State of Minnesota
County of Sherburne
City of Elk River

OATH OF OFFICE

I, Jill Larson-Vito, do solemnly swear to support the Constitution of the United States, the Constitution of the State of Minnesota, will support the City Code and laws of the City of Elk River, and to discharge faithfully the duties of the Utilities Commission of the City of Elk River, Minnesota, to the best of my judgment and ability, so help me God.

____
Jill Larson-Vito

Subscribed and sworn to before me this 3rd day of June, 2025.

____
Person Administering Oath

Elk River Municipal Utilities

REGULAR MEETING OF THE UTILITIES COMMISSION
June 3, 2025, 3:30 P.M.
Utilities Conference Room

AGENDA

1.0 GOVERNANCE
1.1 Oath of Office – Jill Larson-Vito
1.2 Call Meeting to Order
1.3 Pledge of Allegiance
1.4 Consider the Agenda

2.0 CONSENT (Routine items. No discussion. Approved by one motion.)
2.1 Check Register – May 2025
2.2 Regular Meeting Minutes – May 13, 2025
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 Commission Policy Review – G.4c – Strategic and Business Planning
4.2 Annual Commission Performance Evaluation
4.3 Employee Handbook Annual Updates
4.4 Dispute Resolution Committee Appointment

5.0 BUSINESS ACTION (Current business action requests and performance monitoring reports.)
5.1 Financial Report – April 2025
5.2 2024 Consumer Confidence Report
5.3 Water Tower Attachment Agreement – AT&T

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 8-11
b. Regular Commission Meeting – July 8, 2025
c. 2025 Governance Agenda
6.4 Other Business (Items added during agenda approval.)

7.0 ADJOURN REGULAR MEETING

CHECK REGISTER

May 2025

APPROVED BY:

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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

05/09/2025 To 05/09/2025

Pays		Job	Amount	Hours
Gross Pay				
2	Reg Hours		171,902.16	3,216.00
3	Overtime		364.57	4.50
4	Double Time		723.13	6.50
5	On-Call/Stand-by		3,036.18	56.00
24	FLSA		30.77	0.00
25	Rest Time		0.00	0.00
10	Bonus Pay		843.36	14.00
18	Commissioner Reimb - Electric		480.00	0.00
104	Commission Stipend		60.00	0.00
105	Perf. Metr. Distr.		0.00	0.00
VAC	Vacation Pay		12,329.18	236.85
SICK	Sick Pay		4,090.01	81.90
HOL	Holiday Pay		0.00	0.00
78	Retro Earnings		0.00	0.00
5-2	On-Call/Stand-by/OT		283.55	3.00
18A	Commissioner Reimb. - Water		120.00	0.00
104A	Commission Stipend - Water		15.00	0.00
PTOY	Personal Day - Year		145.25	2.50
3C	Overtime-Comp Time		1,180.26	15.25
4C	Double Time-Comp Time		0.00	0.00
CM3C	Overtime-Comp Time Adjusted		-1,180.26	-15.25
CM4C	Double Time-Comp Time Adjusted		0.00	0.00
COMP	Comp Time Taken		502.17	13.00
106	Longevity Pay		0.00	0.00
MIL	Military Pay - Calendar Year		3,178.40	80.00
10W	Bonus Pay		0.00	0.00
	Gross Pay Total:		198,103.73	3,714.25
	Total Pays:		198,103.73	3,714.25

Payroll/Labor
Check Register Totals

05/23/2025 To 05/23/2025

Pays		Job	Amount	Hours
Gross Pay				
2	Reg Hours		178,614.56	3,331.50
20	Reg Salary		178.75	5.50
3	Overtime		1,490.21	19.25
4	Double Time		331.65	2.75
5	On-Call/Stand-by		3,104.72	56.00
24	FLSA		96.44	0.00
25	Rest Time		59.20	1.00
10	Bonus Pay		0.00	0.00
18	Commissioner Reimb - Electric		0.00	0.00
104	Commission Stipend		60.00	0.00
105	Perf. Metr. Distr.		0.00	0.00
VAC	Vacation Pay		10,142.76	213.37
SICK	Sick Pay		3,603.96	77.13
HOL	Holiday Pay		0.00	0.00
78	Retro Earnings		0.00	0.00
5-2	On-Call/Stand-by/OT		1,025.15	11.50
18A	Commissioner Reimb. - Water		0.00	0.00
104A	Commission Stipend - Water		15.00	0.00
PTOY	Personal Day - Year		1,065.47	16.00
3C	Overtime-Comp Time		531.96	5.75
4C	Double Time-Comp Time		319.55	2.75
CM3C	Overtime-Comp Time Adjusted		-531.96	-5.75
CM4C	Double Time-Comp Time Adjusted		-319.55	-2.75
COMP	Comp Time Taken		170.11	3.50
106	Longevity Pay		0.00	0.00
MIL	Military Pay - Calendar Year		317.84	8.00
10W	Bonus Pay		0.00	0.00
	Gross Pay Total:		200,275.82	3,745.50
	Total Pays:		200,275.82	3,745.50

Accounts Payable
Check Register

05/01/2025 To 05/31/2025

Bank Account: 1 - GENERAL FUND

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
2379	5/5/25	WIRE	5655	FISERV	CC FEES - APRIL 2025	2,138.66
					CC FEES - APRIL 2025	534.67
					CC FEES - APRIL 2025	590.70
					CC FEES - APRIL 2025	147.67
					CC FEES - APRIL 2025	2,514.05
					CC FEES - APRIL 2025	628.51
					CC FEES - APRIL 2025	46.45
					CC FEES - APRIL 2025	11.61
					CC FEES - APRIL 2025	726.13
					CC FEES - APRIL 2025	181.53
					CC FEES - APRIL 2025	3,542.55
					CC FEES - APRIL 2025	885.64
					Total for Check/Tran - 2379:	11,948.17
					Total for Bank Account - 1 : (1)	11,948.17

Accounts Payable
Check Register

05/01/2025 To 05/31/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
4781	5/1/25	WIRE	154	MINNESOTA REVENUE (ELECTRONIC)	PAYROLL TAXES - STATE		7,374.86
					PAYROLL TAXES - STATE		1,443.80
						Total for Check/Tran - 4781:	8,818.66
4782	5/6/25	WIRE	738	HEALTHEQUITY, INC	FSA CLAIM REIMBURSEMENTS - 164		153.85
					FSA CLAIM REIMBURSEMENTS - 164		38.46
						Total for Check/Tran - 4782:	192.31
4783	5/6/25	WIRE	166	ONLINE UTILITY EXCHANGE (ELECTR	UTILITY EXCHANGE REPORT - APRIL 2025		335.04
					UTILITY EXCHANGE REPORT - APRIL 2025		83.76
						Total for Check/Tran - 4783:	418.80
4784	5/7/25	WIRE	824	HOME DEPOT CREDIT SERVICES	HOME DEPOT		19.88
					HOME DEPOT		449.89
						Total for Check/Tran - 4784:	469.77
4788	5/13/25	WIRE	153	PERA (ELECTRONIC)	PERA EMPLOYEE CONTRIBUTION		10,600.16
					PERA CONTRIBUTIONS		12,230.97
					PERA EMPLOYEE CONTRIBUTION		2,232.69
					PERA CONTRIBUTIONS		2,576.19
						Total for Check/Tran - 4788:	27,640.01
4789	5/13/25	WIRE	598	MINNESOTA CHILD SUPPORT PAYMEN	CHILD SUPPORT		589.75
4790	5/14/25	WIRE	152	IRS - USA TAX PMT (ELECTRONIC)	PAYROLL TAXES - FEDERAL & FICA		17,267.83
					PAYROLL TAXES - FEDERAL & FICA		23,491.54
					PAYROLL TAXES - FEDERAL & FICA		3,370.26
					PAYROLL TAXES - FEDERAL & FICA		4,992.68
						Total for Check/Tran - 4790:	49,122.31
4791	5/14/25	WIRE	160	HCSP (ELECTRONIC)	HCSP EMPLOYEE CONTRIBUTIONS		2,402.81
					HCSP EMPLOYEE CONTRIBUTIONS		402.45
						Total for Check/Tran - 4791:	2,805.26
4792	5/14/25	WIRE	161	MNDCP (ELECTRONIC)	MNDCP EE MANAGER CONTRIBUTIONS		343.58
					MNDCP EMPLOYEE CONTRIBUTIONS		3,454.81

05/01/2025 To 05/31/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
					MNDCP EMPLOYER CONTRIBUTION	3,801.77
					MNDCP EMPLOYER MGR CONTRIBUTION	576.18
					MNDCP EE ROTH CONTRIBUTIONS	1,625.14
					MNDCP EE ROTH MGR CONTRIBUTIONS	232.60
					MNDCP EE MANAGER CONTRIBUTIONS	48.26
					MNDCP EMPLOYEE CONTRIBUTIONS	266.60
					MNDCP EMPLOYER CONTRIBUTION	668.58
					MNDCP EMPLOYER MGR CONTRIBUTION	79.52
					MNDCP EE ROTH CONTRIBUTIONS	403.80
					MNDCP EE ROTH MGR CONTRIBUTIONS	31.26
					Total for Check/Tran - 4792:	11,532.10
4793	5/14/25	WIRE	285	JOHN HANCOCK	W&A EMPLOYER CONTRIBUTION	962.41
					W&A MANAGER CONTRIBUTION	407.49
					WENZEL EMPLOYEE CONTRIBUTIONS	1,488.03
					WENZEL MANAGER CONTRIBUTIONS	282.94
					DEF COMP ROTH CONTRIBUTIONS W&A	1,044.55
					WENZEL EE ROTH MGR CONTRIBUTIONS	124.55
					W&A EMPLOYER CONTRIBUTION	266.21
					W&A MANAGER CONTRIBUTION	62.95
					WENZEL EMPLOYEE CONTRIBUTIONS	129.11
					WENZEL MANAGER CONTRIBUTIONS	31.81
					DEF COMP ROTH CONTRIBUTIONS W&A	211.82
					WENZEL EE ROTH MGR CONTRIBUTIONS	31.14
					Total for Check/Tran - 4793:	5,043.01
4794	5/14/25	WIRE	738	HEALTHEQUITY, INC	HSA EMPLOYEE CONTRIBUTION	2,868.81
					HSA EMPLOYEE CONTRIBUTION	472.42
					Total for Check/Tran - 4794:	3,341.23
4795	5/14/25	WIRE	8605	MARCO TECHNOLOGIES, LLC	PRINTER MTC CONTRACT - 5-1 to 6/1/25	335.85
					PRINTER MTC CONTRACT - 5-1 to 6/1/25	83.96
					Total for Check/Tran - 4795:	419.81

Accounts Payable
Check Register

05/01/2025 To 05/31/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
4796	5/15/25	WIRE	738	HEALTHEQUITY, INC	ADMINISTRATIVE FEE INVOICE - MAY 2025	133.00
					ADMINISTRATIVE FEE INVOICE - MAY 2025	25.50
					Total for Check/Tran - 4796:	158.50
4797	5/15/25	WIRE	154	MINNESOTA REVENUE (ELECTRONIC)	PAYROLL TAXES - STATE	7,413.97
					PAYROLL TAXES - STATE	1,491.51
					Total for Check/Tran - 4797:	8,905.48
4800	5/16/25	WIRE	152	IRS - USA TAX PMT (ELECTRONIC)	PAYROLL TAXES - FEDERAL & FICA	660.00
					PAYROLL TAXES - FEDERAL & FICA	459.00
					Total for Check/Tran - 4800:	1,119.00
4801	5/19/25	WIRE	154	MINNESOTA REVENUE (ELECTRONIC)	PAYROLL TAXES - STATE	187.50
4802	5/20/25	WIRE	738	HEALTHEQUITY, INC	FSA CLAIM REIMBURSEMENTS - 164	153.85
					FSA CLAIM REIMBURSEMENTS - 164	38.46
					Total for Check/Tran - 4802:	192.31
4803	5/21/25	WIRE	174	MINNESOTA REVENUE SALES TX (ELE	SALES AND USE TAX - APRIL 2025	173,236.63
					SALES AND USE TAX - APRIL 2025	-0.81
					SALES AND USE TAX - APRIL 2025	9,802.18
					Total for Check/Tran - 4803:	183,038.00
4805	5/14/25	WIRE	9654	CARDMEMBER SERVICE	FIRST NATIONAL BANK VISA	19,263.06
					FIRST NATIONAL BANK VISA	11,353.70
					Total for Check/Tran - 4805:	30,616.76
4807	5/23/25	WIRE	153	PERA (ELECTRONIC)	PERA EMPLOYEE CONTRIBUTION	10,709.44
					PERA CONTRIBUTIONS	12,357.06
					PERA EMPLOYEE CONTRIBUTION	2,114.21
					PERA CONTRIBUTIONS	2,439.49
					Total for Check/Tran - 4807:	27,620.20
4808	5/23/25	WIRE	738	HEALTHEQUITY, INC	HSA EMPLOYEE CONTRIBUTION	2,865.55
					HSA EMPLOYEE CONTRIBUTION	475.68
					Total for Check/Tran - 4808:	3,341.23

Accounts Payable
Check Register

05/01/2025 To 05/31/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
4809	5/27/25	WIRE	160	HCSP (ELECTRONIC)	HCSP EMPLOYEE CONTRIBUTIONS	2,419.78
					HCSP EMPLOYEE CONTRIBUTIONS	396.56
					Total for Check/Tran - 4809:	2,816.34
4810	5/27/25	WIRE	161	MNDCP (ELECTRONIC)	MNDCP EE MANAGER CONTRIBUTIONS	343.58
					MNDCP EMPLOYEE CONTRIBUTIONS	3,422.34
					MNDCP EMPLOYER CONTRIBUTION	3,185.75
					MNDCP EMPLOYER MGR CONTRIBUTION	576.16
					MNDCP EE ROTH CONTRIBUTIONS	1,625.11
					MNDCP EE ROTH MGR CONTRIBUTIONS	232.58
					MNDCP EE MANAGER CONTRIBUTIONS	48.26
					MNDCP EMPLOYEE CONTRIBUTIONS	299.07
					MNDCP EMPLOYER CONTRIBUTION	415.60
					MNDCP EMPLOYER MGR CONTRIBUTION	79.54
					MNDCP EE ROTH CONTRIBUTIONS	403.83
					MNDCP EE ROTH MGR CONTRIBUTIONS	31.28
					Total for Check/Tran - 4810:	10,663.10
4811	5/27/25	WIRE	285	JOHN HANCOCK	W&A EMPLOYER CONTRIBUTION	508.49
					W&A MANAGER CONTRIBUTION	407.49
					WENZEL EMPLOYEE CONTRIBUTIONS	1,583.22
					WENZEL MANAGER CONTRIBUTIONS	282.94
					DEF COMP ROTH CONTRIBUTIONS W&A	895.65
					WENZEL EE ROTH MGR CONTRIBUTIONS	124.55
					W&A EMPLOYER CONTRIBUTION	200.76
					W&A MANAGER CONTRIBUTION	62.95
					WENZEL EMPLOYEE CONTRIBUTIONS	153.98
					WENZEL MANAGER CONTRIBUTIONS	31.81
					DEF COMP ROTH CONTRIBUTIONS W&A	173.90
					WENZEL EE ROTH MGR CONTRIBUTIONS	31.14
					Total for Check/Tran - 4811:	4,456.88

Accounts Payable
Check Register

05/01/2025 To 05/31/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
4812	5/27/25	WIRE	598	MINNESOTA CHILD SUPPORT PAYMEN	CHILD SUPPORT	589.75
4813	5/28/25	WIRE	152	IRS - USA TAX PMT (ELECTRONIC)	PAYROLL TAXES - FEDERAL & FICA	17,965.26
					PAYROLL TAXES - FEDERAL & FICA	24,131.46
					PAYROLL TAXES - FEDERAL & FICA	3,146.85
					PAYROLL TAXES - FEDERAL & FICA	4,695.44
					Total for Check/Tran - 4813:	49,939.01
4814	5/29/25	WIRE	154	MINNESOTA REVENUE (ELECTRONIC)	PAYROLL TAXES - STATE	7,676.46
					PAYROLL TAXES - STATE	1,377.87
					Total for Check/Tran - 4814:	9,054.33
21710	5/1/25	DD	11	CITY OF ELK RIVER	FRANCHISE FEE CREDIT - MARCH 2025	-700.00
					2025 Q1 FRANCHISE FEE	248,731.37
					2025 Q1 FRANCHISE FEE - FEB METERED	736.66
					2025 Q1 FRANCHISE FEE - JAN METERED	730.00
					2025 Q1 FRANCHISE FEE - MAR METERED	700.00
					2025 Q1 FRANCHISE FEE - WRITE OFF	-196.00
					Total for Check/Tran - 21710:	250,002.03
21711	5/1/25	DD	724	ALLEGIANT UTILITY SERVICES, LLC	WATER METER INSTALL - 3/16 to 3/31/25	-68.12
					ELEC METER INSTALL - 3/16 to 3/31/25	2,714.90
					ELEC METER INSTALL - 3/16 to 3/31/25	-198.18
					WATER METER INSTALL - 3/16 to 3/31/25	9,601.60
					WATER METER INSTALL - 3/16 to 3/31/25	-700.92
					Total for Check/Tran - 21711:	11,349.28
21712	5/1/25	DD	728	ARCHER PLUMBING LLC	WATER METER REPAIR	500.00
21713	5/1/25	DD	7447	CENTRAL HYDRAULICS, INC.	MISC PARTS & SUPPLIES	417.42
21714	5/1/25	DD	11	CITY OF ELK RIVER	DASHER BOARDS @ FTCEC	2,200.00
					MN DOT INSPECTION - UNIT #4	227.50
					MN DOT INSPECTION - UNIT #38	227.50
					MN DOT INSPECTION - UNI T#29	130.00

05/01/2025 To 05/31/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
					PARTS & LABOR FOR UNIT #29	-8.28
					PARTS & LABOR FOR UNIT #29	405.87
					MN DOT INSPECT & PARTS - UNIT #49	-0.83
					MN DOT INSPECT & PARTS - UNIT #49	238.97
					MN DOT INSPECTION - UNIT #61	227.50
					MN DOT INSPECTION - UNIT #44	227.50
					PARTS & LABOR FOR UNIT #11	-1.64
					PARTS & LABOR FOR UNIT #11	38.79
					PARTS & LABOR FOR UNIT #44	-1.10
					PARTS & LABOR FOR UNIT #44	80.10
					MN DOT INSPECTION - UNIT #67	227.50
					MN DOT INSPECTION - UNIT #31	130.00
					MN DOT INSPECTION - UNIT #23	211.25
					MN DOT INSPECTION - UNIT #60	195.00
					PARTS & LABOR FOR UNIT #60	-18.59
					PARTS & LABOR FOR UNIT #60	352.09
					MN DOT INSPECTION - UNIT #45	162.50
					PARTS & LABOR FOR UNIT #1	-2.27
					PARTS & LABOR FOR UNIT #1	109.22
					PARTS & LABOR FOR UNIT #1	-0.58
					PARTS & LABOR FOR UNIT #1	27.32
					MN DOT INSPECTION - UNIT #51	146.25
					MN DOT INSPECTION - UNIT #48	195.00
					MN DOT INSPECTION - UNIT #39	195.00
					MN DOT INSPECTION - UNIT #47	162.50
					PARTS & LABOR FOR UNIT #47	-0.65
					PARTS & LABOR FOR UNIT #47	139.00
					MN DOT INSPECTION - UNIT #9	227.50
					MN DOT INSPECTION - UNIT #5	227.50
					MN DOT INSPECT & PARTS - UNIT #15	252.49
					MN DOT INSPECTION - UNIT #50	195.00

05/01/2025 To 05/31/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
					MN DOT INSPECTION - UNIT #21	227.50
					LABOR FOR UNIT #34	16.25
					DECALS - UNIT #41 59 61	-0.09
					DECALS - UNIT #41 59 61	26.16
					FUEL - MARCH 2025	3,135.11
					FUEL - MARCH 2025	643.52
					LABOR FOR UNIT #31	32.50
					Total for Check/Tran - 21714:	11,205.86
21715	5/1/25	DD	3667	ELFERING & ASSOCIATES	PROFESSIONAL SERVICES - MARCH 2025	787.50
					PROFESSIONAL SERVICES - MARCH 2025	75.00
					PROFESSIONAL SERVICES - MARCH 2025	4,125.00
					Total for Check/Tran - 21715:	4,987.50
21716	5/1/25	DD	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 2 - INV GRP 436 - MARCH 2025	2,477.08
					CYCLE 2 - ACCT 41038 - MARCH 2025	115.14
					CYCLE 2 - ACCT 41038 - MARCH 2025	6.06
					CYCLE 2 - INV GRP 413 - MARCH 2025	100.00
					CYCLE 2 - INV GRP 413 - MARCH 2025	519.98
					Total for Check/Tran - 21716:	3,218.26
21717	5/1/25	DD	846	HACH COMPANY	SAMPLING	-118.46
					SAMPLING	1,622.71
					Total for Check/Tran - 21717:	1,504.25
21718	5/1/25	DD	5686	HYDROCORP	BACKFLOW DEVICE INSPECTION - APR 2025	1,229.33
21719	5/1/25	DD	782	LEO A DALY	PROFESSIONAL SERVICES	3,744.00
					PROFESSIONAL SERVICES	936.00
					Total for Check/Tran - 21719:	4,680.00
21720	5/1/25	DD	573	NCPERS MINNESOTA	EXTRA LIFE INSURANCE - MAY 2025	300.80
					EXTRA LIFE INSURANCE - MAY 2025	35.20
					Total for Check/Tran - 21720:	336.00

05/01/2025 To 05/31/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
21721	5/1/25	DD	130	RESCO	Drip Trays		208.15
21772	5/8/25	DD	9424	FAIRCHILD EQUIPMENT	SERVICE - CITY'S INVOICE		-1,734.01
					SERVICE - CITY'S INVOICE		1,734.01
						Total for Check/Tran - 21772:	0.00
21773	5/8/25	DD	724	ALLEGIANT UTILITY SERVICES, LLC	WATER METER INSTALL - 4/1 to 4/15/25		1,075.99
					WATER METER INSTALL - 4/1 to 4/15/25		-78.55
					WATER METER INSTALL - 4/1 to 4/15/25		6,472.07
					WATER METER INSTALL - 4/1 to 4/15/25		-472.47
						Total for Check/Tran - 21773:	6,997.04
21774	5/8/25	DD	728	ARCHER PLUMBING LLC	WATER METER REPAIR		300.00
21775	5/8/25	DD	7447	CENTRAL HYDRAULICS, INC.	PARTS & LABOR FOR UNIT #57		-29.89
					PARTS & LABOR FOR UNIT #57		700.58
						Total for Check/Tran - 21775:	670.69
21776	5/8/25	DD	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 3 - INV GRP 414 - MARCH 2025		100.00
					CYCLE 3 - INV GRP 414 - MARCH 2025		591.30
					CYCLE 3 - INV GRP 395 - MARCH 2025		9,447.94
						Total for Check/Tran - 21776:	10,139.24
21777	5/8/25	DD	671	FASTENAL COMPANY	TRIM PANEL RETAINER		101.14
					Red Locate Paint		779.80
						Total for Check/Tran - 21777:	880.94
21778	5/8/25	DD	809	HAWKINS, INC.	CHLORINE CYLINDER RENTAL		170.00
					Water Chemicals		467.69
						Total for Check/Tran - 21778:	637.69
21779	5/8/25	DD	791	ADAM JUREK	DRIVER TRAINING MEAL - 195		15.38
21780	5/8/25	DD	9273	METERING & TECHNOLOGY SOLUTION	Meter		30.48
					GASKETS		-2.22
						Total for Check/Tran - 21780:	28.26

05/01/2025 To 05/31/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
21781	5/8/25	DD	330	METRO SALES, INC	COPIER MTC CONTRACT - 3/21 to 4/20/25	170.92
					COPIER MTC CONTRACT - 3/21 to 4/20/25	42.73
					Total for Check/Tran - 21781:	213.65
21782	5/8/25	DD	130	RESCO	Mtce of OH Primary	1,465.00
					Discount	-0.73
					Total for Check/Tran - 21782:	1,464.27
21783	5/8/25	DD	610	WRIGHT HENNEPIN COOPERATIVE ELE	WELL & TOWER SECURITY	54.55
					WELL & TOWER SECURITY	1,152.90
					Total for Check/Tran - 21783:	1,207.45
21784	5/16/25	DD	2512	AMARIL UNIFORM COMPANY	Employee Clothing - 119	-98.00
					Employee Clothing - 191	-490.00
					Employee Clothing - 174	-90.98
					Employee Clothing - 142	208.48
					Employee Clothing - 191	470.50
					Total for Check/Tran - 21784:	0.00
21785	5/16/25	DD	9424	FAIRCHILD EQUIPMENT	CHARGE IN ERROR - CITY'S	-376.12
					CHARGED IN ERROR - CITY'S	376.12
					MISC PARTS & SUPPLIES	-73.84
					MISC PARTS & SUPPLIES	-170.12
					MISC PARTS & SUPPLIES	170.12
					MISC PARTS & SUPPLIES	73.84
					Total for Check/Tran - 21785:	0.00
21786	5/16/25	DD	724	ALLEGIANT UTILITY SERVICES, LLC	WATER METER INSTALL	17,846.16
					WATER METER INSTALL & BATTERY DISPOSAL	-1,302.80
					BATTERY DISPOSAL	16,271.75
					ERT METERS W/OUT READABLE DISPLAYS	-16,271.75
					Total for Check/Tran - 21786:	16,543.36
21787	5/16/25	DD	728	ARCHER PLUMBING LLC	WATER METER REPAIRS	750.00
					COMMERCIAL WATER METERS	420.00

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						Total for Check/Tran - 21787:	1,170.00
21788	5/16/25	DD	9	BORDER STATES ELECTRIC SUPPLY	East Sub		236.36
					POLY U-GUARD		72.44
					East Sub		1,089.47
					East Sub		8,894.72
					Stud		1,675.80
					grounding		4,056.97
					grounding		991.11
					East Sub		28.44
					grounding		6,932.23
					Chinstrap		75.81
					Die		97.54
					Duck Bill		1,023.72
					Ferrule		436.32
					East Sub		8,914.81
					WIRE		19,111.12
					SPRING WASHER		-5.83
					Spring Washers		79.83
					grounding		514.55
					East Sub		339.36
					grounding		2,460.68
					COLD SHRINK		10,494.69
					MISC PARTS & SUPPLIES		-17.45
					MISC PARTS & SUPPLIES		254.09
						Total for Check/Tran - 21788:	67,756.78
21789	5/16/25	DD	11	CITY OF ELK RIVER	TRASH BILLED - APRIL 2025		165,991.94
21790	5/16/25	DD	36	CROW RIVER FARM EQUIP CO	PARTS FOR UNIT #57		4.57
					PARTS FOR UNIT #56		80.26
						Total for Check/Tran - 21790:	84.83

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21791	5/16/25	DD	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 4 - INV GRP 415 - APRIL 2025	175.00
					CYCLE 4 - INV GRP 415 - APRIL 2025	1,428.79
					CYCLE 4 - INV GRP 396 - APRIL 2025	268.63
					Total for Check/Tran - 21791:	1,872.42
21792	5/16/25	DD	671	FASTENAL COMPANY	MISC PARTS & SUPPLIES	91.15
					MISC PARTS & SUPPLIES	38.13
					Total for Check/Tran - 21792:	129.28
21793	5/16/25	DD	664	FRONTIER ENERGY, INC	CIP PROFESSIONAL SERVICES - MARCH 2025	13,087.93
21794	5/16/25	DD	809	HAWKINS, INC.	Water Chemicals	1,020.86
21795	5/16/25	DD	8083	JT SERVICES OF MINNESOTA	LED STREET LIGHTS	8,705.51
21796	5/16/25	DD	791	ADAM JUREK	DRIVING SCHOOL LUNCH MILEAGE - 195	8.12
21797	5/16/25	DD	417	LOCATORS & SUPPLIES INC.	Locate Flags	1,297.79
21798	5/16/25	DD	1001	MINNESOTA MUNICIPAL POWER AGEN	PURCHASED POWER - APRIL 2025	1,501,726.92
					PURCHASED POWER - APRIL 2025	720,851.21
					Total for Check/Tran - 21798:	2,222,578.13
21799	5/16/25	DD	39	MMUA	PRE-EMPLOYMENT TESTING FEE - 135	50.00
					PRE-EMPLOYMENT TESTING FEE - 196	50.00
					Total for Check/Tran - 21799:	100.00
21800	5/16/25	DD	8897	RALPHIE'S MINNOCO	RALPHIE'S MINNOCO	30.99
21801	5/16/25	DD	603	ROYAL SUPPLY INC	OFFICE SUPPLIES	796.12
					OFFICE SUPPLIES	199.03
					Total for Check/Tran - 21801:	995.15
21802	5/16/25	DD	135	WATER LABORATORIES INC	Sampling - April 2025	360.00
21803	5/16/25	DD	711	WEG TRANSFORMERS USA LLC	Transformer	150,020.00
21853	5/22/25	DD	724	ALLEGIANT UTILITY SERVICES, LLC	WATER METER INSTALL - 4/16 to 4/30/25	3,916.85

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					WATER METER INSTALL - 4/16 to 4/30/25	-285.93
					Total for Check/Tran - 21853:	3,630.92
21854	5/22/25	DD	728	ARCHER PLUMBING LLC	WATER METER REPAIRS	1,200.00
					WATER METER INSTALL	550.00
					Total for Check/Tran - 21854:	1,750.00
21855	5/22/25	DD	8843	CAMPBELL KNUTSON	LEGAL SERVICES - APRIL 2025	1,356.80
					LEGAL SERVICES - APRIL 2025	339.20
					Total for Check/Tran - 21855:	1,696.00
21856	5/22/25	DD	11	CITY OF ELK RIVER	REVENUE TRANSFER - APRIL 2025	116,744.36
					SEWER BILLED - APRIL 2025	245,095.76
					STORMWATER BILLED - APRIL 2025	56,972.13
					Total for Check/Tran - 21856:	418,812.25
21857	5/22/25	DD	7448	CRC	CUSTOMER SERVICE AFTER HOURS	2,685.99
					CUSTOMER SERVICE AFTER HOURS	671.50
					Total for Check/Tran - 21857:	3,357.49
21858	5/22/25	DD	91	GOPHER STATE ONE-CALL	LOCATES FOR - APRIL 2025	620.73
					LOCATES FOR - APRIL 2025	32.67
					Total for Check/Tran - 21858:	653.40
21859	5/22/25	DD	604	MARK HANSON	APPA NAT'L CONF 6.2025	995.00
21860	5/22/25	DD	6836	INNOVATIVE OFFICE SOLUTIONS LLC	OFFICE SUPPLIES	139.95
					OFFICE SUPPLIES	34.98
					Total for Check/Tran - 21860:	174.93
21861	5/22/25	DD	573	NCPERS MINNESOTA	EXTRA LIFE INSURANCE - JUNE 2025	300.80
					Extra Life Insurance - JUNE 2025	35.20
					Total for Check/Tran - 21861:	336.00
21862	5/22/25	DD	9300	NISC	MISC INVOICE - APR 2025	696.55
					MISC INVOICE - APR 2025	174.13
					AGREEMENTS INVOICE - APRIL 2025	53.94

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					AGREEMENTS INVOICE - APRIL 2025	782.04
					AGREEMENTS INVOICE - APRIL 2025	11,404.34
					AGREEMENTS INVOICE - APRIL 2025	260.00
					AGREEMENTS INVOICE - APRIL 2025	335.16
					AGREEMENTS INVOICE - APRIL 2025	2,558.87
					AGREEMENTS INVOICE - APRIL 2025	65.00
					PRINT SERVICES - APRIL 2025	6,373.12
					PRINT SERVICES - APRIL 2025	1,835.56
					PRINT SERVICES - APRIL 2025	1,593.28
					Total for Check/Tran - 21862:	26,131.99
21863	5/22/25	DD	603	ROYAL SUPPLY INC	SPILLFIX	723.89
					SPILLFIX	180.97
					Total for Check/Tran - 21863:	904.86
21864	5/22/25	DD	8808	WATER CONSERVATION SERVICE, INC.	WATER LEAK LOCATE - JOPLIN	378.00
21865	5/29/25	DD	212	DAKOTA SUPPLY GROUP	CREDIT MEMO FOR INVOICED IN ERROR	-486.92
					INVOICED IN ERROR - CREDIT TO FOLLOW	486.92
					Total for Check/Tran - 21865:	0.00
21866	5/29/25	DD	728	ARCHER PLUMBING LLC	RESIDENTIAL METER INSTALL	320.00
					WATER METER REPAIRS	1,400.00
					Total for Check/Tran - 21866:	1,720.00
21867	5/29/25	DD	778	DSC COMMUNICATIONS	RADIO REPAIR	305.16
21868	5/29/25	DD	3667	ELFERING & ASSOCIATES	PROFESSIONAL SERVICES - APRIL 2025	225.00
21869	5/29/25	DD	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 1 - INV GRP 101 - APRIL 2025	3,706.36
					CYCLE 1 - INV GRP 101 - APRIL 2025	74.55
					CYCLE 1 - INV GRP 101 - APRIL 2025	852.69
					CYCLE 1 - INV GRP 101 - APRIL 2025	597.49
					CYCLE 1 - INV GRP 101 - APRIL 2025	213.17
					CYCLE 1 - ACCT 183 - APRIL 2025	1,539.32

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					CYCLE 1 - INV GRP 421 - APRIL 2025	6,138.81
					CYCLE 1 - INV GRP 325 - APRIL 2025	325.00
					CYCLE 1 - INV GRP 325 - APRIL 2025	16,536.40
					Total for Check/Tran - 21869:	29,983.79
21870	5/29/25	DD	809	HAWKINS, INC.	Water Chemicals	2,292.58
21871	5/29/25	DD	782	LEO A DALY	PROFESSIONAL SERVICES	7,176.00
					PROFESSIONAL SERVICES	1,794.00
					Total for Check/Tran - 21871:	8,970.00
89207	5/1/25	CHK	790	AE2S	SCADA SYSTEM ASSESSMENT	2,597.65
89208	5/1/25	CHK	2512	AMARIL UNIFORM COMPANY	EMPLOYEE CLOTHING - 174	82.30
					EMPLOYEE CLOTHING - 119	126.13
					EMPLOYEE CLOTHING - 136	761.00
					EMPLOYEE CLOTHING - 182	1,242.25
					EMPLOYEE CLOTHING - 177	1,513.00
					EMPLOYEE CLOTHING - 106	1,103.62
					EMPLOYEE CLOTHING - 106	58.08
					EMPLOYEE CLOTHING - 190	1,543.93
					EMPLOYEE CLOTHING - 171	1,278.60
					EMPLOYEE CLOTHING - 167	825.22
					EMPLOYEE CLOTHING - 187	987.00
					Employee Clothing - 169	1,399.10
					Employee Clothing - 142	1,277.19
					Employee Clothing - 195	1,282.50
					EMPLOYEE CLOTHING - 191	1,124.90
					Total for Check/Tran - 89208:	14,604.82
89209	5/1/25	CHK	214	BELL LUMBER & POLE COMPANY	POLES	9,479.00
					POLES	25,773.00
					Total for Check/Tran - 89209:	35,252.00

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89210	5/1/25	CHK	549	CHARTER COMMUNICATIONS	OFFICE TELEPHONE		197.38
					OFFICE TELEPHONE		49.34
						Total for Check/Tran - 89210:	246.72
89211	5/1/25	CHK	28	CINTAS	MATS & TOWELS		429.42
					MATS & TOWELS		61.35
					MATS & TOWELS		429.42
					MATS & TOWELS		61.35
						Total for Check/Tran - 89211:	981.54
89212	5/1/25	CHK	5249	DRIVER & VEHICLE SERVICES	CRASH REPORT - HWY 169		5.00
89213	5/1/25	CHK	8949	FS3 INC.	Mtce of URD Secondary		5,083.84
					PARTS FOR UNIT #56 & RED POLY		1,256.59
						Total for Check/Tran - 89213:	6,340.43
89214	5/1/25	CHK	80	GRAINGER	YELLOW SAFETY CABINET		-99.17
					YELLOW SAFETY CABINET		1,358.31
						Total for Check/Tran - 89214:	1,259.14
89215	5/1/25	CHK	9997	LEWIS CUSTOM HOMES, INC	Credit Balance Refund		148.17
89216	5/1/25	CHK	8605	MARCO TECHNOLOGIES, LLC	OFFICE 365 - 3/24 to 4/23/25		1,037.52
					OFFICE 365 - 3/24 to 4/23/25		225.99
						Total for Check/Tran - 89216:	1,263.51
89217	5/1/25	CHK	145	MENARDS	GREEN TREATED LUMBER		49.94
					PLIERS		34.47
					PARTS FOR UNIT #21		102.10
					MISC PARTS & SUPPLIES		-1.75
					MISC PARTS & SUPPLIES		24.04
					MISC PARTS & SUPPLIES		-0.26
					MISC PARTS & SUPPLIES		3.44
						Total for Check/Tran - 89217:	211.98
89218	5/1/25	CHK	349	MINNESOTA EQUIPMENT INC	MISC PARTS & SUPPLIES		97.89

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89219	5/1/25	CHK	279	MPCA	WASTEWATER PERMIT FEE - 741 QUINN	345.00
					WASTEWATER PERMIT FEE - 1705 MAIN	345.00
					2025 AIR ANNUAL FEE	25.00
					Total for Check/Tran - 89219:	715.00
89220	5/1/25	CHK	120	NAPA AUTO PARTS	PARTS FOR UNIT #53	35.23
					PARTS FOR UNIT #57	10.30
					PARTS FOR UNIT #57	2.58
					SWITCH - UNIT #57	18.38
					SWITCH - UNIT #57	4.60
					MISC PARTS & SUPPLIES	19.94
					Total for Check/Tran - 89220:	91.03
89221	5/1/25	CHK	18	POLLARD WATER	Tool	1,452.00
89222	5/1/25	CHK	3796	PRO-TEC DESIGN, INC	EVALUATE SENSOR ON FSB WALL	240.19
					EVALUATE SENSOR ON FSB WALL	34.31
					Total for Check/Tran - 89222:	274.50
89223	5/1/25	CHK	159	SHORT ELLIOTT HENDRICKSON INC	PROFESSIONAL SERVICES - MARCH 2025	2,653.35
					PROFESSIONAL SERVICES - MARCH 2025	733.75
					Total for Check/Tran - 89223:	3,387.10
89224	5/1/25	CHK	3360	THE UPS STORE 5093	SHIPPING - OIL SAMPLES	15.63
89225	5/1/25	CHK	209	ULINE	AIR FILTERS	281.72
					AIR FILTERS	491.95
					Total for Check/Tran - 89225:	773.67
89226	5/1/25	CHK	375	VIKING ELECTRIC	CABLE PROTECTOR	48.46
					CABLE PROTECTOR	72.68
					Total for Check/Tran - 89226:	121.14
89227	5/8/25	CHK	328	1ST AYD CORPORATION	DRC WIPES	730.83
89228	5/8/25	CHK	398	ALTEC INDUSTRIES, INC	PARTS & LABOR FOR UNIT #5	938.81

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89229	5/8/25	CHK	2512	AMARIL UNIFORM COMPANY	EMPLOYEE CLOTHING - 196	98.00
					EMPLOYEE CLOTHING - 174	509.62
					EMPLOYEE CLOTHING - 162	1,055.75
					Total for Check/Tran - 89229:	1,663.37
89230	5/8/25	CHK	4531	AT & T MOBILITY	CELL PHONES & iPAD BILLING	102.84
					CELL PHONES & iPAD BILLING	2,501.05
					CELL PHONES & iPAD BILLING	44.08
					CELL PHONES & iPAD BILLING	620.05
					Total for Check/Tran - 89230:	3,268.02
89231	5/8/25	CHK	2920	BATTERIES PLUS BULBS	BATTERIES	27.13
89232	5/8/25	CHK	5224	BLUE CROSS BLUE SHIELD OF MINNES	VISION INSURANCE - JUNE 2025	277.20
					VISION INSURANCE - JUNE 2025	105.81
					Total for Check/Tran - 89232:	383.01
89233	5/8/25	CHK	9997	JOSEPH BORDERS	INACTIVE REFUND	96.88
89234	5/8/25	CHK	9997	MINELOWON BORH	INACTIVE REFUND	12.19
89235	5/8/25	CHK	9997	GLORIA BURTON	INACTIVE REFUND	146.78
89236	5/8/25	CHK	9997	HELEN CHEAYE	INACTIVE REFUND	50.68
89237	5/8/25	CHK	54	CORE & MAIN LP	Alley Meter	1,689.86
					MISC PARTS & SUPPLIES	-123.36
					Total for Check/Tran - 89237:	1,566.50
89238	5/8/25	CHK	723	DEM-CON COMPANIES, LLC	DUMPSTER	470.00
89239	5/8/25	CHK	656	DGR ENGINEERING	PROFESSIONAL SERVICES - MARCH 2025	10,906.00
89240	5/8/25	CHK	9997	JACQUELINE ERICKSON	INACTIVE REFUND	66.43
89241	5/8/25	CHK	9997	CHARLENE GOTH	INACTIVE REFUND	205.00

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89242	5/8/25	CHK	9997	MICHAEL GUNDLACH	INACTIVE REFUND	462.12
89243	5/8/25	CHK	9997	JEFF HASSLEN	Credit Balance Refund	1,512.14
89244	5/8/25	CHK	9997	KIRSTEN HOMOLA	INACTIVE REFUND	46.88
89245	5/8/25	CHK	9997	BRENT HONMYHR	INACTIVE REFUND	93.22
89246	5/8/25	CHK	9997	CATHY HORTON	INACTIVE REFUND	195.85
89247	5/8/25	CHK	9997	BARBARA LARSON	INACTIVE REFUND	57.04
89248	5/8/25	CHK	9997	AYANA LOWE	INACTIVE REFUND	74.17
89249	5/8/25	CHK	9997	AYANA LOWE	INACTIVE REFUND	118.08
89250	5/8/25	CHK	9997	JAKE LUEHRS	INACTIVE REFUND	104.86
89251	5/8/25	CHK	9997	MICHAEL MAASS	INACTIVE REFUND	292.98
89252	5/8/25	CHK	9997	MATTSON CONSTRUCTION LLC	INACTIVE REFUND	105.49
89253	5/8/25	CHK	9997	MN PAVING & MATERIALS	INACTIVE REFUND	252.76
89254	5/8/25	CHK	9997	GRACE NIMENE	Credit Balance Refund	72.20
89255	5/8/25	CHK	741	NORTH PINE AGGREGATE, INC	Structure Removal	3,500.00
89256	5/8/25	CHK	9997	MACKALIUS OCHWANGI	INACTIVE REFUND	23.69
89257	5/8/25	CHK	9997	ROBERT PODAWITZ	INACTIVE REFUND	59.29
89258	5/8/25	CHK	811	PRIME ADVERTISING & DESIGN, INC.	Service Agreement	1,500.00
					MONTHLY HOSTING OF WEBSITE	40.00
					MONTHLY HOSTING OF WEBSITE	40.00
					MONTHLY HOSTING OF WEBSITE	20.00
					Total for Check/Tran - 89258:	1,600.00
89259	5/8/25	CHK	9997	ANNIS PRINCE	INACTIVE REFUND	166.81

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89260	5/8/25	CHK	9997	MICHELE PUCKETT	INACTIVE REFUND		132.15
89261	5/8/25	CHK	9997	LORI QUIGLEY	INACTIVE REFUND		33.58
89262	5/8/25	CHK	9997	MELISSA SINKLER	INACTIVE REFUND		19.37
89263	5/8/25	CHK	9997	JERICHO SMITH	INACTIVE REFUND		66.22
89264	5/8/25	CHK	9997	JULIE SMITH	INACTIVE REFUND		74.65
89265	5/8/25	CHK	9997	SPARTAN STAFFING	INACTIVE REFUND		240.41
89266	5/8/25	CHK	6107	STUART C. IRBY CO.	Mtce of URD Primary		950.65
					Mtce of OH Primary		75.51
					Mtce of OH Primary		22.05
					GLOVES & TESTING		-46.89
					GLOVES & TESTING		1,703.01
						Total for Check/Tran - 89266:	2,704.33
89267	5/8/25	CHK	3360	THE UPS STORE 5093	SHIPPING - OIL SAMPLES		16.07
					SHIPPING - OIL SAMPLES		15.02
						Total for Check/Tran - 89267:	31.09
89268	5/8/25	CHK	769	TOP SPOT LLC	CIP - LIGHTING RETROFIT		991.44
89269	5/8/25	CHK	331	TRANSUNION	SKIP TRACING - MARCH 2025		60.00
					SKIP TRACING - MARCH 2025		15.00
						Total for Check/Tran - 89269:	75.00
89270	5/8/25	CHK	714	UTB TRANSFORMERS	Transformer		62,082.00
89271	5/8/25	CHK	9997	MITCHEL VANDERMEY	INACTIVE REFUND		136.34
89272	5/8/25	CHK	375	VIKING ELECTRIC	CIRCUIT BREAKER		-5.71
					CIRCUIT BREAKER		78.34
						Total for Check/Tran - 89272:	72.63
89274	5/16/25	CHK	328	1ST AYD CORPORATION	OFFICE SUPPLIES		93.82

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Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
					OFFICE SUPPLIES		23.46
					SHOE COVERS		70.22
						Total for Check/Tran - 89274:	187.50
89275	5/16/25	CHK	97	BRENTESON COMPANIES, INC	WATERMAIN TRACER WIRE		7,779.00
89276	5/16/25	CHK	9997	CAPSTONE HOMES	Credit Balance Refund		106.39
89277	5/16/25	CHK	9997	CAPSTONE HOMES	Credit Balance Refund		102.10
89278	5/16/25	CHK	9997	CAPSTONE HOMES	Credit Balance Refund		128.98
89279	5/16/25	CHK	9997	CAPSTONE HOMES	Credit Balance Refund		142.22
89280	5/16/25	CHK	54	CORE & MAIN LP	CURB BOX SOCKET		222.73
89281	5/16/25	CHK	24	ELK RIVER PRINTING & VENTURE PRO	RESIDENTIAL REBATE FORMS		134.65
89282	5/16/25	CHK	122	ELK RIVER WINLECTRIC	LED LAMP		63.66
					LED LAMP		-4.66
					LAMPHOLDER ADAPTOR		-0.68
					LAMPHOLDER ADAPTOR		9.46
					MISC PARTS & SUPPLIES		99.45
						Total for Check/Tran - 89282:	167.23
89283	5/16/25	CHK	572	EVERSPRING INN AND SUITES-MARSH	JTS MEETING HOTEL - 32		99.57
89284	5/16/25	CHK	5053	FRONTIER PRECISION, INC.	Mapping		4,176.92
					MISC PARTS & SUPPLIES		15,910.85
					MISC PARTS & SUPPLIES		-1,466.41
					Mapping		1,044.23
					MISC PARTS & SUPPLIES		3,977.71
					MISC PARTS & SUPPLIES		-366.62
						Total for Check/Tran - 89284:	23,276.68
89285	5/16/25	CHK	689	GLOBAL INDUSTRIAL	EARPLUGS		87.30

05/01/2025 To 05/31/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
89286	5/16/25	CHK	80	GRAINGER	STORAGE DRAWER - UNIT #78		-111.64
					STORAGE DRAWER - UNIT #78		1,529.30
						Total for Check/Tran - 89286:	1,417.66
89287	5/16/25	CHK	631	HEALTHPARTNERS	DENTAL EE INSURANCE - JUNE 2025		844.91
					DENTAL ER INSURANCE - JUNE 2025		2,285.53
					MEDICAL EE INSURANCE - JUNE 2025		10,860.85
					MEDICAL ER INSURANCE - JUNE 2025		58,560.89
					DENTAL EE INSURANCE - JUNE 2025		166.86
					DENTAL ER INSURANCE - JUNE 2025		749.80
					MEDICAL EE INSURANCE - JUNE 2025		2,724.15
					MEDICAL ER INSURANCE - JUNE 2025		15,137.01
						Total for Check/Tran - 89287:	91,330.00
89288	5/16/25	CHK	9997	DANIEL KRUGER	Credit Balance Refund		137.32
89289	5/16/25	CHK	8605	MARCO TECHNOLOGIES, LLC	ACE PROGRAM - 3/29 to 4/28/25		1,437.80
					ACE PROGRAM - 3/29 to 4/28/25		359.45
						Total for Check/Tran - 89289:	1,797.25
89290	5/16/25	CHK	9997	AMANDA MAUS	INACTIVE REFUND		148.65
89291	5/16/25	CHK	9997	RENAE MCAREAVEY	INACTIVE REFUND		205.45
89292	5/16/25	CHK	145	MENARDS	GREEN TREATED LUMBER		-3.64
					GREEN TREATED LUMBER		49.93
					PRY BARS		-2.17
					PRY BARS		29.65
					MISC PARTS & SUPPLIES		28.00
					MISC PARTS & SUPPLIES		-2.04
					MISC PARTS & SUPPLIES		-2.99
					MISC PARTS & SUPPLIES		40.91
					REBATE		-10.86
					REBATE		-8.76

05/01/2025 To 05/31/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
					REBATE	-10.02
					REBATE	-2.51
					Total for Check/Tran - 89292:	105.50
89293	5/16/25	CHK	119	MINNESOTA COMPUTER SYSTEMS INC	COPIER MTC CONTRACT - 4/12 to 5/22/25	130.06
					COPIER MTC CONTRACT - 4/12 to 5/22/25	32.51
					Total for Check/Tran - 89293:	162.57
89294	5/16/25	CHK	6053	MINNESOTA HIGHWAY SAFETY & RES	DRIVER SKILLS - 195	330.00
89295	5/16/25	CHK	9997	PAYLOAD GROUP LLC	Credit Balance Refund	3,607.22
89296	5/16/25	CHK	630	PRINCETON RENTAL INC	TOOL RENTAL	219.37
89297	5/16/25	CHK	574	REPUBLIC SERVICES, INC	TRASH & RECYCLING SERVICE - APRIL 2025	170.24
					TRASH & RECYCLING SERVICE - APRIL 2025	1,927.53
					TRASH & RECYCLING SERVICE - APRIL 2025	24.32
					TRASH & RECYCLING SERVICE - APRIL 2025	275.36
					TRASH & RECYCLING SERVICE - APRIL 2025	404.10
					TRASH & RECYCLING SERVICE - APRIL 2025	72.87
					TRASH & RECYCLING SERVICE - APRIL 2025	10.41
					Total for Check/Tran - 89297:	2,884.83
89298	5/16/25	CHK	9997	RIVERS CROSSING INC	Credit Balance Refund	20.94
89299	5/16/25	CHK	793	SHERBURNE HISTORY CENTER	PHOTO	4.00
					PHOTO	1.00
					Total for Check/Tran - 89299:	5.00
89300	5/16/25	CHK	792	SONUS INTERIORS	MISSISSIPPI ROOM ACOUSTIC TILES	8,334.38
					MISSISSIPPI ROOM ACOUSTIC TILES	1,190.62
					Total for Check/Tran - 89300:	9,525.00
89301	5/16/25	CHK	9997	ROBERT STEINHAUS	INACTIVE REFUND	140.45
89302	5/16/25	CHK	6107	STUART C. IRBY CO.	MISC PARTS & SUPPLIES	-54.37
					MISC PARTS & SUPPLIES	744.77

Accounts Payable
Check Register

05/01/2025 To 05/31/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
					BLANKET TESTING	-48.00
					BLANKET TESTING	2,556.79
					HAT ASSEMBLY	-18.56
					HAT ASSEMBLY	254.16
					Mtce of OH Primary	99.00
					Total for Check/Tran - 89302:	3,533.79
89303	5/16/25	CHK	3360	THE UPS STORE 5093	SHIPPING - OIL SAMPLES	16.59
					SHIPPING	30.03
					SHIPPING - OIL SAMPLES	33.24
					Total for Check/Tran - 89303:	79.86
89304	5/16/25	CHK	9997	LORI TWEDT	INACTIVE REFUND	302.25
89305	5/16/25	CHK	209	ULINE	CONTAINERS	676.25
89306	5/16/25	CHK	55	WESCO RECEIVABLES CORP.	Panduit	161.13
89307	5/22/25	CHK	218	AIRGAS USA LLC	ACETYLENE & OXYGEN	942.94
89308	5/22/25	CHK	398	ALTEC INDUSTRIES, INC	FILTERS - BUCKET & DIGGER	757.90
89309	5/22/25	CHK	522	ALTERNATIVE TECHNOLOGIES, INC	OIL SAMPLES	165.00
89310	5/22/25	CHK	2920	BATTERIES PLUS BULBS	BATTERIES	19.36
89311	5/22/25	CHK	3982	CENTERPOINT ENERGY	NATURAL GAS & IRON REMOVAL	1,149.46
					NATURAL GAS & IRON REMOVAL	461.67
					Total for Check/Tran - 89311:	1,611.13
89312	5/22/25	CHK	54	CORE & MAIN LP	METER	3,177.00
89313	5/22/25	CHK	787	DIVAL	Gloves	159.72
					Gloves	132.55
					Total for Check/Tran - 89313:	292.27
89314	5/22/25	CHK	5204	DIVERSIFIED ADJUSTMENT SERVICE, I	COMMISSIONS DUE COLLECTION AGENCY	735.69

05/01/2025 To 05/31/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
89315	5/22/25	CHK	6425	GREAT NORTHERN LANDSCAPES, INC.	Landscape	6,017.42
					Landscape	859.62
					Total for Check/Tran - 89315:	6,877.04
89316	5/22/25	CHK	9997	NENA GREENE	INACTIVE REFUND	166.39
89317	5/22/25	CHK	9997	AHMED HANSHI	INACTIVE REFUND	272.45
89318	5/22/25	CHK	824	HOME DEPOT CREDIT SERVICES	HOME DEPOT	104.14
					HOME DEPOT	702.16
					Total for Check/Tran - 89318:	806.30
89319	5/22/25	CHK	794	MEG CORP	DIESEL FUEL TEST	380.00
89320	5/22/25	CHK	145	MENARDS	MISC PARTS & SUPPLIES	18.63
					BLOW GUN	10.77
					SPOTLIGHT - UNIT #31	-2.36
					SPOTLIGHT - UNIT #31	32.33
					MISC PARTS & SUPPLIES	11.86
					MISC PARTS & SUPPLIES	23.00
					MISC PARTS & SUPPLIES	87.27
					MISC PARTS & SUPPLIES	30.99
					Total for Check/Tran - 89320:	212.49
89321	5/22/25	CHK	16	MINNESOTA DEPT OF HEALTH	LICENSE RENEWAL - 186	23.00
89322	5/22/25	CHK	633	MUTUAL OF OMAHA	ELEC LIFE INSURANCE - JUNE 2025	216.81
					LIFE,STD & LTD INSURANCE - JUNE 2025	2,470.51
					ELEC LIFE INSURANCE - JUNE 2025	202.94
					LIFE,STD & LTD INSURANCE - JUNE 2025	670.76
					Total for Check/Tran - 89322:	3,561.02
89323	5/22/25	CHK	9997	JONATHON NIES	INACTIVE REFUND	21.67
89324	5/22/25	CHK	3796	PRO-TEC DESIGN, INC	BLUETOOTH CREDENTIALS - 2025 to 2026	155.20
					BLUETOOTH CREDENTIALS - 2025 to 2026	38.80

05/01/2025 To 05/31/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
					Total for Check/Tran - 89324:	194.00
89325	5/22/25	CHK	9997	RUSS SPAULDING	INACTIVE REFUND	85.90
89326	5/22/25	CHK	8141	SPEEDCUTTERS OUTDOOR MAINTENA	LAWN MOWING SERVICES - MAY 2025	867.69
					LAWN MOWING SERVICES - MAY 2025	2,155.57
					Total for Check/Tran - 89326:	3,023.26
89327	5/22/25	CHK	6107	STUART C. IRBY CO.	SLEEVE & MITT TESTING - 195	32.69
					OPEN CUTOUT	5,076.00
					Total for Check/Tran - 89327:	5,108.69
89328	5/22/25	CHK	2560	THE SHERWIN-WILLIAMS CO.	MISC PARTS & SUPPLIES	148.93
89329	5/22/25	CHK	3360	THE UPS STORE 5093	SHIPPING - OIL SAMPLES	19.72
					SHIPPING - FLUORIDE SAMPLE	13.39
					Total for Check/Tran - 89329:	33.11
89330	5/22/25	CHK	783	VICTORY CLEANING SERVICES	MONTHLY CLEANING FOR THE PLANT-APR 2025	3,261.20
					MONTHLY CLEANING FOR THE PLANT-APR 2025	465.88
					Total for Check/Tran - 89330:	3,727.08
89331	5/22/25	CHK	55	WESCO RECEIVABLES CORP.	Mtce of OH Primary	312.50
					Back Plate	360.00
					3 PHASE J-BOX	15,254.40
					Mtce of OH Primary	318.00
					TRANSFORMER BOX PAD	13,442.85
					Wire	8,092.08
					Total for Check/Tran - 89331:	37,779.83
89332	5/29/25	CHK	328	1ST AYD CORPORATION	SHOE COVERS	151.90
89333	5/29/25	CHK	2512	AMARIL UNIFORM COMPANY	Employee Clothing - 142	-158.00
					Employee Clothing - 174	-21.72
					Employee Clothing - 169	283.40
					Employee Clothing - 106	403.85

Accounts Payable
Check Register

05/01/2025 To 05/31/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
					Employee Clothing - 106	21.25
					Employee Clothing - 191	248.00
					Employee Clothing - 195	425.10
					Employee Clothing - 171	372.00
					Employee Clothing - 196	248.00
					Total for Check/Tran - 89333:	1,821.88
89334	5/29/25	CHK	2	AMERICAN WATER WORKS ASSOC	MEMBERSHIP RENEWAL - 157	83.00
89335	5/29/25	CHK	771	ANDERSON PROCESS	Dehydrator	3,786.41
89336	5/29/25	CHK	616	ARTIC ICE SYSTEMS & REFRIGERATIO	ICE MACHINE REPAIRS	-3.73
					ICE MACHINE REPAIRS	287.23
					ICE MACHINE REPAIRS	-0.52
					ICE MACHINE REPAIRS	41.02
					Total for Check/Tran - 89336:	324.00
89337	5/29/25	CHK	2920	BATTERIES PLUS BULBS	BATTERIES	15.54
					BATTERIES	3.88
					Total for Check/Tran - 89337:	19.42
89338	5/29/25	CHK	9997	JAMES CARRIER	INACTIVE REFUND	158.21
89339	5/29/25	CHK	549	CHARTER COMMUNICATIONS	OFFICE TELEPHONE & CABLE	197.38
					OFFICE TELEPHONE & CABLE	49.34
					Total for Check/Tran - 89339:	246.72
89340	5/29/25	CHK	54	CORE & MAIN LP	Bolts	98.72
					BOLTS	-7.21
					REPAIR LID	565.01
					Total for Check/Tran - 89340:	656.52
89341	5/29/25	CHK	767	DAVE PERKINS CONTRACTING, INC	REPAIRED WATER SERVICE	1,500.00
89342	5/29/25	CHK	572	EVERSPRING INN AND SUITES-MARSH	UNDERGROUND SCHOOL HOTEL - 19	420.66

Accounts Payable
Check Register

05/01/2025 To 05/31/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
89343	5/29/25	CHK	788	FIVE STAR HYDRANT DIFFUSER	Diffuser Hose		1,700.00
89344	5/29/25	CHK	9997	LGI HOMES, MN	Credit Balance Refund		160.52
89345	5/29/25	CHK	9997	LGI HOMES, MN	Credit Balance Refund		212.45
89346	5/29/25	CHK	8605	MARCO TECHNOLOGIES, LLC	ACE PROGRAM - 4/29 to 5/28/25		1,471.06
					ACE PROGRAM - 4/29 to 5/28/25		367.77
						Total for Check/Tran - 89346:	1,838.83
89347	5/29/25	CHK	188	MARTIES FARM SERVICE INC	GRASS SEED		102.47
89348	5/29/25	CHK	145	MENARDS	MISC PARTS & SUPPLIES		66.85
89349	5/29/25	CHK	713	RCS, INC	PCB TRAINING - 111 119 8.2025		2,190.00
89350	5/29/25	CHK	848	SHERBURNE COUNTY PUBLIC WORKS	UTILITY PERMIT		100.00
89351	5/29/25	CHK	47	SHERBURNE COUNTY SHERIFF'S DEPA	2025 RADIO MTC CONTRACT		4,104.00
					2025 RADIO MTC CONTRACT		216.00
						Total for Check/Tran - 89351:	4,320.00
89352	5/29/25	CHK	463	ST LOUIS MRO, INC	DRUG SCREENING - 196		25.00
89353	5/29/25	CHK	6107	STUART C. IRBY CO.	LUBRICANT		384.47
89354	5/29/25	CHK	375	VIKING ELECTRIC	MISC PARTS & SUPPLIES		-43.40
					MISC PARTS & SUPPLIES		594.32
					MISC PARTS & SUPPLIES		-1.44
					MISC PARTS & SUPPLIES		19.77
						Total for Check/Tran - 89354:	569.25
89355	5/29/25	CHK	55	WESCO RECEIVABLES CORP.	Panduit		589.20
					FIBERGLASS X ARM		3,841.92
						Total for Check/Tran - 89355:	4,431.12
						Total for Bank Account - 5 : (238)	4,319,738.87

Accounts Payable
Check Register

Grand Total :	(239)	4,331,687.04

Accounts Payable
Check Register

PARAMETERS ENTERED:

Check Date:	05/01/2025 To 05/31/2025
Bank:	All
Vendor:	All
Check:	
Journal:	All
Format:	All GL References/Amounts
Extended Reference:	No
Sort By:	Check/Transaction
Voids:	None
Payment Type:	All
Group By Payment Type:	No
Minimum Amount:	0.00
Authorization Listing:	No
Credit Card Charges:	No

Payroll/Labor
Check Register Totals

05/13/2025 To 05/13/2025

Pays		Job	Amount	Hours
Gross Pay				
2	Reg Hours		0.00	0.00
3	Overtime		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		3,000.00	0.00
	Gross Pay Total:		3,000.00	0.00
	Total Pays:		3,000.00	0.00

Deductions	Amount

Employee Taxes		Amount	Taxable Amt
FEDM	Federal Income Tax - Married	660.00	3,000.00
MNM	MN State Income Tax - Married	187.50	3,000.00
SS-E	Social Security	186.00	3,000.00
MD-E	Medicare	43.50	3,000.00
	Employee Tax Total:	1,077.00	

Employer Taxes		Amount	Taxable Amt
SS-R	Social Security	186.00	3,000.00
MD-R	Medicare	43.50	3,000.00
SUTA	State Unemployment Tax	0.00	3,000.00
	Employer Tax Total:	229.50	

Payroll/Labor
Check Register Totals

05/13/2025 To 05/13/2025

Taxes By Type	State	Amount	Taxable Amt
FEDERAL INCOME		660.00	3,000.00
SOCIAL SECURITY		372.00	3,000.00
Medicare		87.00	3,000.00
STATE INCOME	MN	187.50	3,000.00
State Unemployment Tax	MN	0.00	3,000.00
Tax Total:		1,306.50	

Net Pay:	1,923.00
Total Deposit Amount:	0.00
Total Check Amount:	1,923.00
Total Employees:	1
Total Direct Deposits:	0
Total Checks:	1

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

May 13, 2025

Members Present:	Chair John Dietz, Vice Chair Mary Stewart, Commissioners 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 Megan Zachman, Human Resources Generalist
Others Present:	Jared Shepherd, Attorney; Cal Portner, City Administrator; Owen Westberg, ERMU Scholarship Winner; Andrew Madson, 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 Stewart and seconded by Commissioner Westgaard to approve the May 13, 2025, agenda. Motion carried 4-0.

1.4 Recognition of Employee Longevity – Scott Thoreson, 32 Years

Mr. Sumstad presented Mr. Thoreson to be recognized for 32 years of employment with ERMU, with 5 years in his current role as line crew foreperson. Mr. Sumstad explained that Mr. Thoreson was the company's current longest serving staff member, has seen the service territory grow significantly, and is active in mentoring and teaching peers in the utilities. Mr. Sumstad noted that Mr. Thoreson oversees ten lineworkers who have collective experience of 60 years.

Mr. Thoreson thanked the Commission and shared that his time has been wonderful and that he is proud to be part of ERMU. There was a round of applause.

1.5 **ERMU Scholarship**

Elk River High School Students Andrew Madson and Owen Westberg were presented to the Commission, sharing their appreciation for the scholarship and their plans for the future. Mr. Madson will attend Dakota County Technical College to pursue a career in linework, and Mr. Westberg is attending Texas A&M University to study engineering. The Commission congratulated the students.

2.0 CONSENT AGENDA (Approved By One Motion)

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

2.1 Check Register – April 2025
2.2 Regular Meeting Minutes – April 8, 2025
2.3 Policy Update - Utilities Performance Metric Incentive Compensation
2.4 2025 First Quarter Utilities Performance Metrics Scorecard Statistics
2.5 2025 First Quarter Delinquent Items
2.6 Governance Agenda Update

Motion carried 4-0.

3.0 OPEN FORUM

No one appeared for open forum.

4.0 POLICY & COMPLIANCE

4.1 **Commission Policy Review – G.4b – Information and Support to the Commission**

Mr. Mauren presented the policy for commission review with no recommended changes from staff. Chair Dietz questioned if the negative phrasing "The General Manager shall not permit the Commission to be uninformed or unsupported in its work", could be more easily stated by framing it in positive language (i.e. "The General Manager shall ensure that the Commission is informed and supported in its work"). Mr. Shepherd shared that he had no issue with framing the policy with positive language.

Moved by Commissioner Zerwas and seconded by Commissioner Stewart to approve the recommended language changes. Motion carried 4-0.

4.2 **ERMU Commission Eligibility Requirements**

Mr. Hanson presented his memo requesting that commissioners approve eligibility requirements for the utilities commission that would then be recommended for adoption into ordinance by the City Council. Commissioners were agreeable to the presented terms:

- All Commissioners shall be ERMU customers,
- Up to two commissioners may be City of Elk River Councilmembers,
- At least one, preferably two, commissioner(s) shall be ERMU water customers, and
- Up to one commissioner may live outside of Elk River city limits.

Commissioner Stewart supported the addition of the word "and" before the last term so it was clear that the previous requirements, in particular active customer status, apply throughout the terms.

Chair Dietz noted that the Commission application should ask whether individuals applying for the Commission are water customers. Mr. Hanson said he would work with city staff to ensure it was done.

5.0 BUSINESS ACTION

5.1 **Financial Report – March 2025**

A presentation of the March 2025 financials was provided by Ms. Karpinski. There was discussion.

Ms. Karpinski explained that due to government accounting standards the accounts receivable line on the combined balance sheet has to recognize funds from infrastructure attachment leases for the life of the agreement, which is 25 years.

Ms. Karpinski corrected her memo, stating that March year to date electric kWh sales are actually up 6% not the published 3%.

In staff's presentation the Electric Usage Sales chart shows higher sales in January 2025 compared to the previous four years. It was discovered that the January 2025 bill cycle had 35 days versus a more typical period of 28 days.

Moved by Commissioner Westgaard and seconded by Commissioner Stewart to receive the March 2025 Financial Report. Motion carried 4-0.

5.2 **Advanced Metering Infrastructure Update**

Mr. Tietz updated the Commission on meter replacement progress, noting that the sub-contractor Allegiant Utilities Services completed their work on the project and that the remining work would be performed by ERMU staff.

In response to a question from the Commission, Mr. Tietz estimated that there were approximately 358 water meters (285 residential, 73 commercial) remaining to be replaced, adding that staff has had varying customer responsiveness in their outreach efforts.

There was discussion on the opt-out process, the associated fee, and the requirement for a manual meter read. Staff confirmed that even when customers opt out of the remote meter reading function, they will still need their meter replaced. Staff confirmed that an opt-out letter detailing responsibilities and fee conditions will be finalized for customer distribution. Staff stated they would have legal counsel review the opt-out letter.

Mr. Tietz shared that with the project nearing completion all future updates will appear within his staff update.

5.3 **ERMU Power Plant Update**

Mr. Hanson presented the update and recapped the previous discussion at the March 2025 meeting with the architect LEO A DALY, stating cost estimates ranged between $5.5 and $8.5 million to turn the plant into a history education center. He added that the Commission considered that amount too high even with the potential funding offsets presented. At the meeting staff recommended pausing history center design and funding efforts to focus on asset disposition, in particular, future plans for the external diesel fuel tanks, the recloser and transformer, and three of the four engines in case one could be used for a future history center.

Mr. Hanson explained that municipal utilities in Glencoe and Janesville Minnesota have expressed interest in the external diesel tanks. Due to the cost to transport and rehabilitate the tanks for the buyer, staff was proposing a fee of approximately $500 for each of the two tanks and approximately $0.10/gallon, or $1,000, for the diesel within them. He added that ERMU's power provider, Minnesota Municipal Power Agency, is interested in purchasing the plant's transformer and recloser with that equipment to be sold at its net book value. Plans for sale of the engines are still in development.

Legal counsel advised staff on the terms of these sales, informing them that based on the asset value and because they were transactions between municipalities, they met regulations for the sale of public property.

Staff explained there are minor ongoing costs in maintaining the temperature of the building to ensure plumbing and engine lines do not freeze.

Commissioner Stewart expressed appreciation for the opportunity to enter into a mutually beneficial agreement with another municipal utility. She also recommended that staff establish some form of a deadline on the recloser and transformer sale as their value could decline over time.

Mr. Shepherd requested that staff bring back agreements on sales for commission approval.

There was Commission consensus to pursue staff's existing plans for asset disposition as well as pausing action on developing a history education center at least until the assets have been removed. The Commission emphasized the desire to remain cost neutral and to ensure that any additional removal charges such as tearing down and restoring walls for engine removal are fully covered by the purchasing entity.

6.0 BUSINESS DISCUSSION

6.1 Staff Updates

Mr. Hanson shared his appreciation for being able to attend the American Public Power Association's Cost of Service and Rate Design training in preparation for the rate study to be performed later in the year.

Following up the discussion on electric vehicle (EV) chargers at the April Commission meeting, Ms. Youngs informed the Commission that representatives at Rockwoods Restaurant were not interested in taking over management of the EV charger which had been installed in their parking lot through a program with the Minnesota Municipal Power Agency. This will require ERMU to remove it. She added that later in the month the Downtown Elk River Business Association plans to discuss their interest in taking over the downtown charger. If they are not interested that unit will also need to be removed by ERMU. Ms. Youngs explained that she had extended ERMU's contract with the EV charger company for the city hall charger in order to continue to service ERMU's EV. The term of the contract is three years. There was discussion about future uses of the infrastructure that was installed for the chargers. There was consensus that the Commission no longer needed Ms. Youngs to do a monthly charging recap in her staff update.

Mr. Mauren informed the Commission that the next meeting was in three weeks, as it had been moved up to ensure a quorum with three commissioners attending a conference during the normal meeting time. Ms. Karpinski added that due to the meeting being moved up some graphs will not be able to be presented at the meeting.

6.2 City Council Update

Chair Dietz provided a City Council Update.

6.3 **Future Planning**

Chair Dietz announced the following:

a. Regular Commission Meeting – June 3, 2025
b. 2025 Governance Agenda

6.4 **Other Business**

There was no other business.

7.0 CLOSED SESSION

Moved by Commissioner Zerwas and seconded by Commissioner Westgaard 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 4:38 p.m. Motion carried 4-0.

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 Stewart to close the closed meeting, and re-open the regular meeting of the Elk River Municipal Utilities Commission at 6:04 p.m. Motion carried 4-0.

8.0 ADJOURN REGULAR MEETING

Moved by Commissioner Westgaard and seconded by Commissioner Stewart to adjourn the regular meeting of the Elk River Municipal Utilities Commission at 6:05 p.m. Motion carried 4-0.

Minutes prepared by Tony Mauren.

____
John J. Dietz, ERMU Commission Chair

____
Tina Allard, City Clerk

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	FROM: Tony Mauren – Governance & Communications Manager
MEETING DATE: June 3, 2025	**AGENDA ITEM NUMBER:** 2.3
SUBJECT: Summary of General Manager Performance Evaluation Closed Session	
ACTION REQUESTED: None	

BACKGROUND:
On May 13, 2025, 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:*** *John Dietz, Mary Stewart, 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 13, 2025. The Commission, the ERMU managers and the City Administrator answered a series of questions, rating Mark from 1-3 (with 3 being the highest score) in several categories. There was also the option of adding comments in each section along with a general section for comments at the end of the document.

Mark met or exceeded expectations in every category. He rated highly in his ability to work with the ERMU staff and for his aggressive approach to learning more about the electric side of the business. Mark has worked hard on improving his knowledge of the electric side of the business, attending many classes on the topic and working closely with Operations Director Tom Geiser. He is now very comfortable assisting in making decisions concerning electrical issues.

Mark got very high marks on his communication skills and his ability to listen to his employees. He was cautioned about being perceived as an agent of the employees during wage and benefit discussions. He stated that he tries to present all sides of an issue for the Commission to make its decision.

The Commission is extremely pleased with the job Mark is doing as the General Manager, citing good employee morale, great employee work ethic and a genuine desire of his staff to work as a team.

Several commissioners remarked that Mark has proven to be an excellent leader for ERMU and that he will get even stronger in that area as the years go by.

John Dietz
Commission Chair

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	**FROM:** Tony Mauren – Governance & Communications Manager
MEETING DATE: June 3, 2025	**AGENDA ITEM NUMBER:** 2.4
SUBJECT: Summary of Information Security Committee Closed Session	
ACTION REQUESTED: None	

BACKGROUND:
On May 13, 2025, a closed session of the Information Security Committee was held. State statute requires that the Committee shall then summarize its conclusions from the closed session at the next public meeting.

DISCUSSION:
Summary from Chair Stewart:

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

The Information Security Committee convened on May 13, 2025, for a regularly scheduled meeting. The open portion of the meeting consisted of calling the meeting to order, appointing Council Member J. Brian Calva to the body, and approving the agenda and previous minutes.

The Committee then moved into a closed session pursuant to Minn. Stat. § 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.

In the closed session the Committee discussed penetration testing and tabletop exercise outcomes, planned recurring training for staff, reviewed a draft addition to policy for the City and ERMU, and received an update on grant opportunities.

Mary Stewart
Committee Chair

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	**FROM:** Tony Mauren – Governance & Communications Manager
MEETING DATE: June 3, 2025	**AGENDA ITEM NUMBER:** 4.1
SUBJECT: Commission Policy Review – G.4c – Strategic and Business Planning	
ACTION REQUESTED: Review the policy and provide comment	

BACKGROUND/DISCUSSION:
This month commissioners are reviewing policy G.4c – Strategic and Business Planning to make comments, ask questions, or recommend updates.

With policy G.4c, the Commission affirms the importance of strategic and business planning and sets forth its expectations for the General Manager.

Staff is recommending one update, reducing the Strategic Plan time period from not less than five years to not less than three years. Staff believes this more closely resembles past practice and allows for greater responsiveness in rapidly changing economic conditions. The proposed deletion in the notes section coincides with the recommended time period edit and removes redundancy with the sentence that immediately proceeds it.

ATTACHMENTS:
- ERMU Policy – G.4c – Strategic and Business Planning

Elk River Municipal Utilities

COMMISSION POLICY

Section: Governance	Category: Delegation to Management Policies
Policy Reference: **G.4c**	Policy Title: **Strategic and Business Planning**

PURPOSE:

With this policy, the Commission affirms the importance of strategic and business planning and sets forth its expectations for the General Manager in terms of the effective development, implementation, monitoring, and updating of the Commission's approved Strategic Plan, Financial Plan and Business Plan/Budget.

POLICY:

The General Manager shall not allow ERMU to operate without the following Commission approved plans:

1. A Strategic Plan that provides strategic direction for a period of not less than three ~~five~~ (~~5~~3) future fiscal years in terms of high-level elements such as vision, core purpose, core values, mission, key result areas and broadly stated strategic objectives that are intended to achieve the organizational outcomes contained in the Commission's ***Authority and Purpose Policies***.

2. A Financial Plan covering not less than five (5) future fiscal years (see ***Financial Planning and Budgeting Policy***).

3. A Business Plan/Budget that supports accomplishment of the Strategic Plan and sets forth specific operating and financial results in terms of elements such as actions and outcomes, budgeted financial and other resource requirements, and projected financial statements.

Consistent with this general statement, the General Manager shall:

1. Provide the overall direction, leadership, education, and resources needed to engage the Commission, management employees, key staff employees, and other key stakeholders in an effective strategic planning process.

2. Present to the Commission for approval a recommended Strategic Plan, a recommended Financial Plan, and a recommended Business Plan/Budget, as well as any subsequent changes to the approved plans that are needed to keep them relevant and effective. The Strategic Plan, as approved by the Commission, will include the high-level elements identified above. Consistent with the strategic direction approved by the Commission, management will implement, monitor, and periodically report to the Commission the status of the Strategic Plan through the use of goals, action plans, and performance measures. The Strategic Plan, Financial Plan, and Business Plan shall not materially deviate from the Commission's ***Authority and Purpose Policies.***

3. Implement, if the Commission does not approve in a timely manner, the recommended Strategic Plan, Financial Plan, and Business Plan/Budget, as required to effectively manage the ERMU organization and utility enterprises.

4. Use the Strategic Plan as a guide and point of reference for preparing and updating the Financial Plan, Business Plan/Budget and other business management tools.

5. Communicate key elements of the Strategic Plan, Financial Plan, and Business Plan/Budget to ERMU's Commission, customers, employees, and other stakeholders at appropriate intervals to keep them well-informed about ERMU's operating environment, strategic direction and desired business and operational performance.

6. Report key business results and other operational outcomes to ERMU's Commission, customers, employees, and other stakeholders at appropriate intervals, using the Strategic Plan and Business Plan/Budget as a point of reference.

Note: The ERMU Commission has established strategic and business planning as an important part of its own Governance Agenda (see ***Agenda Planning Policy***). During the first quarter of each fiscal year (January - March), the Commission will review the most current adopted version of ERMU's Strategic Plan and Financial Plan, along with the results of the Business Plan/Budget for the preceding fiscal year. The Commission and Management will prepare, and the Commission will adopt an updated Strategic Plan and Business Plan/Budget before the end of each calendar year. ~~During the second and third quarters of every third year, the Commission and Management will work together to re-develop, and the Commission will adopt a Strategic Plan for at least five (5) future fiscal years~~. Management will prepare, and the Commission will adopt during the fourth quarter (October – December) of each year a Business Plan/Budget that includes management's revenue/expense budget and projections, including relevant assumptions for two (2) future fiscal years.

POLICY HISTORY:

Adopted	June 13, 2017
Revised	June 3, 2025

UTILITIES COMMISSION MEETING

TO: ERMU Commission	FROM: Mark Hanson – General Manager
MEETING DATE: June 3, 2025	**AGENDA ITEM NUMBER:** 4.2
SUBJECT: Annual Commission Performance Evaluation	
ACTION REQUESTED: None	

BACKGROUND/ DISCUSSION:
Per the Governance Policy G.2c Agenda Planning and consistent with the 2025 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.

Following the Commission's recommendation in July of 2023, the evaluation was changed from a self-evaluation to a 360-degree review by incorporating manager input.

The 2025 Annual Commission Performance Evaluation Results are attached for review and discussion.

ATTACHMENTS:
- 2025 Annual Commission Performance Evaluation Results

Elk River Municipal Utilities

2025

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

Question 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	5.00
Commissioner	4.00
Commissioner	4.00
Commissioner	5.00
Average	**4.60**
Manager	4.00
Manager	5.00
Manager	4.00
Manager	4.00
Manager	4.00
Manager	4.00
Manager	4.00
Manager	4.00
Average	**4.13**
Overall Average	**4.31**

Comments:

- **The commissioners may not always agree on how to get to the outcome but after discussion the group unanimously agrees on the best way to handle the issue.**
- **Integrating the governance policy review into the commission meetings has been helpful in aligning commissions decisions with ERMU's purpose, mission, vision, and values.**

Question 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	5.00
Commissioner	4.00
Commissioner	4.00
Average	**4.40**
Manager	4.00
Manager	4.00
Manager	4.00
Manager	4.00
Manager	4.00
Manager	4.00
Manager	4.00
Manager	4.00
Average	**4.00**
Overall Average	**4.15**

Comments

- **Both commercial and residential developments**
- **Good balance is maintained between ERMU Customer responsibilities and City opportunities. That is appreciated.**
- **I think we benefit from having council members on our commission, but it was nice to see that there was enough trust in the partnership that the council was ok with not filling commissioner Bell's spot with another council member.**

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

Question 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	5.00
Commissioner	4.00
Commissioner	5.00
Commissioner	5.00
Average	**4.80**
Manager	4.00
Manager	4.00
Manager	4.00
Manager	4.00
Manager	5.00
Manager	4.00
Manager	4.00
Manager	5.00
Average	**4.25**
Overall Average	**4.46**

Comments:

- There has been more opportunities for the commissioners to go to different events and it allows a broader training and learning experience of how utilities operate across the country.
- They put time and thought into decisions without making rash or rushed decisions. They are open to extra opportunities and open to staff attending extra education and industry training.
- We've had some lengthy meetings and difficult conservations recently with the water service lines but the commission seemed well prepared and up to the task!
- I've noticed that the commissioners really took last year's feedback to heart and made a strong effort to be present and engaged during meetings—even when they've run longer than expected.

Question 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	4.00
Commissioner	4.00
Commissioner	4.00
Average	**4.00**
Manager	4.00
Manager	5.00
Manager	4.00
Manager	4.00
Manager	4.00
Manager	4.00
Manager	4.00
Manager	5.00
Average	**4.25**
Overall Average	**4.15**

Comments

- I assume this to be true!
- Follow chain of command correctly with all I have witnessed
- I think this has gotten better as the relationship between Mark and the commission has grown.

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

Question 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	4.00
Commissioner	4.00
Commissioner	5.00
Commissioner	4.00
Average	**4.20**
Manager	4.00
Manager	5.00
Manager	4.00
Manager	4.00
Manager	4.00
Manager	5.00
Manager	4.00
Manager	4.00
Average	**4.25**
Overall Average	**4.23**

Comments:

- I think the commission has a good set of metrics monitoring performance
- I think they ask good questions during meetings and will ask for additional information to be provided in subsequent meetings/discussions when they feel it's necessary.

Question 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	4.00
Commissioner	5.00
Commissioner	4.00
Commissioner	5.00
Average	**4.40**
Manager	4.00
Manager	5.00
Manager	4.00
Manager	4.00
Manager	5.00
Manager	5.00
Manager	4.00
Manager	4.00
Average	**4.38**
Overall Average	**4.39**

Comments

- No commissioner comments
- They take approving budget seriously, and strive to keep the company in a healthy position
- Similar to the last question, I think they ask good questions and aren't afraid to postpone decisions when necessary so staff can provide additional information at future meetings. The trust between the commission and staff is evident and appreciated.

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

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

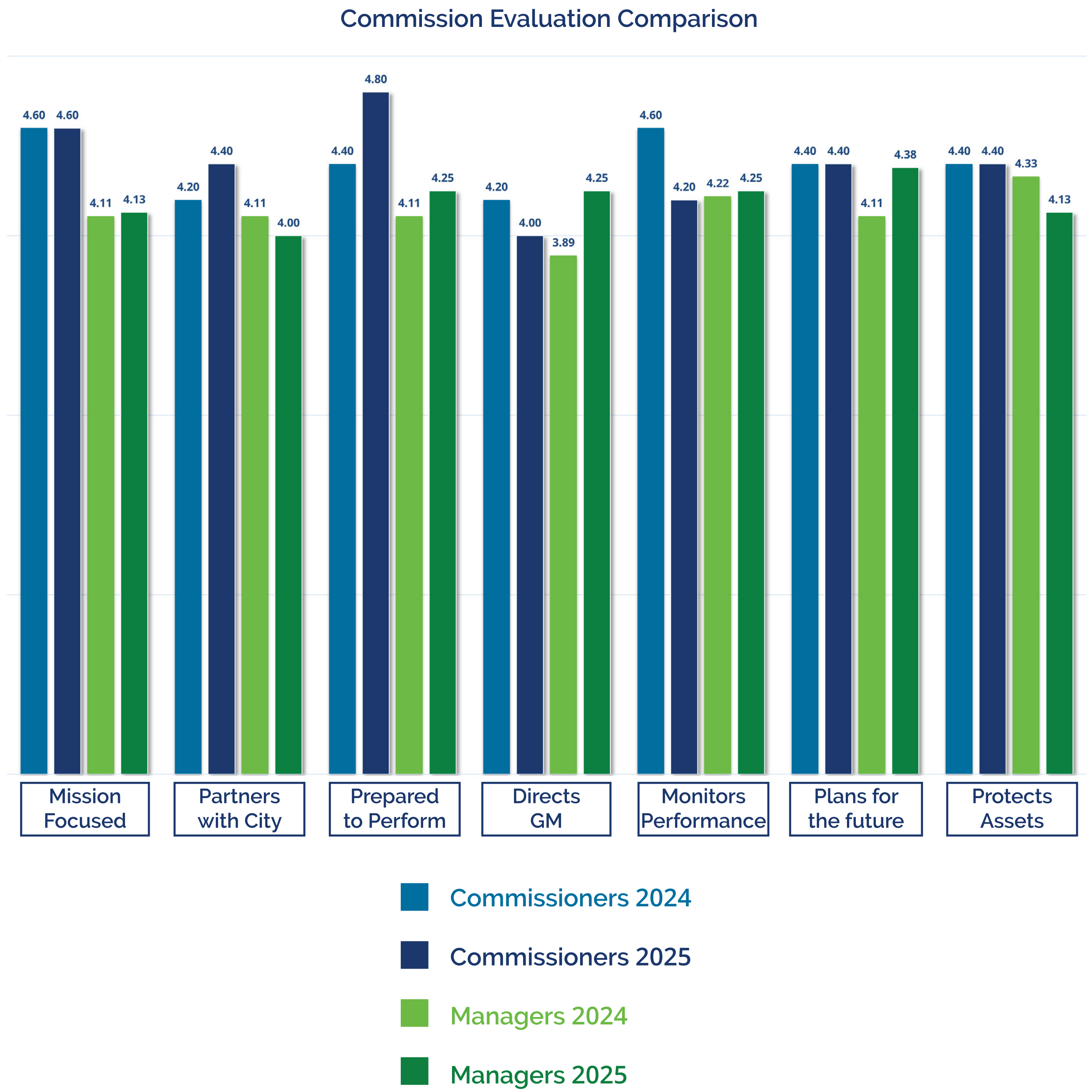
Respondent Overall Average

Commissioner	4.43
Commissioner	4.43
Commissioner	4.43
Commissioner	4.29
Commissioner	4.43
Average	**4.40**
Manager	4.00
Manager	4.71
Manager	4.00
Manager	4.00
Manager	4.29
Manager	4.29
Manager	4.00
Manager	4.29
Average	**4.20**
Overall Average	**4.30**

Comments:

- No commissioner comments
- **They will ask Jared directly for legal opinions during meetings and/or task staff to further research legal implications.**

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



Question 8: With respect to the Commission's performance, what has been done well?

- Used different opinions on issues to come up with the best solutions.
- The freedom to express a different opinion on topics without feeling pressured by the other commissioners.
- Discussion and compromise has helped to achieve unanimous decisions.
- The Commission has done a good job working with Mark to closely control expenses and operate within our budget. The Commission also updated the competitiveness of ERMU pay and benefits by working through and implementing the comp worth study.
- The commissioners have engaged in meaningful discussions over the past year, leading to outcomes where every commissioner had a chance to be heard.
- Conversation's Items have been talked through. Everyone is able to give their opinion. No rushed discussion or vote taken.
- Commissioners consistently attend and participate in meetings.
- Commission members consistently demonstrate active engagement during meetings by participating in discussions and asking questions of staff and each other.
- They have ERMU as a company in their best interests They listen to the company personnel first and respond second Treat Company employees well They devote time to the Commissioner role
- The relationship and trust with staff are very strong, making it a great place to work. The commission does not shy away from asking for additional information when needed yet still trusts staff's opinion and recommendations as subject matter experts.
- This year, the Commission addressed several significant issues with both financial and morale implications. They took the time to fully understand the impact of their decisions, which was greatly appreciated.
- Effective discussions pertaining to some difficult issues.

Question 9: With respect to the Commission's performance, what should be done differently?

- Can't think of anything. Think we have an outstanding commission
- Nothing.
- Continued education on industry trends to make informed decisions.
- I think the Commission is operating really well right now. I would note that the committee structure could probably be utilized more to facilitate more in depth discussions before the issues are brought to the full commission.
- This year has been good, if anything maybe have more interaction with staff. What I mean by that is. Maybe just stop in and say hi. Show you care, have simply conversation on how things are going. Donuts go along way here. :)
- Not sure if it's different, but effort to onboarding and bringing the next Commissioner up to speed is appreciated
- Nothing comes to mind, it will be interesting to see what, if anything, changes with a new commissioner.
- While Mark is currently your only employee, it's important to ensure that all managers are given the same level of respect and time when presenting. There have been times when certain managers were cut short while answering, or when the same question was directed to another manager. This can give the impression that there's a lack of confidence in the original response.
- Caution must be used when making decisions that contradict existing policy or practices of the utility. Bear in mind that these types of decisions may have adverse repercussions in the future.

Question 10: With respect to ERMU governance, what additional comments do you have?

- We govern well. The toughest issue is employee wages and benefits. I feel like the five of us are on an island when it comes to that topic.
- I really appreciate seeing, and being a part of, an organization with such a high degree of mutual respect between staff and management and between staff and the commission.
- Continue to ask thoughtful questions, seek deeper understanding, and approach discussions with curiosity—this helps foster informed decisions and strong collaboration.
- The commission has become a very cohesive group with each commissioner having a diverse background of experience that makes them together a well-rounded team.

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	FROM: Megan Zachman – HR Generalist
MEETING DATE: June 3, 2025	**AGENDA ITEM NUMBER:** 4.3
SUBJECT: Employee Handbook Annual Updates	
ACTION REQUESTED: Adopt the revised ERMU Employee Handbook	

BACKGROUND:
Each year, ERMU staff and legal counsel review the Employee Handbook to ensure alignment with current labor laws. The Wage & Benefits Committee may recommend changes to employee benefits for Commission approval. Additionally, staff may propose operational updates affecting personnel policies, which also require Commission approval before being incorporated into the handbook.

DISCUSSION:
Minimal changes have been made to the ERMU Employee Handbook for 2025. The following updates have been incorporated since the last revision in July 2024:

- Updated the revision date on the cover page and in the footer.
- Revised the Table of Contents and corresponding page numbers.
- Section 14. Exposure to Hazardous Substances – Corrected the misuse of “insure” to “ensure.”
- Section 21. Job Posting – Added statutory language from Minn. Stat. § 181.173 requiring salary ranges in job postings.
- Section 32. Storm Pay – Added a provision establishing a 16-hour daily minimum pay for employees dispatched out of state to assist with storm restoration.
- Section 34. Longevity Pay – Removed the program’s start date (2022).
- Section 35. Paycheck Deductions – Removed World Vision and United Way.
- Section 41. Purchased Vacation Time (PVT) – Removed, effective January 1, 2025; all subsequent sections have been renumbered accordingly.
- Section 42. Paid Sick and Safe Leave – Expanded to allow the use of accrued leave for funeral arrangements, attending services or memorials, and handling financial or legal matters following a family member’s death.
- Section 45. Health Care Savings Plan – Removed reference to four (4) specific pay groups.
- Section 47. Health Insurance Coverage – Updated to reflect cost increases.

- Section 56. Parenting Leave – Revised to prohibit the reduction of leave taken for prenatal care or medical appointments.
- Section 63. Bereavement Leave – Expanded to include grandparent-in-law.

Attached is the revised ERMU Employee Handbook reflecting these proposed changes.

ATTACHMENTS:

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

Elk River Municipal Utilities

EMPLOYEE HANDBOOK

13069 Orono Parkway
ELK RIVER, MN 55330

June 2025

Office: 763-441-2020

Table of Contents

46703186v1

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.

4. DISABILITY ACCOMMODATION

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

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 immediately 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, 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, or 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 or suspected 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, 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 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

- <u>Utilities Bulletin Boards.</u> 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.

- <u>Solicitation and Distribution on Utilities Computer and E-Mail Systems.</u> 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. 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 per calendar year. 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

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 receive a 60-minute break for lunch, 30 minutes of which is paid in lieu of having two fifteen-minute breaks, morning and afternoon. The other 30 minutes of the office employees' 60-minute lunch break is unpaid. *Please see below under "Ensuring Accuracy of Timekeeping Reports"* for important information about pay practices affecting unpaid lunch breaks.

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 for their infant child during the twelve (12) months following the birth of the child 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.

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 within 60 days of the anniversary date on which the Employee reaches the relevant milestone. Qualifying Employees who are eligible for a Longevity Bonus will be invited to the monthly Commission meeting in the month of their anniversary date, where the Commission Chair and the Employee's manager will present the Longevity Bonus paycheck to the Employee(s).

Because longevity pay is considered supplemental income by the Internal Revenue Service, 22% will be withheld in taxes from the employee's longevity pay during check processing.

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	$143
• Employee + 1	$286
• Family	$429

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. SHORT TERM DISABILITY INSURANCE

A Short-Term Disability Plan is provided to eligible employees who regularly work at least 30 hours per week. Scheduled benefit amount: 60% of weekly earnings subject to a maximum amount of $1,000.00 per week. Employees may qualify for this benefit after a fourteen day elimination period with a maximum coverage amount up to eleven weeks. Employees should consult the Summary Plan Description ("SPD") for details regarding coverage and eligibility. A copy of this SPD will be provided to employees and is available upon request.

51. 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.

52. 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.

53. 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.

54. 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:
    - o "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.
    - o "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.

55. 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 make 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.

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: Tony Mauren – Governance & Communications Manager
MEETING DATE: June 3, 2025	**AGENDA ITEM NUMBER:** 4.4
SUBJECT: Dispute Resolution Committee Appointment	
ACTION REQUESTED: Appoint by motion a member of the Commission to the Dispute Resolution Committee	

BACKGROUND:
ERMU Policy G.2g4 – Dispute Resolution Committee Charter establishes the membership of the body as consisting of, in part, two ERMU Commissioners. With the departure of Commissioner Bell, a replacement should be appointed.

DISCUSSION:
Current committee appointments are the following:

Wage & Benefits Committee – John Dietz – Chair and Mary Stewart

Financial Reserves & Investment Committee – Matt Westgaard – Chair and Nick Zerwas

Information Security Committee – Mary Stewart – Chair

Dispute Resolution Committee – Matt Westgaard – Chair and Vacant

ATTACHMENTS:
- ERMU Policy - G.2g4 - Dispute Resolution Committee Charter

Elk River Municipal Utilities

COMMISSION POLICY

Section: Governance	Category: Governance Policies
Policy Reference: **G.2g4**	Policy Title: **Dispute Resolution Committee Charter**

PURPOSE:

The Dispute Resolution Committee exists to provide customers an alternative dispute resolution option for circumstances which: require action beyond the authority assigned through the ***Delegation to Management Policies***; require policy creation, revision, or exception; have exhausted the established utilities procedures and/or protocol; and involves customer protected data for which the customer prefers addressing the issue through a meeting closed to the public.

For qualifying customer disputes, the Committee will provide: an informal hearing in accordance with Open Meeting Law allowing the customers to communicate the concern; recess and reconvene as needed to conduct appropriate research and/or deliberate; make a determination within parameters established through the ***Commission Policies*** and within the authorities delegated through this policy; and report and/or make recommendations to the Commission as required.

MEMBERSHIP:

The Committee shall be comprised of five members, three appointed annually and two which vary with each dispute. The three members appointed annually shall include two Commissioners and the General Manager. At no time shall there be a quorum of the Commission on the Committee. The Committee shall also include the director and the manager most directly involved in the dispute.

The Commission shall appoint Committee members annually following the Commission election of officers during the March Regular Commission meeting. The Commission shall also appoint the Committee Chair at that time.

ROLE OF THE COMMITTEE CHAIR:

The primary role of the Committee Chair is to run the Committee meetings. The Committee will adhere to the Current edition of ***Robert's Rules of Order Newly Revised*** for all situations to which they are applicable and are not inconsistent with ERMU's bylaws, policies, and any special rules of order that the Commission may adopt.

AUTHORITY:

Except as established in this Committee Charter, the authority of the Committee is limited to the purpose of dispute resolution within the authorities delegated to management through the Commission Policies, research related to customer disputes or complaints, and recommendations to the Commission. The Committee, at the discretion and through formal action of the Commission, may be empowered beyond the role as outlined in this policy such that it is consistent with the ***Organizational Core Purpose*** policies and the ***Commission Committees*** policy.

SPECIFIC DUTIES:

1. After a formal request is submitted for a qualifying customer dispute, the Committee will schedule a hearing, either in person or virtual, within a reasonable amount of time.

2. Through the hearing, the Committee will allow the customer to communicate relevant information and request dispute resolution which may require policy creation, revision, or exemption.

3. The Committee is required to verify all information and data; and the Committee will review the Customer's account history and other relevant information.

4. And as needed, the Committee shall research industry best practices related to the dispute.

5. The Committee is authorized to engage legal counsel for legal review and recommendations.

6. The Committee will make a determination whether resolution can be provided within the authorities assigned through this policy; and if so, the Committee will provide written summary of the dispute and the authorized resolution for implementation by management.

7. When no action is taken by the Committee toward resolution, the Committee will determine whether the request warrants further consideration by the Commission, in which case the Committee will present a summary of the dispute to the Commission and a make recommendation. In the event that no action is taken by the Committee, and the Committee has determined that the dispute does not warrant further consideration or advancement to the Commission, the Committee shall summarize their finding in a report to be provide to the customer and placed on file.

8. The Committee shall record minutes of all Committee meetings. Committee meeting minutes shall be subject to applicable data retention law and policies.

SCHEDULE:

The Committee shall meet on an as-needed basis.

TERMINATION:

The Committee shall exist until at such time formal action of the Commission is taken to dissolve the Committee.

POLICY HISTORY:

Adopted	January 12, 2021
Revised	February 14, 2023
Revised	February 13, 2024

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	**FROM:** Melissa Karpinski – Finance Manager
MEETING DATE: June 3, 2025	**AGENDA ITEM NUMBER:** 5.1
SUBJECT: Financial Report – April 2025	
ACTION REQUESTED: Receive the April 2025 Financial Report	

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

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

- Residential usage is up 8%
- Small Commercial usage is up 6%
- Large Commercial usage is up 3%

For April 2025, the Electric Department overall is ahead of prior YTD and favorable to budget YTD. Additional variance analysis can be found on the Summary Electric Statement of Revenues, Expenses and Changes in Net Position attachment.

Water
April YTD gallons of water sold are up 2% from the prior year. For further breakdown:

- Residential use is up 1%
- Commercial use is up 2%

For April 2025, the Water Department overall is behind prior YTD but favorable to budget YTD. Additional variance analysis can be found on the Summary Water Statement of Revenues, Expenses and Changes in Net Position attachment.

ATTACHMENTS:

- Balance Sheet 4.2025
- Electric Balance Sheet 4.2025
- Water Balance Sheet 4.2025
- Summary Electric Statement of Revenues, Expenses and Changes in Net Position 4.2025
- Summary Water Statement of Revenues, Expenses and Changes in Net Position 4.2025
- Graphs Prior Year and YTD 2025
- Detailed Electric Statement of Revenues, Expenses and Changes in Net Position 4.2025

- Detailed Water Statement of Revenues, Expenses and Changes in Net Position 4.2025
- Budget vs Actual Graphs – Electric and Water 4.2025

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

	ELECTRIC	WATER
ASSETS		
CURRENT ASSETS		
CASH	3,869,563	5,264,469
ACCOUNTS RECEIVABLE	2,173,262	5,096,687
INVENTORIES	2,323,741	51,535
PREPAID ITEMS	252,860	58,144
CONSTRUCTION IN PROGRESS	1,054,678	190,814
TOTAL CURRENT ASSETS	9,674,104	10,661,650
RESTRICTED ASSETS		
BOND RESERVE FUND	1,779,016	0
EMERGENCY RESERVE FUND	7,509,365	4,255,782
UNRESTRICTED RESERVE FUND	0	0
TOTAL RESTRICTED ASSETS	9,288,381	4,255,782
FIXED ASSETS		
PRODUCTION	795,920	17,177,471
LFG PROJECT	0	0
TRANSMISSION	2,305,024	0
DISTRIBUTION	54,815,768	30,835,173
GENERAL	25,593,777	1,614,926
FIXED ASSETS (COST)	83,510,488	49,627,570
LESS ACCUMULATED DEPRECIATION	(37,629,086)	(24,372,723)
TOTAL FIXED ASSETS, NET	45,881,402	25,254,848
INTANGIBLE ASSETS		
POWER AGENCY MEMBERSHIP BUY-IN	21,546,212	0
LOSS OF REVENUE INTANGIBLE	7,169,412	0
LESS ACCUMULATED AMORTIZATION	(4,397,406)	0
TOTAL INTANGIBLE ASSETS, NET	24,318,218	0
OTHER ASSETS AND DEFERRED OUTFLOWS	322,181	61,420
TOTAL ASSETS	89,484,286	40,233,700
LIABILITIES AND FUND EQUITY		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	4,434,995	330,248
SALARIES AND BENEFITS PAYABLE	1,118,333	155,860
DUE TO CITY	946,405	2,954
DUE TO OTHER FUNDS	0	0
NOTES PAYABLE-CURRENT PORTION	0	0
BONDS PAYABLE-CURRENT PORTION	480,000	65,000
UNEARNED REVENUE	12,880	188,234
TOTAL CURRENT LIABILITIES	6,992,613	742,296
LONG TERM LIABILITIES		
OPEB LIABILITY	0	0
LFG PROJECT	0	0
DUE TO COUNTY	0	0
DUE TO CITY	0	0
BONDS PAYABLE, LESS CURRENT PORTION	27,190,446	1,488,078
PENSION LIABILITIES	1,708,036	328,984
TOTAL LONG TERM LIABILITIES	28,898,482	1,817,062
TOTAL LIABILITIES	35,891,095	2,559,358
DEFERRED INFLOWS OF RESOURCES	1,206,975	4,689,086
FUND EQUITY		
CAPITAL ACCOUNT CONST COST	1,779,016	0
CONTRIBUTED CAPITAL	0	0
RETAINED EARNINGS	49,623,773	33,451,758
NET INCOME (LOSS) (THROUGH PREVIOUS MONTH)	983,427	(466,502)
TOTAL FUND EQUITY	52,386,216	32,985,256
TOTAL LIABILITIES & FUND EQUITY	89,484,286	40,233,700

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
ELECTRIC BALANCE SHEET

	April 30, 2025	March 31, 2025	Current Month Change from Prior Month
ASSETS			
CURRENT ASSETS			
CASH	3,869,563	3,416,766	452,797
ACCOUNTS RECEIVABLE	2,173,262	2,734,264	(561,002)
INVENTORIES	2,323,741	2,279,871	43,870
PREPAID ITEMS	252,860	262,711	(9,851)
CONSTRUCTION IN PROGRESS	1,054,678	958,531	96,147
TOTAL CURRENT ASSETS	9,674,104	9,652,144	21,960
RESTRICTED ASSETS			
BOND RESERVE FUND	1,779,016	1,779,016	0
EMERGENCY RESERVE FUND	7,509,365	7,477,735	31,630
TOTAL RESTRICTED ASSETS	9,288,381	9,256,750	31,630
FIXED ASSETS			
PRODUCTION	795,920	795,920	0
TRANSMISSION	2,305,024	2,305,024	0
DISTRIBUTION	54,815,768	54,613,645	202,123
GENERAL	25,593,777	25,491,391	102,386
FIXED ASSETS (COST)	83,510,488	83,205,979	304,509
LESS ACCUMULATED DEPRECIATION	(37,629,086)	(37,396,577)	(232,509)
TOTAL FIXED ASSETS, NET	45,881,402	45,809,402	72,000
INTANGIBLE ASSETS			
POWER AGENCY MEMBERSHIP BUY-IN	21,546,212	21,546,212	0
LOSS OF REVENUE INTANGIBLE	7,169,412	7,169,412	0
LESS ACCUMULATED AMORTIZATION	(4,397,406)	(4,341,728)	(55,678)
TOTAL INTANGIBLE ASSETS, NET	24,318,218	24,373,896	(55,678)
OTHER ASSETS AND DEFERRED OUTFLOWS	322,181	322,181	0
TOTAL ASSETS	89,484,286	89,414,373	69,913
LIABILITIES AND FUND EQUITY			
CURRENT LIABILITIES			
ACCOUNTS PAYABLE	4,434,995	4,438,394	(3,399)
SALARIES AND BENEFITS PAYABLE	1,118,333	1,184,864	(66,531)
DUE TO CITY	946,405	864,440	81,965
BONDS PAYABLE-CURRENT PORTION	480,000	480,000	0
UNEARNED REVENUE	12,880	14,490	(1,610)
TOTAL CURRENT LIABILITIES	6,992,613	6,982,187	10,426
LONG TERM LIABILITIES			
BONDS PAYABLE, LESS CURRENT PORTION	27,190,446	27,195,434	(4,989)
PENSION LIABILITIES	1,708,036	1,708,036	0
TOTAL LONG TERM LIABILITIES	28,898,482	28,903,470	(4,989)
TOTAL LIABILITIES	35,891,095	35,885,658	5,437
DEFERRED INFLOWS OF RESOURCES	1,206,975	1,206,975	0
FUND EQUITY			
CAPITAL ACCOUNT CONST COST	1,779,016	1,779,016	0
RETAINED EARNINGS	49,623,773	49,623,773	0
NET INCOME (LOSS) (THROUGH PREVIOUS MONTH)	983,427	918,952	64,475
TOTAL FUND EQUITY	52,386,216	52,321,741	64,475
TOTAL LIABILITIES & FUND EQUITY	89,484,286	89,414,373	69,913

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
WATER BALANCE SHEET

	April 30, 2025	March 31, 2025	Current Month Change from Prior Month
ASSETS			
CURRENT ASSETS			
CASH	5,264,469	5,383,185	(118,716)
ACCOUNTS RECEIVABLE	5,096,687	5,056,696	39,991
INVENTORIES	51,535	50,508	1,028
PREPAID ITEMS	58,144	62,369	(4,225)
CONSTRUCTION IN PROGRESS	190,814	172,759	18,056
TOTAL CURRENT ASSETS	10,661,650	10,725,517	(63,867)
RESTRICTED ASSETS			
EMERGENCY RESERVE FUND	4,255,782	4,247,874	7,908
TOTAL RESTRICTED ASSETS	4,255,782	4,247,874	7,908
FIXED ASSETS			
PRODUCTION	17,177,471	17,177,471	0
DISTRIBUTION	30,835,173	30,835,173	0
GENERAL	1,614,926	1,548,813	66,113
FIXED ASSETS (COST)	49,627,570	49,561,458	66,113
LESS ACCUMULATED DEPRECIATION	(24,372,723)	(24,257,095)	(115,628)
TOTAL FIXED ASSETS, NET	25,254,848	25,304,363	(49,515)
INTANGIBLE ASSETS			
OTHER ASSETS AND DEFERRED OUTFLOWS	61,420	61,420	0
TOTAL ASSETS	40,233,700	40,339,174	(105,474)
LIABILITIES AND FUND EQUITY			
CURRENT LIABILITIES			
ACCOUNTS PAYABLE	330,248	347,316	(17,069)
SALARIES AND BENEFITS PAYABLE	155,860	167,535	(11,675)
DUE TO CITY	2,954	1,963	991
BONDS PAYABLE-CURRENT PORTION	65,000	65,000	0
UNEARNED REVENUE	188,234	188,234	0
TOTAL CURRENT LIABILITIES	742,296	770,049	(27,753)
LONG TERM LIABILITIES			
BONDS PAYABLE, LESS CURRENT PORTION	1,488,078	1,488,632	(554)
PENSION LIABILITIES	328,984	328,984	0
TOTAL LONG TERM LIABILITIES	1,817,062	1,817,616	(554)
TOTAL LIABILITIES	2,559,358	2,587,665	(28,307)
DEFERRED INFLOWS OF RESOURCES	4,689,086	4,689,086	0
FUND EQUITY			
RETAINED EARNINGS	33,451,758	33,451,758	0
NET INCOME (LOSS) (THROUGH PREVIOUS MONTH)	(466,502)	(389,335)	(77,167)
TOTAL FUND EQUITY	32,985,256	33,062,423	(77,167)
TOTAL LIABILITIES & FUND EQUITY	40,233,700	40,339,174	(105,474)

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

Electric	2025 APRIL	2025 YTD	2025 YTD BUDGET	YTD Budget Variance	2025 YTD Bud Var%	2025 ANNUAL BUDGET	2024 APRIL	2024 YTD	YTD VARIANCE	2024 v. 2025 Actual Var%	Variance Item
Revenue											
Operating Revenue											
Elk River	2,899,906	12,029,536	12,241,743	(212,207)	(2)	41,085,728	2,660,977	11,307,750	721,785	6	
Otsego	294,274	1,263,981	1,206,651	57,330	5	4,073,730	261,015	1,126,742	137,239	12	
Rural Big Lake	15,020	72,108	74,728	(2,620)	(4)	231,863	14,535	66,733	5,375	8	
Dayton	19,188	90,830	88,361	2,468	3	281,987	17,779	79,378	11,451	14	
Public St & Hwy Lighting	23,887	93,538	87,000	6,538	8	261,000	21,723	86,852	6,686	8	
Other Electric Sales	400	1,600	1,600	0	0	4,800	400	1,600	0	0	
Total Operating Revenue	3,252,675	13,551,591	13,700,083	(148,492)	(1)	45,939,108	2,976,428	12,669,055	882,536	7	
Other Operating Revenue											
Interest/Dividend Income	49,798	167,450	116,667	50,783	44	350,000	(2,825)	44,897	122,553	273	(1)
Customer Penalties	25,388	89,430	95,000	(5,570)	(6)	285,000	21,216	81,992	7,438	9	
Connection Fees	10,730	41,468	50,000	(8,532)	(17)	150,000	7,855	124,726	(83,258)	(67)	(2)
Misc Revenue	57,371	428,330	315,000	113,330	36	972,500	95,625	482,232	(53,903)	(11)	(3)
Total Other Revenue	143,287	726,678	576,667	150,011	26	1,757,500	121,871	733,848	(7,170)	(1)	
Total Revenue	3,395,962	14,278,269	14,276,750	1,519	0	47,696,608	3,098,299	13,402,903	875,366	7	
Expenses											
Purchased Power	2,222,578	8,452,683	8,729,321	(276,638)	(3)	30,599,628	2,016,891	8,347,249	105,434	1	
Operating & Mtce Expense	25,206	110,682	135,467	(24,785)	(18)	341,000	22,106	102,937	7,745	8	
Transmission Expense	2,701	11,078	25,333	(14,255)	(56)	76,000	5,150	20,629	(9,550)	(46)	
Distribution Expense	69,668	206,474	173,833	32,641	19	521,500	54,558	182,950	23,524	13	(4)
Maintenance Expense	99,278	660,600	832,833	(172,233)	(21)	2,144,500	166,316	745,654	(85,053)	(11)	(5)
Depreciation & Amortization	288,187	1,149,822	1,113,184	36,638	3	3,339,552	275,536	1,100,251	49,571	5	
Interest Expense	61,983	249,206	249,206	0	0	735,069	65,175	261,936	(12,729)	(5)	
Other Operating Expense	4,310	35,674	21,133	14,540	69	482,400	5,050	23,858	11,816	50	
Customer Accounts Expense	34,654	136,458	156,667	(20,209)	(13)	470,000	34,742	132,989	3,469	3	
Administrative Expense	350,140	1,571,854	1,682,954	(111,100)	(7)	4,783,849	314,498	1,435,539	136,315	9	
General Expense	36,716	148,028	213,267	(65,238)	(31)	639,800	49,511	167,582	(19,554)	(12)	(6)
Total Expenses(before Operating Transfers)	3,195,419	12,732,560	13,333,198	(600,639)	(5)	44,133,298	3,009,533	12,521,573	210,987	2	
Operating Transfer											
Operating Transfer/Other Funds	116,744	484,130	489,670	(5,539)	(1)	1,643,429	107,140	455,114	29,017	6	
Utilities & Labor Donated	19,323	78,151	88,333	(10,182)	(12)	265,000	17,738	73,003	5,149	7	
Total Operating Transfer	136,067	562,282	578,003	(15,721)	(3)	1,908,429	124,878	528,116	34,166	6	
Net Income Profit(Loss)	64,475	983,427	365,548	617,879	169	1,654,881	(36,112)	353,213	630,214	178	

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

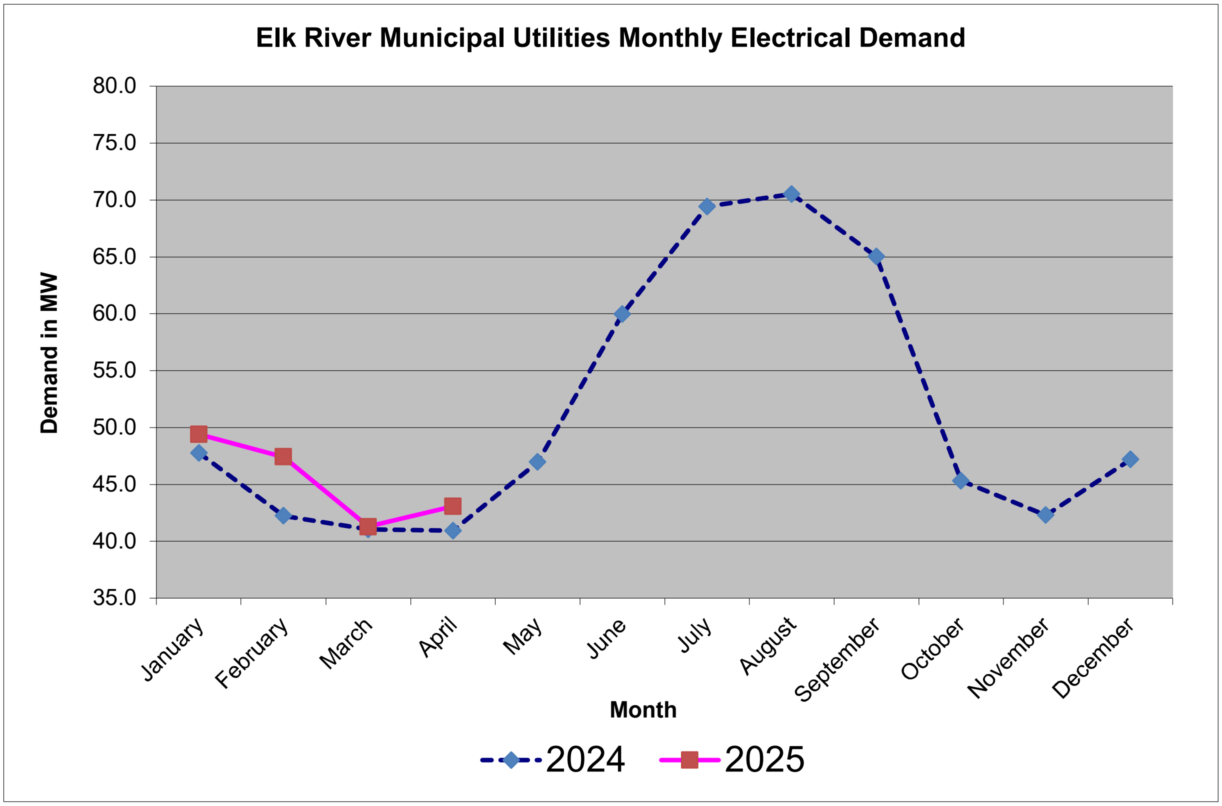
(1) YTD budget variance is due to a conservative budget amount. PYTD variance is mainly due to more funds being invested with UBS and change in Fair Market Value.
(2) PYTD variance due to large a large connection agreement in January 2024.
(3) YTD budget variance is mainly due to Contributions from Customers having a large SOWs for transformer for additional service and/or upgrade.
(4) YTD budget variance is due to Misc Distribution expense timing as budget is an even spread (labor and clothing).
(5) YTD budget variance is mainly due to less Tree Trimming expense than budgeted and Mtce of Substation Equipment, Mtce of Primary, and Mtce of Meters timing as these are an even budget spread.
(6) YTD budget variance is mainly due to timing of commercial rebates and admin expense as these are an even budget spread.

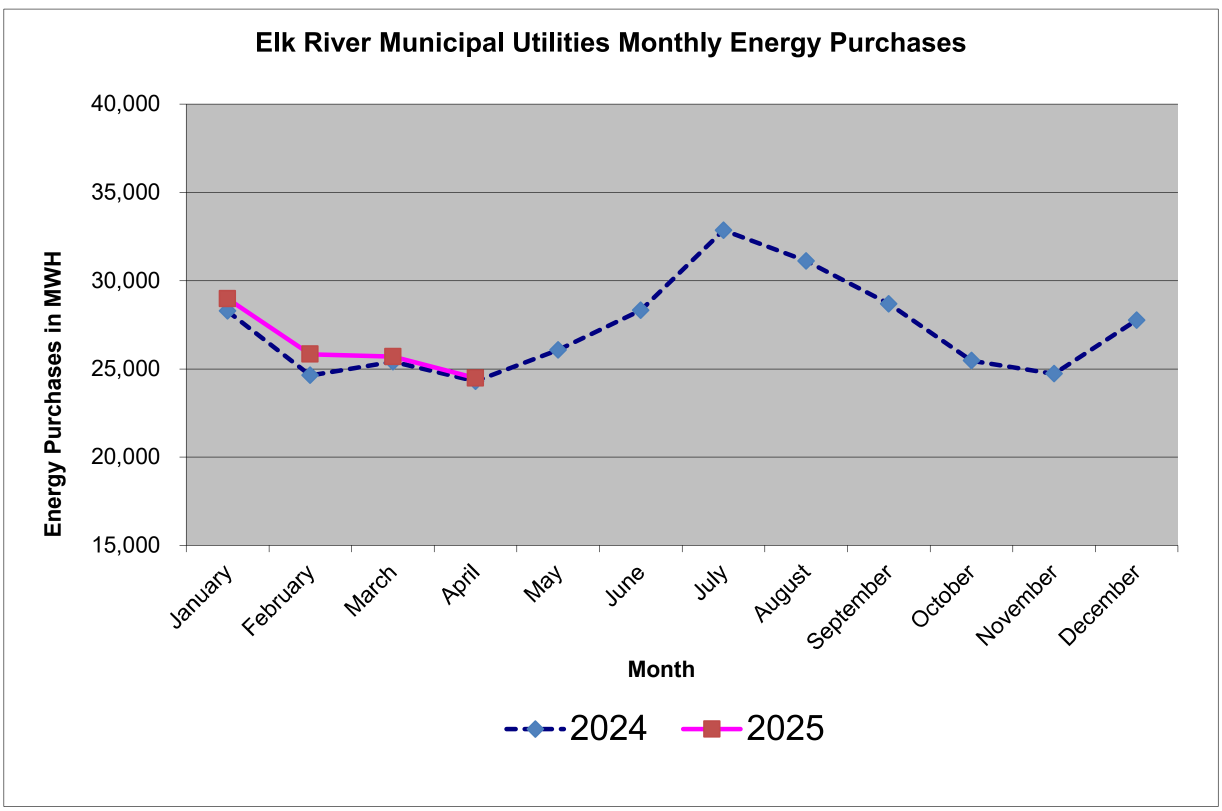
ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR PERIOD ENDING APRIL2025

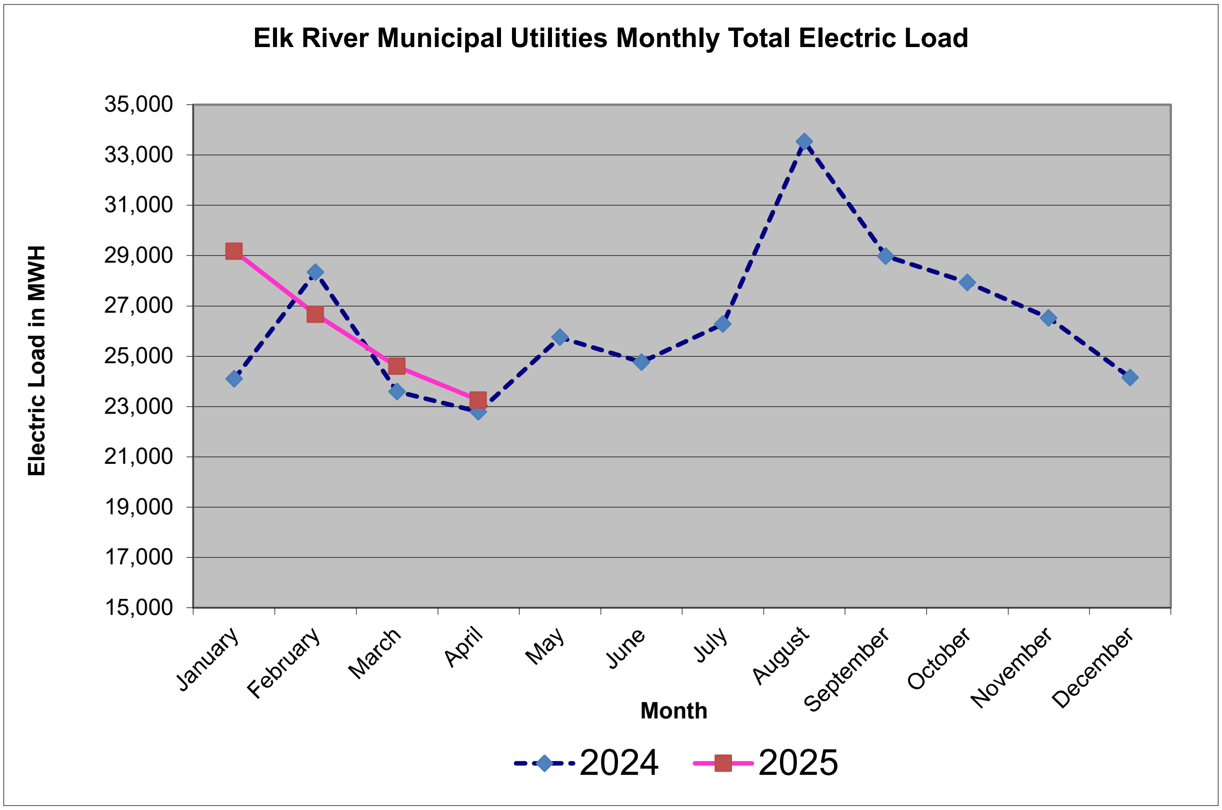
Water	2025 APRIL	2025 YTD	2025 YTD BUDGET	YTD Budget Variance	2025 YTD Bud Var%	2025 ANNUAL BUDGET	2024 APRIL	2024 YTD	YTD VARIANCE	2024 v. 2025 Actual Var%	Variance Item
Revenue											
Operating Revenue											
Water Sales	148,336	612,248	578,242	34,005	6	3,143,314	143,057	585,626	26,622	5	
Total Operating Revenue	148,336	612,248	578,242	34,005	6	3,143,314	143,057	585,626	26,622	5	
Other Operating Revenue											
Interest/Dividend Income	13,441	45,987	50,333	(4,347)	(9)	151,000	1,052	19,046	26,941	141	(1)
Customer Penalties	3,065	9,920	9,333	587	6	28,000	925	6,538	3,382	52	
Connection Fees	74,233	174,068	106,167	67,901	64	318,500	31,288	175,220	(1,152)	(1)	(2)
Misc Revenue	975	5,302	5,200	102	2	426,100	975	4,746	556	12	
Total Other Revenue	91,714	235,278	171,033	64,244	38	923,600	34,240	205,550	29,727	14	
Total Revenue	240,050	847,525	749,276	98,249	13	4,066,914	177,297	791,176	56,349	7	
Expenses											
Production Expense	14,824	45,260	45,000	260	1	135,000	8,554	42,829	2,431	6	
Pumping Expense	50,491	196,937	224,050	(27,113)	(12)	672,150	58,438	183,049	13,888	8	
Distribution Expense	40,566	179,327	168,900	10,427	6	459,660	28,187	113,516	65,811	58	(3)
Depreciation & Amortization	115,628	462,015	441,955	20,060	5	1,325,866	100,576	403,240	58,775	15	
Interest Expense	2,712	10,850	10,850	0	0	31,466	2,912	11,650	(800)	(7)	
Other Operating Expense	52	239	250	(11)	(4)	60,750	121	484	(245)	(51)	
Customer Accounts Expense	8,321	32,867	35,083	(2,217)	(6)	105,250	7,237	29,344	3,523	12	
Administrative Expense	83,852	385,146	412,725	(27,579)	(7)	1,199,700	71,177	334,545	50,601	15	(4)
General Expense	771	1,386	4,083	(2,697)	(66)	12,250	789	973	413	42	
Total Expenses(before Operating Transfers)	317,217	1,314,027	1,342,897	(28,869)	(2)	4,002,092	277,990	1,119,629	194,398	17	
Operating Transfer											
Utilities & Labor Donated	0	0	667	(667)	(100)	2,000	0	0	0	0	
Total Operating Transfer	0	0	667	(667)	(100)	2,000	0	0	0	0	
Net Income Profit(Loss)	(77,167)	(466,502)	(594,288)	127,786	22	62,822	(100,693)	(328,453)	(138,049)	(42)	

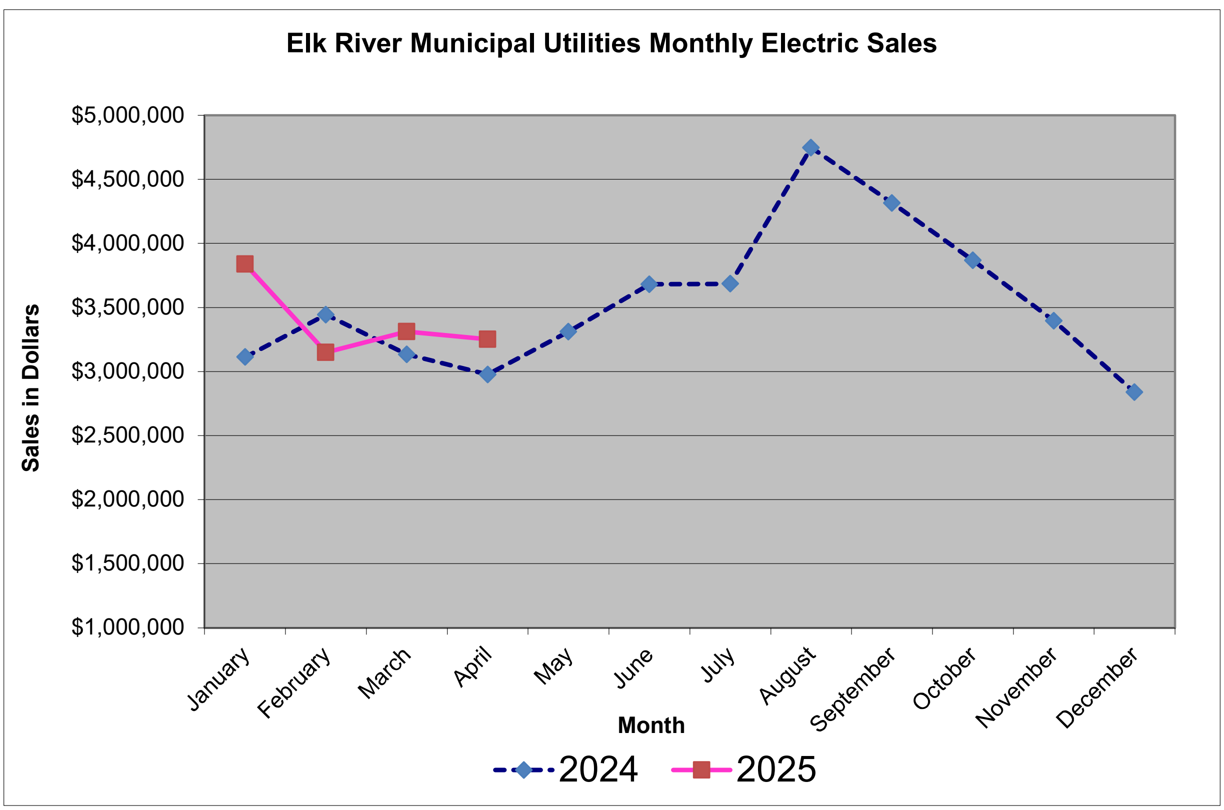
Item Variance of +/- $15,000 and +/- 15%

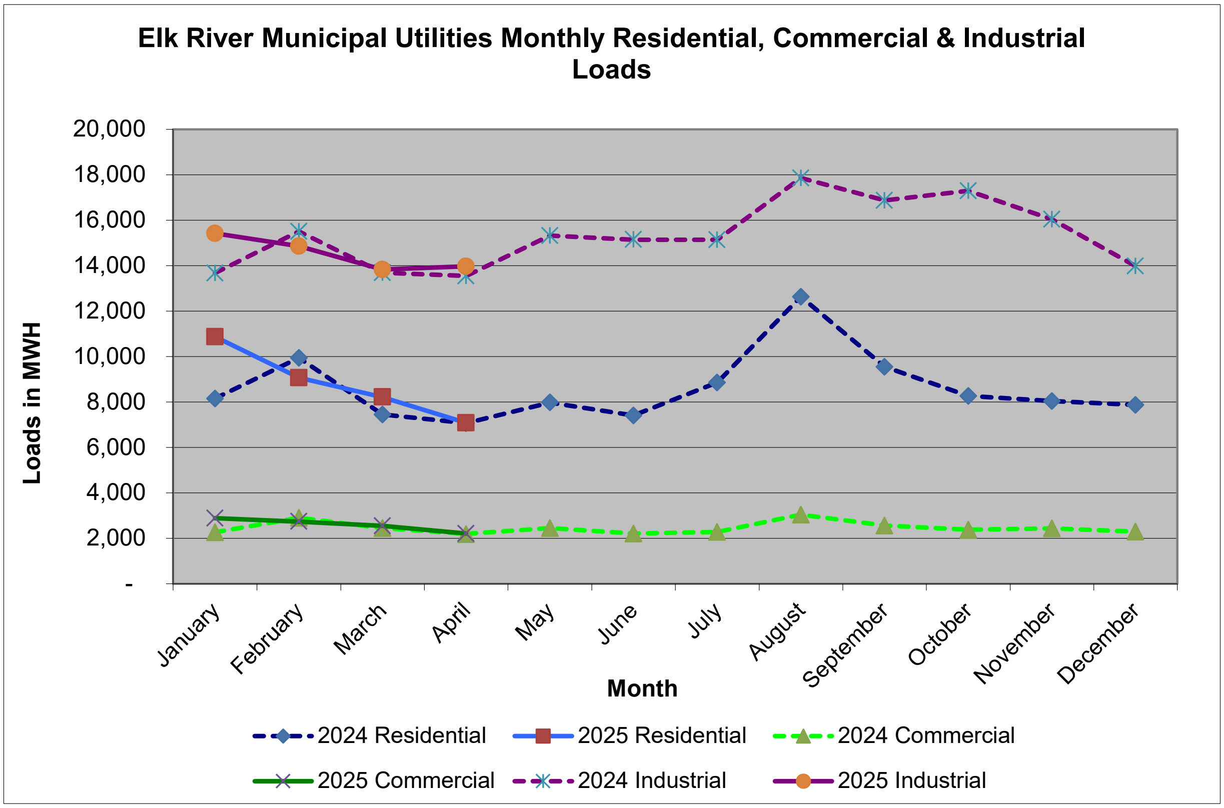
(1) YTD variance is mainly due to more funds being invested with UBS and change in Fair Market Value.
(2) YTD variance is due to connection fees being budgeted conservatively.
(3) PYTD variance is mainly due to two large watermain repairs in 2025.
(4) PYTD variance is mainly due to consulting (Cty Rd 44, Power Plant, Scada, Service Line Inventory), and Salaries (Comp Study change and COLA), Medical Insurance, and Sick Pay (change in accrual).

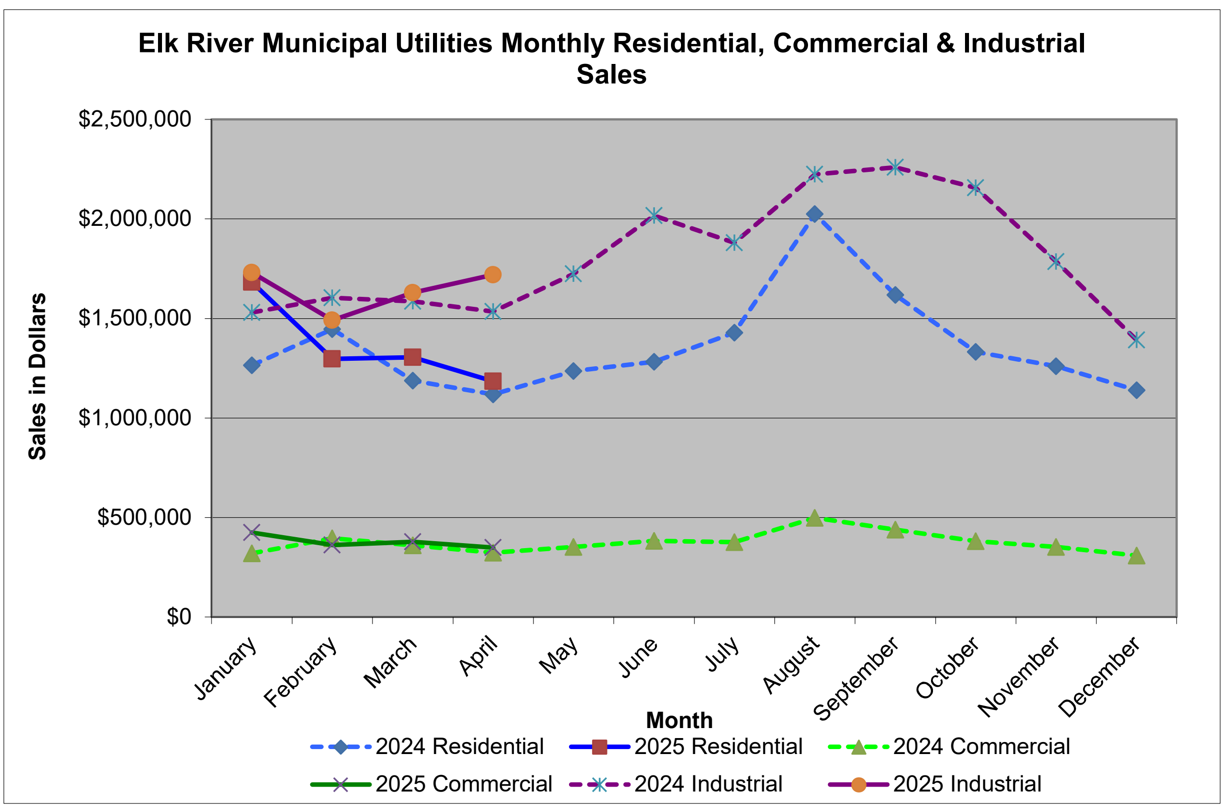

Elk River Municipal Utilities Monthly Electrical Demand
Demand in MW
80.0
75.0
70.0
65.0
60.0
55.0
50.0
45.0
40.0
35.0
January
February
March
April
May
June
July
August
September
October
November
December
Month
2024
2025

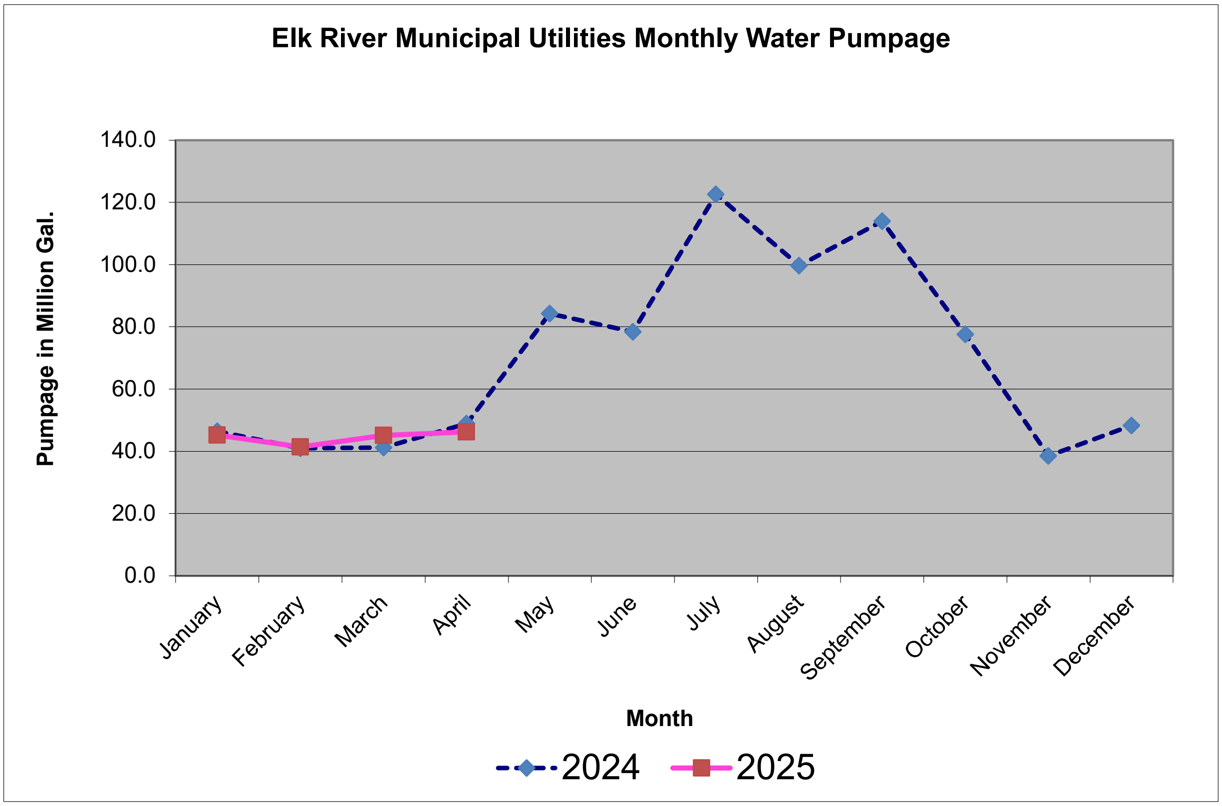

Elk River Municipal Utilities Monthly Energy Purchases
Energy Purchases in MWH
40,000
35,000
30,000
25,000
20,000
15,000
January
February
March
April
May
June
July
August
September
October
November
December
Month
2024
2025

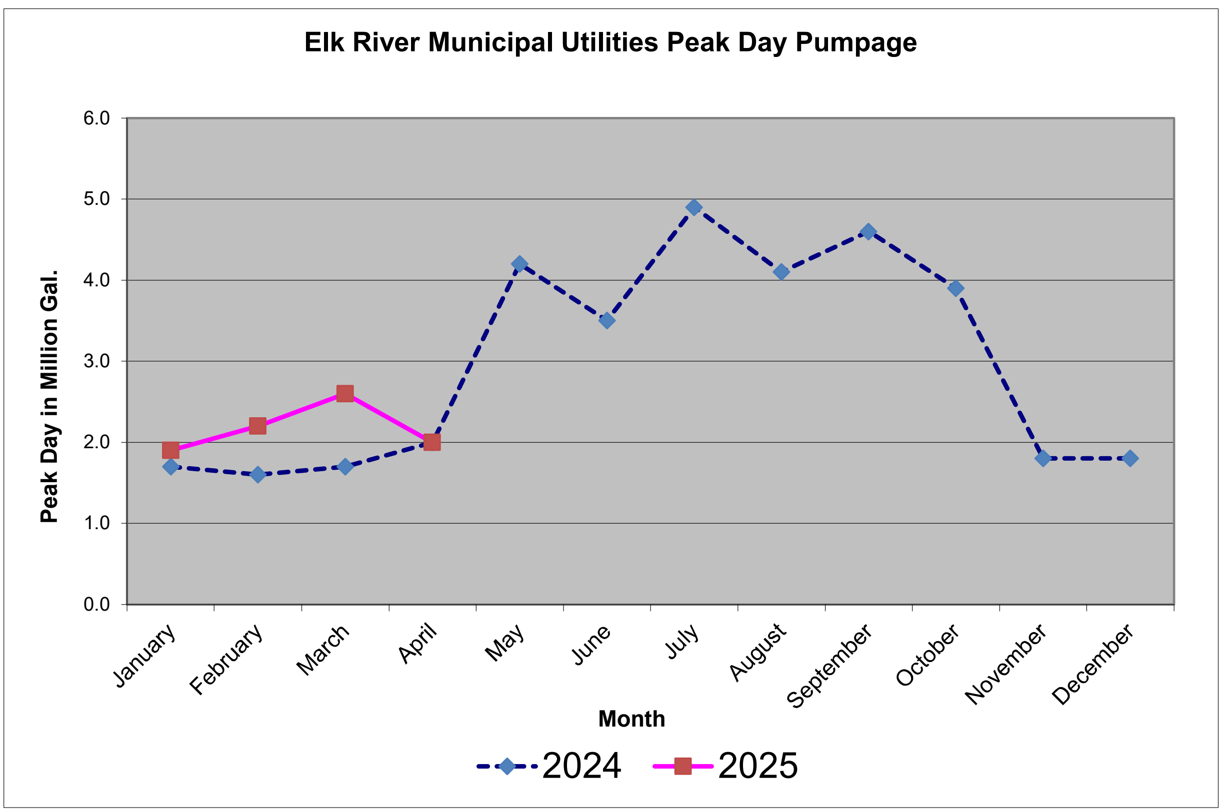

Elk River Municipal Utilities Monthly Total Electric Load
Electric Load in MWH
35,000
33,000
31,000
29,000
27,000
25,000
23,000
21,000
19,000
17,000
15,000
January
February
March
April
May
June
July
August
September
October
November
December
Month
2024
2025

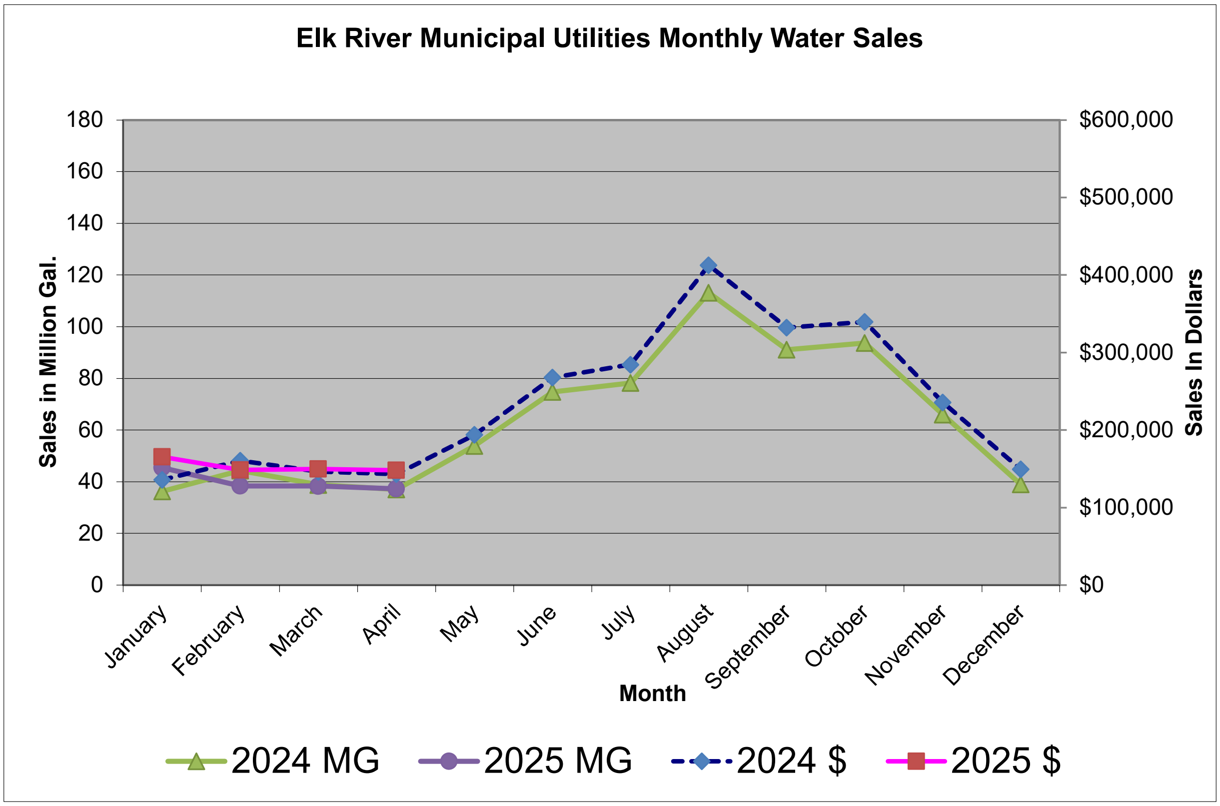

Elk River Municipal Utilities Monthly Electric Sales
Sales in Dollars
$5,000,000
$4,500,000
$4,000,000
$3,500,000
$3,000,000
$2,500,000
$2,000,000
$1,500,000
$1,000,000
January
February
March
April
May
June
July
August
September
October
November
December
Month
2024
2025


Elk River Municipal Utilities Monthly Residential, Commercial & Industrial Loads
Loads in MWH
20,000
18,000
16,000
14,000
12,000
10,000
8,000
6,000
4,000
2,000
-
January
February
March
April
May
June
July
August
September
October
November
December
Month
2024 Residential
2025 Residential
2024 Commercial
2025 Commercial
2024 Industrial
2025 Industrial


Elk River Municipal Utilities Monthly Residential, Commercial & Industrial Sales
Sales in Dollars
$2,500,000
$2,000,000
$1,500,000
$1,000,000
$500,000
$0
January
February
March
April
May
June
July
August
September
October
November
December
Month
2024 Residential
2025 Residential
2024 Commercial
2025 Commercial
2024 Industrial
2025 Industrial


Elk River Municipal Utilities Monthly Water Pumpage
Pumpage in Million Gal.
140.0
120.0
100.0
80.0
60.0
40.0
20.0
0.0
January
February
March
April
May
June
July
August
September
October
November
December
Month
2024
2025


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
2024
2025


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
2024 MG
2025 MG
2024 $
2025 $

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

Electric	2025 APRIL	2025 YTD	2025 YTD BUDGET	2025 ANNUAL BUDGET	2025 YTD Bud Var%	2024 APRIL	2024 YTD	YTD VARIANCE	2024 v. 2025 Actual Var%
Revenue									
Operating Revenue									
Elk River									
ELECT SALES - ELK RIVER RESID	897,025	4,352,396	4,286,552	14,008,158	2	894,891	4,055,078	297,317	7
ELECT SALES - ELK RIVER NON-D	241,903	1,122,566	1,120,854	3,561,584	0	243,006	1,064,010	58,555	6
ELECT SALES - ELK RIVER DEMA	1,296,962	5,259,739	5,320,732	18,661,634	(1)	1,253,818	5,152,142	107,597	2
PCA SALES REVENUE - ELK RIVE	136,406	424,111	482,982	1,522,421	(12)	80,403	327,145	96,965	30
PCA SALES REVENUE - ELK RIVE	40,721	120,045	138,151	423,421	(13)	24,218	97,242	22,803	23
PCA SALES REVENUE - ELK RIVE	286,887	750,676	892,469	2,908,507	(16)	164,638	612,130	138,545	23
Total For Elk River:	2,899,906	12,029,535	12,241,742	41,085,728	(2)	2,660,976	11,307,750	721,785	6
Otsego									
ELECT SALES - OTSEGO RESIDEN	102,283	487,586	467,870	1,546,756	4	102,049	455,990	31,595	7
ELECT SALES - OTSEGO NON-DEM	34,707	154,328	132,713	499,327	16	30,631	133,586	20,741	16
ELECT SALES - OTSEGO DEMAND	111,706	488,329	462,387	1,587,577	6	102,890	438,762	49,566	11
PCA SALES REVENUE - OTSEGO R	15,300	47,346	54,253	168,103	(13)	9,038	35,821	11,525	32
PCA SALES REVENUE - OTSEGO N	6,064	17,322	16,861	46,753	3	3,096	11,986	5,335	45
PCA SALES REVENUE - OTSEGO D	24,211	69,067	72,564	225,212	(5)	13,307	50,593	18,473	37
Total For Otsego:	294,274	1,263,980	1,206,651	4,073,730	5	261,014	1,126,742	137,238	12
Rural Big Lake									
ELECT SALES - BIG LAKE RESIDE	12,860	64,964	66,026	199,359	(2)	13,163	61,112	3,851	6
ELECT SALES - BIG LAKE NON-DE	164	672	758	4,810	(11)	164	671	1	0
PCA SALES REVENUE - BIG LAKE	1,982	6,432	6,742	21,666	(5)	1,199	4,918	1,514	31
PCA SALES REVENUE - BIG LAKE	13	37	1,200	6,026	(97)	8	29	7	23
Total For Rural Big Lake:	15,020	72,107	74,727	231,863	(4)	14,535	66,732	5,375	8
Dayton									
ELECT SALES - DAYTON RESIDEN	13,885	70,025	66,478	212,063	5	13,631	61,674	8,351	14
ELECT SALES - DAYTON NON-DE	2,798	12,768	12,835	40,465	(1)	2,703	11,947	820	7
PCA SALES REVENUE - DAYTON R	2,078	6,754	7,047	23,047	(4)	1,203	4,803	1,950	41
PCA SALES REVENUE - DAYTON	425	1,281	2,000	6,410	(36)	239	952	328	35
Total For Dayton:	19,187	90,829	88,361	281,986	3	17,778	79,378	11,451	14
Public St & Hwy Lighting									
ELECT SALES - SEC LTS	23,886	93,537	87,000	261,000	8	21,723	86,852	6,685	8
Total For Public St & Hwy Lighting:	23,886	93,537	87,000	261,000	8	21,723	86,852	6,685	8
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 2025

Electric	2025 APRIL	2025 YTD	2025 YTD BUDGET	2025 ANNUAL BUDGET	2025 YTD Bud Var%	2024 APRIL	2024 YTD	YTD VARIANCE	2024 v. 2025 Actual Var%
Total For Other Electric Sales:	400	1,600	1,600	4,800	0	400	1,600	0	0
Total Operating Revenue									
	3,252,674	13,551,591	13,700,082	45,939,108	(1)	2,976,428	12,669,055	882,535	7
Other Operating Revenue									
Interest/Dividend Income									
INTEREST & DIVIDEND INCOME	49,798	167,449	116,666	350,000	44	(2,825)	44,897	122,552	273
Total For Interest/Dividend Income:	49,798	167,449	116,666	350,000	44	(2,825)	44,897	122,552	273
Customer Penalties									
CUSTOMER DELINQUENT PENALT	25,387	89,430	95,000	285,000	(6)	21,215	81,992	7,438	9
Total For Customer Penalties:	25,387	89,430	95,000	285,000	(6)	21,215	81,992	7,438	9
Connection Fees									
DISCONNECT & RECONNECT CHA	10,730	41,468	50,000	150,000	(17)	7,855	124,726	(83,258)	(67)
Total For Connection Fees:	10,730	41,468	50,000	150,000	(17)	7,855	124,726	(83,258)	(67)
Misc Revenue									
MISC ELEC REVENUE - TEMP CHG	220	2,640	833	2,500	217	220	880	1,760	200
STREET LIGHT	0	0	2,500	10,000	(100)	0	12,600	(12,600)	(100)
TRANSMISSION INVESTMENTS	43,382	200,843	200,000	600,000	0	41,060	187,492	13,350	7
MISC NON-UTILITY	13,767	33,161	36,666	110,000	(10)	9,222	36,895	(3,733)	(10)
GAIN ON DISPOSITION OF PROPER	0	22,755	0	25,000	0	0	0	22,755	0
CONTRIBUTIONS FROM CUSTOME	0	168,929	75,000	225,000	125	45,122	244,364	(75,435)	(31)
Total For Misc Revenue:	57,370	428,329	315,000	972,500	36	95,625	482,232	(53,902)	(11)
Total Other Revenue									
	143,286	726,677	576,666	1,757,500	26	121,870	733,847	(7,169)	(1)
Total For Total Other Revenue:	143,286	726,677	576,666	1,757,500	26	121,870	733,847	(7,169)	(1)
Total Revenue	3,395,961	14,278,268	14,276,749	47,696,608	0	3,098,298	13,402,902	875,366	7
Expenses									
Purchased Power									
PURCHASED POWER	1,501,726	6,386,279	6,446,024	23,315,290	(1)	1,476,514	6,199,110	187,168	3
ENERGY ADJUSTMENT CLAUSE	720,851	2,066,403	2,283,296	7,284,337	(9)	540,376	2,148,137	(81,734)	(4)
Total For Purchased Power:	2,222,578	8,452,682	8,729,320	30,599,628	(3)	2,016,891	8,347,248	105,433	1
Operating & Mtce Expense									
OPERATING SUPERVISION	13,949	53,100	50,000	150,000	6	12,255	46,533	6,566	14
NATURAL GAS	1,149	14,783	18,300	30,000	(19)	1,011	11,029	3,754	34
ELECTRIC & WATER CONSUMPTI	5,245	22,600	22,500	65,000	0	4,229	20,234	2,366	12

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

Electric	2025 APRIL	2025 YTD	2025 YTD BUDGET	2025 ANNUAL BUDGET	2025 YTD Bud Var%	2024 APRIL	2024 YTD	YTD VARIANCE	2024 v. 2025 Actual Var%
PLANT SUPPLIES & OTHER EXPEN	2,083	3,119	5,000	15,000	(38)	1,554	4,895	(1,775)	(36)
MISC POWER GENERATION EXPE	345	696	333	1,000	109	0	485	211	44
MAINTENANCE OF STRUCTURE -	653	5,862	6,666	20,000	(12)	1,491	3,346	2,515	75
MTCE OF PLANT ENGINES/GENER	380	678	1,666	5,000	(59)	552	2,118	(1,440)	(68)
MTCE OF PLANT/LAND IMPROVE	1,398	9,840	31,000	55,000	(68)	1,009	14,293	(4,452)	(31)
Total For Operating & Mtce Expense:	25,205	110,681	135,466	341,000	(18)	22,106	102,936	7,745	8
Transmission Expense									
TRANSMISSION MTCE AND EXPE	2,700	11,078	25,333	76,000	(56)	5,149	20,628	(9,550)	(46)
Total For Transmission Expense:	2,700	11,078	25,333	76,000	(56)	5,149	20,628	(9,550)	(46)
Distribution Expense									
REMOVE EXISTING SERVICE & M	325	492	666	2,000	(26)	0	0	492	0
SCADA EXPENSE	5,367	19,123	20,000	60,000	(4)	2,952	13,591	5,531	41
TRANSFORMER EXPENSE OH & U	1,417	4,808	8,333	25,000	(42)	1,127	5,786	(977)	(17)
MTCE OF SIGNAL SYSTEMS	118	340	1,000	3,000	(66)	0	349	(9)	(3)
METER EXPENSE - REMOVE & RE	0	726	500	1,500	45	0	241	485	202
TEMP SERVICE - INSTALL & REM	0	1,695	3,333	10,000	(49)	112	222	1,473	664
MISC DISTRIBUTION EXPENSE	62,439	179,287	140,000	420,000	28	50,366	162,760	16,526	10
Total For Distribution Expense:	69,667	206,474	173,833	521,500	19	54,558	182,950	23,523	13
Maintenance Expense									
MTCE OF STRUCTURES	5,495	34,994	30,666	92,000	14	8,488	28,236	6,758	24
MTCE OF SUBSTATIONS	330	1,405	15,000	45,000	(91)	0	6,402	(4,997)	(78)
MTCE OF SUBSTATION EQUIPME	4,450	17,327	50,000	150,000	(65)	23,838	52,961	(35,634)	(67)
MTCE OF OH LINES/TREE TRIM	15,568	152,256	218,000	300,000	(30)	21,068	205,330	(53,073)	(26)
MTCE OF OH LINES/STANDBY	3,209	14,363	16,666	50,000	(14)	4,039	14,317	46	0
MTCE OF OH PRIMARY	(40,922)	16,530	63,333	190,000	(74)	5,761	45,712	(29,181)	(64)
MTCE OF URD PRIMARY	44,837	131,026	100,000	300,000	31	33,369	65,262	65,764	101
LOCATE ELECTRIC LINES	12,967	27,033	41,666	125,000	(35)	8,662	25,599	1,434	6
LOCATE FIBER LINES	513	780	833	2,500	(6)	70	473	306	65
MTCE OF LINE TRANSFORMERS	3,716	19,915	25,000	75,000	(20)	2,649	11,336	8,578	76
MTCE OF STREET LIGHTING	5,160	16,853	23,000	69,000	(27)	3,114	21,064	(4,210)	(20)
MTCE OF SECURITY LIGHTING	615	7,194	8,333	25,000	(14)	2,416	7,323	(128)	(2)
MTCE OF METERS	1,525	4,521	26,666	80,000	(83)	7,474	26,628	(22,106)	(83)
VOLTAGE COMPLAINTS	367	2,550	4,000	12,000	(36)	777	1,848	702	38
SALARIES TRANSMISSION & DIST	3,287	11,793	12,000	36,000	(2)	2,660	10,147	1,646	16
ELECTRIC MAPPING	12,067	56,061	51,666	155,000	9	10,114	82,754	(26,692)	(32)

Electric	2025 APRIL	2025 YTD	2025 YTD BUDGET	2025 ANNUAL BUDGET	2025 YTD Bud Var%	2024 APRIL	2024 YTD	YTD VARIANCE	2024 v. 2025 Actual Var%
FIBER MAPPING	0	0	5,000	15,000	(100)	0	0	0	0
MTCE OF OH SECONDARY	2,412	9,743	7,666	23,000	27	1,015	4,745	4,997	105
MTCE OF URD SECONDARY	8,506	21,672	25,000	75,000	(13)	4,806	14,794	6,877	46
TRANSPORTATION EXPENSE	15,167	114,572	108,333	325,000	6	25,986	120,714	(6,141)	(5)
Total For Maintenance Expense:	99,277	660,600	832,833	2,144,500	(21)	166,315	745,653	(85,053)	(11)
Depreciation & Amortization									
DEPRECIATION	232,509	927,110	890,471	2,671,415	4	219,858	877,539	49,570	6
AMORTIZATION	55,677	222,711	222,712	668,136	0	55,677	222,711	0	0
Total For Depreciation & Amortization:	288,186	1,149,822	1,113,183	3,339,551	3	275,536	1,100,251	49,570	5
Interest Expense									
INTEREST EXPENSE - BONDS	66,971	269,160	269,160	794,932	0	70,163	281,889	(12,729)	(5)
AMORTIZATION OF DEBT DISCOU	(4,988)	(19,954)	(19,954)	(59,863)	0	(4,988)	(19,954)	0	0
Total For Interest Expense:	61,982	249,206	249,206	735,069	0	65,174	261,935	(12,729)	(5)
Other Operating Expense									
EV CHARGING EXPENSE	185	759	466	1,400	63	287	874	(115)	(13)
LOSS ON DISPOSITION OF PROP (C	0	18,258	0	160,000	0	0	4,105	14,152	345
OTHER DONATIONS	0	217	666	2,000	(67)	0	0	217	0
PENSION EXPENSE	0	0	0	259,000	0	0	0	0	0
INTEREST EXPENSE - METER DEP	4,124	16,438	20,000	60,000	(18)	4,761	18,877	(2,438)	(13)
Total For Other Operating Expense:	4,309	35,673	21,133	482,400	69	5,049	23,857	11,815	50
Customer Accounts Expense									
METER READING EXPENSE	3,088	12,035	11,666	35,000	3	3,263	12,349	(314)	(3)
DISCONNECT/RECONNECT EXPEN	0	66	3,333	10,000	(98)	651	2,923	(2,857)	(98)
MISC CUSTOMER ACCOUNTS EXP	30,824	120,717	133,333	400,000	(9)	27,521	111,552	9,164	8
BAD DEBT EXPENSE & RECOVER	740	3,639	8,333	25,000	(56)	3,305	6,163	(2,523)	(41)
Total For Customer Accounts Expense:	34,653	136,458	156,666	470,000	(13)	34,741	132,988	3,469	3
Administrative Expense									
SALARIES OFFICE & COMMISSION	85,828	323,840	361,666	1,085,000	(10)	79,764	297,685	26,154	9
TEMPORARY STAFFING	0	0	1,333	4,000	(100)	0	0	0	0
OFFICE SUPPLIES	5,128	24,711	45,000	135,000	(45)	5,976	28,725	(4,013)	(14)
ELECTRIC & WATER CONSUMPTI	1,923	7,439	10,666	32,000	(30)	2,138	8,301	(862)	(10)
BANK FEES	234	932	1,000	3,000	(7)	419	863	68	8
LEGAL FEES	1,356	4,663	10,000	30,000	(53)	1,526	3,856	806	21
AUDITING FEES	1,720	6,880	6,880	20,640	0	840	5,760	1,120	19
INSURANCE	14,853	59,453	65,000	195,000	(9)	15,414	61,976	(2,522)	(4)

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

Electric	2025 APRIL	2025 YTD	2025 YTD BUDGET	2025 ANNUAL BUDGET	2025 YTD Bud Var%	2024 APRIL	2024 YTD	YTD VARIANCE	2024 v. 2025 Actual Var%
UTILITY SHARE - DEFERRED COM	12,002	62,063	42,833	128,500	45	10,388	60,149	1,914	3
UTILITY SHARE - MEDICAL/DENT	65,882	380,280	391,542	942,322	(3)	59,897	366,226	14,053	4
UTILITY SHARE - PERA	35,478	114,075	107,166	321,500	6	25,049	98,521	15,553	16
UTILITY SHARE - FICA	35,027	110,226	105,166	315,500	5	24,195	94,773	15,453	16
EMPLOYEE SICK PAY	17,913	96,375	68,000	204,000	42	12,191	40,994	55,380	135
EMPLOYEE HOLIDAY PAY	0	47,430	48,525	194,100	(2)	0	45,863	1,566	3
EMPLOYEE VACATION & PTO PA	25,385	138,544	130,090	325,000	6	21,614	125,663	12,881	10
UPMIC DISTRIBUTION	0	18,105	21,500	86,000	(16)	0	29,968	(11,862)	(40)
LONGEVITY PAY	3,772	5,245	5,246	9,945	0	0	0	5,245	0
CONSULTING FEES	13,264	34,484	79,666	239,000	(57)	8,248	25,568	8,916	35
TELEPHONE	2,833	11,383	12,666	38,000	(10)	2,917	11,668	(284)	(2)
ADVERTISING	1,085	4,490	6,666	20,000	(33)	482	4,514	(24)	(1)
DUES & SUBSCRIPTIONS - FEES	11,640	51,194	50,669	152,009	1	18,864	41,956	9,238	22
SCHOOLS & MEETINGS	13,942	66,574	108,000	292,333	(38)	23,725	79,120	(12,546)	(16)
MTCE OF GENERAL PLANT & OFFI	865	3,460	3,666	11,000	(6)	845	3,380	80	2
Total For Administrative Expense:	350,139	1,571,853	1,682,954	4,783,849	(7)	314,498	1,435,539	136,314	9
General Expense									
CIP REBATES - RESIDENTIAL	6,860	28,913	30,252	90,758	(4)	4,434	24,044	4,869	20
CIP REBATES - COMMERCIAL	3,415	7,744	37,333	112,000	(79)	4,646	21,227	(13,483)	(64)
CIP - ADMINISTRATION	10,529	45,154	60,988	182,965	(26)	12,482	49,330	(4,176)	(8)
CIP - MARKETING	2,842	17,105	17,078	51,235	0	14,429	23,062	(5,957)	(26)
CIP - LABOR	9,388	35,833	44,607	133,822	(20)	8,549	35,272	561	2
CIP REBATES - LOW INCOME	0	0	6,240	18,720	(100)	1,602	1,602	(1,602)	(100)
CIP - LOW INCOME LABOR	935	3,515	3,333	10,000	5	828	3,196	319	10
ENVIRONMENTAL COMPLIANCE	2,680	9,822	11,666	35,000	(16)	2,617	10,247	(424)	(4)
MISC GENERAL EXPENSE	64	(61)	1,766	5,300	(104)	(81)	(401)	340	85
Total For General Expense:	36,716	148,028	213,266	639,800	(31)	49,510	167,582	(19,554)	(12)
Total Expenses(before Operating Transfers)	3,195,419	12,732,559	13,333,198	44,133,298	(5)	3,009,532	12,521,573	210,986	2
Operating Transfer									
Operating Transfer/Other Funds									
TRANSFER TO CITY ELK RIVER R	116,744	484,130	489,669	1,643,429	(1)	107,140	455,113	29,016	6
Total For Operating Transfer/Other Funds:	116,744	484,130	489,669	1,643,429	(1)	107,140	455,113	29,016	6
Utilities & Labor Donated									
UTILITIES & LABOR DONATED TO	19,322	78,151	88,333	265,000	(12)	17,737	73,002	5,148	7

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
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FOR PERIOD ENDING APRIL 2025

Electric	2025 APRIL	2025 YTD	2025 YTD BUDGET	2025 ANNUAL BUDGET	2025 YTD Bud Var%	2024 APRIL	2024 YTD	YTD VARIANCE	2024 v. 2025 Actual Var%
Total For Utilities & Labor Donated:	19,322	78,151	88,333	265,000	(12)	17,737	73,002	5,148	7
Total Operating Transfer									
Total For Total Operating Transfer:	136,067	562,281	578,003	1,908,429	(3)	124,877	528,116	34,165	6
Net Income Profit(Loss)	64,475	983,427	365,548	1,654,880	169	(36,111)	353,213	630,214	178

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

Water	2025 APRIL	2025 YTD	2025 YTD BUDGET	2025 ANNUAL BUDGET	2025 YTD Bud Var%	2024 APRIL	2024 YTD	YTD VARIANCE	2024 v. 2025 Actual Var%
Revenue									
Operating Revenue									
Water Sales									
WATER SALES RESIDENTIAL	89,860	372,472	358,062	1,768,457	4	87,310	361,153	11,319	3
WATER SALES COMMERCIAL	56,390	232,570	212,926	1,024,735	9	52,769	216,385	16,185	7
WATER SALES IRRIGATION	2,085	7,204	7,253	350,120	(1)	2,977	8,086	(882)	(11)
Total For Water Sales:	148,336	612,247	578,242	3,143,313	6	143,057	585,625	26,621	5
Total Operating Revenue	148,336	612,247	578,242	3,143,313	6	143,057	585,625	26,621	5
Total For Total Operating Revenue:	148,336	612,247	578,242	3,143,313	6	143,057	585,625	26,621	5
Other Operating Revenue									
Interest/Dividend Income									
INTEREST & DIVIDEND INCOME	13,440	45,986	50,000	150,000	(8)	1,051	19,046	26,940	141
OTHER INTEREST/MISC REVENUE	0	0	333	1,000	(100)	0	0	0	0
Total For Interest/Dividend Income:	13,440	45,986	50,333	151,000	(9)	1,051	19,046	26,940	141
Customer Penalties									
CUSTOMER PENALTIES	3,065	9,920	9,333	28,000	6	925	6,537	3,382	52
Total For Customer Penalties:	3,065	9,920	9,333	28,000	6	925	6,537	3,382	52
Connection Fees									
WATER/ACCESS/CONNECTION FE	69,054	148,254	85,000	255,000	74	28,800	155,030	(6,776)	(4)
CUSTOMER CONNECTION FEES	5,178	17,872	10,833	32,500	65	2,487	9,337	8,534	91
BULK WATER SALES/HYDRANT R	0	7,941	10,333	31,000	(23)	0	10,852	(2,910)	(27)
Total For Connection Fees:	74,232	174,068	106,166	318,500	64	31,287	175,220	(1,152)	(1)
Misc Revenue									
MISC NON-UTILITY	0	310	33	100	842	0	20	290	1,455
GAIN ON DISPOSITION OF PROPER	0	0	0	8,000	0	0	0	0	0
MISCELLANEOUS REVENUE	0	1,091	166	500	554	0	0	1,091	0
HYDRANT MAINTENANCE PROGR	975	3,900	5,000	15,000	(22)	975	4,725	(825)	(17)
WATER TOWER LEASE	0	0	0	327,500	0	0	0	0	0
LEASE INTEREST REVENUE	0	0	0	75,000	0	0	0	0	0
Total For Misc Revenue:	975	5,302	5,200	426,100	2	975	4,745	556	12
Total Other Revenue	91,714	235,277	171,033	923,600	38	34,239	205,550	29,727	14
Total For Total Other Revenue:	91,714	235,277	171,033	923,600	38	34,239	205,550	29,727	14

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

Water	2025 APRIL	2025 YTD	2025 YTD BUDGET	2025 ANNUAL BUDGET	2025 YTD Bud Var%	2024 APRIL	2024 YTD	YTD VARIANCE	2024 v. 2025 Actual Var%
Total Revenue	240,050	847,525	749,275	4,066,913	13	177,297	791,175	56,349	7
Expenses									
Production Expense									
MTCE OF STRUCTURES	14,824	45,260	45,000	135,000	1	8,553	42,829	2,430	6
Total For Production Expense:	14,824	45,260	45,000	135,000	1	8,553	42,829	2,430	6
Pumping Expense									
SUPERVISION	6,833	26,302	25,333	76,000	4	6,270	23,014	3,287	14
ELECTRIC & GAS UTILITIES	23,192	83,904	103,333	310,000	(19)	19,838	74,442	9,461	13
SAMPLING	2,659	7,536	8,050	24,150	(6)	2,290	5,788	1,748	30
CHEMICAL FEED	3,084	11,125	16,666	50,000	(33)	3,465	9,172	1,953	21
MTCE OF WELLS	12,501	62,889	66,666	200,000	(6)	11,285	54,489	8,400	15
SCADA - PUMPING	2,218	5,178	4,000	12,000	29	15,286	16,140	(10,962)	(68)
Total For Pumping Expense:	50,491	196,937	224,050	672,150	(12)	58,437	183,048	13,888	8
Distribution Expense									
MTCE OF WATER MAINS	10,243	64,937	58,333	175,000	11	8,738	16,395	48,541	296
LOCATE WATER LINES	2,071	4,848	6,666	20,000	(27)	1,241	4,233	614	15
MTCE OF WATER SERVICES	0	0	166	500	(100)	0	0	0	0
WATER METER SERVICE	7,727	29,334	23,333	70,000	26	3,421	14,570	14,764	101
BACKFLOW DEVICE INSPECTION	1,229	5,127	5,400	23,160	(5)	1,402	5,522	(394)	(7)
MTCE OF CUSTOMERS SERVICE	2,770	11,295	11,666	35,000	(3)	2,641	10,847	447	4
WATER MAPPING	750	14,454	5,666	17,000	155	1,232	9,134	5,319	58
FIBER MAPPING	0	0	5,000	15,000	(100)	0	0	0	0
MTCE OF WATER HYDRANTS - PU	721	7,855	7,333	22,000	7	1,532	12,442	(4,587)	(37)
MTCE OF WATER HYDRANTS - PR	0	0	2,000	6,000	(100)	0	663	(663)	(100)
WATER CLOTHING/PPE	6,367	7,284	5,000	15,000	46	3,788	4,365	2,918	67
WAGES WATER	722	2,958	3,333	10,000	(11)	707	2,718	239	9
TRANSPORTATION EXPENSE	7,617	10,847	8,000	24,000	36	3,480	6,364	4,483	70
WATER PERMIT	345	20,382	27,000	27,000	(25)	0	26,255	(5,873)	(22)
Total For Distribution Expense:	40,565	179,327	168,900	459,660	6	28,186	113,516	65,811	58
Depreciation & Amortization									
DEPRECIATION	115,627	462,014	441,955	1,325,865	5	100,575	403,239	58,775	15
Total For Depreciation & Amortization:	115,627	462,014	441,955	1,325,865	5	100,575	403,239	58,775	15
Interest Expense									
INTEREST EXPENSE - BONDS	3,266	13,066	13,066	38,117	0	3,466	13,866	(800)	(6)
AMORTIZATION OF DEBT DISCOU	(554)	(2,216)	(2,217)	(6,651)	0	(554)	(2,216)	0	0

ELK RIVER MUNICIPAL UTILITIES
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FOR PERIOD ENDING APRIL 2025

Water	2025 APRIL	2025 YTD	2025 YTD BUDGET	2025 ANNUAL BUDGET	2025 YTD Bud Var%	2024 APRIL	2024 YTD	YTD VARIANCE	2024 v. 2025 Actual Var%
Total For Interest Expense:	2,712	10,849	10,849	31,466	0	2,912	11,649	(800)	(7)
Other Operating Expense									
LOSS ON DISPOSITION OF PROP (C	0	0	0	16,000	0	0	0	0	0
DAM MAINTENANCE EXPENSE	0	30	0	0	0	0	0	30	0
PENSION EXPENSE	0	0	0	44,000	0	0	0	0	0
INTEREST EXPENSE - METER DEP	52	208	250	750	(17)	120	483	(275)	(57)
Total For Other Operating Expense:	52	238	250	60,750	(4)	120	483	(244)	(51)
Customer Accounts Expense									
METER READING EXPENSE	577	2,242	2,333	7,000	(4)	171	653	1,589	243
MISC CUSTOMER ACCOUNTS EXP	7,742	30,623	32,666	98,000	(6)	7,066	28,690	1,933	7
BAD DEBT EXPENSE & RECOVER	0	0	83	250	(100)	0	0	0	0
Total For Customer Accounts Expense:	8,320	32,866	35,083	105,250	(6)	7,237	29,344	3,522	12
Administrative Expense									
SALARIES OFFICE & COMMISSION	28,925	99,087	96,000	288,000	3	23,384	87,223	11,863	14
TEMPORARY STAFFING	0	0	333	1,000	(100)	0	0	0	0
OFFICE SUPPLIES	1,384	7,238	10,000	30,000	(28)	1,375	6,028	1,210	20
ELECTRIC & WATER CONSUMPTI	481	1,860	2,333	7,000	(20)	534	2,076	(215)	(10)
BANK FEES	58	238	233	700	3	104	221	17	8
LEGAL FEES	339	1,165	1,666	5,000	(30)	381	935	230	25
AUDITING FEES	430	2,266	2,233	6,700	1	756	1,986	279	14
INSURANCE	3,480	13,942	14,666	44,000	(5)	3,460	13,921	21	0
UTILITY SHARE - DEFERRED COM	2,225	10,193	8,033	24,100	27	2,141	9,509	683	7
UTILITY SHARE - MEDICAL/DENT	16,977	92,358	104,902	269,977	(12)	14,703	84,059	8,299	10
UTILITY SHARE - PERA	6,816	22,021	22,833	68,500	(4)	4,824	18,968	3,052	16
UTILITY SHARE - FICA	7,097	21,702	22,000	66,000	(1)	4,659	18,353	3,348	18
EMPLOYEE SICK PAY	2,982	16,647	11,666	35,000	43	2,016	8,983	7,664	85
EMPLOYEE HOLIDAY PAY	0	9,413	10,381	41,525	(9)	0	7,401	2,011	27
EMPLOYEE VACATION & PTO PA	4,520	26,877	26,727	66,000	1	3,479	23,109	3,768	16
UPMIC DISTRIBUTION	0	3,642	4,625	18,500	(21)	0	5,834	(2,191)	(38)
WELLHEAD PROTECTION	0	0	680	2,000	(100)	0	0	0	0
LONGEVITY PAY	77	155	156	2,130	(1)	0	0	155	0
CONSULTING FEES	4,392	20,665	19,133	57,400	8	2,207	6,682	13,983	209
TELEPHONE	702	2,615	2,500	7,500	5	648	2,775	(159)	(6)
ADVERTISING	271	1,483	1,666	5,000	(11)	392	1,322	160	12
DUES & SUBSCRIPTIONS - FEES	1,790	22,407	25,461	89,961	(12)	3,381	20,944	1,462	7

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

Water	2025 APRIL	2025 YTD	2025 YTD BUDGET	2025 ANNUAL BUDGET	2025 YTD Bud Var%	2024 APRIL	2024 YTD	YTD VARIANCE	2024 v. 2025 Actual Var%
SCHOOLS & MEETINGS	683	8,298	23,575	60,956	(65)	2,513	13,363	(5,064)	(38)
MTCE OF GENERAL PLANT & OFFI	216	864	916	2,750	(6)	211	844	20	2
Total For Administrative Expense:	83,851	385,146	412,724	1,199,699	(7)	71,176	334,544	50,601	15
General Expense									
CIP REBATES - RESIDENTIAL	0	25	1,666	5,000	(99)	0	25	0	0
CIP REBATES - COMMERCIAL	0	0	166	500	(100)	0	0	0	0
CIP - MARKETING	0	0	666	2,000	(100)	728	728	(728)	(100)
CIP - LABOR	0	0	833	2,500	(100)	0	0	0	0
ENVIRONMENTAL COMPLIANCE	771	1,360	666	2,000	104	60	219	1,141	519
MISC GENERAL EXPENSE	0	0	83	250	(100)	0	0	0	0
Total For General Expense:	771	1,385	4,083	12,250	(66)	789	972	412	42
Total Expenses(before Operating Transfers)	317,217	1,314,027	1,342,896	4,002,091	(2)	277,990	1,119,628	194,398	17
Operating Transfer									
Utilities & Labor Donated									
WATER & LABOR DONATED TO CI	0	0	666	2,000	(100)	0	0	0	0
Total Operating Transfer									
Total For Total Operating Transfer:	0	0	666	2,000	(100)	0	0	0	0
Net Income Profit(Loss)	(77,166)	(466,502)	(594,287)	62,821	22	(100,693)	(328,452)	(138,049)	(42)

Beginning Fiscal Period[YYYYMM]	GL Division	GL Department
202501	All	All
Ending Fiscal Period[YYYYMM]	**GL Activity**	**Period Type**
202504	All	Closed Period

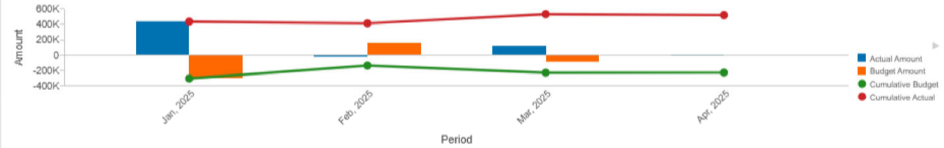
Budget Revenue Comparison & Variance
Jan, 2025 - Apr, 2025
$99,768.73
.66%

Actual	Budget
$15,125,794.02	$15,026,025.29

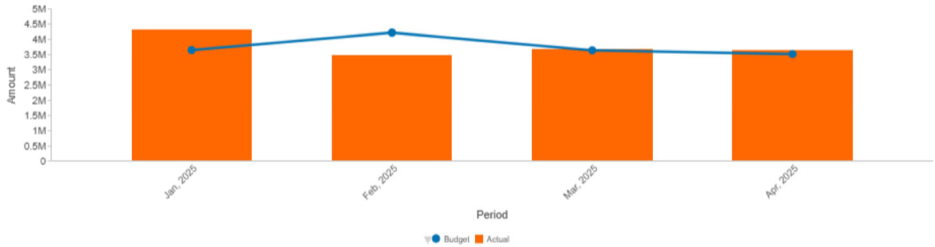
Budget Expense Comparison & Variance
Jan, 2025 - Apr, 2025
-$645,896.12
-4.23%

Actual	Budget
$14,608,868.61	$15,254,764.73

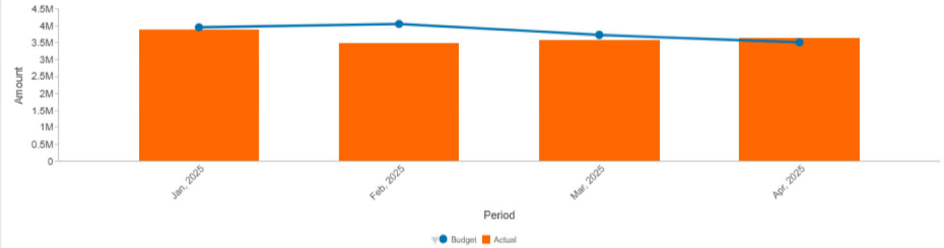
Budget Analysis by Period
Jan, 2025 - Apr, 2025



Revenue Budget vs Actual by Period
Jan, 2025 - Apr, 2025



Expense Budget vs Actual by Period
Jan, 2025 - Apr, 2025



Beginning Fiscal Period[YYYYMM]	GL Division	GL Department
202501	61 - Elk River Electric	All
Ending Fiscal Period[YYYYMM]	**GL Activity**	**Period Type**
202504	All	Closed Period

Budget Revenue Comparison & Variance
Jan, 2025 - Apr, 2025

$1,519.24

.01%

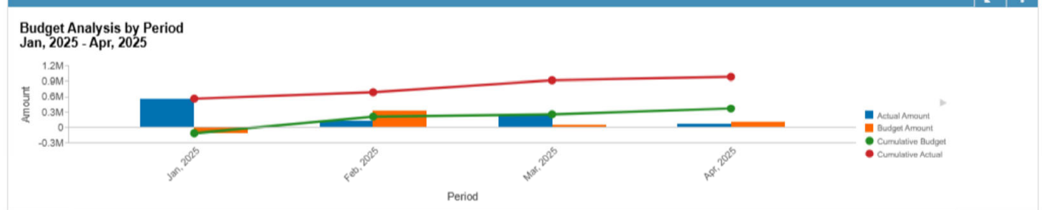
Actual	Budget
$14,278,268.85	$14,276,749.61

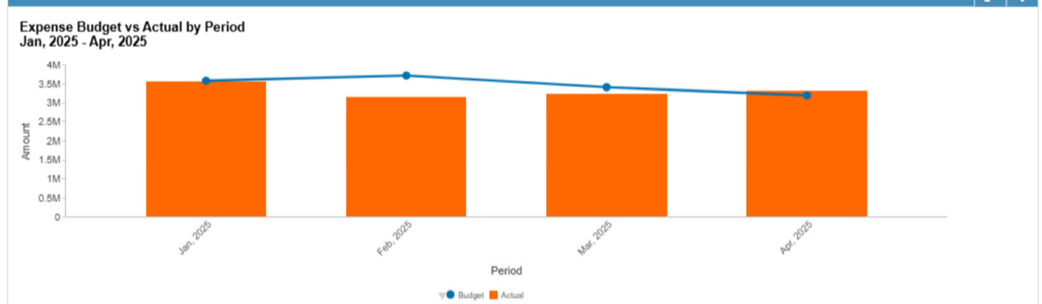
Budget Expense Comparison & Variance
Jan, 2025 - Apr, 2025

-$616,360.11

-4.43%

Actual	Budget
$13,294,841.39	$13,911,201.50





Beginning Fiscal Period[YYYYMM]	GL Division	GL Department
202501	62 - Elk River Water	All
Ending Fiscal Period[YYYYMM]	**GL Activity**	**Period Type**
202504	All	Closed Period

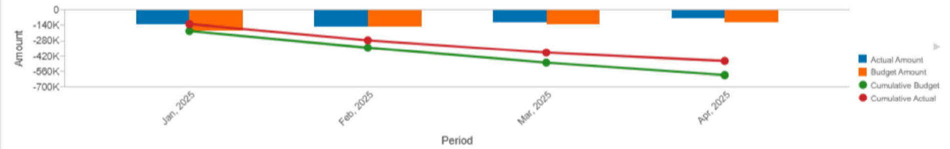
Budget Revenue Comparison & Variance
Jan, 2025 - Apr, 2025
$98,249.49
13.11%

Actual	Budget
$847,525.17	$749,275.68

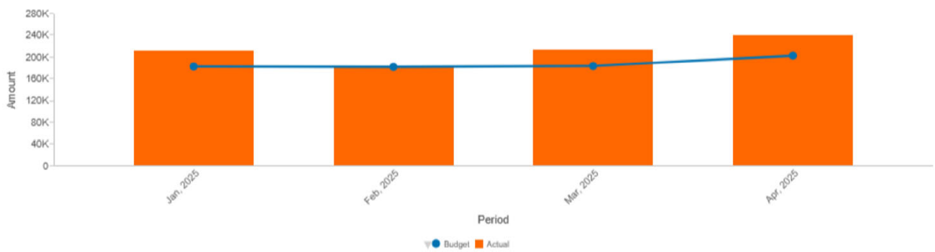
Budget Expense Comparison & Variance
Jan, 2025 - Apr, 2025
-$29,536.01
-2.20%

Actual	Budget
$1,314,027.22	$1,343,563.23

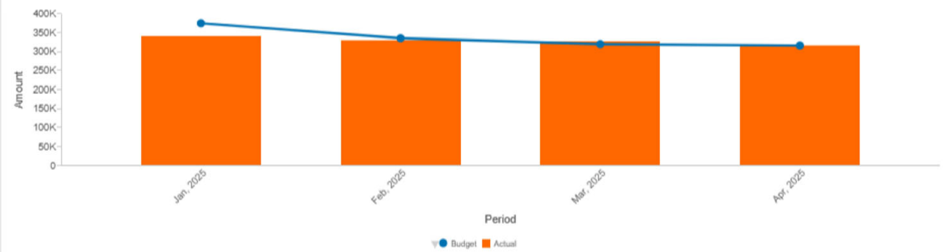
Budget Analysis by Period
Jan, 2025 - Apr, 2025



Revenue Budget vs Actual by Period
Jan, 2025 - Apr, 2025



Expense Budget vs Actual by Period
Jan, 2025 - Apr, 2025



Elk River Municipal Utilities

April 2025 Financials

Report Highlights

Elk River Municipal Utilities

April YTD Profit & Profit Margin %

Profit & Profit Margins %
January 2025 – April 2025
$516,925
3.42%

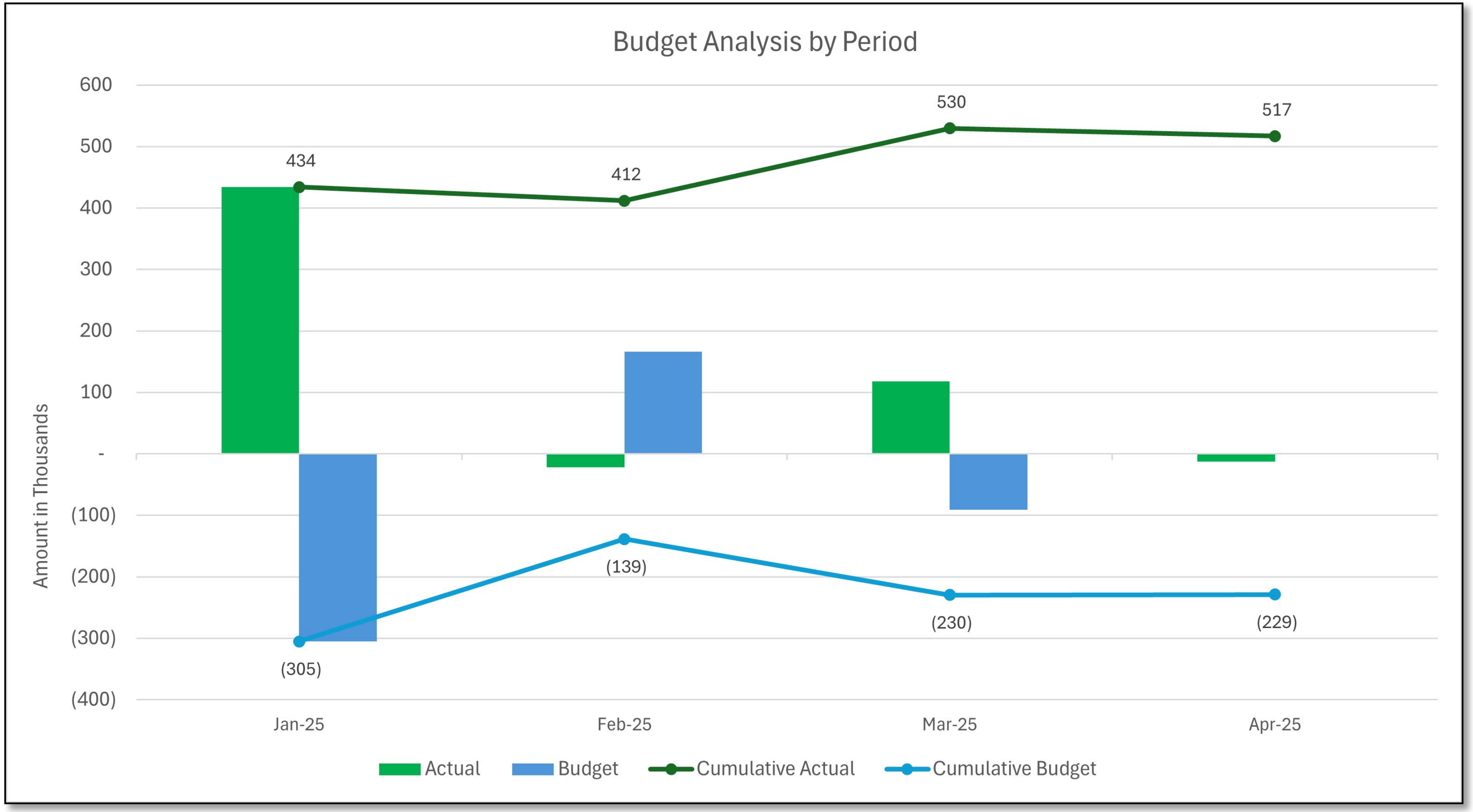
Revenue	Expense
$15,125,794	$14,608,869

Purpose: To show the overall health of the organization.

- YTD ERMU's revenue is exceeding expenses by $517k
- Resulting in a profit margin of 3.42%

Elk River Municipal Utilities

April YTD Actuals to Budget Comparison



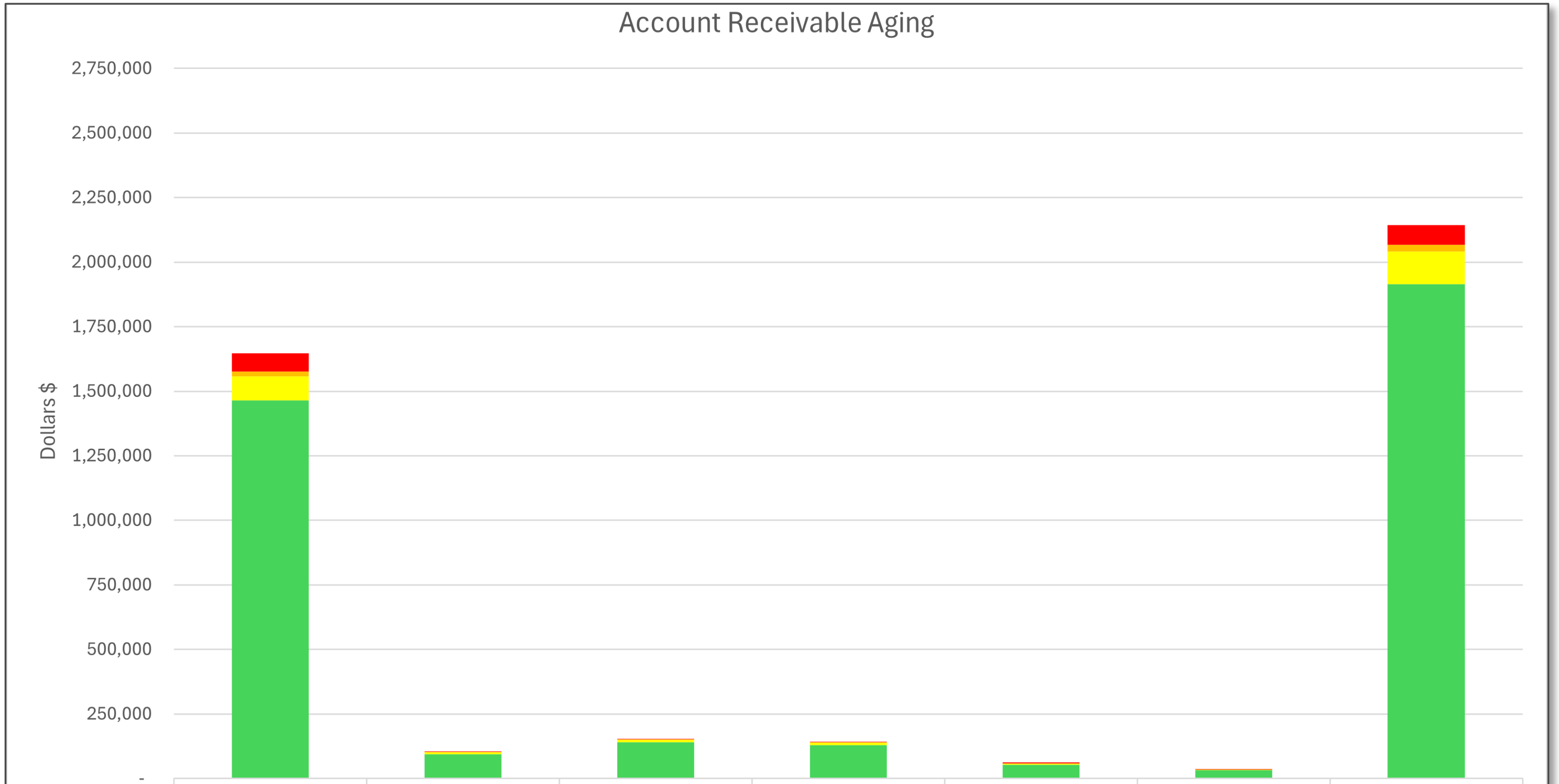
Purpose: To illustrate the combined net position actuals versus budgeted amounts.

- Overall, ERMU is favorable to budget YTD
- ERMU has been favorable to budget each month except February

PRESENTED AT MEETING - 2025-6 - 5.1

Elk River Municipal Utilities

Accounts Receivable-Utility Aging 4/30/2025



	Electric	Water	Sewer	Trash	Franchise Fee	Storm Water	Total
90+ days	69,623	574	819	647	5,373	211	77,248
60 days	18,217	1,025	1,888	1,932	994	333	24,389
30 days	93,911	8,657	9,137	9,038	3,869	2,242	126,853
Current AR	1,464,631	93,394	141,298	129,970	53,183	32,717	1,915,192

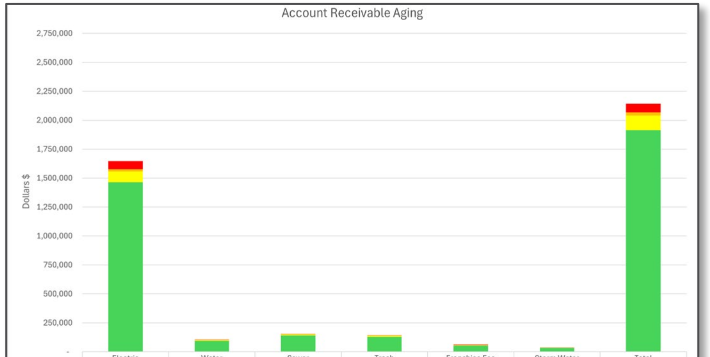
Purpose: an overview of outstanding payments from customers and how long they are past due.

- City services make up $419k of total A/R balances of $2.749M
- Over 90 days is only 2.9% of total A/R compared to 91% being current

GREEN IS GOOD!

Elk River Municipal Utilities

Accounts Receivable-Utility Aging 4/30/2025



	Electric	Water	Sewer	Trash	Franchise Fee	Storm Water	Total
90+ days	69,623	574	819	647	5,373	211	77,248
60 days	18,217	1,025	1,888	1,932	994	333	24,389
30 days	93,911	8,657	9,137	9,038	3,869	2,242	126,853
Current AR	1,464,631	93,394	141,298	129,970	53,183	32,717	1,915,192

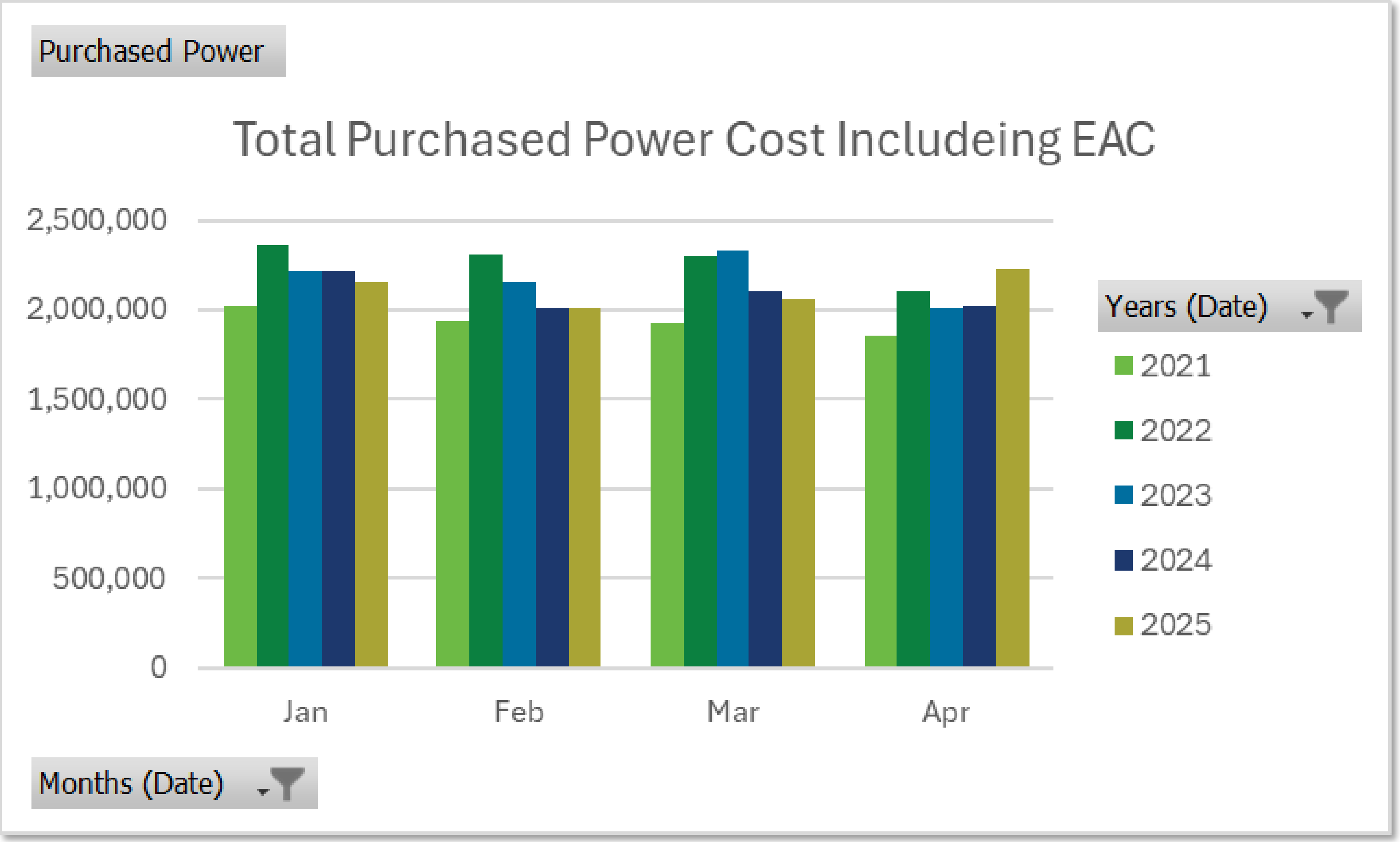
Note: Electric and water accounts receivable can be reviewed separately on the "Combined Balance Sheet" provided in the packet.

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

	ELECTRIC	WATER
ASSETS		
CURRENT ASSETS		
CASH	3,869,563	5,264,469
ACCOUNTS RECEIVABLE	2,173,262	5,096,687
INVENTORIES	2,323,741	51,535
PREPAID ITEMS	252,860	58,144
CONSTRUCTION IN PROGRESS	1,054,678	190,814
TOTAL CURRENT ASSETS	9,674,104	10,661,650

Elk River Municipal Utilities

Electric Department – Purchased Power

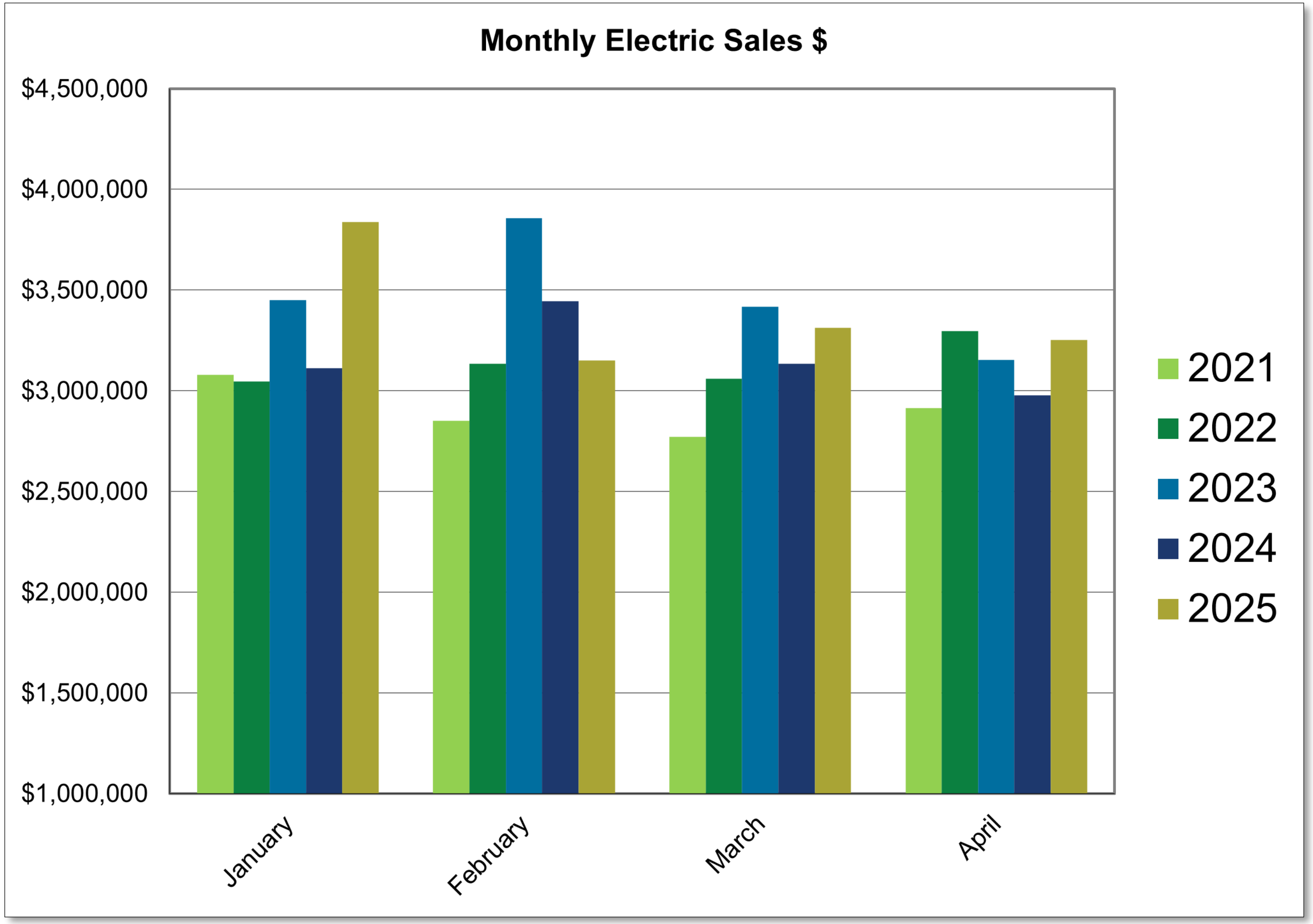


Purpose: To illustrate trends in purchased power costs.

- Purchased power 2025 YTD is approximately 64% of total expenses
- 2025 YTD purchased power is favorable to budget by 3%
- 2025 is trending to be like 2024. Note: YTD 2025 is $105k more than 2024 due to higher usage partially offset by lower EAC charges.

Elk River Municipal Utilities

Electric Department – Electric Usage Sales

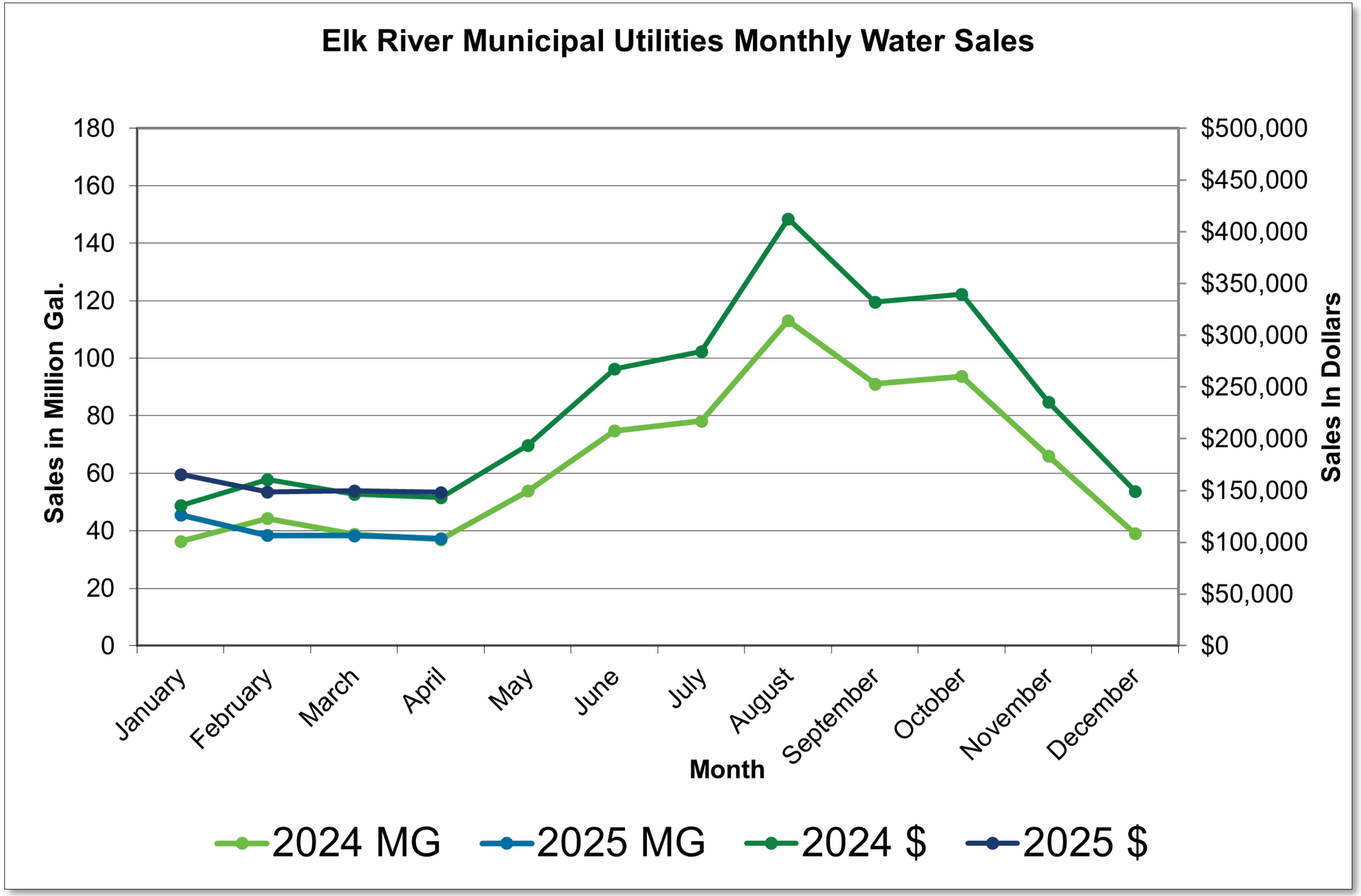


Purpose: To illustrate a 5-year comparison in electric usage sales.

- Usage can vary greatly from year to year with weather being a primary factor.
- Electric kWh usage is 4.9% higher in 2025 as compared to 2024.

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 up YTD 2% over prior year.
- Revenue is up YTD 4.5% over prior year due to increased usage and rates.

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 3, 2025	**AGENDA ITEM NUMBER:** 5.2
SUBJECT: 2024 Consumer Confidence Report	
ACTION REQUESTED: Receive and file the 2024 Consumer Confidence Report	

DISCUSSION:
The ERMU Consumer Confidence Report (CCR), also known as Water Quality Report, for the 2024 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.

Link to the 2024 CCR: https://www.ermumn.com/services/water/water-quality-report.

ATTACHMENTS:

- 2024 Consumer Confidence Report

ANNUAL WATER QUALITY REPORT

Reporting Year 2024

Presented By

Elk River Municipal Utilities

PWS ID#: 1710004

Our Commitment

We are pleased to present to you this year's annual water quality report. This report is a snapshot of last year's water quality covering all testing performed between January 1 and December 31, 2024. Included are details about your source of water, what it contains, and how it compares to standards set by regulatory agencies. Our constant goal is to provide you with a safe and dependable supply of drinking water. We want you to understand the efforts we make to continually improve the water treatment process and protect our water resources. We are committed to ensuring the quality of your water and providing you with this information because informed customers are our best allies.

Where Does My Water Come From?

ERMU wells are supplied by the Mt. Simon-Hinckley aquifer. We maintain eight wells ranging from 225 to 454 feet deep, six wells have water treatment facilities that remove iron and manganese from the source water. There are four water towers, over 125 miles of water main, 1,334 hydrants and just under 3,000 valves in our system. In 2024, ERMU pumped over 841 million gallons of water. We are proud to serve over 5,800 water customers.

Important Health Information

Some people may be more vulnerable to contaminants in drinking water than the general population. Immunocompromised 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. U.S. Environmental Protection Agency (U.S. EPA)/Centers for Disease Control and Prevention (CDC) guidelines on appropriate means to lessen the risk of infection by *Cryptosporidium* and other microbial contaminants are available from the Safe Drinking Water Hotline (800-426-4791) or epa.gov/safewater.

Source Water Assessment

A Source Water Assessment Plan (SWAP) is now available at our office, or you may search for "Elk River" at health.state.mn.us/communities/environment/water/swp/swa.html. This plan is an assessment of the delineated area around our listed sources through which contaminants, if present, could migrate and reach our source water. It also includes an inventory of potential sources of contamination within the delineated area and a determination of the water supply's susceptibility to contamination by the identified potential sources.

Approximately 90 percent of our drinking water supply management area is considered nonvulnerable, while less than 10 percent is vulnerable. Our Wellhead Protection Plan includes measures to mitigate or prevent potential contamination.

It is important to seal unused wells and update records with the city and county. Unsealed wells act as direct pathways for contaminants to enter drinking water sources. Similarly, substances applied to the ground or in water can eventually percolate into drinking water sources in variable timelines, impacting its quality. Please handle chemicals and waste responsibly to protect our water supply.

If you are not using a well, or you discover an old, abandoned well, have it sealed. Open wells can impact an entire community's water supply if left unprotected. Please call our office if you have questions.

Conservation

Check your irrigation system regularly and monitor your irrigation use. Overwatering is the biggest culprit for high water bills and the top use of water in Elk River. Using less water more often is the key. Water for 15 minutes per zone and then repeat as needed later in the day for 5 to 15 minutes. Roots need to absorb the water to help your lawn grow lush and green. Too much watering at one time forces water to move past the roots belowground or run into the road or a neighboring drain aboveground.

Should I be Concerned About What I'm Pouring Down My Drain?

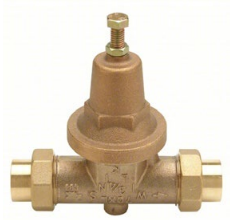
If your home is served by a sewage system, your drain is an entrance to your wastewater disposal system and eventually to a drinking water source. Consider purchasing environmentally friendly home products whenever possible, and never pour hazardous materials (e.g., car engine oil) down the drain. Check with your health department for more information on proper disposal methods.

QUESTIONS? For more information about this report or any questions relating to your drinking water, please call Elk River Municipal Utilities (ERMU) at (763) 441-2020 (Dave Ninow, Water Superintendent) To view this report online, visit ermumn.com/services/water/water-quality-report.

Reduced Water Pressure Culprits in Your Plumbing

Here is a list of potential causes of low water pressure. Please be sure to use caution and consult with a licensed plumbing professional when resolving any of these issues.

1. **Water softener issue:** Bypass the water softener to test via valves.
2. **Pressure reducer:** In higher-pressure areas (80+ pounds per square inch), these devices are required so appliances and in-home connections are less likely to leak. They can be adjusted to control pressure from the water system into your home plumbing. These devices can be a point of failure and close off water flow from time to time. Replacement requires a plumber.
3. **Faulty or partially closed valve:** A valve in your system may have failed or isn't fully open.
4. **Service line or curb stop valve issue:** There may be a service line leak or a problem with the outdoor curb stop valve.



Pressure Issue Culprit 2

Pressure Issue Culprit 1

Valve Construction

Substances That Could Be in Water

The sources of drinking water (both tap water 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 and bacteria, which may come from sewage treatment plants, septic systems, agricultural livestock operations, and wildlife.

Inorganic Contaminants, such as salts and metals, which can occur naturally in the soil or groundwater or may result from urban stormwater runoff, industrial or domestic wastewater discharges, oil and gas production, mining, or farming.

Pesticides and Herbicides, which may come from a variety of sources such as agriculture, urban stormwater runoff, and residential uses.

Organic Chemical Contaminants, including synthetic and volatile organic chemicals, which are by-products of industrial processes and petroleum production and can also come from gas stations, urban stormwater runoff, and septic systems.

Radioactive Contaminants, which can occur naturally or be the result of oil and gas production and mining activities.

To ensure that tap water is safe to drink, U.S. EPA prescribes regulations which limit the amount of certain contaminants in water provided by public water systems. Food and Drug Administration regulations establish limits for contaminants in bottled water, which must provide the same protection for public health.

Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily mean that water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the Safe Drinking Water Hotline (800-426-4791) or visiting epa.gov/safewater.

Lead in Home Plumbing

Lead can cause serious health problems, especially for pregnant women and young children. Lead in drinking water is primarily from materials and components associated with service lines and home plumbing. ERMU is responsible for providing high-quality drinking water but cannot control the variety of materials used in plumbing components in your home. You share the responsibility for protecting yourself and your family from the lead in your home plumbing. You can take responsibility by identifying and removing lead materials within your home plumbing and taking steps to reduce your family's risk. Before drinking tap water, flush your pipes for several minutes by running your tap, taking a shower, or doing laundry or a load of dishes. You can also use a filter certified by an American National Standards Institute-accredited certifier to reduce lead in drinking water. If you are concerned about lead in your water, resources are available through the Minnesota Department of Health (MDH), or contact ERMU at (763) 441-2020. For detailed information about lead in drinking water, including testing methods and steps you can take to minimize exposure, visit epa.gov/safewater/lead. You can also access the MDH's "Lead In Drinking Water" fact sheet at health.state.mn.us/communities/environment/water/docs/contaminants/leadfactsht.pdf.

To address lead in drinking water, public water systems were required to develop and maintain an inventory of service line materials by October 16, 2024. Developing an inventory and identifying the location of lead service lines (LSL) is the first step for beginning LSL replacement and protecting public health. The lead service inventory may be found at https://maps.umn.edu/LSL/. Please contact us if you would like more information about the inventory or any lead sampling that has been done.

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, U.S. 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 or the cost and technology of prevention and 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 is listed in the test results table.

PFAS and lithium are two contaminants of concern due to their potential adverse health effects. PFAS, or per- and polyfluoroalkyl substances, are a group of man-made chemicals that can accumulate in the environment and human body, leading to health issues. Lithium, while a naturally occurring element, can also pose risks when present at elevated levels. The results of UCMR 5 sample collection and testing in 2024 showed no detection of PFAS or lithium contaminants in Elk River's drinking water system. Elk River Municipal Utilities (ERMU) also conducted an independent round of testing for per- and polyfluoroalkyl substances (PFAS) in addition to the UCMR 5 testing. ERMU's independent testing also resulted in no detection of PFAS contaminants, further affirming the high standards of water quality in Elk River.

Detection 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—infants, children, elderly, and people who are pregnant or have impaired immunity—may need to take extra precautions. We are notifying you of the unregulated or emerging contaminants we have detected as a public education opportunity.

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

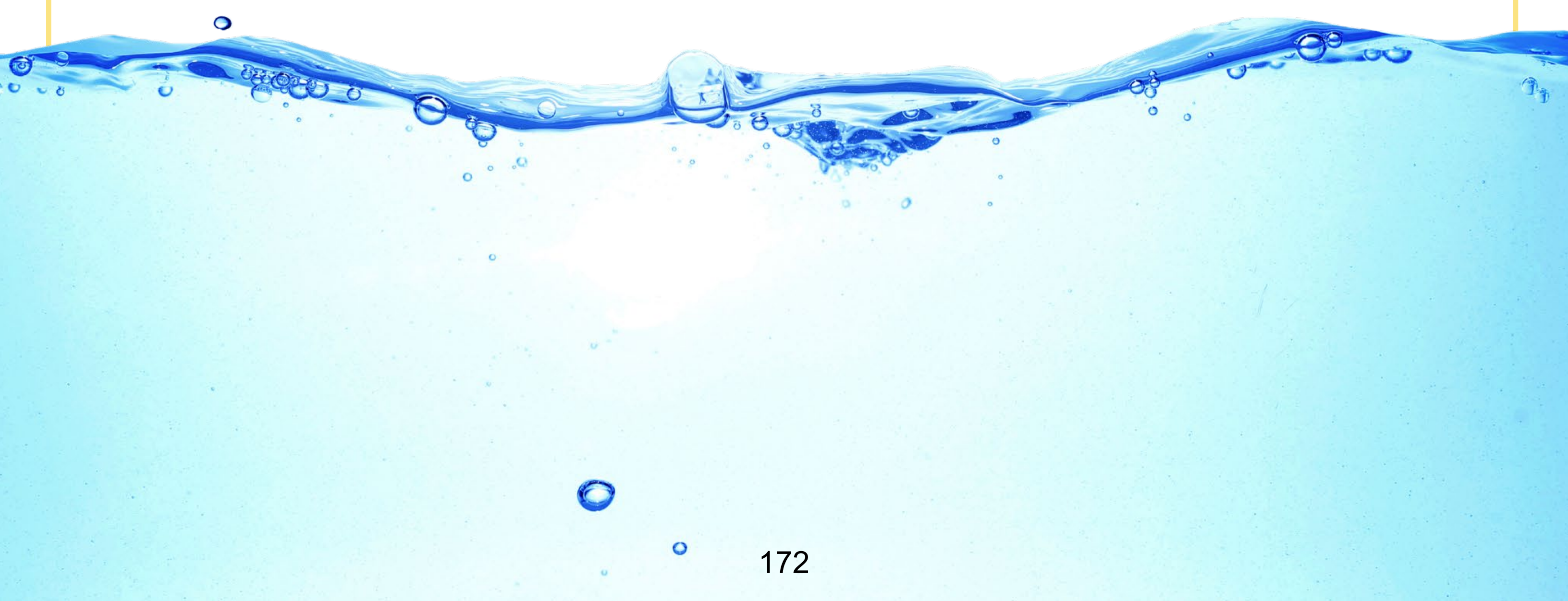
For more information, visit:

- MDH's A-Z List of Contaminants in Water: health.state.mn.us/communities/environment/water/contaminants/index.html
- Fourth Unregulated Contaminant Monitoring Rule (UCMR 4): health.state.mn.us/communities/environment/water/com/ucmr4.html
- Fifth Unregulated Contaminant Monitoring Rule: epa.gov/dwucmr/fifth-unregulated-contaminant-monitoring-rule
- UCMR5 Program Overview Fact Sheet: epa.gov/system/files/documents/2022-02/ucmr5-factsheet.pdf

In the past year, your drinking water may have been tested for additional unregulated contaminants as part of the Fifth Unregulated Contaminant Monitoring Rule; results are still being processed. The Unregulated Contaminant Monitoring Rule 5 (UCMR5) Data finder (epa.gov/dwucmr/fifth-unregulated-contaminant-monitoring-rule-data-finder) allows people to easily search for, summarize, and download the available analytical results.

Public Meetings

The Elk River Municipal Utilities (ERMU) Commission meets on the second Tuesday of every month at 3:30 p.m. The meetings are held in the ERMU Conference Room, 13069 Orono Parkway.



Test Results

We are pleased to report that your drinking water meets or exceeds all federal and state requirements. Our water is monitored for many different kinds of substances on a very strict sampling schedule, and the water we deliver must meet specific health standards. Here, we only show those substances that were detected in our water (a complete list of all our analytical results is available upon request). Remember that detecting a substance does not mean the water is unsafe to drink; our goal is to keep all detects below their respective maximum allowed levels.

The state recommends monitoring for certain substances less than once per year because the concentrations of these substances do not change frequently. In these cases, the most recent sample data is included, along with the year in which the sample was taken.

REGULATED SUBSTANCES

SUBSTANCE (UNIT OF MEASURE)	YEAR SAMPLED	MCL [MRDL]	MCLG [MRDLG]	AMOUNT DETECTED	RANGE LOW-HIGH	VIOLATION	TYPICAL SOURCE
Barium (ppm)	2024	2	2	0.03	NA	No	Discharge of drilling wastes; Discharge from metal refineries; Erosion of natural deposits
Chlorine (ppm)	2024	[4]	[4]	0.72	0.54–0.91	No	Water additive used to control microbes
Fluoride (ppm)	2024	4	4	0.71	0.65–0.73	No	Erosion of natural deposits; Water additive which promotes strong teeth; Discharge from fertilizer and aluminum factories
Gross Alpha Particle Activity (pCi/L)	2020	15.4	0	3.6	ND–3.6	No	Erosion of natural deposits
Haloacetic Acids [HAAs] (ppb)	2024	60	NA	8.3	4.40–8.30	No	By-product of drinking water disinfection
Nitrate (ppm)	2024	10	10	1.30	ND–1.30	No	Runoff from fertilizer use; Leaching from septic tanks, sewage; Erosion of natural deposits
TTHMs [total trihalomethanes] (ppb)	2024	80	NA	16.3	12.50–16.30	No	By-product of drinking water disinfection
Xylenes (ppm)	2023	10	10	ND	NA	No	Discharge from petroleum factories; Discharge from chemical factories

Tap water samples were collected for lead and copper analyses from sample sites throughout the community

SUBSTANCE (UNIT OF MEASURE)	YEAR SAMPLED	AL	MCLG	AMOUNT DETECTED (90TH %ILE)	RANGE LOW-HIGH	SITES ABOVE AL/TOTAL SITES	VIOLATION	TYPICAL SOURCE
Copper (ppm)	2022	1.3	1.3	0.23	NA	1/30	No	Corrosion of household plumbing systems; Erosion of natural deposits
Lead (ppb)	2022	15	0	1.37	NA	0/30	No	Lead service lines; Corrosion of household plumbing systems, including fittings and fixtures; Erosion of natural deposits

UNREGULATED SUBSTANCES

SUBSTANCE (UNIT OF MEASURE)	YEAR SAMPLED	AMOUNT DETECTED	RANGE LOW-HIGH	TYPICAL SOURCE
Perfluorobutanoic Acid [PFBA] (ppt)	2024	ND	ND	NA
Sodium[1] (ppm)	2024	3.32	3.16–3.32	NA
Sulfate (ppm)	2024	8.34	2.89–8.34	NA

[1] In-home water softening can increase the level of sodium in your water.

Definitions

90th %ile: The levels reported for lead and copper represent the 90th percentile of the total number of sites tested. The 90th percentile is equal to or greater than 90% of our lead and copper detections.

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

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.

NA: Not applicable.

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

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

ppb (parts per billion): One part substance per billion parts water (or micrograms per liter).

ppm (parts per million): One part substance per million parts water (or milligrams per liter).

ppt (parts per trillion): One part substance per trillion parts water (or nanograms per liter).

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	**FROM:** Mark Hanson – General Manager
MEETING DATE: June 3, 2025	**AGENDA ITEM NUMBER:** 5.3
SUBJECT: AT&T Water Tower Attachment Lease Agreement	
ACTION REQUESTED: Approve the AT&T Water Tower Attachment Lease Agreement	

BACKGROUND/DISCUSSION:

AT&T has requested to attach their cellular antennas to our Freeport Street water tower. The attachments will be similar to what has been attached to our other water towers by other companies. This will be AT&T's first water tower lease agreement with ERMU. On top of the tower there will be nine antennas, nine radios, and two junction boxes. The site will include a fenced-in area with electrical equipment housed in a shelter and a back-up generator.

This agreement rate was originally negotiated at $41,300 for the first year, with a 4% increase every year after that. The initial term is five years with an option to renew the lease four more times, with each renewal term being an additional five years.

Prior to negotiations of the agreement terms, staff discovered a mistake in the first-year rate calculation. The first-year rate should have been $51,400, which aligns with the only other agreement contemplating nine (9) antennas, the others have six (6) antennas. Staff offered a slightly discounted rate of $48,500 due to the original error. AT&T has not yet accepted the $48,500 rate, but staff has requested their acceptance prior to the commission meeting.

Staff recommends the Commission proceed with one of the following two options:

1) Approve the agreement with a first-year rate of $48,500
2) Direct staff to continue negotiations with AT&T

ATTACHMENTS:

- AT&T Water Tower Attachment Lease Agreement

Tower Attachment Lease Agreement

This Tower Attachment Lease Agreement ("Lease") is executed this ____ day of __________, 20___, by and between Elk River Municipal Utilities, a Minnesota municipal utility having a mailing address of 13069 Orono Parkway, P.O. Box 430, Elk River, MN 555330 ("Lessor") and New Cingular Wireless PCS, LLC a Delaware limited liability company having a mailing address of 1025 Lenox Park Blvd NE, Atlanta, GA 30319 ("Lessee").

WHEREAS, Lessor owns an elevated water tank (the "Water Tower") located at 19119 Freeport Street, Elk River, Minnesota, on the property legally described on Exhibit A attached hereto (the "Property") and designated by the Lessee as Power By Nature; and

WHEREAS, Lessor has adopted a Policy Statement Regarding the use of Lessor's Property for Communication Antennas and Towers (the "Policy Statement"), which Policy Statement provides, among other things, that priority in the location of communication facilities on Lessor's Property shall be given to Lessor, to public safety agencies, to other governmental agencies, and to private entities, in that order; and

WHEREAS, Lessee desires to lease from Lessor certain designated space on the Water Tower, to install, operate and maintain certain of Lessee's communications fixtures, cables, accessories, improvements and related equipment, which may include a suitable support structure, antennas, equipment shelters or cabinets, fencing other equipment and related devices (collectively, the "Equipment"); and

WHEREAS, Lessor desires to lease certain designated space for Lessee's Equipment on the Water Tower, provided Lessee's Equipment does not interfere with Lessor's daily operations and maintenance of the Water Tower, and provided further that Lessee will defend, indemnify and hold Lessor harmless from and against any and all damages caused by the installation, operation and maintenance of the Equipment.

NOW, THEREFORE, for and in consideration of the terms and mutual promises herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee agree as follows.

1. Grant of Lease

(a) Lessor hereby grants to Lessee a lease of a portion of the Property consisting of:

(i) approximately 550 square feet (25' x 22') of ground space up to a height of ____ feet (___') as described on attached Exhibit 1, for the placement of Lessee's Equipment (the "Equipment Space");

(ii) that certain space on the Water Tower, as generally depicted on Exhibit C, where Lessee shall have the right to install its antennas and other equipment (collectively, the "Antenna Space"); and

(iii) certain easements (the "Easements") over the Property for ingress, egress and utilities, during the Initial Term and any Renewal Terms, as those terms are hereinafter defined. The Easements shall be as shown on Exhibit B attached hereto.

The Equipment Space, Antenna Space, and Connection Space, are hereinafter collectively referred to as the "Premises."

(b) Neither the location nor the extent of the Easements or the Equipment installed on the Water Tower shall be changed without the prior written consent of Lessor, which shall not be unreasonably withheld, conditioned or delayed.

2. Use

Lessee may use the Premises for the installation, construction, maintenance, operation, repair, replacement and upgrade of the Equipment. Lessee shall be permitted to install the Equipment on the Premises and to install or improve utilities on the Property over the Easements. The Equipment, including the number, location and mounting height of all antennas, and the size and location of all other Equipment, shall be as described on Exhibit C and shall be installed only as depicted and shown on Exhibit C. In the event Lessee desires to modify the Equipment installed on the Water Tower, Lessee will supply Lessor with plans and specifications ("Plans") to be reviewed and approved by Lessor prior to commencement of construction. Lessor's approval will not be unreasonably withheld, conditioned or delayed (and in no event delayed beyond thirty (30) days. After approval or deemed approval, the Plans will be considered incorporated in this Lease as Exhibit C. If Lessor disapproves the Plans then the Lessee will provide Lessor with revised Plans, such revisions to be within Lessee's reasonable discretion. In the event Lessor disapproves of the revised Plans, Lessee may either i) make further revisions to the Plans and submit them to Lessor for review or ii) terminate this Lease by providing written notice to Lessor in accordance with the requirements of Section 9(b). Lessor will not knowingly permit or suffer any person to copy or utilize the Plans for any purpose other than as provided in this Lease and will return the Plans to Lessee promptly upon request. Notwithstanding the foregoing, Lessee may make non-material modifications to Lessee's Equipment installed on the Tower without consent, including but not limited to maintenance, repairs, like-kind or similar replacements of Equipment, provided none of the modified or replaced Equipment is larger than the Equipment approved by Lessor. Subject to the notice and access requirements contained below, Lessee maintains the right to perform routine maintenance, repairs, replacements and upgrades without Lessor consent to the Equipment located within the equipment shelter on the Equipment Space.

If installation of the Equipment requires relocation of existing communication equipment (to include coax cable, antennae, brackets, hardware, etc.) owned by other communication carriers, Lessee shall be responsible for obtaining the consent of such carriers and all costs and labor associated with these modifications shall be the responsibility of the Lessee and shall be considered to be an integral part of this Lease. Any agreements among various communication carriers associated with these modifications shall be the responsibility of the Lessee. Lessee shall defend, indemnify and hold Lessor harmless from any claim made by such other carriers as a result of Lessee's acts or omissions.

Any personal property owned by Lessee, whether fixed or attached to the Property or the Water Tower, shall remain the exclusive property of Lessee, and the risk of loss to same will be solely Lessee's. No Equipment shall be permanently attached or welded to the Water Tower without Lessor's prior written approval. If welded attachments are approved, Lessee shall be responsible for the cost of replacing interior or exterior tank coatings that are damaged by welding. All replacement of coatings shall meet the exact specifications of the existing tank coating, be performed by contractor's approved in advance by Lessor, and be completed within thirty (30) days of the time that welding on the tank occurs. All costs associated with the new coatings, to include operational costs (i.e., draining elevated tank), shall be paid on demand by Lessee.

Upon prior written notice and subject to the limitations contained herein, Lessor grants Lessee twenty-four (24) hour per day, seven (7) day per week access to the Water Tower and the Property for the purpose of installing, operating and maintaining the Equipment. Access shall be consistent with Lessee's need to install, operate and maintain the Equipment and Lessor's need to operate and maintain the Water Tower. Lessee may access the equipment shelter within the Equipment Space at any time upon written notice to Lessor and acknowledgement of Lessor's receipt of notice. Lessor shall have the right to have its personnel on site at any time Lessee requires access to the Water Tower, and Lessee shall reimburse Lessor for Lessor's costs to have its personnel on site, at such employee's normal rate of pay, including Lessor's on-call or overtime costs if Lessor's personnel are required to be on the site at times other than normal business hours. Lessee shall give Lessor 24 hours' notice in a non-emergency situation, or 3 hour notice in an emergency situation, of its need to enter the Water Tower or access any Equipment on the Water Tower and Lessor may arrange to have its personnel present. Under no circumstances shall Lessee or its employees or agents enter the Water Tower unless an employee of Lessor is present.

Lessee shall, prior to the installation of any Equipment on the Property, obtain all required land use approvals, building permits, and other governmental approvals required for installation and operation of the Equipment. Lessee shall also comply with all applicable governmental laws and regulations regarding the installation and operation of telecommunications equipment, including, without limitation, the requirements of the FCC, FAA, OSHA, and all other regulatory agencies with jurisdiction over the Equipment (collectively, the "Regulatory Requirements"). Failure of Lessee to comply with the Regulatory Requirements shall be a default, entitling Lessor to exercise the remedies hereinafter set forth including, but not limited to, termination of this Lease. Lessor agrees to cooperate with Lessee at no cost to Lessor with respect to obtaining any required zoning or other governmental approvals for the Site, the Facilities and contemplated use thereof. Furthermore, Lessee shall not allow its Equipment to interfere with the facilities of a user with a higher priority pursuant to Lessor's Policy Statement, or a user whose use of the Water Tower predates the Commencement Date of this Lease (such users being "Priority Users"), provided any such Priority Users operating radio frequency transmissions equipment are operating within their respective frequencies and in accordance with all applicable Regulatory Requirements.

3. Initial Term

The Lease is effective upon full execution hereof. The initial term of this Lease ("Initial Term") shall be for a period of five (5) years commencing on the first day of the month following Lessee construction start (the "Commencement Date"). Lessee may terminate the Lease for any reason or no reason prior to the Commencement Date, but agrees to reimburse Lessor pursuant to paragraph 5(c) hereof for all of Lessor's costs incurred in preparing the Premises and reviewing Lessee's Plans prior to such termination date.

4. Renewal Terms

Lessee shall have the right to extend this Lease four (4) times, for a period of five (5) years each (the "Renewal Terms"). The Renewal Terms shall be on the same terms and conditions as set forth in this Lease, except that the Lease Payment shall be increased as provided in paragraph 5(b).

This Lease shall automatically be renewed for the Renewal Terms unless Lessee notifies Lessor of Lessee's intention not to renew the Lease at least forty-five (45) days prior to the expiration of the Initial Term or the Renewal Term which is then in effect.

5. Consideration

(a) Initial Term. Lessee shall pay to Lessor as rental the sum of Forty-eight Thousand Five Hundred and 00/100 Dollars ($48,500.00) per annum ("Lease Payment"). The Lease Payment shall be increased annually commencing one (1) year from the Commencement Date of this Lease at a rate equal to four percent (4%) of the previous year's Lease Payment. The Lease Payment shall be paid annually in advance with the first such annual payment due within forty-five days after the Commencement Date and thereafter on each anniversary of the Commencement Date, partial years to be pro-rated. If not timely paid within thirty (30) days after written notice of such failure to pay on each subsequent Commencement Date, Lessee's Lease Payment will be subject to a 10% late fee penalty. As a condition precedent to payment, Lessor agrees to provide Lessee with a completed IRS Form W-9, or its equivalent, upon execution of this Lease and at such other times as may be reasonably requested by Lessee, including any change in Lessor's name or address.

(b) Renewal Term. In the event that Lessee elects to renew this Lease as provided in paragraph 4, the Lease Payment shall continue to be increased on each anniversary of the Commencement Date during the Renewal Terms at the rate of four percent (4%) of the previous year's Lease Payment.

(c) Reimbursement of Costs. All charges payable under this Lease shall be billed by Lessor within one (1) year from the end of the calendar year in which the charges were incurred; any charges beyond such period shall not be billed by Lessor, and shall not be payable by Lessee. The foregoing shall not apply to monthly Lease Payment which is due and payable without a requirement that it be billed by Lessor. The provisions of this subsection shall survive the termination or expiration of this Lease. In addition to the Lease Payments provided for in paragraphs 5(a) and (b) above, and any other costs of Lessee identified elsewhere in this Lease, Lessee shall reimburse Lessor for all of Lessor's costs to directly implement, and administer Equipment modifications and enforce this Lease, with copy of detailed invoice submitted to Lessee from Lessor, including, without limitation: (i) Lessor's costs to retain a structural engineer or other consultant to review Lessee's plans for installation of the Equipment and to inspect the Equipment upon installation and annually, if determined necessary by Lessor; (ii) Lessor's costs to retain a Radio Frequency Engineer to identify or resolve any potential or actual interference issues with Lessee's Equipment at the commencement of service by Lessee and at such other times as deemed necessary by Lessor; and (iii) Lessor's legal fees and other consultant costs associated with the negotiation, administration, and enforcement of this Lease. Lessor shall provide Lessee with a written estimate of expenses for Lessee's approval prior to incurring expenses for which Lessee is liable pursuant to this paragraph.

(d) Taxes. Lessee shall be responsible for any personal property or other taxes attributable to or levied against Lessee's Equipment on the Property. Lessor shall be responsible for (i) all taxes and assessments levied upon the lands, improvements and other property of Lessor including any such taxes that may be calculated by a taxing authority using any method, including the income method, (ii) all sales, use, license, value added, documentary, stamp, gross receipts, registration, real estate transfer, conveyance, excise, recording, and other similar taxes and fees imposed in connection with this Lease.

In the event Lessor receives a notice of assessment with respect to which taxes or assessments are imposed on Lessee's leasehold improvements on the Premises, Lessor shall provide Lessee with copies of each such notice immediately upon receipt, but in no event later than thirty (30) days after the date of such notice of assessment. If Lessor does not provide such notice or notices to Lessee in a timely manner and Lessee's rights with respect to such taxes are prejudiced by the delay, Lessor shall reimburse Lessee for any increased costs directly resulting from the delay. If Lessor provides a notice of assessment to Lessee within such time period and requests reimbursement from Lessee as set forth below, then Lessee shall reimburse Lessor for the tax or assessments identified on the notice of assessment on Lessee's leasehold improvements, which has been paid by Lessor. If Lessor seeks reimbursement from Lessee, Lessor shall, no later than thirty (30) days after Lessor's payment of the taxes or assessments for the assessed tax year, provide Lessee with written notice including evidence that Lessor has timely paid same, and Lessor shall provide to Lessee any other documentation reasonably requested by Lessee to allow Lessee to evaluate the payment and to reimburse Lessor. Notwithstanding anything to the contrary contained in this Section 5(d), Lessee shall have no obligation to reimburse any tax or assessment for which the Lessor is reimbursed or rebated by a third party.

For any tax amount for which Lessee is responsible under this Lease, Lessee shall have the right to contest, in good faith, the validity or the amount thereof using such administrative, appellate or other proceedings as may be appropriate in the jurisdiction, and may defer payment of such obligations, pay same under protest, or take such other steps as permitted by law. This right shall include the ability to institute any legal, regulatory or informal action in the name of Lessor, Lessee, or both, with respect to the valuation of the Premises or Equipment. Lessor shall cooperate with respect to the commencement and prosecution of any such proceedings and will execute any documents required therefor. The expense of any such proceedings shall be borne by Lessee and any refunds or rebates secured as a result of Lessee's action shall belong to Lessee, to the extent the amounts were originally paid by Lessee. In the event Lessee notifies Lessor by the due date for assessment of Lessee's intent to contest the assessment, Lessor shall not pay the assessment pending conclusion of the contest, unless required by applicable law.

Lessee shall have the right but not the obligation to pay any taxes due by Lessor hereunder if Lessor fails to timely do so, in addition to any other rights or remedies of Lessee. In the event that Lessee exercises its rights under this Section 5(d) due to such Lessor default, Lessee shall have the right to deduct such tax amounts paid from any monies due to Lessor from Lessee.

(e) Security Deposit. To secure payment for the reimbursement of costs provided for in this Lease, Lessee shall deliver to Lessor a cash escrow, letter of credit or performance bond in the amount of $10,000.00 prior to installing any equipment or antennas on the Property. Lessor shall hold this security until all of the work contemplated by this Lease is completed and all amounts due for reimbursement of costs pursuant to this Lease have been paid by Lessee, and shall release the security to Lessee at that time. Lessor may deduct from the security any amounts due under this Lease and unpaid 30 days after written demand by Lessor.

6. Utilities

Lessee, at Lessee's expense, will arrange for separate metering for all required electrical or other utility connections to support the Equipment, and shall promptly pay all utility costs directly to the utility providers when due.

7. Water Tower Purpose

Lessee recognizes that the primary function of the Water Tower is to provide water storage for Lessor and its customers. Lessor will maintain and repair the Property and access thereto, the Water Tower, and all areas of the Premises where Lessee does not have exclusive control, in good and tenantable condition, subject to reasonable wear and tear and damage from the elements. Lessee understands that it will be necessary, from time to time, for Lessor to interrupt Lessee's use of the Property for maintenance of the Water Tower. Lessor shall provide Lessee with at least one hundred twenty (120) days prior written notice for non-emergency maintenance and, if requested by Lessor, Lessee agrees to either remove its Equipment from the Water Tower for such length of time as Lessor shall require to complete the maintenance (the "Maintenance Period"), or if feasible to secure the antennas or the Equipment generally, to protect them from damage and allow Lessee's continued operation. If required to remove its Equipment, Lessee shall have the right to temporarily relocate its Equipment as provided below. Alternatively, Lessee may terminate this Lease upon thirty (30) days written notice to the Lessor at any time during the Maintenance Period and neither party shall have any further rights or obligations arising hereunder, except Lessee shall have the duty to remove its Equipment as set forth herein, repairing any damage caused in the process, and the parties shall have those rights and obligations that are to survive the termination of this Lease.

Lessee, at its sole cost and expense, may temporarily relocate its Equipment during a Maintenance Period to a different location on the Water Tower provided, however: (a) that the duration of such relocation shall not exceed the Maintenance Period by more than thirty (30) days; (b) that relocation space is available on the Water Tower at a location sufficient to meet Lessee's coverage or engineering needs and sufficient to allow the required maintenance to be performed by Lessor; (c) that the temporary location is not being used or intended to be used by Lessor; (d) that the relocation will not cause interference with any other equipment located on the Water Tower; (e) that the temporary location will not interfere with the Lessor's maintenance or use of the Water Tower; and (f) that Lessor has approved relocation to the temporary location in writing.

Alternatively, Lessee, at its sole cost and expense, may use a temporary transmission site, or Cellular on Wheels ("COW"), during the Maintenance Period, provided that the location of the COW is approved in writing in advance by Lessor, which approval shall not be unreasonably withheld, conditioned or delayed.

The cost of painting and repairing the Water Tower shall be borne by Lessor, unless damage to the Water Tower is caused by Lessee, in which case Lessee shall repair such damage or, at Lessor's option, reimburse Lessor for Lessor's costs and expenses incurred in such repair. The cost of painting Lessee's Equipment shall be borne by Lessee, and shall be performed routinely to maintain the appearance of the Equipment and shall be the same color as the Water Tower and must have prior written approval of Lessor. Lessor will not be responsible for damage to the Lessee's equipment while Lessor is performing maintenance on the Property or the Water Tower, except to the extent such damage is caused by the gross negligence or willful misconduct of Lessor.

8. Representations and Warranties of Lessee; Indemnification

(a) Lessee represents and warrants that its installation, operation and maintenance of the Equipment shall comply with all Regulatory Requirements.

(b) Lessee shall indemnify, defend and hold Lessor harmless from any claim against Lessor related to Lessee's installation, operation and maintenance of the Equipment, including, without limitation, any claims of contractors and subcontractors and/or any claims of any person or entity for damages or injury related to the installation, operation and maintenance of its Equipment, except to the extent attributable to the negligent or intentional act or omission of Lessor, its employees, invitees, agents or independent contractors.

(c) Lessor agrees to indemnify, defend and hold Lessee harmless from and against any and all injury, loss, damage or liability, costs or expenses in connection with a third party claim (including reasonable attorneys' fees and court costs) arising directly from the actions or failure to act of Lessor, its employees, invitees, agents or independent contractors, or Lessor's breach of any provision of this Lease, except to the extent attributable to the negligent or intentional act or omission of Lessee, its employees, agents or independent contractors.

(d) The indemnified party: (i) shall promptly provide the indemnifying party with written notice of any claim, demand, lawsuit, or the like for which it seeks indemnification pursuant to this Section 8 and provide the indemnifying party with copies of any demands, notices, summonses, or legal papers received in connection with such claim, demand, lawsuit, or the like; (ii) shall not settle any such claim, demand, lawsuit, or the like without the prior written consent of the indemnifying party; and (iii) shall fully cooperate with the indemnifying party in the defense of the claim, demand, lawsuit, or the like. A delay in notice shall not relieve the indemnifying party of its indemnity obligation, except (1) to the extent the indemnifying party can show it was prejudiced by the delay; and (2) the indemnifying party shall not be liable for any settlement or litigation expenses incurred before the time when notice is given.

9. Default, Termination and Remedies

(a) Except as otherwise provided herein, this Lease may be terminated upon written notice as follows:

i. By either party upon a default of any covenant or term hereof by the other party, which default is not cured within thirty (30) days of receipt of written notice of default (without, however, limiting any other rights available to the parties pursuant to other provisions hereof);

ii. Upon thirty (30) days written notice by Lessee if Lessee is unable to obtain or maintain, through no fault of Lessee, any license, permit or other governmental approval necessary for the construction and operation of the Lessee's Equipment or business, including its ability to manage a PCS network pursuant to which the space is leased and the Equipment will be installed;

iii. By Lessor by giving Lessee twelve (12) months written notice that the Water Tower is going to be abandoned or relocated due to unforeseen or hidden structural flaws;

iv. By Lessee giving twelve (12) months written notice that use of the Property is unacceptable for technical reasons, including the Property being unacceptable as part of Lessee's network design as well as signal interference; or

v. By Lessor by giving Lessee thirty (30) days written notice that Lessee's Equipment is unreasonably interfering with the equipment of a Priority User provided that Lessor first gives Lessee written notice of such interference and thirty (30) days within which to resolve such interference with the Priority User.

(b) Lessee may terminate this Lease other than as expressly provided above at any time, so long as Lessee pays to Lessor as liquidated damages for early termination, an amount equal to the then current annual Lease Payment for the year in which Lessee terminates. Such payment shall be made within thirty (30) days of Lessee's written notice of termination.

Within one hundred twenty (120) days after the termination of this Lease, the Lessee must remove all of its above-ground Equipment from the Water Tower and the Property and return the Water Tower and the Property to their original condition (as of the Commencement Date of this Lease), normal wear and tear excepted. Notwithstanding the foregoing, Lessee will not be responsible for the replacement of any trees, shrubs or other vegetation. Lessee shall provide Lessor, at the Commencement Date of this Lease, a letter of credit or performance bond or cash ("Security") in the amount of $10,000.00 to secure Lessee's compliance with this requirement. The Security shall be kept current at all times that this Lease is in effect, and failure to keep the Security current shall constitute a default by Lessee.

(c) In addition to termination of this Lease, Lessor shall have all other rights and remedies available to it at law or in equity (including an action for money damages or injunctive relief) in the case of a Lessee default that remains uncured for a period of thirty (30) days after written notice to Lessee; provided however that if a non-monetary default cannot reasonably be cured within the 30-day period, this Lease may not be terminated if Lessee commences action to cure the default within the 30-day period and proceeds with due diligence to fully cure the default.

(d) The following will be deemed a default by Lessor and a breach of this Lease: (i) Lessor's failure to provide access to the Premises as required by Section 2 within twenty-four (24) hours after written notice of such failure; (ii) Lessor's failure to cure an interference problem as required by Section 12 within seventy-two (72) hours after written notice of such failure; or (iii) Lessor's failure to perform any term, condition or breach of any warranty or covenant under this Lease within thirty (30) days after written notice from Lessee specifying the failure. No such failure, however, will be deemed to exist if Lessor has commenced to cure the default within such period and provided such efforts are prosecuted to completion with reasonable diligence. Delay in curing a default will be excused if due to causes beyond the reasonable control of Lessor. If Lessor remains in default beyond any applicable cure period, Lessee will have: (i) the right to cure Lessor's default and to deduct the costs of such cure from any monies due to Lessor from Lessee, and (ii) any and all other rights available to it under law and equity.

10. Liability Insurance

(a) During the Term, Lessee will carry, at its own cost and expense, the following insurance: (i) workers' compensation insurance as required by law; and (ii) commercial general liability (CGL) insurance with respect to its activities on the Property, such insurance to afford protection of up to One Million Dollars ($1,000,000) per occurrence and Two Million Dollars ($2,000,000) general aggregate, based on Insurance Services Office (ISO) Form CG 00 01 or a substitute form providing substantially equivalent coverage. Lessee's CGL insurance shall contain a provision including Lessor as an additional insured. Such additional insured coverage:

i. shall be limited to bodily injury, property damage or personal and advertising injury caused, in whole or in part, by Lessee, its employees, agents or independent contractors;

ii. shall not extend to claims for punitive or exemplary damages arising out of the acts or omissions of Lessor, its employees, agents or independent contractors or where such coverage is prohibited by law or to claims arising out of the gross negligence of Lessor, its employees, agents or independent contractors; and

iii. shall not exceed Lessee's indemnification obligation under this Lease, if any.

(b) Notwithstanding the foregoing, Lessee shall have the right to self-insure the coverages required in subsection (a). In the event Lessee elects to self-insure its obligation to include Lessor as an additional insured, the following provisions shall apply (in addition to those set forth in subsection (a)):

i. Lessor shall promptly and no later than thirty (30) days after notice thereof provide Lessee with written notice of any claim, demand, lawsuit, or the like for which it seeks coverage pursuant to this Section and provide Lessee with copies of any demands, notices, summonses, or legal papers received in connection with such claim, demand, lawsuit, or the like;

ii. Lessor shall not settle any such claim, demand, lawsuit, or the like without the prior written consent of Lessee; and

iii. Lessor shall fully cooperate with Lessee in the defense of the claim, demand, lawsuit, or the like.

11. Environmental Compliance

Except for the Equipment identified herein or in any Plans approved by Lessor, and reasonable quantities of common materials ordinarily used in automobiles and telecommunications operations (e.g., cleaning solvents, electronics, petroleum based products or materials contained in back-up batteries), provided that such permitted Hazardous Materials (i) are in normal and customary quantities, and (ii) are used, transported, handled, stored, labeled, and disposed of in accordance with Regulatory Requirements, Lessee warrants, represents and covenants that it will not bring on to the property, and its use on the Property will not generate, any Hazardous Materials. This Lease may be terminated by Lessor immediately if Lessee is responsible for contamination of the Property by Hazardous Materials in violation of the foregoing representations and warranties. In such event Lessee shall be responsible for the removal of all such Hazardous Materials from the Property and shall be liable to Lessor for any costs incurred by Lessor to remove or clean up Hazardous Materials from the Property and shall indemnify, defend and hold harmless Lessor for any liability due to the Hazardous Materials being on the Property. Lessor and Lessee agree that each will be responsible for compliance with any and all applicable governmental laws, rules, statutes, regulations, codes, ordinances, or principles of common law regulating or imposing standards of liability or standards of conduct with regard to protection of the environment or worker health and safety, as may now or at any time hereafter be in effect, to the extent such apply to that party's activity conducted in or on the Property. Lessor represents and warrants to Lessee that it has no knowledge, having done no investigation relating thereto, of any substance, chemical or waste on or affecting Lessor's Property that is identified as hazardous, toxic or dangerous in any applicable federal, state or local law or regulation (collectively "Hazardous Materials"). Lessor and Lessee agree to hold harmless and indemnify the other from, and to assume all duties, responsibilities and liabilities at the sole cost and expense of the indemnifying party for, payment of penalties, sanctions, forfeitures, losses, costs or damages, and for responding to any action, notice, claim, order, summons, citation, directive, litigation, investigation or proceeding to the extent arising from that party's breach of its obligations or representations under Section 11.

In the event Lessee becomes aware of any Hazardous Materials on the Property, or any environmental, health or safety condition or matter relating to the Property, that, in Lessee's sole determination, renders the condition of the Premises or Property unsuitable for Lessee's use, or if Lessee believes that the leasing or continued leasing of the Premises would expose Lessee to undue risks of liability to a government agency or other third party, then Lessee will have the right, in addition to any other rights it may have at law or in equity, to terminate this Lease upon written notice to Lessor.

12. Interference

Lessee covenants that the Equipment will not cause interference with the operation of any Priority Users having higher priority than Lessee. Lessee shall be responsible for curing any and all interference to the operation of equipment of Priority Users having higher priority than Lessee, so long as Priority Users are lawfully operating. Subsequent to the installation of the Lessee Equipment, other than Priority Users having higher priority than Lessee, Lessor will not, and will not permit its lessees or licensees, to install new equipment on or make any alterations to the Water Tower, if such equipment or modifications cause interference with the operation of Lessee's Equipment. In the event of interference with Lessee's Equipment, Lessee shall be required to provide Lessor with adequate evidence relating to the cause of the interference, upon receipt of which Lessor will act in good faith to cause any such interference to cease within seventy-two (72) hours after receipt of such evidence of interference from Lessee. In the event any such interference does not cease within the aforementioned cure period, Lessor shall endeavor in good faith to cease all operations which are suspected of causing interference (except for intermittent testing to determine the cause of such interference) until the interference has been corrected.

13. Subrogation

(a) In General. All insurance policies required under this Lease shall contain a waiver of subrogation provision under the terms of which the insurance carrier waives all of its rights to proceed against Lessor or Lessee, as the case may be.

(b) Mutual Release. Lessor and Lessee each release the other and their respective representative from any claims by them or anyone claiming through or under them by way of subrogation or otherwise for damage to any person or to the Property and to the fixtures, personal property, improvements and alterations in or on the Property that are caused by or result from risks insured against under any insurance policy carried by them and/or required by this Lease.

14. Notices

All notices or demands by or from Lessor to Lessee, or Lessee to Lessor, shall be in writing. Such notices or demands shall be mailed to the other party at the following address:

Lessor: Elk River Municipal Utilities
Attn: General Manager
13069 Orono Pkwy
P.O. Box 430
Elk River, MN 55330-0430

Lessee: New Cingular Wireless PCS, LLC
Attn: Tower Asset Group – Lease Administration
Re: Cell Site #: MNL01428; Site Name: Powered By Nature (MN)
Fixed Asset #: 16183131
1025 Lenox Park Blvd NE
Atlanta, GA 30319

With a Copy to: New Cingular Wireless PCS, LLC
Attn: Legal Dept – Network Operations
Re: Cell Site #: MNL01428; Site Name: Powered By Nature (MN)
Fixed Asset #: 16183131
208 S. Akard Street
Dallas, TX 75202-4206

15. Destruction of Premises

Lessor agrees to endeavor to provide notice to Lessee of any casualty or other harm affecting the Premises within a reasonable amount of time after becoming aware of the casualty or other harm. If the Property or the Water Tower are destroyed or damaged so as to hinder the effective use of Lessee's Equipment on the Water Tower in Lessee's reasonable judgment, Lessee may elect to terminate this Lease as of the date of the damage or destruction by so notifying the Lessor. In such event, all rights and obligations of the parties to each other Lessee to Lessor shall cease as of the date of the damage or destruction (other than those obligations intended to survive the termination of the Lease), and Lessee shall be entitled to a pro rata reimbursement of any Lease Payment prepaid by Lessee. In the case of such termination, Lessee shall promptly remove its Equipment from the Property, repairing any damage caused in the process.

Lessor agrees to permit Lessee to place temporary transmission and reception facilities on the Property, but only until such time as Lessee is able to activate a replacement transmission facility at another location; notwithstanding the termination of this Lease, such temporary facilities will be governed by all of the terms and conditions of this Lease, including Lease Payment. If Lessor or Lessee undertakes to rebuild or restore the Premises and/or the Equipment, as applicable, Lessor agrees to permit Lessee to place temporary transmission and reception facilities on the Property until the reconstruction of the Premises and/or the Equipment is completed. Lessor agrees that the Lease Payment shall be abated until the Property and/or the Premises are rebuilt or restored, unless Lessee places temporary transmission and reception facilities on the Property.

16. Title and Quiet Enjoyment

Lessor warrants that: (i) it has the full right, power and authority to execute this Lease; (ii) it has good and marketable title to the Property and solely owns the Water Tower; (iii) the Property is not and will not be encumbered by any liens, restrictions, mortgages, covenants, conditions, easements, leases, or any other agreements of record or not of record, which would adversely affect Lessee's permitted use and enjoyment of the Premises under this Lease; (iv) Lessor grants to Lessee sole, actual, quiet and peaceful use, enjoyment and possession of the Premises in accordance with the terms of this Lease without hindrance or ejection by any persons lawfully claiming under Lessor; (v) Lessor's execution and performance of this Lease will not violate any laws, ordinances, covenants or the provisions of any mortgage, lease or other agreement binding on Lessor; and (vi) if the Property is or becomes encumbered by a deed to secure a debt, mortgage or other security interest, then Lessor will provide promptly to Lessee a mutually agreeable subordination, non-disturbance and attornment agreement executed by Lessor and the holder of such security interest.

17. Assignment

Lessee may not assign or sublet its rights under this Lease without the prior written consent of Lessor, which consent may not be unreasonably delayed, conditioned or withheld by Lessor. Notwithstanding the foregoing, Lessee may, without notice to or consent of Lessor, assign its rights under this Lease in whole or in part to any entity controlling, controlled by or under common control with Lessee, any entity acquiring substantially all of the assets of Lessee, or any successor entity in a merger or consolidation involving Lessee.

18. Successors and Assigns

This Lease shall run with the Property described on Exhibit A and shall be binding upon and inure to the benefit of the parties, their respective heirs, successors, personal representatives and assigns.

19. Miscellaneous

(a) Each party agrees to furnish to the other, within twenty (20) days after receipt of written request, such truthful estoppel information as the other may reasonably request.

(b) This Lease constitutes the entire agreement and understanding of Lessor and Lessee with respect to the subject matter hereof and supersedes all offers, negotiations and other agreements. There are no representations or understandings of any kind not set forth herein. Any amendments to said Lease must be in writing and executed by Lessor and Lessee.

(c) If either Lessor or Lessee is represented by a real estate broker in this transaction, that party shall be fully responsible for any fees due such broker and shall hold the other party harmless from any claims for commission by such broker.

(d) This Lease shall be construed in accordance with the laws of the state in which the Property is situated.

(e) If any term of this Lease is found to be void or invalid, such validity shall not affect the remaining terms of this Lease, which shall continue in full force and effect.

(f) Lessor shall cooperate, at no cost to Lessor, with Lessee's efforts to evaluate the Water Tower and to comply with governmental regulations affecting Lessee's use of the Property by providing information about the Water Tower, the Water Tower's location and prior filings made by Lessor with governmental agencies.

(g) Neither this Lease, nor a memorandum of same, shall be filed in the public records without the prior written consent of Lessor.

(h) This Lease may be executed in two or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties, it being understood that all parties need not sign the same counterpart.

(i) In the event Lessor receives notification of any condemnation proceedings affecting the Property, Lessor will provide notice of the proceeding to Lessee within a reasonable amount of time. If a condemning authority takes all of the Property, or a portion sufficient, in Lessee's sole determination, to render the Premises unsuitable for Lessee, this Lease will terminate as of the date the title vests in the condemning authority. The parties will each be entitled to pursue their own separate awards in the condemnation proceeds, which for Lessee will include, where applicable, the value of its Equipment, moving expenses, prepaid Lease Payment, and business dislocation expenses. Lessee will be entitled to reimbursement for any prepaid Lease Payment on a pro rata basis.

(j) Lessor waives any and all lien rights it may have, statutory or otherwise, concerning the Equipment or any portion thereof. The Equipment shall be deemed personal property for purposes of this Lease, regardless of whether any portion is deemed real or personal property under applicable law; Lessor consents to Lessee's right to remove all or any portion of the Equipment from time to time in Lessee's sole discretion and without Lessor's consent.

(k) If Lessor, at any time during the Term of this Lease, decides to sell, subdivide or otherwise transfer all or any part of the Property containing the Premises, to a purchaser other than Lessee, Lessor shall promptly notify Lessee in writing, and such sale, subdivision or transfer shall be subject to this Lease and Lessee's rights hereunder. In the event of a change in ownership, transfer or sale of the Property, within ten (10) days of such transfer, Lessor or its successor shall send the following documents to Lessee: (i) Deed, bill of sale, easement, or other instrument of transfer, (ii) New IRS Form W-9; (iii) Completed and Signed Lessee Payment Direction Form, and (iv) Full contact information for new Lessor including phone number(s). Until Lessee receives all such documents, Lessee's failure to transfer payments under this Lease to the transferee shall not be an event of default and Lessee reserves the right to hold payments due under this Lease.

(l) If at any time after the date of this Lease, Lessor intends or desires to accept a bona fide written offer from a third party seeking (i) an assignment or transfer of Lease Payments associated with this Lease, or (ii) a purchase of an easement, license or any other lesser interest in the Property, the intent of which is to effect a transfer of Lease Payments without transferring the full and complete obligation or ability to assume all of Lessor's obligations hereunder (either of the foregoing a "Rental Stream Offer"), prior to accepting such Rental Stream Offer, Lessor shall furnish Lessee with a copy of the Rental Stream Offer. Lessee shall have the right within thirty (30) days after it receives such copy to match the Rental Stream Offer and agree in writing to match the terms of the Rental Stream Offer. Such writing shall be in the form of a contract substantially similar to the Rental Stream Offer ("Lessee's Offer"). If Lessor opts to accept an assignment or transfer of Lease Payments, Lessor shall be obligated to accept Lessee's Offer in lieu of the Rental Stream Offer from the third party. If Lessee chooses not to exercise this right or fails to provide written notice to Lessor within the thirty (30) day period, Lessor may accept the Rental Stream Offer, subject to the terms of this Lease. If Lessor attempts to assign or transfer Lease Payments without complying with this Section, the assignment or transfer shall be void. Lessee reserves the right to hold Lease Payments due under this Lease until Lessor complies with the requirements of this Section.

(m) Contemporaneously with the execution of this Lease, the parties will execute a recordable Memorandum of Lease. Either party may record this Memorandum of Lease at any time during the Term, in its absolute discretion. Thereafter during the Initial Term or Renewal Term, either party will, at any time upon fifteen (15) business days' prior written notice from the other, execute, acknowledge and deliver to the other a recordable Memorandum of Lease.

(n) Except for the indemnity obligations set forth in this Lease, and otherwise notwithstanding anything to the contrary in this Lease, Lessee and Lessor each waives any claims that each may have against the other with respect to consequential, incidental or special damages, however caused, based on any theory of liability.

(o) Lessee agrees to comply with all federal, state and local laws, orders, rules and regulations ("Laws") applicable to Lessee's use of the Equipment on the Property.

Lessor agrees to comply with all Laws relating to Lessor's ownership and use of the Property and any improvements on the Property.

IN WITNESS WHEREOF, Lessor and Lessee have executed this Non-Exclusive Tower Attachment Lease Agreement as of that date and year first above written.

LESSOR: Elk River Municipal Utilities

By: ______________________________________
Print Name:________________________________
Its: __
Date:_____________________________________

By: ______________________________________
Print Name:________________________________
Its: __
Date:_____________________________________

LESSEE:
New Cingular Wireless PCS, LLC
By: AT&T Mobility Corporation, its Manager

By: ______________________________________
Print Name:________________________________
Its: __
Date:_____________________________________

Exhibit A

TOWER ATTACHMENT LEASE AGREEMENT
DESCRIPTION OF THE PROPERTY:

That part of the Southwest Quarter of the Southeast Quarter of Section 27, Township 33, Range 26, Sherburne County, Minnesota, described as follows:

Commencing at the Southwest corner of said Southwest Quarter of the Southeast Quarter of Section 27; thence Easterly along the South line of said Southwest Quarter of the Southeast Quarter of Section 27 a distance of 507 .6 feet more or less to the Westerly right¬ of-way of U.S. Highway No. 169 and the point of beginning of the parcel to be described; thence Northerly along said Westerly right-of-way a distance of 208.0 feet; thence Westerly parallel with said South line of the Southwest Quarter of the Southeast Quarter a distance of 218.7 feet; thence Southerly parallel with said Westerly right-of-way of U.S. Highway No. 169 a distance of 208.0 feet to said South line of the Southwest Quarter of the Southeast Quarter of Section 27; thence Easterly along said South line to the point beginning.

Exhibit B

TOWER ATTACHMENT LEASE AGREEMENT
DESCRIPTION OF EASEMENTS

20ft Non-Exclusive Access Easement and 8ft Non-Exclusive Utility Easement from ____________________________to the Base of Water Tower.

Exhibit C

TOWER ATTACHMENT LEASE AGREEMENT
DESCRIPTION AND LOCATION OF EQUIPMENT

See attached _______pg drwgs

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	FROM: Mark Hanson – General Manager
MEETING DATE: June 3, 2025	**AGENDA ITEM NUMBER:** 6.1a
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- Earlier this month, Water Superintendent Dave Ninow and I met with representatives from ISD 728 to discuss the possibility of constructing a water treatment plant on district-owned property at Twin Lakes Elementary School (TLES). TLES is an ideal location for the plant as ERMU will be drilling our next municipal drinking water well on the adjacent property, Fire Station #3. The conversation went well with the district representatives confirming a willingness to work with ERMU. Since that discussion, the district staff has confirmed the TLES principal is open to the possibility as well, but they still need to discuss our request with the superintendent and the school board. ERMU will include this site in a consultant feasibility study to determine the best site for our next well. Staff will continue to keep the Commission apprised as more detailed information becomes available.
- Staff has been discussing with the City a request from Vireo Health to only connect a part of their facility to the public water/sewer mains. ERMU has made it clear that Vireo’s entire facility must be connected to public water to meet their potable water needs. This requirement is in our water rules policy to avoid any possibility of a cross-connection with a private well. Only fire suppression system may be supplied by private well. City staff supports our position but has not reached a conclusion regarding Vireo’s sanitary sewer connection request.
- The Minnesota Municipal Power Agency (MMPA) Board of Directors met on May 27, 2025, at Chaska City Hall in Chaska, Minnesota, and via videoconference. Commissioner Stewart and I attended. The public summary follows:
    - The Board reviewed the Agency’s financial and operating performance for April 2025.
    - Participation in the residential Clean Energy Choice program increased by 48 customers. Customer penetration for the program is 6.3%.
    - The Board discussed the status of renewable projects the Agency is pursuing.
    - Management provided an update on MMPA’s resource plan.

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	**FROM:** Sara Youngs – Administrations Director
MEETING DATE: June 3, 2025	**AGENDA ITEM NUMBER:** 6.1b
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- Office walk-in traffic for May consisted of 90 customers, averaging 30 per week over the three-week period.
- ERMU disconnections for May
  - Cycle 1 – 30 disconnections.
  - Cycle 2 – 8 disconnections.
  - Cycle 3 – 21 disconnections.
  - Cycle 4 – 13 disconnections.
- A significant amount of staff time is currently dedicated to the Advanced Metering Infrastructure (AMI) project. Customer service representatives are actively making outbound calls to schedule water meter replacements. Additionally, the Billing Specialist is collaborating closely with the Meter Tech department to facilitate the exchange of 2S electric meters. The AMI team continues to hold regular meetings on Thursday mornings.
- Currently there are three active residential solar photovoltaic projects planned or under construction in the ERMU service territory.
- The Lead Customer Service Representative participated in *Elk River High School's Bite of Reality* event, a hands-on simulation where 9th graders practiced making real-life financial decisions based on assigned life scenarios.
- Our summer IT Intern Michael started on May 27.
- The IT team remains actively engaged in collaboration with Marco to advance key security initiatives for 2025.

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	**FROM:** Melissa Karpinski – Finance Manager
MEETING DATE: June 3, 2025	**AGENDA ITEM NUMBER:** 6.1c
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- 2024 Minnesota Revenue ST-11 has been submitted.
- 2024 Minnesota Electric Utility Annual Report for Minnesota Department of Commerce has been filed.
- Attended the 2025 National Information Solutions Cooperative Minnesota Users Group meeting.
- The first request for payment of our share of the CAPX Brookings 2nd Circuit Build project has been received.

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	FROM: Tony Mauren – Governance & Communications Manager
MEETING DATE: June 3, 2025	**AGENDA ITEM NUMBER:** 6.1d
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- The bill inserts for June 2025 are the summer edition of The Current newsletter and information about SmartHub's Auto Pay program going out to all customers. We will also be fulfilling requirements to notify customers about the availability of our Water Quality Report in the bill message.
- In addition to the bill insert topic, social media posts this month feature the commission meeting notice, ERMU's scholarship recipients, residential solar FAQ, and more.
- The Communications & Administrative Coordinator participated in Elk River High School's Bite of Reality event, a hands-on simulation where 9th graders practiced making real-life financial decisions based on assigned life scenarios.
- Commissioners are invited to a celebration of Line Crew Foreperson Scott Thoreson's retirement on July 15 at 11:30 a.m. at the field service building. Lunch will be provided by the management team so please let staff know if you plan to attend and your food order.

ATTACHMENTS:

- Bill Insert – The Current – Summer 2025
- Bill Insert – SmartHub's Auto Pay Program

Elk River Municipal Utilities

SUMMER 2025

THE CURRENT

DISCOVER SAVINGS WITH ERMU

Saving money, decreasing energy usage, and conserving resources is easier than ever with programs and rebates from ERMU. 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

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 Recognized for Excellence in Reliability


AMERICAN PUBLIC POWER ASSOCIATION
Powering Strong Communities

CERTIFICATE OF EXCELLENCE IN RELIABILITY

This is to acknowledge that

Elk River Municipal Utilities

has significantly exceeded the 5-year average for all U.S. electric utilities for reliable electric service. The utility participates in the American Public Power Association's e-Reliability Tracker service to track its power outages and restoration against national benchmarks*

*As reported by the Energy Information Administration

March 24, 2025

Paul Zummo
Director, Research & Development

The American Public Power Association has awarded ERMU the Certificate of Excellence in Reliability for its dependable electric service in 2024.

Based on data collected from 350 public power providers, ERMU was one of 255 electric utilities that earned this distinction, with an average outage time of just 42.08 minutes across its 13,797 customers, significantly lower than the national average of 148 minutes.

"This achievement reflects the hard work and dedication of our staff in ensuring safe, reliable electric service for our customers," said General Manager Mark Hanson. "We're proud of this recognition and grateful for a team that strives to serve our community every day."

ERMU remains committed to maintaining this high standard of performance in 2025, continuing its mission to provide exceptional service and value to customers.

Madson and Westberg Awarded ERMU Scholarship

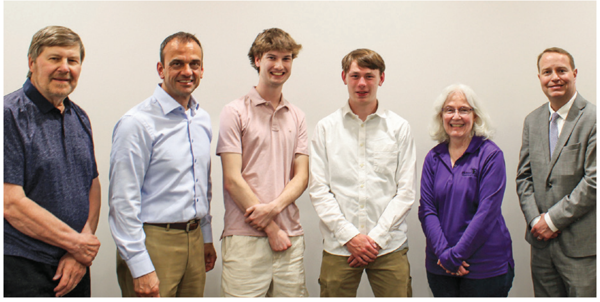
ERMU is pleased to announce that Elk River High School seniors Andrew Madson and Owen Westberg have been selected as recipients of the 2025 Elk River Municipal Utilities Scholarship. Each student will receive a $1,000 award to support their post-secondary education. Their planned areas of study and career aspirations, coupled with their thoughtful responses on the scholarship application, truly stood out.

Andrew plans to attend lineworker school, drawn to the profession for its blend of physical work, problem-solving, and career stability. Owen plans to attend Texas A&M University to pursue a degree in electrical engineering, leveraging his strengths in math and science..

ERMU's scholarship program was updated in 2025 to provide up to two $1,000 awards annually. The goal of the new program is to provide financial assistance for those who plan to further their education towards a career in water, electric, or conservation related fields.

Congratulations to both Andrew and Owen! ERMU wishes you all the best in your future plans.

Pictured (from left to right) - Commission Chair: *John Dietz,* ***Commissioner:*** *Matt Westgaard,* ***Scholarship Recipients:*** *Andrew Madsen and Owen Westberg,* ***Commission Vice Chair:*** *Mary Stewart,* ***Commissioner:*** *Nick Zerwas.*



Recipients Andrew and Owen were recognized during the May 13 commission meeting.

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 2024. Physical copies are available upon request. To view the report online please visit ermumn.com/download_file/1163/0 or scan the QR code provided here.

WATERING RESTRICTIONS

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

- No sprinkling allowed between 10 a.m. and 6 p.m.
- Lawn sprinkling is only permitted on odd/even days in coordination with the property's address number.

These restrictions help ensure adequate water supplies for fire response as well as community health and safety.

Keeping Utilities Clear and Safe

The utility equipment on your property plays an important role in providing essential services to you and your neighbors. Landscaping or objects that obstruct access to meters, transformers, or hydrants can endanger workers, disrupt service, or delay critical emergency responses.

As you work on your lawn this summer, please remember to trim bushes and trees around utility infrastructure. If there isn't enough space for safe operation and maintenance, ERMU technicians will need to remove any items obstructing the equipment.

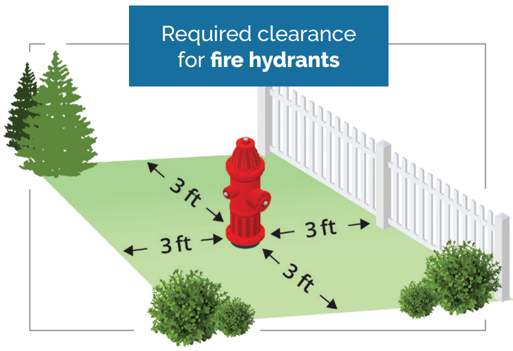
When planting new greenery, consider the mature size and growth patterns of your plants. And as always, don't forget to call 811 before starting any digging project!

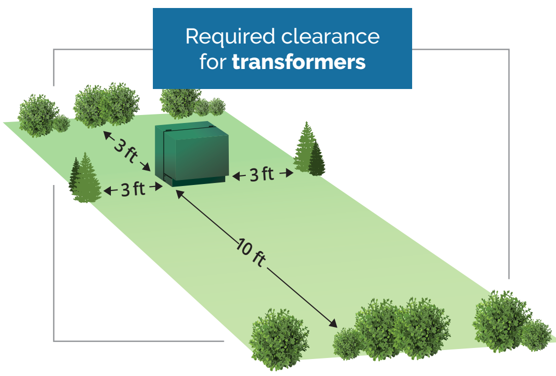
Thank you for helping us maintain a safe and accessible working area around utilities on your property.

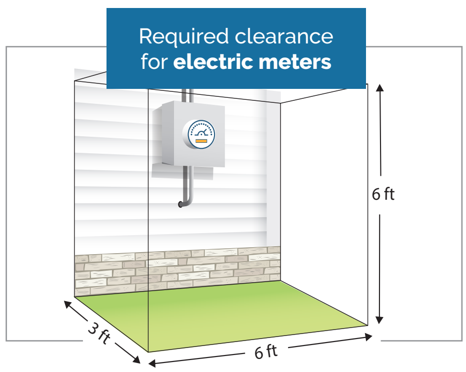
For your convenience, we've included the locator flag color system and clearance requirement diagrams below for your review.

Color Codes for Marking Underground Utilities:

- White: Proposed Excavation
- Red: Electric Power Lines
- Orange: Communication CATV
- Purple: Reclaimed Water, Irrigation
- Pink: Temporary Survey Markings
- Yellow: Gas, Oil, or Steam
- Blue: Potable Water
- Green: Sewer and Drain Lines







Elk River Municipal Utilities

SMARTHUB'S

AUTO PAY PROGRAM

WHAT IS SMARTHUB?

SmartHub is a web and mobile app that allows you to take control of all aspects of your utility account. Pay your bill, set up automatic payments, manage your use, and contact ERMU with service issues quickly and easily online or on your mobile device.

WHAT IS SMARTHUB'S AUTO PAY PROGRAM?

SmartHub's Auto Pay Program helps you save time, avoid service interruptions, and eliminate late fees by allowing you to set up automatic payments using your preferred method (credit, debit, checking, or savings) while still letting you view your itemized bill.

EASY PROGRAM SIGN UP

Existing SmartHub users can simply go to their account, select the Auto Pay Program option, and follow the prompts, while new users can create a SmartHub account using the QR code, then follow the prompts.

CHOOSE YOUR PAYMENT METHOD

Set up your preferred secure payment method and let account management do the rest.

- Credit
- Debit
- Checking
- Savings

SAVE TIME & REDUCE STRESS

With SmartHub's Auto Pay Program, you will still be able to view an itemized bill each month, but you won't need to take time to schedule a payment. Rest assured, your bill will be taken care of on its due date.

New signups to SmartHub's Auto Pay Program will receive a one-time $5.00 credit!

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	**FROM:** Thomas Geiser – Operations Director
MEETING DATE: June 3, 2025	**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. Maps 1 through 71 are complete.
- Still working through the lack of communication and action regarding the reclosers that were recalled. We continue to wait for our 30 units to be repaired.
- Staff and I are working through ERMU's Disaster Recovery Plan.
- Staff and I are working through ERMU's spill prevention plan at all substation locations with DGR Engineering.
- Staff and I are working on ERMU's substation and well security measures.
- Working with Avant Energy, Inc., and Minnesota Municipal Power Agency on their landfill gas project.

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	FROM: Chris Sumstad – Electric Superintendent
MEETING DATE: June 3, 2025	**AGENDA ITEM NUMBER:** 6.1f
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- Installed 21 new residential services, which involves the connection of a secondary line once the customer requests service.
- Joe Schmidt, safety instructor from MMUA, was here on May 28-29, doing field evaluations and the annual safety training on pole top and bucket rescue.
- Crews continue to work on the overhead rebuild along Highway 169, north of the North substation.
- The bore crew and one line crew are currently working in the industrial park in Elk River off County Road 1. They are working on installing new primary wire for the additional service at J&J Machine as well as replacing some older underground primary wire within the park.
- Crews continue to work on the underground wire replacement in the Deerfield addition in Elk River.
- Our two temporary lineworkers started May 13, and are in full swing helping our crews as well as learning the skills of the trade.
- I am reviewing emergency preparedness plans from other utilities as we update and broaden our own plan.
- Bradford Park housing development received asphalt recently and small utility placement is scheduled for the first part of June. This will add close to 20 new buildable lots to the development.

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	FROM: Mike Tietz – Technical Services Superintendent
MEETING DATE: June 3, 2025	**AGENDA ITEM NUMBER:** 6.1g
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- As of May 28, the locators processed 506 locate tickets. These consisted of 421 normal tickets, 1 emergency ticket, 55 updated tickets, 4 meetings, 3 planning, 10 boundary surveys, 3 corrections, and 9 cancellations. This resulted in a 2.2% increase in tickets from the previous month and a 16.4% decrease from the prior May.
- To date, the electrical technicians have completed 515 service order tasks, updated the power bill, addressed customer meter issues and any off-peak concerns.
- The Advanced Metering Infrastructure (AMI) residential water meters and residential electric meters continue to be installed in new services. The electrical technicians have been busy changing out the old Automated Meter Reading meters to AMI meters for small non-demand commercial customers. We received our shipments of 4S, 3S, and 2S-320 amp electric meters from Sensus and I have been told that our RMA/Warranty meters should be shipping back to us sometime in June. We will be exchanging those meters as time allows. Approximately 5,413 water meters and 12,208 electric meters are currently active within our AMI system.
- Staff completed the changing out all the capacitor bank controllers.
- Our monthly peak was 63.14 MW on May 14, at 4:40pm.

UTILITIES COMMISSION MEETING

TO: ERMU Commission	FROM: Dave Ninow – Water Superintendent
MEETING DATE: June 3, 2025	**AGENDA ITEM NUMBER:** 6.1h
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- Delivered three new water meters, installed a Smart Point module, and took curb stop ties.
- Completed 20 BACTI/Total Chlorine Residual Samples
    - All confirmed negative for coliform bacteria
    - Bacteriological/Disinfectant Residual Monthly Report submitted to the MDH
- Completed 21 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.
- The water department continues flushing fire hydrants through the end of June. The schedule for flushing and a map with the timeline shown in zones has been added to our website blog section and social media.
- On May 20, gates at Lake Orono Dam were opened for the first time this season to maintain the lake level. This is unusually late in the season to open the gates for the first time, this was due to the incoming water flow to Lake Orono being minimal because of the lack of snowfall and rainfall. Water department staff will continue to check the lake level at the dam and adjust the gates accordingly throughout the season.
- As described in the PFAS National Primary Drinking Water Regulation (40 CFR Parts 141 and 142), all community public water systems and all non-transient non-community water systems are required to complete initial monitoring requirements by April 26, 2027. The MDH is helping public water systems meet their initial monitoring requirements by contracting with WSP USA to collect samples. This round of sampling was collected on May 19 and although we do not have these test results yet, the results of all sample testing previously done have shown no detection of per- and polyfluoroalkyl substances (PFAS), in the Elk River municipal water system.
- Water main valve maintenance work in the Westwood neighborhood, which is part of the 2025 street rehab project, has been completed.

- The Polk Street resident who experienced property damage from last February's water main break has submitted documentation requesting reimbursement. This information will be presented in detail to the Dispute Resolution Committee for review.

Elk River Municipal Utilities

2025 GOVERNANCE AGENDA

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