

AGENDA

1.0 GOVERNANCE

- 1.1 Call Meeting to Order
- 1.2 Pledge of Allegiance
- 1.3 Consider the Agenda
- 1.4 2026 ERMU Scholarship
- 1.5 Recognition of Employee Longevity – Russell Stuhr, 12 Years
- 1.6 New Employee Verbal Introduction – Alex Skoog

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

- 2.1 Check Register – April 2026
- 2.2 Regular Meeting Minutes – April 14, 2026
- 2.3 2026 First Quarter Utilities Performance Metrics Scorecard Statistics
- 2.4 2026 First Quarter Delinquent Items

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 Compensation

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

- 5.1 Financial Report – March 2026
- 5.2 Market-Based Electric Service Agreement for 19178 Industrial Boulevard NW
- 5.3 2026 Annual Business Plan Amendment

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 – June 9, 2026
 - b. 2026 Governance Agenda
- 6.4 Other Business (Items added during agenda approval.)

7.0 CLOSED SESSION (Requires a motion to close the meeting to the public and a motion to reopen after.)

- 7.1 Annual General Manager Performance Evaluation

Note: This meeting may be closed pursuant to Minn. Stat. § 13D.05, subd. 3(a) for the performance evaluation of Mark Hanson, ERMU General Manager.

8.0 ADJOURN REGULAR MEETING

TO: ERMU Commission	FROM: Tony Mauren – Governance & Communications Manager
MEETING DATE: May 12, 2026	AGENDA ITEM NUMBER: 1.4
SUBJECT: 2026 ERMU Scholarship	
ACTION REQUESTED: None	

BACKGROUND/DISCUSSION:

ERMU is excited to announce that Elk River High School seniors Breanna Allen and Owen Bassett have been selected as the recipients of the 2026 ERMU scholarships.

Breanna was brought up in the utility world, as her father is a substation technician at Connexus. She shares, “When I was little I was able to go to his work and see how electricity gets to members' homes. He also introduced me to the Electrical Engineers that worked in the same industry. I was very interested and this gave me excitement for the career. I am grateful that my dad gave me this opportunity to see the electrical industry.” Breanna will be pursuing an associate’s degree in electrical engineering at Anoka Ramsey Community College before transferring to Saint Cloud State University to earn her bachelor’s degree.

Owen has already had extensive experience that will prepare him for his future career as a lineworker, with classes in engineering, welding, manufacturing, small engines, and an internship. Owen feels his greatest strength is his work ethic, explaining that he learned from his family that “...real character is grown by working hard even when nobody is watching.”

ERMU wishes both students the best as they pursue their goals in these vital fields.

TO: ERMU Commission	FROM: Mark Hanson – General Manager
MEETING DATE: May 12, 2026	AGENDA ITEM NUMBER: 1.5
SUBJECT: Recognition of Employee Longevity – Russell Stuhr, 12 years	
ACTION REQUESTED: Recognize Russell Stuhr for 12 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:

Russell Stuhr has been an employee with ERMU since May 12, 2014, and, therefore, has earned the 12-year longevity pay benefit. We recognize Russell and all his contributions to the success of ERMU through his service.

CHECK REGISTER

April 2026

APPROVED BY:

John Dietz

Jill Larson-Vito

Mary Stewart

Matt Westgaard

Nick Zerwas

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Payroll/Labor

Check Register Totals

04/10/2026 To 04/10/2026

Pays	Job	Amount	Hours
Gross Pay			
2	Reg Hours	170,912.63	2,957.75
3	Overtime	1,409.81	16.09
4	Double Time	0.00	0.00
5	On-Call/Stand-by	3,335.96	56.00
24	FLSA	140.96	0.00
25	Rest Time	0.00	0.00
10	Bonus Pay	0.00	0.00
18	Commissioner Reimb - Electric	600.00	0.00
104	Commission Stipend	60.00	0.00
VAC	Vacation Pay	26,714.06	469.10
SICK	Sick Pay	2,786.56	51.15
HOL	Holiday Pay	0.00	0.00
78	Retro Earnings	0.00	0.00
5-2	On-Call/Stand-by/OT	663.39	6.50
18A	Commissioner Reimb. - Water	150.00	0.00
10-3	Bonus Pay Overtime	0.00	0.00
104A	Commission Stipend - Water	15.00	0.00
PTOY	Personal Day - Year	1,296.40	24.00
3C	Overtime-Comp Time	5,025.60	57.41
4C	Double Time-Comp Time	0.00	0.00
CM3C	Overtime-Comp Time Adjusted	-5,025.60	-57.41
CM4C	Double Time-Comp Time Adjusted	0.00	0.00
COMP	Comp Time Taken	0.00	0.00
106	Longevity Pay	0.00	0.00
MIL	Military Pay - Calendar Year	0.00	0.00
Gross Pay Total:		<u>208,084.77</u>	<u>3,580.59</u>
Total Pays:		208,084.77	3,580.59

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Payroll/Labor

Check Register Totals

04/17/2026 To 04/17/2026

Pays	Job	Amount	Hours
Gross Pay			
2 Reg Hours		0.00	0.00
3 Overtime		0.00	0.00
4 Double Time		0.00	0.00
5 On-Call/Stand-by		0.00	0.00
24 FLSA		0.00	0.00
25 Rest Time		0.00	0.00
10 Bonus Pay		0.00	0.00
105 Perf. Metr. Distr.		101,008.84	0.00
VAC Vacation Pay		0.00	0.00
SICK Sick Pay		0.00	0.00
HOL Holiday Pay		0.00	0.00
78 Retro Earnings		0.00	0.00
5-2 On-Call/Stand-by/OT		0.00	0.00
10-3 Bonus Pay Overtime		0.00	0.00
PTOY Personal Day - Year		0.00	0.00
3C Overtime-Comp Time		0.00	0.00
4C Double Time-Comp Time		0.00	0.00
CM3C Overtime-Comp Time Adjusted		0.00	0.00
CM4C Double Time-Comp Time Adjusted		0.00	0.00
COMP Comp Time Taken		0.00	0.00
106 Longevity Pay		0.00	0.00
MIL Military Pay - Calendar Year		0.00	0.00
Gross Pay Total:		<u>101,008.84</u>	<u>0.00</u>
Total Pays:		<u>101,008.84</u>	<u>0.00</u>

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Payroll/Labor

Check Register Totals

04/24/2026 To 04/24/2026

<u>Pays</u>	<u>Job</u>	<u>Amount</u>	<u>Hours</u>
Gross Pay			
2	Reg Hours	194,203.36	3,382.00
3	Overtime	1,791.23	19.50
4	Double Time	272.16	2.00
5	On-Call/Stand-by	3,277.40	56.00
24	FLSA	373.71	0.00
25	Rest Time	327.73	5.00
10	Bonus Pay	0.00	0.00
105	Perf. Metr. Distr.	0.00	0.00
VAC	Vacation Pay	10,738.78	183.25
SICK	Sick Pay	1,957.54	37.25
HOL	Holiday Pay	0.00	0.00
78	Retro Earnings	0.00	0.00
5-2	On-Call/Stand-by/OT	1,940.84	19.75
10-3	Bonus Pay Overtime	0.00	0.00
PTOY	Personal Day - Year	440.72	8.00
3C	Overtime-Comp Time	635.03	6.75
4C	Double Time-Comp Time	252.20	2.00
CM3C	Overtime-Comp Time Adjusted	-635.03	-6.75
CM4C	Double Time-Comp Time Adjusted	-252.20	-2.00
COMP	Comp Time Taken	892.23	17.00
106	Longevity Pay	0.00	0.00
MIL	Military Pay - Calendar Year	0.00	0.00
Gross Pay Total:		<u>216,215.70</u>	<u>3,729.75</u>
Total Pays:		216,215.70	3,729.75

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Accounts Payable Check Register

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04/01/2026 To 04/30/2026

Bank Account: 1 - GENERAL FUND

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
2390 4/6/26	WIRE	5655	FISERV	CC FEES - MARCH 2026	2,288.04
				CC FEES - MARCH 2026	572.01
				CC FEES - MARCH 2026	2,182.82
				CC FEES - MARCH 2026	545.71
				CC FEES - MARCH 2026	560.96
				CC FEES - MARCH 2026	140.24
				CC FEES - MARCH 2026	2,283.94
				CC FEES - MARCH 2026	570.98
				CC FEES - MARCH 2026	102.75
				CC FEES - MARCH 2026	25.69
				CC FEES - MARCH 2026	757.66
				CC FEES - MARCH 2026	189.41
Total for Check/Tran - 2390:					10,220.21
Total for Bank Account - 1 :					(1) 10,220.21

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
5182 4/1/26	WIRE	1008	AMERICAN EXPRESS	APPA NAT'L CONF AIRFARE - 186 6.26	886.81
				APPA NAT'L CONF AIRFARE - 151 6.26	986.81
Total for Check/Tran - 5182:					1,873.62
5183 4/2/26	WIRE	154	MINNESOTA REVENUE (ELECTRONIC)	PAYROLL TAXES - STATE	7,711.37
				PAYROLL TAXES - STATE	1,691.38
Total for Check/Tran - 5183:					9,402.75
5184 4/2/26	WIRE	738	HEALTHEQUITY, INC	FSA CLAIM REIMBURSEMENTS - 164	222.22
				FSA CLAIM REIMBURSEMENTS - 164	55.55
Total for Check/Tran - 5184:					277.77
5186 4/3/26	WIRE	28	CINTAS	ICE MELT	154.81
				ICE MELT	22.11
				MATS & TOWELS	529.75
				MATS & TOWELS	75.67
				MATS & TOWELS	529.75
				MATS & TOWELS	75.67
Total for Check/Tran - 5186:					1,387.76
5188 4/8/26	WIRE	738	HEALTHEQUITY, INC	ADMINISTRATIVE FEE INVOICE - APRIL 2026	125.70
				ADMINISTRATIVE FEE INVOICE - APRIL 2026	25.30
Total for Check/Tran - 5188:					151.00
5189 4/9/26	WIRE	166	ONLINE UTILITY EXCHANGE (ELECTR	UTILITY EXCHANGE REPORT	300.48
				UTILITY EXCHANGE REPORT	75.12
Total for Check/Tran - 5189:					375.60
5191 4/9/26	WIRE	8708	MEDICA	MEDICAL EE INSURANCE - APRIL 2026	11,203.80
				MEDICAL ER INSURANCE - APRIL 2026	59,929.91
				MEDICAL COBRA INSURANCE - APRIL 2026	1,374.88
				MEDICAL EE INSURANCE - APRIL 2026	2,712.20
				MEDICAL ER INSURANCE - APRIL 2026	15,616.28
Total for Check/Tran - 5191:					90,837.07

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
5192 4/13/26	WIRE	549	CHARTER COMMUNICATIONS	OFFICE TELEPHONE & CABLE	217.21
				OFFICE TELEPHONE & CABLE	54.30
Total for Check/Tran - 5192:					271.51
5193 4/14/26	WIRE	153	PERA (ELECTRONIC)	PERA EMPLOYEE CONTRIBUTION	10,982.70
				PERA CONTRIBUTIONS	12,672.35
				PERA EMPLOYEE CONTRIBUTION	2,489.17
				PERA CONTRIBUTIONS	2,872.12
Total for Check/Tran - 5193:					29,016.34
5194 4/14/26	WIRE	154	MINNESOTA REVENUE (ELECTRONIC)	PAYROLL TAXES - STATE	7,751.25
				PAYROLL TAXES - STATE	1,756.78
Total for Check/Tran - 5194:					9,508.03
5195 4/14/26	WIRE	160	VOYA INSTITUTIONAL TRUST COMPANHCSP	HCSP EMPLOYEE CONTRIBUTIONS	2,525.97
				HCSP EMPLOYEE CONTRIBUTIONS	467.11
Total for Check/Tran - 5195:					2,993.08
5196 4/14/26	WIRE	161	VOYA INSTITUTIONAL TRUST COMPANMND	MND CP EE MANAGER CONTRIBUTIONS	368.37
				MND CP EMPLOYEE CONTRIBUTIONS	3,945.60
				MND CP EMPLOYER CONTRIBUTION	2,846.30
				MND CP EMPLOYER MGR CONTRIBUTION	619.54
				MND CP EE ROTH CONTRIBUTIONS	1,824.50
				MND CP EE ROTH MGR CONTRIBUTIONS	251.17
				MND CP EE MANAGER CONTRIBUTIONS	51.74
				MND CP EMPLOYEE CONTRIBUTIONS	351.67
				MND CP EMPLOYER CONTRIBUTION	603.91
				MND CP EMPLOYER MGR CONTRIBUTION	85.52
				MND CP EE ROTH CONTRIBUTIONS	393.44
				MND CP EE ROTH MGR CONTRIBUTIONS	33.78
Total for Check/Tran - 5196:					11,375.54
5197 4/14/26	WIRE	285	JOHN HANCOCK	W&A EMPLOYER CONTRIBUTION	1,334.36
				W&A MANAGER CONTRIBUTION	436.88

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				WENZEL EMPLOYEE CONTRIBUTIONS	1,588.46
				WENZEL MANAGER CONTRIBUTIONS	136.43
				DEF COMP ROTH CONTRIBUTIONS W&A	900.00
				WENZEL EE ROTH MGR CONTRIBUTIONS	300.45
				W&A EMPLOYER CONTRIBUTION	456.35
				W&A MANAGER CONTRIBUTION	67.50
				WENZEL EMPLOYEE CONTRIBUTIONS	140.56
				WENZEL MANAGER CONTRIBUTIONS	34.11
				DEF COMP ROTH CONTRIBUTIONS W&A	347.78
				WENZEL EE ROTH MGR CONTRIBUTIONS	33.39
Total for Check/Tran - 5197:					5,776.27
5198 4/14/26	WIRE	598	MINNESOTA CHILD SUPPORT PAYMEN	CHILD SUPPORT	304.10
5199 4/14/26	WIRE	738	HEALTH EQUITY, INC	HSA EMPLOYEE CONTRIBUTION	2,834.43
				HSA EMPLOYEE CONTRIBUTION	585.34
Total for Check/Tran - 5199:					3,419.77
5200 4/14/26	WIRE	152	IRS - USA TAX PMT (ELECTRONIC)	2025 FICA CORRECTION - GTL 19 159 162	-29.40
				2025 FICA CORRECTION - GTL 19 159 162	-58.44
				PAYROLL TAXES - FEDERAL & FICA	17,436.93
				PAYROLL TAXES - FEDERAL & FICA	24,281.90
				PAYROLL TAXES - FEDERAL & FICA	3,821.38
				PAYROLL TAXES - FEDERAL & FICA	5,558.28
Total for Check/Tran - 5200:					51,010.65
5203 4/16/26	WIRE	738	HEALTH EQUITY, INC	FSA CLAIM REIMBURSEMENTS - 164	222.22
				FSA CLAIM REIMBURSEMENTS - 164	55.55
Total for Check/Tran - 5203:					277.77
5205 4/21/26	WIRE	153	PERA (ELECTRONIC)	PERA EMPLOYEE CONTRIBUTION	147.29
				PERA CONTRIBUTIONS	169.95
				PERA EMPLOYEE CONTRIBUTION	5,273.51
				PERA CONTRIBUTIONS	6,084.84

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				PERA EMPLOYEE CONTRIBUTION	1,144.80
				PERA CONTRIBUTIONS	1,320.93
				Total for Check/Tran - 5205:	14,141.32
5206 4/21/26	WIRE	152	IRS - USA TAX PMT (ELECTRONIC)	PAYROLL TAXES - FEDERAL & FICA	16,688.50
				PAYROLL TAXES - FEDERAL & FICA	12,412.98
				PAYROLL TAXES - FEDERAL & FICA	3,622.91
				PAYROLL TAXES - FEDERAL & FICA	2,694.72
				PAYROLL TAXES - FEDERAL & FICA	346.68
				Total for Check/Tran - 5206:	35,765.79
5208 4/21/26	WIRE	174	MINNESOTA REVENUE SALES TX (ELE	SALES AND USE TAX - MARCH 2026	212,327.12
				SALES AND USE TAX - MARCH 2026	-4.18
				SALES AND USE TAX - MARCH 2026	3,200.06
				Total for Check/Tran - 5208:	215,523.00
5209 4/23/26	WIRE	154	MINNESOTA REVENUE (ELECTRONIC)	PAYROLL TAXES - STATE	132.42
				PAYROLL TAXES - STATE	4,741.07
				PAYROLL TAXES - STATE	1,029.23
				Total for Check/Tran - 5209:	5,902.72
5211 4/24/26	WIRE	153	PERA (ELECTRONIC)	PERA EMPLOYEE CONTRIBUTION	11,559.04
				PERA CONTRIBUTIONS	13,337.38
				PERA EMPLOYEE CONTRIBUTION	2,494.97
				PERA CONTRIBUTIONS	2,878.80
				Total for Check/Tran - 5211:	30,270.19
5212 4/24/26	WIRE	160	VOYA INSTITUTIONAL TRUST COMPANHCSP	HCSP EMPLOYEE CONTRIBUTIONS	2,588.81
				HCSP EMPLOYEE CONTRIBUTIONS	498.61
				Total for Check/Tran - 5212:	3,087.42
5213 4/24/26	WIRE	161	VOYA INSTITUTIONAL TRUST COMPANMND	MND CP EE MANAGER CONTRIBUTIONS	368.37
				MND CP EMPLOYEE CONTRIBUTIONS	4,025.10
				MND CP EMPLOYER CONTRIBUTION	2,850.60
				MND CP EMPLOYER MGR CONTRIBUTION	619.54

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				MNDP EE ROTH CONTRIBUTIONS	1,824.49
				MNDP EE ROTH MGR CONTRIBUTIONS	251.17
				MNDP EE MANAGER CONTRIBUTIONS	51.74
				MNDP EMPLOYEE CONTRIBUTIONS	372.17
				MNDP EMPLOYER CONTRIBUTION	624.61
				MNDP EMPLOYER MGR CONTRIBUTION	85.52
				MNDP EE ROTH CONTRIBUTIONS	393.45
				MNDP EE ROTH MGR CONTRIBUTIONS	33.78
				Total for Check/Tran - 5213:	11,500.54
5214 4/24/26	WIRE	738	HEALTHEQUITY, INC	HSA EMPLOYEE CONTRIBUTION	2,866.22
				HSA EMPLOYEE CONTRIBUTION	593.55
				Total for Check/Tran - 5214:	3,459.77
5215 4/14/26	WIRE	9654	CARDMEMBER SERVICE	FIRST NATIONAL BANK VISA	12,847.06
				FIRST NATIONAL BANK VISA	11,561.88
				Total for Check/Tran - 5215:	24,408.94
5216 4/27/26	WIRE	598	MINNESOTA CHILD SUPPORT PAYMEN	CHILD SUPPORT	304.10
5217 4/27/26	WIRE	285	JOHN HANCOCK	W&A EMPLOYER CONTRIBUTION	940.22
				W&A MANAGER CONTRIBUTION	436.88
				WENZEL EMPLOYEE CONTRIBUTIONS	1,588.45
				WENZEL MANAGER CONTRIBUTIONS	136.43
				DEF COMP ROTH CONTRIBUTIONS W&A	900.00
				WENZEL EE ROTH MGR CONTRIBUTIONS	300.45
				W&A EMPLOYER CONTRIBUTION	421.56
				W&A MANAGER CONTRIBUTION	67.50
				WENZEL EMPLOYEE CONTRIBUTIONS	140.57
				WENZEL MANAGER CONTRIBUTIONS	34.11
				DEF COMP ROTH CONTRIBUTIONS W&A	347.78
				WENZEL EE ROTH MGR CONTRIBUTIONS	33.39
				Total for Check/Tran - 5217:	5,347.34

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Accounts Payable Check Register

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04/01/2026 To 04/30/2026

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
5218 4/28/26	WIRE	152	IRS - USA TAX PMT (ELECTRONIC)	PAYROLL TAXES - FEDERAL & FICA	18,668.02
				PAYROLL TAXES - FEDERAL & FICA	25,510.18
				PAYROLL TAXES - FEDERAL & FICA	3,788.42
				PAYROLL TAXES - FEDERAL & FICA	5,536.40
Total for Check/Tran - 5218:					53,503.02
5220 4/30/26	WIRE	154	MINNESOTA REVENUE (ELECTRONIC)	PAYROLL TAXES - STATE	8,198.70
				PAYROLL TAXES - STATE	1,742.73
Total for Check/Tran - 5220:					9,941.43
5221 4/30/26	WIRE	738	HEALTHERQUITY, INC	FSA CLAIM REIMBURSEMENTS - 164	222.22
				FSA CLAIM REIMBURSEMENTS - 164	55.55
Total for Check/Tran - 5221:					277.77
23462 4/2/26	DD	9	BORDER STATES ELECTRIC SUPPLY	Overhead Material	-16.84
				Mtce of URD Primary	16.84
Total for Check/Tran - 23462:					0.00
23463 4/2/26	DD	11	CITY OF ELK RIVER	PARTS & LABOR FOR UNIT #36	-1.24
				PARTS & LABOR FOR UNIT #36	78.74
				PARTS & LABOR FOR UNIT #36	-0.06
				PARTS & LABOR FOR UNIT #36	4.14
				DOT INSPECTION - UNIT #31	130.00
				PARTS & LABOR FOR UNIT #29	-16.24
				PARTS & LABOR FOR UNIT #29	547.43
				PARTS & LABOR FOR UNIT #20	-1.43
				PARTS & LABOR FOR UNIT #20	84.62
				PARTS & LABOR FOR UNIT #22	81.25
				PARTS & LABOR FOR UNIT #19	-17.62
				PARTS & LABOR FOR UNIT #19	533.84
				DOT INSPECTION - UNIT #4	227.50
				DOT INSPECTION - UNIT #39	227.50
				DOT INSPECTION - UNIT #10	195.00

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Accounts Payable Check Register

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				DOT INSPECTION - UNIT #11	195.00
				PARTS & LABOR FOR UNIT #11	-11.07
				PARTS & LABOR FOR UNIT #11	249.25
				DOT INSPECTION - UNIT #75	130.00
				PARTS & LABOR FOR UNIT #8	-0.79
				PARTS & LABOR FOR UNIT #8	433.29
				DOT INSPECTION - UNIT #50	195.00
				PARTS & LABOR FOR UNIT #50	-19.91
				PARTS & LABOR FOR UNIT #50	500.33
				PARTS & LABOR FOR UNIT #31	-77.65
				PARTS & LABOR FOR UNIT #31	1,323.73
				PARTS & LABOR FOR UNIT #31	-119.60
				PARTS & LABOR FOR UNIT #31	2,028.50
				FUEL USAGE - FEB 2026	1,254.89
				FUEL USAGE - FEB 2026	753.02
				ASSESSMENTS	365.00
				ASSESSMENTS	305.00
				Total for Check/Tran - 23463:	9,577.42
23464 4/2/26	DD	778	DSC COMMUNICATIONS	RADIO REPAIR	405.66
				RADIO REPAIR	57.95
				Total for Check/Tran - 23464:	463.61
23465 4/2/26	DD	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 2 - INV GRP 436 - FEB 2026	2,738.05
				CYCLE 2 - ACCT 41038 - FEB 2026	117.17
				CYCLE 2 - ACCT 41038 - FEB 2026	6.17
				Total for Check/Tran - 23465:	2,861.39
23466 4/2/26	DD	6836	INNOVATIVE OFFICE SOLUTIONS LLC	OFFICE SUPPLIES	285.59
				OFFICE SUPPLIES	64.11
				Total for Check/Tran - 23466:	349.70
23467 4/2/26	DD	8083	JT SERVICES OF MINNESOTA	SWITCHGEAR	-180.59

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				BULBS	180.59
				Total for Check/Tran - 23467:	0.00
23468 4/2/26	DD	573	NCPERS MINNESOTA	EXTRA LIFE INSURANCE - APRIL 2026	268.80
				EXTRA LIFE INSURANCE - APRIL 2026	67.20
				Total for Check/Tran - 23468:	336.00
23469 4/2/26	DD	130	RESCO	Connector	739.99
				Discount	-0.36
				Total for Check/Tran - 23469:	739.63
23519 4/9/26	DD	725	A1 RENT IT	CHAINSAW PARTS	50.80
23520 4/9/26	DD	665	MICHAEL ATWOOD	Mileage-Schools and Meetings	63.80
23521 4/9/26	DD	11	CITY OF ELK RIVER	TRASH BILLED - MARCH 2026	174,441.17
23522 4/9/26	DD	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 3 - INV GRP 395 - FEB 2026	8,966.25
23523 4/9/26	DD	664	FRONTIER ENERGY, INC	PROFESSIONAL SERVICES - FEB 2028	15,890.97
23524 4/9/26	DD	4984	ANGELA HAUGE	Mileage	169.07
				Schools and Meetings	29.89
				Mileage	42.27
				Schools and Meetings	2.84
				Total for Check/Tran - 23524:	244.07
23525 4/9/26	DD	809	HAWKINS, INC.	CHLORINE CYLINDER RENTAL	240.00
				Water Chemicals	377.47
				Total for Check/Tran - 23525:	617.47
23526 4/9/26	DD	6836	INNOVATIVE OFFICE SOLUTIONS LLC	OFFICE SUPPLIES	8.26
				OFFICE SUPPLIES	2.06
				Total for Check/Tran - 23526:	10.32
23527 4/9/26	DD	8083	JT SERVICES OF MINNESOTA	SWITCHGEAR	-4,146.53
				BRONZE POLE	4,146.53

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Total for Check/Tran - 23527:					0.00
23528 4/9/26	DD	417	LOCATORS & SUPPLIES INC.	White Flags	591.55
23529 4/9/26	DD	828	MARILU INC	MONTHLY CLEANING FOR THE PLANT-MAR 2026	2,982.74
				MONTHLY CLEANING FOR THE PLANT-MAR 2026	426.11
Total for Check/Tran - 23529:					3,408.85
23530 4/9/26	DD	330	METRO SALES, INC	COPIER MTC CONTRACT - 2/21 to 3/20/26	162.37
				COPIER MTC CONTRACT - 2/21 to 3/20/26	40.59
Total for Check/Tran - 23530:					202.96
23531 4/9/26	DD	1001	MINNESOTA MUNICIPAL POWER AGEN	PURCHASED POWER - MARCH 2026	1,673,548.25
				PURCHASED POWER - MARCH 2026	331,098.62
Total for Check/Tran - 23531:					2,004,646.87
23532 4/9/26	DD	5006	KATY OLSON	Mileage	29.00
23533 4/9/26	DD	5056	PLAISTED COMPANIES, INC.	GRANITE	515.96
				GRANITE	73.71
Total for Check/Tran - 23533:					589.67
23534 4/9/26	DD	130	RESCO	GANG SWITCH	7,050.25
				Discount	-3.53
Total for Check/Tran - 23534:					7,046.72
23535 4/9/26	DD	423	MARY STEWART	MMPA MTG MEAL & MILEAGE - 151	104.99
23536 4/9/26	DD	9276	RUSSELL STUHR	Mileage	28.56
23537 4/9/26	DD	5536	VESSCO, INC	Break Box	376.80
23538 4/9/26	DD	610	WRIGHT HENNEPIN COOPERATIVE ELE	SECURITY - 1435 & 1705 MAIN ST	54.55
				SECURITY - 1435 & 1705 MAIN ST	7.79
Total for Check/Tran - 23538:					62.34
23584 4/16/26	DD	1327	AUTOMATIC SYSTEMS CO	PROGRAMMING - WELL #5 7 8 9	952.50

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23585 4/16/26	DD	9	BORDER STATES ELECTRIC SUPPLY	Overhead Material	-5,231.26
				Mtce of OH Primary	89.00
				Mtce of Street Lighting	709.18
				Overhead Material	23,137.78
				ELBOW ARRESTER	2,619.25
				Mtce of URD Primary	707.25
				Mtce of URD Primary	16.84
				SWITCHGEAR	68,074.60
				SPARROW WIRE	661.50
				Mtce of URD Primary	-16.84
Total for Check/Tran - 23585:					90,767.30
23586 4/16/26	DD	36	CROW RIVER FARM EQUIP CO	PARTS FOR MEZ GATE	37.38
				PARTS FOR MEZ GATE	5.34
				PARTS FOR MEZ GATE	13.76
				PARTS FOR MEZ GATE	1.96
Total for Check/Tran - 23586:					58.44
23587 4/16/26	DD	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 4 - INV GRP 396 - MARCH 2026	306.33
				CYCLE 4 - ACCT 51086 - MARCH 2026	62.59
Total for Check/Tran - 23587:					368.92
23588 4/16/26	DD	671	FASTENAL COMPANY	MISC PARTS & SUPPLIES - UNIT #56	41.94
23589 4/16/26	DD	809	HAWKINS, INC.	Water Chemicals	769.55
23590 4/16/26	DD	417	LOCATORS & SUPPLIES INC.	SAFETY GLASSES	226.23
				SAFETY GLASSES	56.55
Total for Check/Tran - 23590:					282.78
23591 4/16/26	DD	39	MMUA	UNDERGROUND SCHOOL - 167 195 5.26	1,170.00
23592 4/16/26	DD	712	NEGSTAD CONSULTING, LLC	QUARTERLY COACHING - 181	220.00
				QUARTERLY COACHING - 181	55.00
Total for Check/Tran - 23592:					275.00

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23593 4/16/26	DD	43	NORTHERN TOOL	COUPLER	27.18
23594 4/16/26	DD	5056	PLAISTED COMPANIES, INC.	ROCK FOR FSB PATIO ROCK FOR FSB PATIO	513.43 73.34
Total for Check/Tran - 23594:					586.77
23595 4/16/26	DD	5131	DANIEL R PLUDE	EMPLOYEE RECOGNITION - 196 EMPLOYEE RECOGNITION - 196	67.33 16.83
Total for Check/Tran - 23595:					84.16
23596 4/16/26	DD	8897	RALPHIE'S MINNOCO	RALPHIE'S MINNOCO	90.18
23597 4/16/26	DD	130	RESCO	Spring Washers Discount	88.00 -0.04
Total for Check/Tran - 23597:					87.96
23598 4/16/26	DD	9276	RUSSELL STUHR	RATCHET - UNIT #9 RATCHET - UNIT #9	49.87 1.63
Total for Check/Tran - 23598:					51.50
23599 4/16/26	DD	488	SUMMIT FIRE PROTECTION CO	ANNUAL FIRE EXTINGUISHER INSPECTION ANNUAL FIRE EXTINGUISHER INSPECTION	2,064.95 516.24
Total for Check/Tran - 23599:					2,581.19
23600 4/16/26	DD	135	WATER LABORATORIES INC	WATER SAMPLING - MARCH 2026	396.00
23647 4/23/26	DD	11	CITY OF ELK RIVER	REVENUE TRANSFER - MARCH 2026 REVENUE TRANSFER - MARCH 2026 2026 QTR 1 FRANCHISE FEE 2026 QTR 1 FRANCHISE FEE-WRITE OFF SEWER BILLED - MARCH 2026 STORMWATER BILLED - MARCH 2026	134,899.57 3,095.88 249,102.40 -211.00 251,259.11 58,919.82
Total for Check/Tran - 23647:					697,065.78
23648 4/23/26	DD	7448	CRC	CUSTOMER SERVICE AFTER HOURS CUSTOMER SERVICE AFTER HOURS	2,671.02 667.75

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Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
Total for Check/Tran - 23648:					3,338.77
23649 4/23/26	DD	493	ELK RIVER GAS, INC	FUEL	37.63
23650 4/23/26	DD	91	GOPHER STATE ONE-CALL	LOCATES FOR - MARCH 2026	306.52
				LOCATES FOR - MARCH 2026	16.13
Total for Check/Tran - 23650:					322.65
23651 4/23/26	DD	39	MMUA	2026 Q2 JTS & SAFETY TRAINING	2,565.00
				2026 Q2 SAFETY TRAINING	10,516.00
				2026 Q2 SAFETY TRAINING	2,629.00
Total for Check/Tran - 23651:					15,710.00
23652 4/23/26	DD	9300	NISC	PRINT SERVICES INVOICE - MARCH 2026	6,551.49
				PRINT SERVICES INVOICE - MARCH 2026	1,637.87
				AGREEMENTS INVOICE - MARCH 2026	53.94
				AGREEMENTS INVOICE - MARCH 2026	792.40
				AGREEMENTS INVOICE - MARCH 2026	11,787.03
				AGREEMENTS INVOICE - MARCH 2026	260.00
				AGREEMENTS INVOICE - MARCH 2026	339.60
				AGREEMENTS INVOICE - MARCH 2026	2,658.22
				AGREEMENTS INVOICE - MARCH 2026	65.00
				MISC INVOICE & REMIT SOFTWARE-MARCH 2026	747.71
				Server	3,793.48
				MISC INVOICE & REMIT SOFTWARE-MARCH 2026	186.93
				Server	948.37
Total for Check/Tran - 23652:					29,822.04
23653 4/23/26	DD	130	RESCO	FIBERGLASS ARM	6,195.00
				Discount	-3.10
Total for Check/Tran - 23653:					6,191.90
23654 4/30/26	DD	6	BEAUDRY OIL COMPANY	DIESEL	4,390.27
				UNLEADED FUEL	2,168.40

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Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
Total for Check/Tran - 23654:					6,558.67
23655 4/30/26	DD	663	CDW GOVERNMENT	Equipment	2,893.17
				Equipment	363.65
				Equipment	723.30
				Equipment	90.91
Total for Check/Tran - 23655:					4,071.03
23656 4/30/26	DD	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 1 - INV GRP 421 - MARCH 2026	5,211.41
				CYCLE 1 - ACCT 183 - MARCH 2026	1,532.23
				CYCLE 1 - INV GRP 101 - MARCH 2026	3,853.27
				CYCLE 1 - INV GRP 101 - MARCH 2026	22.37
				CYCLE 1 - INV GRP 101 - MARCH 2026	723.34
				CYCLE 1 - INV GRP 101 - MARCH 2026	616.68
				CYCLE 1 - INV GRP 101 - MARCH 2026	180.83
				MEADOWVALE BOOSTER - TRANSFORMER INSTALL	27,588.79
Total for Check/Tran - 23656:					39,728.92
23657 4/30/26	DD	671	FASTENAL COMPANY	MISC PARTS & SUPPLIES	47.57
				BOLTS	84.10
				BOLTS	123.23
Total for Check/Tran - 23657:					254.90
23658 4/30/26	DD	6836	INNOVATIVE OFFICE SOLUTIONS LLC	OFFICE SUPPLIES	29.18
				OFFICE SUPPLIES	7.29
				OFFICE SUPPLIES	102.25
				OFFICE SUPPLIES	25.56
				OFFICE SUPPLIES	12.57
				OFFICE SUPPLIES	3.14
Total for Check/Tran - 23658:					179.99
23659 4/30/26	DD	39	MMUA	RISK MGMT WEBINAR - 172	212.00
				RISK MGMT WEBINAR - 172	53.00
Total for Check/Tran - 23659:					265.00

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23660 4/30/26	DD	573	NCPERS MINNESOTA	EXTRA LIFE INSURANCE - MAY 2026	297.60
				EXTRA LIFE INSURANCE - MAY 2026	38.40
Total for Check/Tran - 23660:					336.00
23661 4/30/26	DD	130	RESCO	ARRESTER	1,668.25
				Discount	-0.83
Total for Check/Tran - 23661:					1,667.42
23662 4/30/26	DD	716	MOTION AUTOMATION INTELLIGENCE	Equipment	5,065.13
				Equipment	145.87
				Equipment	1,266.27
				Equipment	36.46
				Equipment	1,151.67
				Equipment	287.92
Total for Check/Tran - 23662:					7,953.32
90671 4/2/26	CHK	766	ACE HARDWARE	PARTS FOR MEZ GATE	20.60
				PARTS FOR MEZ GATE	2.94
				MISC PARTS & SUPPLIES	35.66
				MISC PARTS & SUPPLIES	5.09
				MISC PARTS & SUPPLIES - MEZ GATE	22.53
				MISC PARTS & SUPPLIES - MEZ GATE	3.22
				BOLTS & SCREWS	21.66
Total for Check/Tran - 90671:					111.70
90672 4/2/26	CHK	568	ALLINA HEALTH SYSTEM	AED BATTERY PAK	2,015.00
90673 4/2/26	CHK	4531	AT & T MOBILITY	CELL PHONES & iPad BILLING	41.07
				CELL PHONES & iPad BILLING	3,156.68
				CELL PHONES & iPad BILLING	17.60
				CELL PHONES & iPad BILLING	854.53
Total for Check/Tran - 90673:					4,069.88
90674 4/2/26	CHK	376	BLAINE LOCK & SAFE, INC.	Door Replacement	4,662.89

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Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				Door Replacement	5,994.47
				Total for Check/Tran - 90674:	10,657.36
90675 4/2/26	CHK	28	CINTAS	MATS & TOWELS	529.75
				MATS & TOWELS	75.67
				MATS & TOWELS	529.75
				MATS & TOWELS	75.67
				Total for Check/Tran - 90675:	1,210.84
90676 4/2/26	CHK	9997	SARAH DEHNE	INACTIVE REFUND	70.78
90677 4/2/26	CHK	9997	KARI DEMARCO	INACTIVE REFUND	161.96
90678 4/2/26	CHK	9997	NEYYA DHAMMA	INACTIVE REFUND	31.57
90679 4/2/26	CHK	9997	ELK HOLDINGS LLC	INACTIVE REFUND	60.19
90680 4/2/26	CHK	9192	ELK RIVER CUB FOODS	SAFETY TRAINING SNACKS	37.54
				SAFETY TRAINING SNACKS	9.38
				Total for Check/Tran - 90680:	46.92
90681 4/2/26	CHK	9997	ETTA HOBBICK	Credit Balance Refund	108.93
90682 4/2/26	CHK	832	ILLINOIS TOLLWAY	FERN NC MUTUAL AID TOLLS	33.65
				FERN NC MUTUAL AID TOLLS	68.15
				Total for Check/Tran - 90682:	101.80
90683 4/2/26	CHK	9997	LEWIS CUSTOM HOMES, INC	Credit Balance Refund	227.74
90684 4/2/26	CHK	9997	LEWIS CUSTOM HOMES, INC	Credit Balance Refund	134.84
90685 4/2/26	CHK	9997	MAIN ST PROPERTIES OF ER	INACTIVE REFUND	238.07
90686 4/2/26	CHK	8605	MARCO TECHNOLOGIES, LLC	OFFICE 365 - 2/24 to 3/23/26	1,313.88
				OFFICE 365 - 2/24 to 3/23/26	305.28
				Total for Check/Tran - 90686:	1,619.16
90687 4/2/26	CHK	9997	DANIEL MATTSSEN	INACTIVE REFUND	50.55

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90688 4/2/26	CHK	145	MENARDS	HOSE FOR MOP SINK	13.20
				HOSE FOR MOP SINK	1.89
				MISC PARTS & SUPPLIES - MEZ GATE	49.45
				MISC PARTS & SUPPLIES - MEZ GATE	7.07
				MISC PARTS & SUPPLIES	8.94
				MISC PARTS & SUPPLIES	38.80
				MISC PARTS & SUPPLIES	23.56
Total for Check/Tran - 90688:					142.91
90689 4/2/26	CHK	9997	AUSTIN MERRITT	INACTIVE REFUND	298.28
90690 4/2/26	CHK	14	MOBOTREX, LLC	TRAFFIC LIGHT LED	1,859.77
				TRAFFIC LIGHT LED	-135.77
Total for Check/Tran - 90690:					1,724.00
90691 4/2/26	CHK	633	MUTUAL OF OMAHA	PFML - 2026 QTR 1	9,637.92
				PFML - 2026 QTR 1	2,143.39
Total for Check/Tran - 90691:					11,781.31
90692 4/2/26	CHK	120	NAPA AUTO PARTS	PARTS FOR UNIT #5	43.66
				PARTS FOR UNIT #57	10.12
				PARTS FOR UNIT #57	2.52
				FUSES	5.04
				PARTS FOR UNIT #57	54.35
				PARTS FOR UNIT #57	13.58
Total for Check/Tran - 90692:					129.27
90693 4/2/26	CHK	3218	RDO EQUIPMENT CO.	PARTS FOR UNIT #57	-39.84
				PARTS FOR UNIT #57	507.14
				PARTS FOR UNIT #57	-9.96
				PARTS FOR UNIT #57	126.79
Total for Check/Tran - 90693:					584.13
90694 4/2/26	CHK	6107	STUART C. IRBY CO.	PEDESTAL	26,291.83

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90695 4/2/26	CHK	375	VIKING ELECTRIC	OXIDE INHIBITOR	-93.39
				OXIDE INHIBITOR	1,279.23
Total for Check/Tran - 90695:					1,185.84
90696 4/2/26	CHK	55	WESCO RECEIVABLES CORP.	COLD SHRINK KIT	6,200.00
				SPLICE COVER	2,066.40
				COLD SHRINK TERMINATOR	923.58
				COLD SHRINK TERMINATOR	1,036.56
				Test Switch	299.88
Total for Check/Tran - 90696:					10,526.42
90697 4/2/26	CHK	9997	MEGAN ZEECE	INACTIVE REFUND	43.88
90698 4/9/26	CHK	2512	AMARIL UNIFORM COMPANY	Employee Clothing - 142	622.53
				Employee Clothing - 174	695.70
				Employee Clothing - 178	288.03
				Employee Clothing - 136	541.50
				Employee Clothing - 106	202.58
				Employee Clothing - 106	10.65
				Employee Clothing - 32	370.00
				Employee Clothing - 128	395.00
				Employee Clothing - 9	416.53
				Employee Clothing - 149	261.64
				Employee Clothing - 149	13.76
				Employee Clothing - 182	1,337.70
				Employee Clothing - 167	1,200.50
				Employee Clothing - 165	1,062.70
				Employee Clothing - 190	1,595.95
Total for Check/Tran - 90698:					9,014.77
90699 4/9/26	CHK	9997	GARY ANDERSON	Credit Balance Refund	199.65
90700 4/9/26	CHK	5224	BLUE CROSS BLUE SHIELD OF MINNES	VISION INSURANCE - MAY 2026	312.69
				VISION INSURANCE - MAY 2026	89.73

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Total for Check/Tran - 90700:					402.42
90701 4/9/26	CHK	54	CORE & MAIN LP	COUPLINGS	878.00
90702 4/9/26	CHK	656	DGR ENGINEERING	ARC FLASH ASSESSMENT - FEB 2026	5,848.50
				ELEC SYS COORD STUDY - FEB 2026	6,000.00
				ELEC SYS STUDY - FEB 2026	3,500.00
				EAST SUBSTATION - FEB 2026	1,431.00
				MMPA SOLAR - FEB 2026	2,299.50
				MMPA GAS FACILITY - FEB 2026	1,186.50
Total for Check/Tran - 90702:					20,265.50
90703 4/9/26	CHK	118	GALVANIZERS INC.	East Sub Station	116,015.00
90704 4/9/26	CHK	9997	JAMES HAMMARLUND	Credit Balance Refund	120.46
90705 4/9/26	CHK	631	HEALTHPARTNERS	DENTAL EE INSURANCE - MAY 2026	1,063.62
				DENTAL ER INSURANCE - MAY 2026	2,874.69
				DENTAL EE INSURANCE - MAY 2026	182.09
				DENTAL ER INSURANCE - MAY 2026	862.45
Total for Check/Tran - 90705:					4,982.85
90706 4/9/26	CHK	9997	HUDSON HOMES MANAGEMENT	Credit Balance Refund	464.67
90707 4/9/26	CHK	8605	MARCO TECHNOLOGIES, LLC	MICROSOFT LICENSES - TO 3/24/27	14,429.70
				MICROSOFT LICENSES - TO 3/24/27	3,557.85
Total for Check/Tran - 90707:					17,987.55
90708 4/9/26	CHK	8605	MARCO TECHNOLOGIES, LLC	PRINTER MTC CONTRACT - 4/1 to 5/1/26	196.66
				PRINTER MTC CONTRACT - 4/1 to 5/1/26	49.16
Total for Check/Tran - 90708:					245.82
90709 4/9/26	CHK	145	MENARDS	SHOP TOOLS	39.89
				MISC PARTS & SUPPLIES	38.65
Total for Check/Tran - 90709:					78.54
90710 4/9/26	CHK	119	MINNESOTA COMPUTER SYSTEMS INC	COPIER MTC CONTRACT - 3/12 to 4/11/26	97.98

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				COPIER MTC CONTRACT - 3/12 to 4/11/26	24.50
				Total for Check/Tran - 90710:	122.48
90711 4/9/26	CHK	349	MINNESOTA EQUIPMENT INC	SLIP PLATE	34.17
90712 4/9/26	CHK	279	MPCA	AIR ANNUAL FEE	25.00
90713 4/9/26	CHK	3769	O'REILLY AUTOMOTIVE STORES, INC	MISC PARTS & SUPPLIES	25.88
				PARTS FOR UNIT #57	8.25
				PARTS FOR UNIT #57	2.06
				Total for Check/Tran - 90713:	36.19
90714 4/9/26	CHK	811	PRIME ADVERTISING & DESIGN, INC.	MONTHLY HOSTING OF WEBSITE	60.00
				MONTHLY HOSTING OF WEBSITE	60.00
				MONTHLY HOSTING OF WEBSITE	30.00
				Total for Check/Tran - 90714:	150.00
90715 4/9/26	CHK	8606	QUADIENT FINANCE USA, INC	POSTAGE MACHINE LEASE - 2/6 to 5/5/26	226.66
				POSTAGE MACHINE LEASE - 2/6 to 5/5/26	56.66
				Total for Check/Tran - 90715:	283.32
90716 4/9/26	CHK	574	REPUBLIC SERVICES, INC	TRASH & RECYCLING SERVICE - MARCH 2026	1,494.12
				TRASH & RECYCLING SERVICE - MARCH 2026	213.44
				TRASH SERVICE - MARCH 2026	524.85
				TRASH & RECYCLING SERVICE - MARCH 2026	87.44
				TRASH & RECYCLING SERVICE - MARCH 2026	12.49
				Total for Check/Tran - 90716:	2,332.34
90717 4/9/26	CHK	47	SHERBURNE COUNTY SHERIFF'S DEPA	2026 RADIO MTC CONTRACT	4,256.00
				2026 RADIO MTC CONTRACT	224.00
				Total for Check/Tran - 90717:	4,480.00
90718 4/9/26	CHK	159	SHORT ELLIOTT HENDRICKSON INC	FEASIBILITY STUDY	7,122.68
90719 4/9/26	CHK	6107	STUART C. IRBY CO.	ANIMAL GUARD	4,750.00
				ADJUSTABLE FEED THRU	1,906.00

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				BUG WRENCH	96.53
				Total for Check/Tran - 90719:	6,752.53
90720 4/9/26	CHK	9997	JANELLE THOMPSON	Credit Balance Refund	107.42
90721 4/9/26	CHK	4532	TRACTOR SUPPLY CREDIT PLAN	TRACTOR SUPPLY	23.72
90722 4/9/26	CHK	331	TRANSUNION	SKIP TRACING - MARCH 2026	80.00
				SKIP TRACING - MARCH 2026	20.00
				Total for Check/Tran - 90722:	100.00
90723 4/9/26	CHK	5451	WRUCK SEWER AND PORTABLE RENT	PORTABLE TOILET RENTAL SERVICE	16.18
90724 4/16/26	CHK	102	ABDO LLP	AUDIT SERVICES - 2025	5,160.00
				AUDIT SERVICES - 2025	1,290.00
				AUDIT SERVICES - 2025 lease crunchafi	655.20
				Total for Check/Tran - 90724:	7,105.20
90725 4/16/26	CHK	766	ACE HARDWARE	MISC PARTS & SUPPLIES	66.32
90726 4/16/26	CHK	2512	AMARIL UNIFORM COMPANY	Employee Clothing - 177	1,526.44
90727 4/16/26	CHK	54	CORE & MAIN LP	MISC PARTS & SUPPLIES	-190.08
				MISC PARTS & SUPPLIES	190.08
				RISER	213.16
90728 4/16/26	CHK	122	ELK RIVER WINLECTRIC	SIDE CUT PLIERS	-2.90
				SIDE CUT PLIERS	39.83
				PARTS FOR MEZ GATE	-3.49
				PARTS FOR MEZ GATE	47.76
				PARTS FOR MEZ GATE	-0.49
				PARTS FOR MEZ GATE	6.81
				WIRE FOR MEZ GATE	-2.08
				WIRE FOR MEZ GATE	28.51
				WIRE FOR MEZ GATE	-0.30
				WIRE FOR MEZ GATE	4.07

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				TREATMENT PLANT #2 LIGHT	-12.01
				TREATMENT PLANT #2 LIGHT	164.63
				Total for Check/Tran - 90728:	270.34
90729 4/16/26	CHK	80	GRAINGER	COBALT CUTTER	189.46
90730 4/16/26	CHK	730	GREATAMERICA FINANCIAL SERVICES	LEASE FOR COPIER AT PLANT	105.01
				LEASE FOR COPIER AT PLANT	26.26
				Total for Check/Tran - 90730:	131.27
90731 4/16/26	CHK	824	HOME DEPOT CREDIT SERVICES	HOME DEPOT	155.06
				HOME DEPOT	16.15
				Total for Check/Tran - 90731:	171.21
90732 4/16/26	CHK	9997	HP MINNESOTA I, LLC	Credit Balance Refund	276.32
90733 4/16/26	CHK	9999	J&R LARSON GROUNDS MAITENANCE,	Hydrant Rental Deposit Refund	1,488.69
90734 4/16/26	CHK	9997	NATHAN JACOBSON	INACTIVE REFUND	115.12
90735 4/16/26	CHK	9997	JASON KARAS	INACTIVE REFUND	98.77
90736 4/16/26	CHK	9997	SANTY KING	INACTIVE REFUND	108.90
90737 4/16/26	CHK	316	MBI, INC.	Piping	24,800.00
90738 4/16/26	CHK	145	MENARDS	MISC PARTS & SUPPLIES	3.17
				MISC PARTS & SUPPLIES	8.91
				MISC PARTS & SUPPLIES	66.24
				HANG WHITEBOARD - 172	28.28
				HANG WHITEBOARD - 172	4.05
				MISC PARTS & SUPPLIES	12.14
				MISC PARTS & SUPPLIES	22.66
				PVC ELL - WELL #8	4.30
				TIE WIRE	-12.92
				TARP	30.18

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
Total for Check/Tran - 90738:					167.01
90739 4/16/26	CHK	9997	ED MUJICA	INACTIVE REFUND	182.56
90740 4/16/26	CHK	9997	PETERSON GROUP AGENCY INC	INACTIVE REFUND	216.51
90741 4/16/26	CHK	811	PRIME ADVERTISING & DESIGN, INC.	Marketing	1,500.00
90742 4/16/26	CHK	3218	RDO EQUIPMENT CO.	PARTS & LABOR FOR UNIT #53	415.80
				PARTS FOR UNIT #54	-51.27
				PARTS FOR UNIT #54	652.72
Total for Check/Tran - 90742:					1,017.25
90743 4/16/26	CHK	848	SHERBURNE COUNTY PUBLIC WORKS	UTILITY PERMIT - CTY 35	100.00
90744 4/16/26	CHK	9997	JANET STAUPE	INACTIVE REFUND	198.98
90745 4/16/26	CHK	6107	STUART C. IRBY CO.	FAULT TRACKER	23,500.00
90746 4/16/26	CHK	822	SUMMIT AR	COMMISSIONS DUE COLLECTION AGENCY	247.07
90747 4/16/26	CHK	839	WEST VIRGINIA PARKWAYS AUTHORI	FERN NC MUTUAL AID TOLLS	14.00
				FERN NC MUTUAL AID TOLLS	7.00
Total for Check/Tran - 90747:					21.00
90748 4/23/26	CHK	2512	AMARIL UNIFORM COMPANY	Employee Clothing - 142	109.59
				Employee Clothing - 135	596.40
				Employee Clothing - 63	297.68
				Employee Clothing - 63	74.42
				Employee Clothing - 187	854.22
				Employee Clothing - 157	712.50
				Employee Clothing - 196	1,096.00
				Employee Clothing - 162	1,733.75
Total for Check/Tran - 90748:					5,474.56
90749 4/23/26	CHK	662	BENEFIT EXTRAS, INC	COBRA ADMIN - MARCH 2026	15.00

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
90750 4/23/26	CHK	9997	KELSEY BENSON	INACTIVE REFUND	20.48
90751 4/23/26	CHK	9997	TODD BIALON	INACTIVE REFUND	13.81
90752 4/23/26	CHK	9997	CARA R CARLSON	INACTIVE REFUND	50.84
90753 4/23/26	CHK	3982	CENTERPOINT ENERGY	NATURAL GAS & IRON REMOVAL - MAR 2026	1,792.00
				NATURAL GAS & IRON REMOVAL - MAR 2026	764.25
Total for Check/Tran - 90753:					2,556.25
90754 4/23/26	CHK	5592	CITY OF DAYTON	2026 QTR 1 FRANCHISE FEE	2,541.69
90755 4/23/26	CHK	3498	CITY OF OTSEGO	2026 QTR 1 FRANCHISE FEES	19,077.05
90756 4/23/26	CHK	25	ECM PUBLISHERS INC	CLASSIFIED AD - IT/OT SPECIALIST	218.68
				CLASSIFIED AD - IT/OT SPECIALIST	54.67
Total for Check/Tran - 90756:					273.35
90758 4/23/26	CHK	9997	JARED ERDMAN	INACTIVE REFUND	411.68
90759 4/23/26	CHK	80	GRAINGER	PIPE WRENCH	360.90
				CHECK VALVE	65.80
Total for Check/Tran - 90759:					426.70
90760 4/23/26	CHK	9997	YANA LIN	INACTIVE REFUND	150.80
90761 4/23/26	CHK	145	MENARDS	GARDEN STAKES	18.86
				GARDEN STAKES	2.70
				MISC PARTS & SUPPLIES	28.87
				PARTS FOR UNIT #5	56.34
				TIE WIRE	12.92
				REBATE	-13.49
				REBATE	-43.48
				REBATE	-5.12
				MISC PARTS & SUPPLIES	-38.81
Total for Check/Tran - 90761:					18.79

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
90762 4/23/26	CHK	349	MINNESOTA EQUIPMENT INC	HARD HAT	140.31
90763 4/23/26	CHK	633	MUTUAL OF OMAHA	ELEC LIFE INSURANCE - MAY 2026	261.25
				LIFE & LTD INSURANCE - MAY 2026	1,773.28
				ELEC LIFE INSURANCE - MAY 2026	212.90
				LIFE & LTD INSURANCE - MAY 2026	452.88
Total for Check/Tran - 90763:					2,700.31
90764 4/23/26	CHK	8141	SPEEDCUTTERS OUTDOOR MAINTENA	LAWN MOWING SERVICES - APRIL 2026	890.02
				LAWN MOWING SERVICES - APRIL 2026	2,197.70
Total for Check/Tran - 90764:					3,087.72
90765 4/23/26	CHK	6107	STUART C. IRBY CO.	Oxide Paste	491.05
90766 4/23/26	CHK	762	SUNBELT RENTALS, INC	SCISSOR LIFT RENTAL	1,820.35
90767 4/23/26	CHK	222	UC LABORATORY	PHOSPHORUS SAMPLING - MARCH 2026	17.66
90768 4/23/26	CHK	9997	JOHN VANDENHOEK	INACTIVE REFUND	51.95
90769 4/23/26	CHK	8381	VERIFIED CREDENTIALS, LLC	BACKGROUND SCREENING - SKOOG	97.50
90770 4/23/26	CHK	375	VIKING ELECTRIC	FUSE PULLER	116.95
				FUSE PULLER	23.29
				FUSE PULLER	46.58
				FUSE PULLER	23.29
Total for Check/Tran - 90770:					210.11
90771 4/23/26	CHK	55	WESCO RECEIVABLES CORP.	INSERT FEED THRU	1,362.66
				MISC PARTS & SUPPLIES	474.75
				Mtce of OH Primary	487.50
Total for Check/Tran - 90771:					2,324.91
90772 4/23/26	CHK	5451	WRUCK SEWER AND PORTABLE RENT	PORTABLE TOILET RENTAL-3/20 TO 4/16/26	106.58
90773 4/30/26	CHK	398	ALTEC INDUSTRIES, INC	TRAVEL FOR UNIT #9	567.00

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
90774 4/30/26	CHK	2512	AMARIL UNIFORM COMPANY	Employee Clothing - 203	438.72
				Employee Clothing - 119	1,188.60
Total for Check/Tran - 90774:					1,627.32
90775 4/30/26	CHK	2920	BATTERIES PLUS BULBS	EMERGENCY LIGHT BATTERIES	64.00
				EMERGENCY LIGHT BATTERIES	9.14
Total for Check/Tran - 90775:					73.14
90776 4/30/26	CHK	8079	BAYCOM, INC.	Toughbook	3,618.16
90777 4/30/26	CHK	28	CINTAS	MATS & TOWELS	529.75
				MATS & TOWELS	75.67
				MATS & TOWELS	529.75
				MATS & TOWELS	75.67
Total for Check/Tran - 90777:					1,210.84
90778 4/30/26	CHK	308	HASSAN SAND & GRAVEL	PULVERIZED TOPSOIL	473.94
				Discount	-8.79
				PULVERIZED TOPSOIL	24.94
				Discount	-0.46
Total for Check/Tran - 90778:					489.63
90779 4/30/26	CHK	9997	HPA US1 LLC	Credit Balance Refund	132.65
90780 4/30/26	CHK	9997	LENNAR HOMES	Credit Balance Refund	164.92
90781 4/30/26	CHK	9997	LENNAR HOMES	Credit Balance Refund	134.71
90782 4/30/26	CHK	9997	LENNAR HOMES	Credit Balance Refund	226.16
90783 4/30/26	CHK	9997	LENNAR HOMES	Credit Balance Refund	67.41
90784 4/30/26	CHK	9997	LGI HOMES, MN	Credit Balance Refund	219.34
90785 4/30/26	CHK	9997	LGI HOMES, MN	Credit Balance Refund	180.26
90786 4/30/26	CHK	8605	MARCO TECHNOLOGIES, LLC	ACE PROGRAM - 3/29 to 4/28/26	1,479.16

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				ACE PROGRAM - 3/29 to 4/28/26	369.79
				Total for Check/Tran - 90786:	1,848.95
90787 4/30/26	CHK	145	MENARDS	MISC PARTS & SUPPLIES	24.64
				MISC PARTS & SUPPLIES	23.61
				GRINDING WHEELS	22.62
				Total for Check/Tran - 90787:	70.87
90789 4/30/26	CHK	120	NAPA AUTO PARTS	PARTS FOR UNIT #28	0.09
				PARTS FOR UNIT #28	9.07
				Total for Check/Tran - 90789:	9.16
90790 4/30/26	CHK	463	ST LOUIS MRO, INC	PRE-EMPLOYMENT DRUG SCREENING - 203	25.00
90791 4/30/26	CHK	6107	STUART C. IRBY CO.	Tape	2,750.27
90792 4/30/26	CHK	2560	THE SHERWIN-WILLIAMS CO.	PAINT - WELL #2	94.80
90793 4/30/26	CHK	3360	THE UPS STORE 5093	OFFICE SUPPLIES	18.85
				OFFICE SUPPLIES	4.71
				SHIPPING	17.10
				Total for Check/Tran - 90793:	40.66
90794 4/30/26	CHK	543	USABLUBOOK	GATE VALVE & HYDRANT METER	2,030.81
90795 4/30/26	CHK	55	WESCO RECEIVABLES CORP.	Hoist	1,878.75
				J-BOX	15,544.90
				J Box	1,731.64
				Total for Check/Tran - 90795:	19,155.29
				Total for Bank Account - 5 :	(215) 4,181,883.08
				Grand Total :	(216) 4,192,103.29

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PARAMETERS ENTERED:**Check Date:** 04/01/2026 To 04/30/2026**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 UTILITIES CONFERENCE ROOM**

April 14, 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
Dave Ninow, Water Superintendent
Megan Zachman, HR Generalist
Jenny Foss, Communications & Administrative Coordinator

Others Present: Jared Shepherd, Attorney; Justin Nilson, Partner with Abdo Solutions; Susan Johnson, Clerk for the City of Buffalo, Minnesota

1.0 GOVERNANCE

1.1 Call Meeting to Order

Prior to the meeting, Mr. Mauren introduced Ms. Johnson, who was auditing the meeting as preparation for the City of Buffalo's formation of a utilities commission.

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 April 14, 2026, agenda. Motion carried 5-0.

1.4 Resolution Recognizing 2026 Drinking Water Week

Mr. Ninow highlighted the importance of Drinking Water Week, scheduled for May 3-9, 2026, as being an opportunity to recognize the essential work of the Utility's water teams in ensuring clean, safe water for the community.

Moved by Commissioner Stewart and seconded by Commissioner Westgaard to adopt Resolution 26-3 Recognizing Drinking Water Week, May 3-9, 2026. Motion carried 5-0.

1.5 Resolution Recognizing 2026 Lineworker Appreciation Day

Chris Sumstad announced that Lineworker Appreciation Day would be celebrated on April 18, 2026. He acknowledged the utility's eight lineworkers and two forepersons for their dedication and highlighted key achievements, including mutual aid responses and participation in the national rodeo competition.

Moved by Commissioner Larson-Vito and seconded by Commissioner Stewart to adopt Resolution 26-4 Recognizing Lineworkers and Designating April 18, 2026, as Lineworker Appreciation Day. Motion carried 5-0.

1.6 Recognition of American Public Power Association Certificate of Excellence in Reliability

Mr. Tietz announced that the utility again received the Certificate of Excellence in Reliability from the American Public Power Association (APPA) for its improved performance in 2025, with the average customer outage duration dropping to just under 19 minutes. Mr. Tietz commended all staff for their efforts which contribute to this result.

1.7 Recognition of American Public Power Association Safety Award of Excellence

Ms. Zachman informed the Commission that the utility had received the Diamond Level Safety Award of Excellence from the APPA, the highest level of recognition, based on a low incident record in 2026 and strong overall safety culture.

1.8 Recognition of American Public Power Association Reliable Public Power Provider Designation

Mr. Tietz reported that the Utility achieved the Diamond Level RP3 designation from the APPA for the first time. This three-year designation recognizes excellence in reliability, safety, workforce development, and system improvement.

Commissioner Stewart proposed a round of applause for staff for these accomplishments.

2.0 CONSENT AGENDA (Approved By One Motion)

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

2.1 Check Register – March 2026

2.2 Regular Meeting Minutes – March 10, 2026

- 2.3 Resolution Electing Not to Waive Statutory Tort Limits for Liability Insurance**
- 2.4 Summary of Information Security Committee Closed Session**
- 2.5 Mission, Vision, Values Policy Updates**
- 2.6 2026 Schedule of Rate and Fees Update**

Motion carried 5-0.

3.0 OPEN FORUM

No one appeared for open forum.

4.0 POLICY & COMPLIANCE

4.1 2025 Financial Audit

Mr. Nilson from Abdo presented ERMU's 2025 audit results, which issued a clean, unmodified opinion, the highest possible result, with no significant deficiencies or internal control findings. The audit confirmed full compliance with all tested Minnesota state statutes.

During discussion it was noted that on page 103 of the packet the 2026 rate adjustments for electric and water had been misstated and should read 2% increase for electric and 4% increase for water. This was noted for correction.

There was discussion about the opportunity to prepay or refinance outstanding bonds when advantageous to the utilities.

Moved by Commissioner Stewart and seconded by Commissioner Westgaard to receive and file the 2025 Annual Financial Report. Motion carried 5-0.

4.2 2025 Year End Reserve Balance

Ms. Karpinski presented her memo which recommends that unrestricted reserve balances above target levels for the Water Utility fund, calculated at \$588,000, be designated to the Electric Utility fund as an inter-fund loan to support upcoming substation work.

Moved by Commissioner Westgaard and seconded by Commissioner Zerwas to designate unrestricted reserve balances above target levels for Water funds. Motion carried 5-0

4.3 2025 Utilities Performance Incentive Compensation Distribution

Ms. Karpinski presented the memo which called for a 2% distribution to qualifying employees per the terms of the policy and based upon staff achieving all stated metrics.

The Commission discussed the practice of reviewing the metrics for the program to ensure they are set at the appropriate level. There was discussion about the Wage & Benefits Committee reviewing them for 2027 in the fall.

Moved by Commissioner Zerwas and seconded by Commissioner Stewart to award the Performance Metrics and Compensation Distribution of 2% to qualifying employees per the terms of the policy. Motion carried 5-0.

5.0 BUSINESS ACTION

5.1 Financial Report – February 2026

Ms. Karpinski presented the financial report for February 2026 showing that year-to-date, the combined utilities show a net margin position of approximately \$1.2 million, which is \$1.1 million favorable to the budget.

Ms. Karpinski noted the Energy Adjustment Clause from the power provider has been lower than anticipated in recent months, which has allowed ERMU to not include a passthrough Power Cost Adjustment to customers. There was discussion.

Moved by Commissioner Zerwas and seconded by Commissioner Larson-Vito to receive the February 2026 Financial Report. Motion carried 5-0.

5.2 2025 Annual Reliability Report

Mr. Tietz presented his memo which highlighted report data on ERMU's result from the 2025 eReliability Tracker. He explained that the results demonstrate a solidly built electric system and excellence response times by crews.

Mr. Tietz added that ERMU doesn't remove major events from its calculation of outage times in order for the Utility to hold itself to a higher standard. He also thanked the Commission for regularly budgeting for tree trimming service as that helps reduce outages caused by falling limbs.

Moved by Commissioner Westgaard and seconded by Commissioner Stewart to receive the 2025 Annual Reliability Report. Motion carried 5-0.

5.3 Information Technologies Services Memorandum of Understanding with the City of Elk River

Ms. Youngs presented an updated Memorandum of Understanding (MOU) for Information Technology (IT) services between ERMU and the City of Elk River. The MOU is intended to

support reliable operations, enhance the partnership between the City and ERMU, and align with current technology and cybersecurity needs.

There was discussion about budgeting for future IT needs.

Moved by Commissioner Stewart and seconded by Commissioner Zerwas to approve Information Technologies Services Memorandum of Understanding with the City of Elk River. Motion carried 5-0.

5.4 **Letter of Intent for Large Industrial Electric Load**

Mark Hanson presented a non-binding letter of intent with a developer for a data center to potentially be sited in ERMU's service territory. He explained that ERMU can support a 33 MW load brought on in two phases. Per policy, the developer will be responsible for all system upgrade costs, currently estimated at just under \$6.5 million. A system impact study by Great River Energy, coordination with ERMU's power provider Minnesota Municipal Power Agency (MMPA), and a Conditional Use Permit from the City of Elk River are required.

The developer will use a closed-loop cooling system, not the municipal water supply, for ongoing cooling purposes.

There was discussion about the future rate structures for data centers.

Moved by Commissioner Stewart and seconded by Commissioner Zerwas to Approve Letter of Intent for Large Industrial Electric Load. Motion carried 5-0.

6.0 **BUSINESS DISCUSSION**

6.1 **Staff Updates**

The Commission received notice that a link to complete Mr. Hanson's annual performance evaluation should be in their email inbox.

City staff is bringing updated, clarifying ordinance language regarding commission compensation before the City Council, with a target of the first meeting in May. Following that update, the Commission will be able to institute its new compensation rates and structures decided at the March meeting.

6.2 **City Council Update**

Chair Dietz provided a City Council Update.

6.3 **Future Planning**

Chair Dietz announced the following:

- a. Regular Commission Meeting – May 12, 2026
 - 1. Closed Meeting: General Manager Performance Review
- b. 2026 Governance Agenda

6.4 **Other Business**

There was discussion about the Sherburne County Board of Commissioners recent denial of Minnesota Municipal Power Agency's (MMPA) solar field project in Big Lake Township. Mr. Hanson shared that the topic would be discussed at a future MMPA board meeting.

7.0 **ADJOURN REGULAR MEETING**

Moved by Commissioner Westgaard and seconded by Commissioner Larson-Vito to adjourn the regular meeting of the Elk River Municipal Utilities Commission at 5:36 p.m. Motion carried 5-0.

Minutes prepared by Tony Mauren.

John J. Dietz, ERMU Commission Chair

Justin Dunford, City Clerk

TO: ERMU Commission	FROM: Melissa Karpinski – Finance Manager
MEETING DATE: May 12, 2026	AGENDA ITEM NUMBER: 2.3
SUBJECT: 2026 First 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 first quarter scorecard is attached and includes notes summarizing initial results.

FINANCIAL IMPACT:

No immediate financial impact. An accrual has been recorded based on first 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 Scorecard – 2026 1st 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		
		Lead and Copper quality	5	90th percentile		
		Bacteria Detection	5	0 positive samples		
		CAIDI	5	<120 Min		
		SAIDI	5	<60 Min		
		SAIFI	5	<0.4		
		Line Loss	5	<5%		
		Water Loss	5	<12%		
Workforce Development	20	Employee Turnover	10	< 7.5%		
		Participation in Recommended and Mandatory Trainings	10	95%		
Financial Goals	20	Margins/Net Profit	15	> Budget		
		Inventory Accuracy	5	≥98%		
Communications/ Customer Service	10	Clean Energy Choice Program Participation	5	+30 net		
		Conservation Improvement Program	5	≥95%		
Strategic Plan	10	Dashboard Progress (Average)	10	≥50%		
				Total Multiplier:		

met requirement

met requirement

0 on target

92.95 on target

0.4089 on target

0.00434 on target

-0.28% on target

6.20% on target

0% on target

88% off target

on target

99.999% on target

+1 off target

51% off target

47.56% off target

1.4%

Adopted December 12, 2012

Revised October 11, 2016

Revised December 17, 2019

Revised December 14, 2021

Revised December 13, 2022

Revised December 12, 2023

Revised December 10, 2024

TO: ERMU Commission	FROM: Melissa Karpinski – Finance Manager
MEETING DATE: May 12, 2026	AGENDA ITEM NUMBER: 2.4
SUBJECT: 2026 First Quarter Delinquent Items	
ACTION REQUESTED: Approve the 2026 first quarter delinquent items submitted.	

BACKGROUND:

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

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

DISCUSSION:

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

- The amounts listed for assessments culminate in the fourth quarter and include items previously submitted to other collection services, and if not collected, are removed, and assessed. The assessment amount for 2026 is \$0.00 as there has been no activity yet for this year.
- The amounts submitted **only** to Collection Agencies for 2026 is \$0.00. Please note that amounts submitted to Revenue Recapture were also submitted to Collection Agencies.
- The amounts submitted to Revenue Recapture were higher than the prior year. The Q1 2026 RR amount is \$11,455.15. We collected a total of \$8,339.74 from RR in Q1 2026.

- Write Offs for Q1 2026 of \$2,140.90 is less than the prior year. \$1,448.14 of the Write-Offs were due to the removal of old account balances due to a six-year limit mandated by the state.

The attached report shows those dollars submitted to both the Collection Agency and RR. The first quarter totals are \$11,455.15 broken down by provider are: \$5,997.66 for Electric, \$4,679.75 for Water, \$268.58 for Sewer, \$242.60 for Trash, \$215.16 for Franchise Fees, and \$51.40 for Storm Water.

Our allowance for doubtful accounts (a reserve for bad debt/write-offs) is \$25,605. According to the American Public Power Association's most recent published standard ratios, the industry standard is between \$.0001 and \$.0037. The Central region median is \$.008. Based off the latest survey ERMU is \$.0004.

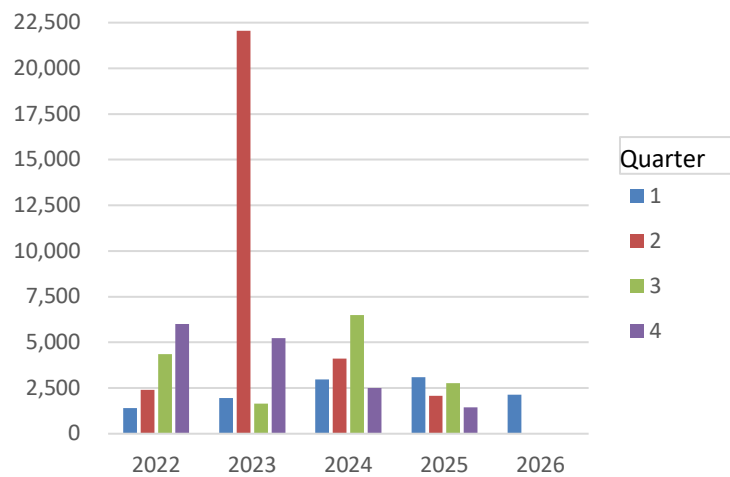
ATTACHMENTS:

- 2026 First Quarter Delinquent Items Comparison
- 2026 First Quarter Delinquent Items Submitted

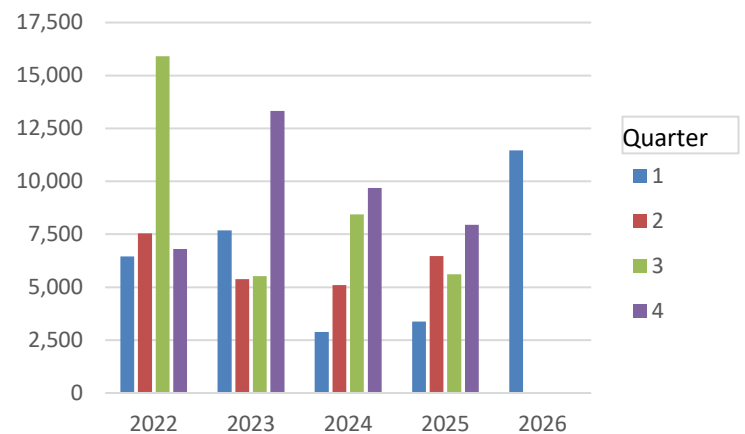
Delinquent Items Comparisons

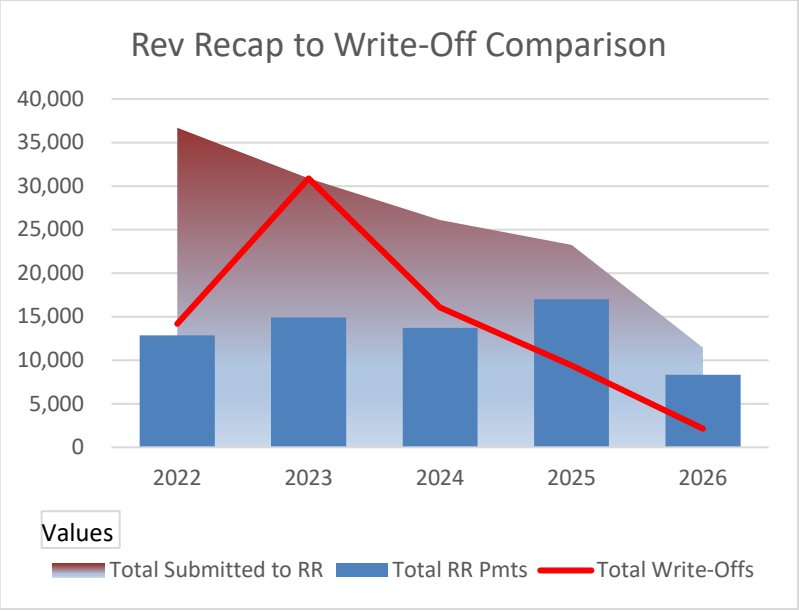
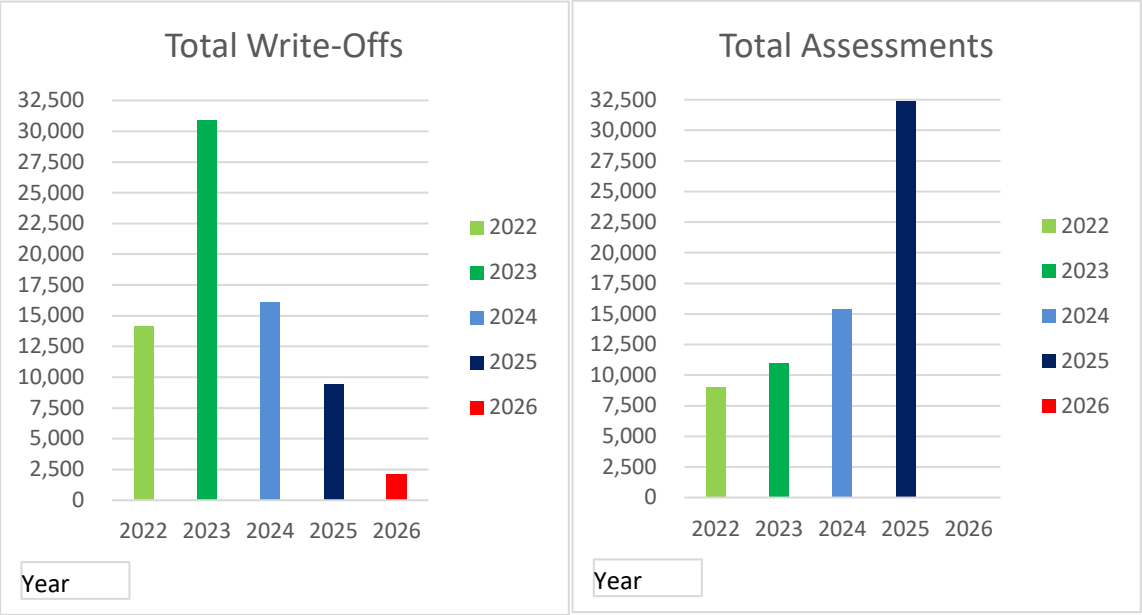
Year	Quarter	Assessments	Collection Agency	Revenue Recapture	Rev Recap/Coll Agen	Write-Offs	Rev Recap Pmts
2022	1	-	-	6,446.46	6,446.46	1,405.27	6,749.22
2022	2	-	-	7,547.92	7,547.92	2,402.70	3,648.77
2022	3	-	-	15,900.91	15,900.91	4,364.37	2,285.05
2022	4	9,042.25	-	6,796.66	6,796.66	6,008.66	167.94
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				-		
2026	3				-		
2026	4				-		

Quarterly Write-Offs by Year



Quarterly Amt's Submitted for Collection by Year





Sum of Total AR Provider	Agency B
1ERUE	\$ 5,997.66
2ERUW	\$ 4,679.75
3CTYS	\$ 268.58
4CTYT	\$ 242.60
6CTYF	\$ 215.16
7CTYS	\$ 51.40
Grand Total	\$ 11,455.15

TO: ERMU Commission	FROM: Tony Mauren – Governance & Communications Manager
MEETING DATE: May 12, 2026	AGENDA ITEM NUMBER: 4.1
SUBJECT: Commission Compensation	
ACTION REQUESTED: • Adopt Resolution No. 26-6 - Utilities Commission Bylaws Amendment • Adopt Resolution No. 26-7 - Commission Compensation • Adopt ERMU Policy – G.2j – Commission Compensation	

BACKGROUND:

Currently ERMU Commissioners are compensated \$150 per month for their work on the body and receive a \$75 per day stipend for additional activities such as representing the Utilities at meetings, conferences, and events outside of commission meetings. These amounts were last reviewed in November 2015. As it has been over ten years since that review, staff conducted a survey of Minnesota municipal utilities governed by a commission to compile data on compensation.

During the February and March 2026 meetings, the Commission reviewed data from 15 municipal utilities which, among other data points, showed that the overall average monthly compensation for those bodies is \$277. Removing the two electric-only utilities brought the average monthly compensation up to \$307/month.

Ultimately, the Commission adopted a monthly compensation rate of \$300, increased the addition activities stipend to \$85, created a board meeting preparation day stipend of \$85, and established a three-year review cycle on the rates and structure.

DISCUSSION:

ERMU staff has prepared the attached documents for commission adoption to implement the compensation rates and structure, effective May 2026.

1. Resolution No. 26-6 - Utilities Commission Bylaws Amendment, align commission policy with ordinance language on commission compensation updated at the May 4, 2026, City Council meeting. Redline updates to the Bylaws are also attached.

2. Resolution No. 26-7 – Commission Compensation formally establishes the compensation rates so that they are accessible without needing to include dollar amounts in policy. This resolution is to be reviewed for update and adoption every three years.
3. ERMU Policy – G.2j – Commission Compensation establishes the three compensation categories, the terms of these categories, and a standing three-year review of the policy, rates, and structure.

FINANCIAL IMPACT:

None.

ATTACHMENTS:

- Resolution No. 26-6 - Utilities Commission Bylaws Amendment
- Redlines - ERMU Policy - G.1a - Bylaws
- Resolution No. 26-7 - Commission Compensation
- ERMU Policy – G.2j – Commission Compensation

RESOLUTION NO. 26-6

BOARD OF COMMISSIONERS
ELK RIVER MUNICIPAL UTILITIES

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF ELK RIVER MUNICIPAL UTILITIES TO AMEND ITS BYLAWS.

WHEREAS, Chapter 2, Article V, Section 2-195 of the City of Elk River’s Code Ordinances was amended on May 4, 2026, to state that:

Members of the Economic Development Authority, Housing and Redevelopment Authority, and the Public Utilities Commission may receive compensation for their service, from the funds of the respective authority or commission, and compensation for those members shall be set by enabling resolutions, policies, or bylaws, and, as applicable, limits imposed by statute and the city council.
;and

WHEREAS, Article III, Section 5 of Elk River Municipal Utilities Bylaws does not reflect that language in stating “No member of the Commission shall receive a salary except as fixed by the City Council”; and

WHEREAS, Staff is seeking to align the governing language;

NOW, THEREFORE, BE IT RESOLVED THAT ARTICLE III, SECTION 5 OF ELK RIVER MUNICIPAL UTILITIES BYLAWS SHALL READ.

Section 5. The Commission shall establish its own compensation structure and rates within any limits imposed by statute or the City Council. Compensation shall be budgeted for and paid by Elk River Municipal Utilities.

This Resolution Passed and Adopted this 12th day of May 2026.

John J. Dietz, Chair

Mark Hanson, General Manager

COMMISSION POLICY

Section: Governance	Category: Authorities and Purpose Policies
Policy Reference: G.1a	Policy Title: Bylaws

ARTICLE I – AUTHORITY

Section 1. The Village of Elk River Water, Light, Power and Building Commission was created on July 11, 1947, by resolution adopted by the Village of Elk River Trustees.

Section 2. Pursuant to Minnesota Statutes, Section 412.331, adopted in 1949, any water, light, power and building commission then in existence was required to thereafter operate as a public utilities commission under Minnesota Statutes, Sections 412.321 to 412.391. The Village of Elk River Water, Light, Power and Building Commission became Elk River Municipal Utilities.

Section 3. Elk River Municipal Utilities is a public utilities commission operating pursuant to and subject to Minnesota Statutes, Sections 412.321 to 412.391 and Elk River City Code Sections 2-271 to 2-276.

ARTICLE II – JURISDICTION

Section 1. Elk River Municipal Utilities has jurisdiction over:

- A. The City of Elk River Municipal electric utility; and
- B. The City of Elk River water utility.

ARTICLE III – COMMISSION MEMBERSHIP

Section 1. Pursuant to Laws of Minnesota 2016, Chapter 97 – House File No. 2718, and Elk River City Code Section 2-271, the Elk River Municipal Utilities Commission shall consist of five members. No more than two members may also serve as City Council members.

Section 2. Commissioners shall be appointed by the City Council to staggered terms.

Section 3. Each Commissioner shall serve for a term of three years and until a successor is appointed and qualified.

Section 4. Commissioners shall comply with the City's conflict of interest ordinance, Elk River City Code Sections 2-131 to 2-135.

Section 5. ~~No member of the Commission shall receive a salary except as fixed by the City Council.~~ The Commission shall establish its own compensation structure and rates within any limits imposed by statute or the City Council. Compensation shall be budgeted for and paid by Elk River Municipal Utilities.

ARTICLE IV – OFFICERS

Section 1. The Commission shall annually choose a president from among its members. The president shall be designated the Chair of the Commission and shall perform such duties as shall be delegated to the Chair in the Commission's adopted policies

Section 2. The Commission may also annually appoint a Vice-Chair of the Commission who shall perform such duties as shall be delegated to the Vice-Chair in the Commission's adopted policies. The Vice-Chair shall preside at meetings of the Commission if the Chair is absent.

Section 3. The Commission shall also appoint a Secretary for an indefinite term. The Secretary need not be a member of the Commission and shall perform such duties as shall be delegated to the Secretary in the Commission's adopted policies.

Section 4. The Commission shall have the power to revoke a Commission member's appointment as Chair or Vice-Chair, and appoint a replacement Chair or Vice Chair, if the Commission determines, by a vote of a majority of its members, to do so. The Commission shall also have the power to replace the Secretary at any time by a vote of the majority of its members.

ARTICLE V – MEETINGS

Section 1. The Commission shall hold at least one regular meeting each month, on the day and at the time designated by the Commission from time to time. Regular meetings shall be noticed as required by Minnesota Statutes.

Section 2. The Commission may hold special meetings from time to time at the request of the Chair or the request of two other Commissioners. Special meetings shall be noticed as required by Minnesota Statutes.

Section 3. A majority of the Commissioners shall constitute a quorum for the transaction of business, and the votes of a majority of the Commissioners present shall be sufficient to adopt any motion or resolution. The votes of members on any action shall be taken by ayes and nays recorded in the minutes.

Section 4. Commission meetings are open to the public unless closed as authorized by Minnesota Statutes, and shall be governed by Roberts Rules of Order, latest revised edition, for all situations to which they apply and in which they are not inconsistent with these Bylaws, the Commission's adopted Policies, and any special rules of order that the Commission may adopt..

ARTICLE VI – POWERS

Section 1. The Commission shall have all of the powers enumerated in Minnesota Statutes, Section 412.361 and, except as provided in the Bylaws and the Commission's adopted Policies, shall exercise those powers on its own behalf.

ARTICLE VII – GENERAL MANAGER

Section 1. The Commission shall have the power to appoint a General Manager, whose responsibilities, duties, limits of authority and accountability to the Commission shall be set forth in these Bylaws and as designated by the Commission from time to time in its adopted Policies.

Section 2. The General Manager shall have the authority to implement the Commission's powers under Minnesota Statutes, Section 412.361, Subds. 1 and 2 to enter into contracts for the operation of the utility and to employ all necessary help for the management and operation of the public utility, by entering into contracts and employing personnel consistent with the Commission's adopted budget and pay plan. However, all contracts requiring public bidding, all contracts falling under Minnesota Statutes, Section 412.361, Subds. 3, 4 and 5, and all contracts required by the Commission's adopted Policies to be approved by the Commission, shall be approved by the Commission.

Section 3. If the position of the General Manager is vacant, the Commission may designate another to perform all or some of the General Manager's duties.

ARTICLE VIII – FINANCES, FUNDS AND REPORTS

Section 1. The Commission shall maintain the funds, conduct the audits and make the reports required by Minnesota Statutes, Sections 412.371 and 412.381.

ARTICLE IX – APPLICATION AND AMENDMENT

Section 1. In the event that any provision of these Bylaws is or may be in conflict with the laws of any governmental body or power having jurisdiction over the Elk River Municipal Utilities Commission, or over the subject matter to which such provision of these Bylaws applies or may apply, such provision of these Bylaws shall be inoperative to the extent only that the operation thereof unavoidably conflicts with such law and shall in all other respects be in full force and effect.

Section 2. These Bylaws may be amended by the Commission at any regular meeting by a majority vote of the entire Commission, provided the proposed amendment is on the agenda and made public no later than three days before the meeting.

Section 3. In addition to these Bylaws, the Commission may adopt, from time to time, Governance Policies (adopted Policies) that are not inconsistent with these Bylaws.

BYLAW HISTORY:

Adopted	June 13, 2017
Revised	May 12, 2026

RESOLUTION NO. 26-7

BOARD OF COMMISSIONERS
ELK RIVER MUNICIPAL UTILITIES

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF ELK RIVER MUNICIPAL UTILITIES TO SET THE COMMISSION COMPENSATION STRUCTURE AND RATES.

WHEREAS, commission compensation is intended to recognize the time, effort, and expertise required to fulfill duties; attract and retain qualified members; and promote accountability; and

WHEREAS, the board received data at the February 2026 regular meeting that the compensation rate for Elk River Municipal Utilities commissioners was below the average of 15 peer utilities; and

WHEREAS, Elk River Municipal Utilities seeks to establish a clear, consistent framework for compensating members of the Commission for their service;

NOW, THEREFORE, BE IT RESOLVED THAT ELK RIVER MUNICIPAL UTILITIES COMMISSIONERS SHALL BE COMPENSATED AS FOLLOWS.

1. Monthly compensation of \$300 for service and participation in commission business, such as reviewing meeting materials, correspondence, and attending regular and special meetings. Monthly compensation does not depend on meeting attendance.
2. Daily compensation of \$85 for representing Elk River Municipal Utilities at approved additional activities beyond commission business, such as community engagement, external board meetings, or conferences.
3. Daily compensation of \$85 for preparation to serve on approved external boards. This is supplemental to the daily compensation rate of \$85 for representing ERMU at additional activities beyond commission business. Commissioners will be compensated for one (1) day of preparation per event.

This Resolution Passed and Adopted this 12th day of May 2026.

John J. Dietz, Chair

Mark Hanson, General Manager

COMMISSION POLICY

Section: Governance	Category: Governance Policies
Policy Reference: G.2j	Policy Title: Commission Compensation

PURPOSE:

The purpose of this policy is to establish a clear, consistent framework for compensating members of the Commission for their service. Compensation is intended to recognize the time, effort, and expertise required to fulfill Commission duties; attract and retain qualified members; and promote accountability. This policy aligns compensation practices with applicable state statutes and Article V, Division 1, Section 2-195 of the City of Elk River's Code of Ordinances.

POLICY:

Commission members shall receive compensation for the following:

1. Monthly compensation for service and participation in commission business, such as reviewing meeting materials, correspondence, and attending regular and special meetings. Monthly compensation does not depend on meeting attendance.
2. Daily compensation for representing ERMU at approved additional activities beyond commission business, such as community engagement, external board meetings, or conferences.
3. Daily compensation for preparation to serve on approved external boards. This is supplemental to the daily compensation rate for representing ERMU at additional activities beyond commission business. Commissioners will be compensated for one (1) day of preparation per event.

Commission compensation shall be reviewed every three (3) years to ensure it remains appropriate, equitable, and aligned with the responsibilities of commission service.

POLICY HISTORY:

Adopted May 12, 2026

TO: ERMU Commission	FROM: Melissa Karpinski – Finance Manager
MEETING DATE: May 12, 2026	AGENDA ITEM NUMBER: 5.1
SUBJECT: Financial Report – March 2026	
ACTION REQUESTED: Receive the March 2026 Financial Report	

DISCUSSION:

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

Electric

March year to date (YTD) electric kWh sales are up 3% compared to the prior year. The breakdown is as follows:

- Residential usage increased 1%
- Small Commercial usage decreased by less than 0.5%
- Large Commercial usage increased 4%

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

Water

March YTD gallons of water sold are up 2% compared to the prior year. The breakdown is as follows:

- Residential usage increased by less than 0.5%
- Commercial usage increased 3%

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

ATTACHMENTS:

- Balance Sheet
- Electric Balance Sheet
- Water Balance Sheet
- Summary Electric Statement of Revenues, Expenses and Changes in Net Position
- Summary Water Statement of Revenues, Expenses and Changes in Net Position

- Graphs Prior Year and YTD 2026
- Detailed Electric Statement of Revenues, Expenses and Changes in Net Position
- Detailed Water Statement of Revenues, Expenses and Changes in Net Position
- Financial Presentation

**ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
COMBINED BALANCE SHEET
FOR PERIOD ENDING MARCH 2026**

	<u>ELECTRIC</u>	<u>WATER</u>
ASSETS		
CURRENT ASSETS		
CASH	3,622,386	6,449,172
ACCOUNTS RECEIVABLE	2,622,803	5,985,257
INVENTORIES	2,643,554	76,010
PREPAID ITEMS	274,226	77,561
CONSTRUCTION IN PROGRESS	2,645,109	102,694
TOTAL CURRENT ASSETS	<u>11,808,076</u>	<u>12,690,695</u>
RESTRICTED ASSETS		
BOND RESERVE FUND	1,779,016	0
EMERGENCY RESERVE FUND	7,823,914	4,334,419
UNRESTRICTED RESERVE FUND	0	0
TOTAL RESTRICTED ASSETS	<u>9,602,930</u>	<u>4,334,419</u>
FIXED ASSETS		
PRODUCTION	795,920	17,316,297
LFG PROJECT	0	0
TRANSMISSION	2,305,024	0
DISTRIBUTION	57,385,042	31,206,714
GENERAL	25,905,542	1,794,651
FIXED ASSETS (COST)	<u>86,391,527</u>	<u>50,317,662</u>
LESS ACCUMULATED DEPRECIATION	<u>(40,072,643)</u>	<u>(25,645,560)</u>
TOTAL FIXED ASSETS, NET	46,318,884	24,672,101
INTANGIBLE ASSETS		
POWER AGENCY MEMBERSHIP BUY-IN	21,546,212	0
LOSS OF REVENUE INTANGIBLE	8,110,733	0
LESS ACCUMULATED AMORTIZATION	<u>(5,009,863)</u>	<u>0</u>
TOTAL INTANGIBLE ASSETS, NET	24,647,082	0
OTHER ASSETS AND DEFERRED OUTFLOWS	396,358	82,418
TOTAL ASSETS	<u><u>92,773,330</u></u>	<u><u>41,779,633</u></u>
LIABILITIES AND FUND EQUITY		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	4,160,049	326,747
SALARIES AND BENEFITS PAYABLE	1,277,999	205,262
DUE TO CITY	894,954	6,810
DUE TO OTHER FUNDS	0	0
NOTES PAYABLE-CURRENT PORTION	0	0
BONDS PAYABLE-CURRENT PORTION	510,000	70,000
UNEARNED REVENUE	15,052	230,275
TOTAL CURRENT LIABILITIES	<u>6,858,054</u>	<u>839,094</u>
LONG TERM LIABILITIES		
OPEB LIABILITY	0	0
LFG PROJECT	0	0
DUE TO COUNTY	0	0
DUE TO CITY	0	0
BONDS PAYABLE, LESS CURRENT PORTION	26,100,572	1,411,981
PENSION LIABILITIES	1,541,981	323,143
TOTAL LONG TERM LIABILITIES	<u>27,642,553</u>	<u>1,735,124</u>
TOTAL LIABILITIES	<u>34,500,607</u>	<u>2,574,218</u>
DEFERRED INFLOWS OF RESOURCES	1,034,353	5,488,482
FUND EQUITY		
CAPITAL ACCOUNT CONST COST	1,779,016	0
CONTRIBUTED CAPITAL	0	0
RETAINED EARNINGS	53,934,486	34,167,141
NET INCOME (LOSS) (THROUGH PREVIOUS MONTH)	1,524,869	(450,208)
TOTAL FUND EQUITY	<u>57,238,371</u>	<u>33,716,933</u>
TOTAL LIABILITIES & FUND EQUITY	<u><u>92,773,330</u></u>	<u><u>41,779,633</u></u>

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

	March 31, 2026	February 28, 2026	Current Month Change from Prior Month
ASSETS			
CURRENT ASSETS			
CASH	3,622,386	3,183,780	438,606
ACCOUNTS RECEIVABLE	2,622,803	2,934,569	(311,766)
INVENTORIES	2,643,554	2,532,281	111,272
PREPAID ITEMS	274,226	269,215	5,011
CONSTRUCTION IN PROGRESS	2,645,109	2,421,528	223,581
TOTAL CURRENT ASSETS	11,808,076	11,341,373	466,704
RESTRICTED ASSETS			
BOND RESERVE FUND	1,779,016	1,779,016	0
EMERGENCY RESERVE FUND	7,823,914	7,800,932	22,982
TOTAL RESTRICTED ASSETS	9,602,930	9,579,948	22,982
FIXED ASSETS			
PRODUCTION	795,920	795,920	0
TRANSMISSION	2,305,024	2,305,024	0
DISTRIBUTION	57,385,042	57,385,042	0
GENERAL	25,905,542	25,905,542	0
FIXED ASSETS (COST)	86,391,527	86,391,527	0
LESS ACCUMULATED DEPRECIATION	(40,072,643)	(39,835,238)	(237,405)
TOTAL FIXED ASSETS, NET	46,318,884	46,556,289	(237,405)
INTANGIBLE ASSETS			
POWER AGENCY MEMBERSHIP BUY-IN	21,546,212	21,546,212	0
LOSS OF REVENUE INTANGIBLE	8,110,733	8,110,733	0
LESS ACCUMULATED AMORTIZATION	(5,009,863)	(4,954,185)	(55,678)
TOTAL INTANGIBLE ASSETS, NET	24,647,082	24,702,760	(55,678)
OTHER ASSETS AND DEFERRED OUTFLOWS	396,358	396,358	0
TOTAL ASSETS	92,773,330	92,576,727	196,603
LIABILITIES AND FUND EQUITY			
CURRENT LIABILITIES			
ACCOUNTS PAYABLE	4,160,049	4,009,425	150,624
SALARIES AND BENEFITS PAYABLE	1,277,999	1,219,202	58,796
DUE TO CITY	894,954	926,091	(31,137)
BONDS PAYABLE-CURRENT PORTION	510,000	510,000	0
UNEARNED REVENUE	15,052	16,725	(1,672)
TOTAL CURRENT LIABILITIES	6,858,054	6,681,443	176,611
LONG TERM LIABILITIES			
BONDS PAYABLE, LESS CURRENT PORTION	26,100,572	26,105,560	(4,989)
PENSION LIABILITIES	1,541,981	1,541,981	0
TOTAL LONG TERM LIABILITIES	27,642,553	27,647,541	(4,989)
TOTAL LIABILITIES	34,500,607	34,328,984	171,623
DEFERRED INFLOWS OF RESOURCES	1,034,353	1,034,353	0
FUND EQUITY			
CAPITAL ACCOUNT CONST COST	1,779,016	1,779,016	0
RETAINED EARNINGS	53,934,486	53,934,486	0
NET INCOME (LOSS) (THROUGH PREVIOUS MONTH)	1,524,869	1,499,889	24,981
TOTAL FUND EQUITY	57,238,371	57,213,390	24,981
TOTAL LIABILITIES & FUND EQUITY	92,773,330	92,576,727	196,603

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

	March 31, 2026	February 28, 2026	Current Month Change from Prior Month
ASSETS			
CURRENT ASSETS			
CASH	6,449,172	6,557,972	(108,800)
ACCOUNTS RECEIVABLE	5,985,257	5,988,510	(3,253)
INVENTORIES	76,010	76,339	(329)
PREPAID ITEMS	77,561	81,340	(3,779)
CONSTRUCTION IN PROGRESS	102,694	102,694	0
TOTAL CURRENT ASSETS	12,690,695	12,806,856	(116,161)
RESTRICTED ASSETS			
EMERGENCY RESERVE FUND	4,334,419	4,328,674	5,746
TOTAL RESTRICTED ASSETS	4,334,419	4,328,674	5,746
FIXED ASSETS			
PRODUCTION	17,316,297	17,316,297	0
DISTRIBUTION	31,206,714	31,206,714	0
GENERAL	1,794,651	1,794,651	0
FIXED ASSETS (COST)	50,317,662	50,317,662	0
LESS ACCUMULATED DEPRECIATION	(25,645,560)	(25,529,034)	(116,527)
TOTAL FIXED ASSETS, NET	24,672,101	24,788,628	(116,527)
INTANGIBLE ASSETS			
OTHER ASSETS AND DEFERRED OUTFLOWS	82,418	82,418	0
TOTAL ASSETS	41,779,633	42,006,575	(226,942)
LIABILITIES AND FUND EQUITY			
CURRENT LIABILITIES			
ACCOUNTS PAYABLE	326,747	366,711	(39,964)
SALARIES AND BENEFITS PAYABLE	205,262	193,296	11,966
DUE TO CITY	6,810	31,399	(24,588)
BONDS PAYABLE-CURRENT PORTION	70,000	70,000	0
UNEARNED REVENUE	230,275	230,275	0
TOTAL CURRENT LIABILITIES	839,094	891,681	(52,587)
LONG TERM LIABILITIES			
BONDS PAYABLE, LESS CURRENT PORTION	1,411,981	1,412,535	(554)
PENSION LIABILITIES	323,143	323,143	0
TOTAL LONG TERM LIABILITIES	1,735,124	1,735,678	(554)
TOTAL LIABILITIES	2,574,218	2,627,359	(53,141)
DEFERRED INFLOWS OF RESOURCES	5,488,482	5,488,482	0
FUND EQUITY			
RETAINED EARNINGS	34,167,141	34,167,141	0
NET INCOME (LOSS) (THROUGH PREVIOUS MONTH)	(450,208)	(276,407)	(173,801)
TOTAL FUND EQUITY	33,716,933	33,890,734	(173,801)
TOTAL LIABILITIES & FUND EQUITY	41,779,633	42,006,575	(226,942)

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	2026 MARCH	2026 YTD	2026 YTD BUDGET	YTD Budget Variance	2026 YTD Bud Var%	2026 ANNUAL BUDGET	2025 MARCH	2025 YTD	YTD VARIANCE	2025 v. 2026 Actual Var%	Variance Item
Electric Revenue											
Operating Revenue											
Elk River	2,679,341	9,125,017	9,729,004	(603,986)	(6)	43,306,594	2,932,844	9,129,629	(4,612)	(0)	
Otsego	279,972	975,076	1,017,089	(42,013)	(4)	4,454,313	314,315	969,707	5,369	1	
Rural Big Lake	15,369	57,050	59,768	(2,718)	(5)	241,665	17,884	57,087	(37)	(0)	
Dayton	19,278	69,951	72,852	(2,901)	(4)	294,054	23,526	71,642	(1,691)	(2)	
Public St & Hwy Lighting	23,817	71,517	69,999	1,518	2	280,000	23,885	69,651	1,866	3	
Other Electric Sales	400	1,200	1,200	0	0	4,800	400	1,200	0	0	
Total Operating Revenue	3,018,177	10,299,811	10,949,911	(650,101)	(6)	48,581,426	3,312,855	10,298,916	895	0	
Other Operating Revenue											
Interest/Dividend Income	(110,647)	(35,351)	87,501	(122,852)	(140)	350,000	38,776	117,652	(153,002)	(130)	(1)
Customer Penalties	23,406	65,180	76,251	(11,071)	(15)	305,000	19,053	64,043	1,138	2	
Connection Fees	130,723	242,203	63,750	178,453	280	255,000	13,429	30,738	211,465	688	(2)
Misc Revenue	87,828	689,915	315,753	374,162	118	1,193,000	96,361	370,959	318,956	86	(3)
Total Other Revenue	131,310	961,948	543,255	418,693	77	2,103,000	167,618	583,391	378,557	65	
Total Revenue	3,149,487	11,261,759	11,493,166	(231,408)	(2)	50,684,426	3,480,473	10,882,307	379,451	3	
Expenses											
Purchased Power	2,004,647	6,003,353	6,984,830	(981,477)	(14)	31,659,362	2,060,791	6,230,105	(226,752)	(4)	
Operating & Mtce Expense	363	538	80,499	(79,961)	(99)	321,993	28,379	85,476	(84,938)	(99)	(4)
Transmission Expense	2,963	8,784	17,499	(8,715)	(50)	70,000	2,412	8,377	406	5	
Distribution Expense	81,367	234,015	136,251	97,764	72	545,000	49,861	136,806	97,208	71	(5)
Maintenance Expense	98,309	400,170	537,738	(137,568)	(26)	1,990,000	196,290	561,323	(161,153)	(29)	(6)
Depreciation & Amortization	293,083	889,652	883,284	6,368	1	3,533,136	287,409	861,635	28,017	3	
Interest Expense	59,108	178,198	178,198	0	0	699,543	61,983	187,224	(9,025)	(5)	
Other Operating Expense	3,893	30,138	27,315	2,823	10	414,250	22,549	31,364	(1,226)	(4)	
Customer Accounts Expense	31,483	110,669	108,750	1,919	2	435,000	34,859	101,804	8,864	9	
Administrative Expense	357,901	1,287,306	1,302,490	(15,184)	(1)	4,617,413	329,236	1,221,714	65,592	5	
General Expense	56,491	135,016	164,322	(29,306)	(18)	657,300	37,849	111,312	23,704	21	(7)
Total Expenses(before Operating Transfers)	2,989,606	9,277,839	10,421,176	(1,143,337)	(11)	44,942,997	3,111,618	9,537,140	(259,302)	(3)	
Operating Transfer											
Operating Transfer/Other Funds	134,900	459,051	486,450	(27,400)	(6)	2,165,330	118,062	367,386	91,665	25	(8)
Utilities & Labor Donated	0	0	0	0	0	0	19,786	58,829	(58,829)	(100)	(9)
Total Operating Transfer	134,900	459,051	486,450	(27,400)	(6)	2,165,330	137,848	426,215	32,836	8	
Net Income Profit(Loss)	24,981	1,524,869	585,540	939,329	160	3,576,100	231,006	918,952	605,917	66	

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

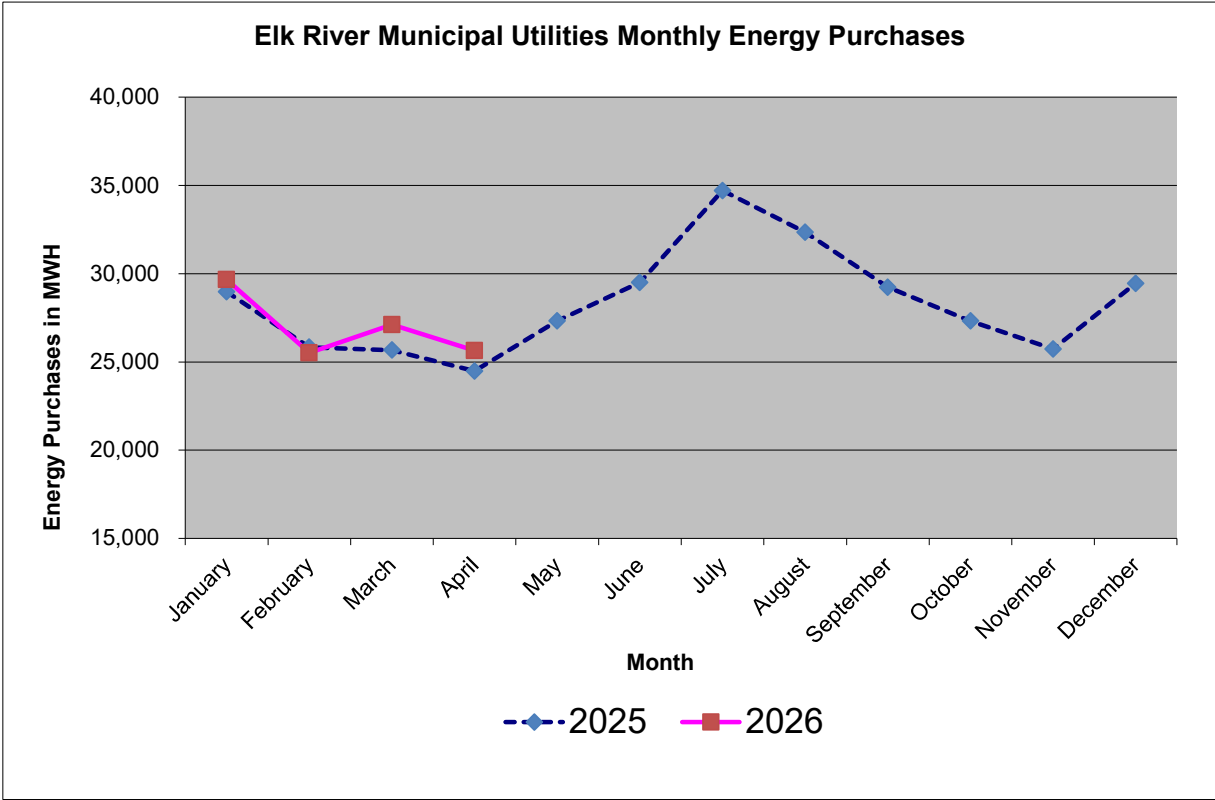
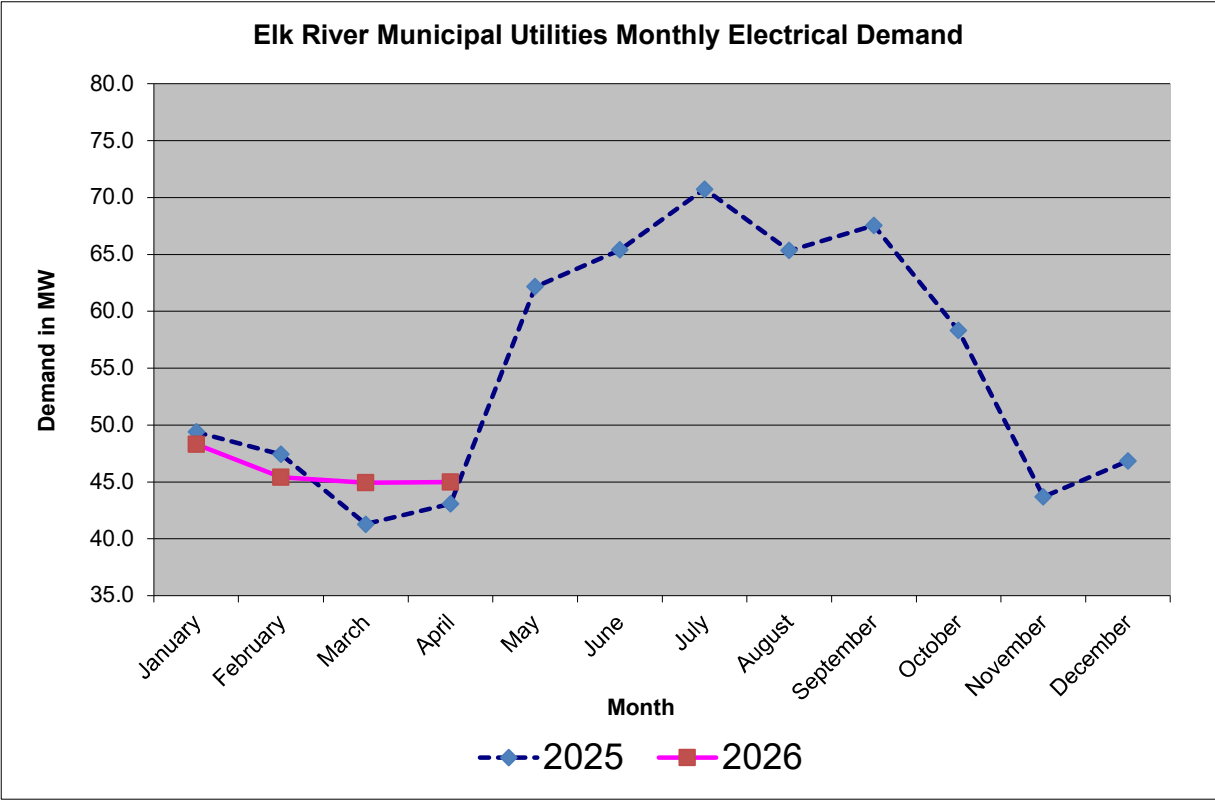
- (1) Budget and PYTD variance is due to the change in Fair Market Value.
- (2) Budget and PYTD variance is due to large a large connection agreement in January 2026.
- (3) Budget and PYTD variance is mainly due to Contributions from Customers having a large SOW for a dedicated feeder in January 2026.
- (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 an even budget spread throughout year and PYTD variance is mainly due to tree trimming (contracted in 2025), Mtce URD Primary and Transportation Exp labor in 2025.
- (7) Budget variance is mainly due to timing of commercial rebates.
- (8) PYTD variance is due to PILOT being changed from 4% to 5%, increased usage and rates in 2026.
- (9) PYTD variance is due to the change to PILOT that was made in 2026.

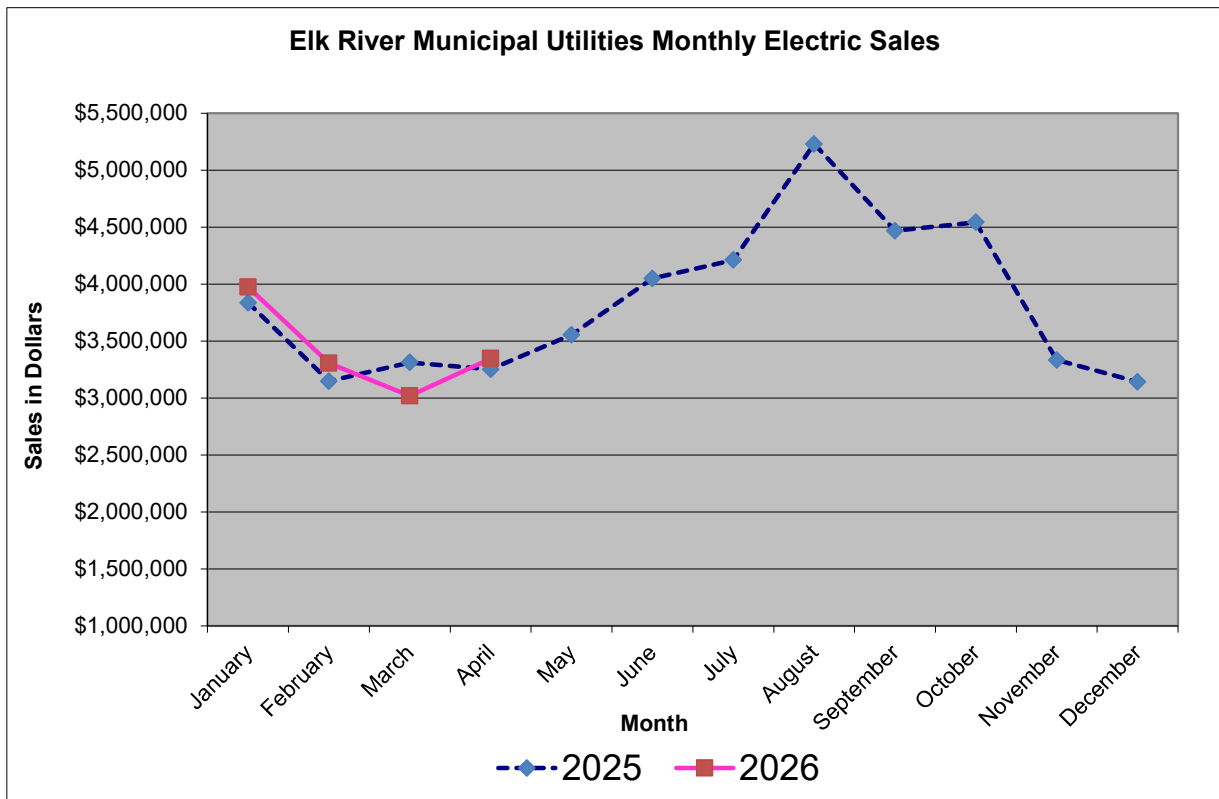
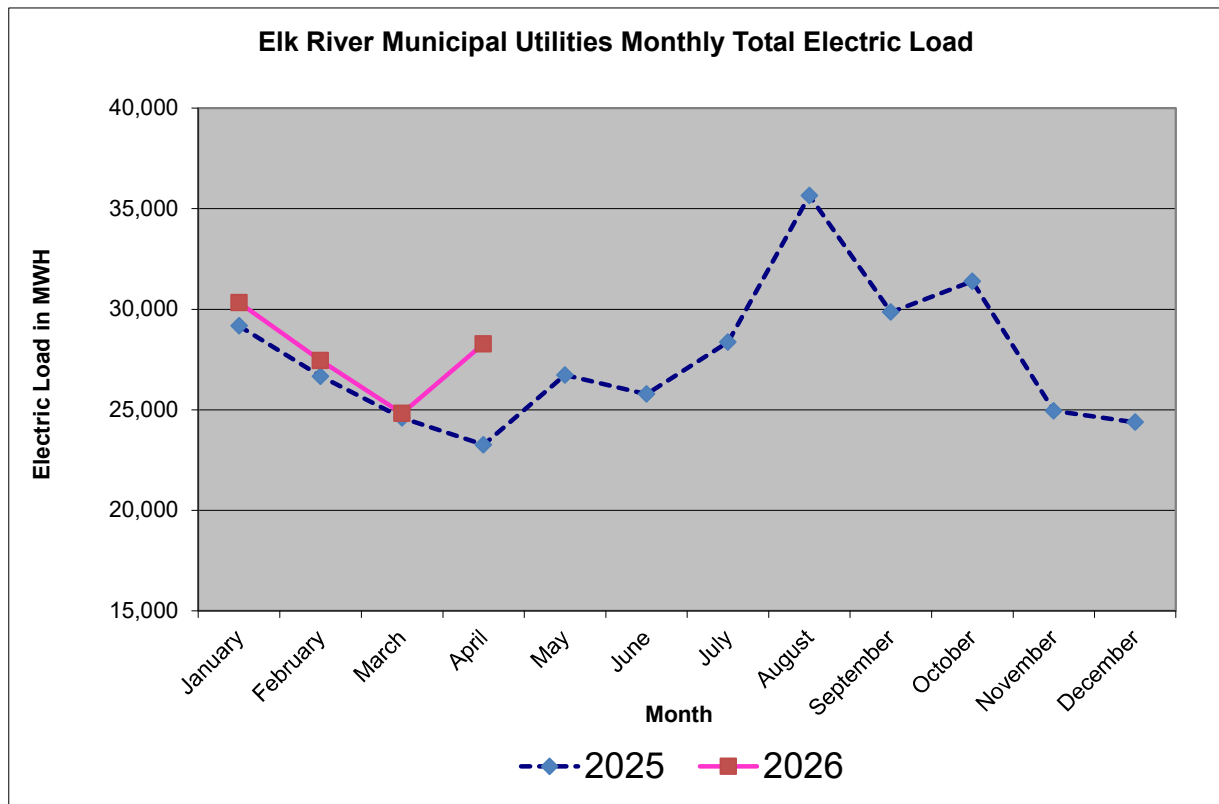
ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR PERIOD ENDING MARCH 2026

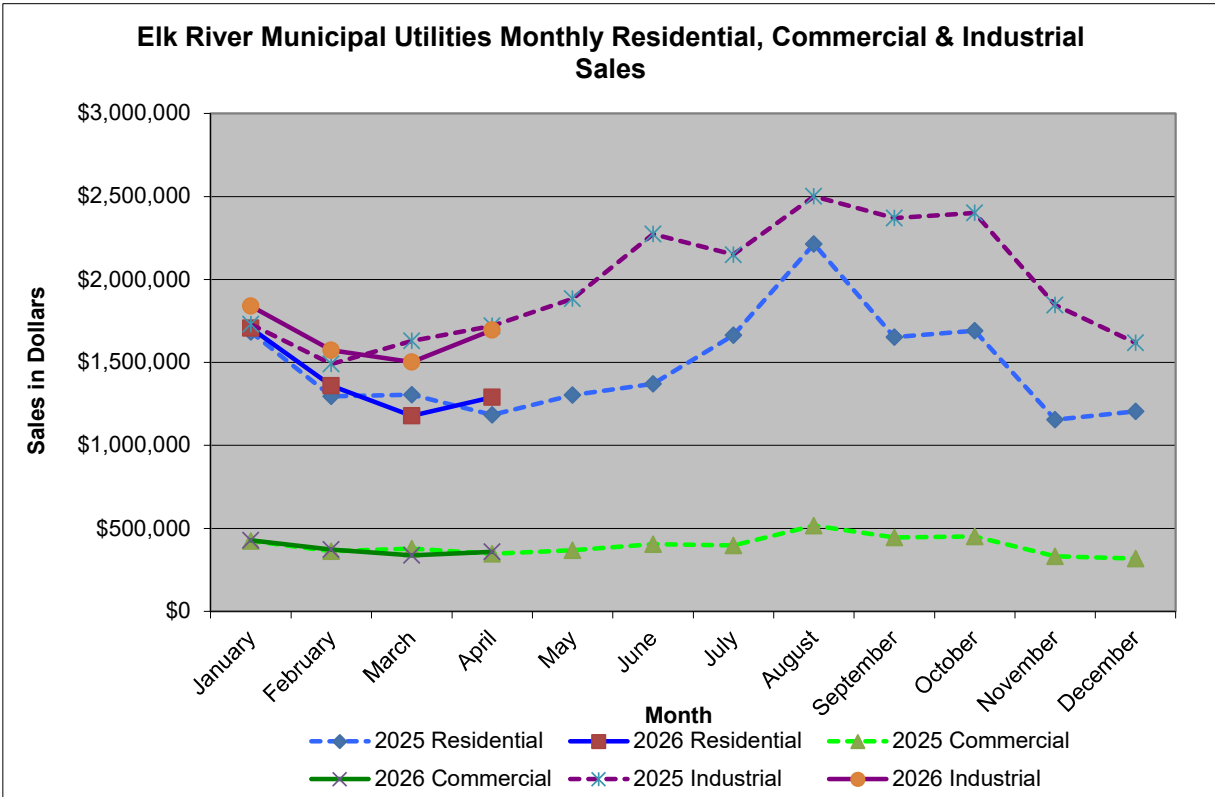
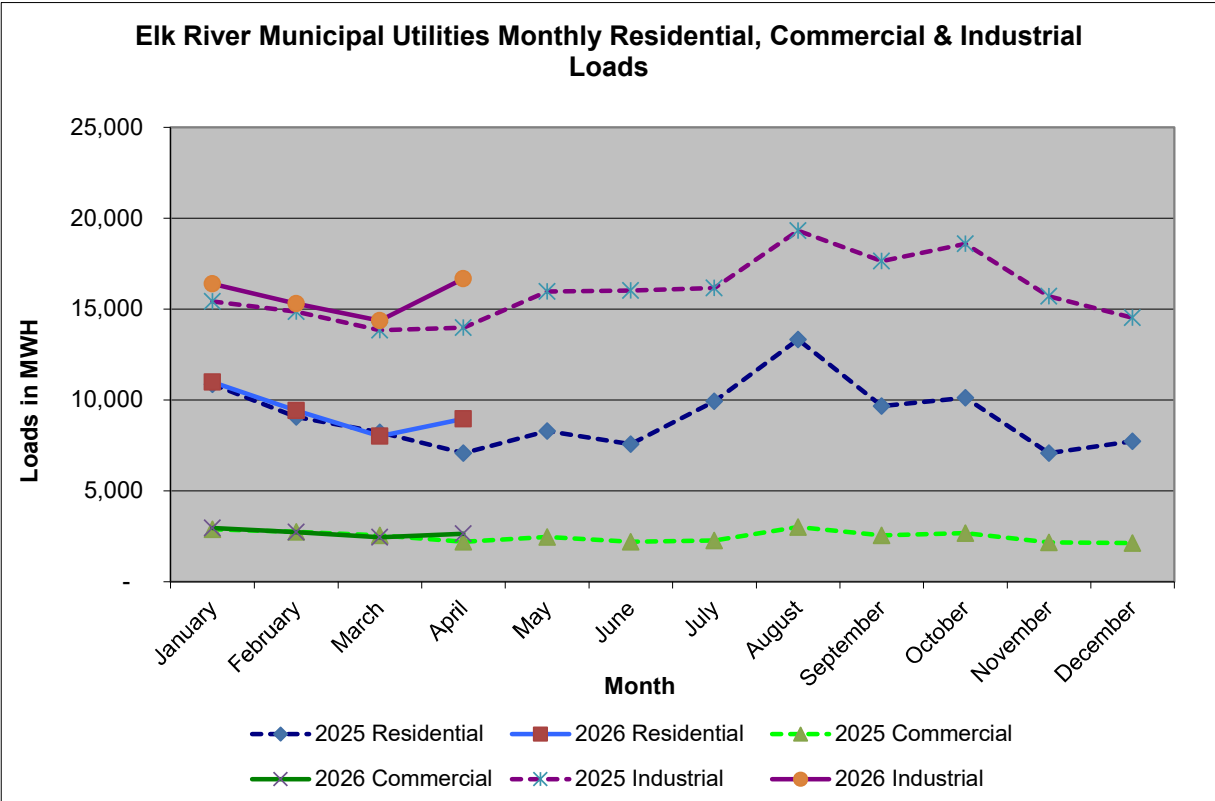
	2026 MARCH	2026 YTD	2026 YTD BUDGET	YTD Budget Variance	2026 YTD Bud Var%	2026 ANNUAL BUDGET	2025 MARCH	2025 YTD	YTD VARIANCE	2025 v. 2026 Actual Var%	Variance Item
Water											
Revenue											
Operating Revenue											
Water Sales	154,794	477,228	490,172	(12,944)	(3)	3,226,078	149,654	463,911	13,317	3	
Total Operating Revenue	154,794	477,228	490,172	(12,944)	(3)	3,226,078	149,654	463,911	13,317	3	
Other Operating Revenue											
Interest/Dividend Income	(26,546)	(4,145)	31,500	(35,645)	(113)	126,000	10,589	32,546	(36,691)	(113)	(1)
Customer Penalties	1,424	4,241	8,751	(4,510)	(52)	35,000	1,069	6,855	(2,615)	(38)	
Connection Fees	8,044	78,084	111,501	(33,417)	(30)	446,000	51,394	99,835	(21,751)	(22)	(2)
Misc Revenue	2,745	4,725	7,024	(2,299)	(33)	477,350	975	4,327	398	9	
Total Other Revenue	(14,333)	82,904	158,776	(75,872)	(48)	1,084,350	64,026	143,564	(60,660)	(42)	
Total Revenue	140,461	560,132	648,948	(88,816)	(14)	4,310,428	213,680	607,475	(47,343)	(8)	
Expenses											
Production Expense	22,729	51,512	31,251	20,261	65	125,000	9,466	30,436	21,076	69	(3)
Pumping Expense	55,075	165,506	167,004	(1,498)	(1)	668,000	40,936	146,446	19,060	13	
Distribution Expense	16,106	64,129	132,123	(67,994)	(51)	447,500	66,223	138,761	(74,632)	(54)	(4)
Depreciation & Amortization	116,527	349,513	353,751	(4,238)	(1)	1,415,000	115,387	346,387	3,126	1	
Interest Expense	2,496	7,487	7,487	0	0	28,782	2,712	8,137	(650)	(8)	
Other Operating Expense	178	567	156	411	263	50,625	52	187	380	203	
Customer Accounts Expense	8,113	25,005	26,064	(1,059)	(4)	104,250	8,138	24,546	459	2	
Administrative Expense	90,079	336,838	345,166	(8,328)	(2)	1,251,950	83,643	301,294	35,544	12	
General Expense	89	238	1,815	(1,577)	(87)	7,250	471	615	(377)	(61)	
Total Expenses(before Operating Transfers)	311,166	1,000,795	1,064,817	(64,022)	(6)	4,098,357	327,028	996,810	3,985	0	
Operating Transfer											
Operating Transfer/Other Funds	3,096	9,545	9,804	(259)	(3)	64,522	0	0	9,545	0	
Utilities & Labor Donated	0	0	501	(501)	(100)	2,000	0	0	0	0	
Total Operating Transfer	3,096	9,545	10,305	(760)	(7)	66,522	0	0	9,545	0	
Net Income Profit(Loss)	(173,801)	(450,208)	(426,174)	(24,034)	(6)	145,550	(113,349)	(389,335)	(60,873)	(16)	

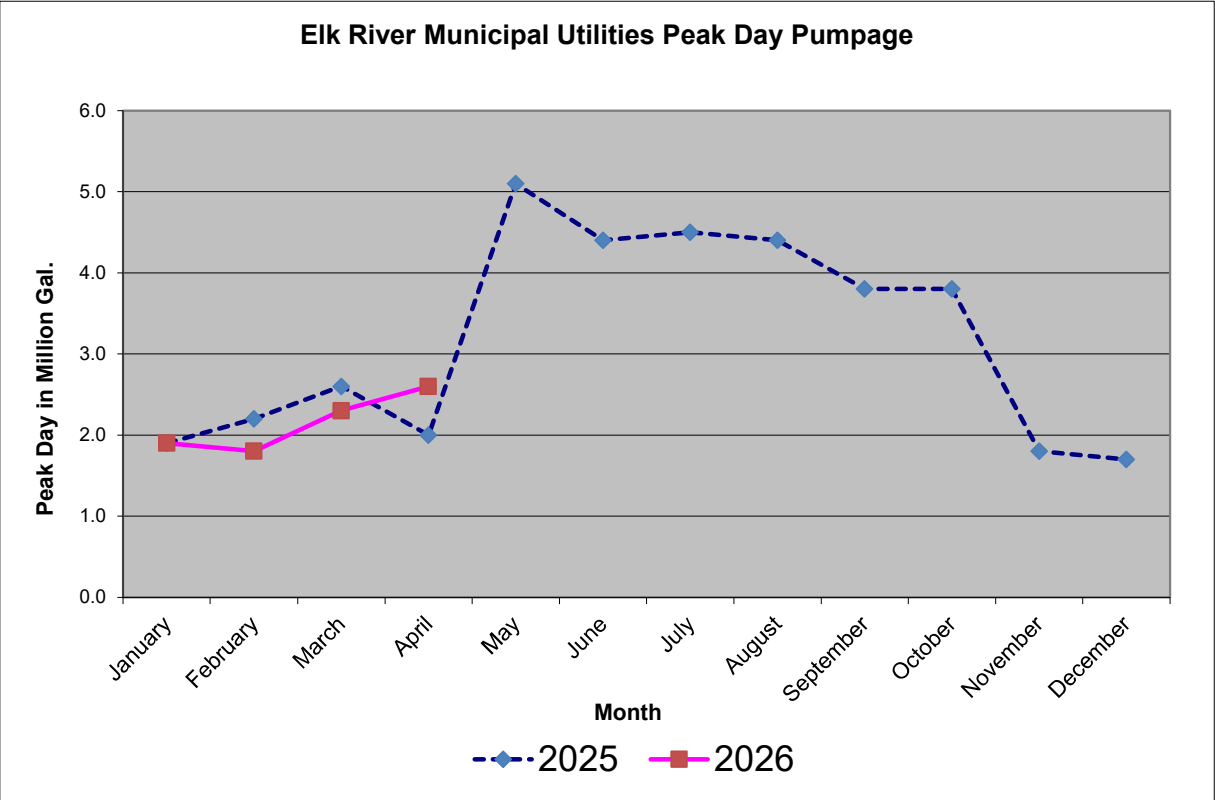
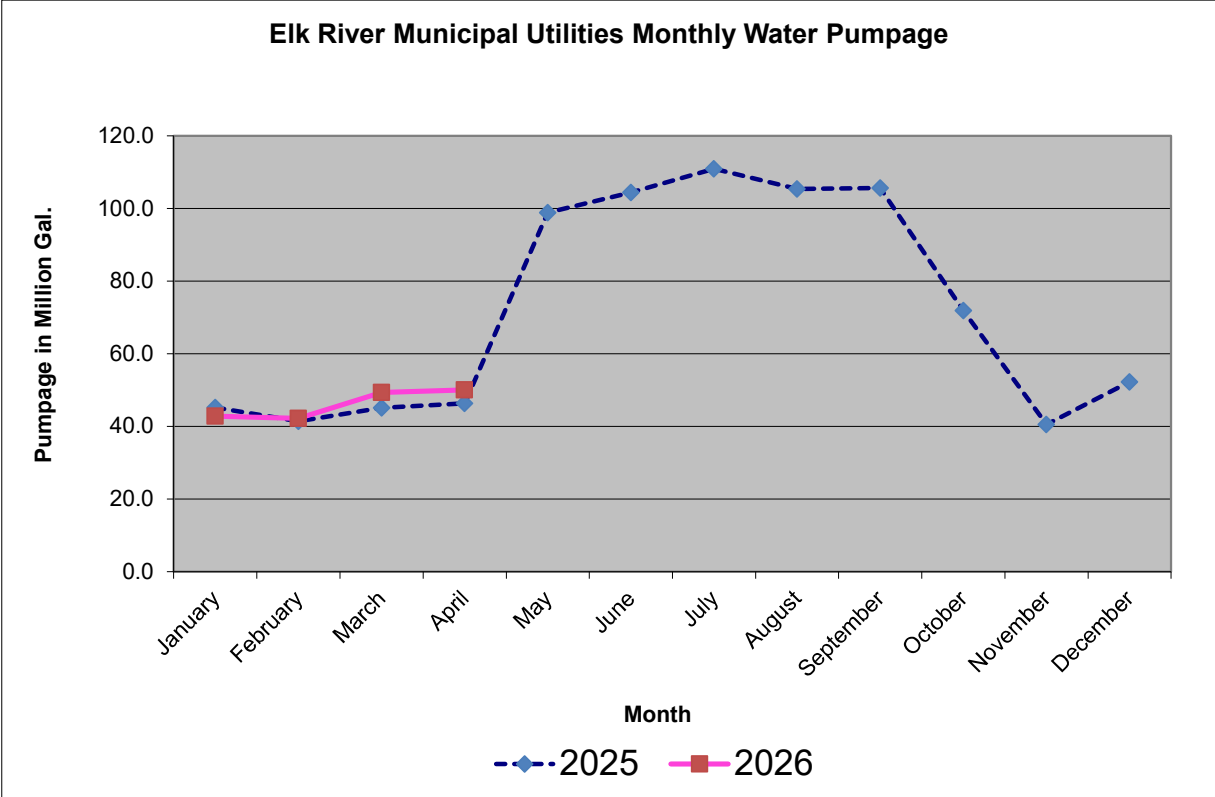
Item Variance of +/- \$15,000 and +/- 15%

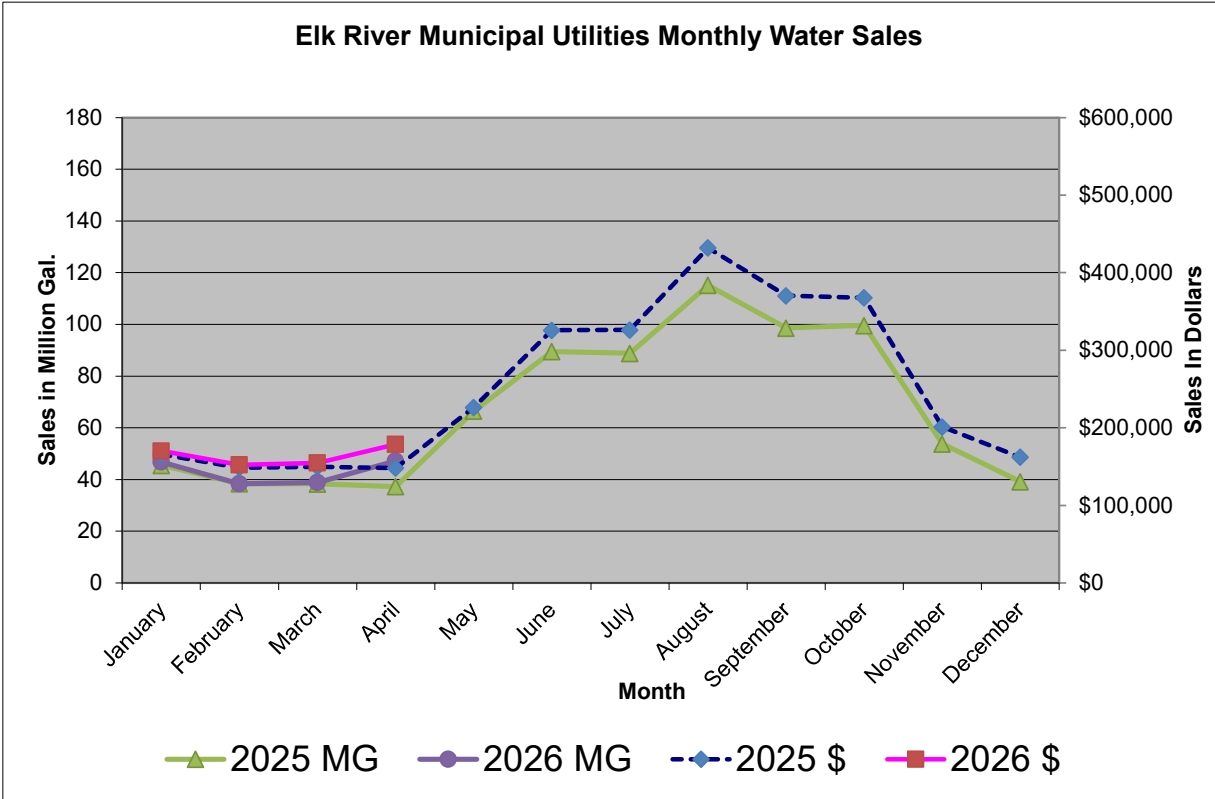
- (1) Budget and PYTD variance is due to the change in Fair Market Value.
- (2) Budget variance is due to timing (even spread) and PYTD variance due to a large connection agreements in March of 2025.
- (3) Budget and PYTD variance is mainly due to labor, and misc mtce expenses in 2026.
- (4) Budget variance is mainly due to an even budget spread throughout year. PYTD variance is due to mtce of water mains (Polk & Business Center Dr), water mapping labor and water meter service repairs.











ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR PERIOD ENDING MARCH 2026

		2026 MARCH	2026 YTD	2026 YTD BUDGET	2026 ANNUAL BUDGET	2026 YTD Bud Var%	2025 MARCH	2025 YTD	YTD VARIANCE	2025 v. 2026 Actual Var%
Electric Revenue										
Operating Revenue										
Elk River										
	ELECT SALES - ELK RIVER RESID	1,025,876	3,540,585	3,700,361	14,974,097	(4)	1,016,551	3,455,370	85,215	2
	ELECT SALES - ELK RIVER NON-D	275,514	894,352	934,505	3,713,891	(4)	274,616	880,663	13,689	2
	ELECT SALES - ELK RIVER DEMA	1,377,949	4,242,918	3,985,329	19,613,600	6	1,282,795	3,962,777	280,140	7
	PCA SALES REVENUE - ELK RIVE	0	159,013	397,109	1,606,959	(60)	116,363	287,705	(128,691)	(45)
	PCA SALES REVENUE - ELK RIVE	0	40,853	110,362	438,600	(63)	34,804	79,324	(38,471)	(48)
	PCA SALES REVENUE - ELK RIVE	0	247,293	601,336	2,959,444	(59)	207,711	463,788	(216,494)	(47)
	Total For Elk River:	2,679,341	9,125,017	9,729,003	43,306,593	(6)	2,932,843	9,129,629	(4,612)	0
Otsego										
	ELECT SALES - OTSEGO RESIDEN	119,163	404,789	420,943	1,703,415	(4)	118,895	385,302	19,486	5
	ELECT SALES - OTSEGO NON-DEM	36,742	121,194	138,923	552,104	(13)	38,229	119,620	1,574	1
	ELECT SALES - OTSEGO DEMAND	124,065	399,523	348,766	1,716,440	15	119,592	376,622	22,900	6
	PCA SALES REVENUE - OTSEGO R	0	18,170	45,174	182,803	(60)	13,444	32,046	(13,876)	(43)
	PCA SALES REVENUE - OTSEGO N	0	6,030	12,554	49,894	(52)	4,984	11,257	(5,227)	(46)
	PCA SALES REVENUE - OTSEGO D	0	25,367	50,727	249,653	(50)	19,168	44,855	(19,488)	(43)
	Total For Otsego:	279,971	975,076	1,017,088	4,454,313	(4)	314,315	969,706	5,369	1
Rural Big Lake										
	ELECT SALES - BIG LAKE RESIDE	15,194	53,948	51,525	208,506	5	15,857	52,104	1,844	4
	ELECT SALES - BIG LAKE NON-DE	174	533	1,175	4,674	(55)	164	508	24	5
	PCA SALES REVENUE - BIG LAKE	0	2,554	5,529	22,376	(54)	1,852	4,450	(1,896)	(43)
	PCA SALES REVENUE - BIG LAKE	0	13	1,537	6,107	(99)	10	23	(10)	(46)
	Total For Rural Big Lake:	15,368	57,049	59,767	241,664	(5)	17,884	57,087	(37)	0
Dayton										
	ELECT SALES - DAYTON RESIDEN	16,222	56,942	54,936	222,309	4	17,904	56,139	803	1
	ELECT SALES - DAYTON NON-DE	3,055	10,023	10,411	41,376	(4)	3,203	9,969	53	1
	PCA SALES REVENUE - DAYTON R	0	2,535	5,895	23,857	(57)	2,045	4,676	(2,141)	(46)
	PCA SALES REVENUE - DAYTON	0	449	1,610	6,511	(72)	372	855	(406)	(47)
	Total For Dayton:	19,277	69,951	72,852	294,054	(4)	23,526	71,641	(1,690)	(2)
Public St & Hwy Lighting										
	ELECT SALES - SEC LTS	23,817	71,516	69,999	280,000	2	23,885	69,650	1,865	3
	Total For Public St & Hwy Lighting:	23,817	71,516	69,999	280,000	2	23,885	69,650	1,865	3
Other Electric Sales										
	SUB-STATION CREDIT	400	1,200	1,200	4,800	0	400	1,200	0	0

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR PERIOD ENDING MARCH 2026

	2026 MARCH	2026 YTD	2026 YTD BUDGET	2026 ANNUAL BUDGET	2026 YTD Bud Var%	2025 MARCH	2025 YTD	YTD VARIANCE	2025 v. 2026 Actual Var%
Electric									
Total For Other Electric Sales:	400	1,200	1,200	4,800	0	400	1,200	0	0
Total Operating Revenue	<u>3,018,176</u>	<u>10,299,810</u>	<u>10,949,911</u>	<u>48,581,426</u>	<u>(6)</u>	<u>3,312,854</u>	<u>10,298,916</u>	<u>894</u>	<u>0</u>
Other Operating Revenue									
Interest/Dividend Income									
INTEREST & DIVIDEND INCOME	(110,647)	(35,350)	87,501	350,000	(140)	38,776	117,651	(153,002)	(130)
Total For Interest/Dividend Income:	(110,647)	(35,350)	87,501	350,000	(140)	38,776	117,651	(153,002)	(130)
Customer Penalties									
CUSTOMER DELINQUENT PENALT	23,405	65,180	76,251	305,000	(15)	19,052	64,042	1,137	2
Total For Customer Penalties:	23,405	65,180	76,251	305,000	(15)	19,052	64,042	1,137	2
Connection Fees									
DISCONNECT & RECONNECT CHA	130,723	242,203	63,750	255,000	280	13,429	30,738	211,465	688
Total For Connection Fees:	130,723	242,203	63,750	255,000	280	13,429	30,738	211,465	688
Misc Revenue									
MISC ELEC REVENUE - TEMP CHG	2,450	3,110	750	3,000	315	880	2,420	690	29
STREET LIGHT	0	29,800	5,000	25,000	496	0	0	29,800	0
TRANSMISSION INVESTMENTS	51,065	159,504	170,001	680,000	(6)	46,471	157,460	2,043	1
MISC NON-UTILITY	34,313	62,767	27,501	110,000	128	7,420	19,394	43,373	224
GAIN ON DISPOSITION OF PROPER	0	0	25,000	25,000	(100)	6,255	22,755	(22,755)	(100)
CONTRIBUTIONS FROM CUSTOME	0	434,733	87,501	350,000	397	35,332	168,929	265,804	157
Total For Misc Revenue:	87,828	689,915	315,753	1,193,000	118	96,360	370,958	318,956	86
Total Other Revenue	<u>131,310</u>	<u>961,947</u>	<u>543,255</u>	<u>2,103,000</u>	<u>77</u>	<u>167,618</u>	<u>583,391</u>	<u>378,556</u>	<u>65</u>
Total For Total Other Revenue:	131,310	961,947	543,255	2,103,000	77	167,618	583,391	378,556	65
Total Revenue	<u>3,149,486</u>	<u>11,261,758</u>	<u>11,493,166</u>	<u>50,684,426</u>	<u>(2)</u>	<u>3,480,473</u>	<u>10,882,307</u>	<u>379,451</u>	<u>3</u>
Expenses									
Purchased Power									
PURCHASED POWER	1,673,548	5,097,231	5,131,629	24,051,075	(1)	1,528,869	4,884,552	212,678	4
ENERGY ADJUSTMENT CLAUSE	331,098	906,121	1,853,200	7,608,286	(51)	531,921	1,345,552	(439,430)	(33)
Total For Purchased Power:	2,004,646	6,003,352	6,984,829	31,659,361	(14)	2,060,791	6,230,104	(226,752)	(4)
Operating & Mtce Expense									
OPERATING SUPERVISION - DNU	0	0	40,197	160,783	(100)	11,733	39,150	(39,150)	(100)
NATURAL GAS	0	0	6,876	27,501	(100)	6,608	13,634	(13,634)	(100)
ELECTRIC & WATER CONSUMPTI	0	0	16,302	65,208	(100)	5,434	17,355	(17,355)	(100)

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR PERIOD ENDING MARCH 2026

	2026 MARCH	2026 YTD	2026 YTD BUDGET	2026 ANNUAL BUDGET	2026 YTD Bud Var%	2025 MARCH	2025 YTD	YTD VARIANCE	2025 v. 2026 Actual Var%
Electric									
PLANT SUPPLIES & OTHER EXPEN	0	0	3,000	12,000	(100)	538	1,036	(1,036)	(100)
MISC POWER GENERATION EXPE	362	537	249	1,000	116	211	351	186	53
MAINTENANCE OF STRUCTURE -	0	0	3,750	15,000	(100)	839	5,208	(5,208)	(100)
MTCE OF PLANT ENGINES/GENER	0	0	126	500	(100)	97	298	(298)	(100)
MTCE OF PLANT/LAND IMPROVE	0	0	9,999	40,000	(100)	2,916	8,442	(8,442)	(100)
Total For Operating & Mtce Expense:	362	537	80,499	321,992	(99)	28,379	85,475	(84,937)	(99)
Transmission Expense									
TRANSMISSION MTCE AND EXPE	2,963	8,783	17,499	70,000	(50)	2,411	8,377	406	5
Total For Transmission Expense:	2,963	8,783	17,499	70,000	(50)	2,411	8,377	406	5
Distribution Expense									
SUPERVISION & ENGINEERING - D	15,467	42,347	0	0	0	0	0	42,347	0
REMOVE EXISTING SERVICE & M	0	74	501	2,000	(85)	0	166	(92)	(56)
SCADA EXPENSE	5,440	17,676	16,251	65,000	9	3,713	13,756	3,920	28
TRANSFORMER EXPENSE OH & U	1,912	4,280	6,249	25,000	(31)	971	3,391	889	26
MTCE OF SIGNAL SYSTEMS	0	921	750	3,000	23	221	221	699	315
METER EXPENSE - REMOVE & RE	0	0	375	1,500	(100)	242	726	(726)	(100)
TEMP SERVICE - INSTALL & REM	688	7,377	2,124	8,500	247	274	1,695	5,681	335
MISC DISTRIBUTION EXPENSE	57,857	161,336	110,001	440,000	47	44,437	116,848	44,488	38
Total For Distribution Expense:	81,366	234,014	136,251	545,000	72	49,860	136,806	97,208	71
Maintenance Expense									
MTCE OF STRUCTURES	13,470	27,696	22,500	90,000	23	9,945	29,499	(1,802)	(6)
MTCE OF SUBSTATIONS	3,886	9,675	9,999	40,000	(3)	482	1,075	8,600	800
MTCE OF SUBSTATION EQUIPME	13	1,571	27,999	112,000	(94)	6,096	12,876	(11,305)	(88)
MTCE OF OH LINES/TREE TRIM	19,199	71,029	84,000	175,000	(15)	34,728	136,688	(65,658)	(48)
MTCE OF OH LINES/STANDBY	4,519	10,796	12,498	50,000	(14)	4,357	11,154	(357)	(3)
MTCE OF OH PRIMARY	13,706	32,279	48,750	195,000	(34)	20,245	57,453	(25,173)	(44)
MTCE OF URD PRIMARY	4,290	31,128	75,000	300,000	(58)	43,185	86,189	(55,061)	(64)
LOCATE ELECTRIC LINES	2,842	11,185	31,248	125,000	(64)	4,941	14,066	(2,880)	(20)
LOCATE FIBER LINES	0	187	999	4,000	(81)	152	266	(79)	(30)
MTCE OF LINE TRANSFORMERS	(28,098)	7,652	23,748	95,000	(68)	8,370	16,199	(8,546)	(53)
MTCE OF STREET LIGHTING	4,196	20,583	17,499	70,000	18	1,201	11,693	8,889	76
MTCE OF SECURITY LIGHTING	3,544	7,260	6,249	25,000	16	1,209	6,579	680	10
MTCE OF METERS	8,507	18,797	15,000	60,000	25	508	2,996	15,801	527
VOLTAGE COMPLAINTS	871	2,778	2,499	10,000	11	1,045	2,183	595	27
SALARIES TRANSMISSION & DIST	3,378	9,364	9,249	37,000	1	2,360	8,505	859	10

ELK RIVER MUNICIPAL UTILITIES
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	2026 MARCH	2026 YTD	2026 YTD BUDGET	2026 ANNUAL BUDGET	2026 YTD Bud Var%	2025 MARCH	2025 YTD	YTD VARIANCE	2025 v. 2026 Actual Var%
Electric									
ELECTRIC MAPPING	12,390	52,412	40,500	162,000	29	18,216	43,994	8,418	19
FIBER MAPPING	0	0	2,499	10,000	(100)	0	0	0	0
MTCE OF OH SECONDARY	4,014	6,457	7,500	30,000	(14)	2,196	7,331	(873)	(12)
MTCE OF URD SECONDARY	6,243	13,076	20,001	80,000	(35)	2,962	13,166	(89)	(1)
TRANSPORTATION EXPENSE	21,331	66,236	80,001	320,000	(17)	34,085	99,404	(33,168)	(33)
Total For Maintenance Expense:	98,309	400,170	537,738	1,990,000	(26)	196,290	561,322	(161,152)	(29)
Depreciation & Amortization									
DEPRECIATION	237,404	722,618	716,250	2,865,000	1	231,730	694,601	28,017	4
AMORTIZATION	55,677	167,033	167,034	668,136	0	55,677	167,033	0	0
Total For Depreciation & Amortization:	293,082	889,652	883,284	3,533,136	1	287,408	861,635	28,017	3
Interest Expense									
INTEREST EXPENSE - BONDS	64,096	193,164	193,164	759,406	0	66,971	202,189	(9,025)	(4)
AMORTIZATION OF DEBT DISCOU	(4,988)	(14,965)	(14,965)	(59,863)	0	(4,988)	(14,965)	0	0
Total For Interest Expense:	59,107	178,198	178,198	699,543	0	61,982	187,223	(9,025)	(5)
Other Operating Expense									
EV CHARGING EXPENSE	82	247	312	1,250	(21)	171	573	(325)	(57)
LOSS ON DISPOSITION OF PROP (C	0	0	0	25,000	0	18,258	18,258	(18,258)	(100)
OTHER DONATIONS	65	870	501	2,000	74	0	217	653	301
MUTUAL AID	122	18,164	0	0	0	0	0	18,164	0
PENSION EXPENSE	0	0	0	280,000	0	0	0	0	0
OTHER INTEREST EXPENSE	0	0	14,001	56,000	(100)	0	0	0	0
INTEREST EXPENSE - METER DEP	3,622	10,854	12,501	50,000	(13)	4,118	12,314	(1,460)	(12)
Total For Other Operating Expense:	3,892	30,137	27,315	414,250	10	22,548	31,363	(1,226)	(4)
Customer Accounts Expense									
METER READING EXPENSE	1,999	6,455	6,249	25,000	3	2,847	8,947	(2,491)	(28)
DISCONNECT/RECONNECT EXPEN	0	0	1,251	5,000	(100)	66	66	(66)	(100)
MISC CUSTOMER ACCOUNTS EXP	29,075	89,993	95,001	380,000	(5)	29,696	89,892	100	0
BAD DEBT EXPENSE & RECOVER	407	14,219	6,249	25,000	128	2,248	2,898	11,321	391
Total For Customer Accounts Expense:	31,482	110,668	108,750	435,000	2	34,859	101,804	8,864	9
Administrative Expense									
SALARIES OFFICE & COMMISSION	91,830	247,917	271,251	1,085,000	(9)	78,894	238,011	9,906	4
TEMPORARY STAFFING	0	0	999	4,000	(100)	0	0	0	0
OFFICE SUPPLIES	6,333	27,211	31,251	125,000	(13)	5,210	19,583	7,628	39
ELECTRIC & WATER CONSUMPTI	1,707	5,001	7,137	28,552	(30)	1,796	5,515	(514)	(9)
BANK FEES	200	657	750	3,000	(12)	201	698	(41)	(6)

ELK RIVER MUNICIPAL UTILITIES
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		2026	2026	2026	2026	2026 YTD	2025	2025	YTD	2025 v. 2026
		MARCH	YTD	YTD BUDGET	ANNUAL BUDGET	Bud Var%	MARCH	YTD	VARIANCE	Actual Var%
Electric	LEGAL FEES	340	2,481	6,249	25,000	(60)	1,407	3,306	(824)	(25)
	AUDITING FEES	1,800	5,400	5,625	22,500	(4)	1,720	5,160	240	5
	INSURANCE	15,516	35,691	35,751	143,000	0	14,866	44,600	(8,908)	(20)
	UTILITY SHARE - DEFERRED COM	11,468	54,906	53,000	125,000	4	12,751	50,060	4,845	10
	UTILITY SHARE - MEDICAL/DENT	63,313	332,156	327,600	945,000	1	66,678	314,397	17,759	6
	UTILITY SHARE - PERA	27,769	81,659	87,126	348,500	(6)	25,775	78,596	3,062	4
	UTILITY SHARE - FICA	26,715	77,888	85,626	342,500	(9)	24,942	75,198	2,690	4
	EMPLOYEE SICK PAY	15,670	79,492	58,362	233,450	36	14,661	78,461	1,030	1
	EMPLOYEE HOLIDAY PAY	0	49,653	50,000	197,401	(1)	0	47,430	2,223	5
	EMPLOYEE VACATION & PTO PA	22,863	119,912	121,000	344,307	(1)	20,892	113,159	6,753	6
	UPMIC DISTRIBUTION	16,510	16,510	21,500	86,000	(23)	18,105	18,105	(1,595)	(9)
	LONGEVITY PAY	0	1,550	1,473	8,040	5	1,472	1,472	77	5
	CONSULTING FEES	7,444	32,902	13,950	55,800	136	0	21,220	11,682	55
	TELEPHONE	3,508	9,248	7,749	31,000	19	2,833	8,550	698	8
	ADVERTISING	1,008	3,528	5,001	20,000	(29)	970	3,405	123	4
	DUES & SUBSCRIPTIONS - FEES	14,351	44,513	35,469	141,878	26	15,022	39,553	4,960	13
	SCHOOLS & MEETINGS	29,006	57,400	72,870	291,482	(21)	20,168	52,631	4,769	9
	MTCE OF GENERAL PLANT & OFFI	540	1,620	2,751	11,000	(41)	865	2,595	(975)	(38)
	Total For Administrative Expense:	357,900	1,287,306	1,302,490	4,617,413	(1)	329,236	1,221,714	65,592	5
General Expense										
	CIP REBATES - RESIDENTIAL	7,471	23,079	22,689	90,758	2	6,400	22,053	1,025	5
	CIP REBATES - COMMERCIAL	18,421	18,421	27,999	112,000	(34)	2,364	4,329	14,092	326
	CIP - ADMINISTRATION	14,112	40,336	45,459	181,840	(11)	13,284	34,624	5,712	17
	CIP - MARKETING	2,569	14,635	13,716	54,864	7	3,568	14,263	372	3
	CIP - LABOR	10,224	27,888	34,020	136,078	(18)	8,898	26,445	1,443	5
	CIP REBATES - LOW INCOME	0	0	7,440	29,760	(100)	0	0	0	0
	CIP - LOW INCOME LABOR	1,013	2,644	2,499	10,000	6	872	2,580	64	3
	ENVIRONMENTAL COMPLIANCE	2,675	8,025	9,249	37,000	(13)	2,384	7,142	883	12
	MISC GENERAL EXPENSE	2	(15)	1,251	5,000	(101)	76	(126)	110	88
	Total For General Expense:	56,491	135,016	164,322	657,300	(18)	37,849	111,311	23,704	21
Total Expenses(before Operating Transfers)		2,989,606	9,277,838	10,421,176	44,942,996	(11)	3,111,618	9,537,140	(259,301)	(3)
Operating Transfer										
Operating Transfer/Other Funds										
	TRANSFER TO CITY ELK RIVER R	134,899	459,050	486,450	2,165,329	(6)	118,061	367,385	91,664	25

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
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	2026 MARCH	2026 YTD	2026 YTD BUDGET	2026 ANNUAL BUDGET	2026 YTD Bud Var%	2025 MARCH	2025 YTD	YTD VARIANCE	2025 v. 2026 Actual Var%
Electric									
Total For Operating Transfer/Other Funds:	134,899	459,050	486,450	2,165,329	(6)	118,061	367,385	91,664	25
Utilities & Labor Donated									
UTILITIES & LABOR DONATED TO	0	0	0	0	0	19,786	58,828	(58,828)	(100)
Total For Utilities & Labor Donated:	0	0	0	0	0	19,786	58,828	(58,828)	(100)
Total Operating Transfer									
Total For Total Operating Transfer:	134,899	459,050	486,450	2,165,329	(6)	137,848	426,214	32,836	8
Net Income Profit(Loss)	24,980	1,524,869	585,540	3,576,099	160	231,006	918,952	605,916	66

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	2026 MARCH	2026 YTD	2026 YTD BUDGET	2026 ANNUAL BUDGET	2026 YTD Bud Var%	2025 MARCH	2025 YTD	YTD VARIANCE	2025 v. 2026 Actual Var%
Water									
Revenue									
Operating Revenue									
Water Sales									
WATER SALES RESIDENTIAL	95,370	294,338	308,919	1,821,515	(5)	90,133	282,611	11,726	4
WATER SALES COMMERCIAL	57,630	177,574	175,272	1,039,959	1	57,804	176,180	1,394	1
WATER SALES IRRIGATION	1,793	5,314	5,979	364,602	(11)	1,716	5,118	195	4
Total For Water Sales:	154,794	477,228	490,172	3,226,078	(3)	149,653	463,911	13,316	3
Total Operating Revenue	154,794	477,228	490,172	3,226,078	(3)	149,653	463,911	13,316	3
Total For Total Operating Revenue:	154,794	477,228	490,172	3,226,078	(3)	149,653	463,911	13,316	3
Other Operating Revenue									
Interest/Dividend Income									
INTEREST & DIVIDEND INCOME	(26,545)	(4,712)	31,251	125,000	(115)	10,588	32,546	(37,258)	(114)
OTHER INTEREST/MISC REVENUE	0	566	249	1,000	128	0	0	566	0
Total For Interest/Dividend Income:	(26,545)	(4,145)	31,500	126,000	(113)	10,588	32,546	(36,691)	(113)
Customer Penalties									
CUSTOMER PENALTIES	1,423	4,240	8,751	35,000	(52)	1,068	6,855	(2,614)	(38)
Total For Customer Penalties:	1,423	4,240	8,751	35,000	(52)	1,068	6,855	(2,614)	(38)
Connection Fees									
WATER/ACCESS/CONNECTION FE	3,600	67,110	91,500	366,000	(27)	39,600	79,200	(12,090)	(15)
CUSTOMER CONNECTION FEES	1,021	5,252	12,501	50,000	(58)	7,293	12,693	(7,441)	(59)
BULK WATER SALES/HYDRANT R	3,422	5,721	7,500	30,000	(24)	4,499	7,941	(2,220)	(28)
Total For Connection Fees:	8,043	78,083	111,501	446,000	(30)	51,393	99,835	(21,751)	(22)
Misc Revenue									
MISC NON-UTILITY	0	30	24	100	25	0	310	(280)	(90)
GAIN ON DISPOSITION OF PROPER	0	0	4,000	4,000	(100)	0	0	0	0
MISCELLANEOUS REVENUE	0	0	249	1,000	(100)	0	1,091	(1,091)	(100)
HYDRANT MAINTENANCE PROGR	2,744	4,694	2,751	11,000	71	975	2,925	1,769	61
WATER TOWER LEASE	0	0	0	386,250	0	0	0	0	0
LEASE INTEREST REVENUE	0	0	0	75,000	0	0	0	0	0
Total For Misc Revenue:	2,744	4,724	7,024	477,350	(33)	975	4,327	397	9
Total Other Revenue	(14,333)	82,903	158,776	1,084,350	(48)	64,025	143,563	(60,659)	(42)
Total For Total Other Revenue:	(14,333)	82,903	158,776	1,084,350	(48)	64,025	143,563	(60,659)	(42)

ELK RIVER MUNICIPAL UTILITIES
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		2026 MARCH	2026 YTD	2026 YTD BUDGET	2026 ANNUAL BUDGET	2026 YTD Bud Var%	2025 MARCH	2025 YTD	YTD VARIANCE	2025 v. 2026 Actual Var%
Water	Total Revenue	<u>140,460</u>	<u>560,131</u>	<u>648,948</u>	<u>4,310,428</u>	<u>(14)</u>	<u>213,679</u>	<u>607,474</u>	<u>(47,342)</u>	<u>(8)</u>
Expenses										
	Production Expense									
	MTCE OF STRUCTURES	<u>22,729</u>	<u>51,512</u>	<u>31,251</u>	<u>125,000</u>	<u>65</u>	<u>9,465</u>	<u>30,435</u>	<u>21,076</u>	<u>69</u>
	Total For Production Expense:	<u>22,729</u>	<u>51,512</u>	<u>31,251</u>	<u>125,000</u>	<u>65</u>	<u>9,465</u>	<u>30,435</u>	<u>21,076</u>	<u>69</u>
	Pumping Expense									
	SUPERVISION	6,847	19,697	20,001	80,000	(2)	6,965	19,468	228	1
	ELECTRIC & GAS UTILITIES	19,419	59,820	75,000	300,000	(20)	14,630	60,711	(891)	(1)
	SAMPLING	1,324	5,250	6,000	24,000	(12)	845	4,877	373	8
	CHEMICAL FEED	3,263	7,292	12,501	50,000	(42)	2,960	8,040	(747)	(9)
	MTCE OF WELLS	22,916	71,644	50,001	200,000	43	13,267	50,388	21,255	42
	SCADA - PUMPING	<u>1,304</u>	<u>1,800</u>	<u>3,501</u>	<u>14,000</u>	<u>(49)</u>	<u>2,267</u>	<u>2,959</u>	<u>(1,158)</u>	<u>(39)</u>
	Total For Pumping Expense:	<u>55,074</u>	<u>165,505</u>	<u>167,004</u>	<u>668,000</u>	<u>(1)</u>	<u>40,936</u>	<u>146,446</u>	<u>19,059</u>	<u>13</u>
	Distribution Expense									
	MTCE OF WATER MAINS	4,480	9,969	43,749	175,000	(77)	48,386	54,693	(44,724)	(82)
	LOCATE WATER LINES	111	792	6,249	25,000	(87)	1,163	2,776	(1,983)	(71)
	WATER METER SERVICE	1,539	7,841	12,501	50,000	(37)	6,702	21,607	(13,766)	(64)
	BACKFLOW DEVICE INSPECTION	1,441	4,107	5,751	23,000	(29)	1,229	3,898	209	5
	MTCE OF CUSTOMERS SERVICE	3,039	8,478	9,000	36,000	(6)	3,126	8,525	(46)	(1)
	WATER MAPPING	1,006	1,047	6,249	25,000	(83)	1,909	13,704	(12,657)	(92)
	FIBER MAPPING	0	0	2,499	10,000	(100)	0	0	0	0
	MTCE OF WATER HYDRANTS - PU	1,282	2,075	5,499	22,000	(62)	552	7,134	(5,059)	(71)
	MTCE OF WATER HYDRANTS - PR	0	0	1,500	6,000	(100)	0	0	0	0
	WATER CLOTHING/PPE	222	666	3,750	15,000	(82)	837	916	(250)	(27)
	WAGES WATER	868	2,325	2,376	9,500	(2)	722	2,236	88	4
	TRANSPORTATION EXPENSE	1,768	4,587	6,000	24,000	(24)	1,591	3,230	1,356	42
	WATER PERMIT	<u>345</u>	<u>22,238</u>	<u>27,000</u>	<u>27,000</u>	<u>(18)</u>	<u>0</u>	<u>20,037</u>	<u>2,201</u>	<u>11</u>
	Total For Distribution Expense:	<u>16,105</u>	<u>64,129</u>	<u>132,123</u>	<u>447,500</u>	<u>(51)</u>	<u>66,222</u>	<u>138,761</u>	<u>(74,632)</u>	<u>(54)</u>
	Depreciation & Amortization									
	DEPRECIATION	<u>116,526</u>	<u>349,512</u>	<u>353,751</u>	<u>1,415,000</u>	<u>(1)</u>	<u>115,386</u>	<u>346,387</u>	<u>3,125</u>	<u>1</u>
	Total For Depreciation & Amortization:	<u>116,526</u>	<u>349,512</u>	<u>353,751</u>	<u>1,415,000</u>	<u>(1)</u>	<u>115,386</u>	<u>346,387</u>	<u>3,125</u>	<u>1</u>
	Interest Expense									
	INTEREST EXPENSE - BONDS	3,050	9,150	9,150	35,433	0	3,266	9,799	(649)	(7)
	AMORTIZATION OF DEBT DISCOU	<u>(554)</u>	<u>(1,662)</u>	<u>(1,662)</u>	<u>(6,650)</u>	<u>0</u>	<u>(554)</u>	<u>(1,662)</u>	<u>0</u>	<u>0</u>
	Total For Interest Expense:	<u>2,495</u>	<u>7,487</u>	<u>7,487</u>	<u>28,782</u>	<u>0</u>	<u>2,712</u>	<u>8,137</u>	<u>(649)</u>	<u>(8)</u>

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FOR PERIOD ENDING MARCH 2026

	2026 MARCH	2026 YTD	2026 YTD BUDGET	2026 ANNUAL BUDGET	2026 YTD Bud Var%	2025 MARCH	2025 YTD	YTD VARIANCE	2025 v. 2026 Actual Var%
Water									
Other Operating Expense									
DAM MAINTENANCE EXPENSE	133	432	0	0	0	0	30	402	1,297
PENSION EXPENSE	0	0	0	50,000	0	0	0	0	0
INTEREST EXPENSE - METER DEP	44	133	156	625	(14)	52	156	(22)	(14)
Total For Other Operating Expense:	177	566	156	50,625	263	52	186	379	203
Customer Accounts Expense									
METER READING EXPENSE	498	1,678	1,251	5,000	34	556	1,664	13	1
MISC CUSTOMER ACCOUNTS EXP	7,615	23,326	24,750	99,000	(6)	7,581	22,881	445	2
BAD DEBT EXPENSE & RECOVER	0	0	63	250	(100)	0	0	0	0
Total For Customer Accounts Expense:	8,113	25,005	26,064	104,250	(4)	8,138	24,546	458	2
Administrative Expense									
SALARIES OFFICE & COMMISSION	27,631	78,745	83,250	333,000	(5)	23,451	70,162	8,583	12
TEMPORARY STAFFING	0	0	249	1,000	(100)	0	0	0	0
OFFICE SUPPLIES	2,075	9,326	7,500	30,000	24	2,434	5,853	3,472	59
ELECTRIC & WATER CONSUMPTI	426	1,250	1,620	6,500	(23)	449	1,379	(129)	(9)
BANK FEES	50	170	177	708	(3)	50	180	(9)	(5)
LEGAL FEES	85	620	1,500	6,000	(59)	351	826	(206)	(25)
AUDITING FEES	450	1,350	1,749	7,000	(23)	976	1,836	(486)	(26)
INSURANCE	4,502	11,571	10,749	43,000	8	3,487	10,462	1,109	11
UTILITY SHARE - DEFERRED COM	2,590	9,559	10,750	25,000	(11)	2,308	7,968	1,591	20
UTILITY SHARE - MEDICAL/DENT	16,489	80,763	82,500	251,110	(2)	16,978	75,381	5,381	7
UTILITY SHARE - PERA	6,239	18,298	17,874	71,500	2	4,856	15,204	3,093	20
UTILITY SHARE - FICA	6,051	17,619	17,625	70,500	0	4,681	14,604	3,014	21
EMPLOYEE SICK PAY	3,420	15,663	13,251	53,000	18	2,814	13,665	1,997	15
EMPLOYEE HOLIDAY PAY	0	11,081	10,950	43,000	1	0	9,413	1,668	18
EMPLOYEE VACATION & PTO PA	4,955	26,164	26,000	72,000	1	4,104	22,356	3,807	17
UPMIC DISTRIBUTION	3,830	3,830	4,750	19,000	(19)	3,642	3,642	187	5
WELLHEAD PROTECTION	0	0	375	1,500	(100)	0	0	0	0
LONGEVITY PAY	0	0	78	1,260	(100)	77	77	(77)	(100)
CONSULTING FEES	3,401	7,403	6,549	26,200	13	6,712	16,272	(8,869)	(55)
TELEPHONE	942	2,490	2,151	8,600	16	638	1,913	577	30
ADVERTISING	252	882	1,251	5,000	(29)	242	1,211	(329)	(27)
DUES & SUBSCRIPTIONS - FEES	2,167	30,042	27,870	111,474	8	2,060	20,617	9,425	46
SCHOOLS & MEETINGS	4,380	9,598	15,723	62,897	(39)	3,107	7,614	1,983	26
MTCE OF GENERAL PLANT & OFFI	135	405	675	2,700	(40)	216	648	(243)	(38)

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR PERIOD ENDING MARCH 2026

		2026 MARCH	2026 YTD	2026 YTD BUDGET	2026 ANNUAL BUDGET	2026 YTD Bud Var%	2025 MARCH	2025 YTD	YTD VARIANCE	2025 v. 2026 Actual Var%
Water										
	Total For Administrative Expense:	90,078	336,838	345,166	1,251,949	(2)	83,643	301,294	35,543	12
General Expense										
	CIP REBATES - RESIDENTIAL	25	50	501	2,000	(90)	0	25	25	100
	CIP REBATES - COMMERCIAL	0	0	249	1,000	(100)	0	0	0	0
	CIP - MARKETING	0	0	375	1,500	(100)	0	0	0	0
	CIP - LABOR	0	0	126	500	(100)	0	0	0	0
	ENVIRONMENTAL COMPLIANCE	63	188	501	2,000	(62)	471	589	(401)	(68)
	MISC GENERAL EXPENSE	0	0	63	250	(100)	0	0	0	0
	Total For General Expense:	88	238	1,815	7,250	(87)	471	614	(376)	(61)
	Total Expenses(before Operating Transfers)	311,166	1,000,795	1,064,817	4,098,356	(6)	327,028	996,809	3,985	0
Operating Transfer										
Operating Transfer/Other Funds										
	TRANSFER TO CITY ELK RIVER R	3,095	9,544	9,804	64,521	(3)	0	0	9,544	0
Utilities & Labor Donated										
	WATER & LABOR DONATED TO CI	0	0	501	2,000	(100)	0	0	0	0
Total Operating Transfer										
	Total For Total Operating Transfer:	3,095	9,544	10,305	66,521	(7)	0	0	9,544	0
Net Income Profit(Loss)		<u>(173,801)</u>	<u>(450,207)</u>	<u>(426,174)</u>	<u>145,549</u>	<u>(6)</u>	<u>(113,348)</u>	<u>(389,335)</u>	<u>(60,872)</u>	<u>(16)</u>



March 2026 Financials

Report Highlights

YTD Profit & Profit Margin %

Profit & Profit Margins %

March 2026

\$1,074,661

9.09%

Revenue

\$11,821,891

Expense

\$10,747,229

Purpose: To show the overall health of the organization.

- YTD ERMU's revenue is exceeding expenses by \$1.1M
- Resulting in a profit margin of 9.1%

Electric YTD Profit & Profit Margin %

Profit & Profit Margins %

March 2026

\$1,524,869

13.54%

Revenue

\$11,261,759

Expense

\$9,736,889

Water YTD Profit & Profit Margin %

Profit (Loss) & Profit Margins %

March 2026

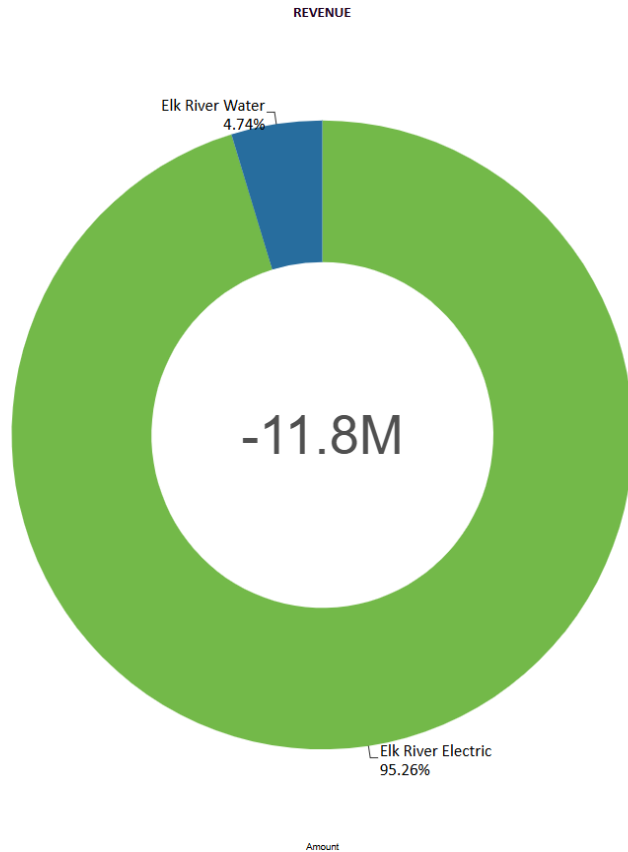
(\$450,208)

(80.38%)

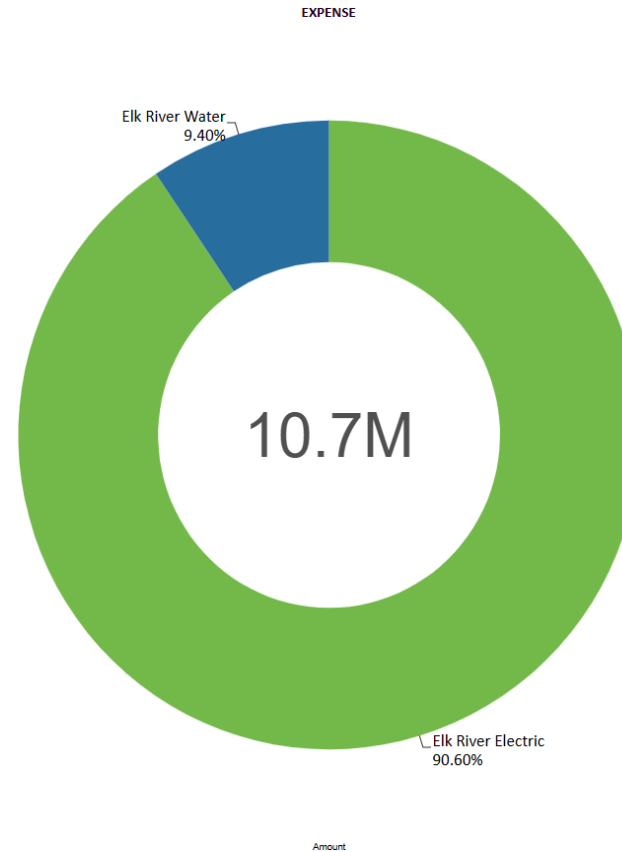
Revenue
\$560,132

Expense
\$1,010,340

Revenue vs Expense (YTD)



REVENUE

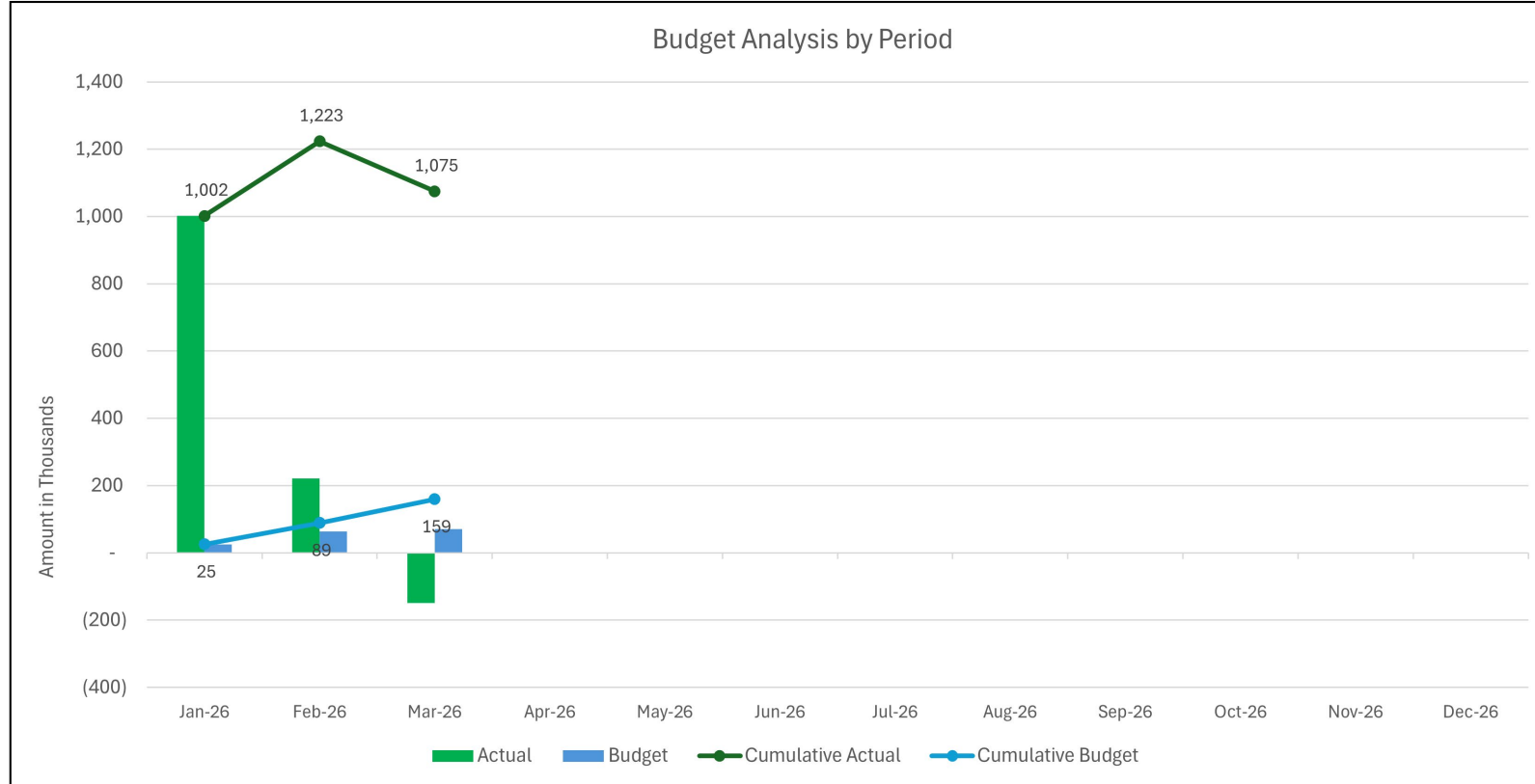


EXPENSE

Purpose: To compare revenue vs expense by utility service.

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

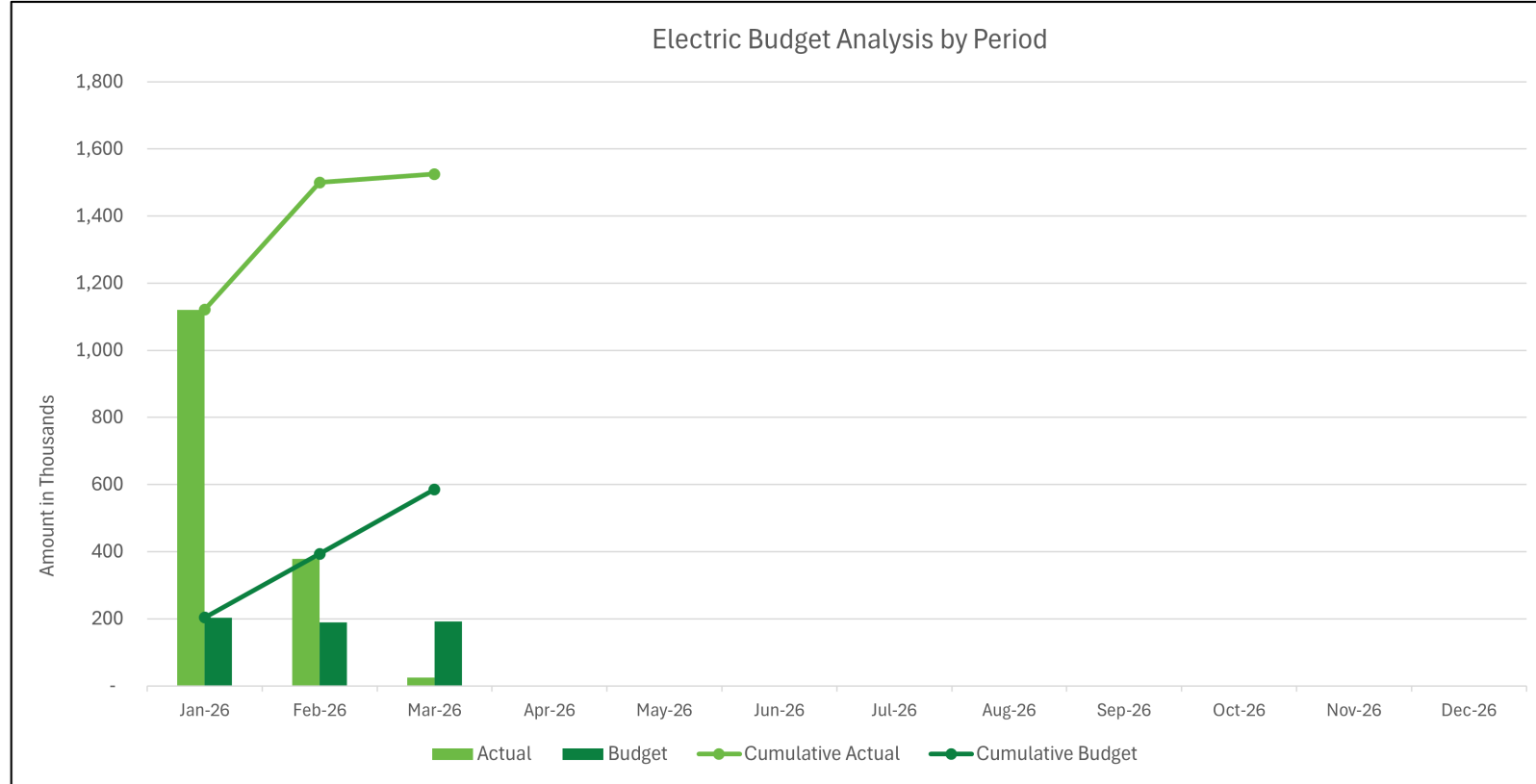
YTD Actuals to Budget Comparison



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

- Overall, ERMU is **favorable** to budget YTD
- Bars represent each month, lines represent cumulative

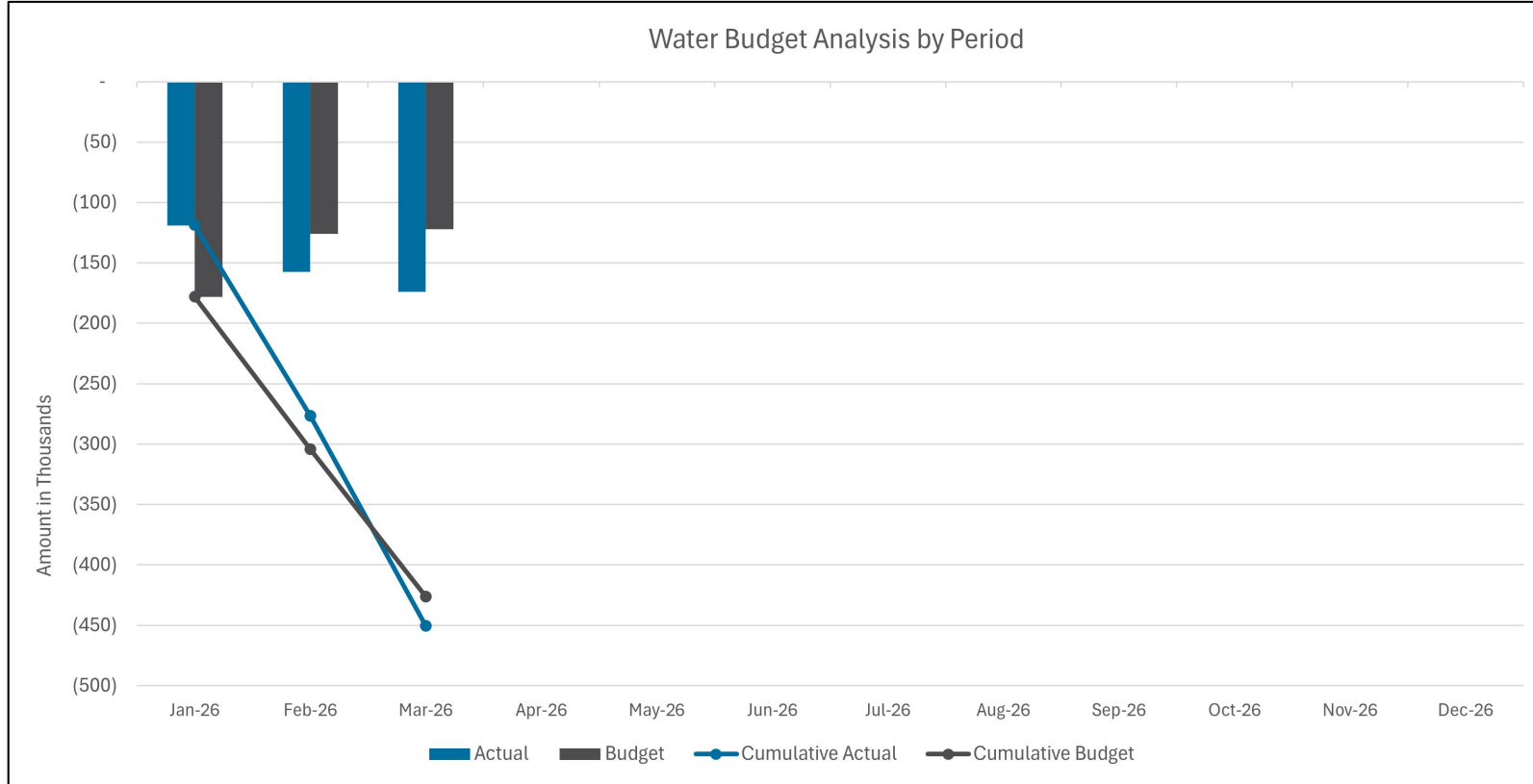
Electric YTD Actuals to Budget Comparison



Purpose: To illustrate Electric's net position actuals versus budgeted amounts.

- YTD Electric is **favorable** to budget

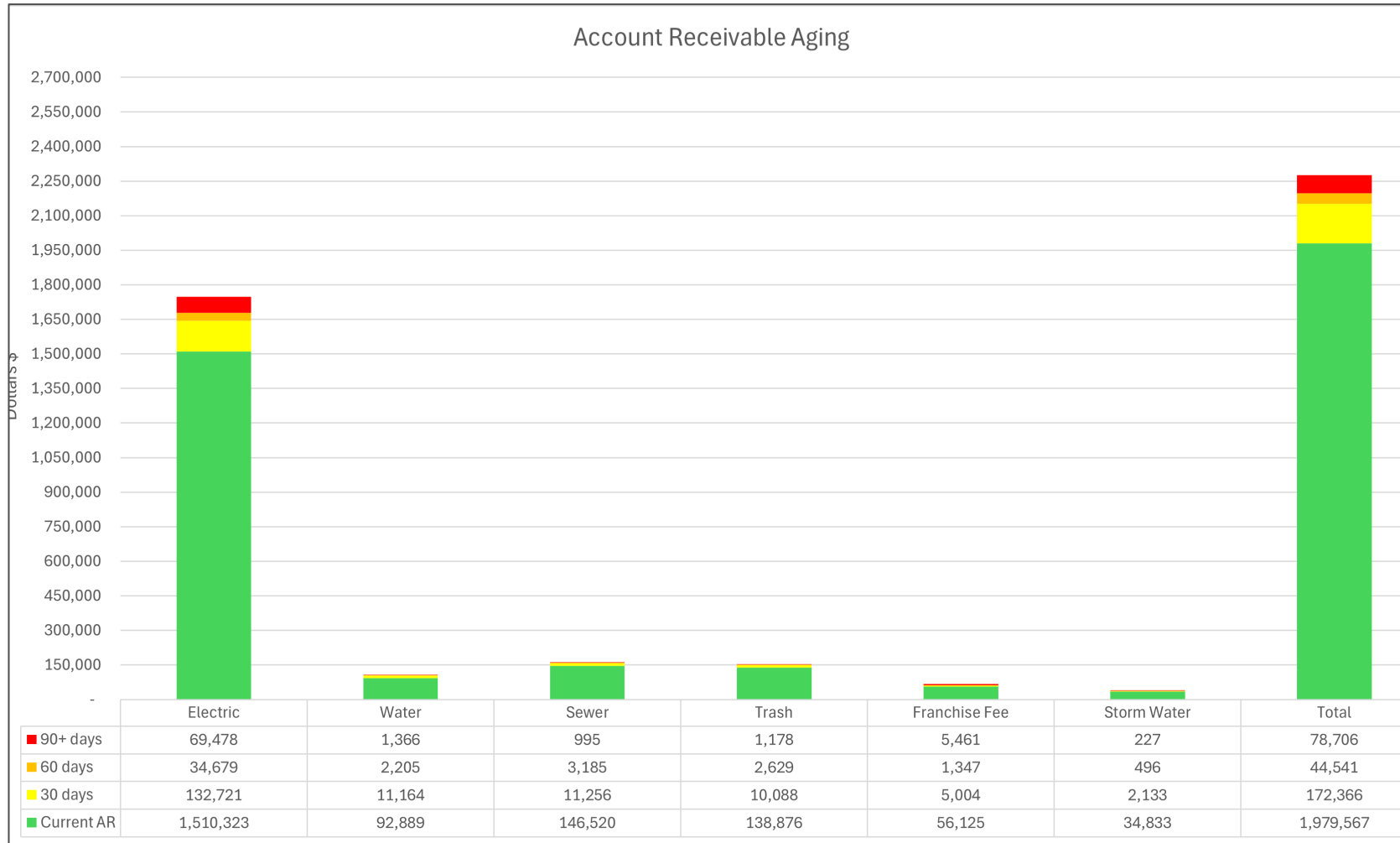
Water YTD Actuals to Budget Comparison



Purpose: To illustrate Water's net position actuals versus budgeted amounts.

- YTD Water is **unfavorable** to budget

Accounts Receivable-Utility Aging 3/31/2026

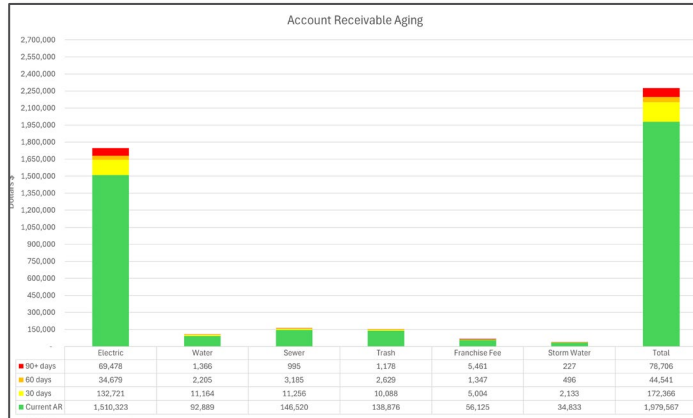


Purpose: an overview of outstanding payments from customers and how long they are past due.

- City services make up \$420k of total A/R balances of \$2.275M
- Over 90 days is only 3% of total A/R compared to 87% being current

**GREEN
IS
GOOD!**

Accounts Receivable-Utility Aging 3/31/2026

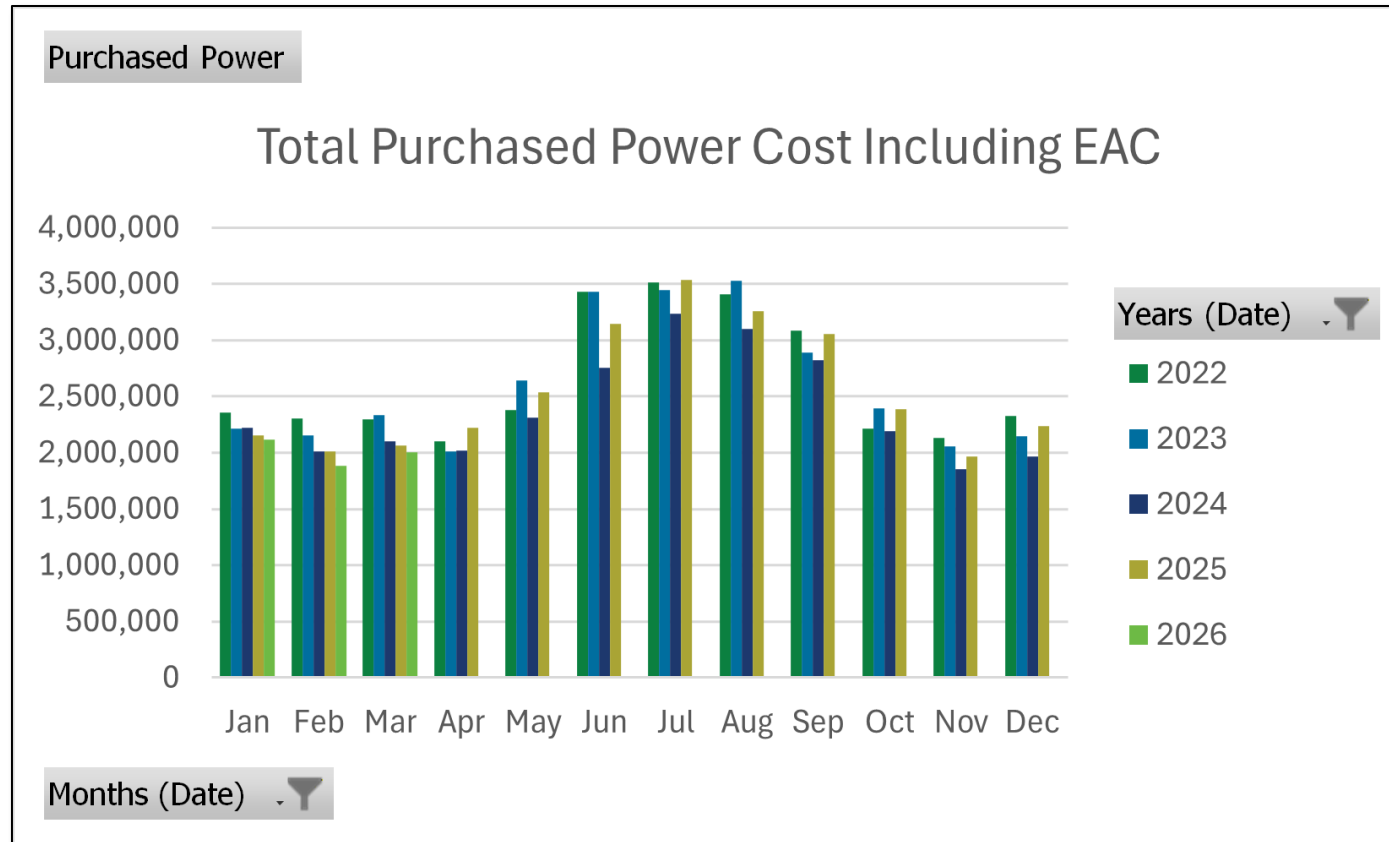


Note: Electric and water accounts receivable can be reviewed separately on the “Combined Balance Sheet” provided in the packet.

ELK RIVER MUNICIPAL UTILITIES ELK RIVER, MINNESOTA COMBINED BALANCE SHEET FOR PERIOD ENDING MARCH 2026

	ELECTRIC	WATER
ASSETS		
CURRENT ASSETS		
CASH	3,622,386	6,449,172
ACCOUNTS RECEIVABLE	2,622,803	5,985,257
INVENTORIES	2,643,554	76,010
PREPAID ITEMS	274,226	77,561
CONSTRUCTION IN PROGRESS	2,645,109	102,694
TOTAL CURRENT ASSETS	11,808,076	12,690,695

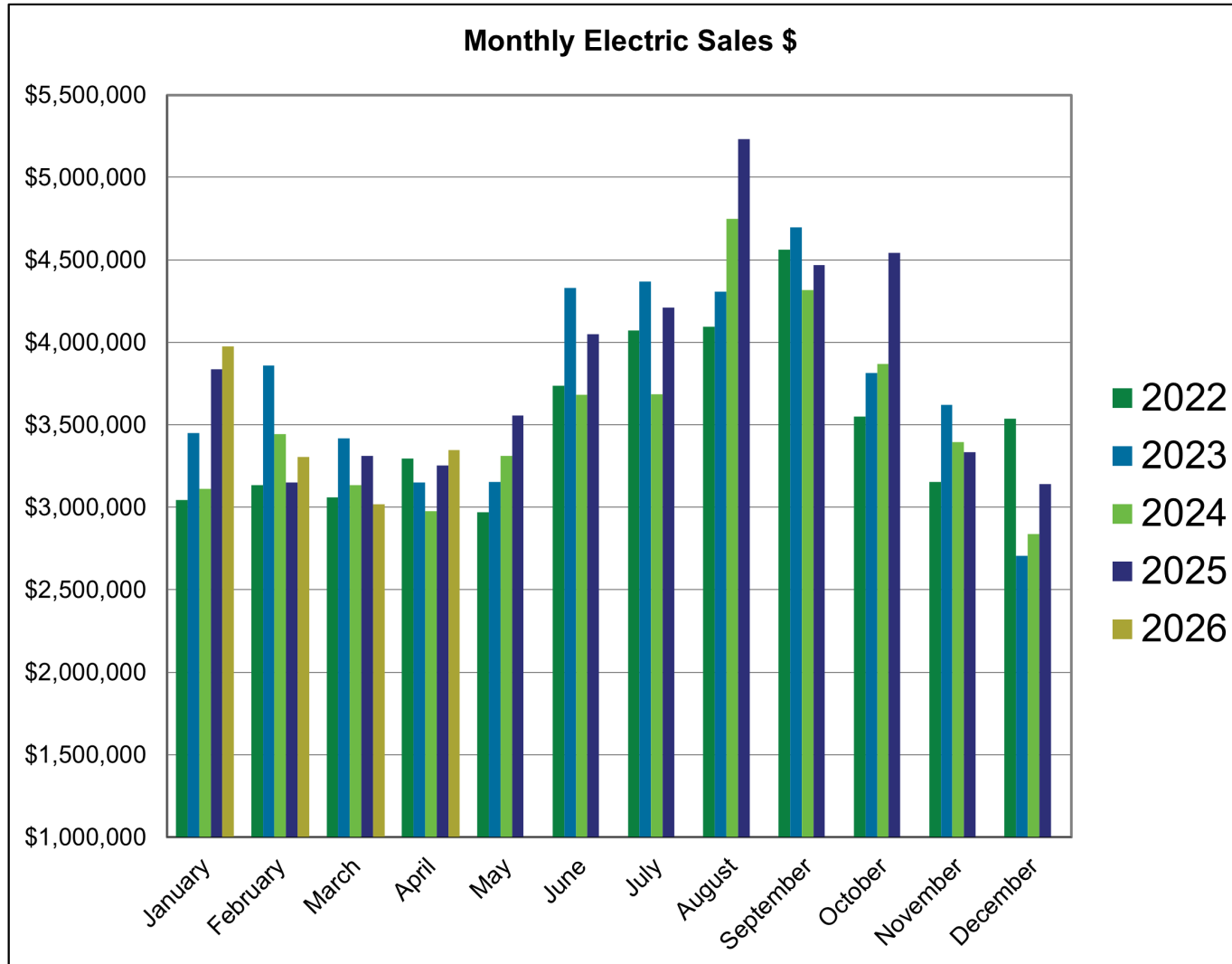
Electric Department – Purchased Power



Purpose: To illustrate 5-year comparison in purchased power costs.

- Purchased power 2026 YTD is approximately 62% of total expenses.
- 2026 YTD purchased power is favorable to budget 14%.
- 2026 expense is 4% less than 2025. YTD 2026 is \$227k less than 2025. 2% higher kWh *purchased* but 33% less EAC charges.

Electric Department – Electric Usage Sales

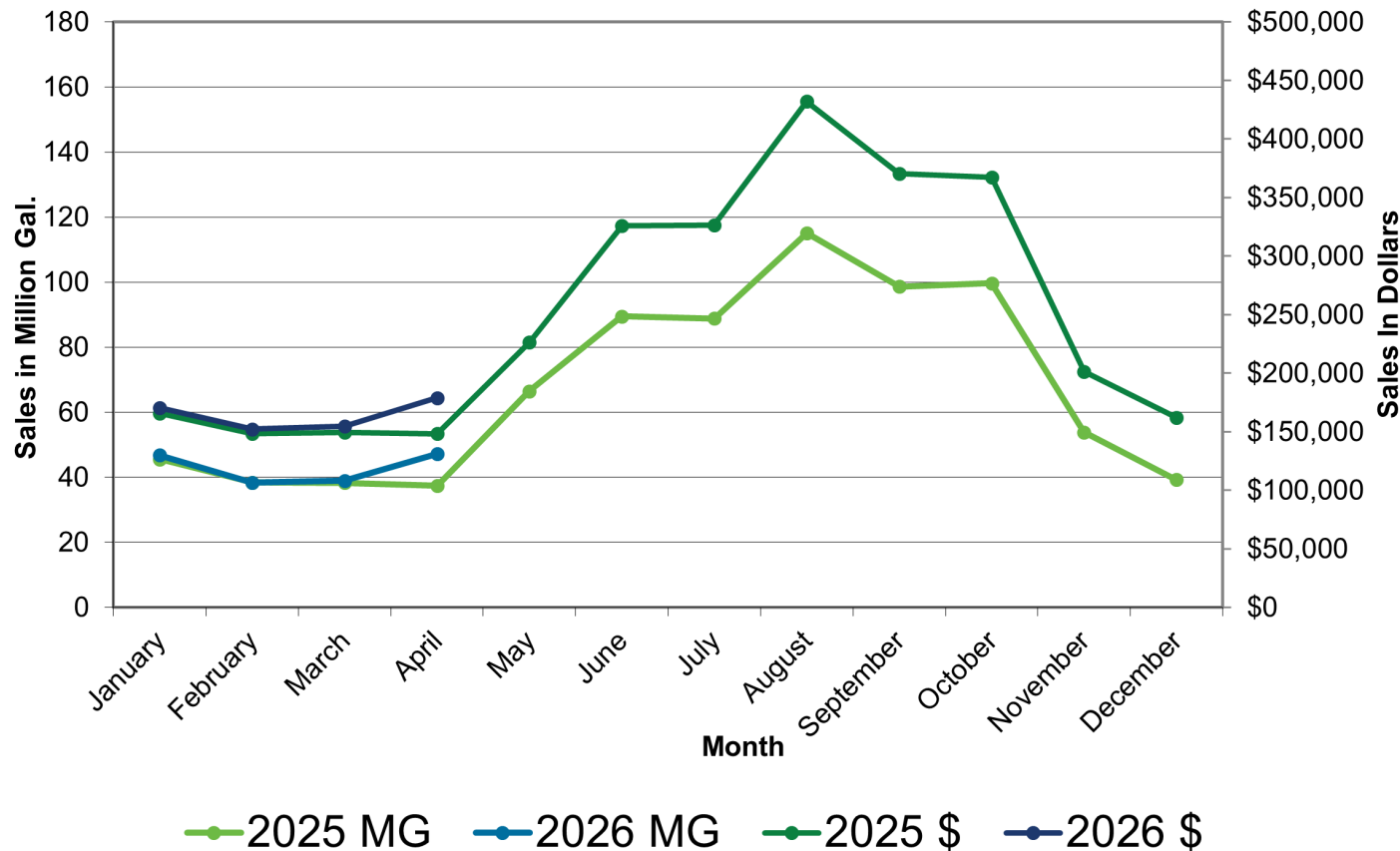


Purpose: To illustrate a 5-year comparison in electric usage sales.

- Usage can vary greatly from year to year with weather being a primary factor.
- Electric kWh usage is 7% higher in 2026 as compared to 2025. YTD sales revenue is 1% higher.
- ***Through April 2026***

Water Department – Water Usage Sales

Elk River Municipal Utilities Monthly Water Sales



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

- Usage can vary greatly from year to year based on a variety of factors such as weather.
- The water sales graph highlights both usage and revenue dollars.
- Water usage is up 7% YTD, and sales revenue is up 7% YTD over prior year.
- ***Through April 2026***



Thank You!

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

TO: ERMU Commission	FROM: Mark Hanson – General Manager
MEETING DATE: May 12, 2026	AGENDA ITEM NUMBER: 5.2
SUBJECT: Market-Based Electric Service Agreement for 19178 Industrial Boulevard NW	
ACTION REQUESTED: Approve the Market-Based Electric Service Agreement for 19178 Industrial Boulevard NW pending final legal review, with provision of authorization to the general manager and ERMU's attorney to approve any subsequent changes that are not material.	

BACKGROUND:

At the April meeting, the Commission approved a letter of intent to reserve 33 megawatts of capacity for a potential data center project located in an existing building at 19178 Industrial Boulevard NW. Since then, staff have worked with this potential customer to finalize mutually agreeable development terms. The attached Market-Based Electric Service Agreement (ESA) outlines the negotiated terms regarding necessary infrastructure upgrades, payment schedules, operational terms, and applicable rates.

DISCUSSION:

This project represents a significant new load on ERMU's electric system and will require infrastructure upgrades to support the growth. While the ESA represents the final negotiated terms, additional commitments remain contingent upon completion of a future market-based rate, confirmation of transmission capacity through Great River Energy's (GRE) system impact study, and installation of required infrastructure upgrades. Our power provider, Minnesota Municipal Power Agency, has confirmed they are able to meet the customer's power requirements.

The project is proposed to be developed in two phases:

- Phase One, anticipated to be in service by the second quarter of 2027, includes minor infrastructure upgrades to existing feeders and the installation of two new feeders from existing substation transformers to provide approximately 23 MW of capacity.
- Phase Two, anticipated to be in service by the second quarter of 2029, includes major infrastructure upgrades to our West Substation to support the installation of a third substation transformer. The new transformer will support two additional feeders which will provide 10 MW of additional capacity and ensure system redundancy.

The attached ESA requires the data center to be built with a closed-loop glycol-based cooling system (similar to an engine's cooling system in your vehicle), so once the system is filled and

operational, no water will need to be added for cooling. As such, there is no need to modify the existing domestic water service to the building.

In light of the current public concern regarding data centers, it is important to note that this project represents minimal risk to ERMU, our customers, or our transmission and power providers. Under the terms of the attached ESA, the potential customer is responsible for 100% of the infrastructure costs required to meet their energy demand and must pay these costs prior to any equipment purchase or infrastructure upgrades. Additionally, the applicable rate, being developed in coordination with our power supplier, requires customer-owned back-up generation, that in combination with meeting energy requirements via day-ahead market pricing and a pass-through cost structure, will eliminate the need for our power provider to build large power generation facilities to support this proposed project.

As of the writing of this report, staff have not received the results of the system impact study from GRE. Once received, the attached ESA will be updated to reflect the estimated costs for any necessary infrastructure modifications. Neither party will sign the ESA until the estimated costs are received.

Staff request commission approval of the agreement, pending final legal review, as well as provision of authorization to the General Manager and ERMU's attorney to approve any subsequent changes that are not material.

FINANCIAL IMPACT:

Since the property has an existing service that is being upgraded, the customer is responsible for all costs that directly support their capacity needs. Cost-sharing may apply for infrastructure upgrades that also benefit the broader distribution system.

ATTACHMENTS:

Market-Based Electric Service Agreement for 19178 Industrial Boulevard NW

**MARKET-BASED ELECTRIC SERVICE AGREEMENT
BETWEEN ELK RIVER MUNICIPAL UTILITIES AND ELK RIVER CAPITAL, LLC**

This Market-Based Electric Service Agreement (“Agreement”) is made and entered into the ____ day of May, 2026, by and between the Elk River Municipal Utilities Commission d/b/a Elk River Municipal Utilities (“ERMU”), a municipal utility under the laws of the State of Minnesota, and Elk River Capital, LLC, a limited liability company duly organized and existing under the laws of Minnesota (the “Customer”), individually referred to as a “Party” and collectively as the “Parties.”

WHEREAS, the Customer is developing a data center located at 19178 Industrial Boulevard NW, Elk River, Minnesota, (the “Project”) in two phases (23 megawatts followed by an additional 10 megawatts), as further described herein;

WHEREAS the Customer has requested that ERMU arrange three-phase electric service with capacity sufficient to serve the Project’s total capacity of up to 33 megawatts when completed;

WHEREAS ERMU has confirmed capacity for the Project in a Letter of Intent executed by the Customer and delivered to ERMU as of April 15, 2026 (the “Letter of Intent”), subject to the terms of this Agreement; and

WHEREAS, the Parties wish to set forth the terms and conditions under which ERMU will provide electric service to the Project, (an Electric Services Agreement, as defined in the Letter of Intent) which, by its terms, supersedes and replaces the Letter of Intent.

NOW THEREFORE, in consideration of the commitments herein and for other good and valuable consideration, the sufficiency of which is acknowledged, ERMU and the Customer agree as follows:

1. INTENT AND INTERPRETATION

The Parties acknowledge and agree that Customer's anticipated load is significant as compared to ERMU’s current electrical system load. The Parties acknowledge and agree that the Customer shall be responsible for all components of costs attributable to providing or arranging electric service to Customer, except as specifically provided in this Agreement. The Parties acknowledge and agree that ERMU’s service to Customer shall not prejudice ERMU’s service to its remaining customers. The Parties acknowledge and agree that ERMU’s electric service to the Customer shall not interfere with the operation of ERMU’s system, reduce the quality of electric service provided to ERMU’s other customers, or create a negative financial impact on ERMU’s other customers.

2. DEFINITIONS

The Act has the meaning provided in Section 15.3.

Affiliate means any person or entity that directly or indirectly controls, is under the control of, or is under common control with, the named entity by the power to direct or cause the direction of the management of the policies of named entity, whether through ownership interest, by contract or otherwise.

Business Days means Monday through Friday, excluding federal holidays.

Calendar Days means consecutive, daily counting on a calendar, for a full 24-hour period, starting at midnight and ending at the following midnight; and includes all 365/366 days in a year, as applicable.

Contract Year shall mean the twelve-month period beginning on January 1 and ending on December 31 of each year of the Term.

Defaulting Party has the meaning provided in Section 14.6.

Delivery Points means the points of delivery under this Agreement for ERMU's retail service is specified in Section 6.1.

Disconnect means ERMU's stopping the supply of power to the Delivery Points as permitted in this Agreement. For the avoidance of doubt, disconnect does not refer to termination of the Agreement, and the Customer may be eligible for reconnection of power upon satisfying the requirements in Section 7.6.

Due Date has the meaning provided in Section 7.3.

Early Termination Date has the meaning provided in Section 14.6.

Effective Date has the meaning provided in Section 3.

Electric Department Rules means the policy, as may be revised, established and used by ERMU to fairly and consistently execute electric service operations.

Event of Default has the meaning provided in Section 14.1.

Force Majeure means an event or circumstance (i) that prevents one Party from performing its obligations under this Agreement (the "Claiming Party"); (ii) that is not within the reasonable control of or the result of the negligence of the Claiming Party; (iii) that was not anticipated as of the effective date of the Agreement; and (iv) that the Claiming Party, by the exercise of due diligence, is unable to overcome, to avoid, or cause to be avoided.

Infrastructure Costs has the meaning provided in Section 8.5.

Infrastructure Modifications mean changes to infrastructure determined by ERMU to be required to serve the Project at the Delivery Points, generally identified in the attached Exhibit A, including without limitation:

- a) Construction of two underground substation feeders to the project in Phase One.
- b) Construction of two additional underground substation feeders to the project and expansion work at West Substation to support installation of a new transformer at ERMU's West Substation in Phase Two.
- c) Any other equipment required to provide service to the project, including without limitation, transmission system modifications required by Great River Energy.

Letter of Intent has the meaning provided in the recitals.

Load Factor shall mean: $[\text{billing period kWh} / (\text{number of days of billing period} \times 24 \text{ hours per day} \times \text{peak demand})] \times 100\% = \% \text{ load factor}$. ERMU shall calculate the Load Factor over the course of a calendar year. The Load Factor calculation excludes any interruption due to, caused by, or within the control of MISO, when Customer is either directed to shed load or electric service is interrupted by direction of MISO.

Minimum Demand has the meaning provided in Section 5.3.

MISO shall mean the Midcontinent Independent System Operator, Inc., or any successor thereto.

Non-Defaulting Party has the meaning provided in Section 14.6

Obligations has the meaning provided in Section 5.4.

Party shall mean either the Customer or ERMU as a party to this Agreement.

Performance Assurance means a pledge from the Customer to ERMU as security for Customer's Obligations under this Agreement, including without limitation, cash deposit, a letter of credit, or other security and/or collateral acceptable to ERMU in its sole discretion.

Phase One of the Project means up to 23 megawatts of capacity expected to be operational in the fourth quarter of 2026, or the second quarter of 2027, depending on delivery of required materials.

Phase Two of the Project means up to an additional 10 megawatts of capacity expected to be operational in 2028 or 2029, depending on the delivery of the required substation transformer.

Tariff has the meaning provided in Section 5.14

Term has the meaning provided in Section 4.1

Termination Payment has the meaning provided in Section 14.6

Water Department Rules means the policy, as may be revised, established and used by ERMU to fairly and consistently execute water service operations.

Wholesale Provider means the Minnesota Municipal Power Agency.

3. CONDITION PRECEDENT.

The following requirement is a condition precedent to the effectiveness of performance by ERMU under this Agreement: Delivery of the first scheduled payment of estimated Infrastructure Costs on or before June 3, 2026, as provided in Section 8.8.

Until this condition precedent has occurred, this Agreement shall not become effective and neither Party shall have any rights or obligations by reason of this Agreement, regardless of whether or not it has been executed. The “Effective Date” of this Agreement shall commence upon the Customer making the first scheduled payment, as provided in Section 8.8.

4. TERM OF AGREEMENT

4.1. Term. The initial term of this Agreement (the “Initial Term”) shall commence upon the Effective Date and shall continue for a period of twelve (12) years from the date Customer delivers notice of operational capacity for Phase One to ERMU. Thereafter, the Agreement will automatically be extended for separate additional terms of five (5) years each (each an “Additional Term” and collectively the “Additional Terms”). The Initial Term and all exercised Additional Terms are collectively referred to herein as the “Term.” Notwithstanding the foregoing, the Customer may elect to terminate this Agreement effective at the end of the Initial Term by delivering written notice of such election to ERMU at least twelve (12) months before the last day of the Initial Term. Further, Customer may elect to terminate this Agreement effective at the end of any Additional Term by delivering written notice of such election to ERMU at least twelve (12) months before the last day of the Additional Term in effect.

4.2. Letter of Intent. The Parties acknowledge and agree that this Agreement supersedes and replaces in its entirety the Letter of Intent. ERMU has received the Reservation Payment (as defined in the Letter of Intent) and, provided the conditions precedent to this Agreement are satisfied, ERMU will apply the Reservation Payment to ERMU’s pre-design and planning efforts for the Infrastructure Modifications.

5. ELECTRIC SERVICE CONDITIONS AND RATE COMPONENTS.

5.1. Service. 30 MW of Service shall be provided at three-phase, 60 hertz, alternating current at a voltage of 12,470GRDY/7,200 volts primary. Three (3) MW of Service shall be provided at three-phase, 60 hertz, alternating current at a voltage of 480 volts secondary.

5.2. Capacity. The Customer acknowledges and agrees that capacity for the Project shall not exceed 23 megawatts for Phase One and an additional 10 megawatts for Phase Two. Any request for additional capacity or services may require a system impact study through Great River Energy or MISO, as applicable. Capacity is also subject to Section 5.10.

5.3. Minimum Demand Charge. The Customer agrees to pay in each monthly billing period a monthly minimum demand charge (the “Minimum Demand”) in an amount equal to 80% of the Project’s 23 MW for Phase One and 33 MW for Phase Two (i.e. 18,400 kW for Phase One and 26,400 kW for Phase Two) all according to the demand charge in the Tariff. The Minimum Demand is due regardless of actual demand usage. If the Project’s actual demand usage is higher than the Minimum Demand, the actual demand usage will be billed to and payable by Customer as provided in Section 7.1.

5.4. Other Obligations. In addition to the Minimum Demand, the Customer shall be responsible for monthly electric service under the Tariff and all other costs, fees, and expenses as set forth herein or that may be adopted by ERMU, and any other charges or penalties related to providing service or costs that arise due to Customer’s use of electric service at the Project. All amounts due by Customer to ERMU in accordance with this Agreement, including without limitation ERMU’s service regulations, shall be referred to as the “Obligations.”

5.5. Late Fee. In addition to all other remedies provided herein, the failure to timely pay the Obligations will result in a late fee equal to 10% of the unpaid amount due hereunder. The late fee of 10% is automatically due and owing upon the failure of Customer to timely make any payment required under this Agreement and ERMU shall not be obligated to deliver a billing statement for the late fee. In the event ERMU delivers a billing statement to customer that does not include an otherwise accrued late fee, such delivery shall not constitute a waiver of ERMU’s right to collect such late fee from Customer.

5.6. Performance Assurance. If the Customer fails to make a timely payment under this Agreement twice in a Contract Year, then upon the second occurrence of an untimely payment (even if remedied during any applicable cure period), the Customer must provide, within twenty (20) Business Days of ERMU’s written request, a letter of credit or other Performance Assurance in an amount equal to one-and-one-half times the then applicable monthly prepayment amount due under Section 7.2 at the time of ERMU’s written request.

5.7. Maximum Permitted Load. ERMU shall have no obligation to upgrade its facilities for any electric load above the design load level detailed in this Agreement in Section 5.2.

5.8. Planned Outages and Operations Updates. The Customer will provide ERMU with information related to its energy consumption, including any planned outages for

operations and any ramping up or ramping down of operations, in writing, at least seven (7) days in advance of such changes in energy consumption.

5.9. Customer's Failure to Take. If the Customer fails to take all or a portion of the power or energy provided under this Agreement, then Customer shall nonetheless remain obligated to pay the Minimum Demand. For the avoidance of doubt, the Customer shall be responsible for any additional costs required by its failure to take all or a portion of the power and energy provided under this Agreement.

5.10. Minimum Load Factor. Starting five years from the Effective Date, ERMU will determine the Load Factor of the Project after each Contract Year. If the Customer's Load Factor falls below 50% of the 26.4 MW Project load level for a Contract Year, the Customer has one year to satisfy this minimum Load Factor; if the Customer fails to satisfy this minimum Load Factor, the Parties will meet and discuss the Customer's two options: (a) the Customer shall pay for the minimum Load Factor for the subsequent Contract Year (regardless of actual Load Factor) and retain the full capacity of the Project; or (b) the Customer shall forfeit any rights to capacity that it failed to use under this Agreement.

5.11. Resale Prohibited. As a retail end user under Minnesota law, the Customer is prohibited from reselling any power or energy under this Agreement.

5.12. Conservation Improvement Plan. Under Minnesota law, a conservation improvement plan fee of 1.5% of all electric utility charges (CIP) is required for loads less than 20 MW. ERMU will bill and collect this fee until the Customer provides ERMU written notice that the Customer's load has reached at least 20 MW and that Customer has received approval from state authorities to opt-out of the CIP program. ERMU shall reasonably cooperate with and assist Customer to seek approval from state authorities to opt-out of said program. Until the Department of Commerce approves the Customer's exemption, the CIP applies.

5.13. All Requirements. During the Term of this Agreement the Customer agrees not to purchase electric power or energy within ERMU's electric service territory from any person or party other than ERMU, and in consideration of the undertakings by ERMU to arrange service to the Customer, not to construct generation to serve the Project or the Customer that operates in parallel with ERMU's system without ERMU's consent. For the avoidance of doubt, the Customer may arrange back-up generation for a portion of Customer's load to operate when ERMU is unable to provide service.

5.14. Tariff. ERMU is conducting an electric rate study to determine the appropriate components and amounts for the Market-Based Electric Service tariff (the "Tariff") that will apply to the Project. ERMU anticipates the Tariff will encompass all of ERMU's costs to serve the Project, including, but not limited to, wholesale power supply, demand, energy, transmission, renewable energy requirements, MISO costs and applicable services, such as scheduling and ancillary services, conservation improvement requirements, power cost adjustments, fuel cost adjustments, facilities costs, operation and maintenance, insurance, depreciation, allocable general and administrative, professional services, and financing expenses. The Customer shall be responsible for all

taxes and fees, including any franchise fees, from the Delivery Points. The Tariff will be subject to modifications and adjustments, from time to time, at ERMU's discretion subject to nondiscriminatory treatment of all customers in the applicable customer class. In addition to the terms and conditions contained in this Agreement, service to the Customer shall also be subject to the terms and conditions contained in ERMU's applicable policies and electric service regulations promulgated by ERMU's Commission as a local unit of government.

5.15. Future Governmental Impositions. If any governmental authority during the Term of this Agreement imposes any tax, charge, or assessment on ERMU, which increases ERMU's cost of serving the Customer, ERMU shall be entitled to recover those increased costs from the Customer.

5.16. Governmental Mandates or Requirements. If the State of Minnesota or the United States of America or any agency of these governments imposes any renewable generation requirement, conservation improvement mandate, environmental tax or assessment, transmission requirement, and/or any other requirement, tax, or assessment on ERMU or the Customer that increases ERMU's costs of providing service under this Agreement, ERMU shall be entitled to pass such cost through to the Customer. Without limiting the generality of this Section, costs relating to compliance with renewable energy objectives under law such as Minnesota Statutes, Section 216B.1691, as may be amended, shall be Customer's responsibility. If the Parties mutually agree in writing, Customer may meet any requirements under this Section 5.16 through the Customer's own procurement of renewable energy credits or other applicable instruments.

5.17. Non-Redundant Primary Feed. The Customer acknowledges and agrees that (a) it has opted for ERMU supplying Phase One of the Project with non-redundant primary feed; (b) non-redundant primary feed creates a risk that a substation failure, cut line, or other problem with the primary feed, could result in ERMU's inability to supply 20 MW of the desired 23 MW of Phase One power for an extended time; (c) if the primary feed is down, ERMU will only be able to supply approximately 3 MW of power to the Project from ERMU's existing power system; and (d) Customer accepts the risk of down time in the primary feed and releases ERMU from any claims arising from such down time. The Infrastructure Modifications for Phase One and Phase Two are expected to create redundant primary feed for the Project.

5.18. Character and Continuity of Service. Service to the Customer will be scheduled or dispatched in accordance with prudent utility practice, subject however, to transmission system requirements, MISO rules, regulations, curtailments and availability, and Section 5.19.

5.19. Emergency Interruptions; Curtailment. If there is a constraint on the distribution or transmission system requiring ERMU to curtail service to the Customer, then upon being notified by MISO, or ERMU determining a system emergency, the Customer will promptly comply with such curtailment within fifteen (15) minutes for no more than eight (8) hours of duration. It is the express intention of this provision that any curtailment order issued to ERMU shall fall equitably on all similar end use loads within the affected control

area and the load served by ERMU. If the Customer fails to comply, ERMU shall be entitled to limit delivery to the Customer to effectuate the curtailment requirements during the period in which any shortage exists. ERMU shall not incur any liability to the Customer with any such action so taken by ERMU. ERMU may temporarily interrupt, increase, or reduce deliveries of electric energy to the Customer if such action is necessary in case of emergencies, ERMU distribution system interruption, or ERMU material equipment failure, in ERMU's reasonable discretion.

5.20. Planned Interruptions. After seven (7) days written notice to the Customer, ERMU or its agent will coordinate any planned interruption or reduced deliveries of electric energy to the Customer to install equipment in or make repairs to or replacements, investigations, and inspections of or to perform other maintenance work on the generation or transmission facilities and apparatuses. In the event of any temporary interruption, increase, or reduction of deliveries of electric energy due to such planned interruptions, the Customer shall not be responsible, or required to pay, for any period of temporary interruption, increase, or reduction.

5.21. Force Majeure. To the extent a Claiming Party is prevented by Force Majeure from carrying out, in whole or in part, its obligations under this Agreement and the Claiming Party gives notice and details of the Force Majeure to the other Party as soon as practicable, then the Claiming Party shall be excused from the performance of its obligations with respect to this Agreement, other than the obligation to make payments due or becoming due with respect to performance before the Force Majeure. The Claiming Party shall remedy the Force Majeure with all reasonable dispatch.

5.22. Force Majeure Exceptions. Force Majeure shall not be based upon: (1) a decrease in Customer's expected load; (2) the Customer's inability to economically use or receive the power or energy provided; or (3) ERMU's ability to resell the power or energy at a price greater than the pricing set forth in the Agreement.

5.23. Wholesale Provider Coordination. ERMU is a member of the Wholesale Provider, which also serves as ERMU's wholesale power supplier. ERMU has coordinated with the Wholesale Provider about the Project and Wholesale Provider plans (a) to purchase capacity and energy in real-time pricing through the MISO day ahead market to serve the Project and (b) to purchase renewable energy credits to fulfill state mandates related to the Project. Customer acknowledges and understands ERMU's Wholesale Provider may require the Customer to register their generation assets with MISO. Customer acknowledges and agrees that it shall comply with such requirements upon receipt of notice of same from ERMU.

6. DELIVERY AND EQUIPMENT.

6.1. Delivery Points and Metering. The Customer shall have metered Delivery Points as further described in Exhibit B.

6.2. Equipment Ownership. The Customer shall install, own, operate, and maintain, at its sole expense, all facilities necessary to interconnect with ERMU's distribution system.

7. OPERATIONAL BILLING AND PAYMENT.

7.1. Prepayment Requirement. Customer must pay ERMU an initial prepayment before ERMU is obligated to provide any service to Customer. ERMU will provide the initial prepayment amount by written notice to Customer at least ten (10) days before the Due Date (as later defined herein). Thereafter, Customer shall make monthly prepayments on an ongoing basis during the Term of the Agreement. The amount of the monthly prepayment may vary depending upon actual usage, as described in Section 7.2. ERMU shall establish the amount of the prepayment each month, consistent with an average of forty-five (45) days of usage, based upon (a) the estimated bill amount at 80% of demand and energy of 23 MW in Phase One; and (b) the estimated bill amount at 80% of demand and energy of 33 MW in Phase Two. ERMU will adjust the usage calculation annually in January of each Contract Year.

7.2. Billing Statement. Unless ERMU determines, in its sole discretion, to issue billing statements more frequently, ERMU will send a billing statement to the Customer on or about the third Business Day of each month. The billing statements may be delivered by email or other electronic transmission. Consistent with the Tariff, each billing statement will include the prior month's actual meter readings, and the application of the prepayment to true-up actual usage. If the prepayment for a month exceeds the actual amount owing under this Agreement and the terms of the Tariff, ERMU will credit the Customer's account and adjust the amount of the prepayment due in the applicable billing statement. If the prepayment for a month is less than the actual amount owing under this Agreement and the terms of the Tariff, then the billing statement will state any additional amount due from the Customer.

7.3. Payments. The Customer's payments are due in same day funds five (5) Business Days following issuance of a billing statement (the "Due Date"). Same day funds means funds that are available for ERMU's use on the same day as the Due Date. Bills not paid in same day funds on or before such Due Date as printed on the billing statement are past due or delinquent and shall bear a late fee provided in Section 5.5.

7.4. Delinquent Amounts; Disconnect. The Customer's bills become delinquent if not paid on or before the Due Date and ERMU may Disconnect service for delinquency upon five (5) Business Days written notice delivered to the Customer by email or other electronic transmission.

7.5. Amounts Owing. ERMU's Disconnect of service for any cause shall not release the Customer from any obligation to make payments for any Obligation under this Agreement. Any delinquent amounts will be subject to collection procedures. ERMU may employ any and all reasonable methods for collecting unpaid amounts, including assignment to collection agencies, or legal actions against the Customer. If ERMU believes the Customer is insolvent, is in financial difficulty or considering bankruptcy,

ERMU may take appropriate action to secure payment of previous and present Obligations. Such action may include obtaining Performance Assurance, an adequate security deposit, collecting payment on a more frequent basis, or other such actions as may be deemed necessary and reasonable under the circumstances.

7.6. Reconnection Request. Before ERMU considers any request by the Customer for reconnection of service, all amounts past due under this Agreement must be paid in full. Before reconnecting service, ERMU may require a reconnect charge, deposit, assessment, security, Performance Assurance or other appropriate conditions which provide adequate assurance of future performance in ERMU's discretion.

7.7. Billing Disputes. In the event of any dispute as to any portion of any billing statement, the Customer shall nevertheless pay the full amount of the disputed charges when due and shall give written notice of the dispute to ERMU not later than the date such payment is due. Such notice shall identify the amount in dispute and set forth a summary of the grounds on which such dispute is based. ERMU shall consider such dispute and shall advise the Customer of ERMU's position within thirty (30) days following receipt of such written notice. Upon final determination (whether by agreement, adjudication, or otherwise) of the correct amount, any difference between such correct amount and such full amount shall be properly reflected in the billing statement next submitted to the Customer after such determination.

7.8. Unconditional Payment Obligation. The Customer shall pay its billing statement whether or not service is suspended, interrupted, interfered with, reduced, curtailed, or terminated in whole or in part.

8. INFRASTRUCTURE COSTS AND CONSTRUCTION.

8.1. Infrastructure Modification Plans. ERMU, in its discretion, will determine the necessary Infrastructure Modifications, including without limitation the facilities and work necessary to provide electric service to the Project. The Infrastructure Modifications must follow ERMU's requirements, including without limitation, requirements for design, competitive bidding, procurement, construction, and technical requirements.

8.2. Infrastructure Ownership. ERMU will solely own and operate the Infrastructure Modifications upon completion. The Infrastructure Modifications, and services provided in connection therewith, may include components that are used to serve users other than the Customer and/or the Project.

8.3. Cooperation. The Customer shall fully cooperate with ERMU in planning and implementing the Infrastructure Modifications by, among other things, providing detailed specifications and information needed to plan the Infrastructure Modifications and determine the costs of completion thereof.

8.4. Customer Facilities. The Customer shall be responsible, at its own cost, for enabling the Project to receive electric service at the Delivery Points, including without limitation, providing primary metered service and all downstream equipment according to

ERMU's Tariff and applicable "Electric Department Rules," as may be revised, and other standard terms, conditions, and policies for providing primary metered electric service.

8.5. Infrastructure Costs. The actual costs to complete the Infrastructure Modifications (the "Infrastructure Costs") shall include without limitation: the actual fees, costs, charges, expenses, etc. associated with, necessary for, and incurred for design, engineering, planning, purchasing equipment, facilities, and materials, labor, professional services, restoration, easement rights, acquisition, installation, and construction of the Infrastructure Modifications. For the avoidance of doubt, the Infrastructure Costs do not include the construction costs of any modifications to the existing substation transformers, but they do include all modification work necessary to the substation grounds, structures, materials, and equipment to accommodate, install, tie-in (connect), and commission a third substation transformer.

8.6. Customer Responsibility. The Customer shall pay ERMU the actual Infrastructure Costs detailed as an estimate in Exhibit C as an agreed-upon capital contribution in aid of construction as set forth herein. If agreed upon in writing by ERMU, the Customer may purchase certain materials and equipment (e.g. underground wire and substation transformer), including all manufacturer warranties, to be delivered to ERMU as a donation or gift in lieu of ERMU purchasing the same items and charging the Customer as part of the Infrastructure Costs.

8.7. ERMU Estimate. ERMU has estimated the Customer's responsibility of the Infrastructure Costs under Section 8.6 as further detailed in Exhibit C. The Customer has approved ERMU's initial estimate in Exhibit C. The Customer acknowledges and agrees that: (i) the estimated Infrastructure Costs are purely estimates and do not reflect the real, actual, payable costs to be incurred for the Infrastructure Modifications; (ii) the estimated costs in Exhibit C are subject to change over time; and (iii) the Customer is responsible for the actual cost of Infrastructure Costs, subject to a true-up process described in Section 8.10.

8.8. Payment for Infrastructure Costs. The Customer shall arrange for payment of funds to ERMU equal to the Infrastructure Costs set forth in the payment schedule set forth in this section. The first payment is due June 3, 2026. The detailed description is set forth in Exhibit C. The Customer shall make payments to ERMU in same-day funds for Infrastructure Costs according to the following payment schedule:

Due Date	Description	Amount
June 3, 2026	Procurement/Installation	\$2,500,000.00
June 10, 2026	Transmission Mods	\$
September 1, 2026	Design/Procurement	\$1,850,000.00
September 1, 2027	Installation/Expansion	\$1,350,000.00
Total Infrastructure Costs		\$

8.9. Funds for Infrastructure Costs. Payments received by ERMU will initially be recorded in a Project-specific liability account and applied to Customer costs as they are

incurred. Amounts will be trued up as provided in Section 8.10. Customer understands and agrees that all work for the Infrastructure Modifications is required, regardless of final load, to provide sufficient system redundancies for the Project. Delinquent payments are subject to the late fees and service Disconnect under Sections 5.5 and 7.3. ERMU will draw down any funds in the separate account in its sole discretion to advance Infrastructure Modifications and to arrange utility service to the Project. ERMU will not order materials or incur any expense for Infrastructure Costs or the Project until Customer has made the required timely payment under the payment schedule in Section 8.8.

8.10. True-Up Process. During the planning and construction period of the Infrastructure Modifications, ERMU shall compare, on an annual basis, the actual Infrastructure Costs incurred as compared to estimated Infrastructure Costs in Exhibit C. If the projected Infrastructure Costs do not substantially correspond with actual costs, or if at any time during the Contract Year there are or are expected to be extraordinary costs substantially affecting costs, ERMU shall notify the Customer of any billing adjustments as may be applicable to the remainder of such Contract Year. If the actual Infrastructure Costs are lower than the estimated costs, ERMU shall notify the Customer and apply any remaining overage as a credit to the next installment of Infrastructure Costs, unless mutually agreed by the Parties to proceed otherwise. If necessary, ERMU shall provide revised estimates to the Customer of Infrastructure Costs, substantial changes in construction schedules, plans, or specifications. Upon completion of the Infrastructure Modifications, ERMU shall complete a final true-up as to actual costs and amounts due from or to the Customer.

8.11. Access; Easements. The Customer shall allow ERMU access reasonably necessary to install, construct, operate, maintain, upgrade, and replace facilities used to provide service to the Project. The Parties acknowledge and agree that ERMU shall require easements on, over, or under the property of the Project for these purposes and the Parties shall cooperate, including preparation and signature of easements (without additional cost to ERMU) and documents reasonably necessary for these purposes, each Party bearing its own expenses.

8.12. Project Termination. If the Customer does not proceed with the Project, ERMU is not obligated to return any of the dollars that ERMU has already spent or encumbered as Infrastructure Costs for the Project. The Customer will be responsible for windup and/or decommissioning costs. ERMU will provide a final accounting of the Infrastructure Costs.

8.13. ERMU Policies/Requirements. All expenditures made by ERMU on behalf of the Customer or the Project must comply with ERMU's policies and applicable requirements, including without limitation municipal competitive bidding, procurement, and the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13.

9. CERTAIN OBLIGATIONS OF THE CUSTOMER.

9.1. Local Approvals. The Project is subject to all typical and customary local approvals, including, but not limited to: comprehensive plan, zoning, subdivision, noise,

environmental, historic preservation approval process, traffic management plans, inspections, site plan and design reviews, conditional use permits, variances, and other applicable zoning and land use approvals. The Customer shall use reasonable best efforts to obtain all required Project approvals.

9.2. Customer Facilities Responsibility. The Customer shall maintain, repair, and replace its facilities in good condition and repair at all times under this Agreement. The Customer shall comply with all applicable permits, state, federal, and local laws and requirements. The Customer shall give ERMU access at all reasonable times to allow ERMU to inspect the Customer's facilities and interconnection with ERMU's system to confirm compliance with the requirements of this Section.

9.3. Water Usage Limitations. The Customer and Project are expressly prohibited from using ongoing water services for any cooling or other non-domestic purposes related to the Project. The Project must contain a closed loop cooling system that may include an initial fill. ERMU shall provide the Project with domestic water services in accordance with ERMU's standard terms, conditions, and/or policies, including without limitation "ERMU's Water Department Rules." The Customer shall reasonably cooperate with ERMU to assure compliance with this Section.

9.4. Compliance with Applicable Laws. The Customer must comply with all applicable laws, including without limitation, ERMU utility service requirements, MISO requirements, and federal, state, and local laws (including, without limitation, City zoning, permit, and noise requirements).

9.5. Transmission Study. The Parties acknowledge and agree that a transmission system impact study has been completed by Great River Energy. A separate transmission or distribution system impact study may be required for a redundant loop feed distribution system; if required, the study shall be paid for by the Customer.

10. [Intentionally Omitted.]

11. REPRESENTATIONS AND WARRANTIES BY CUSTOMER. The Customer represents and warrants as of the Effective Date that:

11.1. It is a limited liability company duly organized, validly existing and in good standing under the laws of Minnesota and has all requisite power and authority (corporate and otherwise) and has made all registrations and filings (if any) required under the laws of the State of Minnesota to own its property and to carry on its business as now conducted and as intended to be conducted under this Agreement, and to enter into and carry out the terms of this Agreement.

11.2. The execution and delivery of this Agreement by the Customer and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all necessary board, shareholder, or other company action on behalf of the Customer, and the Customer is not subject to any charter, bylaw, lien or encumbrance, agreement, instrument, order or decree of any court or governmental body (other than

any required governmental approval) which would prevent the consummation of the transactions contemplated by this Agreement.

11.3. The execution, delivery, and performance of this Agreement by the Customer do not and will not violate any material statute, ordinance, or governmental rule or regulation applicable to the Customer, or result in a breach or constitute a default under any indenture or agreement to which it is a party or by which it or its property may be bound.

11.4. This Agreement has been duly executed and delivered by the Customer, and this Agreement and such instruments executed as the result thereof shall, constitute legal, valid, and binding obligations of the Customer enforceable in accordance with their terms, subject, however, to the effects of bankruptcy, insolvency, reorganization, moratorium and similar laws from time to time in effect relating to the rights and remedies of creditors, as well as to general principles of equity (regardless of whether such enforcement is considered in a proceeding in equity or at law).

11.5. No further consent, approval, permit, license, or authorization of any governmental body is required in connection with the execution, delivery and performance of this Agreement by the Customer.

11.6. There is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending or, to the knowledge of the Customer, threatened against or affecting the Customer as to the execution, delivery, validity, performance, or enforceability of this Agreement.

11.7. No event has occurred and is continuing which would constitute, or upon the passage of time or the giving of notice or both could constitute, directly or indirectly, a default as to the Customer under this Agreement.

11.8. Neither the Customer nor any Affiliate of the Customer has taken any action which would give rise to a valid claim against ERMU for a brokerage commission, finder's fee, or other like payment.

11.9. The Customer is and will continue to be solvent throughout the Term of this Agreement, including without limitation:

- (a)** the Customer's entry into this Agreement will not cause the Customer to be insolvent;
- (b)** the Customer is not insolvent as defined in the Bankruptcy Code, 11 U.S.C. §101, et seq.;
- (c)** the Customer does not contemplate filing a petition in bankruptcy or for an arrangement or reorganization, nor are there any threatened or actual bankruptcy or insolvency proceedings against the Customer;
- (d)** the Customer is and at all times during the Term of this Agreement will be able to pay its debts as they mature and become due and payable; and
- (e)** the reasonable salable value of each of the Customer's assets exceeds the

aggregate amount of the Customer's debts and liabilities, whether actual or contingent.

11.10. The Customer is a sufficiently capitalized operating entity capable of independently performing its obligations under this Agreement and paying its debts in the ordinary course of business, including without limitation:

- (a) the Customer shall not maintain its assets in such a manner that it will be costly or difficult to segregate, ascertain, or identify its individual assets from those of any Affiliate; and
- (b) the Customer is financially independent of any Affiliate and financially able to perform its obligations under this Agreement through its own business operations.

11.11. To the best of the Customer's knowledge, neither the statements or representations made in this Agreement, nor any financial statement of the Customer, nor any statement, list, certificate, or other information furnished or to be furnished on behalf of the Customer to ERMU in connection with this Agreement contains or will contain any untrue statement of a material fact, or omits or will omit to state a material fact necessary to make the statements contained therein, in light of the circumstances in which they are made, not materially misleading.

12. REPRESENTATIONS AND WARRANTIES BY ERMU. ERMU represents and warrants as of the Effective Date that:

12.1. ERMU is a municipal utilities commission duly established and existing under the laws of the State of Minnesota. ERMU has the power and authority under the law to own its property and to carry on its business as now conducted and to enter into and to carry out the terms of this Agreement.

12.2. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all necessary approval on behalf of ERMU, and ERMU is not subject to any constitutional provision, statute, bylaw, lien or encumbrance of any kind, or any agreement, instrument, order or decree of any court or governmental body (other than any required governmental approval) which would prevent consummation of the transactions contemplated by this Agreement.

12.3. The execution, delivery, and performance of this Agreement by ERMU does not or will not violate any material constitutional provision, statute, charter, ordinance, or governmental rule or regulation applicable to ERMU, or result in a breach or constitute a default under any indenture or agreement to which ERMU is a party or by which its properties may be bound.

12.4. This Agreement has been duly executed and delivered by ERMU, and this Agreement does constitute legal, valid, and binding obligations of ERMU enforceable in accordance with their terms, subject, however, to the effects of bankruptcy, insolvency,

reorganization, moratorium and similar laws from time to time in effect relating to the rights and remedies of creditors, as well as to general principles of equity (regardless of whether such enforcement is considered in a proceeding in equity or at law).

12.5. No further consent, approval, permit, license, or authorization of any governmental body or the voting public is required in connection with the execution, delivery, and performance of this Agreement by ERMU.

12.6. There is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending or, to the knowledge of ERMU, threatened against or affecting ERMU contesting or affecting as to ERMU the execution, delivery, validity, or enforceability of this Agreement.

12.7. No event has occurred and is continuing which would constitute, or upon the passage of time or the giving of notice or both could constitute, directly or indirectly, a default as to ERMU under this Agreement.

13. DISCONNECT OF SERVICE.

13.1. ERMU may refuse to connect, or may Disconnect service for good cause, including, but not limited to, violation of any of its service regulations, failure to provide the Performance Assurance when requested, failure to pay utility charges when due, theft or illegal diversion of the electricity, or upon receipt of written instructions from the proper authorities of the violation of municipal, state, or national electric codes.

13.2. Upon unauthorized use of electricity by the Customer during periods of ordered interruption, ERMU, in its sole discretion, may, or its agent may, immediately Disconnect service.

13.3. If ERMU, in its sole discretion, determines a safety issue or system emergency, ERMU or its agent may immediately Disconnect service to the Customer.

14. DEFAULT AND REMEDIES; EARLY TERMINATION; LIABILITY.

14.1. Event of Default. Each of the following shall constitute a default ("Event of Default") under this Agreement:

- (a)** The failure of the Customer to make any payment in full when due under this Agreement after fifteen (15) Business Days written notice;
- (b)** The Customer's violation or failure to perform, observe, or abide by any Obligations, other than as provided in 14.1(a), and upon ERMU demand to the Customer, the failure to cure within thirty (30) days of written notice from ERMU;
- (c)** A Party (i) shall institute voluntary insolvency proceedings under Title 11 of the United States Code in bankruptcy, or other applicable insolvency laws, (ii)

involuntary insolvency proceedings under Title 11 of the United States Code in bankruptcy, or other applicable insolvency laws, shall be instituted against a Party that are not dismissed or discharged within ninety (90) days thereafter, (iii) any proceedings shall be instituted by or against a Party under any law relating to insolvency or bankruptcy reorganization, and in the case of an involuntary proceeding, that is not discharged within ninety (90) days after filing, (iv) a trustee or receiver shall be appointed for a Party by any court of competent jurisdiction, or (v) shall make a general assignment for the benefit of its creditors;

- (d) If the Customer provides written notice of permanent cessation of material data center operations, and after the Parties meet and confer within five (5) Calendar days to determine a mutually agreed upon wind-down period not to exceed twelve (12) months, and the Customer fails to provide Performance Assurance for Section 14.6 within thirty (30) Calendar Days; or
- (e) Any representation or warranty made by a Party in this Agreement shall prove to have been incorrect when made, in any material respect.

14.2. Costs Relating to Default. Whenever there occurs any default, any condition or state of affairs which with the lapse of time or the giving of notice could result in an Event of Default, or an actual Event of Default, and if ERMU employs attorneys, engineers, financial advisors, or other consultants, or incurs other expenses for the collection of payments due or to become due or for the enforcement of performance or observance of any term, condition, or promise on the part of the Customer under this Agreement, the Customer agrees that it shall pay ERMU any and all expenses and costs incurred by ERMU. The Customer further agrees that it shall, within thirty (30) Calendar Days of written demand by ERMU, pay to ERMU the costs and such other expenses so incurred by ERMU.

14.3. Immediate Action. In the event of the Customer's failure to cease interruptible service or if ERMU, in its sole discretion, determines the existence of a safety issue or system emergency, ERMU or its agent shall be entitled to immediately, without further notice, Disconnect the Customer's service.

14.4. Other Remedies. Upon the occurrence of an Event of Default, the Non-Defaulting Party shall have the immediate right to exercise any and all remedies for enforcement of this Agreement, including without limitation:

- (a) any remedy afforded hereunder or by applicable law;
- (b) seek specific performance or other equitable relief;
- (c) sue for any monetary amount owed;
- (d) appoint a receiver;

- (e) Disconnect service as provided in this Agreement;
- (f) Draw down or collect against any Performance Assurance, in whole or in part, in ERMU's discretion; and
- (g) terminate this Agreement, as provided in Section 14.6.

14.5. Remedies Cumulative; Limitation on Remedies; Waiver. All rights and remedies set forth in this Agreement are cumulative and in addition to the Parties' rights and remedies at law or in equity, subject, however, to any limitation on damages, fees and costs as provided for in this Agreement. A Party's exercise of any such right or remedy shall not prevent the concurrent or subsequent exercise of any other right or remedy. A Party's delay or failure to exercise or enforce any rights or remedies shall not constitute a waiver of any such rights, remedies, or obligations. No Party shall be deemed to have waived any default unless such waiver is expressly set forth in an instrument signed by such Party. If a Party waives in writing any default, then such waiver shall not be construed as a waiver of any covenant or condition set forth in this Agreement, except as to the specific circumstances described in such written waiver. Neither payment of a lesser amount than the sum due hereunder, nor endorsement or statement on any check or letter accompanying such payment shall be deemed an accord and satisfaction, and the other Party may accept the same without prejudice to the right to recover the balance of such sum or to pursue any other remedy. No Party shall be liable to the other Party for consequential or special damages.

14.6. Early Termination. If a Party (the "Defaulting Party") undergoes an Event of Default under this Agreement pursuant to Section 14.1(a), (c), or (d), the other Party (the "Non-Defaulting Party") shall have the right: (a) to designate a day, at least fifteen (15) Calendar days from the day such notice is effective, as an early termination date ("Early Termination Date"); (b) to terminate the Agreement between the Parties, effective as of the Early Termination Date; (c) to withhold any payments due to the Defaulting Party under this Agreement, until such time as amounts due under this Agreement are reconciled in accordance with the provisions set forth herein; and (d) to immediately suspend performance due under this Agreement.

- (a) **Termination Payment.** Following delivery of notice of the Early Termination Date, the Non-Defaulting Party shall calculate, in a commercially reasonable manner:
 - i. all amounts owed by the Defaulting Party to the Non-Defaulting Party through the Early Termination Date;
 - ii. the Non-Defaulting Party's costs and expenses of collection, including reasonable attorneys' fees, actually incurred by the Non-Defaulting Party with respect to the Event of Default; and
 - iii. if the Customer is the Defaulting Party, an amount equal to \$1,000,000 per Contract Year multiplied by the years (or months, if partial Contract

Year) remaining in the Initial Term of the Agreement (the "Termination Payment").

- (b) **Timing.** The amount(s) calculated pursuant to subsection 14.6(a) shall be due within ten (10) Business Days after the date the Defaulting Party receives written notice of such amount(s).
- (c) **Dispute Process.** If the Defaulting Party disputes the Non-Defaulting Party's calculation under Section 14.6(a), in whole or in part, the Defaulting Party shall, within five (5) Business Days of receipt of the calculated amount, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that where the Termination Payment is due, the Defaulting Party shall first transfer Performance Assurance to the Non-Defaulting Party in an amount equal to the Non-Defaulting Party's calculation of the Termination Payment.

14.7. Responsibilities Following Expiration or Termination. Upon the termination or expiration of this Agreement, in addition to such rights and responsibilities enumerated elsewhere in this Agreement, the grant of any and all right and interest to Customer to the supply of power and energy shall cease, and the Parties shall immediately prepare any commercially reasonable documents or filings and perform all other acts necessary to transfer all such rights and interests to ERMU.

14.8. Immunity. Nothing contained in this Agreement shall in any way affect or impair ERMU's immunity or the immunity of its commissioners, officials, employees, agents, attorneys, consultants, or independent contractors, whether on account of official immunity, legislative immunity, statutory immunity, discretionary immunity or otherwise. Nothing contained in this Agreement, including any provisions regarding obtaining insurance or otherwise being insured, shall in any way affect or impair the limitations on ERMU's liability or the liability of ERMU's commissioners, officials, employees, agents, attorneys, consultants, or independent contractors set forth in Minnesota Statutes, Chapter 466, as such statute may be amended, modified, or replaced from time to time. By entering into this Agreement, EMU does not waive any rights, protections, or limitations provided to ERMU or its commissioners, officials, employees, agents, attorneys, consultants, or independent contractors under the various rules of governmental immunity or under Minnesota Statutes, Chapter 466, as such statute may be amended, modified, or replaced from time to time.

14.9. Responsibilities. Each Party shall be responsible for its own acts or omissions and the results thereof to the extent authorized by law and shall not be responsible for the acts or omissions of any others and the results thereof. The Customer, its successors, and assigns, shall be solely responsible and liable for the Customer's obligations under the terms of this Agreement. The failure by the Customer to meet such obligations shall not create or give rise to any claim, liability, or obligation of ERMU.

15. NOTICE; DATA.

15.1. Notice. Any notice, election or other correspondence required or permitted under this Agreement shall become effective upon receipt and, except invoices and payments, shall be deemed to have been properly given or delivered when made in writing and delivered by letter, personal service, facsimile, or other documentary form to the authorized representative of the Parties designated below:

IF TO ERMU:

Elk River Municipal Utilities
Attn: General Manager
13069 Orono Parkway – PO Box 430
Elk River, MN 55330-0430
Phone: 763-441-2020
Email: mhanson@ermumn.com

IF TO THE CUSTOMER:

Elk River Capital, LLC
Attn: Ned Abdul
510 North 1st Avenue Suite 600
Minneapolis, MN 55403
Phone: 612-332-8323 x602
Email: ned@swervo.com

15.2. Change of Contact Information. The Parties shall provide each other with written notice to any change or updated contact information for notice purposes under this Agreement, as soon as reasonably practicable after such change. ERMU shall provide the Customer with any updated contact information for its Wholesale Provider.

15.3. Protected Data. The Parties acknowledge and agree that ERMU is subject to the Minnesota Governmental Data Practices Act, Minnesota Statutes, Chapter 13 (the “Act”). The Customer’s electric usage levels and other identifying information of the Customer “customer data” is governed by the Act. The Customer acknowledges and agrees that this Agreement requires close communication with the Wholesale Provider and ERMU’s authorized agents. The Customer authorizes and consents to ERMU providing customer data to Wholesale Provider and ERMU’s authorized agents for the purpose of design, planning, engineering, construction, installation, performing, billing, collecting, and enforcing this Agreement. Any data that a Party provides that is not generally available to the public and that contains value in remaining confidential shall be marked “trade secret.”

15.4. Forward Contract. The Parties acknowledge and agree that transactions under this Agreement constitute forward contracts within the meaning of the United States Bankruptcy Code.

16. GENERAL

16.1. Entire Agreement. This Agreement, including exhibits and recitals, constitutes the entire Agreement and, with respect to provision of electric service to the Project, supersedes all prior agreements and understandings, oral and written, all prior oral and written communications, proposals, agreements, representations, statements, negotiations, and undertakings, whether express or implied, between the Parties hereto with respect to electric service to the Project. The Customer acknowledges and agrees that: (a) this Agreement is not entered into in reliance, in whole or in part, upon any statement or representation made by or on behalf of ERMU, or its agents, except any such statement or representation expressly set out in this Agreement. Headings are for convenience and are not a part of this Agreement.

16.2. Successors and Assigns. This Agreement shall be binding upon the respective Parties, their successors and assigns, on and after the Effective Date hereof; provided, however, that neither this Agreement, nor any interest herein, shall be transferred, sold, or otherwise conveyed by the Customer to a third party, except upon: (a) written notice to ERMU and written consent by ERMU to same, which consent shall not be unreasonably withheld, conditioned, or delayed; and (b) the express written assumption by the proposed assignee to the terms and conditions of this Agreement. The Customer shall remain obligated to continue payments under Section 5.3 through the end of the Term unless and until conditions (a) and (b) in this Section are satisfied.

16.3. Joint Drafting. The Parties agree that they participated equally in, and are jointly responsible for, the drafting of this Agreement. In the event of any dispute, any ambiguity in this Agreement shall not be construed against either Party.

16.4. Captions. Captions and paragraph headings used herein are for convenience only and are not a part of this Agreement and shall not be used in construing or interpreting this Agreement.

16.5. Modification. No term or provision of this Agreement may be changed, revised, altered, or waived, except by an instrument in writing signed by both of the Parties.

16.6. Choice of Law; Venue. The validity, interpretation, and performance of this Agreement and each of its provisions shall be governed by the laws of the State of Minnesota without regard to its conflicts of law principles. The Parties agree that any claim, action, or proceeding seeking any relief in connection with this Agreement shall be brought in a court of competent jurisdiction located in the Sherburne County, Minnesota. The Customer hereby waives any objection that it may have to the venue of any such suit, action, or proceeding, arising under or related to this Agreement and hereby irrevocably consents to the personal jurisdiction of the District Courts for the State of Minnesota in any such suit, action, or proceeding.

16.7. Counsel. Each Party understands, acknowledges, and agrees that they have had the opportunity to consult with legal counsel of their choice regarding this Agreement. Customer agrees and acknowledges that it has read and understands this Agreement, is

entering into it freely and voluntarily, has been advised to seek counsel prior to entering into this Agreement and has had ample opportunity to do so.

16.8. Severability. If any provision in this Agreement is determined by any court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions will not in any way be affected or impaired and they shall remain in force and effect.

16.9. Duly Authorized Signatories; Binding Effect of Execution. Each Party represents and warrants that the person executing this Agreement on its respective behalf is duly authorized to do so, and that, by such execution set forth on the following page of this Agreement, such Party is hereby duly and lawfully bound by this Agreement.

16.10. Counterparts. This Agreement may be executed in counterpart copies by the Parties and each counterpart, when taken together with the other, shall be deemed one and the same executed Agreement.

[Signature page follows.]

DRAFT SUBJECT TO COMMISSION APPROVAL

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by the duly authorized signatories the _____ day of _____, 2026.

ELK RIVER MUNICIPAL UTILITIES COMMISSION

By: _____

Title: _____

By: _____

Title: _____

ELK RIVER CAPITAL, LLC, a Minnesota limited liability company

By: _____
Nedal Abdul-Hajj

Title: Chief Manager

EXHIBIT A
to
MARKET-BASED ELECTRIC SERVICE AGREEMENT
BETWEEN ELK RIVER MUNICIPAL UTILITIES AND ELK RIVER CAPITAL, LLC

Map

Routes shown are subject to change at ERMU's sole discretion.

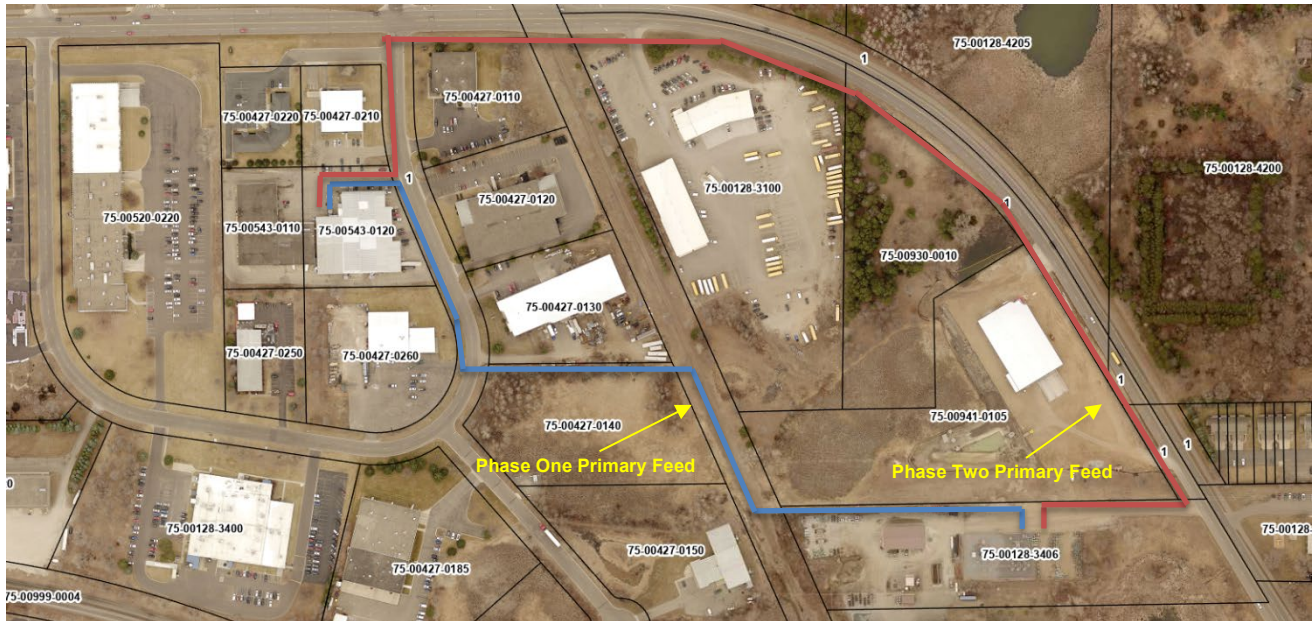


EXHIBIT B
to
MARKET-BASED ELECTRIC SERVICE AGREEMENT
BETWEEN ELK RIVER MUNICIPAL UTILITIES AND ELK RIVER CAPITAL, LLC

Delivery Points



Red box indicates approximate area of:

- Two 480-volt primary feeds from 1500 kVA transformers, and
- Two 12,470-volt primary feeds from metering cabinets.
- Final siting of transformers, metering cabinets, and required switchgear to be determined as Project layout progresses.

EXHIBIT C
to
MARKET-BASED ELECTRIC SERVICE AGREEMENT
BETWEEN ELK RIVER MUNICIPAL UTILITIES AND ELK RIVER CAPITAL, LLC

Estimate of Customer's Portion of Infrastructure Costs

Estimated Date	Description of Work	Estimated Amount	Customer Share	Customer Amount
June 3, 2026	Feeders 75/85 Material Procurement	\$700,000	100%	\$700,000
	West Bank 3 Transformer Procurement	\$1,800,000	100%	\$1,800,000
June 10, 2026	GRE Transmission Costs	\$_____	75%	\$_____
September 1, 2026	Feeders 75/85 Installation	\$150,000	100%	\$150,000
	West Bank 3 Engineering/Design	\$150,000	100%	\$150,000
	Feeders WB3A/B Material Procurement	\$700,000	100%	\$700,000
	WB3 Structures & Equipment Procurement	\$850,000	100%	\$850,000
April 1, 2027	Feeders WB3A/B Installation	\$200,000	100%	\$200,000
	West Substation Bank 3 Expansion	\$1,200,000	75%	\$900,000
	West Bank 3 Transformer Installation	\$250,000	100%	\$250,000
		\$_____		\$_____

TO: ERMU Commission	FROM: Melissa Karpinski – Finance Manager
MEETING DATE: May 12, 2026	AGENDA ITEM NUMBER: 5.3
SUBJECT: 2026 Annual Business Plan Amendment	
ACTION REQUESTED: Adopt Resolution No. 26-8 - Amending ERMU 2026 Budget	

BACKGROUND:

At the December 18, 2025, special meeting, the Commission adopted the 2026 Annual Business Plan. Since that time, a proposed data center project has created opportunities to leverage economies of scales that necessitate adjustments to the capital project timelines. As a result, a formal amendment to the approved budget is required. Key updates are summarized below.

DISCUSSION:

Electric Budget

The 2026 capital budget, as adopted in December included the West Bank 2 Transformer Replacement project scheduled for 2034 with an estimated cost of \$1.25 million. In response to the cost saving opportunity presented by the proposed data center project, this transformer purchase should be accelerated to 2027.

In addition, the total project cost has been updated from \$1.25 million to \$2.0 million. This increase is due to inflation and a revised project scope that includes dual-voltage capability. The updated funding plan includes an \$800,000 allocation in 2026 for a down payment, with the remaining \$1.2 million planned for 2027.

Advancing the project timeline requires initiating a sealed bid process in 2026 and issuing a down payment within the same year.

The amended portions of the 2026 Annual Business Plan, including the revised capital budgets, is submitted for approval. Adoption of these amended portions of the plan will supersede and replace those portions previously approved in the 2026 Annual Business Plan.

FINANCIAL IMPACT:

As outlined above, the proposed amendment includes an \$800,000 increase to the 2026 Capital Budget to accommodate the down payment for the West Bank 2 Transformer Replacement project, with total project costs now estimated at \$2.0 million.

ATTACHMENTS:

- Proposed Amendments to 2026 Annual Business Plan
 - 2026 Amended Summary of Budgets
 - 2026 Amended Electric Capital Budget
 - 2026 Amended Electric Capital 20-Year Projections
- Resolution No. 26-8 - Amending ERMU 2026 Budget

**ELK RIVER MUNICIPAL UTILITIES
SUMMARY OF YEAR 2026
BUDGETS**

ELECTRIC BUDGET SUMMARY		2026	
ELECTRIC REVENUE	\$	50,684,426	
ELECTRIC EXPENDITURES		(47,108,326)	
ELECTRIC NET FOR CAPITAL		3,576,100	7.06% Margin
DEPRECIATION		3,533,136	
CAPITAL EQUIPMENT/CONSTRUCTION		(8,829,452)	
DEBT RETIREMENT		(1,035,000)	
TOTAL IMPACT TO CASH RESERVES		(2,755,217)	

WATER BUDGET SUMMARY		2026	
WATER REVENUE	\$	4,310,428	
WATER EXPENDITURES		(4,164,879)	
WATER NET FOR CAPITAL		145,550	3.38% Margin
DEPRECIATION		1,415,000	
CAPITAL EQUIPMENT/CONSTRUCTION		(3,925,550)	
DEBT RETIREMENT		(70,000)	
TOTAL IMPACT TO CASH RESERVES		(2,435,000)	

Elk River Municipal Utilities Business Plan/Budget
2026 Electric Department Capital Budget

Capital Construction Projects

	Cost	Description
1	\$ 125,000	Cty Rd 44 Rebuild
2	\$ 300,000	Rebuild: Ogden, 196th
3	\$ 250,000	Rebuild: Zebulon and Xerxes
4	\$ 250,000	Unidentified Projects
5	\$ 50,000	Otsego Street Lights
Subtotal	\$ 975,000	<i>*in order of priority</i>

Capital Construction Substations

	Cost	Description	
	\$ 1,818,000	East Substation Construction	Reserves
	\$ 150,000	North Recloser Tank Replacement	
	\$ 1,280,120	Otsego Transformer Replacement	
	\$ 28,000	Otsego Recloser Controller Replacement	
	\$ 120,000	Otsego Recloser Tank Replacement	
	\$ 20,000	14-4 Relay Panel Replacement	
	\$ 800,000	West Bank 2 Transformer Replacement	
	\$ 50,000	SCADA Network Upgrades	
Subtotal	\$ 4,266,120		

Capital Construction Feeders

	Cost	Description
	\$ 175,000	Feeder 65 Rebuild OH from Landfill to North Sub
	\$ 200,000	East Sub Feeders #11, 13, 14
	\$ 250,000	Unidentified Feeders
Subtotal	\$ 625,000	

Capital Construction System

	Cost	Description
	\$ 425,000	Transformers and Meters
	\$ 70,607	AMI
	\$ 350,000	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)
	\$ 50,000	Fault Indicators Replacements
Subtotal	\$ 1,920,607	

Capital Equipment Needs

	Cost	Description
	\$ 65,000	Replace Truck new foreperson
	\$ 50,000	Hot Arms
	\$ 152,200	Electric share of Administration
	\$ 303,250	Electric Share of Technical Services
Subtotal	\$ 570,450	

Capital Facilities & Misc Needs

	Cost	Description	
	\$ 472,275	Territory Acquisition - Loss of Revenue Pmt (2015 Contract - Area 1&2, 3&4, 5&6, 7&8)	Reserves
Subtotal	\$ 472,275		

Total Capital \$ 8,829,452

Electric Noteworthy Non-Recurring Expenses

	Cost	Description
	\$ 3,500	Computers, iPads, Software, Accessories
	\$ 10,000	Paint Transformers/Switchgear
	\$ 10,000	Paint Street Lights
	\$ 10,000	Tools
	\$ 30,000	Contractor Testing and Inspections
	\$ 12,240	Electric share of Administration
	\$ 23,275	Electric share of Technical Services
Total	\$ 99,015	

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	
1	er Municipal Utilities Business Plan/E																						
2	Electric Utility																						
3	Capital Budget 2026-2045																						
4	Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	
5	Projects																						
6	OH to URD 208th, Wilson, 207th, single phase on Brook Rd			\$250,000	\$100,000																		
7	Dayton Rebuild 2400V OH to 7200V URD						\$376,000	\$306,000	\$102,000	\$80,000	\$83,000												
8	Cty Rd 32 single phase OH to three phase UG					\$300,000																	
9	198th Ave & Polk St OH to URD	\$100,000			\$100,000																		
10	198th Ave & Gary St OH to URD				\$100,000																		
11	Otsego Street Lights		\$50,000																				
12	Highway 169 redefine		\$25,000																				
13	3 Phase on Co Rd 1 from Co Rd 33 to 221st					\$300,000																	
14	Co Rd 39 O'dean to Nashua - OH to URD							\$200,000															
15	Rebuild Parrish							\$200,000															
16	Rebuild: Dayton River Road							\$200,000	\$200,000	\$200,000													
17	Rebuild: Zebulon and Xerxes			\$250,000																			
18	Rebuild: 190th Ave, Waco Street				\$250,000																		
19	Rebuild: Ogden, 196th			\$300,000																			
20	Rebuild: 211th					\$100,000																	
21	Rebuild: 227th, 223rd					\$100,000																	
22	Rebuild: Dodge Elk Hills and 190th		\$125,000																				
23	Rebuild: 192nd Zane and Yale wire		\$125,000																				
24	Rebuild: Kennedy and Lincoln wire					\$125,000																	
25	Rebuild: Main and Gates OH to URD		\$250,000		\$250,000																		
26	Rebuild: 5th St and Line Ave		\$100,000																				
27	Gravel Mine Development						\$250,000	\$250,000	\$250,000	\$250,000	\$250,000												
28	Cty Rd 33		\$200,000		\$200,000																		
29	Waco Business Center Dr Recon		\$125,000		\$125,000																		
30	Cty Rd 44 Rebuild		\$125,000		\$125,000																		
31	Rebuild: Mississippi Rd/Orono Rd																						
32	Unidentified Projects			\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	
34	Total Projects Budget		\$1,350,000	\$975,000	\$1,075,000	\$1,000,000	\$850,000	\$876,000	\$1,406,000	\$802,000	\$780,000	\$583,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	
35																							
36	Substations																						
37	East																						
38	Design																						
39	Construction		\$1,250,000	\$1,655,000																			
40	Recloser Controller		\$20,000	\$28,000																			
41	Recloser Tank		\$120,000	\$120,000																			
42	Contractor Testing and Inspection			\$15,000																			
43	North																						
44	Transformer Replacement (Target Date 2053)																						
45	Relay Panel Replacement									\$25,000													
46	Recloser Controller Replacement		\$35,000			\$6,000	\$6,000	\$6,000															
47	Recloser Tank Replacement		\$150,000	\$150,000					\$45,000	\$15,000				\$15,000									
48	Communication Equipment Replacement												\$10,000										
49	Meter Replacement									\$7,500													
50	Orrock (Future)																						
51	Design															\$150,000							
52	Construct																\$1,850,000						
53	Otsego																						
54	Transformer Replacement (Target Date 2023)			\$1,280,120																			
55	Relay Panel Replacement											\$25,000											
56	Recloser Controller Replacement			\$28,000																			
57	Recloser Tank Replacement			\$120,000					\$15,000				\$45,000										
58	Communication Equipment Replacement								\$10,000														
59	Meter Replacement																	\$7,500					
60	Otsego East (Future)																						
61	Design						\$150,000																
62	Construct						\$1,850,000																
63	Station 14-3																						
64	Transformer Replacement (Target Date 2037)														\$1,250,000								
65	Relay Panel Replacement																						
66	Recloser Controller Replacement				\$49,000				\$30,000														
67	Recloser Tank Replacement				\$150,000			\$15,000		\$15,000													
68	Communication Equipment Replacement													\$10,000									
69	Meter Replacement																	\$7,500					
70	Station 14-4																						
71	Transformer Replacement (Target Date 2046)																						
72	Relay Panel Replacement			\$20,000																			
73	Recloser Controller Replacement				\$14,000		\$6,000					\$6,000											
74	Recloser Tank Replacement				\$60,000								\$30,000										
75	Communication Equipment Replacement													\$10,000									

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V
1	er Municipal Utilities Business Plan/E																					
2	Electric Utility																					
3	Capital Budget 2026-2045																					
4	Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
76	Meter Replacement																	\$7,500				
77	Waco Bank #1																					
78	Transformer Replacement (Target Date 2047)																					
79	Relay Panel Replacement									\$25,000												
80	Recloser Controller Replacement											\$6,000										
81	Recloser Tank Replacement				\$60,000									\$30,000								
82	Communication Equipment Replacement											\$10,000										
83	Meter Replacement													\$7,500								
84	Waco Bank #2																					
85	Transformer Replacement (Target Date 2057)																					
86	Relay Panel Replacement														\$25,000							
87	Recloser Controller Replacement				\$21,000										\$18,000							
88	Recloser Tank Replacement																					
89	Communication Equipment Replacement											\$10,000										
90	Meter Replacement													\$7,500								
91	West Bank #1																					
92	Transformer Replacement (Target Date 2046)																					
93	Relay Panel Replacement																					
94	Recloser Controller Replacement	\$21,000		\$14,000				\$12,000			\$6,000											
95	Recloser Tank Replacement	\$30,000																\$15,000				
96	Communication Equipment Replacement								\$10,000													
97	Meter Replacement																	\$7,500				
98	West Bank #2																					
99	Transformer Replacement (Target Date 2027)		\$800,000	\$1,200,000																		
100	Relay Panel Replacement																					
101	Recloser Controller Replacement	\$28,000		\$28,000					\$18,000													
102	Recloser Tank Replacement	\$60,000		\$60,000						\$15,000												
103	Communication Equipment Replacement								\$10,000													
104	Meter Replacement																	\$7,500				
105	Cap and Reg Controllers																					
106	SCADA Network Upgrades	\$50,000	\$50,000																			
107	Substations voltage upgrade to 115KV											\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000							
109	Total Substations Budget	\$1,772,000	\$4,266,120	\$1,302,000	\$354,000	\$156,000	\$1,862,000	\$33,000	\$138,000	\$87,500	\$21,000	\$2,057,000	\$2,085,000	\$3,373,000	\$2,000,000	\$150,000	\$1,850,000	\$52,500	\$0	\$0	\$0	\$0
110																						
111	Feeders																					
112	Feeder 22 OH Rebuild			\$150,000	\$150,000	\$150,000																
113	Quaday to River Road NE					\$500,000																
114	County Rd 35 Feeder to Waco			\$100,000																		
115	Highway 10 Feeder from 101 to Jarvis				\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000								
116	Rebuild Feeder 46 Substation to Hwy 10				\$250,000																	
117	Gravel Mine Feeders						\$250,000	\$250,000	\$250,000	\$250,000	\$250,000											
118	Feeder 71/72 Replace 500 MCM fr	\$25,000																				
119	Feeder 65 Rebuild OH from Landfr	\$150,000	\$175,000																			
120	East Sub Feeders #11, 13, 14		\$200,000																			
121	Unidentified Feeders	\$750,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
123	Total Feeders Budget	\$925,000	\$625,000	\$350,000	\$650,000	\$900,000	\$650,000	\$650,000	\$650,000	\$650,000	\$650,000	\$400,000	\$400,000	\$400,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
124																						
125																						
126	Miscellaneous																					
127	Territory Acquisition - Loss of Revenue Pmt (1991 Contract)																					
128	County Rd 12 Interconnection Agreement - Connexus																					
129	Territory Acquisition - Loss of Reve	\$935,000	\$472,275	\$316,884	\$198,046	\$100,816	\$100,816															
131	Total Miscellaneous Budget	\$935,000	\$472,275	\$316,884	\$198,046	\$100,816	\$100,816	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
132																						
133	Facilities																					
134	Vactron clean out west sub																					
135	West sub storage asphalt																					
137	Total Facilities Budget	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
138																						
139	System																					
140	Transformers and Meters	\$375,000	\$425,000	\$425,000	\$425,000	\$425,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
141	AMI	\$1,425,000	\$70,607																			
142	New Development Distribution Ins	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000
143	Street Lighting	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
144	Ongoing OH Equip Replacement (r	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
145	Ongoing URD Equip Replacement	\$150,000	\$900,000	\$900,000	\$650,000	\$650,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
146	Fault Indicators Replacements	\$75,000	\$50,000																			
148	Total System Budget	\$2,500,000	\$1,920,607	\$1,800,000	\$1,550,000	\$1,550,000	\$875,000	\$875,000	\$875,000	\$875,000	\$875,000	\$875,000	\$875,000	\$875,000	\$875,000	\$875,000	\$875,000	\$875,000	\$875,000	\$875,000	\$875,000	\$875,000

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V
1	per Municipal Utilities Business Plan/FE																					
2	Electric Utility																					
3	Capital Budget 2026-2045																					
4	Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
149																						
150	Inventory/Equipment																					
151	Digger Truck	\$335,000		\$500,000																		
152	Bucket Truck	\$300,000			\$302,500		\$332,750															
153	Dump Truck/Flatbed Truck			\$75,000	\$50,000			\$85,000														
154	Vactron	\$145,000			\$145,000																	
155	Excavator	\$45,000		\$45,000								\$45,000		\$45,000								
156	Brush Chipper											\$30,000										
157	Cable Plow						\$200,000					\$250,000										
158	Bore Rig					\$400,000																
159	John Deere Tractor																					
160	Diesel Tank																					
161	Trailer	\$55,000			\$40,000		\$20,000	\$20,000		\$17,000		\$30,000	\$20,000	\$15,000	\$30,000	\$20,000	\$20,000					
162	Shared Equipment	\$12,800					\$21,600			\$48,000	\$65,000						\$16,000					
163	Pickup Trucks		\$65,000	\$65,000		\$195,000			\$65,000	\$65,000	\$65,000	\$65,000		\$195,000						\$66,000	\$66,000	\$66,000
164	Chipper Box								\$55,000													
165	Dump Trailer																					
166	Hot Arms		\$50,000																			
167	Ez Spot																					
168	Tools at Field Services Building																					
170	Total Inventory/Equipment Budget	\$892,800	\$115,000	\$685,000	\$537,500	\$595,000	\$574,350	\$105,000	\$120,000	\$130,000	\$130,000	\$420,000	\$20,000	\$255,000	\$30,000	\$20,000	\$36,000	\$0	\$0	\$66,000	\$66,000	\$66,000
171																						
172	Total	\$8,374,800	\$8,374,002	\$5,678,884	\$4,439,546	\$4,301,816	\$4,938,166	\$3,069,000	\$2,585,000	\$2,522,500	\$2,259,000	\$4,002,000	\$3,630,000	\$5,153,000	\$3,405,000	\$1,545,000	\$3,261,000	\$1,427,500	\$1,375,000	\$1,441,000	\$1,441,000	\$1,441,000
173	Reserves	\$3,333,000	\$2,290,275									\$2,000,000		\$1,250,000			\$1,850,000					
174	Bonding																					
175	Grants																					
176	Inter-Fund Borrowing	\$1,425,000	\$1,400,000																			
177	Total Less Additional Funding	\$3,616,800	\$4,683,727	\$5,678,884	\$4,439,546	\$4,301,816	\$4,938,166	\$3,069,000	\$2,585,000	\$2,522,500	\$2,259,000	\$2,002,000	\$3,630,000	\$3,903,000	\$3,405,000	\$1,545,000	\$1,411,000	\$1,427,500	\$1,375,000	\$1,441,000	\$1,441,000	\$1,441,000
178																						
179	Difference from Previous Year	\$337,300	\$1,066,927	\$995,157	(\$1,239,338)	(\$137,730)	\$636,350	(\$1,869,166)	(\$484,000)	(\$62,500)	(\$263,500)	(\$257,000)	\$1,628,000	\$273,000	(\$498,000)	(\$1,860,000)	(\$134,000)	\$16,500	(\$52,500)	\$66,000	0	0
180																						
181																						
182	Non-Capital Expenses - Noteworthy																					
183	Computers/iPads	\$10,500	\$3,500	\$10,500	\$5,500	\$1,300	\$5,500	\$14,000	\$3,500	\$10,500	\$5,500	\$1,300	\$5,500	\$14,000	\$3,500	\$10,500	\$5,500	\$1,300	\$5,500	\$14,000	\$3,500	\$10,500
184	Paint Trailer																					
185	Paint Truck																					
186	Paint Transformers/Switchgear	\$15,000	\$10,000																			
187	Paint Street Lights		\$10,000																			
188	Tools	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
189	Highway 10 (Future)																					
190	Contractor Testing and Inspections (Expense)						\$15,000										\$15,000					
191	North																					
192	Contractor Testing and Inspections (Expense)			\$15,000										\$15,000								
193	Otsego																					
194	Transformer Arrestor Replacement (Expense)																					
195	Contractor Testing and Inspections (Expense)									\$15,000												
196	Otsego East (Future)																					
197	Contractor Testing and Inspections (Expense)															\$15,000						
198	Station 14-3																					
199	Transformer Arrestor Replacement (Expense)																					
200	Contractor Testing and Inspections (Expense)							\$15,000										\$15,000				
201	Station 14-4																					
202	Contractor Testing and Inspections (Expense)								\$15,000										\$15,000	\$15,000	\$15,000	\$15,000
203	Waco Bank #1																					
204	Contractor Testing and Inspections (Expense)		\$15,000										\$15,000									
205	Waco Bank #2																					
206	Contractor Testing and Inspections (Expense)				\$15,000										\$15,000							
207	West Bank #1																					
208	Contractor Testing and Inspections (Expense)										\$15,000											
209	West Bank #2																					
210	Transformer Arrestor Replacement and Current Transformers (Expense)																					
211	Contractor Testing and Inspection	\$15,000	\$15,000									\$15,000										
213	Total Non-Capital Expenses - Not	\$ 50,500	\$ 63,500	\$ 35,500	\$ 30,500	\$ 11,300	\$ 30,500	\$ 39,000	\$ 28,500	\$ 35,500	\$ 30,500	\$ 26,300	\$ 30,500	\$ 39,000	\$ 28,500	\$ 35,500	\$ 30,500	\$ 26,300	\$ 30,500	\$ 39,000	\$ 28,500	\$ 35,500

RESOLUTION NO. 26-8

BOARD OF COMMISSIONERS
ELK RIVER MUNICIPAL UTILITIES

A RESOLUTION AMENDING THE ELK RIVER MUNICIPAL UTILITIES 2026 BUDGET

WHEREAS, the Elk River Municipal Utilities Commission adopted the 2026 budget, as contained in the 2026 Annual Business Plan, on December 18, 2025; and

WHEREAS, the Commission has received information from staff on a potential project necessitating adjustments to the capital project timelines, in particular moving the West Bank 2 transformer purchase from 2034 to 2027; and

WHEREAS, the Commission views the project as an opportunity to leverage economies of scale that should be pursued;

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. The Elk River Municipal Utilities 2026 budget is hereby amended as presented.

This Resolution Passed and Adopted this 12th day of May, 2026.

John J. Dietz, Chair

Mark Hanson, General Manager

TO: ERMU Commission	FROM: Mark Hanson – General Manager
MEETING DATE: May 12, 2026	AGENDA ITEM NUMBER: 6.1a
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- On April 17, I attended the funeral for Roger Warehime, Owatonna Public Utilities’ (OPU) general manager. Numerous other municipal utility representatives attended as well. Roger passed away on April 10, 2026, from a heart attack.
- I attended Minnesota Municipal Utilities Association’s (MMUA) May 5 board meeting. In addition to approving the 2025 audit, the board approved the creation of the Roger Warehime Leadership Award. The award recognizes a municipal utility leader who reflects the leadership, service, and character demonstrated by Roger Warehime. In addition to serving as OPU’s general manager, Roger was MMUA’s Board secretary/treasurer and chaired MMUA’s Legislative Committee. He was highly regarded amongst peers and friends.
- The Minnesota Municipal Power Agency (MMPA) Board of Directors met on April 28 at Faribault Energy Park in Faribault, Minnesota, and via videoconference. Commissioner Stewart and I attended. The public summary is below:
 - The Board reviewed the Agency’s financial and operating performance for March 2026.
 - Participation in the residential Clean Energy Choice program increased by 24 customers. Customer penetration for the program is at 6.8% of residential customers.
 - The MN Public Utilities Commission approved MMPA’s Integrated Resource Plan for planning years 2025 – 2039.
 - The Board discussed the status of electric generation and renewable natural gas projects the Agency is pursuing.
 - The Sherburne County Board denied the land use permit for the Elk River Solar Project on April 7, 2026, by a 5–0 vote. Following this decision, the MMPA Board considered its options and determined that it will not pursue an appeal of the county’s action and will discontinue the project.

TO: ERMU Commission	FROM: Sara Youngs – Administrations Director
MEETING DATE: May 12, 2026	AGENDA ITEM NUMBER: 6.1b
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- Office walk-in traffic for April consisted of 195 customers, averaging 39 customers per week over the five-week period.
- ERMU disconnections for April. The Cold Weather Rule was in effect, preventing customer disconnections until 30 days after a disconnection notice is issued.
 - Cycle 4 – 6 disconnections
 - Cycle 1 – 10 disconnections
 - Cycle 2 – 4 disconnections
 - Cycle 3 – 8 disconnections
 - Cycle 4 – 6 disconnections
- The Cold Weather Rule ended on April 30, 2026. Customers will receive one past due reminder and an automated phone call that they are subject to disconnection for nonpayment. Once a customer is disconnected, they must pay their full past due balance for services to be restored.
- During the month of April 2026, the customer service team entered into 46 payment arrangements with customers. During April 2025 there were 72 payment arrangements.
- Currently there is one active residential solar photovoltaic project planned or under construction in the ERMU service territory.
- In late April, 18 staff members from the office and field participated in a three-day Business Process Consultation (BPC) with National Information Solutions Cooperative to evaluate our Work Management system, identify efficiencies, and align processes across departments. Thank you to all staff for their time and active involvement, which helped generate actionable next steps to improve consistency and better utilize existing tools.
- Interviews have begun for the IT/OT Specialist position. We received 30 applications, with eight candidates meeting the qualifications for first-round interviews.

TO: ERMU Commission	FROM: Melissa Karpinski – Finance Manager
MEETING DATE: May 12, 2026	AGENDA ITEM NUMBER: 6.1c
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- The 2025 Utilities Performance Metrics Incentive Compensation was processed and distributed to employees on April 17 via direct deposit.
- Annual surveys and required regulatory reports continue to be completed.
- 2025 Minnesota Revenue ST-11 has been submitted.
- Property & Casualty Insurance renewal application has been sent to the underwriter for the 2026-2027 year.

TO: ERMU Commission	FROM: Tony Mauren – Governance & Communications Manager
MEETING DATE: May 12, 2026	AGENDA ITEM NUMBER: 6.1d
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- In May, all residential and commercial electric customers will receive their respective Who Owns What? flyer which lays out the ownership and the party responsible with regard to utility infrastructure.
- In addition to the bill insert topic, May social media will cover the National Electrical Safety Month, Drinking Water Week (May 3-9), Recognition of ERMU Water Department Staff, the Excellence in Reliability Award, and a commission meeting reminder.
- Communications & Administrative Coordinator attended the Government Social Media Conference (GSMCON) in New Orleans, LA, from May 4–7. Session topics included photography and videography, design software, crisis communications, data tracking, AI, and more.
- The U.S. Department of Justice has extended the ADA Title II – government website accessibility compliance deadline by one year. For municipalities with populations below 50,000, this means they will have until April 26, 2028, to bring their site into compliance with Website Content Accessibility Guidelines 2.1 Level AA standards. Staff has made considerable progress in selecting a solution for this matter and will review options during budgeting. As a reminder, staff is currently focusing on solutions that address the compliance of forms and pdfs linked on the site, as the content within the site has been supported by an accessibility widget and monthly audits since 2020.

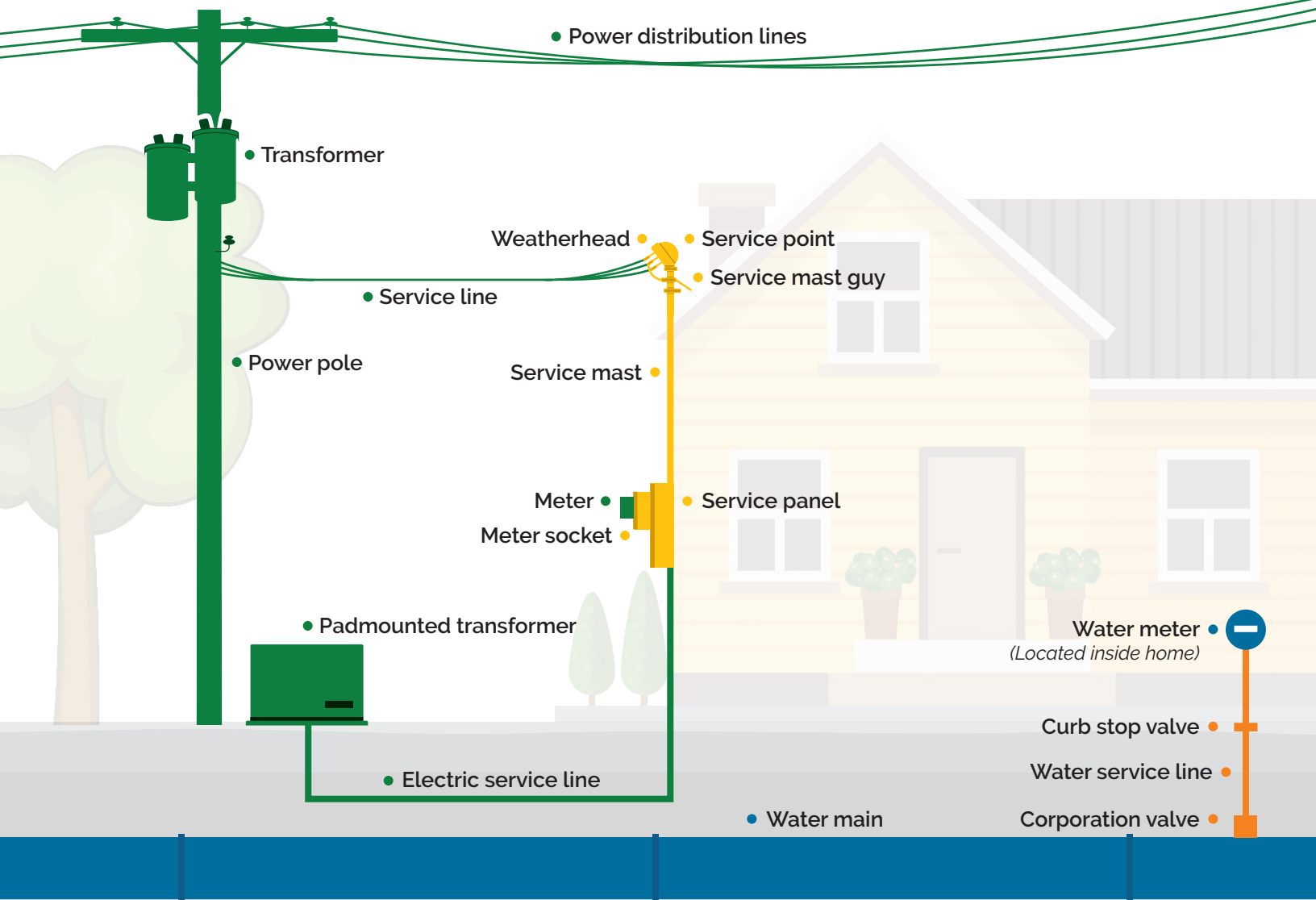
ATTACHMENTS:

- Bill Insert – Residential - Who Owns What?
- Bill Insert – Commercial - Who Owns What?

Utility-Owned Equipment VS Residential Customer-Owned Equipment

The illustration below helps explain equipment ownership and responsibility regarding maintenance and repairs. The utility is responsible for utility-owned electric equipment (green) and water equipment (blue), while customers are responsible for customer-owned electric equipment (yellow) and water equipment (orange). Customer-owned equipment should be repaired by a licensed tradesperson.

- ELECTRICAL
UTILITY OWNED
- ELECTRICAL
CUSTOMER OWNED
- WATER
UTILITY OWNED
- WATER
CUSTOMER OWNED

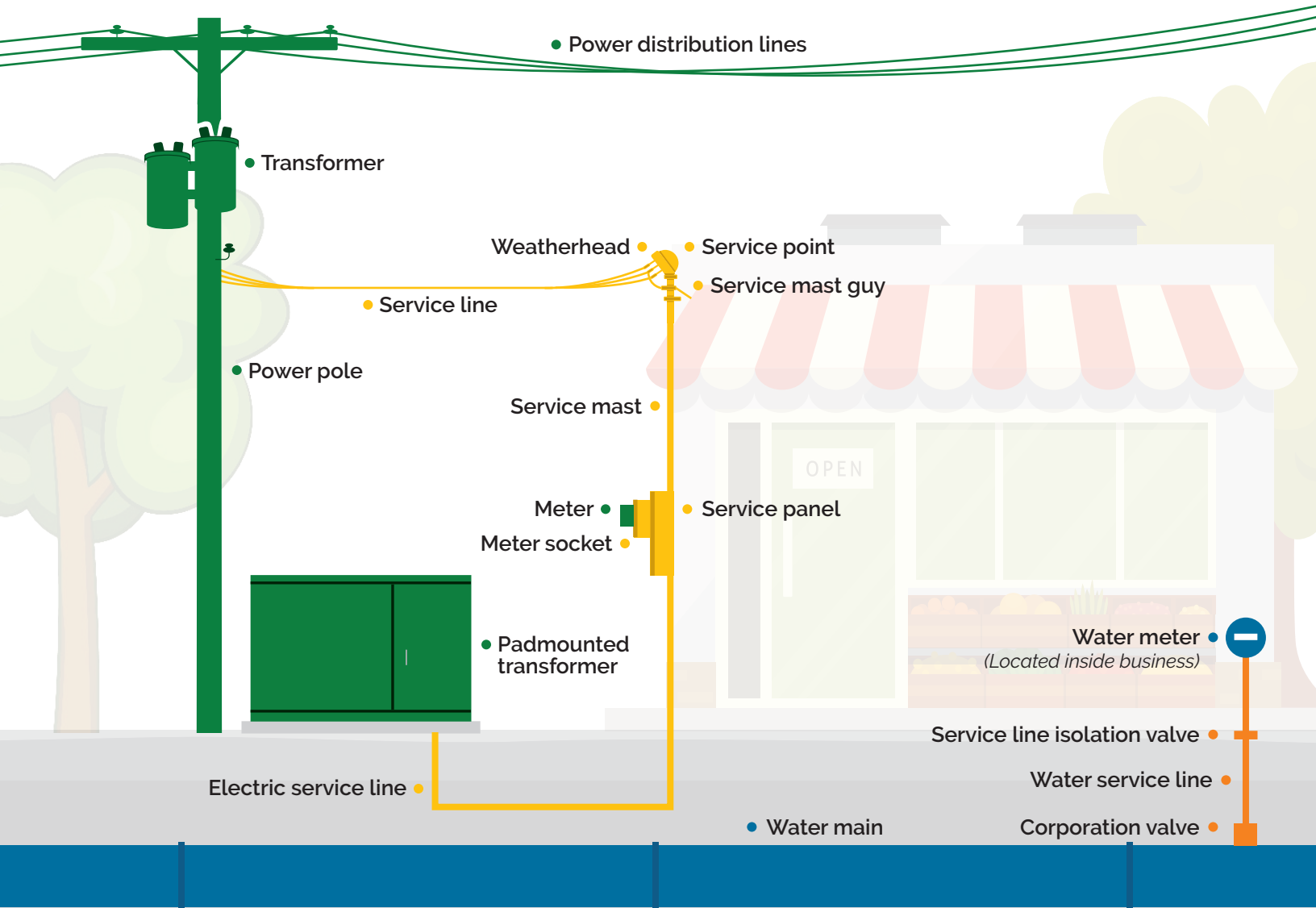


This illustration depicts residential service for overhead electric, underground electric, and water utilities. Please be aware of the type of service you receive in your home. Customers should contact us with specific questions.

Utility-Owned Equipment VS Commercial Customer-Owned Equipment

The illustration below helps explain equipment ownership and responsibility regarding maintenance and repairs. The utility is responsible for utility-owned electric equipment (green) and water equipment (blue), while customers are responsible for customer-owned electric equipment (yellow) and water equipment (orange). Customer-owned equipment should be repaired by a licensed tradesperson.

- ELECTRICAL
UTILITY OWNED
- ELECTRICAL
CUSTOMER OWNED
- WATER
UTILITY OWNED
- WATER
CUSTOMER OWNED



This illustration depicts commercial service for overhead electric, underground electric, and water main utilities. **Please be aware of the type of service you receive in your business.** Some businesses also have private fire hydrants and private fire protection service lines which are customer owned. Customers should contact us with specific questions.

TO: ERMU Commission	FROM: Thomas Geiser – Operations Director
MEETING DATE: May 12, 2026	AGENDA ITEM NUMBER: 6.1e
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- Working through the second round review of maps for the new GIS mapping system that we plan to move forward with in the future. I have gone through all 115 maps.
- ERMU has received seven reclosers so far but is still waiting for 23 out of 30 units to be repaired. A plan has been set to repair the rest, the vendor currently has 13 in for repair.
- ERMU has started the Cooper switchgear replacement plan. We have replaced two so far and plan to do approximately 15 per year for the next 3-4 years.
- Our new Bucket Truck #5 went back to Altec in Shakopee for some corrections.
- I am helping to gather info for GIS Mapping.
- I attended the Minnesota Municipal Utilities Association's Job Training & Safety Meeting in Marshall, MN, April 22-23. The focus was planning the overhead school in September.
- I attended the Advisory Board Meeting at the Minnesota State Community/Technical College in Wadena, MN. This is an opportunity to bring input from the field to instructors as we share what is happening in the industry and what skills new lineworkers will need to possess.
- Staff and I attended the National Information Solutions Cooperative training at the field services building April 28-30.

TO: ERMU Commission	FROM: Chris Sumstad – Electric Superintendent
MEETING DATE: May 12, 2026	AGENDA ITEM NUMBER: 6.1f
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- Installed 18 new residential services, which involves the connection of a secondary line once the customer requests service.
- Crews finished up rework at the downtown Elk River parking lot recently. We removed a few electric boxes to make room for more parking stalls and placed new primary wire to loop the remaining transformer.
- Crews have been working along County Road 44 recently, adjusting our pole line to fit the rebuild project.
- Over the past month a line crew has been supporting the substation apparatus technician at the new East substation. This has been a growth opportunity for line crews as they are called to perform tasks they don't do on a regular basis.
- Other work in the substations this past month included a recloser/controller replacement at Station 14 for Feeder 94 and a jumper replacement at Waco Bank 1.
- The bore crew will be starting work at East substation soon placing underground feeders that connect to existing lines.
- New housing developments will be a big part of the 2026 construction season. We are currently terminating the underground that was placed this winter in the Bradford Park 2nd addition, there is a 3rd phase in Bradford, as well as the 1st phase of Oakwater Ridge and Meadowsweet Bend.
- The inventory & procurement staff along with a few other staff from electric and water departments held a backup power exercise for the field services building campus on April 8. This is done annually and involves bringing one of the water departments mobile generators over from a well to power the building to ensure preparation for an emergency.

TO: ERMU Commission	FROM: Mike Tietz – Technical Services Superintendent
MEETING DATE: May 12, 2026	AGENDA ITEM NUMBER: 6.1g
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- In April, the locators processed 826 locate tickets. These consisted of 735 normal tickets, 0 emergency tickets, 41 updated tickets, 16 meetings, 4 boundary surveys, 5 planning and 25 cancellations. This was a 239.9% increase over last month and a 66.9% increase over April last year and was driven by Gateway Fiber construction across our service territory. Metronet Fiber has also begun installing facilities around Elk River, which could strain our two locators to keep up with completing tickets on time. Damage prevention activities are paramount to reliability and safety for all excavations and are critical to protecting our infrastructure, our staff, contractors, and the public.
- In April, the electrical technicians completed 56 service order tasks, updated the power bill, addressed customer meter issues and any off-peak concerns.
- The electrical technicians have continued to replace three-phase meters and test current transformers at all our commercial accounts. Staff must test, program and verify the programming of each of these meters as we work through the exchange process for all the commercial meters. The Advanced Metering Infrastructure project remains at an overall completion rate of 99%.
- Staff has completed the installation of the steel structures and bus work at our East substation. GRE has completed installation of the transmission structures and conductor to the substation. The fiber communications network has been completed, and staff is working on installing the network switches inside the control building to provide SCADA communications. The transformer ship date from WEG remains scheduled for August 25, 2026, which is 25 days behind schedule. This date is subject to change. I am still waiting for clarification on the change order requested by the circuit breaker manufacturer, which was submitted to account for US tariffs that were put in place in February. We are still on schedule for commissioning of the substation about September 15.
- Our monthly peak was 45.34 MW on April 22, at 6:54pm.

TO: ERMU Commission	FROM: Dave Ninow – Water Superintendent
MEETING DATE: May 12, 2026	AGENDA ITEM NUMBER: 6.1h
SUBJECT: Staff Update	
ACTION REQUESTED: None	

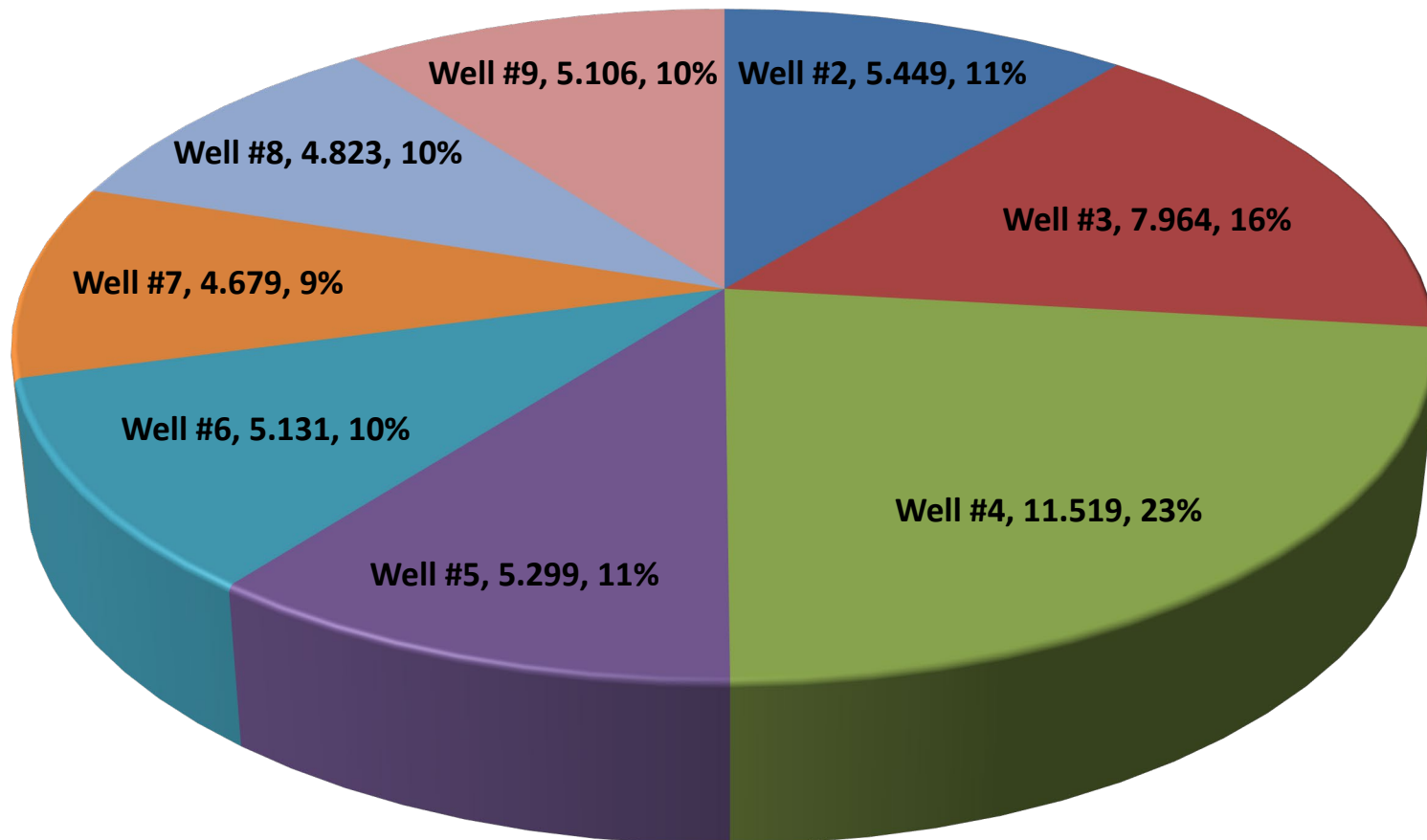
DISCUSSION:

- Delivered a water meter, installed a Smart Point module, and took curb stop ties for eight new water services
- Completed 20 BACTI/Total Chlorine Residual Samples
 - All confirmed negative for coliform bacteria
 - Bacteriological/Disinfectant Residual Monthly Report submitted to the Minnesota Department of Health (MDH)
- Completed 22 routine fluoride samples
 - All samples met the MDH standards
 - Submitted the MDH Fluoride Report
- Submitted Discharge Monitoring Report (DMR) for the Water Treatment Plants to the Minnesota Pollution Control Agency (MPCA).
- Submitted DMR for the Diesel Generation Plant to the MPCA.
- The water department continues flushing fire hydrants through the end of May. The schedule for flushing and a map with the timeline shown in zones has been added to our website blog section and social media.
- Contractors working on the Oakwater Ridge development made connection to existing water main at Gateway Road and 165th Avenue and are installing new water main along 165th Avenue crossing Highway 10 and into the new development.
- Water department staff are working with city staff to coordinate replacement of existing water main and a fire hydrant while preserving existing water services in the downtown Elk River parking lot that is going to be redeveloped this spring/summer.
- As part of our backflow prevention program our Water Utility Worker Bill has begun annual testing of backflow prevention devices for residential customers.

ATTACHMENTS:

- April 2026 Pumping by Well

April 2026 Monthly Pumping By Well



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

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