Elk River Municipal Utilities

REGULAR MEETING OF THE UTILITIES COMMISSION
June 9, 2026, 3:30 P.M.
Utilities Conference Room

AGENDA

1.0 GOVERNANCE
1.1 Call Meeting to Order
1.2 Pledge of Allegiance
1.3 Consider the Agenda

2.0 CONSENT (Routine items. No discussion. Approved by one motion.)
2.1 Check Register – May 2026
2.2 Regular Meeting Minutes – May 12, 2026
2.3 Summary of General Manager Performance Evaluation Closed Session
2.4 Summary of Information Security Committee Closed Session

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 Annual Commission Performance Evaluation
4.2 Employee Handbook Annual Updates

5.0 BUSINESS ACTION (Current business action requests and performance monitoring reports.)
5.1 Financial Report – April 2026
5.2 2025 Consumer Confidence Report
5.3 Revised Market-Based Electric Service Agreement for 19178 Industrial Boulevard NW
5.4 Streetlight Installation and Maintenance Agreement

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. American Public Power Association National Conference – June 26- July 1
  b. Regular Commission Meeting – July 14, 2026
  c. 2026 Governance Agenda
6.4 Other Business (Items added during agenda approval.)

7.0 ADJOURN REGULAR MEETING

CHECK REGISTER

May 2026

APPROVED BY:

____
John Dietz

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Jill Larson-Vito

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Mary Stewart

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Matt Westgaard

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Nick Zerwas

Payroll/Labor
Check Register Totals

05/08/2026 To 05/08/2026

Pays		Job	Amount	Hours
Gross Pay				
2	Reg Hours		194,647.40	3,362.00
3	Overtime		2,554.52	38.50
4	Double Time		717.80	6.00
5	On-Call/Stand-by		3,307.00	56.00
24	FLSA		32.71	0.00
25	Rest Time		0.00	0.00
10	Bonus Pay		0.00	0.00
18	Commissioner Reimb - Electric		0.00	0.00
104	Commission Stipend		75.00	0.00
105	Perf. Metr. Distr.		0.00	0.00
VAC	Vacation Pay		8,140.10	146.85
SICK	Sick Pay		6,746.02	134.90
HOL	Holiday Pay		0.00	0.00
78	Retro Earnings		0.00	0.00
5-2	On-Call/Stand-by/OT		130.11	2.00
18A	Commissioner Reimb. - Water		0.00	0.00
10-3	Bonus Pay Overtime		0.00	0.00
104A	Commission Stipend - Water		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		195.33	3.00
106	Longevity Pay		0.00	0.00
MIL	Military Pay - Calendar Year		0.00	0.00
	Gross Pay Total:		216,545.99	3,749.25
	Total Pays:		216,545.99	3,749.25

Payroll/Labor
Check Register Totals

05/12/2026 To 05/12/2026

Pays		Job	Amount	Hours
Gross Pay				
2	Reg Hours		0.00	0.00
105	Perf. Metr. Distr.		0.00	0.00
VAC	Vacation Pay		0.00	0.00
SICK	Sick Pay		0.00	0.00
HOL	Holiday Pay		0.00	0.00
PTOY	Personal Day - Year		0.00	0.00
3C	Overtime-Comp Time		0.00	0.00
CM3C	Overtime-Comp Time Adjusted		0.00	0.00
COMP	Comp Time Taken		0.00	0.00
106	Longevity Pay		2,025.00	0.00
	Gross Pay Total:		2,025.00	0.00
	Total Pays:		2,025.00	0.00

Deductions	Amount

Employee Taxes		Amount	Taxable Amt
FEDS	Federal Income - Single	445.50	2,025.00
MNS	MN State Income Tax - Single	126.56	2,025.00
SS-E	Social Security	125.55	2,025.00
MD-E	Medicare	29.36	2,025.00
PLEE	Minnesota Paid Leave - EE	8.20	2,025.00
	Employee Tax Total:	735.17	

Employer Taxes		Amount	Taxable Amt
SS-R	Social Security	125.55	2,025.00
MD-R	Medicare	29.36	2,025.00
SUTA	State Unemployment Tax	0.00	2,025.00
PLER	Minnesota Paid Leave - ER	8.20	2,025.00
	Employer Tax Total:	163.11	

Payroll/Labor
Check Register Totals

05/12/2026 To 05/12/2026

Taxes By Type	State	Amount	Taxable Amt
FEDERAL INCOME		445.50	2,025.00
SOCIAL SECURITY		251.10	2,025.00
Medicare		58.72	2,025.00
STATE INCOME	MN	126.56	2,025.00
State Unemployment Tax	MN	0.00	2,025.00
MISCELLANEOUS		16.40	4,050.00
Tax Total:		898.28	

Net Pay:	1,289.83
Total Deposit Amount:	0.00
Total Check Amount:	1,289.83
Total Employees:	1
Total Direct Deposits:	0
Total Checks:	1

Payroll/Labor
Check Register Totals

05/15/2026 To 05/15/2026

Pays		Job	Amount	Hours
Gross Pay				
18	Commissioner Reimb - Electric		0.00	0.00
104	Commission Stipend		1,500.00	0.00
18A	Commissioner Reimb. - Water		0.00	0.00
104A	Commission Stipend - Water		0.00	0.00
	Gross Pay Total:		1,500.00	0.00
	Total Pays:		1,500.00	0.00

Deductions	Amount

Employee Taxes		Amount	Taxable Amt
FEDM	Federal Income Tax - Married	20.00	900.00
MNM	MN State Income Tax - Married	10.00	1,500.00
SS-E	Social Security	93.00	1,500.00
MD-E	Medicare	21.75	1,500.00
FDMN	FED MARRIED - NO MULTI JOBS W4 2020>	0.00	600.00
PLEE	Minnesota Paid Leave - EE	0.00	0.00
	Employee Tax Total:	144.75	

Employer Taxes		Amount	Taxable Amt
SS-R	Social Security	93.00	1,500.00
MD-R	Medicare	21.75	1,500.00
PLER	Minnesota Paid Leave - ER	0.00	0.00
	Employer Tax Total:	114.75	

Taxes By Type	State	Amount	Taxable Amt
FEDERAL INCOME		20.00	1,500.00
SOCIAL SECURITY		186.00	1,500.00
Medicare		43.50	1,500.00
STATE INCOME	MN	10.00	1,500.00
MISCELLANEOUS		0.00	0.00
Tax Total:		259.50	

Payroll/Labor
Check Register Totals

05/15/2026 To 05/15/2026

Net Pay:	1,355.25
Total Deposit Amount:	1,355.25
Total Check Amount:	0.00
Total Employees:	5
Total Direct Deposits:	5
Total Checks:	0

Payroll/Labor
Check Register Totals

05/22/2026 To 05/22/2026

Pays		Job	Amount	Hours
Gross Pay				
2	Reg Hours		185,061.12	3,223.75
3	Overtime		3,635.68	56.25
4	Double Time		228.76	2.00
5	On-Call/Stand-by		3,281.18	56.00
24	FLSA		106.36	0.00
25	Rest Time		0.00	0.00
10	Bonus Pay		0.00	0.00
105	Perf. Metr. Distr.		0.00	0.00
VAC	Vacation Pay		14,426.82	253.00
SICK	Sick Pay		8,961.66	155.50
HOL	Holiday Pay		0.00	0.00
78	Retro Earnings		0.00	0.00
5-2	On-Call/Stand-by/OT		771.48	8.50
10-3	Bonus Pay Overtime		0.00	0.00
PTOY	Personal Day - Year		1,662.03	32.00
3C	Overtime-Comp Time		394.05	4.75
4C	Double Time-Comp Time		0.00	0.00
CM3C	Overtime-Comp Time Adjusted		-394.05	-4.75
CM4C	Double Time-Comp Time Adjusted		0.00	0.00
COMP	Comp Time Taken		124.62	2.00
106	Longevity Pay		0.00	0.00
MIL	Military Pay - Calendar Year		0.00	0.00
	Gross Pay Total:		218,259.71	3,789.00
	Total Pays:		218,259.71	3,789.00

06/01/2026 8:18:10 AM

Accounts Payable
Check Register

05/01/2026 To 05/31/2026

Bank Account: 1 - GENERAL FUND

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
2391	5/4/26	WIRE	5655	FISERV	CC FEES - APRIL 2026	2,205.45
					CC FEES - APRIL 2026	551.36
					CC FEES - APRIL 2026	515.26
					CC FEES - APRIL 2026	128.81
					CC FEES - APRIL 2026	2,147.29
					CC FEES - APRIL 2026	536.82
					CC FEES - APRIL 2026	111.50
					CC FEES - APRIL 2026	27.87
					CC FEES - APRIL 2026	730.83
					CC FEES - APRIL 2026	182.71
					CC FEES - APRIL 2026	1,507.45
					CC FEES - APRIL 2026	376.86
					Total for Check/Tran - 2391:	9,022.21
					Total for Bank Account - 1 : (1)	9,022.21

Accounts Payable
Check Register

05/01/2026 To 05/31/2026

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
5226	5/6/26	WIRE	166	ONLINE UTILITY EXCHANGE (ELECTR	UTILITY EXCHANGE REPORT - APRIL 2026	259.92
					UTILITY EXCHANGE REPORT - APRIL 2026	139.98
					Total for Check/Tran - 5226:	399.90
5227	5/11/26	WIRE	153	PERA (ELECTRONIC)	PERA EMPLOYEE CONTRIBUTION	11,509.59
					PERA CONTRIBUTIONS	13,280.32
					PERA EMPLOYEE CONTRIBUTION	2,560.99
					PERA CONTRIBUTIONS	2,954.99
					Total for Check/Tran - 5227:	30,305.89
5228	5/11/26	WIRE	160	VOYA INSTITUTIONAL TRUST COMPAN	HCSP EMPLOYEE CONTRIBUTIONS	2,613.36
					HCSP EMPLOYEE CONTRIBUTIONS	477.20
					Total for Check/Tran - 5228:	3,090.56
5229	5/11/26	WIRE	161	VOYA INSTITUTIONAL TRUST COMPAN	MNDCP EE MANAGER CONTRIBUTIONS	368.37
					MNDCP EMPLOYEE CONTRIBUTIONS	4,001.81
					MNDCP EMPLOYER CONTRIBUTION	2,416.53
					MNDCP EMPLOYER MGR CONTRIBUTION	619.54
					MNDCP EE ROTH CONTRIBUTIONS	1,863.39
					MNDCP EE ROTH MGR CONTRIBUTIONS	251.17
					MNDCP EE MANAGER CONTRIBUTIONS	51.74
					MNDCP EMPLOYEE CONTRIBUTIONS	357.95
					MNDCP EMPLOYER CONTRIBUTION	621.17
					MNDCP EMPLOYER MGR CONTRIBUTION	85.52
					MNDCP EE ROTH CONTRIBUTIONS	404.55
					MNDCP EE ROTH MGR CONTRIBUTIONS	33.78
					Total for Check/Tran - 5229:	11,075.52
5230	5/11/26	WIRE	285	JOHN HANCOCK	W&A EMPLOYER CONTRIBUTION	432.04
					W&A MANAGER CONTRIBUTION	436.88
					WENZEL EMPLOYEE CONTRIBUTIONS	1,328.58
					WENZEL MANAGER CONTRIBUTIONS	136.43
					DEF COMP ROTH CONTRIBUTIONS W&A	900.00

05/01/2026 To 05/31/2026

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
					WENZEL EE ROTH MGR CONTRIBUTIONS	300.45
					W&A EMPLOYER CONTRIBUTION	101.74
					W&A MANAGER CONTRIBUTION	67.50
					WENZEL EMPLOYEE CONTRIBUTIONS	154.20
					WENZEL MANAGER CONTRIBUTIONS	34.11
					DEF COMP ROTH CONTRIBUTIONS W&A	347.78
					WENZEL EE ROTH MGR CONTRIBUTIONS	33.39
					Total for Check/Tran - 5230:	4,273.10
5231	5/11/26	WIRE	598	MINNESOTA CHILD SUPPORT PAYMEN	CHILD SUPPORT	304.10
5232	5/11/26	WIRE	738	HEALTHEQUITY, INC	HSA EMPLOYEE CONTRIBUTION	3,178.72
					HSA EMPLOYEE CONTRIBUTION	587.72
					Total for Check/Tran - 5232:	3,766.44
5233	5/8/26	WIRE	738	HEALTHEQUITY, INC	HSA ER CONTRIBUTION - 203	3,230.00
					ADMINISTRATIVE FEE INVOICE - MAY 2026	129.70
					ADMINISTRATIVE FEE INVOICE - MAY 2026	25.30
					OVERPAY 2025 FSA - 172	-20.14
					OVERPAY 2025 FSA - 172	-5.04
					Total for Check/Tran - 5233:	3,359.82
5234	5/11/26	WIRE	8708	MEDICA	MEDICAL EE INSURANCE - MAY 2026	11,203.80
					MEDICAL ER INSURANCE - MAY 2026	61,282.49
					MEDICAL COBRA INSURANCE - MAY 2026	1,374.88
					MEDICAL EE INSURANCE - MAY 2026	2,712.20
					MEDICAL ER INSURANCE - MAY 2026	15,616.28
					Total for Check/Tran - 5234:	92,189.65
5236	5/12/26	WIRE	152	IRS - USA TAX PMT (ELECTRONIC)	PAYROLL TAXES - FEDERAL & FICA	17,973.71
					PAYROLL TAXES - FEDERAL & FICA	25,319.04
					PAYROLL TAXES - FEDERAL & FICA	3,876.29
					PAYROLL TAXES - FEDERAL & FICA	5,705.00
					Total for Check/Tran - 5236:	52,874.04

Accounts Payable
Check Register

05/01/2026 To 05/31/2026

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
5237	5/13/26	WIRE	738	HEALTHEQUITY, INC	FSA CLAIM REIMBURSEMENTS - 119		2,500.00
5238	5/12/26	WIRE	549	CHARTER COMMUNICATIONS	OFFICE TELEPHONE & CABLE		217.09
					OFFICE TELEPHONE & CABLE		54.27
						Total for Check/Tran - 5238:	271.36
5240	5/14/26	WIRE	154	MINNESOTA REVENUE (ELECTRONIC)	PAYROLL TAXES - STATE		8,089.09
					PAYROLL TAXES - STATE		1,817.41
						Total for Check/Tran - 5240:	9,906.50
5241	5/14/26	WIRE	738	HEALTHEQUITY, INC	FSA CLAIM REIMBURSEMENTS - 164		222.22
					FSA CLAIM REIMBURSEMENTS - 164		55.55
						Total for Check/Tran - 5241:	277.77
5242	5/14/26	WIRE	152	IRS - USA TAX PMT (ELECTRONIC)	PAYROLL TAXES - FEDERAL & FICA		445.50
					PAYROLL TAXES - FEDERAL & FICA		309.82
						Total for Check/Tran - 5242:	755.32
5243	5/18/26	WIRE	154	MINNESOTA REVENUE (ELECTRONIC)	PAYROLL TAXES - STATE		126.56
5245	5/19/26	WIRE	152	IRS - USA TAX PMT (ELECTRONIC)	PAYROLL TAXES - FEDERAL & FICA		16.00
					PAYROLL TAXES - FEDERAL & FICA		183.60
					PAYROLL TAXES - FEDERAL & FICA		4.00
					PAYROLL TAXES - FEDERAL & FICA		45.90
						Total for Check/Tran - 5245:	249.50
5246	5/21/26	WIRE	154	MINNESOTA REVENUE (ELECTRONIC)	PAYROLL TAXES - STATE		8.00
					PAYROLL TAXES - STATE		2.00
						Total for Check/Tran - 5246:	10.00
5247	5/14/26	WIRE	9654	CARDMEMBER SERVICE	FIRST NATIONAL BANK VISA		8,968.02
					FIRST NATIONAL BANK VISA		1,159.45
						Total for Check/Tran - 5247:	10,127.47
5250	5/27/26	WIRE	152	IRS - USA TAX PMT (ELECTRONIC)	PAYROLL TAXES - FEDERAL & FICA		18,146.79
					PAYROLL TAXES - FEDERAL & FICA		25,819.46

Accounts Payable
Check Register

05/01/2026 To 05/31/2026

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
					PAYROLL TAXES - FEDERAL & FICA	3,791.54
					PAYROLL TAXES - FEDERAL & FICA	5,454.88
					Total for Check/Tran - 5250:	53,212.67
5251	5/27/26	WIRE	153	PERA (ELECTRONIC)	PERA EMPLOYEE CONTRIBUTION	11,609.42
					PERA CONTRIBUTIONS	13,395.51
					PERA EMPLOYEE CONTRIBUTION	2,447.79
					PERA CONTRIBUTIONS	2,824.37
					Total for Check/Tran - 5251:	30,277.09
5252	5/27/26	WIRE	160	VOYA INSTITUTIONAL TRUST COMPAN	HCSP EMPLOYEE CONTRIBUTIONS	2,634.19
					HCSP EMPLOYEE CONTRIBUTIONS	334.18
					Total for Check/Tran - 5252:	2,968.37
5253	5/27/26	WIRE	161	VOYA INSTITUTIONAL TRUST COMPAN	MNDCP EE MANAGER CONTRIBUTIONS	368.37
					MNDCP EMPLOYEE CONTRIBUTIONS	4,004.06
					MNDCP EMPLOYER CONTRIBUTION	2,355.45
					MNDCP EMPLOYER MGR CONTRIBUTION	619.56
					MNDCP EE ROTH CONTRIBUTIONS	1,863.40
					MNDCP EE ROTH MGR CONTRIBUTIONS	251.19
					MNDCP EE MANAGER CONTRIBUTIONS	51.74
					MNDCP EMPLOYEE CONTRIBUTIONS	355.70
					MNDCP EMPLOYER CONTRIBUTION	370.25
					MNDCP EMPLOYER MGR CONTRIBUTION	85.50
					MNDCP EE ROTH CONTRIBUTIONS	404.54
					MNDCP EE ROTH MGR CONTRIBUTIONS	33.76
					Total for Check/Tran - 5253:	10,763.52
5254	5/27/26	WIRE	285	JOHN HANCOCK	W&A EMPLOYER CONTRIBUTION	156.94
					W&A MANAGER CONTRIBUTION	436.89
					WENZEL EMPLOYEE CONTRIBUTIONS	1,238.72
					WENZEL MANAGER CONTRIBUTIONS	136.43
					DEF COMP ROTH CONTRIBUTIONS W&A	1,025.12

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
					WENZEL EE ROTH MGR CONTRIBUTIONS		300.46
					W&A EMPLOYER CONTRIBUTION		39.22
					W&A MANAGER CONTRIBUTION		67.49
					WENZEL EMPLOYEE CONTRIBUTIONS		154.21
					WENZEL MANAGER CONTRIBUTIONS		34.11
					DEF COMP ROTH CONTRIBUTIONS W&A		347.66
					WENZEL EE ROTH MGR CONTRIBUTIONS		33.38
						Total for Check/Tran - 5254:	3,970.63
5255	5/27/26	WIRE	738	HEALTHEQUITY, INC	HSA EMPLOYEE CONTRIBUTION		3,173.52
					HSA EMPLOYEE CONTRIBUTION		592.92
						Total for Check/Tran - 5255:	3,766.44
5256	5/27/26	WIRE	598	MINNESOTA CHILD SUPPORT PAYMEN	CHILD SUPPORT		304.10
5258	5/28/26	WIRE	738	HEALTHEQUITY, INC	FSA CLAIM REIMBURSEMENTS - 164		222.22
					FSA CLAIM REIMBURSEMENTS - 164		55.55
						Total for Check/Tran - 5258:	277.77
5259	5/28/26	WIRE	154	MINNESOTA REVENUE (ELECTRONIC)	PAYROLL TAXES - STATE		8,248.78
					PAYROLL TAXES - STATE		1,723.58
						Total for Check/Tran - 5259:	9,972.36
5260	5/21/26	WIRE	174	MINNESOTA REVENUE SALES TX (ELE	SALES AND USE TAX - APRIL 2026		233,762.83
					SALES AND USE TAX - APRIL 2026		-2.30
					SALES AND USE TAX - APRIL 2026		8,827.47
						Total for Check/Tran - 5260:	242,588.00
5261	5/20/26	WIRE	1008	AMERICAN EXPRESS	AMERICAN EXPRESS		24.29
					AMERICAN EXPRESS		6.08
					AMERICAN EXPRESS		63.10
					AMERICAN EXPRESS		6.00
						Total for Check/Tran - 5261:	99.47
23710	5/7/26	DD	11	CITY OF ELK RIVER	TRASH BILLED - APRIL 2026		176,031.25

05/01/2026 To 05/31/2026

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
23711	5/7/26	DD	8843	CAMPBELL KNUTSON	LEGAL SERVICES - MARCH 2026	340.38
					LEGAL SERVICES - MARCH 2026	85.10
					Total for Check/Tran - 23711:	425.48
23712	5/7/26	DD	11	CITY OF ELK RIVER	FUEL USAGE - MARCH 2026	1,935.68
					FUEL USAGE - MARCH 2026	764.04
					PARTS & LABOR FOR UNIT #1	-0.94
					PARTS & LABOR FOR UNIT #1	64.92
					PARTS & LABOR FOR UNIT #1	-0.23
					PARTS & LABOR FOR UNIT #1	16.22
					PARTS & LABOR FOR UNIT #65	-27.15
					PARTS & LABOR FOR UNIT #65	632.09
					PARTS & LABOR FOR UNIT #33	-1.47
					PARTS & LABOR FOR UNIT #33	81.73
					PARTS & LABOR FOR UNIT #33	-0.07
					PARTS & LABOR FOR UNIT #33	4.29
					PARTS & LABOR FOR UNIT #21	-18.13
					PARTS & LABOR FOR UNIT #21	573.44
					DOT INSPECTION - UNIT #21	195.00
					DOT INSPECTION - UNIT #45	162.50
					DOT INSPECTION - UNIT #9	195.00
					DOT INSPECTION - UNIT #67	227.50
					PARTS & LABOR FOR UNIT #36	-55.13
					PARTS & LABOR FOR UNIT #36	878.59
					PARTS & LABOR FOR UNIT #36	-2.89
					PARTS & LABOR FOR UNIT #36	46.23
					DOT INSPECTION - UNIT #8	195.00
					DOT INSPECTION - UNIT #15	227.50
					DOT INSPECTION - UNIT #48	195.00
					DOT INSPECTION - UNIT #51	130.00
					DOT INSPECTION - UNIT #60	130.00

05/01/2026 To 05/31/2026

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
					PARTS & LABOR FOR UNIT #29	-4.74
					PARTS & LABOR FOR UNIT #29	162.53
					LABOR FOR UNIT #25	32.50
					PARTS & LABOR FOR UNIT #25	-2.40
					PARTS & LABOR FOR UNIT #25	114.21
					DOT INSPECTION - UNIT #44	195.00
					PARTS & LABOR FOR UNIT #44	-2.83
					PARTS & LABOR FOR UNIT #44	136.22
					DOT INSPECTION - UNIT #38	195.00
					PARTS & LABOR FOR UNIT #38	-5.47
					PARTS & LABOR FOR UNIT #38	172.30
					DOT INSPECTION - UNIT #49	195.00
					DOT INSPECTION - UNIT #47	193.92
					PARTS & LABOR FOR UNIT #47	-1.33
					PARTS & LABOR FOR UNIT #47	67.07
					DOT INSPECTION - UNIT #41	195.00
					DOT INSPECTION - UNIT #23	195.00
					NO PARKING SIGN	-0.38
					NO PARKING SIGN	200.33
					YARD WASTE	80.00
					Total for Check/Tran - 23712:	8,665.65
23713	5/7/26	DD	3667	ELFERING & ASSOCIATES	PROF SERVICES - MAR 2026	2,880.00
					PROF SERVICES - MAR 2026 CTY 44	160.00
					PROF SERVICES - MAR 2026 MEADOWVL BOOST	1,040.00
					Total for Check/Tran - 23713:	4,080.00
23714	5/7/26	DD	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 2 - INV GRP 436 - MARCH 2026	2,618.19
					CYCLE 2 - ACCT 41038 - MARCH 2026	109.98
					CYCLE 2 - ACCT 41038 - MARCH 2026	5.79
					Total for Check/Tran - 23714:	2,733.96

Accounts Payable
Check Register

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
23715	5/7/26	DD	671	FASTENAL COMPANY	Blue Locate Paint	272.35
					Orange Locate Paint	312.25
					Total for Check/Tran - 23715:	584.60
23716	5/7/26	DD	664	FRONTIER ENERGY, INC	CIP PROFESSIONAL SERVICES - MARCH 2026	13,941.80
23717	5/7/26	DD	809	HAWKINS, INC.	CHLORINE CYLINDER RENTAL	220.00
23718	5/7/26	DD	6836	INNOVATIVE OFFICE SOLUTIONS LLC	OFFICE SUPPLIES	5.92
					OFFICE SUPPLIES	1.49
					Total for Check/Tran - 23718:	7.41
23719	5/7/26	DD	8083	JT SERVICES OF MINNESOTA	SWITCHGEAR	-1,967.64
					Wipes	1,967.64
					Total for Check/Tran - 23719:	0.00
23720	5/7/26	DD	828	MARILU INC	MONTHLY CLEANING FOR THE PLANT-APR 2026	2,982.74
					MONTHLY CLEANING FOR THE PLANT-APR 2026	426.11
					Total for Check/Tran - 23720:	3,408.85
23721	5/7/26	DD	39	MMUA	DRUG SCREENING - 203	50.00
23722	5/7/26	DD	130	RESCO	PRIMARY WIRE	171,914.00
					Discount	-85.96
					INSULATED CAP	2,424.00
					Discount	-1.21
					FIBERGLASS POLE	13,610.01
					Discount	-6.11
					Total for Check/Tran - 23722:	187,854.73
23723	5/13/26	DD	9	BORDER STATES ELECTRIC SUPPLY	OXIDATION INHIBITOR	204.96
					Bolts	372.90
					WIRE	3,034.81
					Mtce of URD Primary	1,325.24
					Overhead Material	-9,085.05
					WIRE	3,677.84

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
					MISC PARTS & SUPPLIES	-64.23
					MISC PARTS & SUPPLIES	879.83
					MISC PARTS & SUPPLIES	-53.81
					MISC PARTS & SUPPLIES	736.99
					COMPRESSION LUG	116.30
					Wipes	1,662.36
					COMPRESSION LUG	232.60
					Total for Check/Tran - 23723:	3,040.74
23724	5/13/26	DD	36	CROW RIVER FARM EQUIP CO	MISC PARTS & SUPPLIES	14.47
					PARTS FOR UNIT #29	13.13
					PARTS FOR UNIT #23	85.04
					Total for Check/Tran - 23724:	112.64
23725	5/13/26	DD	493	ELK RIVER GAS, INC	FUEL - UNIT #23	21.68
23726	5/13/26	DD	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 3 - INV GRP 395 - MARCH 2026	9,840.97
23727	5/13/26	DD	729	EPS, INC	Fiber	3,887.00
23728	5/13/26	DD	626	JENNY FOSS	MIC AIRFARE - 184	281.58
					MIC AIRFARE - 184	70.40
					GSMCON AIRPORT PARKING - 184	101.58
					GSMCON AIRPORT PARKING - 184	25.39
					2026 GSMCON MEAL - 184	15.90
					GSMCON MEAL - 184	53.97
					GSMCON MILEAGE - 184	53.60
					GSMCON SNACK - 184	5.92
					GSMCON TAXI - 184	93.96
					2026 GSMCON MEAL - 184	3.97
					GSMCON MEAL - 184	13.49
					GSMCON MILEAGE - 184	13.40
					GSMCON SNACK - 184	1.48

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
					GSMCON TAXI - 184		23.48
						Total for Check/Tran - 23728:	758.12
23729	5/13/26	DD	809	HAWKINS, INC.	Water Chemicals		377.47
					Water Chemicals		3,741.46
						Total for Check/Tran - 23729:	4,118.93
23730	5/13/26	DD	8083	JT SERVICES OF MINNESOTA	SWITCHGEAR		-6,523.40
					SWITCHGEAR		55,418.00
						Total for Check/Tran - 23730:	48,894.60
23731	5/13/26	DD	330	METRO SALES, INC	COPIER MTC CONTRACT - 3/21 to 4/20/26		188.84
					COPIER MTC CONTRACT - 3/21 to 4/20/26		47.21
						Total for Check/Tran - 23731:	236.05
23732	5/13/26	DD	1001	MINNESOTA MUNICIPAL POWER AGEN	Purchased Power - APRIL 2026		1,612,638.23
					Purchased Power - APRIL 2026		606,431.15
						Total for Check/Tran - 23732:	2,219,069.38
23733	5/13/26	DD	358	OLSEN CHAIN & CABLE, INC.	POLY SLINGS		-47.71
					POLY SLINGS		653.56
						Total for Check/Tran - 23733:	605.85
23734	5/13/26	DD	9276	RUSSELL STUHR	Underground school meal - 128		24.33
23735	5/13/26	DD	135	WATER LABORATORIES INC	WATER SAMPLING - APRIL 2026		424.00
23736	5/13/26	DD	610	WRIGHT HENNEPIN COOPERATIVE ELE	SECURITY - 1435 & 1705 MAIN ST		54.55
					SECURITY - 1435 & 1705 MAIN ST		7.79
						Total for Check/Tran - 23736:	62.34
23790	5/21/26	DD	8843	CAMPBELL KNUTSON	LEGAL SERVICES - APRIL 2026		2,225.18
					LEGAL SERVICES - APRIL 2026		556.30
						Total for Check/Tran - 23790:	2,781.48
23791	5/21/26	DD	11	CITY OF ELK RIVER	REVENUE TRANSFER - APRIL 2026		149,310.13
					REVENUE TRANSFER - APRIL 2026		3,578.18

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Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
					SEWER BILLED - APRIL 2026	252,889.93
					STORMWATER BILLED - APRIL 2026	59,159.46
					Total for Check/Tran - 23791:	464,937.70
23792	5/21/26	DD	7448	CRC	CUSTOMER SERVICE AFTER HOURS	2,664.29
					CUSTOMER SERVICE AFTER HOURS	666.07
					Total for Check/Tran - 23792:	3,330.36
23793	5/21/26	DD	3667	ELFERING & ASSOCIATES	PROFESSIONAL SERVICES - APRIL 2026	2,640.00
					PROF SERVICES - APR 2026 MEADOWVL BOOST	1,120.00
					Total for Check/Tran - 23793:	3,760.00
23794	5/21/26	DD	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 4 - ACCT 51086 - APR 2026	62.59
					CYCLE 4 - INV GRP 396 - APR 2026	375.04
					Total for Check/Tran - 23794:	437.63
23795	5/21/26	DD	91	GOPHER STATE ONE-CALL	LOCATES FOR - APRIL 2026	1,027.28
					LOCATES FOR - APRIL 2026	54.07
					Total for Check/Tran - 23795:	1,081.35
23796	5/21/26	DD	417	LOCATORS & SUPPLIES INC.	Raingear	887.23
23797	5/21/26	DD	573	NCPERS MINNESOTA	EXTRA LIFE INSURANCE - JUNE 2026	297.60
					EXTRA LIFE INSURANCE - JUNE 2026	38.40
					Total for Check/Tran - 23797:	336.00
23798	5/21/26	DD	9300	NISC	PRINT SERVICES - APRIL 20226	7,107.15
					PRINT SERVICES - APRIL 20226	2,484.83
					PRINT SERVICES - APRIL 20226	1,776.78
					MISC INVOICE - APRIL 2026	708.06
					MISC INVOICE - APRIL 2026	372.78
					MISC INVOICE - APRIL 2026	120.00
					MISC INVOICE - APRIL 2026	177.02
					MISC INVOICE - APRIL 2026	93.19
					MISC INVOICE - APRIL 2026	30.00

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Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
					AGREEMENTS INVOICE - APRIL 2026	53.94
					AGREEMENTS INVOICE - APRIL 2026	794.12
					AGREEMENTS INVOICE - APRIL 2026	11,789.08
					AGREEMENTS INVOICE - APRIL 2026	260.00
					AGREEMENTS INVOICE - APRIL 2026	340.33
					AGREEMENTS INVOICE - APRIL 2026	2,660.22
					AGREEMENTS INVOICE - APRIL 2026	65.00
					Total for Check/Tran - 23798:	28,832.50
23799	5/21/26	DD	358	OLSEN CHAIN & CABLE, INC.	HOIST INSPECTION	120.00
23800	5/21/26	DD	7940	SCHWEITZER ENGINEERING LABORAT	Relay Panel	8,502.10
					Relay Panel	98.14
					Total for Check/Tran - 23800:	8,600.24
23801	5/21/26	DD	830	DRAGOS, INC	Equipment	19,158.60
					Equipment	4,789.66
					Total for Check/Tran - 23801:	23,948.26
23802	5/28/26	DD	5159	CYBER ADVISORS INC.	Phone	1,048.46
					Phone	132.90
					Total for Check/Tran - 23802:	1,181.36
23803	5/28/26	DD	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 1 - INV GRP 421 - APRIL 2026	5,656.08
					CYCLE 1 - ACCT 183 - APRIL 2026	685.88
					CYCLE 1 - INV GRP 101 - APRIL 2026	2,896.10
					CYCLE 1 - INV GRP 101 - APRIL 2026	25.71
					CYCLE 1 - INV GRP 101 - APRIL 2026	683.11
					CYCLE 1 - INV GRP 101 - APRIL 2026	443.28
					CYCLE 1 - INV GRP 101 - APRIL 2026	170.78
					Total for Check/Tran - 23803:	10,560.94
23804	5/28/26	DD	5056	PLAISTED COMPANIES, INC.	CLASS 5	51.62
23805	5/28/26	DD	603	ROYAL SUPPLY INC	CLEANING SUPPLIES	930.30

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Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
					CLEANING SUPPLIES		232.58
						Total for Check/Tran - 23805:	1,162.88
23806	5/28/26	DD	7940	SCHWEITZER ENGINEERING LABORAT	RECLOSER CONTROL		34,408.80
23807	5/28/26	DD	817	SPENCER FANE LLP	LEGAL SERVICES - APRIL 2026		2,491.00
90796	5/7/26	CHK	2512	AMARIL UNIFORM COMPANY	Employee Clothing - 203		855.03
					Employee Clothing - 111		325.03
					Employee Clothing - 182		174.80
					Employee Clothing - 193		455.44
					Employee Clothing - 193		23.96
					Employee Clothing - 59		564.78
					Employee Clothing		29.72
					Employee Clothing - 135		338.10
					Employee Clothing - 119		424.00
					Employee Clothing - 171		1,095.10
					Employee Clothing - 195		1,184.50
					Employee Clothing - 191		1,234.00
					Employee Clothing - 169		1,407.53
					Employee Clothing - 59		124.45
					Employee Clothing - 59		6.55
					Employee Clothing - 195		655.00
					Employee Clothing - 128		1,222.31
					Employee Clothing - 169		393.00
					Employee Clothing - 191		262.00
						Total for Check/Tran - 90796:	10,775.30
90797	5/7/26	CHK	4531	AT & T MOBILITY	CELL PHONES & iPAD BILLING		41.07
					CELL PHONES & iPAD BILLING		2,516.00
					CELL PHONES & iPAD BILLING		17.60
					CELL PHONES & iPAD BILLING		688.27
						Total for Check/Tran - 90797:	3,262.94

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90798	5/7/26	CHK	5224	BLUE CROSS BLUE SHIELD OF MINNES	VISION INSURANCE - JUNE 2026	312.69
					VISION INSURANCE - JUNE 2026	89.73
					Total for Check/Tran - 90798:	402.42
90799	5/7/26	CHK	54	CORE & MAIN LP	HDPE BLACK PIPE	1,471.04
90800	5/7/26	CHK	3173	DELL MARKETING LP	Computer	777.21
90801	5/7/26	CHK	656	DGR ENGINEERING	OTSEGO SUB TRANSFORMER REPLACE-MAR 2026	1,358.00
					ELEC SYSTEM COORD STUDY - MARCH 2026	1,000.00
					ELEC SYSTEM STUDY - MARCH 2026	5,000.00
					Total for Check/Tran - 90801:	7,358.00
90802	5/7/26	CHK	9997	ENVISION CONSTRUCTION CO LLC	INACTIVE REFUND	120.47
90803	5/7/26	CHK	9997	BRIANNA FABER	INACTIVE REFUND	66.42
90804	5/7/26	CHK	9997	CAROL FRANK	INACTIVE REFUND	99.17
90805	5/7/26	CHK	8949	FS3 INC.	LITHIUM BATTERIES - UNIT #56	108.59
90806	5/7/26	CHK	9997	BRANDI GANGADEEN	INACTIVE REFUND	71.59
90807	5/7/26	CHK	9997	THERESA GAVIN	INACTIVE REFUND	57.61
90808	5/7/26	CHK	9997	JAUNETTE GUZMAN	INACTIVE REFUND	45.87
90809	5/7/26	CHK	9997	ANGELINE HOLZINGER	INACTIVE REFUND	53.18
90810	5/7/26	CHK	9997	AUSTIN HORN	INACTIVE REFUND	47.19
90811	5/7/26	CHK	9997	JOPLIN ST LLC	INACTIVE REFUND	37.55
90812	5/7/26	CHK	9997	JOPLIN ST LLC	INACTIVE REFUND	79.30
90813	5/7/26	CHK	9997	JOPLIN ST LLC	INACTIVE REFUND	158.45
90814	5/7/26	CHK	9997	LEWIS CUSTOM HOMES, INC	Credit Balance Refund	190.77

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Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
90815	5/7/26	CHK	8605	MARCO TECHNOLOGIES, LLC	CLOUD RECOVERY ACCT USAGE - MAR 2026	2.50
					CLOUD RECOVERY ACCT USAGE - MAR 2026	0.63
					Total for Check/Tran - 90815:	3.13
90816	5/7/26	CHK	9997	HABIB RAHMAN MAYAR	INACTIVE REFUND	20.87
90817	5/7/26	CHK	145	MENARDS	PARTS FOR WELL #3 & 4	99.41
					PARTS FOR UNIT #19 26	12.92
					MISC PARTS & SUPPLIES	187.85
					MISC PARTS & SUPPLIES	54.37
					Total for Check/Tran - 90817:	354.55
90818	5/7/26	CHK	9997	JOANNA MENNIE	INACTIVE REFUND	156.74
90819	5/7/26	CHK	349	MINNESOTA EQUIPMENT INC	SIDE LIGHT - UNIT #68	75.06
					SIDE LIGHT - UNIT #68	18.76
					Total for Check/Tran - 90819:	93.82
90820	5/7/26	CHK	9997	STEVEN MYERS	INACTIVE REFUND	61.41
90821	5/7/26	CHK	120	NAPA AUTO PARTS	PARTS FOR UNIT #53	168.63
90822	5/7/26	CHK	843	NORTHWEST LANDSCAPE	DAMAGE TO MEADOWLARK TOWHNHOMES	142.56
90823	5/7/26	CHK	9999	NPL CONSTRUCTION	Hydrant Rental Deposit Refund	1,326.12
90824	5/7/26	CHK	841	ONE TECH ENGINEERING	PLACEMENT SERVICES - 203	33,796.30
90825	5/7/26	CHK	811	PRIME ADVERTISING & DESIGN, INC.	Marketing	1,500.00
90826	5/7/26	CHK	9997	RALPHIE'S VICTORY LANE	INACTIVE REFUND	927.71
90827	5/7/26	CHK	3218	RDO EQUIPMENT CO.	PARTS FOR UNIT #53	-6.49
					PARTS FOR UNIT #53	82.76
					PARTS FOR UNIT #56	95.93
					Total for Check/Tran - 90827:	172.20
90828	5/7/26	CHK	9997	LUCAS ROZMARK	INACTIVE REFUND	215.36

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
90829	5/7/26	CHK	6107	STUART C. IRBY CO.	FAULT TRACKER	2,511.00
					Tape	63.11
					BLANKET TESTING	2,993.87
					GLOVES & TESTING	-46.01
					GLOVES & TESTING	1,910.19
					GROUND LUG TAP	843.84
					Total for Check/Tran - 90829:	8,276.00
90830	5/7/26	CHK	9997	TH CONSTRUCTION OF ANOKA INC	INACTIVE REFUND	183.77
90831	5/7/26	CHK	3360	THE UPS STORE 5093	SHIPPING	108.52
90832	5/7/26	CHK	375	VIKING ELECTRIC	6FT FOLDING RULE	92.65
90833	5/7/26	CHK	55	WESCO RECEIVABLES CORP.	BASEMENT	3,027.42
90834	5/7/26	CHK	9997	EZEKIEL WISE	INACTIVE REFUND	30.35
90836	5/13/26	CHK	2512	AMARIL UNIFORM COMPANY	Employee Clothing - 171	655.00
					Employee Clothing - 174	511.82
					Total for Check/Tran - 90836:	1,166.82
90837	5/13/26	CHK	376	BLAINE LOCK & SAFE, INC.	Door Hardware	2,642.49
90838	5/13/26	CHK	9997	CAPSTONE HOMES	Credit Balance Refund	124.60
90839	5/13/26	CHK	9997	CAPSTONE HOMES	Credit Balance Refund	130.61
90840	5/13/26	CHK	9997	CAPSTONE HOMES	Credit Balance Refund	126.51
90841	5/13/26	CHK	9997	CAPSTONE HOMES	Credit Balance Refund	126.19
90842	5/13/26	CHK	54	CORE & MAIN LP	BUTT FUSION MACHINE	966.38
					WATER METER	6,696.85
					Total for Check/Tran - 90842:	7,663.23
90843	5/13/26	CHK	723	DEM-CON COMPANIES, LLC	DUMPSTER	490.00

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Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
90844	5/13/26	CHK	122	ELK RIVER WINLECTRIC	SOCKET ADAPTERS	38.23
					PVC CAP	-0.63
					Misc Distribution Exp	8.66
					MISC PARTS & SUPPLIES	350.46
					MISC PARTS & SUPPLIES	-25.58
					DUCT SEAL	-5.97
					DUCT SEAL	81.68
					MISC PARTS & SUPPLIES	184.50
					MISC PARTS & SUPPLIES	162.62
					MISC PARTS & SUPPLIES	314.06
					MISC PARTS & SUPPLIES	272.34
					PLAIN END ELL	11.13
					CONDUIT	247.84
					CONDUIT	-45.73
					Mtce of OH Primary	378.76
					TOP HANDLE CHAINSAW	-25.92
					Chain Saw	354.92
					CHAINSAW CHAIN	-1.73
					Tool	23.73
					BATTERY FORGE	-19.62
					Tool	268.62
					LOCK RING, BUSHING & CONNECTOR	-11.88
					Mtce of OH Primary	162.86
					MISC PARTS & SUPPLIES	25.03
					MISC PARTS & SUPPLIES	27.99
					Total for Check/Tran - 90844:	2,776.37
90845	5/13/26	CHK	572	EVERSPRING INN AND SUITES-MARSH	JTS MTG HOTEL - 32	102.93
90846	5/13/26	CHK	730	GREATAMERICA FINANCIAL SERVICES	LEASE FOR COPIER AT PLANT	105.01
					LEASE FOR COPIER AT PLANT	26.26
					Total for Check/Tran - 90846:	131.27

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Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
90847	5/13/26	CHK	631	HEALTHPARTNERS	DENTAL EE INSURANCE - JUNE 2026		1,217.43
					DENTAL ER INSURANCE - JUNE 2026		3,336.12
					DENTAL EE INSURANCE - JUNE 2026		182.09
					DENTAL ER INSURANCE - JUNE 2026		862.45
						Total for Check/Tran - 90847:	5,598.09
90848	5/13/26	CHK	8605	MARCO TECHNOLOGIES, LLC	PRINTER MTC CONTRACT - 5/1 to 6/1/26		196.66
					PRINTER MTC CONTRACT - 5/1 to 6/1/26		49.16
						Total for Check/Tran - 90848:	245.82
90849	5/13/26	CHK	145	MENARDS	MISC PARTS & SUPPLIES		51.00
					MISC PARTS & SUPPLIES		53.51
					MISC PARTS & SUPPLIES		60.58
					MISC PARTS & SUPPLIES		-5.97
					MISC PARTS & SUPPLIES		1.16
					MISC PARTS & SUPPLIES		80.65
					MISC PARTS & SUPPLIES		70.03
						Total for Check/Tran - 90849:	310.96
90850	5/13/26	CHK	119	MINNESOTA COMPUTER SYSTEMS INC	COPIER MTC CONTRACT - 4/12 to 5/11/26		119.92
					COPIER MTC CONTRACT - 4/12 to 5/11/26		29.98
						Total for Check/Tran - 90850:	149.90
90851	5/13/26	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 - 90851:	150.00
90852	5/13/26	CHK	8606	QUADIENT FINANCE USA, INC	POSTAGE		800.00
					POSTAGE		200.00
						Total for Check/Tran - 90852:	1,000.00
90853	5/13/26	CHK	574	REPUBLIC SERVICES, INC	TRASH & RECYCLING SERVICE - MAY 2026		1,551.94
					TRASH & RECYCLING SERVICE - MAY 2026		221.71

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Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
					TRASH SERVICE - MAY 2026	550.40
					TRASH & RECYCLING SERVICE - MAY 2026	87.44
					TRASH & RECYCLING SERVICE - MAY 2026	12.49
					Total for Check/Tran - 90853:	2,423.98
90854	5/13/26	CHK	6107	STUART C. IRBY CO.	Hot Arms	10,842.63
					DISK ARRESTER	539.00
					Total for Check/Tran - 90854:	11,381.63
90855	5/13/26	CHK	762	SUNBELT RENTALS, INC	DIESEL FOR SCISSOR LIFT	66.34
90856	5/13/26	CHK	209	ULINE	PALLET RACK DIVIDERS	312.11
90857	5/13/26	CHK	375	VIKING ELECTRIC	BOLT-ON HUB	32.67
					PVC ACCESS FITTING	62.09
					Total for Check/Tran - 90857:	94.76
90858	5/21/26	CHK	398	ALTEC INDUSTRIES, INC	Bucket Truck #5	323,917.00
90859	5/21/26	CHK	2512	AMARIL UNIFORM COMPANY	Employee Clothing - 204	523.76
					Employee Clothing - 205	524.33
					Total for Check/Tran - 90859:	1,048.09
90860	5/21/26	CHK	662	BENEFIT EXTRAS, INC	COBRA ADMINISTRATION - APRIL 2026	15.00
90861	5/21/26	CHK	9997	DARLINGTON BOYE	INACTIVE REFUND	249.54
90862	5/21/26	CHK	9997	VICTORIA BRAUN	INACTIVE REFUND	197.14
90863	5/21/26	CHK	3982	CENTERPOINT ENERGY	NATURAL GAS & IRON REMOVAL	1,408.72
					NATURAL GAS & IRON REMOVAL	422.20
					Total for Check/Tran - 90863:	1,830.92
90864	5/21/26	CHK	9997	JONATHAN CISCO	INACTIVE REFUND	214.39
90865	5/21/26	CHK	9997	MARK CONRATH	INACTIVE REFUND	191.11
90866	5/21/26	CHK	9997	CRAFTSMAN CUSTOM HOMES INC	INACTIVE REFUND	216.19

Accounts Payable
Check Register

05/01/2026 To 05/31/2026

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
90867	5/21/26	CHK	5249	DRIVER & VEHICLE SERVICES	SALES TAX & TITLE - UNIT #5	22,316.29
90868	5/21/26	CHK	53	GREAT RIVER ENERGY	2026 QTR 1 INTERCONNECTION SERVICES	1,875.00
90869	5/21/26	CHK	9997	ANKIEH KUMAR HANUMANTHAPPA	INACTIVE REFUND	110.28
90870	5/21/26	CHK	824	HOME DEPOT CREDIT SERVICES	HOME DEPOT	105.58
90871	5/21/26	CHK	82	JERRY'S ELECTRIC INC	TRANSFORMER REPAIRS	14,490.00
90872	5/21/26	CHK	9997	RICHARD JOHNSON	INACTIVE REFUND	237.75
90873	5/21/26	CHK	736	KLM ENGINEERING, INC.	PROFESSIONAL SERVICES - VERIZON	6,400.00
90874	5/21/26	CHK	9997	ANDREW LEE	INACTIVE REFUND	245.92
90875	5/21/26	CHK	9997	JENNIFER LEWANDOWSKI	INACTIVE REFUND	7.16
90876	5/21/26	CHK	145	MENARDS	TOOL HANGER PARTS	47.13
					MISC PARTS & SUPPLIES	20.82
					MISC PARTS & SUPPLIES	131.68
					MISC PARTS & SUPPLIES	15.97
					DRILL BIT	20.67
					REBATE	-4.07
					REBATE	-26.66
					REBATE	-3.00
					Total for Check/Tran - 90876:	202.54
90877	5/21/26	CHK	16	MINNESOTA DEPT OF HEALTH	WATER OP EXAM - 191	32.00
90878	5/21/26	CHK	633	MUTUAL OF OMAHA	ELEC LIFE INSURANCE - JUNE 2026	294.35
					LIFE & LTD INSURANCE - JUNE 2026	1,879.98
					ELEC LIFE INSURANCE - JUNE 2026	212.90
					LIFE & LTD INSURANCE - JUNE 2026	452.72
					Total for Check/Tran - 90878:	2,839.95
90879	5/21/26	CHK	22	PLUNKETT'S PEST CONTROL, INC	MOUSE EXTERMINATION	117.99

05/01/2026 To 05/31/2026

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
					MOUSE EXTERMINATION	16.85
					Total for Check/Tran - 90879:	134.84
90880	5/21/26	CHK	3796	PRO-TEC DESIGN, INC	BLUETOOTH CREDENTIALS - 2026-2027	97.00
					BLUETOOTH CREDENTIALS - 2026-2027	24.25
					Total for Check/Tran - 90880:	121.25
90881	5/21/26	CHK	9997	CHARLES PURFEERST	INACTIVE REFUND	319.42
90882	5/21/26	CHK	9997	LINDA RODECK	INACTIVE REFUND	146.77
90883	5/21/26	CHK	9997	SHANE SCHMINKEY	Credit Balance Refund	1,882.19
90884	5/21/26	CHK	8141	SPEEDCUTTERS OUTDOOR MAINTENA	LAWN MOWING SERVICES - MAY 2026	959.76
					LAWN MOWING SERVICES - MAY 2026	2,370.14
					Total for Check/Tran - 90884:	3,329.90
90885	5/21/26	CHK	6107	STUART C. IRBY CO.	COVER TESTING	405.97
					Lug	672.50
					FIBER ROD CLEVIS	472.00
					ARC FLASH HOODS - 59 106	210.25
					MISC PARTS & SUPPLIES	782.50
					Total for Check/Tran - 90885:	2,543.22
90886	5/21/26	CHK	822	SUMMIT AR	COMMISSIONS DUE COLLECTION AGENCY	84.55
90887	5/21/26	CHK	331	TRANSUNION	SKIP TRACING - APRIL 2026	80.00
					SKIP TRACING - APRIL 2026	20.00
					Total for Check/Tran - 90887:	100.00
90888	5/21/26	CHK	9997	JORDAN TRAPP	INACTIVE REFUND	77.49
90889	5/21/26	CHK	222	UC LABORATORY	PHOSPHORUS SAMPLING - APRIL 2026	17.66
90890	5/21/26	CHK	9997	CHERYL WALLACE	INACTIVE REFUND	163.70
90891	5/21/26	CHK	5451	WRUCK SEWER AND PORTABLE RENT	PORTABLE TOILET RENTAL - 4/17 to 5/14/26	106.58

Accounts Payable
Check Register

05/01/2026 To 05/31/2026

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
90892	5/21/26	CHK	9997	UNITED STATES TREASURY	Credit Balance Refund	253.08
90893	5/28/26	CHK	2512	AMARIL UNIFORM COMPANY	Employee Clothing - 63	317.81
					Employee Clothing - 63	79.45
					Total for Check/Tran - 90893:	397.26
90894	5/28/26	CHK	9997	MARY AMBROSIUS	INACTIVE REFUND	38.38
90895	5/28/26	CHK	844	APWA-MN	PUBLIC WORKS CLASSES - 174 fall26/spr27	1,500.00
90896	5/28/26	CHK	9997	DANIELLE DEMARRE	Credit Balance Refund	670.04
90897	5/28/26	CHK	572	EVERSPRING INN AND SUITES-MARSH	UNDERGROUND SCHOOL HOTEL - 128	102.93
					UNDERGROUND SCHOOL HOTEL - 167	308.79
					UNDERGROUND SCHOOL HOTEL - 195	308.79
					Total for Check/Tran - 90897:	720.51
90898	5/28/26	CHK	8949	FS3 INC.	PACRITE & ZANRITE - UNIT #56	924.76
90899	5/28/26	CHK	9997	JEFF HASSLEN	Credit Balance Refund	1,375.41
90900	5/28/26	CHK	9997	CHRISTINA HOSMER	INACTIVE REFUND	54.25
90901	5/28/26	CHK	9997	KRISTINA HRYSHCHUK	INACTIVE REFUND	65.74
90902	5/28/26	CHK	9997	NANCY JOY	INACTIVE REFUND	82.13
90903	5/28/26	CHK	9997	TERESA LEE	INACTIVE REFUND	29.75
90904	5/28/26	CHK	9997	LENNAR HOMES	Credit Balance Refund	241.32
90905	5/28/26	CHK	9997	LENNAR HOMES	Credit Balance Refund	140.12
90906	5/28/26	CHK	9997	LENNAR HOMES	Credit Balance Refund	157.30
90907	5/28/26	CHK	9997	LENNAR HOMES	Credit Balance Refund	151.98
90908	5/28/26	CHK	9997	LENNAR HOMES	Credit Balance Refund	173.00

05/01/2026 To 05/31/2026

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
90909	5/28/26	CHK	9997	LGI HOMES, MN	Credit Balance Refund	223.61
90910	5/28/26	CHK	9997	LGI HOMES, MN	Credit Balance Refund	225.35
90911	5/28/26	CHK	8605	MARCO TECHNOLOGIES, LLC	ACE PROGRAM - 4/29 to 5/28/26	1,479.16
					ACE PROGRAM - 4/29 to 5/28/26	369.79
					CLOUD RECOVERY ACCT USAGE - APRIL 2026	2.39
					CLOUD RECOVERY ACCT USAGE - APRIL 2026	0.60
					Total for Check/Tran - 90911:	1,851.94
90912	5/28/26	CHK	145	MENARDS	WIRE CONNECTORS	6.45
					EROSION BLANKET - GARY TOWER	43.14
					GREATSTUFF	27.80
					Total for Check/Tran - 90912:	77.39
90913	5/28/26	CHK	147	MINNESOTA POLLUTION CONTROL AG	PLANT PERMIT	1,240.00
90914	5/28/26	CHK	9997	JOSEPH MYLREA	INACTIVE REFUND	85.30
90915	5/28/26	CHK	3218	RDO EQUIPMENT CO.	PARTS FOR UNIT #56	797.40
90916	5/28/26	CHK	9997	NICOLE ROSEN	INACTIVE REFUND	89.67
90917	5/28/26	CHK	6107	STUART C. IRBY CO.	FUSE UNIT	2,404.20
90918	5/28/26	CHK	9999	TRAUT COMPANIES	Hydrant Rental Deposit Refund	1,483.49
90919	5/28/26	CHK	55	WESCO RECEIVABLES CORP.	Mtce of OH Primary	1,475.00

Total for Bank Account - 5 : (198) 4,377,827.22

Grand Total : (199) 4,386,849.43

Accounts Payable
Check Register

PARAMETERS ENTERED:

Check Date:	05/01/2026 To 05/31/2026
Bank:	All
Vendor:	All
Check:	
Journal:	All
Format:	All GL References/Amounts
Extended Reference:	No
Sort By:	Check/Transaction
Voids:	None
Payment Type:	All
Group By Payment Type:	No
Minimum Amount:	0.00
Authorization Listing:	No
Credit Card Charges:	No

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

May 12, 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 Jenny Foss, Communications & Administrative Coordinator Alex Skoog, Electric Distribution System Engineer
Others Present:	Jared Shepherd, Attorney; Owen Bassett, ERMU Scholarship Winner; Breanna Allen, ERMU Scholarship Winner

1.0 GOVERNANCE

1.1 Call Meeting to Order

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

1.2 Pledge of Allegiance

The Pledge of Allegiance was recited.

1.3 Consider the Agenda

Moved by Commissioner Westgaard and seconded by Commissioner Larson-Vito to approve the May 12, 2026, agenda. Motion carried 5-0.

1.4 2026 ERMU Scholarship

Mr. Mauren invited the 2026 ERMU Scholarship winners to introduce themselves to the Commission.

Breanna Allen informed the Commission that she plans to attend Anoka-Ramsey Technical College in the fall for an associate degree before transferring to St. Cloud State University to pursue a bachelor's degree in electrical engineering. She thanked the Commission and a round of applause followed for Ms. Allen.

Owen Bassett informed the Commission that he plans to attend Dakota County Technical College for the electrical lineworker program. He thanked the Commission and a round of applause followed for Mr. Bassett.

1.5 **Recognition of Employee Longevity – Russell Stuhr, 12 Years**

Mr. Sumstad presented ERMU's Field Crew Foreperson Russell Stuhr to be recognized for his 12 years of service. He commended Mr. Stuhr for his leadership with the bore crew and all that he does behind the scenes, especially in the realm of regulatory and compliance work for the Utility.

Mr. Stuhr thanked the Commission and staff for their recognition. There was a round of applause.

1.6 **New Employee Verbal Introduction – Alex Skoog**

Mr. Tietz introduced Alex Skoog, ERMU's new electrical distribution system engineer.

Mr. Skoog shared his background, noting he is a Minnesota native, a graduate of St. Cloud State University with a degree in electrical engineering, and will be a fully licensed professional engineer in June 2026. He expressed his commitment to community, honesty, and hard work.

There was a round of applause.

2.0 CONSENT AGENDA (Approved By One Motion)

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

2.1 Check Register – 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

Motion carried 5-0.

3.0 OPEN FORUM

No one appeared for open forum.

4.0 POLICY & COMPLIANCE

4.1 Commission Compensation

Mr. Mauren brought forth the formalized commission compensation documentation for discussion.

Commissioner Stewart requested the new policy be included in long range agenda planning for budgeting purposes and review at least every three years. Mr. Hanson confirmed that Mr. Mauren has done so.

Chair Dietz requested clarification on whether additional approval from the City Council was required. Legal counsel confirmed that further City Council approval was not necessary.

Mr. Mauren informed the Commission that the new rate would take effect in May.

Moved by Commissioner Westgaard and seconded by Commissioner Zerwas to adopt Resolution No. 26-6 - Utilities Commission Bylaws Amendment; Resolution No. 26-7 - Commission Compensation; and ERMU Policy – G.2j – Commission Compensation. Motion carried 5-0.

5.0 BUSINESS ACTION

5.1 Financial Report – March 2026

Ms. Karpinski presented the March 2026 financial report noting that overall the utility has a combined net position of $1.1 million with a 9.1% margin. Electric is performing well with a net position of $1.5 million and a 13.5% margin which is favorable to budget. Water shows a loss of $450,000 which is slightly unfavorable to budget but expected for the time of year being reported on.

Ms. Karpinski noted there was an investment loss which resulted in recording investments at fair market value. She also stated the aging report is healthy, with 87% of receivables current and only 3% in the 90+ day category.

Prior to the commission meeting, Chair Dietz inquired about the large amount submitted to Revenue Recapture and Collections from the first quarter delinquent items in the consent agenda. Ms. Karpinski explained that a significant portion was related to an unpaid water connection.

Commissioner Westgaard asked why the electric maintenance budget exceeded year-to-date actual spending. Ms. Karpinski clarified that the maintenance budget is spread evenly across twelve months, while most maintenance work occurs during the summer months.

Chair Dietz asked why electric operating expenses were $300,000 lower than the same time last year. Ms. Karpinski stated that a lower Energy Adjustment Clause and no Power Cost Adjustment in February and March contributed to the decrease. Mr. Hanson added that the decrease is also partly related to decisions made following the Cost of Service study presented by Dave Berg.

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

5.2 **<u>Market-Based Electric Service Agreement for 19178 Industrial Boulevard NW</u>**

Mr. Hanson reviewed his memo and the Market-Based Electric Service Agreement for the proposed 33MW data center. He confirmed that ERMU and Minnesota Municipal Power Agency (MMPA) can support this load. Staff is still waiting for the final results from the Great River Energy system impact study, paid for by the developer, to confirm transmission grid capacity.

Mr. Hanson informed the Commission that the developer must obtain a Conditional Use Permit (CUP) from the City of Elk River which will include public hearings before the Planning Commission and City Council, providing transparency for the public.

Mr. Hanson explained that MMPA will need to develop a monthly rate that reflects daily market fluctuations since ERMU's existing distribution system can support the load, so it does not fit the transmission transform rate category.

Mr. Hanson highlighted that a glycol-based, closed-loop cooling system is required as noted in the service agreement. Staff plans to require this in the tariff as well so it will be cited in both locations.

Mr. Hanson specifically directed commissioners to page 92 in the packet (page 11 of the agreement). It provides a table of the cost they are expecting and a timeline for which the developer is expected to provide money upfront so that ERMU will not be left with any stranded costs.

Mr. Hanson noted the tariff and service agreement require 100% backup generation that is also registered with Midcontinent Independent System Operator (MISO) which will significantly reduce the risk for both ERMU and MMPA.

Chair Dietz revisited the need for transparency and asked for Mr. Hanson to attend the planning commission and council meetings. Mr. Hanson confirmed that he will be in attendance.

Moved by Commissioner Larson-Vito and seconded by Commissioner Westgaard 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. Motion carried 5-0.

5.3 **2026 Annual Business Plan Amendment**

Ms. Karpinski reviewed the proposed amendment to the 2026 budget, which would advance the West Bank 2 Transformer Replacement project scheduled for 2034 and move it to 2027.

Commissioner Larson-Vito asked if the request is a premature, since it is tied to the data center project, which has not yet received a CUP.

Mr. Hanson explained that the request is dependent on the data center project; however, staff is trying to capture opportunities of scale through both the physical work and the potential cost savings of ordering two transformers instead of one, should the project move forward. He noted that if the data center project is not approved, any necessary budget adjustments can be addressed through the normal budget cycle next year and beyond.

Moved by Commissioner Zerwas and seconded by Commissioner Stewart adopt Resolution No. 26-8 - Amending ERMU 2026 Budget. Motion carried 5-0.

6.0 BUSINESS DISCUSSION

6.1 **Staff Updates**

Ms. Youngs noted that staff are bringing back three candidates for another round of interviews for the open IT position.

Mr. Mauren informed the commissioners that they will receive an email with a Microsoft Forms link to complete the annual commission evaluation.

Chair Dietz asked Mr. Tietz about the status of the remaining Advanced Metering Infrastructure meters. Mr. Tietz noted that staff are still waiting on a shipment of commercial meters to finalize the project.

Commissioner Stewart asked whether there is a mutual aid program that reimburses utilities for water use, referring to the large amount of water ERMU provided to Livonia Township to assist with a recent fire. Mr. Ninow said he would have to look into whether such an agreement exists.

Chair Dietz asked if the plastic fire hydrant covers can be reused and how their locations are determined. Mr. Ninow explained that some covers can be reused, but most cannot because they become damaged. He stated that the covers are placed in high-traffic areas where there is a greater chance of exposure to salt.

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 – June 9, 2026
b. 2026 Governance Agenda

6.4 **Other Business**

There was no other business.

7.0 CLOSED SESSION

Moved by Commissioner Larson-Vito and seconded by Commissioner Stewart to close the regular commission meeting pursuant to Minn. Stat. § 13D.05, subd. 3(a) for the performance evaluation of Mark Hanson, ERMU General Manager, at 4:19 p.m. Motion carried 5-0.

The Commission evaluated the performance of General Manager Mark Hanson which is to be summarized in the June regular commission meeting packet.

Moved by Commissioner Zerwas and seconded by Commissioner Westgaard to close the closed meeting, and re-open the regular meeting of the Elk River Municipal Utilities Commission at 5:26 p.m. Motion carried 5-0.

8.0 ADJOURN REGULAR MEETING

Moved by Commissioner Stewart and seconded by Commissioner Westgaard to adjourn the regular meeting of the Elk River Municipal Utilities Commission at 5:26 p.m. Motion carried 5-0.

Minutes prepared by Jenny Foss.

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John J. Dietz, ERMU Commission Chair

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Justin Dunford, City Clerk

UTILITIES COMMISSION MEETING

TO: ERMU Commission	FROM: Tony Mauren – Governance & Communications Manager
MEETING DATE: June 9, 2026	**AGENDA ITEM NUMBER:** 2.3
SUBJECT: Summary of General Manager Performance Evaluation Closed Session	
ACTION REQUESTED: None	

BACKGROUND:
On May 12, 2026, a closed meeting of the Utilities Commission was held to evaluate the performance of General Manager Mark Hanson. State statute requires that the Commission shall then summarize its conclusions from the evaluation at the next public meeting.

DISCUSSION:
Summary from Chair Dietz:

- ***Commissioners present:*** *Chair John Dietz, Vice Chair Mary Stewart, Jill Larson-Vito, Matt Westgaard, and Nick Zerwas*
- ***Also present:*** *ERMU General Manager Mark Hanson*

The Commission conducted an annual performance review of General Manager Mark Hanson on May 12, 2026. The Commission, the ERMU managers and City Administrator Cal Portner answered a series of questions, rating Mark from 1-3 (with 3 being the highest score) in several categories. There was a comment section after each category and a series of questions at the end, requiring comment.

Mark met or exceeded expectations in every category both in scoring by the Commission and the managers. He scored very high in the communication categories and his continued quest to become more proficient in the electric portion of ERMU. He has attended many training sessions and is getting closer to being up to full speed in the electric area.

Mark was given high marks in the way he deals with the ERMU staff and how he promotes a good working relationship with the City of Elk River.

Mark has shown that he is very objective as a member of the Wage & Benefit Committee, seeing both the employee and management sides of issues in that area.

The Commission is very pleased with Mark's leadership ability. He has built very good morale among all the employees and continues to lead by example.

The Commission did ask that he strongly consider joining an Elk River service organization to make himself more visible in the community. He said he would be more comfortable doing that now that he has a good working knowledge of the entire ERMU operation.

Mark has set a very high standard for the ERMU staff because he has shown them that he has their back and he wouldn't expect them to do anything that he would not be willing to do himself.

John Dietz
Commission Chair

UTILITIES COMMISSION MEETING

TO: ERMU Commission	FROM: Tony Mauren – Governance & Communications Manager
MEETING DATE: June 9, 2026	**AGENDA ITEM NUMBER:** 2.4
SUBJECT: Summary of Information Security Committee Closed Session	
ACTION REQUESTED: None	

BACKGROUND:
On May 12, 2026, at 2:00 p.m. in the Utilities conference room, the Information Security Committee held a scheduled meeting. Portions of this meeting were closed to the public pursuant to Minnesota Statute § 13D.05, subd. 3(d) to discuss security recommendations regarding ERMU and the City of Elk River's telecommunications system, the disclosure of which could compromise public safety and the electronic security of financial information. State statute requires that the Committee shall then summarize its conclusions from the closed session at the next public meeting.

DISCUSSION:
Summary from Chair Stewart:

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

The open portion of the meeting consisted of approving the agenda and the previous meeting minutes, as well as a vote reappointing Mary Stewart as Committee Chair.

The Committee then moved into a closed session, in which the group reviewed data on security testing results, an infrastructure funding grant, industry trends in cybersecurity, a future tabletop exercise, and candidate interviews for an IT position with ERMU.

Mary Stewart
Committee Chair

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	**FROM:** Mark Hanson – General Manager
MEETING DATE: June 9, 2026	**AGENDA ITEM NUMBER:** 4.1
SUBJECT: Annual Commission Performance Evaluation	
ACTION REQUESTED: None	

BACKGROUND/ DISCUSSION:

Per the Governance Policy G.2c Agenda Planning and consistent with the 2026 Governance Agenda, the Commission conducts a formal evaluation of its own performance annually. The intention of the Commission holding themselves accountable through an evaluation process is to develop a culture of excellent governance. Following evaluation, the Commission works with the general manager to address specific needs or gaps identified. These may include or be related to governance, legal requirements, or specific knowledge and skills required for decision-making related to upcoming initiatives and/or results-oriented goals.

The 2026 Annual Commission Performance Evaluation Results are attached for review and discussion.

ATTACHMENTS:

- 2026 Annual Commission Performance Evaluation Results

Elk River Municipal Utilities

2026

Commission Performance Evaluation

ERMUMN.COM | 763.441.2020 | 13069 ORONO PARKWAY | PO BOX 430 | ELK RIVER, MN 55330-0430

5 - Strongly Agree 4 - Agree 3 - Neither Agree nor Disagree 2 - Disagree 1 - Strongly Disagree

1. The Commission makes decisions in accordance with ERMU's purpose, mission, vision, and values to achieve desired results and collectively supports those decisions.

Commissioner	5.00
Commissioner	4.00
Commissioner	5.00
Commissioner	5.00
Commissioner	4.00
Average	**4.60**
Manager	4.00
Manager	5.00
Manager	5.00
Manager	5.00
Manager	4.00
Manager	4.00
Manager	4.00
Manager	4.00
Average	**4.38**
Overall Average	**4.46**

Comments:

- We play by the rules
- The structure that staff provides helps to keep the Commission to keep mission focused.
- I feel the commission has good collaborative approach and purpose.
- I think we do a pretty good job of sticking to our policies
- In my limited time, the decisions have seemed mission focused.
- The commission discusses issues and collectively arrives at good decisions that align well with our mission statement.
- With the new mission, vision, and values how do we incorporate into commission meetings?

2. The Commission partners with the City on opportunities to bring greater value to the community, while maintaining its responsibility to ERMU customers as well as its governance and conduct policies.

Commissioner	5.00
Commissioner	4.00
Commissioner	4.00
Commissioner	4.00
Commissioner	4.00
Average	**4.20**
Manager	5.00
Manager	4.00
Manager	5.00
Manager	4.00
Manager	3.00
Manager	4.00
Manager	3.00
Manager	5.00
Average	**4.13**
Overall Average	**4.15**

Comments

- The partnership between the city and ERMU is outstanding.
- I feel the relationship between the two entities has grown stronger over the last several years.
- I am glad we are continuing to find ways to partner with the city
- The commission has limited visibility to what happens with City partners apart from what is shared with us during the meetings and from feedback provided by John.
- The commission maintains a strong partnership with the city which in turn provides excellent value for the community.
- My perception at times is that ERMU is expected to actively partner with the City, while that same level of partnership and collaboration does not always feel reciprocal.
- Commission is able to partner when needed, but also keeps in mind we have customers in the cities of Dayton, Otsego and Big Lake Township.

5 - Strongly Agree 4 - Agree 3 - Neither Agree nor Disagree 2 - Disagree 1 - Strongly Disagree

3. Commission members are present and engaged during official meetings, prepared to perform their assigned duties, participate in discussion, and make decisions. Members also take advantage of opportunities for continuing education, development, and industry networking.

Commissioner	5.00
Commissioner	4.00
Commissioner	4.00
Commissioner	5.00
Commissioner	4.00
Average	**4.40**
Manager	4.00
Manager	4.00
Manager	5.00
Manager	5.00
Manager	4.00
Manager	4.00
Manager	5.00
Manager	5.00
Average	**4.50**
Overall Average	**4.46**

Comments:

- We have a very diverse commission, but everyone is fully invested in their role as commissioners
- The knowledge of the Commission continues to improve as commitments are made to engagement, education and networking.
- The Commission usually has a good group discussion on topics with all members participating. Additionally, we have good participation by the commission at most industry sponsored events.
- The training opportunities offered to the commission have been very effective.
- I believe that all of the commissioners are prepared and engaged and take their roles very seriously.
- It is evident that the Commission does the prep work before the meetings and is open to educating themselves in industry change and is interested in keeping up with those changes.

4. The Commission as a body and its individual members never provide direction or job performance evaluation, either formal or informal, to any employee other than the general manager.

Commissioner	4.00
Commissioner	4.00
Commissioner	5.00
Commissioner	4.00
Commissioner	3.00
Average	**4.00**
Manager	5.00
Manager	4.00
Manager	5.00
Manager	4.00
Manager	4.00
Manager	3.00
Manager	4.00
Manager	4.00
Average	**4.13**
Overall Average	**4.08**

Comments

- I feel like members work closely with Mark
- I have limited visibility to this - I believe it has gotten better based on what I've heard, but I'm unsure if this is still occurring. I know personally, I never provide direction or evaluation to employees without talking with Mark.
- There have been disappointing instances of this that extend beyond professional commentary.
- Chain of command is followed properly

5 - Strongly Agree 4 - Agree 3 - Neither Agree nor Disagree 2 - Disagree 1 - Strongly Disagree

5. The Commission effectively monitors organizational performance utilizing either internal or external methods, measuring performance against expected outcomes and clearly defined goals.

Commissioner	4.00
Commissioner	5.00
Commissioner	4.00
Commissioner	4.00
Commissioner	4.00
Average	**4.20**
Manager	5.00
Manager	4.00
Manager	4.00
Manager	4.00
Manager	4.00
Manager	4.00
Manager	4.00
Manager	4.00
Average	**4.13**
Overall Average	**4.15**

Comments:

- The regular monthly budget review is a key tool for the Commission to monitor performance. Thank you Melissa for the continued growth in the presentations.
- There are some financial aspects that could be better explained or reviewed on YOY basis vs prior month performance. Goals and KPI's are very clearly defined though.
- I believe that the commission uses the UPMIC as a tool to monitor ERMU's performance. The commission should fully understand these goals and their purpose so that they can clearly define what outcomes they want to see from ERMU along with any changes they collectively want to see.

6. The Commission demonstrates the ability, through governance and oversight, to plan for immediate and future needs by effective budgeting and planning consistent with policy.

Commissioner	4.00
Commissioner	5.00
Commissioner	4.00
Commissioner	5.00
Commissioner	4.00
Average	**4.40**
Manager	4.00
Manager	4.00
Manager	5.00
Manager	4.00
Manager	4.00
Manager	4.00
Manager	4.00
Manager	4.00
Average	**4.13**
Overall Average	**4.23**

Comments

- The Commission's ability to bring in experts like Dave Berg and others to help manage these plans with advanced expertise is helpful.
- The commission has been very supportive in the budgeting process. Hopefully, staff has done a good job of presenting the planning process, providing the commission with enough context to make sound decisions.
- I want to share my perspective regarding the repeated comments during the review of the monthly finance reports about whether variances are related to the compensation study. At times, those comments feel dismissive of the budgeting process and the work that went into it. The compensation study adjustments were discussed, planned for, and included during the budget development process. While it is appropriate to review variances and ask questions, continually attributing them back to the compensation study can feel as though the decision itself is being repeatedly questioned rather than focusing on the overall financial performance and operational factors impacting the reports.

5 - Strongly Agree 4 - Agree 3 - Neither Agree nor Disagree 2 - Disagree 1 - Strongly Disagree

7. The Commission ensures the protection of assets, the mitigation of risks, and legal compliance through governance and oversight.

Commissioner	4.00
Commissioner	5.00
Commissioner	4.00
Commissioner	5.00
Commissioner	4.00
Average	**4.40**
Manager	4.00
Manager	5.00
Manager	5.00
Manager	5.00
Manager	4.00
Manager	4.00
Manager	4.00
Manager	4.00
Average	**4.38**
Overall Average	**4.38**

Comments:

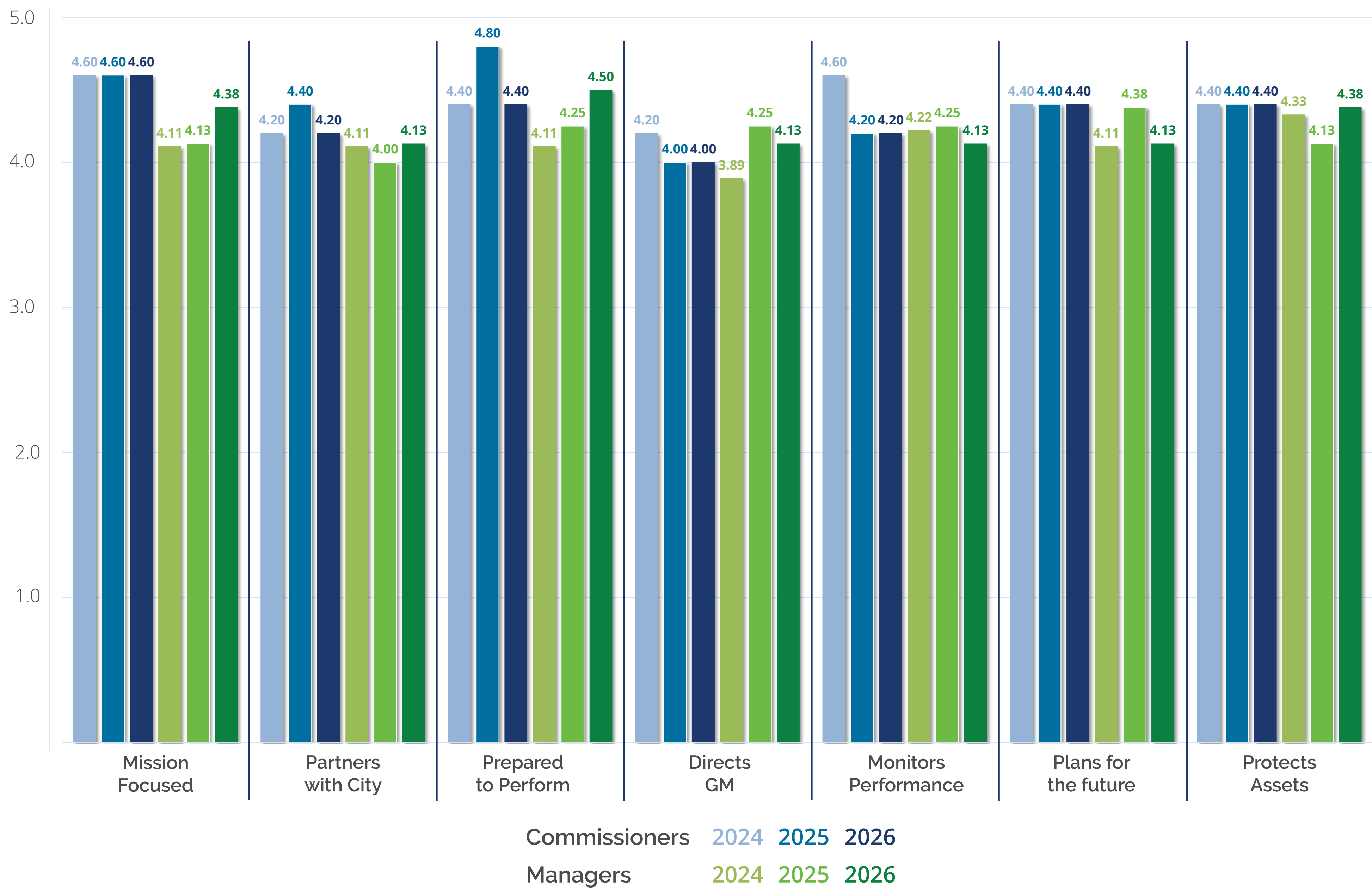
- **The written governance polices help keep this in line.**
- <u>No manager comments</u>

Respondent Overall Average

Commissioner	4.43
Commissioner	4.43
Commissioner	4.29
Commissioner	4.57
Commissioner	3.86
Average	**4.31**
Manager	4.43
Manager	4.29
Manager	4.86
Manager	4.43
Manager	3.86
Manager	3.86
Manager	4.00
Manager	4.29
Average	**4.25**
Overall Average	**4.28**

Year	2024	2025	2026
Commission Average	4.40	4.40	4.31
Manager Average	4.13	4.20	4.25
Overall Average	4.26	4.30	4.28

Commission Evaluation Comparison



With respect to the Commission's performance, what has been done well?

- Everyone contributes. After discussion we almost always agree on what to do
- Attendance at meetings, optional conferences, etc helps keep the engagement going.
- I think we work extremely well together, I really like how we strive to reach consensus even if it means continuing issues to future meetings
- I think the commission works well together, collaborates and creates space for discussion.
- Hearing each other out and coming to an agreement at the end. Good or Bad.
- The Commission has been highly engaged over the past year. Members consistently come well prepared to meetings and ask thoughtful, relevant questions that provide valuable insight and support informed decision-making.
- The commission's discussions on important subject matter has made them a unified voice. This unity provides the direction for the utility.
- ERMU is very fortunate to have the knowledgeable and experienced commission it does.
- Commission members have had good productive discussions comparing options when making decisions on different topics
- They are great listeners to staff and respond after gathering information. Collectively, the 5 members come together in the end as a team making it easy to know their expectations

With respect to the Commission's performance, what should be done differently?

- Nothing I can think of
- I think we should strive to get all of our members engaged in external activities
- I would say the Chair could slow down a little bit - there are times where the meetings feel very rushed, for those of us who are new, a slight pause to ensure further discussion isn't warranted would be appreciated.
- Switch up who is appointed to what committee. Its always easy for them to stay as is.
- Please provide staff the opportunity to gather answers for questions about items in the packet well ahead of the commission meeting.
- Start your fact-finding process/questioning of staff action from at least a neutral place. The team works hard to do what is best for the organization and community

With respect to ERMU governance, what additional comments do you have?

- Be careful not to turn into a group that just goes along with everything staff recommends. Staff has a lot of good ideas that need to be thoroughly vetted by the Commision before approval.
- This group has diverse backgrounds that help bring different ideas to the table. This makes for a well rounded governing body.
- Thank You for keeping an open mind and helping lead ERMU to what it is today.
- With the five diverse backgrounds represented on the commission, we have a unique opportunity—and responsibility—to continually push the utility to improve, innovate, and raise its standards. This is the strongest commission I have seen to date, and that strength should translate into a clear expectation: we don't settle for "good enough." We challenge assumptions, encourage forward-thinking decisions, and consistently strive for better outcomes on behalf of those we serve.
- I would ask the commission, what do you need from staff to ensure you have full understanding of commission policies?

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	FROM: Megan Zachman – HR Generalist
MEETING DATE: June 9, 2026	**AGENDA ITEM NUMBER:** 4.2
SUBJECT: Employee Handbook Annual Updates	
ACTION REQUESTED: Adopt the revised ERMU Employee Handbook	

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

DISCUSSION:
The following changes have been made to the Employee Handbook for 2026 since its last revision in June 2025.

- Revise date in footer and on cover page.
- Revise Table of Contents and page numbers.

New Sections Added:

- **Section 3A. Background Check Policy:** Covers pre-employment background checks conducted when a position is offered to a final candidate, in compliance with the Fair Credit Reporting Act and Minnesota law.
- **Minnesota Paid Leave Act (MPLA):** ERMU will satisfy MPLA obligations through an approved private plan with premiums split 50/50. Provides up to 12 weeks each of medical and family leave, with a 20-week combined maximum. Runs concurrently with Family and Medical Leave Act and MN Parenting Leave.

Section Removed:

- Section 50. Short-Term Disability Insurance

Policy Changes:

- **Section 4. Disability Accommodation:** Updated to reference the Pregnant Workers Fairness Act, requiring accommodations for pregnancy-related limitations before considering leave.

- **Section 8. Employment of Relatives:** Expanded definition of "Relative" to include persons under the employee's legal guardianship.
- **Section 9. Whistleblowers:** Expanded protected activity to include reporting planned violations of law.
- **Section 13. Drug and Alcohol-Free Workplace:** Added "cannabis" to prohibited substances; clarified hemp edible product language.
- **Section 23. Overtime and Compensatory Time:** Clarified that the 22% federal flat rate is not the only deduction from longevity pay checks — standard payroll deductions including Social Security, Medicare, and state income taxes also apply.
- **Section 25. Break Policy:** Updated policy to comply with changes to Minnesota state law on meals and rest breaks. Field employees were already following this structure; office employees will now align with the same standard, receiving two separate paid 15-minute rest breaks and a 30-minute unpaid meal break. Office employees may voluntarily elect in writing to combine all three into a single 60-minute break; due to operational needs, this option is not available to field employees. Breaks under 20 minutes must be paid.
- **Section 28. Nursing Mothers**: Removed 12-month post-birth time limit for lactation breaks; added PUMP Act citation and anti-retaliation language.
- **Section 34. Longevity Pay:** Clarified that the 22% withholding is the federal flat rate, with standard payroll deductions (Social Security, Medicare, state taxes) also applying. Clarified the Longevity Bonus payment process: a Longevity Bonus is presented to the Employee at the monthly Commission meeting in their anniversary month.
- **Section 46. Health Insurance Coverage:** Updated monthly employee premium shares.

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

ATTACHMENTS:

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

EMPLOYEE HANDBOOK

13069 Orono Parkway
ELK RIVER, MN 55330

June 2026

Office: 763-441-2020

Table of Contents

RECEIPT AND ACKNOWLEDGMENT

(EMPLOYEE REFERENCE COPY)

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

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

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

______________________________ ______________________________

Date Print or Type Name

____

Employee Signature

46703186v1

1. IMPORTANT NOTICE ABOUT THIS HANDBOOK

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

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

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

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

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

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

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

PERSONNEL RECORDS

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

ACCESS TO PERSONNEL RECORDS

Minnesota Law provides employees with certain rights relating to their personnel records. (See Minnesota Statutes Sections 181.960 to 181.965). The Utilities will comply with all requirements of the law. As a new or continuing employee of the Utilities you are put on notice of the following rights and remedies provided by Minnesota law.

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

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

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

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

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

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

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

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

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

GENERAL WORKPLACE POLICIES

2. OPEN DOOR POLICY

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

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

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

1. If you have any concern about any aspect of employment with the Utilities or with the Utilities' business, please voice your concerns to your immediate supervisor as soon as possible. In most cases your immediate supervisor will be the person in the best position to address your concerns. The supervisor and the Utilities will make every effort to keep the matter confidential to the extent possible within the confines of the rights and obligations of you and the Utilities.

2. If for some reason you are not comfortable discussing your concerns with your immediate supervisor, choose another Utilities manager or Director with whom to discuss your concerns. Again, he/she will make every effort to keep the matter confidential to the extent possible.

3. Alternatively, or in addition, you may feel free to contact the Utilities' Human Resources Representative.

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

3. EQUAL EMPLOYMENT OPPORTUNITY

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

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

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

3A. BACKGROUND CHECK POLICY

As part of its hiring process, the Utilities conducts pre-employment background checks on all final candidates for employment. Background checks may include, but are not limited to, criminal history, motor vehicle driving record, employment verification, and education verification, as applicable to the position. Background checks are conducted in accordance with applicable federal and state law, including the federal Fair Credit Reporting Act (FCRA) and Minnesota Statutes § 364.021.

Consistent with Minnesota's limitations on the use of criminal history in employment decisions, the Utilities will not inquire into or consider an applicant's criminal history until the applicant has been selected as a finalist for the position. The Utilities will perform an individualized analysis considering the nature and seriousness of the offense, the relationship of the offense to the duties of the position, and the time elapsed since the offense, and will not automatically disqualify an applicant based solely on a criminal record unless required by law.

When a background check is conducted through a consumer reporting agency, the applicant or employee will be provided with the required disclosures and authorization forms prior to the check being initiated. If any adverse employment action is contemplated based on information in a background check report, the Utilities will follow the pre-adverse and adverse action notice procedures required by the FCRA.

The Utilities reserves the right to conduct background checks on current employees as required by law, regulation, or legitimate business need, including for employees whose positions require a valid commercial driver's license or access to sensitive systems or facilities.

4. DISABILITY ACCOMMODATION

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

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

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

The Pregnant Workers Fairness Act (PWFA) (42 U.S.C. § 2000gg et seq.) requires the Utilities to provide reasonable accommodations for known limitations related to pregnancy, childbirth, or related medical conditions, including temporary limitations that may not rise to the level of a disability under the ADA or Minnesota Human Rights Act. The Utilities will not require an employee to take a leave of absence if another reasonable accommodation can be provided. Employees seeking an accommodation under the PWFA should follow the request procedure described above.

Retaliation against any individual for making a good faith complaint under this Equal Employment Opportunity/Disability Accommodation policy, for opposing discrimination, or for participating in an investigation of any claim regarding discrimination or disability accommodation is strictly prohibited.

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

5. HARASSMENT PROHIBITED

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

Definitions of Sexual and Other Forms of Harassment

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

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

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

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

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

- use of offensive or demeaning terms that have sexual connotations;
- telling suggestive jokes or stories and conversations about sexual exploits, sexual preferences, and desires;
- jokes, cartoons, pictures, objects or stories that have a sexual content;

- comments about an individual's body or appearance where such comments go beyond mere courtesy;

- threats, demands or suggestions, whether subtle or obvious that an employee's work status, advancement or other terms and conditions of employment are contingent upon the employee's toleration of or acquiescence to unwelcome sexual advances;

- repeated, unwelcome sexual flirtations, propositions, or invitations to social engagements; or

- unwelcome and objectionable physical contact or physical proximity.

Scope of Policy

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

Procedure for Reporting Harassment

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

If at any time you feel you are being harassed, you should <u>immediately</u> contact:

your supervisor; and/or

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

the Human Resources Representative.

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

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

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

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

Confidentiality – No Retaliation

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

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

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

Questions About This Policy

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

6. BUSINESS CONDUCT

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

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

1. Not performing assigned duties to the best of the employee's ability at all times.
2. Not rendering prompt and courteous service to customers and the public at all times.
3. Not maintaining courtesy and professionalism towards other employees.
4. Unauthorized possession of Utilities property.
5. Falsifying timekeeping records or any other Utilities records.
6. Dishonesty or intentional misrepresentation or omission of facts.
7. Violating the Utilities' work rules regarding alcohol and illegal drugs.

8. Violating the Utilities' rules regarding Electronic Communications.
9. Fighting or threatening violence in the workplace.
10. Negligence or improper conduct leading to damage of employer-owned or customer-owned property.
11. Insubordination or other disrespectful conduct, including failing to respond to warnings or directives to improve conduct or performance.
12. Violation of safety or health rules.
13. Sexual or other unlawful or unwelcome harassment.
14. Unauthorized possession of firearms or any object that could be considered a dangerous weapon (or other violation of the Utilities' weapons policy).
15. Excessive absenteeism or any absence without reasonable notice.
16. Unauthorized disclosure of business secrets or confidential information.
17. Misuse of Utilities resources.
18. Any other behavior unacceptable to Utilities management or any conduct inconsistent with the policies in this Handbook or the rules, practices or standards of the Utilities.

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

7. ETHICS, GIFTS AND CONFLICTS OF INTEREST

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

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

8. EMPLOYMENT OF RELATIVES

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

9. WHISTLEBLOWERS

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

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

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

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

10. WAGE INFORMATION

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

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

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

11. WEAPONS PROHIBITED

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

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

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

12. EMPLOYEE SAFETY

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

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

> Personal Injuries. Immediately report to your supervisor all accidents and injuries occurring within the course of your employment. The supervisor shall submit a First Report of Injury and a Supervisor's Report of Injury Form to the Human Resources Representative within twenty-four (24) hours of receiving such report from you.
>
> Vehicle, equipment, or property damage accidents. Immediately report to your supervisor all damage to Utilities property. The supervisor should submit documentation regarding the incident to the Utilities' Finance Manager within twenty-four (24) hours of the time of the damage or accident. A copy of the Minnesota Motor Vehicle Accident Report must be submitted for all vehicle accidents.

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

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

13. COMMITMENT TO A DRUG AND ALCOHOL-FREE WORKPLACE

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

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

Prohibited Conduct

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

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

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

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

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

Utilities-Sponsored Events

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

Workplace Searches and Inspections

In order to achieve the goals of this policy and maintain a safe, healthy, and productive work environment, the Utilities reserves the right at all times to search employees at the

Workplace, as well as their surroundings and possessions, for substances or materials in violation of this policy. This right extends to the search or inspection of clothing, desks, bags, briefcases, containers, packages, boxes, lunch boxes, and any vehicles on or in the Workplace where prohibited items may be concealed. Employees should have no expectation of privacy while in the Workplace, except in restrooms, locker rooms, or dressing areas.

Drug Testing

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

14. EXPOSURE TO HAZARDOUS SUBSTANCES

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

15. SOLICITATION AND DISTRIBUTION

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

The term ***solicitation*** means any oral or electronic communication that encourages, advocates, demands, or requests any position or action or contribution of money, time, effort, personal involvement or membership in any organization or the sale or purchase of any merchandise or service.

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

Non-Employees

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

Employees

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

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

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

Related Policies

- Utilities Bulletin Boards. The Utilities in its discretion may permit employees to distribute written material by posting on Utilities bulletin boards in accordance with this policy, provided that any material for such posting must be reviewed and approved in advance by a Utilities manager or Director, who may consult with the Human Resources Representative before making a decision whether or not to allow the posting.

- Solicitation and Distribution on Utilities Computer and E-Mail Systems. Employees and non-employees are prohibited from using Utilities computer systems and other property and resources, including the Utilities e-mail system, for solicitation or distribution, except in connection with a Utilities-sponsored activity or, with advance approval of the on-site supervisor, on behalf of a third party that is not engaged in commercial, for-profit, or political activity.

Violation of This Policy By an Employee

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

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

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

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

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

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

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

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

- In general, the Utilities encourages the use of e-mail and other available electronic communications with residents, consultants, and others as a means of providing services more effectively and efficiently. Internet e-mail is provided and is intended for the Utilities' business use.

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

- Internet and other ECS usage is not confidential. The Utilities receives detailed monthly reports on Internet usage by individual employees and the Utilities' software tracks each Internet site you visit.

Bandwidth Conservation

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

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

17. SUPPLEMENTAL EMPLOYMENT

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

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

Fire Department Participation

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

18. REPORT OF PERSONNEL CHANGES

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

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

19. ATTENDANCE

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

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

20. DISCIPLINE, DISMISSAL & LAY OFF

Discipline. The Utilities retains the right to take disciplinary and other action as it believes appropriate to manage employee performance and workplace conduct. The type and level of discipline imposed will be at the Utilities' discretion based upon the nature and severity of the issue and the circumstances as a whole.

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

- Documented Coaching and Counseling

- Oral reprimand
- Written reprimand
- Performance Improvement Plan
- Suspension
- Demotion
- Termination.

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

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

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

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

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

21. JOB POSTING

As position vacancies occur at the Utilities, the position's job description will be posted in a prominent location to inform employees of the vacancy. Employees in good standing that wish to be considered for the position are encouraged to contact the appropriate decision-maker(s) indicated on the posting. The Utilities may also advertise the vacancy to attract external candidates. All job postings will disclose the starting salary range and a general description of all benefits and other compensation as required by Minn. Stat. § 181.173.

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

22. PERFORMANCE REVIEWS

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

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

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

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

Performance Metrics Incentives

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

WAGES AND HOURS

23. WORK HOURS, OVERTIME, AND COMPENSATORY TIME

General Policy

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

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

Overtime & Overtime Compensation

Overtime is earned and compensated as follows.

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

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

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

Alternatively, for up to 40 hours of earned overtime per year, non-exempt employees may elect to receive and accrue Compensatory Time ("Comp Time") in lieu of direct overtime pay, subject to a maximum accrual of 40 hours of Comp Time per calendar year (equivalent to approximately 26.67 hours of overtime worked at the standard 1.5x accrual rate, or 20 hours of overtime worked at the 2x accrual rate for Sundays and designated holidays). Comp Time is accrued and paid at the same rate as other earned overtime, i.e., at one and a half times the employee's regular rate of pay; or two times the regular rate for time worked on Sundays or designated holidays. Receipt and Use of Comp Time is explained in more detail below.

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

The eight hour and double time provisions above do not apply to travel and training time spent away from the regular workplace, but the forty-hour overtime pay provision does apply in all cases where an employee is engaged in activity related to and/or required in connection with their Utilities employment.

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

Compensatory Time

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

- When an employee earns overtime they may elect to accrue Comp Time in lieu of direct pay for the overtime.

- Accrual of Comp Time is subject to a cap of 40 hours of Comp Time per calendar year. For clarity, this cap applies to the total Comp Time accrued, not to the number of overtime hours worked. For example, an employee who works 26.67 hours of overtime and elects Comp Time will accrue 40 hours of Comp Time (26.67 hours × 1.5x accrual rate), at which point the annual cap is reached. Once an employee has accrued 40 hours of Comp Time in a calendar year, no further Comp Time may accrue in that calendar year, even if the employee has used some or all of the 40 hours previously accrued. Once the 40-hour cap is reached, all further earned overtime will be paid directly on the paycheck for the period in which it is earned.

- When an employee elects Comp Time they will not receive any pay for the hour of overtime worked on their paycheck for the period in which the overtime is earned. Instead, the employee will accrue one and a half hours (or, two hours for overtime earned for work on Sundays or designated holidays) of Comp Time to be used at the employee's election within the calendar year before December 15.

- Under no circumstances will Comp Time ever be forfeited. Accrued Comp Time that has not been used by December 15 will be paid out in full on the last payroll check of the calendar year. Under no circumstances will Comp Time carry over to a following calendar year.

- In order to elect to accrue Comp Time in lieu of receiving direct overtime pay in the current payroll period, an employee must mark their timesheet for "Comp Time," clearly indicating the number of earned overtime hours they wish to accrue as Comp Time in lieu of direct overtime pay.

- In order to use Comp Time, employees are to follow the same procedures as apply to other paid time off and leave requests, including making specific arrangements with their supervisor. Use of Comp Time is subject at all times to the operating needs of the Utilities.

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

24. EMPLOYEE CLASSIFICATIONS

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

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

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

Employees are classified according to the following definitions:

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

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

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

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

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

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

25. TIME REPORTING POLICY

General Policy

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

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

Recording Time

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

- Amount of Time Worked in increments of the nearest one-quarter hour;
- Description of the activities performed during the time worked;
- Identification of the account to be charged (accounting system designation); and
- The work order(s) to which the time applies (as appropriate).

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

Frequency

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

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

Time Deductions for Breaks

Employees are entitled to a paid rest break within each four consecutive hours of work. This break shall be 15 minutes or enough time to utilize the nearest convenient restroom, whichever is longer. Employees working six or more consecutive hours are also entitled to an unpaid meal break of at least 30 minutes, during which the employee will be completely relieved of all work duties (though the Utilities may require the employee to remain on premises).

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

Office employees will receive one paid 15-minute rest break in the morning and one in the afternoon, and a 30-minute unpaid lunch break, during which the employee will be completely relieved of all work duties. As an alternative, office employees may voluntarily elect to combine their two paid 15-minute rest breaks and their 30-minute unpaid meal break into a single 60-minute continuous break. To use this combined break option, the employee must confirm the election in writing using a form provided by

Human Resources. The combined 60-minute break must be timed so that the first 15 minutes falls within the first four-hour work period (satisfying the morning rest break), the middle 30 minutes serves as the unpaid meal break, and the final 15 minutes falls within the second four-hour work period (satisfying the afternoon rest break). Employees may revoke this election in writing at any time.

Employees may voluntarily waive a rest or meal break, but must do so in writing. Breaks of fewer than 20 minutes are counted as paid work time.

Ensuring Accuracy of Timekeeping Reports

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

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

PLEASE NOTE FURTHER: Because of the regularity of our break and work schedules, the Utilities automatically deducts scheduled unpaid lunch breaks. If an employee does not receive the 30-minute unpaid lunch break on any given shift, the Utilities will pay you for that 30-minutes. We can do so, however, only if you notify us that you did not get your break. ***It is your responsibility to provide this notice to your supervisor.*** A pattern of not taking unpaid lunch breaks may subject an employee to discipline; but it will never result in the Utilities failing or refusing to pay for such time.

Special Note About Work Performed Outside of Scheduled Times and Places

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

If unanticipated, time-sensitive, or urgent work needs to be performed at times and/or places outside of those scheduled by the Utilities, the non-exempt employee should perform only so much of the work as is necessary to address the immediate need.

Regardless of whether work is anticipated or of an urgent nature, and regardless of whether advance permission has been received to do such work or not, ***all time spent by a non-exempt employee actually performing Utilities work must be accurately recorded and properly reported to Utilities management.***

Further to the Special Note above: Time Worked Remotely

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

26. REMOTE WORK POLICY

Purpose

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

Elk River Municipal Utilities is committed to providing excellent customer service for our customers, as well as attracting and retaining critical employee talent, increasing productivity and efficiency and saving on workspace and costs. A remote work policy can help provide these benefits. Working remotely should never be allowed to adversely affect external or internal service or operational needs of the Utilities.

General Guidelines

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

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

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

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

Remote work arrangements will be considered by the Utilities on an individual, case-by-case basis. A Remote Work Agreement form must be completed and approved by the

Supervisor and the employee before an employee will be permitted to begin a remote work arrangement.

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

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

- The length of an employee's continuous, regular employment and degree of success performing their job duties.
- Remote work requires the same focus on job duties as if the employee were in the office; repeated interruptions from household members, pets or other distractions may disqualify an employee from remote work.
- There must be adequate department coverage during all standard hours.
- There must be no adverse impact on internal or external customers.
- There must be no known safety issues associated with working remotely.
- There must not be any known security issues with technology or otherwise.
- Employees working under a Performance Improvement Plan are not eligible for remote work.
- Internal and external customers must be given direction on who to contact in the employee's absence if the employee is not available during all business hours.
- A remote work schedule must not result in additional overtime for the employee or co-workers.
- The employee will not be allowed to work outside the State of Minnesota except when travelling on Utilities business or during time when the employee is otherwise scheduled to be away from work.
- The Utilities may end an employee's remote work arrangement at any time.
- There may be other or additional considerations when an employee with a qualifying disability requests remote work as a reasonable accommodation. The Utilities will follow its Reasonable Accommodations Policy and consider such requests on a case by case basis.

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

- Entire weeks on site or working remotely.
- Certain days on site; remaining days working remotely.

- Whether to have entire teams of employees on site on the same day(s) on a regular basis.

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

Work Hours, Calendars and Meetings

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

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

Exempt employees, (those who are classified as exempt from the overtime requirements of the FLSA must follow the Utilities' applicable payroll and timekeeping policies as discussed in Sections 25 and 27 of this Handbook and are generally accountable for their normal work week hours.

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

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

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

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

Work Environment and Technology

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

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

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

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

Utilities Employment Policy and Benefits Coverage

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

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

27. FAIR PAY POLICY

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

ALL EMPLOYEES

Protection of Employee Rights

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

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

Record Your Time And Review Your Pay Stub

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

The Utilities makes every effort to ensure that its employees are paid correctly. Occasionally, however, inadvertent mistakes can happen. When mistakes happen, the Utilities will promptly make any corrections necessary to provide you with the pay to which you were entitled and as otherwise required by law. To assist the Utilities in its efforts, please review your pay stub when you receive it to make sure it is correct. If you believe a mistake has occurred or if you have any questions, please use the following procedure.

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

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

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

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

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

NON-EXEMPT EMPLOYEES

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

You should not work any hours that are not scheduled or requested of you by the Utilities unless you are authorized to do so by your supervisor. Do not start work early, finish work late, work during a meal break or perform any other extra or overtime work unless you are authorized to do so and you record such time on your time card. Non-exempt employees are strictly prohibited from performing any "off-the-clock" work. "Off-the-clock" work means work you perform but fail to report on your time card. Any employee who fails to report or inaccurately reports hours worked will be subject to disciplinary action, up to and including termination.

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

On Call Time For Non-Exempt Employees

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

EXEMPT EMPLOYEES

Salary Basis of Compensation

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

Attendance and Recording Time for Exempt Employees

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

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

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

On Call Time For Exempt Employees

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

Deductions from an Exempt Employee's Salary

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

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

Important Definitions.

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

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

Permissible Deductions from Salary.

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

- Full day absences for personal reasons.
- Full day absences for sickness or disability (which absence may otherwise be paid through any sick time benefits available to the salaried employee, if any).
- Full day disciplinary suspensions for infractions of the Employer's written policies and procedures.
- Full day disciplinary suspensions for violations of workplace safety rules of major significance.
- To offset amounts received as payment for jury and witness fees or military pay.
- The first or last week of employment in the event the employee works less than a full week.

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

Impermissible Deductions from Salary.

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

- Partial day absences for personal reasons, sickness or disability.
- Absence because the facility is closed on a scheduled workday.

- Absences for jury duty, attendance as a witness, or military leave in any week in which you have performed any work.
- Any other deductions prohibited by state or federal law.

Permissible Deductions from An Exempt Employee's Leave Bank.

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

Questions or Concerns about This Fair Pay Policy

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

28. BREAKS FOR NURSING MOTHERS TO PUMP BREAST MILK

Employees who need to express breast milk will be provided with reasonable break times for this purpose each day, as long as such breaks do not unduly disrupt company operations. As far as possible, such breaks must run concurrently with regular break times otherwise provided; and must be arranged so that the requirements of the job can be adequately met by other staff on duty. It is not necessary for an employee to clock out for such breaks unless regular unpaid meal break time is being used; the Utilities will not reduce the compensation of any employee as a result of taking lactation breaks.

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

This policy applies to all employees of the Utilities, regardless of exempt or non-exempt status, in accordance with the PUMP for Nursing Mothers Act (29 U.S.C. § 207(r), as amended). Retaliation against any employee for exercising rights under this policy is prohibited.

29. CALL OUT TIME: REGULAR FIELD WORKERS

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

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

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

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

30. ON-CALL

Regular Field Workers.

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

Residency Rule. The residency rule applies to the regular field workers who may be required to serve on-call. The residency rule is that these employees must live within a twenty (20) mile radius or thirty minute commute of the power plant.

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

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

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

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

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

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

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

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

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

Other On-Call Arrangements. Certain employees other than regular field workers, namely, the Operations Director, Electric Superintendent and the Water Superintendent, are subject to call response requirements for emergency preparedness and/or customer service purposes. The

Operations Director, Electric Superintendent and the Water Superintendent are not subject to the residency rule that applies to regular field service workers.

Superintendents.

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

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

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

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

31. ELECTRIC RE-CONNECT TIME

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

32. STORM PAY

Employees assigned to work on another utility's distribution system to assist with storm restoration efforts will be compensated at one and one-half (1.5) times their regular rate of pay for all such hours worked. Hours worked on Sundays or on holidays recognized by Elk River Municipal Utilities will be compensated at two (2.0) times the employee's regular rate of pay.

In addition, employees who are dispatched out of state and assigned to assist with storm restoration on another utility's distribution system will receive a minimum of 16 hours of pay per day. These hours will be paid at one and one-half (1.5) times the employee's regular rate of pay, except for hours worked on Sundays or on Elk River Municipal Utilities recognized holidays, which will be paid at two (2.0) times the regular rate. This 16-hour minimum does not apply to time spent on the return trip.

Elk River Municipal Utilities will make every reasonable effort to rotate and distribute these assignments equitably, while prioritizing the maintenance of appropriate staffing levels within its own operations.

33. LEAD PAY DIFFERENTIAL

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

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

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

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

34. LONGEVITY PAY

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

Regular full-time and regular part-time Employees are eligible for a Longevity Bonus when they qualify as set forth in this Section.
Regular full-time employees are eligible to receive a Longevity Bonus once each time they qualify by reaching a milestone anniversary date in accordance with the following schedule:

Milestone: Years of Service	Longevity Pay Amount
8 years	$1,550
12 years	$2,025
16 years	$2,100
20 years	$2,125
24 years	$2,300
28 years	$3,000
32 years	$3,000

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

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

A Longevity Bonus is paid in one lump sum and presented to the Employee at the monthly Commission meeting in their anniversary month. The Commission Chair and the Employee's manager will present the bonus paycheck at that meeting.

Because longevity pay is considered supplemental income by the Internal Revenue Service, federal income tax will be withheld at a flat rate of 22%. Standard payroll deductions, including Social Security, Medicare, and applicable state income taxes, will also apply

35. PAYCHECK DEDUCTIONS

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

a. *Employee share of health insurance*
b. *Credit Union*
c. *PERA life insurance*
d. *457 contributions*
e. *Flexible benefits*
f. *Computer Loans up to $1,200.00 (12 month term)*

36. PAYCHECKS

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

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

37. NIGHTWORK REST TIME

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

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

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

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

38. TRAVEL AND TRAINING TIME

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

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

1. When a non-exempt employee is engaged in travel which keeps the employee away from home overnight **and** which cuts across a regular workday;

2. When a non-exempt employee travels to a special one-day work assignment in another city that does not require an overnight stay;

3. When a non-exempt employee spends time traveling as part of the employer's principal activity;

4. When a non-exempt employee spends time traveling between home and work in “call back” or “emergency” situations; and

5. When a non-exempt employee performs work during travel.

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

BENEFITS

39. GENERAL BENEFITS

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

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

40. VACATION

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

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

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

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

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

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

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

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

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

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

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

41. PAID SICK AND SAFE LEAVE

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

(a) Regular Full-time Employees

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

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

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

(b) Regular Part-time Employees

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

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

(c) Temporary Employees

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

(d) Earned Paid Sick Leave Use

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

- An employee's own:
    - Mental or physical illness, injury or other health condition
    - Need for medical diagnosis, care or treatment, of a mental or physical illness
    - injury or health condition
    - Need for preventative care
    - Closure of the employee's place of business due to weather or other public emergency
    - The employee's inability to work or telework because the employee is prohibited from working by the city due to health concerns related to the potential

transmission of a communicable illness related to a public emergency, or seeking or awaiting the results of a diagnostic test for, or a medical diagnosis of, a communicable disease related to a public emergency and the employee has been exposed to a communicable disease or the city has requested a test or diagnosis.

- Absence due to domestic abuse, sexual assault, or stalking of the employee provided the absence is to:
  - Seek medical attention related to physical or psychological injury or disability caused by domestic abuse, sexual assault, or stalking
  - Obtain services from a victim services organization
  - Obtain psychological or other counseling
  - Seek relocation or take steps to secure an existing home due to domestic abuse, sexual assault or stalking
  - Seek legal advice or take legal action, including preparing for or participating in any civil or criminal legal proceeding related to or resulting from domestic abuse, sexual assault, or stalking

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

- Absence to make funeral arrangements, attend a funeral service or memorial, or address financial or legal matters, arising from the death of a family member.

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

- Spouse or registered domestic partner
- Child, foster child, adult child, legal ward, child for whom the employee is legal guardian, or child to whom the employee stands or stood in loco parentis
- Sibling, step sibling or foster sibling
- Biological, adoptive or foster parent, stepparent or a person who stood in loco parentis when the employee was a minor child
- Grandchild, foster grandchild or step grandchild
- Grandparent or step grandparent
- A child of a sibling of the employee
- A sibling of the parent of the employee or
- A child-in-law or sibling-in-law
- Any of the above family members of a spouse or registered domestic partner
- Any other individual related by blood or whose close association with the employee is the equivalent of a family relationship
- Up to one individual annually designated by the employee

(f) Advance Notice for use of Paid Sick Leave

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

(h) Retaliation prohibited

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

(i) Benefits and return to work protections

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

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

When there is a separation from employment with the Utilities and the employee is rehired again within 180 days of separation, previously accrued Paid Sick Leave that had not been used, will be reinstated. An employee is entitled to use and accrue Paid Sick Leave at the commencement of reemployment.

42. PAID HOLIDAYS

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

New Years Day	*Labor Day*
Martin Luther King Day	*Veterans Day*
Presidents Day	*Thanksgiving Day*
Memorial Day	*Friday following Thanksgiving Day*
Juneteenth Day	*Christmas Eve Day*
Independence Day	*Christmas Day*

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

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

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

43. EMPLOYEE CLOTHING

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

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

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

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

44. HEALTH CARE SAVINGS PLAN

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

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

   All employees shall participate in contributions as follows:

   a. Employees with fewer than 10 years of service are required to contribute 1% of their gross wages.

b. Employees with fewer than 20 years of service and at least 10 years of service are required to contribute 2% of their gross wages.
c. Employees with at least 20 years of service are required to contribute 3% of their gross wages.

2. Employees who have accrued over 960 hours of sick time will have 50% of those hours converted to cash and deposited in their Post Employment Health Care Savings account. The conversion will take place once a year at the end of December.

3. Employees who voluntarily end their employment and who give the Utilities proper (generally at least two-weeks) notice, and employees whose employment ends involuntarily because of lack of work, will have 50% of unused sick leave, up to a maximum of 120 days, converted into cash and deposited into their Post Employment Health Care Savings account provided they sign and do not rescind an agreement releasing claims arising out of their employment, in a form prescribed by the Utilities. Employees involuntarily terminated by the Utilities for any reason other than lack of work shall not be eligible to receive such conversion. No contributions will be accepted by the Plan on behalf of an employee after the death of the employee.

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

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

5. Employees who retire immediately eligible to claim their pension and who give the Utilities proper notice (generally at least two-weeks) shall have 100% of unused vacation time converted into cash and deposited into their Post Employment Health Care Savings account, but only *on the condition*

that they sign and do not rescind an agreement releasing claims arising out of their employment, in a form prescribed by the Utilities.

45. 457 DEFERRED COMPENSATION

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

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

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

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

46. HEALTH INSURANCE COVERAGE

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

COVERAGE	MONTHLY EMPLOYEE SHARE
• Employee	$142
• Employee + 1	$284
• Family	$426

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

47. DENTAL INSURANCE

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

48. LONG-TERM DISABILITY

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

49. LIFE INSURANCE

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

50. VISION INSURANCE

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

51. HOME COMPUTER LOAN POLICY

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

1. The purchased computer and software shall be new, not reconditioned, not used.
2. The purchased computer shall be used in the employee's home.
3. Employee must provide a receipt reflecting the purchase of this computer.
4. The Utilities will provide an interest-free loan for the purchase of this computer up to $1,200.00, for a term not to exceed 12 months.
5. Employee will repay the computer loan to the Utilities in not more than 25 equal installment payments authorized and made through payroll deduction, upon the employee's election by signed authorization form.
6. Employee must maintain ownership and possession of the computer for the duration of the loan term.
7. If the employee leaves the Utilities before the loan is paid back in full, the Utilities will withhold the outstanding portion of the loan from the employee's final paychecks (including any check for unused and unpaid benefits) as authorized by the employee in the authorization form signed at the time the loan is made.

52. EDUCATIONAL ASSISTANCE

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

1. All full-time Utilities employees with at least three months of continuous employment are potentially eligible for reimbursement under this policy.

2. The Utilities may pay up to 100% reimbursement of the costs for tuition, registration, fees, books and course required materials after successful completion of a pre-approved course. Courses must be at accredited colleges, universities, or vocational schools or be short courses conducted by recognized professional training organizations.

3. A course may be approved if:

   a) It is directly related to the employee's work for the Utilities.
   b) It is required by a program of study leading to a degree that is directly related to the employee's work for the Utilities.
   c) It will improve the employee's work for the Utilities.
   d) It is expected to be completed within a time acceptable to the Utilities.

4. This policy will not cover recreational or personal interest courses.

5. Prior to registration, the employee must have full approval for the course from Utilities' management designated as having approval authority for such matters.

6. The Utilities reserves the right to disapprove educational assistance requests and to amend or eliminate this policy from time to time in its discretion.

7. Total reimbursements to an employee during the academic year may not exceed $3,000.

8. Not eligible for reimbursement are costs of:
   a) late fees and fees due to an employee error
   b) meals, transportation, lodging, insurance, etc.

9. If an employee is eligible for education assistance from any outside source (e.g.: G.I. Bill, grants, scholarships, etc.), the employee must apply for any assistance first and request the balance through this Education Assistance Policy.

10. Termination of employment prior to completion of a course will disqualify the employee for educational assistance.

11. Courses not satisfactorily completed within the time expected or otherwise acceptable to the Utilities will not receive reimbursement but must instead be paid for by the employee.

12. Course attendance and preparation must take place outside of scheduled work hours and must not jeopardize the employee's work performance.

13. Employees will be paid for any time used in attending courses for which they are required by the Utilities to attend. All tuition and fees for such course will be paid for by the Utilities.

LEAVES OF ABSENCE

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

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

53. FAMILY MEDICAL LEAVE ACT

(a) Eligibility

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

- Have worked for the Utilities for 12 months (or 52 weeks) prior to the date the leave is to commence. The 12 months or 52 weeks need not have been consecutive; however, the Utilities will not consider any service 7 years prior to the employee's most recent hire date.

- Have worked at least 1,250 hours during the 12-month period prior to the date when the leave is requested to commence. The principles established under the Fair Labor Standards Act ("FLSA") determine the number of hours worked by an employee.

(b) Types of Leave Covered by FMLA

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

- The birth of a child, including prenatal care, or placement of a child with the employee for adoption or foster care;

- To care for a spouse, child, or parent who has a serious health condition;

- Due to a serious health condition that makes the employee unable to perform the essential functions of the position;

- A covered military member's active duty or call to duty or to care for a covered military member (Military Caregiver and Qualified Exigency Leave) (described below).

(c) Definitions

- **"Spouse"** does not include domestic partners or common-law spouses.

- **"Caring for"** a covered family member includes psychological as well as physical care. It also includes acquiring care and sharing care duties. An eligible **"child,"** with some exceptions, is under 18 years of age.

- An eligible **"parent"** includes a biological parent or a person who stood in the place of a parent.

- **"Serious Health Condition"** means an illness, injury, impairment, or physical or mental condition that involves one of the following:
  - **Hospital Care**: Any period of incapacity or treatment connected with inpatient care (i.e., an overnight stay) in a hospital, hospice, or residential medical care facility;
  - **Pregnancy**: Any period of incapacity due to pregnancy, prenatal medical care or childbirth;
  - **Absence Plus Treatment:** A period of incapacity of more than three consecutive calendar days that also involves continuing treatment by or under the supervision of a health care provider.
  - **Chronic Conditions Requiring Treatments**: An incapacity from a chronic condition which requires periodic visits for treatment by a health care provider, continues over an extended period of time, and may cause episodic rather than a continuing period of incapacity;
  - **Permanent/Long-Term Conditions Requiring Supervision**
  - **Multiple Treatments:** Any period of absence to receive multiple treatments (including any period of recovery therefrom) by a health care provider or by a provider of health care services under orders of, or on referral by, a health care provider.

(d) Length and Amount of Leave

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

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

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

(e) How Leave May be Taken

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

Intermittent leave may be taken when medically necessary for the employee’s serious health condition or to care for a seriously ill family member. Intermittent leave must be documented in the medical certification form as medically necessary.
If an employee is taking intermittent leave or leave on a reduced schedule for planned medical treatment, the employee must make a reasonable effort to schedule the treatment so as to not disrupt the Utilities business.

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

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

(f) Procedure for Requesting Leave and Notice

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

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

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

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

(g) Certification and Documentation Requirements

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

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

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

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

(h) Annual Medical Certification and Recertification

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

(i) Reinstatement

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

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

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

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

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

(k) Failure to Return to Work After FMLA

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

(l) Activities Prohibited During FMLA

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

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

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

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

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

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

(m) FMLA – Qualified Exigency and Military Caregiver Leave

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

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

(n) Military Caregiver Leave

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

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

(o) Definitions

- A **"son or daughter of a covered servicemember**" means the covered servicemember's biological, adopted, or foster child, stepchild, legal ward, or a child for whom the covered servicemember stood in loco parentis, and who is of any age.

- A "**parent of a covered servicemember**" means a covered servicemember's biological, adoptive, step, or foster father or mother, or any other individual who stood in loco parentis to the covered servicemember. This term does not include parents "in law."

- The "**next of kin of a covered servicemember**" is the nearest blood relative, other than the covered servicemember's spouse, parent, son, or daughter, in the following order of priority: blood relatives who have been granted legal custody of the servicemember by court decree or statutory provisions, brothers and sisters, grandparents, aunts and uncles, and first cousins, unless the covered servicemember has specifically designated in writing another blood relative as their nearest blood relative for purposes of military caregiver leave under the FMLA. When no such designation is made, and there are multiple family members with the same level of relationship to the covered servicemember, all such family members shall be considered the covered servicemember's next of kin and may take FMLA leave to provide care to the covered servicemember, either consecutively or simultaneously. When such designation has been made, the designated individual shall be deemed to be the covered servicemember's only next of kin.

- **"Covered active duty"** means:
  - "Covered active duty" for members of a regular component of the Armed Forces means duty during deployment of the member with the Armed Forces to a foreign country.
  - "Covered active duty" for members of the reserve components of the Armed Forces (members of the U.S. National Guard and Reserves) means duty during deployment of the member with the Armed Forces to a foreign

country under a call or order to active duty in a contingency operation as defined in section 101(a)(13)(B) of Title 10 of the United States Code.

- **“Covered servicemember”** means:
    - An Armed Forces member (including the National Guard or Reserves) undergoing medical treatment, recuperation, or therapy or otherwise in outpatient status or on the temporary disability retired list, for a serious injury or illness”; or
    - A veteran who is undergoing medical treatment, recuperation, or therapy, for a serious injury or illness and who was a member of the Armed Forces (including a member of the National Guard or Reserves) at any time during the period of 5 years preceding the date on which the veteran undergoes that medical treatment, recuperation, or therapy.

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

(p) Amount of Leave – Qualified Exigency

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

(q) Amount of Leave – Military Caregiver

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

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

(r) Certification of Qualifying Exigency for Military Family Leave

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

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

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

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

54. PARENTING LEAVE

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

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

The length of parenting leave under this section shall not be reduced by any period of paid or unpaid leave taken for prenatal care medical appointments.

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

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

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

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

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

55. MINNESOTA PAID LEAVE ACT (MPLA)

The Minnesota Paid Leave Act ("MPLA") requires employers to provide eligible employees with paid family and medical leave benefits (Minn. Stat. Ch. 268B). Elk River Municipal Utilities has elected to satisfy this obligation through an approved equivalent private plan administered by Mutual of Omaha, in lieu of participation in the state-administered program. The Utilities' equivalent plan provides benefits that meet or exceed those required under the MPLA. Benefits under this policy are administered by Mutual of Omaha, not the State of Minnesota. The premium cost will be split between the Utilities and employees as follows: the Utilities shall pay 50% of the required premium and employees shall pay 50% of the premium cost through payroll deductions.

Employees who meet the eligibility requirements under the MPLA and the Utilities' equivalent plan are entitled to leave benefits under this policy. Eligibility is determined by Mutual of Omaha in accordance with applicable state requirements. Employees should contact Human Resources for current eligibility details and a summary of plan benefits.

Types of Leave and Maximum Benefit Periods

The MPLA provides two categories of leave benefits per benefit year:

- Medical Leave: Up to 12 weeks of paid leave for the employee's own serious health condition that prevents them from performing their job duties.
- Family Leave: Up to 12 weeks of paid leave for: (1) bonding with a newly born, adopted, or fostered child; (2) caring for a family member with a serious health condition; (3) a qualifying military exigency; or (4) safety leave related to domestic abuse, sexual assault, or stalking.

The total combined benefit in a single benefit year may not exceed 20 weeks. The weekly benefit amount is determined in accordance with the Mutual of Omaha plan terms, which meet or exceed the MPLA statutory benefit formula. Employees should contact Human Resources or Mutual of Omaha for current benefit amount details.

How to Apply

Employees seeking MPLA benefits must file a claim directly with Mutual of Omaha. Employees must also notify their supervisor and Human Resources as soon as practicable when they anticipate needing MPLA leave, and must provide documentation as required by Mutual of Omaha. Advance notice of at least 30 days is required when the need for leave is foreseeable; otherwise, notice must be given as soon as practicable. Human Resources can provide current claim filing instructions and Mutual of Omaha contact information.

Interaction with FMLA and Minnesota Parenting Leave

When an employee's leave qualifies under both the MPLA and the federal Family and Medical Leave Act (FMLA) and/or the Minnesota Parenting Leave Act, the leaves will run concurrently to the extent permitted by applicable law. Use of MPLA leave does not provide additional leave time beyond what is otherwise available under these concurrent laws. Employees should refer to Sections 54 and 55 of this Handbook for FMLA and Minnesota Parenting Leave rights and obligations.

Benefits During MPLA Leave

During an approved MPLA leave, the Utilities will maintain the employee's group health insurance coverage under the same terms and conditions as if the employee had continued working, provided the employee continues to pay their share of insurance premiums. The Utilities will notify employees of premium payment arrangements prior to or at the commencement of leave.

Substitution of Paid Leave

The Utilities may require, and an employee may elect, to use accrued paid leave (vacation, sick, or compensatory time) concurrently with MPLA leave, to the extent permitted by applicable law. Concurrent use of paid leave will not extend the total duration of leave beyond the maximum permitted under the MPLA.

Return to Work

Upon return from MPLA leave, an employee is entitled to be restored to the same position held before the leave, or to an equivalent position with equivalent pay, benefits, and other terms and conditions of employment, subject to applicable law. Employees should notify Human Resources of their anticipated return date at least one week prior to returning.

Anti-Retaliation

The Utilities will not discharge, discipline, discriminate against, or otherwise retaliate against any employee for requesting, applying for, or taking leave under the MPLA, or for exercising any right provided under the MPLA. Any employee who believes they have experienced retaliation should report it immediately under the Open Door Policy and/or to the Human Resources Representative.

Questions about benefits, claim filing, or eligibility under the equivalent plan should be directed to Mutual of Omaha or the Human Resources Representative. Human Resources can provide current Mutual of Omaha contact information and plan documents. For questions about how MPLA leave interacts with other Utilities leave policies, contact your supervisor or the Human Resources Representative.

56. SCHOOL ACTIVITIES LEAVE POLICY

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

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

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

57. BONE MARROW AND ORGAN DONATION LEAVE

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

58. NATIONAL GUARD AND RESERVE LEAVE

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

- Returns to the public position immediately on being relieved from such military or naval service and not later than the expiration of the time herein limited for such leave; or

- Is prevented from returning to Utilities employment by physical or mental disability or other cause not due to the officer's or employee's own fault; or
- Is required by proper authority to continue in such military or naval service beyond the time herein limited for such leave.

59. MILITARY LEAVE FOR UNIFORMED SERVICE

Except as provided otherwise in the National Guard and Reserve Leave Policy above, employees who are members of, apply to perform, or have an obligation to perform service in a uniformed service will be granted an unpaid leave of absence to perform such service. Military leave requests shall be made to the immediate supervisor. The term "uniformed service" means the Armed Forces, the Army National Guard and the Air National Guard when engaged in active duty, active duty for training, initial active duty for training, inactive duty training, full-time National Guard duty, the commissioned corps of the Public Health Service, and any other category of persons designated by the President in time of war or emergency. As soon as an employee is informed of the dates of the military training, they should notify their supervisor and request a leave of absence, even if they have not yet received written orders.

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

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

60. JURY/WITNESS DUTY LEAVE

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

- An employee performing jury duty or subpoenaed as a witness in court or voluntarily serving as a witness on behalf of the Utilities in a case in which the Utilities is a party will receive the difference between his/her regular rate of pay and the amount received as juror or witness up to the maximum allowed by state or federal law.
- The employee must notify his/her supervisor and complete a leave of absence form within 48 hours of receiving call for jury duty.

- An employee excused or released from jury duty during his/her regular work hours must report to his/her supervisor immediately thereafter.
- Time spent on jury duty will not count as time worked in computing overtime.

61. PERSONAL LEAVE DAY

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

62. BEREAVEMENT LEAVE

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

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

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

63. GENERAL LEAVE

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

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

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

64. VOTING LEAVE; SERVICE AS ELECTION JUDGE

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

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

65. PAID LEAVE DONATION

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

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

1. The receiving employee must submit a request for paid leave donation in the form prescribed by the Utilities.

2. The receiving employee's request for leave must be based on medical need to be absent from the workplace that is supported by documentation from a health care provider.

3. There is a reasonable expectation based on a treating provider's documentation that the receiving employee will return to work within a reasonable time following any leave of absence unless the employee qualifies for long term disability insurance benefits.

4. The receiving employee is currently eligible to accrue sick leave and vacation under the Utilities' policies.

5. The receiving employee has exhausted all of the employee's own paid leave time including all sick, vacation, compensatory, and other paid time.

6. The sick leave taken by the receiving employee will not be subject to income replacement by disability or workers compensation insurance.

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

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

2. The donor employee must complete a Paid Leave Donation Form prescribed by the Utilities in order to donate paid leave.

3. The total amount of paid leave donated to any individual employee in any rolling twelve-month period measured backward from the employee's most recent request for leave donation may not exceed 240 hours.

4. The Utilities will set a deadline for donations of paid leave to the receiving employee ("Donation Deadline"). No donations of paid leave will be accepted in response to the receiving employee's Request for Paid Leave Donation after the Donation Deadline.

5. The Utilities will set a date on which submitted donations of paid leave will become final and effective ("Donation Effective Date"). The Donation Effective Date shall be no more than ten business days after the deadline for donations to the receiving employee.

6. Before the Donation Effective Date, if Paid Leave Donation Forms are submitted for a total amount of leave that is more than the number of hours requested by the employee in the Paid Leave Donation Request Form, or for more than the maximum total donation of 240 hours, the Utilities will pro rate donations to the maximum allowed, among all employees submitting a Paid Leave Donation Form for the receiving employee and will notify all such employees in writing of such pro rating and the final number of hours from their Paid Leave Donation Form that will be donated to the receiving employee on the Donation Effective Date.

7. On the Donation Effective Date the Utilities will transfer all paid leave donations that are indicated collectively on the Paid Leave Donations Forms submitted, prorated, if necessary, in accordance with this policy, to the account of the receiving employee; and will reduce the corresponding account balances of the donating employees accordingly.

8. Donation of paid leave is permanent and final as of the Donation Effective Date and cannot be rescinded thereafter. Donated paid leave may not be transferred back to the donor after the Donation Effective Date under any circumstances. If the donated paid leave is not used by the receiving employee it is forfeited by all parties.

9. Donated paid leave time may be used by the receiving employee only for purposes of the medical leave necessitated by the catastrophic life event supporting leave donation under this policy.

10. Donated paid leave may be used by the receiving employee only for work time actually and necessarily missed due to the leave taken for the purpose set forth in the leave request submitted under this policy, and for no other purpose.

11. Donated paid leave may be used by the receiving employee only to replace the employee's normal work hours lost, up to a maximum of the receiving employee's FTE (measured as of the date on which the leave begins).

12. Donated paid leave must be used by the receiving employee concurrently with any applicable unpaid leave available to the receiving employee.

13. Donated paid leave must be used during the leave taken for the purpose submitted in the leave request under this policy.

14. Donated paid leave not used as described in this policy will be forfeited by the recipient.

15. When used by the receiving employee, donated paid leave will be paid at the receiving employee's current rate of pay.

16. The donation of paid leave time will permanently decrease the amount of accrued unused paid leave in the donor's paid leave account(s) and thereafter will not be counted or used by the donor or the Utilities for any purpose. For the avoidance of doubt, this means, among other things, that donated paid leave time does not qualify to be counted as unpaid sick leave for purposes of any severance pay calculation.

17. The Utilities will treat the identity of donor employees under this policy as private and confidential information.

18. This policy applies on a prorated basis to part-time employees eligible to accrue and receive paid leave time.

RECEIPT AND ACKNOWLEDGMENT

(EMPLOYER COPY:

MUST BE SIGNED AND RETURNED TO MANAGEMENT)

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

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

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

_____________________________ _____________________________

Date Print or Type Name

____

Employee Signature

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	**FROM:** Melissa Karpinski – Finance Manager
MEETING DATE: June 9, 2026	**AGENDA ITEM NUMBER:** 5.1
SUBJECT: Financial Report – April 2026	
ACTION REQUESTED: Receive the April 2026 Financial Report	

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

Electric
April year to date (YTD) electric kWh sales are up 7% compared to the prior year. The breakdown is as follows:

- Residential usage increased 6%
- Small Commercial usage increased 4%
- Large Commercial usage increased 8%

For April 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
April YTD gallons of water sold are up 7% compared to the prior year. The breakdown is as follows:

- Residential usage increased 8%
- Commercial usage increased 7%

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

ATTACHMENTS:

- 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 APRIL 2026

	ELECTRIC	WATER
ASSETS		
CURRENT ASSETS		
CASH	2,503,887	6,412,235
ACCOUNTS RECEIVABLE	3,827,404	6,041,683
INVENTORIES	2,857,529	77,237
PREPAID ITEMS	257,490	71,255
CONSTRUCTION IN PROGRESS	2,743,190	118,321
TOTAL CURRENT ASSETS	12,189,499	12,720,731
RESTRICTED ASSETS		
BOND RESERVE FUND	1,779,016	0
EMERGENCY RESERVE FUND	7,857,433	4,342,799
UNRESTRICTED RESERVE FUND	0	0
TOTAL RESTRICTED ASSETS	9,636,448	4,342,799
FIXED ASSETS		
PRODUCTION	795,920	17,347,091
LFG PROJECT	0	0
TRANSMISSION	2,305,024	0
DISTRIBUTION	57,474,137	31,206,714
GENERAL	25,891,936	1,794,651
FIXED ASSETS (COST)	86,467,016	50,348,456
LESS ACCUMULATED DEPRECIATION	(40,295,708)	(25,762,123)
TOTAL FIXED ASSETS, NET	46,171,308	24,586,333
INTANGIBLE ASSETS		
POWER AGENCY MEMBERSHIP BUY-IN	21,546,212	0
LOSS OF REVENUE INTANGIBLE	8,110,733	0
LESS ACCUMULATED AMORTIZATION	(5,065,541)	0
TOTAL INTANGIBLE ASSETS, NET	24,591,404	0
OTHER ASSETS AND DEFERRED OUTFLOWS	396,358	82,418
TOTAL ASSETS	92,985,018	41,732,281
LIABILITIES AND FUND EQUITY		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	4,495,593	331,288
SALARIES AND BENEFITS PAYABLE	1,263,804	199,590
DUE TO CITY	746,293	6,736
DUE TO OTHER FUNDS	0	0
NOTES PAYABLE-CURRENT PORTION	0	0
BONDS PAYABLE-CURRENT PORTION	510,000	70,000
UNEARNED REVENUE	13,380	230,275
TOTAL CURRENT LIABILITIES	7,029,070	837,889
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	26,095,583	1,411,427
PENSION LIABILITIES	1,541,981	323,143
TOTAL LONG TERM LIABILITIES	27,637,564	1,734,570
TOTAL LIABILITIES	34,666,634	2,572,459
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)	1,570,529	(495,800)
TOTAL FUND EQUITY	57,284,030	33,671,340
TOTAL LIABILITIES & FUND EQUITY	92,985,018	41,732,281

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
ELECTRIC BALANCE SHEET

	April 30, 2026	March 31, 2026	Current Month Change from Prior Month
ASSETS			
CURRENT ASSETS			
CASH	2,503,887	3,622,386	(1,118,499)
ACCOUNTS RECEIVABLE	3,827,404	2,622,803	1,204,601
INVENTORIES	2,857,529	2,643,554	213,976
PREPAID ITEMS	257,490	274,226	(16,736)
CONSTRUCTION IN PROGRESS	2,743,190	2,645,109	98,082
TOTAL CURRENT ASSETS	12,189,499	11,808,076	381,423
RESTRICTED ASSETS			
BOND RESERVE FUND	1,779,016	1,779,016	0
EMERGENCY RESERVE FUND	7,857,433	7,823,914	33,518
TOTAL RESTRICTED ASSETS	9,636,448	9,602,930	33,518
FIXED ASSETS			
PRODUCTION	795,920	795,920	0
TRANSMISSION	2,305,024	2,305,024	0
DISTRIBUTION	57,474,137	57,385,042	89,095
GENERAL	25,891,936	25,905,542	(13,606)
FIXED ASSETS (COST)	86,467,016	86,391,527	75,489
LESS ACCUMULATED DEPRECIATION	(40,295,708)	(40,072,643)	(223,065)
TOTAL FIXED ASSETS, NET	46,171,308	46,318,884	(147,576)
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	(5,065,541)	(5,009,863)	(55,678)
TOTAL INTANGIBLE ASSETS, NET	24,591,404	24,647,082	(55,678)
OTHER ASSETS AND DEFERRED OUTFLOWS	396,358	396,358	0
TOTAL ASSETS	92,985,018	92,773,330	211,688
LIABILITIES AND FUND EQUITY			
CURRENT LIABILITIES			
ACCOUNTS PAYABLE	4,495,593	4,160,049	335,544
SALARIES AND BENEFITS PAYABLE	1,263,804	1,277,999	(14,195)
DUE TO CITY	746,293	894,954	(148,660)
BONDS PAYABLE-CURRENT PORTION	510,000	510,000	0
UNEARNED REVENUE	13,380	15,052	(1,672)
TOTAL CURRENT LIABILITIES	7,029,070	6,858,054	171,016
LONG TERM LIABILITIES			
BONDS PAYABLE, LESS CURRENT PORTION	26,095,583	26,100,572	(4,989)
PENSION LIABILITIES	1,541,981	1,541,981	0
TOTAL LONG TERM LIABILITIES	27,637,564	27,642,553	(4,989)
TOTAL LIABILITIES	34,666,634	34,500,607	166,028
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)	1,570,529	1,524,869	45,660
TOTAL FUND EQUITY	57,284,030	57,238,371	45,660
TOTAL LIABILITIES & FUND EQUITY	92,985,018	92,773,330	211,688

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
WATER BALANCE SHEET

	April 30, 2026	March 31, 2026	Current Month Change from Prior Month
ASSETS			
CURRENT ASSETS			
CASH	6,412,235	6,449,172	(36,937)
ACCOUNTS RECEIVABLE	6,041,683	5,985,257	56,426
INVENTORIES	77,237	76,010	1,227
PREPAID ITEMS	71,255	77,561	(6,307)
CONSTRUCTION IN PROGRESS	118,321	102,694	15,627
TOTAL CURRENT ASSETS	12,720,731	12,690,695	30,036
RESTRICTED ASSETS			
EMERGENCY RESERVE FUND	4,342,799	4,334,419	8,380
TOTAL RESTRICTED ASSETS	4,342,799	4,334,419	8,380
FIXED ASSETS			
PRODUCTION	17,347,091	17,316,297	30,794
DISTRIBUTION	31,206,714	31,206,714	0
GENERAL	1,794,651	1,794,651	0
FIXED ASSETS (COST)	50,348,456	50,317,662	30,794
LESS ACCUMULATED DEPRECIATION	(25,762,123)	(25,645,560)	(116,563)
TOTAL FIXED ASSETS, NET	24,586,333	24,672,101	(85,768)
INTANGIBLE ASSETS			
OTHER ASSETS AND DEFERRED OUTFLOWS	82,418	82,418	0
TOTAL ASSETS	41,732,281	41,779,633	(47,352)
LIABILITIES AND FUND EQUITY			
CURRENT LIABILITIES			
ACCOUNTS PAYABLE	331,288	326,747	4,541
SALARIES AND BENEFITS PAYABLE	199,590	205,262	(5,672)
DUE TO CITY	6,736	6,810	(74)
BONDS PAYABLE-CURRENT PORTION	70,000	70,000	0
UNEARNED REVENUE	230,275	230,275	0
TOTAL CURRENT LIABILITIES	837,889	839,094	(1,205)
LONG TERM LIABILITIES			
BONDS PAYABLE, LESS CURRENT PORTION	1,411,427	1,411,981	(554)
PENSION LIABILITIES	323,143	323,143	0
TOTAL LONG TERM LIABILITIES	1,734,570	1,735,124	(554)
TOTAL LIABILITIES	2,572,459	2,574,218	(1,760)
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)	(495,800)	(450,208)	(45,592)
TOTAL FUND EQUITY	33,671,340	33,716,933	(45,592)
TOTAL LIABILITIES & FUND EQUITY	41,732,281	41,779,633	(47,352)

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

Electric	2026 APRIL	2026 YTD	2026 YTD BUDGET	YTD Budget Variance	2026 YTD Bud Var%	2026 ANNUAL BUDGET	2025 APRIL	2025 YTD	YTD VARIANCE	2025 v. 2026 Actual Var%	Variance Item
Revenue											
Operating Revenue											
Elk River	2,967,552	12,092,569	12,552,313	(459,744)	(4)	43,306,594	2,899,906	12,029,536	63,034	1	
Otsego	317,588	1,292,664	1,308,495	(15,832)	(1)	4,454,313	294,274	1,263,981	28,683	2	
Rural Big Lake	16,760	73,810	75,495	(1,685)	(2)	241,665	15,020	72,108	1,703	2	
Dayton	20,830	90,781	92,136	(1,355)	(1)	294,054	19,188	90,830	(48)	(0)	
Public St & Hwy Lighting	23,810	95,327	93,332	1,995	2	280,000	23,887	93,538	1,789	2	
Other Electric Sales	400	1,600	1,600	0	0	4,800	400	1,600	0	0	
Total Operating Revenue	3,346,941	13,646,752	14,123,372	(476,620)	(3)	48,581,426	3,252,675	13,551,591	95,161	1	
Other Operating Revenue											
Interest/Dividend Income	15,095	(20,255)	116,668	(136,923)	(117)	350,000	49,798	167,450	(187,705)	(112)	(1)
Customer Penalties	18,602	83,783	101,668	(17,885)	(18)	305,000	25,388	89,430	(5,648)	(6)	
Connection Fees	17,560	259,763	85,000	174,763	206	255,000	10,730	41,468	218,295	526	(2)
Misc Revenue	100,049	789,964	413,504	376,460	91	1,193,000	57,371	428,330	361,634	84	(3)
Total Other Revenue	151,306	1,113,254	716,840	396,414	55	2,103,000	143,287	726,678	386,576	53	
Total Revenue	3,498,247	14,760,006	14,840,212	(80,206)	(1)	50,684,426	3,395,962	14,278,269	481,737	3	
Expenses											
Purchased Power	2,219,069	8,222,422	9,054,818	(832,396)	(9)	31,659,362	2,222,578	8,452,683	(230,261)	(3)	
Operating & Mtce Expense	59	597	107,332	(106,735)	(99)	321,993	25,206	110,682	(110,085)	(99)	(4)
Transmission Expense	3,455	12,239	23,332	(11,093)	(48)	70,000	2,701	11,078	1,160	10	
Distribution Expense	107,938	341,953	181,668	160,285	88	545,000	69,668	206,474	135,479	66	(5)
Maintenance Expense	161,149	561,319	690,984	(129,665)	(19)	1,990,000	99,278	660,600	(99,281)	(15)	(6)
Depreciation & Amortization	292,349	1,182,001	1,177,712	4,289	0	3,533,136	288,187	1,149,822	32,179	3	
Interest Expense	59,108	237,306	237,306	0	0	699,543	61,983	249,206	(11,900)	(5)	
Other Operating Expense	3,703	33,841	36,420	(2,579)	(7)	414,250	4,310	35,674	(1,833)	(5)	
Customer Accounts Expense	36,732	147,401	145,000	2,401	2	435,000	34,654	136,458	10,943	8	
Administrative Expense	387,697	1,675,004	1,651,729	23,275	1	4,617,413	350,140	1,571,854	103,150	7	
General Expense	32,018	167,034	219,096	(52,062)	(24)	657,300	36,716	148,028	19,006	13	(7)
Total Expenses(before Operating Transfers)	3,303,277	12,581,116	13,525,397	(944,281)	(7)	44,942,997	3,195,419	12,732,560	(151,444)	(1)	
Operating Transfer											
Operating Transfer/Other Funds	149,310	608,361	627,616	(19,255)	(3)	2,165,330	116,744	484,130	124,230	26	(8)
Utilities & Labor Donated	0	0	0	0	0	0	19,323	78,151	(78,151)	(100)	(9)
Total Operating Transfer	149,310	608,361	627,616	(19,255)	(3)	2,165,330	136,067	562,282	46,079	8	
Net Income Profit(Loss)	45,660	1,570,529	687,199	883,330	129	3,576,100	64,475	983,427	587,101	60	

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

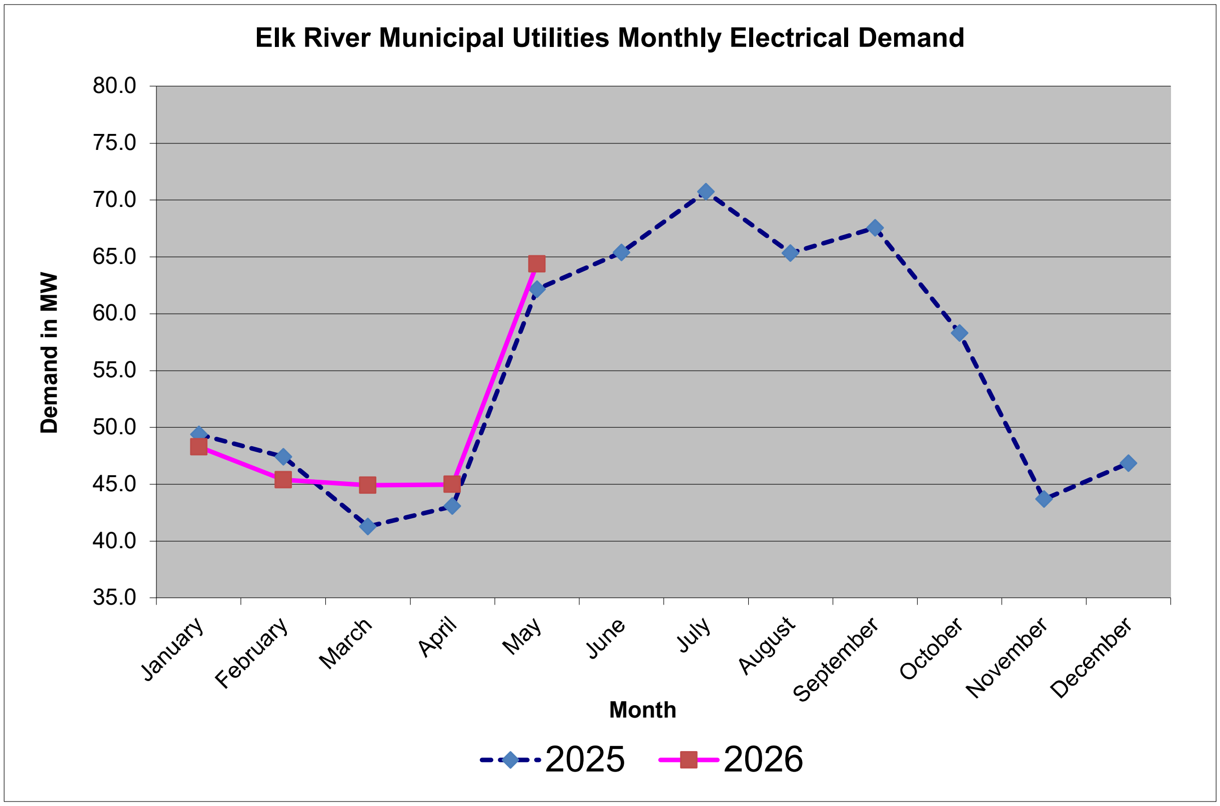
(1) Budget and PYTD variance is due to the change in Fair Market Value.
(2) Budget and PYTD variance is mainly due to a large connection agreement in January and March of 2026.
(3) Budget and PYTD variance is mainly due to Contributions from Customers having a large SOW for a dedicated feeder in January 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 mainly due to PILOT being changed from 4% to 5%.
(9) PYTD variance is due to the change to PILOT that was made in 2026.

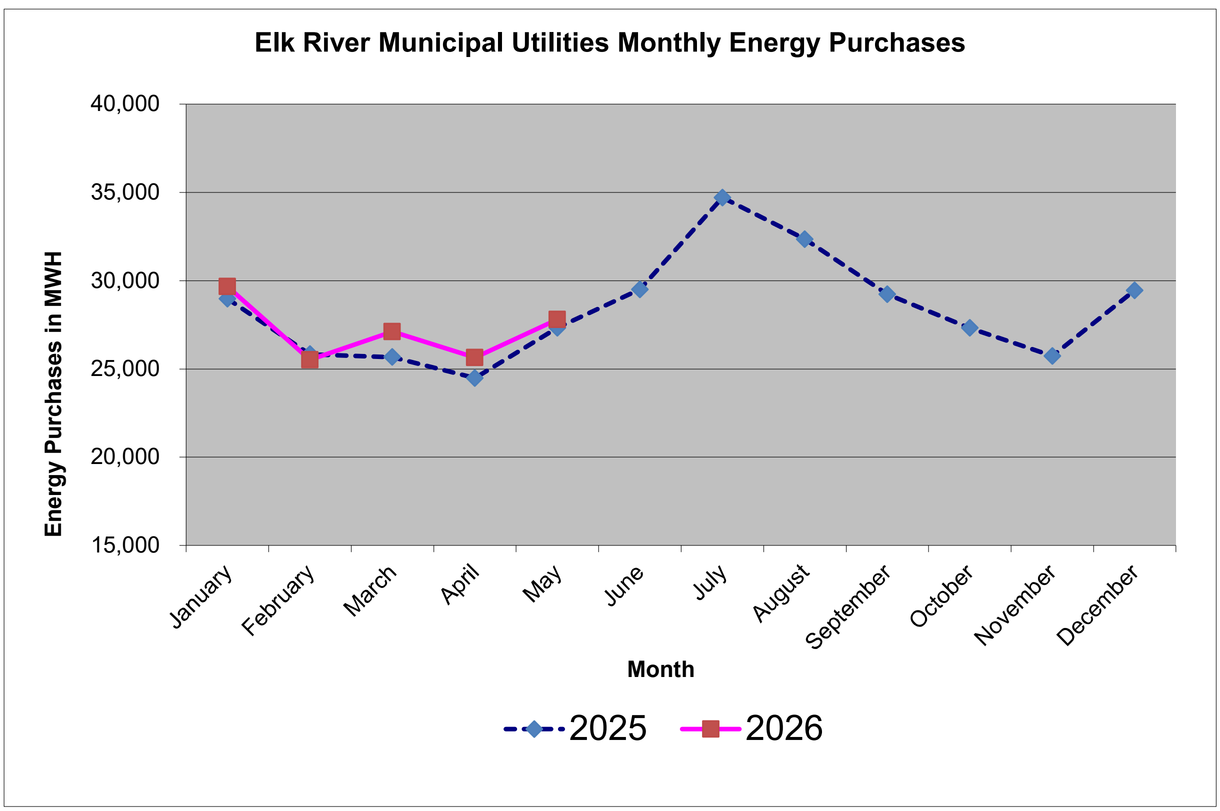
ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR PERIOD ENDING APRIL 2026

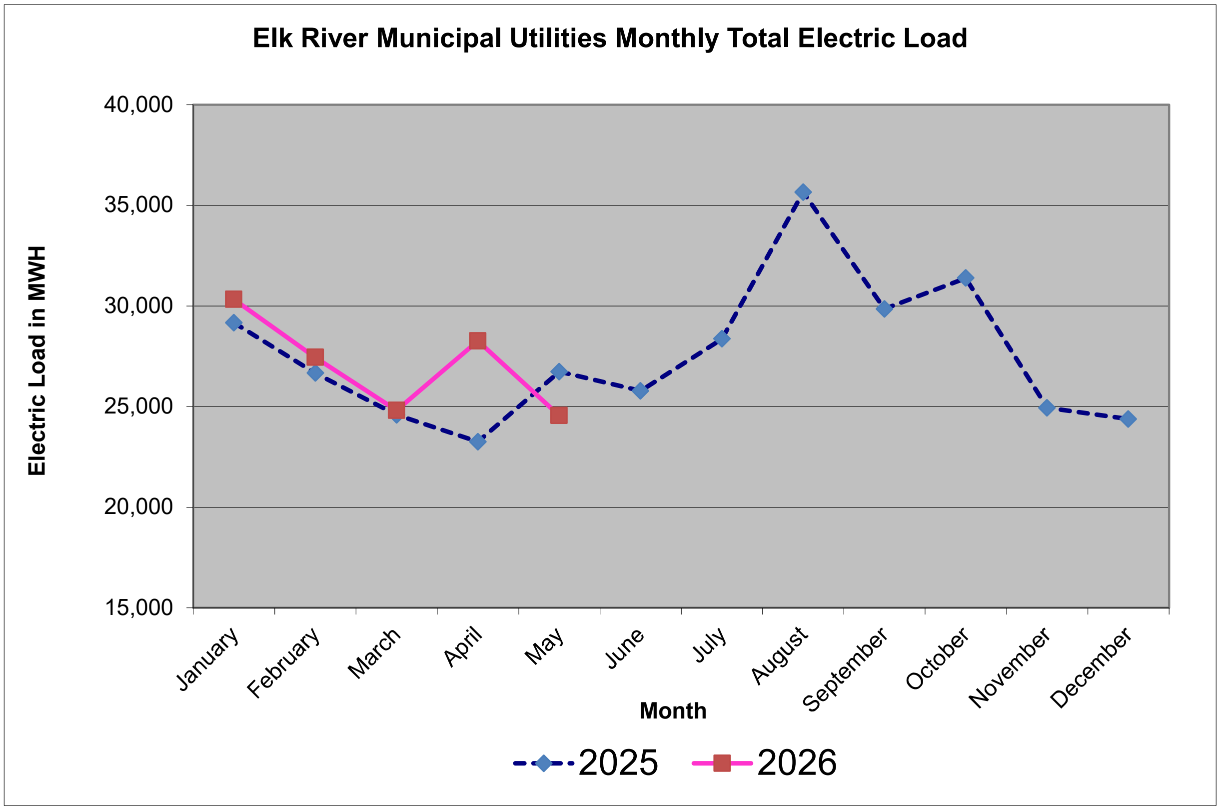
Water	2026 APRIL	2026 YTD	2026 YTD BUDGET	YTD Budget Variance	2026 YTD Bud Var%	2026 ANNUAL BUDGET	2025 APRIL	2025 YTD	YTD VARIANCE	2025 v. 2026 Actual Var%	Variance Item
Revenue											
Operating Revenue											
Water Sales	178,909	656,137	646,934	9,203	1	3,226,078	148,336	612,248	43,889	7	
Total Operating Revenue	178,909	656,137	646,934	9,203	1	3,226,078	148,336	612,248	43,889	7	
Other Operating Revenue											
Interest/Dividend Income	5,136	991	42,000	(41,009)	(98)	126,000	13,441	45,987	(44,996)	(98)	(1)
Customer Penalties	1,016	5,257	11,668	(6,411)	(55)	35,000	3,065	9,920	(4,663)	(47)	
Connection Fees	102,348	180,432	148,668	31,764	21	446,000	74,233	174,068	6,364	4	(2)
Misc Revenue	12,604	17,328	8,032	9,296	116	477,350	975	5,302	12,026	227	
Total Other Revenue	121,104	204,008	210,368	(6,360)	(3)	1,084,350	91,714	235,278	(31,270)	(13)	
Total Revenue	300,013	860,145	857,302	2,843	0	4,310,428	240,050	847,525	12,620	1	
Expenses											
Production Expense	33,296	84,809	41,668	43,141	104	125,000	14,824	45,260	39,549	87	(3)
Pumping Expense	47,984	213,490	222,672	(9,182)	(4)	668,000	50,491	196,937	16,552	8	
Distribution Expense	38,716	102,845	167,164	(64,319)	(38)	447,500	40,566	179,327	(76,483)	(43)	(4)
Depreciation & Amortization	116,563	466,076	471,668	(5,592)	(1)	1,415,000	115,628	462,015	4,061	1	
Interest Expense	2,496	9,983	9,983	0	0	28,782	2,712	10,850	(867)	(8)	
Other Operating Expense	255	821	208	613	295	50,625	52	239	582	244	
Customer Accounts Expense	8,029	33,034	34,752	(1,718)	(5)	104,250	8,321	32,867	168	1	
Administrative Expense	94,565	431,403	441,712	(10,309)	(2)	1,251,950	83,852	385,146	46,256	12	
General Expense	124	362	2,420	(2,058)	(85)	7,250	771	1,386	(1,023)	(74)	
Total Expenses(before Operating Transfers)	342,027	1,342,822	1,392,247	(49,425)	(4)	4,098,357	317,217	1,314,027	28,795	2	
Operating Transfer											
Operating Transfer/Other Funds	3,578	13,123	12,939	184	1	64,522	0	0	13,123	0	
Utilities & Labor Donated	0	0	668	(668)	(100)	2,000	0	0	0	0	
Total Operating Transfer	3,578	13,123	13,607	(484)	(4)	66,522	0	0	13,123	0	
Net Income Profit(Loss)	(45,592)	(495,800)	(548,552)	52,752	10	145,550	(77,167)	(466,502)	(29,298)	(6)	

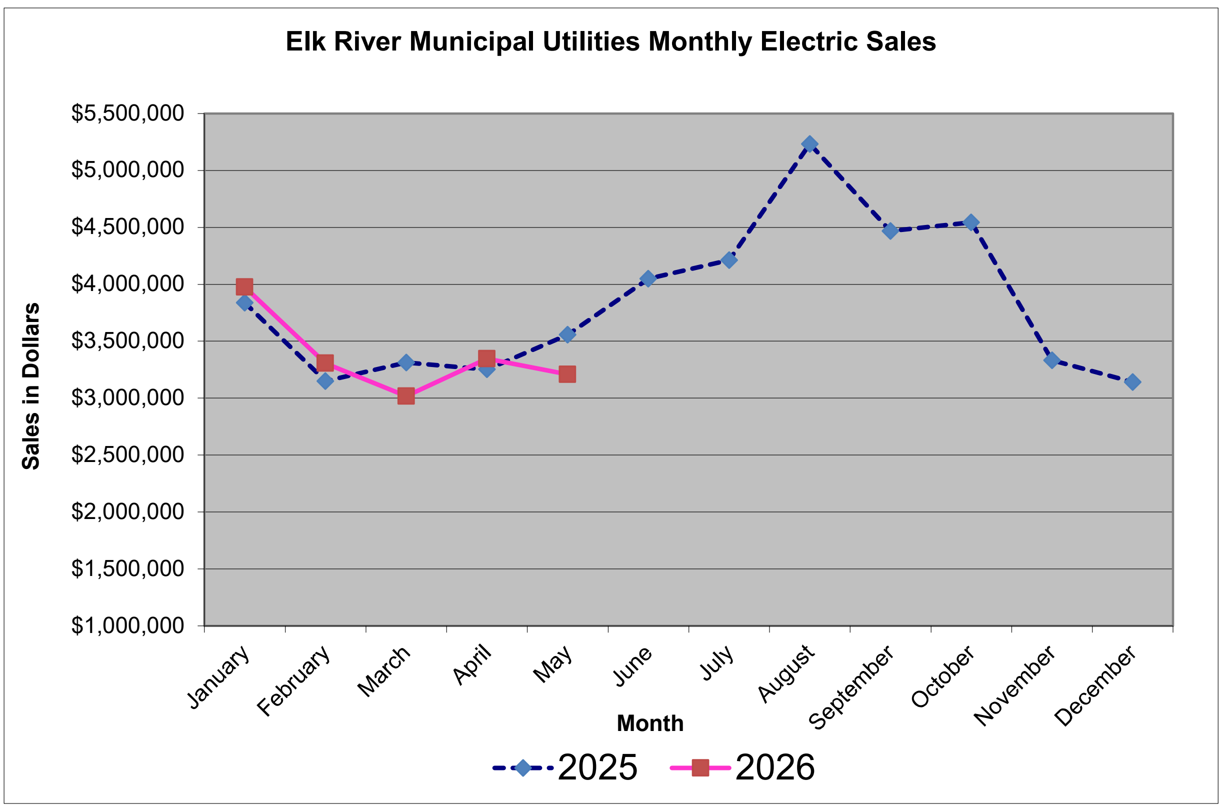
Item Variance of +/- $15,000 and +/- 15%

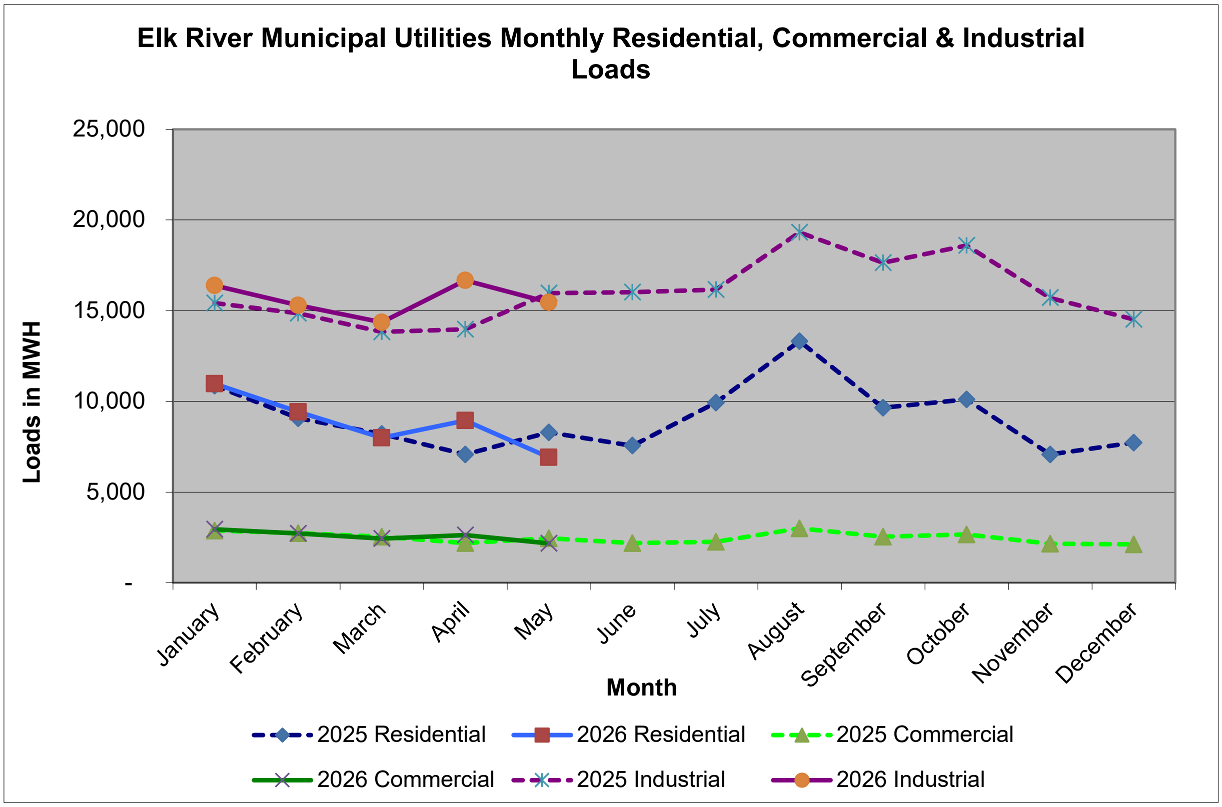
(1) Budget and PYTD variance is due to the change in Fair Market Value.
(2) Budget variance is due to timing (even spread).
(3) Budget and PYTD variance is mainly due installation of transformer at Meadowvale Booster Station and labor in 2026.
(4) Budget variance is mainly due to an even budget spread throughout year. PYTD variance is due to mtce of water mains (Polk & Business Center Dr), water meter service repairs and water mapping labor.


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

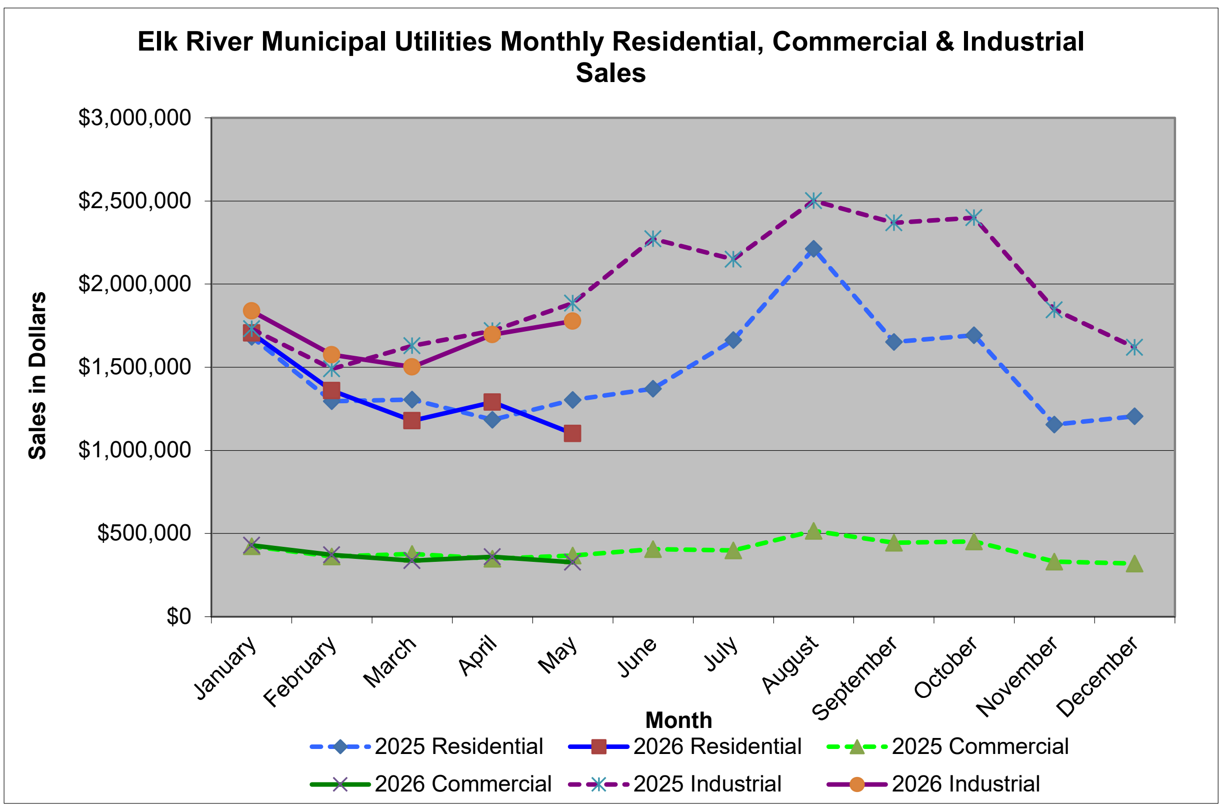

Elk River Municipal Utilities Monthly Energy Purchases
Energy Purchases in MWH
40,000
35,000
30,000
25,000
20,000
15,000
January
February
March
April
May
June
July
August
September
October
November
December
Month
2025
2026


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

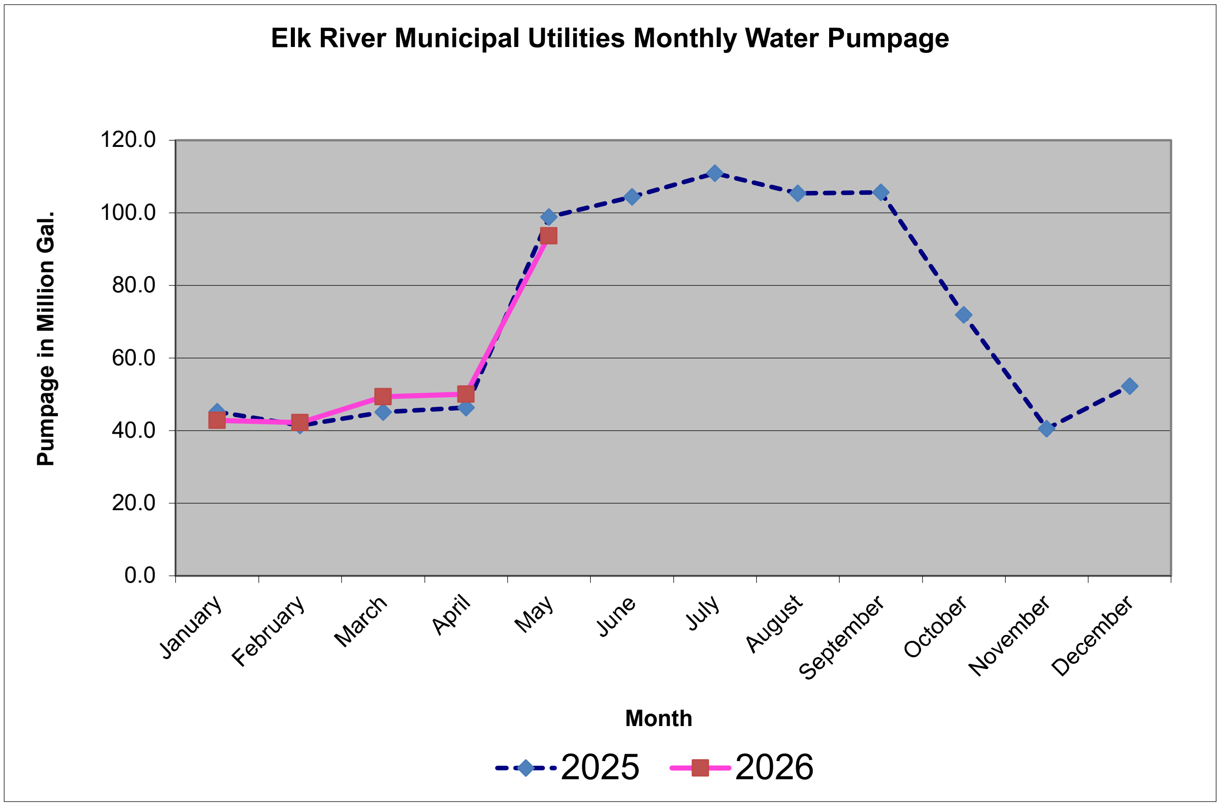

Elk River Municipal Utilities Monthly Electric Sales
Sales in Dollars
$5,500,000
$5,000,000
$4,500,000
$4,000,000
$3,500,000
$3,000,000
$2,500,000
$2,000,000
$1,500,000
$1,000,000
January
February
March
April
May
June
July
August
September
October
November
December
Month
2025
2026

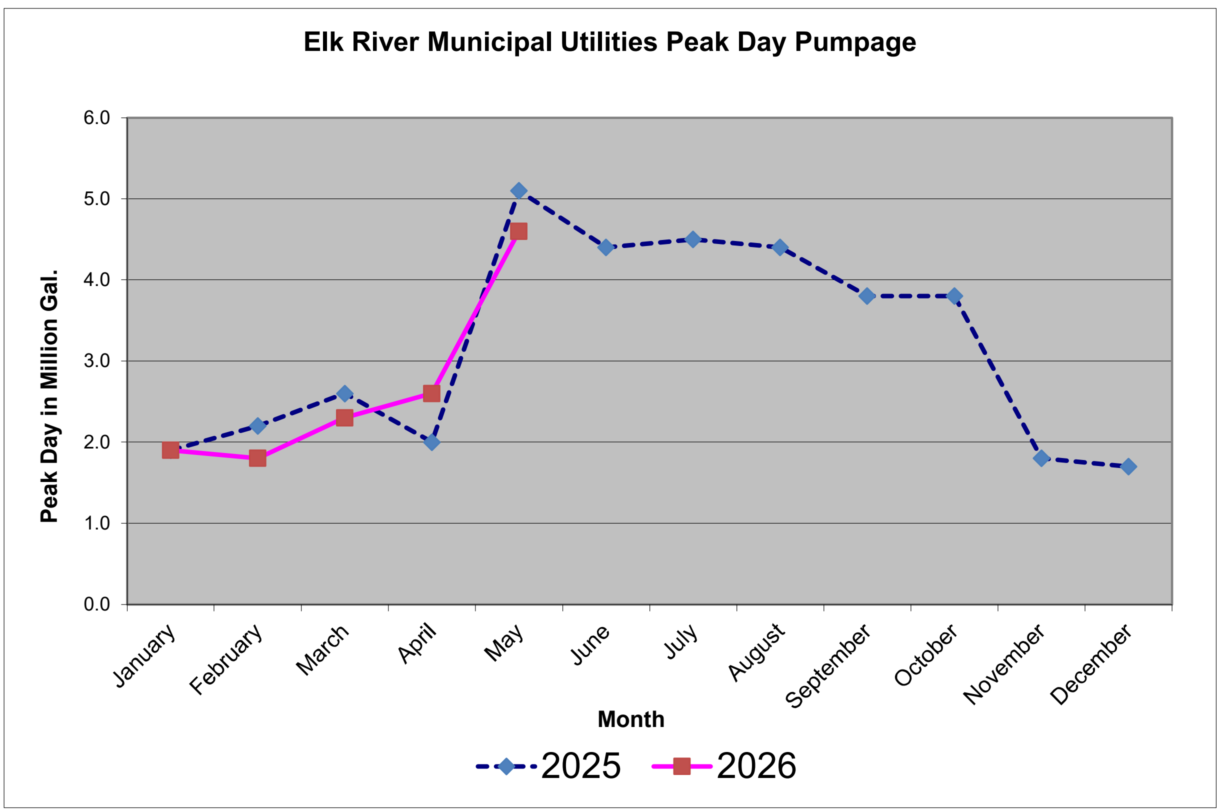


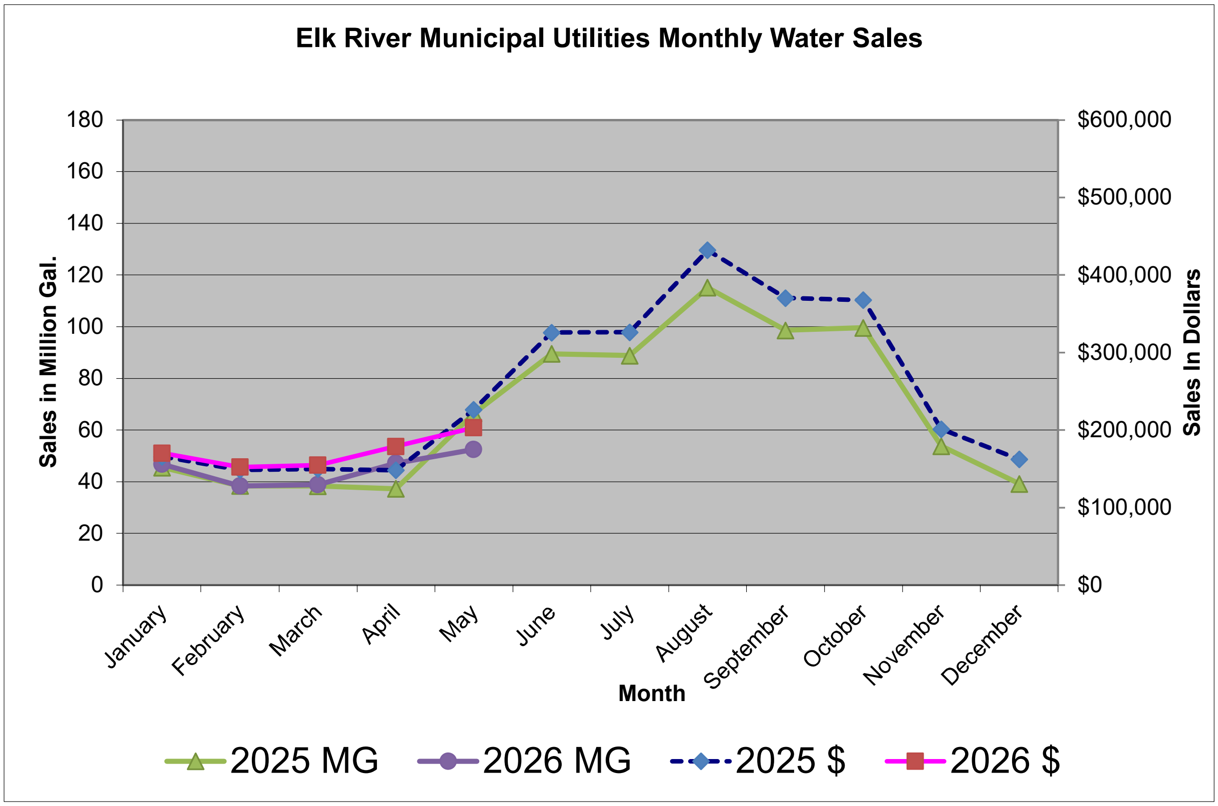
Elk River Municipal Utilities Monthly Residential, Commercial & Industrial Loads
25,000
20,000
15,000
10,000
5,000
-
Loads in MWH
January
February
March
April
May
June
July
August
September
October
November
December
Month
2025 Residential
2026 Residential
2025 Commercial
2026 Commercial
2025 Industrial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



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


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


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



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

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

Electric	2026 APRIL	2026 YTD	2026 YTD BUDGET	2026 ANNUAL BUDGET	2026 YTD Bud Var%	2025 APRIL	2025 YTD	YTD VARIANCE	2025 v. 2026 Actual Var%
Revenue									
Operating Revenue									
Elk River									
ELECT SALES - ELK RIVER RESID	1,122,006	4,662,592	4,671,395	14,974,097	0	897,025	4,352,396	310,195	7
ELECT SALES - ELK RIVER NON-D	291,737	1,186,089	1,194,672	3,713,891	(1)	241,903	1,122,566	63,523	6
ELECT SALES - ELK RIVER DEMA	1,553,808	5,796,727	5,251,463	19,613,600	10	1,296,962	5,259,739	536,987	10
PCA SALES REVENUE - ELK RIVE	0	159,013	501,316	1,606,959	(68)	136,406	424,111	(265,097)	(63)
PCA SALES REVENUE - ELK RIVE	0	40,853	141,087	438,600	(71)	40,721	120,045	(79,192)	(66)
PCA SALES REVENUE - ELK RIVE	0	247,293	792,379	2,959,444	(69)	286,887	750,676	(503,382)	(67)
Total For Elk River:	2,967,552	12,092,569	12,552,312	43,306,593	(4)	2,899,906	12,029,535	63,033	1
Otsego									
ELECT SALES - OTSEGO RESIDEN	132,797	537,586	531,405	1,703,415	1	102,283	487,586	49,999	10
ELECT SALES - OTSEGO NON-DEM	42,900	164,094	177,599	552,104	(8)	34,707	154,328	9,766	6
ELECT SALES - OTSEGO DEMAND	141,890	541,414	459,569	1,716,440	18	111,706	488,329	53,084	11
PCA SALES REVENUE - OTSEGO R	0	18,170	57,028	182,803	(68)	15,300	47,346	(29,176)	(62)
PCA SALES REVENUE - OTSEGO N	0	6,030	16,049	49,894	(62)	6,064	17,322	(11,291)	(65)
PCA SALES REVENUE - OTSEGO D	0	25,367	66,843	249,653	(62)	24,211	69,067	(43,699)	(63)
Total For Otsego:	317,587	1,292,663	1,308,495	4,454,313	(1)	294,274	1,263,980	28,683	2
Rural Big Lake									
ELECT SALES - BIG LAKE RESIDE	16,566	70,515	65,046	208,506	8	12,860	64,964	5,550	9
ELECT SALES - BIG LAKE NON-DE	193	727	1,503	4,674	(52)	164	672	54	8
PCA SALES REVENUE - BIG LAKE	0	2,554	6,980	22,376	(63)	1,982	6,432	(3,878)	(60)
PCA SALES REVENUE - BIG LAKE	0	13	1,965	6,107	(99)	13	37	(23)	(65)
Total For Rural Big Lake:	16,760	73,810	75,495	241,664	(2)	15,020	72,107	1,702	2
Dayton									
ELECT SALES - DAYTON RESIDEN	17,286	74,229	69,352	222,309	7	13,885	70,025	4,204	6
ELECT SALES - DAYTON NON-DE	3,543	13,566	13,309	41,376	2	2,798	12,768	798	6
PCA SALES REVENUE - DAYTON R	0	2,535	7,442	23,857	(66)	2,078	6,754	(4,219)	(62)
PCA SALES REVENUE - DAYTON	0	449	2,032	6,511	(78)	425	1,281	(831)	(65)
Total For Dayton:	20,830	90,781	92,136	294,054	(1)	19,187	90,829	(48)	0
Public St & Hwy Lighting									
ELECT SALES - SEC LTS	23,810	95,327	93,332	280,000	2	23,886	93,537	1,789	2
Total For Public St & Hwy Lighting:	23,810	95,327	93,332	280,000	2	23,886	93,537	1,789	2
Other Electric Sales									
SUB-STATION CREDIT	400	1,600	1,600	4,800	0	400	1,600	0	0

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

Electric	2026 APRIL	2026 YTD	2026 YTD BUDGET	2026 ANNUAL BUDGET	2026 YTD Bud Var%	2025 APRIL	2025 YTD	YTD VARIANCE	2025 v. 2026 Actual Var%
Total For Other Electric Sales:	400	1,600	1,600	4,800	0	400	1,600	0	0
Total Operating Revenue	3,346,940	13,646,751	14,123,371	48,581,426	(3)	3,252,674	13,551,591	95,160	1
Other Operating Revenue									
Interest/Dividend Income									
INTEREST & DIVIDEND INCOME	15,095	(20,255)	116,668	350,000	(117)	49,798	167,449	(187,705)	(112)
Total For Interest/Dividend Income:	15,095	(20,255)	116,668	350,000	(117)	49,798	167,449	(187,705)	(112)
Customer Penalties									
CUSTOMER DELINQUENT PENALT	18,602	83,782	101,668	305,000	(18)	25,387	89,430	(5,647)	(6)
Total For Customer Penalties:	18,602	83,782	101,668	305,000	(18)	25,387	89,430	(5,647)	(6)
Connection Fees									
DISCONNECT & RECONNECT CHA	17,560	259,763	85,000	255,000	206	10,730	41,468	218,295	526
Total For Connection Fees:	17,560	259,763	85,000	255,000	206	10,730	41,468	218,295	526
Misc Revenue									
MISC ELEC REVENUE - TEMP CHG	700	3,810	1,000	3,000	281	220	2,640	1,170	44
STREET LIGHT	0	29,800	7,500	25,000	297	0	0	29,800	0
TRANSMISSION INVESTMENTS	44,289	203,793	226,668	680,000	(10)	43,382	200,843	2,950	1
MISC NON-UTILITY	9,422	72,189	36,668	110,000	97	13,767	33,161	39,027	118
GAIN ON DISPOSITION OF PROPER	0	0	25,000	25,000	(100)	0	22,755	(22,755)	(100)
CONTRIBUTIONS FROM CUSTOME	45,636	480,370	116,668	350,000	312	0	168,929	311,441	184
Total For Misc Revenue:	100,048	789,963	413,504	1,193,000	91	57,370	428,329	361,634	84
Total Other Revenue	151,305	1,113,253	716,840	2,103,000	55	143,286	726,677	386,575	53
Total For Total Other Revenue:	151,305	1,113,253	716,840	2,103,000	55	143,286	726,677	386,575	53
Total Revenue	3,498,246	14,760,005	14,840,211	50,684,426	(1)	3,395,961	14,278,268	481,736	3
Expenses									
Purchased Power									
PURCHASED POWER	1,612,638	6,709,869	6,662,253	24,051,075	1	1,501,726	6,386,279	323,590	5
ENERGY ADJUSTMENT CLAUSE	606,431	1,512,552	2,392,564	7,608,286	(37)	720,851	2,066,403	(553,851)	(27)
Total For Purchased Power:	2,219,069	8,222,421	9,054,818	31,659,361	(9)	2,222,578	8,452,682	(230,260)	(3)
Operating & Mtce Expense									
OPERATING SUPERVISION - DNU	0	0	53,596	160,783	(100)	13,949	53,100	(53,100)	(100)
NATURAL GAS	0	0	9,168	27,501	(100)	1,149	14,783	(14,783)	(100)
ELECTRIC & WATER CONSUMPTI	0	0	21,736	65,208	(100)	5,245	22,600	(22,600)	(100)

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

Electric	2026 APRIL	2026 YTD	2026 YTD BUDGET	2026 ANNUAL BUDGET	2026 YTD Bud Var%	2025 APRIL	2025 YTD	YTD VARIANCE	2025 v. 2026 Actual Var%
PLANT SUPPLIES & OTHER EXPEN	0	0	4,000	12,000	(100)	2,083	3,119	(3,119)	(100)
MISC POWER GENERATION EXPE	58	596	332	1,000	80	345	696	(99)	(14)
MAINTENANCE OF STRUCTURE -	0	0	5,000	15,000	(100)	653	5,862	(5,862)	(100)
MTCE OF PLANT ENGINES/GENER	0	0	168	500	(100)	380	678	(678)	(100)
MTCE OF PLANT/LAND IMPROVE	0	0	13,332	40,000	(100)	1,398	9,840	(9,840)	(100)
Total For Operating & Mtce Expense:	58	596	107,332	321,992	(99)	25,205	110,681	(110,084)	(99)
Transmission Expense									
TRANSMISSION MTCE AND EXPE	3,454	12,238	23,332	70,000	(48)	2,700	11,078	1,160	10
Total For Transmission Expense:	3,454	12,238	23,332	70,000	(48)	2,700	11,078	1,160	10
Distribution Expense									
SUPERVISION & ENGINEERING - D	15,483	57,830	0	0	0	0	0	57,830	0
REMOVE EXISTING SERVICE & M	0	74	668	2,000	(89)	325	492	(418)	(85)
SCADA EXPENSE	3,660	21,337	21,668	65,000	(2)	5,367	19,123	2,214	12
TRANSFORMER EXPENSE OH & U	1,594	5,874	8,332	25,000	(29)	1,417	4,808	1,066	22
MTCE OF SIGNAL SYSTEMS	521	1,442	1,000	3,000	44	118	340	1,102	324
METER EXPENSE - REMOVE & RE	0	0	500	1,500	(100)	0	726	(726)	(100)
TEMP SERVICE - INSTALL & REM	718	8,096	2,832	8,500	186	0	1,695	6,400	377
MISC DISTRIBUTION EXPENSE	85,960	247,297	146,668	440,000	69	62,439	179,287	68,009	38
Total For Distribution Expense:	107,938	341,952	181,668	545,000	88	69,667	206,474	135,478	66
Maintenance Expense									
MTCE OF STRUCTURES	5,968	33,664	30,000	90,000	12	5,495	34,994	(1,330)	(4)
MTCE OF SUBSTATIONS	2,256	11,932	13,332	40,000	(11)	330	1,405	10,526	749
MTCE OF SUBSTATION EQUIPME	2,292	3,863	37,332	112,000	(90)	4,450	17,327	(13,464)	(78)
MTCE OF OH LINES/TREE TRIM	14,653	85,683	86,000	175,000	0	15,568	152,256	(66,573)	(44)
MTCE OF OH LINES/STANDBY	4,244	15,040	16,664	50,000	(10)	3,209	14,363	677	5
MTCE OF OH PRIMARY	16,719	48,998	65,000	195,000	(25)	(40,922)	16,530	32,467	196
MTCE OF URD PRIMARY	15,733	46,862	100,000	300,000	(53)	44,837	131,026	(84,164)	(64)
LOCATE ELECTRIC LINES	15,492	26,677	41,664	125,000	(36)	12,967	27,033	(356)	(1)
LOCATE FIBER LINES	83	270	1,332	4,000	(80)	513	780	(510)	(65)
MTCE OF LINE TRANSFORMERS	15,623	23,275	31,664	95,000	(26)	3,716	19,915	3,360	17
MTCE OF STREET LIGHTING	7,903	28,486	23,332	70,000	22	5,160	16,853	11,632	69
MTCE OF SECURITY LIGHTING	1,249	8,509	8,332	25,000	2	615	7,194	1,314	18
MTCE OF METERS	7,495	26,292	20,000	60,000	31	1,525	4,521	21,771	481
VOLTAGE COMPLAINTS	122	2,901	3,332	10,000	(13)	367	2,550	350	14
SALARIES TRANSMISSION & DIST	3,790	13,155	12,332	37,000	7	3,287	11,793	1,362	12

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

Electric	2026 APRIL	2026 YTD	2026 YTD BUDGET	2026 ANNUAL BUDGET	2026 YTD Bud Var%	2025 APRIL	2025 YTD	YTD VARIANCE	2025 v. 2026 Actual Var%
ELECTRIC MAPPING	11,738	64,151	54,000	162,000	19	12,067	56,061	8,089	14
FIBER MAPPING	0	0	3,332	10,000	(100)	0	0	0	0
MTCE OF OH SECONDARY	2,781	9,239	10,000	30,000	(8)	2,412	9,743	(504)	(5)
MTCE OF URD SECONDARY	7,258	20,335	26,668	80,000	(24)	8,506	21,672	(1,337)	(6)
TRANSPORTATION EXPENSE	25,741	91,977	106,668	320,000	(14)	15,167	114,572	(22,595)	(20)
Total For Maintenance Expense:	161,149	561,319	690,984	1,990,000	(19)	99,277	660,600	(99,281)	(15)
Depreciation & Amortization									
DEPRECIATION	236,670	959,289	955,000	2,865,000	0	232,509	927,110	32,178	3
AMORTIZATION	55,677	222,711	222,712	668,136	0	55,677	222,711	0	0
Total For Depreciation & Amortization:	292,348	1,182,000	1,177,712	3,533,136	0	288,186	1,149,822	32,178	3
Interest Expense									
INTEREST EXPENSE - BONDS	64,096	257,260	257,260	759,406	0	66,971	269,160	(11,900)	(4)
AMORTIZATION OF DEBT DISCOU	(4,988)	(19,954)	(19,954)	(59,863)	0	(4,988)	(19,954)	0	0
Total For Interest Expense:	59,107	237,306	237,306	699,543	0	61,982	249,206	(11,900)	(5)
Other Operating Expense									
EV CHARGING EXPENSE	85	332	416	1,250	(20)	185	759	(426)	(56)
LOSS ON DISPOSITION OF PROP (C	0	0	0	25,000	0	0	18,258	(18,258)	(100)
OTHER DONATIONS	0	870	668	2,000	30	0	217	653	301
MUTUAL AID	0	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	18,668	56,000	(100)	0	0	0	0
INTEREST EXPENSE - METER DEP	3,617	14,472	16,668	50,000	(13)	4,124	16,438	(1,966)	(12)
Total For Other Operating Expense:	3,702	33,840	36,420	414,250	(7)	4,309	35,673	(1,833)	(5)
Customer Accounts Expense									
METER READING EXPENSE	2,311	8,766	8,332	25,000	5	3,088	12,035	(3,268)	(27)
DISCONNECT/RECONNECT EXPEN	72	72	1,668	5,000	(96)	0	66	6	9
MISC CUSTOMER ACCOUNTS EXP	28,234	118,228	126,668	380,000	(7)	30,824	120,717	(2,488)	(2)
BAD DEBT EXPENSE & RECOVER	6,114	20,333	8,332	25,000	144	740	3,639	16,694	459
Total For Customer Accounts Expense:	36,732	147,401	145,000	435,000	2	34,653	136,458	10,942	8
Administrative Expense									
SALARIES OFFICE & COMMISSION	95,457	343,375	361,668	1,085,000	(5)	85,828	323,840	19,535	6
TEMPORARY STAFFING	0	0	1,332	4,000	(100)	0	0	0	0
OFFICE SUPPLIES	12,957	40,168	41,668	125,000	(4)	5,128	24,711	15,456	63
ELECTRIC & WATER CONSUMPTI	1,667	6,668	9,516	28,552	(30)	1,923	7,439	(771)	(10)
BANK FEES	213	870	1,000	3,000	(13)	234	932	(61)	(7)

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

Electric	2026 APRIL	2026 YTD	2026 YTD BUDGET	2026 ANNUAL BUDGET	2026 YTD Bud Var%	2025 APRIL	2025 YTD	YTD VARIANCE	2025 v. 2026 Actual Var%
LEGAL FEES	4,716	7,198	8,332	25,000	(14)	1,356	4,663	2,534	54
AUDITING FEES	1,800	7,200	7,500	22,500	(4)	1,720	6,880	320	5
INSURANCE	10,087	45,778	47,668	143,000	(4)	14,853	59,453	(13,674)	(23)
UTILITY SHARE - DEFERRED COM	10,164	65,070	66,000	125,000	(1)	12,002	62,063	3,007	5
UTILITY SHARE - MEDICAL/DENT	68,005	400,162	396,200	945,000	1	65,882	380,280	19,882	5
UTILITY SHARE - PERA	35,313	116,972	116,168	348,500	1	35,478	114,075	2,897	3
UTILITY SHARE - FICA	34,385	112,274	114,168	342,500	(2)	35,027	110,226	2,047	2
EMPLOYEE SICK PAY	16,392	95,885	77,816	233,450	23	17,913	96,375	(489)	(1)
EMPLOYEE HOLIDAY PAY	0	49,653	50,000	197,401	(1)	0	47,430	2,223	5
EMPLOYEE VACATION & PTO PA	28,319	148,231	146,000	344,307	2	25,385	138,544	9,687	7
UPMIC DISTRIBUTION	0	16,510	21,500	86,000	(23)	0	18,105	(1,595)	(9)
LONGEVITY PAY	0	1,550	1,473	8,040	5	3,772	5,245	(3,695)	(70)
CONSULTING FEES	35,495	68,398	18,600	55,800	268	13,264	34,484	33,914	98
TELEPHONE	2,868	12,116	10,332	31,000	17	2,833	11,383	733	6
ADVERTISING	1,095	4,623	6,668	20,000	(31)	1,085	4,490	133	3
DUES & SUBSCRIPTIONS - FEES	13,799	58,313	47,292	141,878	23	11,640	51,194	7,119	14
SCHOOLS & MEETINGS	14,418	71,819	97,160	291,482	(26)	13,942	66,574	5,244	8
MTCE OF GENERAL PLANT & OFFI	540	2,160	3,668	11,000	(41)	865	3,460	(1,300)	(38)
Total For Administrative Expense:	387,697	1,675,003	1,651,729	4,617,413	1	350,139	1,571,853	103,149	7
General Expense									
CIP REBATES - RESIDENTIAL	4,161	27,241	30,252	90,758	(10)	6,860	28,913	(1,672)	(6)
CIP REBATES - COMMERCIAL	0	18,421	37,332	112,000	(51)	3,415	7,744	10,676	138
CIP - ADMINISTRATION	10,166	50,503	60,612	181,840	(17)	10,529	45,154	5,349	12
CIP - MARKETING	3,365	18,001	18,288	54,864	(2)	2,842	17,105	895	5
CIP - LABOR	10,524	38,412	45,360	136,078	(15)	9,388	35,833	2,578	7
CIP REBATES - LOW INCOME	0	0	9,920	29,760	(100)	0	0	0	0
CIP - LOW INCOME LABOR	977	3,622	3,332	10,000	9	935	3,515	106	3
ENVIRONMENTAL COMPLIANCE	2,577	10,603	12,332	37,000	(14)	2,680	9,822	780	8
MISC GENERAL EXPENSE	244	228	1,668	5,000	(86)	64	(61)	290	469
Total For General Expense:	32,017	167,033	219,096	657,300	(24)	36,716	148,028	19,005	13
Total Expenses(before Operating Transfers)	3,303,277	12,581,115	13,525,397	44,942,996	(7)	3,195,419	12,732,559	(151,443)	(1)
Operating Transfer									
Operating Transfer/Other Funds									
TRANSFER TO CITY ELK RIVER R	149,310	608,360	627,615	2,165,329	(3)	116,744	484,130	124,230	26

Electric	2026 APRIL	2026 YTD	2026 YTD BUDGET	2026 ANNUAL BUDGET	2026 YTD Bud Var%	2025 APRIL	2025 YTD	YTD VARIANCE	2025 v. 2026 Actual Var%
Total For Operating Transfer/Other Funds:	149,310	608,360	627,615	2,165,329	(3)	116,744	484,130	124,230	26
Utilities & Labor Donated									
UTILITIES & LABOR DONATED TO	0	0	0	0	0	19,322	78,151	(78,151)	(100)
Total For Utilities & Labor Donated:	0	0	0	0	0	19,322	78,151	(78,151)	(100)
Total Operating Transfer									
Total For Total Operating Transfer:	149,310	608,360	627,615	2,165,329	(3)	136,067	562,281	46,078	8
Net Income Profit(Loss)	45,659	1,570,528	687,198	3,576,099	129	64,475	983,427	587,101	60

ELK RIVER MUNICIPAL UTILITIES
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Water	2026 APRIL	2026 YTD	2026 YTD BUDGET	2026 ANNUAL BUDGET	2026 YTD Bud Var%	2025 APRIL	2025 YTD	YTD VARIANCE	2025 v. 2026 Actual Var%
Revenue									
Operating Revenue									
Water Sales									
WATER SALES RESIDENTIAL	108,351	402,689	407,145	1,821,515	(1)	89,860	372,472	30,216	8
WATER SALES COMMERCIAL	68,187	245,762	231,372	1,039,959	6	56,390	232,570	13,191	6
WATER SALES IRRIGATION	2,370	7,685	8,415	364,602	(9)	2,085	7,204	480	7
Total For Water Sales:	178,908	656,136	646,933	3,226,078	1	148,336	612,247	43,889	7
Total Operating Revenue									
	178,908	656,136	646,933	3,226,078	1	148,336	612,247	43,889	7
Total For Total Operating Revenue:	178,908	656,136	646,933	3,226,078	1	148,336	612,247	43,889	7
Other Operating Revenue									
Interest/Dividend Income									
INTEREST & DIVIDEND INCOME	5,135	423	41,668	125,000	(99)	13,440	45,986	(45,563)	(99)
OTHER INTEREST/MISC REVENUE	0	566	332	1,000	71	0	0	566	0
Total For Interest/Dividend Income:	5,135	990	42,000	126,000	(98)	13,440	45,986	(44,996)	(98)
Customer Penalties									
CUSTOMER PENALTIES	1,016	5,257	11,668	35,000	(55)	3,065	9,920	(4,663)	(47)
Total For Customer Penalties:	1,016	5,257	11,668	35,000	(55)	3,065	9,920	(4,663)	(47)
Connection Fees									
WATER/ACCESS/CONNECTION FE	91,961	159,071	122,000	366,000	30	69,054	148,254	10,817	7
CUSTOMER CONNECTION FEES	8,365	13,617	16,668	50,000	(18)	5,178	17,872	(4,254)	(24)
BULK WATER SALES/HYDRANT R	2,020	7,742	10,000	30,000	(23)	0	7,941	(199)	(3)
Total For Connection Fees:	102,348	180,432	148,668	446,000	21	74,232	174,068	6,364	4
Misc Revenue									
MISC NON-UTILITY	0	30	32	100	(6)	0	310	(280)	(90)
GAIN ON DISPOSITION OF PROPER	0	0	4,000	4,000	(100)	0	0	0	0
MISCELLANEOUS REVENUE	11,628	11,628	332	1,000	3,403	0	1,091	10,536	965
HYDRANT MAINTENANCE PROGR	975	5,669	3,668	11,000	55	975	3,900	1,769	45
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:	12,603	17,328	8,032	477,350	116	975	5,302	12,026	227
Total Other Revenue									
	121,104	204,007	210,368	1,084,350	(3)	91,714	235,277	(31,269)	(13)
Total For Total Other Revenue:	121,104	204,007	210,368	1,084,350	(3)	91,714	235,277	(31,269)	(13)

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

Water	2026 APRIL	2026 YTD	2026 YTD BUDGET	2026 ANNUAL BUDGET	2026 YTD Bud Var%	2025 APRIL	2025 YTD	YTD VARIANCE	2025 v. 2026 Actual Var%
Total Revenue	300,012	860,144	857,301	4,310,428	0	240,050	847,525	12,619	1
Expenses									
Production Expense									
MTCE OF STRUCTURES	33,296	84,808	41,668	125,000	104	14,824	45,260	39,548	87
Total For Production Expense:	33,296	84,808	41,668	125,000	104	14,824	45,260	39,548	87
Pumping Expense									
SUPERVISION	7,678	27,375	26,668	80,000	3	6,833	26,302	1,073	4
ELECTRIC & GAS UTILITIES	20,221	80,041	100,000	300,000	(20)	23,192	83,904	(3,862)	(5)
SAMPLING	1,380	6,630	8,000	24,000	(17)	2,659	7,536	(906)	(12)
CHEMICAL FEED	4,338	11,631	16,668	50,000	(30)	3,084	11,125	506	5
MTCE OF WELLS	13,827	85,471	66,668	200,000	28	12,501	62,889	22,581	36
SCADA - PUMPING	538	2,339	4,668	14,000	(50)	2,218	5,178	(2,838)	(55)
Total For Pumping Expense:	47,984	213,489	222,672	668,000	(4)	50,491	196,937	16,552	8
Distribution Expense									
MTCE OF WATER MAINS	12,922	22,891	58,332	175,000	(61)	10,243	64,937	(42,045)	(65)
LOCATE WATER LINES	3,313	4,106	8,332	25,000	(51)	2,071	4,848	(742)	(15)
MTCE OF WATER SERVICES	85	85	0	0	0	0	0	85	0
WATER METER SERVICE	5,740	13,581	16,668	50,000	(19)	7,727	29,334	(15,753)	(54)
BACKFLOW DEVICE INSPECTION	1,171	5,279	7,668	23,000	(31)	1,229	5,127	151	3
MTCE OF CUSTOMERS SERVICE	3,158	11,636	12,000	36,000	(3)	2,770	11,295	341	3
WATER MAPPING	237	1,284	8,332	25,000	(85)	750	14,454	(13,170)	(91)
FIBER MAPPING	0	0	3,332	10,000	(100)	0	0	0	0
MTCE OF WATER HYDRANTS - PU	3,355	5,430	7,332	22,000	(26)	721	7,855	(2,425)	(31)
MTCE OF WATER HYDRANTS - PR	179	179	2,000	6,000	(91)	0	0	179	0
WATER CLOTHING/PPE	6,450	7,116	5,000	15,000	42	6,367	7,284	(167)	(2)
WAGES WATER	858	3,183	3,168	9,500	0	722	2,958	224	8
TRANSPORTATION EXPENSE	1,243	5,830	8,000	24,000	(27)	7,617	10,847	(5,017)	(46)
WATER PERMIT	0	22,238	27,000	27,000	(18)	345	20,382	1,856	9
Total For Distribution Expense:	38,715	102,844	167,164	447,500	(38)	40,565	179,327	(76,482)	(43)
Depreciation & Amortization									
DEPRECIATION	116,562	466,075	471,668	1,415,000	(1)	115,627	462,014	4,060	1
Total For Depreciation & Amortization:	116,562	466,075	471,668	1,415,000	(1)	115,627	462,014	4,060	1
Interest Expense									
INTEREST EXPENSE - BONDS	3,050	12,200	12,200	35,433	0	3,266	13,066	(866)	(7)
AMORTIZATION OF DEBT DISCOU	(554)	(2,216)	(2,216)	(6,650)	0	(554)	(2,216)	0	0

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

Water	2026 APRIL	2026 YTD	2026 YTD BUDGET	2026 ANNUAL BUDGET	2026 YTD Bud Var%	2025 APRIL	2025 YTD	YTD VARIANCE	2025 v. 2026 Actual Var%
Total For Interest Expense:	2,495	9,983	9,983	28,782	0	2,712	10,849	(866)	(8)
Other Operating Expense									
DAM MAINTENANCE EXPENSE	209	642	0	0	0	0	30	612	1,974
PENSION EXPENSE	0	0	0	50,000	0	0	0	0	0
INTEREST EXPENSE - METER DEP	44	178	208	625	(14)	52	208	(29)	(14)
Total For Other Operating Expense:	254	821	208	50,625	295	52	238	582	244
Customer Accounts Expense									
METER READING EXPENSE	513	2,192	1,668	5,000	31	577	2,242	(50)	(2)
MISC CUSTOMER ACCOUNTS EXP	7,515	30,842	33,000	99,000	(7)	7,742	30,623	218	1
BAD DEBT EXPENSE & RECOVER	0	0	84	250	(100)	0	0	0	0
Total For Customer Accounts Expense:	8,029	33,034	34,752	104,250	(5)	8,320	32,866	167	1
Administrative Expense									
SALARIES OFFICE & COMMISSION	27,817	106,563	111,000	333,000	(4)	28,925	99,087	7,475	8
TEMPORARY STAFFING	0	0	332	1,000	(100)	0	0	0	0
OFFICE SUPPLIES	2,076	11,403	10,000	30,000	14	1,384	7,238	4,164	58
ELECTRIC & WATER CONSUMPTI	416	1,667	2,160	6,500	(23)	481	1,860	(193)	(10)
BANK FEES	53	224	236	708	(5)	58	238	(14)	(6)
LEGAL FEES	4,330	4,950	2,000	6,000	148	339	1,165	3,784	325
AUDITING FEES	1,105	2,455	2,332	7,000	5	430	2,266	189	8
INSURANCE	3,534	15,106	14,332	43,000	5	3,480	13,942	1,163	8
UTILITY SHARE - DEFERRED COM	2,410	11,969	13,750	25,000	(13)	2,225	10,193	1,776	17
UTILITY SHARE - MEDICAL/DENT	18,088	98,852	101,000	251,110	(2)	16,977	92,358	6,493	7
UTILITY SHARE - PERA	7,697	25,995	23,832	71,500	9	6,816	22,021	3,974	18
UTILITY SHARE - FICA	7,532	25,151	23,500	70,500	7	7,097	21,702	3,449	16
EMPLOYEE SICK PAY	3,646	19,310	17,668	53,000	9	2,982	16,647	2,662	16
EMPLOYEE HOLIDAY PAY	0	11,081	10,950	43,000	1	0	9,413	1,668	18
EMPLOYEE VACATION & PTO PA	5,096	31,260	31,000	72,000	1	4,520	26,877	4,383	16
UPMIC DISTRIBUTION	0	3,830	4,750	19,000	(19)	0	3,642	187	5
WELLHEAD PROTECTION	0	0	500	1,500	(100)	0	0	0	0
LONGEVITY PAY	0	0	78	1,260	(100)	77	155	(155)	(100)
CONSULTING FEES	3,064	10,468	8,732	26,200	20	4,392	20,665	(10,197)	(49)
TELEPHONE	776	3,266	2,868	8,600	14	702	2,615	651	25
ADVERTISING	1,555	2,437	1,668	5,000	46	271	1,483	954	64
DUES & SUBSCRIPTIONS - FEES	2,035	32,077	37,160	111,474	(14)	1,790	22,407	9,670	43
SCHOOLS & MEETINGS	3,190	12,789	20,964	62,897	(39)	683	8,298	4,490	54

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

Water	2026 APRIL	2026 YTD	2026 YTD BUDGET	2026 ANNUAL BUDGET	2026 YTD Bud Var%	2025 APRIL	2025 YTD	YTD VARIANCE	2025 v. 2026 Actual Var%
MTCE OF GENERAL PLANT & OFFI	135	540	900	2,700	(40)	216	864	(324)	(38)
Total For Administrative Expense:	94,564	431,402	441,712	1,251,949	(2)	83,851	385,146	46,256	12
General Expense									
CIP REBATES - RESIDENTIAL	50	100	668	2,000	(85)	0	25	75	300
CIP REBATES - COMMERCIAL	0	0	332	1,000	(100)	0	0	0	0
CIP - MARKETING	0	0	500	1,500	(100)	0	0	0	0
CIP - LABOR	0	0	168	500	(100)	0	0	0	0
ENVIRONMENTAL COMPLIANCE	74	262	668	2,000	(61)	771	1,360	(1,098)	(81)
MISC GENERAL EXPENSE	0	0	84	250	(100)	0	0	0	0
Total For General Expense:	124	362	2,420	7,250	(85)	771	1,385	(1,023)	(74)
Total Expenses(before Operating Transfers)	342,027	1,342,822	1,392,247	4,098,356	(4)	317,217	1,314,027	28,795	2
Operating Transfer									
Operating Transfer/Other Funds									
TRANSFER TO CITY ELK RIVER R	3,578	13,122	12,939	64,521	1	0	0	13,122	0
Utilities & Labor Donated									
WATER & LABOR DONATED TO CI	0	0	668	2,000	(100)	0	0	0	0
Total Operating Transfer									
Total For Total Operating Transfer:	3,578	13,122	13,607	66,521	(4)	0	0	13,122	0
Net Income Profit(Loss)	(45,592)	(495,800)	(548,552)	145,549	10	(77,166)	(466,502)	(29,298)	(6)

Elk River Municipal Utilities

April 2026 Financials

Report Highlights

YTD Profit & Profit Margin %

Profit & Profit Margins %
Jan 2026 - Apr 2026
$1,074,729
6.88%

Revenue	Expense
$15,620,150	$14,545,422

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 6.9%

Elk River Municipal Utilities

Electric YTD Profit & Profit Margin %

Profit & Profit Margins %

Jan 2026 - Apr 2026

$1,570,529

10.64%

Revenue	Expense
$14,760,006	$13,189,477

Elk River Municipal Utilities

Water YTD Profit & Profit Margin %

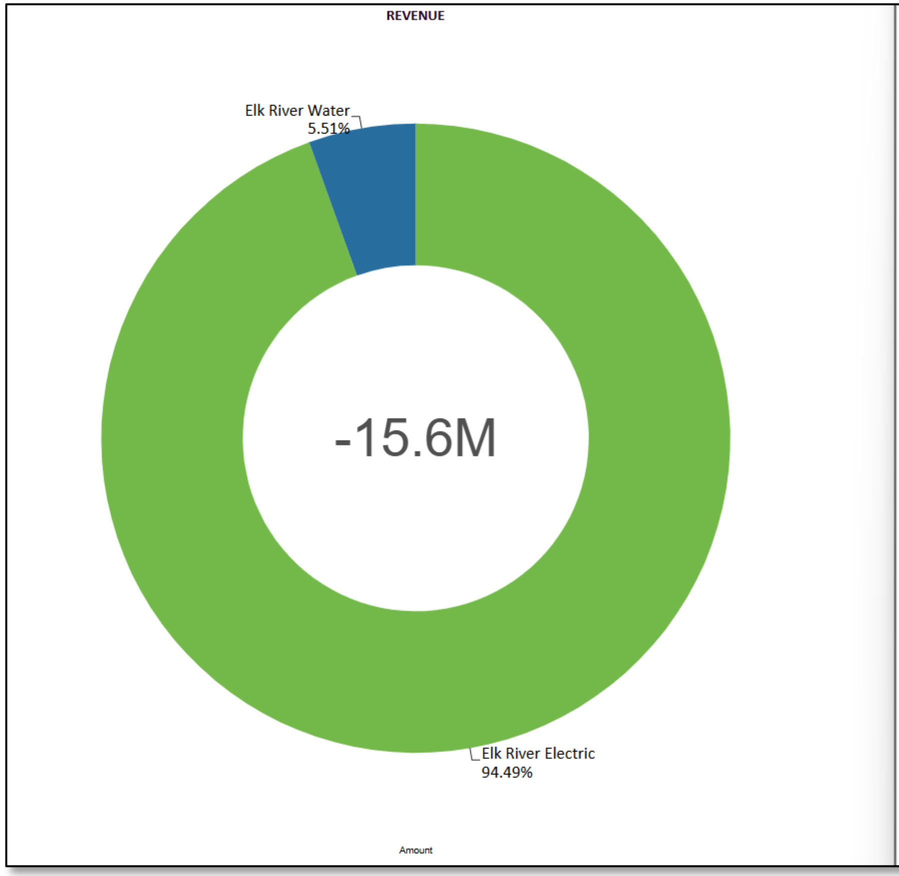
Profit (Loss) & Profit Margins %
Jan 2026 - Apr 2026

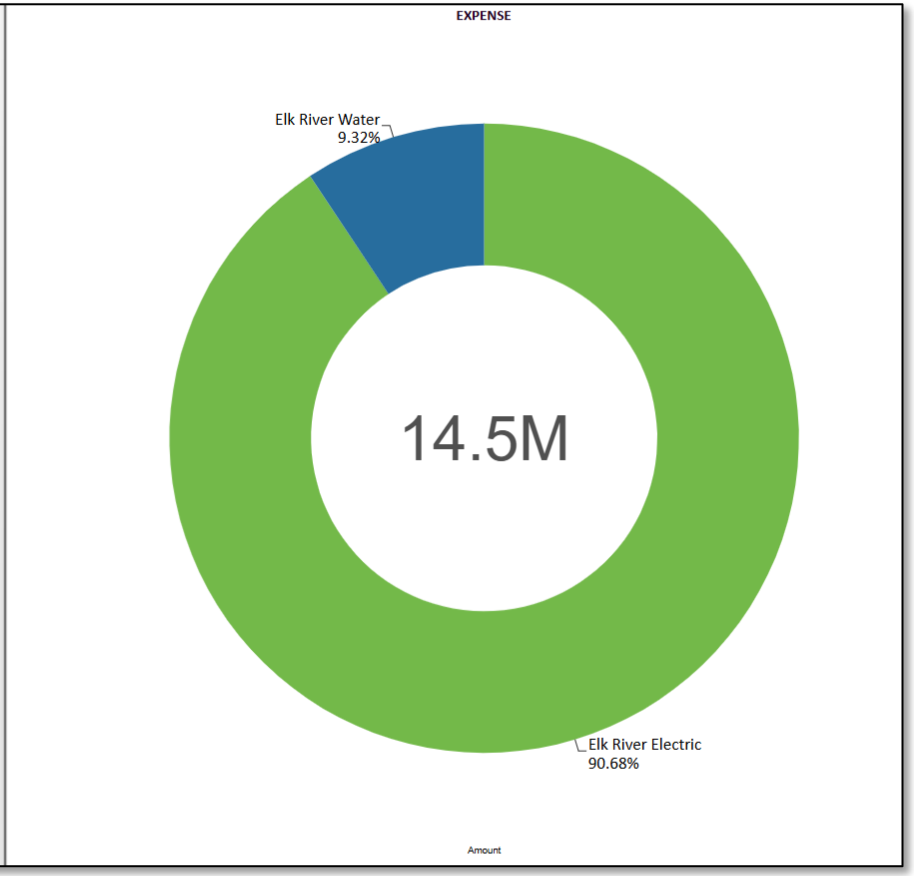
($495,800)

(57.64%)

Revenue	Expense
$860,145	$1,355,945

Revenue vs Expense (YTD)





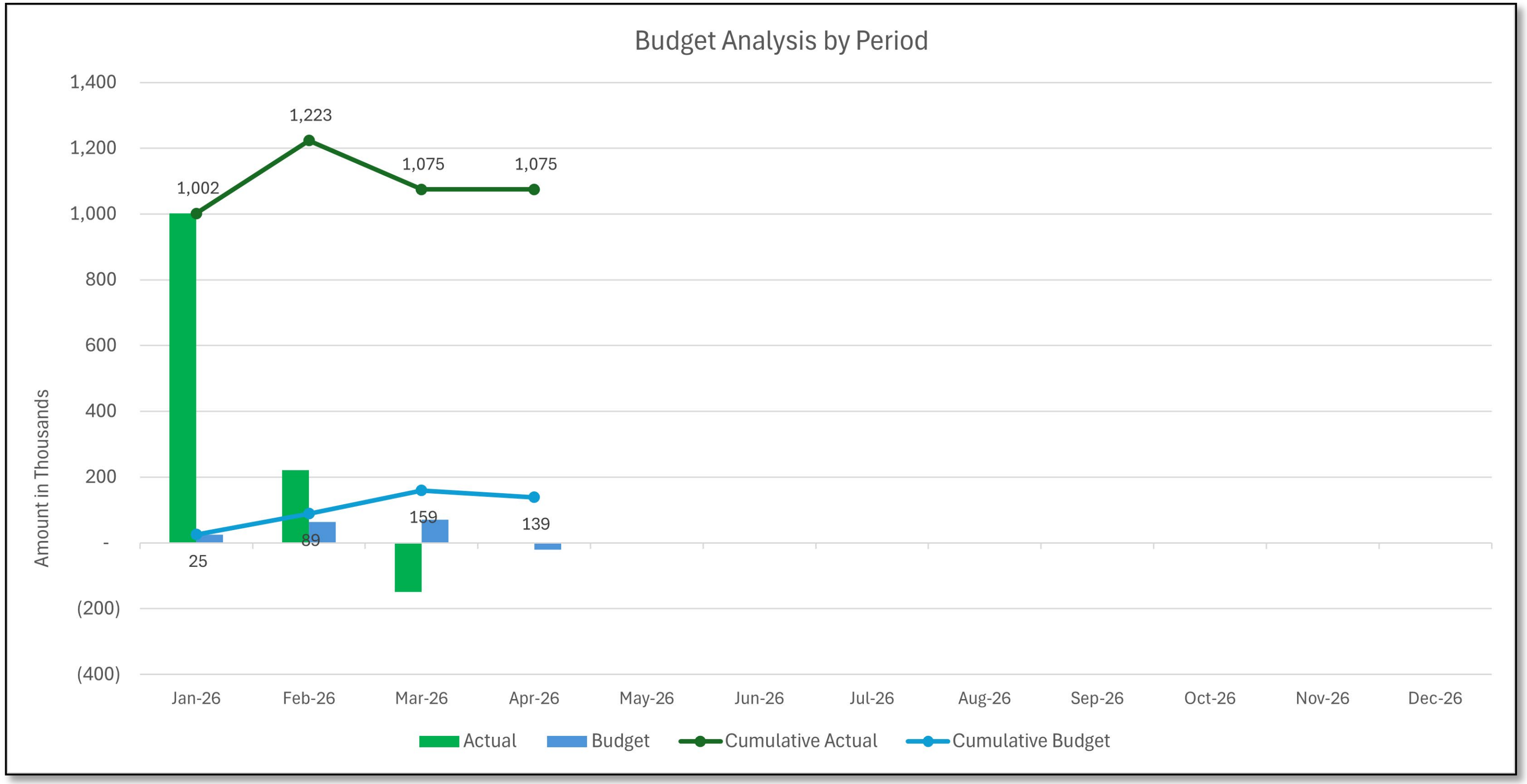
REVENUE

EXPENSE

Purpose: To compare revenue vs expense by utility service.

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

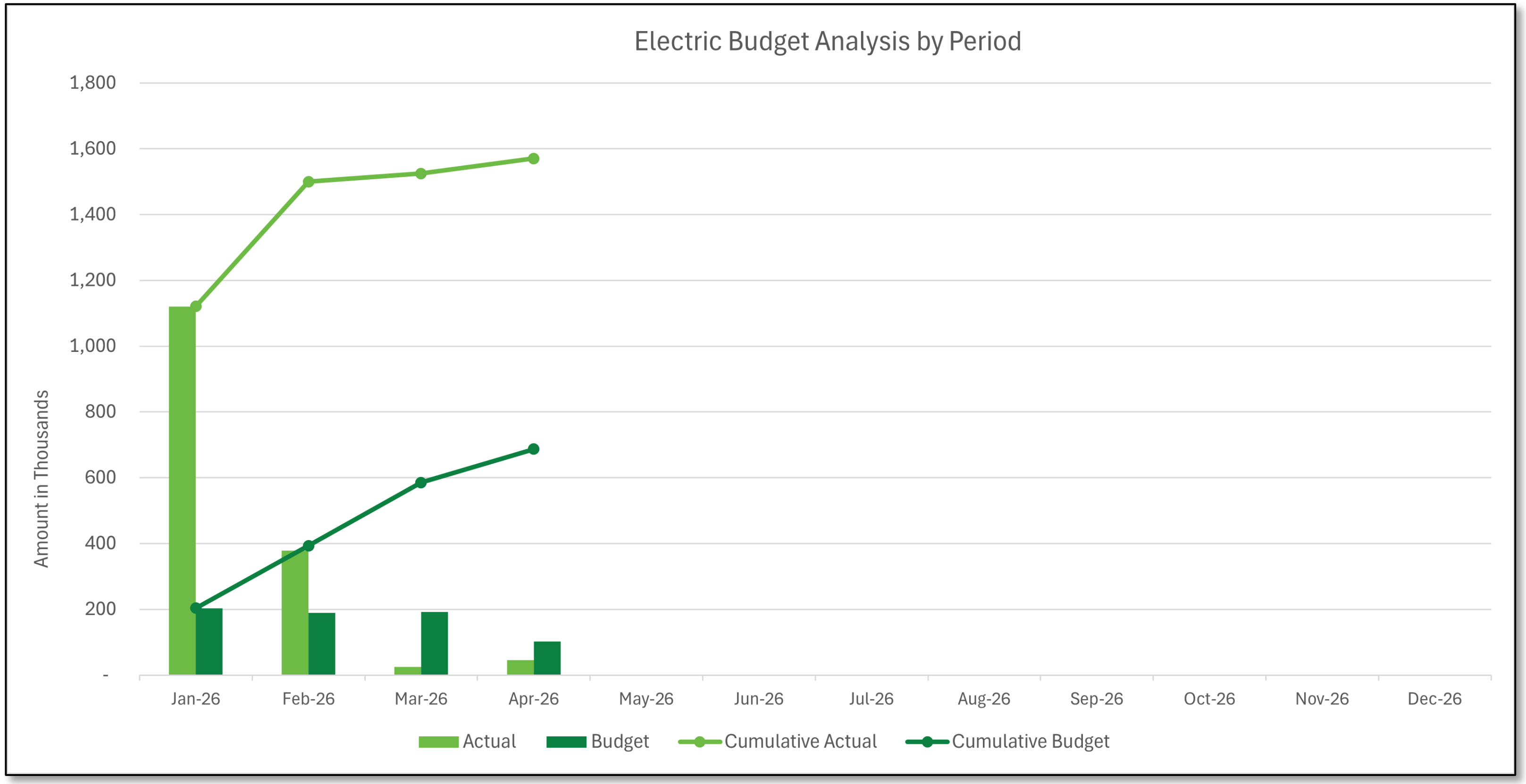
YTD Actuals to Budget Comparison



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

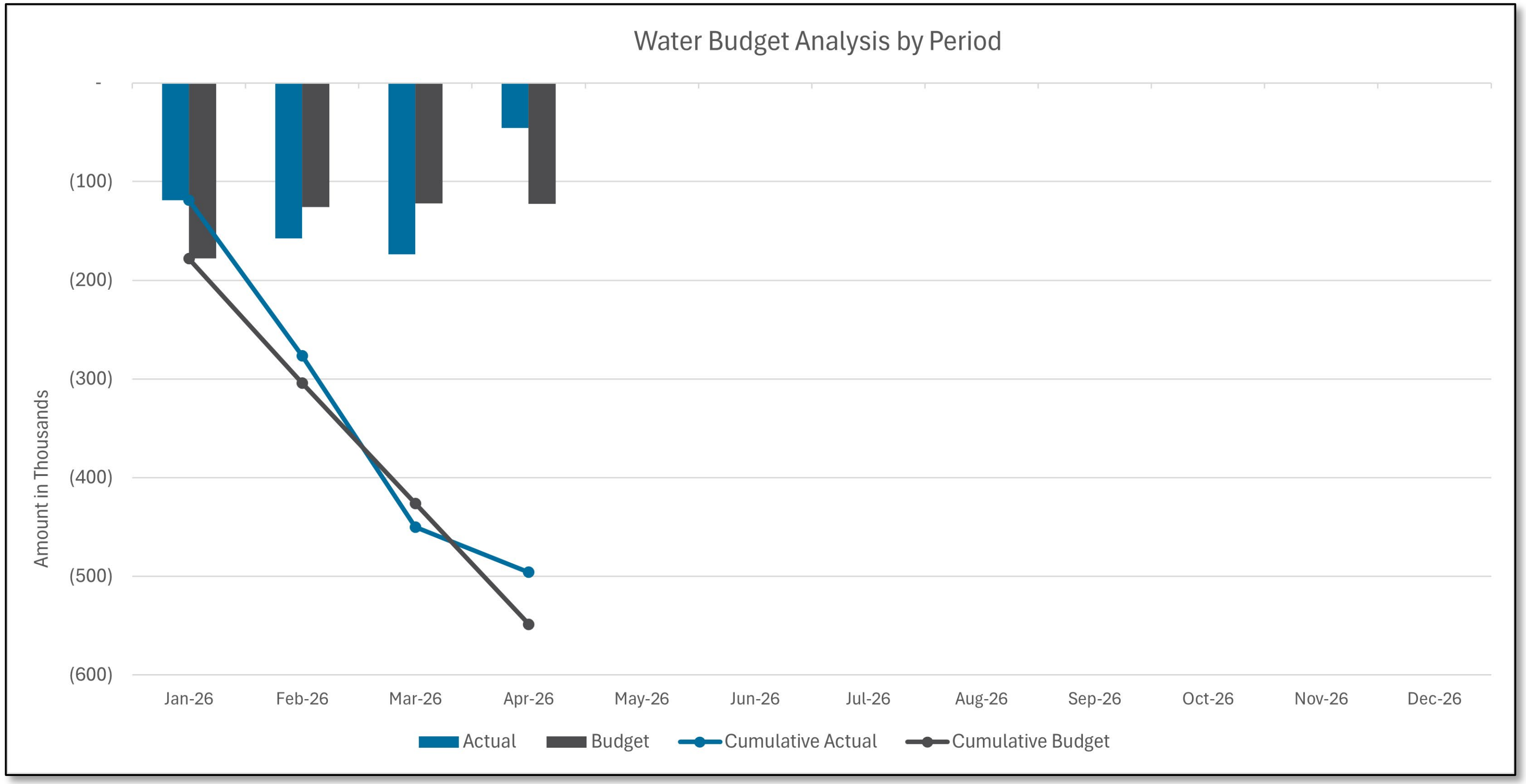
Electric YTD Actuals to Budget Comparison



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

- YTD Electric is **favorable** to budget

Water YTD Actuals to Budget Comparison

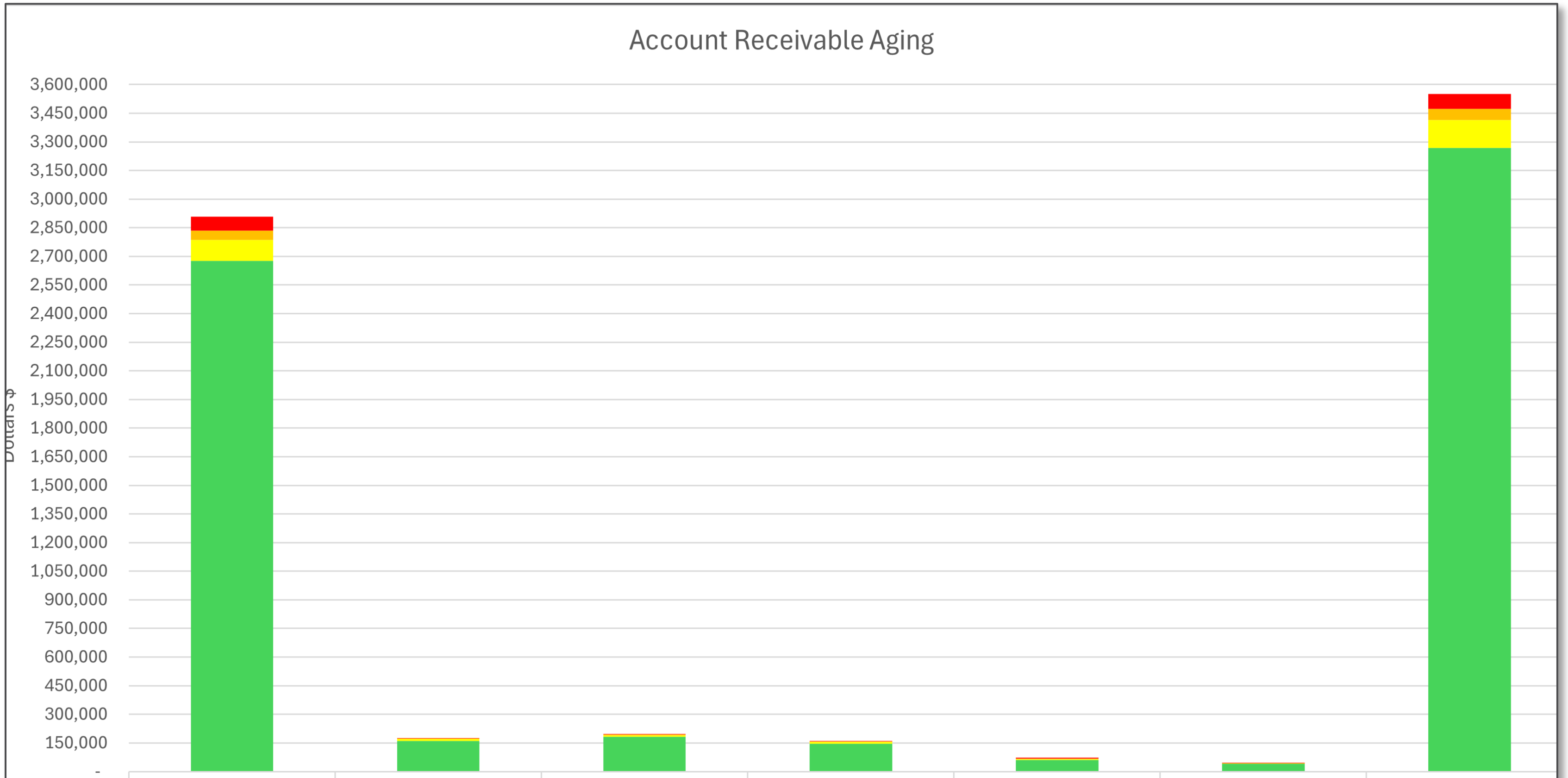


Purpose: To illustrate Water's net position actuals versus budgeted amounts.

- YTD Water is **favorable** to budget

Elk River Municipal Utilities

Accounts Receivable-Utility Aging 4/30/2026



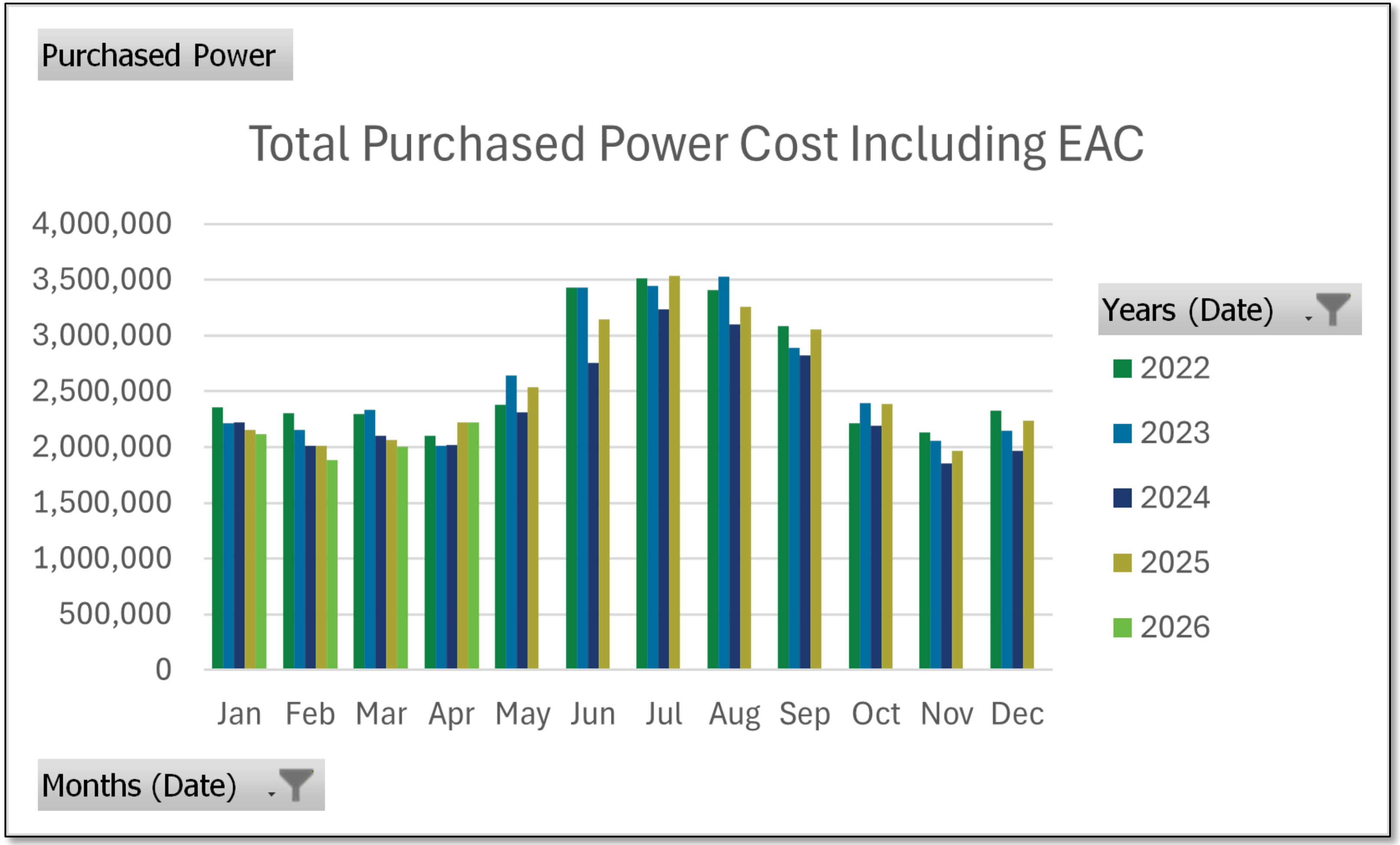
	Electric	Water	Sewer	Trash	Franchise Fee	Storm Water	Total
90+ days	70,853	748	664	973	5,466	185	78,888
60 days	49,426	1,477	2,499	2,306	1,923	450	58,081
30 days	110,907	10,527	9,635	9,492	4,621	1,877	147,060
Current AR	2,675,564	161,580	181,332	145,608	61,871	41,775	3,267,730

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

- City services make up $471k of total A/R balances of $3.552M
- Over 90 days is only 2% of total A/R compared to 92% being current

GREEN IS GOOD!

Electric Department – Purchased Power

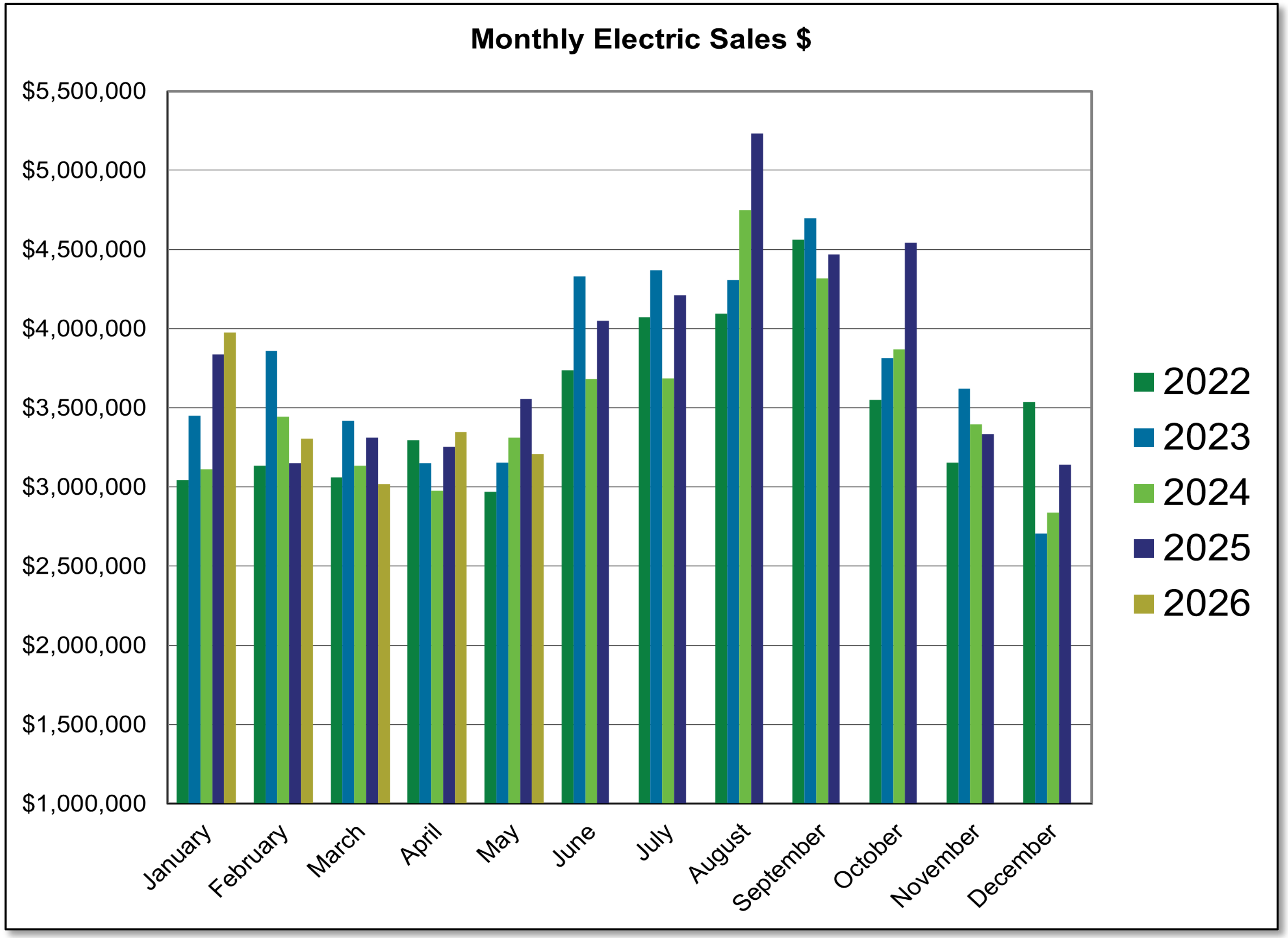


Purpose: To illustrate 5-year comparison in purchased power costs.

- Purchased power 2026 YTD is approximately 62% of total expenses.
- 2026 YTD purchased power is favorable to budget 9%.
- 2026 expense is 3% less than 2025. YTD 2026 is $230k less than 2025. 3% higher kWh ***purchased*** but 27% less EAC charges.

Elk River Municipal Utilities

Electric Department – Electric Usage Sales

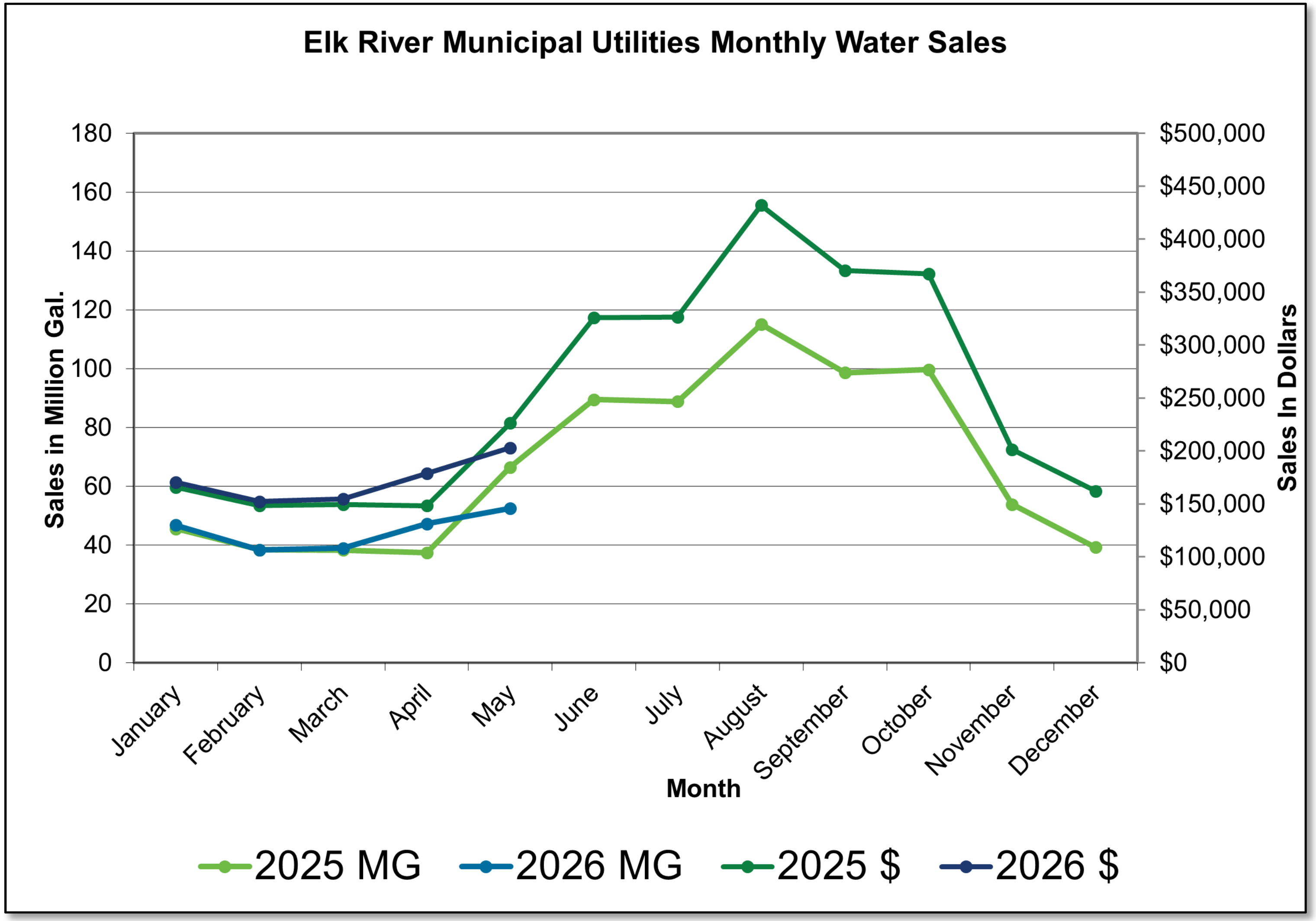


Purpose: To illustrate a 5-year comparison in electric usage sales.

- Usage can vary greatly from year to year with weather being a primary factor.
- Electric kWh usage is 4% higher in 2026 as compared to 2025. YTD sales revenue is 1% lower (due to PCA).
- ***Through May 2026***

Elk River Municipal Utilities

Water Department – Water Usage 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 down 1% YTD, and sales revenue is up 2% YTD over prior year.
- ***Through May 2026***

Elk River Municipal Utilities

Thank You!

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

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

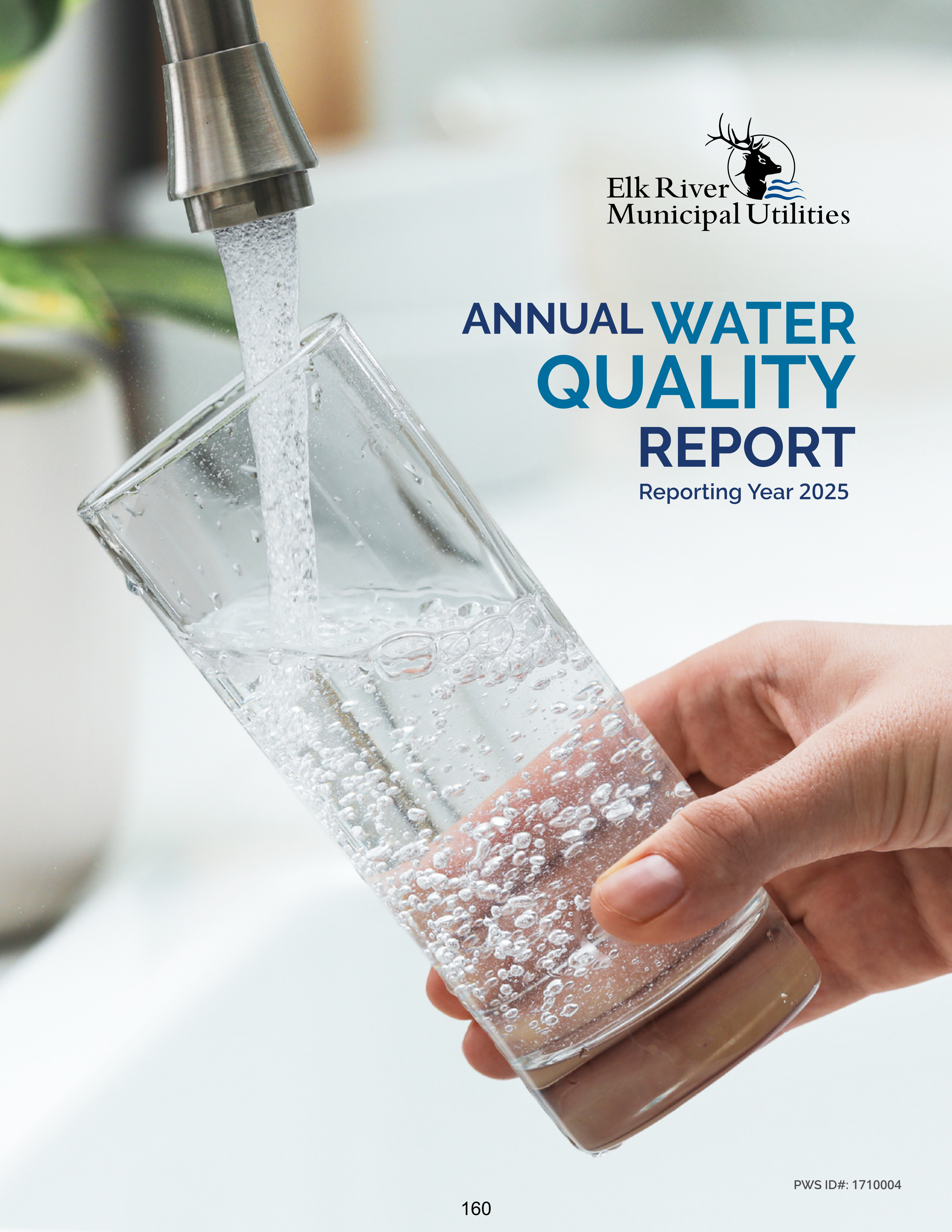
TO: ERMU Commission	FROM: Dave Ninow – Water Superintendent
MEETING DATE: June 9, 2026	**AGENDA ITEM NUMBER:** 5.2
SUBJECT: 2025 Consumer Confidence Report	
ACTION REQUESTED: Receive and file the 2025 Consumer Confidence Report	

DISCUSSION:
The ERMU Consumer Confidence Report (CCR), also known as Water Quality Report, for the 2025 testing year has been added to our website and a notice that it is available to water customers will be included as a bill print message on the June bills. An email notification to paperless customers has also been scheduled for June. We have once again opted to utilize the web version to satisfy the Minnesota Department of Health (MDH) notification requirement. We are required by the MDH to include specific text on water quality and health information. Beyond the scope of water testing, we have the option of adding further topics for customer education and awareness.

This year communications and water department staff collaborated to produce the CCR in house, which offers a more thoroughly branded final product and a quicker turn around, while also removing the need to pay a third-party contractor to create the document. With this new template in place the process will be even easier in the years to come.

Link to the 2025 CCR: https://www.ermumn.com/services/water/water-quality-report.

ATTACHMENTS:
- 2025 Consumer Confidence Report



Elk River Municipal Utilities

ANNUAL WATER QUALITY REPORT

Reporting Year 2025

PWS ID#: 1710004

Learn More About Your Water

Elk River Municipal Utilities (ERMU) provides high-quality drinking water from a groundwater source, the Mount Simon-Hinckley Aquifer. Our system includes eight wells, 225–454 feet deep; six have treatment facilities to remove iron and manganese. We operate four water towers, nearly 125 miles of water main, more than 1,300 fire hydrants, and nearly 3,000 valves. In 2025, ERMU pumped over 867 million gallons of water and are proud to serve more than 5,800 customers.

Contact Dave Ninow, Water Superintendent, at **763.441.2020** or **dninow@ermumn.com** if you have any questions about ERMU's drinking water.

The U.S. Environmental Protection Agency sets safe drinking water standards. These standards limit the amounts of specific contaminants allowed in drinking water. This ensures that tap water is safe to drink for most people. The U.S. Food and Drug Administration regulates the amount of certain contaminants in bottled water. Bottled water must provide the same public health protection as public tap water.

Drinking water, including bottled water, may reasonably be expected to contain at least some small amounts of contaminants. The presence of contaminants does not necessarily indicate that water poses a health risk. More information about contaminants and potential health effects can be obtained by visiting the website **epa.gov/safewater**.

Important Health Information

Some people may be more vulnerable to contaminants in drinking water than the general population. Immuno-compromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and infants can be particularly at risk from infections. These people should seek advice about drinking water from their health care providers. EPA/CDC guidelines on appropriate means to lessen the risk of infection by Cryptosporidium and other microbial contaminants are available from the EPA website **epa.gov/safewater**

Drinking Water Sources

The sources of drinking water (both tap and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs and wells. As water travels over the surface of the land or through the ground, it dissolves naturally occurring minerals and, in some cases, radioactive material, and can pick up substances resulting from the presence of animals or from human activity.

Contaminants that may be present in source water include:

Microbial contaminants, such as viruses, bacteria, and parasites. Sources include sewage treatment plants, septic systems, agricultural livestock operations, pets, and wildlife.

Inorganic contaminants include salts and metals from natural sources (e.g. rock and soil), oil and gas production, mining and farming operations, urban stormwater runoff, and wastewater discharges.

Pesticides and herbicides are chemicals used to reduce or kill unwanted plants and pests. Sources include agriculture, urban stormwater runoff, and commercial and residential properties.

Organic chemical contaminants include synthetic and volatile organic compounds. Sources include industrial processes and petroleum production, gas stations, urban stormwater runoff, and septic systems.

Radioactive contaminants such as radium, thorium, and uranium isotopes come from natural sources (e.g. radon gas from soils and rock), mining operations, and oil and gas production. The Minnesota Department of Health provides information about your drinking water source(s) in a source water assessment, including:

- How Elk River is protecting your drinking water source(s).
- Nearby threats to your drinking water sources.
- How easily water and pollution can move from the surface of the land into drinking water sources, based on natural geology and the way wells are constructed.

Find your source water assessment at Source Water Assessments **(www.health.state.mn.us/communities/environment/water/swp/swa.html)** or call 651.201.4700 between 8:00 a.m. and 4:30 p.m., Monday through Friday.

Source Water Assessment and Wellhead Protection Plans

People in Minnesota get their drinking water from groundwater, lakes, and rivers. The Minnesota Department of Health (MDH) works with communities to protect these water resources. Communities identify possible risks and take steps to prevent problems. Examples of risks include unused wells, urban pollutants, farm nutrients, storage tanks, lawn chemicals, hazardous waste, and uncontrolled land development.

To help protect local water, each community has a Source Water Assessment Plan.

> This plan shows the area around ERMU's water sources where pollution, if present, could travel and reach our drinking water.

It also lists possible sources of pollution in that area and explains how vulnerable our water supply is to those risks. To view ERMU's source water assessment visit: **www.health.state.mn.us/divs/eh/water/swp/swa**

In addition, ERMU's Wellhead Protection Plan helps safeguard drinking water by managing potential sources of contamination. As part of this plan, ERMU follows best practices to keep our community's water safe, including investigating possible contamination and educating customers about their role in protection. One important step residents can take is properly sealing unused wells, since old or abandoned wells can provide a direct path for pollutants to reach groundwater.

To review the Wellhead Protection Plan or learn more about sealing unused wells, visit our website at **ermumn.com/news-education/water-education/wellhead-protection**

Lead in Drinking Water

Lead can cause serious health problems, babies, children under six years, and pregnant women are at the highest risk. You may be in contact with lead through paint, water, dust, soil, food, hobbies, or your job. There is no safe level of lead.

Lead in drinking water is primarily from materials and components associated with service lines and home plumbing. Our water system is responsible for proving high quality drinking water and removing lead pipes from service lines but cannot control the variety of materials used in plumbing components in your home. You can take responsibility by identifying and removing lead materials within your home plumbing and taking steps to reduce your family's risk.

Read below to learn how you can protect yourself from lead in drinking water.

1. **Run Your Tap:** Flush pipes for several minutes before using water for drinking or cooking, especially if unused for a while. Homes with lead service lines may need longer flushing. Showers, laundry, or dishes help move water but don't replace flushing before drinking. Test to confirm flushing reduces lead.
2. **Check Your Service Line:** Contact your water system or use the Minnesota Lead Inventory Tracking Tool to learn your service line material. Use EPA's Protect Your Tap Guide to check for lead pipes at home.
3. **Use Cold Water:** Always use cold water for drinking, cooking, or making baby formula. Hot water can release more lead.
4. **Test Your Water:** If concerned, especially with young children or pregnant women at home, test your tap water. Contact a Minnesota Department of Health accredited lab for a sample kit and help with results.
5. **Treat Your Water if Needed:** If tests show high lead after flushing, use a filter certified to ANSI/NSF standards 53 and 42 for lead reduction.

More Information

- **EPA:** www.epa.gov/safewater/lead
- **MDH:** www.health.state.mn.us/communities/environment/water/contaminants/lead.html
- **Lead Poisoning Prevention: Common Sources** www.health.state.mn.us/communities/environment/lead/fs/common.html
- **MDH Drinking Water in Schools and Child Care** www.web.health.state.mn.us/communities/environment/water/schools/index.html

Note: Elk River Municipal Utilities samples and tests for lead and copper every three years to comply with the EPA's Lead & Copper Rule. The next round of sampling and testing will be in 2028.

Test Results: How to Read the Water Quality Tables

The water quality tables show the contaminants we found last year or the most recent time we sampled for that contaminant.

They also show the levels of those contaminants and the Environmental Protection Agency's limits. Substances that we tested for but did not find are not included in the tables.

We sample for some contaminants less than once a year because their levels in water are not expected to change from year to year. If we found any of these contaminants the last time we sampled for them, we included them in the tables below with the detection date.

We may have done additional monitoring for contaminants that are not included in the Safe Drinking Water Act. To request a copy of these results, call the Minnesota Department of Health at 651.201.4700 between 8:00 a.m. and 4:30 p.m., Monday through Friday.

Definitions

90% Level: 90% of samples must be below the AL.

AL (Action Level): The concentration of a contaminant which, if exceeded, triggers treatment or other requirements which a water system must follow.

EPA: Environmental Protection Agency

MCL (Maximum contaminant level): The highest level of a contaminant that is allowed in drinking water. MCLs are set as close to the MCLGs as feasible using the best available treatment technology.

MCLG (Maximum contaminant level goal): The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs allow for a margin of safety.

MRDL (Maximum residual disinfectant level): The highest level of a disinfectant allowed in drinking water. There is convincing evidence that addition of a disinfectant is necessary for control of microbial contaminants.

MRDLG (Maximum residual disinfectant level goal): The level of a drinking water disinfectant below which there is no known or expected risk to health. MRDLGs do not reflect the benefits of the use of disinfectants to control microbial contaminants.

N/A (Not applicable): Does not apply.

ND (Not detected): Indicates that the substance was not found by laboratory analysis.

pCi/l (picocuries per liter): A measure of radioactivity.

ppt (parts per trillion): One part per trillion is like one drop in one trillion drops of water, or about one drop in an Olympic sized swimming pool. ppt is the same as nanograms per liter (ng/l).

ppb (parts per billion): One part per billion in water is like one drop in one billion drops of water, or about one drop in a swimming pool. ppb is the same as micrograms per liter (μg/l).

ppm (parts per million): One part per million is like one drop in one million drops of water, or about one cup in a swimming pool. ppm is the same as milligrams per liter (mg/l).

PWSID: Public water system indentification.

Range: Lowest to the highest a contaminant was detected in 2025.

Unregulated Contaminant Comparison Value: A non-enforceable, health-based benchmark used by the EPA and health agencies to interpret laboratory results from the Unregulated Contaminant Monitoring Rule (UCMR) program. These values represent concentrations at which a person drinking water is at little or no risk of harmful health effects.

Monitoring Results - Regulated Substances

LEAD AND COPPER | Tested at customer taps

Contaminant (Date, if sampled in previous year)	EPA's Ideal Goal (MCLG)	EPA's Action Level	90% of Results Were Less Than	Number of Homes with High Levels	Range of Detected Test Results	Violation	Typical Sources
Lead	0 ppb	90% of homes less than 15 ppb	2.44 ppb	0 out of 30	0 - 11.4 ppb	NO	Corrosion of household plumbing.
Copper	1.3 ppm	90% of homes less than 1.3 ppm	0.15 ppm	0 out of 30	0.04 - 0.27 ppm	NO	Corrosion of household plumbing.

INORGANIC & ORGANIC CONTAMINANTS | Tested in drinking water

Contaminant (Date, if sampled in previous year)	EPA's Ideal Goal (MCLG)	EPA's Limit (MCL)	Highest Average or Highest Single Test Result	Range of Detected Test Results	Violation	Typical Sources
Nitrate	10 ppm	10 ppm	1.2 ppm	0.00 - 1.20 ppm	NO	Runoff from fertilizer use; Leaching from septic tanks, sewage; Erosion of natural deposits.
Barium (11/05/24)	2 ppm	2 ppm	0.03 ppm	N/A	NO	Discharge of drilling wastes; Discharge from metal refineries; Erosion of natural deposit.
Xylenes	10000 ug/L	10000 ug/L	0 ug/L	N/A	NO	Discharge from petroleum factories; Discharge from chemical factories.
Gross Alpha	0 pCi/l	15 pCi/l	5.1 pCi/l	0.0 - 5.1 pCi/l	NO	Erosion of natural deposits.
Combined Radium	0 pCi/l	5 pCi/l	1.4 pCi/l	0.0 - 1.4 pCi/l	NO	Erosion of natural deposits.

CONTAMINANTS RELATED TO DISINFECTION | Tested in drinking water						
Substance (Date, if sampled in previous year)	EPA's Ideal Goal (MCLG or MRDLG)	EPA's Limit (MCL or MRDL)	Highest Average or Highest Single Test Result	Range of Detected Test Results	Violation	Typical Sources
Total Trihalomethanes (TTHMs)	N/A	80 ppb	17.5 ppb	8.50 - 17.50 ppb	NO	By-product of drinking water disinfection.
Total Haloacetic Acids (HAA)*	N/A	60 ppb	6.8 ppb	3.10 - 6.80 ppb	NO	By-product of drinking water disinfection.
Total Chlorine	4.0 ppm	4.0 ppm	0.69 ppm	0.53 - 0.66 ppm	NO	Water additive used to control microbes.

**Total HAA refers to HAA5*

OTHER SUBSTANCES | Tested in drinking water						
Substance (Date, if sampled in previous year)	EPA's Ideal Goal (MCLG)	EPA's Limit (MCL)	Highest Average or Highest Single Test Result	Range of Detected Test Results	Violation	Typical Sources
Fluoride	4.0 ppm	4.0 ppm	0.75 ppm	0.70 - 0.80 ppm	NO	Erosion of natural deposits; Water additive to promote strong teeth.

UNREGULATED/EMERGING CONTAMINANTS | Tested in drinking water			
Contaminant	Comparison Value	Highest Average or Highest Single Test Result	Range of Detected Test Results
Sodium* (2024)	20 ppm	3.32 ppm	3.16 - 3.32 ppm
Sulfate (2024)	500 ppm	8.34 ppm	2.89 - 8.34 ppm
Perfluorobutanoic Acid (PFBA)	7000 ppt	2.35 ppt	0.00 - 2.50 ppm

**Note that home water softening can increase levels of sodium in your water.*

Monitoring Results - Unregulated Substances/Emerging Contaminants

In addition to testing drinking water for contaminants regulated under the Safe Drinking Water Act, we sometimes also monitor for contaminants that are not regulated. Unregulated contaminants do not have legal limits for drinking water. MDH, EPA, and other health agencies may have developed comparison values for some of these compounds. Some of these comparison values are based solely on potential health impacts and do not consider our ability to measure contaminants at very low concentrations nor the cost and technology of prevention and/or treatment. These values may be set at levels that are costly, challenging, or impractical for a water system to meet (for example, large-scale treatment technology may not exist for a given contaminant). Sample data are listed along with comparison values in the table below; it is important to note that these comparison values are not enforceable.

Detection alone of a regulated or unregulated contaminant should not cause concern. The significance of a detection should be determined considering current health effects information. We are often still learning about the health effects, so this information can change over time.

A person drinking water with a contaminant at or below the comparison value would be at little to no risk for harmful health effects. If the level of a contaminant is above the comparison value, people of a certain age or with special health conditions-like a fetus, infants, children, elderly, and people with impaired immunity—may need to take extra precautions. We are notifying you of the unregulated/emerging contaminants we have detected as a public education opportunity.

Unregulated contaminant monitoring helps EPA to determine where certain contaminants occur and whether the Agency should consider regulating those contaminants in the future.

- More information is available on MDH's A-Z List of Contaminants in Water **(https://www.health.state.mn.us/communities/environment/water/contaminants/index.html)**
- Fourth Unregulated Contaminant Monitoring Rule (UCMR 4) **(https://www.health.state.mn.us/communities/environment/water/com/ucmr4.html)**
- Fifth Unregulated Contaminant Monitoring Rule **(https://www.epa.gov/dwucmr/fifth-unregulated-contaminant-monitoring-rule)**
- EPA has developed a UCMR5 Program Overview Factsheet **(https://www.epa.gov/system/files/documents/2022-02/ucmr5-factsheet.pdf)** describing UCMR 5 contaminants and standards.

In the past year, your drinking water may have tested for additional unregulated contaminants as part of the Fifth Unregulated Contaminant Monitoring Rule **(https://www.epa.gov/dwucmr/fifth-unregulated-contaminant-monitoring-rule)** and results are still being processed. The Unregulated Contaminant Monitoring Rule 5 (UCMR 5) Data finder allows people to easily search for, summarize, and download the available UCMR 5 analytical results **(https://www.epa.gov/dwucmr/fifth-unregulated-contaminant-monitoring-rule-data-finder)**

Service Line Material Inventory

Elk River has completed and submitted its water service line materials inventory to the Minnesota Department of Health (MDH). To view the material of your service line, visit the Lead Inventory Tracking Tool (LITT): **https://maps.umn.edu/LSL**

In Elk River, property owners are responsible for their water service lines. More information about ownership can be found here: **https://www.ermumn.com/about-us/news-education/featured-news/utility-equipment-who-owns-what**

In 2025, MDH required all public water systems to notify customers whose service lines are made of lead, galvanized metal, or whose material is unknown. Elk River Municipal Utilities (ERMU) completed this notification process in December 2025.

If you have questions about your water service line, please contact ERMU at 763.441.2020 during regular business hours.

Lawn Watering Tips

In Elk River, overwatering is the leading cause of high water bills and accounts for the largest share of residential water use. To reduce waste, water your lawn for shorter periods more frequently. Run each irrigation zone for about 15 minutes. If your lawn needs additional water, repeat the cycle in the evening for another 5 to 15 minutes. This approach allows grass roots time to absorb moisture effectively and promotes a healthy, green lawn.

Watering too much at once can cause water to drain below the root zone or run off into streets and storm drains wasting both water and money.

The City of Elk River's Code of Ordinances also establishes the following permanent restrictions on public water use:

- No lawn sprinkling between 10 a.m. and 6 p.m.
- Lawn watering is limited to odd/even days based on your property address

These measures help ensure adequate water supply for fire protection, as well as overall community health and safety.

Backflow & Cross-Connection Prevention

Backflow can allow bacteria and chemicals from contaminated sources to enter the drinking water supply. This can happen at cross-connections—points where drinking water systems connect with non-drinking water sources—when there are changes in water pressure.

ERMU is committed to providing safe, reliable drinking water. Preventing backflow is an important part of that effort, and it's a shared responsibility. If you have a backflow prevention device, please notify ERMU so you can be included in our free inspection program.

To learn more about protecting your drinking water, scan the QR code or visit **https://www.ermumn.com/services/water/backflow-cross-connection-prevention.**

ERMU Programs & Rebates

Elk River Municipal Utilities offers a variety of rebates designed to help the environment by providing an incentive for customers to conserve natural resources.

When you are shopping, look for the Energy Star and WaterSense labels. These products are certified to use at least 20 percent less water, save energy, and perform as well as or better than regular models.

For full details on available rebates and access to print or online rebate applications visit **ermumn.com/programs-rebates** or **scan the QR code.**

Elk River Municipal Utilities

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Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	FROM: Mark Hanson – General Manager
MEETING DATE: June 9, 2026	**AGENDA ITEM NUMBER:** 5.3
SUBJECT: Revised Market-Based Electric Service Agreement for 19178 Industrial Boulevard NW	
ACTION REQUESTED: Approve the revised 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 May meeting, the Commission approved an electric service agreement (ESA) for a potential 33-megawatt data center project located in an existing building at 19178 Industrial Boulevard NW. The agreement outlines the terms regarding necessary infrastructure upgrades, payment schedules, operational terms, and applicable rates.

DISCUSSION:
As expected, our power provider, Minnesota Municipal Power Agency (MMPA), has developed a new rate plan for distribution connected large loads. Staff have worked with legal counsel and the potential customer at 19178 Industrial Boulevard to develop mutually agreeable terms to incorporate MMPA's new rate plan into the ESA. Staff have also worked with both parties to include the necessary terms for the procurement of the second substation transformer authorized at the May meeting. Finally, the attached revision includes more specific language regarding the use of backflow prevention equipment where the domestic water line connects to the cooling system.

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:
- Revised 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~~July, 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.

Infrastructure Addition means modifications to infrastructure, prompted by the load increase on the system~~,~~ to allow for future system growth, i.e., replacement of the existing West Bank 2 transformer with a larger transformer.

Letter of Intent has the meaning provided in the recitals.

Load Factor shall mean: [billing period kWh / (number of days of billing period x 24 hours per day x peak demand)] x 100% = % 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: (1) Delivery of the first scheduled payment of estimated Infrastructure Costs on or before July 15~~June 3~~, 2026, as provided in Section 8.8; and (2) Approval by the Elk River City Council of the Conditional Use Permit for the Project.

Until these conditions precedent have 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 monthly 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. <u>Maximum Permitted Load</u>. 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. <u>Planned Outages and Operations Updates.</u> 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. <u>Customer's Failure to Take</u>. 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. <u>Minimum Load Factor</u>. 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. <u>Resale Prohibited.</u> As a retail end user under Minnesota law, the Customer is prohibited from reselling any power or energy under this Agreement.

5.12. <u>Conservation Improvement Plan.</u> 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. <u>All Requirements.</u> 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. <u>Tariff</u>. 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. <u>Emergency Interruptions; Curtailment.</u> 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. <u>Planned Interruptions.</u> 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. <u>Force Majeure.</u> 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. <u>Force Majeure Exceptions</u>. 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. <u>Wholesale Provider Coordination</u>. 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 electric 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~~differently, ERMU will send two~~a~~ billing statements, in addition to the prepayment process, 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. One billing statement will detail the Customer's energy usage and associated ancillary service charges, demand charges, and conservation improvement plan charges as applicable. The second billing statement will detail the usage and fees for all other provisions of this Agreement and the Tariff. If prepayment is required, then 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. <u>Delinquent Amounts; Disconnect.</u> 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. <u>Amounts Owing.</u> 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. <u>Reconnection Request.</u> 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. <u>Billing Disputes.</u> 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. <u>Unconditional Payment Obligation.</u> 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. <u>INFRASTRUCTURE COSTS AND CONSTRUCTION.</u>

8.1. <u>Infrastructure Modification Plans</u>. 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. ERMU shall bear all cost of the Infrastructure Addition. If agreed upon in writing, Customer may initially bear the cost for procurement of the new transformer required for the Infrastructure Addition with such costs to offset any owed Infrastructure Costs, consistent with Sections 8.9 and 8.10. Receipt(s) documenting Customer expenses paid to vendor for the second transformer must be included with any requested offsets to 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." Customer understands and agrees that any domestic water service connection to Customer's cooling system must utilize appropriate backflow prevention equipment as required by state plumbing code and other applicable regulatory standards. 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 the Termination Payment under 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 reasonably 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.]

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

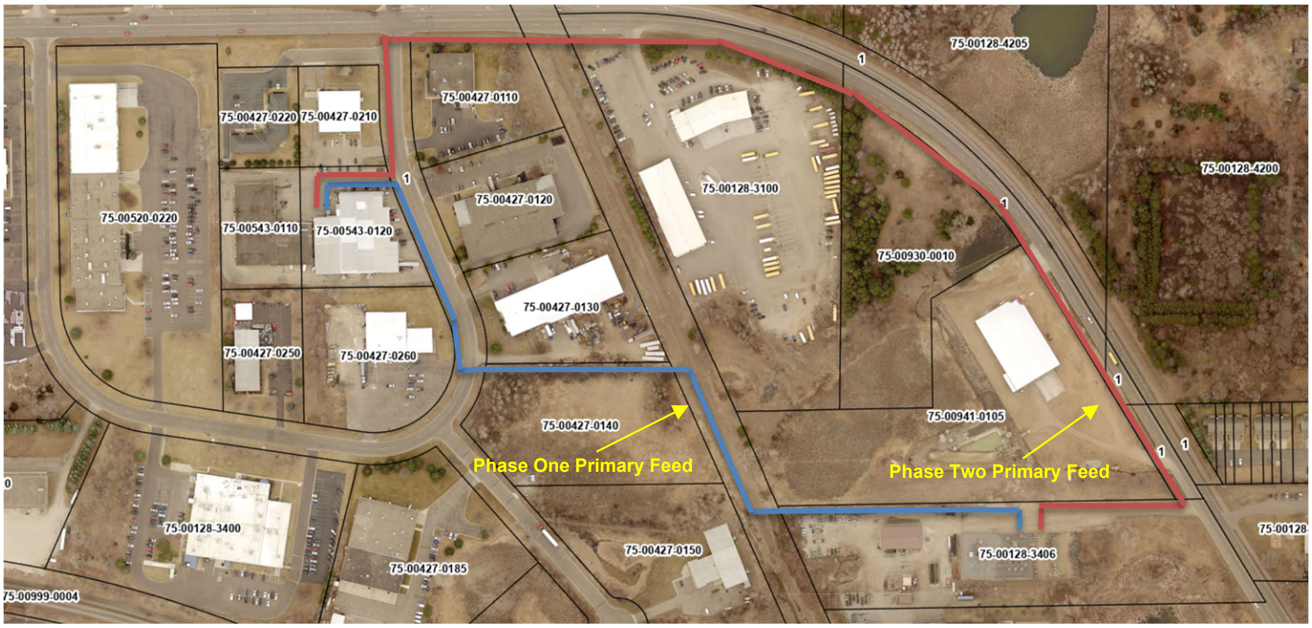
By: ____
Nedal Abdul-Hajj

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.



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

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
	Infrastructure Addition (West Bank 2 Transformer Procurement)	$1,800,000	0%	$0.00
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
		$_________		$_________

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	FROM: Mark Hanson - General Manager
MEETING DATE: June 9, 2026	**AGENDA ITEM NUMBER:** 5.4
SUBJECT: Streetlight Maintenance Agreement between ERMU and the City of Elk River	
ACTION REQUESTED: Approve the revised Streetlight Maintenance Agreement between ERMU and the City of Elk River	

BACKGROUND:
At the November 11, 2025, commission meeting, commission members approved revisions to Commission Policy G.2a1, Payment in Lieu of Taxes (PILOT) and Other Donations to the City of Elk River. The revisions included an increase to ERMU's revenue transfer to the City of Elk River from 4.0% to 5.0%. Included as a condition of the 1.0% increase to the PILOT revenue transfer was that ERMU would begin billing the City of Elk River for all electricity for streetlights and signal lights. Similarly, ERMU was to begin billing the City of Elk River for labor costs associated with specific tasks such as hanging banners, maintenance of street lighting and warning sirens, and the re-lamping of signal lights. The intent was to eliminate the use of donated labor, making all costs transparent to both parties. Since many of these costs are listed in the Streetlight Installation and Maintenance Agreement between ERMU and the City, the agreement must be revised as well.

DISCUSSION:
Staff from ERMU and the City worked together to develop the attached revisions to the Streetlight Maintenance Agreement.

Cost Allocation: Starting in 2027, ERMU will begin billing the City on a per fixture basis for all streetlights. This change makes the billing of Elk River's streetlights consistent with how we currently bill Otsego and Dayton for their streetlights. We will continue billing trail lights and semaphores using a metered rate as we are now. Similarly, ERMU will continue donating labor for the maintenance of trail lights and semaphores in accordance with the existing agreement.

Attachment of Brackets: The city no longer wishes to partner with ERMU and the Downtown Elk River Business Association (DERBA) for the hanging of planters and holiday decorations on designated downtown streetlight poles, so those sections have been removed from the agreement. Based on recent conversations, it is likely the Economic Development Authority (EDA) will assume the City's former role in those efforts. ERMU and EDA staff will work with DERBA representatives to develop a draft memorandum of understanding that will document the respective roles and responsibilities of each organization.

Attachment of Flags: Staff will continue to work with the American Legion to install American flags in the summer months. That section has been deleted at the request of the City since they do not have a role in ERMU's partnership with the Legion.

The attached redlined agreement reflects the changes described above. A clean policy along with the appendices is also attached. Staff request Commission approval of the proposed revisions to the Streetlight Installation and Maintenance agreement.

ATTACHMENTS:

- Redline - Proposed 2026 Streetlight Installation and Maintenance Agreement
- Clean Copy - Proposed 2026 Streetlight Installation and Maintenance Agreement with appendices

STREETLIGHT INSTALLATION AND MAINTENANCE AGREEMENT
BETWEEN
ELK RIVER MUNICIPAL UTILITIES
AND
THE CITY OF ELK RIVER, MINNESOTA

This AGREEMENT, hereinafter referred to as "Agreement," is hereby made and entered effective the ~~10th day of May, 2022~~9th day of June, by and between the City of Elk River, Minnesota, hereinafter referred to as the "City" and Elk River Municipal Utilities, hereinafter referred to as "ERMU", and replaces the prior Memorandum of Understanding between the parties dated ~~January 1, 2012~~May 10, 2022.

1.0 Purpose

The purpose of this Agreement is to clarify the following with regard to streetlights, semaphores, and utility poles within the City of Elk River, Minnesota:

- The ownership of streetlights and certain trail lights within the City.
- Maintenance of semaphores within the City.
- The installation of new and replacement streetlights in existing developments.
- ~~The material and labor costs associated with the installation and removal of City-approved brackets on streetlights and utility poles.~~

2.0 Installation of New and Replacement Streetlights

ERMU shall provide as a contribution to the residents of Elk River all the material costs and labor associated with the installation of new or replacement streetlights in street improvement and rehabilitation projects located within the City. The City shall notify ERMU of street improvement or rehabilitation projects under consideration on a timely basis to provide adequate time for design and budgeting and will specify the number and location of streetlights to be installed.

Streetlights in new developments shall be installed by ERMU, pursuant to ERMU's standards.

ERMU shall take possession of streetlight fixtures and associated public improvements that meet City/ERMU standard when public improvements are accepted by the City.

3.0 Maintenance of Streetlights and Trail Lights

As owner of City streetlights, ERMU shall provide all material costs and labor associated with maintenance all of streetlights located within the City. The maintenance of streetlights will include lamping, ballasts, painting, and the locating of associated underground facilities.

ERMU shall also maintain the City owned trail lights along Trunk Highway 10 from Orono Park to Downtown Elk River as a contribution to the City, and thereby the residents of Elk River (see map

Appendix I.) The city shall pay the material cost to replace said trail lights.

4.0 Maintenance of Semaphores

ERMU shall provide as a contribution to the residents of Elk River, limited maintenance of semaphores when such public improvements are turned over to the City for public ownership. The limited maintenance of these semaphores will include lamping and the locating of associated underground facilities.

5.0 **Electric costs**

Starting in January 2026, as an offset to an increased payment in leu of taxes contribution from ERMU to the City, the City will be responsible for the electricity costs of the street and trail lighting. ERMU will bill the City for said costs on a per ~~light~~fixture or meter basis based on their standards for billing.

~~*5.0 Attachments of Brackets to Streetlights*~~

~~Upon request by City, and when deemed possible by ERMU, ERMU shall attach brackets to certain downtown streetlights within the City (see map Appendix II.) ERMU will maintain and replace the brackets as necessary and will bill the City for labor and materials.~~

~~In order to avoid unnecessary wear and tear/maintenance issues, the brackets may be used only for the following:~~

- ~~Hanging banners year round~~
- ~~Hanging planters in summer and wreath decorations during the holiday season.~~

~~The banners, plants, and wreath decorations shall be provided by the City.~~

~~ERMU will install replacement banners provided by the City when necessary, but not annually.~~

~~The City shall install, maintain, and remove the hanging planters seasonally.~~

~~ERMU will install and remove the wreaths annually, providing the labor as a contribution to the City.~~

~~*6.0 Attachment of Flags to Specified Utility Poles*~~

~~Flags will be installed on specific bracketed utility poles from Memorial Day to Labor Day in the *Mississippi Connections* designated downtown (see map Appendix III.) Flags will be provided by the City and installed and removed by ERMU.~~

~~7~~6.0 Termination of Agreement

This Agreement, which replaces the existing May 2022 Agreement, may be cancelled or terminated without cause by either party by giving (30) calendar days advance written notice to the other party. Such notification shall state the effective date of termination or cancellation. Any and all amendments must be made in writing and must be agreed to by the parties before becoming effective.

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

ELK RIVER MUNICIPAL UTILITIES

By____

John Dietz, Chair

By____

~~Theresa Slominski,~~ Mark Hanson General Manager

THE CITY OF ELK RIVER, MINNESOTA

By________________________________

John Dietz, Mayor

By________________________________

~~Tina Allard~~Justin Dunford, City Clerk

STREETLIGHT INSTALLATION AND MAINTENANCE AGREEMENT
BETWEEN
ELK RIVER MUNICIPAL UTILITIES
AND
THE CITY OF ELK RIVER, MINNESOTA

This AGREEMENT, hereinafter referred to as "Agreement," is hereby made and entered effective the 9th day of June, by and between the City of Elk River, Minnesota, hereinafter referred to as the "City" and Elk River Municipal Utilities, hereinafter referred to as "ERMU", and replaces the prior Memorandum of Understanding between the parties dated May 10, 2022.

1.0 Purpose

The purpose of this Agreement is to clarify the following with regard to streetlights, semaphores, and utility poles within the City of Elk River, Minnesota:

- The ownership of streetlights and certain trail lights within the City.
- Maintenance of semaphores within the City.
- The installation of new and replacement streetlights in existing developments.

2.0 Installation of New and Replacement Streetlights

ERMU shall provide as a contribution to the residents of Elk River all the material costs and labor associated with the installation of new or replacement streetlights in street improvement and rehabilitation projects located within the City. The City shall notify ERMU of street improvement or rehabilitation projects under consideration on a timely basis to provide adequate time for design and budgeting and will specify the number and location of streetlights to be installed.

Streetlights in new developments shall be installed by ERMU, pursuant to ERMU's standards.

ERMU shall take possession of streetlight fixtures and associated public improvements that meet City/ERMU standard when public improvements are accepted by the City.

3.0 Maintenance of Streetlights and Trail Lights

As owner of City streetlights, ERMU shall provide all material costs and labor associated with maintenance all of streetlights located within the City. The maintenance of streetlights will include lamping, ballasts, painting, and the locating of associated underground facilities.

ERMU shall also maintain the City owned trail lights along Trunk Highway 10 from Orono Park to Downtown Elk River as a contribution to the City, and thereby the residents of Elk River (see map Appendix I.) The city shall pay the material cost to replace said trail lights.

4.0 Maintenance of Semaphores

ERMU shall provide as a contribution to the residents of Elk River, limited maintenance of semaphores when such public improvements are turned over to the City for public ownership. The limited maintenance of these semaphores will include lamping and the locating of associated underground facilities.

5.0 Electric costs

Starting in January 2026, as an offset to an increased payment in leu of taxes contribution from ERMU to the City, the City will be responsible for the electricity costs of the street and trail lighting. ERMU will bill the City for said costs on a per fixture or meter basis based on their standards for billing.

6.0 Termination of Agreement

This Agreement, which replaces the existing May 2022 Agreement, may be cancelled or terminated without cause by either party by giving (30) calendar days advance written notice to the other party. Such notification shall state the effective date of termination or cancellation. Any and all amendments must be made in writing and must be agreed to by the parties before becoming effective.

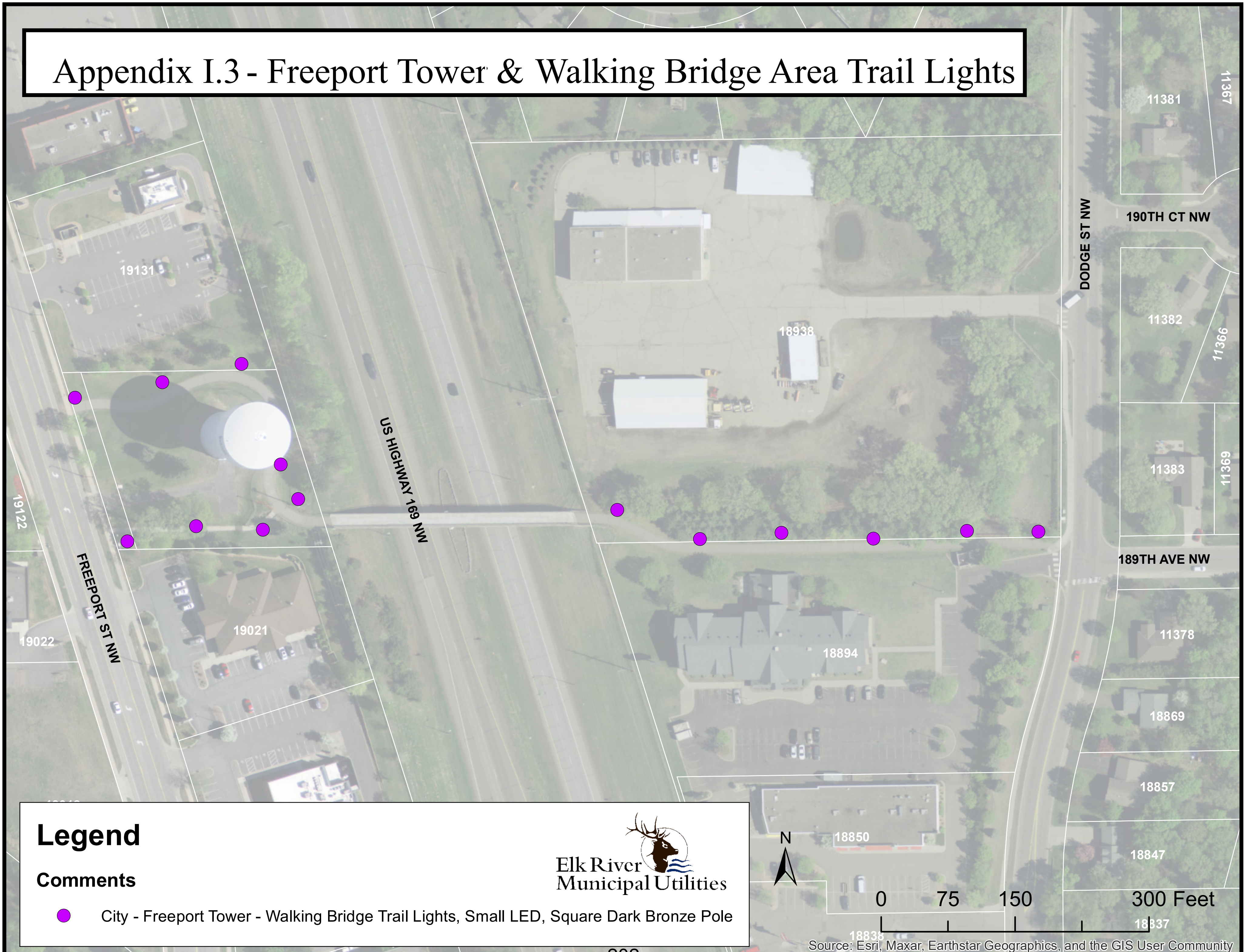
IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed by their duly authorized representatives:

ELK RIVER MUNICIPAL UTILITIES	THE CITY OF ELK RIVER, MINNESOTA
By____	By_________________________________
John Dietz, Chair	John Dietz, Mayor
By____	By_________________________________
Mark Hanson General Manager	Justin Dunford, City Clerk

Appendix 1.1 - HWY 10 Trail Lights

Appendix I.2 - Lion John Weicht Park Trail Lights

Appendix I.3 - Freeport Tower & Walking Bridge Area Trail Lights



Legend

Comments

- City - Freeport Tower - Walking Bridge Trail Lights, Small LED, Square Dark Bronze Pole

Elk River Municipal Utilities

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	FROM: Mark Hanson – General Manager
MEETING DATE: June 9, 2026	**AGENDA ITEM NUMBER:** 6.1a
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- Finance Manager Melissa Karpinski and I met with our Shakopee Public Utilities (SPU) peers to discuss large loads customers exceeding 10 megawatts. Discussion topics were specific to that customer class: Minnesota Municipal Power Agency's (MMPA) proposed rate structure, our own proposed rate structures, billing options, and performance assurance measures. Staff will continue working with SPU and MMPA to develop a proposed tariff and recommended billing procedures.
- I was invited by former General Manager Theresa Slominski to give a presentation to the Elk River Rotary Club at their Thursday, June 4, meeting. The presentation focused on who we are, recent project highlights and the potential data center. The presentation was well received with lots of positive questions about the proposed data center.
- City Administrator Cal Portner asked staff to put together a revised fact sheet (attached) addressing the proposed data center. He asked that it focus on impacts to our distribution system, not the financial risks/opportunities. He will include it in his Friday, June 5, weekly update to the City Council.
- I spoke with Fire Chief Mark Dickenson regarding the fire in Livonia Township where a large amount of ERMU water was used in their response. Chief Dickenson confirmed mutual aid response is not charged to a receiving entity unless it's for a large, multi-day effort qualifying for disaster relief. The payment in lieu of taxes (PILOT) agreement with the City includes donating water for fire response, so I do not plan on charging Livonia Township for the water use.
- Chair Dietz and I have been invited to participate on the interview panels for the process of hiring a new fire chief for the City of Elk River. The date has not been finalized but will likely be mid-June.
- The Minnesota Municipal Power Agency Board of Directors met on May 26, 2026, at Chaska City Hall in Chaska, Minnesota, and via videoconference. Commissioner Stewart and I attended. The public summary is below:
    - The Board reviewed the Agency's financial and operating performance for April 2026.

- Participation in the residential Clean Energy Choice program increased by 34 customers. Customer penetration in the program is at 6.8% of residential customers.
- The Board discussed a bond offering planned for later in 2026 to refinance existing debt and finance capital expenditures.
- The Boad discussed the Public Utilities Commission order allowing electricity produced from renewable natural gas to qualify as carbon-free, provided the life cycle carbon emissions were less than the alternative.
- The Board discussed the status of electric generation and RNG projects being pursued by the Agency.

ATTACHMENTS:

- Fact Sheet - Proposed Elk River Data Center

Fact Sheet: Proposed Elk River Data Center (19178 Industrial Blvd, 33 MW Load)

Mark Hanson, ERMU General Manager

ERMU's Existing Electric Distribution System Capacity

- Resilient: ERMU maintains a planning goal of staying below 50% of transformer capacity so 100% of a transformer's load can be transferred to another transformer if one were to fail.
- Reliable: Our primary feeder network can shift loads across multiple substations.
- System wide capacity is approximately 206 megawatts (MW).
- Existing peak system load is approximately 76 megawatts (36.8% of capacity).

ERMU's Future Electric Distribution System Capacity (2029, Post Data Center Project)

- No impact to resiliency: transformers are still <50% loaded and able to transfer 100% of load.
- No impact to reliability: feeder network can still shift loads across multiple substations.
  - 30 of 33 MW provided on dedicated feeders = no impact to existing feeder network.
- Project will use excess capacity on the existing system <u>intended</u> for future development.
- Capacity will be added as part of this project plus ERMU has previously planned projects.
  - System wide capacity will increase to approximately 280 megawatts.
  - Peak load projected to increase to roughly 112 megawatts (40.0% of capacity).
  - Data Center maintains 100% backup generation, its entire load can be offloaded at any time to support local and regional emergencies.

No Impact to ERMU's Water Distribution System

- The site will use a closed-loop cooling system, no additional water will be used for cooling.
- No domestic water connection made to the cooling system = no risk to water system.
- The closed-loop cooling systems used by Data Centers are <u>not</u> unique to Data Centers, they are used in a variety of manufacturing and industrial applications.

Will the Data Center be Noisy?

- Some noise should be expected from the cooling system's chillers and backup generators.
- Cooling systems and backup generation are common in industrial parks.
- A <u>noise study</u> is being completed to ensure noise levels meet ordinance requirements.

The project would have a positive impact on Elk River's economy

- The operation is expected to employ 40 full-time individuals on a permanent basis.
- The project would renovate and reuse an existing, vacant industrial building.
- The projected 50% increase in energy sales would stabilize rates, increase ERMU's financial reserves and capital project funding, and increase ERMU's financial contribution to the City.
- All ERMU infrastructure upgrades and power connections are 100% funded by the developer.

This project is considerably <u>smaller</u> than the hyperscale projects proposed nearby

- Those projects include buildings of one million or more SF, on hundreds of acres of land.
- Hyperscale projects often use open-loop cooling requiring significant amounts of water and have electric demands of several hundred megawatts.

Characteristic	Two Existing Sites (built 2006 & 2007)	Proposed	Nearby Cities
Property Size	20-26 Acres	3.23 Acres	100-550 Acres
Building Size	160,000–240,000 SF	60,000 SF	1.3–3.0 Million SF
Cooling Type	Open Loop	Closed Loop	Open Loop
Requested Demand	10-20 MW	33 MW	150–500+ MW

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	FROM: Sara Youngs – Administrations Director
MEETING DATE: June 9 ,2026	**AGENDA ITEM NUMBER:** 6.1b
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- Office walk-in traffic for May consisted of 157 customers, averaging 40 customers per week over the four-week period.
- ERMU disconnections for May
    - Cycle 1 – 36 disconnections
    - Cycle 2 – 16 disconnections
    - Cycle 3 – 25 disconnections
    - Cycle 4 – 7 disconnections
- Currently there is one active residential solar photovoltaic project planned or under construction in the ERMU service territory.
- ERMU's billing specialist participated in Meter Data Management (MDM) training through National Information Solutions Cooperative (NISC). This training provided additional development and hands-on experience with MDM as part of the Advanced Metering Infrastructure implementation process.
- Final interviews for the IT/OT Specialist position have been completed. An offer has been extended and accepted, and we are currently awaiting completion of the final background checks.
- 2026 Goal Check-Ins were completed, and staff continue to identify growth and development opportunities.
- Staff is finalizing a City of Elk River franchise fee audit.
- Frontier Energy has filed ERMU's annual Energy Conservation & Optimization filing.

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	**FROM:** Melissa Karpinski – Finance Manager
MEETING DATE: June 9, 2026	**AGENDA ITEM NUMBER:** 6.1c
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- Annual surveys and required regulatory reports continue to be completed.
- Staff is awaiting the premium quote for the upcoming Property & Casualty Insurance renewal and will provide an update once it is received.
- I am completing the remaining Continuing Professional Education (CPE) requirements for my CPA license renewal and will complete the required 40 hours by the end of the month.

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	FROM: Tony Mauren – Governance & Communications Manager
MEETING DATE: June 9, 2026	**AGENDA ITEM NUMBER:** 6.1d
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- In June, all customers will receive the Water Quality Report (WQR) Notice and the summer 2026 edition of The Current newsletter. The water report notice is a new insert and part of a campaign organized by communications staff to ensure compliance with the Minnesota Department of Health's public notice guidelines for the WQR.
- In addition to the bill insert topic, June social media will cover ideal lawn watering, residential solar tips, the Juneteenth closure, and a commission meeting reminder.
- ERMU's Safety Training Workgroup held a meeting on Thursday, May 28. The group consists of a representative from every department who meet to review prior safety trainings and plan for the future.
- On May 20, Lead Customer Service Representative Jessica H. and Communications & Administrative Coordinator Jenny F. represented ERMU by volunteering at Elk River High School's "Bite of Reality" event. This was Jessica's third year volunteering at both Rogers High School and ERHS, and Jenny's second year at ERHS. WCCO was on site capturing students as they navigated real-world financial decisions.

ATTACHMENTS:

- Bill Insert – Water Quality Report Notice
- Bill Insert – The Current – Summer 2026

Elk River Municipal Utilities

ANNUAL WATER QUALITY REPORT

Reporting Year 2025

Your annual **Water Quality Report** has information on where your water comes from, how ERMU protects it, and the results of water samples taken in 2025.

To view the report online please visit the link below or scan the QR code.

https://irp.cdn-website.com/65ee6007/files/uploaded/2026+Water+Quality+Report.pdf

Please note physical copies are available upon request.

VISIT THE LINK
OR SCAN HERE TO
VIEW THE REPORT

Elk River Municipal Utilities

Elk River Municipal Utilities

SUMMER 2026

THE CURRENT

DISCOVER SAVINGS WITH ERMU

With programs and rebates from ERMU, it's easier than ever to save money, decrease energy usage, and conserve resources. Take a closer look at the many ways residential and commercial customers can save.

RESIDENTIAL

- Appliance and Home Efficiency
- Electric Vehicle Charger
- Heat Pumps
- HVAC Equipment
- Lighting and Lighting Controls
- Yard Tools

COMMERCIAL

- Lighting
- HVAC
- VFD and ASD Drives
- Other Equipment
- Custom Grants

Click the "Programs & Rebates" tab at ERMUMN.COM to learn more or simply scan the QR code below.

ERMU Named National Leader in Electric Reliability

Elk River Municipal Utilities (ERMU) has been awarded the Diamond Reliable Public Power Provider (RP3)® designation from the American Public Power Association (APPA), the highest level of recognition for public power utilities committed to reliability, safety, workforce development, and system improvement.

The RP3 designation is awarded based on a rigorous evaluation of utility programs, procedures, and outcomes. Criteria include reliability metrics, safety protocols, employee training, long term planning, and investment in infrastructure and system resilience. ERMU is among approximately 5% of public power utilities nationwide to earn the Diamond level, representing the top tier of performance and continuous improvement in the industry.

ERMU received its first RP3 designation in 2012 and has held the platinum level since 2020. The Diamond designation is awarded to utilities that receive a score of at least 98 points out of 100 in scoring criteria and lasts for three years.

> *"We are incredibly proud to earn this distinguished designation. Our staff is committed to providing safe, reliable, and affordable service to our community, every home, every business, every day. We see it as leading the way to a stronger community, so it's nice to see the hard work recognized on the national level."*
>
> - General Manager Mark Hanson, P.E.

Charge Into Savings with New Yard Tool Rebates

Have you heard the news? ERMU now offers rebates on qualifying battery-powered yard tools, giving homeowners an opportunity to save while upgrading to efficient outdoor equipment. Eligible products include battery-powered chainsaws, lawn mowers, leaf blowers, and trimmers. These tools are reliable, quieter than gas-powered alternatives, and easier to use and maintain, making them a smart choice for everyday yard care. Visit **ERMUMN.COM** or scan the rebate QR code to the left for more information.

City of Elk River Improves Waste Service Management

The City of Elk River has made it easier to manage your waste and recycling services with a transition to the Republic Services account management platform, replacing Recycle Coach. By creating an account on the Republic Services website (**republicservices.com/schedule**), residents can view their collection schedule, track their service truck, and access information on accepted materials.

A Republic Services mobile app is also available for download from your device's app store, allowing you to set convenient service reminders. When signing up, select that you are part of a municipal contract and follow the prompts.

SUMMER 2026
THE CURRENT

RELIABLE PUBLIC POWER PROVIDER

WATER QUALITY REPORT

Your annual Water Quality Report has information on where your water comes from, how ERMU protects it, and the results of water samples taken in 2025. Physical copies are available upon request. To view the report online please visit: https://irp.cdn-website.com/65ee6007/files/uploaded/2026+Water+Quality+Report.pdf

BUDGET BILLING PROGRAM UPDATE

To better reflect seasonal energy use and provide more accurate monthly bill amounts, ERMU will begin adjusting Budget Billing twice per year. The January 2026 recalculation took place as usual, and the next recalculation will occur in October 2026 using the previous six months of billing history. Beginning in 2027, adjustments will take place every May and October. Scan the QR code or visit ERMUMN.com for details about this free service.

Understanding SmartHub: A User Guide Series

Beginning in July 2026, ERMU plans to launch a six-month SmartHub user guide video series designed to help customers get the most out of the SmartHub account management tool. Whether you're brand new to SmartHub or just want to explore more of its features, this step-by-step "How To" series will walk you through everything you need to know.

Each month, we'll spotlight a different topic, including:

> Getting registered and logged in
> Navigating the platform with ease
> Setting up auto pay, notifications, and alerts
> Monitoring your energy and water usage
> Understanding usage trends with household analytics

SmartHub is more than just a billing tool; it's a powerful resource that gives you insight into your daily utility use. The more you know about how and when you use water and electricity, the better equipped you are to make informed decisions that can help conserve resources and potentially lower your monthly costs.

A new video will be released each month from July through December, both on our website and via social media, so you never miss an update. We are excited to help our customers make the most of SmartHub one step at a time.

ERHS Students Awarded ERMU Scholarship

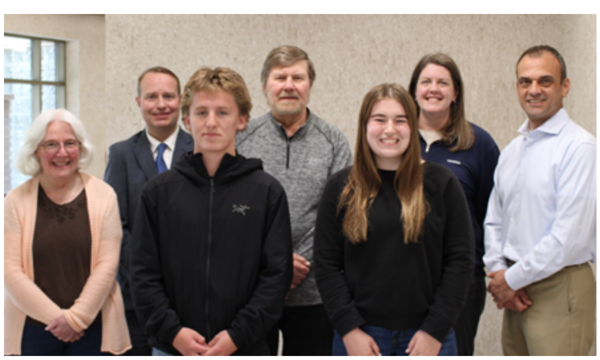
ERMU is pleased to announce that Breanna Allen and Owen Bassett, seniors at Elk River High School, have been awarded the 2026 ERMU Scholarship. Each recipient will receive $1,000 to support their post-secondary education as they pursue careers in vital utility fields.

Breanna plans to study electrical engineering, while Owen has chosen to attend lineworker school in which both paths align with ERMU's commitment to fostering future talent in water, electric, and conservation sectors. Since updating the scholarship program in 2025, ERMU has provided up to two annual awards to students interested in these areas.

ERMU congratulates Breanna and Owen on their accomplishments and wishes them success in their educational and career journeys.

Commissioners (back row): Mary Stewart (Vice Chair), Nick Zerwas, John Dietz (Chair), Jill Larson-Vito, and Matt Westgaard

Scholarship Recipients (front row): Owen Bassett and Breanna Allen



Recipients Owen and Breanna were recognized during the May 12 regular utilities commission meeting.

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	**FROM:** Thomas Geiser – Operations Director
MEETING DATE; June 9, 2026	**AGENDA ITEM NUMBER:** 6.1e
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- Working through the second round of maps for the new GIS mapping system that we plan to move forward with in the future. I have gone through maps 1-107 to this point.
- ERMU has received seven repaired reclosers so far. Ten more reclosers have been sent out to be fixed. We are still waiting for 23 of the 30 units to be repaired. A plan has been set for now to receive and repair the rest.
- ERMU has started the Cooper Switchgear replacement plan. We have replaced four so far.
- Helping with gathering info/phasing for GIS mapping.
- Working on 2026 staff reviews.

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	FROM: Chris Sumstad – Electric Superintendent
MEETING DATE: June 9, 2026	**AGENDA ITEM NUMBER:** 6.1f
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- Installed 14 new residential services, which involves the connection of a secondary line once the customer requests service.
- Matt Zipp and Adam Jurek attended Minesota Municipal Utilities Association's (MMUA) Underground School held in Marshall, May 5-8. Russ Stuhr spent a couple days as an instructor for the school, training students on directional drilling.
- Inventory & procurement staff cleared out the field services building truck shop and maintenance areas to allow a contractor to clean and reseal the concrete over the weekend of May 30-31.
- Joe Schmidt, safety instructor from MMUA, was here May 28, and held annual pole top and bucket rescue. Office staff was on hand to participate in the mayday radio call portion of the training.
- Crews continue to work on the three new feeders that will come from the East substation.
- Crews set a three phase transformer for the water department at the Meadowvale booster station location.
- Crews are terminating wire in the Bradford 2nd addition. Services at a couple locations in the development are ready for power.
- The wire has been installed and the switchgear set at Minnesota Municipal Power Agency's gas plant site.
- Crews removed the Downtown Elk River parking lot streetlights on June 1. After construction is finished, the new lights will be on a controller and accompanied with outlets in various locations.
- Crews changed out two oil filled deadfront switchgear to non-oil deadfront gear this past month. We have 15 changeouts planned for this year. We plan to oil test again in the fall to determine moisture levels and upcoming changeout schedule.

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	**FROM:** Mike Tietz – Technical Services Superintendent
MEETING DATE: June 9, 2026	**AGENDA ITEM NUMBER:** 6.1g
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- In May, the locators processed 625 locate tickets. These consisted of 526 normal tickets, 4 emergency tickets, 52 updated tickets, 15 meetings, 2 boundary surveys, 8 planning, 2 corrections, and 16 cancellations. This was a 24.3% decrease over last month and a 10.6% increase over May of last year.
- In May, the electrical technicians completed 62 service order tasks, updated the power bill, addressed customer meter issues and any off-peak concerns.
- The electrical technicians have continued to replace 3-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%.
- On May 14, we received notice that our transformer delivery for Otsego had slipped further in the manufacturing schedule which would put the delivery date to mid-July. Staff made the decision to work with the manufacturer to move the production of this transformer out to match that of our East substation transformer. This will put the delivery of both transformers out to mid-September thus avoiding having to transfer the load from the Otsego substation circuits to adjacent feeders/substations during our peak time of the year. Several staff members will be in attendance during the testing phase of both transformers at the WEG facility located in Washington, MO sometime in late August or early September.
- Our monthly peak was 64.97 MW on May 27, at 4:45pm.

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	**FROM:** Dave Ninow – Water Superintendent
MEETING DATE: June 9, 2026	**AGENDA ITEM NUMBER:** 6.1h
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

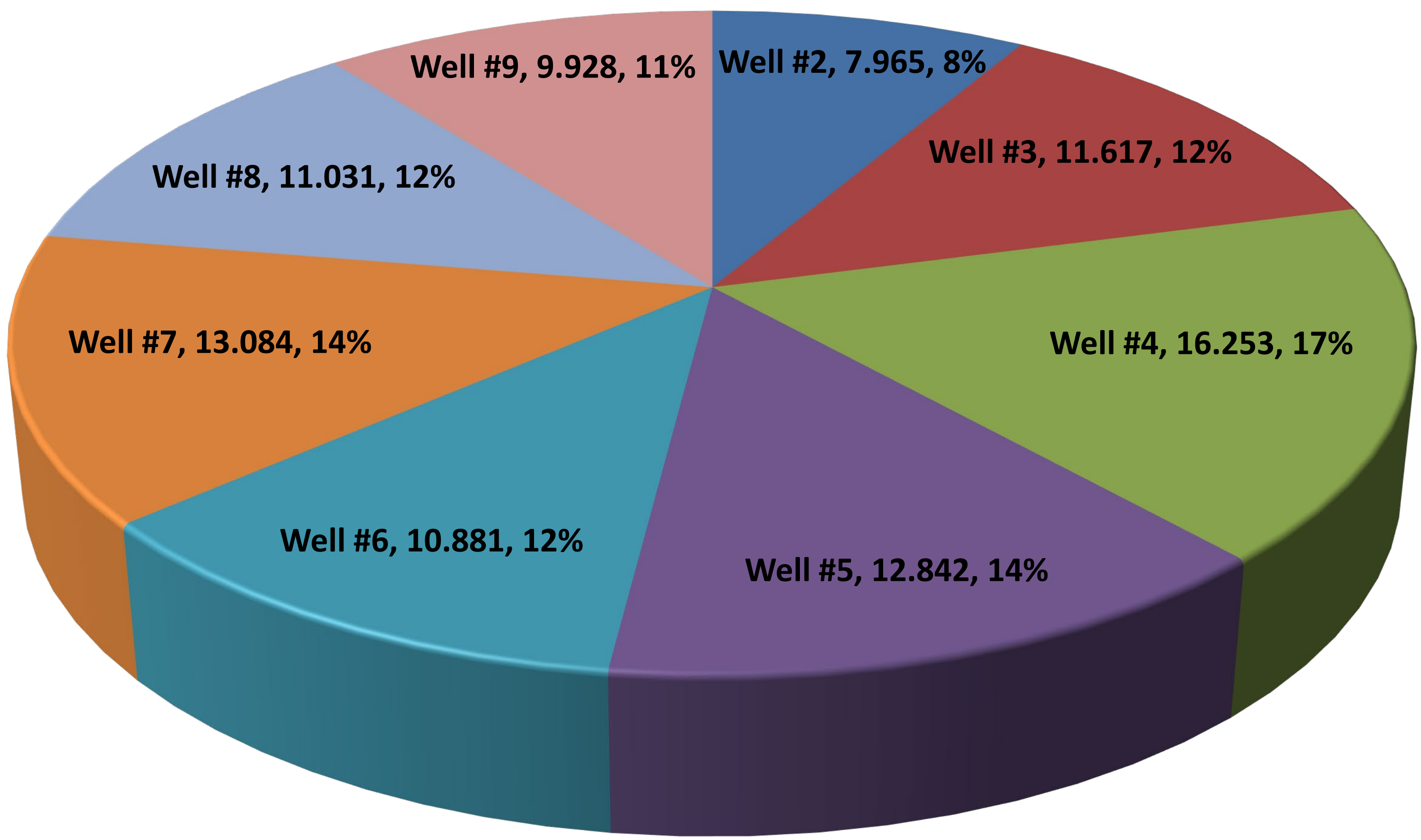
- Delivered a water meter, installed a Smart Point module, and took curb stop ties for 10 new water services
- Completed 20 BACTI/Total Chlorine Residual Samples
    - All confirmed negative for coliform bacteria
    - Bacteriological/Disinfectant Residual Monthly Report submitted to the MDH
- Completed 20 routine fluoride samples
    - All samples met MDH standards
    - Submitted MDH Fluoride Report
    - Completed one MDH validation fluoride sample
- Submitted Discharge Monitoring Report (DMR) for the Diesel Generation Plant to the Minnesota Pollution Control Agency.
- Fire hydrant flushing has been completed for this year.
- Work is almost complete installing pumps and upgrading control equipment in the Meadowvale booster station, returning it to full booster station functionality. The station will now have the ability to supplement the high-pressure zone of the water system with water from the low-pressure zone and vice versa. This added redundancy allows the two pressure zones to support each other when needed.
- Water department staff continue to assist technical services staff with locating and marking water infrastructure for the contractors currently installing fiberoptic lines throughout the city.
- Parker and I are working with Short Elliott Hendrickson (SEH) on revising the risk and resilience assessments (RRAs) and emergency response plans (ERPs) for the water system. America's Water Infrastructure Act requires community water systems must review, revise (where applicable), and recertify their RRA and ERP to the U.S. Environmental Protection Agency every five years from the original deadlines specified in the law.

- Eric Plude started on June 2 as a water department seasonal employee and will assist with fire hydrant maintenance, water main valve exercising, and GIS mapping of water system infrastructure.
- On June 3, Brenteson Companies excavated and installed a connection between pipes for well #8 and 9 at the pumphouse on Twin Lakes Parkway. This connection will route raw water from Well #8 to the existing treatment plant for Wells #7 and 9. Later this year, work will begin making modifications to the water treatment plant necessary for effective filtration to remove iron and manganese of all three wells.

ATTACHMENTS:

- May 2026 Pumping by Well

May 2026 Monthly Pumping By Well



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

Elk River Municipal Utilities

2026 GOVERNANCE AGENDA

Tuesday, January 13: • Annual Review of Committee Charters	Tuesday, February 10: • Review Strategic Plan and 2025 Annual Business Plan Results
Tuesday, March 10: • Oath of Office • Election of Officers • Annual Commissioner Orientation and Review Governance Responsibilities and Role	Tuesday, April 14: • Audit of 2025 Financial Report • Financial Reserves Allocations • Review 2025 Performance Metrics
Tuesday, May 12: • Annual General Manager Performance Evaluation and Goal Setting	Tuesday, June 9: • 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