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Small Cities Initiative helps hometown utilities tackle complex projects

Every day, small municipal utilities are asked to do more with less.

Limited staffing, tight budgets, and a lack of specialized resources can make even routine projects difficult. Sometimes, all it takes is one unfamiliar project to expose the limits of what a small crew can reasonably tackle on its own. Other times, communities know improvements are needed but struggle to find the time, expertise, or financial capacity to move them forward, making the work more daunting with each passing year. MMUA's Small Cities Initiative was created to help communities meet those challenges while preserving local control.

Hecla has a population of around 190 people, and the utility has been a member of MMUA for more than 26 years. Because South Dakota does not have its own service-focused association for municipals, MMUA's bylaws allow non-Minnesota utilities like Hecla to access some services through allied membership status.

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Summer Conference program tackles industry changes while celebrating MMUA's 95 years of service

Municipal utility leaders from across Minnesota and the surrounding region will gather in St. Cloud August 17–19 for MMUA's 2026 Summer Conference, the Association's flagship annual event.

The conference combines educational programming, networking opportunities, industry recognition, and a trade show designed to connect utility professionals with the products, services, and ideas shaping the future of municipal utilities.

This year's event carries special significance as MMUA celebrates its 95th anniversary. The conference will provide an opportunity to reflect on its history and service while looking ahead to the challenges and opportunities facing the municipal utilities industry.

The theme of the 2026 conference, "Built to Last: Municipal Utilities in Transition," reflects a reality many communities are experiencing. Utilities throughout the Midwest are navigating leadership retirements, workforce development challenges, evolving technology, changing customer expectations, higher costs, and an increasingly complex regulatory environment. Conference organizers have designed the program to address those issues from multiple perspectives, providing content for utility managers, commissioners, city leaders, operations personnel, human resources professionals, and others involved in municipal utility governance and operations.

The event begins on the morning of Monday, August 17, with two optional pre-conference workshops. One session will focus on succession planning, offering practical guidance on leadership transitions, organizational resilience, governance

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What the 2026 session means for municipal utilities

The 2026 regular session of the Minnesota Legislature convened on a somber note on February 17 as lawmakers honored the late Speaker Emerita Melissa Hortman.

Given the political landscape, many observers did not expect major legislation to advance this year.

The Senate operated with a narrow 34–33 DFL majority, while the House was evenly divided at 67–67. At the same time, the state was not facing a budget deficit that would force lawmakers back to the negotiating table. Add in a major election year—with all 201 legislative seats, the governor's office, every constitutional office, all US House seats, and one US Senate seat on the ballot—and the ingredients were in place for a do-nothing session mired in heated partisan rhetoric and campaign-worthy soundbites.

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MMUA

To unify, support, and serve as a common voice for municipal utilities

MMUA welcomes feedback and questions from readers. Staff members listed in this publication can be contacted directly through MMUA's website at mmua.org/staff, or general inquiries may be sent to info@mmua.org.

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State lawsuit raises questions about electric disconnection practices

Minnesota Attorney General Keith Ellison has filed a lawsuit against Minnesota Valley Cooperative Light and Power Association, alleging the utility improperly disconnected service to a customer despite a documented medical need.

The case centers on a rural southwestern Minnesota resident whose electricity was shut off earlier this spring. According to the State, the customer had a medical certification indicating that loss of service could result in a life-threatening emergency. A district court ordered power restored on May 15, but the broader lawsuit is ongoing.

The Attorney General's Office claims the cooperative violated state consumer protection laws by failing to offer or maintain a payment agreement and by failing to adequately consider medical necessity when disconnecting service. The lawsuit also alleges the utility has followed a broader pattern of disconnecting customers in arrears without meeting required protections.

State officials emphasized that legal action to compel reconnection in cases involving life-sustaining medical needs is rare.

Minnesota Valley Cooperative, a nonprofit electric utility serving roughly 5,200 customers across eight counties, has pushed back on the state's characterization of events. Representatives for the co-op said the customer had been behind on payments for several years and had previously entered into multiple payment plans that were not completed.

Utility officials noted the financial challenges cooperatives face when accounts remain unpaid, as costs must ultimately be covered by other member-owners. Industry representatives say cooperatives typically work with customers on payment plans and connect them with available assistance programs.

The case highlights the complex balance utilities must maintain between financial responsibility and customer protection, particularly for vulnerable populations. Minnesota law requires utilities to follow specific safeguards when disconnecting residential service, including provisions related to medical necessity.

The outcome of the lawsuit could have implications for cooperative policies and enforcement across the state, particularly regarding how utilities document, communicate, and respond to medical protections and payment arrangements.

Minnesota utilities prepare responses to NERC large-load alert

On May 4, 2026, the North American Electric Reliability Corporation (NERC) issued a Level 3 Essential Action Alert directing certain registered entities to address reliability challenges associated with large computational loads.

The alert applies to various combinations of Transmission Planners (TPs), Planning Coordinators (PCs), Transmission Owners (TOs), Transmission Operators (TOPs), Reliability Coordinators (RCs), and Balancing Authorities (BAs), depending on the specific action required.

NERC states that large computational loads present planning and operational challenges that may not be fully addressed through existing processes. The alert requires applicable entities to review planning practices, operating procedures, and coordination processes and to submit responses to NERC.

The alert identifies seven essential action areas:

- Develop or update modeling requirements for computational loads.
- Enhance planning assessments and study assumptions.
- Improve interconnection and load-change management processes.
- Establish commissioning and verification procedures for large computational loads.
- Review and strengthen protection-system coordination.
- Install or evaluate dynamic disturbance recording capabilities.
- Develop communication and operating protocols between grid operators and large-load customers.

Among other requirements, the alert directs TPs and PCs to incorporate large computational loads into planning assessments and contingency analyses. TPs, PCs, and TOs are directed to identify the modeling information needed from large-load customers and incorporate appropriate requirements into planning and interconnection processes. The alert also calls for reviews of protection-system performance and criteria used to evaluate changes associated with large computational loads.

Public power entities in Minnesota affected by the alert have begun planning their responses.

Jeremy Carter, General Manager of the Hutchinson Utilities Commission (HUC), commented on these alerts, noting that the HUC system is affected. "This is a continual attempt by NERC to get information out in front of the RTOs (regional transmission organizations), transmission planners, and load-serving entities so that a proper review process is happening to mitigate capacity issues on the bulk power system," Carter stated.

Carter said the alert is intended to give RTOs, transmission planners, and load-serving entities better visibility into large new loads connecting to the bulk power system, particularly data centers. He said the alerts lay out "a process, protocols, and issues" to help ensure those loads "have been studied, thought out, and have gone through a review process." Carter added that coordination is already underway among the Missouri River Energy Services member utilities and the relevant load-balancing authorities. In HUC's case, that includes Great River Energy.

Additional actions in the alert address commissioning practices, disturbance monitoring, and communications between applicable reliability entities and operators of large computational loads. NERC describes these measures as part of an effort to improve planning, operational awareness, and coordination as large-load connections continue to grow across the bulk power system.

Responses to the alert are due to NERC by August 3, 2026, with implementation timelines varying by required action.

Our finest hour? Apollo 13, Challenger, and facing the facts

From my desk to yours

Karleen Kos
MMUA CEO

Most of us know the broad outlines of the Apollo 13 story.

In April 1970, an oxygen tank explodes nearly 200,000 miles from Earth. Three astronauts suddenly find themselves in a crippled spacecraft with dwindling power, limited water, rising carbon dioxide levels, and almost no margin for error. Over the next four days, NASA engineers and flight controllers work problem after problem until the crew manages to get safely back to Earth.

The story has become part of American folklore. It produced memorable lines, dramatic movies, and countless leadership lessons. Who can forget Ed Harris, playing Lead Flight Director Gene Krantz in the film, staring down the worriers and doubters with eyes of steel and saying, "I believe this is going to be our finest hour"?

Sixteen years later, however, NASA experienced a very different outcome.

Seventy-three seconds after launch on a cold January morning, the Space Shuttle Challenger broke apart, killing all seven crew members aboard.

The contrast between these two events is striking. The first is remembered as one of the greatest recoveries in engineering history. The other remains one of the most devastating failures of the American space program.

At first glance, it is tempting to conclude that Apollo 13 succeeded because NASA was brilliant and Challenger failed because NASA made mistakes.

But that explanation is too simple.

In both cases, NASA was filled with talented people. In both cases, the organization employed some of the best engineers, technicians, managers, and operators in the world. In both cases, people were committed to the mission and willing to work extraordinarily hard.

The difference was not intelligence. The difference was leadership.

More specifically, it was how leaders responded to uncomfortable truths. When Apollo 13's oxygen tank exploded, nobody spent much time debating whether the situation was serious. A crisis existed, and lives were at stake. The question was not whether there was a problem. There were, in fact, dozens of problems. The question was what to do about them.

The response that followed has become legendary. Teams worked around the clock. Assumptions were challenged. Experts disagreed. Ideas were tested and discarded, clearing the way for the invention of new solutions on the fly. Every available resource was focused on understanding reality and solving the next problem.

No one benefited from pretending things were better than they were. No one was rewarded for protecting a schedule, and no one gained anything by minimizing risk. NASA became focused on a single question: What is true?

That question sounds simple, but it is surprisingly difficult for organizations to ask consistently—especially when things are going well. The Challenger disaster provides an important example of just how hard it can be.

Leading up to the launch, engineers had expressed concerns about the shuttle's O-ring seals. Those concerns did not emerge suddenly on the morning of the accident; they had been discussed for years.

The launch itself took place during unusually cold weather. As I noted in a column earlier this year near the 40th anniversary of the disaster, some engineers recommended delaying the mission. They believed cold temperatures could affect the performance of the O-rings. As we now know, those concerns were well-founded. Yet the launch proceeded.

One of the most important findings from the subsequent investigations was not that information was unavailable. It was that the organization had become increasingly comfortable with risk that should have remained uncomfortable.

The sociologist Diane Vaughan, author of *The Challenger Decision,* later described this phenomenon as the "normalization of deviance." The phrase sounds abstract, but the concept is familiar to anyone who has spent time in an organization.

Something unusual happens.

Nothing bad results.

The unusual event gradually becomes accepted until, eventually, what once would have raised alarms becomes routine or unnoticed. Over time, the organization loses its sensitivity to risk. If we are honest, every organization is susceptible to this phenomenon. Municipal utilities are no exception.

A near miss occurs. A policy gets bypassed. A procedure becomes optional. Documentation falls behind, or a known issue gets pushed to next year's budget. Maybe a few of these things occur at the same time. But so what? Nothing bad happens.

Then nothing bad happens again. And again.

Eventually, the exception begins to feel normal.

The danger is not that people stop caring. The danger is that people gradually stop seeing. That may be the most important leadership lesson to draw from comparing Apollo 13 and Challenger.

Apollo 13 succeeded because the organization became ruthlessly honest about reality.

Challenger failed because parts of the organization had gradually become less honest about risk. Notice that I did not say dishonest. The distinction matters.

Most organizational failures are not caused by deception. They are caused by rationalization, which, when a team rationalizes together, becomes groupthink. We tell ourselves the issue is manageable. We have goals to meet, budgets to balance, and people to please. So, whether by an overt decision-making process or a passive "It'll be okay" attitude, we convince ourselves that if nothing bad happened last time, nothing will happen this time.

We begin looking for evidence that supports the decision we already want to make. The trouble is that reality does not care about our rationalizations. A transformer does not know whether replacement was postponed because budgets were tight. A cyberattack does not care whether staff were busy or thought, "We're so small, nobody will bother hacking us." A water main does not understand that there were other priorities this year.

Reality eventually gets a vote. That is why leadership is fundamentally about creating conditions where people can tell the truth. Not the comfortable truth. Not the keep-the-peace convenient truth. The actual truth about reality as it is known and understood.

One of the most remarkable aspects of the Apollo 13 response was the willingness of people throughout Mission Control to raise concerns, challenge assumptions, and share bad news quickly. Remember the scene in the movie where the engineer sends Gary Sinise's character back into the simulator, again and again, until he can power up the command module with no more energy than it takes to operate a coffee pot? The culture rewarded problem identification, and people were expected to speak up until the problem was really solved, no matter how tired and badly in need of a shave Gary looked.

Imagine how different the outcome might have been if flight controllers had worried about appearing negative, embarrassing a supervisor, or delaying a decision. The recovery almost certainly would have failed.

The same principle applies in municipal utilities and power agencies. Can employees raise concerns without fear? Can supervisors challenge assumptions? Can managers admit uncertainty? Can commissions, councils, and governing boards hear bad news before it becomes a crisis? Are we willing to keep trying, again and again, until we get the solution we need rather than the one that comes easily?

These questions matter far more than most leadership books would have us believe. Most of them offer a "new" way of thinking about things that really boil down to vision, strategy, planning, execution, and evaluation. Trust me, I'm a believer in those things. They are important and, done right, they can both lift a struggling organization to new levels of success and help an already excellent one remain at the top of its game. But these leadership disciplines only work if leaders receive accurate information. Without accurate

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Small Cities Initiative

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When the city of Hecla, South Dakota, agreed to serve a rebuilt fertilizer plant with higher-amp service, the arrangement seemed straightforward enough. The customer would pay for the major equipment, city staff would feed the new facility, and the project would move ahead.

Then the work became something Hecla had never done before: installing its first stretch of underground primary.

Jacob Lilla, the city's utility lineworker, said he quickly realized the job had outgrown his experience.

The town had no underground system in place, and the line under construction also served a nearby feed mill that could not be shut down for long. For Lilla, that meant the project was not just unfamiliar. It was risky.

"I had no idea what I was doing," Lilla said. "I didn't even know where to begin."

So he called Roger Avelsgard, MMUA's Apprenticeship instructor, who drove from Minnesota to Hecla, looked over the project, and developed a plan. The following week, with support from the South Dakota communities of Langford and Groton, crews completed the work in about four days.

For Lilla, the experience became an example of what small municipal utilities can gain from outside support at the right moment: technical expertise, extra hands, and a safer path through work that might otherwise be too complex to tackle alone.

"With Roger's expertise and miles of knowledge, we knocked it out in about four days and got it all put together," Lilla says, going on to observe that without MMUA's help, he could have put himself in serious danger trying to complete the project on his own.

Lineworkers Jacob Lilla (left) and Dealyn Rainford (right) of the City of Hecla help provide the reliable utility services their small South Dakota community depends on every day.

Roger Avelsgard, MMUA Apprentice Instructor, organized the crews and guided the work in Hecla as the Association pilot tested the Small Cities Initiative.

Harnessing the spirit of mutual aid

Municipal utilities have a long history of showing up to help one another, whether the need arises from the dark days of a disaster requiring mutual aid or during routine operations when an equipment loan makes all the difference. So when MMUA's Board and leadership team considered ways to be more supportive of smaller utilities, they knew this essential aspect of municipal culture had to be the linchpin.

MMUA CEO Karleen Kos says, "I have always been impressed by how quickly and selflessly municipalities step up when someone is in need. Our smallest utilities may not face a tornado or ice storm every day, but they do face real challenges. Limited staffing, financial constraints, and difficulty finding contractors willing to take on small projects can make it hard to maintain utility systems and respond to customer requests like the one in Hecla. Sometimes, simply keeping infrastructure up to date is a struggle. Challenges like these create an opportunity for communities to come together, support one another, and help their neighbors preserve local control."

During its 2025-26 planning sessions, the Board of Directors agreed, suggesting that MMUA find a sustainable way to support small utilities. Developing a Small Cities Initiative thus made its way into MMUA's 2026 operational plan.

Challenge accepted

Director of Training and Safety Mike Willetts and Apprenticeship Instructor Roger Avelsgard had already been thinking about the idea, even before the Board formalized its action. They knew municipal personnel would be willing to help, and that dozens of apprentices could benefit from the real-world training opportunities that would result from potential projects. The main question was how the program should be structured.

Although the concept emerged from thinking about mutual aid, the program is not structured the same way. When crews come together through traditional mutual aid, differing pay practices and expectations among utilities can make it difficult for small cities to predict costs.

Through the Small Cities Initiative, participating utilities are reimbursed for their regular costs, without the premium structures that sometimes accompany mutual aid deployments. That approach makes a big difference for smaller member communities that may need construction help but cannot absorb large contractor costs or unexpected labor premiums.

In speaking about how participating utilities that step up to help will be compensated, Willetts says, "Whatever you're normally being paid, we want to make sure you receive that and are whole." He goes on to say, "MMUA will have to cover its costs too, but we're not looking to make a big profit over it. The goals here are to help our neighbors, train the next generation, and strengthen the municipal model."

So far, MMUA has helped complete a small number of projects with limited scope, like the one in Hecla. The work has focused primarily on electric line construction and system improvement projects, but the broader idea is simple: give small utilities practical ways to complete necessary work without giving up on public power.

Training apprentices through real work

A key part of the initiative is its connection to MMUA's apprenticeship program. In some cases, project work in member communities can give apprentices hands-on experience that counts toward the time they might otherwise spend at the Marshall Training Center or simply in their own hometowns.

"It can be done a couple of ways with apprentices," Willetts says, explaining that local project work can become part of an apprentice's training path.

For smaller jobs, apprentices can work alongside experienced staff on design, engineering, and installation. For larger or more specialized projects, MMUA can help assemble line crews while still building training opportunities into the work when appropriate.

That dual purpose—meeting a city's immediate infrastructure needs while helping train the next generation of utility workers—is central to the program's value.

If apprentices are involved, the recipient city may still need to purchase equipment and materials, but the labor can function as part of the training program rather than as a full-cost contracted service.

For communities with limited budgets, this can make funding the work more attainable while also helping apprentices log meaningful field hours.

Preserving public power in small communities

Underlying the initiative is a challenge familiar across public power systems, especially in small towns: turnover. When experienced workers leave for better pay elsewhere, communities can struggle to maintain staffing levels and technical capacity.

Willetts says those staffing gaps can create pressure on city councils that are already questioning whether they can continue operating their own

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Small Cities Initiative

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The City of Hecla Utilities Department moves down the street in the annual parade, they are a trusted presence in town.

utility systems.

"I've seen it many times where council says, 'We can't hire anybody, so why are we even doing this?'" he said. "So we can fill those gaps … we're trying to preserve public power and train the next generation."

By offering project-based support and apprenticeship opportunities, MMUA gives member utilities another option between doing nothing and outsourcing the work entirely. In practice, that can buy communities time to hire, train, or rebuild their own local capacity.

Another layer of support: Interim leadership

The same philosophy extends beyond line work. MMUA has also stepped in to help fill interim leadership roles when member utilities lose a general manager or other key leader unexpectedly and need time to stabilize operations.

Willetts described those assignments as temporary bridges meant to help communities reach a sustainable next step, not long-term management arrangements.

"We're not in it to do it forever," he said. "We're in it to help them get to wherever they need to go to sustain."

Taken together, the project support model, apprenticeship opportunities, and interim leadership work reflect a broader goal: helping small municipal utilities remain capable, safe, and locally governed even when resources are stretched thin.

Looking ahead

The underground installation in Hecla has performed well so far. Lilla says the town is now evaluating a possible upgrade to the oil circuit recloser serving the area as load demands change. It's exciting to see Hecla's small system continuing to evaluate options and improve its infrastructure.

After a few pilot tests like the Hecla project, Willetts and Avelsgard are eager to learn more about the needs in other small towns.

"How small is small?" asks Willetts rhetorically when faced with the question about what towns qualify for the initiative. "If they are small enough to ask for help, we'll pick up the phone. Give us a call and tell us what you're thinking about. We will see if the Small Cities Initiative is the right fit for your project."

For MMUA, that means creating practical ways for member communities to solve immediate problems while strengthening the long-term future of hometown utilities in the region. It means carrying out the Association's mission of supporting and unifying municipal utilities. It means taking seriously the strategic objective of preserving local control, one project at a time.

The 2026 session

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At times, that prediction appeared accurate. Sharp partisan disagreements frequently dominated committee hearings and floor debates, and relatively few bills advanced through the process during the early months of the session. In the end, however, lawmakers did reach an agreement on a number of issues, and several significant bills were signed into law by Governor Tim Walz.

The pace changed dramatically in the final weeks of the session. As has become the unfortunate norm, the Governor and legislative leaders from both parties negotiated the broad outlines of a final agreement behind closed doors. However, the details were left up to the committees.

A few committees opted to have public hearings but no testimony. Most only met publicly to summarize the agreement reached and to pass the bill or conference report necessary for implementing the global agreement. More than a few committees, including energy, didn't bother meeting at all, leaving it up to party leadership to decide what, if anything, was to be passed. The tax committee had to resort to having Revenue Commissioner Paul Marquart facilitate two meetings in order to get a tax bill to the floor, which was a critical part of the global agreement.

Finally, over the last weekend, key bills were passed, and both chambers adjourned sine die without the need for a special session. In all, the House introduced 1,816 new bills in 2026, and the Senate introduced 1,764. Meanwhile, the thousands of bills introduced in 2025 that were not adopted into law were carried forward in each chamber. Out of all this, 92 bills were passed in 2026, sent to the Governor, and signed into law. To be fair, though, one must realize that many of the 92 measures passed contain provisions from several smaller bills.

Whether the session should be considered successful depends largely on one's perspective. For MMUA, the outcome included both victories and disappointments. Among the Association's successes was legislation authorizing a study of nuclear power in Minnesota. MMUA hopes the study will help inform future discussions regarding the state's nuclear moratorium. MMUA was also successful in supporting legislation that brings greater consistency to the process for determining the size of local public utility commissions.

Not every MMUA priority advanced. Efforts to reform Minnesota's net-metering laws did not gain sufficient support to reach the finish line this year, and several other utility-related proposals also stalled before final passage.

We are grateful that some of the bills did not ultimately survive this session. This includes a bill that—while offering important consumer protections—also opened the door to third-party sales. Another bill that was defeated would have promoted the use of plug-in solar devices, even though key safety concerns have not been addressed.

A little end-of-session drama occurred when DFL members attempted to pass bills at the very last (literal!) second to restore funding and programs that had not made the cut for inclusion in the final package. The effort was more about raising these items as election issues than anything else. No one expected it to be possible to pass additional bills with the clock reading 11:59. Ultimately, both chambers adjourned, but they came back on Monday, May 18th, for farewell speeches from members who are not returning to the legislature, at least not in their current capacity. An overview of what these lawmaker changes may mean will be covered in a future edition of *The Resource*.

The table on page 9 summarizes the Session Laws adopted by the 2026 legislature and signed into law by the Governor that most directly affect municipal utilities. Please feel free to contact Kent Sulem (ksulem@mmua.org) or Bill Black (bblack@mmua.org) if you have questions about any of these bills. You may also join us for a live recap of the bills and their implications at an upcoming free webinar. Check MMUA's website for details. Full copies of all the new 2026 session laws can be found at: https://www.revisor.mn.gov/laws/current/.

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Summer Conference program

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considerations, and strategies for smaller utilities with limited staffing depth. A second workshop will examine the updated Minnesota Municipal Interconnection Process, also known as the M-MIP. Attendees of this session will leave with the information needed to comply with Minnesota law, protect their hometown system, manage customer-owned solar installations, and provide excellent customer service around distributed energy resources.

Monday afternoon offers opportunities for informal networking through the annual golf tournament and a guided trail hike before attendees gather for an evening welcome reception overlooking the Mississippi River.

Educational programming takes center stage on Tuesday. The conference opens with keynote speaker Jason Harris, who will present "No Fail Trust: The Flight Plan to Cultivating a High-Performance Team." The session will explore leadership practices designed to strengthen accountability, commitment, and collaboration within organizations.

The remainder of the day features a broad range of sessions focused on issues currently affecting municipal utilities. Topics include billing, collection, and disconnection policies; the future of nuclear energy in Minnesota; communicating the value of public power; emergency action planning; and the American Public Power Association's Reliable Public Power Provider (RP3) program. Utilities interested in emerging technologies will find a session devoted to artificial intelligence policies and considerations for utility organizations.

Attendees will also have opportunities to participate in focused networking discussions tailored to specific roles, including utility managers and general managers, human resources professionals, and commissioners and council members. These smaller-group discussions are designed to encourage candid conversations among peers facing similar challenges.

Public policy remains a core component of the conference agenda. MMUA's Government Relations Team will provide an update on federal and state legislative developments affecting municipal utilities. Additional sessions will examine activity within the Midcontinent Independent System Operator (MISO), federal developments impacting the natural gas industry, and Minnesota's implementation of Paid Family and Medical Leave requirements.

Operational excellence and long-term planning are recurring themes throughout the program. Sessions will explore how facility design decisions can improve safety and reliability, how utilities can evaluate financial performance through benchmarking, and how communities can strengthen local power projects. Together, the presentations are intended to help utility leaders prepare for both immediate operational demands and long-term strategic challenges.

While education is a major draw, conference organizers note that the event's greatest value often comes from the conversations taking place between sessions. Municipal utilities operate in diverse communities, but many face similar questions related to workforce recruitment, infrastructure investment, reliability, technology adoption, and regulatory compliance. The Summer Conference creates an opportunity for participants to compare experiences, share lessons learned, and build relationships that continue long after the event concludes.

Networking opportunities are woven throughout the conference schedule. Meals, receptions, activities like the golf tournament, and trail hike, focused discussion groups all provide structured and informal opportunities to connect with peers. For newer utility leaders, the conference offers a chance to build professional networks and learn from experienced colleagues. For longtime attendees, it serves as an annual gathering of industry professionals committed to strengthening municipal utilities and the communities they serve.

The conference also includes MMUA's annual awards luncheon, where outstanding individuals and organizations will be recognized for their contributions to the industry. The celebration of achievements, combined with the Association's 95th anniversary milestone, makes this year's event an opportunity to honor the people and organizations that have helped municipal utilities remain strong and relevant for generations.

Registration for the 2026 Summer Conference is now open at MMUA.org/events/summer-conf-2026. Vendors and industry partners are encouraged to participate in the trade show, where they can showcase products and services, connect with utility leaders, and explore sponsorship opportunities. The conference provides a valuable opportunity to meet current and prospective customers from across the municipal utility community. Individuals with questions about registration, sponsorships, or participation may contact MMUA at info@mmua.org.

Our finest hour

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information, strategy becomes guesswork.

One of the recurring themes in both the Apollo 13 and Challenger stories is distance. Not physical distance, but organizational distance. In Apollo 13, the people making decisions remained closely connected to the people doing the work. Information moved quickly. Questions were asked directly, and problems surfaced immediately. On the other hand, Challenger after-action investigations found examples where concerns had to travel through multiple layers before reaching decision-makers. Along the way, some of the urgency was lost, and political sensitivities were layered on. Every organization should pay attention to that lesson.

The farther leaders become removed from day-to-day reality, the harder it becomes to see emerging risks clearly. Municipal utilities often have an advantage here. The person making a decision may have spoken with the employee who raised the concern that morning. The commissioners may personally know the crew involved.

Problems have fewer places to hide—but only if leaders remain curious enough to hear what people are trying to tell them.

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Minnesota's race against the clock on lead pipes

While Minnesota communities have made considerable progress in removing lead drinking-water pipes, local governments and water utilities warn the state could miss its ambitious 2033 replacement goal without a substantial increase in funding.

The issue gained renewed attention in May 2026 after the US Environmental Protection Agency (EPA) awarded Minnesota nearly $58 million to continue replacing lead service lines. State officials welcomed the funding, but many local leaders argued the latest federal investment covers only a fraction of the remaining work.

Minnesota established one of the nation's most aggressive lead-removal targets after lawmakers approved legislation requiring identification and replacement of lead service lines statewide by 2033. The effort seeks to eliminate a major source of lead exposure, particularly for children, who face the greatest health risks from contaminated drinking water. State estimates indicate that at least 100,000 lead service lines remain in service across Minnesota.

The price tag continues to grow

Estimates have revealed the full replacement could cost roughly $1 billion. Although Minnesota has secured hundreds of millions of dollars from state and federal sources since 2023, utility officials and municipal leaders say current funding levels fall far short of what communities need to remain on schedule.

According to Minnesota Public Radio, many cities have accelerated replacement programs but worry that existing funding could dry up before construction crews complete the work. Some municipal leaders have lobbied lawmakers to approve additional bonding and infrastructure funding to avoid delays that could stretch well beyond the state's deadline.

"The Legislature needs to allocate $250 million to stay on track for the 2033 deadline," the Minnesota Public Facilities Authority stated during recent discussions about the program's future.

Federal support plays a vital role

Federal dollars have kept many replacement projects moving, but city officials say the funding pipeline still falls short.

The EPA announced on May 20 that Minnesota will receive $57.77 million through the Drinking Water State Revolving Fund to help communities replace lead service lines and reduce exposure risks. The funding represents the latest installment of a multiyear federal effort to direct hundreds of millions of dollars toward lead-pipe replacement nationwide.

Many community leaders have expressed concern over replacement costs outpacing available funding.

A recent analysis cited by municipal officials estimated that Minnesota's newly approved $15 million state allocation could replace only about 1,200 service lines. Labor costs, excavation expenses, permitting requirements, and restoration work have increased project costs statewide.

Several utilities continue to make steady progress

St. Paul Regional Water Services reported that it has replaced approximately 4,500 lead service lines since 2022, and it plans to remove another 2,200 this year. Other cities, including Hastings and Hibbing, have launched multi-year replacement programs supported by state and federal grants.

Utility leaders argue the replacement programs deliver long-term health benefits while modernizing aging infrastructure.

"Replacing lead service lines remains one of the most important investments communities can make in public health," St. Paul Regional Water Services officials noted while outlining the utility's ongoing replacement efforts.

Supporters of additional funding point to the lessons from Flint, Michigan, and other communities where lead contamination has created lasting public health consequences. They argue Minnesota has an opportunity to eliminate the problem before similar crises emerge.

Fiscal conservatives and some lawmakers, however, continue to scrutinize the growing price tag. They support lead-pipe replacement but question whether the state can commit hundreds of millions of additional dollars amid competing infrastructure priorities, including roads, wastewater facilities, public buildings, and transportation projects.

For now, Minnesota's lead-removal effort remains on track, but barely. In some neighborhoods, replacement crews now move block by block through streets lined with orange utility flags and temporary trenches.

The next several legislative sessions could determine whether Minnesota achieves its goal of eliminating lead service lines by 2033 or whether communities face a longer, more expensive journey toward safer drinking water.

Utilities weigh the growing role of distributed energy resources

America's electric grid faces a collision of forces—explosive demand growth, aging infrastructure, and rising consumer costs—and a new report from The Pew Charitable Trusts claims the solution already exists, scattered across rooftops, garages, and smart devices nationwide.

Distributed energy resources, once considered marginal, now stand poised to reshape how the country produces, delivers, and pays for electricity.

A system under strain

The Pew report frames the challenge bluntly: the US power system has entered a period of structural stress. Electricity demand, stagnant for decades, now surges due to data centers, manufacturing reshoring, and the electrification of buildings and transportation. Pew projects demand will climb 78 percent by 2050, while much of the grid nears the end of its design life.

Utilities have responded with massive capital plans. Investor-owned utilities expect to spend more than $1.1 trillion between 2025 and 2029, costs ultimately appearing in ratepayer bills.

At the same time, reliability concerns mount. Roughly one in six households now fall behind on utility bills, according to Pew, underscoring the growing affordability crisis.

Distributed energy in the spotlight

Against this backdrop, distributed energy resources—DERs—offer a fundamentally different model.

Instead of relying solely on large, centralized power plants, DERs generate and manage electricity close to where it is used. When grouped into virtual power plants, they function as flexible, dispatchable grid assets capable of reducing peak demand or supplying power during critical periods.

The economic case has become stronger, with Pew reporting that virtual power plants can provide peak capacity for only 40 to 60 percent of the cost required by traditional infrastructure.

But the scale of distributed energy today often goes underreported.

A 2025 update from the Institute for Local Self-Reliance (ILSR) reveals the United States added 6.8 gigawatts of distributed solar capacity in 2025 alone, accounting for roughly one-fifth of all new solar capacity nationwide.

This figure reveals a quiet shift already underway: small, local energy systems now contribute meaningfully to national supply growth.

Even more striking, distributed solar accounted for about 15 percent of all new US power capacity in 2025, while solar overall made up more than three-quarters of new generation additions.

In other words, the decentralized grid is no longer theoretical—it is already expanding at scale.

Community solar reshapes the market

ILSR's analysis highlights another critical trend: the rapid rise of community solar, a model allowing customers to subscribe to shared projects rather than install their own systems.

States like Minnesota, New York, and Massachusetts now derive roughly 20 to 42 percent of their solar capacity from community solar programs, placing them among national leaders.

Minnesota, in particular, has built one of the most mature markets in the country.

Yet even here, the landscape continues to evolve. ILSR reports Maine recently surpassed Minnesota in per-capita community solar deployment, driven by aggressive policy support and rapid project development.

This shift emphasizes a broader reality: distributed energy leadership now depends as much on policy design as on resource availability.

Minnesota as a real-life laboratory

Minnesota's role in the distributed energy transition extends beyond solar adoption.

In 2026, regulators approved Xcel Energy's Capacity*Connect program, a utility-led effort to deploy distributed batteries across the grid. The initiative aims to reduce peak demand, improve reliability, and defer infrastructure upgrades.

Minnesota Public Utilities Commissioner Hwikwon Ham framed the effort as "a vital step toward modernizing the energy grid and meeting the growing electricity needs of our communities."

Still, the state's approach highlights a key tension. While Minnesota leads in community solar, it has moved more cautiously on customer-driven virtual power plants—programs allowing households and businesses to actively participate in grid services.

Energy advocates argue this gap matters. "Putting a value on distributed resources…to avoid or defer grid upgrades is a real opportunity—and it's really hard," said Will Kenworthy, Midwest regulatory director at Vote Solar.

The arduous task of quantifying and compensating distributed value remains one of the central challenges facing regulators nationwide.

DERs through the lens of community-owned utilities

While much of the national discussion around distributed energy resources focuses on investor-owned utilities, municipal and cooperative utilities often approach DERs from a different perspective. Because they are owned by the customers they serve rather than shareholders, these utilities typically evaluate distributed energy investments through the lens of local reliability, affordability, and long-term community benefit. In many cases, the question is not whether DERs should be deployed, but which applications provide value without shifting costs among customer classes.

Municipal and cooperative utilities have been early adopters of certain forms of distributed energy, particularly community solar gardens, load-management programs, demand-response initiatives, and behind-the-meter generation. Many have also experimented with battery storage, electric vehicle charging programs, and distributed generation tariffs designed to encourage customer participation while maintaining system reliability. For smaller utilities, DERs can offer opportunities to defer infrastructure investments and improve

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Distributed energy resources

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resilience, particularly when integrated into broader resource planning efforts.

At the same time, municipal and cooperative utility leaders note that distributed resources are not universally beneficial. Many public power and cooperative systems serve rural areas with lower customer density, limited staffing, and different load characteristics than large metropolitan utilities. Integrating customer-owned generation, storage, and flexible loads requires investments in metering, communications, cybersecurity, and operational capabilities. As a result, utilities often weigh the potential benefits of DERs against implementation costs and impacts on non-participating customers.

For public power and cooperative utilities, the future of distributed energy may be less about maximizing deployment and more about strategic integration. As data centers, electrification, and other new loads place increasing demands on the grid, many utility leaders view DERs as one tool among many—including generation resources, transmission investments, energy efficiency, and demand management—to maintain reliability while keeping rates affordable for the communities they serve.

Policymakers respond unevenly

ILSR identifies more than 25 states plus Washington, DC, with significant distributed solar adoption, defined as exceeding 100 watts per person, a threshold reflecting meaningful penetration into local energy systems.

At the same time, growth patterns vary widely. Some states, including Tennessee and Idaho, now see nearly all new solar additions coming from distributed sources, while others continue to rely heavily on utility-scale projects.

Those disparities reflect the fragmented nature of US energy policy, a point the Pew report emphasizes repeatedly. Pew contends that many utility regulatory structures continue to favor large capital investments, even when distributed alternatives may offer lower-cost solutions.

Pew outlines next steps

The Pew report outlines a roadmap for turning the potential into reality:

- Integrate DERs into utility planning
- Establish targets for virtual power plants
- Align utility financial incentives with distributed deployment
- Streamline permitting
- Accelerate interconnection
- Strengthen resilience through localized energy systems

Each recommendation targets a bottleneck currently slowing adoption.

The utility strategy shift

Despite ongoing debate about the pace and scale of deployment, distributed energy resources have moved from the margins of utility planning into the mainstream. Solar, battery storage, demand response, electric vehicles, and other distributed technologies are increasingly being evaluated alongside traditional investments in generation, transmission, and distribution infrastructure.

The Pew report argues that broader use of DERs can improve reliability, strengthen resilience, and reduce costs by providing capacity closer to where electricity is consumed. Supporters contend that strategically deployed distributed resources can help defer infrastructure upgrades, reduce peak demand, and provide operational flexibility during periods of system stress.

At the same time, utilities continue to face practical questions regarding cost recovery, interconnection, system operations, cybersecurity, and equitable treatment of participating and non-participating customers. The answers vary considerably based on utility size, geography, customer mix, and regulatory structure.

Looking ahead

The growth of distributed energy resources is unlikely to eliminate the need for large power plants, transmission lines, or other traditional infrastructure. Instead, many industry observers see the future grid as a combination of centralized and distributed resources working together to meet increasing electricity demand.

For Minnesota's community-owned utilities, the challenge will be determining where distributed resources create measurable value for the customers who ultimately own the system. As data centers, electrification, and other emerging loads place new demands on the grid, municipal utilities will continue evaluating DERs alongside energy efficiency, demand management, transmission investments, and generation resources.

Whether distributed energy becomes a transformational force or a complementary tool will likely depend less on the technology itself than on each utility's ability to integrate those resources in ways that strengthen reliability, preserve affordability, and reflect local priorities. For community-owned utilities, those considerations remain at the center of every investment decision.

The 2026 session

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Chapter	HF/SF	Impact on municipal utilities	Effective date(s)
44	HF3556	Renames Xcel's state-mandated solar garden program after Melissa Hortman, who championed its creation. It's a fitting tribute. Skeptics see the naming as a way of making it more emotionally difficult to repeal the program, as some have advocated in recent years.	4/14/2026
47	HF3802	Eliminates the need to seek a new Certificate of Need when upgrading or rebuilding an existing transmission line and associated facilities with a current capacity under 100kW. Now, a certificate of need is not required when an existing high-voltage transmission line of 115kW or lower uses at least 80 percent of the existing right-of-way to relocate a line at the same or lower voltage.	4/22/2026
79	HF4224	Modifies reporting requirements regarding the discharge of contaminants to water under Minn. Stat. §115.061, requiring wastewater treatment facility operators to promptly notify tribal governments in addition to the public and downstream drinking water facilities after any untreated wastewater release.	5/8/2026
88	SF4244	Corrects cross-references to provisions of Minn. Stat. Chapter 216B. Clarifies what constitutes energy conservation.	August 1 default
90	SF1714	Known as the "Payment Transparency Act," this law gives contractors and subcontractors on public improvement projects a new right to obtain payment information from the public owner. Contractors can request the amount and date of any progress payment, retainage payment, final payment, or any other type of payment made by contracting public agencies, including political subdivisions. All requests must be answered within seven calendar days.	August 1 default
112	SF4339	Requires underground utility operators to provide a locate status notice using Gopher State One-Call's "Electronic Positive Response" system prior to the end of a locate period. Operators must also update contact information with Gopher State within three months of any change.	Locates on or after 8/1/2026 but updated contact info not due until 1/1/2027
128	HF2438	Omnibus Tax Bill Relevant Sections: Article 4, Section 6: establishes a uniform process to increase or decrease (i.e., "modify") the size of a local public utilities commission. Article 8, Section 11: Appropriates $500,000 for the Great Plains Institute (GPI) to conduct a study on nuclear energy. The study was a compromise on the effort to repeal the nuclear moratorium. Issues to be addressed include technical advances, life-cycle costs, and waste storage.	Both provisions effective 5/28/2026. Nuclear study to be completed by 1/30/2027
129	HF2484	Omnibus Capital Investment (Bonding) Bill—cash appropriations: Article 1, Section 9: $1.8 million to the Department of Health for drinking water planning grants. See Article 2, Section 3 for details. Article 1, Section 12: $10.6 million to Public Facilities Authority (PFA) for earmarked projects in Apple Valley and North St. Paul.	Article 1—Default 7/1/2026. Article 2 effective 5/28/2026
130	HF719	Omnibus Capital Investment (Bonding) Bill—bonds authorized: Article1, Section 8, subd.2: $1.5 million to the Pollution Control Agency (PCA) for Statewide Drinking Water Contamination Mitigation Grant Program (see Minn. Stat. §115B.245). Article 1, Section 8, subd.3: $10.514 million to PCA for Solid Waste Capital Assistance Grant Program (see Minn. Stat. 115A.54). Article 1, Section 24, subd.2: $19 million to PFA to provide matching funds for federal capitalization grants, and to fund the drinking water revolving fund (see Minn. Stat. §446A.07 and §446A.081). Article 1, Section 24, subd.3: $56 million to PFA for Water Infrastructure Funding (WIF) program (see Minn. Stat. §446A.072); $26 million earmarked for wastewater projects listed on PCA's priority list and $30 million for drinking water projects on the Department of Health's priority list. Article 1, Section 24, subd.4: $30 million to PFA for Point Source Implementation Grants Program (PSIG) (see Minn. Stat. §446A.073). Article 1, Section 24, subd. 5: $15 million to PFA for grants under the Lead Service Line Replacement Program (see Minn. Stat. §446A.077). Article 1, Section 24, subd. 6: $17 million to PFA for grants under the Emerging Contaminants Grant Program (see Minn. Stat. §446A.082). Article 2, Section 4: Amends eligible uses for lead service line replacement grants. Grant money can be used for up to 100 percent of the cost of replacement, but General Obligation Bond money can only be used to replace the publicly owned portion of the lead line.	5/28/2026

Underground School

Participants at the 2026 Underground School track a directional drill's path at MMUA's Marshall training center. The school drew 54 utility professionals from Minnesota, North Dakota, and South Dakota.

Participants gained hands-on experience operating a directional drill and related underground equipment. They also used cable-pulling equipment during a field rebuild at the training center.

Participants learned cable design fundamentals, manufacturing basics, and proper preparation for termination. The session also covered reel handling and inspection, installation best practices, and common causes of cable failure.

During the 200-amp terminations session, participants practiced terminating underground wire and learned to select the right tools for the job. Instructors covered skirted terminations for risers, 200-amp elbows, and splices.

Most training takes place in de-energized stations, but the grounding and phasing stick activity gave participants exposure to energized grounding procedures. They learned how to ground lines and equipment and how to use phasing sticks when grounding and phasing cables.

Roger Avelsgard meets with apprentices during Underground School, one of four required schools in the apprenticeship program. He brings extensive field experience to the training and helps apprentices meet state audit standards.

USGS tool offers new national dataset for water planning

A new US Geological Survey tool aims to help utilities and planners better understand water supply, demand, and long-term risk across US watersheds.

The US Geological Survey (USGS) has released its first nationwide tool designed to help communities evaluate whether existing water supplies can meet current and future demand. Known as the National Water Availability Assessment Data Companion, the platform brings together previously fragmented datasets into a single, accessible resource for planners, utilities, and researchers.

A clearer picture of supply and demand

Nearly 27 million Americans—about 8 percent of the population—live in areas where water demand approaches or exceeds available supply, according to USGS.

Historically, assessing those conditions required navigating multiple agencies and datasets. The new tool consolidates that information, allowing users to evaluate water availability and use across approximately 80,000 watersheds nationwide.

"Regional imbalances between supply and demand may create water challenges affecting millions of Americans," said USGS lead scientist Shirley Leung. "This tool can help decision-makers understand whether challenges may stem from limited natural water supply, high demand, or both."

Data depth and functionality

The platform integrates monitoring data, satellite observations, and climate information to provide a comprehensive view of water conditions. Users can access:

- Up to 40 years of monthly water supply data, including streamflow, snowpack, and soil moisture
- Supply-and-demand comparisons from 2009 to 2020
- Water use data for public supply and irrigation from 2000 to 2020

The result is a detailed, watershed-level dataset that allows communities to analyze local conditions, compare regions, and identify seasonal trends.

According to USGS, what previously required significant time and resources can now be done in minutes, expanding access to high-quality data for communities of all sizes.

Regional insights highlight varied challenges

Early data from the tool show that water availability challenges vary widely across the country.

- In the Mississippi Embayment, strong natural supply is offset by intensive irrigation demand; in 42 percent of the region, usage approaches or exceeds supply.
- The Central and Southern High Plains face both limited precipitation and heavy agricultural demand.
- The Southwest combines naturally scarce water resources with growing municipal and agricultural needs.
- California's Central Valley sees pronounced seasonal imbalances, with supply constraints intensifying during peak irrigation months.

These regional variations highlight the importance of localized planning, even as national-level data improves.

Implications for utilities and planners

For public utilities and water managers, the tool offers a more consistent baseline for planning, investment, and communication.

In water-stressed regions, it can help identify whether challenges stem from supply constraints, demand growth, or both—informing decisions on conservation, infrastructure, or alternative sources.

In water-rich areas, the data may support economic development strategies by identifying available capacity and long-term reliability.

The platform also supports more advanced use cases, enabling technical users to integrate data into modeling, forecasting, and asset planning workflows through downloadable datasets and web services.

Expanding access to decision-grade data

USGS emphasized that improving public access to water data was a central goal of the project.

"Public access to data is a cornerstone of the National Water Availability Assessment," Leung said.

By making standardized, nationwide data freely available, the agency aims to equip communities with a shared foundation for water planning—reducing barriers that have historically limited participation to larger or better-resourced entities.

Looking ahead

As water systems face increasing pressure from population growth, agricultural demand, and climate variability, tools that integrate supply and demand data at scale are likely to play a larger role in planning and policy.

For utilities, the USGS tool represents a step toward more transparent, data-driven decision-making, providing a common framework to evaluate risk, prioritize investments, and communicate system conditions to stakeholders.

Access to the National Water Availability Assessment Data Companion is available free at https://water.usgs.gov/nwaa-data/.

Winter Storm Fern fallout leads to changes on Nashville utility board

A new Tennessee law will give several counties representation on the board of Nashville Electric Service (NES), the state's largest municipally owned electric utility.

The measure passed the legislature after lawmakers questioned utility governance and storm response following widespread outages.

The law applies to city-owned electric utilities that provide only electricity and serve more than 50,000 retail customers outside their home county. In practice, that means the change affects only NES.

Under the law, NES must add one voting board member from each outside county where it serves at least 3,500 customers, if that county chooses to appoint one. According to the legislation's fiscal memorandum, the change is expected to add four members to the NES board.

Lawmakers began pushing for changes after Winter Storm Fern caused widespread outages in Middle Tennessee. Winter Storm Fern left approximately 230,000 NES customers without power at its peak, affecting nearly half the utility's customer base, and prompted extensive scrutiny of the utility's outage response. An independent review commissioned by the utility's board later found that while crews worked aggressively under difficult conditions, NES faced challenges related to communications, outage management, and customer expectations during the restoration process. The review also identified opportunities to improve emergency communications, coordination, and public information sharing during major storm events.

Supporters of the new law argued that customers outside Davidson County should have a voice in utility governance if they pay NES rates and depend on its service. Based on current customer counts, the outside counties that meet the 3,500-customer threshold are Rutherford, Sumner, Williamson, and Wilson. Those counties will be eligible to appoint board members under the new law.

Opponents described the measure as a targeted effort to shift control of the utility and argued that broader geographic representation would not have prevented the storm-related outages.

With the law now in place, qualifying counties served by NES will be able to participate directly in board governance through appointed representatives.

Earlier in the session, lawmakers considered a broader bill with similar language that also would have affected utility boards in Knoxville and Chattanooga. That measure failed in a House committee after drawing objections from lawmakers in those areas.

House sponsor Rep. Clark Boyd later refiled the language in a narrower bill focused on NES, and that version ultimately passed. Opponents criticized the move, but supporters said it addressed representation for customers outside the utility's home county.

The law does not name NES directly, but its criteria narrowly limit its reach. It applies only to municipally owned utilities that provide electric service only, not multi-service utilities, and only to systems that serve more than 50,000 customers outside their home county. Those conditions leave NES as the only utility currently affected.

Our finest hour

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Even though we do have the gift of simple organizational charts and just a few steps between the office and the shop, we still have to take the time to listen. We still have to be willing to hear things that are inconvenient.

No matter what the latest bestseller might suggest, leadership is not about never having inconvenient or uncomfortable truths, nor is it about magically knowing how to handle everything. It's about showing up, facing facts, and then having something to offer in the face of those facts that inspires others to produce results worthy of their "finest hour."

The Apollo 13 story is often summarized by the phrase "failure is not an option." As it happened, that phrase is a screenwriter's interpretation of the culture at NASA Houston in 1970. Those exact words were never actually spoken during the mission, but it doesn't matter. The phrase endures because it captures something real.

The teams involved did not spend their energy arguing with reality. They accepted reality and went to work to get the best result they could.

That may be the ultimate leadership lesson. Whether we are managing a utility, serving on a commission, supervising a crew, leading a power agency, or guiding an association, our first responsibility is not optimism. It is not confidence, or decisiveness, or even know-how.

Our first responsibility is understanding reality clearly enough that good decisions become possible. Our second is the willingness to harness every bit of power we have—even if it is, figuratively, only enough to run a small municipal coffee pot—to find the solutions to what is in front of us, whether that is a routine safety issue or a strategy for achieving carbon-free power by 2040.

Apollo 13 reminds us what can happen when organizations do that exceptionally well. Challenger reminds us what can happen when they do not.

On behalf of the millions of customers in Minnesota who depend on municipal electricity, gas, and water services, our task is not to hope or cheerlead our way to a successful future. In the face of the complicated issues facing municipal utilities in 2026, true leadership means creating "our finest hour" by facing facts, confronting problems honestly, and doing the work required to solve them.

Congratulations to the 2026 RP3-designated utilities

Minnesota public power utilities continue to earn national recognition from the American Public Power Association's Reliable Public Power Provider program, which recognizes utilities that demonstrate high proficiency in reliability, safety, workforce development, and system improvement. Below is a list of the Minnesota public power utilities that currently hold the RP3 designation. Utilities keep the RP3 designation for three years.

Diamond level (2026–2024)

- Detroit Lakes Public Utilities (2026)
- Elk River Municipal Utilities (2026)*
- Marshall Municipal Utilities (2026)
- Willmar Municipal Utilities (2026)
- Owatonna Public Utilities (2025)
- Shakopee Public Utilities (2024)

Platinum level (2026–2024)

- ALP Utilities (2026)
- Austin Utilities (2025)
- Brainerd Public Utilities (2026)*
- Moorhead Public Service (2025)
- New Prague Utilities (2024)
- Rochester Public Utilities (2026)
- Saint Peter Municipal Utilities (2025)

RP3 RELIABLE PUBLIC POWER PROVIDER
American Public Power Association

AMERICAN PUBLIC POWER ASSOCIATION

*Utility moved up one rank from its previous designation.

A pipeline reborn in the shadow of Keystone

A new oil pipeline proposal would run south from the Canadian border through Montana to a crude hub in Wyoming, with connections that could ultimately feed Midwestern refineries.

The plan revives a familiar debate over energy security, economic demand, and environmental risk.

Developers say the project would ease supply constraints as global demand rises. Opponents say it echoes Keystone XL and could lock in decades of fossil fuel use.

The decision could steer billions in investment and determine whether hundreds of thousands of barrels a day move by new pipe or existing routes.

The proposal, led by Bridger Pipeline Expansion LLC, would span about 650 miles from northern Montana to a crude hub in Wyoming, with links to existing Midwestern networks.

Plans call for a 36-inch line that could carry up to 550,000 barrels of crude per day. This increase would deepen the US market's reliance on Canadian heavy oil.

Canada is already the largest source of US-imported oil, and industry analysts say additional capacity would likely increase those flows.

The filing comes as energy security concerns and volatile global markets renew interest in cross-border infrastructure.

The route would cross near the point where Keystone XL was once planned to enter the US, underscoring that the idea has not disappeared; it has only changed shape.

Unlike Keystone XL's straight shot to the Gulf Coast, developers propose feeding existing hubs and lines, a design supporters argue is more flexible and, politically, easier to permit.

The parallels remain: similar geography, similar capacity, and familiar arguments over national interest.

"Energy security drives this conversation," a regional pipeline analyst wrote in filings tied to the project. "The infrastructure question never went away."

The economic arguments

Supporters say the pipeline would serve Midwestern refineries built to process heavy crude.

Operators say many Midwestern plants, including facilities in Indiana and Wisconsin, favor Canadian heavy crude because of their unit configurations. Converting them to run more light shale oil would require expensive upgrades.

The project is estimated to cost about $2 billion.

Backers point to construction jobs and tax revenue for counties along the route. They also say newer monitoring and safety standards can reduce spill risk.

Environmental groups warn the project would extend the life cycle of carbon-intensive oil sands production, complicating US and Canadian climate commitments. They also point to the history of pipeline leaks across North America, including major spills linked to aging systems in the Midwest.

Critics also raise alarms about water crossings and potential impacts on aquifers, rivers, and wildlife corridors.

Tribal nations and landowners in Montana and neighboring states have begun organizing around the early stages of the federal environmental review process. Regulators have initiated a formal Environmental Impact Statement, signaling a lengthy and contentious permitting process.

Legal challenges, common in past pipeline fights, appear likely.

The utility perspective

Utilities are not leading the push, but some Midwest executives have weighed in, arguing that

fuel supply reliability remains a priority.

In Wisconsin, where refining and fuel distribution intersect with pipeline infrastructure, executives have emphasized reliability.

A utility executive told state regulators in earlier proceedings that "Midwestern energy systems rely on stable crude supply chains to maintain affordable fuel for consumers."

Utilities say disruptions—whether geopolitical or from pipeline bottlenecks—can quickly push up costs for households and businesses.

Many also point to renewables and electrification as parallel priorities.

Politics, permits, and the conflict ahead

Federal agencies must evaluate cross-border permits, environmental impacts, and public input. State regulators will scrutinize routing, safety measures, and local economic effects. Courts may ultimately decide key legal challenges.

Politics will also matter. Pipeline approvals have swung sharply between presidential administrations over the past decade, and analysts warn that lengthy timelines increase exposure to policy shifts, adding further delays.

Meanwhile, competing projects, including expansions of existing pipelines and alternative export routes from Canada, could influence investor appetite for the new pipeline.

The larger question

The proposed pipeline forces a familiar but unresolved question back into the national spotlight: Should North America double down on integrated oil infrastructure to ensure energy stability, or pivot more aggressively toward a lower-carbon future?

Supporters argue that growing energy demand leaves little room for doubt. Opponents counter that new pipelines risk becoming expensive, stranded assets in a decarbonizing world.

For now, the project sits at the starting gate—one more chapter in a decades-long struggle over how energy is transported, who benefits, and what risks communities accept along the way.

The power struggle over public power

A growing number of communities across the United States want greater control over their electric systems, but investor-owned utilities (IOUs) increasingly fight those efforts with political campaigns, advertising blitzes, legal challenges, and lobbying operations—sophisticated attempts to stop municipalization before voters gain traction.

The fight has intensified from Ann Arbor to San Diego as residents grapple with rising electric bills, reliability concerns, and frustration over utility profits. Municipal utility supporters claim community-owned systems offer lower costs, stronger accountability, and local oversight. IOUs assert that municipalization often creates financial risk, operational uncertainty, and long-term debt burdens for taxpayers.

A recent investigation by *The Guardian* found several utility-backed organizations presented themselves as grassroots community coalitions while receiving support tied to large IOUs. The report linked opposition campaigns in Michigan and Florida to consulting and public affairs firms connected to utility interests. In Ann Arbor, opponents of a public power ballot initiative warned residents municipalization could produce major debt obligations and significant rate increases. Public power advocates disputed those projections and accused IOUs of exaggerating costs to protect monopoly territories.

The battle reflects much larger financial stakes than a single city referendum. IOUs collectively plan to spend enormous sums on grid upgrades, transmission systems, and power generation as electricity demand rises from data centers and electrification efforts. Those companies rely on long-term customer bases and regulated returns to recover investments. Losing a city through municipalization threatens both revenue and future infrastructure planning.

Still, public power supporters grow.

According to the American Public Power Association (APPA), roughly 2,000 community-owned utilities serve about 55 million Americans. According to APPA's data, public power systems generally have lower average residential electric bills and stronger reliability metrics than other utility structures. In 2024, public power customers nationwide paid roughly 14 percent less on average than customers served by other utility types.

Scott Corwin, APPA's President and CEO, wrote in May 2026 that "local governance makes a utility more accountable to the people it serves."

Regulators and energy analysts, however, note how municipalization rarely offers a simple solution. Modern electric systems involve complex transmission agreements, generation contracts, wildfire liabilities, debt obligations, and regional reliability requirements. Analysts at the Colorado Public Utilities Commission and other regulatory agencies have stressed the growing complexity surrounding grid oversight, affordability pressures, and infrastructure modernization.

Some IOUs protest that public campaigns against them oversimplify the economics of running large electric systems. Utility-backed groups in Florida and California have warned municipalization efforts can expose taxpayers to acquisition costs, litigation expenses, and operational uncertainty. Opponents also contend splitting systems apart can complicate regional grid planning and cost recovery.

Still, public frustration continues to fuel the movement.

Advocates in several cities cite repeated rate hikes, outage concerns, and distrust of utility lobbying efforts as reasons to explore alternatives. In some communities, aggressive opposition campaigns appear to have hardened skepticism toward IOUs rather than weakening support for public power.

The fight now increasingly centers on who controls the energy transition itself: Wall Street-backed utilities with massive infrastructure plans or locally governed systems promising community oversight and public accountability.

For cities considering municipalization, the debate likely will intensify long before it fades.

When the lights went out in Havana

The darkness arrived fast.

Streetlights blinked off across Havana, Cuba. Refrigerators fell silent. Cell phone towers failed. Hospitals switched to emergency generators. Millions of Cubans suddenly found themselves trapped inside one of the largest grid failures in the Western Hemisphere in recent memory.

Cuba's national electrical system has suffered repeated collapses since 2024, but the island's 2026 outages have pushed the country into a deeper crisis, now threatening its economy, public health system, tourism sector, and political stability. The outages also offer a warning for utility leaders in the United States about how aging infrastructure, fuel insecurity, weak grid redundancy, and delayed modernization can transform a stressed power system into a national emergency.

The latest collapse began in March when Cuba's national grid failed, leaving roughly 10 million residents without power. Additional breakdowns followed in May, including a major outage blanketing eastern provinces and intensifying rolling blackouts across Havana.

The causes varied. One outage stemmed from a failure at the Nuevitas thermoelectric plant. Another followed broader instability within the transmission network. Experts and Cuban officials point to the same underlying problem: Cuba relies on a fragile electrical system built around aging oil-fired generation plants lacking sufficient maintenance, spare parts, and fuel supplies.

The crisis worsened after the US tightened sanctions and threatened tariffs against countries shipping oil to Cuba. Venezuela and Mexico sharply reduced deliveries. Cuban Energy and Mines Minister Vicente de la O Levy told reporters the island nation had effectively exhausted its diesel and fuel oil reserves. "We have absolutely no fuel," he said during one public briefing.

The outages quickly spread beyond inconvenience into humanitarian danger

Residents endured blackouts lasting 15 to 24 hours per day in some regions. Food spoiled in refrigerators. Water systems lost pressure. Air conditioning disappeared during the dangerous Caribbean heat. Small businesses closed. Fuel shortages crippled transportation networks. Hospitals postponed some surgeries while emergency crews struggled to maintain backup generation.

The tourism industry, one of Cuba's few major sources of foreign currency, also suffered heavy damage. Hotels increasingly relied on private generators and rooftop solar systems. Some business owners installed battery systems large enough to survive daylong outages. Others simply shut down operations.

Protests erupted in parts of Havana and Santiago de Cuba as frustration mounted. Reuters reported some residents banged pots and pans in the streets while others burned trash during demonstrations over worsening conditions.

Cuba's state-run Electric Union worked around the clock to stabilize the system. Yunier Meriño Reyes, an accountant with the utility organization, described the strain during May Day events in Havana: "We are living through difficult times," he said. "We are carrying out a very tough, arduous, and relentless effort."

Cuban business owners begin to adapt

Some Cuban businesses have already begun adapting through localized solar systems and battery storage. Renewable energy accounted for only a small share of Cuba's grid in recent years, but solar adoption has accelerated

rapidly during the crisis. China has provided photovoltaic equipment while Cuban entrepreneurs install rooftop systems to survive outages.

Experts warn that solar installations alone cannot stabilize a collapsing transmission system without broader investment in storage, grid modernization, and industrial-scale infrastructure.

Governments point fingers at each other

The Cuban government alleges that US sanctions triggered much of the current collapse. American officials and critics of the Cuban regime counter that decades of economic mismanagement, centralized planning, and deferred maintenance weakened the grid long before the newest sanctions emerged.

Cuba's electrical infrastructure has deteriorated for years. Many thermoelectric plants date back decades and operate with limited modernization. Reuters reported Cuba experienced multiple major outages in 2024 and 2025 before the latest collapses arrived in 2026.

The island's dependence on imported oil created a dangerous vulnerability. Once foreign shipments slowed, the entire generation fleet lost stability. Cuba now generates only a fraction of the electricity its economy requires.

The crisis also revealed a deeper structural weakness

Cuba's energy crisis revealed insufficient generation diversity and grid flexibility.

By contrast, in the US, utilities increasingly diversify power sources across natural gas, nuclear, hydroelectric, wind, solar, and battery storage. Regional transmission organizations also allow utilities to share reserves and shift electricity across multiple states during emergencies. Cuba

Continued on page 19

Small towns gain big energy muscle

Maine lawmakers have handed local governments a new tool in the fight over electric costs and clean energy, and the move mirrors a broader national shift that gives municipalities more control over how they buy power.

Gov. Janet Mills recently signed LD 2112, a law allowing Maine communities and Wabanaki tribal nations to create community choice aggregation programs (CCAs). The law allows municipalities to pool electricity demand and negotiate directly for energy supply contracts while existing utilities continue to manage transmission, billing, and grid operations.

Supporters claim the approach could lower consumer costs, expand renewable energy options, and increase local control over energy policy. Critics warn the programs could expose residents to volatile energy markets and create administrative challenges for towns with limited staffing or expertise.

The debate has intensified nationwide as communities confront rising electricity prices, aggressive state climate mandates, and mounting demand from electrification and data center growth.

CCAs already operate in states including California, Massachusetts, New York, Rhode Island, New Hampshire, Maryland, and Virginia. Other states continue to explore similar legislation.

The Maine law arrives at a moment when many consumers increasingly question traditional utility structures. In parts of Massachusetts, customers served by municipal utilities or aggregation programs often pay noticeably lower rates than customers served entirely through investor-owned utilities, according to a recent *Boston Globe* investigation.

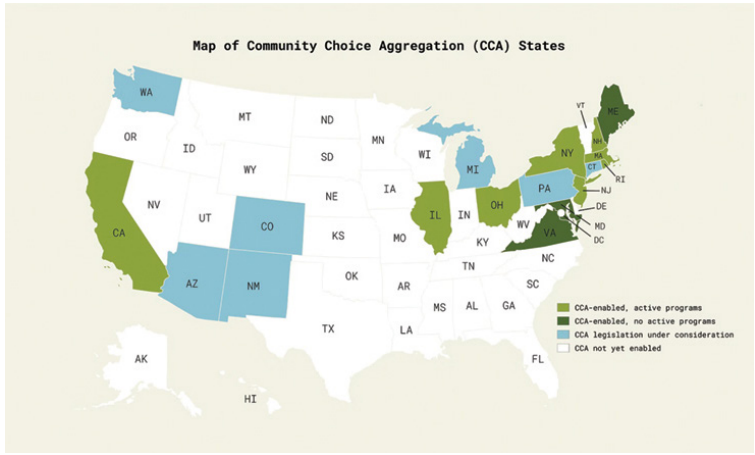
The new Maine measure does not create municipal utilities. Instead, towns can negotiate electricity supply contracts collectively while existing utilities maintain poles, wires, outage restoration, and customer service functionalities.

This distinction has fueled bipartisan interest in CCAs across several states.

Advocates describe the model as a market-based compromise between fully regulated utility monopolies and complete retail deregulation. The US Environmental Protection Agency says CCAs allow local governments to procure electricity on behalf of residents and businesses while still relying on existing utility infrastructure.

Backers also point to environmental advantages. Many CCA programs purchase larger percentages of renewable energy than utilities currently provide through default service offerings.

While Minnesota has not authorized community choice aggregation programs, state policymakers and municipal utilities continue to explore ways to expand local control over renewable-energy development and long-term power planning. Minnesota's municipal utilities already participate in joint action agencies and regional energy purchasing arrangements, giving communities a greater voice in energy decisions than customers often have under traditional investor-owned utility structures.



Energy observers across the Midwest say Maine's new law could influence future discussions in states where communities want additional flexibility to pursue renewable-energy contracts, hedge against electricity price volatility, or accelerate local climate goals without forming fully municipalized utilities.

California has become the nation's most aggressive adopter. According to the California Community Choice Association, local aggregators now procure electricity for millions of customers while expanding renewable generation and battery storage projects.

New York officials have similarly promoted CCAs to encourage local clean-energy participation and consumer engagement. The New York Department of Public Service says well-designed programs can support state climate goals while increasing consumer choice.

Still, utilities and some energy analysts urge caution.

Critics warn municipalities may struggle to manage long-term procurement risks if energy prices spike. Others note these aggregation programs sometimes advertise initial savings that dwindle or disappear during volatile market cycles.

Investor-owned utilities also argue that they still shoulder responsibility for maintaining increasingly expensive infrastructure regardless of who supplies the electricity.

Some consumer advocates have raised concerns about customer confusion, particularly in states where residents automatically enter municipal aggregation programs unless they opt out.

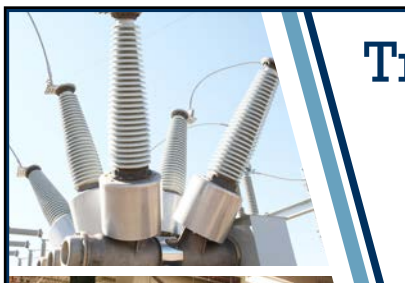
Those concerns have not slowed momentum.

Energy organizations across New England and the Northeast increasingly view CCAs as part of a broader trend, giving cities and towns greater influence over energy decisions that were once controlled almost entirely by utilities and state regulators.

Colorado lawmakers have also explored community choice energy models as part of broader discussions surrounding clean-energy transitions and local energy governance.

For municipalities, the appeal often comes down to two simple factors: price stability and local control.

For now, Maine has joined a growing national experiment shifting more energy-buying authority away from large utilities and closer to city halls and town councils.



Ohio utility corruption case highlights governance and transparency risks for public power sector

Deadlocked jury in FirstEnergy bribery trial renews national scrutiny of utility influence, political spending, and ratepayer accountability.

A deadlocked jury in Ohio's closely watched FirstEnergy corruption trial has renewed national attention on the relationship between utilities, regulators, and political influence, raising broader questions about governance and public trust that extend beyond investor-owned utilities.

The backstory

On March 31, a Summit County jury in Akron failed to reach a verdict after more than a week of deliberations in the criminal case against two former FirstEnergy executives accused of participating in a pay-to-play scheme tied to Ohio's 2019 House Bill 6. Prosecutors alleged the utility and its allies spent roughly $60 million to secure passage of the legislation and favorable regulatory treatment. Defense attorneys argued the payments reflected lawful business and political activity.

The case is part of the broader House Bill 6 scandal, which has already resulted in major financial penalties, criminal convictions, and ongoing civil litigation. Former Ohio House Speaker Larry Householder was sentenced to 20 years in prison after being convicted on federal racketeering charges connected to the scheme. FirstEnergy previously agreed to pay a $230 million federal penalty related to the investigation.

At the center of the case is House Bill 6, legislation that provided financial support for struggling nuclear plants while adding charges to customer utility bills. Prosecutors alleged company executives directed payments, including a $4.3 million transfer to future Public Utilities Commission of Ohio chair Sam Randazzo, in exchange for favorable decisions and political support.

Ohio is not alone

The Ohio proceedings are among several high-profile utility-related corruption cases in recent years. In Illinois, Commonwealth Edison agreed to pay a $200 million federal penalty in connection with a bribery investigation involving political allies and legislation beneficial to the utility. In South Carolina, the failed VC Summer nuclear project triggered fraud investigations and litigation after regulators and customers were allegedly misled about the viability of the project.

While Minnesota has not experienced corruption prosecutions on the scale of Ohio or Illinois, the case carries relevance for Minnesota municipal utilities and public power leaders because it underscores the importance of governance, transparency, and public confidence in utility decision-making.

Legal gray zones, political realities, and ratepayer impact

Minnesota utilities, including municipals and cooperatives, regularly participate in legislative advocacy, regulatory proceedings, integrated resource planning, and public policy discussions related to rates, reliability, generation resources, and infrastructure investment. Unlike investor-owned utilities, municipal utilities operate under local governance structures and public oversight, but they still face increasing scrutiny as utilities navigate energy transition policies, rising infrastructure costs, and growing electric demand.

The Ohio case also illustrates how utility-related controversies can directly affect ratepayers. According to critics of House Bill 6, Ohio consumers paid hundreds of millions of dollars in subsidies tied to the law before portions were repealed or challenged. Although refunds and penalties followed, opponents argued the financial impacts on customers were difficult to fully reverse once rates and long-term regulatory structures were established.

Industry representatives have emphasized that the vast majority of utility advocacy and political activity remains lawful and publicly disclosed. They also note that utilities operate within highly regulated environments that already involve extensive public review and oversight.

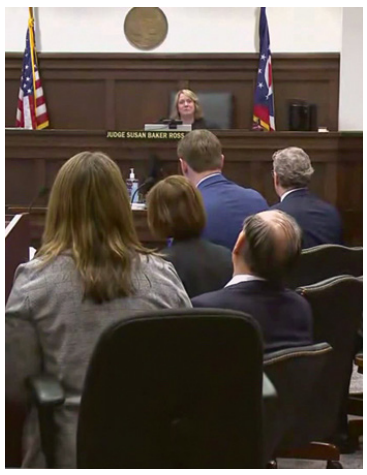
Still, the Ohio proceedings have highlighted the legal and ethical complexities surrounding campaign contributions, lobbying, nonprofit political spending, and utility influence over public policy. Prosecutors in such cases must prove not only that money changed hands, but that the transactions were tied to corrupt intent and specific official actions. Defense attorneys frequently argue those relationships are difficult to distinguish from routine political and business activity.

What comes next

On June 4, Ohio Attorney General Dave Yost and Summit County Prosecutor Elliot Kolkovich announced a new indictment containing 22 criminal counts against Jones and Dowling. The charges include allegations of bribery, conspiracy, corrupt activity, telecommunications fraud, tampering with evidence, and related offenses.

Prosecutors say the new indictment incorporates information that became available through related civil litigation after the original indictment was filed. Yost stated that investigators obtained additional facts that were not available during the first prosecution.

For Minnesota municipal utilities, the case serves less as a direct comparison than as a



reminder of the importance of strong governance practices, transparent public processes, and clear separation between policy advocacy and operational decision-making. As utilities across the country face growing pressure tied to grid modernization, decarbonization, and large-scale infrastructure investment, scrutiny of utility governance and public accountability is likely to continue increasing.

Around the state

The City of **Minneapolis** is hoping to avoid the costs associated with accepting credit cards as a form of payment when customers pay their utility bills. Effective June 1, Minneapolis began adding a 2.35 percent processing fee onto payments made by credit card. Residents can still pay using checks, bank-hosted bill paying systems, or automatic withdrawals from checking or savings accounts to avoid the fees.

The **Preston** City Council held a closed meeting on May 18 to discuss a purchase option agreement with Fillmore County for the purchase of property proposed for the new wastewater treatment facility (WWTF) site. After the closed meeting, the city council approved the purchase offer for two parcels to be forwarded to Fillmore County for their review. The agreement would allow the city to complete soil sampling and borings to determine if the site is feasible for the WWTF. In the earlier open portion of the meeting, the council accepted General Manager and Public Works Director Jim Bakken's resignation and appointed Michelle Marotzke as interim City Administrator.

The 2025 Minnesota Drinking Water Annual Report from the **Minnesota Department of Health** indicates more than 99 percent of public water systems in Minnesota complied with all federal health standards for that year. When violations occurred, consumers were notified, and measures were implemented to prevent future issues. The report highlights advancements in critical areas such as lowering childhood lead exposure, assisting

systems with the most urgent needs, increasing PFAS testing, and addressing climate change and cybersecurity threats. For more details, visit www.health.mn.us.

A proposed expansion of electric service by **Princeton Public Utilities** (PPU) into the city's industrial park sparked debate at the Princeton City Council's April 23 meeting. Council Member Jenny Gerold said the Public Utilities Commission is exploring whether PPU could serve the area, which is now served by Connexus Energy. PPU General Manager Keith Butcher confirmed the utility is negotiating with Connexus and said state law allows municipal utilities to serve areas within city limits. Gerold said similar efforts in the past drew strong opposition from industrial park businesses, and she has again heard concerns from owners who do not want a switch. Mayor Jack Edmonds said he has heard more support for the idea and suggested PPU could offer competitive rates and faster response times. Council members also discussed a possible joint meeting with the PUC and a possible business feedback survey. No action was taken.

Minnesota regulators are reviewing a proposed settlement that would reduce Xcel Energy's requested increase in natural gas rates and potentially return millions of dollars to customers through refunds. Under the settlement, residential rates would increase by 4.1 percent, roughly half of Xcel's initial request. Monthly service charges would remain unchanged, and fees for past-due bills could be capped or eliminated altogether. Most residential, business, and industrial customers began experiencing rate increases of around 6.8 percent in January. The agreement between Xcel Energy, the Minnesota Department of Commerce, and consumer advocates was filed with the Public Utilities Commission on May 26.

City leaders in **Alexandria** approved bonding plans to help finance a new $7 million water tower designed to support future growth and strengthen long-term water reliability. Officials from ALP Utilities and the city's financial advisors recommended the action as part of Alexandria's broader infrastructure planning efforts. The project aims to improve water pressure, expand storage capacity, and support residential and commercial development in fast-growing sections of the community. Local leaders say the investment reflects increasing infrastructure demands facing many Minnesota municipal utilities and rapidly expanding regional communities.

The **Minnesota Public Utilities Commission** (MPUC) approved a site permit for Xcel Energy's Sherco South & West Battery Energy Storage Project, an up to 600-megawatt facility intended to support a cleaner, more reliable electric system. As the Sherburne County Generating Station moves away from coal, Xcel claims the project will help maintain reliability by storing excess wind and solar energy and delivering it when demand rises. The MPUC said projects of this scale are becoming essential as Minnesota modernizes its electric system. Commission Chair Katie Sieben said the project supports grid reliability, the local community, and more than 150 jobs while helping keep Minnesota's energy future clean, affordable, and dependable. The permit includes safety coordination with local first responders, environmental protections, and workforce reporting and prevailing-wage requirements during construction. Construction is expected to begin later this year, with the facility scheduled to come online in 2027.

Bits & pieces

The **St. Petersburg** City Council voted 4–3 to fund a study examining whether the city should form its own municipal electric utility and end its long-standing agreement with Florida-based Duke Energy. The city will spend up to $590,000 to hire a consulting firm to analyze costs and benefits before the current franchise agreement expires in August. The move follows public frustration over rising rates and the structure of investor-owned utilities. Supporters argue municipalization could lower costs and prioritize community needs, while opponents question the expense and risks. The feasibility study is intended to inform future decisions on the city's electricity provider.

A California Senate committee blocked Senate Bill 875, which aimed to make it easier for **San Francisco** to use eminent domain to create its own municipal electric utility, the latest in a long line of municipalization efforts to stumble over financial risks and uncertainties. The bill failed to secure enough votes to advance, highlighting ongoing challenges for municipalization efforts. Supporters argued that the current law makes acquiring Pacific Gas & Electric assets difficult, while opponents raised concerns about job losses, pension risks, cost shifts to remaining customers, and regulatory uncertainty. Experts noted the difficulty of valuing utility assets and the risks involved. The debate over San Francisco creating a municipal utility dates back more than 110 years.

The United States has offered to help stabilize **Cuba's** collapsing energy grid after another major blackout left large sections of the island without electricity in May. Cuban officials acknowledged discussions surrounding a proposed $100 million US aid package that could include humanitarian assistance and energy-related support, though Havana remains wary of political conditions tied to the offer. The latest blackout, which darkened much of eastern Cuba, highlighted the nation's worsening fuel shortages and aging infrastructure. US officials framed the proposal as humanitarian assistance, while Cuban leaders urged Washington to ease sanctions and trade restrictions instead.

Residents and environmental groups in **Tennessee** and **Mississippi** have intensified complaints against Elon Musk's AI data center operations, alleging the company (xAI) runs dozens of unpermitted natural gas turbines generating excessive noise and air pollution near residential neighborhoods. The NAACP and several environmental organizations filed lawsuits claiming the facilities violate the Clean Air Act and worsen health risks in nearby communities already struggling with poor air quality. Local residents have cited constant turbine noise, smog, and concerns about respiratory illness. xAI contends the generators support critical artificial intelligence infrastructure and describes many turbines as temporary units pending long-term power solutions.

Federal investigators are examining a series of suspected cyber intrusions targeting computerized fuel-monitoring systems at **gas stations across the US,** with officials reportedly focusing on hackers linked to Iran. Cybersecurity experts say the incidents highlight growing concerns surrounding weak protections on internet-connected infrastructure systems tied to critical energy operations. The breaches involved automatic tank gauge systems that monitor underground fuel storage and help operators detect leaks and manage inventory. Investigators said the intrusions altered displayed fuel readings but did not affect the actual fuel supply or pump operations. Officials have reported no injuries or physical damage.

The **American Public Power Association's** Mutual Aid Committee elected Amy Zubaly, Executive Director of the Florida Municipal Electric Association, as its new chair for a two-year term. She succeeds Neil James of Santee Cooper, whose leadership expanded participation, improved tools, and strengthened mutual aid coordination. Barry Tupper of Holden Municipal Light Department joined the Executive Council as an at-large member, and JT Flick was reelected. Zubaly emphasized the importance of mutual aid in responding to disasters and supporting communities. The committee also approved updates to its Mutual Aid Playbook and discussed a new charter to strengthen operations, engagement, and long-term continuity.

Continued on page 19

A massive fire and explosion in a **Matthews, North Carolina,** neighborhood on May 13, 2026, was caused by a damaged eight-inch gas main, according to the local fire chief. Crews responding to a gas leak found that a utility contractor's drilling had struck the line. Shortly after firefighters assessed the situation, the leaking gas ignited, creating a large fireball that burned for over two hours. No serious injuries were reported, though some firefighters experienced overheating. Two homes were heavily damaged, and multiple agencies responded. Officials said gas was safely burned off, posing no further risk to nearby homes.

DTE Energy has contributed $1.8 million to a campaign opposing a proposed public takeover of its power grid in **Ann Arbor.** The funding largely supports the Ann Arbor Responsible Energy Coalition, which presents itself as a local group but is heavily financed by the utility. The coalition is fighting a ballot initiative to create a municipal utility, arguing it would cost more than $1 billion, raise rates, and risk reliability. Supporters of public power say DTE's spending reflects a threat to its business model and accuse it of masking its involvement. This furthers the campaign's broader tensions between investor-owned and municipal utilities.

Baltimore city leaders are proposing a charter amendment to create a standalone municipal agency for water and wastewater services, separating it from the Department of Public Works. The measure, backed by the mayor and city council leaders, would go to voters sometime this year. Supporters say an independent agency would improve management, transparency, financial oversight, and long-term plan- ning for the system, which serves about 1.8 million customers. The proposal follows recommendations from a regional task force and aligns Baltimore with other major cities that operate separate water utilities. If approved, the new department could be established by 2028.

Havana

Continued from page 14

lacks this level of redundancy. A failure at one major plant can destabilize the entire islandwide network.

Important lessons from Cuba's grid collapse

Cuba's grid collapse shows how delayed infrastructure investment leads to catastrophic consequences. Utilities throughout the US face mounting concerns over aging transformers, transmission lines, substations, and baseload generation assets. Cuba demonstrates how quickly reliability deteriorates when maintenance falls behind demand growth.

Fuel diversity matters. Cuba's heavy dependence on imported oil exposed the country to geopolitical pressure and supply interruptions. US utilities increasingly emphasize resource diversity partly for this reason. Natural gas remains dominant across America, but utilities continue expanding renewable energy, battery storage, nuclear generation, and distributed resources to reduce concentration risk.

Grid resilience requires redundancy. Cuba's centralized system lacks the interconnections and reserve margins that support most North American grids. American utilities have already witnessed smaller-scale versions of these vulnerabilities during winter storms in Texas, hurricanes along the Gulf Coast, and wildfire-related shutoffs in California. Cuba's experience highlights the value of hardened infrastructure, distributed generation, and mutual support agreements.

Energy security increasingly intersects with national security. A prolonged nationwide outage affects healthcare, communications, food supply chains, transportation, banking, and public order. Utility executives across the US now discuss resilience in terms once reserved for military planners. Cuba's blackouts demonstrate why this matters.

This is not the end of Cuba's energy crisis

For Cuba, the path forward remains uncertain. The nation faces declining tourism revenue, worsening fuel shortages, inflation, and rising public frustration. More outages appear likely this summer as temperatures climb and electricity demand rises.

For American utility leaders, Cuba offers something more valuable than a geopolitical headline.

It offers a real-world case study of what happens when infrastructure weakness, fuel insecurity, political conflict, and deferred investment collide inside a fragile grid.

Earbud use in the workplace:
What are the risks?

Safety corner

Recently, Oregon OSHA issued a hazard alert outlining the risks associated with earbud use in the workplace.

Among the most significant dangers is the reduced ability to hear critical sounds, including equipment movement, alarms, horns, and verbal warnings from co-workers. This loss of situational awareness can lead to serious or even fatal accidents, particularly in environments where heavy machinery is in use.

The Oregon OSHA alert was issued due to several incidents in which the use of earbuds may have been a contributing factor. In one incident, a worker appeared to have lost awareness of his surroundings while listening to music through his earbuds. Unaware that a slow-moving excavator was approaching from behind, he stepped into its path, was struck by it, and run over.

Some workers turn to noise-canceling earbuds as a perceived solution to loud environments. However, caution is warranted regarding the assumption that the earbuds provide a defense against noise. These devices are not a substitute for certified hearing protection. Traditional earplugs and earmuffs are tested according to established standards and carry a Noise Reduction Rating (NRR), indicating their effectiveness. By contrast, most earbuds—even those with active noise-canceling features—do not provide adequate protection against extreme or sustained noise levels, such as those produced by jackhammers or heavy industrial equipment.

In addition to safety and hearing concerns, earbuds can interfere with communication among workers. Clear communication is a critical component of workplace safety, particularly in construction, manufacturing, and other high-risk industries. Earbuds can make it difficult for workers to hear instructions or warnings, increasing the likelihood of missteps and accidents.

In Minnesota, the Employee Right to Know (also known as ERTK) program identifies noise as a harmful physical agent. When noise levels meet or exceed permissible limits (90 dBA), employers must protect workers from occupational noise exposure.

Although occupational noise exposure has long been regulated, modern listening habits may introduce new risks for workers. This intertwines hazards: excessive noise and the use of personal earbuds.

While many workers use earbuds for entertainment, the volume levels can add to overall noise exposure. In some cases, music played through earbuds can push total sound exposure beyond permissible levels, increasing the risk of permanent hearing damage. The warning is that if exposure exceeds regulatory limits, employers must take steps to reduce it, either by lowering environmental noise or ensuring proper hearing protection is used.

In other words, allowing employees to use personal earbuds may contribute to noise exposures that exceed the regulatory permissible limits.

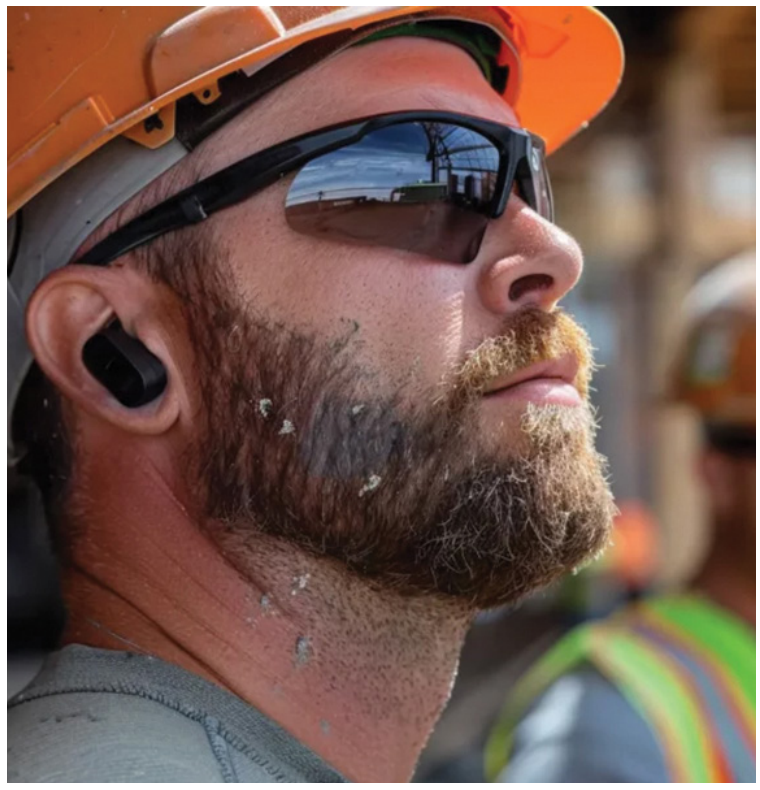
There are also lesser-known risks associated with prolonged earbud use in occupational settings. Earbuds inserted into the ear canal can become contaminated with workplace substances such as dust, chemicals, or irritants. This contamination may lead to irritation, infection, or increased exposure to hazardous materials.

Considering this, employers are urged to take a proactive approach, conducting a thorough evaluation to identify where earbud use may pose a risk. This includes assessing specific tasks, equipment, and environments to determine whether earbuds should be allowed or prohibited.

Another essential step is developing and enforcing clear policies regarding earbud use. Consideration for designating certain areas as "no earbud zones," particularly where heavy equipment is in operation or where situational awareness is critical. Policies should outline where and when earbuds are prohibited, and violations should be addressed through appropriate disciplinary measures.

Conversely, there may be limited scenarios in low-risk environments where earbud use can be permitted without compromising safety.

Once noise levels approach regulatory limits, training becomes critical. Workers must be educated on safe noise levels, the potential for overexposure, and the serious long-term health effects of hearing loss. They must also learn how to properly use personal protective equipment such as earplugs or earmuffs, which are specifically designed and rated to reduce noise exposure.



Education plays a pivotal role in reducing risks. Workers who understand the dangers of impaired hearing and reduced awareness are more likely to comply with safety protocols. Training should emphasize that convenience or entertainment should never come at the expense of safety.

As workplaces continue to evolve with new technologies and habits, safety standards must adapt accordingly. The growing prevalence of earbuds presents a modern challenge that requires both awareness and action. By combining traditional noise protection strategies with updated policies addressing earbud use, employers can better safeguard their workers from preventable injuries and fatalities.

Ultimately, the safety message is clear: maintaining awareness on the job can be a matter of life and death. Whether by controlling environmental noise or limiting distractions—such as music or talking through earbuds—prioritizing safety remains the most effective way to protect workers in any industry.

Upcoming events

Bonding and financial tools for municipal utilities

July 16, 2026
10:00 am–12:00 pm
Virtual

This course will provide utility leaders with a comprehensive understanding of the financial tools and strategies available for funding infrastructure projects, managing debt, and ensuring long-term fiscal health. Explore the intricacies of municipal bonds, funding mechanisms, and financial management critical to the sustainability and growth of utility operations.

This is an elective course for those enrolled in the DUEL™ program and counts for one DUEL credit. Not a DUEL participant? No problem. You can register for this standalone course to gain knowledge and skills specific to this topic.

Visit mmua.org/events for more information or to register.

Tree trimming workshop

August 4–6, 2026
Elk River, MN

This workshop is intended for any city/utility employee responsible for any type of tree work—not just for lineworkers. Training topics will include a review of OSHA and ANSI safety standards, chainsaw safety and maintenance, an overview of tree species and the best time of year to cut them, best practices to prevent the spread of disease, the proper way to trim a tree, basic rigging for dropping limbs safely, tree cuts and proper felling techniques, and how to be an effective team to work safely on the ground and in the bucket.

Please note that training will take place from Tuesday through Thursday this year.

Visit mmua.org/events for more information or to register.

Summer Conference

August 17-19
St. Cloud, MN

Our 2026 theme: Built to Last: Municipal Utilities in Transition

MMUA's Summer Conference gathers utility leaders, staff, and suppliers for education, networking, and peer connection. Sessions are tailored for utility leaders including general managers and key staff, elected and appointed officials, human resources and administrative professionals, and technical experts.

Learn more about the conference program in the feature story beginning on page one of this issue of *The Resource*.

Visit mmua.org/events for more information or to register.