

AGENDA

1.0 GOVERNANCE

- 1.1 Call Meeting to Order
- 1.2 Pledge of Allegiance
- 1.3 Consider the Agenda
- 1.4 Water Fluoridation Quality Award

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

- 2.1 Check Register
- 2.2 Regular Meeting Minutes – November 13, 2018
- 2.3 Closed Meeting Minutes – November 13, 2018
- 2.4 Summary of General Manager Performance Evaluation
- 2.5 2019 Official Depository
- 2.6 2019 Official Newspaper
- 2.7 2019 Utilities Meeting Schedule

3.0 OPEN FORUM (Non-agenda items for discussion. No action.)

4.0 POLICY & COMPLIANCE (Policy review, policy development, and compliance monitoring.)

- 4.1 Performance Metrics and Incentive Compensation Policy
- 4.2 Agenda Planning Policy and the Annual Governance Agenda

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

- 5.1 Financial Report – October 2018
- 5.2 Wage & Benefits Committee Update – Verbal
- 5.3 2019 Annual Business Plan (Budget, Schedule of Rates & Fees)

6.0 BUSINESS DISCUSSION (Future business planning, general updates, and informational reports.)

- 6.1 Staff Updates
- 6.2 Bond Recap – Verbal
- 6.3 Future Planning (Announce the next regular meeting, special meeting, or planned quorum.)
 - a. Regular Commission Meeting – January 8, 2019
 - b. Quorum - Employee Recognition Luncheon – January 7, 2019, 12:00 - 1:00 p.m.
- 6.4 Other Business (Items added during agenda approval.)

7.0 ADJOURN REGULAR MEETING

TO: ERMU Commission	FROM: Eric Volk – Water Superintendent
MEETING DATE: December 11, 2018	AGENDA ITEM NUMBER: 1.4
SUBJECT: Water Fluoridation Quality Award	
ACTION REQUESTED: None	

DISCUSSION:

The U.S. Department of Health and Human Services Center for Disease Control has recognized Elk River for achieving excellence in community water fluoridation by maintaining a consistent level of fluoride in the drinking water throughout 2017. In Minnesota 233 of the possible 605 PWSs will receive the award.

The achievement of receiving this award is a testament of the attention to detail the water operators demonstrate on a daily basis. It is a continual process of observing raw water qualities and a persistent monitoring of chemical feed rates. The fluoride in the distribution system is tested 25 times per month by the water operators, and validated four times per year by the Minnesota Department of Health. We consistently maintained a satisfactory level of fluoride in the system between .5 to .9 ppm with a target of .7 ppm.

ATTACHMENTS:

- Letter - Minnesota Department of Health
- Water Fluoridation Quality Award Certificate - U.S. Department of Health and Human Services Center for Disease Control and Prevention



November 9, 2018

Dear Water System Owner,

The Minnesota Department of Health Oral Health Program and Drinking Water Protection Section are pleased to present you with the **2017 Water Fluoridation Quality Award**. This award, created by the Centers for Disease Control and Prevention (CDC), recognizes those public water systems (PWSs) that adjust the fluoride concentration in drinking water and achieve a monthly average fluoride level that is in the optimal range for 12 consecutive months in a calendar year, as documented in the CDC Water Fluoridation Reporting System (WFRS).

CDC initiated the Water Fluoridation Quality Awards program to recognize outstanding performance in fluoridation management by public water systems. In Minnesota, 233 of 605 possible fluoridating community PWSs are receiving awards for 2017.

You can use your Quality Award to promote health through community water fluoridation. Receiving this award provides you with an opportunity to highlight the excellent work being done by your water system.

To assist you in promoting this achievement, an electronic copy of a press release that can be tailored for your community is available upon request at health.oral@state.mn.us

Congratulations on this outstanding effort and thank you for providing safe, dependable drinking water for your community. If you have any questions about the award or would like further information, please contact either David Rindal at (651) 201-4660 and david.rindal@state.mn.us or Clare Larkin at (651) 201-4230 and clare.larkin@state.mn.us.

Sincerely,

Prasida Khanal, MPH BDS
State Oral Health Director
Oral Health Program
Minnesota Department of Health

Daniel Symonik, PhD
Assistant Manager
Drinking Water Protection Section
Minnesota Department of Health

Protecting, Maintaining and Improving the Health of All Minnesotans

An equal opportunity employer.



2017

Water Fluoridation Quality Award

ELK RIVER

Minnesota

The Centers for Disease Control and Prevention commends this water system for its consistent and professional adjustment of the fluoride content to the recommended level for oral health for 12 consecutive months in 2017. High quality water fluoridation, as demonstrated by this water system, is a safe and effective method to prevent tooth decay and improve the oral health of all community residents.

A handwritten signature in blue ink, reading "Casey Hannan".

Casey Hannan, MPH
Director Acting, Division of Oral Health
National Center for Chronic Disease Prevention and Health Promotion
Centers for Disease Control and Prevention

A handwritten signature in blue ink, reading "Kip Duchon".

Kip Duchon, MS, PE
National Fluoridation Engineer, Division of Oral Health
National Center for Chronic Disease Prevention and Health Promotion
Centers for Disease Control and Prevention



**U.S. Department of
Health and Human Services**
Centers for Disease
Control and Prevention

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Payroll/Labor Check Register Totals

11/02/2018 To 11/02/2018

<u>Pays</u>	<u>Job</u>	<u>Amount</u>	<u>Hours</u>
2	Reg Hrly	117,725.17	3,065.75
3	Overtime	1,653.38	28.50
4	Double Time	697.84	8.50
5	On-Call/Stand-by	1,634.54	48.08
24	FLSA	58.90	0.00
25	Rest Time	336.84	8.00
10	Bonus Pay	712.54	15.50
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	9,772.59	215.00
SICK	Sick Pay	1,787.25	54.25
HOL	Holiday Pay	0.00	0.00
78	Retro Earnings	0.00	0.00
5-2	On-Call/Stand-by/OT	681.32	12.50
PTO	Personal Day	346.49	9.50
18A	Commissioner Reimb. - Water	150.00	0.00
10-3	Bonus Pay Overtime	137.91	2.00
10-4	Bonus Pay Double Time	0.00	0.00
104A	Commission Stipend - Water	15.00	0.00
Pay Total:		136,369.77	3,467.58

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Payroll/Labor Check Register Totals

11/16/2018 To 11/16/2018

<u>Pays</u>	<u>Job</u>	<u>Amount</u>	<u>Hours</u>
2	Reg Hrly	104,156.96	2,677.25
3	Overtime	514.15	7.50
4	Double Time	194.92	2.00
5	On-Call/Stand-by	1,968.48	48.08
24	FLSA	22.06	0.00
25	Rest Time	468.94	11.00
10	Bonus Pay	0.00	0.00
105	Perf. Metr. Distr.	0.00	0.00
VAC	Vacation Pay	12,416.38	315.50
SICK	Sick Pay	2,996.81	75.25
HOL	Holiday Pay	13,394.32	344.00
78	Retro Earnings	0.00	0.00
5-2	On-Call/Stand-by/OT	559.27	9.50
PTO	Personal Day	552.50	18.00
10-3	Bonus Pay Overtime	0.00	0.00
10-4	Bonus Pay Double Time	0.00	0.00
Pay Total:		<u>137,244.79</u>	<u>3,508.08</u>

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Payroll/Labor Check Register Totals

11/30/2018 To 11/30/2018

<u>Pays</u>	<u>Job</u>	<u>Amount</u>	<u>Hours</u>
2	Reg Hrly	103,821.11	2,667.75
3	Overtime	1,021.69	16.45
4	Double Time	0.00	0.00
5	On-Call/Stand-by	1,826.23	48.08
24	FLSA	59.05	0.00
25	Rest Time	0.00	0.00
10	Bonus Pay	0.00	0.00
105	Perf. Metr. Distr.	0.00	0.00
VAC	Vacation Pay	3,399.78	93.75
SICK	Sick Pay	1,856.28	54.50
HOL	Holiday Pay	27,289.28	704.00
78	Retro Earnings	0.00	0.00
5-2	On-Call/Stand-by/OT	695.36	12.25
PTO	Personal Day	0.00	0.00
10-3	Bonus Pay Overtime	0.00	0.00
10-4	Bonus Pay Double Time	0.00	0.00
Pay Total:		139,968.78	3,596.78

CHECK REGISTER

November, 2018

APPROVED BY:

Paul Bell

John Dietz

Allan Nadeau

Mary Stewart

Matt Westgaard

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Accounts Payable Check Register

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11/01/2018 To 11/30/2018

Bank Account: 1 - GENERAL FUND

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
2185 11/01/2018	WIRE	3219	RESOURCE TRAINING & SOLUTIONS/B	HEALTH CARE PREMIUMS - NOV 2018	15,956.63
				HEALTH CARE PREMIUMS - NOV 2018	43,086.54
				HEALTH CARE PREMIUMS - NOV 2018	1,581.50
				HEALTH CARE PREMIUMS - NOV 2018	9,527.83
Total for Check/Tran - 2185:					70,152.50
2187 11/02/2018	WIRE	8181	AMERICAN EXPRESS	General Manager American Express	199.10
				General Manager American Express	49.78
Total for Check/Tran - 2187:					248.88
2188 11/02/2018	WIRE	153	PERA (ELECTRONIC)	PERA EMPLOYEE CONTRIBUTION	7,412.74
				PERA CONTRIBUTIONS	8,553.14
				PERA EMPLOYEE CONTRIBUTION	1,397.65
				PERA CONTRIBUTIONS	1,612.68
Total for Check/Tran - 2188:					18,976.21
2189 11/02/2018	WIRE	7463	SELECTACCOUNT	HSA EMPLOYEE CONTRIBUTION	2,261.23
				HSA EMPLOYEE CONTRIBUTION	523.82
Total for Check/Tran - 2189:					2,785.05
2190 11/05/2018	WIRE	285	JOHN HANCOCK	W&A EMPLOYER CONTRIBUTION	276.85
				WENZEL EMPLOYEE CONTRIBUTIONS	760.19
				W&A EMPLOYER CONTRIBUTION	31.29
				WENZEL EMPLOYEE CONTRIBUTIONS	31.29
Total for Check/Tran - 2190:					1,099.62
2191 11/05/2018	WIRE	160	HCSP (ELECTRONIC)	HCSP EMPLOYEE CONTRIBUTIONS	1,635.62
				HCSP EMPLOYEE CONTRIBUTIONS	244.06
Total for Check/Tran - 2191:					1,879.68
2192 11/05/2018	WIRE	161	MNDP (ELECTRONIC)	MNDP EE MANAGER CONTRIBUTIONS	563.24
				MNDP EMPLOYEE CONTRIBUTIONS	3,108.61
				MNDP EMPLOYER CONTRIBUTION	1,464.39
				MNDP EMPLOYER MGR CONTRIBUTION	659.52
				MNDP EE ROTH CONTRIBUTIONS	609.61

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11/01/2018 To 11/30/2018

Bank Account: 1 - GENERAL FUND

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				MNDP EE ROTH MGR CONTRIBUTIONS	96.28
				MNDP EE MANAGER CONTRIBUTIONS	179.13
				MNDP EE ROTH MGR CONTRIBUTIONS	5.06
				MNDP EMPLOYEE CONTRIBUTIONS	409.70
				MNDP EMPLOYER CONTRIBUTION	293.52
				MNDP EMPLOYER MGR CONTRIBUTION	184.19
				MNDP EE ROTH CONTRIBUTIONS	204.56
				Total for Check/Tran - 2192:	7,777.81
2193 11/07/2018	WIRE	152	IRS - USA TAX PMT (ELECTRONIC)	PAYROLL TAXES - FEDERAL & FICA	10,329.77
				PAYROLL TAXES - FEDERAL & FICA	15,973.86
				PAYROLL TAXES - FEDERAL & FICA	1,869.81
				PAYROLL TAXES - FEDERAL & FICA	2,980.14
				Total for Check/Tran - 2193:	31,153.58
2194 11/08/2018	WIRE	154	MINNESOTA REVENUE (ELECTRONIC)	PAYROLL TAXES - STATE	4,868.86
				PAYROLL TAXES - STATE	903.18
				Total for Check/Tran - 2194:	5,772.04
2195 11/07/2018	WIRE	7463	SELECTACCOUNT	ER CONTRIBUTION - 163	108.34
2196 11/08/2018	WIRE	166	ONLINE UTILITY EXCHANGE (ELECTR	ONLINE UTILITY EXCHANGE	302.64
				ONLINE UTILITY EXCHANGE	75.66
				Total for Check/Tran - 2196:	378.30
2197 11/07/2018	WIRE	7463	SELECTACCOUNT	FSA CLAIM REIMBURSEMENTS - 127	4,000.00
				FSA CLAIM REIMBURSEMENTS - 133	220.00
				FSA CLAIM REIMBURSEMENTS - 147	150.00
				Total for Check/Tran - 2197:	4,370.00
2200 11/19/2018	WIRE	153	PERA (ELECTRONIC)	PERA EMPLOYEE CONTRIBUTION	7,562.06
				PERA CONTRIBUTIONS	8,725.43
				PERA EMPLOYEE CONTRIBUTION	1,358.87
				PERA CONTRIBUTIONS	1,567.94
				Total for Check/Tran - 2200:	19,214.30

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11/01/2018 To 11/30/2018

Bank Account: 1 - GENERAL FUND

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
2201 11/19/2018	WIRE	161	MNDP (ELECTRONIC)	MNDP EE MANAGER CONTRIBUTIONS	563.25
				MNDP EMPLOYEE CONTRIBUTIONS	3,111.63
				MNDP EMPLOYER CONTRIBUTION	1,222.08
				MNDP EMPLOYER MGR CONTRIBUTION	660.65
				MNDP EE ROTH CONTRIBUTIONS	610.62
				MNDP EE ROTH MGR CONTRIBUTIONS	97.40
				MNDP EE MANAGER CONTRIBUTIONS	179.12
				MNDP EE ROTH MGR CONTRIBUTIONS	3.94
				MNDP EMPLOYEE CONTRIBUTIONS	406.68
				MNDP EMPLOYER CONTRIBUTION	228.17
				MNDP EMPLOYER MGR CONTRIBUTION	183.06
				MNDP EE ROTH CONTRIBUTIONS	203.55
Total for Check/Tran - 2201:					7,470.15
2202 11/19/2018	WIRE	160	HCSP (ELECTRONIC)	HCSP EMPLOYEE CONTRIBUTIONS	1,685.54
				HCSP EMPLOYEE CONTRIBUTIONS	237.23
Total for Check/Tran - 2202:					1,922.77
2203 11/19/2018	WIRE	285	JOHN HANCOCK	W&A EMPLOYER CONTRIBUTION	477.47
				WENZEL EMPLOYEE CONTRIBUTIONS	942.57
				DEF COMP ROTH CONTRIBUTIONS W&A	18.24
				W&A EMPLOYER CONTRIBUTION	31.31
				WENZEL EMPLOYEE CONTRIBUTIONS	31.31
Total for Check/Tran - 2203:					1,500.90
2204 11/20/2018	WIRE	174	MINNESOTA REVENUE SALES TX (ELE	SALES AND USE TAX - OCT 2018	144,005.36
				SALES AND USE TAX - OCT 2018	5,236.64
Total for Check/Tran - 2204:					149,242.00
2205 11/20/2018	WIRE	152	IRS - USA TAX PMT (ELECTRONIC)	PAYROLL TAXES - FEDERAL & FICA	10,380.69
				PAYROLL TAXES - FEDERAL & FICA	16,202.46
				PAYROLL TAXES - FEDERAL & FICA	1,770.73
				PAYROLL TAXES - FEDERAL & FICA	2,864.08

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11/01/2018 To 11/30/2018

Bank Account: 1 - GENERAL FUND

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
Total for Check/Tran - 2205:					31,217.96
2206 11/20/2018	WIRE	7463	SELECTACCOUNT	HSA EMPLOYEE CONTRIBUTION	2,260.46
				HSA EMPLOYEE CONTRIBUTION	524.59
Total for Check/Tran - 2206:					2,785.05
2207 11/23/2018	WIRE	3936	WORLD VISION	EMPLOYEE CONTIBUTIONS	30.60
				EMPLOYEE CONTIBUTIONS	9.40
Total for Check/Tran - 2207:					40.00
2208 11/23/2018	WIRE	154	MINNESOTA REVENUE (ELECTRONIC)	PAYROLL TAXES - STATE	4,943.65
				PAYROLL TAXES - STATE	860.45
Total for Check/Tran - 2208:					5,804.10
2209 11/23/2018	WIRE	7463	SELECTACCOUNT	ADMINISTRATIVE FEE INVOICE - NOV 2018	97.79
				ADMINISTRATIVE FEE INVOICE - NOV 2018	17.26
Total for Check/Tran - 2209:					115.05
2210 11/23/2018	WIRE	7463	SELECTACCOUNT	FSA CLAIM REIMBURSEMENTS - 133	164.00
2212 11/30/2018	WIRE	153	PERA (ELECTRONIC)	PERA EMPLOYEE CONTRIBUTION	7,680.42
				PERA CONTRIBUTIONS	8,862.01
				PERA EMPLOYEE CONTRIBUTION	1,417.54
				PERA CONTRIBUTIONS	1,635.65
Total for Check/Tran - 2212:					19,595.62
2213 11/30/2018	WIRE	7463	SELECTACCOUNT	HSA EMPLOYEE CONTRIBUTION	2,266.71
				HSA EMPLOYEE CONTRIBUTION	524.48
Total for Check/Tran - 2213:					2,791.19
2214 11/29/2018	WIRE	7463	SELECTACCOUNT	FSA CLAIM REIMBURSEMENTS - 147	150.00
				FSA CLAIM REIMBURSEMENTS - 32	810.97
Total for Check/Tran - 2214:					960.97
11986 11/02/2018	DD	8840	BLUE 42	MONTHLY HOSTING OF WEBSITE	59.60
				MONTHLY HOSTING OF WEBSITE	59.60
				MONTHLY HOSTING OF WEBSITE	29.80

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Bank Account: 1 - GENERAL FUND

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				MONTHLY HOSTING OF WEBSITE	-59.60
				MONTHLY HOSTING OF WEBSITE	-59.60
				MONTHLY HOSTING OF WEBSITE	-29.80
Total for Check/Tran - 11986:					0.00
11987 11/02/2018	DD	444	LANO EQUIPMENT, INC	FORKLIFT REPAIRS	165.33
				FORKLIFT REPAIRS	-165.33
Total for Check/Tran - 11987:					0.00
11988 11/08/2018	DD	8247	FERGUSON WATERWORKS #2516	Bridge Project	-625.67
				WATER MAIN REPLACEMENT PARTS	375.98
				WATER MAIN REPLACEMENT PARTS	-24.19
				MISC PARTS & SUPPLIES	197.51
				MISC PARTS & SUPPLIES	-18.83
				MISC PARTS & SUPPLIES	80.14
				MISC PARTS & SUPPLIES	15.06
Total for Check/Tran - 11988:					0.00
76035 11/02/2018	CHK	11	CITY OF ELK RIVER	PARTS & LABOR FOR UNIT #22	-1.42
				PARTS & LABOR FOR UNIT #22	142.07
				PARTS & LABOR FOR UNIT #8	-1.96
				PARTS & LABOR FOR UNIT #8	110.51
				PARTS & LABOR FOR UNIT #4	-15.68
				PARTS & LABOR FOR UNIT #4	383.77
				PARTS & LABOR FOR UNIT #13	-12.96
				PARTS & LABOR FOR UNIT #13	301.47
				PARTS & LABOR FOR UNIT #11	-7.26
				PARTS & LABOR FOR UNIT #11	192.92
				PARTS & LABOR FOR UNIT #7	-1.27
				PARTS & LABOR FOR UNIT #7	79.80
				PARTS & LABOR FOR UNIT #33	-2.14
				PARTS & LABOR FOR UNIT #33	71.28
				PARTS & LABOR FOR UNIT #33	-0.11

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Bank Account: 1 - GENERAL FUND

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				PARTS & LABOR FOR UNIT #33	3.75
				Total for Check/Tran - 76035:	1,242.77
76036 11/02/2018	CHK	5185	MANDIE ADLER	INACTIVE REFUND	182.69
				INACTIVE REFUND - STOP PMT FEE	-20.00
				Total for Check/Tran - 76036:	162.69
76037 11/02/2018	CHK	2512	AMARIL UNIFORM COMPANY	EMPLOYEE CLOTHING - THIRY	164.53
				EMPLOYEE CLOTHING - KERZMAN	820.69
				Total for Check/Tran - 76037:	985.22
76038 11/02/2018	CHK	2	AMERICAN WATER WORKS ASSOC	AWWA STANDARDS SUBSCRIPTION - 2019	790.00
76039 11/02/2018	CHK	4531	AT & T MOBILITY	CELL PHONES & iPad BILLING	45.51
				CELL PHONES & iPad BILLING	1,203.73
				CELL PHONES & iPad BILLING	292.87
				Total for Check/Tran - 76039:	1,542.11
76040 11/02/2018	CHK	1327	AUTOMATIC SYSTEMS CO	REPLACE RADIO - WELL #3	2,723.36
76041 11/02/2018	CHK	2920	BATTERIES PLUS BULBS	BATTERIES	88.44
76042 11/02/2018	CHK	6	BEAUDRY OIL COMPANY	DIESEL	2,222.09
76043 11/02/2018	CHK	8552	BECK LAW OFFICE	LEGAL SERVICES - SEPT 2018	1,434.88
				LEGAL SERVICES - SEPT 2018	358.72
				Total for Check/Tran - 76043:	1,793.60
76044 11/02/2018	CHK	9654	CARDMEMBER SERVICE	FIRST NATIONAL BANK VISA	2,481.96
				FIRST NATIONAL BANK VISA	816.61
				Total for Check/Tran - 76044:	3,298.57
76045 11/02/2018	CHK	3982	CENTERPOINT ENERGY	NATURAL GAS & IRON REMOVAL - SEPT 2018	1,249.81
				NATURAL GAS & IRON REMOVAL - SEPT 2018	112.77
				Total for Check/Tran - 76045:	1,362.58
76046 11/02/2018	CHK	5068	CINTAS	REPLENISH FIRST AID BOXES	127.92
				REPLENISH FIRST AID BOXES	31.98

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11/01/2018 To 11/30/2018

Bank Account: 1 - GENERAL FUND

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
Total for Check/Tran - 76046:					159.90
76047 11/02/2018	CHK	5197	COACH CONNECTIONS	WELLNESS PRESENTATION	300.00
76048 11/02/2018	CHK	54	CORE & MAIN LP	NILE PLACE	6,039.51
				GATE VALVE PARTS	-45.39
				GATE VALVE PARTS	705.64
				FREIGHT CREDIT (J652309 & J654268)	-233.03
				NILE PLACE WATERMAIN REPLACEMENT	-1,313.87
Total for Check/Tran - 76048:					5,152.86
76049 11/02/2018	CHK	2404	CORNERSTONE FORD	PARTS & LABOR FOR UNIT #18	140.33
				PARTS & LABOR FOR UNIT #18	35.08
Total for Check/Tran - 76049:					175.41
76050 11/02/2018	CHK	112	DACOTAH PAPER CO.	SUPPLIES	118.67
				Discount	-1.14
				SUPPLIES	29.67
				Discount	-0.28
Total for Check/Tran - 76050:					146.92
76051 11/02/2018	CHK	212	DAKOTA SUPPLY GROUP	Compression Sleeve	358.45
				PRIMARY WIRE	9,783.58
Total for Check/Tran - 76051:					10,142.03
76052 11/02/2018	CHK	3173	DELL MARKETING LP	Keyboard	32.05
				Monitor	1,865.14
Total for Check/Tran - 76052:					1,897.19
76053 11/02/2018	CHK	338	DRYDEN EXCAVATING INC	WATERMAIN REPAIR - 192ND & BALDWIN	1,095.00
76054 11/02/2018	CHK	25	ECM PUBLISHERS INC	OT CLASSIFIED AD	153.90
				OT CLASSIFIED AD	8.10
				COMM & ADMIN CLASSIFIED AD	140.40
				COMM & ADMIN CLASSIFIED AD	35.10
Total for Check/Tran - 76054:					337.50

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Accounts Payable Check Register

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11/01/2018 To 11/30/2018

Bank Account: 1 - GENERAL FUND

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
76055 11/02/2018	CHK	9997	EIGHTH ADDITION PROPERTIES, LLC	DEP To AP	251.94
76056 11/02/2018	CHK	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 2 - ACCT 436 - SEPT 2018	3,059.38
				CYCLE 2 - INV GRP 413 - SEPT 2018	100.00
				CYCLE 2 - INV GRP 413 - SEPT 2018	458.49
				CYCLE 2 - ACCT 2125 - SEPT 2018	154.97
Total for Check/Tran - 76056:					3,772.84
76057 11/02/2018	CHK	9997	FANNIE MAE	DEP To AP	150.35
76058 11/02/2018	CHK	377	FRSECURE, LLC	Policy Review and Re-write	535.50
				Policy Review and Re-write	133.88
Total for Check/Tran - 76058:					669.38
76059 11/02/2018	CHK	8949	FS3 INC.	Red Poly	1,675.05
76060 11/02/2018	CHK	4984	ANGELA HAUGE	BIOMETRIC SCREENING & SEMINAR	42.22
				BIOMETRIC SCREENING & SEMINAR	33.05
				BIOMETRIC SCREENING & SEMINAR	8.26
Total for Check/Tran - 76060:					83.53
76061 11/02/2018	CHK	809	HAWKINS, INC.	WATER CHEMICALS	654.35
76062 11/02/2018	CHK	9997	HEDBERG HOMES, INC	Credit Balance Refund	121.82
76063 11/02/2018	CHK	9997	HEDBERG HOMES, INC	Credit Balance Refund	108.74
76064 11/02/2018	CHK	9997	HP MINNESOTA I, LLC	Credit Balance Refund	125.35
76065 11/02/2018	CHK	9997	HP MINNESOTA I, LLC	Credit Balance Refund	124.98
76066 11/02/2018	CHK	6836	INNOVATIVE OFFICE SOLUTIONS, LLC	OFFICE SUPPLIES	19.77
				OFFICE SUPPLIES	4.94
Total for Check/Tran - 76066:					24.71
76068 11/02/2018	CHK	9997	KEYLAND HOMES	Credit Balance Refund	48.00
76069 11/02/2018	CHK	188	MARTIES FARM SERVICE INC	GOPHER BAIT	27.68
76070 11/02/2018	CHK	145	MENARDS	FIBER EXTENSION PARTS	14.31

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				ZIP TIES	5.17
				Total for Check/Tran - 76070:	19.48
76071 11/02/2018	CHK	2775	MICHELS CORPORATION	MISKE MEADOWS 4TH ADDITION	23,715.32
				MISKE MEADOWS 4TH ADDITION	-799.99
				Total for Check/Tran - 76071:	22,915.33
76072 11/02/2018	CHK	4301	MINNESOTA AWWA	ADV TREATMENT WORKSHOP - OLSON	60.00
76073 11/02/2018	CHK	39	MMUA	SAFETY MGMT PROGRAM - 10/1/18 to 9/30/19	24,560.00
				SAFETY MGMT PROGRAM - 10/1/18 to 9/30/19	4,640.00
				TRANSFORMER SCHOOL - 112 119	1,160.00
				Total for Check/Tran - 76073:	30,360.00
76074 11/02/2018	CHK	573	NCPERS MINNESOTA	EXTRA LIFE INSURANCE FOR ERMU EMPLOYEES	196.00
				EXTRA LIFE INSURANCE FOR ERMU EMPLOYEES	44.00
				Total for Check/Tran - 76074:	240.00
76075 11/02/2018	CHK	43	NORTHERN TOOL	TREE TRIMMING TOOLS	37.59
76076 11/02/2018	CHK	5079	OFFICE DEPOT BUSINESS CREDIT	OFFICE SUPPLIES	25.64
				OFFICE SUPPLIES	38.46
				Total for Check/Tran - 76076:	64.10
76077 11/02/2018	CHK	5180	MARY OSTMOE	INACTIVE REFUND	222.22
				INACTIVE REFUND-STOP PMT FEE	-20.00
				Total for Check/Tran - 76077:	202.22
76078 11/02/2018	CHK	811	PRIME ADVERTISING & DESIGN, INC.	Marketing Agency Retainer Agreement	2,500.00
76079 11/02/2018	CHK	8897	RALPHIE'S MINNOCO	RALPHIE'S MINNOCO	19.94
76080 11/02/2018	CHK	5198	KEVIN RAMSEY	600 AMP MVI CABINET	100.00
76081 11/02/2018	CHK	130	RESCO	SECONDARY PEDESTAL	6,937.04
				Discount	-3.25
				Total for Check/Tran - 76081:	6,933.79
76082 11/02/2018	CHK	566	RIKE-LEE ELECTRIC INC.	METER BY-PASS	2,326.33

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				METER BY-PASS	-78.00
				Total for Check/Tran - 76082:	2,248.33
76083 11/02/2018	CHK	9997	RLP SERVICES LLC	DEP To AP	252.41
76084 11/02/2018	CHK	9997	RLP SERVICES LLC	DEP To AP	252.41
76085 11/02/2018	CHK	159	SHORT ELLIOTT HENDRICKSON INC	HWY 10 WATER MAIN REHAB	394.03
76086 11/02/2018	CHK	5192	NICHOLAS SIEMSEN	INACTIVE REFUND	121.66
				INACTIVE REFUND	-20.00
				Total for Check/Tran - 76086:	101.66
76087 11/02/2018	CHK	8141	SPEEDCUTTERS OUTDOOR MAINTENA	LAWN MOWING SERVICES	232.53
				LAWN MOWING SERVICES	1,443.36
				Total for Check/Tran - 76087:	1,675.89
76088 11/02/2018	CHK	8943	SPRINGSTED INCORPORATED	ARBITRAGE CALC - ELEC REV BONDS 2014A	3,100.00
76089 11/02/2018	CHK	6107	STUART C. IRBY CO.	MITTEN PROTECTOR	143.80
76090 11/02/2018	CHK	9997	WASHINGTON STREET INVESTORS	Credit Balance Refund	177.77
76091 11/02/2018	CHK	55	WESCO RECEIVABLES CORP.	TRANSFORMER BOX PAD	1,883.75
76092 11/02/2018	CHK	3360	ZAK PARCEL SERVICE INC	SHIPPING	32.85
76093 11/02/2018	CHK	8083	JT SERVICES	FIBERGLASS POLE	9,378.28
				FIBERGLASS POLE	-603.28
				Total for Check/Tran - 76093:	8,775.00
76094 11/08/2018	CHK	211	JENNY BIORN	RTS WELLNESS MILEAGE - BIORN	23.98
				RTS WELLNESS MILEAGE - BIORN	6.00
				Total for Check/Tran - 76094:	29.98
76095 11/08/2018	CHK	28	CINTAS	MATS & TOWELS	103.81
				MATS & TOWELS	25.95
				MATS & TOWELS	106.54
				MATS & TOWELS	26.63

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Total for Check/Tran - 76095:					262.93
76096 11/08/2018	CHK	54	CORE & MAIN LP	PARTS FOR WATERMAIN REPLACEMENT	156.74
				PARTS FOR WATERMAIN REPLACEMENT	-10.08
				PARTS FOR WATERMAIN REPLACEMENT	1,218.70
				PARTS FOR WATERMAIN REPLACEMENT	-78.40
				PARTS FOR WATERMAIN REPLACEMENT	122.67
				PARTS FOR WATERMAIN REPLACEMENT	-7.89
				PARTS FOR WATERMAIN REPLACEMENT	122.54
				PARTS FOR WATERMAIN REPLACEMENT	-7.88
				PARTS FOR WATERMAIN REPLACEMENT	156.74
				PARTS FOR WATERMAIN REPLACEMENT	-10.08
				WATERMAIN REPLACEMENT PARTS	111.64
				WATERMAIN REPLACEMENT PARTS	-3.45
				WATERMAIN REPLACEMENT PARTS	228.61
				WATERMAIN REPLACEMENT PARTS	-3.45
Total for Check/Tran - 76096:					1,996.41
76097 11/08/2018	CHK	5154	COUNTRY SIDE SERVICES	UNIT #22 PLOW	704.64
76098 11/08/2018	CHK	112	DACOTAH PAPER CO.	VINYL GLOVES	-0.93
				VINYL GLOVES	14.39
				Discount	-0.13
Total for Check/Tran - 76098:					13.33
76099 11/08/2018	CHK	9997	STEVE DAHL	Credit Balance Refund	1,260.00
76100 11/08/2018	CHK	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 3 - ACCT 37747 - SEPT 2018	10.69
				CYCLE 3 - INV GRP 395 - SEPT 2018	8,923.03
				CYCLE 3 - INV GRP 414 - SEPT 2018	175.00
				CYCLE 3 - INV GRP 414 - SEPT 2018	928.30
Total for Check/Tran - 76100:					10,037.02
76101 11/08/2018	CHK	241	FRESCO, INC	TENON MOUNT ARM	3,798.33

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76102 11/08/2018	CHK	6836	INNOVATIVE OFFICE SOLUTIONS, LLC	OFFICE SUPPLIES	33.76
				OFFICE SUPPLIES	8.44
Total for Check/Tran - 76102:					42.20
76103 11/08/2018	CHK	48	LEAGUE OF MN CITIES INS TRUST	WATER MAIN BREAK INSURANCE CLAIM	171.00
76104 11/08/2018	CHK	9997	MARK LUCAS	Credit Balance Refund	165.19
76105 11/08/2018	CHK	188	MARTIES FARM SERVICE INC	DRIVELINK CHAIN	23.83
				STRAW ROLLS	76.95
Total for Check/Tran - 76105:					100.78
76106 11/08/2018	CHK	3795	MICHELLE MARTINDALE	WELLNESS EVENT INCENTIVES	125.00
				WELLNESS LUNCH MTG - 63 69 133	51.38
Total for Check/Tran - 76106:					176.38
76107 11/08/2018	CHK	145	MENARDS	CIP - LIGHTING COUPONS	172.00
76108 11/08/2018	CHK	14	MOBOTREX TRAFFIC PRODUCTS, INC	12" RED LED	339.86
				12" RED LED	-21.86
Total for Check/Tran - 76108:					318.00
76109 11/08/2018	CHK	5958	MOTOROLA	Tech Services	2,671.61
76110 11/08/2018	CHK	94	NEOFUNDS	POSTAGE	799.48
				POSTAGE	199.87
Total for Check/Tran - 76110:					999.35
76111 11/08/2018	CHK	3321	NORTHSTAR CHAPTER - APA	PAYROLL SEMINAR	20.00
				PAYROLL SEMINAR	5.00
Total for Check/Tran - 76111:					25.00
76112 11/08/2018	CHK	5056	PLAISTED COMPANIES, INC.	CLASS 5 GRAVEL	100.53
				CLASS 5 GRAVEL	15.01
Total for Check/Tran - 76112:					115.54
76113 11/08/2018	CHK	130	RESCO	Transformers	1,275.00
				Transformers	24,225.00

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				Discount	-12.75
				Transformers	11,475.00
				Transformers	1,275.00
				Discount	-6.38
Total for Check/Tran - 76113:					38,230.87
76114 11/08/2018	CHK	8943	SPRINGSTED INCORPORATED	ELEC REV BOND 2018A - SERVICES	35,990.00
76115 11/08/2018	CHK	6107	STUART C. IRBY CO.	FUSE PAD	10,683.00
				GLOVES & TESTING	-77.37
				GLOVES & TESTING	1,721.53
Total for Check/Tran - 76115:					12,327.16
76116 11/08/2018	CHK	2609	WASTE MANAGEMENT	ERMU GAS GENERATOR SERV AGRMNT-OCT 2018	33,350.67
				LANDFILL GAS PLANT - OCT 2018	13,948.20
Total for Check/Tran - 76116:					47,298.87
76117 11/08/2018	CHK	610	WRIGHT HENNEPIN COOPERATIVE ELE	WELL, TOWER & PLANT SECURITY	242.38
				WELL, TOWER & PLANT SECURITY	600.59
Total for Check/Tran - 76117:					842.97
76118 11/15/2018	CHK	11	CITY OF ELK RIVER	FUEL USAGE - SEPT 2018	2,553.11
				FUEL USAGE - SEPT 2018	625.90
Total for Check/Tran - 76118:					3,179.01
76119 11/15/2018	CHK	5207	A&B WELDING & CONSTRUCTION, INC	FIBER EXTENSION	500.00
				FIBER EXTENSION	500.00
Total for Check/Tran - 76119:					1,000.00
76120 11/15/2018	CHK	420	ACTION PLASTIC SALES, INC.	RED LINERS	143.48
76121 11/15/2018	CHK	4048	TROY ADAMS	APPA RP3 MTG TRAVEL EXP - ADAMS	11.00
76122 11/15/2018	CHK	9999	ALBRECHT BUILDING	HYDRANT RENTAL DEPOSIT REFUND	92.29
76123 11/15/2018	CHK	1327	AUTOMATIC SYSTEMS CO	RADIO REPAIRS - POWER SURGE	695.81
				PROGRAMMING CHANGES - WELL #4	720.80

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Total for Check/Tran - 76123:					1,416.61
76124 11/15/2018	CHK	6138	BLUE EGG BAKERY	COOKIES FOR MEETINGS	16.00
				COOKIES FOR MEETINGS	4.00
				COOKIES FOR MEETINGS	11.20
				COOKIES FOR MEETINGS	2.80
				COOKIES FOR MEETING	10.00
				COOKIES FOR MEETINGS	4.00
				COOKIES FOR MEETINGS	1.00
				COOKIES FOR MEETINGS	4.80
				COOKIES FOR MEETINGS	1.20
Total for Check/Tran - 76124:					55.00
76125 11/15/2018	CHK	493	CHARLIE BROWN SHELL	FUEL	7.99
76126 11/15/2018	CHK	54	CORE & MAIN LP	PARTS FOR WATERMAIN REPLACEMENT	11.37
				PARTS FOR WATERMAIN REPLACEMENT	-0.73
				WATERMAIN REPLACEMENT - BUTT FUSION	320.63
				WATERMAIN REPLACEMENT - BUTT FUSION	-20.63
				MANHOLE LID EXTRACTOR & PICK	-15.13
				MANHOLE LID EXTRACTOR & PICK	235.13
				MANHOLE LID EXTRACTOR & PICK	-15.13
				MANHOLE LID EXTRACTOR & PICK	235.13
Total for Check/Tran - 76126:					750.64
76127 11/15/2018	CHK	36	CROW RIVER FARM EQUIP CO	RUBBER FEET	-1.88
				RUBBER FEET	29.28
				93" TUBE	-3.14
				93" TUBE	48.82
Total for Check/Tran - 76127:					73.08
76128 11/15/2018	CHK	212	DAKOTA SUPPLY GROUP	Compression Sleeve	238.96
76129 11/15/2018	CHK	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 4 - INV GRP 415 - OCT 2018	175.00
				CYCLE 4 - INV GRP 415 - OCT 2018	1,197.08

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Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				CYCLE 4 - INV GRP 396 - OCT 2018	76.59
				Total for Check/Tran - 76129:	1,448.67
76130 11/15/2018	CHK	1013	FAIRVIEW HEALTH SERVICES	PRE-EMPLOYMENT PHYSICAL - 163	121.00
76131 11/15/2018	CHK	8709	FAIRVIEW HEALTH SERVICES	DRUG TESTING - OCT 2018	516.30
				DRUG TESTING - OCT 2018	124.70
				Total for Check/Tran - 76131:	641.00
76132 11/15/2018	CHK	4473	GRAY, PLANT, MOOTY & BENNETT, P.A	LEGAL SERVICES - SEPT 2018	476.00
				LEGAL SERVICES - SEPT 2018	119.00
				Total for Check/Tran - 76132:	595.00
76133 11/15/2018	CHK	8469	KATHY GREENBERG	APA MTG MILEAGE - GREENBERG	28.78
				APA MTG MILEAGE - GREENBERG	7.19
				Total for Check/Tran - 76133:	35.97
76134 11/15/2018	CHK	173	HREXPERTISEBP	LEADERSHIP MEETINGS - OCT 2018	728.00
				LEADERSHIP MEETINGS - OCT 2018	182.00
				Total for Check/Tran - 76134:	910.00
76135 11/15/2018	CHK	6836	INNOVATIVE OFFICE SOLUTIONS, LLC	OFFICE SUPPLIES	170.24
				OFFICE SUPPLIES	42.56
				Total for Check/Tran - 76135:	212.80
76136 11/15/2018	CHK	7826	KENNEDY & GRAVEN, CHARTERED	LEGAL SERVICES - BOND COUNSEL 2018A	12,500.00
76137 11/15/2018	CHK	5203	CHRISTOPHER KERZMAN	MN POWER SYSTEMS CONF MILEAGE - KERZMAN	101.94
76138 11/15/2018	CHK	3429	LEAGUE OF MN CITIES	Acrobat Professional	133.38
				Creative Cloud-All Apps	671.18
				League processing fee	20.00
				Acrobat Professional	33.35
				Creative Cloud-All Apps	167.79
				League processing fee	5.00
				Total for Check/Tran - 76138:	1,030.70

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76139 11/15/2018	CHK	1001	MINNESOTA MUNICIPAL POWER AGEN	PURCHASED POWER - OCT 2018	1,866,785.79
76140 11/15/2018	CHK	39	MMUA	LINEMAN COLLEGE - ROLSTAD	616.00
76141 11/15/2018	CHK	5056	PLAISTED COMPANIES, INC.	CLASS 5 GRAVEL	102.54
				CLASS 5 GRAVEL	109.24
				LIMESTONE RIP-RAP	144.15
Total for Check/Tran - 76141:					355.93
76142 11/15/2018	CHK	128	RANDY'S SANITATION, INC.	RECYCLING SERVICE - NOV 2018	79.95
				RECYCLING SERVICE - NOV 2018	19.99
				TRASH SERVICE - OCT 2018	678.34
				TRASH SERVICE - OCT 2018	169.59
Total for Check/Tran - 76142:					947.87
76143 11/15/2018	CHK	2560	SHERWIN- WILLIAMS CO.	MISC PARTS & SUPPLIES - WELL #7	14.51
				PAINT - WELL #2	804.66
Total for Check/Tran - 76143:					819.17
76144 11/15/2018	CHK	6107	STUART C. IRBY CO.	Meter Socket	2,108.55
76145 11/15/2018	CHK	416	MIKE TIETZ	MN POWER SYSTEMS CONF PARKING - TIETZ	20.00
76146 11/15/2018	CHK	375	VIKING ELECTRIC SUPPLY	Globe	99.51
76147 11/15/2018	CHK	135	WATER LABORATORIES INC	WATER TESTING - OCT 2018	304.00
76148 11/15/2018	CHK	55	WESCO RECEIVABLES CORP.	SPLICE	454.20
76149 11/15/2018	CHK	1074	WINDSTREAM	OFFICE TELEPHONE	367.78
				OFFICE TELEPHONE	67.06
				OFFICE TELEPHONE	91.95
Total for Check/Tran - 76149:					526.79
76150 11/21/2018	CHK	522	ALTERNATIVE TECHNOLOGIES, INC	OIL SAMPLES - OCT 2018	1,845.00
76151 11/21/2018	CHK	9997	PAUL BECKERMANN	INACTIVE REFUND	15.14
76152 11/21/2018	CHK	8840	BLUE 42	MONTHLY HOSTING OF WEBSITE	59.60

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				MONTHLY HOSTING OF WEBSITE	59.60
				MONTHLY HOSTING OF WEBSITE	29.80
				Total for Check/Tran - 76152:	149.00
76153 11/21/2018	CHK	9	BORDER STATES ELECTRIC SUPPLY	12" ANCHOR	276.88
				COLD SHRINK SPLICE	39.96
				TUBULAR SPLICE COVER	427.32
				COLD SHRINK SPLICE	370.13
				AL PADDLE	-3.25
				500 Paddle	60.23
				Total for Check/Tran - 76153:	1,171.27
76154 11/21/2018	CHK	9997	GREGGORY BRASS	INACTIVE REFUND	226.38
76155 11/21/2018	CHK	9997	DAVID BROWN	INACTIVE REFUND	489.83
76156 11/21/2018	CHK	9997	DANIELLE CAIN	INACTIVE REFUND	128.54
76157 11/21/2018	CHK	8843	CAMPBELL KNUTSON	LEGAL SERVICES	186.00
				LEGAL SERVICES	46.50
				Total for Check/Tran - 76157:	232.50
76158 11/21/2018	CHK	9997	CAPSTONE HOMES	Credit Balance Refund	1,953.23
76159 11/21/2018	CHK	9997	CAPSTONE HOMES	Credit Balance Refund	1,788.46
76160 11/21/2018	CHK	9997	CAPSTONE HOMES	Credit Balance Refund	128.43
76161 11/21/2018	CHK	9997	CAPSTONE HOMES	Credit Balance Refund	177.79
76162 11/21/2018	CHK	9997	CARLSON CREATIVE GROUP	Credit Balance Refund	13.64
76163 11/21/2018	CHK	11	CITY OF ELK RIVER	FRANCHISE FEE CREDIT - SEPT 2018	-975.00
				BILLED SERVICES - REV TRANSFER OCT 2018	98,493.83
				BILLED SERVICES - STORMWATER OCT 2018	40,764.23
				BILLED SERVICES - BAGS OCT 2018	7.00
				BILLED SERVICES - ORGANICS OCT 2018	534.27
				BILLED SERVICES - STICKERS OCT 2018	148.00

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				BILLED SERVICES - TRASH OCT 2018	129,679.01
				BILLED SERVICES - SEWER OCT 2018	175,137.57
				Total for Check/Tran - 76163:	443,788.91
76164 11/21/2018	CHK	76	CONNEXUS ENERGY	TERRITORY ACQUISITION AREA 5 & 6 ASSETS	298,736.34
76165 11/21/2018	CHK	502	COOPER POWER SYSTEMS	PADMOUNT SWITCHGEAR	34,898.00
				PADMOUNT SWITCHGEAR	35,327.00
				Total for Check/Tran - 76165:	70,225.00
76166 11/21/2018	CHK	7448	CRC	CUSTOMER SERVICE FOR AFTER HOURS	2,001.03
				CUSTOMER SERVICE FOR AFTER HOURS	500.26
				Total for Check/Tran - 76166:	2,501.29
76167 11/21/2018	CHK	9192	CUB FOODS ELK RIVER	SAFETY MEETING SNACKS	32.92
				SAFETY MEETING SNACKS	8.23
				Total for Check/Tran - 76167:	41.15
76168 11/21/2018	CHK	5019	DELTA DENTAL OF MINNESOTA	DENTAL INSURANCE - DEC 2018	2,274.02
				DENTAL INSURANCE - DEC 2018	841.25
				DENTAL INSURANCE - DEC 2018	502.69
				DENTAL INSURANCE - DEC 2018	84.32
				Total for Check/Tran - 76168:	3,702.28
76170 11/21/2018	CHK	5204	DIVERSIFIED ADJUSTMENT SERVICE, I	COLLECTION SERVICES - OCT 2018	108.50
				COLLECTION SERVICES - OCT 2018	27.12
				Total for Check/Tran - 76170:	135.62
76171 11/21/2018	CHK	122	ELK RIVER WINLECTRIC CO	MMPA WINDMILL	4.38
				PARTS - WELL #4	15.89
				PHOTOCONTROL & WALL PACK	105.36
				STREET LIGHT MTC	-7.42
				STREET LIGHT MTC	115.30
				STREET LIGHT MTC	-23.83
				STREET LIGHT MTC	370.51

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				CONDUIT & CEMENT	328.23
				4" Pipe Strap	19.15
				FUSEHOLDER	-12.36
				FUSEHOLDER	192.16
				CONDUIT	64.90
				2" Sch 40 Conduit	89.80
				Total for Check/Tran - 76171:	1,262.07
76172 11/21/2018	CHK	241	FRESCO, INC	BLACK MOUNT ARM	4,538.27
76173 11/21/2018	CHK	9997	NICOLE GASSWINT	INACTIVE REFUND	29.30
76174 11/21/2018	CHK	91	GOPHER STATE ONE-CALL	LOCATES FOR - OCT 2018	281.34
				LOCATES FOR - OCT 2018	281.34
				LOCATES FOR - OCT 2018	140.67
				Total for Check/Tran - 76174:	703.35
76175 11/21/2018	CHK	9999	GREAT NORTHERN LANDSCAPES, INC	HYDRANT RENTAL DEPOSIT REFUND	786.25
76176 11/21/2018	CHK	8469	KATHY GREENBERG	OFFICE SUPPLIES & POSTAGE	6.38
				OFFICE SUPPLIES & POSTAGE	5.90
				Total for Check/Tran - 76176:	12.28
76177 11/21/2018	CHK	9997	COURTNEY HARTFIEL-ZUELOW	INACTIVE REFUND	47.38
76178 11/21/2018	CHK	809	HAWKINS, INC.	WATER CHEMICALS	624.92
76179 11/21/2018	CHK	9997	HEDBERG HOMES, INC	Credit Balance Refund	122.38
76180 11/21/2018	CHK	9997	HEDBERG HOMES, INC	Credit Balance Refund	33.80
76181 11/21/2018	CHK	5211	HELIX SOLUTIONS	FIBER EXTENSION-GARY ST WATER TOWER	11,878.74
76182 11/21/2018	CHK	9997	CODY KENT	INACTIVE REFUND	88.59
76183 11/21/2018	CHK	9997	LINDA KOEPKE	INACTIVE REFUND	14.20
76184 11/21/2018	CHK	9997	TODD KROELLS	Credit Balance Refund	13.29
76185 11/21/2018	CHK	3429	LEAGUE OF MN CITIES	Acrobat Professional DC	55.58

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Bank Account: 1 - GENERAL FUND

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				Acrobat Professional DC -Angela	55.58
				Acrobat Professional DC -Chris	55.58
				Acrobat Professional DC -MTietz & OT	105.59
				Acrobat Professional DC -MTietz & OT	5.55
				Total for Check/Tran - 76185:	277.88
76186 11/21/2018	CHK	9997	LENNAR HOMES	Credit Balance Refund	486.93
76187 11/21/2018	CHK	9997	LENNAR HOMES	Credit Balance Refund	107.50
76188 11/21/2018	CHK	417	LOCATORS & SUPPLIES INC.	NITILE GLOVES	-6.99
				Gloves	109.44
				Total for Check/Tran - 76188:	102.45
76189 11/21/2018	CHK	145	MENARDS	TOILET SEAT	19.19
				TOILET SEAT - REBATE COUPONS	-6.33
				EXTRA COARSE SALT	104.04
				Total for Check/Tran - 76189:	116.90
76190 11/21/2018	CHK	9273	METERING & TECHNOLOGY SOLUTION	WATER METERS & ENCODERS	5,971.00
76191 11/21/2018	CHK	119	MINNESOTA COMPUTER SYSTEMS INC	COPIER MTC CONTRACTS	138.32
				COPIER MTC CONTRACTS	34.58
				Total for Check/Tran - 76191:	172.90
76192 11/21/2018	CHK	39	MMUA	LEADERSHIP ACADEMY - SLOMINSKI	480.00
				LEADERSHIP ACADEMY - SLOMINSKI	120.00
				NW LINEMAN COLLEGE - KOEHLER	616.00
				Total for Check/Tran - 76192:	1,216.00
76193 11/21/2018	CHK	9300	NISC	2018 MIC - 88 110 133 140 159	3,339.00
				2018 MIC - 88 110 133 140 159	636.00
				RECURRING INVOICE - OCT 2018	53.23
				RECURRING INVOICE - OCT 2018	9,548.46
				RECURRING INVOICE - OCT 2018	1,519.58
				MONTHLY AMS INVOICE - OCT 2018	5,674.69

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Bank Account: 1 - GENERAL FUND

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				MONTHLY AMS INVOICE - OCT 2018	846.62
				MONTHLY AMS INVOICE - OCT 2018	1,418.67
				scanner	394.27
				scanner	98.57
				MISC INVOICE - OCT 2018	560.45
				MISC INVOICE - OCT 2018	140.11
				Total for Check/Tran - 76193:	24,229.65
76194 11/21/2018	CHK	9997	NORTHWOODS MACHINE INC	Credit Balance Refund	593.87
76195 11/21/2018	CHK	9997	JENNA PACE	INACTIVE REFUND	58.34
76196 11/21/2018	CHK	5056	PLAISTED COMPANIES, INC.	PULVERIZED BLACK DIRT	60.76
76197 11/21/2018	CHK	130	RESCO	dvg-3 Pack	1,259.42
				Discount	-0.59
				Total for Check/Tran - 76197:	1,258.83
76198 11/21/2018	CHK	9997	BRIAN ROBBINS	Credit Balance Refund	297.25
76199 11/21/2018	CHK	6579	RUM RIVER CONTRACTING	3 PATCHES	3,600.00
76200 11/21/2018	CHK	450	RUSSELL SECURITY RESOURCE INC.	LOCK REPAIR - BOOSTER	151.00
76201 11/21/2018	CHK	9997	NICK SANDEN	Credit Balance Refund	222.36
76202 11/21/2018	CHK	229	SHERBURNE COUNTY ZONING	PROMISSORY NOTE & SECURITY AGREEMENT	16,521.00
76203 11/21/2018	CHK	9997	SUCCESS BY MOXI LLC	Credit Balance Refund	152.78
76204 11/21/2018	CHK	9997	DANIEL THEIS	INACTIVE REFUND	20.92
76205 11/21/2018	CHK	8948	TRYCO LEASING INC.	LEASE FOR COPIER AT PLANT	112.20
				LEASE FOR COPIER AT PLANT	28.04
				Total for Check/Tran - 76205:	140.24
76206 11/21/2018	CHK	8381	VERIFIED CREDENTIALS	BACKGROUND SCREENING - 164	36.80
				BACKGROUND SCREENING - 164	9.20
				Total for Check/Tran - 76206:	46.00

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11/01/2018 To 11/30/2018

Bank Account: 1 - GENERAL FUND

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
76207 11/21/2018	CHK	5035	VISION METERING, LLC	Meter	4,364.00
76208 11/21/2018	CHK	9997	WILLIAM WEBER	INACTIVE REFUND	85.76
76209 11/21/2018	CHK	55	WESCO RECEIVABLES CORP.	TRANSFORMER BOX PAD	2,640.00
76210 11/29/2018	CHK	1	AMERICAN PUBLIC POWER ASSOCIATI	2019 ANNUAL DUES	15,980.49
76211 11/29/2018	CHK	4531	AT & T MOBILITY	CELL PHONES & iPad BILLING	45.51
				CELL PHONES & iPad BILLING	1,341.22
				CELL PHONES & iPad BILLING	327.22
Total for Check/Tran - 76211:					1,713.95
76212 11/29/2018	CHK	2920	BATTERIES PLUS BULBS	BATTERIES	69.58
76213 11/29/2018	CHK	8079	BAYCOM, INC.	Docking Station	703.61
				Toughbook	4,311.03
				Docking Station	37.03
				Toughbook	226.90
Total for Check/Tran - 76213:					5,278.57
76214 11/29/2018	CHK	3982	CENTERPOINT ENERGY	NATURAL GAS & IRON REMOVAL	1,715.12
				NATURAL GAS & IRON REMOVAL	244.63
Total for Check/Tran - 76214:					1,959.75
76215 11/29/2018	CHK	5068	CINTAS	FIRST AID SUPPLIES	35.65
				FIRST AID SUPPLIES	8.91
Total for Check/Tran - 76215:					44.56
76216 11/29/2018	CHK	212	DAKOTA SUPPLY GROUP	ANCHOR ROD	198.50
				ANCHOR	97.60
Total for Check/Tran - 76216:					296.10
76217 11/29/2018	CHK	9354	DIRECT PORTABLE TOILET SERVICES L	PORTABLE TOILET RENTAL SERVICE	77.13
				PORTABLE TOILET RENTAL SERVICE	19.28
Total for Check/Tran - 76217:					96.41
76218 11/29/2018	CHK	23	ELK RIVER MUNICIPAL UTILITIES	CYCLE 1 - ACCT 183 - OCT 2018	2,051.06

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Bank Account: 1 - GENERAL FUND

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				CYCLE 1 - INV GRP 325 - OCT 2018	525.00
				CYCLE 1 - INV GRP 325 - OCT 2018	14,416.70
				CYCLE 1 - INV GRP 421 - OCT 2018	4,085.27
				CYCLE 1 - INV GRP 101 - OCT 2018	590.20
				CYCLE 1 - INV GRP 101 - OCT 2018	572.49
				CYCLE 1 - INV GRP 101 - OCT 2018	34.83
				CYCLE 1 - INV GRP 101 - OCT 2018	1,208.10
				CYCLE 1 - INV GRP 101 - OCT 2018	276.49
				CYCLE 1 - INV GRP 101 - OCT 2018	302.02
				Total for Check/Tran - 76218:	24,062.16
76219 11/29/2018	CHK	4473	GRAY, PLANT, MOOTY & BENNETT, P.A	LEGAL SERVICES - OCT 2018	266.00
				LEGAL SERVICES - OCT 2018	66.50
				Total for Check/Tran - 76219:	332.50
76220 11/29/2018	CHK	9997	LORI GREEN	Credit Balance Refund	428.88
76221 11/29/2018	CHK	809	HAWKINS, INC.	WATER CHEMICALS	180.00
76222 11/29/2018	CHK	824	HOME DEPOT CREDIT SERVICES	HOME DEPOT	114.20
				HOME DEPOT	26.63
				Total for Check/Tran - 76222:	140.83
76223 11/29/2018	CHK	6836	INNOVATIVE OFFICE SOLUTIONS, LLC	OFFICE SUPPLIES	46.89
				OFFICE SUPPLIES	11.72
				Total for Check/Tran - 76223:	58.61
76224 11/29/2018	CHK	297	JACK HENRY & ASSOCIATES, INC	ACH TRANSACTIONS - OCT 2018	205.60
				ACH TRANSACTIONS - OCT 2018	51.40
				Total for Check/Tran - 76224:	257.00
76225 11/29/2018	CHK	8083	JT SERVICES	HPS BULB	223.40
				HPS BULB	-14.37
				Total for Check/Tran - 76225:	209.03
76226 11/29/2018	CHK	8889	KOR TERRA, INC.	KORWEB ATTACHMENTS - 10/18 to 10/19	800.00

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11/01/2018 To 11/30/2018

Bank Account: 1 - GENERAL FUND

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				KORWEB ATTACHMENTS - 10/18 to 10/19	200.00
				Total for Check/Tran - 76226:	1,000.00
76227 11/29/2018	CHK	9169	MICHAEL LANGER	COFFEE/SUPPLIES	89.41
				COFFEE/SUPPLIES	22.35
				Total for Check/Tran - 76227:	111.76
76228 11/29/2018	CHK	48	LEAGUE OF MN CITIES INS TRUST	WORK COMP BALANCE - 10/17 to 10/18	15,542.53
				WORK COMP BALANCE - 10/17 to 10/18	-360.53
				Total for Check/Tran - 76228:	15,182.00
76229 11/29/2018	CHK	8605	MARCO TECHNOLOGIES, LLC	COMPUTER SWITCHES	2,740.93
				COMPUTER SWITCHES	-176.32
				Total for Check/Tran - 76229:	2,564.61
76230 11/29/2018	CHK	330	METRO SALES, INC	LEASE FOR COPIER AT OFFICE + CONTRACT	554.11
				LEASE FOR COPIER AT OFFICE + CONTRACT	138.53
				Total for Check/Tran - 76230:	692.64
76231 11/29/2018	CHK	8454	MINNESOTA DEPT OF LABOR & INDUS	LFG PRESSURE VESSEL	20.00
76232 11/29/2018	CHK	106	PERFECTION PLUS, INC.	MONTHLY CLEANING FOR THE PLANT-NOV 2018	896.04
				MONTHLY CLEANING FOR THE PLANT-NOV 2018	224.01
				Total for Check/Tran - 76232:	1,120.05
76233 11/29/2018	CHK	71	PRINCIPAL LIFE INSURANCE CO GRAN	LIFE & LTD INSURANCE - DEC 2018	1,631.61
				LIFE & LTD INSURANCE - DEC 2018	317.71
				Total for Check/Tran - 76233:	1,949.32
76234 11/29/2018	CHK	7972	TOM SAGSTETTER	COMPUTER PURCHASE PROGRAM - 113	960.00
				COMPUTER PURCHASE PROGRAM - 113	240.00
				Total for Check/Tran - 76234:	1,200.00
76235 11/29/2018	CHK	5212	SHERBURNE SOIL & WATER CONSERV	PRUNING TRAINING	624.75
				PRUNING TRAINING	5.25
				Total for Check/Tran - 76235:	630.00

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Bank Account: 1 - GENERAL FUND

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
76236 11/29/2018	CHK	6107	STUART C. IRBY CO.	Ground Rod	947.00
76237 11/29/2018	CHK	395	CHRIS SUMSTAD	FIRST LINE SUPV EXPENSES - SUMSTAD	71.46
76238 11/29/2018	CHK	416	MIKE TIETZ	FIRSTLINE SUPV MEAL - TIETZ	12.09
76239 11/29/2018	CHK	125	VERNON COMPANY	Magnets	1,152.42
76240 11/29/2018	CHK	9997	SHARON WENDT	Credit Balance Refund	103.00
Total for Bank Account - 1 :					(233) 3,557,189.60
Grand Total :					(233) 3,557,189.60

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PARAMETERS ENTERED:

Check Date: 11/01/2018 To 11/30/2018
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
Authorization Comments: No
Credit Card Charges: No

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

November 13, 2018

Members Present: Chair John Dietz; Vice Chair Al Nadeau; Commissioners Paul Bell, Mary Stewart, and Matt Westgaard

ERMU Staff Present: Troy Adams, General Manager;
Theresa Slominski, Finance and Office Manager;
Mark Fuchs, Electric Superintendent;
Mike Tietz, Technical Services Superintendent;
Eric Volk, Water Superintendent;
Tom Sagstetter, Conservation & Key Accounts Manager;
Michelle Canterbury, Executive Administrative Manager;
Chris Kerzman, System Engineer; Tony Mauren, Communications & Administrative Coordinator; Scott Thoreson, Lead Lineworker; and Zac Johnson, Lead Lineworker

Others Present: Peter Beck, Attorney

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

There were no additions or corrections to the agenda.

Moved by Commissioner Westgaard and seconded by Commissioner Stewart to approve the November 13, 2018, agenda. Motion carried 5-0.

1.4 Introduction of New Employees

Mr. Tietz introduced Chris Kerzman as the new System Engineer. Ms. Canterbury introduced Tony Mauren as the new Communications & Administrative Coordinator. The two new employees shared

a little bit about their background. The Commission welcomed the new employees.

2.0 CONSENT AGENDA (Approved By One Motion)

Moved by Commissioner Nadeau and seconded by Commissioner Bell to approve the Consent Agenda as follows:

- 2.1 October Check Register**
- 2.2 October 9, 2018 Regular Meeting Minutes**
- 2.3 2018 Third Quarter Utilities Performance Metrics Score Card Statistics**
- 2.4 Organizational Fundamentals Policy**
- 2.5 License Agreement – Coborn’s, Incorporated**

Motion carried 5-0.

3.0 OPEN FORUM

No one appeared for open forum.

4.0 POLICY & COMPLIANCE

There was nothing presented for policy & compliance.

5.0 BUSINESS ACTION

5.1 Financial Report – September 2018

Ms. Slominski presented the September 2018 financial report. Chair Dietz had a few questions on the financials. Staff responded.

Moved by Commissioner Stewart and seconded by Commissioner Westgaard to receive and file the September 2018 Financial Report. Motion carried 5-0.

5.2 2019 Business Plan/Budget: Rates and Review

Ms. Slominski presented a high level overview of the conservation improvement program budget. As noted at last month’s Commission meeting, a larger dollar amount is being budgeted for rebates. Staff explained that previously these costs have been funded by Great River Energy (GRE), however Minnesota Municipal Power Agency (MMPA) doesn’t have a similar funding mechanism, so these costs will need to be funded by ERMU. There was discussion.

Ms. Slominski presented the administrative and technical services capital budgets and noted the addition of a \$15,000 line item for a non-recurring expense in the administrative budget for a handicap accessibility front entrance.

For the water department capital budget, Ms. Slominski noted that nothing had changed since it was last presented. Mr. Adams commented on the Jackson Street Water Tower line item, and shared that he will be working with the city and the attorney to get the asset legally transferred to the city; at which time ERMU would transfer the \$90,000 in reserves over to the city. There was discussion. Commissioner Westgaard recommended that ERMU staff keep the City Administrator informed on the intent to transfer the asset as certain policies may need to be developed on their end regarding the money and what it will be used for.

Ms. Slominski presented the electric department capital budget. Mr. Fuchs provided further detail on capital construction projects. Chair Dietz had a question on the \$5,000 line item for chairs in the plant breakroom. Staff responded, and explained that the new chairs are long overdue.

Ms. Slominski presented the water department revenue and expense budget and preliminary rates. She shared that the water department expenses decreased 2.5%, largely due to a change in depreciation calculations for a misclassified asset. In order to maintain the financial health and to plan for the short and long term water capital project projections, the 2019 water budget reflects an overall 1.8% increase in revenue through water sales. The allocation of the increase will be collected through an increase in customer charge and 1st tier water use rates. The result for the proposed rate increase for a typical residential customer would be 1.72%, resulting in an approximate annual increase of \$5.00. The finalized 2019 retail water rates will be proposed for final approval with the 2019 budget in December.

Ms. Slominski presented the electric department revenue and expense budget and preliminary rates. The electric department expenses increased approximately 3%. As outlined in her memo, historically wholesale power costs have been within 70% - 75% of operating revenue, and this is approximately 65% for 2019 with our new wholesale power provider. The proposed budget represents a 0% increase in ERMU rates, and still has a sizable contribution to reserves. The 2019 retail electric rates will be proposed for final approval with the 2019 budget in December.

Commissioner Stewart pointed out two possible errors in the spreadsheet calculations: one on page 68 of the electric department revenue section, for the \$4,800 line item for the sub-station credit; and the other on page 69 of the water department revenue section, for the \$4,000 line item for bulk water sales/hydrant rental. She stated that it looks like these two amounts are not being pulling into the formula for the calculation. Staff responded that they would confirm and make the correction if needed.

Commissioner Stewart noted the \$100,000 that was being budgeted for water connection fees,

and questioned if staff should consider raising the amount based on the past two years of significant growth. There was discussion. Staff stated that they would re-evaluate the dollar amount before bringing the budget back in December.

Ms. Slominski presented the summary budget.

Mr. Adams led a lengthy discussion on the preliminary proposed 0% electric rate increase versus a rate reduction, and the impact it would have on our financial reserves. After discussion, the Commission was in support of resetting our electric rates. Staff stated that they would work to implement the change into the 2019 budget to be presented in December.

5.3 **2019 Utilities Fee Schedule**

Ms. Canterbury presented the 2019 Fee Schedule to the Commission and went over the two proposed changes which included a 3.6% increase to the water access charge, and a \$10.00 reduction to the NSF fee. Ms. Canterbury also noted that in 2019 staff will be going through and verifying our philosophy of allocation of cost and aid to construction for water and electric connection fees and analyzing that for consideration for the 2020 fee schedule.

At the October 9 Commission meeting, staff was directed to research and bring back the costs associated with offering an opt-out program for both electric and water. Mr. Sagstetter presented the preliminary dynamics of the opt-out program and went over the fees that the customer would be responsible for. As there were further details that needed to be worked through before offering the program, staff recommended waiting to add the fees to the fee schedule until everything is finalized.

Moved by Commissioner Nadeau and seconded by Commissioner Westgaard to approve the 2019 Utilities Fee Schedule. Motion carried 5-0.

5.4 **2018 Third Quarter Delinquent Items**

Ms. Slominski presented the delinquent items for the third quarter which included a delinquent amounts listing report totaling \$6,233.11 for all services. She also presented the delinquent items comparisons for 2017/2018, identifying the categories and running totals. Ms. Slominski shared that our totals for the year for collections and write-offs are well below the national average, at .027%. For security purposes, Commissioner Stewart recommended that the customer account number on the delinquent items listing be removed. Staff concurred.

Moved by Commissioner Stewart and seconded by Commissioner Nadeau to approve the 2018 Third Quarter Delinquent Items. Motion carried 5-0.

5.5 **2018 Assessments**

Ms. Slominski presented a listing of proposed assessments totaling \$10,301.48, for customers with outstanding balances that still remain unpaid for water, sewer, stormwater, trash, and qualifying electric and franchise fee services. The City Council would need to approve the list of assessments at their November 19 meeting and take them to the county for the actual assessment on the property taxes. Ms. Slominski stated moving forward, we would also want to remove the customer account number from the assessment listing. The Commission had a few questions. Staff responded.

Moved by Commissioner Bell and seconded by Commission Stewart to approve the 2018 assessments listing totaling \$10,301.48 to take to the City Council for assessment on property taxes. Motion carried 5-0.

5.6 **Wage & Benefits Committee Update**

On October 9, the Wage & Benefits Committee (W&BC) held an open meeting for employees to submit wage and benefit suggestions for consideration by the committee. The committee met on November 2 to review and research topics from the open meeting. The committee also performed market analysis in preparation for making a cost of living adjustment recommendation to the commission. The committee also followed up on other miscellaneous outstanding issues. Mr. Adams presented the W&BC update, as outlined in the memo, along with the proposed recommendations.

Moved by Chair Dietz, and seconded by Commissioner Stewart to approve the following effective January 1, 2019:

- **2.85% “metro average” adjustment for lineworker pay group**
- **3% cost of living adjustment for field, office, and management pay groups**
- **Purchased Vacation Time Policy allowing for the purchase of 40 hours vacation per year**
- **Employee funded vision insurance plan**
- **Employer contributions to health savings account of \$650 for single and \$1985 for single +1 and family plans**

Motion carried 5-0.

6.0 **BUSINESS DISCUSSION**

6.1 **Staff Updates**

Mr. Adams added that ERMU has been working with the city and the Economic Development Authority (EDA) to create some incentives for new big businesses coming to town. The incentive

would work in the form of a temporary rate reduction. Mr. Adams further explained the mechanics of the program and how it would affect ERMU's Payment in Lieu of Taxes (PILOT) to the city. There was discussion.

Mr. Adams highlighted from his staff report that throughout 2018 staff has been working on evaluating the Utilities Performance Metric Incentive Compensation (UPMIC) policy criteria for the score card, including the customer service satisfaction measurement tools and rate evaluation tools. He shared that at this time it is unlikely that a recommendation to change any of the measurement criteria for the 2019 measurement period will be made. The UPMIC score card will be presented in December for adoption for the 2019 measurement period.

In Ms. Slominski's staff report, she shared that the front counter has been fortified with a bullet absorbing material and that the bullet proof glass has been placed on order. Chair Dietz inquired as to when the glass would be installed. Ms. Slominski stated that when we placed the order we were looking at a 2 to 4 week lead time.

In Mr. Tietz's staff report, he shared that on October 31 staff ran all of the engines without any issues. As this was the first time in months since engine #4 had been run, Commissioner Stewart asked for further clarification on how things were coming along with the mechanical issues. Mr. Tietz responded. There was discussion on the Reciprocating Internal Combustion Engines (RICE) Rule and the engines being used for emergency use only.

Chair Dietz provided an update on the Great River Energy Resource Processing Plant. There was discussion.

6.2 **Future Planning**

Chair Dietz announced the following:

- a. Regular Commission Meeting – December 11, 2018

6.3 **Other Business**

There was no other business.

The Commission recessed the regular meeting at 4:54 p.m. and went into the closed meeting.

6.4 **Closing of Meeting: Meeting closed pursuant to MN Statute 13D.05, Subd. 3(a) for the Second Half of the Performance Evaluation of Troy Adams, General Manager**

The Commission reconvened the regular meeting at 5:23 p.m.

Moved by Commissioner Stewart and seconded by Commissioner Nadeau to approve an additional 10% market adjustment, along with the 3% COLA for the General Manager position effective January 1, 2019. Motion carried 5-0.

Moved by Chair Dietz and seconded by Commissioner Bell to direct the W&BC to benchmark the Electric Superintendent position. Motion carried 5-0.

As the benchmarking data would need to be collected, Mr. Adams asked for clarification on whether the Commission wanted just the Electric Superintendent position to be benchmarked, or the complete management pay group. After discussion, Commission consensus was for the W&BC to benchmark the management pay group and report back to the Commission at the December meeting.

7.0 ADJOURN REGULAR MEETING

Moved by Commissioner Westgaard and seconded by Commissioner Nadeau to adjourn the regular meeting of the Elk River Municipal Utilities Commission at 5:27 p.m. Motion carried 5-0.

Minutes prepared by Michelle Canterbury.

John J. Dietz, ERMU Commission Chair

Tina Allard, City Clerk

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

November 13, 2018

Members Present: Chair John Dietz; Vice Chair Al Nadeau; Commissioners Paul Bell,
Mary Stewart, and Matt Westgaard
ERMU Staff Present: Troy Adams, General Manager;
Theresa Slominski, Finance and Office Manager;
Mark Fuchs, Electric Superintendent;
Michelle Canterbury, Executive Administrative Manager

1.0 CALL MEETING TO ORDER

Chair Dietz called the November 13, 2018 closed meeting to order at 4:54 p.m.

2.0 CLOSED MEETING – GENERAL MANAGER PERFORMANCE EVALUATION

The purpose of the closed meeting was to evaluate the performance of General Manager Troy Adams per MN Statue 13D.03, Subdivision 3(a).

3.0 ADJOURNMENT

There being no further business, Chair Dietz adjourned the closed meeting of the Utilities Commission at 5:23 p.m.

Minutes prepared by Michelle Canterbury.

John J. Dietz
Chair, ERMU Commission

Tina Allard
City Clerk

TO: ERMU Commission	FROM: Michelle Canterbury – Executive Administrative Assistant
MEETING DATE: December 11, 2018	AGENDA ITEM NUMBER: 2.4
SUBJECT: Summary of General Manager Performance Evaluation	
ACTION REQUESTED: Chair Dietz to provide a summary of the General Manager’s performance evaluation	

BACKGROUND:

On November 13, 2018, the Commission conducted a closed meeting for the second half of the performance evaluation of General Manager Troy Adams. The law requires that at its next open meeting, the Commission shall summarize its conclusions regarding the evaluation. Chair Dietz provided the following statement summarizing the Commission’s conclusions regarding the evaluation.

DISCUSSION:

A benchmarking analysis for the General Manager Pay Grade was provided for review. The Commission discussed Mr. Adams’ performance and the general manager benchmarking results, and concluded that a market adjustment was warranted. The Commission also recommended that the General Manager position be benchmarked on an annual basis.

After reconvening the regular meeting, the Commission unanimously approved by motion an additional 10% market adjustment, along with the 3% COLA for the General Manager position effective January 1, 2019.

TO: ERMU Commission	FROM: Troy Adams, P.E. – General Manager
MEETING DATE: December 11, 2018	AGENDA ITEM NUMBER: 2.5
SUBJECT: 2019 Official Depository	
ACTION REQUESTED: Designate First National Bank of Elk River as the official depository for 2019, and authorize the Finance & Office Manager to designate additional depositories for the purpose of investing funds per our brokers' recommendation and our investment policy guidelines.	

BACKGROUND/DISCUSSION:

Minnesota Statutes Section 118A.02 sets forth the procedures for the deposit of public funds and it is necessary for the Utilities Commission to annually designate a bank (or banks) as the official depository for utility funds.

Staff recommends designating First National Bank of Elk River as the utility's official depository for the funds of Elk River Municipal Utilities for 2019. Staff also recommends the Finance & Office Manager is able to designate additional depositories for the purpose of investing funds per our brokers' recommendation and our investment policy guidelines.

FINANCIAL IMPACT:

N/A

TO: ERMU Commission	FROM: Michelle Canterbury – Executive Administrative Manager
MEETING DATE: December 11, 2018	AGENDA ITEM NUMBER: 2.6
SUBJECT: 2019 Official Newspaper	
ACTION REQUESTED: Designate Elk River Star News as the official newspaper for 2019.	

BACKGROUND/DISCUSSION:

Minnesota Statutes Section 331A.04 requires the utility to annually designate a qualified newspaper for the publication of legal notices. The newspaper must meet specific rules and must be chosen based on their location.

The Star News meets those qualifications and is located in the city so it must be chosen as the utility's official newspaper.

FINANCIAL IMPACT:

N/A

TO: ERMU Commission	FROM: Michelle Canterbury – Executive Administrative Manager
MEETING DATE: December 11, 2018	AGENDA ITEM NUMBER: 2.7
SUBJECT: 2019 Utilities Commission Meeting Schedule	
ACTION REQUESTED: Approve the 2019 Utilities Commission Meeting Schedule	

BACKGROUND/DISCUSSION:

Per state law, a schedule of the regular meetings of the Utilities Commission must be kept on file with the city clerk's office and posted on the city's bulletin board.

Regular Commission meetings are scheduled for the second Tuesday of each month at 3:30 p.m. and are held at Elk River Municipal Utilities, 13069 Orono Parkway, Elk River, MN 55330. Attached is the 2019 Utilities Commission Meeting schedule.

FINANCIAL IMPACT:

N/A

ATTACHMENTS:

- 2019 Utilities Commission Meeting Schedule

2019

Utilities Commission Meeting Schedule

January							April							July							October						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
		1	2	3	4	5		1	2	3	4	5	6		1	2	3	4	5	6		1	2	3	4	5	
6	7	8	9	10	11	12	7	8	9	10	11	12	13	7	8	9	10	11	12	13	6	7	8	9	10	11	12
13	14	15	16	17	18	19	14	15	16	17	18	19	20	14	15	16	17	18	19	20	13	14	15	16	17	18	19
20	21	22	23	24	25	26	21	22	23	24	25	26	27	21	22	23	24	25	26	27	20	21	22	23	24	25	26
27	28	29	30	31			28	29	30					28	29	30	31				27	28	29	30	31		

February							May							August							November						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
					1	2				1	2	3	4					1	2	3						1	2
3	4	5	6	7	8	9	5	6	7	8	9	10	11	4	5	6	7	8	9	10	3	4	5	6	7	8	9
10	11	12	13	14	15	16	12	13	14	15	16	17	18	11	12	13	14	15	16	17	10	11	12	13	14	15	16
17	18	19	20	21	22	23	19	20	21	22	23	24	25	18	19	20	21	22	23	24	17	18	19	20	21	22	23
24	25	26	27	28			26	27	28	29	30	31		25	26	27	28	29	30	31	24	25	26	27	28	29	30

March							June							September							December						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
					1	2							1	1	2	3	4	5	6	7	1	2	3	4	5	6	7
3	4	5	6	7	8	9	2	3	4	5	6	7	8	8	9	10	11	12	13	14	8	9	10	11	12	13	14
10	11	12	13	14	15	16	9	10	11	12	13	14	15	15	16	17	18	19	20	21	15	16	17	18	19	20	21
17	18	19	20	21	22	23	16	17	18	19	20	21	22	22	23	24	25	26	27	28	22	23	24	25	26	27	28
24	25	26	27	28	29	30	23	24	25	26	27	28	29	29	30						29	30	31				
31							30																				

NOTE: ALL DATES ARE SUBJECT TO CHANGE

Commission meetings are held the second Tuesday of each month and begin at 3:30 p.m.

Commission meetings are held at Elk River Municipal Utilities, 13069 Orono Parkway, Elk River, MN, unless otherwise posted.

Holidays

Jan 1 - New Year's Day

Jan 21 - Martin Luther King Jr. Day

Feb 18 - Presidents' Day

May 27 - Memorial Day

July 4 - Independence Day

Sept 2 - Labor Day

Nov 11 - Veterans Day

Nov 28 - Thanksgiving

Nov 29 - Day after Thanksgiving

Dec 24 - Christmas Eve

Dec 25 - Christmas Day

TO: ERMU Commission	FROM: Troy Adams, P.E. – General Manager
MEETING DATE: December 11, 2018	AGENDA ITEM NUMBER: 4.1
SUBJECT: Performance Metrics and Incentive Compensation Policy	
ACTION REQUESTED: Approve the Performance Metrics and Incentive Policy Score Card for 2019.	

BACKGROUND:

The Commission adopted the Performance Metrics and Incentive Compensation Policy in December 2012 and then revised it in 2016. This is a company performance based program designed to incentivize employee commitment towards the company's success. Divided into categories representing core values of the company and again into sub-categories that are quantifiable, the Utilities Performance Metrics-based Incentive Compensation (UPMIC) system is designed to track goals that require companywide support of the employees to continually achieve. When the employees work together as a team to achieve these goals, the company recognizes a corresponding increase in value to our customers.

DISCUSSION:

Per policy, the metrics for measurement of the designated year need to be determined before the start of the designated year. This allows for changes to be made and communicated timely before performance measurement begins. The policy is attached for reference.

Customer Satisfaction Survey

During 2018 staff had been working on options for improving the customer satisfaction survey component of the UPMIC score card. Although only the historic customer satisfaction survey system was used for performance measurement for the 2018 UPMIC score card, an alternative customer satisfaction survey system was tested concurrently. The new system asked single questions six times a year as opposed to the historic survey style which was more questions at one time. Also, the new survey was conducted electronically. The historic survey was conducted in the traditional hard copy paper method but was also available electronically to provide additional opportunity for customers to provide feedback. The new survey also had new questions which were developed to tie directly back to the mission and company values adopted by the commission. The logic for the new questions was to gather feedback that would help align performance with the direction and values established by the commission.

It was thought that response percentage should increase with the new survey style because of the single question format. The response percentage results were dismal for both styles. The respondent percentage for the historic survey style was typically 300 responses out of 10,000

customers, or 3%. In 2018 the historic survey, both paper and electronic combined, produced only 165 responses out of an approximate 11,500 customers, or 1.4%. Of those 165 responses, 44 were submitted electronically which was 27%.

The response percentage for the new single question electronic only survey style was also very low. And the method for collection did not provide sound statistical data as there was not a way to prevent an individual from responding multiple times. Also, responses were allowed to be anonymous making follow-up impossible. This survey was available electronically by a link on the SmartHub online payment page. This greatly skewed the survey data as responses were highest on days when shut-offs for non-payment were conducted; Many of those disconnected for non-payment would pay on-line and then take this survey upset for being disconnect for non-payment. Responses were also skewed with negative feedback on city services like organized trash collection. Because the data from these new survey style questions was blended in a single response, it was not possible to separate a quantitative rating that was usable for measurement or improvement. This test initiative was shut down after two questions. Even with the low response percentage and the data being skewed with disconnection and city services feedback, there was usable feedback. Specifically, changes were made to the multi-billing cycle process based on constructive feedback from our customers.

Applying what was learned, testing the new survey style and concurrently conducting the historic survey style, staff will combine the best parts of both versions for use in measuring performance for 2019. The historic multiple question single service method will be used in both hard-copy paper and electronic, but the questions will be changed to use the new questions developed to align performance with the commission approved direction and organizational values. Additionally, the respondents name will be required. This will allow for follow-up with the customer. This change to the data collection method does not impact the score card or the policy. Staff will continue to evaluate the customer satisfaction survey component of the UPMIC for viable options to improve usability of the feedback for performance improvement.

Competitive Rates

During 2018 staff had also looked at adding an UPMIC score card component to measure rate competitiveness. Staff has not completed evaluating the methodology for this which would fairly compare electric and water rates. Staff intends to continue to develop a methodology for measuring rate competitiveness during 2019 for commission consideration.

The UPMIC score card is attached for approval for the 2019 measurement year.

FINANCIAL IMPACT:

No financial impact for 2019 budget year. Up to a 2% distribution awarded in 2020.

ATTACHMENTS:

- ERMU Policy – P.13 – Performance Metrics and Incentive Compensation Policy
- ERMU Policy – P.13a – Performance Metrics and Incentive Compensation Policy Score Card – 2019



P.13 – Performance Metrics and Incentive Compensation Policy

1.0 Purpose and Summary

The successful performance of the ERMU is measured in terms of the Utilities’ ability to meet our strategic goals and mission. By improving our efficiency and level of performance in meeting our strategic goals and mission we can improve the delivery of value to our customers.

To create incentives for employees to take personal responsibility for accomplishment of the Utilities’ strategic goals and mission, the Utilities has established a Utilities Performance Metrics-based Incentive Compensation system (“UPMIC”). Through UPMIC the employees of ERMU will have an opportunity, as a group, to earn annual incentive compensation for each qualifying employee by contributing individually to the overall success of ERMU on a daily basis.

Under UPMIC, either all qualifying employees will earn an incentive compensation distribution in a given year, or none will. And not only will incentive compensation under UPMIC in that sense be an all or nothing proposition each year, but there will be an equal percentage share basis for all on which the incentive compensation will be paid out if earned. This appropriately reflects the reality that we all succeed, or fall short, together as a team.

To administer the UPMIC and measure objectively the level of performance that must be achieved for qualifying employees to earn incentive compensation, the attached UPMIC Performance Metrics Policy Score Card (“Score Card”) has been created. The Score Card will be subject to revision annually based on the performance metrics adopted by the Commission annually for the coming year (“Performance Metrics”). By tracking and measuring the Performance Metrics and creating incentive for employees to achieve the goals the Metrics embody, the Utilities believes it will be better able to focus efforts and resources on becoming more efficient and successful in meeting our strategic goals and mission and delivering improved value to our customers.

2.0 Utilities Performance Metrics Score Card

As reflected on the Score Card, the Performance Metrics are divided into the following three categories: Safety, Reliability and Quality of Utility Services; Customer Service and Employee

Development; and Financial Goals. These categories are used to characterize the overall strategic goals and mission of ERMU.

Under the Performance Metrics, these three main categories are then divided into various weighted factors, or sub-categories. These sub-categories, their percentage weight, and the goal or target for each, shall be established by the Utilities Commission annually. The Performance Metrics as adopted are reflected in the attached Score Card. As discussed above, the Performance Metrics and thus the Score Card are subject to modification and adoption by the Commission annually, which will normally occur during the Utilities' budgeting process.

3.0 Utilities Performance Incentive Compensation Distribution Criteria

Under the UMPIC a Performance-Based Compensation Incentive, if earned, will be distributed to Qualifying Employees annually. The total amount available to be earned by Utilities employees as a Performance Based Compensation Incentive each year will be an amount up to 2% of the Utilities' total gross wages paid to Qualifying Employees during the Measurement Period.

The measuring period used to calculate how much, if any, of the Performance-Based Compensation Incentive the Utilities employees have earned will be the calendar year (the "Measurement Period"). After the Measurement Period is complete and the Commission has received its audit in the spring of the year following the Measurement Period, the Performance Metrics will be applied to determine whether the Performance-Based Compensation Incentive has been earned for the Measurement Period. In doing so, the performance of the Utilities in each sub-category will be reviewed. If the sub-category performance meets or exceeds the established goal, the sub-category will be scored with the designated percentage that will contribute to a total Performance Metrics Multiplier to be used as a factor in calculating the distribution earned, if any, as shown in the Score Card ("Multiplier"). The Multiplier has a maximum factoring effect of 100%. The Multiplier is used to determine how much, if any, of the amount established by the Commission for the UMPIC Performance-Based Compensation Incentive has been earned in the Measurement Period. (For example if the Multiplier equals 100%, the distribution would equal 2%. If the Multiplier equals 75%, the distribution would equal 1.5%.) In other words, the amount established by the Commission may be earned on an annual basis by the group of Qualifying Employees (as defined below in Section 4.0) in whole, in part, or not at all.

After the Multiplier is calculated on the Score Card, the Performance Based Compensation Incentive earned, if any, will be distributed to Qualifying Employees. The total amount to be distributed as the Performance Based Compensation Incentive will be the product of: a) the Multiplier; and b) 2% of the Utilities' total gross wages paid to Qualifying Employees during the Measurement Period.

The percentage of the Performance Based Compensation Incentive awarded to each Qualifying Employee will be based on the gross wages of each Qualifying Employee during the Measurement Period. To each Qualifying Employee, the distribution would be allocated in a lump sum equal to the product of: a) the Multiplier; and b) 2% of that employee's gross wages

paid during the Measurement Period. (For example, if a Qualifying Employee's gross wages earned during the Measurement Period were equal to \$50,000 and the Multiplier was equal to 100%, the total distribution to that employee would be equal to: $\$50,000 \times 2\% \times 100\% = \$1,000$.)

If the Utilities' margins are negative due to sudden and unforeseen material changes to the industry or customer base, the Commission reserves the right to withhold distribution of the Performance Based Compensation Incentive in any given year.

4.0 *Employee Qualifications and Distribution of the Incentive Compensation*

An employee of the Utilities will be eligible for participation in the Performance Metrics Incentive Compensation distribution if the employee meets the following eligibility requirements and is therefore a "Qualifying Employee" for purposes of this policy.

- a. The employee is in good standing with the Utilities. An employee would not be eligible while on disciplinary probation or a performance improvement action plan.
- b. The employee was a Full Time or Part Time employee during the Measurement Period. Seasonal, and Temporary employees are not eligible.

The UMPIC Performance Based Compensation Incentive distribution will be made to Qualifying Employees on the first payroll date after the thirty day period following the date on which the Commission formally receives its annual auditor's report in an open meeting.

GP:3300714 v4

Elk River Municipal Utilities

P.13-a - Performance Metrics and Incentive Compensation Policy Score Card - 2019

Category	Percent	Sub-Category	Sub-Percent	Goal	Score	Awarded Multiplier Percentage
Safety, Reliability and Quality of Utility Services	40	Water Quality Standards	5	Meet Requirements		
		Lead and Copper quality	5	90th percentile		
		Bacteria Detection	5	0 positive samples		
		CAIDI	5	<120 Min		
		SAIDI	5	<90 Min		
		SAIFI	5	< 0.5		
		Line Loss	5	<5%		
		Water Loss	5	<12%		
Customer Service and Employee Development	25	Customer Satisfaction	5	≥ 90%		
		Employee Turnover	10	≤ 7.5%		
		Participation in Recommended and Mandatory Trainings	10	≥ 95%		
Financial Goals	35	Margins/Net Profit	20	≥ Budget		
		Reserves	10	≥ Target		
		Inventory Accuracy	5	≥ 95%		
Total Multiplier:						

Adopted December 12, 2012

Revised October 11, 2016

TO: ERMU Commission	FROM: Troy Adams, P.E. – General Manager
MEETING DATE: December 11, 2018	AGENDA ITEM NUMBER: 4.2
SUBJECT: Agenda Planning Policy and the Annual Governance Agenda	
ACTION REQUESTED: <ul style="list-style-type: none"> • Adopt the revised G.2c Agenda Planning Policy. • Adopt the 2019 Governance Agenda. 	

BACKGROUND:

In May 2017, the commission adopted a comprehensive manual of governance policies based on the Carver Model of governance. Included in those governance policies is a policy on agenda planning.

DISCUSSION:

Governance Policy G.2c Agenda Planning was adopted by the commission to establish its “expectations for a proactive governance process, expressed in terms of a forward-looking two year agenda of recurring governance functions.” In addition, the rolling two year agenda creates transparency for the occurrence of the most critical responsibilities of the commission.

When developed, the rolling two year agenda requirement was a discussion point. It was questioned whether a two year forward-looking agenda was needed or if an annual agenda would suffice. Our third party consultant recommended we try the two agenda to see how it works. In application of the new governance policy, staff recommends changing the two year requirement to a one year annual requirement.

There are two additional changes proposed for the policy. First, staff recommends adding item 2b on page two of the policy regarding the financial reserves policy and reserve balances. This language is consistent with practice.

Second, staff recommends adding item 3b on the page two of the policy regarding strategic planning. Management currently performs a strategic planning session in January and July every year. The results from those sessions end up in the Annual Business Plan (budget and capital project 5-year forecast). Staff is recommending adding a commission requirement to participate in that process during the third quarter every year. The reason for this change is to have the commission engage in the visioning part on the strategic planning process in addition to having final approval of the Annual Business Plan in December. The proposed revisions are reflected in the attached policy for commission consideration.

Attached for discussion and commission approval is a proposed 2019 Governance Agenda.

ATTACHMENTS:

- Proposed Revision to ERMU Commission Policy – G.2c – Agenda Planning
- 2019 ERMU Governance Agenda

COMMISSION POLICY

Section: Governance	Category: Governance Policies
Policy Reference: G.2c	Policy Title: Agenda Planning

PURPOSE:

With this policy, the Commission establishes its expectations for a proactive governance process, expressed in terms of a forward-looking ~~two-year~~ agenda of recurring governance functions. The Commission also establishes the process for determining the agenda for each regularly scheduled Commission meeting.

POLICY:

The Commission, with support from the General Manager, will prepare, distribute, and follow a governance agenda that spans ~~two successive~~ the upcoming fiscal years. The Commission will update this agenda annually during the fourth quarter of each fiscal year ~~by removing the current year, updating the next year, and adding the following year~~. The Commission will review the agenda as a part of each regular Commission meeting. The Commission's governance agenda will include a schedule of its recurring governance functions by month to facilitate the preparation of meeting agendas and the conduct of regular and special Commission meetings. Recurring governance functions include but are not limited to the following: consideration of stakeholder interests, policy review and development, strategic planning, approval of financial and business plans including budgets, organizational performance monitoring, internal and external audit reviews, General Manager performance planning and evaluation, governance evaluation and development, Commission Officer election, and committee appointments. The Commission will keep its ~~two-year~~ governance agenda up-to-date and available to all Commission members, the Commission's Legal Counsel, and the General Manager.

The General Manager, with direction from the Commission, will also prepare and distribute, in a timely manner, a detailed agenda that provides for open communications and the orderly and efficient conduct of each regular Commission meeting, special Commission meeting and Commission work session. -Agendas for regular Commission meetings will address items from the ~~two-year~~ governance agenda, Commission actions required by law, and other appropriate business matters. Agendas for special Commission meetings and Commission work sessions will

typically focus on a limited number of specific items that are best handled in those types of meetings.

Consistent with the preceding:

1. During the first quarter of each fiscal year (January - March):
 - a. The Commission will elect officers at its March meeting, following the appointment of Commissioners by the City Council.
 - b. The Commission and Management will review ERMU's current Strategic Plan along with the results of the Annual Business Plan for the preceding fiscal year.
2. During the second quarter of each fiscal year (April-June):
 - a. The Commission will consider and approve the external audit report as specified in the Governance ~~Calendar~~Agenda.
 - ~~a-b.~~ The Commission will review the financial reserves balances and related policy. The Commission shall take action as appropriate per policy.
 - ~~b-c.~~ The Commission and Management will evaluate the Performance Matrix for the preceding fiscal year.
 - ~~c-d.~~ The Commission will formally evaluate the performance of the General Manager.
 - d. ~~The Commission and Management will begin its annual update of the Strategic Plan and Financial Plan for the succeeding five-year period.~~
3. During the third quarter of each fiscal year (July-September):
 - a. The Commission will formally evaluate its own performance. Following this evaluation, the Commission, with the support from the General Manager, will arrange for governance education for the next fiscal year, including education related to the determination of desired results.
 - b. The Commission and Management will begin its annual update of the Strategic Plan and Financial Plan for the succeeding five-year period.
4. During the fourth quarter of each fiscal year (October - December):
 - a. The Commission will review and approve Management's proposed five-year Capital Improvement Plan as well as its proposed Annual Business Plan with budget ~~and~~ rates, and fees for the next fiscal year.
 - b. The Commission, in conjunction with Management, will determine the stakeholder communications plan and schedule for the next fiscal year.

5. The Commission will direct the General Manager to prepare and distribute the agenda for each regularly scheduled meeting as follows:
 - a. The Commission Chair and the General Manager will discuss, at least monthly, approximately seven (7) days in advance of each regularly scheduled Commission meeting to develop a tentative agenda, including any items to be discussed in closed session.
 - b. The tentative agenda and meeting packet of supporting materials will be distributed to Commission members and others approximately three (3) days in advance of the Commission meeting. Presentations and supplemental information items may be provided at the Commission meeting,
 - c. The General Manager will ensure the posting of a meeting notice, along with the tentative agenda, in compliance with applicable law.
 - d. Any Commission member or the General Manager may request additions, deletions or other changes to the agenda at the beginning of a regular meeting when the Commission Chair requests approval of the tentative agenda. Items requiring research or other advance preparation should be suggested for future meeting agendas. No items may be added to the agenda of special meetings and work sessions.
 - e. Agendas for regular Commission meetings will be prepared in a consistent format as shown in the most current version of the Commission’s “Model Agenda”. Agenda items will be categorized by their nature, specifically identifying in order items that are presented:
 - i. Governance – Includes agenda items: call meeting to order, pledge of allegiance, consider agenda, resolutions, and similar actions of governance.
 - ii. Consent – Includes items that are considered routine. There may be questions asked for clarification, but typically these items have no discussion. The items on consent are presented for Commission consideration all together and by one motion. A Commission member may request before the motion to approve the “Consent” items that any item(s) be moved from “Consent” to “Business Action.”
 - iii. Open Forum – This is an opportunity for public participation. Speakers will be required to state their name and address for public record. Items will be heard at the discretion of the Commission Chair. Items will be for discussion only; no action can be taken on the topic during that meeting.
 - iv. Policy & Compliance – Policy review, policy development, and compliance monitoring.
 - v. Business Action – Current business action requests and performance monitoring reports.
 - vi. Business Discussion – This includes strategic planning, general updates, and informational reports. Topics may be tabled for future Business Action consideration. Will include an agenda item title “Future Planning” during which

time any Commissioner or the General Manager may discuss and suggest items for placement on future meeting agendas. This agenda category will also include the item “Other Business” to provide additional flexibility for discussion of matters not specifically contemplated in advance or for agenda items that do not required Commission action and do not conform to any of the predetermined categories.

- f. The Commission prefers to introduce important decision items on the agenda at least one meeting before the meeting at which a decision is required. This is a preference but not a requirement.
- g. The Commission will include monitoring of the General Manager on a meeting agenda if monitoring reports show policy violations, or if policy criteria are to be debated.

POLICY HISTORY:

Adopted	May 9, 2017
<u>Revised</u>	<u>December 11, 2018</u>

<p>Tuesday, January 8:</p> <ul style="list-style-type: none"> • Annual Review of Committee Charters 	<p>Tuesday, February 12:</p> <ul style="list-style-type: none"> • Review Strategic Plan and 2018 Annual Business Plan results
<p>Tuesday, March 12:</p> <ul style="list-style-type: none"> • Oath of Office • Election of Officers 	<p>Tuesday, April 9:</p> <ul style="list-style-type: none"> • Annual Commissioner Orientation and Review Governance Responsibilities and Role • Audit of 2018 Financial Report • Financial Reserves Allocations • Review 2018 Performance Metrics
<p>Tuesday, May 14:</p> <ul style="list-style-type: none"> • Annual General Manager Performance Evaluation and Goal Setting 	<p>Tuesday, June 11:</p> <ul style="list-style-type: none"> •
<p>Tuesday, July 12:</p> <ul style="list-style-type: none"> • Annual Commission Performance Evaluation • Review and Update Strategic Plan 	<p>Tuesday, August 13:</p> <ul style="list-style-type: none"> • Annual Business Plan – Review Proposed 2020 Travel, Training, Dues, Subscriptions, and Fees Budget
<p>Tuesday, September 10:</p> <ul style="list-style-type: none"> • Annual Business Plan – Review Proposed 2020 Capital Projects Budget 	<p>Tuesday, October 8:</p> <ul style="list-style-type: none"> • Annual Business Plan – Review Proposed 2020 Expenses Budget
<p>Tuesday, November 12:</p> <ul style="list-style-type: none"> • Annual Business Plan - Review Proposed 2020 Rates and Other Revenue • Adopt 2020 Fee Schedule • 2020 Stakeholder Communication Plan 	<p>Tuesday, December 10:</p> <ul style="list-style-type: none"> • Adopt 2020 Official Depository, Newspaper, and Regular Meeting Schedule • Adopt 2020 Governance Agenda • Adopt 2020 Annual Business Plan

TO: ERMU Commission	FROM: Theresa Slominski – Finance & Office Manager
MEETING DATE: November 13, 2018	AGENDA ITEM NUMBER: 5.1
SUBJECT: Financial Report – October 2018	
ACTION REQUESTED: Receive the October 2018 Financial Report	

DISCUSSION:

With the change in billing cycles, the revenue comparisons from the prior year will be skewed as they will not be comparing the same billing time frames. Also, budgeted numbers were not adjusted for the billing cycle change, as the data did not exist to estimate this impact. Please keep this in mind as we review the financials throughout 2018.

Electric P&L

October's electric kWh sales are down from the prior year, 3%. For further breakdown:

- Residential usage is down 2%
- Small Commercial usage is down 12%
- Large Commercial usage is down 3%

Electric Operating Revenue for October was \$3,085,232, 4% behind the prior year and 8% below budget. 2017 included the pro-forma adjustment to show the demand adjustment credit being funded through reserves. Without this adjustment in 2017, October revenue would be 3% behind the prior year but 10% ahead of prior YTD.

Other Revenue of \$407,721 is ahead of the prior year by 60%, and 24% above prior YTD. Other Revenue is also 47% above YTD budget which is largely due to the Contribution from the City of Otsego for its street lights and interest on funds paid in advance for MMPA buy-in.

Overall, Total Revenues of \$3,492,954 are ahead of prior year by less than 1% and ahead of prior YTD by 9%. YTD Total Revenues are ahead of budget by 6%.

Purchased Power of \$1,758,586 is above the prior year by 7%, but below budget by 5%. YTD costs are more than prior year by 6%, and are above YTD budget by 3%.

Administrative Expenses of \$275,772 are more than prior year by 30% which is mainly driven by bond issuance services/fees, but 13% under budget. YTD costs are more than prior year by 5%, but are under budget by 10%.

General Expenses of \$18,514 are 78% under budget, and are 44% under budget YTD.

For expenses, in total they are 11% more than the prior year, and 7% more than prior YTD, and are over budget YTD by 1%.

For October 2018, the Electric Department has a Net Profit of \$793,835 and YTD Net Profit of \$2,884,040. This is above the budgeted monthly Net Profit of \$647,266, but behind the prior year monthly Net Profit of \$1,047,905, and is significantly ahead of prior YTD Net Profit of \$1,922,987.

Water P&L

October gallons of water sold are down 15% from the prior year. For further breakdown:

- Residential use down 24%
- Commercial use down 8%

Water Operating Revenue for October was \$206,733, 12% behind prior year but ahead of YTD budget by 12% and ahead of prior YTD by 10%.

Other Revenues of \$51,966 are behind the prior year by 20%, and behind prior YTD by 11%. The main drivers causing the prior YTD variance are Contributions from Developers and Connection Fees. Other Revenues are ahead of YTD budget by 185%.

Overall, Total Revenues of \$258,700 are behind the prior year by 14%, but ahead of prior YTD by 3% with Water Sales being the driving force. YTD Total Revenues are ahead of budget by 37%.

Expenses are more than the prior year by 6%, but are under YTD budget by 8%.

For October 2018, the Water Department has a Net Profit of \$38,823, which is behind last year's Net Profit of \$93,902. October YTD Net Profit is \$834,190, which is slightly behind the prior YTD Net Profit of \$856,509, but is significantly ahead of the budgeted YTD Net Loss of \$203,732.

ATTACHMENTS:

- Balance Sheet 10.2018
- Summary Electric Statement of Revenues, Expenses and Changes in Net Position 10.2018
- Summary Water Statement of Revenues, Expenses and Changes in Net Position 10.2018
- Graphs Prior Year and YTD 2018
- Detailed Electric Statement of Revenues, Expenses and Changes in Net Position 10.2018
- Detailed Water Statement of Revenues, Expenses and Changes in Net Position 10.2018

**ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
COMBINED BALANCE SHEET
FOR PERIOD ENDING OCTOBER 2018**

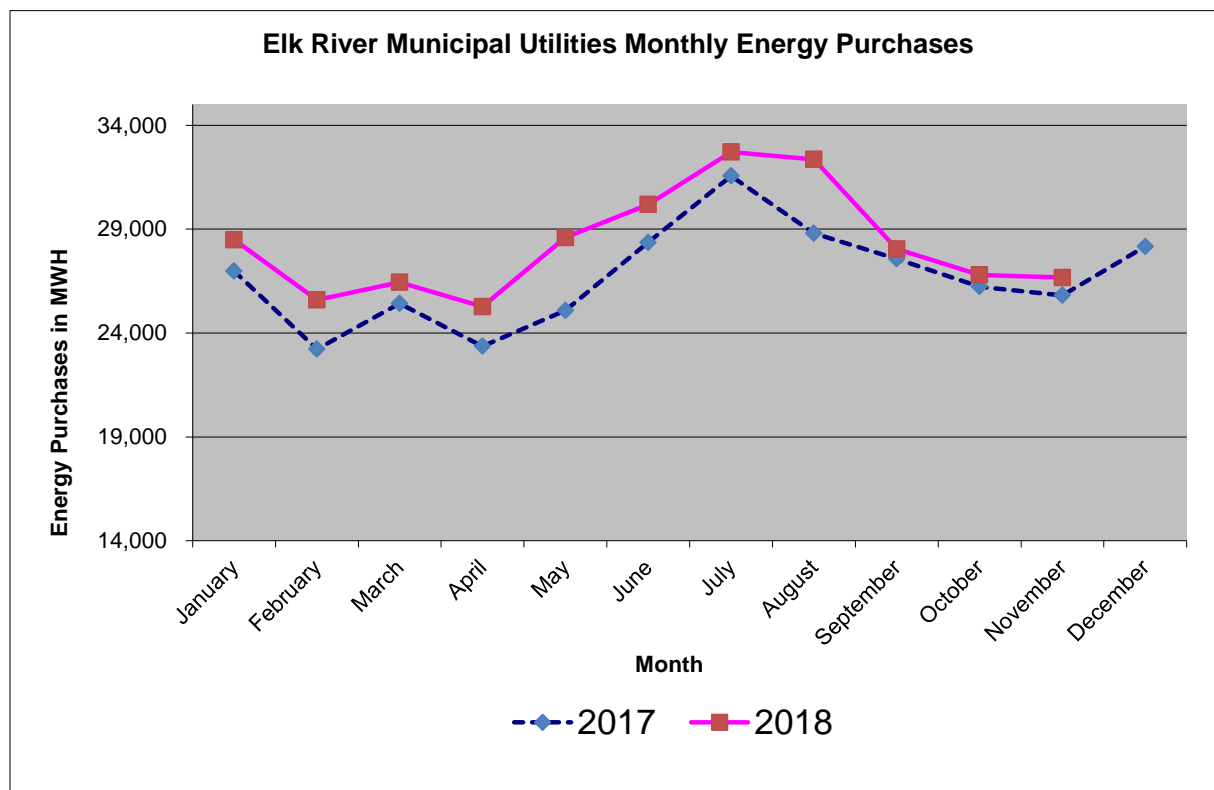
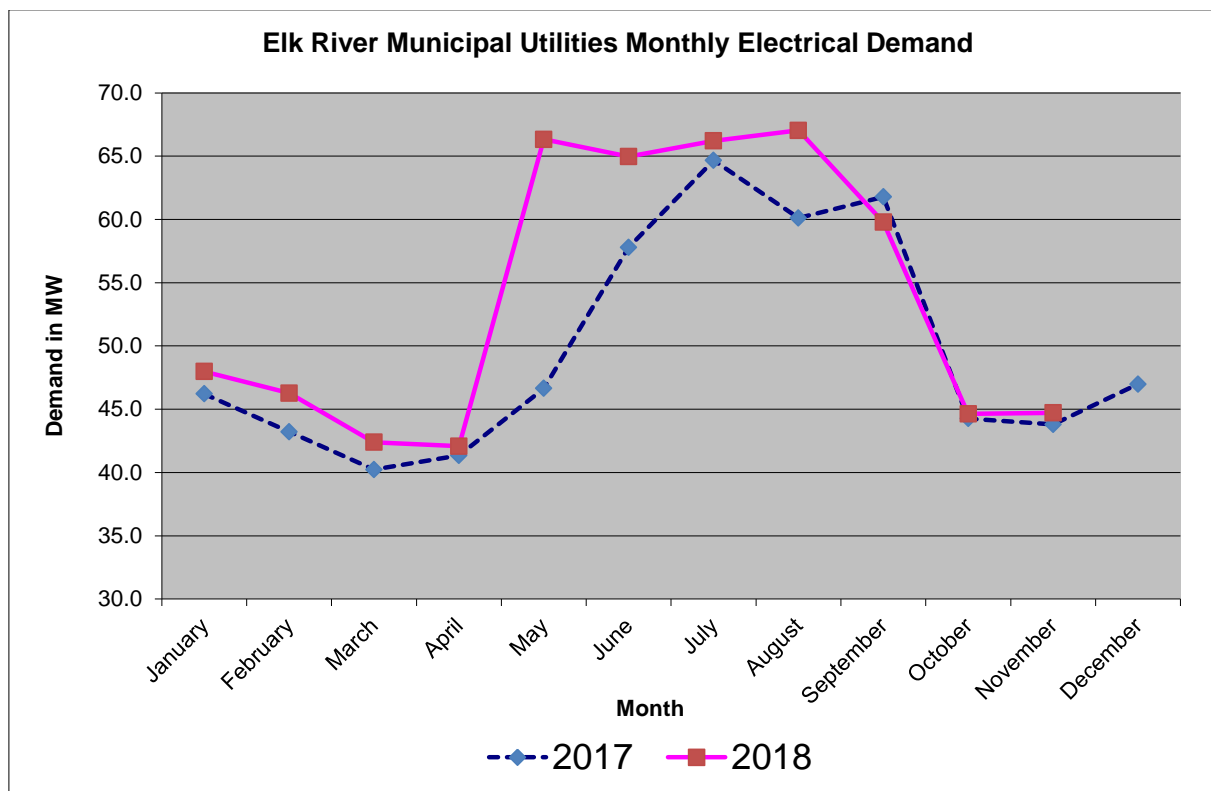
	<u>ELECTRIC</u>	<u>WATER</u>
ASSETS		
CURRENT ASSETS		
CASH	11,293,851	5,186,349
ACCOUNTS RECEIVABLE	1,854,210	432,900
INVENTORIES	855,831	15,782
PREPAID ITEMS	160,390	27,138
CONSTRUCTION IN PROGRESS	1,102,242	303,795
TOTAL CURRENT ASSETS	<u>15,266,524</u>	<u>5,965,964</u>
RESTRICTED ASSETS		
BOND RESERVE FUND	1,261,359	0
EMERGENCY RESERVE FUND	2,630,571	1,181,981
UNRESTRICTED RESERVE FUND	38,884	113,824
TOTAL RESTRICTED ASSETS	<u>3,930,814</u>	<u>1,295,805</u>
FIXED ASSETS		
PRODUCTION	645,285	13,530,438
LFG PROJECT	3,801,373	0
TRANSMISSION	2,301,867	0
DISTRIBUTION	38,809,301	22,739,706
GENERAL	10,412,546	1,019,980
FIXED ASSETS (COST)	<u>55,970,372</u>	<u>37,290,124</u>
LESS ACCUMULATED DEPRECIATION	<u>(27,406,453)</u>	<u>(17,422,125)</u>
TOTAL FIXED ASSETS, NET	<u>28,563,918</u>	<u>19,868,000</u>
INTANGIBLE ASSETS		
POWER AGENCY MEMBERSHIP BUY-IN	21,546,212	0
LOSS OF REVENUE INTANGIBLE	981,883	0
LESS ACCUMULATED AMORTIZATION	<u>(54,527)</u>	<u>0</u>
TOTAL INTANGIBLE ASSETS, NET	<u>22,473,568</u>	<u>0</u>
OTHER ASSETS AND DEFERRED OUTFLOWS	<u>910,829</u>	<u>177,086</u>
TOTAL ASSETS	<u><u>71,145,653</u></u>	<u><u>27,306,854</u></u>
LIABILITIES AND FUND EQUITY		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	4,194,122	221,194
SALARIES AND BENEFITS PAYABLE	599,956	97,889
DUE TO CITY	573,131	1,662
DUE TO OTHER FUNDS	0	0
NOTES PAYABLE-CURRENT PORTION	33,042	0
BONDS PAYABLE-CURRENT PORTION	0	0
UNEARNED REVENUE	1,712	134,077
TOTAL CURRENT LIABILITIES	<u>5,401,962</u>	<u>454,822</u>
LONG TERM LIABILITIES		
LFG PROJECT	820,608	0
DUE TO COUNTY	0	0
BONDS PAYABLE, LESS CURRENT PORTION	22,005,674	1,134,593
PENSION LIABILITIES	2,890,601	556,723
TOTAL LONG TERM LIABILITIES	<u>25,716,883</u>	<u>1,691,316</u>
TOTAL LIABILITIES	<u>31,118,846</u>	<u>2,146,138</u>
DEFERRED INFLOWS OF RESOURCES	<u>651,486</u>	<u>125,475</u>
FUND EQUITY		
CAPITAL ACCOUNT CONST COST	1,261,359	0
CONTRIBUTED CAPITAL	0	0
RETAINED EARNINGS	35,229,923	24,201,051
NET INCOME (LOSS) (THROUGH PREVIOUS MONTH)	2,884,040	834,190
TOTAL FUND EQUITY	<u>39,375,322</u>	<u>25,035,241</u>
TOTAL LIABILITIES & FUND EQUITY	<u><u>71,145,653</u></u>	<u><u>27,306,854</u></u>

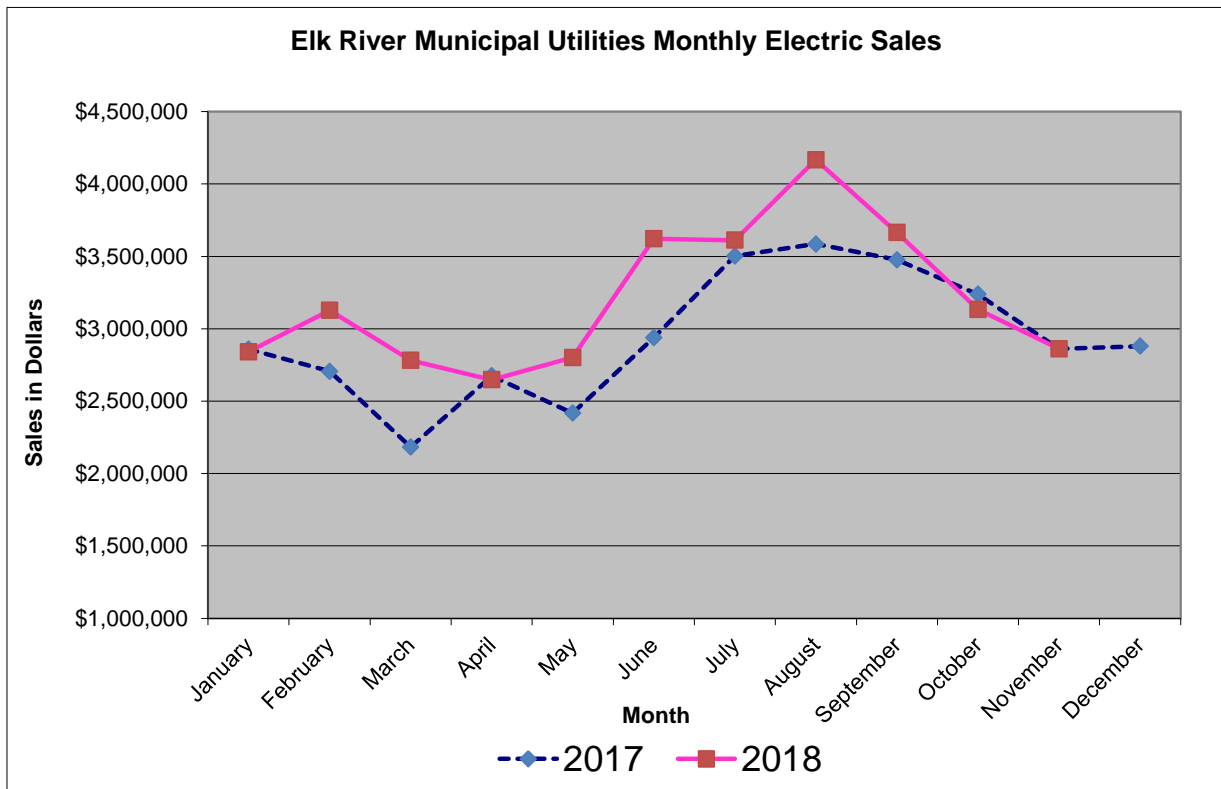
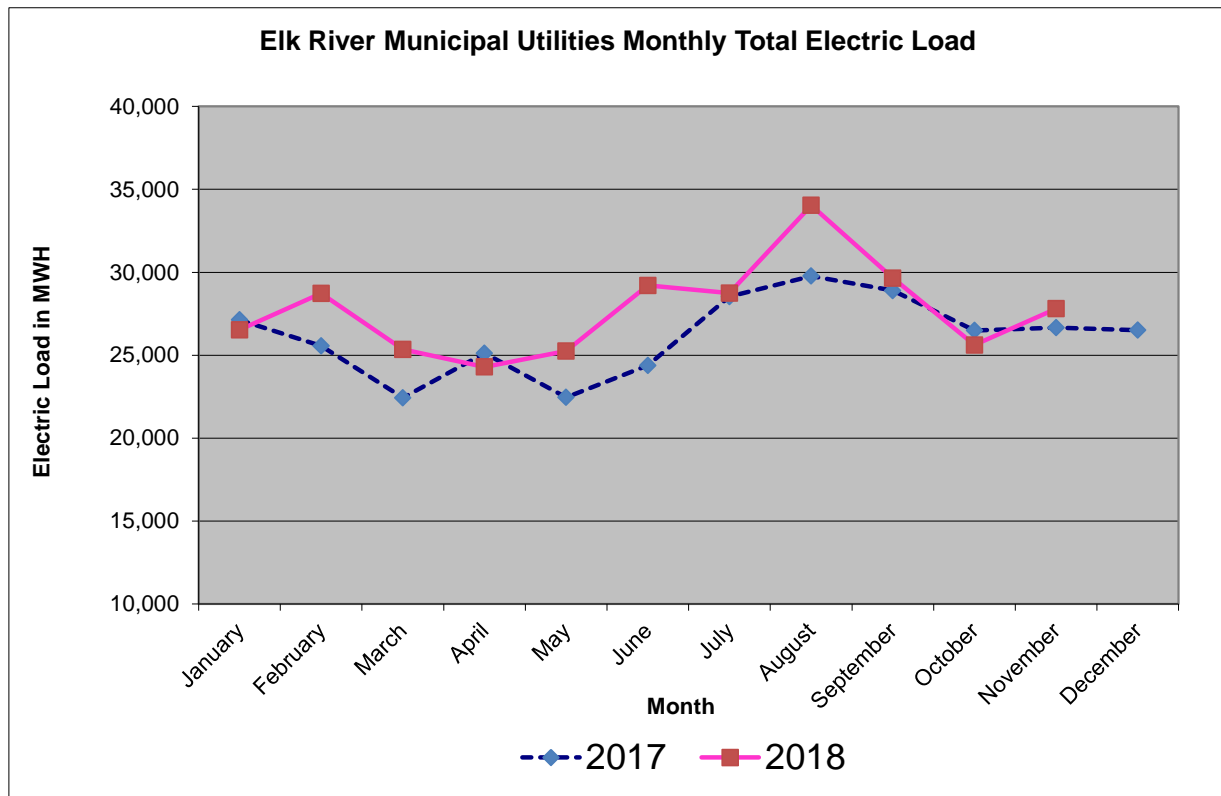
ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR PERIOD ENDING OCTOBER 2018

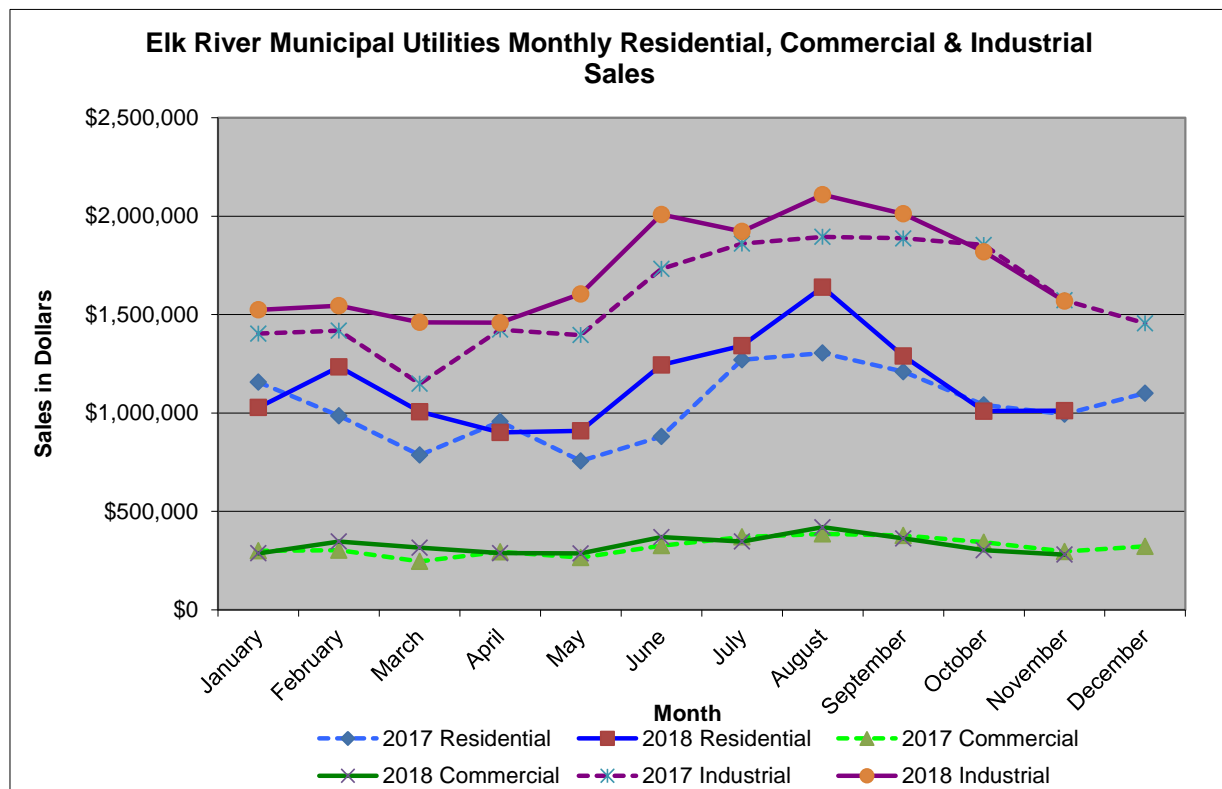
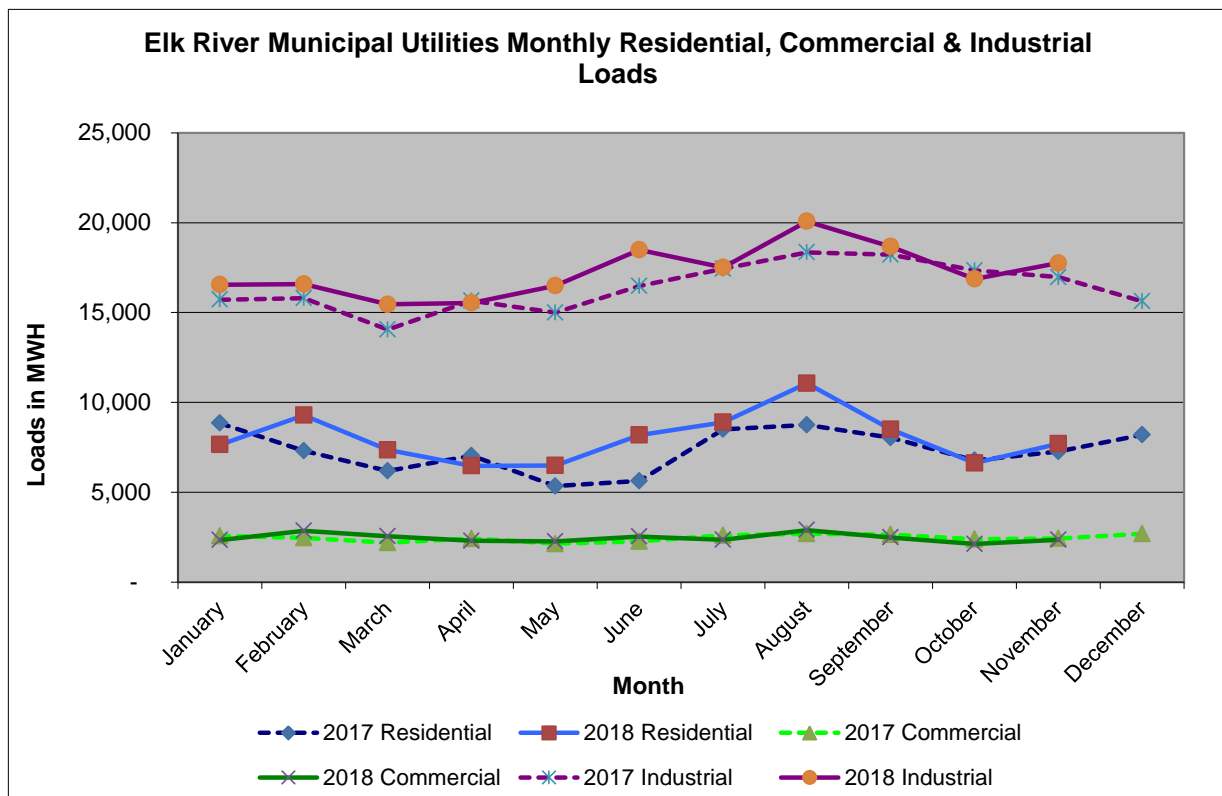
	2018 OCTOBER	2018 YTD	2018 YTD BUDGET	2018 ANNUAL BUDGET	2018 YTD Bud Var%	2017 OCTOBER	2017 YTD	YTD VARIANCE	2017 v. 2018 Actual Var%
Electric									
Revenue									
Operating Revenue									
Elk River	2,862,953	29,520,491	28,176,669	33,451,191	5	2,956,776	26,888,081	2,632,410	10
Otsego	221,757	2,360,513	2,305,761	2,696,680	2	233,139	2,200,313	160,200	7
Rural Big Lake	14,082	161,933	166,016	197,800	(2)	15,463	158,424	3,509	2
Dayton	17,383	192,118	195,879	231,456	(2)	17,924	186,921	5,197	3
Public St & Hwy Lighting	18,455	182,815	176,247	213,409	4	17,082	168,186	14,628	9
Generation and Sub Station Credit	0	3,600	3,600	3,600	0	400	4,000	(400)	(10)
Dispersed Generation Credit	(45,640)	(714,867)	(620,663)	(694,616)	15	(45,888)	(696,922)	(17,944)	3
Other Revenue/CIP/Rate Increase/AC Credit	(3,759)	(19,140)	(13,500)	(13,500)	42	35,482	343,064	(362,204)	(106)
Total Operating Revenue	3,085,232	31,687,465	30,390,010	36,086,021	4	3,230,381	29,252,068	2,435,397	8
Other Operating Revenue									
Interest/Dividend Income	233,434	305,487	66,666	80,000	358	8,896	65,476	240,011	367
Customer Penalties	22,561	169,929	204,528	250,000	(17)	27,956	202,913	(32,984)	(16)
LFG Project	97,569	949,998	940,731	1,128,878	1	95,665	898,838	51,160	6
Connection Fees	18,500	226,228	140,353	150,000	61	9,000	207,180	19,048	9
Misc Revenue	35,655	657,500	220,846	261,180	198	113,634	489,179	168,320	34
Total Other Revenue	407,721	2,309,143	1,573,127	1,870,058	47	255,153	1,863,587	445,556	24
Total Revenue	3,492,954	33,996,609	31,963,137	37,956,080	6	3,485,535	31,115,655	2,880,953	9
Expenses									
Purchased Power	1,758,586	22,704,667	21,960,241	25,964,551	3	1,649,641	21,459,077	1,245,590	6
Operating & Mtce Expense	16,369	187,328	237,398	285,959	(21)	16,760	182,735	4,592	3
Landfill Gas	50,441	580,088	631,450	757,740	(8)	68,253	592,141	(12,052)	(2)
Transmission Expense	1,642	16,842	30,993	37,192	(46)	898	9,347	7,494	80
Distribution Expense	29,618	242,205	319,575	384,294	(24)	24,739	300,114	(57,909)	(19)
Maintenance Expense	111,514	1,110,852	1,061,637	1,283,319	5	96,613	835,690	275,161	33
Depreciation & Amortization	230,623	1,832,412	1,811,774	2,183,821	1	171,271	1,698,792	133,619	8
Interest Expense	58,312	269,020	257,506	351,103	4	23,872	246,474	22,546	9
Security	0	0	0	0	0	0	20	(20)	(100)
Other Operating Expense	2,220	54,192	13,721	114,471	295	30,834	65,191	(10,999)	(17)
Customer Accounts Expense	29,612	254,526	291,373	349,148	(13)	22,543	222,936	31,589	14
Administrative Expense	275,772	2,498,105	2,779,664	3,333,718	(10)	211,336	2,372,813	125,292	5
General Expense	18,514	168,654	299,017	468,482	(44)	1,342	107,089	61,565	57
Total Expenses(before Operating Transfers)	2,583,230	29,918,897	29,694,353	35,513,799	1	2,318,107	28,092,427	1,826,469	7
Operating Transfer									
Operating Transfer/Other Funds	98,493	1,015,127	979,161	1,165,000	4	102,360	933,188	81,938	9
Utilities & Labor Donated	17,394	178,544	187,185	232,006	(5)	17,161	167,052	11,492	7
Total Operating Transfer	115,888	1,193,672	1,166,346	1,397,006	2	119,521	1,100,241	93,430	8
Net Income Profit(Loss)	793,835	2,884,040	1,102,437	1,045,274	162	1,047,905	1,922,987	961,052	50

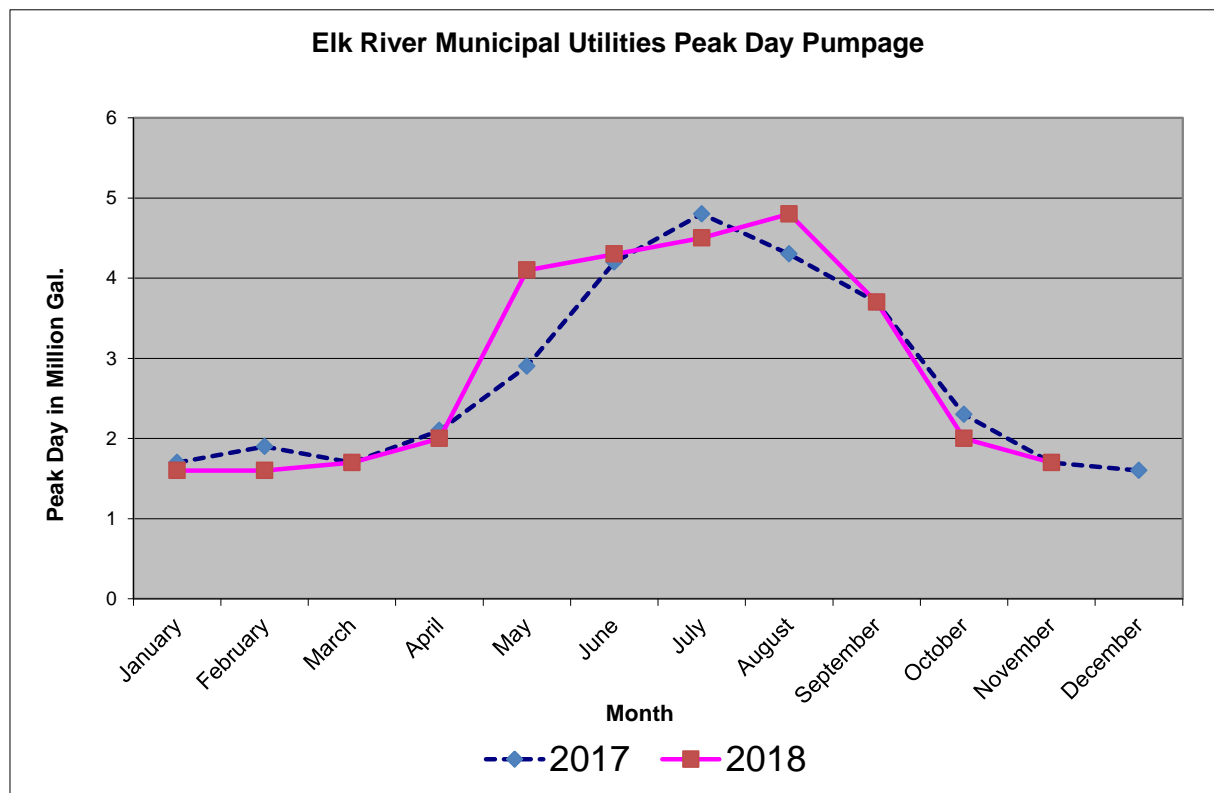
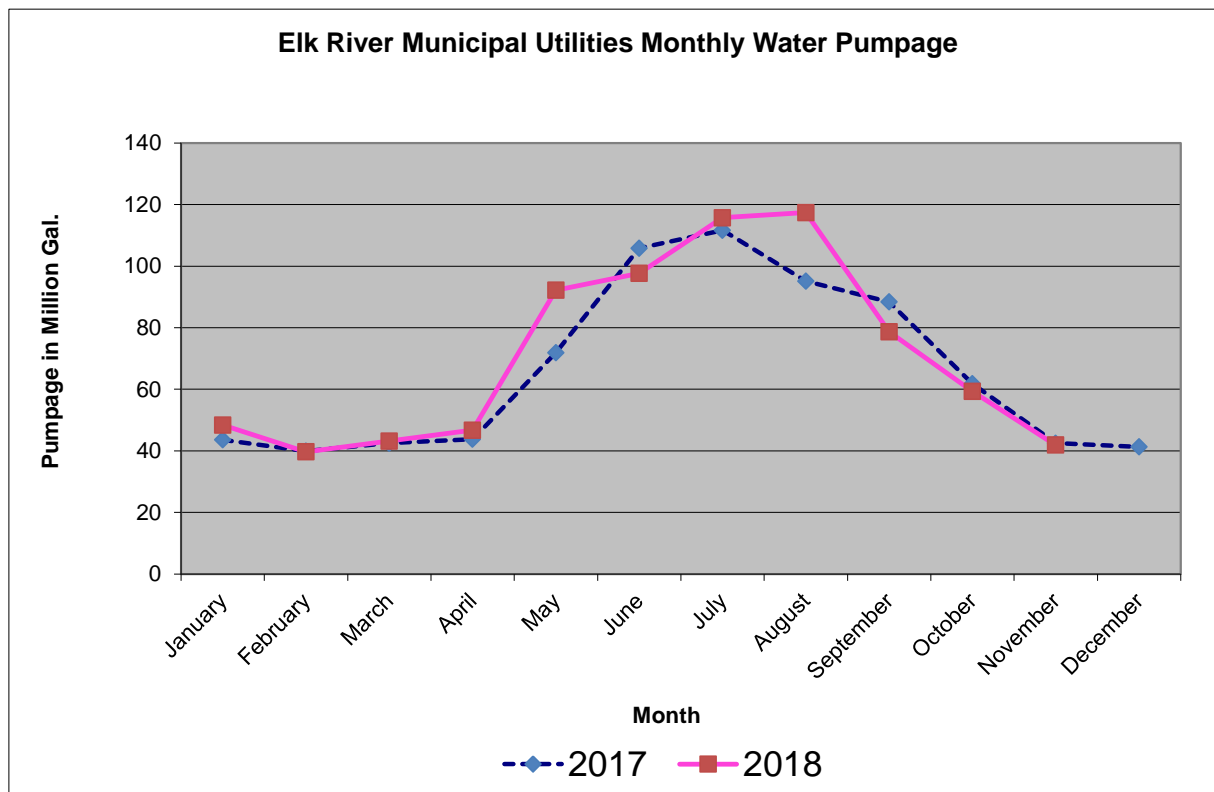
ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR PERIOD ENDING OCTOBER 2018

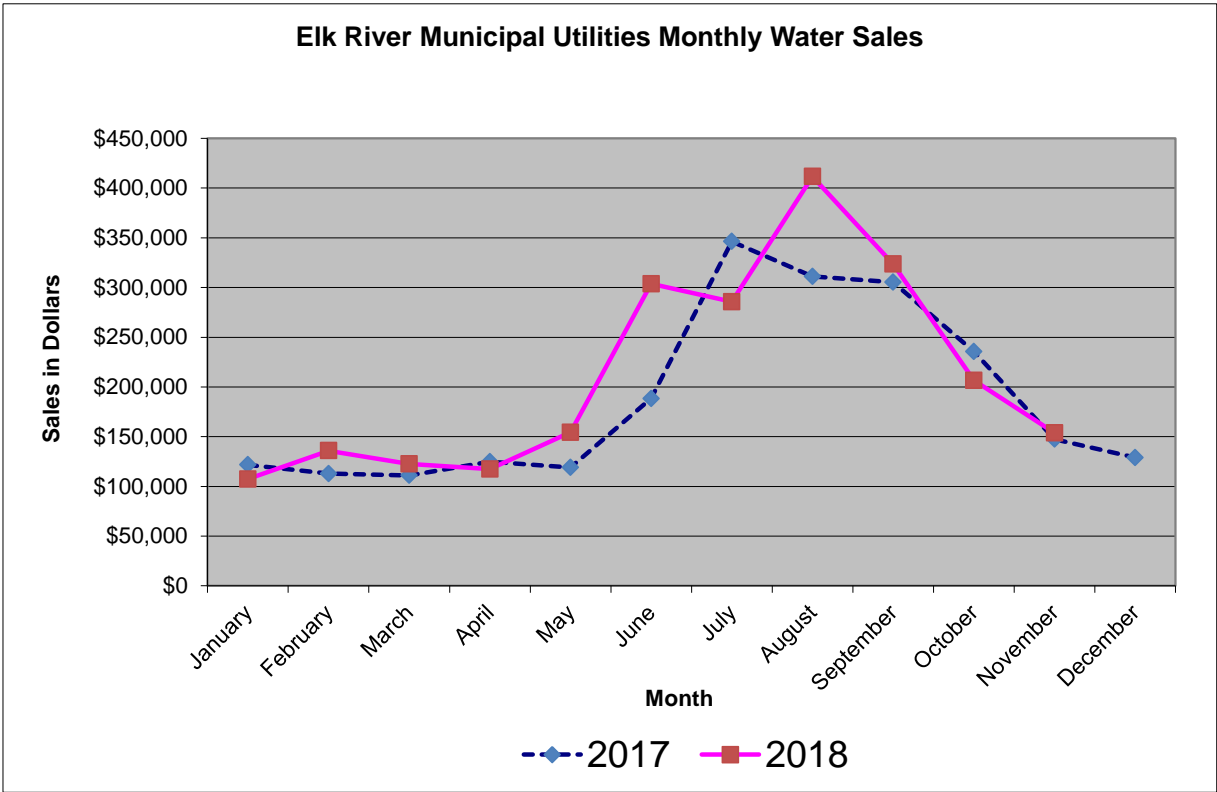
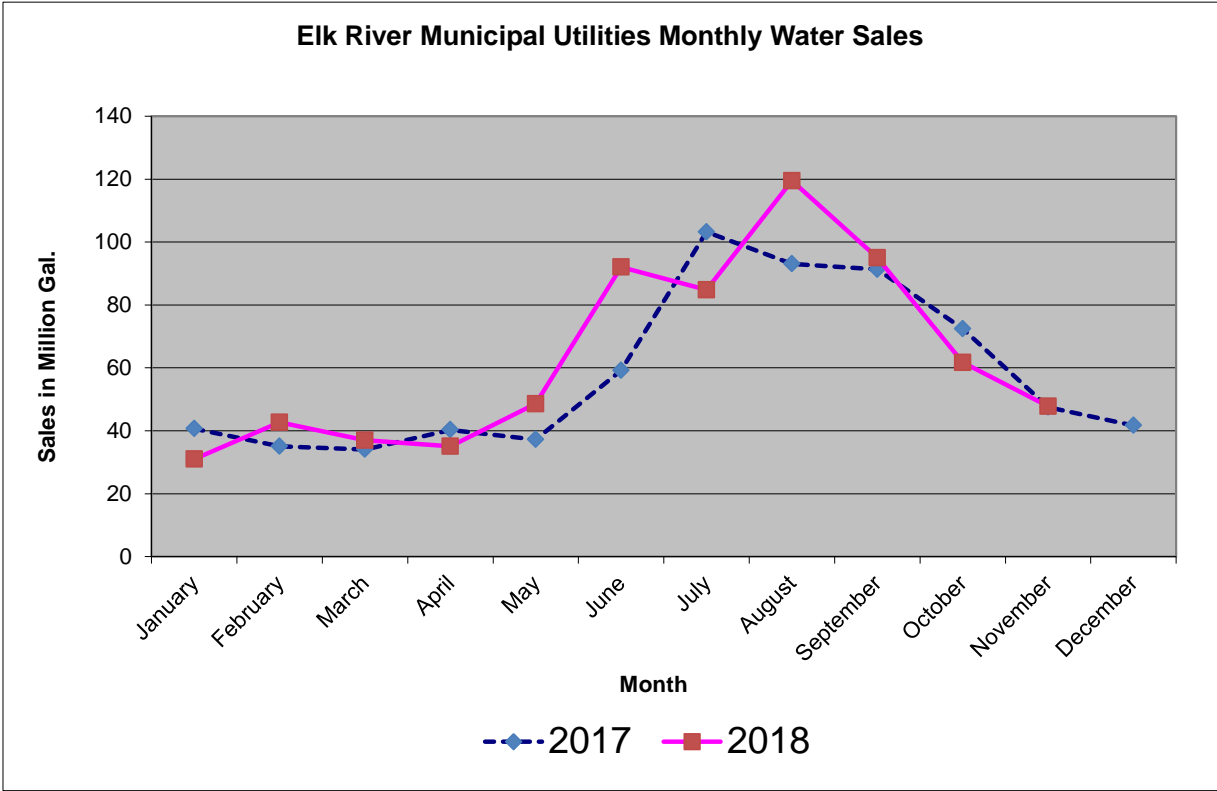
	2018 OCTOBER	2018 YTD	2018 YTD BUDGET	2018 ANNUAL BUDGET	2018 YTD Bud Var%	2017 OCTOBER	2017 YTD	YTD VARIANCE	2017 v. 2018 Actual Var%
Water									
Revenue									
Operating Revenue									
Water Sales	206,733	2,169,019	1,938,422	2,200,002	12	235,637	1,976,297	192,722	10
Total Operating Revenue	206,733	2,169,019	1,938,422	2,200,002	12	235,637	1,976,297	192,722	10
Other Operating Revenue									
Interest/Dividend Income	2,280	20,759	16,666	20,000	25	2,224	28,226	(7,466)	(26)
Customer Penalties	3,364	17,919	12,297	15,000	46	2,490	16,026	1,893	12
Connection Fees	26,195	678,923	104,666	125,600	549	41,169	748,552	(69,628)	(9)
Misc Revenue	20,126	204,334	189,437	227,612	8	19,317	244,109	(39,775)	(16)
Total Other Revenue	51,966	921,937	323,068	388,212	185	65,201	1,036,913	(114,976)	(11)
Total Revenue	258,700	3,090,957	2,261,490	2,588,215	37	300,839	3,013,211	77,746	3
Expenses									
Production Expense	7,317	47,628	45,864	50,000	4	5,687	39,541	8,086	20
Pumping Expense	36,840	400,158	489,036	599,548	(18)	29,381	379,319	20,838	5
Distribution Expense	22,766	196,962	216,695	263,185	(9)	15,333	133,702	63,259	47
Depreciation & Amortization	95,386	1,001,907	1,021,132	1,228,866	(2)	101,772	976,075	25,831	3
Interest Expense	3,429	35,006	35,006	41,864	0	4,142	42,069	(7,063)	(17)
Other Operating Expense	620	3,091	2,262	7,267	37	38	7,696	(4,604)	(60)
Customer Accounts Expense	5,734	54,154	55,042	66,051	(2)	4,892	51,497	2,656	5
Administrative Expense	46,942	509,668	588,610	711,790	(13)	45,139	517,805	(8,136)	(2)
General Expense	839	8,189	11,156	13,388	(27)	548	8,992	(803)	(9)
Total Expenses(before Operating Transfers)	219,876	2,256,766	2,464,806	2,981,960	(8)	206,936	2,156,701	100,064	5
Operating Transfer									
Utilities & Labor Donated	0	0	416	500	(100)	0	0	0	0
Total Operating Transfer	0	0	416	500	(100)	0	0	0	0
Net Income Profit(Loss)	38,823	834,190	(203,732)	(394,245)	509	93,902	856,509	(22,318)	(3)











ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR PERIOD ENDING OCTOBER 2018

		2018 OCTOBER	2018 YTD	2018 YTD BUDGET	2018 ANNUAL BUDGET	2018 YTD Bud Var%	2017 OCTOBER	2017 YTD	YTD VARIANCE	2017 v. 2018 Actual Var%
Electric Revenue										
Operating Revenue										
Elk River										
440.4411	ELECT SALES/ELK RIVER RES	885,450	10,187,923	9,449,966	11,311,745	8	910,118	9,017,796	1,170,126	13
440.4412	ELECT SALES/ER NON-DEMAND	249,117	2,757,955	2,818,497	3,322,359	(2)	286,011	2,689,600	68,354	3
440.4413	ELECT SALES/ER DEMAND	1,728,385	16,574,612	15,908,205	18,817,086	4	1,760,646	15,180,684	1,393,928	9
Total For Elk River:		2,862,953	29,520,491	28,176,669	33,451,191	5	2,956,776	26,888,081	2,632,410	10
Otsego										
440.4416	ELECT SALES/OTSEGO RES	93,943	1,079,036	1,048,576	1,236,960	3	99,046	1,000,622	78,414	8
440.4417	ELECT SALES/OTSEGO NON-DEM	37,276	394,414	386,415	450,676	2	41,453	368,743	25,671	7
440.4418	ELECT SALES/OTSEGO DEMAND	90,537	887,061	870,769	1,009,043	2	92,639	830,946	56,115	7
Total For Otsego:		221,757	2,360,513	2,305,761	2,696,680	2	233,139	2,200,313	160,200	7
Rural Big Lake										
440.4421	ELECT SALES/BIG LAKE RES	13,725	158,310	162,091	193,485	(2)	14,839	154,678	3,631	2
440.4422	ELECT SALES/BL NON-DEMAND	357	3,623	3,924	4,315	(8)	624	3,745	(121)	(3)
Total For Rural Big Lake:		14,082	161,933	166,016	197,800	(2)	15,463	158,424	3,509	2
Dayton										
440.4431	ELECT SALES/DAYTON RES	14,406	160,907	164,102	194,263	(2)	14,671	156,598	4,309	3
440.4432	ELECT SALES/DAYTON NON-DEM	2,977	31,210	31,776	37,193	(2)	3,253	30,323	887	3
Total For Dayton:		17,383	192,118	195,879	231,456	(2)	17,924	186,921	5,197	3
Public St & Hwy Lighting										
440.4414	ELECT SALES/ELK RIVER SEC LTS	18,455	182,815	176,247	213,409	4	17,082	168,186	14,628	9
Total For Public St & Hwy Lighting:		18,455	182,815	176,247	213,409	4	17,082	168,186	14,628	9
Generation and Sub Station Credit										
440.4550	SUB-STATION CREDIT	0	3,600	3,600	3,600	0	400	4,000	(400)	(10)
Total For Generation and Sub Station Credit:		0	3,600	3,600	3,600	0	400	4,000	(400)	(10)
Dispersed Generation Credit										
440.4552	DISPERSED GENERATION CREDIT	(45,640)	(714,867)	(620,663)	(694,616)	15	(45,888)	(696,922)	(17,944)	3
Total For Dispersed Generation Credit:		(45,640)	(714,867)	(620,663)	(694,616)	15	(45,888)	(696,922)	(17,944)	3
Other Revenue/CIP/Rate Increase/AC Credit										
440.4554	RATE INCREASE	0	0	0	0	0	43,666	382,607	(382,607)	(100)
440.4555	A/C CREDIT	(3,759)	(19,140)	(13,500)	(13,500)	42	(8,184)	(39,543)	20,403	52

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR PERIOD ENDING OCTOBER 2018

	2018 OCTOBER	2018 YTD	2018 YTD BUDGET	2018 ANNUAL BUDGET	2018 YTD Bud Var%	2017 OCTOBER	2017 YTD	YTD VARIANCE	2017 v. 2018 Actual Var%
Electric									
Total For Other Revenue/CIP/Rate Increase/AC Credit:	(3,759)	(19,140)	(13,500)	(13,500)	42	35,482	343,064	(362,204)	(106)
Total Operating Revenue									
	3,085,232	31,687,465	30,390,010	36,086,021	4	3,230,381	29,252,068	2,435,397	8
Other Operating Revenue									
Interest/Dividend Income									
460.4691 INTEREST & DIVIDEND INCOME	233,434	305,487	66,666	80,000	358	8,896	65,476	240,011	367
Total For Interest/Dividend Income:	233,434	305,487	66,666	80,000	358	8,896	65,476	240,011	367
Customer Penalties									
470.4701 CUSTOMER DELINQUENT PENALT	22,561	169,929	204,528	250,000	(17)	27,956	202,913	(32,984)	(16)
Total For Customer Penalties:	22,561	169,929	204,528	250,000	(17)	27,956	202,913	(32,984)	(16)
LFG Project									
470.4721 LFG PROJECT	97,569	949,998	940,731	1,128,878	1	95,665	898,838	51,160	6
Total For LFG Project:	97,569	949,998	940,731	1,128,878	1	95,665	898,838	51,160	6
Connection Fees									
470.4702 DISCONNECT & RECONNECT CHA	18,500	226,228	140,353	150,000	61	9,000	207,180	19,048	9
Total For Connection Fees:	18,500	226,228	140,353	150,000	61	9,000	207,180	19,048	9
Misc Revenue									
470.4703 MISC ELEC REVENUE - TEMP CHG	150	1,500	0	0	0	5,472	6,572	(5,072)	(77)
470.4704 STREET LIGHT	0	27,000	0	0	0	0	19,850	7,150	36
470.4715 TRANSMISSION INVESTMENTS	20,559	224,002	104,166	125,000	115	36,790	118,056	105,945	90
470.4722 MISC NON-UTILITY	2,094	41,626	33,333	40,000	25	69,312	139,825	(98,199)	(70)
470.4723 GAIN ON DISPOSITION OF PROP	0	16,000	0	0	0	0	5,152	10,848	211
470.4750 RENTAL PROPERTY INCOME	2,020	21,447	9,180	9,180	134	2,060	21,980	(532)	(2)
470.4770 CONTRIBUTIONS FROM CUSTOME	10,831	325,923	64,166	77,000	408	0	157,383	168,540	107
470.4780 CONTRIBUTIONS FROM GRANTS	0	0	10,000	10,000	(100)	0	20,358	(20,358)	(100)
Total For Misc Revenue:	35,655	657,500	220,846	261,180	198	113,634	489,179	168,320	34
Total Other Revenue									
	407,721	2,309,143	1,573,127	1,870,058	47	255,153	1,863,587	445,556	24
Total For Total Other Revenue:	407,721	2,309,143	1,573,127	1,870,058	47	255,153	1,863,587	445,556	24
Total Revenue	3,492,954	33,996,609	31,963,137	37,956,080	6	3,485,535	31,115,655	2,880,953	9

Expenses

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR PERIOD ENDING OCTOBER 2018

		2018 OCTOBER	2018 YTD	2018 YTD BUDGET	2018 ANNUAL BUDGET	2018 YTD Bud Var%	2017 OCTOBER	2017 YTD	YTD VARIANCE	2017 v. 2018 Actual Var%
Electric										
Purchased Power										
540.5551	PURCHASED POWER	1,758,586	22,704,667	21,960,241	25,964,551	3	1,649,641	21,459,077	1,245,590	6
Total For Purchased Power:		1,758,586	22,704,667	21,960,241	25,964,551	3	1,649,641	21,459,077	1,245,590	6
Operating & Mtce Expense										
540.5461	OPERATING SUPERVISION	9,554	84,001	104,166	125,000	(19)	9,329	82,584	1,416	2
540.5471	DIESEL OIL FUEL	1,154	9,389	12,730	15,277	(26)	1,363	9,232	157	2
540.5472	NATURAL GAS	0	18,110	19,566	23,480	(7)	1,527	16,520	1,590	10
540.5483	STATION PWR & WTR CONSP/PLA	2,641	26,217	25,765	32,000	2	2,113	24,106	2,111	9
540.5484	OTHER EXP/PLANT SUPPLIES-ETC	456	3,710	2,500	3,000	48	231	1,507	2,203	146
540.5491	MISC OTHER PWR GENERATION E	1,849	6,630	4,188	5,026	58	340	4,333	2,296	53
540.5521	MAINTENANCE OF STRUCTURE/P	2,015	19,485	25,068	30,082	(22)	1,319	18,385	1,099	6
540.5531	MTCE OF ENGINES/GENERATORS-	(1,507)	4,415	30,862	37,035	(86)	169	21,310	(16,894)	(79)
540.5541	MTCE OF PLANT/LAND IMPROVE	206	15,365	12,549	15,059	22	365	4,753	10,611	223
Total For Operating & Mtce Expense:		16,369	187,328	237,398	285,959	(21)	16,760	182,735	4,592	3
Landfill Gas										
550.5050	LFG PURCHASED GAS	13,948	137,912	143,804	172,565	(4)	13,909	131,225	6,686	5
550.5051	LANDFILL GAS O&M	34,925	425,081	433,333	520,000	(2)	45,761	438,717	(13,635)	(3)
550.5052	LFG ADMIN	154	2,510	32,333	38,800	(92)	7,270	7,657	(5,147)	(67)
550.5053	LFG INSURANCE	1,412	13,484	16,979	20,375	(21)	1,312	13,574	(90)	(1)
550.5054	LFG MTCE	0	1,099	5,000	6,000	(78)	0	965	133	14
Total For Landfill Gas:		50,441	580,088	631,450	757,740	(8)	68,253	592,141	(12,052)	(2)
Transmission Expense										
560.5620	TRANSMISSION MTCE AND EXPE	1,642	16,842	30,993	37,192	(46)	898	9,347	7,494	80
Total For Transmission Expense:		1,642	16,842	30,993	37,192	(46)	898	9,347	7,494	80
Distribution Expense										
580.5801	REMOVE EXISTING SERV & METE	0	1,376	2,085	2,503	(34)	397	397	978	246
580.5821	SCADA EXPENSES	1,500	16,046	25,019	30,023	(36)	0	3,072	12,973	422
580.5831	TRANSFORMER EX/OVERHD & UN	9,997	22,108	20,163	25,000	10	739	16,051	6,057	38
580.5851	MTCE OF SIGNAL SYSTEMS	148	2,237	2,093	2,512	7	0	2,488	(250)	(10)
580.5861	METER EXP - REMOVE & RESET	0	479	2,089	2,507	(77)	16	748	(268)	(36)
580.5871	TEMP SERVICE-INSTALL & REMO	0	(132)	2,095	2,514	(106)	4,370	5,783	(5,915)	(102)
580.5881	MISC DISTRIBUTION EXPENSE	17,972	200,088	263,029	315,635	(24)	19,215	271,572	(71,483)	(26)
580.5890	INTERCONNECTION CARRYING C	0	0	3,000	3,600	(100)	0	0	0	0

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
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Electric		2018	2018	2018	2018	2018 YTD	2017	2017	YTD	2017 v. 2018
		OCTOBER	YTD	YTD BUDGET	ANNUAL BUDGET	Bud Var%	OCTOBER	YTD	VARIANCE	Actual Var%
	Total For Distribution Expense:	29,618	242,205	319,575	384,294	(24)	24,739	300,114	(57,909)	(19)
	Maintenance Expense									
	590.5911 MTCE OF STRUCTURES	337	3,205	6,258	7,510	(49)	251	3,169	36	1
	590.5921 MTCE OF SUBSTATIONS	4,891	20,187	20,900	25,081	(3)	1,554	15,142	5,044	33
	590.5922 MTCE OF SUBSTATION EQUIPME	3,030	7,326	29,166	35,000	(75)	389	2,370	4,956	209
	590.5931 MTCE OF OVERHD LINES/TREE TR	61	173,857	98,091	150,335	77	1,653	53,629	120,228	224
	590.5932 MTCE OF OVERHD LINES/STANDB	2,430	23,683	25,000	30,000	(5)	2,528	22,991	691	3
	590.5933 MTCE OF OVERHEAD	12,146	131,622	164,700	190,641	(20)	14,975	114,691	16,930	15
	590.5941 MTCE OF UNDERGROUND/DISTRI	14,188	90,671	103,365	118,438	(12)	4,557	67,867	22,804	34
	590.5943 LOCATE UNDERGROUND PRIMAR	4,863	39,995	46,080	55,297	(13)	5,657	55,652	(15,657)	(28)
	590.5951 MTCE OF LINE TRANSFORMERS	6,566	61,503	41,892	50,271	47	3,035	41,515	19,987	48
	590.5961 MTCE OF STREET LIGHTING	6,727	35,809	34,058	40,750	5	6,457	29,080	6,729	23
	590.5962 MTCE OF SECURITY LIGHTING	1,060	6,887	10,833	13,000	(36)	1,757	10,634	(3,746)	(35)
	590.5971 MTCE OF METERS	8,725	116,327	91,666	110,000	27	14,645	102,839	13,488	13
	590.5972 VOLTAGE COMPLAINTS	245	5,263	6,690	8,029	(21)	1,129	4,276	987	23
	590.5981 SALARIES/TRANS & DISTRIBUTIO	3,630	31,621	41,840	50,208	(24)	3,350	30,759	862	3
	590.5985 ELECTRIC MAPPING	13,798	97,521	87,921	105,506	11	3,615	56,435	41,085	73
	590.5991 MTCE OF OVERHEAD SERVICE/2N	2,466	13,733	14,583	17,500	(6)	739	15,933	(2,199)	(14)
	590.5992 MTCE OF UNDERGROUND ELEC S	3,040	25,922	33,464	40,157	(23)	4,562	32,486	(6,564)	(20)
	590.5993 LOCATE UNDERGROUND SECOND	3,875	27,775	33,333	40,000	(17)	3,432	29,352	(1,577)	(5)
	590.5995 TRANSPORTATION EXPENSE	19,428	197,936	171,789	195,596	15	22,317	146,861	51,074	35
	Total For Maintenance Expense:	111,514	1,110,852	1,061,637	1,283,319	5	96,613	835,690	275,161	33
	Depreciation & Amortization									
	595.8031 DEPRECIATION	230,623	1,832,412	1,811,774	2,183,821	1	171,271	1,698,792	133,619	8
	Total For Depreciation & Amortization:	230,623	1,832,412	1,811,774	2,183,821	1	171,271	1,698,792	133,619	8
	Interest Expense									
	596.8071 INTEREST ON BONDS/LONG TERM	61,386	307,871	298,257	401,802	3	28,105	288,802	19,068	7
	596.8075 INTEREST ON DEFEASED BONDS	(276)	(2,763)	(2,763)	(3,316)	0	(276)	(2,763)	0	0
	597.8281 AMORTIZATION OF DEBT DISCOU	(2,797)	(36,087)	(37,987)	(47,381)	5	(3,956)	(39,564)	3,477	9
	Total For Interest Expense:	58,312	269,020	257,506	351,103	4	23,872	246,474	22,546	9
	Security									
	597.8172 SECURITY EXPENSE	0	0	0	0	0	0	20	(20)	(100)
	Total For Security:	0	0	0	0	0	0	20	(20)	(100)

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		2018 OCTOBER	2018 YTD	2018 YTD BUDGET	2018 ANNUAL BUDGET	2018 YTD Bud Var%	2017 OCTOBER	2017 YTD	YTD VARIANCE	2017 v. 2018 Actual Var%
Electric										
Other Operating Expense										
597.8165	EV CHARGING EXPENSE	54	2,883	2,500	3,000	15	88	368	2,514	681
597.8213	LOSS ON DISPOSITION OF PROP (C	0	20,962	0	0	0	0	0	20,962	0
597.8263	OTHER DONATIONS	0	2,161	5,003	5,003	(57)	30,356	53,584	(51,422)	(96)
597.8264	DAM MAINTENANCE EXPENSE	0	0	416	500	(100)	176	292	(292)	(100)
597.8265	MUTUAL AID	0	1,281	0	0	0	0	0	1,281	0
597.8302	PENSION EXPENSE	0	0	0	100,000	0	0	0	0	0
597.8341	INTEREST PD ON METER DEPOSIT	1,154	18,473	833	1,000	2,118	68	648	17,825	2,747
597.8400	RENTAL PROPERTY EXPENSE	1,011	8,428	4,968	4,968	70	144	10,297	(1,868)	(18)
	Total For Other Operating Expense:	2,220	54,192	13,721	114,471	295	30,834	65,191	(10,999)	(17)
Customer Accounts Expense										
900.9021	METER READING EXPENSE	2,507	17,128	33,456	40,148	(49)	1,802	22,796	(5,668)	(25)
900.9030	COLLECTING EXP DISC/RECONNE	1,354	12,110	12,083	14,000	0	1,501	12,394	(284)	(2)
900.9051	MISC CUSTOMER ACCTS EXP-CO	24,723	213,674	208,333	250,000	3	18,579	186,856	26,817	14
900.9061	CUST BLGS NOT PD/SENT FOR CO	1,026	11,612	37,500	45,000	(69)	659	887	10,725	1,208
	Total For Customer Accounts Expense:	29,612	254,526	291,373	349,148	(13)	22,543	222,936	31,589	14
Administrative Expense										
920.9201	SALARIES/OFFICE & COMMISSION	57,663	499,511	657,884	789,461	(24)	61,689	581,574	(82,063)	(14)
920.9205	TEMPORARY STAFFING	0	13,596	3,333	4,000	308	0	0	13,596	0
920.9211	OFFICE SUPPLIES & EXPENSE	6,216	55,513	75,000	90,000	(26)	5,629	67,975	(12,461)	(18)
920.9212	LT & WATER CONSUMPTION/OFFI	2,185	23,938	28,390	32,000	(16)	2,340	32,773	(8,834)	(27)
920.9213	BANK CHARGES	186	2,143	2,916	3,500	(26)	217	2,252	(108)	(5)
920.9221	LEGAL FEES	3,862	32,264	25,000	30,000	29	(6,727)	23,891	8,372	35
920.9231	AUDITING FEES	1,500	13,400	13,000	15,600	3	1,221	24,063	(10,663)	(44)
920.9241	INSURANCE	12,069	116,510	113,175	135,810	3	11,997	114,496	2,014	2
920.9260	UTILITY SHARE DEF COMP	5,180	62,519	47,499	57,000	32	0	51,881	10,637	21
920.9261	UTIL SH OF MEDICAL/DENTAL/DI	48,342	536,035	600,073	710,000	(11)	48,160	560,352	(24,316)	(4)
920.9262	UTILITY SHARE OF PERA	19,565	184,806	200,000	240,000	(8)	18,126	178,462	6,343	4
920.9263	UTILITY SHARE OF FICA	18,475	174,855	191,666	230,000	(9)	16,865	168,371	6,483	4
920.9264	EMPLOYEES SICK PAY	8,131	90,932	91,666	110,000	(1)	7,556	83,702	7,230	9
920.9265	EMPLOYEE HOLIDAY PAY	0	65,407	69,599	109,370	(6)	0	0	65,407	0
920.9266	EMPLOYEE VACATION	15,438	167,277	155,187	186,225	8	14,393	220,098	(52,820)	(24)
920.9267	UPMIC DISTRIBUTION	0	42,047	0	0	0	0	0	42,047	0
920.9291	CONSULTING FEES	50,356	52,236	124,166	135,000	(58)	762	40,032	12,204	30

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		2018 OCTOBER	2018 YTD	2018 YTD BUDGET	2018 ANNUAL BUDGET	2018 YTD Bud Var%	2017 OCTOBER	2017 YTD	YTD VARIANCE	2017 v. 2018 Actual Var%
Electric										
920.9301	TELEPHONE	1,630	16,954	17,640	21,168	(4)	1,771	17,470	(515)	(3)
920.9302	ADVERTISING	1,540	24,579	17,142	18,000	43	740	7,271	17,308	238
920.9303	DUES & SUBSCRIPTIONS - FEES	11,172	203,517	153,333	184,000	33	7,067	71,830	131,686	183
920.9304	TRAVEL EXPENSE	0	5,235	0	0	0	759	23,420	(18,184)	(78)
920.9305	SCHOOLS & MEETINGS	11,825	110,519	183,821	221,584	(40)	18,217	95,614	14,905	16
920.9321	MTCE OF GEN PLANT/OFF HEATIN	430	4,300	9,166	11,000	(53)	547	7,279	(2,979)	(41)
Total For Administrative Expense:		275,772	2,498,105	2,779,664	3,333,718	(10)	211,336	2,372,813	125,292	5
General Expense										
920.9269	CIP REBATES - RESIDENTIAL	305	6,930	5,750	17,250	21	(4,050)	10,330	(3,400)	(33)
920.9270	CIP REBATES - COMMERCIAL	250	245	34,666	104,000	(99)	4,620	23,261	(23,016)	(99)
920.9271	CIP - ADMINISTRATION	63	603	118,402	177,603	(99)	93	311	292	94
920.9272	CIP - MARKETING	888	7,213	27,166	32,600	(73)	2,416	9,257	(2,043)	(22)
920.9273	CIP - LABOR	14,205	115,515	88,399	106,079	31	3,995	43,824	71,690	164
920.9274	CIP REBATES - LOW INCOME	0	0	879	2,638	(100)	(7,718)	0	0	0
920.9275	CIP - LOW INCOME LABOR	492	12,850	0	0	0	0	0	12,850	0
920.9281	ENVIRONMENTAL COMPLIANCE	2,316	23,271	21,214	25,264	10	1,985	20,367	2,904	14
920.9306	MISC GENERAL EXPENSE	(6)	2,024	2,540	3,048	(20)	0	(263)	2,287	870
Total For General Expense:		18,514	168,654	299,017	468,482	(44)	1,342	107,089	61,565	57
Total Expenses(before Operating Transfers)		2,583,230	29,918,897	29,694,353	35,513,799	1	2,318,107	28,092,427	1,826,469	7
Operating Transfer										
Operating Transfer/Other Funds										
597.8262	TRANSFER TO CITY 4% ER REVEN	98,493	1,015,127	979,161	1,165,000	4	102,360	933,188	81,938	9
Total For Operating Transfer/Other Funds:		98,493	1,015,127	979,161	1,165,000	4	102,360	933,188	81,938	9
Utilities & Labor Donated										
597.8261	UTILITIES & LABOR DONATED	17,394	178,544	187,185	232,006	(5)	17,161	167,052	11,492	7
Total For Utilities & Labor Donated:		17,394	178,544	187,185	232,006	(5)	17,161	167,052	11,492	7
Total Operating Transfer										
Total For Total Operating Transfer:		115,888	1,193,672	1,166,346	1,397,006	2	119,521	1,100,241	93,430	8
Net Income Profit(Loss)		793,835	2,884,040	1,102,437	1,045,274	162	1,047,905	1,922,987	961,052	50

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		2018 OCTOBER	2018 YTD	2018 YTD BUDGET	2018 ANNUAL BUDGET	2018 YTD Bud Var%	2017 OCTOBER	2017 YTD	YTD VARIANCE	2017 v. 2018 Actual Var%
Water										
Revenue										
Operating Revenue										
Water Sales										
610.6101	WATER SALES COMM & RES/COM	206,733	2,169,019	1,938,422	2,200,002	12	235,637	1,976,297	192,722	10
Total For Water Sales:		206,733	2,169,019	1,938,422	2,200,002	12	235,637	1,976,297	192,722	10
Total Operating Revenue										
		206,733	2,169,019	1,938,422	2,200,002	12	235,637	1,976,297	192,722	10
Total For Total Operating Revenue:		206,733	2,169,019	1,938,422	2,200,002	12	235,637	1,976,297	192,722	10
Other Operating Revenue										
Interest/Dividend Income										
460.4691	INTEREST & DIVIDEND INCOME	2,280	20,293	16,666	20,000	22	2,224	27,797	(7,503)	(27)
460.4692	OTHER INT/MISC REVENUE	0	466	0	0	0	0	428	37	9
Total For Interest/Dividend Income:		2,280	20,759	16,666	20,000	25	2,224	28,226	(7,466)	(26)
Customer Penalties										
620.6301	CUSTOMER PENALTIES	3,364	17,919	12,297	15,000	46	2,490	16,026	1,893	12
Total For Customer Penalties:		3,364	17,919	12,297	15,000	46	2,490	16,026	1,893	12
Connection Fees										
620.6401	WATER/ACCESS/CONNECTION FE	23,301	639,596	83,333	100,000	668	28,647	702,541	(62,944)	(9)
620.6402	CUSTOMER CONNECTION FEES	1,706	30,515	16,666	20,000	83	12,522	46,010	(15,495)	(34)
620.6407	BULK WATER SALES/HYDRANT R	1,188	8,812	4,666	5,600	89	0	0	8,812	0
Total For Connection Fees:		26,195	678,923	104,666	125,600	549	41,169	748,552	(69,628)	(9)
Misc Revenue										
470.4722	MISC NON-UTILITY	0	263	0	0	0	0	102	160	158
470.4750	RENTAL PROPERTY INCOME	505	5,361	2,295	2,295	134	515	5,495	(133)	(2)
620.6323	GAIN ON DISPOSITION OF PROP	0	7,425	0	0	0	0	448	6,977	1,557
620.6403	MISCELLANEOUS REVENUE	53	97	0	0	0	35	598	(501)	(84)
620.6404	HYDRANT MAINTENANCE PROGR	1,063	9,878	5,833	7,000	69	975	7,248	2,629	36
620.6405	CONTRIBUTIONS FROM DEVELOP	0	0	0	0	0	0	55,882	(55,882)	(100)
620.6406	WATER TOWER LEASE	18,504	181,308	181,308	218,317	0	17,792	174,335	6,973	4
Total For Misc Revenue:		20,126	204,334	189,437	227,612	8	19,317	244,109	(39,775)	(16)
Total Other Revenue										
		51,966	921,937	323,068	388,212	185	65,201	1,036,913	(114,976)	(11)

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FOR PERIOD ENDING OCTOBER 2018

		2018 OCTOBER	2018 YTD	2018 YTD BUDGET	2018 ANNUAL BUDGET	2018 YTD Bud Var%	2017 OCTOBER	2017 YTD	YTD VARIANCE	2017 v. 2018 Actual Var%
Water	Total For Total Other Revenue:	51,966	921,937	323,068	388,212	185	65,201	1,036,913	(114,976)	(11)
	Total Revenue	258,700	3,090,957	2,261,490	2,588,215	37	300,839	3,013,211	77,746	3
Expenses										
Production Expense										
700.7021	MTCE OF STRUCTURES	7,317	47,628	45,864	50,000	4	5,687	39,541	8,086	20
	Total For Production Expense:	7,317	47,628	45,864	50,000	4	5,687	39,541	8,086	20
Pumping Expense										
710.7101	SUPERVISION	5,099	46,429	50,272	60,327	(8)	4,855	44,311	2,118	5
710.7181	SUPPLIES & EXPENSE/MISC	17,711	192,058	191,666	230,000	0	12,431	170,356	21,702	13
710.7182	SAMPLING	991	13,896	13,435	16,122	3	1,482	13,016	880	7
710.7183	CHEMICAL FEED	1,279	21,576	25,000	30,000	(14)	1,900	23,726	(2,149)	(9)
710.7201	MTCE OF ELECTRIC PUMPING EQ	0	161	0	0	0	0	0	161	0
710.7220	MTCE OF WELLS	10,141	119,263	198,532	250,586	(40)	7,759	122,610	(3,346)	(3)
710.7230	SCADA - PUMPING	1,616	6,770	10,130	12,513	(33)	953	5,298	1,471	28
	Total For Pumping Expense:	36,840	400,158	489,036	599,548	(18)	29,381	379,319	20,838	5
Distribution Expense										
730.7301	MTCE OF WATER MAINS	10,130	63,948	65,264	87,631	(2)	3,877	32,870	31,078	95
730.7309	LOCATE WATER SVC	2,308	12,715	12,344	15,066	3	1,339	11,030	1,684	15
730.7310	LOCATE WATER MAIN	16	184	166	200	10	0	0	184	0
730.7311	MTCE OF WATER SERVICES	0	0	0	0	0	0	15	(15)	(100)
730.7312	WATER METER SERVICE	4,223	37,304	30,035	36,042	24	629	5,908	31,396	531
730.7321	MTCE OF CUSTOMERS SERVICE	1,784	16,985	20,910	25,092	(19)	1,707	16,915	69	0
730.7325	WATER MAPPING	1,511	9,641	13,333	16,000	(28)	5,952	12,375	(2,733)	(22)
730.7331	MTCE OF WATER HYDRANTS - PU	624	20,359	18,512	19,213	10	303	24,946	(4,586)	(18)
730.7332	MTCE OF WATER HYDRANTS - PR	0	1,065	11,466	11,900	(91)	0	0	1,065	0
730.7341	WATER CLOTHING/PPE	15	3,410	5,833	7,000	(42)	49	3,211	199	6
730.7391	WAGES/WATER	555	4,800	12,534	15,041	(62)	563	4,860	(60)	(1)
730.7395	TRANSPORTATION EXPENSE	1,596	13,562	13,768	15,000	(1)	910	10,171	3,390	33
730.7399	GENERAL EXP/WATER PERMIT	0	12,984	12,526	15,000	4	0	11,396	1,588	14
	Total For Distribution Expense:	22,766	196,962	216,695	263,185	(9)	15,333	133,702	63,259	47
Depreciation & Amortization										
595.8031	DEPRECIATION	95,386	1,001,907	1,021,132	1,228,866	(2)	101,772	976,075	25,831	3

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Water			2018	2018	2018	2018	2017	2017	YTD	2017 v. 2018
			OCTOBER	YTD	YTD BUDGET	ANNUAL BUDGET	YTD Bud Var%	OCTOBER	YTD	VARIANCE Actual Var%
	Total For Depreciation & Amortization:		95,386	1,001,907	1,021,132	1,228,866	(2)	101,772	976,075	25,831 3
	Interest Expense									
	596.8071	INTEREST ON BONDS/LONG TERM	3,498	35,697	35,697	42,693	0	4,211	42,760	(7,063) (17)
	596.8075	INTEREST ON DEFEASED BONDS	(69)	(691)	(691)	(829)	0	(69)	(690)	0 0
	Total For Interest Expense:		3,429	35,006	35,006	41,864	0	4,142	42,069	(7,063) (17)
	Other Operating Expense									
	597.8213	LOSS ON DISPOSITION OF PROP (C	0	0	1,000	1,000	(100)	0	5,099	(5,099) (100)
	597.8264	DAM MAINTENANCE EXPENSE	332	332	0	0	0	0	0	332 0
	597.8302	PENSION EXPENSE	0	0	0	5,000	0	0	0	0 0
	597.8341	INTEREST PD ON METER DEPOSIT	35	652	20	25	3,010	2	23	629 2,739
	597.8400	RENTAL PROPERTY EXPENSE	252	2,107	1,242	1,242	70	36	2,574	(467) (18)
	Total For Other Operating Expense:		620	3,091	2,262	7,267	37	38	7,696	(4,604) (60)
	Customer Accounts Expense									
	900.9021	METER READING EXPENSE	101	4,363	8,375	10,051	(48)	569	7,819	(3,455) (44)
	900.9051	MISC CUSTOMER ACCTS EXP-CO	5,632	49,732	45,833	55,000	9	4,322	43,312	6,420 15
	900.9061	CUST BLGS NOT PD/SENT FOR CO	0	57	833	1,000	(93)	0	365	(308) (84)
	Total For Customer Accounts Expense:		5,734	54,154	55,042	66,051	(2)	4,892	51,497	2,656 5
	Administrative Expense									
	920.9201	SALARIES/OFFICE & COMMISSION	16,375	131,729	164,987	197,985	(20)	15,749	142,558	(10,828) (8)
	920.9205	TEMPORARY STAFFING	0	3,399	833	1,000	308	0	0	3,399 0
	920.9211	OFFICE SUPPLIES & EXPENSE	983	11,511	23,333	28,000	(51)	1,218	21,562	(10,051) (47)
	920.9212	LT & WATER CONSUMPTION/OFFI	546	5,982	7,423	8,000	(19)	584	8,188	(2,206) (27)
	920.9213	BANK CHARGES	71	545	833	1,000	(34)	54	568	(22) (4)
	920.9221	LEGAL FEES	965	6,689	4,166	5,000	61	58	4,161	2,527 61
	920.9231	AUDITING FEES	375	3,350	3,250	3,900	3	305	6,015	(2,665) (44)
	920.9241	INSURANCE	2,145	20,368	22,513	27,015	(10)	2,054	18,412	1,956 11
	920.9260	UTILITY SHARE DEF COMP	1,257	10,500	8,333	10,000	26	0	9,682	817 8
	920.9261	UTIL SH OF MEDICAL/DENTAL/DI	10,699	118,268	123,612	146,000	(4)	10,648	117,986	282 0
	920.9262	UTILITY SHARE OF PERA	3,656	34,975	36,666	44,000	(5)	3,510	34,611	363 1
	920.9263	UTILITY SHARE OF FICA	3,503	33,485	36,666	44,000	(9)	3,274	32,952	533 2
	920.9264	EMPLOYEES SICK PAY	1,432	20,043	16,666	20,000	20	1,714	16,857	3,186 19
	920.9265	EMPLOYEE HOLIDAY PAY	0	12,137	16,450	25,850	(26)	0	0	12,137 0
	920.9266	EMPLOYEE VACATION	2,306	27,640	29,748	35,698	(7)	2,196	39,678	(12,038) (30)

ELK RIVER MUNICIPAL UTILITIES
ELK RIVER, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR PERIOD ENDING OCTOBER 2018

		2018 OCTOBER	2018 YTD	2018 YTD BUDGET	2018 ANNUAL BUDGET	2018 YTD Bud Var%	2017 OCTOBER	2017 YTD	YTD VARIANCE	2017 v. 2018 Actual Var%
Water										
920.9267	UPMIC DISTRIBUTION	0	8,187	0	0	0	0	0	8,187	0
920.9268	MISCELLANEOUS - WELLHEAD P	0	0	833	1,000	(100)	0	80	(80)	(100)
920.9291	CONSULTING FEES	133	353	16,666	20,000	(98)	0	5,563	(5,209)	(94)
920.9301	TELEPHONE	399	4,332	4,410	5,292	(2)	444	4,663	(330)	(7)
920.9302	ADVERTISING	385	7,714	5,714	6,000	35	185	3,430	4,284	125
920.9303	DUES & SUBSCRIPTIONS - FEES	474	31,844	30,500	41,000	4	511	29,618	2,225	8
920.9304	TRAVEL EXPENSE	0	746	0	0	0	0	4,177	(3,430)	(82)
920.9305	SCHOOLS & MEETINGS	1,123	14,793	32,750	38,350	(55)	2,492	15,234	(441)	(3)
920.9321	MTCE OF GEN PLANT/OFF HEATIN	107	1,070	2,250	2,700	(52)	137	1,802	(732)	(41)
	Total For Administrative Expense:	46,942	509,668	588,610	711,790	(13)	45,139	517,805	(8,136)	(2)
General Expense										
920.9269	CIP REBATES - RESIDENTIAL	385	3,718	3,750	4,500	(1)	125	3,499	219	6
920.9270	CIP REBATES - COMMERCIAL	0	0	416	500	(100)	0	100	(100)	(100)
920.9271	CIP - ADMINISTRATION	0	0	845	1,014	(100)	0	731	(731)	(100)
920.9272	CIP - MARKETING	0	0	625	750	(100)	0	480	(480)	(100)
920.9273	CIP - LABOR	404	3,472	4,174	5,009	(17)	377	3,752	(280)	(7)
920.9281	ENVIRONMENTAL COMPLIANCE	49	459	502	603	(9)	46	431	27	6
920.9306	MISC GENERAL EXPENSE	0	539	843	1,012	(36)	0	(3)	542	18,067
	Total For General Expense:	839	8,189	11,156	13,388	(27)	548	8,992	(803)	(9)
	Total Expenses(before Operating Transfers)	219,876	2,256,766	2,464,806	2,981,960	(8)	206,936	2,156,701	100,064	5
Operating Transfer										
Utilities & Labor Donated										
597.8261	WATER AND LABOR DONATED	0	0	416	500	(100)	0	0	0	0
	Total Operating Transfer	0	0	416	500	(100)	0	0	0	0
	Total For Total Operating Transfer:	0	0	416	500	(100)	0	0	0	0
	Net Income Profit(Loss)	38,823	834,190	(203,732)	(394,245)	509	93,902	856,509	(22,318)	(3)

TO: ERMU Commission	FROM: Troy Adams, P.E. – General Manager
MEETING DATE: December 11, 2018	AGENDA ITEM NUMBER: 5.2
SUBJECT: W&BC Meeting Update	
ACTION REQUESTED:	

BACKGROUND:

At the November 13, 2018 Commission meeting, the Commission directed the Wage & Benefits Committee (W&BC) to benchmark the management pay group and report back to the Commission at the December 11, 2018 meeting.

DISCUSSION:

The W&BC will be reviewing the benchmarking data at their next meeting scheduled for December 11, 2018 at 2:30 p.m. A verbal update, and recommendations if any, will be provided at the December Commission meeting.

TO: ERMU Commission	FROM: Troy Adams, P.E. – General Manager
MEETING DATE: December 11, 2018	AGENDA ITEM NUMBER: 5.3
SUBJECT: 2019 Annual Business Plan (Budget, Schedule of Rates & Fees)	
ACTION REQUESTED: Adopt the 2019 Annual Business Plan	

BACKGROUND:

In November, the preliminary 2019 Annual Business Plan was presented to the commission. There have been several changes due to finalizing of projects and expenses, and the most significant change is implementation of electric rate reductions at the direction of the commission.

DISCUSSION:

Electric Budget and Rates

There are multiple reasons that supported the commission's consensus to implement electric rate reductions. The top three are as follows: First, in October 2008 ERMU received a ten-year notice for the termination of our wholesale power contract. After five years of research and consideration, the ERMU commission approved joining the Minnesota Municipal Power Agency (MMPA). In October 2018, Great River Energy (GRE) stopped providing power to ERMU and ERMU began receiving power from MMPA. And 2019 will be the first complete budget year where ERMU is receiving power from MMPA. Second, starting in 2015 Connexus Energy has been transferring electric service territory within the corporate boundaries of the City of Elk River to ERMU as part of a negotiated agreement. In 2019, ERMU will be receiving the transfer to the remaining electric service territory areas as identified in the 2015 transfer agreement. In the end, the electric service territory transfer agreement will have resulted in an approximate 20% growth in customers for ERMU. And third, ERMU has recognized significant efficiencies as a result of the 2018 change to multi billing cycles and administratively have been able to reduce staff through attrition lowering fixed costs. The change from GRE to MMPA, the growth in customer base and service territory, and the efficiencies gained through the change to multi billing cycles have put ERMU in a unique and unprecedented situation to lower electric rates.

The reset of rates affect consumers differently based on usage. A residential customer with typical electric usage will experience a 5% reduction in electric costs. For commercial customers, the service size and usage can vary drastically which had a varying effect on the rate reset impact. Commercial customers should experience a rate reduction between 5% and 4%.

Included new this year in the Schedule of Rates & Fees section of the Annual Business Plan are a Large Demand Electric Service Rate, a Residential Clean Energy Choice Program Rate, and

Commercial Clean Energy Choice Program Rate; these rate sheets will be submitted for approval in January.

Notable items in the electric budget for 2019 are:

- 3% cost of living adjustment (COLA) for Office, Field, and Management pay plan groups; 2.85% COLA for Lineworker pay plan group;
- Replacement of bucket truck #8
- Delay in replacement of digger truck #10 until 2020;
- Shared cost in the replacement for Pickup Truck #14 for Technical Services;
- Shared cost in a technology upgrade for the Utilities Conference Room;
- Replacement of the decorative downtown street lights;
- Electric Service Territory acquisition plant and reintegration costs for Areas 7 & 8 from reserves;
- Electric Service Territory acquisition loss of revenue for Areas 1, 2, 3, and 4 from reserves;
- Construction of new storage building adjacent to the West Substation from reserves.

Water Budget and Rates

The water budget and rates reflect the continuation in budgeting philosophy and rate design that continues the direction of shifting to more fixed cost recovery to mitigate revenue recovery volatility related to weather. Additionally, the budget includes a longer consideration of capital improvement projects. This longer vision planning helps to smooth out the impact of water system capital improvement projects as many of these project have substantial cost in ratio to the annual water expense budget. Considering a rolling 5 to 10 year window of capital improvement projects allows for financial planning and budgeting using reserves similar to a sinking fund to buffer and mitigate the volatility of capital outlay. In 2019 there are two larger capital improvement projects, the rehabilitation of the Auburn Street Water Tower and the construction of a new Well #8 building. Because of this planning strategy, the water tower project and the well building project are being funded from reserves rather than issuance of bonds.

The proposed 2019 residential water rates are a 2% increase to the 1st Tier and a 2% increase in the basic monthly charge. These rate changes result in a projected 1.72% annual water cost increase for a typical residential customer. This is the equivalent to a \$4.90 per year increase for these customers. For commercial customers, it is more difficult to classify typical users. The 1st Tier and basic monthly charges are increased by 2% in the proposed budget. But because the 2nd and 3rd Tiers are not being increased, the amount of usage will result in commercial customer blended rate increase of 2% or less.

Notable items in the water budget for 2019 are:

- 3% COLA for Office, Field, and Management pay plan groups;
- Conservative estimate for usage growth;
- Shared cost in the replacement for Pickup Truck #14 for Technical Services;
- Shared cost in a technology upgrade for the Utilities Conference Room;
- Joint Urban Services District Study with the city funded from trunk funds;
- Rehabilitation of the Auburn Street Water Tower;
- Construction of new Well #8 building.

Submitted for approval is the 2019 Annual Business Plan which includes the 2019 Budget and the 2019 Schedule of Rates & Fees. The 2019 fees were already approved by the commission in October and are being presented here unchanged for formal adoption in the Annual Business Plan. The adoption of the of the 2019 Schedule of Rates & Fees through the adoption of the Annual Business Plan shall supersede and replace all previously adopted tariffs, rates, and fees.

ATTACHMENTS:

- Proposed 2019 Annual Business Plan
 - 2019 Budget
 - 2019 Schedule of Rates & Fees



2019 Annual Business Plan

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2019 BUDGET

- Summary of Budgets
- Electric Revenue and Expense Budget
- Water Revenue and Expense Budget
- Electric Capital Budget
- Administration and Technical Services Capital Budgets
- Water Capital Budget
- Training and Travel Budget
- Dues and Subscriptions Budget
- Conservation Improvement Program Budget

2019 SCHEDULE OF RATES & FEES

- Residential All Electric Service Rate
- Residential Electric Service Rate
- Residential Clean Energy Choice Program Rate – *to be developed*
- Non-Demand All Electric Service Rate
- Non-Demand Electric Service Rate
- Demand All Electric Service Rate
- Demand Electric Service Rate
- Large Demand Electric Service Rate – *to be developed*
- Commercial Clean Energy Choice Program Rate – *to be developed*
- Off-Peak Demand Electric Service Rate
- Commercial All Electric with Ground Source Heat Pump Service Rate
- Ground Source Heat Pump Program Rate
- Electric Vehicle Charging Rates
- Energy Management Program Rates
- Dispersed Generation/Interruptible Load Program Rate
- Street/Security Light Service Rate
- Water Service Rates
- Fee Schedule



2019 Budget

**ELK RIVER MUNICIPAL UTILITIES
SUMMARY OF YEAR 2019
BUDGETS**

ELECTRIC BUDGET SUMMARY

2019

ELECTRIC REVENUE	\$	39,490,338			
ELECTRIC EXPENDITURES		(37,896,680)			
ELECTRIC NET FOR CAPITAL		1,593,658	4.04%	1,109,893	110% annual avg debt svc 2.81%
DEBT RETIREMENT		(975,000)			
PROMISSORY NOTE TO COUNTY		(200,917)			
NET LESS DEBT PRINCIPAL PMTS		417,741			
CAPITAL EQUIPMENT/CONSTRUCTION		(3,859,715)			
FUND FROM RESERVES		100,000 *		Territory Acquisition	Areas 7&8 Plant and Reintegration
		699,735 *		Territory Acquisition	Areas 1&2, 3&4 Loss of Revenue
		250,000 *		Equipment storage building at west sub	
NET		(2,392,239)			
DEPRECIATION		2,895,535			
NET TO RESERVES		503,296 *		Note that this is separate from above funding of draw on reserves	

WATER BUDGET SUMMARY

2019

WATER REVENUE	\$	2,768,491			
WATER EXPENDITURES		(2,912,986)			
WATER NET FOR CAPITAL		(144,495)	-5.22%		
DEBT RETIREMENT		(260,000)			
NET LESS DEBT PRINCIPAL PMTS		(404,495)			
CAPITAL EQUIPMENT/CONSTRUCTION		(1,273,320)			
FUND FROM RESERVES		700,000 *		Auburn Tower	
		300,000 *		Well #8 building	
FUND FROM WATER TRUNK FUND		25,000			
BONDING		-			
NET		(652,815)			
DEPRECIATION		1,175,214			
NET TO RESERVES		522,399 *		Note that this is separate from above funding of draw on reserves	

* Currently, target reserves are met.

Electric						
Description	2016 Actual	2017 Actual	2018 Budget	2019 Budget	Notes and Explanations	
SUB-STATION CREDIT				4,800.00		
INTEREST & DIVIDEND INCOME	90,803.00	79,542.00	80,000.00	80,000.00		
DISPERSED GENERATION CREDIT	-757,527.00	(779,598.00)	(694,616.00)		Not available with new power provider	
A/C CREDIT	-62,560.00	(39,543.00)	(13,500.00)	-	Not available with new power provider	
SECURITY REVENUE	177,571.00		-			
CUSTOMER DELINQUENT PENALTIES	253,136.00	242,739.00	250,000.00	250,000.00		
DISCONNECT & RECONNECT CHARGE	269,196.00	234,365.00	150,000.00	150,000.00		
MISC ELEC REVENUE - TEMP CHG	450	6,572.00				
STREET LIGHT	22,050.00	24,700.00				
TRANSMISSION INVESTMENTS	140,471.00	159,589.00	125,000.00	200,000.00		
GRE GENERATION - PEAKING PLANT						
LFG PROJECT	1,087,749.00	1,084,589.00	1,128,878.00	1,157,393.00		
MISC NON-UTILITY	104,905.00	151,246.00	40,000.00	50,000.00		
GAIN ON DISPOSITION OF PROP	21,400.00	15,152.00				
SALES OF MERCHANDISE						
SALE OF BUSINESS LINE	330,922.00					
PERA PENSIOIN OTHER REVENUE		1,050.00		1,050.00		
RENTAL PROPERTY INCOME	25,374.00	26,100.00	9,180.00	25,000.00		
CONTRIBUTIONS FROM CUSTOMERS		169,051.00	77,000.00	75,000.00		
CONTRIBUTIONS FROM GRANTS		40,000.00	10,000.00	-		
DEMAND ADJUSTMENT			-			
PROJECTED SALES ALL CLASSES	33,474,783.00	35,353,574.00	36,794,137.00	37,497,095.39	6% increase related to growth, 0% rate increase	
Total Revenue	35,178,723.00	36,769,128.00	37,956,079.00	39,490,338.39		
OPERATING SUPERVISION	99,373.00	98,581.00	125,000.00	109,310.00		
DIESEL OIL FUEL	14,801.00	11,383.00	15,277.00	16,000.00		
NATURAL GAS	23,745.00	22,999.00	23,480.00	26,000.00		
STATION PWR & WTR CONSP/PLANT	27,382.00	26,970.00	32,000.00	33,000.00		
OTHER EXP/PLANT SUPPLIES-ETC	2,096.00	1,905.00	3,000.00	3,600.00		
MISC OTHER PWR GENERATION EXP	10,347.00	4,718.00	5,026.00	5,200.00		
MAINTENANCE OF STRUCTURE/PLANT	23,607.00	20,749.00	30,082.00	30,000.00		
MTCE OF ENGINES/GENERATORS-PL	13,925.00	22,148.00	37,035.00	37,500.00		
MTCE OF PLANT/LAND IMPROVEMENT	12,325.00	5,682.00	15,059.00	20,000.00	windows replaced, door replaced, gas line moved	
Total Operations	227,601.00	215,135.00	285,959.00	280,610.00		
PURCHASED POWER	23,991,069.00	25,402,576.00	25,964,551.00	25,724,105.83		
Total Purchased Power	23,991,069.00	25,402,576.00	25,964,551.00	25,724,105.83		
LFG PURCHASED GAS	48,065.00	156,612.00	172,565.00	172,565.00		
LANDFILL GAS O&M	457,210.00	451,488.00	520,000.00	550,000.00		
LFG ADMIN	4,354.00	32,838.00	38,800.00	38,800.00		
LFG INSURANCE	16,638.00	16,199.00	20,375.00	20,375.00		
LFG MTCE	0.00	1,372.00	6,000.00	6,000.00		
Total Landfill Gas Plant	526,267.00	658,509.00	757,740.00	787,740.00		
TRANSMISSION MTCE AND EXPENSE	11,590.00	10,926.00	37,192.00	38,199.13		
Total Transmission	11,590.00	10,926.00	37,192.00	38,199.13		
REMOVE EXISTING SERV & METERS	1,323.00	642.00	2,503.00	2,500.00		
SCADA EXPENSES	5,225.00	22,001.00	30,023.00	31,000.00		
TRANSFORMER EX/OVERHD & UNDERG	20,206.00	17,431.00	25,000.00	25,000.00		
MTCE OF SIGNAL SYSTEMS	1,415.00	2,982.00	2,512.00	2,600.00		
METER EXP - REMOVE & RESET	2,124.00	748.00	2,507.00	2,500.00		
TEMP SERVICE-INSTALL & REMOVE	617.00	5,866.00	2,514.00	2,500.00		
MISC DISTRIBUTION EXPENSE	218,249.00	307,846.00	315,635.00	325,000.00		
INTERCONNECTION CARRYING CHARGE	2,416.00	2,416.00	3,600.00	2,416.00		
Total Distribution	251,575.00	359,932.00	384,294.00	393,516.00		
MTCE OF STRUCTURES	2,353.00	3,169.00	7,510.00	7,500.00		
MTCE OF SUBSTATIONS	19,387.00	18,752.00	25,081.00	25,500.00		
MTCE OF SUBSTATION EQUIPMENT	25,002.00	4,184.00	35,000.00	35,000.00		
MTCE OF OVERHD LINES/TREE TRIM	37,211.00	100,279.00	150,335.00	125,000.00	Will not be utilizing contracted tree trimming services in 2019	
MTCE OF OVERHD LINES/STANDBY	26,906.00	27,286.00	30,000.00	31,000.00		
MTCE OF OVERHEAD	120,237.00	138,893.00	190,641.00	155,000.00	Less territory acquisition maintenance in 2019	
MTCE OF UNDERGROUND/DISTRIB	87,889.00	76,706.00	118,438.00	118,000.00		
LOCATE ELECTRIC LINES	34,488.00	61,684.00	55,297.00	100,000.00	Combining accounts w/590.5993	
MTCE OF LINE TRANSFORMERS	46,981.00	56,010.00	50,271.00	51,000.00		
MTCE OF STREET LIGHTING	40,439.00	38,947.00	40,750.00	41,000.00		
MTCE OF SECURITY LIGHTING	10,423.00	15,339.00	13,000.00	13,000.00		
MTCE OF METERS	102,683.00	131,071.00	110,000.00	150,000.00		
VOLTAGE COMPLAINTS	4,703.00	5,908.00	8,029.00	8,300.00		
SALARIES/TRANS & DISTRIBUTION	37,866.00	36,360.00	50,208.00	53,792.00		
ELECTRIC MAPPING	105,232.00	69,735.00	105,506.00	125,000.00		
MTCE OF OVERHEAD SERVICE/2NDRY	15,128.00	17,465.00	17,500.00	18,000.00		
MTCE OF UNDERGROUND ELEC SERV	42,277.00	37,402.00	40,157.00	41,000.00		
LOCATE UNDERGROUND SECONDARY	18,135.00	33,628.00	40,000.00	-	Combining accounts w/590.5943	
TRANSPORTATION EXPENSE	155,763.00	187,499.00	195,596.00	210,000.00		
Total Maintenance	933,103.00	1,060,317.00	1,283,319.00	1,308,092.00		
DEPRECIATION AND AMORTIZATION	2,005,093.00	2,046,934.00	2,183,821.00	2,895,535.00	Increased with amortization of MMPA intangible asset	
Total Depreciation	2,005,093.00	2,046,934.00	2,183,821.00	2,895,535.00		

Description	2016 Actual	2017 Actual	2018 Budget	2019 Budget	Notes and Explanations	
INTEREST ON BONDS/LONG TERM	231,874.00	345,014.00	401,802.00	687,947.00		
INTEREST ON DEFEASED BONDS	-2,987.00	(3,316.00)	(3,316.00)	(3,316.00)		
AMORTIZATION OF DEBT DISCOUNT	-30,693.00		(47,381.00)	(48,152.00)		
	198,194.00	341,698.00	351,105.00	636,479.00		
EV CHARGING EXPENSE		15,404.00	3,000.00	4,848.00		
LOSS ON DISPOSITION OF PROP (CAPITAL)	72,883.00		-			
LOSS ON DISPOSITION OF PROP (NON-CAP)	28,642.00		-			
OTHER DONATIONS	2,860.00	53,584.00	5,003.00	5,000.00		
DAM MAINTENANCE EXPENSE	382.00		500.00	-		
PENSION EXPENSE	249,994.00	(18,636.00)	100,000.00	100,000.00		
INTEREST PD ON METER DEPOSITS	565.00	786.00	1,000.00	15,000.00		
RENTAL PROPERTY EXPENSE	12,481.00	10,629.00	4,968.00	6,000.00		
Total Other Exp	839,574.00	697,686.00	114,471.00	130,848.00		
METER READING EXPENSE	31,923.00	27,066.00	40,148.00	30,000.00		
COLLECTING EXP DISC/RECONNECT	12,116.00	13,812.00	14,000.00	15,000.00		
MISC CUSTOMER ACCTS EXP-COMP	257,959.00	228,391.00	250,000.00	259,000.00	includes \$800 for customer engagement	
CUST BLS NOT PD/SENT FOR COLL	-8,537.00	(2,279.00)	45,000.00	45,000.00		
Total Customer Exp	293,461.00	266,990.00	349,148.00	349,000.00		
SALARIES/OFFICE & COMMISSION	717,479.00	732,850.00	789,461.00	776,132.44	UPMIC amounts removed and shown separately	
TEMPORARY STAFFING	0.00		4,000.00	4,000.00		
OFFICE SUPPLIES & EXPENSE	70,516.00	72,907.00	90,000.00	119,000.00	Includes \$43k for IT projects	
LT & WATER CONSUMPTION/OFFICE	28,609.00	37,748.00	32,000.00	35,000.00		
BANK CHARGES	2,872.00	2,825.00	3,500.00	3,000.00		
LEGAL FEES	25,893.00	27,230.00	30,000.00	30,000.00		
AUDITING FEES	14,864.00	26,972.00	15,600.00	16,080.00		
INSURANCE	154,981.00	146,855.00	135,810.00	158,900.00		
UTILITY SHARE DEF COMP	55,032.00	109,686.00	57,000.00	120,000.00		
UTIL SH OF MEDICAL/DENTAL/DISA	573,719.00	660,177.00	710,000.00	735,000.00		
UTILITY SHARE OF PERA	221,167.00	212,634.00	240,000.00	245,000.00		
UTILITY SHARE OF FICA	211,122.00	201,094.00	230,000.00	235,000.00		
EMPLOYEES SICK PAY	96,668.00	102,654.00	110,000.00	115,000.00		
EMPLOYEE HOLIDAY PAY			109,370.00	128,000.00		
EMPLOYEE VACATION	286,677.00	309,671.00	186,225.00	205,000.00		
UPMIC DISTRIBUTION				59,000.00	New account, was included in 920.9201 previously	
CONSULTING FEES	115,129.00	49,511.00	135,000.00	30,000.00	Decreased from 2018 because Bond costs and cyber security review costs non-recurring	
TELEPHONE	22,703.00	19,676.00	21,168.00	21,168.00		
ADVERTISING	1,776.00	24,111.00	18,000.00	18,000.00		
DUES & SUBSCRIPTIONS - FEES	203,739.00	86,233.00	184,000.00	160,000.00	Bond costs, non-recurring 2019	
TRAVEL EXPENSE	8,585.00	23,832.00	-	-	No longer used - combined with account below	
SCHOOLS & MEETINGS	131,923.00	117,131.00	221,584.00	225,126.00	Combined with account above	
MTCE GEN PLANT/OFF HEAT	7,439.00	6,965.00	11,000.00	6,000.00		
999 CLEARING						
Total Admin	2,950,893.00	2,970,762.00	3,333,718.00	3,444,406.44		
CONSERVATION IMP PROGRAM	110,838.00					
CIP REBATES - RESIDENTIAL		8,994.00	17,250.00	66,550.00	CIP Rebates are fully funded by ERMU with MMPA transition	
CIP REBATES - COMMERCIAL		35,541.00	104,000.00	176,200.00	CIP Rebates are fully funded by ERMU with MMPA transition	
CIP - ADMINISTRATION		6,418.00	177,603.00	126,265.00		
CIP - MARKETING		9,778.00	32,600.00	33,600.00		
CIP - LABOR		50,796.00	106,079.00	107,034.00		
CIP - LOW INCOME			2,638.00	1,500.00		
CIP - LOW INCOME LABOR					Contract Labor	
ENVIRONMENTAL COMPLIANCE	21,248.00	24,334.00	25,264.00	27,000.00		
MISC GENERAL EXPENSE	6,575.00	2,280.00	3,048.00	5,000.00		
Total General	138,661.00	138,141.00	468,482.00	543,149.00		
TRANSFER TO CITY 4% ER REVENUE	1,089,288.00	1,113,263.00	1,165,000.00	1,150,000.00	reduced due to rate reduction	
UTILITIES & LABOR DONATED	230,312.00	202,421.00	232,006.00	215,000.00		
Total Expense Budget	32,030,226.00	35,143,592.00	36,910,806.00	37,896,680.39	2.67%	

Description	2016 Actual	2017 Actual	2018 Budget	2019 Budget	Notes and Explanations	
Water						
INTEREST & DIVIDEND INCOME	24,917.00	31,313.00	20,000.00	20,000.00		
OTHER INT/MISC REVENUE	820.00	857.00		850.00		
MISC NON-UTILITY	5,542.00	102.00		300.00		
PERA PENSION OTHER REVENUE		202.00		202.00		
RENTAL PROPERTY INCOME	6,343.00	6,525.00	2,295.00	6,000.00		
WATER SALES COMM & RES/COMPUT	2,121,381.00	2,252,750.00	2,200,002.00	2,240,089.00	approximately 2% to include growth, and consistent increase to tier one and monthly charge	
WATER SALES CITY DONATED						
TRANSFER IN FROM CITY	300,000.00			25,000.00	Trunk funds for urban water study	
CUSTOMER PENALTIES	17,142.00	19,262.00	15,000.00	18,000.00		
GAIN ON DISPOSITION OF PROPERTY	1,050.00	7,448.00				
WATER/ACCESS/CONNECTION FEES	358,684.00	743,341.00	100,000.00	200,000.00	Increased to reflect trend over 10 years	
MISC CONNECTION FEES	34,998.00	54,230.00	20,000.00	20,000.00		
MISCELLANEOUS REVENUE	2354	598.00				
HYDRANT MAINTENANCE PROGRAM	8,646.00	9,197.00	7,000.00	7,000.00		
CONTRIBUTIONS FROM DEVELOPERS	73,002.00	55,882.00				
WATER TOWER LEASE	172,997.00	209,920.00	218,317.00	227,050.00		
BULK WATER SALES/HYDRANT RENTAL			5,600.00	4,000.00		
Total Revenue	3,127,876.00	3,391,627.00	2,588,214.00	2,768,491.00		
DEPRECIATION	1,148,310.00	1,191,894.00	1,228,866.00	1,175,214.00		
INTEREST ON BONDS/LONG TERM	58,733.00	51,183.00	42,693.00	33,768.00		
INTEREST ON DEFEASED BONDS	-746.00	(829.00)	(829.00)	(829.00)		
LOSS ON DISPOSITION OF PROP	0.00	5,099.00	1,000.00	-		
DAM MAINTENANCE EXPENSE	0.00	339.00		500.00		
PENSION EXPENSE	14,610.00	244,319.00	5,000.00	5,000.00		
INTEREST PD ON METER DEPOSITS	23.00	27.00	25.00	500.00		
RENTAL PROPERTY EXPENSE	3,120.00	2,657.00	1,242.00	1,500.00		
Total Other Exp	1,224,050.00	1,494,689.00	1,277,997.00	1,215,653.00		
MTCE OF STRUCTURES	40,228.00	42,916.00	50,000.00	51,500.00		
TOWER & GROUNDS INSPECTION	140.00	-				
Total Production	40,368.00	42,916.00	50,000.00	51,500.00		
SUPERVISION	53,995.00	52,845.00	60,327.00	63,464.31		
ELECTRIC & GAS UTILITIES	206,237.00	202,180.00	230,000.00	220,000.00	Account name change (was Supplies and Expense)	
SAMPLING	14,910.00	15,386.00	16,122.00	18,000.00		
CHEMICAL FEED	23,796.00	27,375.00	30,000.00	27,000.00		
MTCE OF ELECT PUMPING EQUIP	0.00	27.00	-			
MTCE OF WELLS	147,254.00	148,937.00	250,586.00	200,000.00	2018 budgeted high	
SCADA - PUMPING	6,823.00	10,717.00	12,513.00	12,000.00		
Total Pumping	453,015.00	457,467.00	599,548.00	540,464.31		
MTCE OF WATER MAINS	41,639.00	37,029.00	87,631.00	90,000.00		
LOCATE WATER LINES	10,843.00	13,150.00	15,066.00	15,500.00	Combining accounts	
LOCATE WATER MAIN	154.00	33.00	200.00	-	Combining accounts	
MTCE OF WATER SERVICES	0.00	387.00	-			
WATER METER SERVICE	10,648.00	7,294.00	36,042.00	42,000.00		
MTCE OF CUSTOMERS SERVICE	20,079.00	20,169.00	25,092.00	25,000.00		
WATER MAPPING	5,026.00	16,971.00	16,000.00	16,000.00		
MTCE OF WATER HYDRANTS - PUBLIC	29,489.00	26,461.00	19,213.00	27,000.00		
MTCE OF WATER HYDRANTS - PRIVATE			11,900.00	12,000.00		
WATER CLOTHING/PPE/TOOLS/MISC DIST	3,739.00	3,859.00	7,000.00	7,000.00		
WAGES/WATER	5,661.00	5,714.00	15,041.00	7,663.75		
TRANSPORTATION EXPENSE	10,474.00	11,842.00	15,000.00	15,000.00		
GENERAL EXP/WATER PERMIT	11,968.00	11,396.00	15,000.00	15,000.00		
Total Distribution	149,720.00	154,305.00	263,185.00	272,163.75		
METER READING EXPENSE	7,809.00	9,272.00	10,051.00	10,000.00		
MISC CUSTOMER ACCTS EXP-COMP	67,755.00	53,051.00	55,000.00	60,500.00	includes \$200 for customer engagement	
CUST BLGS NOT PD/SENT FOR COLL	0.00	365.00	1,000.00	1,000.00		
Total Customer Exp	75,564.00	62,688.00	66,051.00	71,500.00		
SALARIES/OFFICE & COMMISSION	167,578.00	177,080.00	197,985.00	199,067.86		
TEMPORARY STAFFING	0.00		1,000.00	1,000.00		
OFFICE SUPPLIES & EXPENSE	24,162.00	23,468.00	28,000.00	34,000.00	includes \$11,000 for IT projects	
LT & WATER CONSUMPTION/OFFICE	7,152.00	9,437.00	8,000.00	8,000.00		
BANK CHARGES	718.00	711.00	1,000.00	1,000.00		
LEGAL FEES	5,146.00	4,896.00	5,000.00	7,000.00		
AUDITING FEES	3,716.00	6,743.00	3,900.00	4,020.00		
INSURANCE	23,358.00	24,110.00	27,015.00	30,000.00		
UTILITY SHARE DEF COMP	4,436.00	18,317.00	10,000.00	19,000.00		
UTIL SH OF MEDICAL/DENTAL/DISA	135,489.00	139,028.00	146,000.00	152,000.00		
UTILITY SHARE OF PERA	22,136.00	40,952.00	44,000.00	45,000.00		
UTILITY SHARE OF FICA	22,507.00	38,988.00	44,000.00	45,000.00		
EMPLOYEES SICK PAY	21,923.00	20,602.00	20,000.00	37,000.00		
EMPLOYEE HOLIDAY PAY			25,850.00	25,850.00		
EMPLOYEE VACATION	64,919.00	55,557.00	35,698.00	36,000.00		
UMPIC DISTRIBUTION			-	12,000.00	New account, was included in 920.9201 previously	
MISCELLANEOUS - WELLHEAD PROT	1,038.00	80.00	1,000.00	1,000.00		
CONSULTING	3,450.00	7,933.00	20,000.00	5,000.00		
TELEPHONE	5,835.00	5,199.00	5,292.00	5,300.00		
ADVERTISING	3,086.00	4,620.00	6,000.00	8,000.00		
DUES & SUBSCRIPTIONS - FEES	40,477.00	39,322.00	41,000.00	42,000.00		
TRAVEL EXPENSE	1,607.00	4,177.00	-		No longer used - combined with account below	
SCHOOLS & MEETINGS	19,295.00	16,253.00	38,350.00	29,594.00	Combined with account above	
MTCE GEN PLANT/OFF HTG	1,859.00	1,720.00	2,700.00	2,500.00		
Total Admin	579,887.00	639,193.00	711,790.00	749,331.86		

Description	2016 Actual	2017 Actual	2018 Budget	2019 Budget	Notes and Explanations	
CONSERVATION IMP PROGRAM	8,940.00		-			
CIP REBATES - RESIDENTIAL		3,939.00	4,500.00	4,500.00		
CIP REBATES - COMMERCIAL		125.00	500.00	500.00		
CIP - ADMINISTRATION		731.00	1,014.00	1,014.00		
CIP - MARKETING		480.00	750.00	750.00		
CIP - LABOR		4,369.00	5,009.00	5,009.00		
ENVIRONMENTAL COMPLIANCE	532.00	516.00	603.00	600.00		
MISC GENERAL EXPENSE	47.00	(3.00)	1,012.00			
Total General	9,519.00	10,157.00	13,388.00	12,373.00		
WATER AND LABOR DONATED	0.00	-	500.00	-		
Total Expense Budget	2,522,604.00	2,861,415.00	2,982,459.00	2,912,985.92	-2.33%	

**Elk River Municipal Utilities Business Plan/Budget
2019 Electric Department Capital Budget**

Capital Construction Projects - Non-Recurring Normal Distribution, Feeders, and Substations

	Cost	Description	
	\$ 200,000	Downtown Street Lights	
	\$ 250,000	Equipment storage building at west sub	Reserves
	\$ 100,000	Edison street rebuild	
	\$ 150,000	Jarvis street rebuild	
	\$ 50,000	Area 5&6 rebuild	
	\$ 180,000	Area 7&8 prep	
	\$ 50,000	Otsego Street Lights	
	\$ 500,000	Miske Meadow Feeder	
	\$ 100,000	199th rebuild	
	\$ 175,000	185th Ave rebuild	
	\$ 75,000	Cty Rd 13 Roundabouts	
Subtotal	\$ 1,830,000		

Capital Construction Projects - Recurring

	Cost	Description	
	\$ 200,000	Transformers and Meters	
	\$ 350,000	New Development Distribution Installation	
	\$ 50,000	Ongoing OH Equip Replacement (Poles, Switches, Cut-Outs)	
	\$ 100,000	Ongoing URD Equip Replacement (Switches, J-Boxes, Fuse Pads)	
	\$ 30,000	Street Lighting Replacement	
	\$ 500	Territory Acquisition - Loss of Revenue payment (1991 contract)	
	\$ 699,735	Territory Acquisition - Loss of Revenue payment (2015 contract - Area 1&2, 3&4)	Reserves
	\$ 100,000	Area 7&8 Acquisition	Reserves
	\$ -	Additional Feeders	
Subtotal	\$ 1,530,235		

Administration Noteworthy Non-Recurring Expenses

	Cost	Description
	\$ 1,200	Sit/Stand Desk
	\$ 5,000	Chairs in plant breakroom
Subtotal	\$ 6,200	

Capital Equipment Needs

	Cost	Description
	\$ 9,000	Laptop Computers, Ipads, Software, Accessories
	\$ 2,000	SCADA equipment
	\$ -	Pickup Trucks None for the electric department this year.
		Replace Digger Truck #10 with new 2020 \$275,000
	\$ 250,000	Replace Bucket Truck #8 with new
	\$ 75,000	Vactron
	\$ -	Frostchain purchased 2018
	\$ 20,000	Multi-purpose utility vehicle (80%) 20% water dept
	\$ 137,280	80% share of Administration and Technical Services
Subtotal	\$ 493,280	

Total \$ 3,859,715

**Elk River Municipal Utilities Business Plan/Budget
2019 Administration and Technical Services Departments Capital Budgets**

Administration Capital Equipment Needs

	Cost	Description
	\$ 17,000	Computer, Software, Accessories - Upgrades
	\$ 5,000	Network upgrade for firewall failover
Subtotal	\$ 22,000	

Administration Noteworthy Non-Recurring Expenses

	Cost	Description
	\$ 30,000	Office Furniture (includes a tech upgrade for the commission room)
	\$ 1,000	printers/scanners
	\$ 15,000	Handicap accessibility front entrance
Subtotal	\$ 46,000	
Total	\$ 68,000	

Technical Services Capital Equipment Needs

	Cost	Description
	\$ 10,200	Computers, Software, Accessories - Upgrades
		Diesel Engines Emission Retrofit \$ 350,000 Currently designated as emergency standby,
		Diesel Plant to run on Natural gas. \$ 20,000 Deferred until MMPA transition
		upgrade tanks per inspection issues \$25,000 Deferred until 2020 or later
	\$ 20,000	Fiber Extension Buildout
	\$ 45,000	replace truck #14
	\$ 6,000	radio upgrades
Subtotal	\$ 81,200	

Technical Services Noteworthy Non-Recurring Expenses

	Cost	Description
	\$ 2,400	Sit/Stand desks
		? Mobile Access Software 10,000 deferred until 2020 or later
	\$ 20,000	AMI Pilot testing
		58
Subtotal	\$ 22,400	
Total	\$ 103,600	

**Elk River Municipal Utilities Business Plan/Budget
2019 Water Department Capital Budget**

Water Capital Construction Needs

Cost	Description	
\$ 20,000	Well #6 Roof Replacement	
\$ 20,000	Sandblast/Paint Freeport Booster Station	
\$ 12,000	Wash Freeport Tower	
\$ 700,000	Recondition Auburn Tower	Reserves
\$ 10,000	New Fall Protection for Johnson Tower	
\$ 300,000	Well #8 building	Reserves
\$ 100,000	Facility Repair	
\$ 15,000	Gary Street reconditioning plans and specs	

Subtotal \$ 1,177,000

Water Noteworthy Non-Recurring Expenses

Cost	Description	
\$ 7,000	Computers	
\$ 10,000	Meters/ERT	
\$ 15,000	Miscellaneous Tower Repairs/Maintenance	
\$ -	Jackson Water Tower	\$90,000 Reserves
\$ 25,000	Urban Services District Study	(funded from trunk funds)

Subtotal \$ 57,000

Capital Equipment Needs

Cost	Description	
\$ -	Trucks	None for the water department this year.
\$ 5,000	Multi-purpose utility vehicle (20%)	80% electric dept
\$ 34,320	20% share of Administration and Technical Services	
\$ -	Field Services Facility site work	
Subtotal	\$ 39,320	

Total \$ 1,273,320

**ELK RIVER MUNICIPAL UTILITIES
TRAINING AND TRAVEL BUDGET FOR 2019**

		Budget 2017	Budget 2018	Budget 2019	
<u>ELECTRIC</u>					
MMUA Overhead Hot Line School	3 people	3,165.00	3,165.00	3,165.00	
MMUA Underground School	3 people	3,165.00	3,165.00	3,165.00	
MMUA Transformer School	3 people	3,165.00	3,510.00	3,510.00	
MMUA Substation Workshop	2 people	2,110.00	2,110.00	2,110.00	
1st Line Supervision	1 person	1,470.00	1,700.00	1,700.00	
Apprenticeship	3 people	1,602.00	2,200.00	1,650.00	4 Apprentices in 2018
MMUA Meter School	2 people	1,940.00	1,940.00	1,940.00	
MMUA Locator Workshop	2 people	720.00	720.00	720.00	
Regional Workshop	10 people	650.00	650.00	650.00	
Infrared Camera training	1 person		750.00	750.00	
GPS	1 person	750.00	750.00	750.00	
APPA Linemen Rodeo team	3 people	4,284.00	4,284.00	4,284.00	Colorado Springs 2019
Cross Training School/Diesel Workshop	2 people		1,910.00	1,910.00	
PCB Training	1 person	1,428.00	1,428.00	1,428.00	
Member Information Conf (NISC)	1 person	1,800.00	1,800.00	1,800.00	
MMUA T&O Conference	2 people			850.00	Inventory Foreperson attending partial
Additional Training		2,000.00	2,000.00	2,001.00	
		28,249.00	32,082.00	32,383.00	1%
<u>WATER</u>					
Water Certification Continuing Education	3 people	2,000.00	2,000.00	2,000.00	
Wastewater Certification Continuing Education	3 people	1,500.00	1,500.00	1,500.00	
Additional Training		2,500.00	2,500.00	2,500.00	
		6,000.00	6,000.00	6,000.00	0%
<u>TECHNICAL SERVICES</u>					
MMUA Locator Workshop	1 person		750.00	750.00	
MMUA Staking Workshop	1 person		750.00	750.00	
MMUA Diesel Workshop	1 person	750.00	750.00	750.00	
Engineering seminar	1 person		2,000.00	2,000.00	
Engineering MPSYCON	1 person			875.00	
UMMA Meter Workshop	1 person	1,806.00	903.00	903.00	
CAD Workshops/GPS	2 people	750.00		2,000.00	
ESRI User Conference	1 person		2,845.00	-	
Substation School	1 person		890.00	890.00	
Power Quality training			750.00	751.00	
Infrared Camera training	1 person	700.00		1,000.00	
UMMA winter mtg	2 people	653.00	800.00	800.00	
UMMA summer mtg	1 person	653.00	400.00	400.00	
1st Line Supervision					
Electrical Licensing	1 person	360.00	360.00	361.00	
Cross Training School	1 person		890.00	890.00	
Apprentice Meter Program (2)		4,800.00			
Additional Training		1,000.00	1,000.00	1,001.00	
		11,472.00	13,088.00	14,121.00	8%
<u>ADMINISTRATION</u>					
AWWA Water Certification Continuing Education		1,600.00	1,700.00	1,700.00	
MRWA Water Certification Continuing Education		500.00			
Wastewater Certification Continuing Education		500.00	100.00	100.00	
MV-RS Meter/Software training	1 staff	-			
AWWA National Conference		3,000.00	2,100.00	-	
Water Utility Management Institute				605.00	
Engineering MPSYCON	1 staff			875.00	
MMUA Annual Summer Meeting	3 staff/ 5 comm	4,525.00	7,090.00	7,090.00	
MMUA Legislative Round-up	2 staff/0 comm	1,370.00	870.00	870.00	
APPA Legislative Round-up	1 staff/1 comm	4,650.00	2,950.00	2,950.00	
MMUA T&O Conference	4 staff	2,400.00	2,400.00	2,400.00	
Clerk's Conference		950.00	950.00	800.00	
MMUA Leadership Academy	1 staff	3,000.00	6,220.00	3,110.00	
APPA E&O Conference	3 staff	4,140.00	4,140.00	6,185.00	Colorado Springs 2019
APPA National Conference	1 staff/0 comm	4,940.00	1,800.00	1,800.00	Texas 2019
1st Line Supervision	2 staff		3,400.00	3,400.00	
Member Information Conf (NISC)	3 staff		3,600.00	5,400.00	New OT position attending
APPA Training (Mgmt, CS, Fin, Eng, CIP, etc)		2,140.00	2,500.00	2,500.00	
Management Training		3,000.00	5,000.00	5,000.00	
Additional Training		1,000.00	1,000.00	1,000.00	
		37,715.00	45,820.00	45,785.00	0%
<u>OFFICE</u>					
Member Information Conf (NISC)	2 staff	9,000.00	5,400.00	3,600.00	OT position under admin group
Customer Service		3,500.00	3,500.00	1,750.00	
Publishing and Design Software tmg	1 staff	1,000.00		1,000.00	New Communications position attending
Chamber Leadership Program	1 person	350.00	400.00	400.00	
Financial/Accounting (APA, CPA, SHRM & General)			2,925.00	2,925.00	
Additional Training		1,000.00	1,000.00	1,001.00	
		14,850.00	13,225.00	10,676.00	-19%
<u>SAFETY TRAINING</u>					
Safe Driver Training		2,100.00	2,100.00	2,100.00	
Hearing Test		700.00	700.00	700.00	
MMUA Monthly Safety Meetings		26,600.00	28,850.00	29,200.00	
		29,400.00	31,650.00	32,000.00	1%
<u>EDUCATION</u>					
		3,000.00	3,000.00	3,000.00	
		130,686.00	144,865.00	143,965.00	

Increase	8.6%	10.8%	-0.6%
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**ELK RIVER MUNICIPAL UTILITIES
DUES/SUBSCRIPTIONS/FEE BUDGET FOR 2019**

	Budget 2017	Budget 2018	Budget 2019	
MMUA Membership Dues	28,500.00	28,850.00	30,679.20	
MMTG Dues	5,942.33	5,942.33	6,550.00	
APPA Dues	15,500.00	15,500.00	15,500.00	
APPA DEED Program Dues	2,600.00	3,100.00	3,100.00	
APPA Customer Survey Benchmarking			1,200.00	new, participation provides report for comparative information
MCMU Membership Dues	250.00	-	-	
CRC Membership	250.00	-	-	
Rotary	250.00	300.00	300.00	
Drug and Alcohol Random Testing	900.00	961.00	961.00	
Software Support	135,600.00	135,600.00	135,600.00	
Bond Administrative & Management Fees	1,350.00	1,350.00	1,700.00	
Miscellaneous	1,000.00	1,000.00	1,000.00	
SCADA OSI Fee (GRE)	7,000.00	14,000.00	25,000.00	Increased per agreement review (undercharged previously)
800 Mhz Radio Licensing	2,700.00	3,675.00	3,675.00	
Publications	600.00	387.00	387.00	
Quarterly MN Dept of Health Water Connection Fee	32,000.00	32,000.00	32,000.00	
MRWA Annual Fee	235.00	250.00	270.00	
AWWA Annual Fee (Dues and Updates)	1,050.00	1,082.00	2,126.00	
Annual Report on Water Use - DNR (WTP)	11,000.00	11,260.00	11,755.00	
MPCA Permit Fee - WTP	500.00	345.00	345.00	
MPCA Permit Fee - Engines	500.00	586.00	586.00	
Homeland Security (Hazardous Chemical Fee)	700.00	700.00	725.00	
SUSA Membership	125.00	125.00	125.00	
Annual Report on Water Use - DNR (Engines)	140.00	140.00	140.00	
I-94 Chamber Membership	500.00			
Elk River Chamber Membership	500.00	500.00	500.00	
Economic Development Association	250.00	295.00	295.00	
GASB Subscription	250.00	250.00	265.00	
BNSF Railway Crossings	2,250.00	-	-	
ESRI Maintenance Support	1,900.00	2,281.00	2,752.00	
AutoCAD Maintenance Support		1,590.00	2,150.00	
Inframap Software Maintenance			3,200.00	new in 2018
Itron Software for Metering Billing	4,086.77	12,705.00	13,165.00	
Vistapoint Phone System Support		1,010.00	1,010.00	
Charging Station Warranty & Service		1,000.00	3,860.00	5 year warranty service portion for 2019
Adobe Creative Cloud software		900.00	1,800.00	upgrade to allow editing of files
Adobe software			52.00	
Border States Electric Barcoding Support		550.00	550.00	
Resource Training & Solutions membership		190.00	190.00	
Munici-pals Membership		25.00	25.00	
Survey Monkey		300.00	300.00	
Partnership Safe Water			300.00	new 2019
Drive Electric			500.00	new 2019 CIP
Mobile Workforce - implementation 2018	tbd	tbd	tbd	
App Suite - potential implementation 2018	tbd	tbd	tbd	
iVue Connect (one time purchase)	9,000.00			
Mosaic (one time purchase)	7,744.00			
	<u>275,173.10</u>	<u>278,749.33</u>	<u>304,638.20</u>	
	19.3%	1.3%	9.3%	

2019 CIP Operating Budget

Required Spending and Savings Goals

Total Spending Requirement 1.5% of GOR	\$ 529,797.21
Low Income .2% of Residential GOR	\$ 23,784.94
Minimum Conservation Spending Requirement	\$ 264,898.61
Maximum Load Management Spending Requirement	\$ 264,898.61
Customer Side of the Meter Savings Goal (kWh)	2,664,162
Distribution Savings Goal (kWh)	1,332,081

Total CIP Budget 2019

Direct Labor	\$ 107,059
General & Administration	\$ 47,775
Advertising	\$ 33,600
Equipment	\$ 21,125
Contract (Includes \$25,000 MN PUC Assessment)	\$ 59,500
Total	\$ 269,059
ERMU Rebates	\$ 264,750
Great River Energy Rebates (Estimated)	\$ -
Total all Expenses and Rebates	\$ 533,809
Total Estimated kWh Savings	2,820,287

Total Operating CIP Budget No Rebates Only Direct Costs

Direct Labor	\$ 107,059
Advertising	\$ 33,600
Equipment	\$ 21,125
Contract (Includes \$25,000 MN PUC Assessment)	\$ 59,500
Total ERMU Operating Expenses	\$ 221,284

*Note: \$47,775 is not included in \$221,284

Total Rebate Budget

ERMU Self Funded	\$ 264,750
Great River Energy	\$ -
	\$ 264,750

Total Requested Budget

Direct Labor	\$ 107,059
Advertising	\$ 33,600
Equipment	\$ 21,125
Contract (Includes \$25,000 MN PUC Assessment)	\$ 59,500
ERMU Self Funded Rebates	\$ 264,750
Total Requested 2019 Budget*	\$ 486,034

*No General and Administrative Included



2019 Schedule of Rates & Fees

ELK RIVER MUNICIPAL UTILITIES

Residential All Electric Service Rate

Available: Within Elk River Municipal Utilities (ERMU) established service territory.

Applicable: To single-family residences and individually metered apartments for all domestic purposes with electric energy as a sole source of heating and lighting and when all service is supplied through a single meter, provided ratings of individual single-phase motors do not exceed five (5) horsepower.

Character of Service: AC, 60 cycles, 120/240 volt, three wire, single-phase.

Special Conditions: Residential service to a multiple dwelling or apartment house through a single meter is allowed for existing services only. Service under this rate schedule shall not be sub-metered and resold to the individual tenants on the basis of usage and the cost of electric service to the tenant must be furnished without specific charge or price which varies with the quantity of energy used.

Any apartment or dwelling unit which has separate permanent kitchen facilities shall be considered as one single family private residence.

Meter to be accessible to our service department at any time.

Residential All Electric Service Rate:

Basic Monthly Electric Charge: \$13.50 per month

Summer

\$0.1270 / kWh / month

Winter

\$0.1160 / kWh / month

Summer Rate: Applicable during the five monthly billing periods of June – October. Summer rates are subject to sales tax.

Winter Rate: Applicable during the seven monthly billing periods of November – May. Winter rates are sales tax exempt.

Rates are subject to application of Power Cost Adjustment (PCA).

Minimum Bill: The Basic Monthly Electric Charge.

Terms of Payment: Bills are due and payable upon receipt and are considered delinquent if not paid by the due date noted on the bill. There will be a ten (10) percent late payment charge added to all accounts that are not paid by the due date.

Terms and Conditions:

1. Usage may be fractionalized on the actual days of service for application of a change in rate or changing from summer to winter or from winter to summer rates.

ELK RIVER MUNICIPAL UTILITIES

Residential All Electric Service Rate

2. Service will be furnished pursuant to Elk River Municipal Utilities' customer service rules.
3. Extensions made for service under this schedule are subject to the provisions of Elk River Municipal Utilities' rules governing Extension of Service and Facilities.
4. The rates set forth herein may be modified by the amount of any governmental changes imposed and levied on transmission, distribution, production, or the sale of electrical power.
5. Exceptions by management approval only.

Adopted December 11, 2018
Effective January 1, 2019

ELK RIVER MUNICIPAL UTILITIES

Residential Electric Service Rate

Available: Within Elk River Municipal Utilities (ERMU) established service territory.

Applicable: To single-family residences and individually metered apartments for all domestic purposes when all service is supplied through a single meter, provided ratings of individual single-phase motors do not exceed five (5) horsepower.

Character of Service: AC, 60 cycles, 120/240 volt, three wire, single-phase.

Special Conditions: Residential service to a multiple dwelling or apartment house through a single meter is allowed for existing services only. Service under this rate schedule shall not be sub-metered and resold to the individual tenants on the basis of usage and the cost of electric service to the tenant must be furnished without specific charge or price which varies with the quantity of energy used.

Any apartment or dwelling unit which has separate permanent kitchen facilities shall be considered as one single family private residence.

Meter to be accessible to our service department at any time.

Residential Electric Service Rate:

Basic Monthly Electric Charge: \$13.50 per month

Summer

\$0.1270 / kWh / month

Winter

\$0.1160 / kWh / month

Summer Rate: Applicable during the five monthly billing periods of June – October.

Winter Rate: Applicable during the seven monthly billing periods of November – May.

Rates are subject to application of Power Cost Adjustment (PCA).

Sales tax is applicable.

Minimum Bill: Basic Monthly Electric Charge.

Terms of Payment: Bills are due and payable upon receipt and are considered delinquent if not paid by the due date noted on the bill. There will be a ten (10) percent late payment charge added to all accounts that are not paid by the due date.

Terms and Conditions:

1. Usage may be fractionalized on the actual days of service for application of a change in rate or changing from summer to winter or from winter to summer rates.
2. Service will be furnished pursuant to Elk River Municipal Utilities' customer service rules.

ELK RIVER MUNICIPAL UTILITIES

Residential Electric Service Rate

3. Extensions made for service under this schedule are subject to the provisions of Elk River Municipal Utilities' rules governing Extension of Service and Facilities.
4. The rates set forth herein may be modified by the amount of any governmental changes imposed and levied on transmission, distribution, production, or the sale of electrical power.
5. Exceptions by management approval only.

Adopted December 11, 2018
Effective January 1, 2019

ELK RIVER MUNICIPAL UTILITIES

Non-Demand All Electric Service Rate

Available: Within Elk River Municipal Utilities (ERMU) established service territory.

Applicable: Available for non-residential customer accounts. Existing or new Customer accounts with actual or projected demands of less than 50 kW for the previous 12 consecutive months if applicable. When the Customer achieves an actual maximum demand of 50 kW or greater, the Customer will be placed on the Demand Electric Service rate in the next billing cycle. The Customer accounts shall be in compliance with all policies, procedures, and safety requirements, and shall be taken through one meter. Rating of individual single-phase motors and other single-phase power and heating units served under this schedule shall not exceed ten (10) horsepower (or 7.355 kW) except by special permission. (Not applicable to resale, standby or auxiliary service.)

Character Of Service: AC, 60 cycles, 120 volts or 120/240 volts, single-phase; 120/208 volts, or 277/480 volts, three-phase. Four wire, 240 volts three phase will only be applicable to existing customers now being served by this voltage. A Customer requiring voltages other than that already established by Elk River Municipal Utilities shall be required to provide suitable space and location for Elk River Municipal Utilities' transformers, metering and associated equipment.

Special Conditions: One meter shall be installed to service one class of business. If additional buildings are required for a given business, they shall be interconnected by the customer to obtain one meter. If additional meters and services are requested by the customer, each shall be treated as a separate customer and billed individually.

Installation of Demand Meter: At the option of Elk River Municipal Utilities, a demand meter may be installed on any customer whose monthly usage exceeds 15,000 kWh.

Meter must be accessible to our service department at any time.

Non-Demand All Electric Service Rate:

Basic Monthly Electric Charge: \$30.00 per month

Summer

\$0.1230 / kWh / month

Winter

\$0.1030 / kWh / month

Summer Rate: Applicable during the five monthly billing periods of June – October. Summer rates are subject to sales tax unless an exemption is filed.

Winter Rate: Applicable during the seven monthly billing periods of November – May. Winter rates are sales tax exempt and may require an exemption to be filed.

Rates are subject to application of Power Cost Adjustment (PCA).

Minimum Bill: The Basic Monthly Electric Charge plus \$1.00 per kVA per month of excess transformer capacity requested by customer.

ELK RIVER MUNICIPAL UTILITIES

Non-Demand All Electric Service Rate

In case of equipment having abnormally low annual utilization factors or unusual operating characteristics, special minimum charges may be prescribed by Elk River Municipal Utilities.

Power Factor Adjustment: The rates set forth in this schedule are based on the maintenance by the Customer of a power factor of not less than 95% at all times. If the power factor, as measured by the electric department, is lower than 95%, the monthly demand charge may be multiplied by the ratio 95% divided by the measured power factor, or at Elk River Municipal Utilities' option, the power factor may be corrected at the Customer's expense.

Fluctuating Loads: Customers operating equipment having a highly fluctuating or large instantaneous demand, such as welders and X-ray machines, shall be required to pay all non-betterment costs of isolating the load from the balance of Elk River Municipal Utilities' lines. No motor larger than ten (10) HP (or 7.355 kW) will be allowed to be across-the-line started without notification and written authorization from Elk River Municipal Utilities. In addition, Customers who fail to provide adequate corrective equipment shall be required to own and maintain their own transformers.

Terms of Payment: Bills are due and payable upon receipt and are considered delinquent if not paid by the due date noted on the bill. There will be a ten (10) percent late payment charge added to all accounts that are not paid by the due date.

Terms and Conditions:

1. Usage may be fractionalized on the actual days of service for application of a change in rate or changing from summer to winter or from winter to summer rates.
2. Service will be furnished under the Elk River Municipal Utilities' rules.
3. Extensions made for service under this schedule are subject to the provisions of Elk River Municipal Utilities' rules governing Extension of Service and Facilities.
4. The rate set forth herein may be modified by the amount of any governmental changes imposed and levied on transmission, distribution, production, or the sale of electrical power.
5. Exceptions by management approval only.

Adopted December 11, 2018
Effective January 1, 2019

ELK RIVER MUNICIPAL UTILITIES

Non-Demand Electric Service Rate

Available: Within Elk River Municipal Utilities (ERMU) established service territory..

Applicable: Available for non-residential customer accounts. Existing or new Customer accounts with actual or projected demands of less than 50 kW for the previous 12 consecutive months if applicable. When the Customer achieves an actual maximum demand of 50 kW or greater, the Customer will be placed on the Demand Electric Service rate in the next billing cycle. The Customer accounts shall be in compliance with all policies, procedures, and safety requirements, and shall be taken through one meter. Rating of individual single-phase motors and other single-phase power and heating units served under this schedule shall not exceed ten (10) horsepower (or 7.355 kW) except by special permission. (Not applicable to resale, standby or auxiliary service.)

Character Of Service: AC, 60 cycles, 120 volts or 120/240 volts, single-phase; 120/208 volts, or 277/480 volts, three-phase. Four wire, 240 volts three phase will only be applicable to existing customers now being served by this voltage. A Customer requiring voltages other than that already established by Elk River Municipal Utilities shall be required to provide suitable space and location for Elk River Municipal Utilities' transformers, metering and associated equipment.

Special Conditions: One meter shall be installed to service one class of business. If additional buildings are required for a given business, they shall be interconnected by the customer to obtain one meter. If additional meters and services are requested by the customer, each shall be treated as a separate customer and billed individually.

Meter must be accessible to our service department at any time.

Non-Demand Service Rate:

Basic Monthly Electric Charge: \$30.00 per month

Summer

\$0.1230 / kWh / month

Winter

\$0.1030 / kWh / month

Summer Rate: Applicable during the five monthly billing periods of June – October.

Winter Rate: Applicable during the seven monthly billing periods of November – May.

Rates are subject to application of Power Cost Adjustment (PCA).

Sales tax applicable unless exemption is filed.

Minimum Bill: The Basic Monthly Electric Charge plus \$1.00 per kVA per month of excess transformer capacity requested by customer.

In the case of equipment having abnormally low annual utilization factors or unusual operating characteristics, special minimum charges may be prescribed by Elk River Municipal Utilities.

ELK RIVER MUNICIPAL UTILITIES

Non-Demand Electric Service Rate

Power Factor Adjustment: The rates set forth in this schedule are based on the maintenance by the Customer of a power factor of not less than 95% at all times. If the power factor, as measured by the electric department, is lower than 95%, the monthly demand charge may be multiplied by the ratio 95% divided by the measured power factor, or at Elk River Municipal Utilities' option, the power factor may be corrected at the Customer's expense.

Fluctuating Loads: Customers operating equipment having a highly fluctuating or large instantaneous demand, such as welders and X-ray machines, shall be required to pay all non-betterment costs of isolating the load from the balance of Elk River Municipal Utilities' lines. No motor larger than ten (10) HP (or 7.355 kW) will be allowed to be across-the-line started without notification and written authorization from Elk River Municipal Utilities. In addition, Customers who fail to provide adequate corrective equipment shall be required to own and maintain their own transformers.

Terms of Payment: Bills are due and payable upon receipt and are considered delinquent if not paid by the due date noted on the bill. There will be a ten (10) percent late payment charge added to all accounts that are not paid by the due date.

Terms and Conditions:

1. Usage may be fractionalized on the actual days of service for application of a change in rate or changing from summer to winter or from winter to summer rates.
2. Service will be furnished under the Elk River Municipal Utilities' rules.
3. Extensions made for service under this schedule are subject to the provisions of Elk River Municipal Utilities' rules governing Extension of Service and Facilities.
4. The rate set forth herein may be modified by the amount of any governmental changes imposed and levied on transmission, distribution, production, or the sale of electrical power.
5. Exceptions by management approval only.

Installation of Demand Meter: At the option of Elk River Municipal Utilities, a demand meter may be installed on any customer whose monthly usage exceeds 15,000 kWh.

Adopted December 11, 2018
Effective January 1, 2019

ELK RIVER MUNICIPAL UTILITIES

Demand All Electric Service Rate

Available: Within Elk River Municipal Utilities (ERMU) established service territory.

Applicable: Available for non-residential customer accounts. Existing or new Customer accounts with actual or projected demand greater than or equal to 50 kW. A Customer account with a billing demand of less than 50 kW for 12 consecutive months will be given the option of switching to the Non-Demand rate. The Customer accounts shall be in compliance with all policies, procedures, and safety requirements, and shall be taken through one meter. (Not applicable to resale, standby or auxiliary service.)

Character Of Service: AC, 60 cycles, 120 volts or 120/240 volts, single-phase; 120/208 volts, or 277/480 volts, three-phase. Four wire, 240 volts three-phase will only be applicable to existing customers now being served by this voltage. A customer requiring voltages other than that already established shall be required to provide suitable space and location for Elk River Municipal Utilities transformers, metering and associated equipment.

Special Conditions: One meter shall be installed to service one class of business. If additional buildings are required for a given business, they shall be interconnected by the customer to obtain one meter, unless an exception is approved by management. If additional meters and services are requested by the customer, each shall be treated as a separate customer and billed individually.

Meter to be accessible to our service department at any time.

Demand Service Rate:

Basic Monthly Electric Charge: \$75.00 per month.

	<u>Summer</u>	<u>Winter</u>
Demand Charge:	\$15.50	\$11.50 in kW / month
Energy Charge:	\$ 0.0651	\$ 0.0651 in kWh / month

Summer Rate: Applicable during the five monthly billing periods of June – October. Summer rates are subject to sales tax unless an exemption is filed.

Winter Rate: Applicable during the seven monthly billing periods of November – May. Winter rates are sales tax exempt and may require an exemption to be filed.

Rates are subject to application of Power Cost Adjustment (PCA).

Minimum Bill: Maximum billing demand during previous twelve months times 3.0% of the demand charge, or the actual demand multiplied by the demand charge, whichever is greater plus \$1.00 per kVA per month of excess transformer capacity requested by customer.

Determination of Billing Demand: The billing demand shall be the highest measured demand (corrected for power factor if required) during any fifteen (15) minute period occurring in the current billing period. But in no month shall the billing demand be

ELK RIVER MUNICIPAL UTILITIES

Demand All Electric Service Rate

greater than the value in kW determined by dividing the kWh sales for the billing month by 75 hours per month. This billing adjustment applies only if the customer's peak demand DOES NOT occur between the hours of 3:00 p.m. and 10:00 p.m.

Fluctuating Loads: Customers operating equipment having a highly fluctuating or large instantaneous demand, such as welders and X-ray machines, shall be required to pay all non-betterment costs of isolating the load from the balance of Elk River Municipal Utilities' system so that the load will not unduly interfere with service on Elk River Municipal Utilities' lines. In addition, Customers who fail to provide adequate corrective equipment shall be required to own and maintain their own transformers. No motor larger than ten (10) HP (or 7.355 kW) will be allowed to be across-the-line started without notification and written authorization from Elk River Municipal Utilities.

Power Factor Adjustment: For loads of 50 kW or more, or at the option of Elk River Municipal Utilities for loads of less than 50 kW, power factor adjustments may be made in the billing demand, when the power factor, as determined by test, at the time of the Customer's maximum use is less than 95%. If the power factor, as measured by Elk River Municipal Utilities' electric department, is lower than 95%, the monthly demand charge may be multiplied by the ratio 95% divided by the measured power factor, or at Elk River Municipal Utilities option, the power factor may be corrected at the Customer's expense.

Terms of Payment: Bills are due and payable upon receipt and are considered delinquent if not paid by the due date noted the bill. There will be a ten (10) percent late payment charge added to all accounts that are not paid by the due date.

Terms and Conditions:

1. Usage may be fractionalized on the actual days of service for application of a change in rate.
2. Service will be furnished under Elk River Municipal Utilities rules.
3. Extensions made for service under this schedule are subject to the provisions of Elk River Municipal Utilities' rules governing Extension of Service and Facilities.
4. The rates set forth herein may be modified by the amount of any governmental changes imposed and levied on transmission, distribution, production, or the sale of electrical power.
5. Exceptions by management approval only.

Adopted December 11, 2018
Effective January 1, 2019

ELK RIVER MUNICIPAL UTILITIES

Demand Electric Service Rate

Available: Within Elk River Municipal Utilities (ERMU) established service territory.

Applicable: Available for non-residential customer accounts. Existing or new Customer accounts with actual or projected demand greater than or equal to 50 kW. A Customer account with a billing demand of less than 50 kW for 12 consecutive months will be given the option of switching to the Non-Demand rate. The Customer accounts shall be in compliance with all policies, procedures, and safety requirements, and shall be taken through one meter. (Not applicable to resale, standby or auxiliary service.)

Character Of Service: AC, 60 cycles, 120 volts or 120/240 volts, single-phase; 120/208 volts, or 277/480 volts, three-phase. Four wire, 240 volts three-phase will only be applicable to existing customers now being served by this voltage. A customer requiring voltages other than that already established shall be required to provide suitable space and location for Elk River Municipal Utilities transformers, metering and associated equipment.

Special Conditions: One meter shall be installed to service one class of business. If additional buildings are required for a given business, they shall be interconnected by the customer to obtain one meter, unless an exception is approved by management. If additional meters and services are requested by the customer, each shall be treated as a separate customer and billed individually.

Meter to be accessible to our service department at any time.

Demand Service Rate:

Basic Monthly Electric Charge: \$75.00 per month.

	<u>Summer</u>	<u>Winter</u>
Demand Charge:	\$15.50	\$11.50 in kW / month
Energy Charge:	\$ 0.0651	\$ 0.0651 in kWh / month

Summer Rate: Applicable during the five monthly billing periods of June – October.

Winter Rate: Applicable during the seven monthly billing periods of November – May.

Rates are subject to application of Power Cost Adjustment (PCA).

Sales tax applicable unless exemption is filed.

Minimum Bill: Maximum billing demand during previous twelve months times 3.0% of the demand charge, or the actual demand multiplied by the demand charge, whichever is greater plus \$1.00 per kVA per month of excess transformer capacity requested by customer.

Determination of Billing Demand: The billing demand shall be the highest measured demand (corrected for power factor if required) during any fifteen (15) minute period occurring in the current billing period. But in no month shall the billing demand be

ELK RIVER MUNICIPAL UTILITIES

Demand Electric Service Rate

greater than the value in kW determined by dividing the kWh sales for the billing month by 75 hours per month. This billing adjustment applies only if the customer's peak demand DOES NOT occur between the hours of 3:00 p.m. and 10:00 p.m.

Fluctuating Loads: Customers operating equipment having a highly fluctuating or large instantaneous demand, such as welders and X-ray machines, shall be required to pay all non-betterment costs of isolating the load from the balance of Elk River Municipal Utilities' system so that the load will not unduly interfere with service on Elk River Municipal Utilities' lines. In addition, Customers who fail to provide adequate corrective equipment shall be required to own and maintain their own transformers. No motor larger than ten (10) HP (or 7.355 kW) will be allowed to be across-the-line started without notification and written authorization from Elk River Municipal Utilities.

Power Factor Adjustment: For loads of 50 kW or more, or at the option of Elk River Municipal Utilities for loads of less than 50 kW, power factor adjustments may be made in the billing demand, when the power factor, as determined by test, at the time of the Customer's maximum use is less than 95%. If the power factor, as measured by Elk River Municipal Utilities' electric department, is lower than 95%, the monthly demand charge may be multiplied by the ratio 95% divided by the measured power factor, or at Elk River Municipal Utilities option, the power factor may be corrected at the Customer's expense.

Terms of Payment: Bills are due and payable upon receipt and are considered delinquent if not paid by the due date noted the bill. There will be a ten (10) percent late payment charge added to all accounts that are not paid by the due date.

Terms and Conditions:

1. Usage may be fractionalized on the actual days of service for application of a change in rate.
2. Service will be furnished under Elk River Municipal Utilities rules.
3. Extensions made for service under this schedule are subject to the provisions of Elk River Municipal Utilities' rules governing Extension of Service and Facilities.
4. The rates set forth herein may be modified by the amount of any governmental changes imposed and levied on transmission, distribution, production, or the sale of electrical power.
5. Exceptions by management approval only.

Adopted December 11, 2018
Effective January 1, 2019

ELK RIVER MUNICIPAL UTILITIES

Off-Peak Demand Electric Service Rate

Available: Within Elk River Municipal Utilities (ERMU) established service territory.

Applicable: Available for non-residential customer accounts. Existing or new Customer accounts with actual or projected demand greater than or equal to 50 kW. A Customer account with a billing demand of less than 50 kW for 12 consecutive months will be given the option of switching to the Non-Demand rate. The Customer accounts shall be in compliance with all policies, procedures, and safety requirements, and shall be taken through one meter. (Not applicable to resale, standby or auxiliary service.)

Character Of Service: AC, 60 cycles, 120 volts or 120/240 volts, single-phase; 120/208 volts, or 277/480 volts, three-phase. Four wire, 240 volts three-phase will only be applicable to existing customers now being served by this voltage. A customer requiring voltages other than that already established shall be required to provide suitable space location of Elk River Municipal Utilities transformers, metering and associated equipment.

Special Conditions: One meter shall be installed to service one class of business. If additional buildings are required for a given business, they shall be interconnected by the customer to obtain one meter, unless an exception is approved by management. If additional meters and services are requested by the customer, each shall be treated as a separate customer.

Meter to be accessible to our service department at any time.

Off Peak Demand Service Rate:

Basic Monthly Electric Charge: \$75.00 per month.

	<u>Summer</u>	<u>Winter</u>
Demand Charge:		
On-Peak	\$15.50	\$11.50 in kW / month
Off-Peak	\$ 6.25	\$ 6.25 in kW / month
Energy Charge:	\$.0680	\$.0680 in kWh / month

On-Peak Demand: Actual demand during On-Peak Periods

On-Peak Period: 3:00 PM -10:00 PM weekdays

Off-Peak Demand: Actual demand during Off-Peak Periods less On-Peak Demand

Off-Peak Period: All non On-Peak Periods

Summer Rate: Applicable during the five monthly billing periods of June – October.

Winter Rate: Applicable during the seven monthly billing periods of November – May.

Rates are subject to application of Power Cost Adjustment (PCA).

Sales tax applicable unless exemption is filed.

Minimum Bill: Maximum billing demand during previous twelve months times 3.0% of the demand charge, or the actual demand multiplied by the demand charge, whichever is greater plus \$1.00 per kVA per month of excess transformer capacity requested by customer.

Determination of Billing Demand: The billing demand shall be the highest measured demand (corrected for power factor if required) during any fifteen (15) minute period occurring in the current

ELK RIVER MUNICIPAL UTILITIES

Off-Peak Demand Electric Service Rate

billing period. But in no month shall the billing demand be greater than the value in kW determined by dividing the kWh sales for the billing month by 75 hours per month. This billing adjustment applies only if the customer's peak demand DOES NOT occur between the hours of 3:00 p.m. and 10:00 p.m.

Fluctuating Loads: Customers operating equipment having a highly fluctuating or large instantaneous demand, such as welders and X-ray machines, shall be required to pay all non-betterment costs of isolating the load from the balance of Elk River Municipal Utilities' system so that the load will not unduly interfere with service on Elk River Municipal Utilities' lines. No motor larger than ten (10) HP (or 7.355 kW) will be allowed to be across-the-line started without notification and written authorization from Elk River Municipal Utilities.

In addition, Customers who fail to provide adequate corrective equipment shall be required to own and maintain their own transformers.

Power Factor Adjustment: For loads of 50 kW or more, or at the option of Elk River Municipal Utilities for loads of less than 50 kW, power factor adjustments will be made in the billing demand, when the power factor, as determined by test, at the time of the Customer's maximum use is less than 95%. If the power factor, as measured by Elk River Municipal Utilities' electric department, is lower than 95%, the monthly demand charge may be multiplied by the ratio 95% divided by the measured power factor, or at Elk River Municipal Utilities' option, the power factor may be corrected at the Customer's expense.

Terms of Payment: Bills are due and payable upon receipt and delinquent if not paid by the due date noted on the bill. There will be a ten (10) percent late payment charge added to all accounts that are not paid by the due date.

Terms and Conditions:

1. Usage may be fractionalized on the actual days of service for application of a change in rate.
2. Service will be furnished under Elk River Municipal Utilities rules.
3. Extensions made for service under this schedule are subject to the provisions of Elk River Municipal Utilities' rules governing Extension of Service and Facilities.
4. The rates set forth herein may be modified by the amount of any governmental changes imposed and levied on transmission, distribution, production, or the sale of electrical power.
5. Exceptions by management approval only.

Adopted December 11, 2018
Effective January 1, 2019

ELK RIVER MUNICIPAL UTILITIES

Commercial All Electric with Ground Source Heat Pump (GSHP) Service Rate

Available: Within Elk River Municipal Utilities (ERMU) established service territory.

Applicable: To commercial customers having a single meter that includes a GSHP in excess of 50 kW but no more than 150 kW in aggregated name plate capacity of the GSHP equipment (condensers and pumps).

Character of Service: AC, 60 cycles, 120/240 volts, three wire, and three-phase.

Special Conditions: This Program is available to commercial customers. A GSHP will be the only central heating and/or cooling system for the commercial work spaces. Commercial structures that are classified as Utility and Miscellaneous Group U by the International Code Council are not eligible for this rate. GSHPs that qualify for this program will not be interrupted. A GSHP paired with another heating source such as natural gas, fuel oil, or propane may qualify for the Dual Fuel Program.

To qualify for the special rate, the customer shall provide:

1. The GSHP is the only heat source. Only closed loop GSHPs are eligible for this rate beginning September 1, 2016.
2. ERMU and the customer will agree on a meter location prior to the meter socket installation.
3. Commercial customers may have a separate meter to determine the energy and demand of the GSHP. Electric usage for the non-heating/cooling energy use of the building may be metered and priced using the appropriate rate (demand, or non-demand) schedule.
4. Accommodations for a meter and associated wiring installed according to the applicable electrical codes and will be installed by a qualified electrician.
5. Inspection by a State certified inspector and representative of ERMU.
6. Customers on this rate will not be eligible for the Cycled Air Conditioning or Dual Fuel Programs.

Meter to be accessible to our service department at any time.

Ground Source Heat Pump Service Rate:

Basic Monthly Electric Charge: \$30.00 per month

Summer

\$.0909 / kWh

Winter

\$.0909 / kWh

Summer Rate: Applicable during the five monthly billing periods of June – October. Summer rates are subject to sales tax.

Winter Rate: Applicable during the seven monthly billing periods of November – May. Winter rates are sales tax exempt.

Rates are subject to application of Power Cost Adjustment (PCA).

Minimum Bill: Basic Monthly Electric Charge.

ELK RIVER MUNICIPAL UTILITIES

Commercial All Electric with Ground Source Heat Pump (GSHP) Service Rate

Terms of Payment: Bills are due and payable upon receipt and are considered delinquent if not paid by the due date noted on the bill. There will be a ten (10) percent late payment charge added to all accounts that are not paid by the due date.

Terms and Conditions:

1. Usage may be fractionalized on the actual days of service for application of a change in rate, or changing from summer to winter or from winter to summer rates.
2. Service will be furnished pursuant to Elk River Municipal Utilities' rules.
3. Extensions made for service under this schedule are subject to the provisions of Elk River Municipal Utilities' rules governing Extension of Service and Facilities.
4. The rates set forth herein may be modified by the amount of any governmental changes imposed and levied on transmission, distribution, production, or the sale of electrical power.
5. Exceptions by management approval only.

Adopted December 11, 2018
Effective January 1, 2019

ELK RIVER MUNICIPAL UTILITIES

Ground Source Heat Pump Program Rate

Available: Within Elk River Municipal Utilities (ERMU) established service territory.

Applicable: To single family residences, non-demand and demand customers receiving service under another rate, who add a second meter for any of the following controlled loads:

Ground Source Heat Pump Rate: This Program is available to residential and commercial customers. A ground source heat pump (GSHP) is a central heating and/or cooling system for residential living spaces or commercial work spaces. Residential living spaces will meet all the applicable Minnesota state building codes. Commercial structures that are classified as Utility and Miscellaneous Group U by the International Code Council are not eligible for this rate. This program is available to residential or commercial customers with a GSHP as their sole heat source. GSHPs that qualify for this program will not be interrupted. A GSHP paired with another heating source such as natural gas, fuel oil, or propane may qualify for the Dual Fuel program.

To qualify for the special rate, the customer shall provide:

1. The GSHP is the only heat source. Only closed loop GSHPs are eligible for this rate beginning January 1, 2016.
2. ERMU and the customer will agree on a meter location prior to the meter socket installation.
3. Commercial customers may have a separate meter to determine the load of the heat pumps. Electric usage for the remainder of the building will be metered and priced using the appropriate rate (Demand, or Non-Demand).
4. Accommodations for a meter and associated wiring installed according to the applicable electrical codes and will be installed by a qualified electrician.
5. Inspection by a State certified electrical inspector and a representative of ERMU.
6. Customers on this rate will not be eligible for the Cycle Air Conditioning Rate Program.

Elk River Municipal Utilities shall provide:

1. All electric energy consumed by the primary electric heating system at \$.0909 per kWh.
2. The rate is subject to the application of the Power Cost Adjustment (PCA).
3. A meter socket to accommodate the meter in a mutually agreed to location.
4. A meter to measure electricity consumed by the electric heating system.

Adopted December 11, 2018
Effective January 1, 2019

ELK RIVER MUNICIPAL UTILITIES

Electric Vehicle Charging Rates

Electric Vehicle Charging Rate: This Program is available to all customers of Elk River Municipal Utilities (ERMU) that own an electrically powered vehicle used for on road transportation. Charging of the vehicle can occur any time but will be subject to on-peak and off-peak energy charges per hour daily. Off peak hours typically occur between 10 PM and 10 AM and all other hours are considered on-peak.

To qualify for the special rate, the customer shall provide:

1. Electric vehicle charging station that is used for the sole purpose of charging electric vehicles. This charging station must be 240 volt.
2. Customer is responsible for installation of the additional meter socket in a mutually agreed upon location.
3. Inspection by a State Certified electrical inspector of all metering equipment and provide an affidavit to ERMU when completed.

Elk River Municipal Utilities shall provide:

1. All on-peak electric energy consumed by the electric vehicle charging equipment will be at the summer rate of \$0.1270/kWh for the five monthly billing periods of June – October, and the winter rate of \$0.1160/kWh for the seven monthly billing periods of November – May.
2. All off-peak electric energy consumed by electric vehicle charging equipment will be at the rate of \$.0602/kWh.
3. The rate is subject to application of the Power Cost Adjustment (PCA).
4. This equipment will be available for charging at applicable rates 24 hours per day and is not subject to any load control strategies.
5. Electric meter.
6. Final inspection prior to meter activation to ensure only qualified loads are being supplied through the electric vehicle charging equipment.

Public Electric Vehicle Charging Rate: This rate is available to anyone charging an electric vehicle or plugin electric vehicle at a public electric vehicle charging station owned and operated by ERMU within the ERMU service territory. All persons must have an active ChargePoint account or have the capability to create a ChargePoint account prior to utilizing the charging equipment for an electric vehicle or plug-in hybrid electric vehicle.

To charge at the public charging stations customers shall:

1. Utilize their existing ChargePoint account or create a new account using a credit or debit card prior to charging the electric vehicle or plug-in hybrid.

Elk River Municipal Utilities shall provide:

1. Access to public electric vehicle charging stations located in the ERMU service territory.
2. The chargers will be either level two (240 volt) or DC Fast Charging (480 volt) charging equipment.

ELK RIVER MUNICIPAL UTILITIES

2019 Electric Vehicle Charging Rates

3. Electric energy consumed at the level two charging stations will be at a rate of \$0.1500 per kWh at all times.
4. Electric energy consumed at the DC Fast Charging station will be at a rate of \$0.2000 per kWh at all times.

Adopted December 11, 2018
Effective January 1, 2019

ELK RIVER MUNICIPAL UTILITIES

Energy Management Program Rates

Available: Within Elk River Municipal Utilities (ERMU) established service territory.

Applicable: To single family residences, non-demand and demand customers receiving service under another rate, who add a second meter for any of the following controlled loads:

Dual Fuel Space Heating Rate: This Program is available to residential customers only. A dual fuel space heating system consists of an electric heating system and a secondary non-electric space heating system both capable of heating the living space at design conditions. Interruptions of the electric heating system will usually occur for up to 12 hours daily on peak winter days and a maximum of 400 hours per heating season.

To qualify for the special rate, the customer shall provide:

1. An electric space heating system which can be interrupted by a single 5 amp rated relay.
2. A secondary non-electric space heating system capable of automatic start-up and continuous operation upon interruption of the electric heating system.
3. Obtain a load control device furnished by ERMU.
4. Accommodations for a meter and load control device and associated wiring installed according to the applicable electrical codes, and installed by a qualified electrician.
5. Inspection by a State certified electrical inspector and a representative of ERMU.
6. Radiant heat in the slab of the building qualifies for dual fuel, not electric thermal storage.
7. Dual Fuel is not allowed in garages, pole sheds, or any structure that does not confirm to the residential building code.
8. Exceptions by management approval only.

Elk River Municipal Utilities shall provide:

1. All electric energy consumed by the primary electric heating system at \$.0602 per kWh.
2. The rate is subject to application of the Power Cost Adjustment (PCA).
3. During peak load conditions, ERMU will turn customer controlled electrical heat off for extended periods of time as stated above.
4. A meter to measure electricity consumed by the electric heating system.
5. A load control device and meter socket to accommodate the meter.

Electric Thermal Storage (ETS) Space Heating Rate: This Program is available to all ERMU customers. An ETS space heating system is designed to store heat produced by electricity generated during eight off-peak hours for use in heating during the remaining on-peak hours daily. Off-peak hours typically occur between 11 PM and 7 AM. Qualifying ETS configurations may be central storage furnaces, room storage heaters or slab (deep heat) systems including combinations of same.

To qualify for the special rate, the customer shall provide:

1. An ETS space heating system listed by UL or some other nationally recognized testing agency which can be interrupted by a single 5 amp rated relay.

MORATORIUM EFFECTIVE FEBRUARY 14, 2017 ON THE FOLLOWING LOAD CONTROL PROGRAMS

ELK RIVER MUNICIPAL UTILITIES

Energy Management Program Rates

2. Obtain a load control device from ERMU.
3. Accommodations for a meter and load control device and associated wiring installed according to the applicable electrical codes, and installed by a qualified electrician.
4. Inspection by a State certified electrical inspector and a representative of ERMU.

Elk River Municipal Utilities shall provide:

1. All electric energy consumed by this ETS system at \$.0463 per kWh.
2. The rate is subject to application of the Power Cost Adjustment (PCA).
3. This equipment will be energized only for 8 off peak hours daily. Additional on-time is provided on weekend days and holidays.
4. A meter to measure electricity consumed by the ETS space heating system.
5. A load control device which will automatically control ETS space heating system during on-peak hours.

Electric Thermal Storage (ETS) Water Heating Rate: This Program is available to all ERMU customers. An ETS water heater is designed with extra storage capacity to provide total domestic hot water needs from electricity consumed only during eight off-peak hours daily. Off-peak hours typically occur between 11 PM and 7 AM. Qualifying ETS configurations may be a large single tank, dual tanks plumbed in series, or an electric and non-electric tank plumbed in series with the electric placed on the cold water side. Electric water heater must have an energy factor of .91 or more and a minimum of 80 gallons of storage capacity.

To qualify for the special rate, the customer shall provide:

1. An ETS water heating system which can be interrupted directly by a single 30 amp rated relay.
2. Obtain a load control device from ERMU.
3. Accommodations for a meter and load control device and associated wiring installed according to the applicable electrical codes, and installed by a qualified electrician.
4. Inspection by a State certified electrical inspector and a representative of ERMU.
5. This rate is not available for hot water use in any production process for Commercial and Industrial users.

Elk River Municipal Utilities shall provide:

1. All electric energy consumed by the ETS water heater at \$.0463 per kWh.
2. The rate is subject to application of the Power Cost Adjustment (PCA).
3. This equipment will be energized only for 8 off-peak hours daily.
4. A meter to measure electricity consumed by the ETS water heater.
5. A load control device and meter socket to accommodate the off-peak meter.

Cycled Air Conditioning: This Program is available to all customers served by ERMU who have central air conditioners. Program participants must allow installation of a utility supplied

MORATORIUM EFFECTIVE FEBRUARY 14, 2017 ON THE FOLLOWING LOAD CONTROL PROGRAMS

ELK RIVER MUNICIPAL UTILITIES

Energy Management Program Rates

load control device so air conditioning demand can be reduced at critical times. This Program is subject to the following terms and conditions:

1. The Customer must have a conventional central air conditioner, ASHP or GSHP, of at least 2 tons capable of being interrupted with a 5 amp relay.
2. ERMU will furnish the load control device and pay to have it installed by a licensed electrician. Separate metering is not required.
3. The Customer must allow access for installation of the load control device during normal business hours.
4. The Customer must allow access for load control maintenance and compliance inspections by ERMU personnel during normal business hours.
5. Customers must agree to allow ERMU or its designee to remotely cycle their central air conditioner, ASHP or GSHP, off for approximately 15 minutes out of each 30 minute period at critical peak use times during the cooling season (May through September). Except for extreme emergencies, duration of said control will not exceed 6 hours per day and more than 200 hours total per cooling season.
6. Customers who elect to participate in this Program must remain on it for at least one cooling season or part of the load control installation costs may be assessed to the customer.
7. Customers with central air conditioners, ASHP or GSHP, that are grossly oversized for the conditioned space will not be allowed to participate. Such systems do not provide ERMU sufficient load reduction relief at critical peak use times.
8. The rate is subject to application of the Power Cost Adjustment (PCA).
9. Cycled AC Program participants will receive a \$3 per month credit for allowing ERMU to interrupt their air conditioners as outlined above. Such payments will be provided in the form of a bill credit during the five monthly billing periods of June – October.

Adopted December 11, 2018
Effective January 1, 2019

ELK RIVER MUNICIPAL UTILITIES

Dispersed Generation/Interruptible Load Program Rate

Available: Within Elk River Municipal Utilities (ERMU) established service territory.

Applicable: Existing Customers, or to new Customers receiving all electrical power from ERMU and with demands between 100 kW and 1,500 kW of connected load. Customers with on-site generation greater than 1,500 kW may also qualify, but special terms and conditions may apply on a case by case basis. Customer must agree to operate on-site generation and/or limit load to a mutually agreed to Predetermined Demand Level (PDL) upon notification by ERMU or its designated agent. Customer must be served by ERMU under the Demand Electric Service Rate. Customer must execute a Dispersed Generation Agreement or Interruptible Service Agreement to participate in either program. Customer is subject to the terms and conditions of the applicable Agreement. Not applicable to resale, standby or auxiliary service.

Special Conditions: Customer must conduct normal business practices between the hours of 3:00 PM to 10:00 PM, Monday through Friday. Customer must provide access to a phone line or reimburse ERMU for all costs associated with providing program interruption notification and remote metering needs. Customer must have the means to operate on-site generation and/or reduce load to the PDL within 30 minutes following notification by ERMU or its agent. Credits apply only during months in which the Customer is fully operational.

Customer represents and warrants that interruptible load of at least 100 kW shall be available for interruption upon request by ERMU or its designated agent twenty-four hours per day, seven days per week, three hundred sixty five day per year in order to receive credit.

Dispersed Generation/Interruptible Credits:

ERMU shall compensate Customer for load interruptions maintained at or below the PDL when requested by ERMU or its designated agent, at the rates indicated below:

Monthly Credit/Kw*

Summer (June, July, and Aug)	\$14.00 per kW
Winter (Dec, Jan, and Feb)	\$10.00 per kW
Spring/Fall (Mar, Apr, May, Sept, Oct, Nov)	\$ 6.00 per kW

*Credit applies only during months in which Customer coincidental demand is at least 100 kW over the PDL.

The difference between Customer's coincidental peak demand at the time of notice to interrupt and the PDL shall be used as a basis for establishing Customer's monthly credit. In months in which no notice to interrupt is given, the difference between Customer's coincidental peak demand and the PDL shall be used as a basis for establishing Customer's monthly demand credit.

In the event that participating customers are not controlled during the monthly coincidental billing peak demand hour, the customer will receive applicable demand credits only for metered demand that exceeds the PDL and is greater than 100 kW. The demand credit is based on the applicable rates above to the kW difference between the metered demand and the PDL using hourly interval meter data measured one hour prior to the monthly coincidental billing peak demand hour.

In the event the participating customer is not operating at the time of the coincidental billing peak there is no credit calculated in that month. The customer must be operating at least one hour prior to the coincidental billing demand peak or the time designated for interruption to receive credit.

Example 1: Notice for disconnect or interruption is given at 11:00 a.m. for disconnect or interruption at 3:00 p.m. The participating customer begins shut down at 2:30 and has a peak demand for that month on the day of the interruption at 2:15 with a total load of 350 kW. The customer has a PDL of 50. For this example the participating customer would receive a credit for the difference between the Customer's coincidental peak demand (350 kW) and the PDL (50 kW). The customer would receive a credit for the 300 kW reduction times the seasonal rate indicated above.

Example 2: There is no notice to disconnect or interrupt for this example month. The coincidental billing peak occurs on a Tuesday night at 11:00 p.m. The customer had a demand of 45 kW at the time of the coincidental billing peak (11:00 p.m.). In months with no notice the difference between the participating Customer's coincidental peak demand (45 kW) and the PDL (50 kW) shall be used to calculate the monthly credit. The difference between the coincidental billing peak and PDL in this example is -5. Since the participating customer was not operating and did not have any demand in excess of 100 kW to interrupt there is no credit given for this month.

In any month in which the difference between the Customer's coincidental peak demand and the PDL is not at least 100 kW, no credit will be given. If the difference between the Customer's coincidental peak demand and the PDL remains less than 100 kW for two or more consecutive months, a new PDL may be established or ERMU shall have the right to terminate the Dispersed Generation or Interruptible Service Agreement.

If Customer fails to interrupt load down to the PDL for the specified length of time of the control period in any calendar month a \$5.00/kW demand penalty will be added to the Customers bill. The demand penalty will be determined using the maximum uncontrolled kW demand, defined as the highest hourly interval above the PDL recorded during all control periods in the billing month. The Customer will not receive the monthly credit for that month or any succeeding months until performance has been demonstrated to the satisfaction of ERMU personnel. If Customer fails to perform more than two times in any calendar year, ERMU reserves the right to terminate the Agreement.

ELK RIVER MUNICIPAL UTILITIES

Street/Security Light Service Rate

Available: To any customer meeting Elk River Municipal Utilities criteria for service under this schedule, and whose lighting needs are not being furnished under any other schedule. Installation costs will be determined by Elk River Municipal Utilities per the Utilities Fee Schedule or on a time and materials basis.

Applicable: As determined by Elk River Municipal Utilities, but generally to non-metered roadway and area lighting.

Character Of Service: 120/240 volts, AC, as available.

Street/Security Light Service

Type	Monthly Rate Per Fixture
Low Output (<249 Watt HPS, <74 Watt LED)	\$9.00
Medium Output (250-399 Watt HPS, 75-124 Watt LED)	\$15.00
High Output (400 Watt or larger HPS, 125 Watt or larger LED)	\$21.00

Rates are subject to sales tax.

Ownership of Equipment: Elk River Municipal Utilities will install, own, and operate the lights, including fixtures and control equipment, unless otherwise agreed upon by Elk River Municipal Utilities and the Customer.

Lamp Replacements: Lamp replacements will be made by Elk River Municipal Utilities when and as requested by the Customer.

Terms of Payment: Bills are due and payable upon receipt and are considered delinquent if not paid by the due date noted on the bill. There will be a ten (10) percent late payment charge added to all accounts that are not paid by the due date.

General Terms and Conditions Applicable To Non-Metered Lighting Service:

1. Area lighting installed on Elk River Municipal Utilities poles shall not be of the type that interferes with climbing room, work space, or wire clearance as defined by the National Electrical Safety Code and is to be installed below the secondary line and service drops, all per Elk River Municipal Utilities' specification.
2. All area lights installed under this schedule shall be equipped with a photo-electric control which will limit the hours of illumination from dusk to dawn (approximately 4,400 hours per year).
3. The rates set forth herein may be modified by the amount of any governmental changes imposed and levied on transmission, distribution, production, or the sale of electrical power.
4. Exceptions by management approval only.

Adopted December 11, 2018
Effective January 1, 2019

ELK RIVER MUNICIPAL UTILITIES

Water Service Rates

Available: To all customers who have municipal water service available at their property, lying within the corporate limits of the City of Elk River.

Special Conditions: Each customer served by one meter. Multiple living entities, such as apartments, may be served by a combined meter upon approval of the Elk River Municipal Utilities and acceptance of applicable charges.

Special Charges: A basic monthly water charge shall be applied to each meter based on the meter size according to the schedule below, and is separate from any water use. Included in the basic monthly water charge is \$0.53 that is collected on a monthly basis from each service connection (excluding irrigation only accounts) to recover the total annual cost of \$6.36 for the State of Minnesota Safe Water Testing Program (Minnesota Statutes 144.3831).

Water Rates:

METER TYPE	BASIC MONTHLY CHARGE	1 st TIER Cost per 1000 gallons	2 nd TIER Cost per 1000 gallons	3 rd TIER Cost per 1000 gallons
Residential	\$ 9.22	\$ 1.85	\$3.50	\$4.00
Commercial ¾	\$ 11.06	\$ 1.85	\$3.50	\$4.00
Commercial 1	\$ 12.30	\$ 1.85	\$3.50	\$4.00
Commercial 1 ¼	\$ 13.54	\$ 1.85	\$3.50	\$4.00
Commercial 1 ½	\$ 14.76	\$ 1.85	\$3.50	\$4.00
Commercial 2	\$ 19.68	\$ 1.85	\$3.50	\$4.00
Commercial 3	\$ 43.03	\$ 1.85	\$3.50	\$4.00
Commercial 4	\$ 59.02	\$ 1.85	\$3.50	\$4.00
Commercial 6	\$ 86.07	\$ 1.85	\$3.50	\$4.00
Commercial 8	\$116.81	\$ 1.85	\$3.50	\$4.00
Commercial Irrigation Seasonally or Permanently Installed	\$ 19.68		\$3.50	\$4.00

Residential water- exempt from sales tax.

Commercial water- subject to sales tax unless exemption is filed.

Residential Rate Tier Definition:

First Tier Rate = 0 – 9,000 gallons per month.

Second Tier Rate = Between 9,000 and 15,000 gallons per month.

Third Tier Rate = Above 15,000 gallons per month.

ELK RIVER MUNICIPAL UTILITIES

Water Service Rates

Commercial Rate Tier Definition:

First Tier Rate = 0 – 1.1 X previous year's winter measurement period average monthly consumption.

Second Tier Rate = Between 1.1 X previous year's winter measurement period average monthly consumption to 1.1 X previous year's winter measurement period average monthly consumption + 40,000 gallons.

Third Tier Rate = Above 1.1 X previous year's winter measurement period average monthly consumption + 40,000 gallons.

Winter Measurement Period Definition: December – April billing cycles.

For new customers, if a minimum of 3 winter months previous year's history is not available to establish the Tier amount, the First Tier rate shall be utilized until a minimum of 3 months history is established.

Commercial irrigation is not eligible for First Tier Rate as there is no winter use.

Minimum Bill: Basic monthly water charge plus any charges applicable to multiple living entities.

Terms of Payment: Bills are due and payable upon receipt and delinquent if not paid by the due date note on the bill. There will be a ten (10) percent late payment charge added to all accounts that are not paid by the due date.

Adopted December 11, 2018
Effective January 1, 2019

2019 Utilities Fee Schedule

ELECTRIC	
New Residential Electric Connection - Developer - Lot with ERMU water service	\$475.00
New Residential Electric Connection - Developer - Lot without ERMU water service	\$575.00
New Residential Electric Connection - Builder	\$875.00
New Wire Footages over 200' (per foot)	\$4.00
New Service Frost Trenching (per foot)	\$5.00
New Commercial & Industrial Electric Connection	50%
Service Upgrades or Additions for Existing Customers	100%
Minimum Temporary Electric Service Fee - Existing Transformer	\$150.00
Minimum Temporary Electric Service Fee - Without Existing Transformer	\$500.00
Street Light - 30' Decorative Pole with 6' Arm and Fixture	\$1,850.00
Street Light - 23' Decorative Pole with Traditionaire Fixture	\$1,500.00
Security Light - Wood Pole with Fixture	\$975.00
Security Light - Existing Pole	\$125.00
Pole Attachment Fee (per pole)	\$6.50
WATER	
Water Access Charge = Water Connection Charge + Water Availability Charge	\$3,764.00
Water Connection Charge (Per Plumbing Unit) - Builder	\$3,396.00
Water Availability Charge (Per Plumbing Unit) - Developer	\$368.00
Abandoned Water Service	\$2,500.00
Hydrant Water Sales - Rental (per week)	\$50.00
Hydrant Water Sales - Units (per 1000 gallons)	\$4.00
Deposit for 5/8" Hydrant Meter	\$150.00
Deposit for 2 1/2" Hydrant Meter	\$1,000.00
Private Hydrant Maintenance Program Monthly Fee	\$5.00
ADMINISTRATIVE	
Administrative Fee for Continued Submission of Checks After No-Check Notice Given	\$20.00
Billable Cost of Materials Markup	15%
Billable Labor Markup	55%
Billable Vehicle / Equipment (per employee per hour)	\$30.00
Commerical Application Fee	\$20.00
Electric Service Disconnect/Trip Fee - Meter Technician	\$50.00
Electric Service Disconnect/Trip Fee - Line Crew	\$150.00
Energy Audit	\$150.00
Meter Tampering Fee	\$250.00
Meter Testing Fee	\$50.00
NSF Fee	\$20.00
Penalty Amount	10%
Photocopies (per page)	\$0.25
Red Tag Handling Fee	\$20.00
Water Shut-Off Fee	\$100.00

Adopted by the Utilities Commission on November 13, 2018 under authority per Minnesota Statute 412.361

TO: ERMU Commission	FROM: Troy Adams, P.E. – General Manager
MEETING DATE: December 11, 2018	AGENDA ITEM NUMBER: 6.1a
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- The Board of Directors of the Minnesota Municipal Power Agency (MMPA) met on November 27, 2018, at the offices of Shakopee Public Utilities. I attended, but Commissioner Al Nadeau was not able to attend.

The Board was updated on the status of repairs to Faribault Energy Park from a tornado that hit the plant on September 20 as well as the successful completion of a major maintenance outage.

The Board discussed the status of several renewable projects that the Agency is pursuing.

The Board discussed changes to NERC reliability standards affecting several of the larger MMPA member communities.

The unaudited financials for 3Q2018 are attached.

- On October 25, I participated in an American Public Power Association (APPA) Reliable Public Power Provider (RP3) application final grading session as the Reliability Representative on their 18 member panel. In addition to final grading, during this meeting the panel performed their annual review of the RP3 designation requirements and application process.
- The Minnesota Municipal Utilities Association (MMUA) Government Relations Committee has begun meeting again in preparation for the upcoming session. I am currently the chair of the committee. We held a conference call on November 16. On that call we reviewed the results of the election. We also discussed the results of the November 15 Conservation Improvement Program (CIP) to Comprehensive Energy Efficiency Program (CEEP) meeting which was held at the office of the Minnesota Rural Electric Association (MREA) in Maple Grove, MN.

The MREA/MMUA CIP to CEEP meeting included representation from the Center for Energy and the Environment (CEE) for the purpose of aligning goals and discussing

jointly developing legislation language. I will be participating in a small group follow up discussion with a few other consumer owned utility (COU) managers and CEE on December 19 at the MREA office in Maple Grove, MN.

- The board of the Midwest Municipal Transmission Group (MMTG) held a special meeting on November 29 to approve financial policies. The MMTG membership and MMTG board will have their annual meetings on December 19 in Ankeny, IA. I will be participating in the annual meetings via conference call from the MMUA office in Plymouth, MN. I'll be participating from the MMUA office so I can make it on time to the MREA/MMUA CIP to CEEP meeting in Maple Grove, MN, immediately following the MMTG meeting.

ATTACHMENTS:

- Minnesota Municipal Power Association 3Q2018 Unaudited Financials

Minnesota Municipal Power Agency
Statement of Net Position
As of September 30, 2018 - Unaudited

Assets

Current assets:	
Cash and cash equivalents	\$ 59,673,529
Restricted cash and cash equivalents	16,055,575
Accrued interest receivable	260,676
Power sales and other receivables	10,598,384
Fuel inventory	1,087,054
Plant inventory - spares	2,936,278
Prepaid expenses	952,682
Total current assets	<u>91,564,178</u>
Noncurrent assets:	
Capital assets:	
Electric generation assets	426,837,917
Land	7,066,719
Less accumulated depreciation	<u>(124,108,913)</u>
Property and equipment, net	309,795,723
Construction in progress	<u>1,604,761</u>
Total capital assets, net	<u>311,400,484</u>
Restricted cash, cash equivalents, and investments	19,670,206
Prepaid expenses	556,634
Future recoverable costs	<u>48,526,377</u>
Total noncurrent assets	<u>380,153,701</u>
Total assets	<u>471,717,879</u>

Deferred Outflows

Deferred outflows of resources	<u>1,689,407</u>
Total assets and deferred outflows of resources	<u>\$ 473,407,286</u>

Liabilities

Liabilities:	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 9,340,756
Accrued interest payable	6,132,242
Long-term debt due within one year	9,923,333
Capital lease liability due within one year	1,015,198
Derivative instruments - futures	299,840
Total current liabilities	<u>26,711,369</u>
Long-term debt, net	273,947,312
Capital lease liability	17,254,376
Derivative instruments - futures	<u>20,560</u>
Total noncurrent liabilities	<u>291,222,248</u>
Total liabilities	317,933,617

Deferred Inflows

Deferred inflows of resources - rate stabilization	33,071,000
Deferred inflows of resources - other	<u>31,165,673</u>
Total liabilities and deferred inflows of resources	<u>382,170,290</u>

Net Position

Net position:	
Net investment in capital assets	35,887,509
Restricted for debt service	16,055,575
Unrestricted	<u>39,293,912</u>
Total net position	<u>91,236,996</u>
Total liabilities and deferred inflows of resources and net position	<u>\$ 473,407,286</u>

Minnesota Municipal Power Agency
Statements of Revenues, Expenses and Changes in Net Position
YTD September 30, 2018 - Unaudited

Operating revenues – power sales to members	\$ 92,728,219
Operating revenues – power sales to non-members	<u>1,105,543</u>
Total operating revenues	93,833,762
Operating expenses:	
Power acquisition expense	34,191,649
Transmission	14,138,873
Other operating expenses	20,007,386
Depreciation	<u>10,804,083</u>
Total operating expenses	<u>79,141,991</u>
Operating income (loss)	<u>14,691,771</u>
Nonoperating revenues (expenses):	
Amortization of premium on long-term debt, net	849,437
Interest expense	(10,080,069)
Investment income	1,160,221
Loss on disposition of property	(660,452)
Loss on bond investment redemption	(41,745)
Net change in the fair value of investments	<u>(556,136)</u>
Total nonoperating revenues (expenses), net	<u>(9,328,744)</u>
Change in net position before future recoverable costs	5,363,027
Future recoverable costs	<u>3,485,340</u>
Change in net position	8,848,367
Total net position, beginning of year	<u>82,388,629</u>
Total net position, September 30, 2018	<u><u>\$ 91,236,996</u></u>

TO: ERMU Commission	FROM: Theresa Slominski – Finance & Office Manager
MEETING DATE: December 11, 2018	AGENDA ITEM NUMBER: 6.1b
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- The bulletproof glass at the front counter will be installed after business hours on Friday, December 14, and they estimate it will take 8 hours from start to finish. Jennie N and I will be onsite for the installation. I have a sample that I will bring to the meeting of the bullet absorbing rubber material that was placed between the cabinets and the curved wood facing at the front counter.
- As mentioned last month, we are giving all of the accumulated Power Cost Adjustment (PCA) credits back to the customers now that our power contract with GRE/Connexus is complete. In October's billing we issued PCA credits of 4 mils totaling \$102,118. In November we issued PCA credits of 6 mils totaling \$166,249. And in December we will issue PCA credits of 10 mils totaling approximately \$295,000.
- In preparation for year end, our inventory counts are scheduled for December 26 and 27, 2018. Our auditors will not be onsite this year for inventory observations but will do some test counts on January 17, 2019 when they will be here for preliminary fieldwork. The regular fieldwork audit dates are scheduled for Thursday, February 28, and Friday, March 1, 2019.
- I have been working with our bank to set up a new operations business account so that we are able to have our existing business account as a deposit only account, dedicated solely to receive customer payments. This allows us to mitigate risk from customers who may experience fraudulent activity.

TO: ERMU Commission	FROM: Mark Fuchs – Electric Superintendent
MEETING DATE: December 11, 2018	AGENDA ITEM NUMBER: 6.1c
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- We had 21 new house services.
- Continue working on collecting data with the GPS for our ArcView maps as time permits.
- We have been installing the infrastructure in Area 7 on hold until spring when the frost comes back out.
- Finished the cleanup work in Areas 5&6 that we acquired from Connexus in September.
- Continue to remove poles that are located in the rear lot line in Otsego. This ongoing job is performed as a fill in between other jobs as they come in.
- Continue to work on the replacement of 16 poles that didn't pass inspection. This task will be performed as a fill in between other jobs as they come in.
- Changed out a three phase pole that was struck by a vehicle at the intersection of County Road 42 and 70th Street in Otsego.
- Installed the infrastructure for a single phase residential service at 17315 65th Street in Otsego, and 18837 Ogden Street in Elk River.
- Due to a vehicle running into a model 3 switchgear cabinet at the intersection of Waco Street and 109th Avenue, we replaced the box pad that the switchgear sits on, and part of the switchgear cabinet that was damaged.
- Replaced a street light pole that was struck by a vehicle at 6th Street and Xenia Avenue.
- Installed a conduit pipe for the city at Rivers Edge Park. The pipe was installed in preparation for additional electrical outlets to be added to accommodate the summer concerts. The wiring and installation of outlets will be performed by an electrician.
- Moved a siren pole on HWY 10 west of Edison Street. This change will allow us to help with the siren maintenance from the road.
- Installed a temporary house service in the Hillside 11th Addition; this addition has 16 lots in it. The permanent infrastructure has yet to be installed, and as we are now dealing with frost in the ground, the developer will be working with Michel's to figure out how much can be done this winter.

TO: ERMU Commission	FROM: Mike Tietz –Technical Services Superintendent
MEETING DATE: December 11, 2018	AGENDA ITEM NUMBER: 6.1d
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- In November, the locating department had a total of 254 locate tickets consisting of six emergency tickets, 8 cancellations, 4 meetings, 183 normal tickets and 46 updated tickets. This is a 53% decrease in volume of tickets from the previous month. The locators continue to gather GPS points and data as time permits.
- Electric Technicians continue with updating the power bill, substation checks, disconnects, reconnects, dealing with customer meter and off-peak issues, as well as installing new meters for commercial customers. Staff has begun infrared imaging of the feeder circuits coming out of Station #14 substation looking for any potential equipment failures. On November 29 Engines 1, 2, 3 & 4 were ran with only one minor issue which will be corrected before the next run in December.
- On November 29, the annual generation audit was performed by Minnesota Municipal Utilities Association (MMUA) with staff at the Power Plant and Landfill Gas Plant facilities. Significant improvements have been made over last year's audit resulting in just a few remaining items still needing attention.
- The weekly meter reads continue to go well. Staff has been revisiting accounts that were notified of not being in compliance with our standards to follow-up on their progress.
- Mapping department continues to enter GPS points and attribute points for all of our systems assets within the ESRI ArcView GIS system.
- On December 4-6, I attended the MMUA Technical & Operations Conference in St. Cloud, MN. Sessions of interest were: Safety First, Restoration Second; Cybersecurity: Understanding the Risks & Threats; and Making the Industry Great Again with Organizational Culture. I found much value in these sessions and greatly appreciate the opportunity to attend the conference.

TO: ERMU Commission	FROM: Eric Volk – Water Superintendent
MEETING DATE: December 11, 2018	AGENDA ITEM NUMBER: 6.1e
SUBJECT: Staff Update	
ACTION REQUESTED: None	

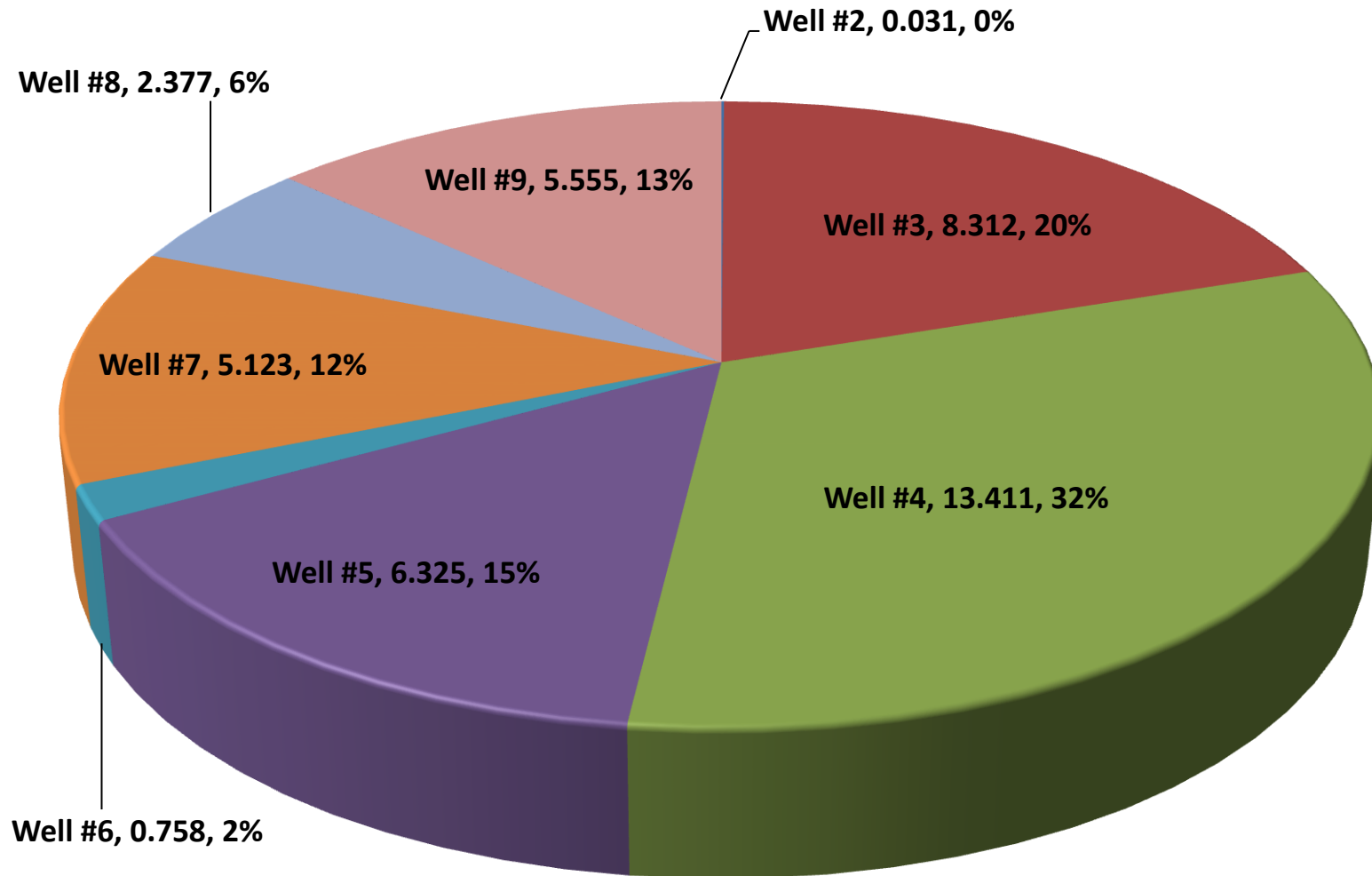
DISCUSSION:

- Delivered 15 new water meters.
- Sealed the water meter, and took curb stop ties from 14 water services.
- Completed 15 BACTI/Total Chlorine Residual Samples
 - All confirmed negative for Coliform Bacteria
 - Bacteriological/Disinfectant Residual Monthly Report submitted to the MDH
- Completed 19 routine fluoride samples
 - All samples met MDH standards
 - Submitted MDH Fluoride Report
 - Completed one MDH validation fluoride sample
- On November 16 there was a water main break on Main Street just east of US HWY 169 in front of the Salvation Army. The water main and road repairs were coordinated for the following Tuesday at which time the water department, assisted by Valley-Rich Contracting, repaired the break. The main was exposed and the excavation was paved all in one day alleviating the need for a class 5 patch throughout the winter.
- The water operators have started the annual task of recharging all of our filters. This process takes roughly one week per filter.
- For the first time ever, we drained the Freeport Water Tower for the winter. Throughout the previous winters, the tower was subject to roughly 18” of ice buildup on top of the water. As the ice is extremely damaging to the structure and paint, we made the decision to drain the tower. We will wash and refill the tower sometime in the spring.
- As MNAWWA Section Chair I am responsible for submitting a Chair Report that goes out in our quarterly magazine The Breeze. Attached is the article I wrote for the December magazine.
- I have transitioned from Suburban Utilities Superintendent Association (SUSA) President to Past-President. As Past-President I will be assisting the President and will be part of the planning committee for the 2019 SUSA School

ATTACHMENTS:

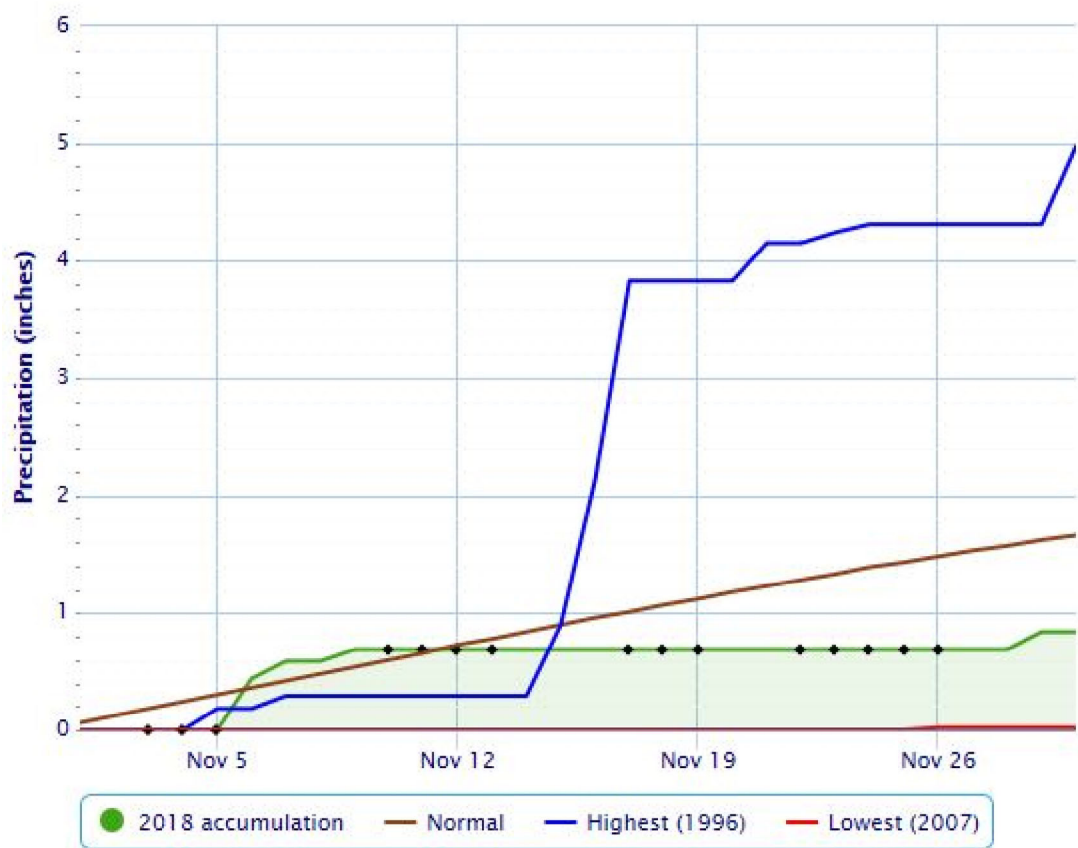
- November 2018 Pumping by Well
- November 2018 Accumulated Precipitation Graph
- November 2018 Daily Temperature Graph

November 2018 Monthly Pumping By Well



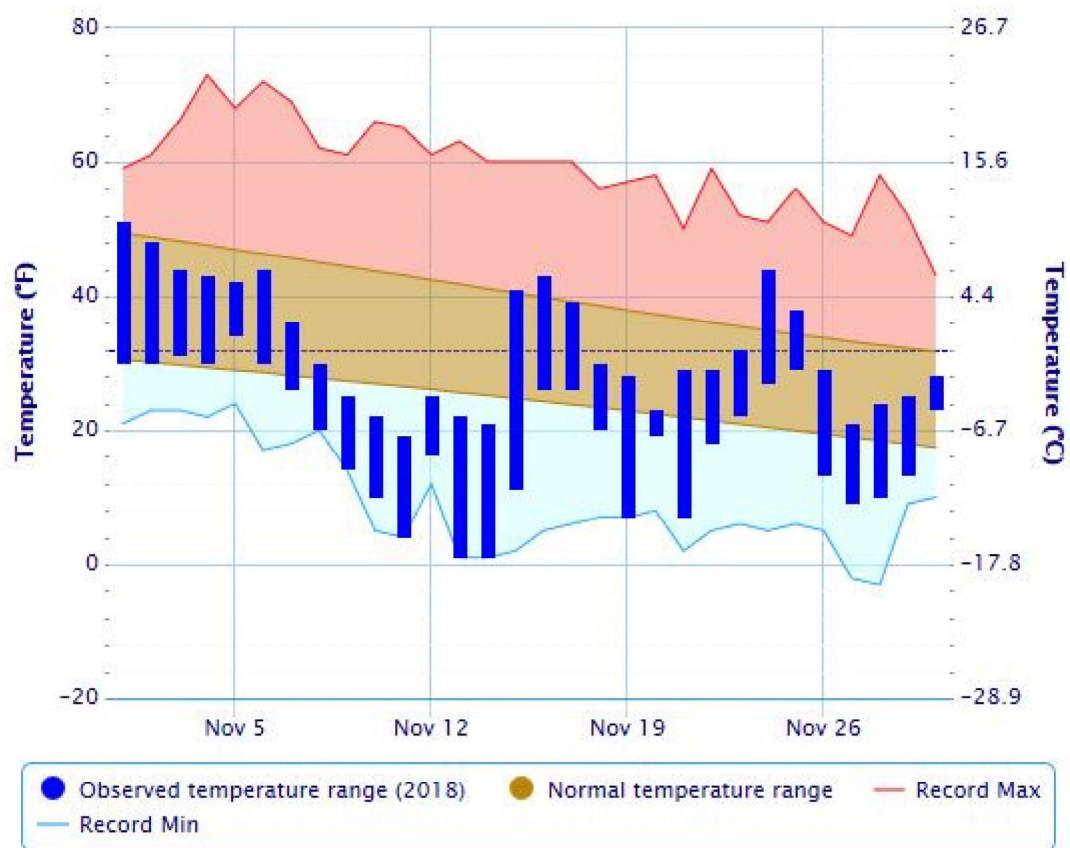
Values Are Displayed in Millions of Gallons (Well #, Gallons Pumped, Percentage of Pumping)

Accumulated Precipitation – ELK RIVER, MN



Powered by ACIS

Daily Temperature Data – ELK RIVER, MN



Powered by ACIS



Eric Volk

Improving Our Future by Building on the Past

The saying "standing on the shoulders of giants" comes to mind when I think about some of the professionals who have influenced our industry – and today in the water industry we have the baby boomers working alongside our newest millennial generation employees. The thing to remember is that we are building on the successes of the hardworking and creative professionals that came before us. They laid a strong foundation in our profession that started in the drinking water business before the Safe Drinking Water Act (SDWA) of 1974 was developed and enacted. It wasn't that long ago when our drinking

water was without regulation. In the early 1900s the U.S. Public Health Service set several drinking water quality standards, but they were mostly just suggestions. Since the enactment of the SDWA the water treatment process has evolved much further than anyone could have expected in just over 40 years. The evolution of this industry didn't start a mere five decades ago; it has been nearly five millennia. Around 3,000 BC the Scottish had water-flushing toilets. The Romans developed extensive aqueducts over 2,000 years ago, which supplied water to cities around the Roman Empire. I have heard it said that by supplying safe, clean drinking water to our communities

we are, in some ways, preventing more diseases than doctors do.

Here's something to remember when you are out working in your distribution system, designing a treatment plant, or taking samples to ensure the quality of our drinking water... You come from a long and proud line of professionals who not only laid the groundwork, but have continuously strived to provide safe, clean drinking water to our communities. As water professionals we are tied to the wisdom and efforts of our past and present workforce, and together we can assuredly continue our partnered pursuit with guided ingenuity. •

TO: ERMU Commission	FROM: Tom Sagstetter – Conservation & Key Accounts Manager
MEETING DATE: December 11, 2018	AGENDA ITEM NUMBER: 6.1f
SUBJECT: Staff Update	
ACTION REQUESTED: None	

DISCUSSION:

- In the last month, the level two charger downtown had 3 sessions, and provided customers with 19 kWh of green energy. The level two charger in the ERMU/City Hall parking lot had 10 sessions and provided customers with 208 kWh of green energy. The DC fast charger at the Coborn's fuel station had 11 sessions and provided 176 kWh of green energy to customers.
- Participated in Frontline Supervision Leadership Training that is sponsored by Minnesota Municipal Utilities Association (MMUA). This was my third session of four in the course. There were two very interesting topics of discussion. The first was, followers become leaders and leaders become followers. The discussion focused on the fact that as employees learn and grow, they will become leaders (subject matter experts) within the organization. Once this occurs the leader (Supervisor) should recognize this and value the employees input. The second interesting topic was organizations that are having success in retaining employees and improving customer satisfaction are focusing on feelings and perceptions not just logic.
- Energy City Commission (ECC) Update – The ECC welcomed new Commissioner Aaron Brixius. Aaron is an Elk River resident and also works at Xcel Energy. The commission talked about the recent developments with solid waste and organics. The commission also worked through the 10 year action plan, and Amanda Othoudt will be working with City and Utility staff to update achievements in 2018. There was a great deal of discussion about the builder/developer process for applications for city and utility services. This was Council Member Jerry Olsen's last meeting. The City Council will have a liaison in 2019.
- MMUA did their annual inspection of the ERMU generation facilities. The diesel power plant had an awesome walk through and only had a couple of items to work on. The landfill gas plant did equally well. In 2019 the circuit breakers and relays will need to be inspected at both of the facilities.
- There has been a lot of activity at the landfill gas plant. The engine #1 replacement was moved to January 2 or 3, as Waste Management is unable to change it out before the end of the year.
- Working with Economic Development (EDA) staff to develop a new incentive program to help attract businesses to Elk River.

- Delivered low-income conservation kits to Tri-Cap who helps to distribute them to eligible ERMU customers. The kits contain energy and water efficiency materials to help them save money on their monthly bills. Some of the items in the kit include: window film, caulking, weather stripping, LED lights, shower heads, pipe wrap, and smart power strips. ERMU staff has also worked to complete the 2019 contract for Tri-Cap to provide services to customers in need. The contracted services include weatherization, appliance replacements, and health and safety equipment.