
					SKIP TRACING - SEPT 2026		20.00
						Total for Check/Tran - 91586:	100.00
91587	10/23/26	CHK	222	UC LABORATORY	PHOSPHORUS SAMPLING - SEPT 2026		32.25

Accounts Payable
Check Register

10/01/2026 To 10/31/2026

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
91588	10/23/26	CHK	55	WESCO RECEIVABLES CORP.	Studs		971.00
91589	10/23/26	CHK	9997	AMYAH WORKCUFF	INACTIVE REFUND		102.48
91590	10/27/26	CHK	5342	ALTERNATIVE BUSINESS FURNITURE, I	Chairs		9,114.77
					Chairs		2,278.69
					Chairs		2,278.69
					Chairs		569.68
						Total for Check/Tran - 91590:	14,241.83
91591	10/27/26	CHK	2512	AMARIL UNIFORM COMPANY	Employee Clothing - 203		162.90
					Employee Clothing - 208		391.00
					Employee Clothing - 194		391.00
						Total for Check/Tran - 91591:	944.90
91592	10/27/26	CHK	662	BENEFIT EXTRAS, INC	COBRA ADMIN FEE - SEPT 2026		15.00
91593	10/27/26	CHK	54	CORE & MAIN LP	SOIL PROBE		97.80
91594	10/27/26	CHK	3173	DELL MARKETING LP	Keyboard		26.97
					Laptop		4,280.50
					Monitor		310.68
					Keyboard		6.74
					Laptop		109.75
					Monitor		77.67
						Total for Check/Tran - 91594:	4,812.31
91595	10/27/26	CHK	8949	FS3 INC.	JAWS		165.36
					Mtce of URD Secondary		7,215.60
						Total for Check/Tran - 91595:	7,380.96
91596	10/27/26	CHK	53	GREAT RIVER ENERGY	2026 QTR 3 INTERCONNECTION SERVICES		900.00
91597	10/27/26	CHK	5341	HUBBARD ELECTRIC	METER REPLACE - 14357 190TH		1,555.46
					METER REPLACE - 14357 190TH		-55.88
					METER REPLACE - 19219 ZEBULON		735.90

Accounts Payable
Check Register

10/01/2026 To 10/31/2026

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
					METER REPLACE - 19219 ZEBULON		-24.53
					PARTS FOR RE-ROUTE - WELL #7		623.75
						Total for Check/Tran - 91597:	2,834.70
91598	10/27/26	CHK	8605	MARCO TECHNOLOGIES, LLC	ACE PROGRAM - 9/29 to 10/28/26		1,531.39
					ACE PROGRAM - 9/29 to 10/28/26		382.85
						Total for Check/Tran - 91598:	1,914.24
91599	10/27/26	CHK	3419	MCDOWALL COMPANY	WELL #6 ROOF REPAIRS		1,106.00
91600	10/27/26	CHK	145	MENARDS	GREAT STUFF		38.66
					SWIVEL CLIP - 190		7.54
					PARTS - GARY ST TOWER		12.71
						Total for Check/Tran - 91600:	58.91
91601	10/27/26	CHK	120	NAPA AUTO PARTS	PARTS FOR UNIT #75		19.91
91602	10/27/26	CHK	710	OTIS ELEVATOR COMPANY	Elevator		1,040.24
					Elevator		148.60
						Total for Check/Tran - 91602:	1,188.84
91603	10/27/26	CHK	8606	QUADIENT FINANCE USA, INC	POSTAGE MACHINE LEASE - 8/6 to 11/5/26		226.66
					POSTAGE MACHINE LEASE - 8/6 to 11/5/26		56.66
						Total for Check/Tran - 91603:	283.32
91604	10/27/26	CHK	3218	RDO EQUIPMENT CO.	PARTS FOR UNIT #56		48.99
91605	10/27/26	CHK	8141	SPEEDCUTTERS OUTDOOR MAINTENA	LAWN MOWING SERVICES		954.31
					LAWN MOWING SERVICES		2,375.59
						Total for Check/Tran - 91605:	3,329.90
91606	10/27/26	CHK	5744	UNITED HEALTH - OPTUM	CIP REBATE		12,936.89
91607	10/27/26	CHK	55	WESCO RECEIVABLES CORP.	CRIMP		2,271.36
					Mtce of URD Primary		1,117.59
						Total for Check/Tran - 91607:	3,388.95

Accounts Payable
Check Register

10/01/2026 To 10/31/2026

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference			Amount
						Total for Bank Account - 5 :	(205)	6,184,944.17
						Grand Total :	(206)	6,205,737.68

Accounts Payable
Check Register

PARAMETERS ENTERED:

Check Date:	10/01/2026 To 10/31/2026
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 13, 2026

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
	Jenny Foss, Communications & Administrative Coordinator
Others Present:	Sharda Enslin, 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 13, 2026, 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 2026
2.2 Regular Meeting Minutes – September 8, 2026

Motion carried 5-0.

3.0 OPEN FORUM

No one appeared for open forum.

4.0 POLICY & COMPLIANCE

4.1 Commission Policy Review – G.4i2 – Financial Reserves

Mr. Mauren presented the next policy in the Commission's routine review. Staff reported no recommended changes after reviewing both the Commission policy and its companion Management policy. Commissioners had no comments. No action was required or taken.

5.0 BUSINESS ACTION

5.1 Financial Report – August 2026

Ms. Karpinski presented the August financials, reporting a combined utility net margin of $1.436 million, 4.01%, improved from July's 2.38%. This consists of an electric margin of $1.67 million, 5.0%, improved from 3.92% in July, and a water margin of (-$255,000), which is (-9.34%), improved from (-19%) in July.

Staff noted that the budget performance data includes a reversal of $300,000 for a Minnesota Municipal Power Agency project that did not proceed and unfavorable fair market value on investments.

Ms. Karpinski explained that the 2026 purchased power expense is 4% higher than 2025.

Ms. Karpinski stated August was the highest-use month of the year to date. Staff confirmed that August 2026 was the highest billing ERMU had ever had, beating out July 2026.

Moved by Commissioner Stewart and seconded by Commissioner Zerwas to receive the August 2026 Financial Report. Motion carried 5-0.

5.2 2027 Annual Business Plan: Electric and Water Expenses

Ms. Karpinski presented 2027 expense budgets. The electric budget has a 1.9% increase over 2026, with notable drivers including the addition of a locator position, associated payroll costs, a 15% increase in medical insurance premiums, and an assumed 3% wage adjustment. Water has a 2.6% increase over the 2026 budget, driven by the same 15% medical insurance premium increase, a booster station transformer, and the assumed 3% wage adjustment.

Commissioner Mary Stewart asked about residual expenses at the decommissioned power plant. Staff noted $2,500 under miscellaneous power generation for permits, sampling, and

related labor, plus $500 for maintenance of plant engines. Staff explained that, while the large fuel tanks were removed and sold, day tanks remain for the generator engines with ongoing permit compliance, testing, and maintenance. Engines cannot be run to generate power but can be test-run for prospective buyers; permit costs have decreased, and most of the cost is labor for sampling. Staff stated that diesel has a long shelf life, but provisions exist to pump and refill from a tanker if needed.

Commissioner Stewart also asked why water meter reading expenses did not decline in parallel with electric. Staff explained that, whereas electric saw more labor-related reductions, water meter reading expenses are largely non-labor monthly costs for the Advanced Metering Infrastructure warranty and National Information Solutions Cooperative fees.

Chair Dietz asked about the new locator position relative to future diminishing fiber company demand. Mr. Hanson explained that ERMU anticipates the retirement of one existing locator around the time fiber installation work wanes. Staff is exploring adding GIS capabilities to the role, given internal experience, which would create flexibility and value.

6.0 BUSINESS DISCUSSION

6.1 Staff Updates

There were no verbal staff updates.

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 10, 2026
b. 2026 Governance Agenda

6.4 Other Business

There was follow-up discussion on items previously sent to the Commissioners in their monthly update.

Staff explained that ERMU has approximately ten customers who are billed only by ERMU for garbage service due to historical service territory arrangements with Connexus. The issue involved a renter who failed to pay their bill. Staff described the process for notifying property owners, privacy limitations, and the special assessment process for unpaid bills.

Staff also reported concerns raised by two customers regarding irrigation system pressure vacuum breaker (PVB) tests. ERMU conducts annual residential PVB testing at no charge as a customer service and compliance aid, although the Minnesota plumbing code places testing responsibility and cost on property owners. This approach has reduced customer costs and improved compliance. With several devices failing this year, ERMU issued notices requiring owners to hire plumbers, repair the equipment, and submit passing test results. Two customers disputed their results after plumbers subsequently passed them and are requesting reimbursement. Staff explained that ERMU does not charge for its test and cannot refund plumber costs because, even without ERMU's free service, owners are required to test. Mr. Hanson explained that ERMU's staff are certified and its equipment has been verified. He added that because the tests are done with pressurized air, subsequent tests can dislodge debris. ERMU has reduced outstanding noncompliant accounts from 21 to 11.

7.0 ADJOURN REGULAR MEETING

Moved by Commissioner Larson-Vito and seconded by Commissioner Westgaard to adjourn the regular meeting of the Elk River Municipal Utilities Commission at 3:59 p.m. Motion carried 5-0.

Minutes prepared by Tony Mauren.

_____

John J. Dietz, ERMU Commission Chair

_____

Justin Dunford, City Clerk

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	**FROM:** Melissa Karpinski – Finance Manager
MEETING DATE: November 10, 2026	**AGENDA ITEM NUMBER:** 2.3
SUBJECT: 2026 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 its most recent revision in 2025, staff will track performance for 2026, with any related incentive awards to be distributed in 2027.

This program incentivizes employee performance aligned with the company's core values. Metrics are organized into categories and subcategories with measurable targets that require companywide collaboration. Achievement of these goals is intended to drive improved service and increased value for customers.

DISCUSSION:
At close of the fiscal year 2026, and following the completion of the audit, the final scorecard will be evaluated and presented to the Commission in 2027 for consideration of the related distribution.

Staff will monitor and report progress on a quarterly basis throughout 2026. The third quarter scorecard is attached and includes notes summarizing initial results.

FINANCIAL IMPACT:
No immediate financial impact. An accrual has been recorded based on third quarter 2026 performance results, subject to adjustment as performance progresses throughout the year. Final financial impact will be determined upon Commission approval of the incentive distribution in 2027.

ATTACHMENTS:
- Performance Metrics and Incentive Compensation Policy Score Card – 2026 3rd Quarter

Elk River Municipal Utilities
G.4g1a - Performance Metrics and Incentive Compensation Policy Scorecard - 2026

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			met requirement
		Lead and Copper quality	5	90th percentile			met requirement
		Bacteria Detection	5	0 positive samples			0 on target
		CAIDI	5	<120 Min			75 on target
		SAIDI	5	<60 Min			23 on target
		SAIFI	5	<0.4			0.3 on target
		Line Loss	5	<5%			2% on target
		Water Loss	5	<12%			9% on target
Workforce Development	20	Employee Turnover	10	< 7.5%			0% on target
		Participation in Recommended and Mandatory Trainings	10	95%			96% on target
Financial Goals	20	Margins/Net Profit	15	> Budget			off target
		Inventory Accuracy	5	≥98%			100% on target
Communications/ Customer Service	10	Clean Energy Choice Program Participation	5	+30 net			+23 on target
		Conservation Improvement Program	5	≥95%			128% on target
Strategic Plan	10	Dashboard Progress (Average)	10	≥50%			66% on target
				Total Multiplier:			1.7%

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

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	**FROM:** Melissa Karpinski – Finance Manager
MEETING DATE: November 10, 2026	**AGENDA ITEM NUMBER:** 2.4
SUBJECT: 2026 Third Quarter Delinquent Items	
ACTION REQUESTED: Approve the 2026 third quarter delinquent items submitted.	

BACKGROUND:

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

- Assessments are delinquent amounts that have exhausted other collection efforts and are assessed to the property taxes in the fall. *Please note that assessment amounts will only be reported in the fourth quarter.*
- Collections are amounts submitted to the collection agency after all internal collection efforts have been exhausted. ERMU receives 75-90% of the amounts collected after the agency retains its share.
- Revenue Recapture (Rev Recap) is the state program through which funds are collected from individuals' tax refunds and remitted to ERMU, with any remaining balance remitted to the individual. This program provides an opportunity to recover funds rather than sharing collections with an agency or writing off the amounts entirely. There is a six-year limit for retaining items in Rev Recap. Any amounts remaining uncollected after this period are removed and written off.
- Write-Offs are amounts removed from the books for which no further collection efforts will be pursued.

DISCUSSION:

A recap of delinquent account comparisons with prior year is provided for your review, identifying the categories and amounts for each quarter. The following summarizes the third quarter activity:

- Assessment amounts are finalized in the fourth quarter and include items previously submitted to other collection services. Any amounts that remain uncollected are removed from those services and assessed to the property taxes. The assessment amount for 2026 is $0.00, as there has been no activity to date.
- The amounts submitted exclusively to collection agencies for 2026 is $0.00. Please note that amounts submitted to Rev Recap were also submitted to collection agencies.

- The amounts submitted to Rev Recap were higher than the prior year. The third quarter of 2026 submission total was $7,768.82. A total of $1,112.45 was collected through Rev Recap during the third quarter of 2026.
- Third quarter 2026 write-offs totaled $1,828.36, which is less than the prior year. Of this amount, $1,744.96 was attributable to the removal of old account balances due to a six-year limit mandated by the state.

The attached report reflects the amounts submitted to both the Collection Agency and Rev Recap. The total for the third quarter was $7,768.82, broken down by provider as follows:

- Electric: $7,263.86
- Franchise Fees: $392.93
- Water: $52.79
- Sewer: $52.63
- Storm Water: $6.61

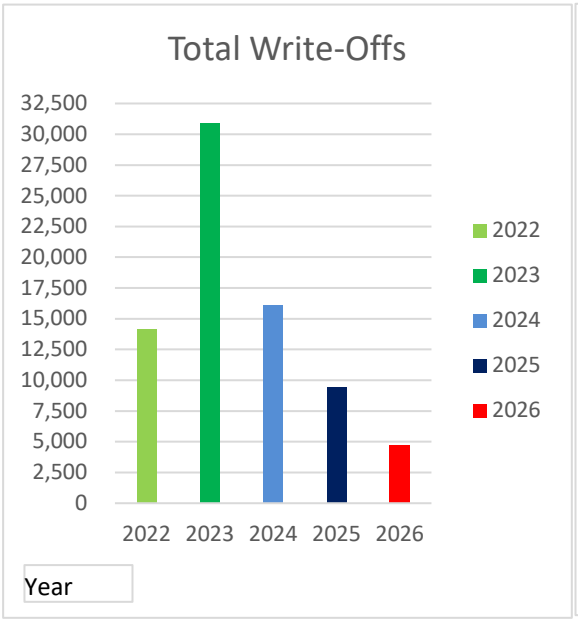
Our allowance for doubtful accounts, which serves as a reserve for bad debt and write-offs, is $25,605. According to the American Public Power Association's most recent published standard ratios, the industry standard ranges from $.0001 and $.0037, while the Central Region median is $.008. Based on the latest survey, ERMU's ratio is $.0004.

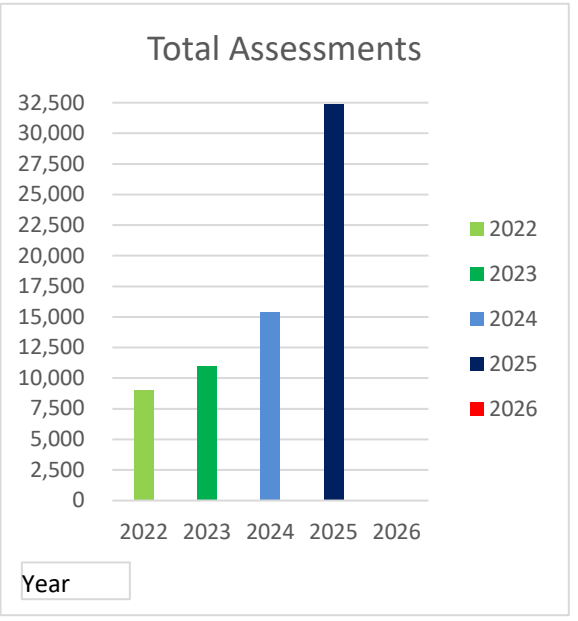
ATTACHMENTS:

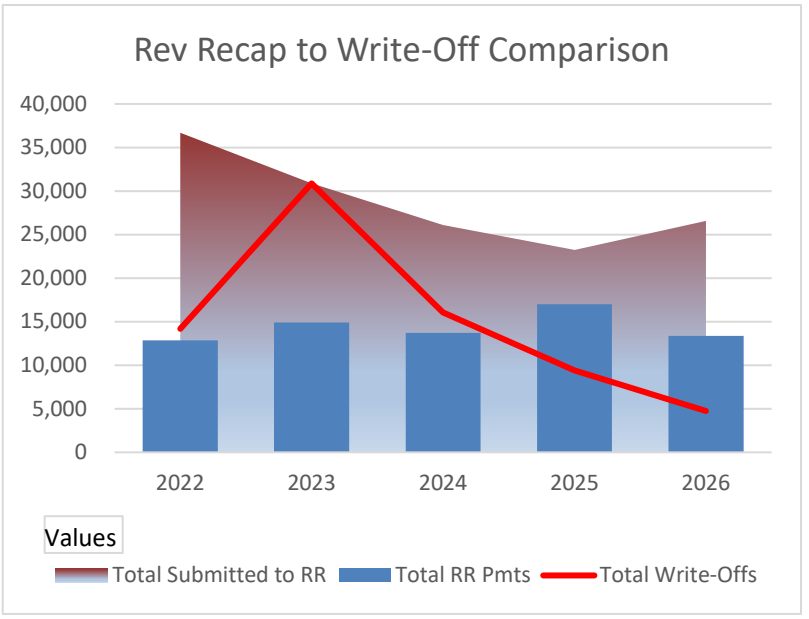
- 2026 Third Quarter Delinquent Items Comparison
- 2026 Third Quarter Delinquent Items Submitted

Delinquent Items Comparisons

Year	Quarter	Assessments	Collection Agency	Revenue Recapture	Rev Recap/Coll Agen	Write-Offs	Rev Recap Pmts
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	32,397.42	-	7,936.25	7,936.25	1,444.83	488.24
2026	1	-	-	11,455.15	11,455.15	2,140.90	8,339.74
2026	2	-	-	7,358.97	7,358.97	778.57	3,909.33
2026	3	-	-	7,768.82	7,768.82	1,828.36	1,112.45
2026	4				-		


Total Write-Offs
32,500
30,000
27,500
25,000
22,500
20,000
17,500
15,000
12,500
10,000
7,500
5,000
2,500
0
2022
2023
2024
2025
2026
Year


Total Assessments
32,500
30,000
27,500
25,000
22,500
20,000
17,500
15,000
12,500
10,000
7,500
5,000
2,500
0
2022
2023
2024
2025
2026
Year


Rev Recap to Write-Off Comparison
40,000
35,000
30,000
25,000
20,000
15,000
10,000
5,000
0
2022
2023
2024
2025
2026
Values
Total Submitted to RR
Total RR Pmts
Total Write-Offs

Agency	(All)

Row Labels	Sum of Total AR
1ERUE	7,263.86
2ERUW	52.79
3CTYS	52.63
6CTYF	392.93
7CTYS	6.61
Grand Total	**7,768.82**

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	**FROM:** Sara Youngs – Administrations Director
MEETING DATE: November 10, 2026	**AGENDA ITEM NUMBER:** 2.5
SUBJECT: 2026 Assessments	
ACTION REQUESTED: Approve 2026 Assessments Listing totaling $18,291.92 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 the listing of proposed assessments for customers with outstanding balances for water, sewer, stormwater, trash, and qualifying electric and franchise fee services. The total proposed assessments for 2026 are $18,291.92. The City Council will need to approve the assessments before submitting them to the County to be added to the property tax bills. Pending approval by our Commission, the assessment listing will be presented to the City Council for approval at its November 16 meeting.

All services are combined on the attached listing, showing the total assessment for each property ID. The totals for each individual service are broken out at the bottom of the listing. For reference, the total assessments in 2025 were $32,397.42.

ATTACHMENTS:
- 2026 Assessments Listing

2026 Assessment Listing

Service Address	Property ID	Total
10031 189TH AVE NW	75-00869-0516	182.31
10034 190TH AVE NW	75-00847-0425	259.48
10049 189TH AVE NW	75-00869-0512	493.97
10080 TWIN LAKES PKWY NW	75-00920-0450	405.93
10112 188TH AVE NW	75-00905-0515	100.00
10125 TWIN LAKES PKWY NW	75-00920-0355	379.14
10135 TWIN LAKES PKWY NW	75-00920-0350	428.53
10647 184TH AVE NW	75-00681-0352	154.33
10783 190TH LN NW	75-00908-0205	358.28
10812 190TH LN NW	75-00908-0115	106.77
11044 167TH AVE NW	75-00011-3215	108.34
11097 196TH CIR NW	75-00604-0330	252.87
11237 196TH LN NW	75-00714-0235	120.54
11258 192ND AVE NW	75-00516-1114	456.19
11454 190TH LN NW	75-00548-0420	22.67
11537 197TH AVE NW	75-00510-0175	95.16
11811 HIGHLAND RD NW	75-00428-0630	58.81
13079 ELGIN DR NW	75-00553-0110	66.30
13468 182ND AVE NW	75-00569-0110	520.67
13585 192 1/2 AVE NW	75-00517-0340	61.45
13616 192ND AVE NW	75-00130-4110	476.25
13690 186TH AVE NW	75-00131-1460	377.51
13868 213TH AVE NW	75-00694-0204	295.79
13899 200TH AVE NW	75-00502-0315	175.47
14270 183RD AVE NW	75-00721-0130	100.00
1733 TIPTON CIR NW	75-00535-0320	321.95
17872 TYLER ST NW	75-00698-0345	89.87
18102 VANCE CIR NW	75-00732-0120	247.18
18149 GARY ST NW	75-00565-0120	29.03
18159 IRONTON ST NW	75-00565-0516	73.27
18214 IRONTON ST NW	75-00565-0404	250.00
18273 NAPLES ST NW	75-00455-0220	154.78
18527 TROTT BROOK PKWY NW	75-00692-0232	99.98
18530 OGDEN ST NW	75-00884-0220	290.82
18542 TROTT BROOK PKWY NW	75-00692-0306	398.12
18555 TROTT BROOK PKWY NW	75-00692-0228	278.72
18575 SALEM ST NW	75-00901-0140	40.87
18581 ULYSSES ST NW	75-00701-0133	73.91
18595 SALEM ST NW	75-00901-0150	95.47
18659 ZANE ST NW	75-00669-0126	294.33
18784 YANKTON ST NW	75-00463-0030	268.99

2026 Assessment Listing

Service Address	Property ID	Total
18830 SMITH DR NW	75-00735-0230	538.32
18920 ALBANY ST NW	75-00465-0270	213.20
18945 QUINCY ST NW	75-00768-0805	852.65
18999 DODGE AVE NW	75-00516-1236	316.52
19019 FILLMORE ST NW	75-00866-0215	352.35
19054 ZANE ST NW	75-00522-0210	324.98
19064 CARSON ST NW	75-00532-0226	180.00
19064 IVANHOE ST NW	75-00848-0502	364.80
19116 EVANS CIR NW	75-00586-0210	575.39
19227 YALE ST NW	75-00516-0638	324.07
19630 CARSON CIR NW	75-00714-0105	462.21
19715 POLK ST NW	75-00513-0330	364.13
19719 ULYSSES ST NW	75-00471-0140	277.13
19757 IRVING ST NW	75-00503-0480	108.52
20189 MEADOWVALE RD NW	75-00119-1400	24.33
20235 POLK ST NW	75-00662-0305	614.04
20560 ELK LAKE RD NW	75-00895-0105	32.49
21372 HWY 169 NW	75-00110-3405	32.49
22681 CLEVELAND ST NW	75-00664-0305	584.08
227 MORTON AVE NW	75-00414-0050	26.22
260 CARSON ST NW	75-00134-4110	451.05
374 BALDWIN AVE NW	75-00423-0150	307.45
541 6TH ST NW	75-00417-0260	571.27
610 JACKSON AVE NW	75-00412-0215	470.94
620 6TH ST NW	75-00412-0205	144.83
620 RAILROAD DR NW	75-00405-1155	74.96
690 DODGE AVE NW	75-00435-0680	107.29
9797 213TH AVE NW	75-00112-4401	271.05
9895 TWIN LAKES PKWY NW	75-00890-0120	97.70
9943 TWIN LAKES PKWY NW	75-00905-0110	163.41
Grand Total		**$18,291.92**

Total Electric and Franchise Assessme	$11,327.49
Total Water Assessment	$2,027.99
Total Sewer Assessment	$2,256.57
Total Trash Assessment	$2,108.84
Total Stormwater Assessment	$571.03
Grand Total	**$18,291.92**

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	**FROM:** Thomas Geiser – Operations Director
MEETING DATE: November 10, 2026	**AGENDA ITEM NUMBER:** 2.6
SUBJECT: Resolutions 26-11 & 12 - Awarding Contracts for 2027 Electric Cable Inventory	
ACTION REQUESTED: • Adopt Resolution No. 26-11 Awarding Contracts for 2027 1/0 Electric Cable Inventory • Adopt Resolution No. 26-12 Awarding Contracts for 2027 4/0 Electric Cable Inventory	

BACKGROUND/ DISCUSSION:
On November 3, 2026, ERMU held bid openings for 1/0 and 4/0 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 68,750 feet of 1/0 15KV primary URD, TRXLPE, Border States of Albertville, MN is the lowest responsible bidder with Prysmian at $282,776.31, complying with the minimum qualifications for price and delivery time.
- It appears that for 41,250 feet of 4/0 15KV primary URD, EPR, Irby Utilities of Eagan, MN is the lowest responsible bidder with Okonite at $182,325.00, complying with the minimum qualifications for price and delivery time.

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

FINANCIAL IMPACT:
This is a budgeted 2027 Capital Projects item.

ATTACHMENTS:
- Resolution No. 26-11 Awarding Contracts for 2027 1/0 Electric Cable Inventory
  - Official Bid Tabulation Sheet 1/0
- Resolution No. 26-12 Awarding Contracts for 2027 4/0 Electric Cable Inventory
  - Official Bid Tabulation Sheet 4/0

RESOLUTION NO. 26-11

BOARD OF COMMISSIONERS
ELK RIVER MUNICIPAL UTILITIES

A RESOLUTION AWARDING CONTRACTS FOR 2027 1/0 ELECTRIC CABLE INVENTORY

WHEREAS, pursuant to an advertisement for bids for Elk River Municipal Utilities 2027 electric cable inventory, bids were received, opened, and tabulated according to State law, and the following bids were received complying with the advertisements:

68,750 feet of 1/0 15 KV Primary URD, TRXLPE

Contractor	Wire Manufacturer	Total Escalated Price	Delivery
Border States	Southwire	$339,746.69	40-42 weeks
Border States	**Prysmian**	**$282,776.31**	**27-29 weeks**
Border States	LS Cable	$310,771.31	43 weeks
Irby	Okonite	$285,312.50	Jan. 1 to May 1 2027
Resco	Prysmian	$295,693.75	40 weeks
Wesco	LSI	$292,875.00	43 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 68,750 feet of 1/0 15 KV Primary URD, TRXLPE, Border States of Albertville, MN is the lowest responsible bidder at $282,776.31, 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 Border States of Albertville, MN.

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 Border States for the bid of 68,750 feet of Prysmian 1/0 15 KV Primary URD, TRXLPE, in the amount of $282,776.31.

This Resolution Passed and Adopted this 10th day of November 2026.

John J. Dietz, Chair

Mark Hanson, General Manager

ELK RIVER MUNICIPAL UTILITIES 2027 CABLE BID

Bid Opening **Tu Tuesday November 3, 2026 2:00PM**

Despciption	**1/0 TRXLPE Cable**		**Border States** 11927 53rd St NE Albertville, MN 55301	**Border States** 11927 53rd St NE Albertville, MN 55301	**Irby** 3362 35th Ave S #2 Fargo, ND 58104	**Wesco** 2650 7th Ave N Fargo, ND 58102	**Resco** 4100 30th Ave S Moorhead, MN 56561	**Resco** 4100 30th Ave S Moorhead, MN 56561	**Border States** 11927 53rd St NE Albertville, MN 55301
Footage	**68,750'**								
1/0 Primary URD	Manufacture		**Southwire**	**Prysmian**	**Okonite**	**LS Cable**	**Prysmian**		**LS Cable**
68,750'	Delivery		40-42 wks (Sept)	27-29 wks (June)	1-1-27 to 5-1-27	43 wks (Sept)	40 wks (Aug)		43 wks (Sept)
	Reel Size		2,750	2,750		2,750	2,750		2,750
	Losses								
	TRXLPE	Unit Price Firm							
	TRXLPE	Total Price Firm							
	TRXLPE	Unit Price Esc	4.94/ft	4.11/ft	4.15/ft	4.26/ft	4.301/ft		4.52/ft
	TRXLPE	Total Price Esc	339,746.69	282,776.31	285,312.50	292,875.00	295,693.75		310,771.31
			EPR	TRXLPE	EPR	TRXLPE	TRXLPE		EPR
Bid Bond/Notarized			X	X	X	X	X		X
American Made			X	X	X	X	X		X

RESOLUTION NO. 26-12

BOARD OF COMMISSIONERS
ELK RIVER MUNICIPAL UTILITIES

A RESOLUTION AWARDING CONTRACTS FOR 2027 4/0 ELECTRIC CABLE INVENTORY

WHEREAS, pursuant to an advertisement for bids for Elk River Municipal Utilities 2027 electric cable inventory, bids were received, opened, and tabulated according to State law, and the following bids were received complying with the advertisements:

41,250 feet of 4/0 15 KV Primary URD, EPR

Contractor	Wire Manufacturer	Total Escalated Price	Delivery
Border States	Southwire	$220,057.41	40-42 weeks
Border States	Prysmian	$186,632.33	30-32 weeks
Border States	LS Cable	$192,401.14	43 weeks
Irby	**Okonite**	**$182,325.00**	**Jan. 1 to May 1 2027**
Resco	Prysmian	$195,153.75	40 weeks
Wesco	LS Cable	$195,525.00	43 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 41,250 feet of 4/0 15 KV Primary URD, EPR, Irby Utilities of Eagan, MN is the lowest responsible bidder at $182,325.00, complying with the minimum qualifications for price and delivery time; and

WHEREAS, Staff recommends awarding the contract for 4/0 15 KV Primary URD, EPR to Irby Utilities of Eagan, MN.

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 Irby Utilities for the bid of 41,250 feet of Okonite 4/0 15 KV Primary URD, EPR, in the amount of $182,325.00.

This Resolution Passed and Adopted this 10th day of November 2026.

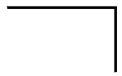
John J. Dietz, Chair

Mark Hanson, General Manager

ELK RIVER MUNICIPAL UTILITIES 2027 CABLE BID

Bid Opening **Tuesday November 3, 2026 2:00 PM**

Despciption / **Footage**			**Boarder States** 11927 53rd St NE Albertville, MN 55301	**Border States** 11927 53rd St NE Albertville, MN 55301	**Irby** 980 Loan Oak Rd Eagan, MN 55121	**Wesco** 2650 7th Ave N Fargo, ND 58102	**Resco** 4100 30th Ave S Moorhead, MN 56561	**Resco** 4100 30th Ave S Moorhead, MN 56561	**Border States** 11927 53rd St NE Albertville, MN 55301
EPR / **41,250'**									
4/0 Primary URD	Manufacture		**Southwire**	**Prysmian**	**Okonite**	**LS Cable**	**Prysmian**		**LS Cable**
41,250'	Delivery		40-42 wks (Sept)	30-32 wks (June)	1-1-27 to 5-1-27	43 wks (Sept)	40 wks (Aug)		43 wks (Sept)
	Reel Size		2,750	2,750	2,750	2,750			2,750
	Losses								
		Unit Price Firm							
		Total Price Firm							
		Unit Price Esc							
		Total Price Esc							
	EPR	Unit Price Firm							
	EPR	Total Price Firm							
	EPR	Unit Price Esc	5.38/ft	4.52/ft	4.42/ft	4.74/ft	4.731/ft		4.66/ft
	EPR	Total Price Esc	222,057.41	186,632.33	182,325.00	195,525.00	195,153.75		192,401.14
Bid Bond/Notarized			X	X	X	X	X		X
American Made			X	X	X	X	X		X
			EPR	CPR	EPR	EPR	EPR		EP



Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	**FROM:** Dave Ninow – Water Superintendent
MEETING DATE: November 10, 2026	**AGENDA ITEM NUMBER:** 2.7
SUBJECT: Resolution 26-13 - Awarding Contract for Treatment Plant 7 Modifications	
ACTION REQUESTED: Adopt Resolution 26-13 Awarding Contract for Treatment Plant 7 Modifications	

BACKGROUND/DISCUSSION:
ERMU has worked with the Minnesota Department of Health on approval for a plan to enhance the capability of Treatment Plant 7 at a reduced cost compared to installing miles of underground pipe to reroute the raw water from Well 8 to a future treatment plant. The Treatment Plant 7 Modifications project consists of demolition, relocation of existing equipment, and installation of new piping within the treatment plant to allow for the treatment of water from Well 8.

On October 20, 2026, ERMU held a bid opening for the Treatment Plant 7 Modifications project. With support from Elfering & Associates, the two submitted bids were reviewed and found to be free of errors or omissions. Elfering & Associates recommends that ERMU award the project to Municipal Builders, Inc., as the low responsible bidder, at $206,000.

FINANCIAL IMPACT:
This is budgeted within 2027 Capital Projects.

ATTACHMENTS:
- Letter of Recommendation – Elfering & Associates
- Resolution No. 26-13 - Awarding Contract for Treatment Plant 7 Modifications

ELFERING & ASSOCIATES
TRUE NORTH

November 2, 2026
File: 235000E-0071

Mr. Dave Ninow
Elk River Municipal Utilities
13069 Orono Parkway
PO Box 430
Elk River, MN 55330

RE: TREATMENT PLANT 7 MODIFICATIONS
AWARD RECOMMENDATION

Dear Mr. Ninow:

Bids were opened for the above referenced project at 11:00 a.m. on Tuesday, October 20, 2026 in accordance with the formal request for bids and were obtained following ERMU approved bidding requirements. Two (2) bids were received from the following companies listed below from lowest to highest total bid:

Corporation	**Total Base Bid**
Municipal Builders, Inc	$ 206,000.00
MN Mechanical Solutions, Inc.	$ 217,885.00

Bids were also requested from other contractors, but they declined. The low bid received from Municipal Builders, Inc appears to be competitive, and all bids have been reviewed for errors and/or omissions. Municipal Builders, Inc. has previously completed projects for ERMU and past experience with them reflects that they are a responsive and responsible bidder.

We would recommend that ERMU award the project to Municipal Builders, Inc. as the low, responsible bidder.

If you have any questions concerning this information, please call me at (763) 780-0450 Ext. 6002.

Sincerely,

Elfering & Associates

Kristie Elfering

Kristie Elfering, P.E.

1036 Centerville Circle, Suite A, Vadnais Heights, MN 55127 – Ph: (763) 780-0450 Fax (763) 780-0452

RESOLUTION NO. 26-13

BOARD OF COMMISSIONERS
ELK RIVER MUNICIPAL UTILITIES

A RESOLUTION AWARDING CONTRACT FOR TREATMENT PLANT 7 MODIFICATIONS

WHEREAS, bids were opened at 11:00 a.m. on Tuesday, October 20, 2026, in accordance with the formal request for bids and were solicited following ERMU-approved bidding requirements. Three (3) bids were requested, and two (2) bids were received from the following companies:

Bidder	Bid Price
Municipal Builders, Inc	**$206,000.00**
MN Mechanical Solutions, Inc.	$217,885.00
Magney Construction	No Bid

WHEREAS, it appears that for the modifications to Treatment Plant 7 in Elk River, Minnesota, Municipal Builders, Inc, of Nowthen, Minnesota, is the lowest responsible bidder at $206,000.00; and

WHEREAS, ERMU's consultant, Kristie Elfering with Elfering & Associates, recommends awarding the contract for Treatment Plant 7 modifications to Municipal Builders, Inc, of Nowthen, 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 contract for the Treatment Plant 7 modifications is awarded to Municipal Builders, Inc, in the amount of $206,000.00.

2. That the Chair and General Manager are authorized and directed to execute the contract with Municipal Builders, Inc.

This Resolution Passed and Adopted this 10th day of November, 2026.

_____
John J. Dietz, Chair

_____
Mark Hanson, General Manager

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	**FROM:** Tony Mauren – Governance & Communications Manager
MEETING DATE: November 10, 2026	**AGENDA ITEM NUMBER:** 4.1
SUBJECT: Commission Policy Review – G.4i3 – Debt Issuance and Payment	
ACTION REQUESTED: None	

BACKGROUND/DISCUSSION:
This month commissioners are reviewing policy G.4i3 – Debt Issuance and Payment to make comments, ask questions, or recommend updates.

With policy G.4i3, the Commission sets forth its expectations for the General Manager concerning Debt Issuance and Payment.

Staff is not recommending any updates to the policy.

ATTACHMENTS:

- ERMU Policy – G.4i3 – Debt Issuance and Payment

Elk River Municipal Utilities

COMMISSION POLICY

Section:	Category:
Governance	Delegation to Management Policies
Policy Reference:	Policy Title:
G.4i3	**Debt Issuance and Payment**

PURPOSE:

With this policy, the Commission sets forth its expectations for the General Manager concerning Debt Issuance and Payment. This policy is subsidiary to the ***Financial Condition and Transactions Policy***, and relates to ***Financial Planning and Budgeting Policy,*** and ***Cost Allocation and Recovery Policy.***

POLICY:

The General Manager, when preparing ERMU's Financial Plan and Business Plan/Budget for Commission approval, shall consider and present the benefits and costs of borrowing funds in relation to the benefits and costs of using income and revenues to secure adequate funding for infrastructure and operations. Factors to be considered and communicated to the Commission include, but are not limited to: revenue requirements, reserve fund balances, the cost of borrowing, the competitiveness of ERMU's rates and charges for services, the desired relationship between those who will receive benefit from the borrowed funds and those who will pay for retirement of the debt, and ERMU's overall financial condition and bond rating. Factors contributing to a favorable financial condition and bond rating include, but are not limited to: a consistent record of compliance with bond covenants, achievement of key financial ratios, determination of revenue requirements, establishment of adequate rates and charges for services, and compliance with generally accepted accounting and financial reporting practices.

In addition, the General Manager shall:

1. Establish, as a part of any recommendation for the issuance of revenue bonds, adequate provisions for setting aside and pledging the income and revenue of the utility enterprise for which the bonds are issued into a separate and special fund to be used in the payment of the principal and interest on the revenue bonds.

2. Ensure that the income and revenues pledged for the bonds are allocated and deposited in conformity with the provisions of the revenue bond documents.

3. Implement all necessary measures to assure that all required payments of principal and interest on the bonds are paid when due.

4. Monitor the accounts established under any bond documents to ensure that adequate funds are maintained therein, and recommend for approval by the Commission any transfer of funds required or permitted by the applicable law for the prudent operation of the utility.

POLICY HISTORY:

Adopted December 12, 2017

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	**FROM:** Sara Youngs – Administrations Director
MEETING DATE: November 10, 2026	**AGENDA ITEM NUMBER:** 4.2
SUBJECT: Management Policy - Employee Engagement Program	
ACTION REQUESTED: Approve changes to Management Policy – Employee Engagement Program	

BACKGROUND/DISCUSSION:
In September, the Commission approved revisions to Commission Policy G.4i6 – Public Purpose Expenditures. As part of these revisions, ERMU's existing Employee Recognition and Employee Wellness programs were combined into one program, the Employee Engagement Program.

Staff is seeking Commission approval of the Employee Engagement Program, specifically the Recognition Opportunities related to employee lifecycle events. Previously, employees received milestone recognition awards at 10, 15, 20, 25, 30, and 35 years of service. Under the proposed revisions, these longevity milestone awards would be eliminated, and their value reallocated to the longevity bonuses for years 8-24. An extra $200 was added to 32 years of service to differentiate it from 28 years of service.

Additionally, staff is proposing to increase the recognition awards for 3 and 5 years of service. The 3-year award would increase from $20 to $30, and the 5-year award would increase from $25 to $50.

Any future changes to the Employee Engagement Program will be brought to the Commission for approval. All employee recognition awards are also included as part of ERMU's annual budgeting process.

ATTACHMENTS:
- Revised - ERMU Management Policy – Employee Engagement Program

Elk River Municipal Utilities
Employee Engagement Program

I. Purpose

Elk River Municipal Utilities (ERMU) is committed to fostering a positive workplace culture that values employee health, well-being, engagement, and professional contributions. The Employee Engagement Program is designed to support employees throughout their careers by promoting physical and mental wellness, recognizing accomplishments and service milestones, and encouraging a collaborative and engaged workforce.

II. Policy

ERMU recognizes that investing in employee wellness and recognizing employee contributions serves a public purpose by:

- Promoting employee health and well-being.
- Increasing employee engagement, morale, and retention.
- Encouraging teamwork and collaboration.
- Supporting ERMU's mission of providing exceptional service to our customers and community.
- Creating a workplace where employees feel valued, respected, and supported.

Annual funding for this program shall be approved by the Commission through the annual budget process.

III. Program

A. Well-Being Engagement

Objectives

- Promote physical, mental, and emotional health.
- Encourage healthy lifestyle choices.
- Reduce stress and burnout.
- Improve work-life balance.
- Foster social connection and teamwork.

Wellness Initiatives

- Physical health activities.
- Mental health awareness and resiliency.
- Nutrition education.
- Work-life balance initiatives.
- Community volunteer opportunities.
- Participation in community events representing ERMU.

B. Employee Recognition

Objectives

- Recognize employee contributions.

- Celebrate career milestones.
- Reinforce ERMU's values.
- Promote appreciation across the organization.
- Encourage employee engagement and retention.

Recognition Opportunities

Employee Lifecycle Events

Milestone	Recognition
Employee First Day	ERMU branded water bottle
Employee yearly work anniversary	Tailgate and Email recognition
1 year of service	Department celebration breakfast
3 years of service	$30 gift card (pre-selected local retailers)
5 years of service	$50 gift card (pre-selected local retailers)

20+ Years of Service – ERMU Retirement Celebration
Celebrating a milestone of 20+ years of dedicated service to ERMU with an ERMU commemorative lamp presentation and cake reception at retirement.

Longevity Bonuses

Regular, Full-Time Employees:

Years of Service	Bonus Amount
8 years	$1,600
12 years	$2,000
16 years	$2,200
20 years	$2,400
24 years	$2,600
28 years	$3,000
32 years	$3,200

Regular, Part-Time Employees (based on cumulative hours worked):

Hours Worked	Bonus Amount
16,640	$1,600
24,960	$2,000
33,280	$2,200
41,600	$2,400
49,920	$2,600
58,240	$3,000
66,560	$3,200

Employee Appreciation

- Annual Camaraderie Employee Lunch.
- Annual Employee Customer Service Appreciation, in conjunction with the National Customer Service Week recognition. Annually, ERMU will sponsor Employee Customer Service

Appreciation for ERMU employees. Appreciation tokens will be distributed and modest refreshments will be provided.
- Other appreciation activities approved by leadership.

IV. Program Administration and Oversight

A. Engagement Committee

The Employee Engagement Committee will be comprised of at least one office manager, one field manager, and representatives from each employee workgroup.

B. Committee Responsibilities

Meeting at least annually to plan, organize, and assess recognition activities and criteria.

- Coordinating recognition events and initiatives.
- Collecting and incorporating employee feedback to improve the program.
- Monitoring program effectiveness and recommending improvements based on employee feedback and recognition trends.

V. Evaluation

ERMU is dedicated to the ongoing enhancement of its recognition initiatives. Program effectiveness will be evaluated through:

- Discussion at annual performance reviews to ensure the program is meeting employee needs.
- Employee surveys and focus groups as needed to gather additional insights and feedback.
- Monitoring participation rates in recognition events/activities.
- Reviewing outcomes and providing periodic reports and recommendations to ERMU leadership for program improvement.

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	**FROM:** Mark Hanson – General Manager
MEETING DATE: November 10, 2026	**AGENDA ITEM NUMBER:** 4.3
SUBJECT: Competitive Rates Analysis	
ACTION REQUESTED: Receive and file the Competitive Rates Analysis	

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

DISCUSSION:
The report includes the following information:

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

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

2. Water
   a. Report tiered water rate comparisons, as available, locally sourced. The report shall include graphical comparisons of ERMU water rates to those neighboring water utilities. The intent of the report shall be to provide trend data for long-term planning rather than short-term comparisons.

b. Report customer class rate analysis comparing ERMU water rates to neighboring communities using data available through regional Advanced Engineering and Environmental Services (AE2S) survey reports. The report shall include six-year trend data, presented graphically, comparing ERMU water rates to those of neighboring water utilities. The intent of this is to show, from a customer's perspective, how rate competitiveness would be perceived currently. The report shall include all rate classes.

The annual rate analysis report is attached for receipt and filing.

ATTACHMENTS:

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

HANDED OUT AT MEETING

Elk River Municipal Utilities

Competitive Rate Comparisons

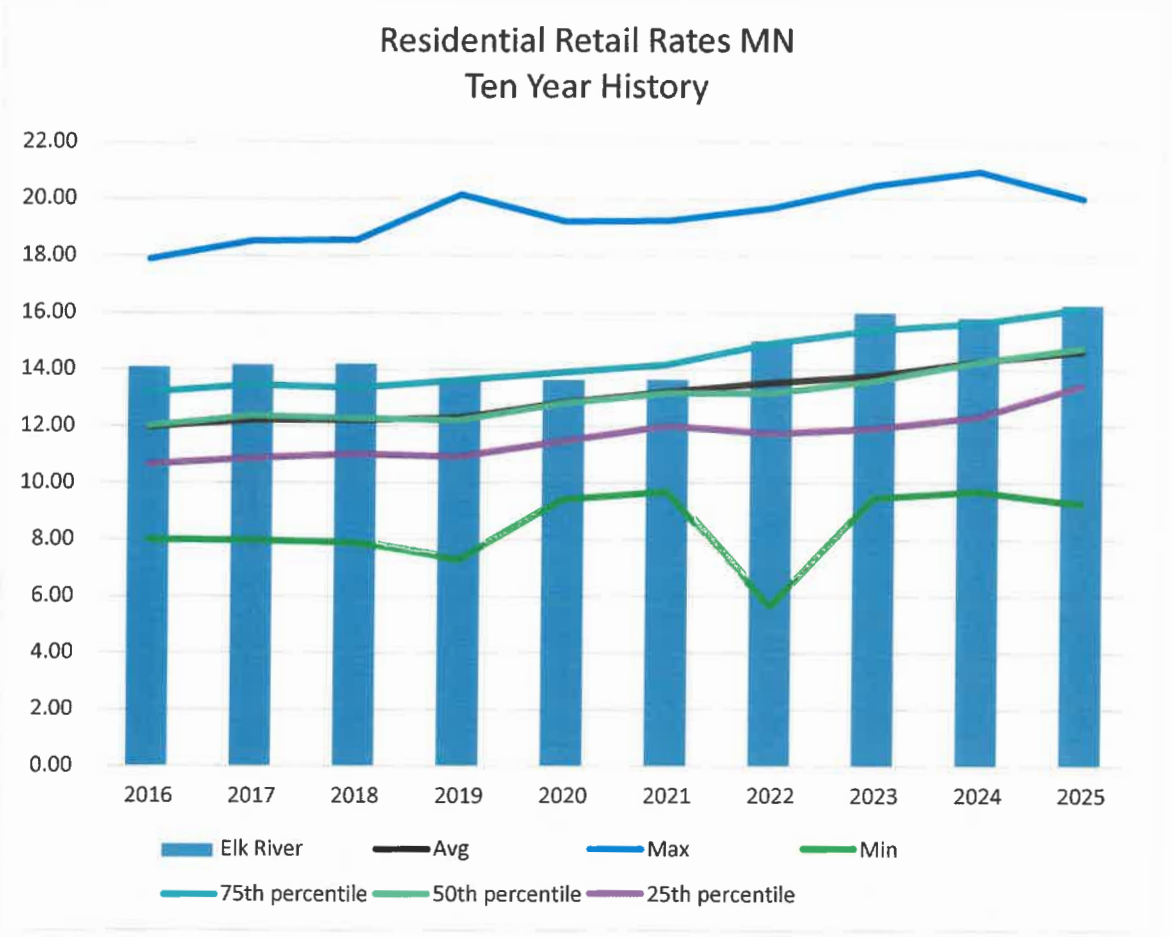
2016-2025 – Electric

2021-2026 - Water

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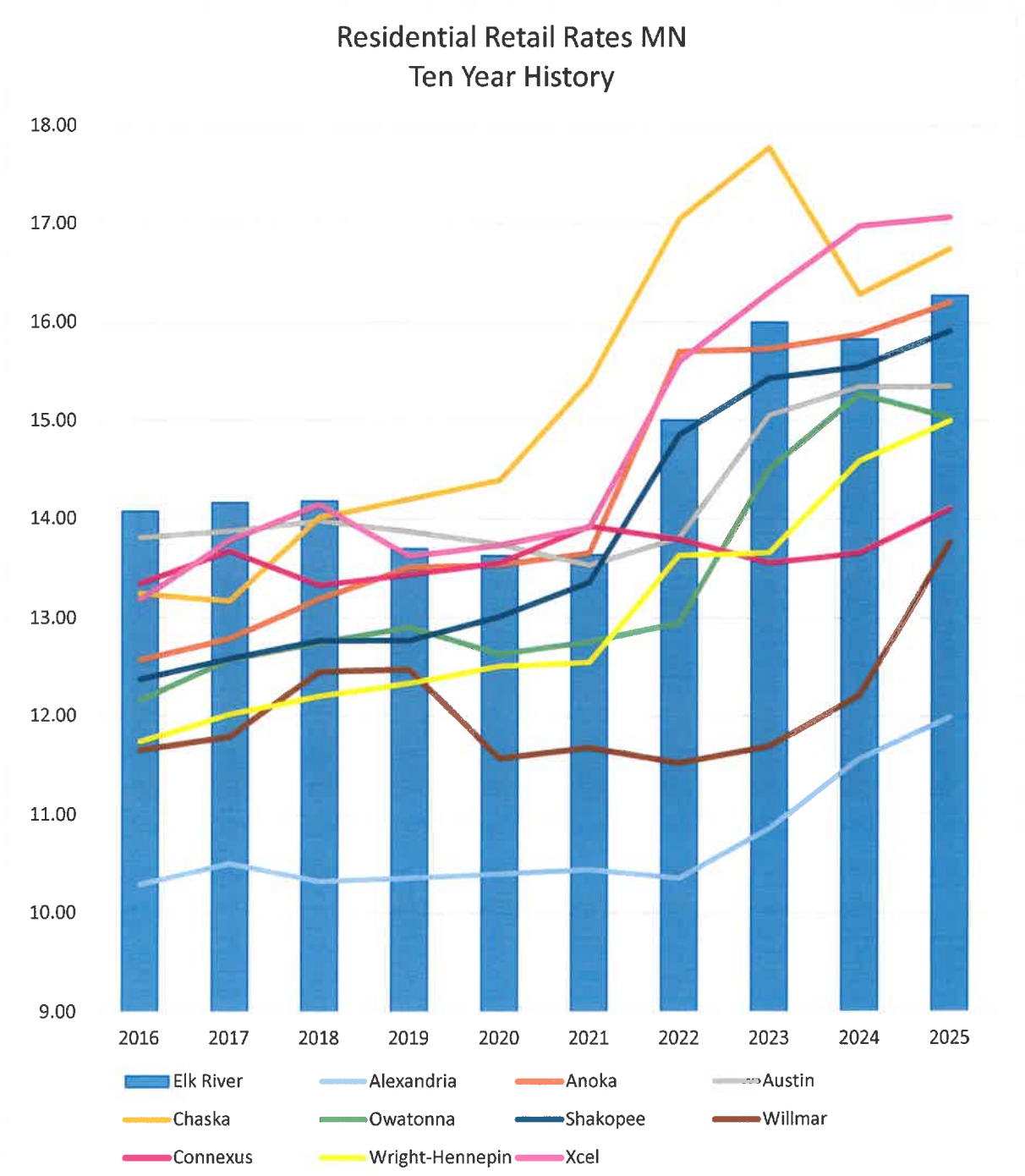
Electric Residential Rates

Electric Residential Retail Rates for the state of Minnesota are represented in the graph below with ten years of history from 2016 to 2025. All information is obtained from the EIA annual reports. The rate is represented in cents per kWh and compares the minimum, maximum, 25th percentile, 50th percentile, and 75th percentile (represented in the line graphs) to Elk River Municipal Utilities (represented in the vertical bar graphs.) Since 2016 ERMU has been above the 75th percentile with exception of 2020-2021 being slightly below the 75th percentile.



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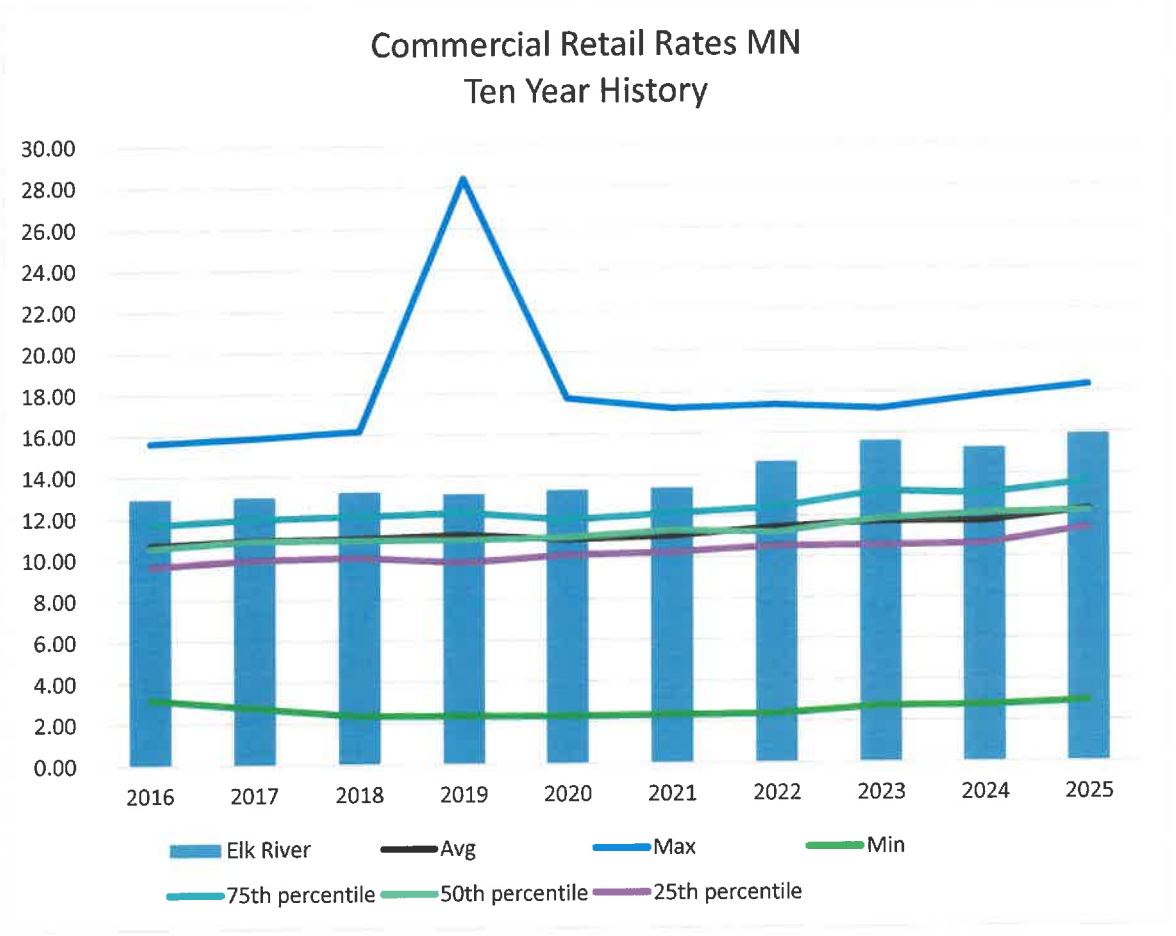
Electric Residential Retail Rates for peer utilities (selected for population size and meter counts, as well as the two neighboring Coops and the one IOU) in the state of Minnesota are represented in the graph below with ten years of history from 2016 to 2025. The rate is represented in cents per kWh and compares the rates of peer utilities to ERMU. Since 2018 ERMU has been moving from the top of the rates to more the mid-range of rates.



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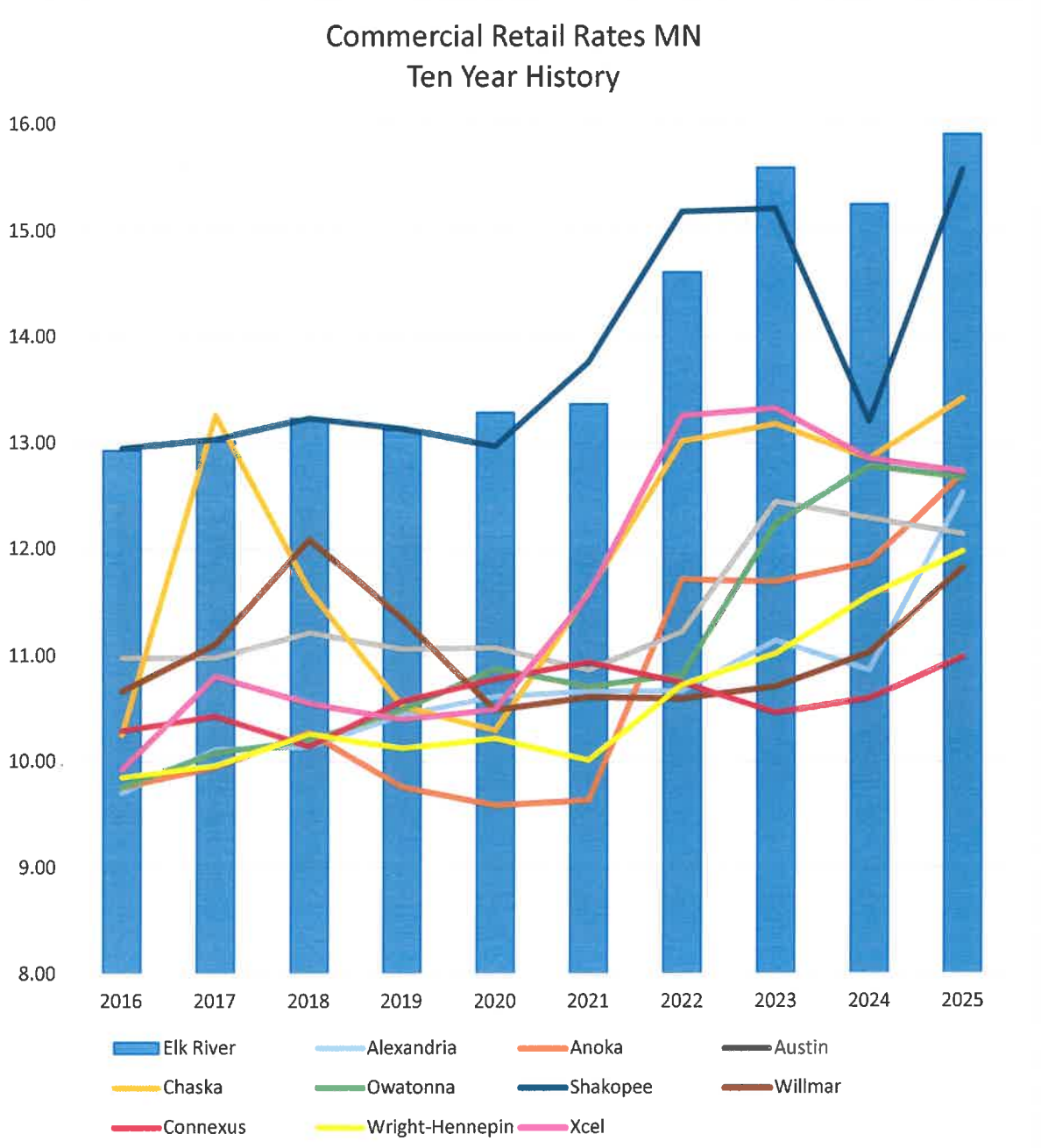
Electric Commercial Rates

Electric Commercial Retail Rates for the state of Minnesota are represented in the graph below with ten years of history from 2016 to 2025. All information is obtained from the EIA annual reports. The rate is represented in cents per kWh and compares the minimum, maximum, 25th percentile, 50th percentile, and 75th percentile (represented in the line graphs) to Elk River Municipal Utilities (represented in the vertical bar graphs.) ERMU has consistently been just above the 75th percentile.



HANDED OUT AT MEETING

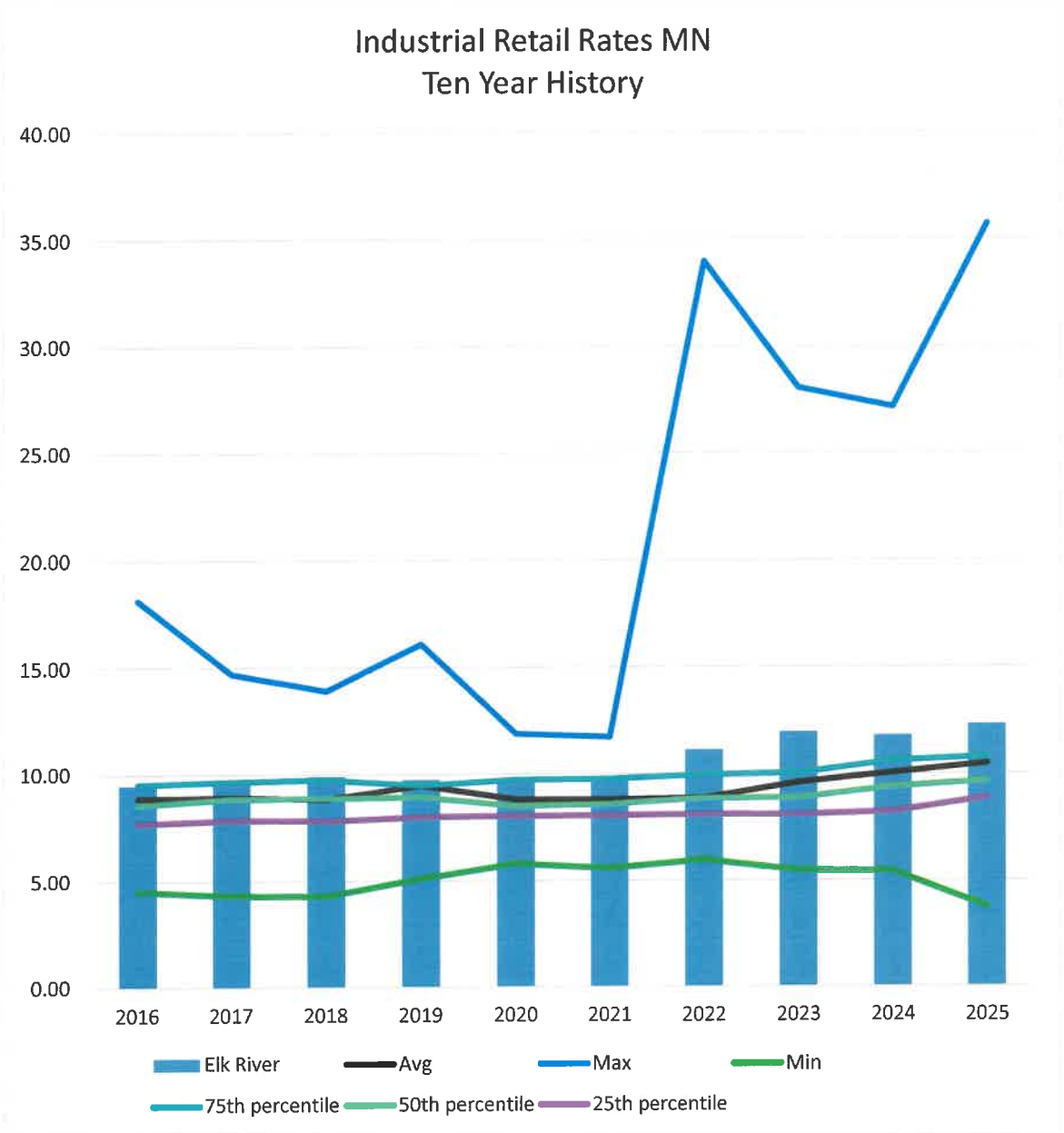
Electric Commercial Retail Rates for peer utilities (selected for population size and meter counts, as well as the two neighboring Coops and the one IOU) in the state of Minnesota are represented in the graph below with ten years of history from 2016 to 2025. The rate is represented in cents per kWh and compares the rates of peer utilities to ERMU. ERMU has consistently been near the top of the rates for commercial.



HANDED OUT AT MEETING

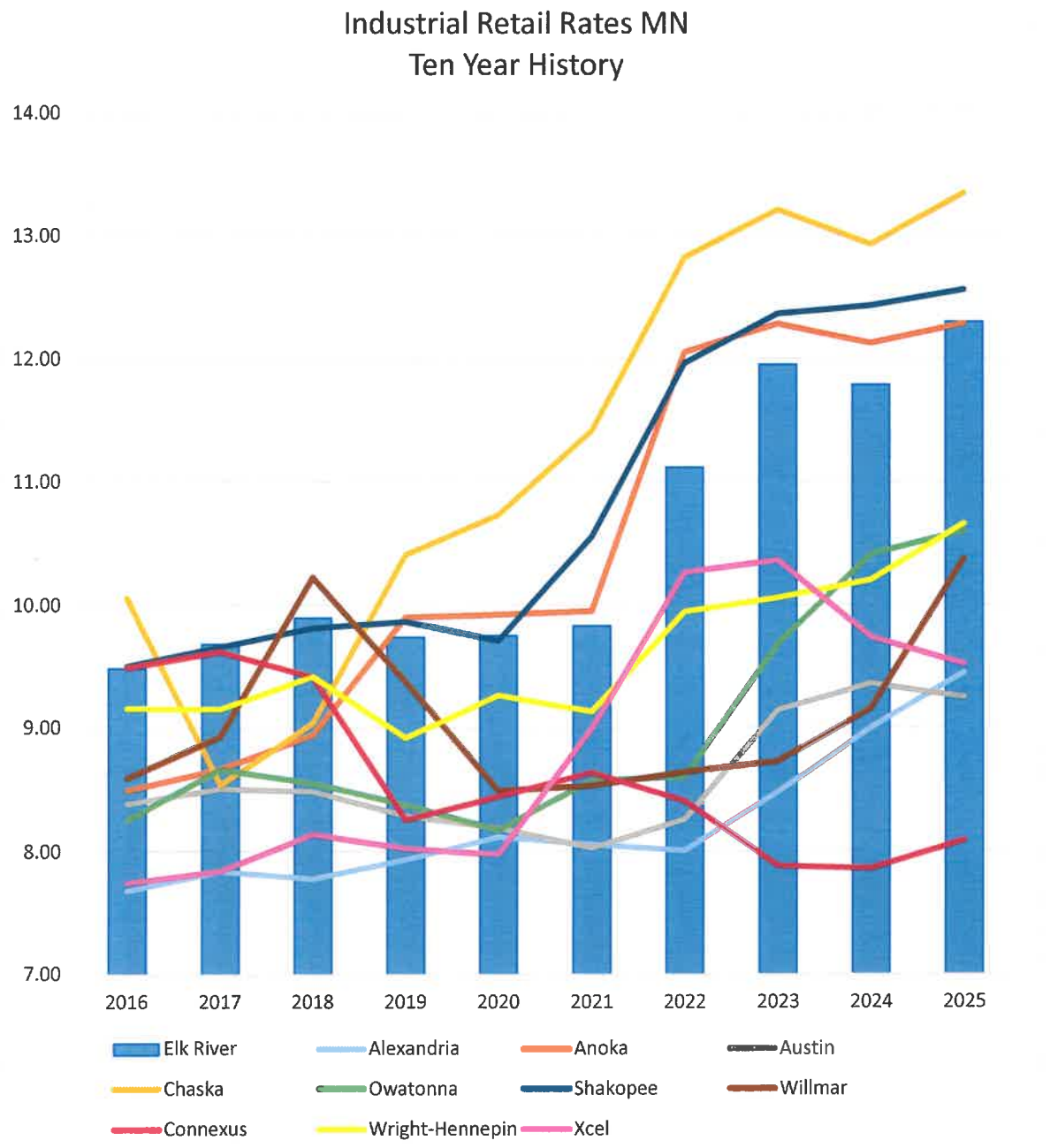
Electric Industrial Rates

Electric Industrial Retail Rates for the state of Minnesota are represented in the graph below with ten years of history from 2016 to 2025. All information is obtained from the EIA annual reports. The rate is represented in cents per kWh and compares the minimum, maximum, 25th percentile, 50th percentile, and 75th percentile (represented in the line graphs) to Elk River Municipal Utilities (represented in the vertical bar graphs.) ERMU has consistently been hovering around or above the 75th percentile.



HANDED OUT AT MEETING

Electric Industrial Retail Rates for peer utilities (selected for population size and meter counts, as well as the two neighboring Coops and the one IOU) in the state of Minnesota are represented in the graph below with ten years of history from 2016 to 2025. The rate is represented in cents per kWh and compares the rates of peer utilities to ERMU. Since 2020 ERMU has moved from near the top of the rates to the middle of the range for industrial.



Water Rates Comparison

The tables below compare the tiers and rates charged by ten cities in the state of Minnesota that are either members of MMPA or are in the surrounding area. The cities represented are Chaska, Shakopee, Plymouth, Maple Grove, Ramsey, Big Lake, Anoka, Rogers, Otsego, and Princeton. The following observations can be made:

- ERMU is significantly below the residential average for the first tier, on the average for the second tier, and slightly above the average for the third tier.
- When looking at the tables below, the Commercial Rates/Tiers are misleading because ERMU uses tiers based on winter averages (so the comparisons are not apples to apples), only one other utility used the same methodology.
- ERMU is a little below the averages for irrigation rates.
- ERMU is on the average for residential and 1" commercial meters, but significantly below the average for 3" commercial meters.

Residential	**Elk River**	**Minimum**	**Average**	**Maximum**
First Tier	$2.12	$1.84	$3.31	$4.36
Second Tier	$3.79	$2.54	$3.83	$5.43
Third Tier	$4.37	$2.83	$4.18	$5.74
Number of Tiers	3	2	3.40	6
First Tier Cap	9,000	2,000	6,224	12,500
Second Tier Cap	15,000	5,000	15,953	35,000
Third Tier Cap	-	8,000	26,582	37,000

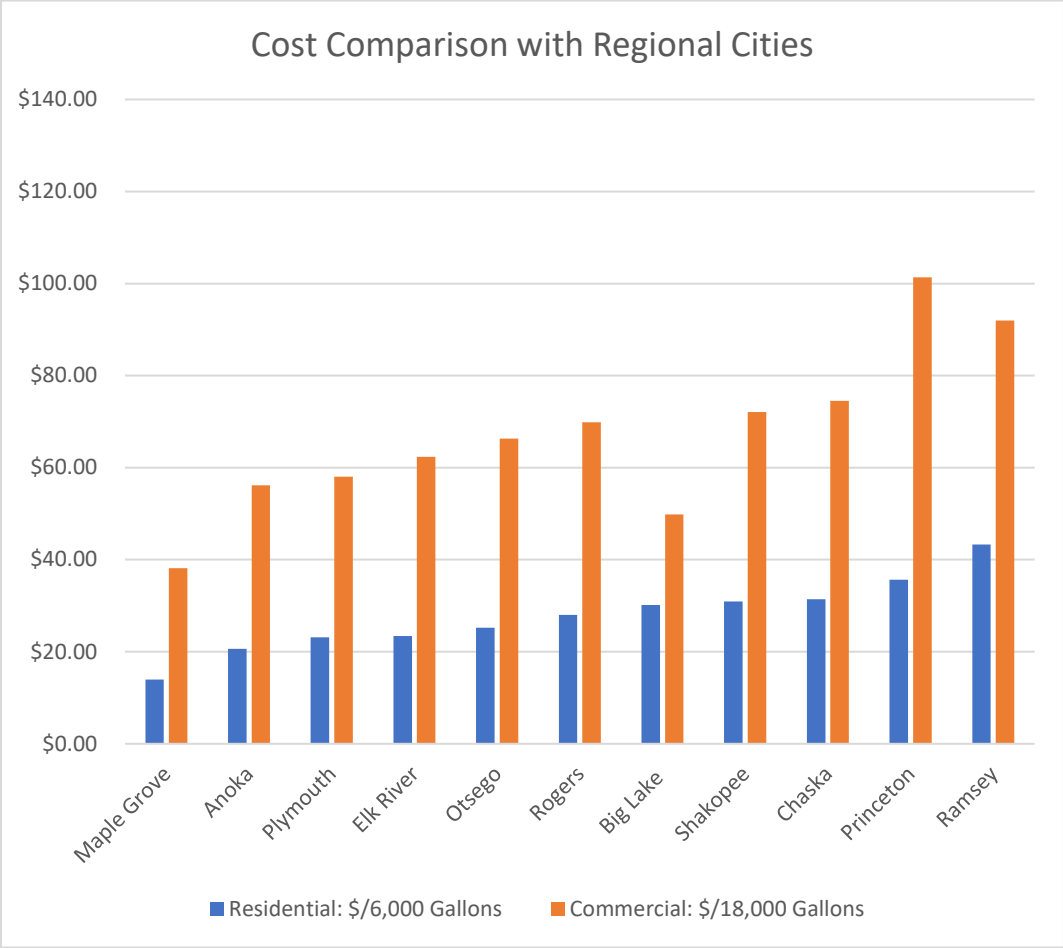
Commercial*	**Elk River**	**Minimum**	**Average**	**Maximum**
First Tier	$2.12	$1.84	$3.03	$4.65
Second Tier	$3.79	$1.84	$3.29	$5.43
Third Tier	$4.37	$1.84	$3.46	$5.43
Number of Tiers	3	1	2.20	6

Irrigation	**Elk River**	**Minimum**	**Average**	**Maximum**
First Tier	$3.79	$2.88	$4.47	$5.43
Second Tier	$4.37	$2.88	$4.73	$6.88

Meters	**Elk River**	**Minimum**	**Average**	**Maximum**
Residential	$10.69	$2.90	$8.13	$10.06
Commercial (1")	$14.20	$6.81	$13.71	$20.22
Commercial (3")	$49.66	$19.39	$101.78	$243.35

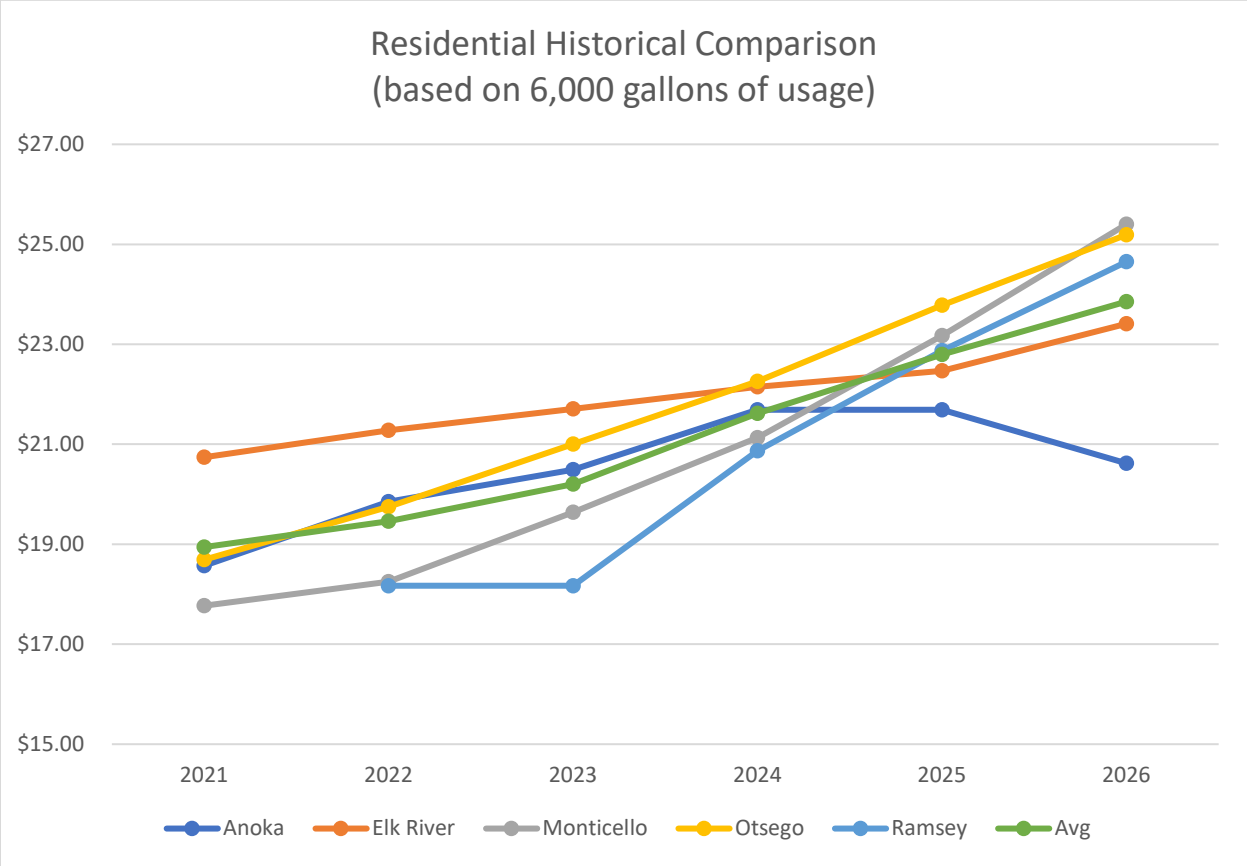
Water Rates Comparison (Continued)

The graph below shows the residential and commercial retail water rates for peer utilities (selected for population size, surrounding area, or meter counts). The rate is represented as the charges for 6,000 gallons of residential water use per month and 18,000 gallons of commercial water use per month. ERMU is in the bottom half for both residential and commercial rates.



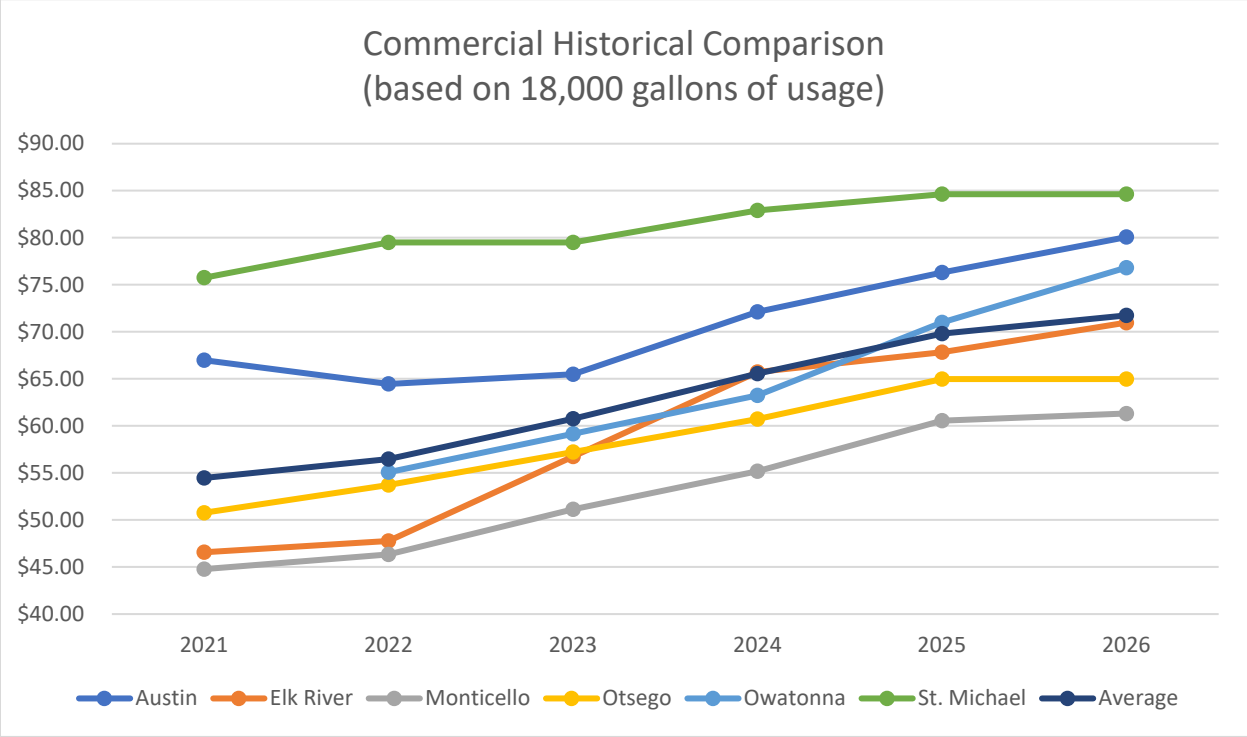
Residential Water Rates

Retail Residential Water Rates for peer utilities (selected for regional location) are represented in the graph below with six years of history (2021 to 2026). All information is obtained from the Advanced Engineering and Environmental Services (AE2S) annual survey reports. The rate is represented as the charges for 6,000 gallons of residential water use per month. ERMU's residential rates have consistently been trending downwards and are now shown as the lowest rate outside of the metro area (see attached snapshot, Anoka is listed as a metro area city).



Commercial Water Rates

Retail commercial water rates for peer utilities (selected for population size and/or surrounding area) are represented in the graph below with six years of history from 2021 to 2026. All information is obtained from the Advanced Engineering and Environmental Services (AE2S) annual survey reports. The rate is represented as the charges for 18,000 gallons of commercial water use per month. ERMU has consistently been in the bottom half of the rates.



Elk River Municipal Utilities

COMMISSION POLICY

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

PURPOSE:

Competitive rates play a critical role in customer satisfaction, economic development opportunities, and business retention. The organization's ***Authority and Purpose Policies*** reflect the expectations of customers, the consumer-owners, that ERMU will provide cost-effective services. With this policy, the Commission recognizes the importance of remaining competitive through strategic short-term and long-term planning, budgeting, and rate design.

Consistent will 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 prioritizing financial and organization health by establishing reporting requirements regarding the competitiveness of rates.

POLICY:

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

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

    b. Report customer class rate analysis comparing ERMU electric rates to neighboring competitor electric utilities. The report shall include ten-year trend data graphing

ERMU electric rates compared to neighboring competitor electric utilities. The intent of this is to show, from a customer perspective, how rate competitiveness would be perceived currently. The report shall include all rate classes or other unique customer types within rate classes.

2. Water
    a. Report tiered water rate comparisons, as available locally sourced. The report shall include data graphing ERMU water rates compared to neighboring water utilities. The intent of the report shall be to provide trend data for long term planning rather than short term comparisons.

    b. Report customer class rate analysis comparing ERMU water rates to neighboring communities, as available through regional AE2S survey reports. The report shall include ten-year trend data graphing ERMU water rates compared to neighboring competitor water utilities. The intent of this is to show, from a customer perspective, how rate competitiveness would be perceived currently. The report shall include all rate classes.

POLICY HISTORY:

Adopted	December 13, 2022
Revised	April 14, 2026

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	**FROM:** Melissa Karpinski – Finance Manager
MEETING DATE: November 10, 2026	**AGENDA ITEM NUMBER:** 5.1
SUBJECT: Financial Report – September 2026	
ACTION REQUESTED: Receive the September 2026 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% compared to the prior year. The breakdown is as follows:

- Residential usage increased 5%
- Small Commercial usage increased 1%
- Large Commercial usage increased 5%

For September 2026, the Electric Department is performing behind the prior YTD results and is unfavorable to the YTD budget. Additional variance analysis is provided in the attached Summary Electric Statement of Revenues, Expenses and Changes in Net Position.

Water
September YTD gallons of water sold are up 10% compared to the prior year. The breakdown is as follows:

- Residential usage increased 14%
- Commercial usage increased 6%

For September 2026, the Water Department is performing behind the prior YTD results but is favorable to the YTD budget. Additional variance analysis is provided in the attached Summary Water Statement of Revenues, Expenses and Changes in Net Position.

ATTACHMENTS:

- Financial Statements – September 2026
- Graphs Prior Year and YTD 2026

Elk River Municipal Utilities

Elk River Municipal Utilities
Elk River, Minnesota
Statement of Net Position
September 30, 2026

	Electric	Water	Total
Assets			
Current Assets			
Cash and Investments	11,996,398	11,668,928	23,665,326
Receivables	3,372,836	429,909	3,802,745
Due from Other City Funds	21,035	128,850	149,885
Inventories	1,881,116	58,301	1,939,416
Prepaid Items	242,017	67,892	309,909
Total Current Assets	17,513,402	12,353,880	29,867,282
Non-Current Assets			
Lease Receivable	-	5,622,838	5,622,838
Capital Assets			
Construction In Progress	4,946,781	321,087	5,267,868
Land	697,870	200,714	898,584
Intangible Assets	29,656,945	-	29,656,945
Land Improvements	34,081	-	34,081
Buildings	15,983,200	3,429,100	19,412,300
Machinery and Equipment	5,890,761	803,085	6,693,847
Transmission	2,305,024	-	2,305,024
Production	-	14,725,937	14,725,937
Distribution	62,179,654	31,201,536	93,381,191
Capital Assets, Cost	121,694,316	50,681,460	172,375,776
Less Accumulated Depreciation	(45,912,497)	(26,343,610)	(72,256,107)
Total Capital Assets, Net	75,781,819	24,337,849	100,119,669
Total Non-Current Assets	75,781,819	29,960,687	105,742,507
Other Assets			
Restricted Cash	1,779,016	-	1,779,016
Deferred Outflows of Resources	396,358	82,418	478,776
Total Assets	**95,470,595**	**42,396,985**	**137,867,580**
Liabilities and Fund Equity			
Current Liabilities			
Accounts Payable	4,701,991	140,635	4,842,626
Salaries and Benefits Payable	232,447	48,379	280,826
Accrued Interest Payable	123,943	5,633	129,576
Due to Other City Funds	1,033,913	12,369	1,046,283
Due to Other Governments	340,511	11,166	351,677
Customer Deposits Payable	1,268,680	193,771	1,462,451
Unearned Revenue	5,018	541,907	546,925
Compensated Absences	1,143,296	166,091	1,309,388
Bonds Payable-Current Portion	-	-	-
Total Current Liabilities	8,849,800	1,119,951	9,969,751
Non-Current Liabilities			
Bonds Payable, Net - Less Current Portion	26,070,641	1,408,656	27,479,296
Net Pension Liabilities	1,541,981	323,143	1,865,124
Total Non-Current Liabilities	27,612,622	1,731,799	29,344,420
Total Liabilities	36,462,422	2,851,750	39,314,171
Total Deferred Inflows of Resources	1,034,353	5,488,482	6,522,835
Total Net Position	57,973,821	34,056,753	92,030,574
Total Liabilities & Fund Equity	**95,470,595**	**42,396,985**	**137,867,580**

Elk River Municipal Utilities

Elk River Municipal Utilities
Elk River, Minnesota
Electric Statement of Net Position

Electric	September 30, 2026	August 31, 2026	Current Month Change from Prior Month
Assets			
Current Assets			
Cash and Investments	11,996,398	10,406,515	1,589,883
Receivables	3,372,836	4,581,062	(1,208,226)
Due from Other City Funds	21,035	4,153	16,882
Inventories	1,881,116	1,943,500	(62,384)
Prepaid Items	242,017	184,000	58,017
Total Current Assets	17,513,402	17,119,231	394,172
Non-Current Assets			
Lease Receivable	-	-	-
Capital Assets			
Construction In Progress	4,946,781	3,758,212	1,188,569
Land	697,870	697,870	-
Intangible Assets	29,656,945	29,656,945	-
Land Improvements	34,081	34,081	-
Buildings	15,983,200	15,968,600	14,600
Machinery and Equipment	5,890,761	5,842,038	48,724
Transmission	2,305,024	2,305,024	-
Distribution	62,179,654	62,736,348	(556,693)
Capital Assets, Cost	121,694,316	120,999,117	695,199
Less Accumulated Depreciation	(45,912,497)	(46,330,685)	418,189
Total Capital Assets, Net	75,781,819	74,668,432	1,113,388
Total Non-Current Assets	75,781,819	74,668,432	1,113,388
Other Assets			
Restricted Cash	1,779,016	1,779,016	-
Deferred Outflows of Resources	396,358	396,358	-
Total Assets	**95,470,595**	**93,963,036**	**1,507,559**
Liabilities and Fund Equity			
Current Liabilities			
Accounts Payable	4,701,991	3,956,548	745,443
Salaries and Benefits Payable	232,447	150,112	82,335
Accrued Interest Payable	123,943	61,971	61,971
Due to Other City Funds	1,033,913	963,299	70,614
Due to Other Governments	340,511	386,692	(46,181)
Customer Deposits Payable	1,268,680	1,266,094	2,587
Unearned Revenue	5,018	6,690	(1,673)
Compensated Absences	1,143,296	1,135,221	8,075
Bonds Payable-Current Portion	-	-	-
Total Current Liabilities	8,849,800	7,926,628	923,172
Non-Current Liabilities			
Bonds Payable, Net - Less Current Portion	26,070,641	26,075,629	(4,989)
Net Pension Liabilities	1,541,981	1,541,981	-
Total Non-Current Liabilities	27,612,622	27,617,610	(4,989)
Total Liabilities	36,462,422	35,544,238	918,184
Total Deferred Inflows of Resources	1,034,353	1,034,353	-
Total Net Position	57,973,821	57,384,445	589,376
Total Liabilities & Fund Equity	**95,470,595**	**93,963,036**	**1,507,559**

Elk River Municipal Utilities

Elk River Municipal Utilities
Elk River, Minnesota
Water Statement of Net Position

Water	September 30, 2026	August 31, 2026	Current Month Change from Prior Month
Assets			
Current Assets			
Cash and Investments	11,668,928	11,406,904	262,024
Receivables	429,909	470,631	(40,721)
Due from Other City Funds	128,850	128,850	-
Inventories	58,301	55,432	2,869
Prepaid Items	67,892	54,510	13,382
Total Current Assets	12,353,880	12,116,326	237,553
Non-Current Assets			
Lease Receivable	5,622,838	5,622,838	-
Capital Assets			
Construction In Progress	321,087	304,047	17,040
Land	200,714	200,714	-
Intangible Assets	-	-	-
Land Improvements	-	-	-
Buildings	3,429,100	3,425,450	3,650
Machinery and Equipment	803,085	789,641	13,445
Production	14,725,937	14,725,937	-
Distribution	31,201,536	31,201,536	-
Capital Assets, Cost	50,681,460	50,647,325	34,134
Less Accumulated Depreciation	(26,343,610)	(26,227,623)	(115,987)
Total Capital Assets, Net	24,337,849	24,419,702	(81,853)
Total Non-Current Assets	29,960,687	30,042,540	(81,853)
Other Assets			
Restricted Cash	-	-	-
Deferred Outflows of Resources	82,418	82,418	-
Total Assets	**42,396,985**	**42,241,285**	**155,701**
Liabilities and Fund Equity			
Current Liabilities			
Accounts Payabable	140,635	184,356	(43,721)
Salaries and Benefits Payable	48,379	30,363	18,016
Accrued Interest Payable	5,633	2,817	2,817
Due to Other City Funds	12,369	13,042	(673)
Due to Other Governments	11,166	12,095	(929)
Customer Deposits Payable	193,771	192,226	1,544
Unearned Revenue	541,907	491,467	50,440
Compensated Absences	166,091	162,264	3,828
Bonds Payable-Current Portion	-	-	-
Total Current Liabilities	1,119,951	1,088,630	31,322
Non-Current Liabilities			
Bonds Payable, Net - Less Current Portion	1,408,656	1,409,210	(554)
Net Pension Liabilities	323,143	323,143	-
Total Non-Current Liabilities	1,731,799	1,732,353	(554)
Total Liabilities	2,851,750	2,820,982	30,767
Total Deferred Inflows of Resources	5,488,482	5,488,482	-
Total Net Position	34,056,753	33,931,820	124,933
Total Liabilities & Fund Equity	**42,396,985**	**42,241,285**	**155,701**

Elk River Municipal Utilities

Elk River Municipal Utilities

Elk River, Minnesota

Statement of Revenues, Expenses and Changes in Net Position

For Period Ending September 30, 2026

Electric	Actual September 2026	Budget September 2026	Year-To-Date Actual 2026	Year-To-Date Budget 2026	Budget Variance	Budget Var%	Budget 2026	Actual September 2025	Year-To-Date Actual 2025	Prior Yr Variance	PY Var%	Variance
Revenue												
Operating Revenue												
Elk River	4,392,004	4,205,575	32,783,845	32,743,509	40,336	0%	43,306,594	3,988,023	31,201,774	1,582,071	5%	
Otsego	448,739	428,908	3,410,398	3,374,210	36,188	1%	4,454,313	409,429	3,263,329	147,069	5%	
Big Lake	21,253	22,096	176,310	185,304	(8,995)	-5%	241,665	20,350	170,265	6,045	4%	
Dayton	27,745	26,914	222,478	225,349	(2,871)	-1%	294,054	26,319	218,282	4,197	2%	
Public St & Hwy Lighting	23,889	23,333	214,690	209,997	4,693	2%	280,000	23,885	212,990	1,701	1%	
Other Electric Sales	400	400	3,600	3,600	-	0%	4,800	400	3,600	-	0%	
Total Operating Revenue	**4,914,030**	**4,707,227**	**36,811,321**	**36,741,970**	**69,351**	**0%**	**48,581,426**	**4,468,406**	**35,070,239**	**1,741,082**	**5%**	
Other Operating Revenue												
Interest/Dividend Income	(142,653)	29,167	(145,360)	262,503	(407,863)	-155%	350,000	33,133	349,232	(494,593)	-142%	(1)
Customer Penalties	46,326	25,417	228,327	228,753	(426)	0%	305,000	36,806	224,692	3,634	2%	
Connection Fees	15,802	21,250	355,269	191,250	164,019	86%	255,000	122,900	294,121	61,147	21%	(2)
Misc Revenue	180,961	97,751	1,071,110	902,259	168,851	19%	1,193,000	159,988	1,260,099	(188,989)	-15%	(3)
Total Operating Revenue	**100,435**	**173,585**	**1,509,345**	**1,584,765**	**(75,420)**	**-5%**	**2,103,000**	**352,827**	**2,128,145**	**(618,800)**	**-29%**	
Total Revenue	**5,014,465**	**4,880,812**	**38,320,666**	**38,326,735**	**(6,069)**	**0%**	**50,684,426**	**4,821,233**	**37,198,384**	**1,122,282**	**3%**	
Expenses												
Purchased Power	3,120,691	3,253,970	24,827,234	24,557,487	269,748	1%	31,659,362	3,055,663	23,985,375	841,859	4%	
Operating & Mtce Expense	90	26,833	2,239	241,497	(239,258)	-99%	321,993	19,854	217,158	(214,919)	-99%	(4)
Transmission Expense	3,928	5,833	32,475	52,497	(20,022)	-38%	70,000	3,104	27,485	4,990	18%	
Distribution Expense	60,947	45,417	623,881	408,753	215,128	53%	545,000	34,212	380,030	243,851	64%	(5)
Maintenance Expense	176,913	153,246	1,413,111	1,457,214	(44,103)	-3%	1,990,000	206,470	1,398,579	14,532	1%	
Depreciation & Amortization	294,272	294,428	2,658,058	2,649,852	8,206	0%	3,533,136	289,325	2,593,857	64,200	2%	
Interest Expense	56,983	56,983	528,596	528,595	0	0%	699,543	59,983	555,121	(26,525)	-5%	
Other Operating Expense	8,660	9,105	57,506	81,945	(24,439)	-30%	414,250	4,341	77,127	(19,621)	-25%	
Customer Accounts Expense	40,646	36,250	347,924	326,250	21,674	7%	435,000	36,769	313,099	34,826	11%	
Administrative Expense	383,786	380,739	3,527,160	3,484,569	42,591	1%	4,617,413	366,967	3,333,284	193,876	6%	
General Expense	57,377	54,774	384,051	492,966	(108,915)	-22%	657,300	45,131	438,954	(54,903)	-13%	(6)
Total Expenses (before Operating Transfers)	**4,204,291**	**4,317,578**	**34,402,234**	**34,281,625**	**120,608**	**0%**	**44,942,997**	**4,121,819**	**33,320,069**	**1,082,165**	**3%**	
Operating Transfer												
Operating Transfer/Other Funds	220,537	210,279	1,647,603	1,637,175	10,427	1%	2,165,330	160,269	1,254,761	392,842	31%	(7)
Utilities & Labor Donated	262	-	10,510	-	10,510	0%	-	20,743	179,291	(168,780)	-94%	(8)
Total Operating Transfer	**220,799**	**210,279**	**1,658,113**	**1,637,175**	**20,938**	**1%**	**2,165,330**	**181,012**	**1,434,052**	**224,061**	**16%**	
Net Income Profit (Loss)	**589,376**	**352,955**	**2,260,319**	**2,407,934**	**(147,615)**	**-6%**	**3,576,100**	**518,401**	**2,444,264**	**(183,944)**	**-8%**	

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

(1) Budget and PYTD variance is due to the change in Fair Market Value.
(2) Budget and PYTD variance is mainly due to a large connection agreement in January and March of 2026.
(3) Budget variance is due to MMTG refund. PYTD variance is mainly due to Contributions from Customers having a large SOW for a 3 phase loop in May 2025, which is partially offset by MMTG refund in 2026.
(4) Budget and PYTD variance is due to not using majority of generating g/l accounts in 2026 due to retirement of power plant engines and reclassing to distribution expense.
(5) Budget and PYTD variance is due to reclassing generating g/l accounts in 2026 to distribution expense.
(6) Budget variance is mainly due to timing of rebates.
(7) PYTD variance is due to the change to PILOT that was made in 2026.
(8) PYTD variance is due to the change to PILOT that was made in 2026.

Elk River Municipal Utilities

Elk River, Minnesota

Statement of Revenues, Expenses and Changes in Net Position

For Period Ending September 30, 2026

Water	Actual September 2026	Budget September 2026	Year-To-Date Actual 2026	Year-To-Date Budget 2026	Budget Variance	Budget Var%	Budget 2026	Actual September 2025	Year-To-Date Actual 2025	Prior Yr Variance	PY Var%	Variance
Revenue												
Operating Revenue												
Water Sales	449,342	397,883	2,576,868	2,449,471	127,397	5%	3,226,078	370,279	2,293,044	283,824	12%	
Total Operating Revenue	**449,342**	**397,883**	**2,576,868**	**2,449,471**	**127,397**	**5%**	**3,226,078**	**370,279**	**2,293,044**	**283,824**	**12%**	
Other Operating Revenue												
Interest/Dividend Income	(34,324)	10,500	(22,294)	94,500	(116,794)	-124%	126,000	9,385	97,594	(119,888)	-123%	(1)
Customer Penalties	4,582	2,917	17,744	26,253	(8,509)	-32%	35,000	2,764	25,865	(8,121)	-31%	
Connection Fees	48,738	37,167	379,523	334,503	45,020	13%	446,000	102,971	636,284	(256,761)	-40%	(2)
Misc Revenue	1,010	1,008	37,083	13,072	24,011	184%	477,350	42,314	116,206	(79,123)	-68%	(3)
Total Operating Revenue	**20,007**	**51,592**	**412,056**	**468,328**	**(56,272)**	**-12%**	**1,084,350**	**157,435**	**875,949**	**(463,893)**	**-53%**	
Total Revenue	**469,349**	**449,475**	**2,988,924**	**2,917,799**	**71,124**	**2%**	**4,310,428**	**527,714**	**3,168,993**	**(180,069)**	**-6%**	
Expenses												
Production Expense	11,812	10,417	146,780	93,753	53,027	57%	125,000	8,706	94,171	52,609	56%	(4)
Pumping Expense	62,590	55,668	482,830	501,012	(18,182)	-4%	668,000	59,070	480,499	2,331	0%	
Distribution Expense	39,874	35,041	335,210	342,369	(7,159)	-2%	447,500	40,313	366,045	(30,835)	-8%	
Depreciation & Amortization	115,987	117,917	1,047,722	1,061,253	(13,531)	-1%	1,415,000	115,207	1,038,555	9,166	1%	
Interest Expense	2,262	2,262	21,995	21,995	0	0%	28,782	2,496	23,978	(1,983)	-8%	
Other Operating Expense	218	52	1,850	468	1,382	295%	50,625	52	(15,416)	17,266	112%	(5)
Customer Accounts Expense	10,538	8,688	80,598	78,192	2,406	3%	104,250	10,186	77,140	3,457	4%	
Administrative Expense	91,829	103,446	928,995	942,947	(13,952)	-1%	1,251,950	101,811	864,367	64,628	7%	
General Expense	320	605	1,794	5,445	(3,651)	-67%	7,250	70	2,421	(627)	-26%	
Total Expenses (before Operating Transfers)	**335,429**	**334,096**	**3,047,774**	**3,047,434**	**339**	**0%**	**4,098,357**	**337,912**	**2,931,760**	**116,013**	**4%**	
Operating Transfer												
Operating Transfer/Other Funds	8,987	7,958	51,537	48,991	2,546	5%	64,522	-	-	51,537	0%	
Utilities & Labor Donated	-	167	-	1,503	(1,503)	-100%	2,000	48	48	(48)	-100%	
Total Operating Transfer	**8,987**	**8,125**	**51,537**	**50,494**	**1,043**	**2%**	**66,522**	**48**	**48**	**51,489**	**106536%**	
Net Income Profit (Loss)	**124,933**	**107,253**	**(110,387)**	**(180,129)**	**69,742**	**39%**	**145,550**	**189,754**	**237,184**	**(347,571)**	**-147%**	

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

(1) Budget and PYTD variance is due to the change in Fair Market Value.
(2) PYTD variance is due to a large connection fee in June 2025.
(3) Budget variance is mainly due to Tyco and BASF AFFF settlement. PTYD variance is mainly due to 3M settlement and a contribution from developer in 2025.
(4) Budget and PYTD variance is mainly due installation of transformer at Meadowvale Booster Station and labor in 2026.
(5) PYTD variance is due to a credit received in 2025.

Elk River Municipal Utilities

Elk River Municipal Utilities
Elk River, Minnesota
Statement of Revenues, Expenses and Changes in Net Position
For Period Ending September 2026

Electric	Actual September 2026	Budget September 2026	Year-To-Date Actual 2026	Year-To-Date Budget 2026	Budget Variance	Budget Var%	Budget 2026	Actual September 2025	Year-To-Date Actual 2025	Prior Yr Variance	PY Var%
Revenue											
Operating Revenue											
Electric Sales - Elk River											
ELECT SALES - ELK RIVER RESIDENTIAL	1,372,705	1,368,357	11,444,885	11,484,811	(39,926)	0%	14,974,097	1,273,749	10,705,140	739,745	7%
ELECT SALES - ELK RIVER NON-DEMAND	314,504	343,280	2,747,705	2,832,044	(84,339)	-3%	3,713,891	318,066	2,632,705	115,000	4%
ELECT SALES - ELK RIVER DEMAND	1,934,339	2,004,150	15,165,270	14,649,300	515,970	4%	19,613,601	1,872,995	14,029,748	1,135,522	8%
PCA SALES REVENUE - ELK RIVER RESIDENTIA	250,378	146,847	1,154,125	1,232,505	(78,380)	-6%	1,606,960	162,450	1,236,483	(82,358)	-7%
PCA SALES REVENUE - ELK RIVER NON-DEMAND	57,431	40,540	266,804	334,455	(67,651)	-20%	438,601	41,461	319,637	(52,832)	-17%
PCA SALES REVENUE - ELK RIVER DEMAND	462,647	302,401	2,005,056	2,210,394	(205,338)	-9%	2,959,444	319,301	2,278,062	(273,006)	-12%
Total Electric Sales - Elk River	4,392,004	4,205,575	32,783,845	32,743,509	40,336	0%	43,306,594	3,988,023	31,201,774	1,582,071	5%
Electric Sales - Otsego											
ELECT SALES - OTSEGO RESIDENTIAL	165,384	155,661	1,327,978	1,306,483	21,495	2%	1,703,416	153,193	1,220,838	107,140	9%
ELECT SALES - OTSEGO NON-DEMAND	49,938	51,032	413,552	421,011	(7,459)	-2%	552,105	52,385	411,394	2,157	1%
ELECT SALES - OTSEGO DEMAND	156,478	175,389	1,318,189	1,282,000	36,189	3%	1,716,440	151,874	1,239,079	79,110	6%
PCA SALES REVENUE - OTSEGO RESIDENTIAL	29,891	16,705	133,790	140,206	(6,416)	-5%	182,804	19,434	140,410	(6,620)	-5%
PCA SALES REVENUE - OTSEGO NON-DEMAND	9,511	4,612	44,034	38,046	5,988	16%	49,894	7,063	52,716	(8,682)	-16%
PCA SALES REVENUE - OTSEGO DEMAND	37,538	25,510	172,854	186,464	(13,610)	-7%	249,654	25,479	198,891	(26,037)	-13%
Total Electric Sales - Otsego	448,739	428,908	3,410,398	3,374,210	36,188	1%	4,454,313	409,429	3,263,329	147,069	5%
Electric Sales - Big Lake											
ELECT SALES - BIG LAKE RESIDENTIAL	17,223	19,054	157,260	159,920	(2,660)	-2%	208,507	17,420	149,417	7,843	5%
ELECT SALES - BIG LAKE NON-DEMAND	757	432	3,372	3,565	(192)	-5%	4,675	606	3,189	184	6%
PCA SALES REVENUE - BIG LAKE RESIDENTIAL	3,137	2,045	15,270	17,162	(1,892)	-11%	22,376	2,250	17,315	(2,045)	-12%
PCA SALES REVENUE - BIG LAKE NON-DEMAND	137	565	407	4,658	(4,251)	-91%	6,107	75	344	63	18%
Total Electric Sales - Big Lake	21,253	22,096	176,310	185,304	(8,995)	-5%	241,665	20,350	170,265	6,045	4%
Electric Sales - Dayton											
ELECT SALES - DAYTON RESIDENTIAL	19,925	20,315	171,463	170,506	957	1%	222,309	19,828	165,241	6,221	4%
ELECT SALES - DAYTON NON-DEMAND	3,629	3,824	31,431	31,552	(121)	0%	41,376	3,554	30,780	651	2%
PCA SALES REVENUE - DAYTON RESIDENTIAL	3,579	2,180	16,741	18,297	(1,556)	-9%	23,857	2,513	18,781	(2,040)	-11%
PCA SALES REVENUE - DAYTON NON-DEMAND	613	595	2,844	4,995	(2,151)	-43%	6,512	423	3,479	(635)	-18%
Total Electric Sales - Dayton	27,745	26,914	222,478	225,349	(2,871)	-1%	294,054	26,319	218,282	4,197	2%
Public St & Hwy Lighting											
ELECT SALES - SEC LTS	23,889	23,333	214,690	209,997	4,693	2%	280,000	23,885	212,990	1,701	1%
Total Public St & Hwy Lighting	23,889	23,333	214,690	209,997	4,693	2%	280,000	23,885	212,990	1,701	1%
Other Electric Sales											
SUB-STATION CREDIT	400	400	3,600	3,600	0	0%	4,800	400	3,600	0	0%
Total Other Electric Sales	400	400	3,600	3,600	0	0%	4,800	400	3,600	0	0%
Total Operating Revenue	4,914,030	4,707,227	36,811,321	36,741,970	69,351	0%	48,581,426	4,468,406	35,070,239	1,741,082	5%
Other Operating Revenue											
Interest/Dividend Income											
INTEREST & DIVIDEND INCOME	(142,653)	29,167	(145,360)	262,503	(407,863)	-155%	350,000	33,133	349,232	(494,593)	-142%
Total Interest/Dividend Income	(142,653)	29,167	(145,360)	262,503	(407,863)	-155%	350,000	33,133	349,232	(494,593)	-142%
Customer Penalties											
CUSTOMER DELINQUENT PENALTIES	46,326	25,417	228,327	228,753	(426)	0%	305,000	36,806	224,692	3,634	2%
Total Customer Penalties	46,326	25,417	228,327	228,753	(426)	0%	305,000	36,806	224,692	3,634	2%

Elk River Municipal Utilities

Elk River Municipal Utilities
Elk River, Minnesota
Statement of Revenues, Expenses and Changes in Net Position
For Period Ending September 2026

Electric	Actual September 2026	Budget September 2026	Year-To-Date Actual 2026	Year-To-Date Budget 2026	Budget Variance	Budget Var%	Budget 2026	Actual September 2025	Year-To-Date Actual 2025	Prior Yr Variance	PY Var%
Connection Fees											
DISCONNECT & RECONNECT CHARGE	15,802	21,250	355,269	191,250	164,019	86%	255,000	122,900	294,121	61,147	21%
Total Connection Fees	15,802	21,250	355,269	191,250	164,019	86%	255,000	122,900	294,121	61,147	21%
Misc Revenue											
MISC ELEC REVENUE - TEMP CHG	-	250	4,510	2,250	2,260	100%	3,000	-	2,640	1,870	71%
STREET LIGHT	-	2,500	29,800	20,000	9,800	49%	25,000	37,000	50,000	(20,200)	-40%
TRANSMISSION INVESTMENTS	50,765	56,667	487,027	510,003	(22,976)	-5%	680,000	62,424	529,574	(42,548)	-8%
MISC NON-UTILITY	102,658	9,167	220,438	82,503	137,935	167%	110,000	7,925	102,514	117,924	115%
GAIN ON DISPOSITION OF PROPERTY	-	-	12,220	25,000	(12,780)	-51%	25,000	-	22,755	(10,535)	-46%
CONTRIBUTIONS FROM CUSTOMERS	27,538	29,167	288,371	262,503	25,868	10%	350,000	52,639	552,615	(264,244)	-48%
CONTRIBUTIONS FROM GRANTS	-	-	28,744	-	28,744	0%	-	-	-	28,744	0%
Total Misc Revenue	180,961	97,751	1,071,110	902,259	168,851	19%	1,193,000	159,988	1,260,099	(188,989)	-15%
	100,435	173,585	1,509,345	1,584,765	(75,420)	-5%	2,103,000	352,827	2,128,145	(618,800)	-29%
Total Revenue	**5,014,465**	**4,880,812**	**38,320,666**	**38,326,735**	**(6,069)**	**0%**	**50,684,426**	**4,821,233**	**37,198,384**	**1,122,282**	**3%**
Expenses											
Purchased Power											
PURCHASED POWER	2,457,084	2,563,130	19,257,891	18,776,754	481,137	3%	24,051,075	2,373,803	18,061,606	1,196,285	7%
ENERGY ADJUSTMENT CLAUSE	663,607	690,840	5,569,344	5,780,733	(211,389)	-4%	7,608,286	681,861	5,923,770	(354,426)	-6%
Total Purchased Power	3,120,691	3,253,970	24,827,234	24,557,487	269,748	1%	31,659,362	3,055,663	23,985,375	841,859	4%
Operating & Mtce Expense											
OPERATING SUPERVISION - DNU	-	13,399	-	120,591	(120,591)	-100%	160,783	13,751	120,105	(120,105)	-100%
NATURAL GAS	-	2,292	-	20,628	(20,628)	-100%	27,501	370	16,954	(16,954)	-100%
ELECTRIC & WATER CONSUMPTION - PLANT DNU	-	5,434	-	48,906	(48,906)	-100%	65,208	4,193	44,127	(44,127)	-100%
PLANT SUPPLIES & OTHER EXPENSE - DNU	-	1,000	-	9,000	(9,000)	-100%	12,000	342	6,619	(6,619)	-100%
MISC POWER GENERATION EXPENSE	90	83	2,123	747	1,376	184%	1,000	16	815	1,308	161%
MAINTENANCE OF STRUCTURE - PLANT - DNU	-	1,250	-	11,250	(11,250)	-100%	15,000	415	9,206	(9,206)	-100%
MTCE OF PLANT ENGINES/GENERATORS	-	42	116	378	(262)	-69%	500	-	729	(614)	-84%
MTCE OF PLANT/LAND IMPROVEMENT - DNU	-	3,333	-	29,997	(29,997)	-100%	40,000	767	18,604	(18,604)	-100%
Total Operating & Mtce Expense	90	26,833	2,239	241,497	(239,258)	-99%	321,993	19,854	217,158	(214,919)	-99%
Transmission Expense											
TRANSMISSION MTCE AND EXPENSE	3,928	5,833	32,475	52,497	(20,022)	-38%	70,000	3,104	27,485	4,990	18%
Total Transmission Expense	3,928	5,833	32,475	52,497	(20,022)	-38%	70,000	3,104	27,485	4,990	18%
Distribution Expense											
SUPERVISION & ENGINEERING - DISTRIBUTION	14,519	-	125,834	-	125,834	0%	-	-	-	125,834	0%
REMOVE EXISTING SERVICE & METERS	74	167	148	1,503	(1,355)	-90%	2,000	-	937	(788)	-84%
SCADA EXPENSE	5,508	5,417	48,801	48,753	48	0%	65,000	5,815	47,431	1,370	3%
TRANSFORMER EXPENSE OH & URD	1,311	2,083	12,618	18,747	(6,129)	-33%	25,000	1,876	12,698	(80)	-1%
MTCE OF SIGNAL SYSTEMS	428	250	710	2,250	(1,540)	-68%	3,000	395	3,276	(2,566)	-78%
METER EXPENSE - REMOVE & RESET	-	125	68	1,125	(1,057)	-94%	1,500	-	1,111	(1,043)	-94%
TEMP SERVICE - INSTALL & REMOVE	(249)	708	8,360	6,372	1,988	31%	8,500	-	2,162	6,198	287%
MISC DISTRIBUTION EXPENSE	39,356	36,667	427,342	330,003	97,339	29%	440,000	26,126	312,416	114,926	37%
Total Distribution Expense	60,947	45,417	623,881	408,753	215,128	53%	545,000	34,212	380,030	243,851	64%

Elk River Municipal Utilities

Elk River Municipal Utilities
Elk River, Minnesota
Statement of Revenues, Expenses and Changes in Net Position
For Period Ending September 2026

Electric	Actual September 2026	Budget September 2026	Year-To-Date Actual 2026	Year-To-Date Budget 2026	Budget Variance	Budget Var%	Budget 2026	Actual September 2025	Year-To-Date Actual 2025	Prior Yr Variance	PY Var%
Maintenance Expense											
MTCE OF STRUCTURES	7,521	7,500	112,997	67,500	45,497	67%	90,000	8,203	70,556	42,441	60%
MTCE OF SUBSTATIONS	6,250	3,333	42,312	29,997	12,315	41%	40,000	3,148	10,679	31,633	296%
MTCE OF SUBSTATION EQUIPMENT	4,105	9,333	32,143	83,997	(51,854)	-62%	112,000	639	35,945	(3,802)	-11%
MTCE OF OH LINES/TREE TRIM	244	2,000	90,084	96,000	(5,916)	-6%	175,000	773	159,028	(68,944)	-43%
MTCE OF OH LINES/STANDBY	3,774	4,166	35,789	37,494	(1,705)	-5%	50,000	4,547	33,299	2,491	7%
MTCE OF OH PRIMARY	19,527	16,250	130,346	146,250	(15,904)	-11%	195,000	27,526	140,793	(10,447)	-7%
MTCE OF URD PRIMARY	28,137	25,000	191,350	225,000	(33,650)	-15%	300,000	34,612	259,105	(67,755)	-26%
LOCATE ELECTRIC LINES	28,425	10,416	167,741	93,744	73,997	79%	125,000	15,368	88,106	79,635	90%
LOCATE FIBER LINES	329	333	3,267	2,997	270	9%	4,000	362	3,323	(56)	-2%
MTCE OF LINE TRANSFORMERS	4,074	7,916	33,336	71,244	(37,908)	-53%	95,000	56,454	87,090	(53,754)	-62%
MTCE OF STREET LIGHTING	7,188	5,833	58,120	52,497	5,623	11%	70,000	8,744	47,174	10,946	23%
MTCE OF SECURITY LIGHTING	2,746	2,083	13,246	18,747	(5,501)	-29%	25,000	500	12,849	397	3%
MTCE OF METERS	10,584	5,000	78,168	45,000	33,168	74%	60,000	3,778	18,127	60,041	331%
VOLTAGE COMPLAINTS	285	833	7,393	7,497	(104)	-1%	10,000	-	2,914	4,479	154%
SALARIES TRANSMISSION & DISTRIBUTION	3,720	3,083	31,291	27,747	3,544	13%	37,000	2,839	26,441	4,850	18%
ELECTRIC MAPPING	9,260	13,500	109,545	121,500	(11,955)	-10%	162,000	8,507	113,720	(4,175)	-4%
FIBER MAPPING	-	833	-	7,497	(7,497)	-100%	10,000	-	-	0	0%
MTCE OF OH SECONDARY	2,672	2,500	24,454	22,500	1,954	9%	30,000	1,240	23,094	1,360	6%
MTCE OF URD SECONDARY	8,256	6,667	71,347	60,003	11,344	19%	80,000	8,279	65,442	5,905	9%
TRANSPORTATION EXPENSE	29,816	26,667	180,181	240,003	(59,822)	-25%	320,000	20,949	200,893	(20,713)	-10%
Total Maintenance Expense	176,913	153,246	1,413,111	1,457,214	(44,103)	-3%	1,990,000	206,470	1,398,579	14,532	1%
Depreciation & Amortization											
DEPRECIATION	238,594	238,750	2,156,956	2,148,750	8,206	0%	2,865,000	233,647	2,092,756	64,200	3%
AMORTIZATION	55,678	55,678	501,101	501,102	(1)	0%	668,136	55,678	501,101	0	0%
Total Depreciation & Amortization	294,272	294,428	2,658,058	2,649,852	8,206	0%	3,533,136	289,325	2,593,857	64,200	2%
Interest Expense											
INTEREST EXPENSE - BONDS	61,971	61,971	573,492	573,492	0	0%	759,406	64,971	600,017	(26,525)	-4%
AMORTIZATION OF DEBT DISCOUNT/PREMIUM	(4,989)	(4,989)	(44,897)	(44,897)	0	0%	(59,863)	(4,989)	(44,897)	0	0%
Total Interest Expense	56,983	56,983	528,596	528,595	0	0%	699,543	59,983	555,121	(26,525)	-5%
Other Operating Expense											
EV CHARGING EXPENSE	90	104	794	936	(142)	-15%	1,250	108	1,378	(584)	-42%
LOSS ON DISPOSITION OF PROP (CAPITAL)	4,890	-	4,890	-	4,890	0%	25,000	-	15,759	(10,868)	-69%
LOSS ON DISPOSITION OF PROP (NONCAPITAL)	-	-	-	-	0	0%	-	-	15,438	(15,438)	-100%
OTHER DONATIONS	-	167	870	1,503	(633)	-42%	2,000	-	217	653	301%
MUTUAL AID	-	-	18,165	-	18,165	0%	-	-	7,013	11,152	159%
PENSION EXPENSE	-	-	-	-	0	0%	280,000	-	-	0	0%
OTHER INTEREST EXPENSE	-	4,667	-	42,003	(42,003)	-100%	56,000	-	-	0	0%
INTEREST EXPENSE - METER DEPOSITS	3,679	4,167	32,785	37,503	(4,718)	-13%	50,000	4,232	37,323	(4,537)	-12%
Total Other Operating Expense	8,660	9,105	57,506	81,945	(24,439)	-30%	414,250	4,341	77,127	(19,621)	-25%
Customer Accounts Expense											
METER READING EXPENSE	2,292	2,083	20,507	18,747	1,760	9%	25,000	2,585	24,895	(4,388)	-18%
DISCONNECT/RECONNECT EXPENSE	51	417	361	3,753	(3,392)	-90%	5,000	-	659	(297)	-45%
MISC CUSTOMER ACCOUNTS EXPENSE UTILITY	38,526	31,667	290,545	285,003	5,542	2%	380,000	34,086	280,098	10,447	4%
BAD DEBT EXPENSE & RECOVERY	(223)	2,083	36,511	18,747	17,764	95%	25,000	98	7,447	29,064	390%
Total Customer Accounts Expense	40,646	36,250	347,924	326,250	21,674	7%	435,000	36,769	313,099	34,826	11%

Elk River Municipal Utilities

Elk River Municipal Utilities
Elk River, Minnesota
Statement of Revenues, Expenses and Changes in Net Position
For Period Ending September 2026

Electric	Actual September 2026	Budget September 2026	Year-To-Date Actual 2026	Year-To-Date Budget 2026	Budget Variance	Budget Var%	Budget 2026	Actual September 2025	Year-To-Date Actual 2025	Prior Yr Variance	PY Var%
Administrative Expense											
SALARIES OFFICE & COMMISSION	100,776	90,417	807,205	813,753	(6,548)	-1%	1,085,000	88,583	734,746	72,459	10%
TEMPORARY STAFFING	-	333	-	2,997	(2,997)	-100%	4,000	-	-	0	0%
OFFICE SUPPLIES	14,393	10,417	84,451	93,753	(9,302)	-10%	125,000	7,901	88,214	(3,764)	-4%
ELECTRIC & WATER CONSUMPTION - OFFICE	2,636	2,379	17,650	21,411	(3,761)	-18%	28,552	2,423	19,141	(1,490)	-8%
BANK FEES	216	250	1,996	2,250	(254)	-11%	3,000	219	2,069	(73)	-4%
LEGAL FEES	912	2,083	17,443	18,747	(1,304)	-7%	25,000	3,825	12,689	4,754	37%
AUDITING FEES	1,800	1,875	16,200	16,875	(675)	-4%	22,500	1,720	15,480	720	5%
INSURANCE	(11,973)	11,917	74,390	107,253	(32,863)	-31%	143,000	10,585	120,914	(46,524)	-38%
UTILITY SHARE - DEFERRED COMP	5,110	7,000	96,406	104,000	(7,594)	-7%	125,000	5,044	98,782	(2,375)	-2%
UTILITY SHARE - MEDICAL/DENTAL/DISABIL	72,654	68,600	767,019	739,200	27,819	4%	945,000	62,821	702,848	64,171	9%
UTILITY SHARE - PERA	31,150	29,042	267,934	261,378	6,556	3%	348,500	27,137	248,087	19,847	8%
UTILITY SHARE - FICA	30,988	28,542	263,153	256,878	6,275	2%	342,500	26,994	245,195	17,958	7%
EMPLOYEE SICK PAY	16,804	19,454	209,936	175,086	34,850	20%	233,450	15,027	209,414	522	0%
EMPLOYEE HOLIDAY PAY	17,704	16,000	119,419	117,000	2,419	2%	197,402	15,954	110,556	8,863	8%
EMPLOYEE VACATION & PTO PAY	28,615	25,000	308,264	271,000	37,264	14%	344,308	25,388	283,534	24,730	9%
UPMIC DISTRIBUTION	33,126	21,500	60,007	64,500	(4,493)	-7%	86,000	19,218	59,534	473	1%
LONGEVITY PAY	-	-	5,195	5,118	77	2%	8,040	1,700	9,945	(4,750)	-48%
CONSULTING FEES	2,077	4,650	91,026	41,850	49,176	118%	55,800	6,070	74,656	16,370	22%
TELEPHONE	3,063	2,583	27,128	23,247	3,881	17%	31,000	2,811	25,463	1,665	7%
ADVERTISING	1,006	1,667	11,027	15,003	(3,976)	-26%	20,000	1,127	10,681	347	3%
DUES & SUBSCRIPTIONS - FEES	14,580	11,823	130,220	106,407	23,813	22%	141,879	15,153	106,312	23,908	22%
SCHOOLS & MEETINGS	17,609	24,290	146,232	218,610	(72,378)	-33%	291,482	26,403	147,241	(1,009)	-1%
MTCE OF GENERAL PLANT & OFFICE HEATING	540	917	4,860	8,253	(3,393)	-41%	11,000	865	7,785	(2,925)	-38%
Total Administrative Expense	383,786	380,739	3,527,160	3,484,569	42,591	1%	4,617,413	366,967	3,333,284	193,876	6%
General Expense											
CIP REBATES - RESIDENTIAL	6,395	7,563	62,236	68,067	(5,831)	-9%	90,758	17,929	74,538	(12,303)	-17%
CIP REBATES - COMMERCIAL	4,700	9,333	35,387	83,997	(48,610)	-58%	112,000	-	79,762	(44,375)	-56%
CIP - ADMINISTRATION	29,403	15,153	129,953	136,377	(6,424)	-5%	181,840	10,654	134,621	(4,668)	-3%
CIP - MARKETING	3,793	4,572	38,852	41,148	(2,296)	-6%	54,864	3,654	38,948	(96)	0%
CIP - LABOR	9,602	11,340	85,128	102,060	(16,932)	-17%	136,078	8,943	79,161	5,967	8%
CIP REBATES - LOW INCOME	-	2,480	585	22,320	(21,735)	-97%	29,760	-	-	585	0%
CIP - LOW INCOME LABOR	886	833	8,112	7,497	615	8%	10,000	860	7,456	656	9%
ENVIRONMENTAL COMPLIANCE	2,617	3,083	23,623	27,747	(4,124)	-15%	37,000	3,024	24,237	(614)	-3%
MISC GENERAL EXPENSE	(21)	417	176	3,753	(3,577)	-95%	5,000	67	230	(55)	-24%
Total General Expense	57,377	54,774	384,051	492,966	(108,915)	-22%	657,300	45,131	438,954	(54,903)	-13%
Total Expenses (before Operating Transfers)	4,204,291	4,317,578	34,402,234	34,281,625	120,608	0%	44,942,997	4,121,819	33,320,069	1,082,165	3%
Operating Transfer											
Operating Transfer/Other Funds											
TRANSFER TO CITY ELK RIVER REVENUE	220,537	210,279	1,647,603	1,637,175	10,427	1%	2,165,330	160,269	1,254,761	392,842	31%
Total Operating Transfer/Other Funds	220,537	210,279	1,647,603	1,637,175	10,427	1%	2,165,330	160,269	1,254,761	392,842	31%
Utilities & Labor Donated											
UTILITIES & LABOR DONATED TO CITY	262	-	10,510	-	10,510	0%	-	20,743	179,291	(168,780)	-94%
Total Utilities & Labor Donated	262	-	10,510	-	10,510	0%	-	20,743	179,291	(168,780)	-94%
Total Operating Transfer	220,799	210,279	1,658,113	1,637,175	20,938	1%	2,165,330	181,012	1,434,052	224,061	16%
Net Income Profit (Loss)	**589,376**	**352,955**	**2,260,319**	**2,407,934**	**(147,615)**	**-6%**	**3,576,100**	**518,401**	**2,444,264**	**(183,944)**	**-8%**

Elk River Municipal Utilities

Elk River Municipal Utilities
Elk River, Minnesota
Statement of Revenues, Expenses and Changes in Net Position
For Period Ending September 2026

Water	Actual September 2026	Budget September 2026	Year-To-Date Actual 2026	Year-To-Date Budget 2026	Budget Variance	Budget Var%	Budget 2026	Actual September 2025	Year-To-Date Actual 2025	Prior Yr Variance	PY Var%
Revenue											
Operating Revenue											
Water Sales - Elk River											
WATER SALES RESIDENTIAL	239,588	205,138	1,490,098	1,407,723	82,375	6%	1,821,516	187,668	1,287,840	202,258	16%
WATER SALES COMMERCIAL	135,827	118,084	808,716	760,484	48,232	6%	1,039,960	118,695	764,422	44,294	6%
WATER SALES IRRIGATION	73,927	74,661	278,054	281,264	(3,210)	-1%	364,603	63,915	240,782	37,272	15%
Total Water Sales - Elk River	239,588	205,138	1,490,098	1,407,723	82,375	6%	1,821,516	187,668	1,287,840	202,258	16%
Total Operating Revenue	449,342	397,883	2,576,868	2,449,471	127,397	5%	3,226,078	370,279	2,293,044	283,824	12%
Other Operating Revenue											
Interest/Dividend Income											
INTEREST & DIVIDEND INCOME	(34,324)	10,417	(23,486)	93,753	(117,239)	-125%	125,000	9,385	97,027	(120,514)	-124%
OTHER INTEREST/MISC REVENUE	-	83	1,192	747	445	60%	1,000	-	567	625	110%
Total Interest/Dividend Income	(34,324)	10,500	(22,294)	94,500	(116,794)	-124%	126,000	9,385	97,594	(119,888)	-123%
Customer Penalties											
CUSTOMER PENALTIES	4,582	2,917	17,744	26,253	(8,509)	-32%	35,000	2,764	25,865	(8,121)	-31%
Total Customer Penalties	4,582	2,917	17,744	26,253	(8,509)	-32%	35,000	2,764	25,865	(8,121)	-31%
Connection Fees											
WATER/ACCESS/CONNECTION FEES	39,600	30,500	318,252	274,500	43,752	16%	366,000	94,470	571,412	(253,160)	-44%
CUSTOMER CONNECTION FEES	5,271	4,167	43,326	37,503	5,823	16%	50,000	6,417	50,859	(7,532)	-15%
BULK WATER SALES/HYDRANT RENTAL	3,868	2,500	17,945	22,500	(4,555)	-20%	30,000	2,084	14,013	3,932	28%
Total Connection Fees	48,738	37,167	379,523	334,503	45,020	13%	446,000	102,971	636,284	(256,761)	-40%
Misc Revenue											
MISC NON-UTILITY	35	8	65	72	(7)	-9%	100	30	341	(275)	-81%
CONTRIBUTIONS FROM GRANTS	-	-	7,186	-	7,186	0%	-	-	-	7,186	0%
GAIN ON DISPOSITION OF PROPERTY	-	-	-	4,000	(4,000)	-100%	4,000	-	-	0	0%
MISCELLANEOUS REVENUE	-	83	16,514	747	15,767	2111%	1,000	41,309	62,500	(45,986)	-74%
HYDRANT MAINTENANCE PROGRAM - PRIVATE	975	917	13,317	8,253	5,064	61%	11,000	975	8,775	4,542	52%
CONTRIBUTIONS FROM DEVELOPERS	-	-	-	-	0	0%	-	-	44,590	(44,590)	-100%
WATER TOWER LEASE	-	-	-	-	0	0%	386,250	-	-	0	0%
LEASE INTEREST REVENUE	-	-	-	-	0	0%	75,000	-	-	0	0%
Total Misc Revenue	1,010	1,008	37,083	13,072	24,011	184%	477,350	42,314	116,206	(79,123)	-68%
Total Other Revenue	20,007	51,592	412,056	468,328	(56,272)	-12%	1,084,350	157,435	875,949	(463,893)	-53%
Total Revenue	**469,349**	**449,475**	**2,988,924**	**2,917,799**	**71,124**	**2%**	**4,310,428**	**527,714**	**3,168,993**	**(180,069)**	**-6%**
Expenses											
Production Expense											
MTCE OF STRUCTURES	11,812	10,417	146,780	93,753	53,027	57%	125,000	8,706	94,171	52,609	56%
Total Production Expense	11,812	10,417	146,780	93,753	53,027	57%	125,000	8,706	94,171	52,609	56%

Elk River Municipal Utilities

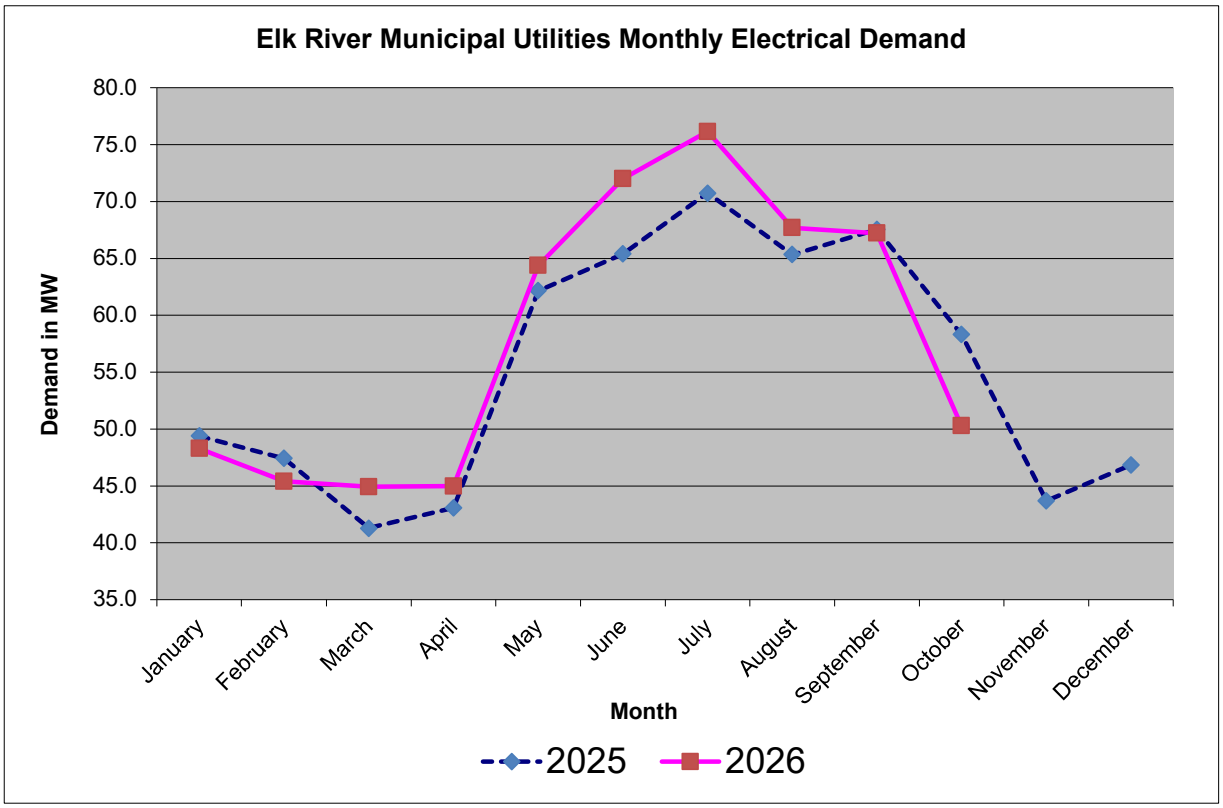
Elk River Municipal Utilities
Elk River, Minnesota
Statement of Revenues, Expenses and Changes in Net Position
For Period Ending September 2026

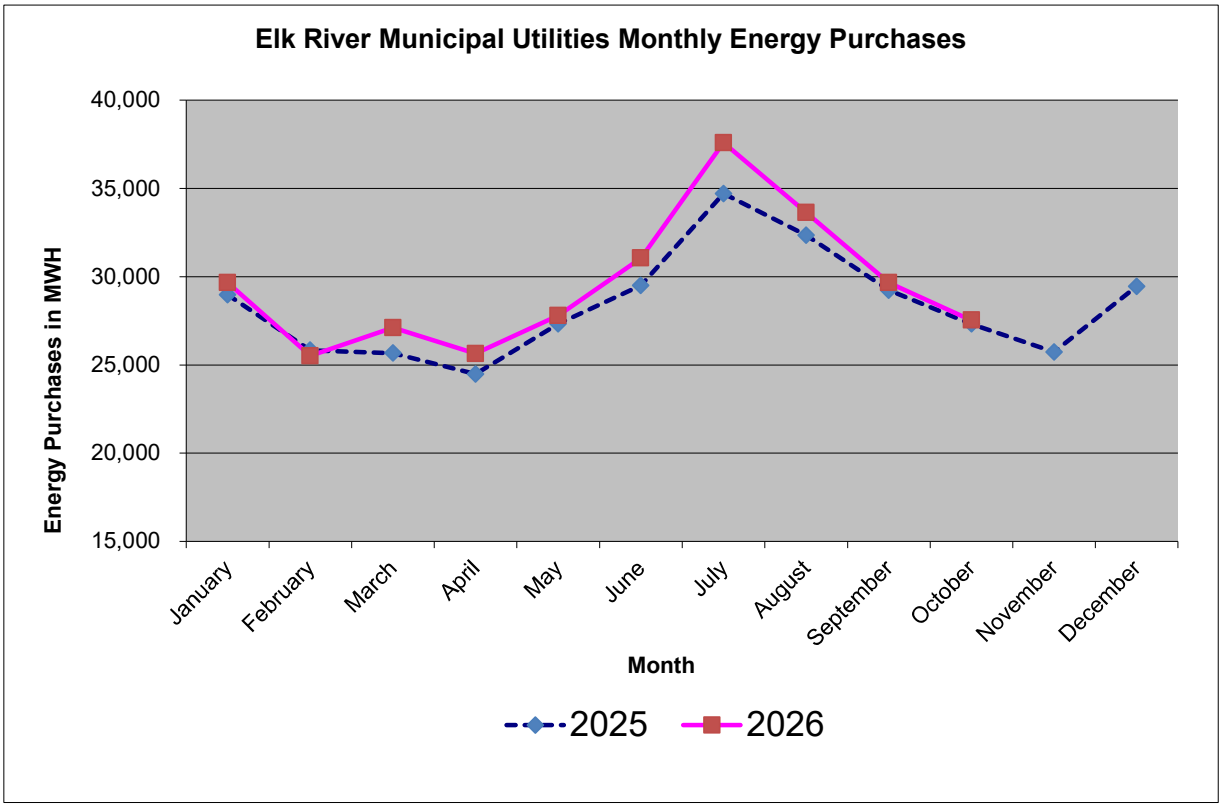
Water	Actual September 2026	Budget September 2026	Year-To-Date Actual 2026	Year-To-Date Budget 2026	Budget Variance	Budget Var%	Budget 2026	Actual September 2025	Year-To-Date Actual 2025	Prior Yr Variance	PY Var%
Pumping Expense											
SUPERVISION	7,880	6,667	61,525	60,003	1,522	3%	80,000	7,293	59,063	2,461	4%
ELECTRIC & GAS UTILITIES	34,321	25,000	213,334	225,000	(11,666)	-5%	300,000	26,931	218,847	(5,513)	-3%
SAMPLING	1,296	2,000	13,351	18,000	(4,649)	-26%	24,000	1,887	18,446	(5,095)	-28%
CHEMICAL FEED	6,703	4,167	37,822	37,503	319	1%	50,000	4,307	37,056	766	2%
MTCE OF WELLS	12,079	16,667	151,684	150,003	1,681	1%	200,000	19,390	139,765	11,919	9%
SCADA - PUMPING	311	1,167	5,115	10,503	(5,388)	-51%	14,000	(738)	7,322	(2,207)	-30%
Total Pumping Expense	62,590	55,668	482,830	501,012	(18,182)	-4%	668,000	59,070	480,499	2,331	0%
Distribution Expense											
MTCE OF WATER MAINS	14,418	14,583	108,438	131,247	(22,809)	-17%	175,000	16,954	139,585	(31,147)	-22%
LOCATE WATER LINES	6,702	2,083	39,948	18,747	21,201	113%	25,000	2,622	22,082	17,865	81%
MTCE OF WATER SERVICES	-	-	485	-	485	0%	-	-	-	485	0%
WATER METER SERVICE	7,818	4,167	50,743	37,503	13,240	35%	50,000	8,357	66,491	(15,748)	-24%
BACKFLOW DEVICE INSPECTION	1,222	1,917	20,086	17,253	2,833	16%	23,000	3,332	17,559	2,527	14%
MTCE OF CUSTOMERS SERVICE	2,999	3,000	26,871	27,000	(129)	0%	36,000	3,017	25,416	1,455	6%
WATER MAPPING	810	2,083	5,115	18,747	(13,632)	-73%	25,000	867	21,785	(16,670)	-77%
FIBER MAPPING	-	833	-	7,497	(7,497)	-100%	10,000	-	-	0	0%
MTCE OF WATER HYDRANTS - PUBLIC	1,632	1,833	27,852	16,497	11,355	69%	22,000	2,490	13,891	13,960	101%
MTCE OF WATER HYDRANTS - PRIVATE	967	500	4,698	4,500	198	4%	6,000	107	3,124	1,574	50%
WATER CLOTHING/PPE	492	1,250	9,445	11,250	(1,805)	-16%	15,000	86	11,255	(1,809)	-16%
WAGES WATER	825	792	6,839	7,128	(289)	-4%	9,500	830	6,762	77	1%
TRANSPORTATION EXPENSE	1,988	2,000	12,451	18,000	(5,549)	-31%	24,000	1,650	17,712	(5,261)	-30%
WATER PERMIT	-	-	22,238	27,000	(4,762)	-18%	27,000	-	20,382	1,856	9%
Total Distribution Expense	39,874	35,041	335,210	342,369	(7,159)	-2%	447,500	40,313	366,045	(30,835)	-8%
Depreciation & Amortization											
DEPRECIATION	115,987	117,917	1,047,722	1,061,253	(13,531)	-1%	1,415,000	115,207	1,038,555	9,166	1%
Total Depreciation & Amortization	115,987	117,917	1,047,722	1,061,253	(13,531)	-1%	1,415,000	115,207	1,038,555	9,166	1%
Interest Expense											
INTEREST EXPENSE - BONDS	2,817	2,817	26,983	26,983	0	0%	35,433	3,050	28,967	(1,983)	-7%
AMORTIZATION OF DEBT DISCOUNT/PREMIUM	(554)	(554)	(4,988)	(4,988)	0	0%	(6,651)	(554)	(4,988)	0	0%
Total Interest Expense	2,262	2,262	21,995	21,995	0	0%	28,782	2,496	23,978	(1,983)	-8%
Other Operating Expense											
LOSS ON DISPOSITION OF PROP (NONCAPITAL)	-	-	-	-	0	0%	-	-	(16,272)	16,272	100%
DAM MAINTENANCE EXPENSE	173	-	1,449	-	1,449	0%	-	-	388	1,061	273%
PENSION EXPENSE	-	-	-	-	0	0%	50,000	-	-	0	0%
INTEREST EXPENSE - METER DEPOSITS	44	52	401	468	(67)	-14%	625	52	467	(66)	-14%
Total Other Operating Expense	218	52	1,850	468	1,382	295%	50,625	52	(15,416)	17,266	112%
Customer Accounts Expense											
METER READING EXPENSE	508	417	4,370	3,753	617	16%	5,000	524	4,603	(232)	-5%
MISC CUSTOMER ACCOUNTS EXPENSE UTILITY	10,029	8,250	76,225	74,250	1,975	3%	99,000	9,662	72,538	3,687	5%
BAD DEBT EXPENSE & RECOVERY	-	21	2	189	(187)	-99%	250	-	-	2	0%
Total Customer Accounts Expense	10,538	8,688	80,598	78,192	2,406	3%	104,250	10,186	77,140	3,457	4%

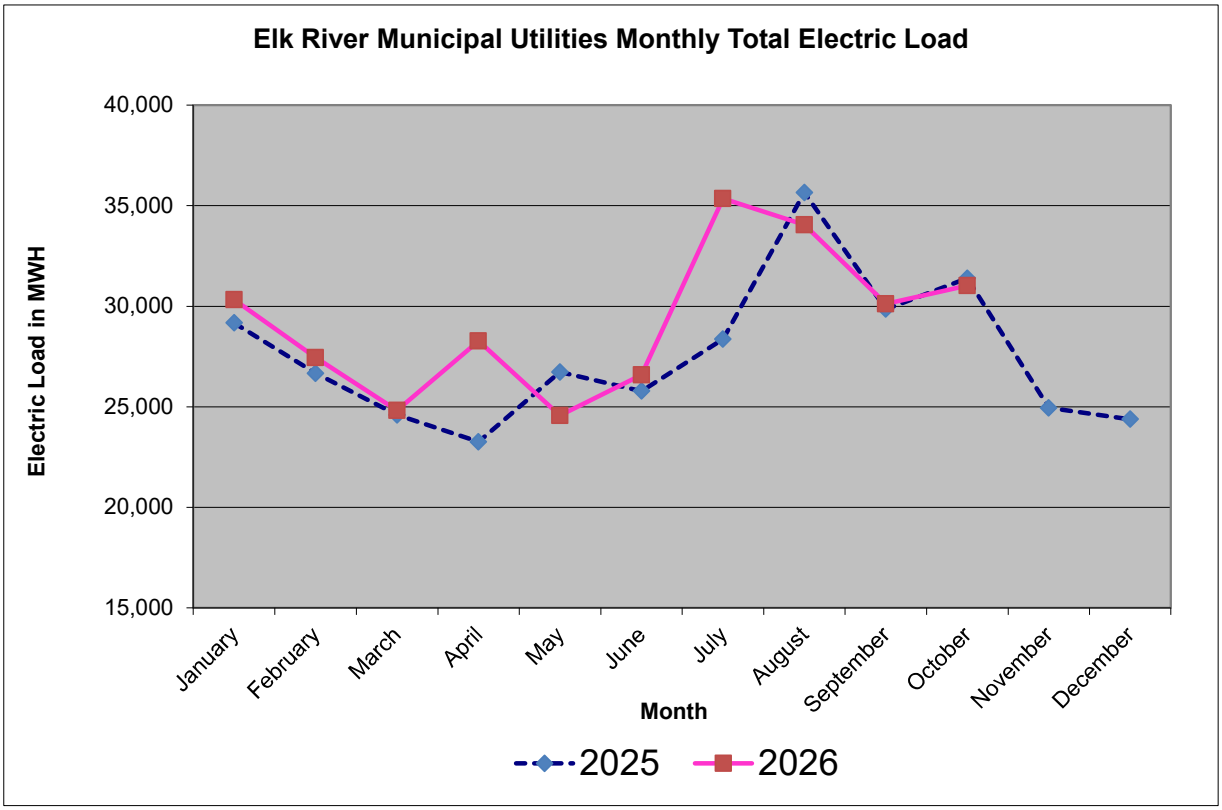
Elk River Municipal Utilities

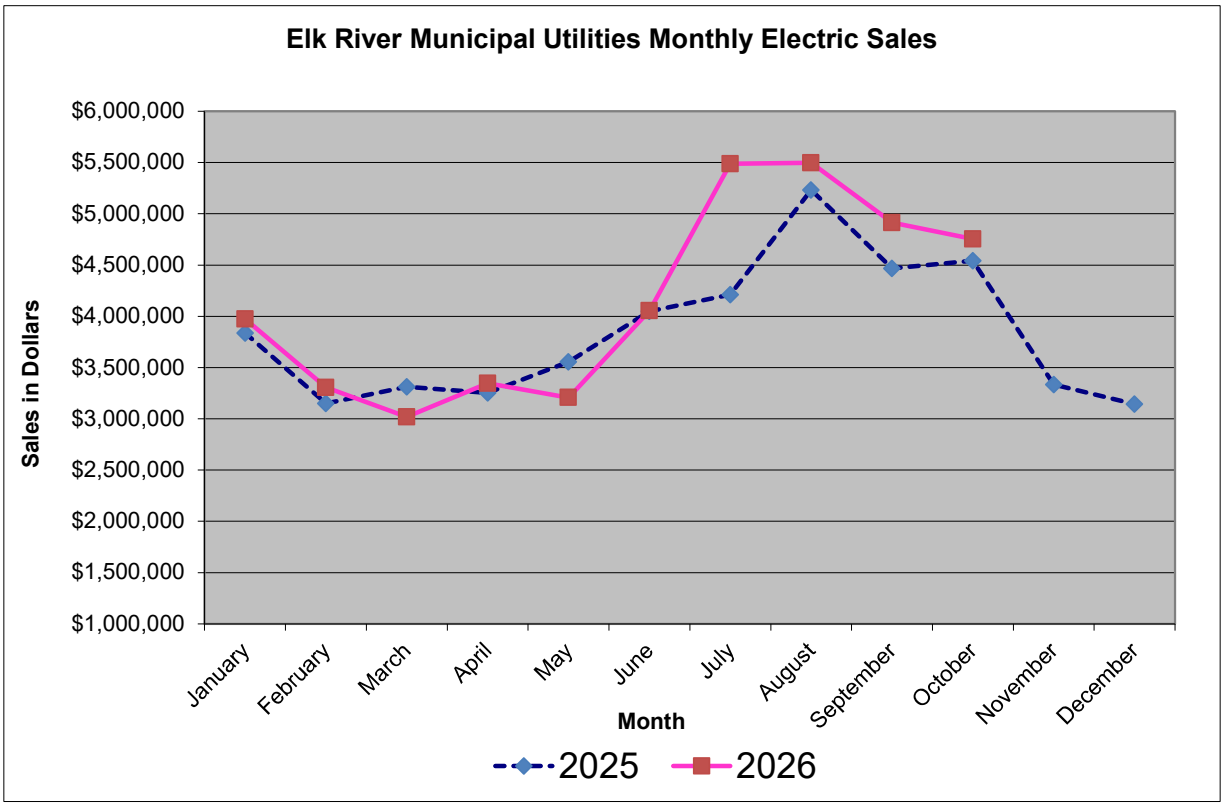
Elk River Municipal Utilities
Elk River, Minnesota
Statement of Revenues, Expenses and Changes in Net Position
For Period Ending September 2026

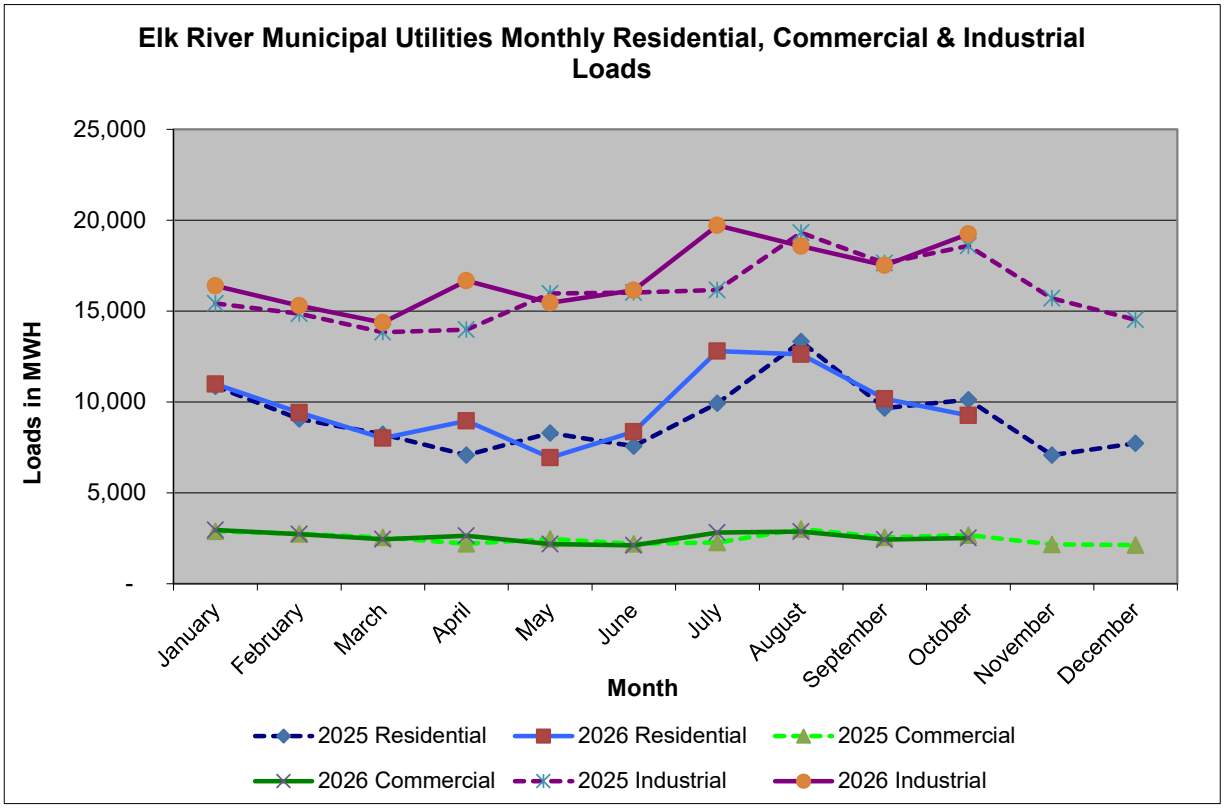
Water	Actual September 2026	Budget September 2026	Year-To-Date Actual 2026	Year-To-Date Budget 2026	Budget Variance	Budget Var%	Budget 2026	Actual September 2025	Year-To-Date Actual 2025	Prior Yr Variance	PY Var%
Administrative Expense											
SALARIES OFFICE & COMMISSION	28,056	27,750	240,293	249,750	(9,457)	-4%	333,000	25,162	219,422	20,871	10%
TEMPORARY STAFFING	-	83	-	747	(747)	-100%	1,000	-	-	0	0%
OFFICE SUPPLIES	2,307	2,500	20,846	22,500	(1,654)	-7%	30,000	4,252	23,511	(2,665)	-11%
ELECTRIC & WATER CONSUMPTION - OFFICE	659	540	4,413	4,860	(447)	-9%	6,500	606	4,787	(375)	-8%
BANK FEES	54	59	510	531	(21)	-4%	708	55	528	(18)	-3%
LEGAL FEES	228	500	7,706	4,500	3,206	71%	6,000	9,262	20,278	(12,571)	-62%
AUDITING FEES	450	583	4,705	5,247	(542)	-10%	7,000	430	4,416	289	7%
INSURANCE	(2,173)	3,583	26,744	32,247	(5,503)	-17%	43,000	3,503	31,411	(4,666)	-15%
UTILITY SHARE - DEFERRED COMP	589	1,250	17,175	22,000	(4,825)	-22%	25,000	854	16,905	270	2%
UTILITY SHARE - MEDICAL/DENTAL/DISABIL	18,435	18,500	190,704	194,000	(3,296)	-2%	251,110	17,346	179,084	11,620	6%
UTILITY SHARE - PERA	6,384	5,958	56,636	53,622	3,014	6%	71,500	6,120	50,781	5,856	12%
UTILITY SHARE - FICA	6,582	5,875	56,575	52,875	3,700	7%	70,500	5,921	50,381	6,193	12%
EMPLOYEE SICK PAY	3,529	4,417	42,234	39,753	2,481	6%	53,000	3,288	37,678	4,556	12%
EMPLOYEE HOLIDAY PAY	3,703	3,650	25,649	25,550	99	0%	43,000	3,554	23,155	2,494	11%
EMPLOYEE VACATION & PTO PAY	5,940	5,250	63,161	56,250	6,911	12%	72,000	4,723	54,194	8,967	17%
UPMIC DISTRIBUTION	7,123	4,750	13,265	14,250	(985)	-7%	19,000	4,436	12,942	323	2%
WELLHEAD PROTECTION	-	125	-	1,125	(1,125)	-100%	1,500	-	-	0	0%
LONGEVITY PAY	-	-	405	483	(78)	-16%	1,260	425	2,130	(1,725)	-81%
CONSULTING FEES	383	2,183	28,002	19,647	8,355	43%	26,200	3,059	39,136	(11,134)	-28%
TELEPHONE	839	717	7,324	6,453	871	14%	8,600	718	6,210	1,114	18%
ADVERTISING	119	417	3,954	3,753	201	5%	5,000	282	6,686	(2,731)	-41%
DUES & SUBSCRIPTIONS - FEES	1,837	9,290	87,609	83,610	3,999	5%	111,475	1,836	57,915	29,694	51%
SCHOOLS & MEETINGS	6,653	5,241	29,869	47,169	(17,300)	-37%	62,897	5,763	20,874	8,995	43%
MTCE OF GENERAL PLANT & OFFICE HEATING	135	225	1,215	2,025	(810)	-40%	2,700	216	1,944	(729)	-38%
Total Administrative Expense	91,829	103,446	928,995	942,947	(13,952)	-1%	1,251,950	101,811	864,367	64,628	7%
General Expense											
CIP REBATES - RESIDENTIAL	242	167	1,209	1,503	(294)	-20%	2,000	-	621	588	95%
CIP REBATES - COMMERCIAL	-	83	-	747	(747)	-100%	1,000	-	-	0	0%
CIP - MARKETING	-	125	-	1,125	(1,125)	-100%	1,500	-	-	0	0%
CIP - LABOR	-	42	-	378	(378)	-100%	500	-	-	0	0%
ENVIRONMENTAL COMPLIANCE	78	167	598	1,503	(905)	-60%	2,000	70	1,800	(1,202)	-67%
MISC GENERAL EXPENSE	-	21	(12)	189	(201)	-107%	250	-	-	(12)	0%
Total General Expense	320	605	1,794	5,445	(3,651)	-67%	7,250	70	2,421	(627)	-26%
Total Expenses (before Operating Transfers)	335,429	334,096	3,047,774	3,047,434	339	0%	4,098,357	337,912	2,931,760	116,013	4%
Operating Transfer											
Operating Transfer/Other Funds											
TRANSFER TO CITY ELK RIVER REVENUE	8,987	7,958	51,537	48,991	2,546	5%	64,522	-	-	51,537	0%
Total Operating Transfer/Other Funds	8,987	7,958	51,537	48,991	2,546	5%	64,522	0	0	51,537	0%
Utilities & Labor Donated											
WATER & LABOR DONATED TO CITY	-	167	-	1,503	(1,503)	-100%	2,000	48	48	(48)	-100%
Total Utilities & Labor Donated	-	167	-	1,503	(1,503)	-100%	2,000	48	48	(48)	-100%
Total Operating Transfer	8,987	8,125	51,537	50,494	1,043	2%	66,522	48	48	51,489	106536%
Net Income Profit (Loss)	**124,933**	**107,253**	**(110,387)**	**(180,129)**	**69,742**	**39%**	**145,550**	**189,754**	**237,184**	**(347,571)**	**-147%**

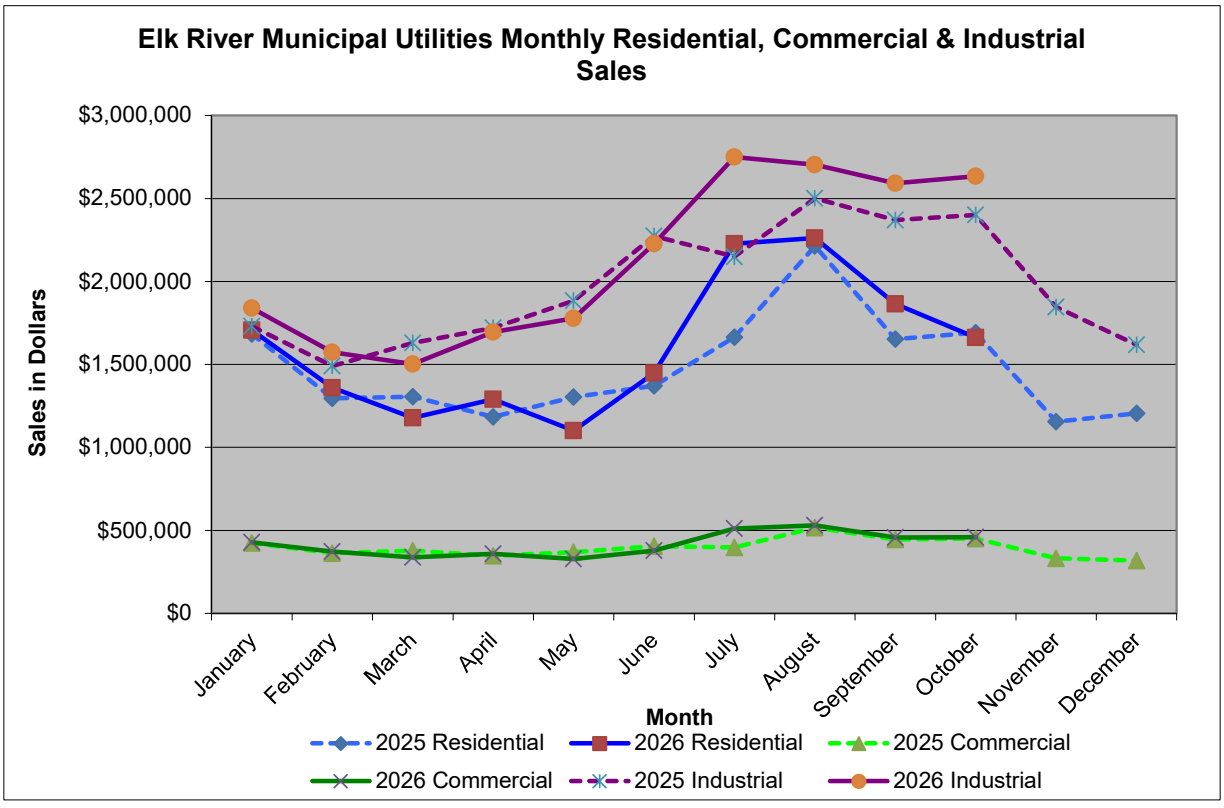

Elk River Municipal Utilities Monthly Electrical Demand
80.0
75.0
70.0
65.0
60.0
55.0
50.0
45.0
40.0
35.0
Demand in MW
January
February
March
April
May
June
July
August
September
October
November
December
Month
2025
2026

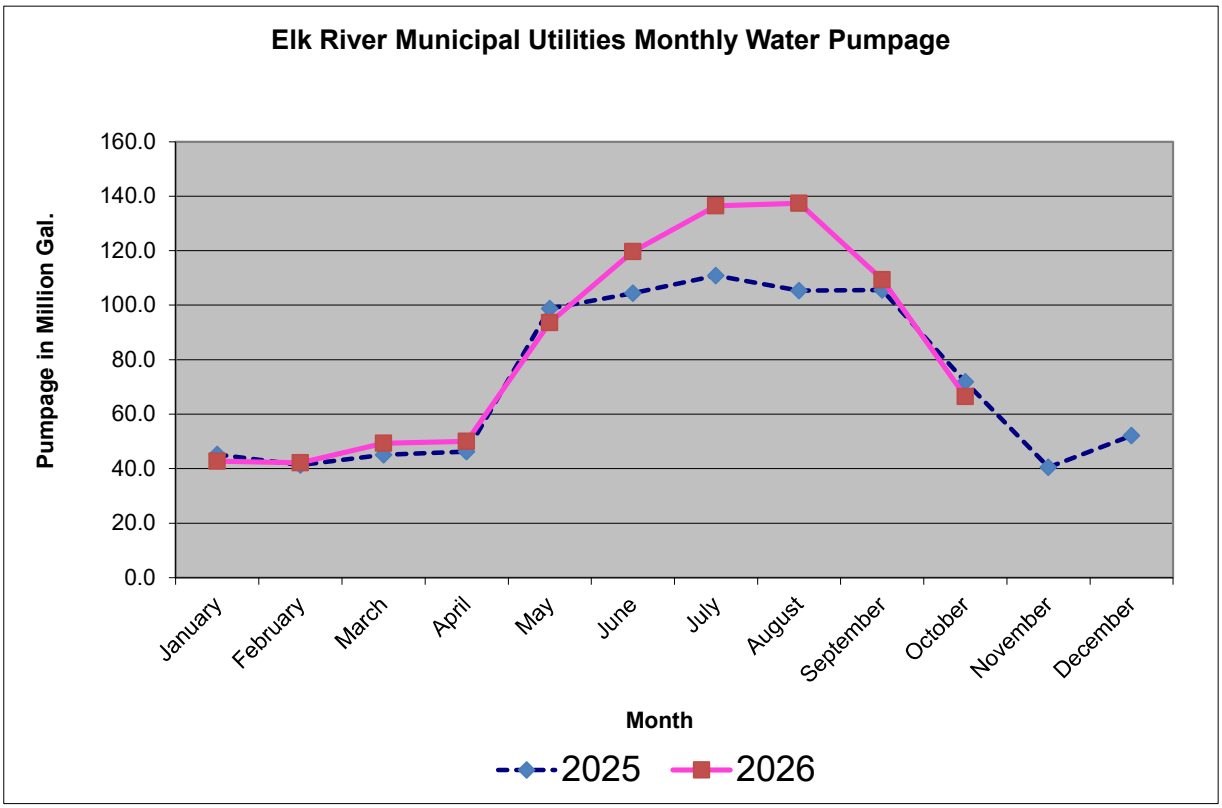

Elk River Municipal Utilities Monthly Energy Purchases
40,000
35,000
30,000
25,000
20,000
15,000
Energy Purchases in MWH
January
February
March
April
May
June
July
August
September
October
November
December
Month
2025
2026

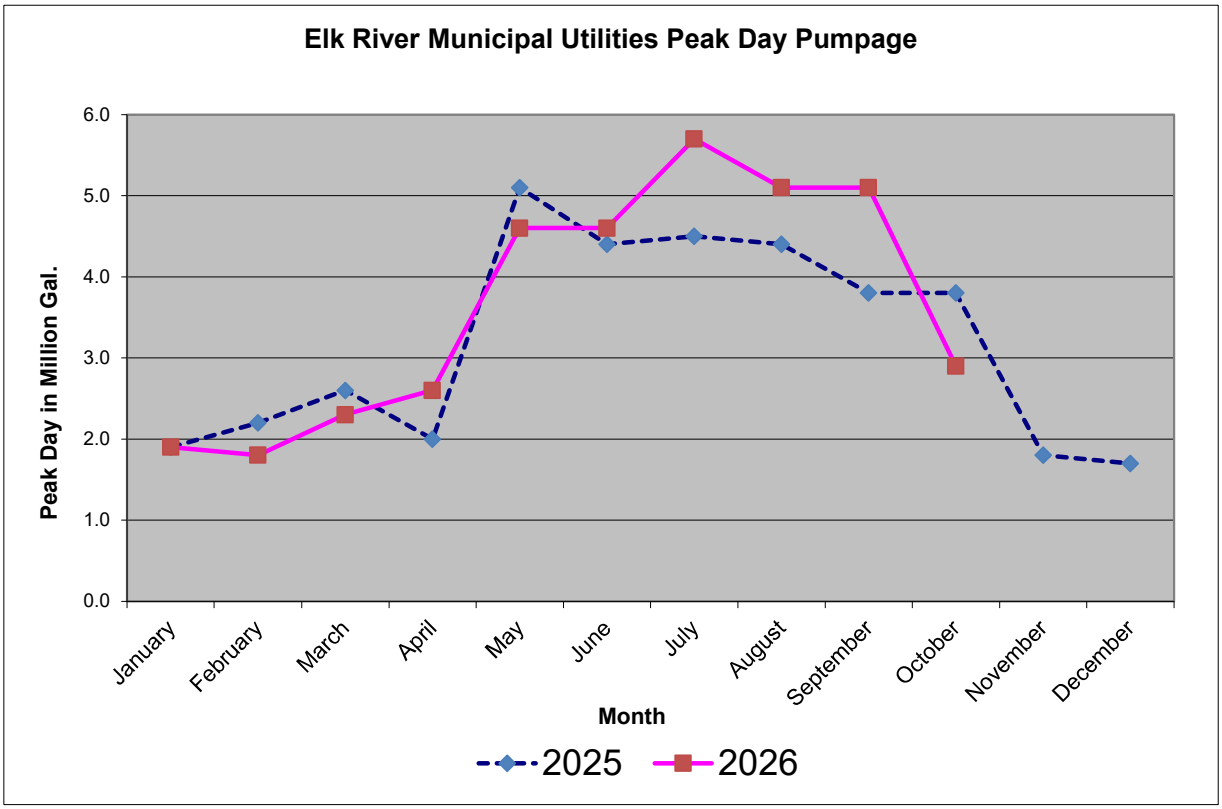

Elk River Municipal Utilities Monthly Total Electric Load
Electric Load in MWH
40,000
35,000
30,000
25,000
20,000
15,000
January
February
March
April
May
June
July
August
September
October
November
December
Month
2025
2026

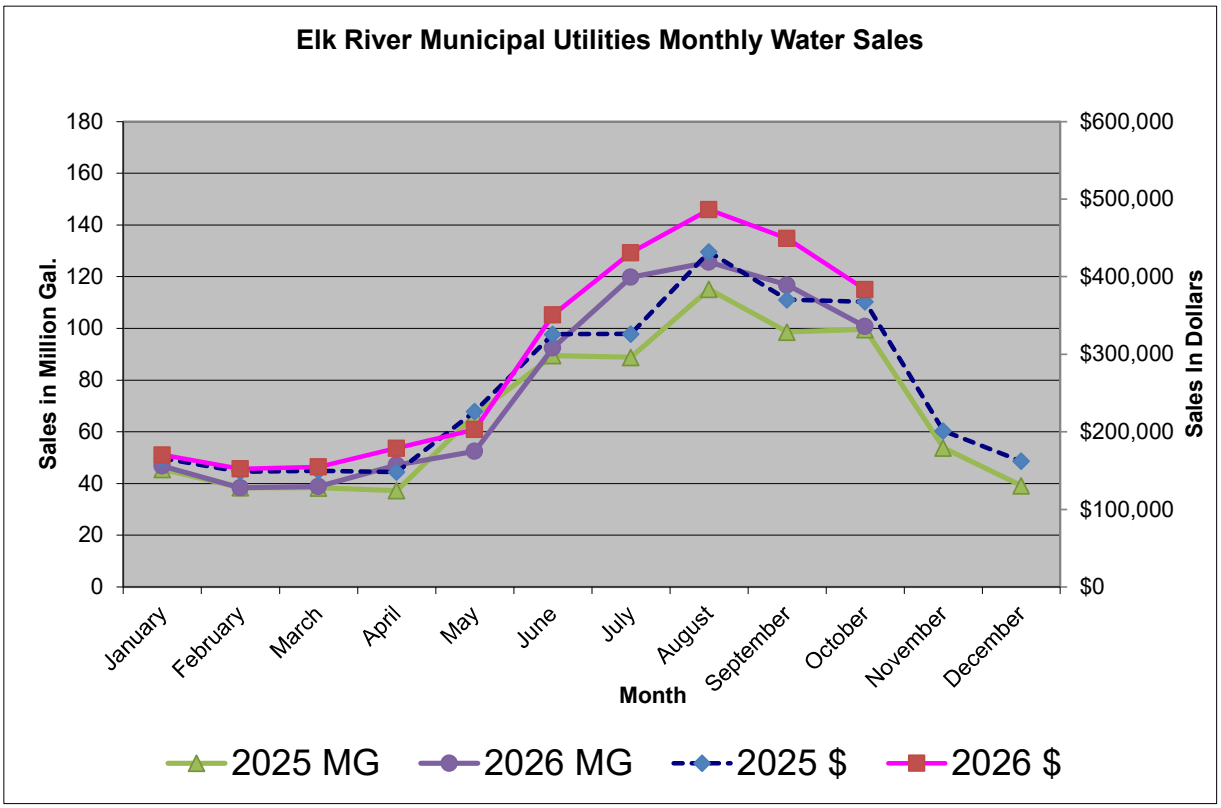

Elk River Municipal Utilities Monthly Electric Sales
Sales in Dollars
$6,000,000
$5,500,000
$5,000,000
$4,500,000
$4,000,000
$3,500,000
$3,000,000
$2,500,000
$2,000,000
$1,500,000
$1,000,000
January
February
March
April
May
June
July
August
September
October
November
December
Month
2025
2026


Elk River Municipal Utilities Monthly Residential, Commercial & Industrial Loads
Loads in MWH
25,000
20,000
15,000
10,000
5,000
-
January
February
March
April
May
June
July
August
September
October
November
December
Month
2025 Residential
2026 Residential
2025 Commercial
2026 Commercial
2025 Industrial
2026 Industrial


Elk River Municipal Utilities Monthly Residential, Commercial & Industrial Sales
Sales in Dollars
$3,000,000
$2,500,000
$2,000,000
$1,500,000
$1,000,000
$500,000
$0
January
February
March
April
May
June
July
August
September
October
November
December
Month
2025 Residential
2026 Residential
2025 Commercial
2026 Commercial
2025 Industrial
2026 Industrial


Elk River Municipal Utilities Monthly Water Pumpage
Pumpage in Million Gal.
160.0
140.0
120.0
100.0
80.0
60.0
40.0
20.0
0.0
January
February
March
April
May
June
July
August
September
October
November
December
Month
2025
2026


Elk River Municipal Utilities Peak Day Pumpage
Peak Day in Million Gal.
6.0
5.0
4.0
3.0
2.0
1.0
0.0
January
February
March
April
May
June
July
August
September
October
November
December
Month
2025
2026


Elk River Municipal Utilities Monthly Water Sales
Sales in Million Gal.
180
160
140
120
100
80
60
40
20
0
$600,000
$500,000
$400,000
$300,000
$200,000
$100,000
$0
Sales In Dollars
January
February
March
April
May
June
July
August
September
October
November
December
Month
2025 MG
2026 MG
2025 $
2026 $

UPDATED PRIOR TO MEETING

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	**FROM:** Melissa Karpinski – Finance Manager
MEETING DATE: November 10, 2026	**AGENDA ITEM NUMBER:** 5.2
SUBJECT: 2027 Annual Business Plan: Rates and Review, Stakeholder Communication Plan	
ACTION REQUESTED: None	

DISCUSSION:
In preparation for budget approval in December, staff continue to refine the 2027 budget. Based on projected wholesale power costs, anticipated operating expense increases, and planned capital expenditures, a preliminary balanced budget and proposed rates have been developed.

The following information is attached for the Commission's review. Additional budget details are available upon request. Please contact staff with any questions or requests for additional information.

1. Electric Department Budget and Proposed Rates – The 2026 forecast for electric expenses is 0.8% below the current year's budget. Wholesale power costs account for approximately 68% of the operating budget. Minnesota Municipal Power Agency, ERMU's wholesale power provider, is projecting a 3% rate increase for 2027.

   Excluding wholesale power costs, the proposed 2027 electric expenses represent a 3.9% increase over the current year's budget. The most notable increases are associated with labor and employee benefit costs, as well as an increase in the transfer to the City (PILOT) resulting from projected electric sales growth.

   The proposed 2027 Payment in Lieu of Taxes (PILOT) is $2.344 million, consisting of approximately $2.339 million based on 5% of electric sales within Elk River and $5,000 in donated labor.

   Currently there is a 2% rate increase proposed for 2027. In addition, customers will likely see a Power Cost Adjustment (PCA) throughout the year. The preliminary budget includes a PCA of 17.71 mills, compared to 16.63 mills in the 2026 budget.

2. Water Department Budget and Proposed Rates – The 2026 forecast for water expenses is 0.2% above the current year's budget. The proposed 2027 water expenses represent a

2.7% increase over the current year's budget. The most notable increases are associated with labor and employee benefit costs, as well as materials and labor for maintenance of wells and structures.

Currently there is a ~~2%~~ 4% rate increase proposed for 2027.

3. Customer Communication – Staff will communicate the proposed 2027 rate changes throughout Q1 using a multi-channel approach to ensure consistent and broad outreach to customers. Communications will include updates in the Featured News section of the website's homepage, social media posts, bill inserts, and an article in the quarterly newsletter.

ATTACHMENTS:

- Proposed 2027 Budgets

ELK RIVER MUNICIPAL UTILITIES
SUMMARY OF YEAR 2027
BUDGETS

ELECTRIC BUDGET SUMMARY		**2027**	
ELECTRIC REVENUE	$	54,325,855	
ELECTRIC EXPENDITURES		(50,572,888)	
ELECTRIC NET FOR CAPITAL		3,752,968	6.91% Margin
DEPRECIATION		3,568,136	
CAPITAL EQUIPMENT/CONSTRUCTION		(6,120,996)	
DEBT RETIREMENT		(1,035,000)	
TOTAL IMPACT TO CASH RESERVES		165,108	

WATER BUDGET SUMMARY		**2027**	
WATER REVENUE	$	4,524,421	
WATER EXPENDITURES		(4,278,822)	
WATER NET FOR CAPITAL		245,599	5.43% Margin
DEPRECIATION		1,350,000	
CAPITAL EQUIPMENT/CONSTRUCTION		(5,564,528)	
DEBT RETIREMENT		(70,000)	
TOTAL IMPACT TO CASH RESERVES		(4,038,929)	

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
2027 ELECTRIC BUDGET

Electric		2027 Annual Budget	2026 Annual Budget	2025 Annual Actual	
Revenue					
Operating Revenue					
Elk River					
440.4411	ELECT SALES - ELK RIVER RESIDENTIAL	14,957,448	14,974,097	13,929,432	
440.4412	ELECT SALES - ELK RIVER NON-DEMAND	3,650,004	3,713,891	3,438,909	
440.4413	ELECT SALES - ELK RIVER DEMAND	22,469,770	19,613,601	18,780,430	
440.4461	PCA SALES REVENUE - ELK RIVER RESIDENTIA	1,654,799	1,606,960	1,553,295	
440.4462	PCA SALES REVENUE - ELK RIVER NON-DEMAND	450,120	438,601	404,576	
440.4463	PCA SALES REVENUE - ELK RIVER DEMAND	3,599,290	2,959,444	2,941,693	
	Total for Elk River:	46,781,431	43,306,594	41,048,336	
Otsego					
440.4416	ELECT SALES - OTSEGO RESIDENTIAL	1,706,033	1,703,416	1,588,779	
440.4417	ELECT SALES - OTSEGO NON-DEMAND	565,536	552,105	532,829	
440.4418	ELECT SALES - OTSEGO DEMAND	1,864,064	1,716,440	1,634,168	
440.4464	PCA SALES REVENUE - OTSEGO RESIDENTIAL	188,745	182,804	176,061	
440.4465	PCA SALES REVENUE - OTSEGO NON-DEMAND	51,340	49,894	65,947	
440.4466	PCA SALES REVENUE - OTSEGO DEMAND	285,457	249,654	253,703	
	Total for Otsego:	4,661,176	4,454,313	4,251,487	
Rural Big Lake					
440.4421	ELECT SALES - BIG LAKE RESIDENTIAL	207,961	208,507	193,668	
440.4422	ELECT SALES - BIG LAKE NON-DEMAND	4,155	4,675	3,915	
440.4467	PCA SALES REVENUE - BIG LAKE RESIDENTIAL	23,008	22,376	21,700	
440.4468	PCA SALES REVENUE - BIG LAKE NON-DEMAND	6,258	6,107	399	
	Total for Rural Big Lake:	241,382	241,665	219,682	
Dayton					
440.4431	ELECT SALES - DAYTON RESIDENTIAL	229,385	222,309	213,620	
440.4432	ELECT SALES - DAYTON NON-DEMAND	42,400	41,376	39,948	
440.4469	PCA SALES REVENUE - DAYTON RESIDENTIAL	25,378	23,857	23,453	
440.447	PCA SALES REVENUE - DAYTON NON-DEMAND	6,903	6,512	4,346	
	Total for Dayton:	304,066	294,054	281,366	
Public St & Hwy Lighting					
440.4414	ELECT SALES - SEC LTS	280,000	280,000	284,648	
	Total for Public St & Hwy Lighting:	280,000	280,000	284,648	
Other Electric Sales					
440.455	SUB-STATION CREDIT	4,800	4,800	4,800	
440.4554	RATE INCREASE	-	-	-	
	Total for Other Electric Sales:	4,800	4,800	4,800	
	Total for Operating Revenue:	52,272,855	48,581,426	46,090,318	8%
Other Operating Revenue					
Interest/Dividend Income					
460.4691	INTEREST & DIVIDEND INCOME	200,000	350,000	452,954	
	Total for Interest/Dividend Income:	200,000	350,000	452,954	
Customer Penalties					
470.4701	CUSTOMER DELINQUENT PENALTIES	300,000	305,000	288,178	
	Total for Customer Penalties:	300,000	305,000	288,178	
Connection Fees					
470.4702	DISCONNECT & RECONNECT CHARGE	350,000	255,000	382,901	
	Total for Connection Fees:	350,000	255,000	382,901	
Misc Revenue					
470.4703	MISC ELEC REVENUE - TEMP CHG	3,000	3,000	3,300	
470.4704	STREET LIGHT	25,000	25,000	63,000	
470.4715	TRANSMISSION INVESTMENTS	675,000	680,000	707,006	
470.4722	MISC NON-UTILITY	125,000	110,000	137,344	
470.4723	GAIN ON DISPOSITION OF PROPERTY	25,000	25,000	37,795	
470.4739	PERA PENSION REVENUE	-	-	(5,706)	
470.477	CONTRIBUTIONS FROM CUSTOMERS	350,000	350,000	577,319	
470.478	CONTRIBUTIONS FROM GRANTS	-	-	-	
	Total for Misc Revenue:	1,203,000	1,193,000	1,520,057	
	Total Other Revenue				
	Total for Total Other Revenue:	2,053,000	2,103,000	2,644,091	
	Total Revenue	54,325,855	50,684,426	48,734,409	7%
Expenses					
Purchased Power					
540.5551	PURCHASED POWER	26,690,216	24,051,075	23,137,519	estimated 3% rate increase
540.5553	ENERGY ADJUSTMENT CLAUSE	7,824,506	7,608,286	7,440,168	
	Total for Purchased Power:	34,514,723	31,659,362	30,577,686	9%
Operating & Mtce Expense					
540.5461	OPERATING SUPERVISION	-	160,783	-	

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
2027 ELECTRIC BUDGET

Electric		2027 Annual Budget	2026 Annual Budget	2025 Annual Actual	
540.5471	DIESEL OIL FUEL	-	-	-	
540.5472	NATURAL GAS	-	27,501	-	
540.5483	ELECTRIC & WATER CONSUMPTION - PLANT	-	65,208	-	
540.5484	PLANT SUPPLIES & OTHER EXPENSE	-	12,000	-	
540.5491	MISC POWER GENERATION EXPENSE	2,500	1,000	1,028	
540.5521	MAINTENANCE OF STRUCTURE - PLANT	-	15,000	-	
540.5531	MTCE OF PLANT ENGINES/GENERATORS	500	500	952	
540.5541	MTCE OF PLANT/LAND IMPROVEMENT	-	40,000	-	
	Total for Operating & Mtce Expense:	3,000	321,993	1,981	most recls to distribution exp
Transmission Expense					
560.562	TRANSMISSION MTCE AND EXPENSE	49,000	70,000	36,098	
	Total for Transmission Expense:	49,000	70,000	36,098	
Distribution Expense					
580.58	SUPERVISION & ENGINEERING - DISTRIBUTION	174,000	-	159,883	recls from operating supervision exp
580.5801	REMOVE EXISTING SERVICE & METERS	2,000	2,000	937	
580.5821	SCADA EXPENSE	65,000	65,000	64,292	
580.5831	TRANSFORMER EXPENSE OH & URD	25,000	25,000	16,741	
580.5851	MTCE OF SIGNAL SYSTEMS	500	3,000	3,972	
580.5861	METER EXPENSE - REMOVE & RESET	1,000	1,500	1,111	
580.5871	TEMP SERVICE - INSTALL & REMOVE	10,000	8,500	2,299	
580.5881	MISC DISTRIBUTION EXPENSE	625,000	440,000	526,243	recls from operating & mtce exp accts
580.589	INTERCONNECTION CARRYING CHARGE	-	-	-	
	Total for Distribution Expense:	902,500	545,000	775,477	
Maintenance Expense					
590.5911	MTCE OF STRUCTURES	125,000	90,000	88,644	
590.5921	MTCE OF SUBSTATIONS	30,000	40,000	22,648	
590.5922	MTCE OF SUBSTATION EQUIPMENT	65,000	112,000	41,642	
590.5931	MTCE OF OH LINES/TREE TRIM	182,000	175,000	231,154	
590.5932	MTCE OF OH LINES/STANDBY	52,000	50,000	44,328	
590.5933	MTCE OF OH PRIMARY	195,000	195,000	171,755	
590.5941	MTCE OF URD PRIMARY	300,000	300,000	318,744	
590.5943	LOCATE ELECTRIC LINES	200,000	125,000	124,943	add'l Locator
590.5944	LOCATE FIBER LINES	5,000	4,000	3,886	
590.5951	MTCE OF LINE TRANSFORMERS	70,000	95,000	94,377	
590.5961	MTCE OF STREET LIGHTING	85,000	70,000	72,847	
590.5962	MTCE OF SECURITY LIGHTING	20,000	25,000	14,789	
590.5971	MTCE OF METERS	60,000	60,000	39,749	
590.5972	VOLTAGE COMPLAINTS	10,000	10,000	4,124	
590.5981	SALARIES TRANSMISSION & DISTRIBUTION	43,200	37,000	35,183	
590.5985	ELECTRIC MAPPING	150,000	162,000	145,959	
590.5986	FIBER MAPPING	-	10,000	-	
590.5991	MTCE OF OH SECONDARY	33,000	30,000	31,150	
590.5992	MTCE OF URD SECONDARY	90,000	80,000	81,817	
590.5995	TRANSPORTATION EXPENSE	300,000	320,000	247,509	
	Total for Maintenance Expense:	2,015,200	1,990,000	1,815,248	
Depreciation & Amortization					
595.8031	DEPRECIATION	2,900,000	2,865,000	2,802,957	
595.8032	AMORTIZATION	668,136	668,136	668,135	
	Total for Depreciation & Amortization:	3,568,136	3,533,136	3,471,093	
Interest Expense					
596.8071	INTEREST EXPENSE - BONDS	722,610	759,406	794,931	
597.8281	AMORTIZATION OF DEBT DISCOUNT/PREMIUM	(59,862)	(59,863)	(59,862)	
	Total for Interest Expense:	662,748	699,543	735,069	
Other Operating Expense					
597.8165	EV CHARGING EXPENSE	1,250	1,250	1,105	
597.8213	LOSS ON DISPOSITION OF PROP (CAPITAL)	25,000	25,000	60,286	
597.8214	LOSS ON DISPOSITION OF PROP (NONCAPITAL)	-	-	15,438	
597.8263	OTHER DONATIONS	2,000	2,000	659	
597.8265	MUTUAL AID	-	-	7,013	
597.8302	PENSION EXPENSE	200,000	280,000	(418,560)	GASB 68
597.8311	OTHER INTEREST EXPENSE	5,000	56,000	-	
597.8341	INTEREST EXPENSE - METER DEPOSITS	50,000	50,000	50,154	
	Total for Other Operating Expense:	283,250	414,250	(283,905)	

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
2027 ELECTRIC BUDGET

Electric		2027 Annual Budget	2026 Annual Budget	2025 Annual Actual	
Customer Accounts Expense					
900.9021	METER READING EXPENSE	15,000	25,000	32,539	
900.903	DISCONNECT/RECONNECT EXPENSE	2,500	5,000	659	
900.9051	MISC CUSTOMER ACCOUNTS EXPENSE UTILITY	390,000	380,000	372,564	
900.9061	BAD DEBT EXPENSE & RECOVERY	25,000	25,000	8,782	
	Total for Customer Accounts Expense:	432,500	435,000	414,544	
Administrative Expense					
920.9201	SALARIES OFFICE & COMMISSION	1,143,400	1,085,000	952,805	
920.9205	TEMPORARY STAFFING	4,000	4,000	-	
920.9211	OFFICE SUPPLIES	130,000	125,000	131,769	
920.9212	ELECTRIC & WATER CONSUMPTION - OFFICE	23,500	28,552	23,156	
920.9213	BANK FEES	3,000	3,000	2,874	
920.9221	LEGAL FEES	30,000	25,000	17,867	
920.9231	AUDITING FEES	22,560	22,500	20,640	
920.9241	INSURANCE	125,000	143,000	151,178	
920.926	UTILITY SHARE - DEFERRED COMP	122,650	125,000	111,606	
920.9261	UTILITY SHARE - MEDICAL/DENTAL/DISABIL	1,202,376	945,000	894,553	med 24% increase, Add'l EE
920.9262	UTILITY SHARE - PERA	369,000	348,500	331,141	
920.9263	UTILITY SHARE - FICA	361,620	342,500	323,680	
920.9264	EMPLOYEE SICK PAY	258,000	233,450	248,086	
920.9265	EMPLOYEE HOLIDAY PAY	219,200	197,402	191,919	
920.9266	EMPLOYEE VACATION & PTO PAY	420,000	344,308	361,493	
920.9267	UPMIC DISTRIBUTION	89,000	86,000	82,783	2%
920.929	LONGEVITY PAY	19,610	8,040	9,945	
920.9291	CONSULTING FEES	50,000	55,800	129,767	
920.9301	TELEPHONE	37,000	31,000	34,258	
920.9302	ADVERTISING	21,000	20,000	13,391	
920.9303	DUES & SUBSCRIPTIONS - FEES	152,359	141,879	140,529	
920.9305	SCHOOLS & MEETINGS	291,482	291,482	200,473	
920.9321	MTCE OF GENERAL PLANT & OFFICE HEATING	6,700	11,000	6,283	
	Total for Administrative Expense:	5,101,457	4,617,413	4,380,194	9%
General Expense					
920.9269	CIP REBATES - RESIDENTIAL	104,895	90,758	104,411	
920.927	CIP REBATES - COMMERCIAL	131,295	112,000	125,295	
920.9271	CIP - ADMINISTRATION	190,833	181,840	187,607	
920.9272	CIP - MARKETING	63,031	54,864	42,636	
920.9273	CIP - LABOR	124,000	136,078	105,612	
920.9274	CIP REBATES - LOW INCOME	31,248	29,760	1,579	
920.9275	CIP - LOW INCOME LABOR	11,000	10,000	10,098	
920.9281	ENVIRONMENTAL COMPLIANCE	35,000	37,000	32,994	
920.9306	MISC GENERAL EXPENSE	5,000	5,000	130	
	Total for General Expense:	696,302	657,300	610,361	6%
	Total Expenses (before Operating Transfers)	48,228,816	44,942,997	42,533,846	
Operating Transfer					
Operating Transfer/Other Funds					
597.8262	TRANSFER TO CITY ELK RIVER REVENUE	2,339,072	2,165,330	1,650,868	5% of Elk River Sales
	Total for Operating Transfer/Other Funds:	2,339,072	2,165,330	1,650,868	
Utilities & Labor Donated					
597.8261	UTILITIES & LABOR DONATED TO CITY	5,000	-	238,983	
	Total for Utilities & Labor Donated:	5,000	-	238,983	
	Total Operating Transfer				
	Total for Total Operating Transfer:	2,344,072	2,165,330	1,889,850	
	Net Income Profit(Loss)	**3,752,968**	**3,564,180**	**4,310,713**	
	Total Expense Including Purchased Power	50,572,888	47,108,326	44,423,696	
	Budget Change Year over Year	7.4%			
	Total Expense Excluding Purchased Power	16,058,165	15,448,965	13,846,010	
	Expense Budget Change Year over Year	3.9%			

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
2027 WATER BUDGET

Water		2027 Annual Budget	2026 Annual Budget	2025 Annual Actual	
Revenue					
Operating Revenue					
Water Sales					
610.6101	Water Sales Residential	1,892,737	1,821,516	1,666,393	
610.6102	Water Sales Commercial	1,080,011	1,039,960	1,045,346	
610.6103	Water Sales Irrigation	378,861	364,603	312,126	
	Total for Water Sales:	3,351,608	3,226,078	3,023,865	
	Total Operating Revenue				
		3,351,608	3,226,078	3,023,865	
	Total for Total Operating Revenue:	3,351,608	3,226,078	3,023,865	4%
Other Operating Revenue					
Interest/Dividend Income					
460.4691	Interest & Dividend Income	50,000	125,000	127,695	
460.4692	Other Interest/Misc Revenue	1,000	1,000	567	
	Total for Interest/Dividend Income:	51,000	126,000	128,262	
Customer Penalties					
620.6301	Customer Penalties	31,000	35,000	35,599	
	Total for Customer Penalties:	31,000	35,000	35,599	
Connection Fees					
620.6401	WATER/ACCESS/CONNECTION FEES	500,000	366,000	643,802	
620.6402	Customer Connection Fees	50,000	50,000	60,070	
620.6407	Bulk Water Sales/Hydrant Rental	30,000	30,000	60,348	
	Total for Connection Fees:	580,000	446,000	764,220	
Misc Revenue					
470.4722	Misc Non-Utility	100	100	371	
470.4739	Pera Pension Revenue	-	-	(1,195)	
470.477	Contributions from Customers	-	-	-	
620.626	Transfer In From City	-	-	-	
620.6403	Miscellaneous Revenue	1,000	1,000	120,080	
620.6323	Gain On Disposition Of Property	4,000	4,000	11,700	
620.6404	HYDRANT MAINTENANCE PROGRAM - PRIVATE	15,000	11,000	44,590	
620.6405	Contributions from Developers	-	-	-	
620.6406	Water Tower Lease	375,885	386,250	375,885	
620.6416	Lease Interest Revenue	114,828	75,000	85,525	
	Total for Misc Revenue:	510,813	477,350	636,956	
	Total Other Revenue				
		1,172,813	1,084,350	1,565,037	
	Total for Total Other Revenue:	1,172,813	1,084,350	1,565,037	
	Total Revenue	4,524,421	4,310,428	4,588,902	5%
Expenses					
Production Expense					
700.7021	MTCE OF STRUCTURES	175,000	125,000	128,715	
	Total for Production Expense:	175,000	125,000	128,715	
Pumping Expense					
710.7101	SUPERVISION	83,000	80,000	80,063	
710.7181	ELECTRIC & GAS UTILITIES	297,000	300,000	280,479	
710.7182	SAMPLING	24,000	24,000	26,015	
710.7183	CHEMICAL FEED	55,000	50,000	48,124	

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
2027 WATER BUDGET

Water		2027 Annual Budget	2026 Annual Budget	2025 Annual Actual	
710.722	MTCE OF WELLS	215,000	200,000	227,611	
710.723	SCADA - PUMPING	14,000	14,000	8,147	
	Total for Pumping Expense:	688,000	668,000	670,438	
Distribution Expense					
730.7301	MTCE OF WATER MAINS	175,000	175,000	183,815	
730.7309	LOCATE WATER LINES	46,000	25,000	26,200	
730.7311	MTCE OF WATER SERVICES	-	-	-	
730.7312	WATER METER SERVICE	40,000	50,000	72,198	
730.7316	BACKFLOW DEVICE INSPECTION	26,000	23,000	21,247	
730.7321	MTCE OF CUSTOMERS SERVICE	36,050	36,000	34,210	
730.7325	WATER MAPPING	20,000	25,000	22,008	
730.7326	FIBER MAPPING	-	10,000	-	
730.7331	MTCE OF WATER HYDRANTS - PUBLIC	25,000	22,000	18,379	
730.7332	MTCE OF WATER HYDRANTS - PRIVATE	6,000	6,000	4,853	
730.7341	WATER CLOTHING/PPE	15,000	15,000	13,056	
730.7391	WAGES WATER	9,500	9,500	9,011	
730.7395	TRANSPORTATION EXPENSE	22,000	24,000	22,891	
730.7399	WATER PERMIT	27,000	27,000	20,382	
	Total for Distribution Expense:	447,550	447,500	448,249	
Depreciation & Amortization					
595.8031	DEPRECIATION	1,350,000	1,415,000	1,385,340	
	Total for Depreciation & Amortization:	1,350,000	1,415,000	1,385,340	
Interest Expense					
596.8071	INTEREST EXPENSE - BONDS	32,633	35,433	38,117	
597.8281	AMORTIZATION OF DEBT DISCOUNT/PREMIUM	(6,651)	(6,651)	(6,651)	
	Total for Interest Expense:	25,982	28,782	31,466	
Other Operating Expense					
597.8213	LOSS ON DISPOSITION OF PROP (CAPITAL)	-	-	-	
597.8214	LOSS ON DISPOSITION OF PROP (NONCAPITAL)	-	-	(16,272)	
597.8264	DAM MAINTENANCE EXPENSE	-	-	388	
597.8302	PENSION EXPENSE	50,000	50,000	(43,756)	GASB 68
597.8341	INTEREST EXPENSE - METER DEPOSITS	650	625	624	
	Total for Other Operating Expense:	50,650	50,625	(59,015)	
Customer Accounts Expense					
900.9021	METER READING EXPENSE	5,000	5,000	6,209	
900.9051	MISC CUSTOMER ACCOUNTS EXPENSE UTILITY	102,000	99,000	96,810	
900.9061	BAD DEBT EXPENSE & RECOVERY	250	250	-	
	Total for Customer Accounts Expense:	107,250	104,250	103,019	
Administrative Expense					
920.9201	SALARIES OFFICE & COMMISSION	353,100	333,000	284,946	
920.9205	TEMPORARY STAFFING	1,000	1,000	-	
920.9211	OFFICE SUPPLIES	35,020	30,000	34,354	
920.9212	ELECTRIC & WATER CONSUMPTION - OFFICE	6,000	6,500	5,789	
920.9213	BANK FEES	800	708	730	
920.9221	LEGAL FEES	5,000	6,000	35,065	
920.9231	AUDITING FEES	6,295	7,000	5,706	
920.9241	INSURANCE	42,000	43,000	42,015	
920.926	UTILITY SHARE - DEFERRED COMP	22,000	25,000	19,162	
920.9261	UTILITY SHARE - MEDICAL/DENTAL/DISABIL	295,676	251,110	231,428	med 24% increase
920.9262	UTILITY SHARE - PERA	78,000	71,500	69,395	

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
2027 WATER BUDGET

Water		2027 Annual Budget	2026 Annual Budget	2025 Annual Actual	
920.9263	UTILITY SHARE - FICA	77,000	70,500	67,597	
920.9264	EMPLOYEE SICK PAY	58,000	53,000	47,338	
920.9265	EMPLOYEE HOLIDAY PAY	46,000	43,000	41,162	
920.9266	EMPLOYEE VACATION & PTO PAY	85,000	72,000	69,821	
920.9267	UPMIC DISTRIBUTION	19,665	19,000	18,226	2%
920.929	LONGEVITY PAY	3,390	1,260	2,130	
920.9268	WELLHEAD PROTECTION	1,500	1,500	-	
920.9291	CONSULTING FEES	30,000	26,200	61,360	
920.9301	TELEPHONE	10,000	8,600	8,483	
920.9302	ADVERTISING	6,000	5,000	7,363	
920.9303	DUES & SUBSCRIPTIONS - FEES	115,597	111,475	77,034	
920.9305	SCHOOLS & MEETINGS	62,897	62,897	30,956	
920.9321	MTCE OF GENERAL PLANT & OFFICE HEATING	1,700	2,700	1,571	
	Total for Administrative Expense:	1,361,640	1,251,950	1,161,630	
General Expense					
920.9269	CIP REBATES - RESIDENTIAL	2,000	2,000	771	
920.927	CIP REBATES - COMMERCIAL	1,000	1,000	-	
920.9272	CIP - MARKETING	1,500	1,500	-	
920.9273	CIP - LABOR	-	500	-	
920.9281	ENVIRONMENTAL COMPLIANCE	1,000	2,000	2,006	
920.9306	MISC GENERAL EXPENSE	250	250	29	
	Total for General Expense:	5,750	7,250	2,807	
	Total Expenses (before Operating Transfers)	4,211,822	4,098,357	3,872,649	
Operating Transfer					
Operating Transfer/Other Funds					
	TRANSFER TO CITY ELK RIVER REVENUE	67,000	64,522	-	2% of Elk River Sales
	Total for Operating Transfer/Other Funds:	67,000	64,522	-	
Utilities & Labor Donated					
597.8261	WATER & LABOR DONATED TO CITY	-	2,000	871	
	Total for Utilities & Labor Donated:	-	2,000	871	
	Total Operating Transfer				
	Total for Total Operating Transfer:	67,000	66,522	871	
	Net Income Profit(Loss)	**245,599**	**145,550**	**715,382**	
	Budget Change Year over Year	68.7%			
	Total Expense	4,278,822	4,164,879	3,873,520	
	Expense Budget Change Year over Year	2.7%			

Elk River Municipal Utilities Business Plan/Budget
2027 Electric Department Capital Budget

Capital Construction Projects

		Cost	Description
	$	350,000	OH to URD 208th, Wilson, 207th, single phase on Brook Rd
	$	100,000	198th Ave & Gary St OH to URD
	$	300,000	Cty Rd 33
	$	25,000	Cty Rd 44 Rebuild
	$	75,000	Roundabout 193rd/Evans
	$	50,000	Downtown Streetlights
	$	100,000	Open Concentric
	$	250,000	Unidentified Projects
Subtotal	$	1,250,000	

Capital Construction Substations

		Cost	Description
	$	20,000	14-4 Relay Panel Replacement
	$	14,000	West Bank 1 Recloser Controller Replacement
	$	800,000	West Bank 2 Transformer Replacement Downpayment
	$	28,000	West Bank 2 Recloser Controller Replacement
	$	60,000	West Bank 2 Recloser Tank Replacement
Subtotal	$	922,000	

Capital Construction Feeders

		Cost	Description
	$	150,000	Feeder 22 OH Rebuild
	$	250,000	Unidentified Feeders
Subtotal	$	400,000	

Capital Construction System

		Cost	Description
	$	425,000	Transformers and Meters
	$	400,000	New Development Distribution Installation
	$	50,000	Street Lighting
	$	75,000	Ongoing OH Equip Replacement (Poles, Switches, Cut-Outs)
	$	900,000	Ongoing URD Equip Replacement (Switches, J-Boxes, Fuse Pads)
Subtotal	$	1,850,000	

Capital Equipment Needs

		Cost	Description	
	$	500,000	Replace Digger Truck	Vehicle #15
	$	110,000	Replace Dump Truck	Vehicle #29
	$	65,000	Replace Truck	Vehicle #30
	$	18,000	Drill Pipe	
	$	94,612	Electric share of Administration	
	$	594,500	Electric Share of Technical Services	
Subtotal	$	1,382,112		

Capital Facilities & Misc Needs

		Cost	Description
	$	316,884	Territory Acquisition - Loss of Revenue Pmt (2015 Contract - Area 2, 3&4, 5&6, 7&8)
Subtotal	$	316,884	

Total Capital	**$**	**6,120,996**	

Electric Noteworthy Non-Recurring Expenses

		Cost	Description
	$	13,000	Computers, iPads, Software, Accessories
	$	10,000	Paint Trailer
	$	10,000	Paint Truck
	$	10,000	Paint Transformers/Switchgear
	$	10,000	Paint Street Lights
	$	10,000	Tools
	$	15,000	Contractor Testing and Inspections
	$	22,000	Electric share of Administration
	$	18,050	Electric share of Technical Services
Total	$	118,050	

Elk River Municipal Utilities Business Plan/Budget
2027 Water Department Capital Budget

Water Capital Construction Needs

		Cost	Description
	$	134,000	Well #8 Rehabilitation
	$	10,000	Well #9 Roof Replacement
	$	275,000	Re-route well 8 to treatment plant 7
	$	100,000	Catwalks
	$	100,000	Facility Repair (Capital)
	$	400,000	Freeport Booster Station
	$	45,000	Freeport Tower Wash
	$	40,000	SCADA upgrades
	$	47,000	Fiber - Meadowvale Booster station
	$	-	Hwy 169 Redefine
	$	4,300,000	Water Main Construction (City Rd projects, Cty Rd 44)
	$	15,000	Placeholder for undetermined projects
Subtotal	$	5,466,000	

Capital Equipment Needs

		Cost	Description
	$	65,000	Replace Truck Vehicle #12
	$	7,500	Air Compressor
	$	19,528	Water share of Administration
	$	6,500	Water Share of Technical Services
Subtotal	$	98,528	
Total Capital	**$**	**5,564,528**	

Water Noteworthy Non-Recurring Expenses

		Cost	Description
	$	1,500	Computers, iPads
	$	10,000	Meters/ERT
	$	10,000	Tools
	$	5,500	Water share of Administration
	$	950	Water share of Technical Services
Total	$	27,950	

Elk River Municipal Utilities Business Plan/Budget
2027 Administration and Technical Services Departments Capital Budgets

Administration Capital Needs

		Cost	Description
	$	15,000	Network Switches/Misc (ERMU)
	$	11,500	UPS Upgrades (city shared)
	$	12,500	Security Camera System Replacement - Admin (city shared)
	$	9,140	Door Controls (city shared)
	$	6,000	Domain Controller
	$	9,000	NISC Bidgely - electric only
	$	21,000	Office Furniture
	$	5,000	Office Branding
	$	20,000	Field Services Branding
	$	5,000	Misc Office Equipment
Subtotal	$	114,140	

Administration Noteworthy Non-Recurring Expenses

		Cost	Description
	$	27,500	Computers, iPads, Software, Accessories, Scanners, Printers - Upgrades
Subtotal	$	27,500	

Total Administration	**$**	**141,640**

Technical Services Capital Needs

		Cost	Description	
	$	20,000	VOLT/VAR Implementation	
	$	190,000	Voltage Regulator Banks (2)	
	$	140,000	Fiber Extension - Waco Sub	
	$	28,000	Fiber Cty 77	
	$	68,000	TGB Collector on Siren Pole	
	$	25,000	Substation Security	
	$	130,000	Replace Trucks	Vehicle #35 and #36
Subtotal	$	601,000		

Technical Services Noteworthy Non-Recurring Expenses

		Cost	Description
	$	9,000	Computers, iPads, Software, Accessories - Upgrades
	$	10,000	Tools
Subtotal	$	19,000	

Total Technical Services	**$**	**620,000**

Total Capital Items	**$**	**715,140**
Total Non-Recuring Expenses	$	46,500

2027 CIP Operating Budget

Required Spending and Savings Goals per State of MN

Total Spending Level 1.5% of GOR	$	691,302
Low Income Requirement .2% of Residential GOR	$	80,000
Energy Savings Goal (kWh)		4,904,238
Possible Distributed Renewable Generation Funds	$	67,130
Possible Research and Development Funds	$	69,130

Proposed CIP Budget 2027

Direct Labor	$	135,000
General & Administration	$	190,833
Advertising (Marketing)	$	63,031
Equipment	$	-
Contract (Includes MN PUC Assessment)	$	35,000
Total	**$**	**423,864**
ERMU Rebates	**$**	**267,438**
Total all Expenses and Rebates	**$**	**691,302**
Total Estimated kWh Savings		**4,904,238**

Total Operating CIP Budget No Rebates Only Direct Costs

Direct Labor	$	135,000
General & Administration	$	190,833
Advertising (Marketing)	$	63,031
Contract	$	35,000
Total ERMU Operating Expenses	**$**	**423,864**

Total Rebate Budget

ERMU Self Funded (spend is dependant on kWh savings)	**267,438**

Total Requested Budget

Direct Labor	$	135,000
General & Administrations	$	190,833
Advertising (Marketing)	$	63,031
Contract (Includes MN PUC Assessment)	$	35,000
ERMU Self Funded Rebates	$	267,438
Total Requested 2027 Budget	**$**	**691,302**

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO:	FROM:
ERMU Commission	Sara Youngs – Administrations Director
MEETING DATE:	**AGENDA ITEM NUMBER:**
November 10, 2026	5.4
SUBJECT:	
Proposed 2027 Utilities Fee Schedule	
ACTION REQUESTED:	
Approve the 2027 Utilities Fee Schedule for Adoption into Ordinance by the City Council	

BACKGROUND:
Elk River Municipal Utilities Commission approves the budget in December, with rates and fees published in January. Per legal counsel, ERMU's ability to collect these fees would be strengthened by including them in the City of Elk River's Master Fee Schedule and adopting them into City ordinance following Commission approval. To accomplish this, Elk River City Council approval is needed at its November meeting to include ERMU's rates and fees in the City's Master Fee Schedule.

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 reviewing our rates and Aid to Construction methodology, staff evaluated the 2026 fee schedule to identify any needed adjustments. Based on this review, staff recommends the following changes:

New Electric Dedicated Feeder – This new proposed fee follows standard practice, requiring customers who request a dedicated feeder to pay 100% of the associated costs.

System Capacity Fee (per MW) – This new proposed fee follows standard practice, requiring customers to contribute toward the costs of providing sufficient system capacity, including necessary infrastructure upgrades and expansions, based on the additional demand they place on the system.

Monthly Grid Access Fee – The word "Monthly" is being added to clarify the fee frequency and provide greater transparency.

Street Light – 30' Decorative Pole with 6' Arm and Cobra Fixture **-** A proposed increase from $3,400 to $3,900. The amount reflects labor and material cost increases.

Street Light – 23' Decorative Pole with Cobra Fixture **-** A proposed increase from $2,400 to $2,600. The amount reflects labor and material cost increases.

Street Light – 14' Decorative Pole with Cobra Fixture **-** A proposed increase from $5,500 to $6,400. The amount reflects labor and material cost increases.

Street Light – 14' Decorative Pole with Acorn Fixture **-** A proposed increase from $7,500 to $8,400. The amount reflects labor and material cost increases.

Security Light – Wood Pole with Fixture – A proposed increase from $1,500 to $1,800 to reflect increases in labor and material costs. Note: The City of Elk River's Master Fee Schedule lists the 2025 fee of $975. No revenue was lost in 2026, as no new security lights with a pole were installed.

Security Light – Existing Pole – A proposed increase from $600 to $1,100 to reflect increases in labor and material costs. Note: The City of Elk River's Master Fee Schedule lists the 2025 fee of $350. No revenue was lost in 2026, as no new security lights were installed.

Annual Pole Attachment Fee (per pole) – A proposed increase from $15 to $19 to reflect increases for foreign attachments on ERMU-owned assets. The word "Annual" is also being added to clarify the fee frequency and provide greater transparency.

Pole Attachment Application Fee (up to 50 poles per application) – A proposed $250 fee follows standard industry practice for pole attachment application fees and helps recover staff expenses for time spent reviewing applications and coordinating with third-party vendors.

WATER FEES

Backflow Prevention Device Non-Compliance (Initial Fee) – A proposed $250 fee follows standard industry practice for a failed customer device test. The fee may be refunded if the customer hires a plumber to complete the necessary repairs.

Backflow Prevention Device Non-Compliance (per month) – The words "per month" are being added to clarify the fee frequency and provide greater transparency.

ADMINISTRATIVE FEES

Administrative Fee for Reissued Checks – A proposed $20 fee to reissue a lost check, reflecting the administrative time required to process the replacement and the associated bank fees.

FINANCIAL IMPACT:

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

ATTACHMENTS:

- Proposed 2027 Utilities Fee Schedule

Elk River Municipal Utilities			
Proposed 2027 Utilities Fee Schedule			
Fee Description	**2026**	**Proposed 2027**	**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)	$ 900.00		
New Electric Connection (non-standard)	100%		
New Electric Dedicated Feeder		100%	
System Capacity Fee (per MW)		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)	$ 350.00		
Minimum Temporary Electric Service Fee - Without Existing Transformer (standard)	$ 1,000.00		
Temporary Electric Service Fee (non-standard)	100%		
Monthly Grid Access Fee	$5.20/kW		
Street Light - 30' Decorative Pole with 6' Arm and Cobra Fixture	$ 3,400.00	$3,900.00	
Street Light - 23' Decorative Pole with Cobra Fixture	$ 2,400.00	$2,600.00	
Street Light - 14' Decorative Pole with Cobra Fixture	$ 5,500.00	$6,400.00	
Street Light - 14' Decorative Pole with Acorn Fixture	$ 7,500.00	$8,400.00	
Security Light - Wood Pole with Fixture	$ 1,500.00	$ 1,800.00	
Security Light - Existing Pole	$ 600.00	$ 1,100.00	
Annual Pole Attachment Fee (per pole)	$ 15.00	$ 19.00	
Pole Attachment Application Fee (up to 50 poles per application)		$ 250.00	
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 Prevention Device Non-Compliance (Initial Fee)		$ 250.00	
Backflow Prevention 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)	3rd Tier Water Rate		
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		
Administrative Fee for Reissued Checks		$ 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		

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	**FROM:** Mark Hanson – General Manager
MEETING DATE: November 10, 2026	**AGENDA ITEM NUMBER:** 5.5
SUBJECT: Health Insurance Update	
ACTION REQUESTED: Approve the 2027 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	**Current (Medica)**	**Medica**	**HealthPartners**	**BlueCross/ BlueShield**
Individual/Family Deductible	$2,850/$5,700	$3,050/$6,100	$3,500/$7,000	$3,500/$7,000
Out-of-Pocket Maximum	$3,650/$7,300	$3,850/$7,700	$3,500/$7,000	$3,500/$7,000
Rate Increase	N/A	24.06%	25.56%	27.19%
Total Premium Increase	N/A	$287,330.52	$305,086.20	$324,706.80

ACTION:

Staff recommend the Commission approve the following for 2027:

1. Continue with 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)

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	**FROM:** Mark Hanson - General Manager
MEETING DATE: November 10, 2026	**AGENDA ITEM NUMBER:** 5.6
SUBJECT: Wage & Benefits Committee Proposed 2027 Adjustments	
ACTION REQUESTED: Approve the 2027 Wage and Benefits Adjustments, effective January 1, 2027.	

BACKGROUND:
The Wage & Benefits Committee (WBC) met on October 13 and November 5, 2026, to review possible wage and benefits adjustments for 2027. The agenda included the following discussion items as requested by staff in their October 13 presentation:

1. An annual wage adjustment for all employees equal to the average lineworker cost of living adjustment within the seven "metro average" utilities (Anoka, Chaska, North St. Paul, Shakopee, Great River Energy, Wright Hennepin Electric, and Connexus Energy).
2. Increasing the amount of paid sick leave converted to an employee's post-employment Health Care Savings Plan (HCSP) at retirement.
3. Increasing the compensation for a week of on-call duty.

DISCUSSION:
2026 Wage Adjustment: The average cost of living adjustment for the seven "Metro Average" utilities is 3.464%. The Committee supported bringing 3.464% to the Commission for consideration. 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.

Increasing sick time conversion to HCSP: Staff requested increasing the paid sick leave conversion to help retiring employees pay for health insurance and medical expenses. The current plan converts accrued sick leave to the HCSP at 100% after an employee reaches 32 years of service. Staff noted this is a difficult goal to achieve for employees that come to ERMU later in their career. After reviewing information collected from peer utilities, the Committee noted sick time is paid out several different ways, making it difficult to establish an average. Nevertheless, the consensus was our current practice was on par with, if not slightly better than, most peer utilities. Therefore, no changes are recommended.

Increasing the compensation for a week of on-call duty: Staff noted that utilities with lower overtime hours, such as ERMU, tend to have higher on-call standby compensation. After reviewing information collected from peer utilities, the Committee determined our current practice is on par with other peer utilities and recommended no changes.

REQUESTED ACTION:
Staff request commission approval of a wage adjustment of 3.464%.

ERMU Peer Comparison: On-Call Pay & Sick Leave Conversion

Peer utility survey responses, November 5, 2026

On-call pay:

- **In line with market.** ERMU's 14 hours per on-call week compares with a peer average of 13.6 hours among the eight peers that pay standby.
- **Three peers pay more, five pay less.** Utility C (18), Utility A (16) and Utility H (16) are higher; Utility D (13), Utility E (12.75), Utility I (12), Utility B (11.06) and Utility G (10) are lower. Utility B pays a flat $4.50 per hour on call rather than a block of hours.
- **One peer has no standby pay.** Utility F has no on-call rotation and fills callouts from an overtime list.

Sick leave conversion:

- **Payout cap.** ERMU accrues and pays out up to 960 hours, compared with Utility D (up to 910 paid on 1,300 accrued), Utility I (720), Utility H (480 paid) and Utility A (355 paid).
- **Pays from the first year.** ERMU converts 50% even at under 8 years of service, as does Utility D (50% under 25 years). Most peers pay nothing early on: Utility C and Utility I until 5 years, Utility H until 10 years, and Utility G below 50 days accrued.
- **Reaches 100%.** Only ERMU (at 32 years) and Utility I (at 30 years) ever reach full conversion. Utility D tops out at 70% (35 years), Utility H at 50%, Utility A at 33% and Utility G at 20–30%.
- **Different models elsewhere.** Utility E and Utility F have no sick leave and pay out a PTO bank in cash; Utility C has closed conversion to new hires.
- **Where it goes.** ERMU, Utility A, Utility D, Utility I and Utility H (lineworkers) deposit converted leave into an HCSP; the others pay cash.

On-Call Pay

Utility	Stand-by Pay	**Equivalent hours/week**
ERMU	**14 hours at base rate per on-call week**	**14**
Utility A	1 hour at base for every 8 hours on call	16
Utility B	$4.50 per hour on call	11.06
Utility C	1 hour each weekday, 6 hours Saturday, 7 hours Sunday	18
Utility D	13 hours base per full on-call week	13
Utility E	1 hour at OT rate Mon–Thu; 1.5 hours at OT rate Fri–Sun	12.75
Utility F	No on-call rotation or standby pay; callouts by overtime list	N/A
Utility G	10 hours regular time	10
Utility H	16 hours regular time per 7 days on call	16
Utility I	12 hours regular pay per Mon–Sun week	12

Sick Leave Conversion at Retirement

Utility	Sick leave converted at retirement	Hours cap	Years to 100%	Where it goes
ERMU	**0–7 yrs 50%; 8–11 55%; 12–15 60%; 16–19 65%; 20–23 70%; 24–27 80%; 28–31 90%; 32+ 100%**	**960 (accrued and paid)**	**32**	**HCSP**
Utility A	33% (one-third), regardless of years	1,065 (max 355 paid)	Never	HCSP
Utility C	No conversion. Pays out 33% (one-third) of sick leave at separation after 5+ yrs (employees hired before 1986). New hires are on paid personal leave.	Max 30 days paid	Never	Cash at separation; cannot convert to HCSP yet (working on it)
Utility D	Under 25 yrs - 50%; 25 yrs - 60%; 30 yrs - 65%; 35 yrs - 70%	1,300 (max 650–910 paid)	Never	HCSP
Utility E	No sick leave; PTO bank paid out 100%	PTO cap 400–600	—	Cash
Utility F	No sick leave; PTO bank paid out 100%	—	—	Cash
Utility G	0–49 days accrued – no payout; 50–100 days – 20% payout; 101–225 days – 30% payout	225 days	Never	Cash
Utility H	Under 10 yrs – 0%; 10+ yrs – 50%	Max 480 hours paid	Never	HCSP or cash by group (lineworkers: HCSP)
Utility I	0–4 yrs – 0%; 5–14 yrs – 45%; 15 yrs – 55%; 16 yrs – 57%; 17 yrs – 59%; 18 yrs – 61%; 19 yrs – 63%; 20 yrs – 65%; 21 yrs – 67%; 22 yrs – 69%; 23 yrs – 71%; 24 yrs – 73%; 25 yrs – 75%; 30+ yrs – 100%	720	30	HCSP

Note: *Hours caps are not directly comparable. Some limit hours accrued and others limit hours paid out (for example, Utility A caps accrual at 1,065 hours, which yields at most 355 hours paid at 33%). ERMU's 960-hour cap applies to both hours accrued and hours paid.*

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	**FROM:** Mark Hanson - General Manager
MEETING DATE: November 10, 2026	**AGENDA ITEM NUMBER:** 5.7
SUBJECT: Installation and Maintenance Agreement for Brackets and Accessories	
ACTION REQUESTED: Approve Installation and Maintenance Agreement for Brackets and Accessories	

BACKGROUND:
At the June 9, 2026, commission meeting, commission members approved a revised Streetlight Installation and Maintenance Agreement that removed the attachment of brackets, banners and other decorative accessories from the agreement. City staff requested that we partner directly with the Downtown Elk River Business Association (DERBA) as well as the City of Elk River Economic Development Authority (EDA) and Housing Redevelopment Authority (HRA) for those items.

DISCUSSION:
Staff from ERMU and the EDA/HRA worked together to develop the attached agreement that outlines the roles and responsibilities associated with the installation and maintenance of the brackets and associated accessories.

Once approved, ERMU will invoice the City's Economic Development Department in accordance with the agreement. Economic development staff will allocate those costs to the EDA, HRA, and/or DERBA as appropriate. The EDA, HRA, and DERBA will provide the banners, holiday decorations, and other accessories. ERMU will bill for labor associated with hanging the banners and holiday decorations. Planters will be hung and maintained through an annual contract coordinated by the City's economic development staff.

ERMU staff will continue to work directly with the American Legion to install American flags in the summer months. The American Legion provides the flags and ERMU donates our time to install/remove them during the summer months.

Staff request Commission approval of the proposed revisions to the Streetlight Installation and Maintenance agreement. The EDA and HRA commissions have approved the agreement. DERBA is not a party to this agreement.

ATTACHMENTS:

- Installation and Maintenance Agreement for Brackets and Accessories

INSTALLATION AND MAINTENANCE AGREEMENT FOR BRACKETS AND ACCESSORIES BETWEEN ELK RIVER MUNICIPAL UTILITIES AND ELK RIVER ECONOMIC DEVELOPMENT AUTHORITY AND HOUSING AND REDEVELOPMENT AUTHORITY

This AGREEMENT, hereinafter referred to as "Agreement," is hereby made and entered effective the _____ day of _____, 2026, by and between the Economic Development Authority for the City of Elk River hereinafter referred to as the "EDA," the Housing and Redevelopment Authority in and for the City of Elk River, hereinafter referred to as the "HRA," and Elk River Municipal Utilities, hereinafter referred to as "ERMU".

1.0 Purpose

The purpose of this Agreement is to clarify the attachment and maintenance of brackets and accessories affixed to certain streetlight utility poles located with the downtown area in Elk River, Minnesota, and defining allowances, responsibilities, and costs.

2.0 Attachments of Brackets, Fixtures, and Accessories to Streetlights

Generally, brackets, fixtures, and accessories may not be affixed to the streetlight poles without the permission of ERMU. Upon request of the EDA or HRA, and subject to ERMU's determination that installation is feasible, ERMU shall attach brackets to certain streetlights within the downtown area (see map Appendix I.) ERMU will maintain and replace the brackets as necessary.

The brackets may be used for the following purposes:

- Hanging banners year-round
- Hanging planters during the summer season
- Hanging holiday-themed decorations during the holiday season

To minimize unnecessary wear, tear, and maintenance issues, all other requests are subject to approval of ERMU, at its discretion. ERMU shall be responsible for the installation and removal of fixtures and accessories.

The banners, planters, and holiday decorations shall be provided by the EDA, HRA or to the EDA and HRA by the Downtown Ek River Business Association (DERBA). ERMU will not be responsible for storing any banners, planters, or holiday decorations.

ERMU will install replacement banners provided by the EDA when necessary, but not as part of an annual replacement program. Banners are intended to last multiple years, with select banner locations (the four corner poles at Main and Jackson) being rotated more frequently to convey community information.

The HRA, or its contractor, in coordination with ERMU, shall install, maintain, and remove the hanging planters on a seasonal basis.

ERMU will install and remove the holiday decorations annually.

3.0 Billing for Services

ERMU shall invoice the City's Economic Development Department, collectively the HRA and EDA, for services (labor and material) related to the installation, removal, or maintenance of fixtures and accessories. The EDA and HRA shall be responsible for the costs of brackets. The parties agree to communicate and coordinate as needed to avoid unnecessary or unreasonable charges.

The EDA nor HRA shall not be responsible for labor or materials of a community partner, ie DERBA, unless coordinated through the EDA or HRA. The EDA and HRA do not intend to draw electricity for their activities. To the extent DERBA activities draw electricity, charges for power consumption shall be invoiced directly to DERBA or donated.

4.0 Termination of Agreement

This Agreement may be cancelled or terminated without cause by either party by giving (30) calendar days advance written notice to the other party. Such notification shall state the effective date of termination or cancellation. Any and all amendments must be made in writing and must be agreed to by the parties before becoming effective. ERMU recognizes that the EDA, HRA, DERBA have made long-term investments in tangible property with an expectation this agreement will not be unduly or unreasonably terminated.

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

ELK RIVER MUNICIPAL UTILITIES

By_____
John Dietz, Chair

By_____
Mark Hanson General Manager

EDA FOR THE CITY OF ELK RIVER

By_____
Matt Westgaard, President

By_____
Brent O'Neil, Executive Director

HRA IN AND FOR THE CITY OF ELK RIVER

By_____
Nate Ovall, Chair

By_____
Brent O'Neil, Executive Director

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	**FROM:** Mark Hanson - General Manager
MEETING DATE: November 10, 2026	**AGENDA ITEM NUMBER:** 5.8
SUBJECT: T-Mobile Water Tower Lease Agreement, Gary Street Tower, Amendment #4	
ACTION REQUESTED: Approve Amendment #4 to the Subject Agreement	

BACKGROUND:
ERMU currently has three water tower attachment lease agreements with T-Mobile. All three were executed by Sprint Spectrum LLC, in 2010 for our Gary Street, Auburn Street, and Johnson Street towers. Each lease agreement had an initial five-year term with four additional five-year renewal periods. All three lease agreements started with first-year lease amounts of $23,000 with an annual escalator of 4%. T-Mobile (having merged with Sprint in 2020) has requested to renew the Gary Street lease for another 25 years beyond the current 2035 expiration date.

DISCUSSION:
After several rounds of negotiations, the only change T-Mobile has requested as part of the amendment extension is to lower the escalator from 4% to 3%, effective June 1, 2027. Campbell-Knutsen has confirmed that lowering the annual escalator to 3% is very common during lease attachment agreement renewals.

T-Mobile's proposed terms differ significantly from Verizon's request last year, which included a substantial reduction in the annual lease payments. Although T-Mobile initially asked for a rent reduction, they have accepted the current annual amount of $53,848.23 if we accept reducing the annual escalator to 3%. Reducing the escalator to 3% would result in a loss of $22,815 through the remainder of the original lease term (May 31, 2035).

Approving the amendment would extend the lease to May 31, 2060 (five additional five-year renewal periods). A 25-year extension with a 3% escalator equates to approximately $2.562 million contract value for the extension period (2035-2060). Additionally, T-Mobile has expressed interest in using the same terms for amendment extensions to our Johnson Street and Auburn Street tower attachment agreements.

ATTACHMENTS:
- Amendment #4 to Gary Street Tower Attachment Lease, Site ID MS74XC762

PROVIDED BEFORE MEETING

FOURTH AMENDMENT TO NON-EXCLUSIVE TOWER ATTACHMENT LEASE AGREEMENT

This Fourth Amendment to Non-Exclusive Tower Attachment Lease Agreement ("**Fourth Amendment**") is effective on the date of the last signature ("**Effective Date**") by Elk River Municipal Utilities, ("**Lessor**"), and ~~Sprint Spectrum LLC, a Delaware limited liability company~~Sprint Spectrum Realty Company, LLC, a Delaware limited liability company ("**Lessee**").

Lessor and Lessee or their predecessors-in-interest have entered into a Non-Exclusive Tower Attachment Lease Agreement dated June 1, 2010, and an ~~First~~ Amendment to Non-Exclusive Tower Attachment Lease Agreement dated September 13, 2011, and a Second Amendment to Non-Exclusive Tower Attachment Lease Agreement dated September 10, 2013, and a Third Amendment to Non-Exclusive Tower Attachment Lease Agreement dated December 16, 2014 (collectively, the "**Lease**") regarding the leased space ("**Premises**") located at 18586 Gary Street, Elk River, MN ("**Property**").

Lessor and Lessee now agree as follows:

1. Lessee is granted five (5) additional five (5) year terms, each a Renewal Term, beginning on June 1, 2035.

~~2. After the final Renewal Term ends, Lessee may continue occupying the Premises for up to nine (9) one-year periods (each an "Extended Period") which will automatically renew unless Lessee provides written notice of termination or Lessor provides at least six (6) months' written notice of non-renewal. The for each Extended Period will increase by three percent (3%) of the from the preceding year.~~ If Lessee remains in the Premises after the Lease ends, the Lease will ~~automatically~~ convert to a month-to-month tenancy on the same terms and conditions, subject to the written approval of both ~~parties.~~Lessor and Lessee.

~~2.~~

~~3. Upon the~~The current annual Lease Payment is ~~Effective Date of the Fourth Amendment, the Monthly Rent shall remain~~ Fifty-Three Thousand~~,~~ Eight Hundred Forty-Eight and ~~32~~24/100 Dollars ($53,848.~~32~~24). This annual Lease Payment has currently been paid through May 31, 2027. ~~Per the terms of the original agreement, this amount shall be pre-paid before the start of the subsequent year.~~Four Thousand Four Hundred Eighty Seven and 36/100 Dollars ~~($4,487.36)~~ per month and the annual escalation shall continue at four percent (4%) through May 31, 2030.

~~3.~~

~~4.~~

4. Beginning on June 1, 2027~~3~~, the current escalation set forth in the Lease will end. Th~~0~~, ~~thee~~ annual Lease Payment –will escalate by three percent (3%) on June 1, 2027 and on each subsequent anniversary.

~~5. by three percent (3%) and on each subsequent anniversary.~~

~~Lessee and its agents will have access to the Premises 24 hours a day, 7 days a week.~~

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Commented [SH1]: Per the Lease, the Lease Payment is to be paid annually on the anniversary of the commencement date (which is June 1). The Lease Payment has currently been paid through May 31, 2027.

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PROVIDED BEFORE MEETING

~~6.~~ Lessee and its agents will have access to the Premises 24 hours a day, 7 days a week. Routine access during business hours can be scheduled by calling 763.441.2020. Emergency access after-hours is subject to the minimum ~~call out~~call-out fees described in ~~ERMU's~~ Lessor's then-~~-~~current employee handbook.

~~5. Lessee may complete upgrades and add equipment within the Premises for no additional consideration or fee, subject to applicable permits.~~

~~7.~~ Lessee may complete upgrades and add equipment within ~~the Premises~~ their existing equipment footprint (including height) for no additional consideration or fee, subject to applicable permits and upon Lessor's consent. Any upgrades, equipment-related or otherwise, beyond the existing footprint, are subject to additional monthly charges. Lessee remains subject to all terms~~,~~ and oversight~~, and fees~~ regarding modifications and upgrades ~~, even~~ within their existing footprint, as provided for in the original ~~agreement~~Lease and ensuing amendments.

~~6.~~

~~8. The Lease shall be automatically renewed for the Renewal Terms unless Lessor notifies Lessee of Lessor's intention not to renew the Lease at least twenty-four (24) months prior to the expiration of the Renewal Term then in effect.~~

~~9. For Property redevelopment, Lessor may require one (1) permanent relocation of Lessee's equipment upon at least twenty-four (24) months' prior written notice, cover all costs, and Lessee may install a temporary communications facility at a mutually agreeable location on the Property until redevelopment is complete.~~

~~10. Lessee may not assign the Lease or sublease the Premises without providing written notice to Lessor.~~

~~11.~~7. Lessee and Lessor will cooperate with each other's reasonable requests to approve permit applications and other documents related to the Premises.

~~12. Lessor may bill Lessee for any charges related to the Lease other than within twelve (12) months after incurring the cost; otherwise, the charges are waived.~~

~~13.~~8. The current notice addresses for the Lessor and Lessee:

If to Lessor:

Elk River Municipal Utilities
~~13069 Orono Pkwy~~13069 Orono Pkwy.
Elk River, MN 55330

Attn: Director of Operations/Maintenance

If to Lessee:

T-Mobile USA, Inc.

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PROVIDED BEFORE MEETING

12920 SE 38th Street
Bellevue, WA 98006

Attn: Lease Compliance / A1O0251A

9. Lessor's Costs and Expenses. Lessee agrees to pay Lessor for Lessor's reasonable and actual ~~costs and expenses incurred for Lessor's Engineer,~~ engineering and structural review costs~~,~~ and Lessor's attorneys' fees related to the drafting and/or negotiating of this Fourth Amendment, payable within sixty (60) days ~~upon~~ of ~~full execution of the Fourth Amendment~~receipt of supporting documents from Lessor for such costs and expenses, ~~and~~ not to exceed ~~Five Hundred~~One Thousand Dollars ($~~500~~1,000.00) in the aggregate.

~~14.~~10. The terms of this Fourth Amendment will control if any provisions conflict with the Lease, otherwise, all other terms of the Lease remain in full force and effect. Capitalized terms used but not defined in this Fourth Amendment will have the same meanings as in the Lease.

~~15.~~11. Lessor and Lessee represent that they have the authority to sign this Fourth Amendment and have obtained any needed third-party consents to do so.

Lessor:	Lessee:
Elk River Municipal Utilities	~~Sprint Spectrum LLC, a Delaware limited liability company~~Sprint Spectrum Realty Company, LLC, a Delaware limited liability company
By: _____	By: _____
Print Name: _____	Print Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

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Commented [SH2]: Lessor must provide documents which support these costs and expenses and T-Mobile will need time to process the fees.

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Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	**FROM:** Mark Hanson – General Manager
MEETING DATE: November 10, 2026	**AGENDA ITEM NUMBER:** 6.1a
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- Minnesota Municipal Utilities Association's course *Governance in Action: The view from a commissioner's chair*, is a new resource for utility commissioners and leaders. Developed through input from members, it aims to help commissioners understand their role, learn basic information about utility structure, and learn principles for excellence in service. The course covers the municipal model, statutes addressing the powers of a Commission, the Midcontinent Independent System Operator, energy markets, rate setting, and more. The session also helps seasoned commissioners who may have questions about the relationship between the Commission and the City Council, or the lines between governance and operations. Taught by subject matter experts, the **March 12 session in St. Cloud** will be a great learning and networking experience. Please see the attached flyer and consider registering at Governance in Action: The view from a commissioner's chair - Minnesota Municipal Utilities Association.
- The American Public Power Association (APPA) represents 2,000 public power utilities nationwide, but ERMU recently joined an elite list of only 125 member utilities having earned APPA's ***Smart Energy Provider (SEP) designation***. Earning the SEP designation reflects ERMU's commitment to providing energy efficiency programs, promoting sustainability, and delivering reliable public power while reducing our environmental impact. Special recognition goes to Communications Coordinator Jenny Foss and Administrations Director Sara Youngs for their diligent work in assembling and submitting the required documentation to complete the 22-page application!
- The Minnesota Municipal Power Agency (MMPA) Board of Directors met on October 27, 2026, at Chaska City Hall in Chaska, Minnesota, and via videoconference. Commissioner Stewart and I attended. A public summary is below:
    - The Board reviewed the Agency's financial and operating performance for September 2026.
    - Participation in the residential Clean Energy Choice program increased by 12 customers. Residential customer participation in the program is at 7.0%.

- Participation in the business Clean Energy Choice program increased to 13.5% of MMPA's commercial and industrial load during the third quarter of 2026.
- The Board approved an extension of its Power Sales Agreement for the City of Olivia. All MMPA members are committed to the agency through December 31, 2060.
- The preliminary budget for 2027 was presented to the Board.
- The Board discussed the status of electric generation and renewable natural gas projects being pursued by the Agency.

MMUA

Hometown services. Hometown strengths. Hometown solutions.



GOVERNANCE IN ACTION

THE VIEW FROM A COMMISSIONER'S CHAIR

Training for utility commissioners and local leaders

March 12, 2027
9:00 am–5:00 pm
Holiday Inn & Suites, St. Cloud

Who should attend:
Utility commissioners, city council members, city staff, and utility staff

What you will learn:
Relevant laws: key Minnesota statutes for utility governance
Role clarity: governance versus operations
Navigating: the relationship between the city and the utility commission
The money: utility rates and funding mechanisms
Plus, you will meet other governance volunteers and build your network



How we'll do it:
This day long session is:
- Led by subject matter experts
- Interactive, including peer discussions and Q and A
- Full of practical, real-world examples



Why it is time well spent:
You'll feel more confident in your role with:
- Better decisions through clear understanding of facts and roles
- Fewer conflicts and more collaboration
- A stronger community through informed leadership
- A supportive network you can call on year-round

Save the date—agenda and registration coming soon!

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	**FROM:** Sara Youngs – Administrations Director
MEETING DATE: November 10, 2026	**AGENDA ITEM NUMBER:** 6.1b
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- The Cold Weather Rule (CWR) is in effect from October 1, 2026, through April 30, 2027. 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.
- ERMU disconnections for October:
  - Cycle 1 – 11 disconnections
  - Cycle 2 – 8 disconnections
  - Cycle 3 – 7 disconnections
  - Cycle 4 – 2 disconnections
- Office walk-in traffic for October totaled 213 customers, averaging 43 customers per week over the five-week period.
- There are currently three solar photovoltaic projects—two residential and one commercial—planned or under construction within the ERMU service territory.
- Our credit & collections specialist ran the processes to identify and separate the assessable amounts from all applicable accounts. Our accounting department then prepared the final spreadsheets for inclusion in the Commission packet and submission to the City. This is truly a collaborative effort each year, with multiple departments working together to complete the process.
- We are approximately halfway through our server migrations and will continue working through the remaining migrations as it makes the most business sense, balancing operational needs, timing, and resources.
- IT held its first cybersecurity training session, led by Christian Torkelson of the League of Minnesota Cities Insurance Trust, to strengthen staff awareness and share cybersecurity best practices.
- ERMU staff received a thank-you from City IT for their efforts after a subcontractor struck a fiber line on October 9, 2026 (see attachment).

ATTACHMENTS

- City of Elk River Thank You

Parker, Jake, and the ERMU Team,

I wanted to take a moment to sincerely thank you for your help and quick response following the fiber cut on Friday.

Parker and Jake, I especially appreciate you taking the lead in identifying the issue, coordinating the response, and making sure the necessary repairs were completed. Your willingness to jump in and help drive the discovery and repair process made a significant difference.

I also want to thank the entire ERMU team for sending people out to assist, making sure everything was repaired correctly, and taking the time to document what happened. That level of support, communication, and attention to detail was greatly appreciated.

Situations like this are never convenient, but having a team we can rely on makes them much easier to manage. Thank you again for your quick response, professionalism, and all the effort you put into getting everything restored.

Thank you,

Seth Calvin 😊

P.S. I know my handwriting can be a little hard to read (sorry!), but I really wanted to put in the effort to write this by hand and show my appreciation rather than just sending something typed.

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	**FROM:** Melissa Karpinski – Finance Manager
MEETING DATE: November 10, 2026	**AGENDA ITEM NUMBER:** 6.1c
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- Continued work on compiling information and preparing the 2027 budget.
- The Financial Reserves & Investment Committee will hold its annual meeting prior to the November Commission meeting. A verbal update on the Committee's discussions will be provided at the commission meeting.
- The annual workers' compensation audit is scheduled for November 10.
- Abdo will perform preliminary audit procedures on December 7, 2026. Fieldwork for the 2026 financial audit is scheduled for February 17–19, 2027. Staff will continue preparing supporting documentation and financial information in advance of the auditors' fieldwork.

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	**FROM:** Tony Mauren – Governance & Communications Manager
MEETING DATE: November 10, 2026	**AGENDA ITEM NUMBER:** 6.1d
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- Bill inserts for November 2026 are attached. 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. All customers will receive a new insert with information about how free wood chips, generated from our annual tree trimming efforts, may be available for delivery within ERMU's service territory. This benefits ERMU by reducing the costs associated with dumping the materials.
- In addition to promoting the bill insert topics, recent social media posts covered Daylight Savings Time, the latest installment of the SmartHub User Guide Series on Two-Factor Authentication, and residential lighting rebates.
- ERMU wrapped up its event season on Friday, October 23, at the City of Elk River's Downtown Trick-or-Treat event. ERMU came prepared with plenty of candy, glow sticks, and a photo station featuring our "Old MacDonald" theme.
- Following the recent after-hours outages, staff wanted to share the attached communications summary, which provides insight into how our customers look for information during these events.

ATTACHMENTS:

- Bill Insert – Customer Privacy Notice
- Bill Insert – Wood Chips
- Photos – Downtown Trick-or-Treat Event
- After-Hours Communication Summary - October 31 and November 3, 2026

Elk River Municipal Utilities

CUSTOMER PRIVACY NOTICE

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.


FREE
WOOD CHIPS
SEE DETAILS ON BACK

Regular maintenance of the electric system requires tree trimming to reduce the chances of interference with power lines. As a result, free wood chips may be available upon request for delivery in ERMU's service territory.

DELIVERY DETAILS

- Minimum one full truck required, approximately 6-7 cubic yards.
- Wood chip mix includes ground up tree wood, bark, needles, and leaves.
- We only deliver wood chips to private property in our service territory.
- We only deliver wood chips where there is adequate truck access.

For more information or to request a delivery, please contact ERMU customer service at

763.441.2020

Elk River Municipal Utilities

Elk River Municipal Utilities

Downtown Trick-or-Treat 2026







Elk River Municipal Utilities

Downtown Trick-or-Treat 2026







Elk River Municipal Utilities

POWER OUTAGE COMMUNICATION: OCTOBER 31 & NOVEMBER 3, 2026

Communications Response for Both Events

- Red Alert Bar on the website
- Website Alert Page activated
- Facebook post

Note: The Facebook message directs customers to the website.

Communication Comparison

Metric	October 31	November 3
Outage duration	62 min.	63 min.
After-hours calls	325	79
Website views	1,580	875
Facebook views	1,025	1,055
Facebook interactions	12	7
Facebook link clicks	35	15

Most-Viewed Webpages

- Homepage
- Alerts
- Contact Us
- Electric Service
- Electric Service Territory Map

Key Takeaways

- The website served as an important resource during both outages, with customers consistently visiting the Alerts, Contact Us, and Electric Service pages for more information.
- Facebook provided additional visibility and directed customers to the website which serves as the central information resource.

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	**FROM:** Thomas Geiser – Operations Director
Meeting Date: November 10, 2026	**AGENDA ITEM NUMBER:** 6.1e
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- Staff are reviewing maps 1–50 as part of the third round of map reviews for the new GIS mapping system that ERMU plans to use.
- ERMU has begun implementing the Cooper Switchgear replacement plan and has replaced 15 units so far.
- ERMU shut down West Substation Banks 1 and 2 from October 12–14 to allow GRE to upgrade its equipment outside the substation. ERMU also used this time to replace some reclosers.
- ERMU shut down North substation the week of October 18 to replace reclosers and relays. The substation was brought back online on Monday, October 26.
- The wire bid opening was held on November 2.
- Staff are obtaining quotes for a new F-550 dump truck.
- Staff are reviewing plans for the County Road 33 project, which is scheduled for next spring.

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO:	FROM:
ERMU Commission	Chris Sumstad – Electric Superintendent
MEETING DATE:	**AGENDA ITEM NUMBER:**
November 10, 2026	6.1f
SUBJECT:	
Staff Update	
ACTION REQUESTED:	
None	

DISCUSSION:

- Installed 38 new residential services, which involves the connection of a secondary line once the customer requests service.
- Joe Schmidt, Safety Instructor from Minnesota Municipal Utilities Association, was here October 28 and 29 and held training on fire safety, fire extinguishers, and cold stress.
- North substation maintenance work was completed the week of October 19. We used other substations to backfeed the North circuits while this work was done.
- The bore crew recently installed new primary wire along 210th Avenue/Ogden Street. This replaced some older open concentric wire.
- Crews are working on the Zebulon Street/190th Avenue area rebuild. The new underground is replacing overhead and removing some rear lot line access issues.
- Crews recently started installation of the service at the new Northbound Liquor site.
- Crews replaced older fault indicators and added some new ones in a few areas this past month. These indicators help line workers locate outages more quickly on our underground system. Battery life lasts approximately 15 years.
- Waco Bank 2 circuit switcher opened the evening of October 31. This caused an outage to three feeders. Crews were able to restore service using adjacent Waco Bank 1. A wiring issue was found, and Waco Bank 2 was returned to normal on Monday, November 2.
- A tree fell on the line along Dayton River Road on the evening of November 3. This caused an outage to customers east of Highway 101 for around an hour.
- Starting to plan winter overhead jobs and looking ahead to what's lining up for spring work. Some material is again seeing growing lead times.

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	**FROM:** Mike Tietz – Technical Services Superintendent
MEETING DATE: November 10, 2026	**AGENDA ITEM NUMBER:** 6.1g
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- In October, the locators processed 839 locate tickets. These consisted of 661 normal tickets, 4 emergency tickets, 121 updated tickets, 17 meetings, 7 boundary surveys, 8 planning tickets, 1 correction, and 20 cancellations. This was a 13.8% increase from last month and an 88.5% increase over October of last year.
- In October, the electrical technicians completed 57 service order tasks, updated the power bill, addressed customer meter issues and any off-peak concerns.
- The electrical technicians have continued to replace meters and test current transformers at all our commercial accounts. The Advanced Metering Infrastructure (AMI) project remains at an overall completion rate of 99%. The remaining meters are expected to be delivered by the end of November.
- The East substation transformer failed lightning impulse testing at the factory. There was damage that occurred to the static ring winding and possibly the secondary winding of the core. The factory is still working on determining the extent of the damage and will be working on repairing the unit. I expect that this will delay the delivery for 1-2 months.
- Jeff Murray, Alex Skoog and I attended the Xylem Reach Conference in Denver, CO this past week. This annual conference is a great opportunity to connect with peers and learn from each other on how they are using the Sensus AMI system. I attended numerous learning sessions covering subjects from meter theft to grid intelligence to the future with AMI 2.0.
- Our monthly peak was 50.91 MW on October 11, at 3:20pm.

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

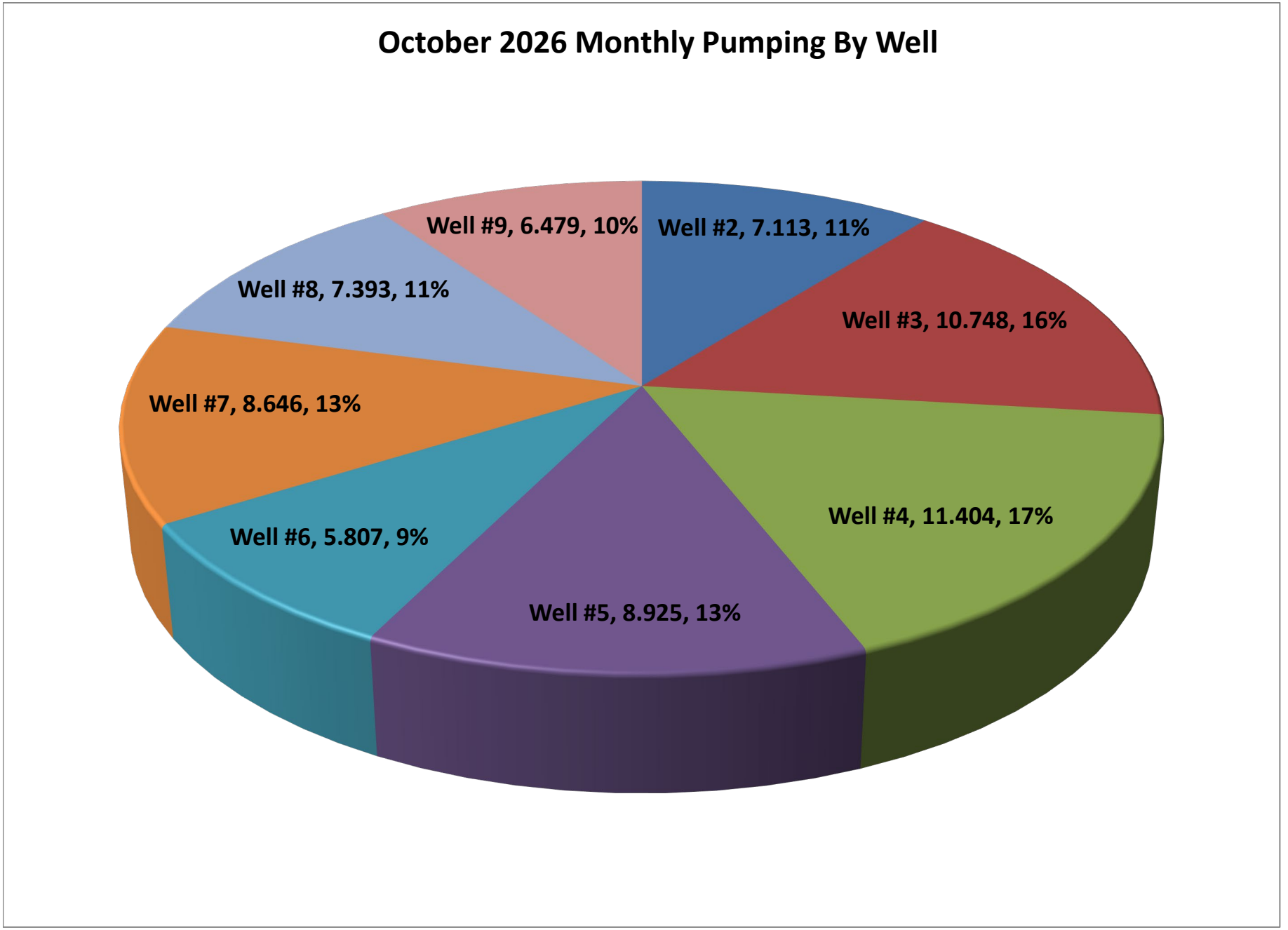
TO: ERMU Commission	**FROM:** Dave Ninow – Water Superintendent
MEETING DATE: November 10, 2026	**AGENDA ITEM NUMBER:** 6.1h
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- Delivered a water meter, installed a Smart Point module, and took curb stop ties for 19 new water services.
- Completed 20 BACTI/Total Chlorine Residual Samples
    - All confirmed negative for Coliform Bacteria.
    - Bacteriological/Disinfectant Residual Monthly Report submitted to the MDH
- Completed 22 routine fluoride samples
    - All samples met MDH standards
    - Submitted MDH Fluoride Report
- The water department completed the annual inspection of the Lake Orono Dam on October 7. The dam appears to be in satisfactory condition. The lake drawdown was reduced this year due to extremely low inflow to the lake. The lake level returned to pre-inspection levels by October 12.
- Water department staff continue to assist technical services staff with locating and marking water infrastructure for contractors installing fiber-optic lines throughout the city.
- Water department staff coordinated with crews working on Highway 10 improvements at the entrance to the Oakwater Ridge development to conduct a water main shutdown so a fire hydrant in the project's path could be relocated.
- Water department staff conducted testing and inspections of the new water main installed in Bradford Park 2B.
- Our contractor has begun updating our Supervisory Control and Data Acquisition system. This is a budgeted item.

ATTACHMENTS:

- October 2026 Pumping by Well



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

Elk River Municipal Utilities

2026 GOVERNANCE AGENDA

Tuesday, January 13: • Annual Review of Committee Charters	Tuesday, February 10: • Review Strategic Plan and 2025 Annual Business Plan Results
Tuesday, March 10: • Oath of Office • Election of Officers • Annual Commissioner Orientation and Review Governance Responsibilities and Role	Tuesday, April 14: • Audit of 2025 Financial Report • Financial Reserves Allocations • Review 2025 Performance Metrics
Tuesday, May 12: • Annual General Manager Performance Evaluation and Goal Setting	Tuesday, June 6: • Annual Commission Performance Evaluation
Tuesday, July 14:	Tuesday, August 11: • Annual Business Plan – Review Proposed 2027 Travel, Training, Dues, Subscriptions, and Fees Budget
Tuesday, September 8: • Annual Business Plan – Review Proposed 2027 Capital Projects Budget	Tuesday, October 13: • Annual Business Plan – Review Proposed 2027 Expenses Budget • Review and Update Strategic Plan
Wednesday, November 10: • Annual Business Plan - Review Proposed 2027 Rates and Other Revenue • Adopt 2027 Fee Schedule • 2027 Stakeholder Communication Plan	Tuesday, December 8: • Adopt 2027 Official Depository and Delegate Authority for Electronic Funds Transfers • Designate Official 2027 Newspaper • Approve 2027 Regular Meeting Schedule • Adopt 2027 Governance Agenda • Adopt 2027 Annual Business Plan