Elk River Municipal Utilities

REGULAR MEETING OF THE UTILITIES COMMISSION
October 14, 2025, 3:30 P.M.
Utilities Conference Room

AGENDA

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

2.0 CONSENT (Routine items. No discussion. Approved by one motion.)
2.1 Check Register – September 2025
2.2 Regular Meeting Minutes – September 9, 2025

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.4e1 – Customer Accounts

5.0 BUSINESS ACTION (Current business action requests and performance monitoring reports.)
5.1 Financial Report – August 2025
5.2 2026 Annual Business Plan: Electric and Water Expenses
5.3 Payment in Lieu of Taxes to City of Elk River
5.4 Advanced Metering Infrastructure Update

6.0 BUSINESS DISCUSSION (Future business planning, general updates, and informational reports.)
6.1 Staff Updates
6.2 City Council Updates
6.3 Future Planning (Announce the next regular meeting, special meeting, or planned quorum.)
a. Regular Commission Meeting – Wednesday, November 12, 2025 due to Veterans Day
b. 2025 Updated Governance Agenda
6.4 Other Business (Items added during agenda approval.)

7.0 ADJOURN REGULAR MEETING

Payroll/Labor
Check Register Totals

09/09/2025 To 09/09/2025

Pays		Job	Amount	Hours
Gross Pay				
2	Reg Hours		0.00	0.00
105	Perf. Metr. Distr.		0.00	0.00
VAC	Vacation Pay		0.00	0.00
SICK	Sick Pay		0.00	0.00
HOL	Holiday Pay		0.00	0.00
PTOY	Personal Day - Year		0.00	0.00
106	Longevity Pay		2,125.00	0.00
	Gross Pay Total:		2,125.00	0.00
	Total Pays:		2,125.00	0.00

Deductions	Amount

Employee Taxes		Amount	Taxable Amt
MNS	MN State Income Tax - Single	132.81	2,125.00
SS-E	Social Security	131.75	2,125.00
MD-E	Medicare	30.81	2,125.00
FDMH	FED MARRIED MULTIPLE JOBS W4 2020>	467.50	2,125.00
	Employee Tax Total:	762.87	

Employer Taxes		Amount	Taxable Amt
SS-R	Social Security	131.75	2,125.00
MD-R	Medicare	30.81	2,125.00
SUTA	State Unemployment Tax	0.00	2,125.00
	Employer Tax Total:	162.56	

Taxes By Type	State	Amount	Taxable Amt
FEDERAL INCOME		467.50	2,125.00
SOCIAL SECURITY		263.50	2,125.00
Medicare		61.62	2,125.00
STATE INCOME	MN	132.81	2,125.00
State Unemployment Tax	MN	0.00	2,125.00
Tax Total:		925.43	

Payroll/Labor
Check Register Totals

09/09/2025 To 09/09/2025

Net Pay:	1,362.13
Total Deposit Amount:	0.00
Total Check Amount:	1,362.13
Total Employees:	1
Total Direct Deposits:	0
Total Checks:	1

Payroll/Labor
Check Register Totals

09/12/2025 To 09/12/2025

Pays		Job	Amount	Hours
Gross Pay				
2	Reg Hours		159,151.98	2,946.25
20	Reg Salary		0.00	0.00
3	Overtime		2,533.78	34.84
4	Double Time		0.00	0.00
5	On-Call/Stand-by		3,078.86	56.00
24	FLSA		43.19	0.00
25	Rest Time		248.04	4.00
10	Bonus Pay		506.00	8.00
18	Commissioner Reimb - Electric		600.00	0.00
104	Commission Stipend		60.00	0.00
105	Perf. Metr. Distr.		0.00	0.00
VAC	Vacation Pay		14,720.97	258.00
SICK	Sick Pay		4,833.74	84.00
HOL	Holiday Pay		19,508.05	352.00
78	Retro Earnings		0.00	0.00
5-2	On-Call/Stand-by/OT		431.74	4.75
18A	Commissioner Reimb. - Water		150.00	0.00
104A	Commission Stipend - Water		15.00	0.00
VAC	Vacation Pay - Manager		0.00	0.00
PTOY	Personal Day - Year		504.07	8.00
UNPD	Time Off without Pay		0.00	0.00
3C	Overtime-Comp Time		466.09	5.66
4C	Double Time-Comp Time		0.00	0.00
CM3C	Overtime-Comp Time Adjusted		-466.09	-5.66
CM4C	Double Time-Comp Time Adjusted		0.00	0.00
COMP	Comp Time Taken		474.45	8.75
106	Longevity Pay		0.00	0.00
MIL	Military Pay - Calendar Year		0.00	0.00
10W	Bonus Pay		0.00	0.00
	Gross Pay Total:		206,859.87	3,764.59
	Total Pays:		206,859.87	3,764.59

Payroll/Labor
Check Register Totals

09/26/2025 To 09/26/2025

Pays		Job	Amount	Hours
Gross Pay				
2	Reg Hours		181,176.29	3,329.50
20	Reg Salary		0.00	0.00
3	Overtime		2,991.41	39.00
4	Double Time		0.00	0.00
5	On-Call/Stand-by		2,803.78	56.00
24	FLSA		81.10	0.00
25	Rest Time		226.42	4.00
10	Bonus Pay		0.00	0.00
105	Perf. Metr. Distr.		0.00	0.00
VAC	Vacation Pay		14,706.56	241.50
SICK	Sick Pay		2,912.56	54.75
HOL	Holiday Pay		0.00	0.00
78	Retro Earnings		0.00	0.00
5-2	On-Call/Stand-by/OT		903.60	12.00
VAC	Vacation Pay - Manager		0.00	0.00
PTOY	Personal Day - Year		488.08	8.00
UNPD	Time Off without Pay		0.00	0.00
3C	Overtime-Comp Time		524.09	7.75
4C	Double Time-Comp Time		0.00	0.00
CM3C	Overtime-Comp Time Adjusted		-524.09	-7.75
CM4C	Double Time-Comp Time Adjusted		0.00	0.00
COMP	Comp Time Taken		12.55	0.25
106	Longevity Pay		0.00	0.00
MIL	Military Pay - Calendar Year		0.00	0.00
10W	Bonus Pay		0.00	0.00
ESST	Earned Safet & Sick Time		874.08	24.00
	Gross Pay Total:		207,176.43	3,769.00
	Total Pays:		207,176.43	3,769.00

Accounts Payable
Check Register

09/01/2025 To 09/30/2025

Bank Account: 1 - GENERAL FUND

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
2383	9/4/25	WIRE	5655	FISERV	CC FEES - AUG 2025		2,402.49
					CC FEES - AUG 2025		600.62
					CC FEES - AUG 2025		538.95
					CC FEES - AUG 2025		134.74
					CC FEES - AUG 2025		1,777.04
					CC FEES - AUG 2025		444.26
					CC FEES - AUG 2025		80.35
					CC FEES - AUG 2025		20.09
					CC FEES - AUG 2025		815.69
					CC FEES - AUG 2025		203.92
					CC FEES - AUG 2025		2,770.58
					CC FEES - AUG 2025		692.65
						Total for Check/Tran - 2383:	10,481.38
						Total for Bank Account - 1 : (1)	10,481.38

Accounts Payable
Check Register

09/01/2025 To 09/30/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
4922	9/3/25	WIRE	152	IRS - USA TAX PMT (ELECTRONIC)	PAYROLL TAXES - FEDERAL & FICA		18,878.76
					PAYROLL TAXES - FEDERAL & FICA		25,043.42
					PAYROLL TAXES - FEDERAL & FICA		3,817.13
					PAYROLL TAXES - FEDERAL & FICA		5,604.00
						Total for Check/Tran - 4922:	53,343.31
4923	9/4/25	WIRE	153	PERA (ELECTRONIC)	PERA EMPLOYEE CONTRIBUTION		10,336.52
					PERA CONTRIBUTIONS		11,926.78
					PERA EMPLOYEE CONTRIBUTION		2,332.06
					PERA CONTRIBUTIONS		2,690.84
						Total for Check/Tran - 4923:	27,286.20
4924	9/4/25	WIRE	154	MINNESOTA REVENUE (ELECTRONIC)	PAYROLL TAXES - STATE		8,043.64
					PAYROLL TAXES - STATE		1,692.40
						Total for Check/Tran - 4924:	9,736.04
4925	9/4/25	WIRE	160	VOYA INSTITUTIONAL TRUST COMPAN	HCSP EMPLOYEE CONTRIBUTIONS		2,337.08
					HCSP EMPLOYEE CONTRIBUTIONS		427.93
						Total for Check/Tran - 4925:	2,765.01
4926	9/4/25	WIRE	161	VOYA INSTITUTIONAL TRUST COMPAN	MNDCP EE MANAGER CONTRIBUTIONS		343.53
					MNDCP EMPLOYEE CONTRIBUTIONS		3,268.22
					MNDCP EMPLOYER CONTRIBUTION		1,428.26
					MNDCP EMPLOYER MGR CONTRIBUTION		576.07
					MNDCP EE ROTH CONTRIBUTIONS		1,583.87
					MNDCP EE ROTH MGR CONTRIBUTIONS		232.54
					MNDCP EE MANAGER CONTRIBUTIONS		48.31
					MNDCP EMPLOYEE CONTRIBUTIONS		233.19
					MNDCP EMPLOYER CONTRIBUTION		139.09
					MNDCP EMPLOYER MGR CONTRIBUTION		79.63
					MNDCP EE ROTH CONTRIBUTIONS		393.07
					MNDCP EE ROTH MGR CONTRIBUTIONS		31.32
						Total for Check/Tran - 4926:	8,357.10

Accounts Payable
Check Register

09/01/2025 To 09/30/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
4927	9/4/25	WIRE	285	JOHN HANCOCK	W&A EMPLOYER CONTRIBUTION	93.18
					W&A MANAGER CONTRIBUTION	409.08
					WENZEL EMPLOYEE CONTRIBUTIONS	1,695.98
					WENZEL MANAGER CONTRIBUTIONS	128.84
					DEF COMP ROTH CONTRIBUTIONS W&A	795.95
					WENZEL EE ROTH MGR CONTRIBUTIONS	280.24
					W&A EMPLOYER CONTRIBUTION	122.10
					W&A MANAGER CONTRIBUTION	61.36
					WENZEL EMPLOYEE CONTRIBUTIONS	178.97
					WENZEL MANAGER CONTRIBUTIONS	30.22
					DEF COMP ROTH CONTRIBUTIONS W&A	149.05
					WENZEL EE ROTH MGR CONTRIBUTIONS	31.14
					Total for Check/Tran - 4927:	3,976.11
4928	9/4/25	WIRE	598	MINNESOTA CHILD SUPPORT PAYMEN	CHILD SUPPORT	589.75
4931	9/5/25	WIRE	738	HEALTHEQUITY, INC	HSA EMPLOYEE CONTRIBUTION	2,536.33
					HSA EMPLOYEE CONTRIBUTION	464.51
					FSA CLAIM REIMBURSEMENTS - 119	3,077.12
					Total for Check/Tran - 4931:	6,077.96
4932	9/5/25	WIRE	166	ONLINE UTILITY EXCHANGE (ELECTR	UTILITY EXCHANGE REPORT - AUG 2024	432.24
					UTILITY EXCHANGE REPORT - AUG 2024	108.06
					Total for Check/Tran - 4932:	540.30
4933	9/5/25	WIRE	738	HEALTHEQUITY, INC	FSA CLAIM REIMBURSEMENTS - 164	153.85
					FSA CLAIM REIMBURSEMENTS - 164	38.46
					Total for Check/Tran - 4933:	192.31
4934	9/8/25	WIRE	738	HEALTHEQUITY, INC	ADMINISTRATIVE FEE INVOICE - SEPT 2025	125.80
					ADMINISTRATIVE FEE INVOICE - SEPT 2025	24.70
					Total for Check/Tran - 4934:	150.50
4938	9/11/25	WIRE	152	IRS - USA TAX PMT (ELECTRONIC)	PAYROLL TAXES - FEDERAL & FICA	374.00

09/01/2025 To 09/30/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
					PAYROLL TAXES - FEDERAL & FICA		260.10
					PAYROLL TAXES - FEDERAL & FICA		93.50
					PAYROLL TAXES - FEDERAL & FICA		65.02
						Total for Check/Tran - 4938:	792.62
4939	9/15/25	WIRE	154	MINNESOTA REVENUE (ELECTRONIC)	PAYROLL TAXES - STATE		106.25
					PAYROLL TAXES - STATE		26.56
						Total for Check/Tran - 4939:	132.81
4940	9/15/25	WIRE	153	PERA (ELECTRONIC)	PERA EMPLOYEE CONTRIBUTION		10,682.68
					PERA CONTRIBUTIONS		12,326.19
					PERA EMPLOYEE CONTRIBUTION		2,363.36
					PERA CONTRIBUTIONS		2,726.94
						Total for Check/Tran - 4940:	28,099.17
4941	9/15/25	WIRE	160	VOYA INSTITUTIONAL TRUST COMPAN	HCSP EMPLOYEE CONTRIBUTIONS		2,417.13
					HCSP EMPLOYEE CONTRIBUTIONS		437.70
						Total for Check/Tran - 4941:	2,854.83
4942	9/15/25	WIRE	285	JOHN HANCOCK	W&A EMPLOYER CONTRIBUTION		80.00
					W&A MANAGER CONTRIBUTION		418.00
					WENZEL EMPLOYEE CONTRIBUTIONS		1,930.50
					WENZEL MANAGER CONTRIBUTIONS		127.25
					DEF COMP ROTH CONTRIBUTIONS W&A		795.00
					WENZEL EE ROTH MGR CONTRIBUTIONS		290.75
					W&A EMPLOYER CONTRIBUTION		120.00
					W&A MANAGER CONTRIBUTION		64.12
					WENZEL EMPLOYEE CONTRIBUTIONS		183.93
					WENZEL MANAGER CONTRIBUTIONS		31.81
					DEF COMP ROTH CONTRIBUTIONS W&A		150.00
					WENZEL EE ROTH MGR CONTRIBUTIONS		32.31
						Total for Check/Tran - 4942:	4,223.67
4943	9/15/25	WIRE	598	MINNESOTA CHILD SUPPORT PAYMEN	CHILD SUPPORT		589.75

Accounts Payable
Check Register

09/01/2025 To 09/30/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
4944	9/16/25	WIRE	738	HEALTHEQUITY, INC	HSA EMPLOYEE CONTRIBUTION	2,655.69
					HSA EMPLOYEE CONTRIBUTION	470.15
					FSA CLAIM REIMBURSEMENTS - 164	153.85
					FSA CLAIM REIMBURSEMENTS - 164	38.46
					Total for Check/Tran - 4944:	3,318.15
4945	9/16/25	WIRE	161	VOYA INSTITUTIONAL TRUST COMPAN	MNDCP EE MANAGER CONTRIBUTIONS	356.45
					MNDCP EMPLOYEE CONTRIBUTIONS	3,312.71
					MNDCP EMPLOYER CONTRIBUTION	1,346.16
					MNDCP EMPLOYER MGR CONTRIBUTION	599.51
					MNDCP EE ROTH CONTRIBUTIONS	1,583.49
					MNDCP EE ROTH MGR CONTRIBUTIONS	243.06
					MNDCP EE MANAGER CONTRIBUTIONS	50.09
					MNDCP EMPLOYEE CONTRIBUTIONS	245.56
					MNDCP EMPLOYER CONTRIBUTION	142.05
					MNDCP EMPLOYER MGR CONTRIBUTION	82.77
					MNDCP EE ROTH CONTRIBUTIONS	393.45
					MNDCP EE ROTH MGR CONTRIBUTIONS	32.68
					Total for Check/Tran - 4945:	8,387.98
4946	9/16/25	WIRE	152	IRS - USA TAX PMT (ELECTRONIC)	PAYROLL TAXES - FEDERAL & FICA	18,559.52
					PAYROLL TAXES - FEDERAL & FICA	24,564.54
					PAYROLL TAXES - FEDERAL & FICA	3,663.11
					PAYROLL TAXES - FEDERAL & FICA	5,293.30
					Total for Check/Tran - 4946:	52,080.47
4947	9/18/25	WIRE	154	MINNESOTA REVENUE (ELECTRONIC)	PAYROLL TAXES - STATE	7,888.36
					PAYROLL TAXES - STATE	1,616.38
					Total for Check/Tran - 4947:	9,504.74
4950	9/12/25	WIRE	9654	CARDMEMBER SERVICE	FIRST NATIONAL BANK VISA	4,334.89
					FIRST NATIONAL BANK VISA	1,300.86
					Total for Check/Tran - 4950:	5,635.75

09/01/2025 To 09/30/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
4951	9/22/25	WIRE	7293	MINNESOTA DEPT OF COMMERCE	Escheats On 09/12/2025		5,244.84
4952	9/22/25	WIRE	7293	MINNESOTA DEPT OF COMMERCE	UNCLAIMED PROPERTY SERVICE FEE		1.00
4954	9/22/25	WIRE	174	MINNESOTA REVENUE SALES TX (ELE	SALES AND USE TAX - AUG 2025		354,803.46
					SALES AND USE TAX - AUG 2025		-2.67
					SALES AND USE TAX - AUG 2025		12,873.21
						Total for Check/Tran - 4954:	367,674.00
4955	9/24/25	WIRE	738	HEALTHEQUITY, INC	FSA CLAIM REIMBURSEMENTS - 147		284.69
					FSA CLAIM REIMBURSEMENTS - 147		71.17
						Total for Check/Tran - 4955:	355.86
4956	9/29/25	WIRE	153	PERA (ELECTRONIC)	PERA EMPLOYEE CONTRIBUTION		10,712.85
					PERA CONTRIBUTIONS		12,361.01
					PERA EMPLOYEE CONTRIBUTION		2,405.62
					PERA CONTRIBUTIONS		2,775.70
						Total for Check/Tran - 4956:	28,255.18
4957	9/29/25	WIRE	598	MINNESOTA CHILD SUPPORT PAYMEN	CHILD SUPPORT		589.75
4958	9/30/25	WIRE	160	VOYA INSTITUTIONAL TRUST COMPAN	HCSP EMPLOYEE CONTRIBUTIONS		2,438.25
					HCSP EMPLOYEE CONTRIBUTIONS		450.57
						Total for Check/Tran - 4958:	2,888.82
4959	9/30/25	WIRE	161	VOYA INSTITUTIONAL TRUST COMPAN	MNDCP EE MANAGER CONTRIBUTIONS		356.44
					MNDCP EMPLOYEE CONTRIBUTIONS		3,319.97
					MNDCP EMPLOYER CONTRIBUTION		1,312.51
					MNDCP EMPLOYER MGR CONTRIBUTION		599.54
					MNDCP EE ROTH CONTRIBUTIONS		1,583.53
					MNDCP EE ROTH MGR CONTRIBUTIONS		243.10
					MNDCP EE MANAGER CONTRIBUTIONS		50.10
					MNDCP EMPLOYEE CONTRIBUTIONS		238.30
					MNDCP EMPLOYER CONTRIBUTION		135.70
					MNDCP EMPLOYER MGR CONTRIBUTION		82.74

Accounts Payable
Check Register

09/01/2025 To 09/30/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
					MNDCP EE ROTH CONTRIBUTIONS	393.41
					MNDCP EE ROTH MGR CONTRIBUTIONS	32.64
					Total for Check/Tran - 4959:	8,347.98
4960	9/30/25	WIRE	285	JOHN HANCOCK	W&A EMPLOYER CONTRIBUTION	80.00
					W&A MANAGER CONTRIBUTION	418.00
					WENZEL EMPLOYEE CONTRIBUTIONS	1,737.58
					WENZEL MANAGER CONTRIBUTIONS	127.25
					DEF COMP ROTH CONTRIBUTIONS W&A	795.04
					WENZEL EE ROTH MGR CONTRIBUTIONS	290.75
					W&A EMPLOYER CONTRIBUTION	120.00
					W&A MANAGER CONTRIBUTION	64.12
					WENZEL EMPLOYEE CONTRIBUTIONS	183.97
					WENZEL MANAGER CONTRIBUTIONS	31.81
					DEF COMP ROTH CONTRIBUTIONS W&A	149.96
					WENZEL EE ROTH MGR CONTRIBUTIONS	32.31
					Total for Check/Tran - 4960:	4,030.79
4963	9/30/25	WIRE	738	HEALTHEQUITY, INC	HSA EMPLOYEE CONTRIBUTION	2,659.55
					HSA EMPLOYEE CONTRIBUTION	466.29
					FSA CLAIM REIMBURSEMENTS - 164	153.85
					FSA CLAIM REIMBURSEMENTS - 164	38.46
					Total for Check/Tran - 4963:	3,318.15
22384	9/2/25	DD	703	MICROSOFT STORE	surface	6,752.05
					surface	515.73
					surface	1,688.00
					surface	128.93
					Total for Check/Tran - 22384:	9,084.71
22385	9/4/25	DD	191	AMERICAN PAYMENT CENTERS	DROP BOX CHARGES - 2025 QTR 4	224.38
					DROP BOX CHARGES - 2025 QTR 4	56.10
					Total for Check/Tran - 22385:	280.48

Accounts Payable
Check Register

09/01/2025 To 09/30/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
22386	9/4/25	DD	728	ARCHER PLUMBING LLC	WATER METER INSTALL	1,936.37
					WATER METER INSTALL	-141.37
					WATER METER INSTALL	318.24
					WATER METER INSTALL	-23.24
					Total for Check/Tran - 22386:	2,090.00
22387	9/4/25	DD	1327	AUTOMATIC SYSTEMS CO	Flood Alarms	20,955.80
22388	9/4/25	DD	3667	ELFERING & ASSOCIATES	PROFESSIONAL SERVICES - JULY 2025	1,050.00
					PROFESSIONAL SERVICES - JULY 2025	525.00
					Total for Check/Tran - 22388:	1,575.00
22389	9/4/25	DD	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 2 - INV GRP 436 - JULY 2025	3,861.27
					CYCLE 2 - ACCT 41038 -JULY 2025	106.03
					CYCLE 2 - ACCT 41038 -JULY 2025	5.58
					CYCLE 2 - INV GRP 413 - JULY 2025	100.00
					CYCLE 2 - INV GRP 413 - JULY 2025	613.02
					Total for Check/Tran - 22389:	4,685.90
22390	9/4/25	DD	664	FRONTIER ENERGY, INC	CIP PROFESSIONAL SERVICES - JULY 2025	24,918.81
22391	9/4/25	DD	809	HAWKINS, INC.	CHLORINE CYLINDER RENTAL	170.00
					Water Chemicals	546.46
					Water Chemicals	825.39
					Total for Check/Tran - 22391:	1,541.85
22392	9/4/25	DD	5686	HYDROCORP	BACKFLOW DEVICE INSPECTION - AUG 2025	1,229.33
22393	9/4/25	DD	8083	JT SERVICES OF MINNESOTA	DT 12-12 Towels	1,096.33
22394	9/4/25	DD	412	LEIDOS ENGINEERING, LLC	PROFESSIONAL SERVICES - JULY 2025	4,640.00
					PROFESSIONAL SERVICES - JULY 2025	4,820.00
					Total for Check/Tran - 22394:	9,460.00
22395	9/4/25	DD	39	MMUA	OVERHEAD SCHOOL - 111 182 9.2025	1,210.00

09/01/2025 To 09/30/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
22396	9/4/25	DD	3376	JEFF MURRAY	UMMA SUMMER MTG EXPENSES - 59	260.74
22397	9/4/25	DD	573	NCPERS MINNESOTA	EXTRA LIFE INSURANCE - SEPT 2025	300.80
					EXTRA LIFE INSURANCE - SEPT 2025	35.20
					Total for Check/Tran - 22397:	336.00
22398	9/4/25	DD	712	NEGSTAD CONSULTING, LLC	LEADERSHIP COACHING	1,520.00
					LEADERSHIP COACHING	380.00
					Total for Check/Tran - 22398:	1,900.00
22399	9/4/25	DD	460	DEREK S PALMER	Mileage-Schools and Meetings	51.24
22400	9/4/25	DD	603	ROYAL SUPPLY INC	OFFICE SUPPLIES	563.10
					OFFICE SUPPLIES	140.78
					Total for Check/Tran - 22400:	703.88
22401	9/4/25	DD	74	SCOTT THORESON	MMUA SUMMER CONF MILEAGE & HOTEL - 19	370.65
22402	9/4/25	DD	135	WATER LABORATORIES INC	WATER TESTING - AUG 2025	360.00
22403	9/4/25	DD	610	WRIGHT HENNEPIN COOPERATIVE ELE	WELL,TOWER & FSB SECURITY	54.55
					WELL,TOWER & FSB SECURITY	535.52
					Total for Check/Tran - 22403:	590.07
22455	9/11/25	DD	11	CITY OF ELK RIVER	FRANCHISE FEE CREDIT - JULY 2025	-725.00
					TRASH BILLED - AUG 2025	168,216.33
					Total for Check/Tran - 22455:	167,491.33
22456	9/11/25	DD	728	ARCHER PLUMBING LLC	WATER METER INSTALL	366.78
					WATER METER INSTALL	-26.78
					WATER METER REPAIRS	500.00
					WATER METER INSTALL	798.28
					WATER METER INSTALL	-58.28
					WATER METER REPAIRS	600.00
					WATER METER INSTALLS	1,963.33
					WATER METER INSTALLS	-143.33

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Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
					Total for Check/Tran - 22456:	4,000.00
22457	9/11/25	DD	665	MICHAEL ATWOOD	EMPLOYEE CLOTHING - 191 BOOTS	217.54
22458	9/11/25	DD	11	CITY OF ELK RIVER	MISC PARTS & SUPPLIES	86.26
					MISC PARTS & SUPPLIES	18.01
					PARTS & LABOR FOR UNIT #17	-1.41
					PARTS & LABOR FOR UNIT #17	81.03
					PARTS & LABOR FOR UNIT #17	-0.06
					PARTS & LABOR FOR UNIT #17	4.25
					PARTS & LABOR FOR UNIT #35	-3.17
					PARTS & LABOR FOR UNIT #35	228.78
					PARTS & LABOR FOR UNIT #35	-0.17
					PARTS & LABOR FOR UNIT #35	12.04
					PARTS & LABOR FOR UNIT #13	-1.63
					PARTS & LABOR FOR UNIT #13	87.50
					PARTS & LABOR FOR UNIT #17	-13.75
					PARTS & LABOR FOR UNIT #17	373.61
					PARTS & LABOR FOR UNIT #17	-0.73
					PARTS & LABOR FOR UNIT #17	19.67
					LABOR FOR UNIT #50	65.00
					PARTS & LABOR FOR UNIT #35	-1.26
					PARTS & LABOR FOR UNIT #35	140.76
					PARTS & LABOR FOR UNIT #35	-0.06
					PARTS & LABOR FOR UNIT #35	7.40
					PARTS & LABOR FOR UNIT #1	-1.04
					PARTS & LABOR FOR UNIT #1	66.45
					PARTS & LABOR FOR UNIT #1	-0.27
					PARTS & LABOR FOR UNIT #1	16.62
					PARTS & LABOR FOR UNIT #3	-20.38
					PARTS & LABOR FOR UNIT #3	474.35
					PARTS & LABOR FOR UNIT #50	-4.79

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
					PARTS & LABOR FOR UNIT #50		98.28
					FUEL USAGE - JULY 2025		2,543.79
					FUEL USAGE - JULY 2025		1,180.74
						Total for Check/Tran - 22458:	5,455.82
22459	9/11/25	DD	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 3 - INV GRP 414 - JULY 2025		125.00
					CYCLE 3 - INV GRP 414 - JULY 2025		716.72
					CYCLE 3 - INV GRP 395 - JULY 2025		16,226.95
						Total for Check/Tran - 22459:	17,068.67
22460	9/11/25	DD	671	FASTENAL COMPANY	MISC PARTS & SUPPLIES		1.29
22461	9/11/25	DD	404	GARAGE DOOR STORE	GARAGE DOOR REPAIR #8		953.75
					GARAGE DOOR REPAIR #8		136.25
						Total for Check/Tran - 22461:	1,090.00
22462	9/11/25	DD	846	HACH COMPANY	Meter		2,415.00
22463	9/11/25	DD	809	HAWKINS, INC.	Water Chemicals		1,886.07
22464	9/11/25	DD	6836	INNOVATIVE OFFICE SOLUTIONS LLC	OFFICE SUPPLIES		92.67
					OFFICE SUPPLIES		23.16
						Total for Check/Tran - 22464:	115.83
22465	9/11/25	DD	417	LOCATORS & SUPPLIES INC.	Locate Flags		2,632.28
22466	9/11/25	DD	1001	MINNESOTA MUNICIPAL POWER AGEN	Purchased Power - AUG 2025		2,480,815.97
					Purchased Power - AUG 2025		780,068.30
						Total for Check/Tran - 22466:	3,260,884.27
22467	9/18/25	DD	11	CITY OF ELK RIVER	SEWER BILLED - AUG 2025		254,423.65
					REVENUE TRANSFER - AUG 2025		185,502.80
					STORMWATER BILLED - AUG 2025		57,056.78
						Total for Check/Tran - 22467:	496,983.23
22468	9/18/25	DD	728	ARCHER PLUMBING LLC	WATER METER INSTALL		663.44
					WATER METER INSTALL		-48.44

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
					WATER METER INSTALL PARTS	50.91
					WATER METER INSTALL PARTS	-3.72
					WATER METER INSTALL	318.24
					WATER METER INSTALL	-23.24
					WATER METER REPAIRS & SERVICE	150.00
					WATER METER REPAIRS & SERVICE	-62.21
					WATER METER REPAIRS & SERVICE	852.21
					Total for Check/Tran - 22468:	1,897.19
22469	9/18/25	DD	1327	AUTOMATIC SYSTEMS CO	WELL REPAIR - WELL #4	718.75
22470	9/18/25	DD	9	BORDER STATES ELECTRIC SUPPLY	Mtce of OH Primary	77.52
					Mtce of OH Primary	122.00
					Mtce of URD Primary	361.80
					Overhead Material	3,155.58
					SPLICE COVER & GROUNDING LUGS	1,076.02
					Mtce of URD Primary	1,398.00
					ANCHOR ROD	220.68
					Overhead Material	464.58
					Total for Check/Tran - 22470:	6,876.18
22471	9/18/25	DD	8843	CAMPBELL KNUTSON	LEGAL SERVICES - AUG 2025	862.40
					LEGAL SERVICES - AUG 2025	215.60
					Total for Check/Tran - 22471:	1,078.00
22472	9/18/25	DD	7448	CRC	CUSTOMER SERVICE AFTER HOURS	2,748.97
					CUSTOMER SERVICE AFTER HOURS	687.24
					Total for Check/Tran - 22472:	3,436.21
22473	9/18/25	DD	3667	ELFERING & ASSOCIATES	PROFESSIONAL SERVICES - AUG 2025	1,575.00
					PROFESSIONAL SERVICES - AUG 2025	225.00
					PROFESSIONAL SERVICES - AUG 2025	750.00
					Total for Check/Tran - 22473:	2,550.00

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Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
22474	9/18/25	DD	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 4 - INV GRP 396 - AUG 2025	281.49
					CYCLE 4 - INV GRP 415 - AUG 2025	175.00
					CYCLE 4 - INV GRP 415 - AUG 2025	1,606.39
					CYCLE 1 - ACCT 183 - AUG 2025	546.58
					CYCLE 1 - INV GRP 101 - AUG 2025	3,578.92
					CYCLE 1 - INV GRP 101 - AUG 2025	38.90
					CYCLE 1 - INV GRP 101 - AUG 2025	1,259.31
					CYCLE 1 - INV GRP 101 - AUG 2025	556.61
					CYCLE 1 - INV GRP 101 - AUG 2025	314.83
					CYCLE 1 - INV GRP 325 - AUG 2025	325.00
					CYCLE 1 - INV GRP 325 - AUG 2025	16,470.75
					Total for Check/Tran - 22474:	25,153.78
22475	9/18/25	DD	671	FASTENAL COMPANY	MISC PARTS & SUPPLIES	176.91
					MISC PARTS & SUPPLIES	22.67
					MISC PARTS & SUPPLIES	22.68
					Bolt	131.49
					Nut	49.19
					Washer	81.73
					Bolt	-131.49
					Nut	-49.19
					Washer	-81.73
					Total for Check/Tran - 22475:	222.26
22476	9/18/25	DD	91	GOPHER STATE ONE-CALL	LOCATES FOR - AUG 2025	652.79
					LOCATES FOR - AUG 2025	34.36
					Total for Check/Tran - 22476:	687.15
22477	9/18/25	DD	809	HAWKINS, INC.	Water Chemicals	1,645.59
22478	9/18/25	DD	6836	INNOVATIVE OFFICE SOLUTIONS LLC	OFFICE SUPPLIES	79.83
					OFFICE SUPPLIES	29.83
					Total for Check/Tran - 22478:	109.66

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22479	9/18/25	DD	8083	JT SERVICES OF MINNESOTA	Hand Hole		1,085.00
					Ball		174.43
					Plant Holder		199.86
						Total for Check/Tran - 22479:	1,459.29
22480	9/18/25	DD	330	METRO SALES, INC	COPIER MTC CONTRACT - 7/21 to 8/20/25		170.83
					COPIER MTC CONTRACT - 7/21 to 8/20/25		42.71
						Total for Check/Tran - 22480:	213.54
22481	9/18/25	DD	9214	MOODY'S INVESTORS SERVICE, INC.	ANNUAL FEE - 9/1/24 to 8/31/25		1,000.00
22482	9/18/25	DD	573	NCPERS MINNESOTA	EXTRA LIFE INSURANCE - OCT 2025		268.80
					EXTRA LIFE INSURANCE - OCT 2025		35.20
						Total for Check/Tran - 22482:	304.00
22483	9/18/25	DD	9300	NISC	MISC INVOICE - AUG 2025		684.93
					MISC INVOICE - AUG 2025		171.23
					AGREEMENTS INVOICE - AUG 2025		53.93
					AGREEMENTS INVOICE - AUG 2025		785.79
					AGREEMENTS INVOICE - AUG 2025		11,437.06
					AGREEMENTS INVOICE - AUG 2025		260.00
					AGREEMENTS INVOICE - AUG 2025		336.76
					AGREEMENTS INVOICE - AUG 2025		2,571.84
					AGREEMENTS INVOICE - AUG 2025		65.00
					PRINT SERVICES - AUG 2025		8,332.08
					PRINT SERVICES - AUG 2025		1,908.00
						Total for Check/Tran - 22483:	26,606.62
22484	9/18/25	DD	8897	RALPHIE'S MINNOCO	RALPHIE'S MINNOCO		75.11
22485	9/18/25	DD	7940	SCHWEITZER ENGINEERING LABORAT	Controller		12,294.97
89759	9/4/25	CHK	790	AE2S	SCADA SYSTEM ASSESSMENT		1,481.25
89760	9/4/25	CHK	218	AIRGAS USA LLC	SAFETY VESTS		-14.54

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Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
					SAFETY VESTS	199.30
					SAFETY VESTS	-3.64
					SAFETY VESTS	49.83
					Total for Check/Tran - 89760:	230.95
89761	9/4/25	CHK	4531	AT & T MOBILITY	CELL PHONES & iPAD BILLING	29.18
					CELL PHONES & iPAD BILLING	2,503.38
					CELL PHONES & iPAD BILLING	12.49
					CELL PHONES & iPAD BILLING	641.65
					Total for Check/Tran - 89761:	3,186.70
89762	9/4/25	CHK	9997	TERESA BACKES	INACTIVE REFUND	392.96
89763	9/4/25	CHK	7003	BURNDY LLC	Tool Repair	593.31
89764	9/4/25	CHK	549	CHARTER COMMUNICATIONS	OFFICE TELEPHONE & CABLE	197.38
					OFFICE TELEPHONE & CABLE	49.34
					Total for Check/Tran - 89764:	246.72
89765	9/4/25	CHK	28	CINTAS	MATS & TOWELS	429.42
					MATS & TOWELS	61.35
					Total for Check/Tran - 89765:	490.77
89766	9/4/25	CHK	54	CORE & MAIN LP	GASKET	61.87
					GASKET	-4.52
					Water Meter	22,139.89
					CORDONEL	-1,616.24
					1 1/2 REPAIR LID	521.71
					1 1/2 REPAIR LID	-521.71
					Total for Check/Tran - 89766:	20,581.00
89767	9/4/25	CHK	656	DGR ENGINEERING	ARC FLASH ASSESSMENT - JULY 2025	1,404.00
					PROFESSIONAL SERVICES - JULY 2025	20,342.00
					PROFESSIONAL SERVICES - JULY 2025	468.50
					Total for Check/Tran - 89767:	22,214.50

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89768	9/4/25	CHK	9997	STEVE DOMBECK	INACTIVE REFUND	125.00
89769	9/4/25	CHK	810	FEDEX FREIGHT	RE-DELIVERY CHARGE	36.28
89770	9/4/25	CHK	9997	FORTUNE DEVELOPMENT II LLC	Credit Balance Refund	2,000.66
89771	9/4/25	CHK	8949	FS3 INC.	THREAD LUBE - UNIT #56	740.71
89772	9/4/25	CHK	80	GRAINGER	FILTER	121.49
					FILTER	121.49
					MOTOR	-24.24
					MOTOR	332.05
					MOTOR	-307.81
					Total for Check/Tran - 89772:	242.98
89773	9/4/25	CHK	9997	CYNTHIA HEMMER	INACTIVE REFUND	53.13
89774	9/4/25	CHK	9997	HP MINNESOTA I, LLC	Credit Balance Refund	257.63
89775	9/4/25	CHK	9997	LISA HUTTNER	INACTIVE REFUND	102.59
89776	9/4/25	CHK	9997	LATEASHA JACKSON	Credit Balance Refund	102.59
89777	9/4/25	CHK	9997	MARK JOHNSON	Credit Balance Refund	125.06
89778	9/4/25	CHK	9997	MATTHEW JOHNSON	INACTIVE REFUND	14.71
89779	9/4/25	CHK	9997	LENNAR HOMES	Credit Balance Refund	35.44
89780	9/4/25	CHK	9997	LENNAR HOMES	Credit Balance Refund	63.59
89781	9/4/25	CHK	9997	LENNAR HOMES	Credit Balance Refund	182.91
89782	9/4/25	CHK	9997	LENNAR HOMES	Credit Balance Refund	126.11
89783	9/4/25	CHK	8605	MARCO TECHNOLOGIES, LLC	OFFICE 365 - 7/24 to 8/23/25	1,314.22
					OFFICE 365 - 7/24 to 8/23/25	305.36
					ACE PROGRAM - 7/29 to 8/28/25	1,454.43

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Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
					ACE PROGRAM - 7/29 to 8/28/25		363.61
						Total for Check/Tran - 89783:	3,437.62
89784	9/4/25	CHK	9997	LIUBOVI MARCU	INACTIVE REFUND		35.37
89785	9/4/25	CHK	9997	AARON MAURER	INACTIVE REFUND		92.93
89786	9/4/25	CHK	16	MINNESOTA DEPT OF HEALTH	Dues & Subscriptions		14,230.00
89787	9/4/25	CHK	147	MINNESOTA POLLUTION CONTROL AG	WATER OPERATOR RENEWAL - 157		23.00
89788	9/4/25	CHK	120	NAPA AUTO PARTS	AIR COMPRESSOR OIL		64.56
					FAULT INDICATOR PLUGS - UNIT #8		8.68
						Total for Check/Tran - 89788:	73.24
89789	9/4/25	CHK	811	PRIME ADVERTISING & DESIGN, INC.	Marketing		1,500.00
89790	9/4/25	CHK	9997	FRANCIS RAKOWSKI	INACTIVE REFUND		40.72
89791	9/4/25	CHK	9997	MICHELE SHERMAN	INACTIVE REFUND		49.58
89792	9/4/25	CHK	808	SOUTHERN STATES LLC	Disconnect		17,963.00
89793	9/4/25	CHK	6107	STUART C. IRBY CO.	WIRE		877.28
89794	9/4/25	CHK	3360	THE UPS STORE 5093	SHIPPING		91.00
89795	9/4/25	CHK	331	TRANSUNION	SKIP TRACING - JULY 2025		60.00
					SKIP TRACING - JULY 2025		15.00
						Total for Check/Tran - 89795:	75.00
89796	9/4/25	CHK	222	UC LABORATORY	WATER SAMPLES - AUG 2025		16.17
89797	9/4/25	CHK	3405	US POSTAL SERVICE	PO BOX RENEWAL		348.80
					PO BOX RENEWAL		87.20
						Total for Check/Tran - 89797:	436.00
89798	9/4/25	CHK	375	VIKING ELECTRIC	CONNECTOR		-33.10
					CONNECTOR		453.46

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Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
					Mtce of OH Primary		72.45
						Total for Check/Tran - 89798:	492.81
89799	9/4/25	CHK	9997	CASSIE WAGNER	INACTIVE REFUND		13.00
89800	9/4/25	CHK	9997	JILL WEGERER	Credit Balance Refund		364.24
89802	9/11/25	CHK	568	ALLINA HEALTH SYSTEM	AED		1,235.00
					AED Cabinet		140.00
					AED Truck 17		2,100.00
					AED		65.00
					AED Cabinet		35.00
						Total for Check/Tran - 89802:	3,575.00
89803	9/11/25	CHK	771	ANDERSON PROCESS	PUMP RENTAL		45.97
89804	9/11/25	CHK	5224	BLUE CROSS BLUE SHIELD OF MINNES	VISION INSURANCE - OCT 2025		271.71
					VISION INSURANCE - OCT 2025		84.33
						Total for Check/Tran - 89804:	356.04
89805	9/11/25	CHK	9997	CAPSTONE HOMES	Credit Balance Refund		153.85
89806	9/11/25	CHK	9997	CAPSTONE HOMES	Credit Balance Refund		75.38
89807	9/11/25	CHK	9997	CAPSTONE HOMES	Credit Balance Refund		111.75
89808	9/11/25	CHK	9997	CAPSTONE HOMES	Credit Balance Refund		75.81
89809	9/11/25	CHK	54	CORE & MAIN LP	1 1/4 REPAIR LID		678.01
89810	9/11/25	CHK	813	DAKOTA COUNTY TECHNICAL COLLE	2025 SCHOLARSHIP - MADSEN		1,000.00
89811	9/11/25	CHK	5249	DRIVER & VEHICLE SERVICES	CRASH REPORT		5.00
89812	9/11/25	CHK	19	ELK RIVER AREA CHAMBER OF COMM	MEMBERSHIP RENEWAL		520.00
					MEMBERSHIP RENEWAL		130.00
						Total for Check/Tran - 89812:	650.00

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89813	9/11/25	CHK	761	EROSION WORKS	SILT FENCE INSTALLATION	1,116.18
89814	9/11/25	CHK	8949	FS3 INC.	PARTS & LABOR FOR UNIT #56	436.24
89815	9/11/25	CHK	730	GREATAMERICA FINANCIAL SERVICES	LEASE FOR COPIER AT PLANT	105.01
					LEASE FOR COPIER AT PLANT	26.26
					Total for Check/Tran - 89815:	131.27
89816	9/11/25	CHK	631	HEALTHPARTNERS	DENTAL EE INSURANCE - OCT 2025	795.87
					DENTAL ER INSURANCE - OCT 2025	2,154.50
					MEDICAL EE INSURANCE - OCT 2025	10,460.45
					MEDICAL ER INSURANCE - OCT 2025	56,480.92
					MEDICAL COBRA INSURANCE - OCT 2025	1,320.06
					DENTAL EE INSURANCE - OCT 2025	140.04
					DENTAL ER INSURANCE - OCT 2025	653.21
					MEDICAL EE INSURANCE - OCT 2025	2,695.55
					MEDICAL ER INSURANCE - OCT 2025	15,255.88
					Total for Check/Tran - 89816:	89,956.48
89817	9/11/25	CHK	9997	WAYNE L JOHNSON	Credit Balance Refund	295.88
89818	9/11/25	CHK	8605	MARCO TECHNOLOGIES, LLC	PRINTER MTC CONTRACT - 9/1 to 10/1/25	196.66
					PRINTER MTC CONTRACT - 9/1 to 10/1/25	49.16
					Total for Check/Tran - 89818:	245.82
89819	9/11/25	CHK	8605	MARCO TECHNOLOGIES, LLC	BARRACUDA ARCHIVING SERVICE	985.46
					BARRACUDA ARCHIVING SERVICE	246.37
					Total for Check/Tran - 89819:	1,231.83
89820	9/11/25	CHK	119	MINNESOTA COMPUTER SYSTEMS INC	COPIER MTC CONTRACT - 8/12 to 9/11/25	78.00
					COPIER MTC CONTRACT - 8/12 to 9/11/25	19.49
					Total for Check/Tran - 89820:	97.49
89821	9/11/25	CHK	716	MOTION AUTOMATION INTELLIGENCE	Substation	679.27
89822	9/11/25	CHK	9997	NSP PROPERTIES	Credit Balance Refund	304.40

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89823	9/11/25	CHK	811	PRIME ADVERTISING & DESIGN, INC.	MONTHLY HOSTING OF WEBSITE	40.00
					MONTHLY HOSTING OF WEBSITE	40.00
					MONTHLY HOSTING OF WEBSITE	20.00
					Total for Check/Tran - 89823:	100.00
89824	9/11/25	CHK	574	REPUBLIC SERVICES, INC	TRASH & RECYCLING SERVICE - AUG 2025	408.73
					TRASH & RECYCLING SERVICE - AUG 2025	72.87
					TRASH & RECYCLING SERVICE - AUG 2025	10.41
					TRASH & RECYCLING SERVICE - AUG 2025	139.81
					TRASH & RECYCLING SERVICE - AUG 2025	1,949.33
					TRASH & RECYCLING SERVICE - AUG 2025	59.92
					TRASH & RECYCLING SERVICE - AUG 2025	278.48
					Total for Check/Tran - 89824:	2,919.55
89825	9/11/25	CHK	9999	SCHLOMKA'S VAC TRUCK SERVICE IN	Hydrant Rental Deposit Refund	842.13
89826	9/11/25	CHK	6107	STUART C. IRBY CO.	FAULT TRACKER	17,400.00
89827	9/11/25	CHK	9997	THE ESTATE OF MARCO GONZALAZ	INACTIVE REFUND	485.50
89828	9/11/25	CHK	3360	THE UPS STORE 5093	SHIPPING	135.31
					SHIPPING	23.36
					SHIPPING	22.74
					Total for Check/Tran - 89828:	181.41
89829	9/11/25	CHK	543	USABLUEBOOK	MANHOLE LID EXTRACTOR	332.13
89830	9/11/25	CHK	55	WESCO RECEIVABLES CORP.	Spring Washers	71.20
89831	9/18/25	CHK	593	ABRA AUTOBODY & GLASS	PARTS & LABOR FOR UNIT #24	281.77
89832	9/18/25	CHK	9997	JESSICA ANDERSON	INACTIVE REFUND	25.03
89833	9/18/25	CHK	9997	GARY BAGGENSTOSS	INACTIVE REFUND	107.94
89834	9/18/25	CHK	2920	BATTERIES PLUS BULBS	D BATTERIES	236.12
					BATTERIES	7.50

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Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
						Total for Check/Tran - 89834:	243.62
89835	9/18/25	CHK	662	BENEFIT EXTRAS, INC	COBRA ADMINISTRATION - 19		15.00
89836	9/18/25	CHK	8215	BROTHERS FIRE & SECURITY	ANNUAL MONITORING FSB - 9/25 to 8/26		519.15
					ANNUAL MONITORING FSB - 9/25 to 8/26		74.16
						Total for Check/Tran - 89836:	593.31
89837	9/18/25	CHK	54	CORE & MAIN LP	Meter		44,506.00
					METER COUPLINGS		749.00
						Total for Check/Tran - 89837:	45,255.00
89838	9/18/25	CHK	9192	ELK RIVER CUB FOODS	SNACKS FOR SAFETY MEETING		61.64
					SNACKS FOR SAFETY MEETING		15.41
						Total for Check/Tran - 89838:	77.05
89839	9/18/25	CHK	24	ELK RIVER PRINTING & VENTURE PRO	AMI WATER DOOR HANGERS		126.04
89840	9/18/25	CHK	122	ELK RIVER WINLECTRIC	MISC PARTS & SUPPLIES		-1.38
					MISC PARTS & SUPPLIES		18.85
					WIRE		751.48
					WIRE		-54.85
					INTERIOR LIGHT DRIVERS		-14.85
					INTERIOR LIGHT DRIVERS		203.22
					INTERIOR LIGHT DRIVERS		-2.11
					INTERIOR LIGHT DRIVERS		29.02
					MOGAL BASE LAMP		983.82
					MOGAL BASE LAMP		-71.82
					BATTERY PACK		-13.79
					Battery		188.79
					PHOTO SENSOR		-1.41
					PHOTO SENSOR		19.29
					CONNECTORS		-1.57
					CONNECTORS		21.43

Accounts Payable
Check Register

09/01/2025 To 09/30/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
					LED LAMP & LED STRIP	-29.74
					Driver	291.26
					Lamps	116.12
					PVC	-7.07
					PVC	96.80
					Total for Check/Tran - 89840:	2,521.49
89841	9/18/25	CHK	5489	EPIC FENCE CO	Fencing	41,270.00
89842	9/18/25	CHK	8949	FS3 INC.	PARTS FOR UNIT #56	107.57
					Traffic Cones	595.10
					Total for Check/Tran - 89842:	702.67
89843	9/18/25	CHK	308	HASSAN SAND & GRAVEL	PULVERIZED TOPSOIL	234.34
					PULVERIZED TOPSOIL	234.34
					Total for Check/Tran - 89843:	468.68
89844	9/18/25	CHK	5341	HUBBARD ELECTRIC	METER REPLACE - 9654 PARKINGTON	715.75
					METER REPLACE - 9654 PARKINGTON	-15.75
					Total for Check/Tran - 89844:	700.00
89845	9/18/25	CHK	48	LEAGUE OF MN CITIES INS TRUST	WORK COMP RENEWAL - 10/25 TO 10/26	41,977.70
					WORK COMP RENEWAL - 10/25 TO 10/26	12,780.30
					Total for Check/Tran - 89845:	54,758.00
89846	9/18/25	CHK	145	MENARDS	MISC PARTS & SUPPLIES	19.65
					PARTS FOR EAST SUB	154.09
					REBATE	-55.83
					REBATE	-12.30
					REBATE	-0.66
					MISC PARTS & SUPPLIES	86.26
					MISC PARTS & SUPPLIES	18.01
					SIMPLE GREEN CLEANER - UNIT #56	21.55
					Total for Check/Tran - 89846:	230.77

Accounts Payable
Check Register

09/01/2025 To 09/30/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
89847	9/18/25	CHK	7293	MINNESOTA DEPT OF COMMERCE	2026 QTR 2 INDIRECT ASSESSMENT		7,598.30
89848	9/18/25	CHK	9999	MP NEXLEVEL LLC	Hydrant Rental Deposit Refund		143.04
89849	9/18/25	CHK	9997	LISA NOLAN	INACTIVE REFUND		101.99
89850	9/18/25	CHK	561	PROBEWELL LAB INC	Meter Tool		466.13
					Tools		383.87
						Total for Check/Tran - 89850:	850.00
89851	9/18/25	CHK	3218	RDO EQUIPMENT CO.	PARTS & LABOR FOR UNIT #56		1,928.02
					PARTS & LABOR FOR UNIT #56		-1,928.02
					PARTS & LABOR FOR UNIT #56		690.52
					PARTS FOR UNIT #62		-24.46
					PARTS FOR UNIT #62		311.44
						Total for Check/Tran - 89851:	977.50
89852	9/18/25	CHK	9997	S W WOLD CONSTRUCTION INC	INACTIVE REFUND		94.95
89853	9/18/25	CHK	9997	ASHLEY SANDERS	INACTIVE REFUND		368.83
89854	9/18/25	CHK	9997	JUSTIN SCHAAPVELD	INACTIVE REFUND		105.93
89855	9/18/25	CHK	848	SHERBURNE COUNTY PUBLIC WORKS	UTILTY PERMIT		100.00
					UTILITY PERMIT		100.00
						Total for Check/Tran - 89855:	200.00
89856	9/18/25	CHK	8141	SPEEDCUTTERS OUTDOOR MAINTENA	LAWN MOWING SERVICES		867.69
					LAWN MOWING SERVICES		2,155.57
						Total for Check/Tran - 89856:	3,023.26
89857	9/18/25	CHK	6107	STUART C. IRBY CO.	TESTING CHARGE		138.10
					Grounds		840.00
						Total for Check/Tran - 89857:	978.10
89858	9/18/25	CHK	3360	THE UPS STORE 5093	SHIPPING		15.02

Accounts Payable
Check Register

09/01/2025 To 09/30/2025

Bank Account: 5 - GENERAL FUND WITHDRAWALS

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
89859	9/18/25	CHK	9997	WILLIAM THOMPSON	INACTIVE REFUND		521.86
89860	9/18/25	CHK	209	ULINE	PALLET RACKING - EAST SUB		1,265.85
89861	9/18/25	CHK	543	USABLUEBOOK	Rental Meter		1,927.17
89862	9/18/25	CHK	783	VICTORY CLEANING SERVICES	MONTHLY CLEANING FOR THE PLANT-AUG 2025		2,968.59
					MONTHLY CLEANING FOR THE PLANT-AUG 2025		424.08
					Total for Check/Tran - 89862:		3,392.67
					Total for Bank Account - 5 :	(186)	5,164,544.26
					Grand Total :	(187)	5,175,025.64

Accounts Payable
Check Register

PARAMETERS ENTERED:

Check Date:	09/01/2025 To 09/30/2025
Bank:	All
Vendor:	All
Check:	
Journal:	All
Format:	All GL References/Amounts
Extended Reference:	No
Sort By:	Check/Transaction
Voids:	None
Payment Type:	All
Group By Payment Type:	No
Minimum Amount:	0.00
Authorization Listing:	No
Credit Card Charges:	No

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

September 9, 2025

Members Present:	Chair John Dietz, Vice Chair Mary Stewart, Commissioners Jill Larson-Vito, Matt Westgaard, and Nick Zerwas
ERMU Staff Present:	Mark Hanson, General Manager Sara Youngs, Administrations Director Melissa Karpinski, Finance Manager Tony Mauren, Governance & Communications Manager Tom Geiser, Operations Director Chris Sumstad, Electric Superintendent Dave Ninow, Water Superintendent Jenny Foss, Communications & Administrative Coordinator Michelle M., Credit & Collections Specialist
Others Present:	Jared Shepherd, Attorney; Cal Portner, City Administrator

1.0 GOVERNANCE

1.1 Call Meeting to Order

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

1.2 Pledge of Allegiance

The Pledge of Allegiance was recited.

1.3 Consider the Agenda

Chair Dietz requested the addition of item 5.5 Payment in Lieu of Taxes (PILOT) to the September agenda.

Moved by Commissioner Westgaard and seconded by Commissioner Zerwas to approve the amended September 9, 2025, agenda. Motion carried 5-0

1.4 Recognition of Employee Longevity – Michelle M., 20 years

Ms. Youngs introduced Michelle M. to be recognized for her 20 years of service as ERMU's Credit & Collections Specialist. Ms. Youngs commended Michelle's ability to keep ERMU uncollectible accounts per revenue dollar well below the national average. Her success in building strong relationships with external partners such as the State of Minnesota, Tri-Cap, and Sherburne County was also highlighted.

Michelle M. thanked the commission and her fellow staff, expressing gratitude for her 20 years as part of ERMU and this community.

There was a round of applause.

1.5 **Resolution Recognizing 2025 Public Power Week**

Mr. Sumstad presented Resolution 25-6 formally recognizing Public Power Week. He emphasized the importance of the event as a way to honor municipal utilities and their employees nationwide. Mr. Sumstad highlighted the value of public power, especially ERMU's community outreach at local events, noting these efforts create meaningful opportunities to engage with and educate customers.

Moved by Commissioner Stewart and seconded by Commissioner Larson-Vito to adopt Resolution 25-6, recognizing Public Power Week, October 5-11, 2025. Motion carried 5-0.

1.6 **Resolution Recognizing 2025 Customer Service Week**

Ms. Youngs presented Resolution 25-7 formally recognizing Customer Service Week. She emphasized that the customer service team's dedication to providing respectful, knowledgeable assistance and building trust directly supports ERMU's mission. She also expressed gratitude for their professionalism and commitment to serving our customers.

Moved by Commissioner Zerwas and seconded by Commissioner Westgaard to adopt Resolution 25-7, recognizing Customer Service Week, October 6-10, 2025. Motion carried 5-0.

2.0 CONSENT AGENDA (Approved By One Motion)

Moved by Commissioner Westgaard and seconded by Commissioner Larson-Vito to approve the Consent Agenda as follows:

2.1 Check Register – August 2025
2.2 Regular Meeting Minutes – August 12, 2025

Motion carried 5-0.

3.0 OPEN FORUM

No one appeared for open forum.

4.0 POLICY & COMPLIANCE

4.1 Commission Policy Review – G.4e – Core Customer Services

Mr. Mauren reviewed policy G.4e – Core Customer Services noting, a staff-recommended change to replace gender specific language of "his or her" with the gender-neutral term "themselves."

Moved by Commissioner Zerwas and seconded by Commissioner Stewart to approve the staff recommended change to policy G.4e. Motion carried 5-0.

4.2 Commission Policy Review – G.4j – Cost Allocation and Recovery

Mr. Mauren reviewed policy G.4j – Cost Allocation and Recovery, noting that to align with industry best practice per the American Public Power Association, ERMU will now conduct a cost-of-service study every five years instead of every ten. Staff recommended an update to the policy language to reflect this change.

Moved by Commissioner Stewart and seconded by Commissioner Zerwas to approve the staff recommended change to policy G.4j. Motion carried 5-0.

5.0 BUSINESS ACTION

5.1 Financial Report – July 2025

Ms. Karpinski presented the July 2025 financials, noting that ERMU's electric sales, including August's numbers, set a new record by surpassing $5 million for the first time. She also reported that water usage remained strong despite significant rainfall.

Commissioner Westgaard asked why electric sales were unusually high compared to previous years. Staff hypothesized that the increase could be due to high heat and humidity, as well as extensive Canadian wildfire smoke, which led many customers to keep their windows closed and air conditioning units running for extended periods.

There was discussion as to why demand in August was lower than the previous month and lower than August 2024 while sales were higher or close to the same. Staff said they would have Technical Services Superintendent Mike Tietz provide an explanation in his October staff update as he was not at the meeting.

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

5.2 **2026 Annual Business Plan: Capital Projects & Equipment Purchases, and 20-Year Capital Projections**

Ms. Karpinski presented a preliminary overview of the 2026 Annual Business Plan: Capital Projects & Equipment Purchases, and 20-Year Capital Projections. Key projects for 2026 include:

- **Electric:** East substation and Otsego transformer upgrades, underground equipment replacement, and the completion of the Advanced Metering Infrastructure project.
- **Water:** A new water treatment plant (estimated at $8 million, to be funded by bond), a new well, watermain construction, and a Freeport booster station.

Chair Dietz asked about the location of the new treatment plant. Mr. Hanson stated that a feasibility study is currently underway to determine the most cost-effective location.

Commissioner Westgaard asked when payments for the territory acquisition will end. Ms. Karpinski stated that they will end in 2033.

5.3 **Advanced Meter Infrastructure Project Discussion**

Mr. Hanson opened the discussion on the Advanced Metering Infrastructure (AMI) project, focusing on the remaining customers who have not yet completed the mandatory AMI meter exchange. At the time of the meeting, he reported that 86 residential water meters still need replacement, as outlined below:

- Remaining residential water customers: 86
- Non-responsive residential water customers: 76
- "To be scheduled" residential water customers: 8.
- Holdouts: 2

Mr. Hanson outlined details of how ERMU plans to proceed with meter changeouts in accordance with city ordinance.

Chair Dietz asked for clarification on the "to be scheduled" group. Mr. Hanson explained that these customers are actively engaging with ERMU, and all have scheduled appointments.

Chair Dietz asked whether certified letters would come from ERMU's attorney or the utility. Mr. Hanson reported that they will be sent directly by the Utility.

Commissioner Stewart asked if staff safety concerns have been addressed. Mr. Hanson confirmed they have.

The Commission approved the staff recommended multi-step plan in accordance with the City's ordinance to achieve compliance before winter.

Mr. Hanson also presented information, based on follow-up conversations with legal staff, regarding the potential use of an administrative search warrant for holdouts.

Following discussion on all the available options for both non-responsive customers and holdouts, the Commission reached consensus and directed staff to follow the same certified letter, posting, and shutoff process for the two active holdouts as for the 76 non-responsive customers.

5.4 **Wage & Benefits Committee Update**

Mr. Hanson provided an update on the Wage & Benefits Committee meeting that took place on September 2. Staff representatives requested applying an additional 0.5% to the 2026 Cost of Living Adjustment (COLA) based on data that was not available when the 2025 Metro Seven Lineworker Average, which is used to in considering all staff's COLA, was calculated. Staff also asked the Committee to consider future reviews of policies related to sick leave payout, on-call standby pay, and the compensation time accrual cap.

Mr. Hanson reminded the Commission that at this first meeting only clarifying questions are asked and nothing is decided. Once the Committee receives answers to clarifying questions from human resources staff, they will have another discussion and present a recommendation to the full Commission.

Chair Dietz explained that the additional 0.54% was not included in consideration because it came from a peer utility's wage step increase. He recalled that commissioners had previously reached consensus not to factor in step increase for the metro seven average.

Mr. Hanson also brought forth a recommendation on the mandatory Minnesota Paid Family and Medical Leave program, which takes effect on January 1, 2026.

Staff's recommendations included:
1. Use a private, third-party insurance carrier, as its quoted premium of 0.81% is more favorable than the state's program rate of 0.88%.
2. Implement an equal 50/50 split of the premium costs between the Utility and its employees.
3. Discontinue the Utility's current short-term disability plan due to significant overlap in benefits with the new leave program.

Commissioner Westgaard discussed policy details that require clarification for future decisions, such as preventing the "stacking" of leave benefits and managing employee health insurance premiums during leave.

The Commission reached consensus for staff to proceed with applying to the State for a waiver in order to use a third-party insurance provider. Staff will continue researching outstanding policy questions and will present a comprehensive recommendation at a future meeting.

5.5 **Payment in Lieu of Taxes**

Chair Dietz introduced the Utility's Payment in Lieu of Taxes (PILOT) to the City of Elk River for discussion. Citing the Utility's strong financial performance, he proposed increasing the cash PILOT from 4% to 5%, providing a 2024 American Public Power Association report showing the regional average at 5.1%.

Mr. Hanson clarified that the Utility's current PILOT includes a 4% cash payment based on gross revenues, supplemented by in-kind services, bringing the total contribution to approximately 4.6%. He also noted that utility profits are held in reserves to fund capital improvement projects.

Commissioner Stewart asked whether the PILOT grows automatically with new customers and rate adjustments. Ms. Karpinski confirmed, citing examples such as additional revenue from the 2019 territory acquisition and the recent energy adjustment clause.

Mr. Hanson added that every 1% of the PILOT equates to roughly $400,000.

Ms. Karpinski noted that the 2025 budget includes a $1.9 million contribution to the city.

Chair Dietz requested that the proposed PILOT increase be added to the agenda for the October commission meeting.

Staff was directed to prepare a report for the next meeting that includes a comparative analysis of healthy reserve fund levels and a detailed breakdown of the utility's financial contributions to the city year-to-date.

6.0 BUSINESS DISCUSSION

6.1 **Staff Updates**

Ms. Youngs reported that a new customer service employee has accepted the position and will begin on September 30.

Mr. Mauren reminded the Commission of the employee appreciation lunch scheduled for October 14 at 11:00 a.m. at the Field Services Building.

Mr. Geiser stated he will be out of the office September 22-26.

Mr. Sumstad reported that while August was a month of high energy sales, it did not set a new system speak. The peak for the month reached 65 megawatts.

6.2 **City Council Update**

Chair Dietz provided a City Council update.

6.3 **Minnesota Municipal Utilities Association Summer Conference Discussion**

Commissioners acknowledged Ms. Youngs for receiving the Rising Star award at this year's conference.

6.4 **Future Planning**

Chair Dietz announced the following:

a. Regular Commission Meeting – October 14, 2025
b. 2025 Governance Agenda

6.5 **Other Business**

There was no other business.

7.0 ADJOURN REGULAR MEETING

Moved by Commissioner Westgaard and seconded by Commissioner Zerwas to adjourn the regular meeting of the Elk River Municipal Utilities Commission 5:01 p.m. Motion carried 5-0.

Minutes prepared by Jenny Foss.

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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: October 14, 2025	**AGENDA ITEM NUMBER:** 4.1
SUBJECT: Commission Policy Review – G.4e1 – Customer Accounts	
ACTION REQUESTED: Adopt updated policy language	

BACKGROUND/DISCUSSION:
This month commissioners are reviewing policy G.4e1 – Customer Accounts to make comments, ask questions, or recommend updates.

With policy G.4e1, the Commission sets forth its expectations for the General Manager concerning customer accounts, responsible person(s), and application for services.

Staff is recommending three minor edits; the first is correcting a typo in section 2.i, the second adds specificity to ERMU's past due payment procedures, and the third rephrases the policy's section on the Cold Weather Rule to avoid the need for future corrections should the date window of the program change again.

ATTACHMENTS:
- Updated ERMU Policy – G.4e1 – Customer Accounts

Elk River Municipal Utilities

COMMISSION POLICY

Section: Governance	Category: Delegation to Management Policies
Policy Reference: **G.4e1**	Policy Title: **Customer Accounts**

PURPOSE:

With this policy, the Commission sets forth its expectations for the General Manager concerning customer accounts, responsible person(s), and application for services.

POLICY:

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

The ERMU Commission expects the General Manager to establish processes, procedures, and management policy which clearly define the terms for core customer services in such that customer service is provided at the highest level possible while considering all customers and customer classes, the short and long term health of the organization, and the safety of employees and the community.

Consistent with this general statement, the General Manager shall:

1. Establish policy and procedures for the application of service which:
   a. Designate the person(s) responsible for the service.
   b. Collect Social Security numbers and Dates of Birth for all persons responsible for service, or in the case of a commercial customer, a signed guarantor form.
   c. Establish a requirement for any customer's previously incurred obligations or delinquent bills to ERMU to be paid in full before a new service is provided.
   d. Establish that in the case of a rental or lease space vacancy, that the account responsibility be designated to the building owner.
   e. Establish that any person receiving service from ERMU which has not applied for service as required by policy, and complied with all applicable policies, shall be considered an

unauthorized user of ERMU service and be subject to penalty and immediate disconnection without notice.
f. Establish that those applying for service from ERMU consent to reasonable access to all ERMU equipment and metering located on customer's property, and that failure to do so may result in disconnection of service.

2. Establish policy and procedures for billing due dates, payments, penalties, and delinquent notices which specify the following requirements:
   a. With consideration for the ERMU billing software abilities, and operationally consistent for the multi-cycle billing process with four billing cycles, customers shall be billed one time per month. The due date shall be clearly specified on the bill sent to customers which shall be approximately 20 days after the bill is generated.
   b. Provide and communicate the availability of multiple payment options, both physical and electronic, for customers to submit payment.
   c. Bills are considered late the next business day following the due date. Reminder notices and notices of delinquency must be provided consistent with applicable law. A grace period of up to 6 days may apply.
   d. For accounts that become delinquent, a penalty shall be applied at the percentage identified in the Commission adopted ***Fee Schedule***.
   e. Any check given in payment for services that is returned by the bank marked Non-Sufficient Funds (NSF), will be subject to an NSF fee as identified in the Commission adopted ***Fee Schedule***.
   f. After continued returned payments, ERMU reserves the right to provide notification to the customer that checks will no longer be accepted for payment on their account. If a customer continues to submit checks for payment after notification, they will be subject to an administrative fee as identified in the Commission adopted ***Fee Schedule.***
   g. Consistent with the ***Customer Deposits Policy***, customers shall be subject to additional deposit requirements after having late payments.
   h. Provide the option for customers to opt out of automatic meter reading, provided the requesting customer would be responsible for 100% of the equipment costs and subject to a manual meter reading fee as identified in the Commission adopted ***Fee Schedule***.
   i. Provide the option for budget payment plans allowing customers the convenience of predictable monthly payments while maintaining ERMU's ability to minimize risk and recover costs and customer obligations.
   j. Provide reasonable and feasible deferred payment programs for customers with legitimate financial difficulty.
   k. Employ any and all reasonable methods for collecting unpaid accounts.

3. Establish policy and procedures for disconnection and reconnection of service:
   a. Establish a policy for authorized customers, who are designated as a responsible party for the account, to request disconnection.
   b. Establish a policy for the disconnection of service with notice of but not limited to, the following: payment or obligation delinquency, failure to apply for service, violation of terms of service agreement, violation of policy or rules, or failure to provide reasonable access to equipment or metering.
   c. Establish a policy for communicating notice of disconnection of service.

d. Establish a policy for the disconnection of service without notice for the following circumstances: unauthorized use of service; tampering with utility equipment or metering; or conditions determined to be hazardous to the customer, equipment, or to the public.
e. Establish a policy defining the conditions for reconnection of service that include the following: customers placed on the disconnection list must pay disconnection/reconnection fee as identified in the Commission adopted ***Fee Schedule***; customers who are in arrears before disconnection shall be required to post an additional deposit consistent with the ***Deposit Policy***; and all past due obligations must be made in full prior to reconnection. Payment of all amounts required for reconnection must be made in the office or online. Only cash, money order, or credit cards will be accepted. There will be no payments collected by field staff.
f. Consistent with Minnesota Statutes Section 216B.097,~~ regarding the Cold Weather Rule,~~ develop a policy addressing non-disconnection for customers meeting the qualification requirements during the Cold Weather Rule period.~~ between October 15 and April 15~~.
g. Consistent with Minnesota Statutes Section 216B.0975, regarding Disconnection During Extreme Heat Conditions, develop a policy addressing non-disconnection for customers meeting the qualification requirements.

4. Establish policy and procedures for customer account disputes:
   a. Consistent with the ***Dispute Resolution Committee Charter Policy***, provide an option for a customer appeal process through the Dispute Resolution Committee for customer issues where resolution requires action not authorized or delegated to management.

POLICY HISTORY:

Adopted	May 12, 2020
Revised	October 14, 2025

UTILITIES COMMISSION MEETING

TO: ERMU Commission	FROM: Melissa Karpinski – Finance Manager
MEETING DATE: October 14, 2025	**AGENDA ITEM NUMBER:** 5.1
SUBJECT: Financial Report – August 2025	
ACTION REQUESTED: Receive the August 2025 Financial Report	

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

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

- Residential usage is up 7%
- Small Commercial usage is up 3%
- Large Commercial usage is up 5%

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

- Residential use is up 12%
- Commercial use is up 6%

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

ATTACHMENTS:

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

- Detailed Water Statement of Revenues, Expenses and Changes in Net Position
- Financial Presentation (presented at meeting)

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

	ELECTRIC	WATER
ASSETS		
CURRENT ASSETS		
CASH	3,223,829	6,014,814
ACCOUNTS RECEIVABLE	3,848,495	5,354,325
INVENTORIES	2,163,407	35,436
PREPAID ITEMS	221,660	59,198
CONSTRUCTION IN PROGRESS	2,077,790	248,725
TOTAL CURRENT ASSETS	11,535,182	11,712,498
RESTRICTED ASSETS		
BOND RESERVE FUND	1,779,016	0
EMERGENCY RESERVE FUND	7,624,536	4,284,575
UNRESTRICTED RESERVE FUND	0	0
TOTAL RESTRICTED ASSETS	9,403,551	4,284,575
FIXED ASSETS		
PRODUCTION	795,920	17,217,448
LFG PROJECT	0	0
TRANSMISSION	2,305,024	0
DISTRIBUTION	55,402,721	30,869,561
GENERAL	25,630,632	1,632,203
FIXED ASSETS (COST)	84,134,297	49,719,212
LESS ACCUMULATED DEPRECIATION	(38,561,085)	(24,834,056)
TOTAL FIXED ASSETS, NET	45,573,212	24,885,156
INTANGIBLE ASSETS		
POWER AGENCY MEMBERSHIP BUY-IN	21,546,212	0
LOSS OF REVENUE INTANGIBLE	7,169,412	0
LESS ACCUMULATED AMORTIZATION	(4,620,118)	0
TOTAL INTANGIBLE ASSETS, NET	24,095,506	0
OTHER ASSETS AND DEFERRED OUTFLOWS	322,181	61,420
TOTAL ASSETS	90,929,633	40,943,649
LIABILITIES AND FUND EQUITY		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	5,562,441	340,504
SALARIES AND BENEFITS PAYABLE	1,091,741	155,565
DUE TO CITY	854,858	5,080
DUE TO OTHER FUNDS	0	0
NOTES PAYABLE-CURRENT PORTION	0	0
BONDS PAYABLE-CURRENT PORTION	0	0
UNEARNED REVENUE	6,440	439,381
TOTAL CURRENT LIABILITIES	7,515,479	940,530
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	27,170,491	1,485,861
PENSION LIABILITIES	1,708,036	328,984
TOTAL LONG TERM LIABILITIES	28,878,527	1,814,845
TOTAL LIABILITIES	36,394,007	2,755,375
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)	1,925,862	47,430
TOTAL FUND EQUITY	53,328,651	33,499,188
TOTAL LIABILITIES & FUND EQUITY	90,929,633	40,943,649

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
ELECTRIC BALANCE SHEET

	August 31, 2025	July 31, 2025	Current Month Change from Prior Month
ASSETS			
CURRENT ASSETS			
CASH	3,223,829	3,845,813	(621,984)
ACCOUNTS RECEIVABLE	3,848,495	2,691,568	1,156,927
INVENTORIES	2,163,407	2,172,000	(8,593)
PREPAID ITEMS	221,660	223,400	(1,739)
CONSTRUCTION IN PROGRESS	2,077,790	1,662,678	415,112
TOTAL CURRENT ASSETS	11,535,182	10,595,460	939,723
RESTRICTED ASSETS			
BOND RESERVE FUND	1,779,016	1,779,016	0
EMERGENCY RESERVE FUND	7,624,536	7,595,869	28,667
TOTAL RESTRICTED ASSETS	9,403,551	9,374,884	28,667
FIXED ASSETS			
PRODUCTION	795,920	795,920	0
TRANSMISSION	2,305,024	2,305,024	0
DISTRIBUTION	55,402,721	55,181,690	221,032
GENERAL	25,630,632	25,630,632	0
FIXED ASSETS (COST)	84,134,297	83,913,265	221,032
LESS ACCUMULATED DEPRECIATION	(38,561,085)	(38,327,668)	(233,417)
TOTAL FIXED ASSETS, NET	45,573,212	45,585,597	(12,385)
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	(4,620,118)	(4,564,440)	(55,678)
TOTAL INTANGIBLE ASSETS, NET	24,095,506	24,151,184	(55,678)
OTHER ASSETS AND DEFERRED OUTFLOWS	322,181	322,181	0
TOTAL ASSETS	90,929,633	90,029,306	900,327
LIABILITIES AND FUND EQUITY			
CURRENT LIABILITIES			
ACCOUNTS PAYABLE	5,562,441	5,617,262	(54,821)
SALARIES AND BENEFITS PAYABLE	1,091,741	1,220,931	(129,190)
DUE TO CITY	854,858	729,916	124,942
UNEARNED REVENUE	6,440	8,050	(1,610)
TOTAL CURRENT LIABILITIES	7,515,479	7,576,158	(60,679)
LONG TERM LIABILITIES			
BONDS PAYABLE, LESS CURRENT PORTION	27,170,491	27,175,480	(4,989)
PENSION LIABILITIES	1,708,036	1,708,036	0
TOTAL LONG TERM LIABILITIES	28,878,527	28,883,516	(4,989)
TOTAL LIABILITIES	36,394,007	36,459,674	(65,668)
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)	1,925,862	959,868	965,994
TOTAL FUND EQUITY	53,328,651	52,362,656	965,994
TOTAL LIABILITIES & FUND EQUITY	90,929,633	90,029,306	900,327

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
WATER BALANCE SHEET

	August 31, 2025	July 31, 2025	Current Month Change from Prior Month
ASSETS			
CURRENT ASSETS			
CASH	6,014,814	5,894,431	120,383
ACCOUNTS RECEIVABLE	5,354,325	5,203,914	150,411
INVENTORIES	35,436	42,042	(6,606)
PREPAID ITEMS	59,198	55,004	4,194
CONSTRUCTION IN PROGRESS	248,725	251,345	(2,620)
TOTAL CURRENT ASSETS	11,712,498	11,446,737	265,761
RESTRICTED ASSETS			
EMERGENCY RESERVE FUND	4,284,575	4,277,408	7,167
TOTAL RESTRICTED ASSETS	4,284,575	4,277,408	7,167
FIXED ASSETS			
PRODUCTION	17,217,448	17,196,492	20,956
DISTRIBUTION	30,869,561	30,835,323	34,238
GENERAL	1,632,203	1,620,497	11,706
FIXED ASSETS (COST)	49,719,212	49,652,312	66,900
LESS ACCUMULATED DEPRECIATION	(24,834,056)	(24,718,575)	(115,481)
TOTAL FIXED ASSETS, NET	24,885,156	24,933,737	(48,581)
INTANGIBLE ASSETS			
OTHER ASSETS AND DEFERRED OUTFLOWS	61,420	61,420	0
TOTAL ASSETS	40,943,649	40,719,302	224,347
LIABILITIES AND FUND EQUITY			
CURRENT LIABILITIES			
ACCOUNTS PAYABLE	340,504	272,089	68,415
SALARIES AND BENEFITS PAYABLE	155,565	187,837	(32,273)
DUE TO CITY	5,080	3,731	1,350
UNEARNED REVENUE	439,381	439,381	0
TOTAL CURRENT LIABILITIES	940,530	903,038	37,492
LONG TERM LIABILITIES			
BONDS PAYABLE, LESS CURRENT PORTION	1,485,861	1,486,415	(554)
PENSION LIABILITIES	328,984	328,984	0
TOTAL LONG TERM LIABILITIES	1,814,845	1,815,399	(554)
TOTAL LIABILITIES	2,755,375	2,718,437	36,938
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)	47,430	(139,979)	187,409
TOTAL FUND EQUITY	33,499,188	33,311,779	187,409
TOTAL LIABILITIES & FUND EQUITY	40,943,649	40,719,302	224,347

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

Electric	2025 AUGUST	2025 YTD	2025 YTD BUDGET	YTD Budget Variance	2025 YTD Bud Var%	2025 ANNUAL BUDGET	2024 AUGUST	2024 YTD	YTD VARIANCE	2024 v. 2025 Actual Var%	Variance Item
Revenue											
Operating Revenue											
Elk River	4,618,851	27,213,751	26,982,208	231,543	1	41,085,728	4,188,692	25,047,017	2,166,734	9	
Otsego	524,741	2,853,900	2,707,631	146,269	5	4,073,730	478,811	2,561,636	292,264	11	
Rural Big Lake	27,251	149,914	156,320	(6,406)	(4)	231,863	25,322	139,780	10,135	7	
Dayton	36,114	191,963	189,802	2,161	1	281,987	32,700	171,389	20,574	12	
Public St & Hwy Lighting	23,903	189,105	174,000	15,105	9	261,000	21,738	173,764	15,341	9	
Other Electric Sales	400	3,200	3,200	0	0	4,800	400	3,200	0	0	
Total Operating Revenue	5,231,261	30,601,833	30,213,161	388,672	1	45,939,108	4,747,663	28,096,785	2,505,048	9	
Other Operating Revenue											
Interest/Dividend Income	62,728	316,099	233,333	82,766	35	350,000	68,742	232,175	83,925	36	(1)
Customer Penalties	30,225	187,886	190,000	(2,114)	(1)	285,000	27,407	178,674	9,213	5	
Connection Fees	21,425	171,221	100,000	71,221	71	150,000	28,725	252,382	(81,161)	(32)	(2)
Misc Revenue	77,564	1,100,111	630,000	470,111	75	972,500	190,846	1,078,748	21,364	2	(3)
Total Other Revenue	191,942	1,775,318	1,153,333	621,985	54	1,757,500	315,721	1,741,978	33,340	2	
Total Revenue	5,423,202	32,377,152	31,366,495	1,010,657	3	47,696,608	5,063,384	29,838,764	2,538,388	9	
Expenses											
Purchased Power	3,260,884	20,929,712	20,600,506	329,206	2	30,599,628	3,100,945	19,752,113	1,177,599	6	
Operating & Mtce Expense	19,259	197,304	227,233	(29,929)	(13)	341,000	18,849	175,871	21,433	12	
Transmission Expense	3,496	24,381	50,667	(26,286)	(52)	76,000	3,135	37,967	(13,586)	(36)	(4)
Distribution Expense	29,962	345,818	347,667	(1,849)	(1)	521,500	24,322	307,856	37,962	12	
Maintenance Expense	142,343	1,192,109	1,452,667	(260,558)	(18)	2,144,500	147,573	1,300,358	(108,250)	(8)	(5)
Depreciation & Amortization	289,095	2,304,533	2,226,368	78,165	4	3,339,552	275,335	2,201,458	103,075	5	
Interest Expense	59,983	495,138	495,138	0	0	735,069	63,258	520,717	(25,579)	(5)	
Other Operating Expense	4,291	72,786	42,267	30,519	72	482,400	29,186	71,440	1,346	2	(6)
Customer Accounts Expense	34,153	276,329	313,333	(37,004)	(12)	470,000	41,340	283,845	(7,516)	(3)	
Administrative Expense	374,221	2,966,317	3,185,873	(219,556)	(7)	4,783,849	349,882	2,693,005	273,312	10	
General Expense	34,351	393,823	426,533	(32,711)	(8)	639,800	64,747	370,777	23,046	6	
Total Expenses(before Operating Transfers)	4,252,037	29,198,250	29,368,251	(170,002)	(1)	44,133,298	4,118,572	27,715,408	1,482,842	5	
Operating Transfer											
Operating Transfer/Other Funds	185,503	1,094,492	1,079,288	15,204	1	1,643,429	168,249	1,007,490	87,002	9	
Utilities & Labor Donated	19,668	158,548	176,667	(18,119)	(10)	265,000	19,746	150,419	8,128	5	
Total Operating Transfer	205,171	1,253,040	1,255,955	(2,915)	(0)	1,908,429	187,996	1,157,909	95,130	8	
Net Income Profit(Loss)	965,994	1,925,862	742,288	1,183,574	159	1,654,881	756,816	965,446	960,416	99	

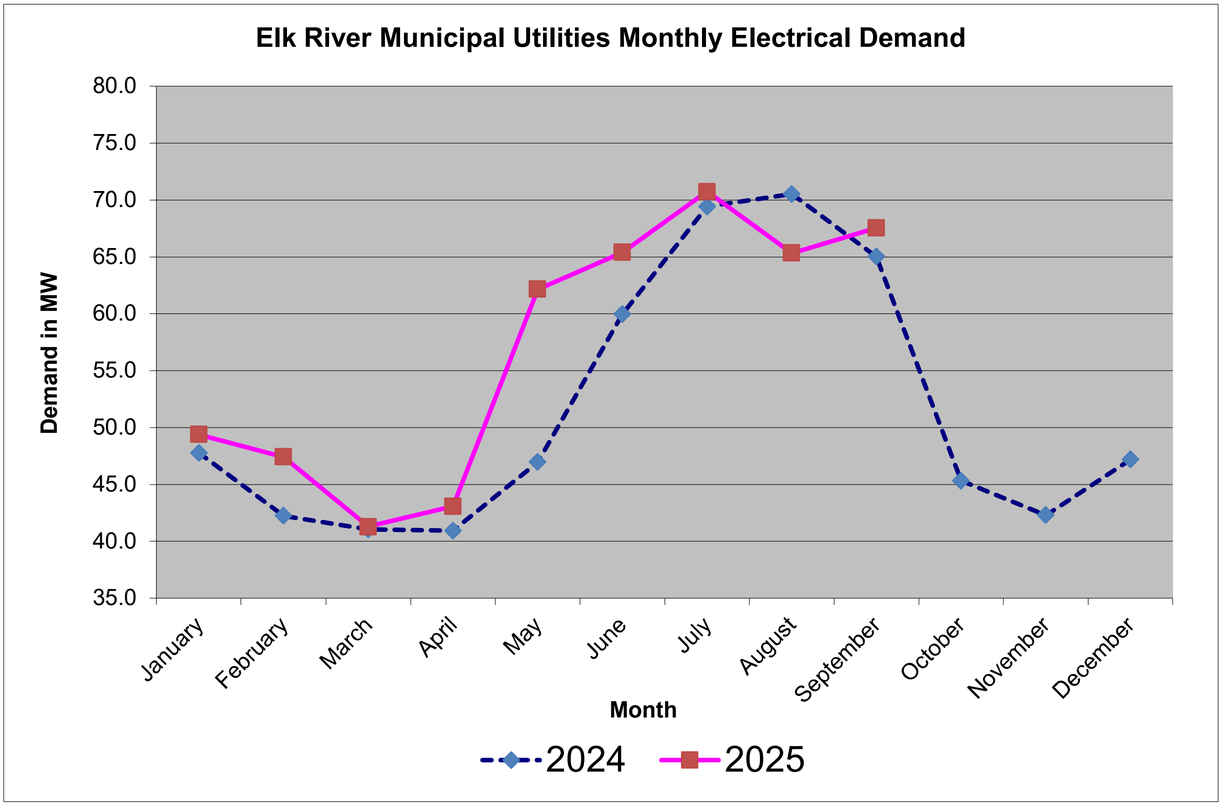
Item	Variance of +/- $25,000 and +/- 15%
(1)	YTD budget variance is due to a conservative budget amount. PYTD variance is mainly due to more funds being invested with UBS and change in Fair Market Value.
(2)	YTD budget variance is due to a large agreement in June. PYTD variance due to large a large connection agreement in January and July of 2024.
(3)	YTD budget variance is mainly due to Contributions from Customers having large SOWs for additional service and/or upgrade and transmission investments.
(4)	YTD budget variance is due to labor expense for transmission mtce (engineer position not filled yet).
(5)	YTD budget variance is mainly due to less Tree Trimming expense timing and Mtce of Substation Equipment, Mtce of Meters (due to timing of AMI project) and transportation expense.
(6)	YTD budget variance is due to loss on disposition of property (disposal of assets) due to timing.

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

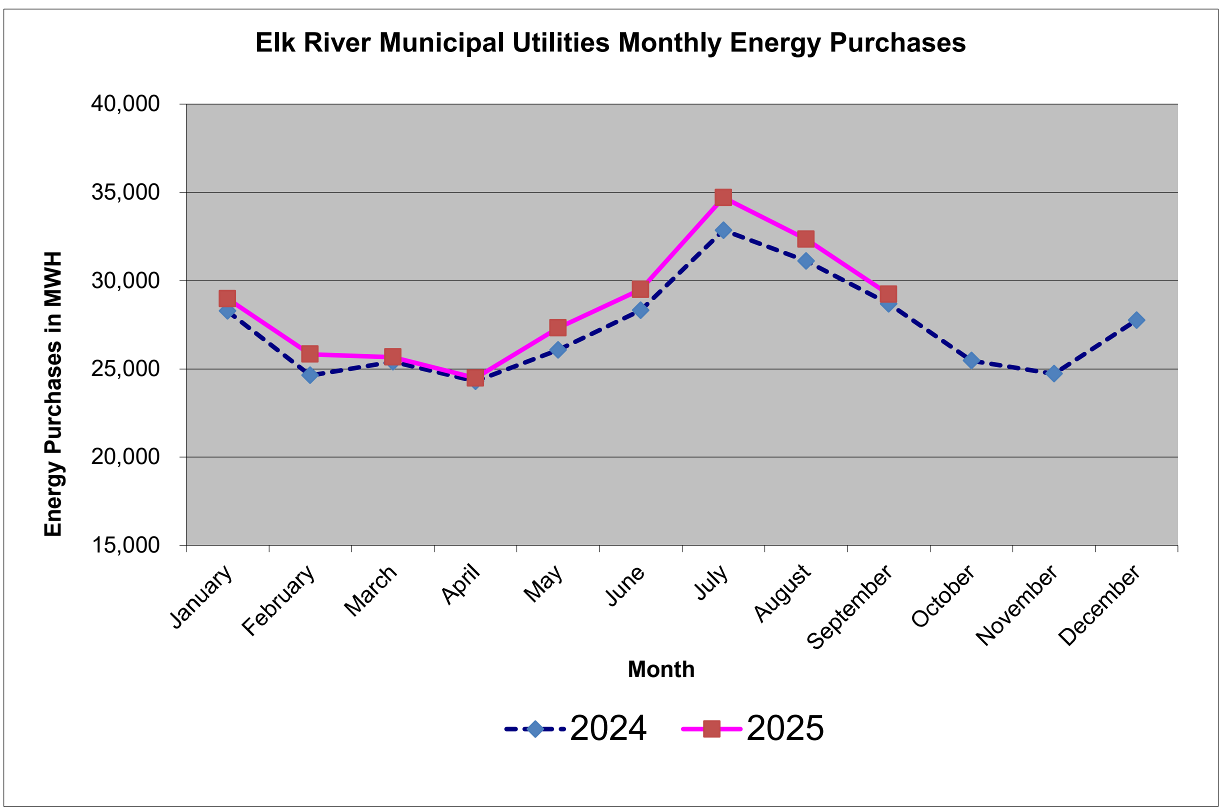
Water	2025 AUGUST	2025 YTD	2025 YTD BUDGET	YTD Budget Variance	2025 YTD Bud Var%	2025 ANNUAL BUDGET	2024 AUGUST	2024 YTD	YTD VARIANCE	2024 v. 2025 Actual Var%	Variance Item
Revenue											
Operating Revenue											
Water Sales	432,179	1,922,766	2,013,310	(90,545)	(4)	3,143,314	412,725	1,744,395	178,370	10	
Total Operating Revenue	432,179	1,922,766	2,013,310	(90,545)	(4)	3,143,314	412,725	1,744,395	178,370	10	
Other Operating Revenue											
Interest/Dividend Income	17,275	88,209	100,667	(12,458)	(12)	151,000	19,338	71,855	16,354	23	(1)
Customer Penalties	6,307	23,101	18,667	4,434	24	28,000	1,926	15,249	7,851	51	
Connection Fees	58,968	533,313	212,333	320,979	151	318,500	120,570	349,612	183,701	53	(2)
Misc Revenue	2,277	73,892	10,400	63,492	611	426,100	1,005	9,393	64,499	687	(3)
Total Other Revenue	84,827	718,514	342,067	376,447	110	923,600	142,838	446,109	272,405	61	
Total Revenue	517,006	2,641,279	2,355,377	285,902	12	4,066,914	555,563	2,190,504	450,775	21	
Expenses											
Production Expense	9,478	85,465	90,000	(4,535)	(5)	135,000	8,735	86,723	(1,258)	(1)	
Pumping Expense	54,890	421,428	448,100	(26,672)	(6)	672,150	57,678	395,210	26,218	7	
Distribution Expense	34,305	325,731	317,600	8,131	3	459,660	28,564	241,819	83,913	35	(4)
Depreciation & Amortization	115,481	923,348	883,910	39,438	4	1,325,866	100,522	807,098	116,250	14	
Interest Expense	2,496	21,483	21,483	0	0	31,466	2,712	23,099	(1,617)	(7)	
Other Operating Expense	82	(15,468)	16,500	(31,968)	(194)	60,750	60	902	(16,370)	(1,815)	(5)
Customer Accounts Expense	8,274	66,954	70,167	(3,213)	(5)	105,250	8,590	62,684	4,270	7	
Administrative Expense	104,197	762,556	803,251	(40,695)	(5)	1,199,700	91,411	655,575	106,981	16	(6)
General Expense	395	2,351	8,167	(5,816)	(71)	12,250	286	2,168	183	8	
Total Expenses(before Operating Transfers)	329,597	2,593,849	2,659,178	(65,329)	(2)	4,002,092	298,558	2,275,279	318,570	14	
Operating Transfer											
Utilities & Labor Donated	0	0	1,333	(1,333)	(100)	2,000	0	0	0	0	
Total Operating Transfer	0	0	1,333	(1,333)	(100)	2,000	0	0	0	0	
Net Income Profit(Loss)	187,409	47,430	(305,134)	352,565	116	62,822	257,005	(84,775)	132,205	156	

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

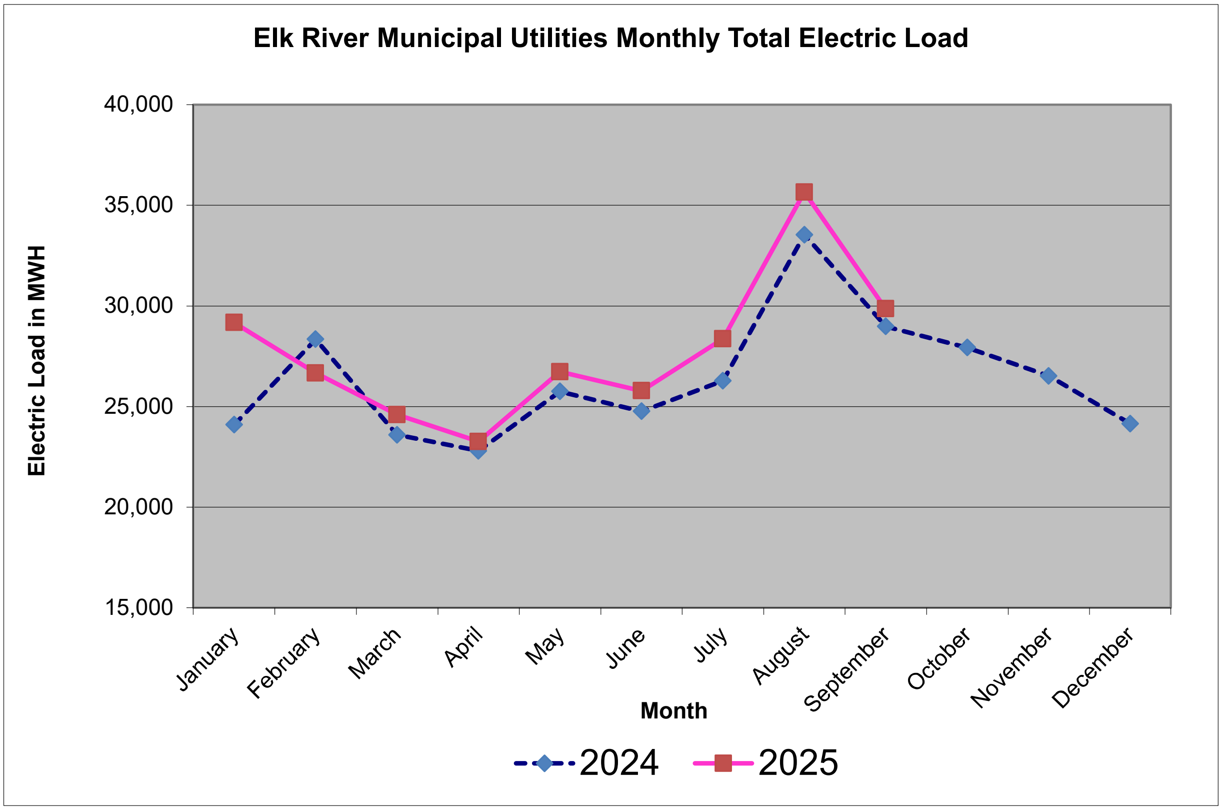
(1) PYTD budget variance is mainly due to more funds being invested with UBS and change in Fair Market Value.
(2) YTD budget variance is due to connection fees being budgeted conservatively and PYTD variance is due to more WAC fees in 2025.
(3) YTD budget variance and PYTD variance is due to Contributions from Developers and initial 3M settlement.
(4) PYTD variance is mainly due to one large watermain repair in 2025 and AMI project (water meter repairs).
(5) YTD budget variance and PYTD variance is due AMI (timing).
(6) 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).

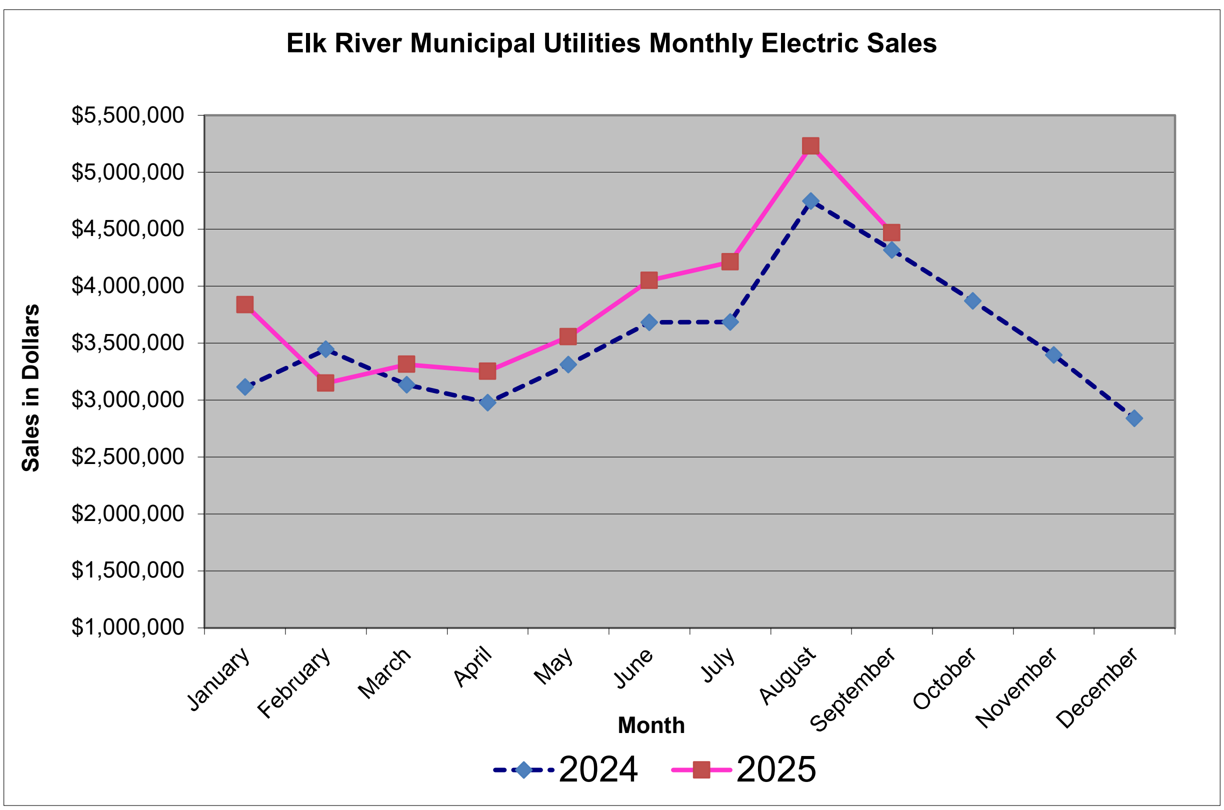


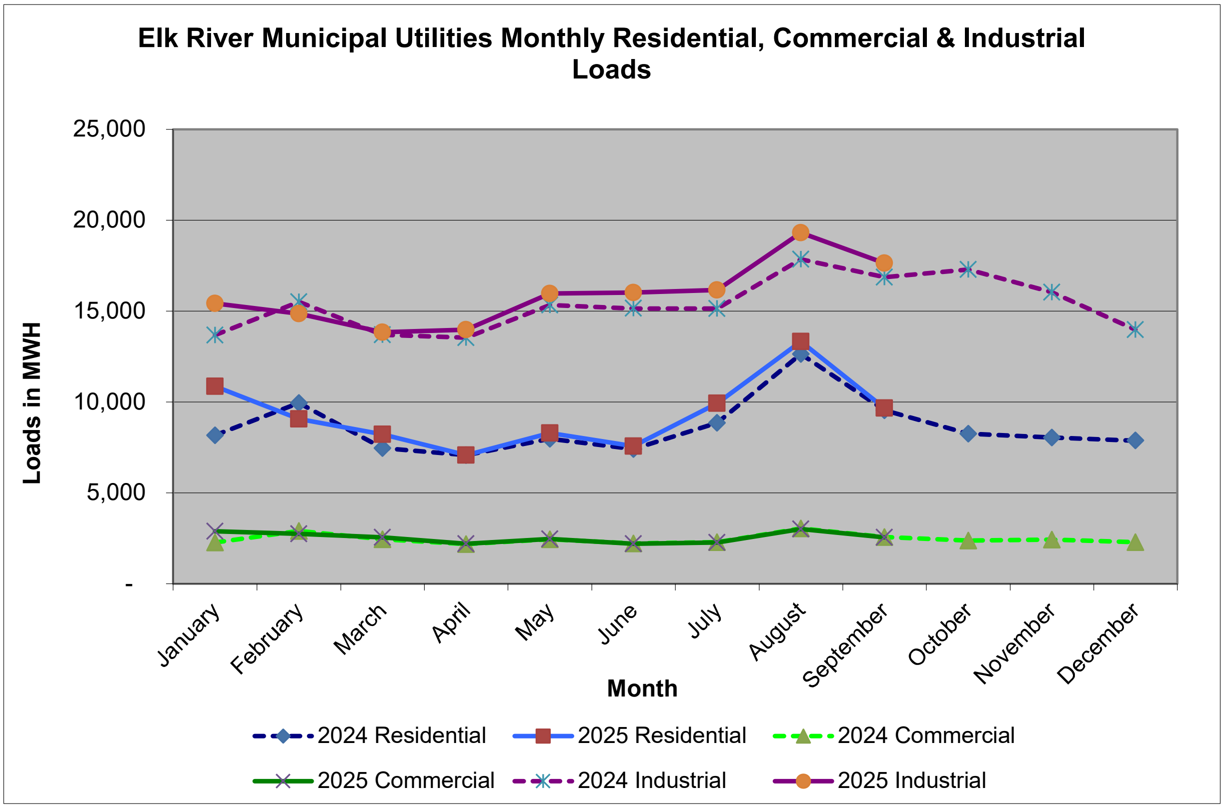
Elk River Municipal Utilities Monthly Electrical Demand
Demand in MW
80.0
75.0
70.0
65.0
60.0
55.0
50.0
45.0
40.0
35.0
January
February
March
April
May
June
July
August
September
October
November
December
Month
2024
2025

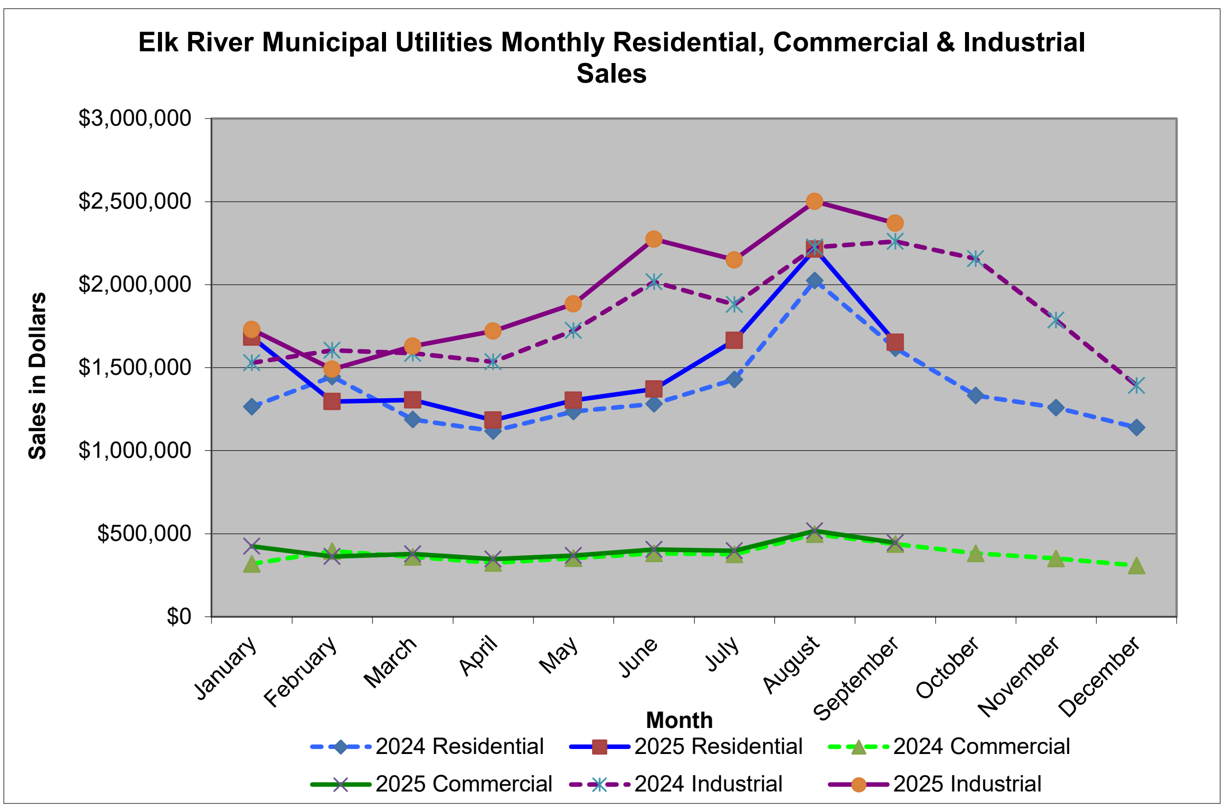


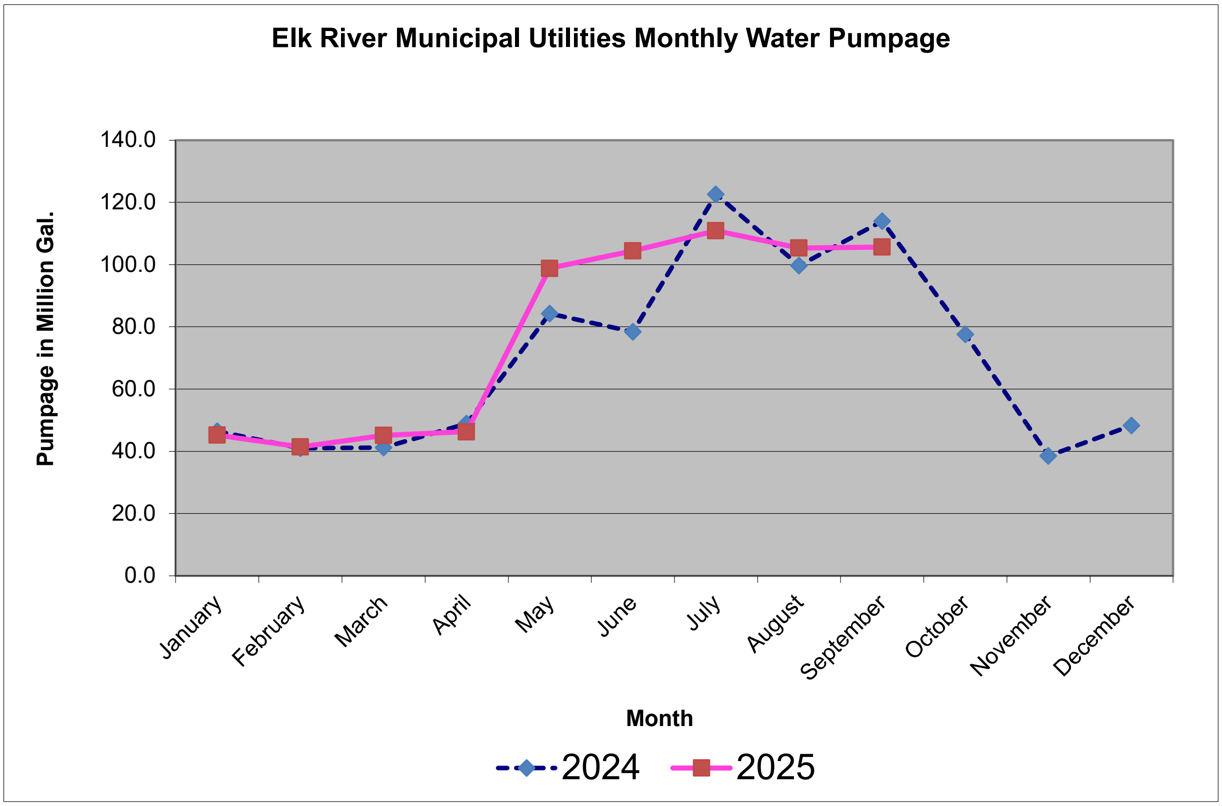
Elk River Municipal Utilities Monthly Energy Purchases
Energy Purchases in MWH
40,000
35,000
30,000
25,000
20,000
15,000
January
February
March
April
May
June
July
August
September
October
November
December
Month
2024
2025


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

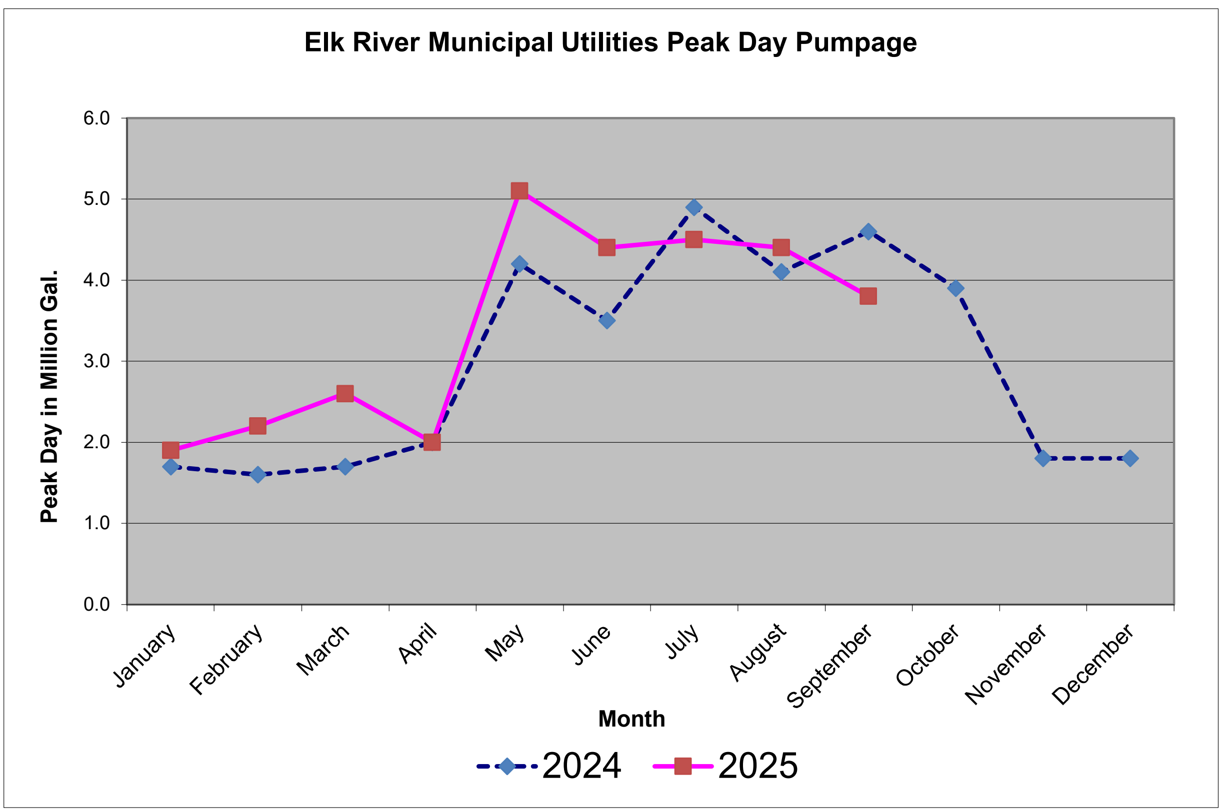

Elk River Municipal Utilities Monthly Electric Sales
$5,500,000
$5,000,000
$4,500,000
$4,000,000
$3,500,000
$3,000,000
$2,500,000
$2,000,000
$1,500,000
$1,000,000
Sales in Dollars
January
February
March
April
May
June
July
August
September
October
November
December
Month
2024
2025


Elk River Municipal Utilities Monthly Residential, Commercial & Industrial Loads
25,000
20,000
15,000
10,000
5,000
-
Loads in MWH
January
February
March
April
May
June
July
August
September
October
November
December
Month
2024 Residential
2025 Residential
2024 Commercial
2025 Commercial
2024 Industrial
2025 Industrial

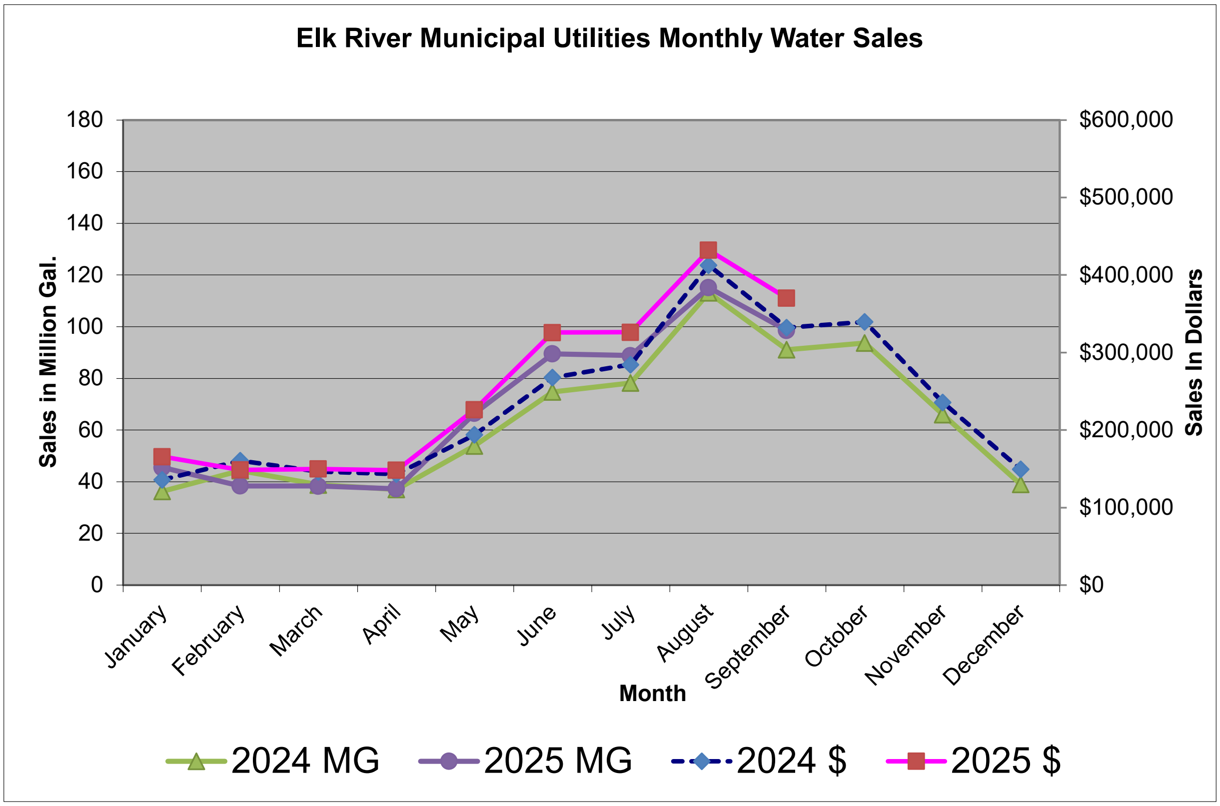

Elk River Municipal Utilities Monthly Residential, Commercial & Industrial Sales
$3,000,000
$2,500,000
$2,000,000
$1,500,000
$1,000,000
$500,000
$0
Sales in Dollars
January
February
March
April
May
June
July
August
September
October
November
December
Month
2024 Residential
2025 Residential
2024 Commercial
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.
Sales In Dollars
180
160
140
120
100
80
60
40
20
0
$600,000
$500,000
$400,000
$300,000
$200,000
$100,000
$0
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 AUGUST 2025

Electric	2025 AUGUST	2025 YTD	2025 YTD BUDGET	2025 ANNUAL BUDGET	2025 YTD Bud Var%	2024 AUGUST	2024 YTD	YTD VARIANCE	2024 v. 2025 Actual Var%
Revenue									
Operating Revenue									
Elk River									
ELECT SALES - ELK RIVER RESID	1,699,335	9,431,390	9,367,835	14,008,158	1	1,614,991	8,861,971	569,419	6
ELECT SALES - ELK RIVER NON-D	363,766	2,314,638	2,377,599	3,561,584	(3)	365,390	2,257,021	57,617	3
ELECT SALES - ELK RIVER DEMA	1,947,872	12,156,752	11,992,423	18,661,634	1	1,822,131	11,612,437	544,314	5
PCA SALES REVENUE - ELK RIVE	220,890	1,074,033	1,028,998	1,522,421	4	141,625	737,046	336,987	46
PCA SALES REVENUE - ELK RIVE	47,384	278,175	282,899	423,421	(2)	32,317	204,111	74,063	36
PCA SALES REVENUE - ELK RIVE	339,602	1,958,760	1,932,452	2,908,507	1	212,236	1,374,428	584,331	43
Total For Elk River:	4,618,851	27,213,751	26,982,208	41,085,728	1	4,188,692	25,047,017	2,166,734	9
Otsego									
ELECT SALES - OTSEGO RESIDEN	206,425	1,067,645	1,034,765	1,546,756	3	196,583	1,008,490	59,154	6
ELECT SALES - OTSEGO NON-DEM	68,220	359,008	327,029	499,327	10	68,772	329,180	29,828	9
ELECT SALES - OTSEGO DEMAND	181,461	1,087,205	1,048,270	1,587,577	4	169,123	994,711	92,494	9
PCA SALES REVENUE - OTSEGO R	26,746	120,975	115,587	168,103	5	17,205	82,505	38,470	47
PCA SALES REVENUE - OTSEGO N	9,259	45,652	32,150	46,753	42	6,312	29,823	15,829	53
PCA SALES REVENUE - OTSEGO D	32,627	173,411	149,828	225,212	16	20,812	116,924	56,487	48
Total For Otsego:	524,741	2,853,899	2,707,630	4,073,730	5	478,810	2,561,635	292,263	11
Rural Big Lake									
ELECT SALES - BIG LAKE RESIDE	23,307	131,997	136,430	199,359	(3)	22,481	126,276	5,720	5
ELECT SALES - BIG LAKE NON-DE	787	2,583	3,125	4,810	(17)	784	2,764	(181)	(7)
PCA SALES REVENUE - BIG LAKE	3,056	15,065	14,364	21,666	5	1,988	10,543	4,521	43
PCA SALES REVENUE - BIG LAKE	100	268	2,400	6,026	(89)	67	194	74	38
Total For Rural Big Lake:	27,251	149,914	156,320	231,863	(4)	25,322	139,779	10,134	7
Dayton									
ELECT SALES - DAYTON RESIDEN	27,356	145,412	143,592	212,063	1	25,748	133,215	12,197	9
ELECT SALES - DAYTON NON-DE	4,640	27,226	27,195	40,465	0	4,338	25,314	1,911	8
PCA SALES REVENUE - DAYTON R	3,544	16,268	15,013	23,047	8	2,254	10,823	5,444	50
PCA SALES REVENUE - DAYTON	573	3,055	4,000	6,410	(24)	358	2,034	1,020	50
Total For Dayton:	36,114	191,962	189,802	281,986	1	32,699	171,388	20,574	12
Public St & Hwy Lighting									
ELECT SALES - SEC LTS	23,902	189,104	174,000	261,000	9	21,737	173,764	15,340	9
Total For Public St & Hwy Lighting:	23,902	189,104	174,000	261,000	9	21,737	173,764	15,340	9
Other Electric Sales									
SUB-STATION CREDIT	400	3,200	3,200	4,800	0	400	3,200	0	0

ELK RIVER MUNICIPAL UTILITIES
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Electric	2025 AUGUST	2025 YTD	2025 YTD BUDGET	2025 ANNUAL BUDGET	2025 YTD Bud Var%	2024 AUGUST	2024 YTD	YTD VARIANCE	2024 v. 2025 Actual Var%
Total For Other Electric Sales:	400	3,200	3,200	4,800	0	400	3,200	0	0
Total Operating Revenue	5,231,260	30,601,833	30,213,161	45,939,108	1	4,747,663	28,096,785	2,505,047	9
Other Operating Revenue									
Interest/Dividend Income									
INTEREST & DIVIDEND INCOME	62,728	316,099	233,333	350,000	35	68,741	232,174	83,924	36
Total For Interest/Dividend Income:	62,728	316,099	233,333	350,000	35	68,741	232,174	83,924	36
Customer Penalties									
CUSTOMER DELINQUENT PENALT	30,224	187,886	190,000	285,000	(1)	27,407	178,673	9,212	5
Total For Customer Penalties:	30,224	187,886	190,000	285,000	(1)	27,407	178,673	9,212	5
Connection Fees									
DISCONNECT & RECONNECT CHA	21,425	171,221	100,000	150,000	71	28,725	252,382	(81,160)	(32)
Total For Connection Fees:	21,425	171,221	100,000	150,000	71	28,725	252,382	(81,160)	(32)
Misc Revenue									
MISC ELEC REVENUE - TEMP CHG	0	2,640	1,666	2,500	58	1,070	2,170	470	22
STREET LIGHT	0	13,000	5,000	10,000	160	0	23,400	(10,400)	(44)
TRANSMISSION INVESTMENTS	69,266	467,150	400,000	600,000	17	69,997	426,973	40,176	9
MISC NON-UTILITY	20,590	94,589	73,333	110,000	29	22,081	84,659	9,930	12
GAIN ON DISPOSITION OF PROPER	0	22,755	0	25,000	0	0	0	22,755	0
CONTRIBUTIONS FROM CUSTOME	(12,294)	499,976	150,000	225,000	233	97,697	541,545	(41,568)	(8)
Total For Misc Revenue:	77,563	1,100,111	630,000	972,500	75	190,846	1,078,747	21,363	2
Total Other Revenue	191,941	1,775,318	1,153,333	1,757,500	54	315,720	1,741,978	33,340	2
Total For Total Other Revenue:	191,941	1,775,318	1,153,333	1,757,500	54	315,720	1,741,978	33,340	2
Total Revenue	5,423,202	32,377,151	31,366,494	47,696,608	3	5,063,383	29,838,763	2,538,388	9
Expenses									
Purchased Power									
PURCHASED POWER	2,480,815	15,687,803	15,727,267	23,315,290	0	2,505,227	15,094,400	593,402	4
ENERGY ADJUSTMENT CLAUSE	780,068	5,241,908	4,873,238	7,284,337	8	595,717	4,657,712	584,196	13
Total For Purchased Power:	3,260,884	20,929,711	20,600,506	30,599,628	2	3,100,944	19,752,112	1,177,599	6
Operating & Mtce Expense									
OPERATING SUPERVISION	12,753	106,353	100,000	150,000	6	11,086	89,812	16,540	18
DIESEL OIL FUEL	0	0	0	0	0	0	159	(159)	(100)
NATURAL GAS	382	16,583	19,900	30,000	(17)	359	12,591	3,991	32

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Electric	2025 AUGUST	2025 YTD	2025 YTD BUDGET	2025 ANNUAL BUDGET	2025 YTD Bud Var%	2024 AUGUST	2024 YTD	YTD VARIANCE	2024 v. 2025 Actual Var%
ELECTRIC & WATER CONSUMPTI	4,125	39,934	42,500	65,000	(6)	4,270	37,476	2,457	7
PLANT SUPPLIES & OTHER EXPEN	906	6,276	10,000	15,000	(37)	33	6,601	(324)	(5)
MISC POWER GENERATION EXPE	16	798	666	1,000	20	0	501	297	59
MAINTENANCE OF STRUCTURE -	600	8,790	13,333	20,000	(34)	2,510	8,783	7	0
MTCE OF PLANT ENGINES/GENER	0	729	3,333	5,000	(78)	0	4,061	(3,332)	(82)
MTCE OF PLANT/LAND IMPROVE	474	17,837	37,500	55,000	(52)	588	15,882	1,954	12
Total For Operating & Mtce Expense:	19,258	197,303	227,233	341,000	(13)	18,848	175,871	21,432	12
Transmission Expense									
TRANSMISSION MTCE AND EXPE	3,495	24,381	50,666	76,000	(52)	3,135	37,967	(13,586)	(36)
Total For Transmission Expense:	3,495	24,381	50,666	76,000	(52)	3,135	37,967	(13,586)	(36)
Distribution Expense									
REMOVE EXISTING SERVICE & M	0	936	1,333	2,000	(30)	0	0	936	0
SCADA EXPENSE	6,187	41,616	40,000	60,000	4	4,012	31,800	9,815	31
TRANSFORMER EXPENSE OH & U	1,130	10,822	16,666	25,000	(35)	1,564	10,570	251	2
MTCE OF SIGNAL SYSTEMS	1,864	2,881	2,000	3,000	44	0	1,010	1,870	185
METER EXPENSE - REMOVE & RE	0	1,110	1,000	1,500	11	0	466	644	138
TEMP SERVICE - INSTALL & REM	0	2,161	6,666	10,000	(68)	0	222	1,939	874
MISC DISTRIBUTION EXPENSE	20,779	286,289	280,000	420,000	2	18,744	263,785	22,504	9
Total For Distribution Expense:	29,962	345,817	347,666	521,500	(1)	24,321	307,856	37,961	12
Maintenance Expense									
MTCE OF STRUCTURES	5,196	62,353	61,333	92,000	2	7,556	56,532	5,820	10
MTCE OF SUBSTATIONS	4,587	7,531	30,000	45,000	(75)	0	7,960	(429)	(5)
MTCE OF SUBSTATION EQUIPME	4,593	35,305	100,000	150,000	(65)	5,754	87,765	(52,459)	(60)
MTCE OF OH LINES/TREE TRIM	591	158,255	223,000	300,000	(29)	1,813	212,412	(54,156)	(25)
MTCE OF OH LINES/STANDBY	3,698	28,751	33,333	50,000	(14)	3,324	28,553	197	1
MTCE OF OH PRIMARY	39,910	113,266	126,666	190,000	(11)	22,623	114,078	(811)	(1)
MTCE OF URD PRIMARY	21,040	224,492	200,000	300,000	12	31,497	189,979	34,513	18
LOCATE ELECTRIC LINES	10,560	72,737	83,333	125,000	(13)	9,511	65,767	6,970	11
LOCATE FIBER LINES	715	2,961	1,666	2,500	78	511	1,901	1,060	56
MTCE OF LINE TRANSFORMERS	1,331	30,635	50,000	75,000	(39)	5,734	37,329	(6,693)	(18)
MTCE OF STREET LIGHTING	10,029	38,429	46,000	69,000	(16)	13,170	48,911	(10,481)	(21)
MTCE OF SECURITY LIGHTING	155	12,348	16,666	25,000	(26)	3,011	16,797	(4,449)	(26)
MTCE OF METERS	2,439	14,349	53,333	80,000	(73)	3,637	47,002	(32,653)	(69)
VOLTAGE COMPLAINTS	363	2,913	8,000	12,000	(64)	507	4,442	(1,528)	(34)
SALARIES TRANSMISSION & DIST	2,920	23,601	24,000	36,000	(2)	2,459	20,018	3,582	18

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Electric	2025 AUGUST	2025 YTD	2025 YTD BUDGET	2025 ANNUAL BUDGET	2025 YTD Bud Var%	2024 AUGUST	2024 YTD	YTD VARIANCE	2024 v. 2025 Actual Var%
ELECTRIC MAPPING	12,481	105,212	103,333	155,000	2	4,264	103,023	2,189	2
FIBER MAPPING	0	0	10,000	15,000	(100)	0	0	0	0
MTCE OF OH SECONDARY	3,047	21,854	15,333	23,000	43	2,544	13,683	8,171	60
MTCE OF URD SECONDARY	7,590	57,163	50,000	75,000	14	8,945	38,735	18,427	48
TRANSPORTATION EXPENSE	11,087	179,944	216,666	325,000	(17)	20,704	205,461	(25,517)	(12)
Total For Maintenance Expense:	142,342	1,192,108	1,452,666	2,144,500	(18)	147,573	1,300,358	(108,249)	(8)
Depreciation & Amortization									
DEPRECIATION	233,416	1,859,109	1,780,943	2,671,415	4	219,657	1,756,034	103,074	6
AMORTIZATION	55,677	445,423	445,424	668,136	0	55,677	445,423	0	0
Total For Depreciation & Amortization:	289,094	2,304,532	2,226,367	3,339,551	4	275,334	2,201,457	103,074	5
Interest Expense									
INTEREST EXPENSE - BONDS	64,971	535,045	535,045	794,932	0	68,246	560,625	(25,579)	(5)
AMORTIZATION OF DEBT DISCOU	(4,988)	(39,908)	(39,908)	(59,863)	0	(4,988)	(39,908)	0	0
Total For Interest Expense:	59,982	495,137	495,137	735,069	0	63,257	520,716	(25,579)	(5)
Other Operating Expense									
EV CHARGING EXPENSE	101	1,269	933	1,400	36	138	1,685	(415)	(25)
LOSS ON DISPOSITION OF PROP (C	0	15,758	0	160,000	0	0	4,105	11,652	284
LOSS ON DISPOSITION OF PROP (N	0	15,437	0	0	0	0	0	15,437	0
OTHER DONATIONS	0	217	1,333	2,000	(84)	0	0	217	0
MUTUAL AID	0	7,012	0	0	0	24,218	27,519	(20,506)	(75)
PENSION EXPENSE	0	0	0	259,000	0	0	0	0	0
INTEREST EXPENSE - METER DEP	4,189	33,090	40,000	60,000	(17)	4,828	38,129	(5,038)	(13)
Total For Other Operating Expense:	4,290	72,786	42,266	482,400	72	29,186	71,439	1,346	2
Customer Accounts Expense									
METER READING EXPENSE	2,425	22,309	23,333	35,000	(4)	5,255	30,726	(8,416)	(27)
DISCONNECT/RECONNECT EXPEN	0	658	6,666	10,000	(90)	1,625	10,064	(9,405)	(93)
MISC CUSTOMER ACCOUNTS EXP	30,751	246,012	266,666	400,000	(8)	31,050	231,206	14,805	6
BAD DEBT EXPENSE & RECOVER	976	7,349	16,666	25,000	(56)	3,408	11,848	(4,499)	(38)
Total For Customer Accounts Expense:	34,153	276,329	313,333	470,000	(12)	41,339	283,845	(7,515)	(3)
Administrative Expense									
SALARIES OFFICE & COMMISSION	75,766	646,163	723,333	1,085,000	(11)	72,423	588,300	57,862	10
TEMPORARY STAFFING	0	0	2,666	4,000	(100)	0	0	0	0
OFFICE SUPPLIES	22,454	80,313	90,000	135,000	(11)	6,961	61,275	19,037	31
ELECTRIC & WATER CONSUMPTI	2,330	16,717	21,333	32,000	(22)	2,581	18,515	(1,798)	(10)
BANK FEES	193	1,849	2,000	3,000	(8)	265	1,820	28	2

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Electric	2025 AUGUST	2025 YTD	2025 YTD BUDGET	2025 ANNUAL BUDGET	2025 YTD Bud Var%	2024 AUGUST	2024 YTD	YTD VARIANCE	2024 v. 2025 Actual Var%
LEGAL FEES	862	8,863	20,000	30,000	(56)	3,050	15,119	(6,255)	(41)
AUDITING FEES	1,720	13,760	13,760	20,640	0	1,640	12,320	1,440	12
INSURANCE	10,584	110,329	130,000	195,000	(15)	15,385	123,575	(13,245)	(11)
UTILITY SHARE - DEFERRED COM	7,308	93,737	85,666	128,500	9	8,248	92,286	1,451	2
UTILITY SHARE - MEDICAL/DENT	62,206	640,027	666,932	942,322	(4)	61,735	605,150	34,877	6
UTILITY SHARE - PERA	25,180	220,949	214,333	321,500	3	25,892	204,543	16,405	8
UTILITY SHARE - FICA	25,246	218,201	210,333	315,500	4	25,261	199,673	18,527	9
EMPLOYEE SICK PAY	52,736	194,387	136,000	204,000	43	39,491	111,527	82,859	74
EMPLOYEE HOLIDAY PAY	0	94,602	97,050	194,100	(3)	0	88,951	5,650	6
EMPLOYEE VACATION & PTO PA	45,684	258,145	227,545	325,000	13	46,800	237,656	20,489	9
UPMIC DISTRIBUTION	0	40,315	43,000	86,000	(6)	0	43,795	(3,479)	(8)
LONGEVITY PAY	0	8,245	8,246	9,945	0	1,240	2,920	5,325	182
CONSULTING FEES	6,454	68,585	159,333	239,000	(57)	5,708	33,663	34,921	104
TELEPHONE	2,810	22,652	25,333	38,000	(11)	2,774	23,334	(681)	(3)
ADVERTISING	1,060	9,553	13,333	20,000	(28)	1,060	8,976	577	6
DUES & SUBSCRIPTIONS - FEES	11,169	91,159	101,339	152,009	(10)	9,996	81,930	9,229	11
SCHOOLS & MEETINGS	19,585	120,837	187,000	292,333	(35)	18,519	130,908	(10,070)	(8)
MTCE OF GENERAL PLANT & OFFI	865	6,920	7,333	11,000	(6)	845	6,760	160	2
Total For Administrative Expense:	374,220	2,966,317	3,185,873	4,783,849	(7)	349,881	2,693,005	273,312	10
General Expense									
CIP REBATES - RESIDENTIAL	10,749	56,609	60,505	90,758	(6)	7,732	58,685	(2,075)	(4)
CIP REBATES - COMMERCIAL	0	79,762	74,666	112,000	7	1,845	43,944	35,817	82
CIP - ADMINISTRATION	10,179	123,966	121,976	182,965	2	39,776	132,473	(8,507)	(6)
CIP - MARKETING	1,450	35,294	34,156	51,235	3	3,737	36,023	(728)	(2)
CIP - LABOR	8,365	70,218	89,214	133,822	(21)	7,618	65,738	4,479	7
CIP REBATES - LOW INCOME	0	0	12,480	18,720	(100)	0	3,468	(3,468)	(100)
CIP - LOW INCOME LABOR	655	6,595	6,666	10,000	(1)	789	6,268	327	5
ENVIRONMENTAL COMPLIANCE	3,018	21,212	23,333	35,000	(9)	3,293	22,064	(851)	(4)
MISC GENERAL EXPENSE	(67)	163	3,533	5,300	(95)	(46)	2,110	(1,946)	(92)
Total For General Expense:	34,351	393,822	426,533	639,800	(8)	64,746	370,777	23,045	6
Total Expenses(before Operating Transfers)	4,252,037	29,198,249	29,368,251	44,133,298	(1)	4,118,571	27,715,407	1,482,841	5
Operating Transfer									
Operating Transfer/Other Funds									
TRANSFER TO CITY ELK RIVER R	185,502	1,094,492	1,079,288	1,643,429	1	168,249	1,007,490	87,002	9

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Electric	2025 AUGUST	2025 YTD	2025 YTD BUDGET	2025 ANNUAL BUDGET	2025 YTD Bud Var%	2024 AUGUST	2024 YTD	YTD VARIANCE	2024 v. 2025 Actual Var%
Total For Operating Transfer/Other Funds:	185,502	1,094,492	1,079,288	1,643,429	1	168,249	1,007,490	87,002	9
Utilities & Labor Donated									
UTILITIES & LABOR DONATED TO	19,668	158,547	176,666	265,000	(10)	19,746	150,419	8,128	5
Total For Utilities & Labor Donated:	19,668	158,547	176,666	265,000	(10)	19,746	150,419	8,128	5
Total Operating Transfer									
Total For Total Operating Transfer:	205,171	1,253,039	1,255,954	1,908,429	0	187,995	1,157,909	95,130	8
Net Income Profit(Loss)	965,994	1,925,862	742,288	1,654,880	159	756,815	965,446	960,415	99

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Water	2025 AUGUST	2025 YTD	2025 YTD BUDGET	2025 ANNUAL BUDGET	2025 YTD Bud Var%	2024 AUGUST	2024 YTD	YTD VARIANCE	2024 v. 2025 Actual Var%
Revenue									
Operating Revenue									
Water Sales									
WATER SALES RESIDENTIAL	230,865	1,100,171	1,178,685	1,768,457	(7)	216,140	979,158	121,012	12
WATER SALES COMMERCIAL	139,274	645,726	633,616	1,024,735	2	132,926	609,922	35,804	6
WATER SALES IRRIGATION	62,039	176,867	201,008	350,120	(12)	63,657	155,314	21,553	14
Total For Water Sales:	432,179	1,922,765	2,013,310	3,143,313	(4)	412,724	1,744,395	178,370	10
Total Operating Revenue	432,179	1,922,765	2,013,310	3,143,313	(4)	412,724	1,744,395	178,370	10
Total For Total Operating Revenue:	432,179	1,922,765	2,013,310	3,143,313	(4)	412,724	1,744,395	178,370	10
Other Operating Revenue									
Interest/Dividend Income									
INTEREST & DIVIDEND INCOME	17,274	87,641	100,000	150,000	(12)	18,778	71,295	16,345	23
OTHER INTEREST/MISC REVENUE	0	566	666	1,000	(15)	558	558	8	1
Total For Interest/Dividend Income:	17,274	88,208	100,666	151,000	(12)	19,337	71,854	16,354	23
Customer Penalties									
CUSTOMER PENALTIES	6,307	23,100	18,666	28,000	24	1,925	15,249	7,851	51
Total For Customer Penalties:	6,307	23,100	18,666	28,000	24	1,925	15,249	7,851	51
Connection Fees									
WATER/ACCESS/CONNECTION FE	50,400	476,942	170,000	255,000	181	113,454	315,285	161,657	51
CUSTOMER CONNECTION FEES	6,648	44,441	21,666	32,500	105	7,114	21,562	22,879	106
BULK WATER SALES/HYDRANT R	1,920	11,928	20,666	31,000	(42)	0	12,764	(835)	(7)
Total For Connection Fees:	58,968	533,312	212,333	318,500	151	120,569	349,611	183,700	53
Misc Revenue									
MISC NON-UTILITY	0	310	66	100	364	30	50	260	522
GAIN ON DISPOSITION OF PROPER	0	0	0	8,000	0	0	0	0	0
MISCELLANEOUS REVENUE	1,302	21,191	333	500	6,264	0	716	20,474	2,856
HYDRANT MAINTENANCE PROGR	975	7,800	10,000	15,000	(22)	975	8,625	(825)	(10)
CONTRIBUTIONS FROM DEVELOP	0	44,590	0	0	0	0	0	44,590	0
WATER TOWER LEASE	0	0	0	327,500	0	0	0	0	0
LEASE INTEREST REVENUE	0	0	0	75,000	0	0	0	0	0
Total For Misc Revenue:	2,277	73,891	10,400	426,100	610	1,005	9,392	64,499	687
Total Other Revenue	84,827	718,513	342,066	923,600	110	142,838	446,108	272,404	61
Total For Total Other Revenue:	84,827	718,513	342,066	923,600	110	142,838	446,108	272,404	61

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

Water	2025 AUGUST	2025 YTD	2025 YTD BUDGET	2025 ANNUAL BUDGET	2025 YTD Bud Var%	2024 AUGUST	2024 YTD	YTD VARIANCE	2024 v. 2025 Actual Var%
Total Revenue	517,006	2,641,279	2,355,376	4,066,913	12	555,562	2,190,503	450,775	21
Expenses									
Production Expense									
MTCE OF STRUCTURES	9,477	85,464	90,000	135,000	(5)	8,734	86,722	(1,258)	(1)
Total For Production Expense:	9,477	85,464	90,000	135,000	(5)	8,734	86,722	(1,258)	(1)
Pumping Expense									
SUPERVISION	6,276	51,770	50,666	76,000	2	6,140	46,468	5,302	11
ELECTRIC & GAS UTILITIES	25,460	191,915	206,666	310,000	(7)	24,792	172,047	19,867	12
SAMPLING	4,523	16,558	16,100	24,150	3	3,308	17,083	(524)	(3)
CHEMICAL FEED	5,073	32,748	33,333	50,000	(2)	8,094	27,124	5,624	21
MTCE OF WELLS	13,239	120,374	133,333	200,000	(10)	14,979	126,434	(6,059)	(5)
SCADA - PUMPING	317	8,060	8,000	12,000	1	362	6,051	2,008	33
Total For Pumping Expense:	54,890	421,428	448,100	672,150	(6)	57,677	395,210	26,218	7
Distribution Expense									
MTCE OF WATER MAINS	12,793	122,631	116,666	175,000	5	12,600	60,846	61,785	102
LOCATE WATER LINES	1,724	19,460	13,333	20,000	46	1,275	9,424	10,035	106
MTCE OF WATER SERVICES	0	0	333	500	(100)	0	0	0	0
WATER METER SERVICE	8,072	58,134	46,666	70,000	25	4,810	43,280	14,854	34
BACKFLOW DEVICE INSPECTION	2,776	14,227	17,600	23,160	(19)	2,702	14,191	36	0
MTCE OF CUSTOMERS SERVICE	2,841	22,398	23,333	35,000	(4)	2,823	21,927	471	2
WATER MAPPING	1,567	20,917	11,333	17,000	85	1,644	14,251	6,665	47
FIBER MAPPING	0	0	10,000	15,000	(100)	0	0	0	0
MTCE OF WATER HYDRANTS - PU	1,165	11,400	14,666	22,000	(22)	492	18,766	(7,365)	(39)
MTCE OF WATER HYDRANTS - PR	412	3,017	4,000	6,000	(25)	0	4,192	(1,174)	(28)
WATER CLOTHING/PPE	323	11,168	10,000	15,000	12	239	9,451	1,716	18
WAGES WATER	688	5,931	6,666	10,000	(11)	609	5,046	885	18
TRANSPORTATION EXPENSE	1,935	16,061	16,000	24,000	0	1,364	14,185	1,876	13
WATER PERMIT	0	20,382	27,000	27,000	(25)	0	26,255	(5,873)	(22)
Total For Distribution Expense:	34,304	325,731	317,600	459,660	3	28,563	241,818	83,912	35
Depreciation & Amortization									
DEPRECIATION	115,480	923,348	883,910	1,325,865	4	100,522	807,097	116,250	14
Total For Depreciation & Amortization:	115,480	923,348	883,910	1,325,865	4	100,522	807,097	116,250	14
Interest Expense									
INTEREST EXPENSE - BONDS	3,050	25,916	25,916	38,117	0	3,266	27,533	(1,616)	(6)

Water	2025 AUGUST	2025 YTD	2025 YTD BUDGET	2025 ANNUAL BUDGET	2025 YTD Bud Var%	2024 AUGUST	2024 YTD	YTD VARIANCE	2024 v. 2025 Actual Var%
AMORTIZATION OF DEBT DISCOU	(554)	(4,433)	(4,434)	(6,651)	0	(554)	(4,433)	0	0
Total For Interest Expense:	2,495	21,482	21,482	31,466	0	2,712	23,099	(1,616)	(7)
Other Operating Expense									
LOSS ON DISPOSITION OF PROP (C	0	0	16,000	16,000	(100)	0	0	0	0
LOSS ON DISPOSITION OF PROP (N	0	(16,271)	0	0	0	0	0	(16,271)	0
DAM MAINTENANCE EXPENSE	30	388	0	0	0	0	177	211	119
PENSION EXPENSE	0	0	0	44,000	0	0	0	0	0
INTEREST EXPENSE - METER DEP	51	415	500	750	(17)	60	725	(309)	(43)
Total For Other Operating Expense:	82	(15,467)	16,500	60,750	(194)	60	902	(16,370)	(1,815)
Customer Accounts Expense									
METER READING EXPENSE	516	4,078	4,666	7,000	(13)	655	3,128	949	30
MISC CUSTOMER ACCOUNTS EXP	7,757	62,875	65,333	98,000	(4)	7,934	59,536	3,339	6
BAD DEBT EXPENSE & RECOVER	0	0	166	250	(100)	0	19	(19)	(100)
Total For Customer Accounts Expense:	8,273	66,954	70,166	105,250	(5)	8,589	62,684	4,269	7
Administrative Expense									
SALARIES OFFICE & COMMISSION	22,049	194,259	192,000	288,000	1	21,155	171,620	22,639	13
TEMPORARY STAFFING	0	0	666	1,000	(100)	0	0	0	0
OFFICE SUPPLIES	5,535	19,259	20,000	30,000	(4)	1,390	13,222	6,036	46
ELECTRIC & WATER CONSUMPTI	582	4,181	4,666	7,000	(10)	645	4,630	(449)	(10)
BANK FEES	48	473	466	700	1	69	470	2	1
LEGAL FEES	215	11,016	3,333	5,000	231	553	3,092	7,923	256
AUDITING FEES	430	3,986	4,466	6,700	(11)	410	3,626	359	10
INSURANCE	3,502	27,908	29,333	44,000	(5)	3,555	27,952	(43)	0
UTILITY SHARE - DEFERRED COM	1,457	16,050	16,066	24,100	0	1,546	15,440	610	4
UTILITY SHARE - MEDICAL/DENT	17,155	161,738	187,439	269,977	(14)	15,095	143,257	18,480	13
UTILITY SHARE - PERA	5,569	44,660	45,666	68,500	(2)	4,773	39,169	5,490	14
UTILITY SHARE - FICA	5,528	44,460	44,000	66,000	1	4,792	38,835	5,624	14
EMPLOYEE SICK PAY	8,392	34,390	23,333	35,000	47	5,533	20,062	14,327	71
EMPLOYEE HOLIDAY PAY	0	19,600	20,762	41,525	(6)	(58)	15,969	3,630	23
EMPLOYEE VACATION & PTO PA	8,463	49,470	46,363	66,000	7	8,524	43,452	6,017	14
UPMIC DISTRIBUTION	0	8,505	9,250	18,500	(8)	0	9,752	(1,247)	(13)
WELLHEAD PROTECTION	0	0	1,360	2,000	(100)	0	0	0	0
LONGEVITY PAY	0	1,705	1,706	2,130	0	310	730	975	134
CONSULTING FEES	4,694	36,076	38,266	57,400	(6)	851	9,065	27,011	298
TELEPHONE	717	5,492	5,000	7,500	10	483	5,229	262	5

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

Water	2025 AUGUST	2025 YTD	2025 YTD BUDGET	2025 ANNUAL BUDGET	2025 YTD Bud Var%	2024 AUGUST	2024 YTD	YTD VARIANCE	2024 v. 2025 Actual Var%
ADVERTISING	265	6,403	3,333	5,000	92	265	2,437	3,966	163
DUES & SUBSCRIPTIONS - FEES	16,115	56,078	66,461	89,961	(16)	15,649	58,719	(2,641)	(4)
SCHOOLS & MEETINGS	3,254	15,110	37,475	60,956	(60)	5,654	27,148	(12,038)	(44)
MTCE OF GENERAL PLANT & OFFI	216	1,728	1,833	2,750	(6)	211	1,688	40	2
Total For Administrative Expense:	104,196	762,556	803,251	1,199,699	(5)	91,411	655,575	106,980	16
General Expense									
CIP REBATES - RESIDENTIAL	334	621	3,333	5,000	(81)	224	596	25	4
CIP REBATES - COMMERCIAL	0	0	333	500	(100)	0	0	0	0
CIP - MARKETING	0	0	1,333	2,000	(100)	0	1,117	(1,117)	(100)
CIP - LABOR	0	0	1,666	2,500	(100)	0	0	0	0
ENVIRONMENTAL COMPLIANCE	60	1,729	1,333	2,000	30	61	454	1,275	280
MISC GENERAL EXPENSE	0	0	166	250	(100)	0	0	0	0
Total For General Expense:	395	2,351	8,166	12,250	(71)	286	2,167	183	8
Total Expenses(before Operating Transfers)	329,597	2,593,848	2,659,177	4,002,091	(2)	298,558	2,275,278	318,570	14
Operating Transfer									
Utilities & Labor Donated									
WATER & LABOR DONATED TO CI	0	0	1,333	2,000	(100)	0	0	0	0
Total Operating Transfer									
Total For Total Operating Transfer:	0	0	1,333	2,000	(100)	0	0	0	0
Net Income Profit(Loss)	187,408	47,430	(305,134)	62,821	116	257,004	(84,774)	132,205	156

HANDOUT AT MEETING - AUGUST 2025 FINANCIAL PRESENTATION

Elk River Municipal Utilities

August 2025 Financials

Report Highlights

9/9/2025

Elk River Municipal Utilities

August YTD Profit & Profit Margin %

Profit & Profit Margins %
January 2025 – August 2025
$1,973,293
5.64%

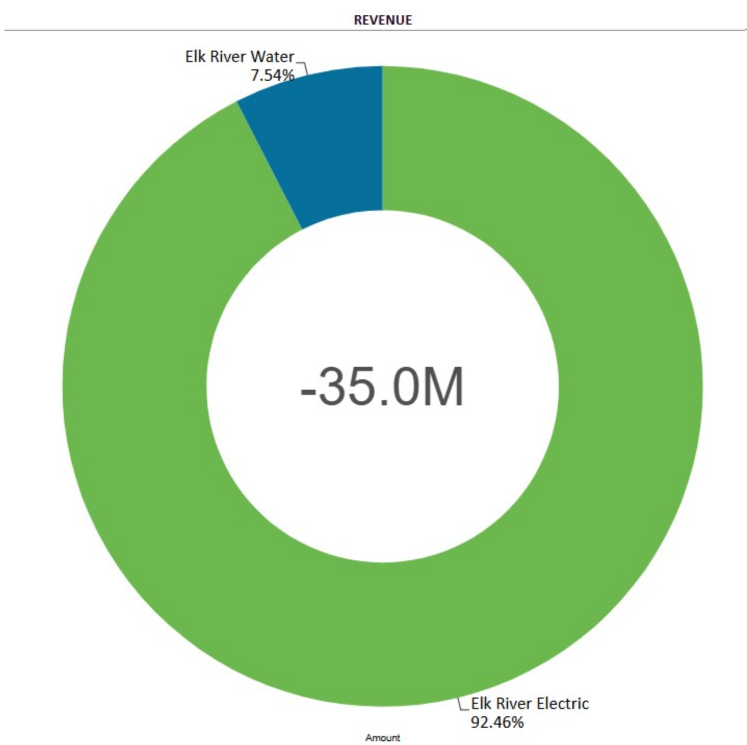
Revenue	Expense
$35,018,431	$33,045,138

Purpose: To show the overall health of the organization.

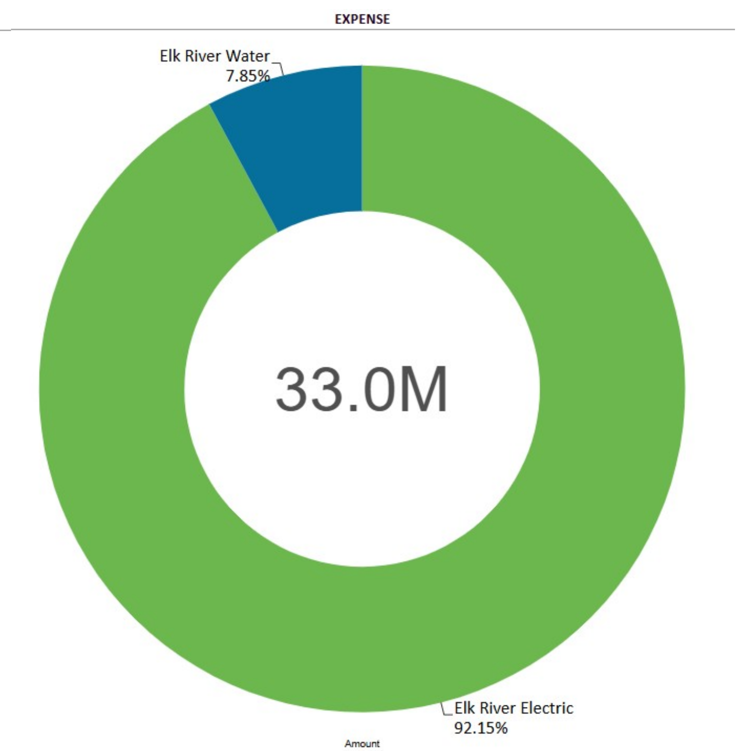
- YTD ERMU's revenue is exceeding expenses by $1,973k
- Resulting in a profit margin of 5.64%

Elk River Municipal Utilities

Revenue vs Expense (January –August)



REVENUE



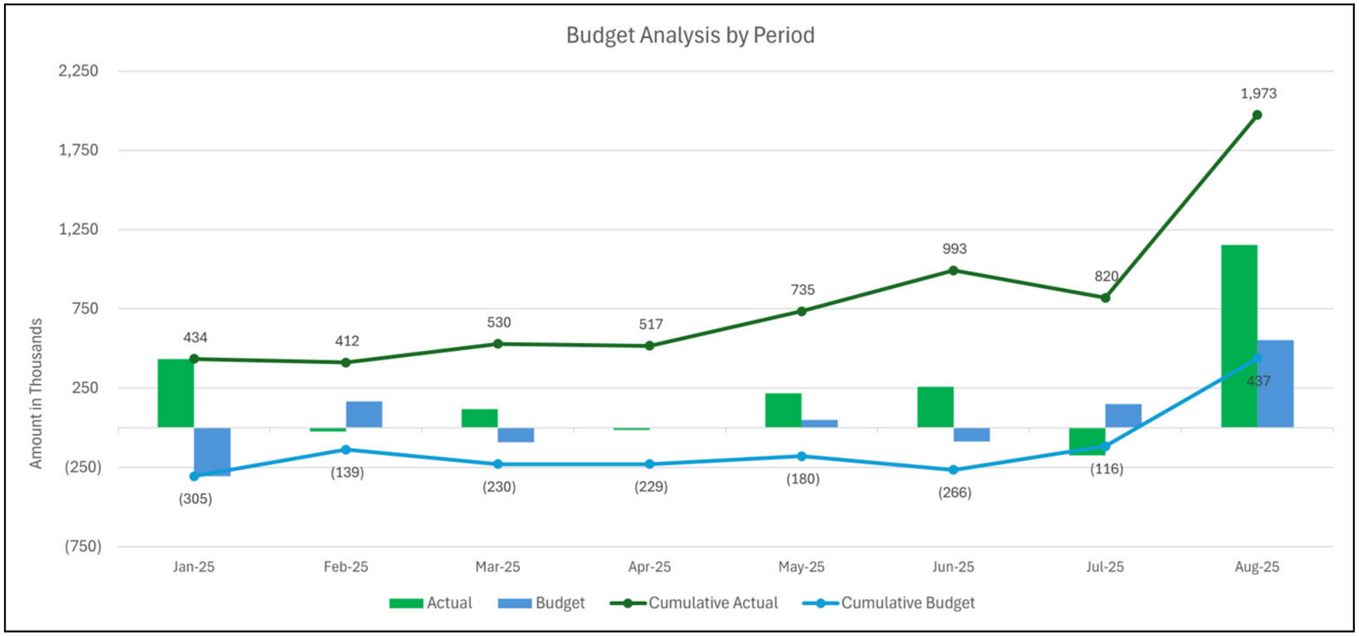
EXPENSE

Purpose: To compare revenue vs expense by utility service.

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

Elk River Municipal Utilities

August YTD Actuals to Budget Comparison



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

- Overall, ERMU is favorable to budget YTD

Elk River Municipal Utilities

Accounts Receivable-Utility Aging 8/31/2025

	Electric	Water	Sewer	Trash	Franchise Fee	Storm Water	Total
90+ days	63,336	784	1,370	902	5,462	363	72,216
60 days	18,061	1,807	2,106	1,614	824	370	24,782
30 days	128,452	47,486	9,384	8,950	3,890	1,888	200,051
Current AR	3,094,610	345,325	155,557	137,947	57,815	36,565	3,827,819

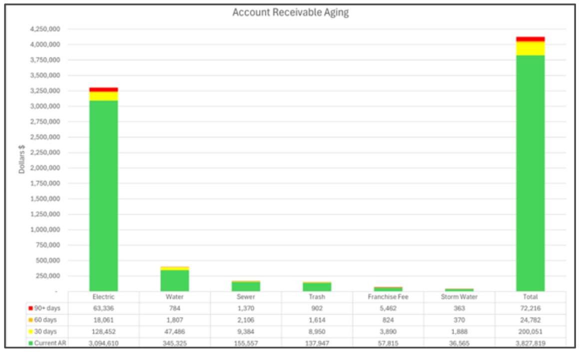
Purpose: an overview of outstanding payments from customers and how long they are past due.

- City services make up $370k of total A/R balances of $4.125M
- Over 90 days is only 2% of total A/R compared to 93% being current

GREEN IS GOOD!

Elk River Municipal Utilities

Accounts Receivable-Utility Aging 8/31/2025



	Electric	Water	Sewer	Trash	Franchise Fee	Storm Water	Total
90+ days	63,336	784	1,370	902	5,462	363	72,216
60 days	18,061	1,807	2,106	1,614	824	370	24,782
30 days	128,452	47,486	9,384	8,950	3,890	1,888	200,051
Current AR	3,094,610	345,325	155,557	137,947	57,815	36,565	3,827,819

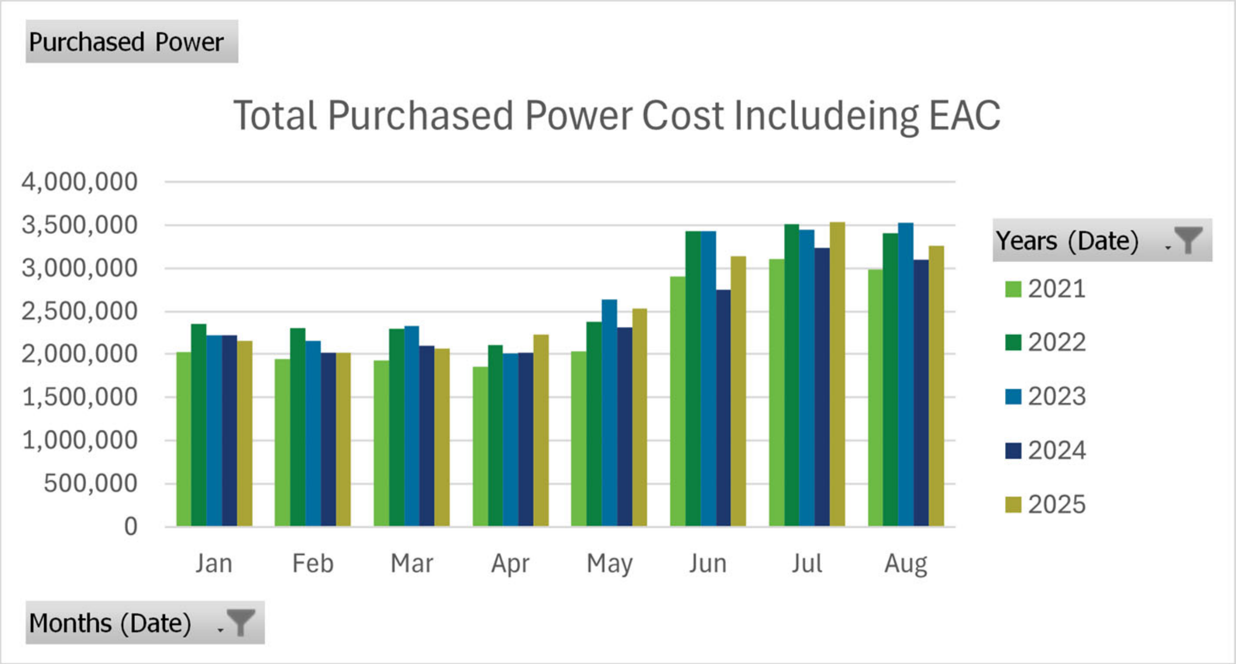
Note: Electric and water accounts receivable can be reviewed separately on the "Combined Balance Sheet" provided in the packet.

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

	ELECTRIC	WATER
ASSETS		
CURRENT ASSETS		
CASH	3,223,829	6,014,814
ACCOUNTS RECEIVABLE	3,848,495	5,354,325
INVENTORIES	2,163,407	35,436
PREPAID ITEMS	221,660	59,198
CONSTRUCTION IN PROGRESS	2,077,790	248,725
TOTAL CURRENT ASSETS	11,535,182	11,712,498

Elk River Municipal Utilities

Electric Department – Purchased Power

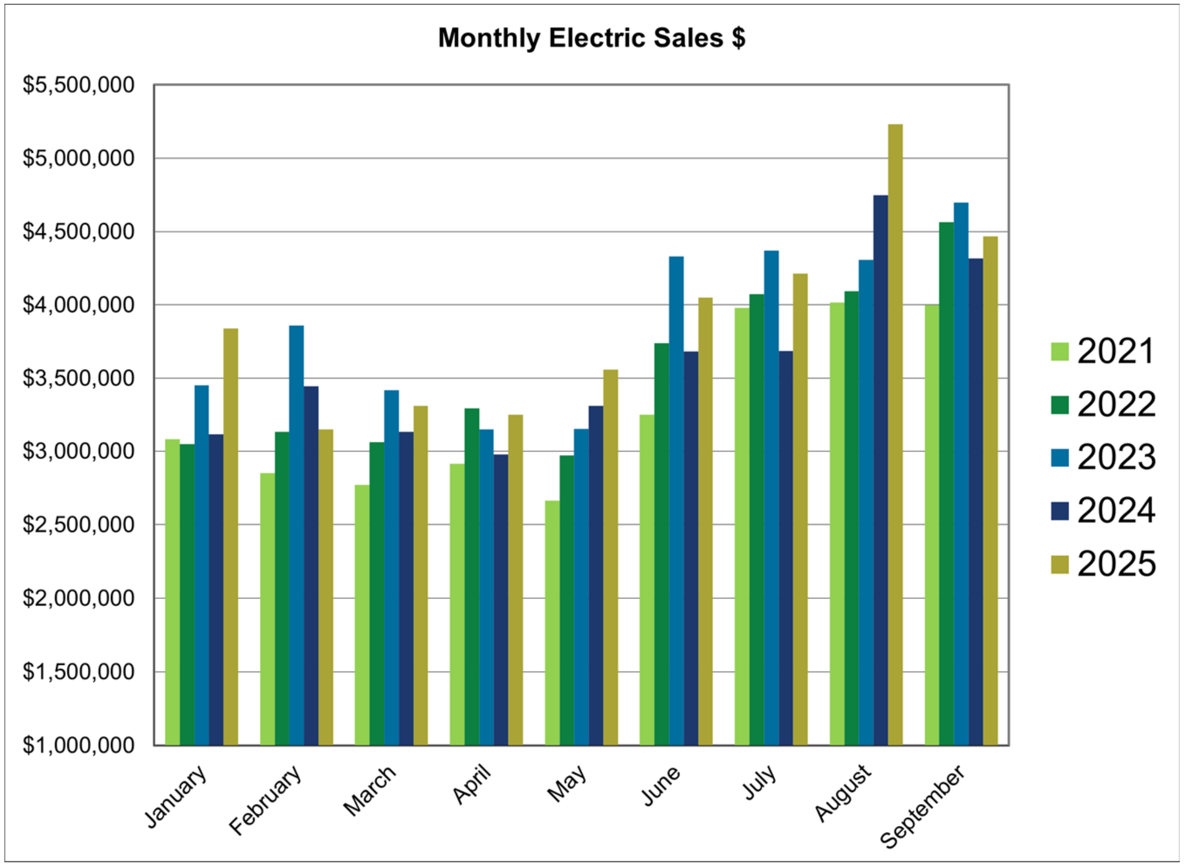


Purpose: To illustrate trends in purchased power costs.

- Purchased power 2025 YTD is approximately 69% of total expenses.
- 2025 YTD purchased power is unfavorable to budget 2%.
- 2025 is 6% higher than 2024. YTD 2025 is $1,178k more than 2024. 4% higher kWh purchased which also results in higher EAC charges.

Elk River Municipal Utilities

Electric Department – Electric Usage Sales

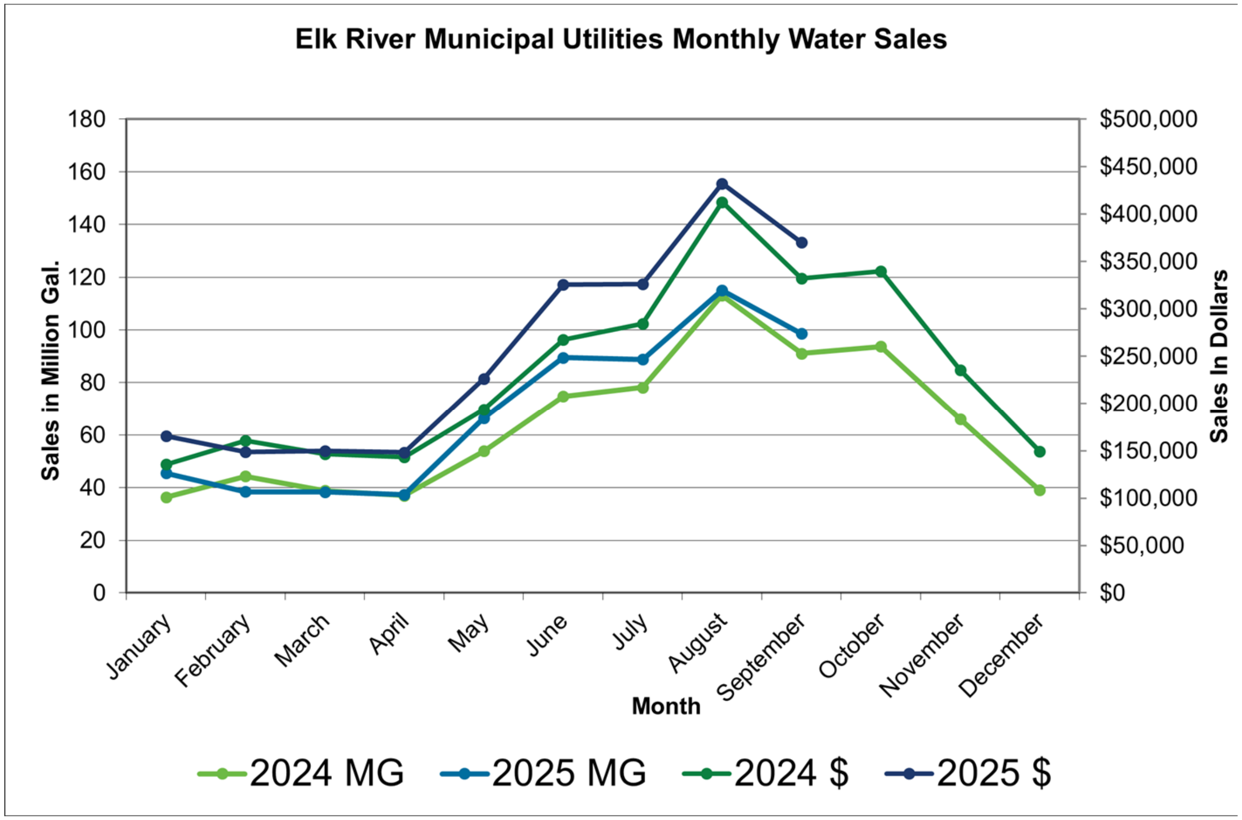


Purpose: To illustrate a 5-year comparison in electric usage sales.

- Usage can vary greatly from year to year with weather being a primary factor.
- Electric kWh usage is 5.0% higher in 2025 as compared to 2024.
- ***Through September 2025***

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 8.9% over prior year.
- Revenue is up YTD 10.4% over prior year due to increased usage and rates.

- ***Through September 2025***

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: Melissa Karpinski – Finance Manager
MEETING DATE: October 14, 2025	**AGENDA ITEM NUMBER:** 5.2
SUBJECT: 2026 Annual Business Plan: Electric and Water Expenses	
ACTION REQUESTED: None	

DISCUSSION:
In preparation for budget submittal in November, staff continues to work through the 2026 budget process. The first draft of the expense portion of the 2026 budget has been completed for commission review. Items are subject to change as the complete 2026 budget is assembled and the finalized wholesale power costs and revenues are reflected. Proposed revenues and rates, wholesale power costs for 2026 will be presented in November.

Attached is the following information for your review. Additional budget details are available upon request. Please contact staff for additional information.

1. Electric Department Expense Budget – The 2026 budget for electric expenses is a 0.6% increase compared to the current year's budget (excluding purchased power). It is noteworthy that the 2025 forecast for expenses (excluding purchased power) is a 0.3% decrease compared to budget. Wholesale power costs make up around 70% of the operating budget and will be provided in next month's budget with the revenue projections. Most notable accounts are the transfer to City of Elk River (anticipated change in PILOT), depreciation which is due to large capital projects being put into service, an expected 10% increase to medical insurance premiums and the addition of Paid Leave. These preliminary expense numbers will be adjusted during the next phase of budgeting when the 2026 rates are designed.

   The 2025 budgeted purchased power cost amount was $30,599,628. The 2026 projected wholesale power cost increase has yet to be communicated to ERMU from our wholesale power provider. Preliminarily we are applying a 2.75% increase to 2025 wholesale power rates (may vary slightly when the rate formula is applied to ERMU's load profile and anticipated growth). When factoring the preliminary wholesale power cost forecast and the preliminary electric department expense budget, the overall preliminary electric department expense budget increase is 3% compared to the 2025 budget.

The budgeted Payment in Lieu of Taxes (PILOT) amount for 2026 is $2.227 million. PILOT is comprised of $1.955 million based off 4.5% of the city of Elk River sales calculation, and $272,000 in donated utilities and labor. This preliminary projection will change when revenue is budgeted for next month.

2. Water Department Expense Budget – The 2026 budget for water expenses is a 3.2% increase compared to the current year's budget. It is noteworthy that the 2025 forecast for expenses is a 1% decrease compared to budget. Most notable accounts are depreciation which is due to large capital projects being put into service, dues & subscriptions – fees due to a Minnesota Department of Health water connection fee increase, medical insurance due to an expected 10% increase to premiums and the addition of Paid Leave.

3. Both the Electric and Water budgets include a 4% wage adjustment effective on January 1, 2026. The budgets also account for adding an IT Technician position and filling the vacant Systems Engineer and Lineworker positions during 2026.

ATTACHMENTS:

- Preliminary 2026 Electric Expense Budget
- Preliminary 2026 Water Expense Budget

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
2026 ELECTRIC BUDGET

Electric	**2026 Annual Budget**	**2025 Annual Budget**	**2024 Annual Actual**	
Expenses				
Operating & Mtce Expense				
540.5461 OPERATING SUPERVISION	160,783	150,000	137,836	
540.5471 DIESEL OIL FUEL	-	-	160	Plant de-commissioned
540.5472 NATURAL GAS	27,501	30,000	21,926	
540.5483 ELECTRIC & WATER CONSUMPTION - PLANT	65,208	65,000	58,033	
540.5484 PLANT SUPPLIES & OTHER EXPENSE	12,000	15,000	9,756	
540.5491 MISC POWER GENERATION EXPENSE	1,000	1,000	641	
540.5521 MAINTENANCE OF STRUCTURE - PLANT	15,000	20,000	13,914	
540.5531 MTCE OF PLANT ENGINES/GENERATORS	500	5,000	4,177	
540.5541 MTCE OF PLANT/LAND IMPROVEMENT	40,000	55,000	20,340	
Total for Operating & Mtce Expense:	321,993	341,000	266,782	
Transmission Expense				
560.562 TRANSMISSION MTCE AND EXPENSE	70,000	76,000	48,623	
Total for Transmission Expense:	70,000	76,000	48,623	
Distribution Expense				
580.5801 REMOVE EXISTING SERVICE & METERS	2,000	2,000	353	
580.5821 SCADA EXPENSE	65,000	60,000	51,050	
580.5831 TRANSFORMER EXPENSE OH & URD	25,000	25,000	17,031	
580.5851 MTCE OF SIGNAL SYSTEMS	3,000	3,000	2,224	
580.5861 METER EXPENSE - REMOVE & RESET	1,500	1,500	467	
580.5871 TEMP SERVICE - INSTALL & REMOVE	8,500	10,000	650	
580.5881 MISC DISTRIBUTION EXPENSE	440,000	420,000	353,049	
580.589 INTERCONNECTION CARRYING CHARGE	-	-	2,416	
Total for Distribution Expense:	545,000	521,500	427,240	
Maintenance Expense				
590.5911 MTCE OF STRUCTURES	90,000	92,000	90,596	
590.5921 MTCE OF SUBSTATIONS	40,000	45,000	26,505	
590.5922 MTCE OF SUBSTATION EQUIPMENT	112,000	150,000	88,541	
590.5931 MTCE OF OH LINES/TREE TRIM	175,000	300,000	245,908	
590.5932 MTCE OF OH LINES/STANDBY	50,000	50,000	43,617	
590.5933 MTCE OF OH PRIMARY	195,000	190,000	174,966	
590.5941 MTCE OF URD PRIMARY	300,000	300,000	284,922	
590.5943 LOCATE ELECTRIC LINES	125,000	125,000	100,234	
590.5944 LOCATE FIBER LINES	4,000	2,500	3,182	
590.5951 MTCE OF LINE TRANSFORMERS	95,000	75,000	65,535	
590.5961 MTCE OF STREET LIGHTING	70,000	69,000	83,910	
590.5962 MTCE OF SECURITY LIGHTING	25,000	25,000	24,067	
590.5971 MTCE OF METERS	60,000	80,000	57,808	
590.5972 VOLTAGE COMPLAINTS	10,000	12,000	6,937	
590.5981 SALARIES TRANSMISSION & DISTRIBUTION	37,000	36,000	31,045	
590.5985 ELECTRIC MAPPING	162,000	155,000	134,999	
590.5986 FIBER MAPPING	10,000	15,000	-	
590.5991 MTCE OF OH SECONDARY	30,000	23,000	21,933	
590.5992 MTCE OF URD SECONDARY	80,000	75,000	58,325	
590.5995 TRANSPORTATION EXPENSE	320,000	325,000	303,892	
Total for Maintenance Expense:	1,990,000	2,144,500	1,846,921	
Depreciation & Amortization				
595.8031 DEPRECIATION	2,865,000	2,671,416	2,649,694	
595.8032 AMORTIZATION	668,136	668,136	668,135	
Total for Depreciation & Amortization:	3,533,136	3,339,552	3,317,829	
Interest Expense				
596.8071 INTEREST EXPENSE - BONDS	759,406	794,932	833,610	
597.8281 AMORTIZATION OF DEBT DISCOUNT/PREMIUM	(59,863)	(59,863)	(59,862)	
Total for Interest Expense:	699,543	735,069	773,748	
Other Operating Expense				
597.8165 EV CHARGING EXPENSE	1,250	1,400	2,661	
597.8213 LOSS ON DISPOSITION OF PROP (CAPITAL)	25,000	160,000	24,754	
597.8263 OTHER DONATIONS	2,000	2,000	-	
597.8265 MUTUAL AID	-	-	54,540	
597.8302 PENSION EXPENSE	280,000	259,000	(196,662)	GASB 68
597.8311 OTHER INTEREST EXPENSE	56,000	-	-	
597.8341 INTEREST EXPENSE - METER DEPOSITS	50,000	60,000	57,583	
Total for Other Operating Expense:	414,250	482,400	(57,124)	
Customer Accounts Expense				
900.9021 METER READING EXPENSE	25,000	35,000	47,698	
900.903 DISCONNECT/RECONNECT EXPENSE	5,000	10,000	11,844	
900.9051 MISC CUSTOMER ACCOUNTS EXPENSE UTILITY	380,000	400,000	355,651	
900.9061 BAD DEBT EXPENSE & RECOVERY	25,000	25,000	15,203	
Total for Customer Accounts Expense:	435,000	470,000	430,396	
Administrative Expense				
920.9201 SALARIES OFFICE & COMMISSION	1,085,000	1,085,000	885,001	
920.9205 TEMPORARY STAFFING	4,000	4,000	-	
920.9211 OFFICE SUPPLIES	125,000	135,000	95,726	
920.9212 ELECTRIC & WATER CONSUMPTION - OFFICE	28,552	32,000	24,246	
920.9213 BANK FEES	3,000	3,000	2,846	
920.9221 LEGAL FEES	25,000	30,000	35,362	
920.9231 AUDITING FEES	22,500	20,640	18,880	
920.9241 INSURANCE	143,000	195,000	183,582	Plant de-commissioned
920.926 UTILITY SHARE - DEFERRED COMP	125,000	128,500	111,230	
920.9261 UTILITY SHARE - MEDICAL/DENTAL/DISABIL	985,600	942,322	829,167	10% projected medical ins increase

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
2026 ELECTRIC BUDGET

Electric	**2026 Annual Budget**	**2025 Annual Budget**	**2024 Annual Actual**	
920.9262 UTILITY SHARE - PERA	348,500	321,500	308,017	
920.9263 UTILITY SHARE - FICA	342,500	315,500	300,171	
920.9264 EMPLOYEE SICK PAY	233,450	204,000	496,745	
920.9265 EMPLOYEE HOLIDAY PAY	197,402	194,100	179,077	
920.9266 EMPLOYEE VACATION & PTO PAY	344,308	325,000	331,860	
920.9267 UPMIC DISTRIBUTION	86,000	86,000	112,541	2%
920.929 LONGEVITY PAY	8,040	9,945	6,964	
920.9291 CONSULTING FEES	50,000	239,000	40,307	NISC, IT
920.9301 TELEPHONE	31,000	38,000	30,987	
920.9302 ADVERTISING	20,000	20,000	14,071	
920.9303 DUES & SUBSCRIPTIONS - FEES	141,879	152,009	123,647	
920.9305 SCHOOLS & MEETINGS	284,571	292,333	199,542	
920.9321 MTCE OF GENERAL PLANT & OFFICE HEATING	11,000	11,000	10,073	
Total for Administrative Expense:	4,645,302	4,783,849	4,340,041	
General Expense				
920.9269 CIP REBATES - RESIDENTIAL	97,876	90,758	92,938	
920.927 CIP REBATES - COMMERCIAL	112,000	112,000	111,002	
920.9271 CIP - ADMINISTRATION	181,840	182,965	180,071	
920.9272 CIP - MARKETING	54,864	51,235	44,740	
920.9273 CIP - LABOR	140,000	133,822	98,215	
920.9274 CIP REBATES - LOW INCOME	18,720	18,720	3,762	
920.9275 CIP - LOW INCOME LABOR	10,000	10,000	9,264	
920.9281 ENVIRONMENTAL COMPLIANCE	37,000	35,000	31,461	
920.9306 MISC GENERAL EXPENSE	5,000	5,300	3,431	
Total for General Expense:	657,300	639,800	574,884	
Total Expenses (before Operating Transfers)	45,191,153	44,133,298	40,560,038	
Operating Transfer				
Operating Transfer/Other Funds				
597.8262 TRANSFER TO CITY ELK RIVER REVENUE	1,954,643	1,643,429	1,527,629	4.5% of Elk River Sales
Total for Operating Transfer/Other Funds:	1,954,643	1,643,429	1,527,629	
Utilities & Labor Donated				
597.8261 UTILITIES & LABOR DONATED TO CITY	272,000	265,000	229,359	
Total for Utilities & Labor Donated:	272,000	265,000	229,359	
Total Operating Transfer				
Total for Total Operating Transfer:	2,226,643	1,908,429	1,756,988	
Total Expense Excluding Purchased Power	**15,538,167**	**15,442,099**	**13,726,327**	
Expense Budget Change Year over Year	0.6%			

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
2026 WATER BUDGET

Water	**2026 Annual Budget**	**2025 Annual Budget**	**2024 Annual Actual**	
Expenses				
Production Expense				
700.7021 MTCE OF STRUCTURES	125,000	135,000	118,775	
Total for Production Expense:	125,000	135,000	118,775	
Pumping Expense				
710.7101 SUPERVISION	80,000	76,000	69,969	
710.7181 ELECTRIC & GAS UTILITIES	300,000	310,000	256,685	
710.7182 SAMPLING	24,000	24,150	21,965	
710.7183 CHEMICAL FEED	50,000	50,000	38,920	
710.722 MTCE OF WELLS	200,000	200,000	260,693	
710.723 SCADA - PUMPING	14,000	12,000	13,837	
Total for Pumping Expense:	668,000	672,150	662,069	
Distribution Expense				
730.7301 MTCE OF WATER MAINS	175,000	175,000	161,765	
730.7309 LOCATE WATER LINES	25,000	20,000	13,729	
730.7311 MTCE OF WATER SERVICES	-	500	-	
730.7312 WATER METER SERVICE	50,000	70,000	100,494	
730.7316 BACKFLOW DEVICE INSPECTION	23,000	23,160	19,532	
730.7321 MTCE OF CUSTOMERS SERVICE	36,000	35,000	33,583	
730.7325 WATER MAPPING	25,000	17,000	25,858	
730.7326 FIBER MAPPING	10,000	15,000	-	
730.7331 MTCE OF WATER HYDRANTS - PUBLIC	22,000	22,000	22,736	
730.7332 MTCE OF WATER HYDRANTS - PRIVATE	6,000	6,000	4,990	
730.7341 WATER CLOTHING/PPE	15,000	15,000	9,529	
730.7391 WAGES WATER	9,500	10,000	7,618	
730.7395 TRANSPORTATION EXPENSE	24,000	24,000	18,311	
730.7399 WATER PERMIT	27,000	27,000	26,255	
Total for Distribution Expense:	447,500	459,660	444,400	
Depreciation & Amortization				
595.8031 DEPRECIATION	1,415,000	1,325,866	1,223,033	
Total for Depreciation & Amortization:	1,415,000	1,325,866	1,223,033	
Interest Expense				
596.8071 INTEREST EXPENSE - BONDS	35,433	38,117	40,600	
597.8281 AMORTIZATION OF DEBT DISCOUNT/PREMIUM	(6,651)	(6,651)	(6,651)	
Total for Interest Expense:	28,782	31,466	33,949	
Other Operating Expense				
597.8213 LOSS ON DISPOSITION OF PROP (CAPITAL)	-	16,000	5,090	
597.8214 LOSS ON DISPOSITION OF PROP (NONCAPITAL)	-	-	16,272	
597.8264 DAM MAINTENANCE EXPENSE	-	-	444	
597.8302 PENSION EXPENSE	50,000	44,000	(13,068)	GASB 68
597.8341 INTEREST EXPENSE - METER DEPOSITS	625	750	967	
Total for Other Operating Expense:	50,625	60,750	9,706	
Customer Accounts Expense				
900.9021 METER READING EXPENSE	5,000	7,000	5,550	
900.9051 MISC CUSTOMER ACCOUNTS EXPENSE UTILITY	99,000	98,000	91,045	
900.9061 BAD DEBT EXPENSE & RECOVERY	250	250	20	
Total for Customer Accounts Expense:	104,250	105,250	96,615	

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
2026 WATER BUDGET

Water	**2026 Annual Budget**	**2025 Annual Budget**	**2024 Annual Actual**	
Administrative Expense				
920.9201 SALARIES OFFICE & COMMISSION	335,000	288,000	258,534	
920.9205 TEMPORARY STAFFING	1,000	1,000	-	
920.9211 OFFICE SUPPLIES	30,000	30,000	23,419	
920.9212 ELECTRIC & WATER CONSUMPTION - OFFICE	6,500	7,000	6,061	
920.9213 BANK FEES	708	700	727	
920.9221 LEGAL FEES	6,000	5,000	5,708	
920.9231 AUDITING FEES	7,000	6,700	5,266	
920.9241 INSURANCE	43,000	44,000	40,123	
920.926 UTILITY SHARE - DEFERRED COMP	25,000	24,100	18,628	
920.9261 UTILITY SHARE - MEDICAL/DENTAL/DISABIL	282,396	269,977	202,667	10% projected medical ins increase
920.9262 UTILITY SHARE - PERA	71,500	68,500	59,327	
920.9263 UTILITY SHARE - FICA	70,500	66,000	58,186	
920.9264 EMPLOYEE SICK PAY	53,000	35,000	69,539	
920.9265 EMPLOYEE HOLIDAY PAY	43,000	41,525	34,538	
920.9266 EMPLOYEE VACATION & PTO PAY	72,000	66,000	59,902	
920.9267 UPMIC DISTRIBUTION	19,000	18,500	23,571	2%
920.929 LONGEVITY PAY	1,260	2,130	836	
920.9268 WELLHEAD PROTECTION	1,500	2,000	-	
920.9291 CONSULTING FEES	25,000	57,400	16,317	NISC, IT
920.9301 TELEPHONE	8,600	7,500	7,024	
920.9302 ADVERTISING	5,000	5,000	3,633	
920.9303 DUES & SUBSCRIPTIONS - FEES	111,475	89,961	78,201	
920.9305 SCHOOLS & MEETINGS	62,058	60,957	42,421	
920.9321 MTCE OF GENERAL PLANT & OFFICE HEATING	2,700	2,750	2,518	
Total for Administrative Expense:	1,283,196	1,199,700	1,017,146	
General Expense				
920.9269 CIP REBATES - RESIDENTIAL	2,000	5,000	1,090	
920.927 CIP REBATES - COMMERCIAL	1,000	500	-	
920.9272 CIP - MARKETING	1,500	2,000	1,117	
920.9273 CIP - LABOR	500	2,500	-	
920.9281 ENVIRONMENTAL COMPLIANCE	2,000	2,000	684	
920.9306 MISC GENERAL EXPENSE	250	250	(0)	
Total for General Expense:	7,250	12,250	2,891	
Total Expenses (before Operating Transfers)	4,129,604	4,002,092	3,608,585	
Operating Transfer				
Utilities & Labor Donated				
597.8261 WATER & LABOR DONATED TO CITY	2,000	2,000	-	
Total Operating Transfer				
Total for Total Operating Transfer:	2,000	2,000	-	
Total Expense	**4,131,604**	**4,004,092**	**3,608,585**	
Budget Change Year over Year	3.2%			

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	FROM: Mark Hanson - General Manager
MEETING DATE: October 14, 2025	**AGENDA ITEM NUMBER:** 5.3
SUBJECT: Payment in Lieu of Taxes to City of Elk River	
ACTION REQUESTED: None, Discussion Only	

BACKGROUND:
At the September 9, 2025, commission meeting, Chair Dietz requested a discussion to take place at the next commission meeting regarding the current Payment in Lieu of Taxes (PILOT) policy. Commission Policy G.2a1, Payment in Lieu of Taxes and Other Donations to the City of Elk River (attached) outlines the PILOT agreement between the City Council and the ERMU Commission. The current PILOT agreement is comprised of four distinct contributions:

1) ERMU shall transfer 4.0% of the revenue generated by ERMU's electric customers, except customers qualifying for the Transmission Transformed Service (TTS) rate, within the corporate boundaries of the City of Elk River. ERMU currently has no TTS customers.
2) ERMU shall donate all electricity to the City of Elk River for streetlights and signal lights.
3) ERMU shall donate water to the City of Elk River for use by
    a. The Elk River Fire Department (ERFD) for the purpose of extinguishing fires within the City of Elk River and other cities under contract with the ERFD.
    b. The Elk River Parks Department for the purpose of creating ice rinks for public/ non-enterprise use.
    c. The Elk River Streets Department for the purpose of street sweeping.
4) ERMU shall donate labor to the City of Elk River, as appropriate, where a greater value is created for our community and where ERMU is not subjected to undue burden. Examples include hanging banners, maintenance of street lighting, re-lamping signal lights, locating underground fiber optics and/or other facilities, administration costs associated with the billing of city franchise fees, installation of temporary lighting, re-lamping of city ball field lighting, installation and/or maintenance of city warning sirens, meter reading for wastewater, assistance with tree trimming, etc.

Chair Dietz provided each commissioner with a copy of the American Public Power Association's (APPA) May 2024 Public Power Pays Back report, which summarizes the average PILOT contributions on a national, regional, and revenue-based level, using 2022 data. He requested that the commission members review the report in anticipation of a staff led discussion at the October commission meeting.

DISCUSSION:

Electric PILOT: The tables below show the revenue transfer and donated labor/electricity to the City of Elk River for the last five years. The 2021-2024 four-year average for donated labor and electricity equals 0.62% of revenue. This brings ERMU's total PILOT to 4.62% of revenue.

4% Revenue Transfer	**2021**	**2022**	**2023**	**2024**	**Average**	**2025 YTD***
Elk River Revenue	$35,193,352	$38,290,819	$40,509,440	$38,190,735	$38,046,089	$27,362,306
4% Transfer to City	$1,407,734	$1,531,633	$1,620,378	$1,527,629	$1,521,843	$1,094,492

* Through August 2025

Donated Labor/Electricity	**2021**	**2022**	**2023**	**2024**	**Average**	**2025 YTD***
Electricity on Street Lights	$218,677	$224,492	$219,398	$215,615	$219,545	$153,632
Energy Audit at FTC			$29,289		$29,289	
Labor and Materials	$6,137	$7,369	$4,877	$13,744	$8,032	$4,916
Labor/Electricity Total	$224,814	$231,861	$253,564	$229,359	$234,899	$158,548
Percent of Revenue	0.64%	0.61%	0.63%	0.60%	0.62%	0.58%

For comparison with other municipal utilities, APPA's Public Power Pays Back Report (attached) analyzes self-reported data from 197 public power utility respondents that made a contribution to state and/or local governments. The national median PILOT was 5.1%.

- Medians by revenue class ranged from 3.4% to 6.4%. For the 59 utilities with revenues in ERMU's $20 to $50 million range, the median revenue transfer was 4.8%.
- Medians by regional location ranged from 3.3% to 6.3%. For the 68 utilities in the Central region, the median revenue transfer was 5.0%.

APPA's report also described other, non-cash contributions, such as donated labor and electricity. On a national basis, donated labor and electricity account for roughly 4% of total PILOT contributions. A total of 171 utilities reported the following non-cash contributions similar to ours:

Description	**% of Utilities**	**# of Utilities**
Donated electric for streetlighting	29.8%	51
Donated electricity for signal systems	12.9%	22
Donated water for firefighting and street sweeping	6.4%	11
Donated labor for signs and banners	33.3%	57
Donated labor for tree trimming	18.1%	31
Donated labor for traffic signal maintenance	17.5%	30
Donated labor for electric repairs	14.6%	25
Donated materials and supplies	8.2%	14

Comparing ERMU's current total PILOT contribution of 4.62% to either the central region median (5.0%) or the national median (5.1%), suggests ERMU is below average. Should the

Commission desire to increase ERMU's PILOT contribution, staff recommend one of the following two options:

1) Increase the current revenue transfer by 0.5% to 4.5% and continue the current donated contributions. For 2026, this increases our revenue transfer by a projected $217,183 for a total of $1,954,643. Adding in the estimated $272,000 in streetlight electricity and other donated labor/materials results in a total PILOT contribution of $2,226,643.
2) Increase the current revenue transfer by 1.0% to 5.0% and start invoicing the city for the streetlight electricity and labor/materials that are currently donated. For 2026, this would increase our revenue transfer by a projected $434,365 for a total PILOT contribution of $2,171,826.

Water PILOT: Through research and conversations with comparable utilities, staff discovered several other utilities are also paying a PILOT on their water revenue. Specific to ERMU, however, roughly half of Elk River residents are water customers so a water PILOT may not be seen as fair since non-water customers would not be contributing the same share to the City's budget.

ERMU's projected water sales revenue for 2026 is $3.15M, so a 2% revenue transfer would equal $63,000. Similarly, a 3% PILOT would equal a $94,500 revenue transfer. ERMU currently donates an estimated 6.55 million gallons ($26,200) of water annually to the city to support firefighting and street sweeping operations. ERMU also averages approximately $1,320 in donated labor to support maintenance and inspection of the Lake Orono dam.

Similar to the electric options above, should the Commission desire to add a water PILOT contribution, staff recommend one of the following two options:

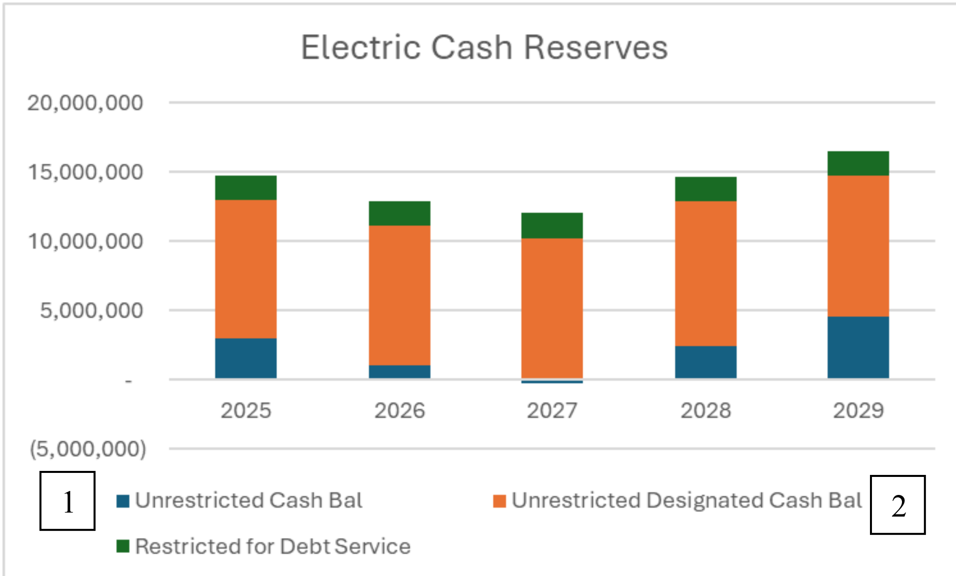
1) Implement a 2% revenue transfer and continue the current donated contributions. For 2026, this would add a projected revenue transfer of $63,000. Adding in the estimated $27,520 in donated water and labor results in a total PILOT contribution of $90,520.
2) Implement a 3% revenue transfer and start invoicing the city for the water and labor/materials that are currently donated. For 2026, this results in a revenue transfer of $94,500.

For both electric and water, raising the PILOT will reduce our end-of-year margins that transfer into the respective electric and water reserve balance. At times, our capital program is partially funded through our reserve balances. Long range anticipated capital needs show insufficient reserve balances to support project cost estimates (see charts in memo). Therefore, funding these projects will require a combination of raising rates and acquiring debt through bonding. A discussion of ERMU's reserve policy has been added to the November commission agenda.

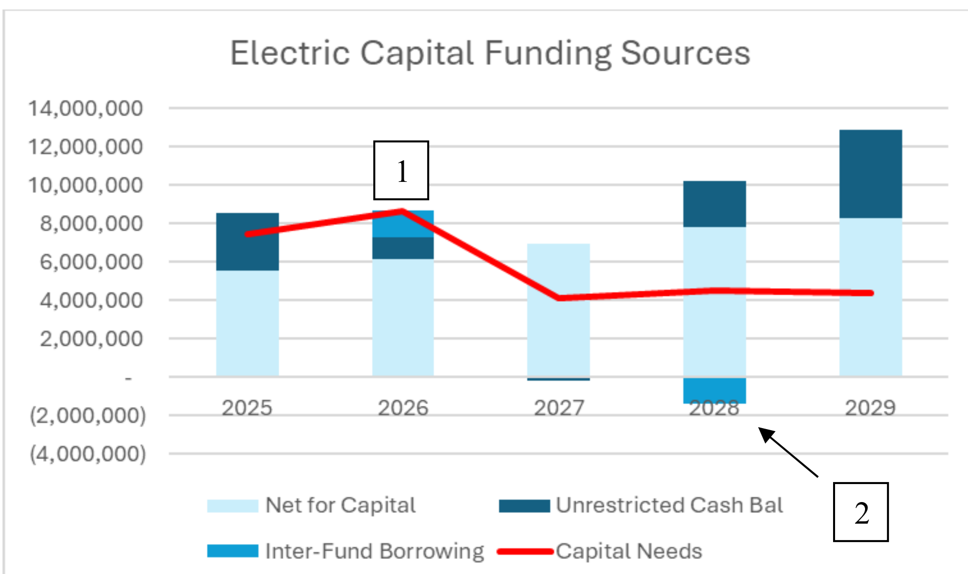
Discussion Questions:

1) Does the commission desire to increase the electric PILOT revenue transfer?
    - If yes, does the commission prefer Option 1 above or Option 2?
2) Does the commission desire to start a water PILOT revenue transfer?
    - If yes, what percent transfer rate is desired?

Electric Projected Reserve Balances, 2025-2029

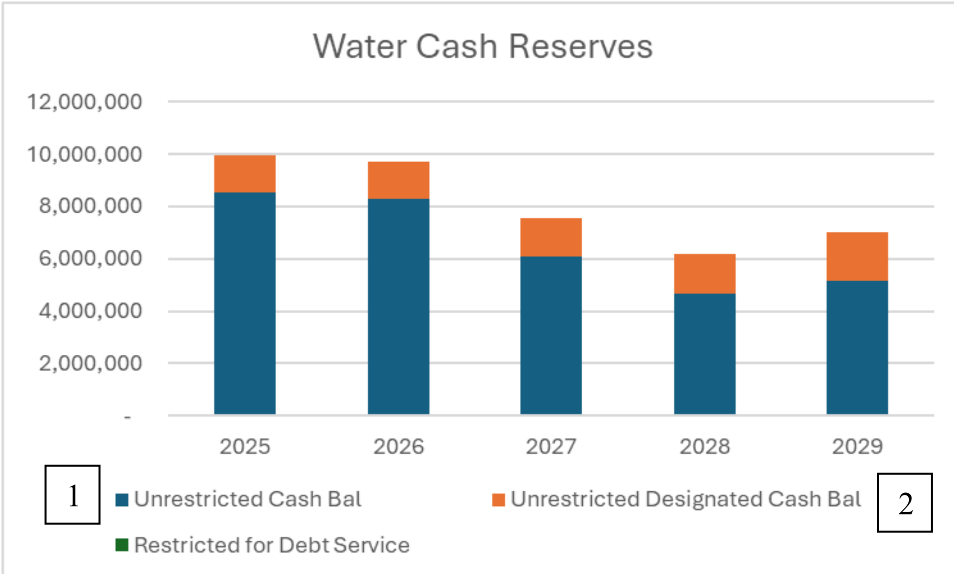


1) Unrestricted Cash Balance is used to support capital projects when needed
2) Unrestricted Designated Cash Balance is reserved for catastrophic events, currently calculated as six months operating expenses + one month of purchased power.



1) Approximately $1.4M is borrowed from water reserve fund in 2026 to support major projects, most notably the new East Substation and the transformer replacement at the Otsego Substation.
2) Borrowed money is paid back in 2028.

Water Projected Reserve Balances, 2025-2029



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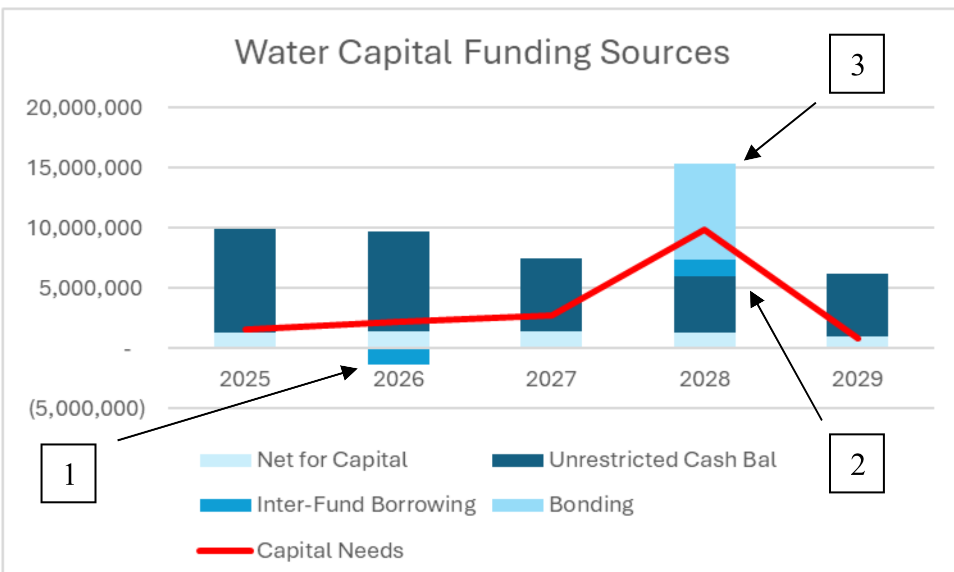
2) Unrestricted Designated Cash Balance is reserved for catastrophic events, currently calculated as six months operating expenses.



1) Approximately $1.4M is loaned to the electric fund in 2026 to support major electric projects.
2) Borrowed money is paid back in 2028.
3) Approximately $8M in bonding is required in 2028 to support major water projects, most notably a new treatment plant.

ATTACHMENTS:

- APPA Public Power Pays Back, May 2024
- G.2a1 - Payment In Lieu of Taxes (PILOT) and Other Donations to the City of Elk River

Public Power Pays Back

Payments and Contributions by Public Power Utilities to State and/or Local Governments in 2022

AMERICAN PUBLIC POWER ASSOCIATION™

Powering Strong Communities

Public Power Pays Back

Payments and Contributions by Public Power Utilities to State and Local Governments in 2022

Prepared by
Lindsey Buttel, Manager, Research and Statistics
American Public Power Association

PUBLISHED MAY 2024

AMERICAN PUBLIC POWER ASSOCIATION
Powering Strong Communities

The American Public Power Association is the voice of not-for-profit, community-owned utilities that power 2,000 towns and cities nationwide. We represent public power before the federal government to protect the interests of the more than 54 million people that public power utilities serve, and the 96,000 people they employ.

EXECUTIVE SUMMARY

Public power utilities provide affordable, reliable, and environmentally responsible electricity to the customers they serve. These not-for-profit, community-owned utilities are not beholden to any shareholders and are driven only by the mission to serve their customers and community. Although they do not pay corporate income tax, public power utilities provide other types of payments and contributions, which support the value of local utility ownership.

Every two years, the American Public Power Association (APPA) surveys public power utilities to assess the scope of payments and contributions community-owned utilities provide to their state and/or local governments. These contributions come in many forms — property-like taxes, payments in lieu of taxes, transfers to the general fund, and free or reduced cost services provided to states, cities, and tribes. Since these contributions are not reported on a single central form, the total value of these contributions is not always recognized.

A total of 204 public power utilities responded to the 2022 Survey of Tax Payments and Contributions, conducted from January through March of 2024. Nearly all respondents, 197 utilities, made a contribution to their state and/or local governments, which includes 26 public power utilities served by the Tennessee Valley Authority (TVA). Data from TVA-served public power utilities is limited in this analysis because these public power utilities must limit payments and contributions under the terms of their wholesale power contract.

Use caution in making direct comparisons with previous APPA reports, as the utilities included in each report can change from year to year.

Public Power Contributes More

In 2022, public power utility respondents making contributions to state and/or local governments contributed $1.476 billion, or a median of **5.1% of electric operating revenues** back to the communities they serve. In comparison, investor-owned utilities paid a median of 4.7% of electric operating revenues in taxes and fees to state and/or local governments in 2022.

When all 2022 taxes, tax equivalents, and other contributions to state and/or local governments are considered, the contribution of public power utilities — as a percent of electric operating revenues — is **9% higher** than that of investor-owned utilities.

Public power utilities also support their communities through charitable giving programs for their employees (31% of respondents) and in providing volunteering options (27% of respondents). In 2022, public power employees from the surveyed utilities donated a total of $2,708,107, with a median charitable donation of $4,165 for utilities with less than $50,000,000 in revenue and $33,929 for utilities with greater than $50,000,000 in revenue. Additionally, public power employees from the surveyed utilities volunteered a total of 22,785 hours in 2022, with a median of 98 hours for utilities with less than $50,000,000 in revenue, and 200 hours for utilities with greater than $50,000,000 in revenue.

PAYMENT AND CONTRIBUTION RATES BY REVENUE

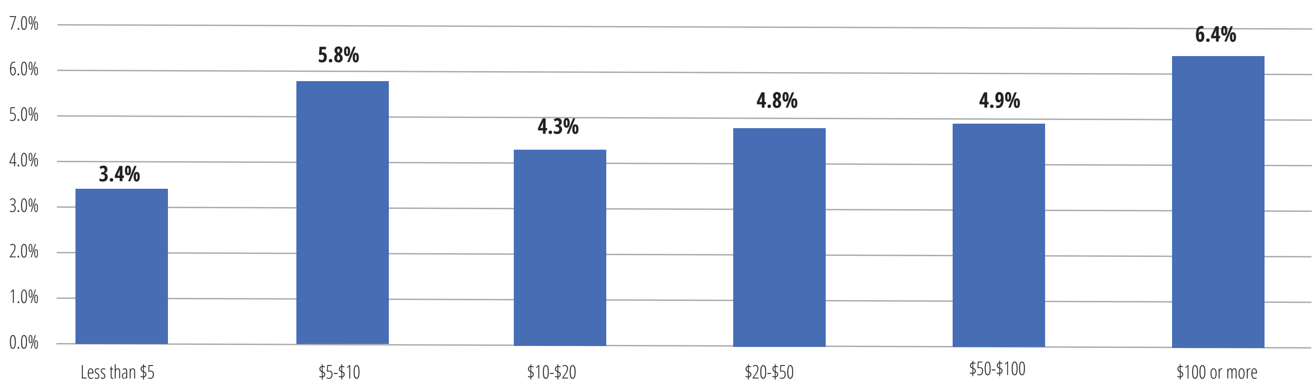
Net payments and contributions as a percent of electric operating revenue are summarized for public power utilities in six revenue classes. This analysis includes the 197 public power utility respondents that made a contribution to state and/or local governments. Medians by revenue class range from 3.4% to 6.4%, as compared to the national median of 5.1%.

The median is defined as the value where half of the utilities had greater payment and contribution rates and half contributed less. Quartiles are another common tool used in the analysis. By definition, half of utilities fall between the first and third quartiles. For example, 50% of the 197 utilities in this report made payments and contributions between 3.3% and 7.1% of electric operating revenue.

TABLE 1. Net Payments and Contributions by Public Power Utilities as Percent of Electric Operating Revenue, 2022

Revenue (in millions)	Utilities	Median	First Quartile	Third Quartile
Less than $5	17	3.4%	2.3%	11.9%
$5-$10	15	5.8%	4.2%	8.8%
$10-$20	34	4.3%	2.6%	5.3%
$20-$50	59	4.8%	2.9%	6.5%
$50-$100	34	4.9%	3.5%	7.0%
$100 or more	38	6.4%	5.7%	9.6%
TOTAL	**197**	**5.1%**	**3.3%**	**7.1%**

Figure 1. Median Net Payments and Contributions by Public Power Utilities as Percent of Electric Operating Revenue, 2022



In 2022, investor-owned utilities paid a median of 4.7% of electric operating revenues in taxes and fees to state and/or local governments. IOUs in the middle 50% of contributions made payments ranging from 2.8% to 6.8%. In comparison, public power utilities paid a median of 5.1% in net payments and contributions as a percent of electric operating revenue, with a middle range of 3.3% to 7.1%.

The median percent of taxes paid by IOUs and tax payments and contributions by public power systems as a percentage of electric operating revenue varies by utility size.

	Investor-Owned	Public Power
Large Utilities (over $100 million)	4.8%	6.4%
Small Utilities (under $100 million)	3.0%	4.8%

In this study, most IOUs (93%) had more than $100 million in operating revenues, while most public power systems had less than $100 million (81%).

PAYMENT AND CONTRIBUTION RATES BY REGION

Regional variations in median net payments and contributions range from 3.3% in the Midwest to 6.3% in the Southeast. This analysis includes the 197 public power utility respondents that made a contribution to state and/or local governments. Appendix 2 details the states included in each region.

TABLE 2. Net Payments and Contributions by Public Power Utilities as Percent of Electric Operating Revenue, by Region, 2022

Region	Number of Utilities	Median	First Quartile	Third Quartile
Northeast	22	3.5%	1.9%	5.0%
Midwest	34	3.3%	2.5%	4.8%
Southeast	58	6.3%	5.1%	8.4%
Central	68	5.0%	3.5%	7.2%
West	15	5.8%	5.1%	10.5%
TOTAL	**197**	**5.1%**	**3.3%**	**7.1%**

Figure 2. Median Net Payments and Contributions by Public Power Utilities as Percent of Electric Operating Revenue, by Region, 2022

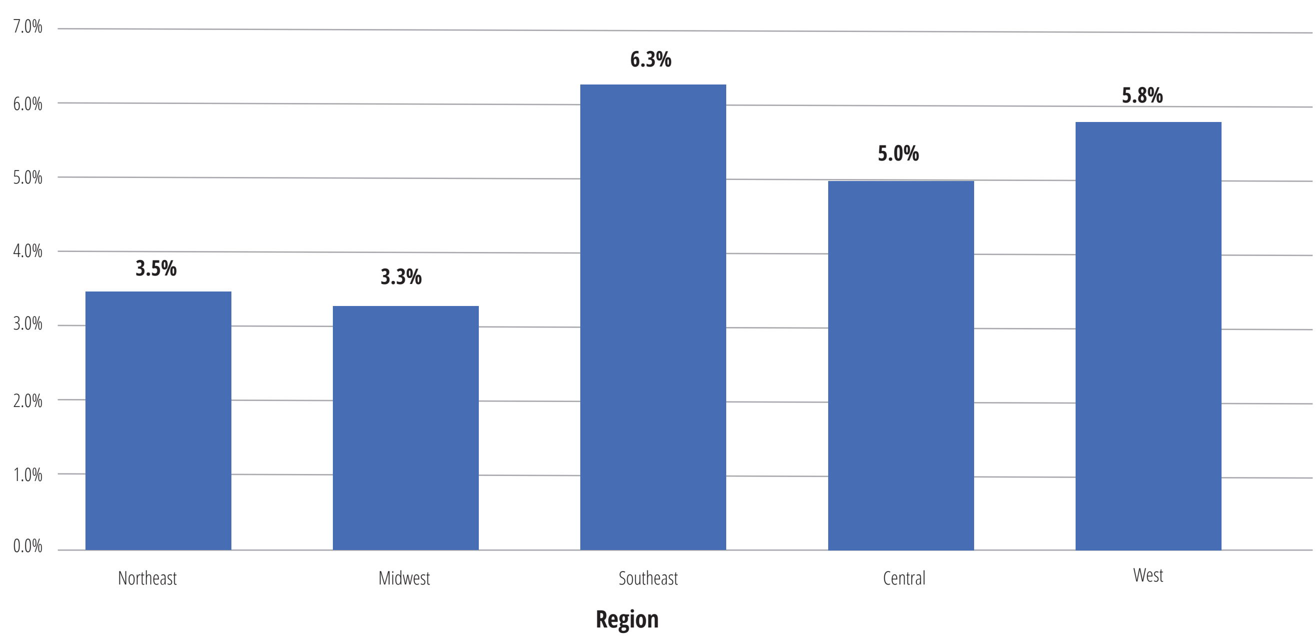
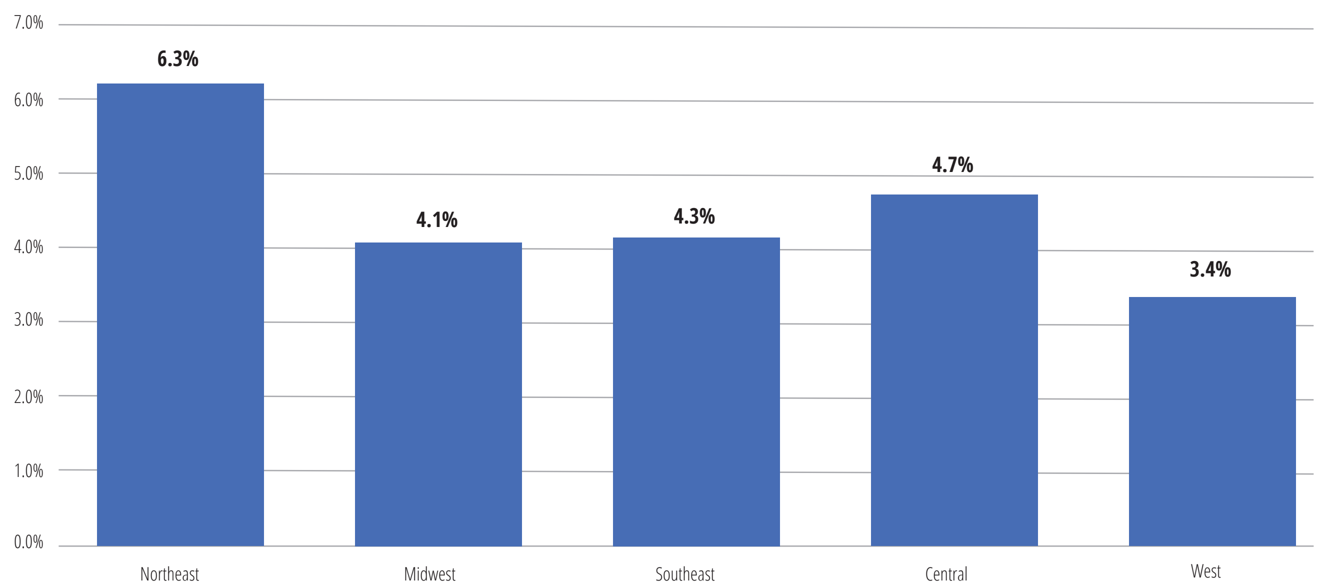


Table 3 presents data for investor-owned utilities grouped by geographic region. The median rate for investor-owned systems was the largest in the Northeast and smallest in the West.

TABLE 3. Net Taxes as Percent of Electric Operating Revenue for Investor-Owned Utilities, by Region, 2022

Region	Number of Utilities	Median	First Quartile	Third Quartile
Northeast	26	6.3%	4.0%	6.8%
Midwest	31	4.1%	3.1%	6.6%
Southeast	24	4.3%	2.6%	7.2%
Central	26	4.7%	3.1%	6.8%
West	21	3.4%	2.3%	5.0%
TOTAL	**128**	**4.7%**	**2.8%**	**6.8%**

Figure 3. Median Tax Payments by Investor-Owned Utilities, by Region, 2022



SUMMARY OF PAYMENTS AND CONTRIBUTIONS

This analysis includes the 171 public power utility respondents that made a contribution to state and/or local governments and are not served by TVA. Public power utility respondents that are served by TVA (26 utilities) are not included because they must limit payments and contributions under the terms of their wholesale power contracts.

As shown in Table 4, the 171 utilities made combined payments and contributions that exceeded $1.48 billion to state and/or local governments in 2022. Payments in lieu of taxes were the largest share of payments and contributions, followed by other taxes and fees. Table 5 shows the number of utilities making each type of payment or contribution.

TABLE 4. Net Payments and Contributions to State and/or Local Governments, 2022

	Amount (in Millions)	Percent of Total
Payments in Lieu of Taxes	$991.1	67.1%
Other Taxes and Fees	$265.0	17.9%
Gross Receipts Tax	$162.8	11.0%
Free or Reduced Cost Electric Services	$46.8	3.2%
Use of Employees	$6.9	0.5%
Use of Vehicles, Equipment, Materials & Supplies	$5.4	0.4%
TOTAL	**$1,478.0**	

TABLE 5. Types of Payments and Contributions Provided, 2022

	Percent of Utilities	Number of Utilities
Payments in Lieu of Taxes	90.6%	155
Taxes and Fees	**48.0%**	**82**
Gross Receipts Tax	28.1%	48
State Public Utility Assessments	19.3%	33
Property Taxes	18.1%	31
Franchise Fees	11.1%	19
Other	9.4%	16
Free or Reduced Cost Electric Service	**35.1%**	**60**
Streetlighting	29.8%	51
Lighting for Municipal Buildings	14.6%	25
Traffic Signals	12.9%	22
Recreational Facilities	11.7%	20
Water or Sewer Treatment Facilities	7.6%	13
Water Pumping	6.4%	11
Other	11.7%	20
Use of Employees	**55.0%**	**94**
Putting Up City Signs & Banners	33.3%	57
Installation of Temporary Lighting	28.1%	48
Tree Trimming for Other Departments	18.1%	31
Traffic Signal Maintenance	17.5%	30
Electrical Repair for Other Departments	14.6%	25
Technical Expertise	8.8%	15
Rewiring Municipal Buildings	6.4%	11
Reading Water Meters	3.5%	6
Non-Utility Locates	2.9%	5
Other Services	21.1%	36
Other Resources	**28.1%**	**48**
Use of Vehicles & Equipment	20.5%	35
Use of Materials & Supplies	8.2%	14
Other	8.2%	14

The 171 utilities received $2.5 million in contributions and services from the municipality. This amount does not include any contributions or services for which the city has been reimbursed, either through direct billing or a transfer of funds. Subtracting these free or reduced cost contributions and services results in $1.476 billion in net payments and contributions by the 171 utilities in 2022. Table 6 shows the number of utilities receiving services and contributions from the municipality.

TABLE 6. Types of Services and Contributions Received from State and/or Local Governments, 2022

	Percent of Utilities	Number of Utilities
Any Services & Contributions	15.8%	27
Use of Employees	10.5%	18
Use of Vehicles & Equipment	6.4%	11
Use of Materials & Supplies	1.8%	3
Free or Reduced Cost Service	2.9%	5

METHODS USED TO DETERMINE PAYMENTS IN LIEU OF TAXES

Approximately 91% of respondents that made a contribution to state and/or local governments and are not served by TVA (155 utilities) made payments in lieu of taxes, also called transfers to the general fund. Payments in lieu of taxes are generally thought of as payments to local governments. However, some utilities make payments in lieu of taxes to their state governments.

As shown in Table 7, the most common method used to determine the amount of payments in lieu of taxes was the percent of gross electric operating revenue. The median percent of gross electric operating revenue that was transferred for payments in lieu of taxes was 5.1%.

TABLE 7. Methods Used to Calculate Payments in Lieu of Taxes

	Percent of Utilities	Number of Utilities
Percent of Gross Electric Operating Revenue	26%	40
Flat Amount Paid Annually	19%	30
Property Tax Equivalent	16%	25
Charge per Kilowatt-hour Sold	14%	22
Assessment of Electric Utility and City Budgets	10%	15
Percent of Net Utility Plant in Service	7%	11
Percent of Income (Net, Operating, or Total)	2%	3
Other/Did Not Indicate	22%	34

Respondents could select multiple options as many payments are based on more than one criterion. The “assessment of electric utility and city budgets” category includes utilities with payments that are set by the city council, mayor, or a utility commission, and utilities that make payments on an as-needed basis.

TVA distribution utilities are not included in this assessment. State law determines payments in lieu of taxes for utilities in the state of Tennessee. The calculation is composed of two parts: 1) percent of three-year average operating revenue less power cost, and 2) property tax rate applied to net utility plant.

APPENDIX 1

METHODOLOGY AND DATA SOURCES

Results for public power utilities were calculated from two sources: the American Public Power Association's 2022 Survey of Public Power Tax Payments and Contributions and the Department of Energy's Energy Information Administration Form EIA-861, Annual Electric Utility Report.

A total of 204 utilities completed the 2022 survey. Form EIA-861 provided information on electric operating revenue. Payments and contributions for TVA distributors include an amount equal to 5% of the estimated cost of power purchased from TVA (TVA makes this payment) plus any payments in lieu of taxes or contributions made by the distribution utility. TVA's wholesale power contracts with municipalities limit payments in lieu of taxes to an amount not exceeding the state and/or local taxes that the system would pay if privately owned.

Results for investor-owned systems were calculated from data submitted on the 2022 Federal Energy Regulatory Commission Form 1, "Annual Report of Major Electric Utilities, Licensees and Others."

This report only includes distribution utilities with approximately 50% or more of total kilowatt-hour sales going to retail customers. The survey respondents represent nearly 30% of all kilowatt-hour sales to customers of public power utilities. This report includes nearly all investor-owned systems.

Public power's payments and contributions to state and local governments include taxes and fees such as gross receipts taxes, property taxes (generally on property outside the city limits), franchise fees, payments to state public utility commissions, environmental fees, and licenses. Payments in lieu of taxes or transfers to the general fund and the value of services such as free or reduced cost electricity, the use of electric department employees, and the use of electric department materials and equipment are also included. Federal taxes, social security taxes, similar contributions to state unemployment insurance, and other payroll taxes are excluded.

The value of free or reduced cost services contributed by the local government to the utility is deducted from total payments and contributions to arrive at net contributions. The net amount is then divided by electric utility revenue.

Net taxes for investor-owned utilities include state and local taxes and fees as reported on pages 262-263 of FERC Form 1. Federal taxes, social security taxes, similar contributions to state unemployment insurance, and other payroll taxes are excluded.

APPENDIX 2

REGIONS

The regions specified in Table 2 and Table 3 comprise the following states. Hawaii is not included in any of the nine regions but is included in national totals and in summaries by revenue class. Utilities serving the U.S. territories did not complete the survey and are not included in this report.

In an effort to standardize regional definitions across our resources, note that this report contains different regional definitions than in prior years.

Northeast	Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont
Southeast	Alabama, Delaware, Florida, Georgia, Kentucky, Maryland, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia
Midwest	Illinois, Indiana, Michigan, Ohio, and Wisconsin
Central	Arkansas, Louisiana, Oklahoma, Texas, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota
West	Alaska, Arizona, California, Colorado, Idaho, Montana, New Mexico, Nevada, Oregon, Utah, Washington, and Wyoming

AMERICAN PUBLIC POWER ASSOCIATION
Powering Strong Communities

2451 Crystal Drive
Suite 1000
Arlington, Virginia
22202-4803

Elk River Municipal Utilities

COMMISSION POLICY

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

PURPOSE:

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

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

POLICY:

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

1. Payment in Lieu of Taxes (PILOT) – The PILOT transfer from Elk River Municipal Utilities to the City of Elk River shall be four percent (4%) of the revenues generated by ERMU's electric customers, except customers qualifying for the Transmission Transformed Service rate, within the corporate boundaries of the City of Elk River.

   For the customers that qualify for the Transmission Transformed Service rate, the PILOT transfer from ERMU to the City of Elk River shall be four percent (4%) of the margin remaining from the evenly split charge per kWh to cover dispatching, billing, and administrative costs incurred by the wholesale power provider and ERMU.

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

3. Donated Water – Elk River Municipal Utilities shall donate water for use by the Elk River Fire Department (ERFD) for the purpose of extinguishing fires within the City of Elk River and other cities under contract with the ERFD.

   For the purpose of creating ice rinks for public/ non-enterprise use, ERMU shall donate water for use by the Elk River Parks Department.

   Elk River Municipal Utilities shall donate water for the use by the Elk River Streets Department for the use of street sweeping.

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

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

POLICY HISTORY:

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

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	FROM: Mark Hanson - General Manager
MEETING DATE: October 14, 2025	**AGENDA ITEM NUMBER:** 5.4
SUBJECT: Advanced Metering Infrastructure Update	
ACTION REQUESTED: None	

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

- On September 15, 2025, certified letters were sent to 75 non-responsive water customers, requiring action by October 3, 2025, to avoid further action and possible disconnection for failing to replace their water meter.
- On October 6, 2025, disconnection notices were posted for 54 non-responsive water customers, requiring action by October 21, 2025, to avoid water service disconnection for failing to replace their water meter.

Next steps:
- During the week of October 13, water staff will visit properties requiring water meter replacement to locate, and verify access to, water shut off valves. Staff will have meters available for immediate replacement if the customer chooses.
- On October 22, staff will review remaining customers who have not replaced their water meter. A schedule will be developed to manage daily disconnections, ensuring staff availability for reconnections the same day, or the next day if customers call after hours. No shutoffs will occur on Fridays. Staff will have meters available for immediate replacement in lieu of disconnection if the customer chooses.
- Customers who make, and subsequently cancel, a replacement appointment will remain subject to disconnection as described above.

ATTACHMENTS:

- Water Meter Non-Responsive Letter 9.15.25
- Water Meter Non-Responsive Letter 10.06.2025

Elk River Municipal Utilities

IMMEDIATE ATTENTION REQUIRED

You Must Schedule Your Water Meter Replacement Appointment

September 15, 2025

Customer Name
Address
City, State Zip Code

Dear Customer Name,

Our records show that you have not called to schedule the necessary water meter replacement appointment for Elk River Municipal Utilities' (ERMU) Advanced Metering Infrastructure project. Despite several attempts to reach you including mail, phone, direct mail, bill inserts, and door hangers, your appointment remains unscheduled. **Please contact us immediately to avoid water service disconnection.**

If you do not schedule your water meter replacement by **October 3, 2025,** you will be subject to water disconnection at your address. To restore service after disconnection, you will need to complete the meter replacement and pay the $100 disconnect/trip charge identified in our fee schedule.

Please contact us during regular business hours at **763.441.2020 to schedule your water meter replacement appointment**.

Thank you for your prompt attention to this matter.

Sincerely,
Elk River Municipal Utilities

Elk River Municipal Utilities

NOTICE: IMMEDIATE ATTENTION REQUIRED

You Must Schedule Your Water Meter Replacement Appointment to Avoid Disconnection

October 6, 2025

Customer Name
Service Address
City, State Zip Code

Dear Customer Name,

Per Elk River City Ordinance 78-24, property owners are required to provide Elk River Municipal Utilities (ERMU) with access to meters for the purpose of maintenance and replacement. Despite numerous attempts to contact you, the water meter in your home still requires replacement. **You must exchange the water meter at your property within 15 calendar days of this notice to avoid disconnection.**

Contact us immediately at 763.441.2020 between 8:00 a.m. and 4:30 p.m. Monday through Friday to avoid water service disconnection.

If you do not call to schedule and replace the water meter by **October 21, 2025,** the water service at SERVICE ADDRESS will be disconnected on or after October 22, 2025. To restore service after disconnection:

1) ***You must schedule and complete the water meter replacement.***
2) Meter replacement and service reconnection require an appointment during business hours and are subject to availability.
3) If your property has been disconnected, and no appointments are available, meter replacement and reconnection will occur the next business day.
4) A $100 reconnection trip charge will be applied to your account per ERMU's fee schedule.

PLEASE NOTE: Property owners are responsible for any necessary repairs to the water service line or shutoff valve and must fix an inoperable shutoff valve within 30 days of notice. If not corrected within 30 days, ERMU will arrange for a contractor to make the repair and assess the costs to your property.

Over the next two weeks, ERMU staff will be out locating your water service shutoff valve. Property owners are required to provide access to the shutoff valve (typically located in your front yard).

To avoid disconnection, contact us at 763.441.2020 to schedule your water meter replacement.

Sincerely,
Elk River Municipal Utilities

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	FROM: Mark Hanson – General Manager
MEETING DATE: October 14, 2025	**AGENDA ITEM NUMBER:** 6.1a
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- Key staff will be meeting with our benefits consultant to review our renewal options.
- Staff have submitted our application to the State to request going with a third party insurer to satisfy its mandated Paid Family Medical Leave requirements. We hope to hear back from the State by the end of October.
- We are still collecting data related to the annual wage adjustments of the seven peer utilities comprising the "metro average" benchmark. We hope to have sufficient data to schedule a Wage and Benefits Committee meeting the first week of November.
- We received a media inquiry from Jim Boyle of the Elk River Star regarding our Lake Orono dam inspection process. We have provided him with some photos and comments and expect to see an article in next week's paper.
- Megan Zachman, Chris Sumstad, and I will be attending the ISD 728 8th Grade Career Exploration Fair. We will be bringing the Water Filtration model and some fun show and tell relics from the electric department to place on display at our booth.
- The Minnesota Municipal Power Agency (MMPA) Board of Directors met on September 23, 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 August 2025.
  - Participation in the residential Clean Energy Choice program increased by 66 customers. Customer penetration for the program is 6.6%.
  - The Board discussed the status of renewable projects the Agency is pursuing.

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	**FROM:** Sara Youngs – Administrations Director
MEETING DATE: October 14, 2025	**AGENDA ITEM NUMBER:** 6.1b
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- The Cold Weather Rule (CWR) is in effect from October 1, 2025, through April 30, 2026. All electric service disconnections during this period will follow state regulations. We encourage customers experiencing financial hardship to explore energy assistance programs and/or set up a payment plan to avoid disconnection.
- ERMU disconnections for September:
  - Cycle 1 – 40 disconnections.
  - Cycle 2 – 5 disconnections.
  - Cycle 3 – 15 disconnections.
  - Cycle 4 – 20 disconnections.
- Office walk-in traffic for September consisted of 183 customers, averaging 37 per week over the five-week period.
- Currently there are eight active residential solar photovoltaic projects planned or under construction in the ERMU service territory.
- Advanced Metering Infrastructure efforts continue to demand significant attention, with a strong focus on communication and coordination to schedule the remaining water meter replacement appointments.
- We're excited to welcome Salena Madrid, who joined our team as a Customer Service Representative on Tuesday, September 30, 2025.
- Our credit & collections specialist has begun the 2025 assessment process. Customers can expect to receive their assessment letters between mid-September and October, with payments due by November 1, 2025, ahead of the assessment deadline.
- Staff have submitted the data needed for the cost of service study.
- Our IT team continues collaborating with Marco on the ACE365 project and has recently updated our Multi-Factor Authentication for added security.
- Finance, inventory, IT, customer service, communications, and administration staff attended the Member Information Conference (MIC), National Information Solutions Cooperative's (NISC) premier learning event. This event has been bringing together members, staff, partners, and friends for 50 years. The MIC is an excellent opportunity

to learn more about challenges, unveil the newest technologies and share best practices. This year the conference was held in Louisville, KY, September 22-25. Staff that attended the MIC will be holding a post-conference meeting to discuss takeaways from the event and outline initiatives as part of our 2026 Strategic Plan.

- The administration director, while attending the MIC, participated in a multi-service panel. The session provided panelists with the opportunity to share how their utilities use the NISC platform in providing multiple services to customers and allowed the audience to ask questions.
- The administration director attended the Elk River City Council meeting on September 15, 2025, to be present during the Everlight Solar hearing regarding the revocation of their solicitation license as a result of their door-to-door sales practices with our residential customers. The City Council voted to uphold the revocation of Evenlight's solicitation license.

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	FROM: Melissa Karpinski – Finance Manager
MEETING DATE: October 14, 2025	**AGENDA ITEM NUMBER:** 6.1c
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- Continued efforts compiling 2026 budget information.
- The initial data request for our cost of service and rate study has been fulfilled, with all required information compiled and submitted.
- I attended National Information Solutions Cooperative's Member Information Conference, September 22-25. This was a wonderful opportunity to network and participate in several valuable sessions covering topics such as Mosaic, budgeting, reporting, security, and the future of AI.
- Our accounts payable/payroll specialist, Kathy, is attending the 2025 NorthStar Chapter of PayrollOrg annual statewide conference on October 9.
- The Financial Reserves & Investment Committee will plan on having the annual meeting before the November commission meeting.

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	FROM: Tony Mauren – Governance & Communications Manager
MEETING DATE: September 9, 2025	**AGENDA ITEM NUMBER:** 6.1d
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- In October, all residential electric customers will receive ERMU's Energy-Efficient Lighting Rebates flyer.
- In addition to the bill insert topics, social media posts this month will highlight National Energy Awareness Month, campaigns for Public Power Week and Customer Service Week, as well as a commission meeting reminder.
- ERMU staff enjoyed participating in the Elk River High School Homecoming Parade for the first time on September 26, pictures below. Our next community event is the Downtown Trick-or-Treat on October 24.
- Communications & Administrative Coordinator Jenny Foss attended the National Information Solutions Cooperative's Member Information Conference, September 22–25 in Louisville, KY. The primary focus was gaining a better understanding of the many tools and functions of SmartHub and Messenger in order to improve customer experience. She will work with the communications manager and administrations director to implement key takeaways both short- and long-term.
- ERMU is once again hosting a portion of History Day for the Elk River Area Chamber of Commerce's Community Leadership program. Attendees will be visiting the field services building for a presentation from Otsego Heritage Preservation Commission Chair Tami Stinski, touring the power plant and the dam, and checking out the history installations in the field services building.
- Communications staff is continuing work on messaging for the Advanced Metering Infrastructure project, informing customers how to schedule water meter exchange appointments.
- The governance & communications manager has been working with the operations director, electric superintendent, and inventory & procurement foreperson to finalize materials for the 2025 Wire Bid.
- On October 1-2, the governance & communications manager attended the first two sessions of the Minnesota Municipal Utilities Association's Developing Utility Expertise and Leadership program at their offices in St. Louis Park. These sessions had good range

of focuses, from the basics of municipal utilities to leadership styles. Most of the next eight sessions will be two-hour teleconferences. Thank you to the Commission for the opportunity to participate!

2025 Elk River Homecoming Parade

ATTACHMENTS:

- Bill Insert – Energy Efficient Lighting Rebates

Elk River Municipal Utilities

ENERGY-EFFICIENT LIGHTING
RESIDENTIAL REBATES

ENERGY STAR

- LED Lighting
- Outdoor LED Fixtures
- LED Holiday Lighting
- Custom Lighting
- Lighting Controls

See back for details regarding specific rebate requirements.

With ERMU's energy-efficient lighting rebates we make it easier to save energy and money on ENERGY STAR® certified LED products and lighting controls. Lighting rebates provide customers a cost-effective solution to reduce their electricity bills and environmental impact by upgrading to energy-efficient lighting.

How to Receive a Rebate

(Valid for customers of Elk River Municipal Utilities only. Rebates come in the form of a bill credit.)

1 Complete the front and back of this rebate form.

2 Include a copy of the original itemized sales receipt and/or invoice for each qualifying product

3 A copy of energy guide label containing ENERGY STAR® Symbol or denotation if applicable.

4 Mail or bring to
Elk River Municipal Utilities
ATTN Rebate Program
13069 Orono Pkwy NW, Elk River, MN 55330

OR Email customerservice@ermumn.com

OR SCAN HERE to submit documents online.

CUSTOMER INFORMATION (please complete all information below)

Name ____________ Phone ____________ County ____________

Install Address ____________ City ____________ State ____________ Zip ____________

Email ____________ Account # ____________

Building Type (select one) ☐ Single Family ☐ Multi Family

RETAILER / CONTRACTOR / INSTALLER INFORMATION

Company Name ____________ Phone ____________ Email Address ____________

Mailing Address ____________ City ____________ State ____________ Zip ____________

CERTIFICATIONS AND SIGNATURE

I hereby certify that
- The information contained in this application is accurate and complete.
- All installation is complete, and the unit(s) is operational prior to submitting application.
- All rules of this rebate program have been followed.

I agree to verification of equipment installation which may include a site inspection by a program or utility representative. I understand that I am not allowed to receive more than one rebate from this program on any piece of equipment. I agree to indemnify, defend, hold harmless and release ERMU from any claims, damages, liabilities, costs and expenses (including reasonable attorney's fees) arising from or relating to the removal, disposal, installation or operation of any equipment or related materials in connection with the programs described in this application, including any incidental, special or consequential damages.

ERMU reserves the right to reject any rebate application submitted as a result of work performed by a contractor who has failed to adhere to the terms and conditions established for the rebate program.

Homeowner Signature ____________ Print Name ____________ Date ____________

Elk River Municipal Utilities

ENERGY STAR

ENERGY-EFFICIENT LIGHTING
RESIDENTIAL REBATE APPLICATION

LIGHTING THAT QUALIFIES FOR REBATES (Rebate forms must be received within 90 days of purchase)

LED LIGHTING (Screw-in bulbs only)

REBATE: $2 / BULB
(Not to exceed 50% of cost)

(Must be ENERGY STAR® certified, LED lights. For other types of lights, fill out Outdoor Fixtures, Holiday Lighting, or Customer Lighting below as applicable)

Quantity ____________ Lumens ____________ New Lighting Watts ____________

Space Type (select one) ☐ Interior Living Quarters ☐ Multi Family Common Area ☐ Exterior/Unconditioned Space

HVAC (select one) ☐ Heating Only ☐ Heating and Cooling ☐ Exterior/Unconditioned

Date of Installation ____________

OUTDOOR LED FIXTURES

REBATE: Up to $15 / FIXTURE
(Not to exceed 50% of fixture cost)

(Must be ENERGY STAR® certified, LED lights)

Quantity ____________ Date of Install ____________

LED HOLIDAY LIGHTING

REBATE: $10 / STRING
(Not to exceed 50% of cost of string)

(Must be ENERGY STAR® certified, LED lights)

Quantity of String Lights ____________ Quantity of Lights per String ____________

LED Lighting Type (select one) ☐ LED Mini Holiday Lights ☐ LED C7 Holiday Lights ☐ LED C9 Holiday Lights

Date of Installation ____________

CUSTOM LIGHTING

REBATE: $0.20 / WATT REDUCED
(Not to exceed 50% of lamp/fixture cost)

(Must be ENERGY STAR® certified, LED lights)

Quantity ____________ Previous Lighting Watts ____________ New Lighting Watts ____________

Space Type (select one) ☐ Interior Living Quarters ☐ Multi Family Common Area ☐ Exterior/Unconditioned Space

HVAC (select one) ☐ Heating Only ☐ Heating and Cooling ☐ Exterior/Unconditioned

Date of Installation ____________

LIGHTING CONTROLS

REBATE: $15 / CONTROL
(Not to exceed 50% of cost of control)

(Must be ENERGY STAR® certified, LED lights)

Total Connect Lighting Load (kW. If in watts, divide watts by 1,000 to get kW) ____________

Space Type (select one) ☐ Interior Living Quarters ☐ Multi Family Common Area ☐ Exterior/Unconditioned Space

HVAC (select one) ☐ Heating Only ☐ Heating and Cooling ☐ Exterior/Unconditioned

Date of Installation ____________

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	**FROM:** Thomas Geiser – Operations Director
MEETING DATE: October 14, 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 on ERMU's substation and well security measures.
- Working on 2026 wire/capital budget items.
- Working with Minnesota Municipal Power Agency on their solar and gas projects.

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	**FROM:** Chris Sumstad – Electric Superintendent
MEETING DATE: October 14, 2025	**AGENDA ITEM NUMBER:** 6.1f
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- Installed 14 new residential services, which involves the connection of a secondary line once the customer requests service.
- Jake Kuntz, Safety Instructor from Minnesota Municipal Utilities Association, was here October 1-2, and held safety meetings for all staff on workplace exercises, ergonomics, back safety, and proper lifting.
- Staff pulled oil samples from padmount switchgear, regulator banks, and the substation transformers this past month.
- Crews started work on bringing power to the injection site for the Minnesota Municipal Power Agency's renewable natural gas project. This involves the installation of over 30,000 feet of 4/0 underground primary line.
- A contractor dug into our underground primary along 191 ½ Avenue west of Jackson Street on October 1. This resulted in an outage to 109 customers for approximately 30 minutes.
- Crews installed new three phase primary to a couple commercial customers between Evans Meadows Apartments and Freeport Avenue. This replaced older open concentric primary.
- The primary line replacement project in Sunset Ridge development was completed. We are currently planning for 2026 rebuild projects.
- The electric infrastructure install in Anna's Acres, phase 2, was recently completed, allowing for an additional 47 homes to be served.
- Crews finished an underground project in the Orono Lake Addition along Mississippi Road and Boston Street. The underground primary was loop fed along with converting some overhead services to underground.
- Currently working with the operations director on upcoming 2026 projects, planning our wire and equipment needs for the upcoming year.

Elk River Municipal Utilities

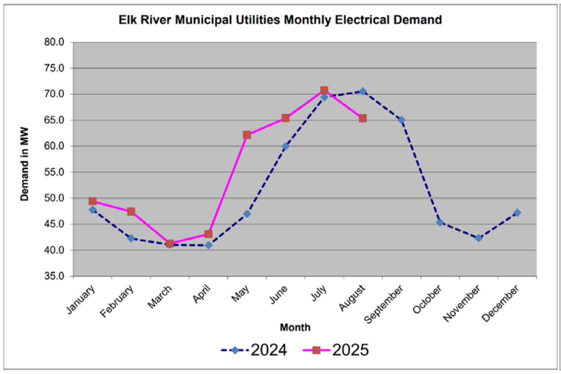
UTILITIES COMMISSION MEETING

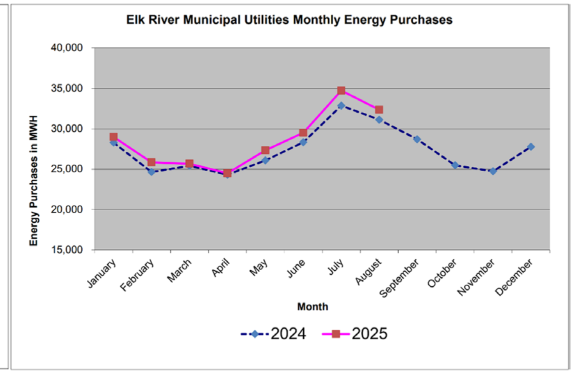
TO: ERMU Commission	FROM: Mike Tietz – Technical Services Superintendent
MEETING DATE: October 14, 2025	**AGENDA ITEM NUMBER:** 6.1g
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- In September, the locators processed 469 locate tickets. These consisted of 387 normal tickets, 7 emergency tickets, 47 updated tickets, 8 meetings, 9 planning, 4 boundary surveys, and 7 cancellations. This resulted in a 9.3% decrease in tickets from the previous month and a 13.8% decrease from the prior September.
- In September, the electrical technicians completed 326 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 our previous Automated Meter Reading meters to AMI for small non-demand commercial customers. We continue to receive some of our returned merchandise authorization/warranty meters back from Sensus. We have approximately 5,742 (99%) water meters and 13,267 (94%) electric meters that are installed within the system and our overall AMI project is approximately 96% completed.
- The East substation concrete foundation work started in September with the slab for the control building being completed first to allow for enough cure time before placing the building on it. We are expecting the remaining foundations to be poured by the end of October. If weather holds out, conduit and ground grid installations will take place in November along with delivery of the control building. Assembly of the steel structures is expected to start in March and will be constructed by ERMU staff. Commissioning of the substation is still expected to be completed by September 1, 2026.
- The question was asked at the September commission meeting as to why the demand (MW) in August was lower than the previous month or year, but the sales (MWH) were higher or close to the same.

  This is an excellent illustration of an improving Load Factor. A quick definition of Load Factor is a ratio of the amount of energy that was consumed over a period of time (MWH/month) versus the potential energy that could have been consumed over this same period of time (peak MW x 24 hours x number of days). The higher the load factor, the better utilization of the energy that is consumed.





Now to explain what I believe accounted for this Load Factor improvement in August.

With the humidity levels staying elevated throughout the month, customers were running their cooling systems 24/7 as there was no reprieve from the muggy air. This resulted in more constant energy usage or higher energy sales for the month.

On the flip side, the daily high air temperatures for the month were lower in general compared with July's temperatures. This allowed for more diversity in the overall system demand as these cooling units were not having to run all at the same time trying to keep up. This resulted in a lower coincidental peak demand for the month of August.

Hopefully this helps provide a better understanding of the relationship between weather and the different components of providing power as an electric utility. Lower demand and higher energy sales is a good thing!

- Our monthly peak was 68.28 MW on September 16, at 3:51pm.

ATTACHMENTS:

- Reliability Data Follow-up From April Commission Meeting

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	FROM: Mike Tietz – Technical Services Superintendent
MEETING DATE: October 14, 2025	**AGENDA ITEM NUMBER:** 6.1ga
SUBJECT: Reliability Data Follow-up From April Commission Meeting	
ACTION REQUESTED: None	

BACKGROUND:
Following the presentation of the 2024 Annual Reliability Report at the April commission meeting, Chair Dietz asked how ERMU's reliability metrics compare with other electric utilities in the area. Here is the information staff is able to provide at this time:

Index	Xcel Energy[1]	Elk River Municipal Utilities[2]	Connexus Energy[1]
SAIDI	110.39 Minutes	42.08 Minutes	30.13 Minutes
CAIDI	102.21 Minutes	118.88 Minutes	92.15 Minutes
SAIFI	1.08	0.35	0.33
ASAI	99.979%	99.992%	99.995%

1 Utility Excludes Major Events
2 Utility Includes Major Events

- **SAIDI**, or System Average Interruption Duration Index, is defined as the average interruption duration (in minutes) for customers served during a specified time period. This index enables the utility to report how many minutes' customers would have been out of service if all customers were out at one time.
- **CAIDI**, or Customer Average Interruption Duration Index, is defined as the average duration (in minutes) of an interruption experienced by customers during a specific time frame. The index enables utilities to report the average duration of a customer outage for those customers affected.
- **SAIFI**, or System Average Interruption Frequency Index, is defined as the average number of times that a customer is interrupted during a specified time period. The resulting unit is "interruptions per customer."

- **ASAI**, or Average System Availability Index, is a measure of the average availability of the sub-transmission and distribution systems to serve customers. It is the ratio of the total customer minutes that service was available to the total customer minutes available in a time period

Notable data:
Xcel Energy – MN serves 1.36 million electric customers.
Connexus Energy serves 146,552 electric customers.
Elk River Municipal Utilities serves 13,466 electric customers.

Staff is able to provide more detailed information for the years 2017-2024 from Minnesota electric utilities that submitted Form EIA-861 to the U.S. Energy Information Administration (EIA). If commissioners are interested in this spreadsheet, please let me know.

Elk River Municipal Utilities

UTILITIES COMMISSION MEETING

TO: ERMU Commission	**FROM:** Dave Ninow – Water Superintendent
MEETING DATE: October 14, 2025	**AGENDA ITEM NUMBER:** 6.1h
SUBJECT: Staff Update	
ACTION REQUESTED: None	

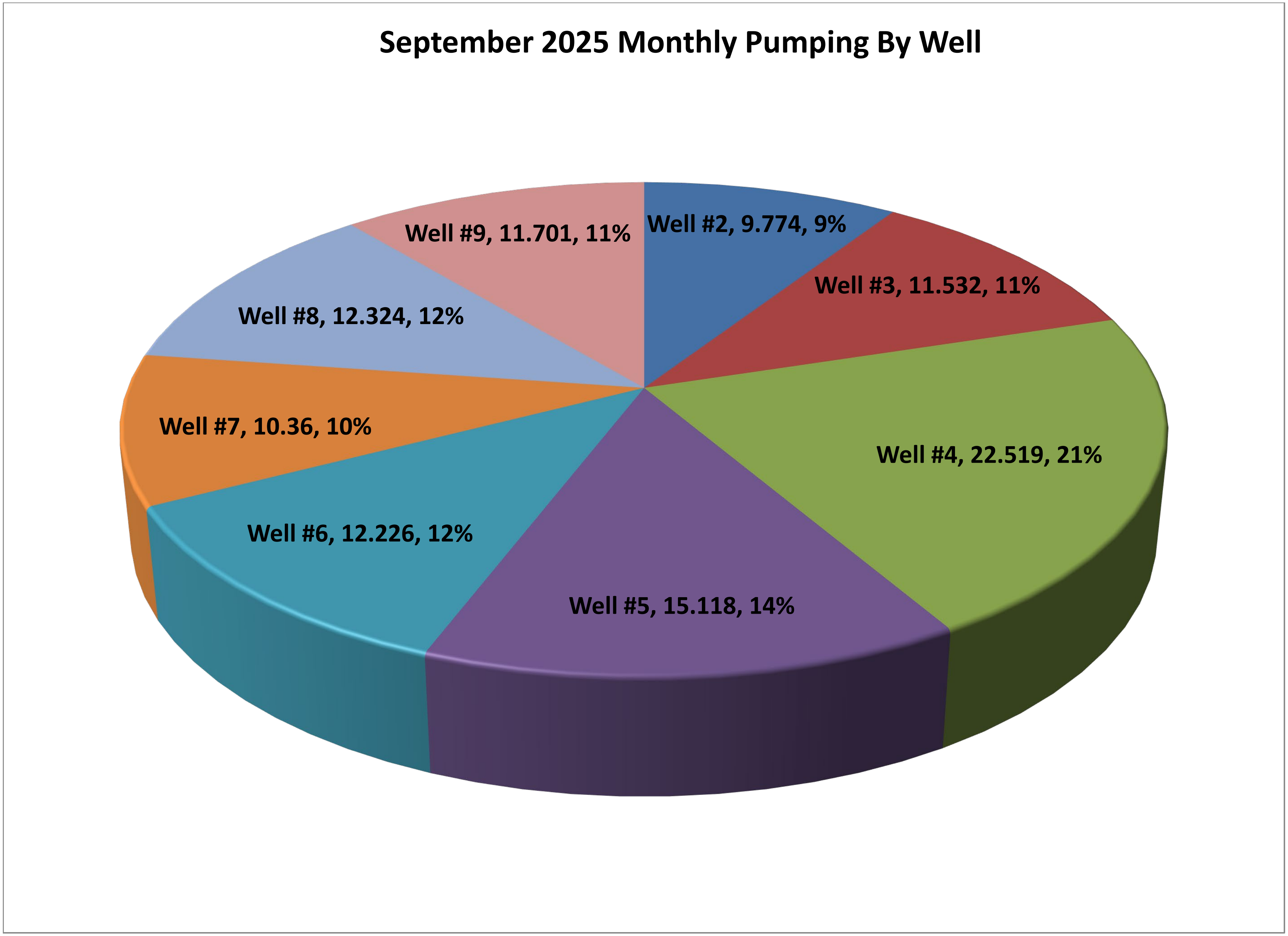
DISCUSSION:

- Delivered 16 new water meters, installed a Smart Point radio transceiver module, and took curb stop ties.
- Completed 21 BACTI/Total Chlorine Residual Samples
  - All confirmed negative for Coliform Bacteria.
  - Bacteriological/Disinfectant Residual Monthly Report submitted to the MDH
- Completed 20 routine fluoride samples
  - All samples met MDH standards
  - Submitted MDH Fluoride Report
- Submitted Discharge Monitoring Report for the Diesel Generation Plant to the Minnesota Pollution Control Agency.
- The water department completed the annual inspection of the Lake Orono Dam on October 1. The dam seems to be in satisfactory condition.
- We continue to exchange residential and commercial water meters as soon as possible once customers schedule appointments.
- Water department staff have been assisting technical services staff with locating and marking water infrastructure for the contractors currently installing fiberoptic lines throughout the city.
- We have received the lead and copper testing results from the tap water samples taken from 30 households in our water system. We have not exceeded the necessary action threshold for the 90th percentile lead or copper levels. These results will be included in the next Water Quality Report.
- The final report from our annual leak detection survey confirmed nine leaks out of the 21 suspected leaks in the distribution system. Six of the leaks are from fire hydrants, three are from water service lines. The water operators have fixed most of the leaking fire hydrants. One of the leaking water services has been repaired, we will notify the owners of the other leaking service lines.
- Residential backflow device testing has been completed for this season. Anyone who owns a device that was not able to be tested or failed testing will receive a second notice to comply before the customer is charged the non-compliance fee.

- Water Operator Mikey Atwood and I attended the Minnesota American Water Works Association's annual conference in Duluth.

ATTACHMENTS:

- September 2025 Pumping by Well



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

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