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Navigating the Evolving Landscape of Drug and Alcohol Testing: What MMUA Members Need to Know

By Joe Schmidt, MMUA Assistant Director of Workplace Safety Services and
Shelly Dau, MMUA Director of Organizational Development and Human Resources

In her April 2025 column in *The Resource*, MMUA CEO Karleen Kos shared a memorable reflection on Bartholomew Cubbins and the many hats worn by those who serve in municipal utilities.

That image resonates now more than ever, as the regulatory landscape for drug and alcohol testing continues to evolve, placing new responsibilities and expectations on employers and their designated representatives.

On October 2, 2025, the U.S. Department of Transportation (DOT) released a pivotal document: "What Employers Need to Know About DOT Drug and Alcohol Testing." This guide,

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Gary Schulz, Fosston City bus driver since 2011.

Jessica Burdette departs Minnesota Department of Commerce for private-sector regulatory role

Jessica Burdette, a longtime state energy official who worked closely with municipal utilities on conservation, reliability, and grid planning issues, has left the Minnesota Department of Commerce (DOC) after 14 years of service.

Her final day with the state was January 9, 2026.

Burdette most recently served as director of the Office of Energy Modernization, Resilience, and Security at the Minnesota Department of Commerce, a position she held for the past three years. In that role, she oversaw planning efforts related to emerging threats to Minnesota's electric system, coordinated on energy reliability matters at the Midcontinent Independent System Operator (MISO), and managed the US Department of Energy's Joint Targeted Interconnection Queue Portfolio Project, the largest competitive

grant award ever issued by the agency.

Beginning January 12, Burdette joined Geronimo Power as part of its federal regulatory policy team. In her new role, she will focus on regional power markets and transmission planning at MISO and the Southwest Power Pool.

During her tenure at DOC, Burdette held multiple leadership positions within the Division of Energy Resources. From 2012 to 2016, she served as supervisor of the state's Conservation Improvement Program (CIP), a role that brought her into frequent contact with municipal and cooperative utilities responsible for delivering energy efficiency programs. She later advanced to manager of efficiency, assurance, and operations and then director of energy regulation and planning before taking her most recent post in 2023.

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MMUA Board of Directors sets legislative priorities for 2026

At its December 9, 2025, meeting, MMUA's Board of Directors discussed 19 issues advanced through an open process for potential action by the 2026 Legislature.

The list included carry-over issues like net-metering reform that saw action in 2025 but ultimately did not pass, and new issues like possible right-of-first-refusal (ROFR) modifications that would enhance a municipal utility's ability to be involved in transmission projects impacting their city.

Prior to the meeting, each of the 12 MMUA board members was asked to review the list of proposed priorities and to assign a score indicating how important the issue seemed to them. All of the Board scorecards were collected prior to the start of the meeting, the average score for each issue was calculated, and each issue was assigned a preliminary ranking.

The thoughtful discussion the Board gave to each issue helped develop the big picture of why these 19 issues warranted consideration for possible legislative action. However, the Board also recognized that making all 19 topics a top priority would not be a viable option. The Board of Directors then voted to approve the list of issues, with priority to be given to the top five issues in 2026.

The top five priorities are as follows:

1. No third-party sales. We will continue to oppose efforts that would give third parties that are not regulated utilities the authority to sell power to customers of a regulated utility. At least one solar developer has shared its desire to sell excess generation directly to consumers.

2. ROFR. We will explore modifications to the right-of-first-refusal laws governing

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Jessica Burdette

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MMUA recognized Burdette's work in 2021 with its Public Service Award, citing her administration of the CIP program and her engagement with local decision-makers as a significant contribution to hometown utilities. During her tenure, the CIP program evolved into the current Efficiency and Conservation Optimization (ECO) framework.

Burdette's background includes earlier work as an energy analyst and project manager at Frontier Energy, experience that utility representatives have said informed her approach as a regulator. Municipal utility leaders noted that she regularly sought input from smaller utilities, both directly and through MMUA, and frequently participated as a speaker at association conferences and meetings.

Her work also extended beyond conservation programs. Burdette played a role in shaping Minnesota energy policy initiatives, including the ECO Act, the Natural Gas Innovation Act, and implementation planning for the state's 2040 carbon-free electricity standard. She also served as a ratepayer advocate before the Minnesota Public Utilities Commission and led cross-disciplinary efforts to strengthen Minnesota's posture on cyber and physical security for energy infrastructure.



Jessica Burdette accepting the MMUA Public Service Award in 2021 from Mark Nibaur, President of the MMUA Board of Directors.

For municipal utilities, Burdette's departure marks the loss of a familiar point of contact within state government at a time of increasing regulatory complexity. Issues such as interconnection backlogs, transmission planning, cybersecurity, and reliability coordination continue to place demands on smaller utilities with limited staff capacity. Her intercession among interest groups and utility representatives, including MMUA, helped guide legislative and administrative changes to the CIP program constructively

for all parties over her tenure, including its evolution into the ECO program. In her roles at the state, Burdette was known for her friendly and fair style of leadership.

Burdette's move into the private sector places a former state regulator with deep institutional knowledge into regional transmission and market discussions that directly affect municipal utilities. Burdette says she looks forward to continuing collaboration with public power stakeholders as she transitions into her new role.

Alex Lorenz joins MMUA as generation coordinator

The Minnesota Municipal Utilities Association (MMUA) has hired Alex Lorenz as its new generation coordinator.

Lorenz previously worked as a generator operator for the Glencoe Light & Power Commission in Glencoe, Minnesota. Before relocating to Glencoe, he served as an apprentice electrician and worked in sales for a wholesale company in Bemidji, Minnesota.

In his new role, Lorenz will oversee MMUA's generation program, which is contracted by the League of Minnesota Cities Insurance Trust (LMCIT) to support loss control efforts. He will serve as a liaison between MMUA, LMCIT, and participating municipal utilities.

Throughout the year, Lorenz will travel to power generation facilities across the state to review and assist with the development of written operating and maintenance procedures. His responsibilities also include conducting annual accreditation audits, verifying that required



records are properly maintained and reported, and providing training and technical support as needed.

Outside of work, Lorenz enjoys

spending time outdoors with his wife and children. An avid archery hunter, he looks forward to sharing his passion for hunting with his kids.

Succession and the lengthened shadow of leadership

At 27, I arrived for my first supervisory job in a herringbone suit and three-inch heels (it was the 1990s), radiating the kind of confidence that only comes from having absolutely no idea how much you don't know.

My boss, John, sat me down for orientation. He covered a wide range of topics that day and in the days that followed—policies, expectations, procedures, and people. I don't remember any of that. I only remember him saying this:

"Every organization is a lengthened shadow of its leader."

Over the years, John repeated that adage often, riffing on an idea attributed to Ralph Waldo Emerson, and it has stuck with me far longer than most things my several career bosses have said to me—certainly longer than the herringbone suits and three-inch pumps. As we consider what 2026 will bring for Minnesota's municipal utilities—long-tenured leaders retiring and new leaders stepping in—I think it is worth revisiting John's favorite leadership quote. Its relevance has not faded over the years; it has deepened.

The character of the organization

The idea that an organization is a lengthened shadow of its leader, and that the leader's character determines the organization's character, captures a fundamental truth about human systems: an individual's behavior, values, and priorities do not stop where their office doorway meets the hall. They ripple outward, shaping culture, norms, decision-making patterns, and even the unspoken rules about what is rewarded, tolerated, or quietly discouraged.

The most obvious leader to whom this applies is the CEO of a company or the general manager of a utility. But that is not the only leader who matters. When I sat across from John all those years ago, I was at the lowest supervisory level in the organization. Yet he was trying to impress upon me that my team—and its culture—were already within my control. I could make our corner of the organization a place where people felt respected, supported, and challenged, or a daily hellscape for them, simply by how I showed up. Leadership, he implied, is not something you grow into later; it is something people expect and evaluate immediately.

So as we think about leadership

succession in our utilities—and at MMUA, too—we must think about more than replacing a person. To do our organizations justice, we have to consciously manage the transfer of influence, identity, and authority from one shadow to another. This is true whether you are a utility commissioner hiring a new general manager, an outgoing leader preparing to step aside, or an incoming leader taking the baton for the next leg of the race.

Tenure and the depth of the shadow

The length of a leader's tenure significantly affects how accurately the "lengthened shadow" metaphor applies. Short-tenured leaders may influence strategy or structure, but culture tends to resist rapid change. In such cases, the organization's shadow—and, to a lesser degree, a department's shadow—may still resemble prior leadership or longstanding norms for a long time after a leadership change.

As someone who has followed professionals with 16, 20, and even 28 years of tenure over the course of my career, I can personally attest that long-term leaders tend to imprint their organizations deeply. Over time, their preferences become embedded in systems, policies, habits, and language. Meetings begin to reflect how they prefer information to be presented. Risk tolerance mirrors their comfort with uncertainty. What they consider important gets more attention; what they do not, quietly recedes. Informal power structures evolve around their style. The longer the tenure, the more the organization internalizes not only what the leader says, but how they are.

This dynamic is not inherently good or bad. Stability can bring clarity, trust, and performance. I am in awe of all that my predecessor, Jack Kegel, accomplished for MMUA and its members over his decades of service, and of the strong culture he and his team helped build together.

However, long tenure—anyone's long tenure in any organization anywhere—increases the risk that the organization begins to confuse the leader's way with the only way. Succession planning must account for how deeply the leader's shadow extends, and how difficult it may be to shorten or reshape it. Doing this well requires coordination and humility from all sides: the incumbent leader, the people or board to whom they are accountable, and the incoming leader.

The departing leader's imprint

When leaders exit, they do not leave behind a blank slate. They leave an organization or department that bears their influence—the visible and invisible

From My Desk to Yours

Karleen Kos
MMUA CEO



marks of their leadership. This includes priorities, hiring and promotion decisions, management structures, and cultural norms.

Sometimes, unresolved tensions await the new hire: disagreements over policies that were never fully addressed, patterns of behavior that were tolerated but not endorsed, or disconnects with the commission or community that were managed informally rather than resolved systemically.

Recognizing this reality is critical. Pretending the organization is neutral at the moment of transition creates unrealistic expectations for both the incoming leader and the team. Succession planning should begin with an honest acknowledgment: this organization reflects how we have been led.

For exiting leaders, this realization carries responsibility. Whether consciously or not, they have shaped how decisions are made, how conflict is handled, and how authority flows. A thoughtful exit includes helping the organization distinguish between what is an intentional strength worth preserving and what is an artifact of one person's style rather than an enduring organizational need.

One thing the MMUA Board did particularly well during the transition between Jack and me was how they handled this aspect of the process. In September 2021,

there was a week between Jack's official retirement date and my start date. The Board used that week to conduct a comprehensive staff survey covering everything from satisfaction with pay and benefits to cultural and communication issues. The results of that survey have now served as a baseline for the past four years, giving the MMUA leadership team and me a shared language around what matters most—what we want to preserve, and what we wanted or needed to change.

Honoring the past without recreating it

Incoming leaders face a delicate balance: honoring the past without becoming captive to it. Organizations often expect reverence for what has come before, especially when a predecessor was successful or long tenured. Dismissing that legacy outright erodes trust and, in the municipal utility context, is often seen as tone-deaf unless there has been a clear and public repudiation of past leadership.

Yet uncritically adopting or appropriating the past stifles growth. Effective new leaders take time to learn the organization's story—or relearn it from a new vantage point if they are an internal hire—so they understand why certain decisions were made and which trade-offs were accepted. They acknowledge contributions publicly and respectfully while signaling that leadership change implies

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New wave of renewable energy projects gets the go-ahead, with Minnesota leading the pack

Across the US, utilities and regulators have approved a fresh wave of renewable energy projects in recent months, signaling momentum in the clean-energy transition.

From large solar arrays in the Upper Midwest to battery storage systems shoring up grid reliability, these additions paint a picture of a rapidly evolving energy landscape, despite the reported political tug-of-war.

The Minnesota Public Utilities Commission (PUC) cleared two major solar-plus-storage projects in July 2025. The Iron Pine Solar Project will add 325 megawatts (MW) of solar capacity in Pine County, and the Northern Crescent Solar Project will contribute up to 150 MW of solar paired with a 50 MW battery energy storage system. The combined capacity of over 475 MW represents one of the largest single-site approvals the state has ever issued.

In addition, Minnesota's clean energy push includes the first standalone large-scale storage installation: the Snowshoe battery-energy storage system (BESS), a 150 MW, 600 MW-hour (MWh) battery-energy storage project permitted in 2025. Developers expect the project to cost roughly \$214 million, with an overall lifecycle price tag of approximately \$457 million. Snowshoe BESS will store surplus output from nearby solar or wind resources and feed power to the grid when demand peaks.

The state's incumbent investor-owned utility, Xcel Energy, also won approval earlier in 2025 for its broader plan to reshape the Upper Midwest's energy portfolio. Under the plan, Xcel Energy will add solar, wind, and battery storage, while extending the lives of existing carbon-free nuclear plants. The new mix is expected to reduce carbon emissions by more than 80 percent below 2005 levels by 2030, potentially reaching up to 88 percent.

The impact in Minnesota mirrors a broader national pattern. In Wisconsin, We Energies and its sister companies recently won regulatory approval to acquire, and in effect begin construction on, multiple large-scale renewable and energy-storage projects. Those include the Saratoga Solar Energy Center, the Ursa Solar Park, the Badger Hollow Wind Farm, and the Whitetail Wind Farm. Together they represent more than 450 MW of new solar, wind, and battery storage capacity, enough to power over 150,000 homes.

We Energies expects these facilities to come online in 2027

and 2028. According to the company, its "all of the above" energy strategy aims to maintain reliability across seasons while gradually shifting toward cleaner sources.

Shifting toward clean energy

The approvals in Minnesota and Wisconsin demonstrate how renewable energy has become a mainstream investment for major utilities. The projects cited incorporate solar and wind generation, plus battery-energy BESS, which play a critical role in managing variability. By storing excess generation during peak production times and discharging during high-demand or low-production periods, battery storage enhances the reliability and resilience of the grid.

In Minnesota, for example, Snowshoe BESS may offer a template for clean storage projects independent of concurrent solar or wind expansions. Once operational, it is expected to help smooth out demand spikes and reduce reliance on fossil-fuel backup. The Iron Pine and Northern Crescent projects further expand renewable penetration at scale, supporting long-term decarbonization targets while also delivering economic benefits to rural host communities.

For utilities like Xcel Energy, the new approvals mark progress toward aligning with state and regional carbon-reduction goals while ensuring reliable power delivery. The 2030 emission-reduction target of 80 to 88 percent below 2005 levels would represent a substantial transformation of the Upper Midwest's energy mix.

Emerging trends

The latest wave of approvals reflects broader trends shaping America's energy future. First, regulators increasingly view storage as a critical component of infrastructure because it enables renewables to meet real-time demand. The Snowshoe BESS in Minnesota stands out as a harbinger of standalone storage facilities becoming more common.

Second, utilities are balancing environmental ambitions with reliability concerns. In Wisconsin, We Energies' new projects arrived alongside plans for natural-gas capacity and continued operation of nuclear power, a clear indication that utilities still value dispatchable power sources even as they transition away from coal.

Third, the pace and scale of approvals suggest the financial and regulatory environment, which includes federal tax incentives for clean energy, remains favorable. Projects like Iron Pine, Northern Crescent, and the various We Energies developments are likely aiming to capitalize on such incentives, making large-scale investment more economically attractive.

Challenges remain

Despite the progress, the rapid rollout of renewable and storage projects does not guarantee a smooth ride. Projects like Iron Pine and Northern Crescent must secure power purchase agreements (PPAs) before breaking ground.

In addition, integrating substantial amounts of renewables and storage into the grid will demand upgrades to transmission infrastructure, careful planning around frequency, and close oversight to ensure communities hosting projects benefit economically and environmentally. In the Upper Midwest, blending renewables, storage, nuclear, and gas capacity will require a carefully balanced mix to avoid reliability gaps.

Minnesota at the crossroads

Minnesota now stands at a significant inflection point in its energy transition. With Iron Pine and Northern Crescent approved, and Snowshoe BESS paving the way for standalone storage, providers in the state are laying the foundation for a cleaner, more flexible power grid. The broader approval of Xcel Energy's Upper Midwest plan will be seen as furthering the momentum and helping to solidify long-term decarbonization goals.



At the same time, the mix of energy sources such as renewables, storage, nuclear, and gas suggests Minnesota is striving to distance itself from coal without embracing a single solution. Instead, energy planners are embracing a diversified portfolio designed to deliver reliability and cleaner power.

If these projects proceed

smoothly and reach fruition in the coming years, Minnesota could emerge as a model for how states combine ambition with pragmatism in the clean-energy transition. On the other hand, if Minnesota falters and rates go up while reliability suffers, the state will prove to offer a cautionary tale. Other states and utilities will be watching closely.

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Legislative priorities for 2026

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ownership interests in new transmission. Usually referred to by its acronym ROFR (pronounced *rofer*), members have expressed a desire to find a more equitable basis for municipal utilities to invest in transmission expansion and enhancement. Concern has arisen that current ROFR protections may not extend as far as originally thought, and thus alternatives need to be identified, vetted, and legislatively adopted.

3. PFAS mitigation. MMUA will support PFAS mitigation efforts that help with expenses, and which—at most—treat utilities as conduits of PFAS rather than sources of these “forever chemicals.” PFAS is an ever-growing concern. Dealing with them will be expensive, and a lot of finger-pointing can be expected. Municipal utilities will have a role to play in returning our waters to safe levels, but municipals should not be punished for having had to accept contaminated waste by products from others.

4. Reform net metering statutes. Solar development continues to grow in Minnesota, and many customers have added

solar systems to their homes and businesses. Some do it for environmental reasons, and others do it to save or make money. The trouble is that Minnesota’s current law unfairly shifts cost burdens from some of these solar customers to customers that do not have solar systems—either because they cannot afford one or because their living situation does not allow them to put one in. The current law also encourages over-built systems. MMUA hopes to build on efforts begun during the 2025 Regular Session to make the net metering law fairer for everyone.

5. Support for an “all of the above” approach to achieving carbon free power by 2040. To do this, MMUA will support repealing Minnesota’s nuclear moratorium so that utilities and their partners can explore options for future electrical generation. We will also support biomass being recognized as an acceptable fuel source for the purpose of satisfying the 2040 carbon free mandate.

In addition to these top five priorities, MMUA will pursue other issues that ranked lower



than the top five. MMUA hopes that one such bill will be a bonding bill. Historically, the even-numbered year of a legislative biennium was considered the bonding year because the State’s budget had been approved in the preceding odd-numbered year. Unfortunately, in more recent times, bonding bills have been difficult to pass in either year of the biennium.

While MMUA cannot work on a specific request from an individual utility, it does support

a sizeable bonding bill. We will be looking for a measure that is sufficient to fund both the requests coming directly from municipalities and their utilities and able to support programs like the Public Facilities Authority (PFA). The PFA provides important grants that help fund utility projects.

Inevitably, there will also be bills introduced seeking enactment of measures opposed by MMUA. When that happens, the MMUA team will spend

considerable time to keep them from becoming law. That’s what we do in St. Paul—advocate for things that are favorable to municipal utilities and play defense on things that would be detrimental.

Although the 2026 legislative session is considered a “short” session due to the February start date, it is bound to be busy right up until its adjournment. By law, that must occur no later than May 18.

An advertisement for Bolton & Menk. The background image shows three construction workers in hard hats and safety vests reviewing large blueprints on a construction site. The workers are wearing orange and yellow vests. The text "REAL PEOPLE." is in the top left, "REAL SOLUTIONS." is in the center, and "REAL IMPACT." is in the top right. The Bolton & Menk logo, featuring a stylized 'B' and 'M' inside a circle, is at the bottom left. The company name "BOLTON & MENK" is in large, bold, white letters. Below it, the tagline "Real People. Real Solutions." and the website "www.Bolton-Menk.com" are in white text.

Drug and Alcohol Testing

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while building on regulations in place since 1991, brings new clarity and heightened expectations for employers and Designated Employer Representatives (DERs). It adds yet another “hat” to the collection worn by many at MMUA member utilities.

The expanding scope of drug and alcohol testing

For many municipal utilities, drug and alcohol testing programs have traditionally focused on employees holding commercial driver's licenses (CDLs). However, the scope of these programs is broader than many realize. Employees working in safety-sensitive positions—such as those in natural gas utilities or serving as public transportation drivers—are also subject to the requirements. The regulatory environment is further complicated by the recent legalization of recreational cannabis in Minnesota and ongoing changes at the federal level.

The force of law differs depending on the context: federal, state, and local regulations may all apply, sometimes in overlapping or even conflicting ways. Complexity, and the high possibility of confusion, heightens the importance of staying informed and proactive as circumstances evolve and case studies become known.

This article is the first in a two-part series exploring recent regulatory changes impacting drug and alcohol testing and policies for municipal utilities. In this installment, we focus on the evolving responsibilities of employers and DERs considering new federal guidance and ongoing compliance challenges. Next month, we'll take a closer look at the legalization of recreational cannabis in Minnesota and beyond, examining how these changes may affect drug testing policies at the organizational level.

Lessons from the field: The City of Fosston's experience

To illustrate the practical realities of managing a drug and alcohol testing program, consider the experience of Cassie Heide, city administrator for the City of Fosston. Fosston participates in several MMUA programs and services, including safety management, job training and safety (JTS), gas circuit rider, and the drug and alcohol consortium.

This past year, Fosston's gas department underwent an audit by the Minnesota Office of Pipeline Safety (MNOPS). The audit included a detailed review of the city's drug and alcohol program, with a lengthy question-and-answer session. As a member of MMUA's consortium, Cassie was able to connect with St. Louis MRO administrator Joe Lancia, who provided timely and thorough support. Thanks to this

collaboration, Fosston successfully navigated the MNOPS audit, and Cassie gained her first hands-on experience as the city's DER.

But the learning didn't stop there. Soon after, the Minnesota Transit Authority (MnTA) conducted a different type of audit. DOT guidelines sometimes require a mock drug test collection observation, and in Fosston, the local medical provider was unable to meet DOT requirements for a test site. Cassie had to find an alternative vendor, ultimately working with a local entrepreneur who had established a compliant collection service. During the MnTA audit, the new vendor was asked to perform a witnessed mock observed collection, demonstrating proper procedures and ensuring the integrity of the testing process. This experience provided Cassie with her second lesson as DER—one that highlights the importance of adaptability, resourcefulness, and strong partnerships.

The role and responsibilities of the DER

The DER is a linchpin in any drug and alcohol testing program. According to DOT regulations, the DER must be an employee of the employer—not a consultant or service agent. The DER's core responsibilities include:

• Program administration:

Overseeing the entire testing program, ensuring compliance with all applicable regulations.

• Receiving and handling test results:

Serving as the primary point of contact for test results, including confidential and time-sensitive information.

• Decision-making authority:

Taking immediate action when an employee tests positive or refuses testing, including timely removal from safety-sensitive duties.

• Recordkeeping:

Maintaining accurate and secure records, as required by law.

• Point of contact:

Acting as the liaison among the employer, testing laboratories, medical review officers, and regulatory agencies.

The DER must ensure that the roles and responsibilities can be met all times. The recommendation exists for an organization to assign the role of DER to multiple people to provide constant and consistent coverage.

While many of these responsibilities are straightforward, the decision-making authority can be particularly challenging. The DER must be prepared to act quickly and decisively, balancing regulatory requirements with the needs of the organization and the

rights of employees. Another Minnesota municipal utility learned this lesson the hard way in 2025 when an employee and his union challenged the process leading to a removal-from-duty decision. In that case, the people who were perceived to have made the decision regarding the outcome of a drug test and fitness for duty were generally not understood to have proper authority to do so. The employee was eventually returned to his position, but the entire episode was disruptive to the utility's operations and morale for months.

The changing legal landscape: cannabis and beyond

Recent developments at both the federal and state levels have added new layers of complexity to drug and alcohol testing programs. The President's executive order to reschedule marijuana from Schedule I to a Schedule III drug under the Controlled Substances Act has generated significant discussion. However, DOT has made it clear: until the rescheduling process is complete, it remains unacceptable for any safety-sensitive employee subject to DOT regulations to use marijuana. DOT's guidance on medical and recreational marijuana, as well as cannabidiol—also known as CBD—products, remains in effect.

In Minnesota, the legalization of recreational marijuana adds another wrinkle to an already complex situation. Employers must navigate the intersection of state and federal law, ensuring that their policies and practices remain compliant while also respecting the rights of employees. As one member utility shared, “As there is ambiguity due to recent legislative changes, it is important that people know the facts, and that policies are updated, but most importantly, communicated to employees so there are no surprises.” This perspective underscores the need for clear, proactive communication and regular policy reviews.

Regardless of these changes, one principle remains constant: employers, especially those with employees working in a safety-sensitive function, must maintain a safe workplace and adhere to federal drug and alcohol testing standards.

Practical strategies for success

Given the complexity of the regulatory environment, what can MMUA members do to ensure their drug and alcohol testing programs are effective and compliant? Here are some practical strategies:

• **Stay informed:** Regularly review updates from the DOT, state agencies, and MMUA. Attend training sessions and webinars

to stay current on best practices and regulatory changes.

• **Leverage partnerships:** Take advantage of MMUA's consortium and other resources. As Cassie's experience demonstrates, having access to knowledgeable partners can make all the difference during an audit or when facing unexpected challenges.

• **Document everything:** Maintain thorough records of all testing activities, communications, and decisions. Good documentation is essential for demonstrating compliance and protecting the organization in the event of an audit or legal challenge.

• **Train your team:** Ensure that all employees—especially those in safety-sensitive positions—understand the requirements and expectations of the drug and alcohol testing program. Provide regular training for DERs and other key personnel. Make sure everyone understands the process and who has decision-making authority.

• **Review and update policies:** Regularly review your organization's drug and alcohol testing policies to ensure they reflect current laws and best practices. Update policies as needed and communicate changes clearly to all employees.

• **Review position descriptions annually:** Ensure that safety-sensitive functions are clearly identified for each position, so your testing program accurately reflects organizational roles and regulatory requirements.

• **Prepare for audits:** Conduct internal audits or mock inspections to identify and address potential gaps before an external audit occurs. Practice mock collections and ensure all vendors and partners are prepared to meet regulatory requirements.

The human side: supporting employees and building a culture of safety

While compliance is essential, it's important to remember the human side of drug and alcohol

Continued on page 7



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Drug and Alcohol Testing

Continued from page 6

testing programs. These programs exist to protect employees, the public, and the integrity of municipal utilities. Building a culture of safety means fostering open communication, providing support for employees who may be struggling with substance use issues, and ensuring that policies are applied fairly and consistently.

DERs and other leaders play a critical role in setting the tone. By approaching their responsibilities with empathy, professionalism, and a commitment to safety, they can help create an environment where employees feel valued and supported.

Looking ahead: The road to continuous improvement

The landscape of drug and alcohol testing will continue to evolve, shaped by changes in law, technology, and societal attitudes. MMUA members are well-positioned to navigate these changes by staying informed, leveraging partnerships, and maintaining a steadfast commitment to safety and compliance. MMUA welcomes your stories

and insights—we encourage you to share your experiences and lessons learned—your story might help other utilities navigate similar challenges and strengthen our collective knowledge. If you have questions specific to your utility or would like to contribute examples that might benefit fellow MMUA members, please don't hesitate to reach out to Joe Schmidt at jschmidt@mmua.org. By connecting and sharing, we can support one another and continue to improve our practices across the state.

As Karleen reminded us, wearing many hats is part of the job. By embracing this reality and working together, MMUA members can ensure that their drug and alcohol testing program and policy not only meet regulatory requirements but also support the broader mission of serving their communities with safety and excellence.

Duluth power pivot leaves Wisconsin gas plant plan on life support

Minnesota Power (MP) has abandoned its long-standing plan to buy electricity from the proposed Nemadji Trail Energy Center (NETC) in Superior, Wis., delivering a blow to the \$1 billion natural gas plant that has become a flashpoint in regional energy debates.

The Duluth-based utility formally terminated its agreement with project partner South Shore Energy in late December, citing years of litigation and permitting delays, making the plant's development untenable.

Executives at MP said they need reliable power sources as they retire coal plants by 2030 and 2035, but they will pursue alternative solutions rather than wait for NETC to materialize. "We have worked diligently over many years to develop this project," wrote Jennifer Cady, vice president of public policy and external affairs, in a filing with the Minnesota Public Utilities Commission. She noted key

Wisconsin permits have lapsed, and critical local approvals never arrived.

The decision comes after mounting resistance from environmental groups, tribal communities, and local officials who argued that constructing new fossil fuel infrastructure runs counter to state climate goals. Opponents also raised concerns about potential air and water pollution, threats to wetlands, and the plant's proximity to sites sacred to the Anishinaabe people. Superior Mayor Jim Paine said the city's refusal to grant essential permits effectively ended any plausible development path. "It really did not have a functional path forward," Paine told reporters.

NETC exemplified the complex balance utilities face amid energy transitions. MP and its partners, including La Crosse, Wisconsin-based Dairyland Power Cooperative and Basin Electric Power Cooperative, envisioned the gas plant as a

bridge resource to ensure grid reliability while expanding wind and solar capacity. Proponents touted NETC's ability to produce between roughly 550 and 625 megawatts of dispatchable power, enough for hundreds of thousands of homes. They claimed the project would create hundreds of jobs in the region.

Industry observers saw the plan as a pragmatic response to the return of renewables. Natural gas often plays the role of "always-available" generation, stepping in when wind and solar output wanes. Without such capacity, advocates for gas argue grid operators may struggle to deliver consistent service during peak demand periods or extreme weather events.

Environmental advocates welcomed MP's shift. Evan Mulholland, policy director at the Minnesota Center for Environmental Advocacy, said the plant "would be bad for the climate, too expensive, harmful to public health, and proposed in the wrong location." The Sierra Club's Wisconsin chapter described the utility's withdrawal as a step toward cleaner power investments, urging partners such as Dairyland to focus on renewable alternatives.

Despite MP's exit, NETC's fate remains uncertain. Dairyland's 50 percent stake means the cooperative could pursue construction independently, though industry insiders doubt a plant on Minnesota Power-owned land will attract new partners. The utility stated it will continue discussions with project stakeholders to explore options for balancing economic, community, and environmental considerations.

As MP navigates its energy portfolio, regulators and ratepayers alike will watch closely how the utility replaces retiring coal capacity. The company's mix already includes nearly 60 percent renewable energy, a figure that outpaces many regional peers. Still, executives acknowledge the need for firm, dispatchable generation remains pressing, especially without significant nuclear or existing natural gas assets.

The NETC reversal heightens tensions in US energy policy, where climate commitments, community concerns, and reliability demands intersect. Developers and utilities across the Midwest may find MP's pivot a cautionary tale as they seek to balance environmental goals with the urgent realities of power supply.

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Congress weighs who controls the poles

H.R. 2289, the “Proportional Reviews for Broadband Deployment Act,” advanced out of the House Committee on Energy and Commerce on December 3, 2025, in a 26-24 party-line vote.

The bill includes the full text of H.R. 278, also known as the “Broadband Leadership Act,” which would expand federal oversight of pole attachments, a move strongly opposed by public power advocates.

Supporters argue the legislation will accelerate broadband deployment by streamlining permitting and reducing delays. Opponents contend it undermines local oversight and threatens the safety and operational flexibility of public-power utilities.

The bill’s provisions

H.R. 2289 would override certain environmental and historic-preservation review requirements for modifications to existing wireless towers and base stations. Under the bill, applications to collocate or replace transmission equipment would no longer require review under the National Environmental Policy Act (NEPA) or the National Historic Preservation Act (NHPA), so long as they qualify as “eligible facilities requests.”

Beyond tower modifications, H.R. 278 (which is embedded in H.R. 2289) would bring the infrastructure of publicly owned and cooperative electric utilities under federal regulation for pole attachments. That would remove the long-standing exemption allowing community-owned utilities to control attachment rates and procedures at the local level.

The changes would impose “shot clocks” for local governments

to respond to pole-attachment applications. If a local government fails to issue a written decision within the allotted time, pole attachers could claim a request is “deemed granted,” even if the local entity has unresolved safety concerns. During committee debate, some legislators warned this could cut corners on safety and due diligence.

Public-power resists

The American Public Power Association (APPA) leads opposition to the bill. The group argues the municipal exemption protecting public power utilities for decades should remain in place because local systems vary widely in size, governance, and engineering requirements. APPA asserts a one-size-fits-all federal rule could compromise safety and reliability and impose unfunded burdens on communities.

In a letter submitted November 17, 2025, to the House Energy & Commerce Committee, APPA warned H.R. 278 could “create serious safety risks without any guarantee that purported savings pass on to customers.” The letter cited ambiguity around denial standards, unreasonable deadlines, and forced rate limitations as key problems.

Conversely, some industry groups argue the current complexities of state and local requirements hamper timely broadband deployment. Those supporters assert that clear, consistent federal guidelines will lower administrative burdens and accelerate the delivery of high-speed internet to underserved communities. Though some of those broad telecom industry arguments stem from previous iterations of similar legislation,

the debate has renewed urgency under the current broadband-expansion push tied to federal funding.

The current status

With H.R. 2289 now moving to the full House, the next step will likely be scheduling floor consideration. If the House passes the measure, it would proceed to the Senate. Given the razor-thin committee margin, passage in the full House remains uncertain and may depend on whether members adopt further amendments.

Meanwhile, public-power stakeholders, local governments, and communications providers brace for a drawn-out fight. APPA and allied municipal-utility associations plan to press Congress and committee staff to negotiate exemptions or safeguards before the bill reaches final floor votes.

Why it matters

The outcome of this legislation could reshape broadband deployment and infrastructure oversight nationwide. Proponents frame the legislation as essential to bridging the digital divide, arguing permitting reforms will prevent bottlenecks and accelerate broadband access. But opponents warn expanding federal control over community-owned utility poles risks reducing local accountability and increasing security or reliability risks for electric grids.

With broadband access and infrastructure demands escalating, Congress stands at a crossroads: whether to favor speed and uniformity in deployment, or to protect local autonomy and utility safety. Both outcomes carry consequences for millions of Americans.

Sources:

H.R.2289—119th Congress (2025-2026): Proportional Reviews for Broadband Deployment Act | Congress.gov | Library of Congress

“Preserving the Municipal Exemption from Federal Pole Attachment Regulations” | American Public Power Association

“APPA Submits Letter Opposing Expansion of Federal Pole Attachment Regulations” | American Public Power Association

C&T Subcommittee Forwards Broadband Permitting Bills to Full Energy & Commerce Committee

HMKP-119-IF00-20251203-SD16154.pdf



The advertisement features a smartphone displaying the MMUA Connect app interface. The screen shows various app icons, with the MMUA logo icon highlighted by a yellow arrow. The background is a blue and white abstract network graphic. The MMUA logo is in the top right corner. The text "INTRODUCING: MMUA CONNECT" is in the center, followed by "Instant access to:" and a list of features: "• MMUA Member Directory", "• Member Compass", "• Upcoming events", and "• and more!". Below this, it says "Download at your app store and become familiar with this new member resource."



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Power restored in San Francisco, but residents' faith in PG&E flickers

More than 130,000 San Francisco residents lost electricity on the Saturday before Christmas after a fire damaged a Pacific Gas and Electric (PG&E) substation, triggering one of the city's longest recent outages and intensifying scrutiny of California's largest utility.

The blackout stretched beyond three days for some customers and disrupted daily life across large sections of the city. Traffic signals failed, emergency response slowed, and automated vehicles stalled in intersections, compounding congestion during an already strained holiday period.

PG&E reported a substation fire caused extensive damage and required complex, safety-focused repairs. The utility issued frequent updates and emphasized the need to protect crews working in hazardous conditions. By the end of the first day, PG&E reported crews had restored service to more than 100,000 customers.

To mitigate the disruption, PG&E set up food, water, and charging stations at a nearby recreation center and arranged hotel accommodations for affected residents. Sumeet Singh, the utility's CEO-elect, announced bill credits for customers impacted



by the prolonged outage. Residential customers will receive \$200 credits, while business customers will receive credits averaging about \$2,500.

Despite those efforts, frustration grew as restoration timelines repeatedly slipped. PG&E issued multiple estimates for when power would return, then revised or missed nearly all of them. Crews ultimately restored full service after roughly 67 hours, but the delays strained public confidence.

The outage also exposed unexpected vulnerabilities. With traffic signals offline, several autonomous vehicles operated by Waymo stopped in the middle of city streets because their systems could not interpret uncontrolled intersections. Fire officials said the stalled vehicles slowed fire trucks responding to electrical fires linked to the substation damage.

City leaders responded swiftly. District 5 Supervisor Bilal Mahmood announced plans to convene a Board of Supervisors hearing to examine the outage and its cascading effects.

"Thousands without power

for days due to fires at a PG&E substation, stalled autonomous vehicles hindering fire response, and traffic congestion across the city—residents deserve answers," Mahmood said in a post on X.

State Sen. Scott Wiener echoed those concerns and said he plans to introduce legislation to allow San Francisco and other cities to separate from PG&E and form public utilities. In addition, a third-party firm will investigate the December 20 outage.

Just one week later, another substation problem caused a large outage in the Richmond District. PG&E supplied power through generators to stabilize the grid, but the incident reinforced concerns about reliability. Some residents said compensation failed to match the scale of disruption.

Local businesses reported tangible losses. The owner of Sushi Bistro in the Richmond area said the outage destroyed as much as \$10,000 worth of fresh seafood. The restaurant now plans to purchase generators, citing a lack of confidence in PG&E's ability to prevent future blackouts.

The repeated outages have revived long-running debates over public power in San Francisco. At a January 6, 2026, meeting Supervisors Connie Chan and Matt Dorsey renewed calls for the city to operate its own electric utility.

"PG&E is an investor-owned utility accountable to shareholders before ratepayers," Dorsey said. "Until that changes, we can expect more of the same."

In 2019, the San Francisco Public Utilities Commission released a report examining alternatives to PG&E service after a series of wildfires, safety failures, and bankruptcy filings. The report concluded that a city-owned grid could deliver long-term savings, improved reliability, and stronger safety oversight.

Chan and Dorsey now sponsor a resolution reaffirming the city's intent to acquire PG&E's local infrastructure. Sunset District Supervisor Alan Wong plans to request a detailed analysis from the Public Utilities Commission on the costs and logistics of creating a publicly owned grid.

"This is about due diligence," Wong said. "We need to understand what the city can realistically do and what options exist."

Public frustration has percolated for years. A Facebook group called "Stop PG&E" has attracted nearly 9,000 members, reflecting persistent tension between the utility and the city it serves. After December's outages, the tension has intensified.



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Insights and connections from the 2025 T&O Conference



The 2025 T&O Conference kicked off with an MMUA Board meeting to discuss legislative priorities for the upcoming legislative session. Pictured above, from bottom right: Board members Roger Warchime (Owatonna Public Utilities), Mark Hansen (Elk River Municipal Utilities), Keith Butcher (Princeton Public Utilities), and Harold Langowski (Ely Utilities Commission).



Jeff "Odie" Espenship opened the event with an inspiring talk on the importance of safety checks. Odie drew on his extensive experience as a pilot and moved attendees both with exciting flying stories and the tragic consequences he experienced when his brother overlooked an important pre-flight step.



The MMUA apprenticeship program took the spotlight with (left to right) MMUA's Mike Willets and Roger Avelsgard, who were joined by Trent Haukinson from Brainerd Public Utilities and Brad Carlson from Shakopee Public Utilities. MMUA's Cody Raveling (right) completed the panel.



The T&O Conference celebrated 2025's Northwest Line College (NLC) graduates. Each apprentice completed the four-year NLC academic program and passed a final exam with a score of 80 percent or better during the past 12 months. Of the nine graduates, three attended the conference. Pictured above (left to right) are Jacob Erickson (Hawley Public Utilities), Rene Celedon (Westbrook Public Utilities), and Karson Neiman (City of Pierre Electric Department).



Drew Moldenhauer, founder of Blue Ethos Specialized Training, delivered a presentation on high-stakes teamwork. He guided attendees through a situation from his time as a police officer during a challenging call and demonstrated how effective teamwork ensured success.



Roundtable discussions remain a fan favorite at MMUA's conferences.



Attendees listen attentively during Kyle Van Lent's (MN OSHA) roundtable discussion on what to anticipate during an unexpected OSHA visit.



Frank Stuemke and Stephen Slick hosted the T&O's first-ever water/wastewater learning track, drawing a new set of attendees to the conference.

Insights and connections from the 2025 T&O Conference



Chris Watkins, Energy Security Advisor with the Minnesota Department of Commerce, led a session during the manager's track on cybersecurity essentials for electrical utilities.



MMUA's Jim Bruender added to the water/wastewater track with safety tips on chlorine and how to handle it responsibly, demonstrating with real-life equipment.



Todd Krause from the National Weather Service gave an engaging talk on weather and storm spotting, helping utilities prepare for severe weather.



A panel of winners discussed the advantages of rodeo competitions. Cody Raveling (far left) facilitated a panel discussion with (left to right) Mike Enright (Owatonna Public Utilities), Brad Carlson (Shakopee Public Utilities), and Tony Mead (Marshall Municipal Utilities). They were joined by panelists Angela Hauge and Katy Olson from Elk River Municipal Utilities, who shared personal experiences at a national event called "Hydrant Hysteria." The ERMU team members recalled their victory in the Hydrant Hysteria competition a few years ago.



The trade show brought plenty of fun to the week. Members and associate members connected in person to talk shop, hunting, families, and everything in between.



MMUA member talks with a vendor during the T&O Conference trade show, exploring solutions and building connections.



Lisa Kons from the Minnesota Safety Council moved the room with her talk on mental health, fatigue, and driving. A notable rationalization to watch out for is: "It's okay when I do it because I am being safe," which is what everyone thinks when driving unsafely. Nobody expects to be the person who miscalculated and caused a tragic accident.



To close it out, Rodney Walker (left) shared the story of his life-altering arc flash incident. Walker stressed the importance of always following safety protocol and how small mistakes can lead to life-changing moments. He is joined here by Mike Willetts, MMUA's Director of Training and Safety.

A volatile mix is rewriting the US power market

The US power market entered a period of sharp uncertainty in 2025 as demand surged, fuel prices climbed, and long-standing assumptions about generation economics began to fracture.

For more than a decade, flat electricity demand, cheap natural gas, and steady coal retirements defined the industry. That era has ended. Electricity use is now growing at its fastest pace in years, coal generation is rebounding after years of decline, natural gas is losing market share, and renewable energy is still expanding despite mounting policy and market risk.

Electricity demand rose roughly two percent during the first nine months of 2025, according to the US Energy Information Administration. Artificial intelligence data centers, electrification in transportation and industry, and population growth drove the increase. Analysts estimate AI-related infrastructure alone could soon require as much as 106 gigawatts of new capacity.

Fuel markets intensified the disruption. Natural gas prices averaged about \$2.20 per million British thermal units in 2024, but prices now track closer to \$3.50 and could approach \$4 in 2026, according to federal forecasts. Higher prices have eroded gas's advantage over coal



in wholesale power markets, especially during peak demand periods.

As gas prices climbed, utilities leaned more heavily on coal plants. Coal generation experienced temporary rebounds before, most recently in 2022, but the current recovery carries different dynamics. Domestic power demand continues to rise while US liquefied natural gas (LNG) exports expand rapidly, tightening supply at home.

American LNG shipments are on pace to increase roughly 25 percent this year, further linking domestic gas prices to higher-priced global markets.

"LNG ties the United States
Continued on page 13

Succession and the lengthened shadow of leadership

Continued from page 3

evolution. But honoring the past does not require preserving every practice. It requires understanding what problems those practices once solved, and whether they still do. As Jim Collins discussed in his classic, *Built to Last*, enduring organizations "preserve the core while stimulating progress."

The challenge for new leaders lies in timing and finesse—knowing when to push and when to pause. Whether the issue is something as small as changing the timing of the staff holiday party or as consequential as undergrounding an electrical system long resisted by a predecessor, reading the room is a critical skill during transitions.

Working with entrenched systems and culture

Entrenched systems and cultures are the hardened edges of a predecessor's shadow. They are not merely habits; they are often survival mechanisms that once served the organization well. New leaders who attempt rapid dismantling without understanding these functions risk resistance or unintended consequences.

A disciplined approach involves diagnosing before disrupting. What behaviors do current systems reinforce? Who benefits from them? What anxieties do they manage?

Change is more sustainable

when framed as refinement rather than repudiation.

Internal hires may face additional complexity because they are already associated with the existing culture. Their credibility depends on acknowledging shared responsibility while still asserting authority to change. External hires may enjoy greater permission to question norms but must invest more heavily in relationship-building to avoid being dismissed as out of touch.

Either way, willingness to take new actions while aligning with the organization's tenor is essential. That's how an incoming leader both establishes themselves and brings the team with them. As someone once said to me early in my management career, "You are not a leader if no one is following you."

How the new leader shows up

Regardless of origin, new leaders achieve the best results when they act with humility, clarity, and consistency. Early behavior sets expectations that will define their own shadow. Listening deeply before acting, communicating decisions transparently, and aligning words with actions build trust faster than symbolic gestures or sweeping restructures.

For those doing the hiring—commissioners and general managers alike—screening for a candidate's ability and willing-

ness to show up with curiosity and an open mind should be nonnegotiable. New leaders should also resist the urge to overcorrect in reaction to their predecessor. Being "not that leader" is not a strategy. The goal is not contrast, but coherence: articulating a leadership philosophy that fits the organization's needs now.

For internal hires, this means renegotiating relationships, moving from peer to authority without abandoning authenticity. For external hires, it means earning legitimacy through respect and learning rather than asserting it through title alone.

Stewarding the shadow

Succession planning and effective transitions are ultimately about managing shadows. Organizations do not reset when leaders change; they carry forward accumulated influence, memory, and expectation. Recognizing that an organization is a lengthened shadow of its leader allows both exiting and incoming leaders to act with intention.

When leaders understand the shadow they cast—and how to let it fade—they create the conditions for continuity without stagnation and change without rupture. In that way, succession becomes not a moment of disruption, but a disciplined act of stewardship.



Europe's green energy future hangs in the balance



Europe's ambitious drive to decarbonize its energy system has yielded measurable emission reductions, yet recent political and economic realities have throttled the transition.

Over the past two decades, European Union (EU) nations have succeeded in cutting carbon emissions more than almost any other region. Emissions fell roughly 30 percent below 2005 levels, compared with a 17 percent reduction in the US, and renewable technologies now account for a rising share of total energy use.

For many observers, this progress exemplified what a well-funded green transition could achieve. Recent developments, however, have tempered optimism. Installation rates for new solar capacity, for example, are on track to decline for the first time in over a decade as some governments scale back subsidies and investors face uncertainty. In parallel, debates within the European Parliament and among member states have yielded policy shifts rolling back or delaying aspects of previous green energy commitments. A controversial deal in late 2025 empowered center-right lawmakers to cut environmental regulations, a move framed as necessary for competitiveness but criticized for weakening the bloc's climate agenda.

The slowdown reflects competing priorities. Stakeholders must balance emissions goals with issues such as industrial competitiveness, energy security, and the economic impact of high electricity prices. Germany, long a driver of the continent's renewable push, now faces some of Europe's highest domestic

energy costs, and similar pressures afflict Italy and other nations. The financial strain on households and businesses has raised doubts about the timing and scale of the transition.

Infrastructure challenges compound political disagreements. Grid expansion and connection delays have frustrated investors and slowed the integration of new renewable capacity. In Belgium and the Netherlands, developers face multi-year backlogs for grid access, hampering planned solar and battery-storage projects.

Supporters of a slower roll-out argue a more measured pace prevents undue economic disruption and allows technological improvements to reduce costs. They contend an abrupt clean energy shift risks industrial dislocation and supply chain bottlenecks, which diminish energy reliability. Critics of the rollback, however, believe complacency jeopardizes long-term goals such as energy independence from fossil imports and competitiveness in the global clean-technology market. Evidence published by the

European Environment Agency has revealed how renewable energy already meets about a quarter of the EU's final energy consumption, and the share is rising, suggesting the transition has not completely stalled.

These debates play out against a backdrop of geopolitical uncertainty. The European Union's energy landscape was reshaped following Russia's invasion of Ukraine, which prompted a scramble for alternative supplies and accelerated some renewable deployment. Yet this urgency also revealed vulnerabilities in grid architecture and supply chains, which have not yet been fully resolved.

As Europe grapples with these intersecting pressures, its energy transition remains both a symbol of climate leadership and an illustration of the complexities inherent in transforming an entire economy. Progress continues, but its pace and direction are now subjects of intense political debate across the continent, with markets and policymakers reevaluating how best to balance ambition with economic resilience.

US power market

Continued from page 12

more directly to international markets that pay more for gas," says Joshua Rhodes, a research scientist at the University of Texas at Austin. "That connection puts upward pressure on domestic prices."

Coal's comeback still faces structural limits. At their peak, coal plants typically operated at about 60 percent capacity, according to Andy Blumenfeld, a coal market analyst at McCloskey by OPIS. Operators can raise output, but seasonal swings in wind and solar generation complicate dispatch decisions and fuel planning.

Renewable energy continues to expand, at least for now. Wind and solar generated roughly 646 terawatt-hours of electricity through September 2025, surpassing coal's 561 terawatt-hours over the same period. Natural gas generation fell about four percent to roughly 1,384 terawatt-hours.

Solar installations accounted for much of the renewable growth. However, Ric O'Connell, executive director of GridLab, expects momentum to slow later in the decade as federal clean-energy tax credits expire and permitting challenges intensify.

"We're standing on the edge of a storm," O'Connell said. "Load growth accelerates over the next few years, gas prices could spike, and clean-energy incentives disappear. That combination creates real risk for the system."

Minnesota reflects the same pressures shaping the national market. Electricity demand continues to rise, while utilities already pay above-average prices for wholesale natural gas. Households have benefited from relatively low heating costs in recent years, but global gas markets and expanding LNG exports threaten to reverse this trend.

As federal clean-energy incentives phase out after 2027, Minnesota's heavy reliance on wind and solar could face increasing stress during extreme winter conditions. Coal and gas plants may shoulder a larger share of reliability obligations, even as the state weighs climate commitments and long-term cost exposure.

Across the country, the power sector confronts a volatile convergence of higher demand, shifting fuel economics, uncertain policy, and reliability risk. The market no longer follows the assumptions of the past decade. Utilities, regulators, and consumers now navigate a power system defined less by stability than by rapid and unpredictable change.



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DATA powers Heartland's digital infrastructure push

Heartland Energy, a joint action agency (JAA) serving 29 municipal utilities across Minnesota, South Dakota, Iowa, and Nebraska, rolled out its Demand-Adjusted Technology Advantage (branded simply as DATA) in the spring of 2025.

This rate policy provides an interruptible electricity tariff tailored for data centers, and it represents a fresh strategy for bringing high-tech infrastructure to small towns while preserving grid reliability and minimizing risk.

Heartland's leadership conceived DATA in response to growing inquiries from local utilities about data centers, said Casey Crabtree, the JAA's Director of Economic Development, in a November interview with the American Public Power Association (APPA). Rural customers often lack the tools to compete for data center investment, he explained, and Heartland saw an opportunity to equip them without saddling the grid or long-time ratepayers with undue risk.

"We needed to have something put together that we could help our customers with," Crabtree said. "We've got some areas where this is just a fantastic fit for both our customers and Heartland, where both can win."

At its core, DATA acts as an interruptible rate. Participating data centers agree to adjust power use during peak grid demand, reducing or temporarily cutting consumption when required by system operators. In exchange, Heartland offers competitive electric rates designed to make rural locales more attractive compared to traditional data center hubs in large urban markets. To qualify, a facility must have a peak load of at least five megawatts, maintain an 80 percent load factor, and demonstrate interruptibility through quarterly demand-response tests. Infrastructure upgrades necessary to serve the center fall to the customer, ensuring existing ratepayers shoulder no unexpected costs.

Industry analysts say utilities across the country are adopting rate structures to accommodate rapidly rising data center demand. Utilities in states such as Virginia and Indiana have recently modified tariffs to manage large-load customers while protecting broader customer bases, highlighting a trend where utilities craft programs to balance growth with grid integrity. External observers note data centers can strain local systems and complicate forecasting, and careful rate design supports economic development while mitigating those pressures.

Heartland's strategy positions its customer communities to compete in a market that increasingly values affordability

and reliability. A recent CNBC analysis ranked parts of South Dakota, Iowa, and Nebraska among the nation's most attractive regions for powering artificial intelligence data centers, citing low outage rates and competitive energy prices. The report highlighted the advantage of tailored tools like DATA, which local leaders can use to their advan-

tage as they bid for investment dollars.

Beyond the numbers, Heartland has taken a hands-on approach to education and outreach. Crabtree said staff have hosted in-person forums with city leaders, utility managers, and economic development stakeholders to explain the mechanics and benefits of the policy. Early

feedback, he reported, has skewed positive, with many communities embracing the idea of hosting data centers while protecting rate stability and unlocking new revenue streams.

For decades, municipal utilities in the Heartland relied on traditional industrial and agricultural customers. With DATA, they now have a structured,

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New emissions analysis suggests limited remaining margin for 1.5-degree warming target

Global greenhouse gas emissions continue to increase, reducing the estimated remaining margin associated with limiting global warming to 1.5 degrees Celsius, according to a new analysis released by the Global Carbon Project.

Based on current emission levels, researchers estimate that the remaining allowance tied to that temperature threshold could be exhausted within approximately four years.

The estimate relies on the concept of a “carbon budget,” a term scientists use to describe the total amount of carbon dioxide emissions compatible with specific temperature targets adopted under international climate agreements. The Global Carbon Project places the remaining budget linked to the 1.5-degree benchmark at about 170 billion metric tons of carbon dioxide. Annual global emissions currently exceed 40 billion metric tons.

The analysis draws on contributions from more than 90 research institutions worldwide. It projects that emissions from fossil fuel use will have increased by roughly 1.1 percent in 2025, reaching a new high, even as renewable energy deployment

continues to expand in many countries.

Emissions related to land use, including deforestation and agricultural activity, are estimated at about 4.1 billion metric tons of carbon dioxide per year. Researchers note that this represents a reduction compared with earlier periods, partly due to lower deforestation rates in parts of the Amazon Basin. They also caution that heat, drought, and extreme weather events can weaken forests’ ability to absorb carbon.

Recent climate conditions have added pressure to natural systems that absorb carbon dioxide. El Niño-related heat and dryness reduced absorption by oceans and forests across large areas. While carbon uptake has shown some recovery as conditions moderate, researchers say it has not been sufficient to counterbalance continued growth in emissions.

Atmospheric carbon dioxide concentrations are projected to reach roughly 425.7 parts per million in 2025, compared with pre-industrial levels of about 280 parts per million. The analysis also cites research indicating that some tropical forest regions in Southeast Asia and South

America now release more carbon dioxide than they absorb.

Emission trends differ by region. Growth has slowed in China and India as renewable generation expands, while emissions in the United States and the European Union have increased modestly following declines during the COVID-19 pandemic.

In the US, concerns about grid reliability have influenced short-term energy decisions. The US Department of Energy has approved temporary operating extensions for several coal-fired power plants, including facilities in Colorado and Michigan, citing rising electricity demand from data centers, electrification, and population growth. Federal officials have described the approvals as limited measures intended to maintain reliability.

Researchers involved in the analysis emphasize that future outcomes are not predetermined. They note that changes in policy, technology, and energy use could alter emission trajectories and influence long-term temperature outcomes later in the century.

Shutdown freezes heating aid as wintry weather arrives



The 43-day long federal government shutdown at the end of 2025 tightened its grip just as chilly weather settled across the nation, interrupting the flow of federal heating subsidies low-income families rely on to keep their homes warm. State agencies warned the pause in congressional appropriations halted the normal disbursement of Low-Income Home Energy Assistance Program (LIHEAP) funds, pushing back payments, emergency fuel deliveries, and furnace repairs which typically arrive before peak heating season.

LIHEAP, the federal program that disburses money to states to help struggling households with winter energy costs, depends on timely federal appropriations

and transfers. When Congress failed to pass funding, states could not draw down their allocations and many delayed opening their seasonal programs. This left thousands of families, particularly in cold-climate states, dangling in uncertainty as utility bills began to climb.

Minnesota faced an acute version of this nationwide squeeze. State officials told local media the state had not yet received its 2025–26 LIHEAP allocation and officials could not begin issuing payments until the federal money arrived. Minnesota leaders and nonprofit partners scrambled to identify stopgap measures, but they warned even after the shutdown ended, a lag of up to a month in some cases could pass before families

Continued on page 16

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PFAS liability fight puts Congress, utilities, and environmental groups at odds

A growing dispute over responsibility for cleaning up toxic “forever chemicals” intensified during recent congressional hearings, as lawmakers weighed whether water utilities should face liability under federal Superfund law.

At a late December 2025 hearing before a US House Energy and Commerce subcommittee, representatives from water utilities urged Congress to exempt them from liability under the Comprehensive Environmental Response, Compensation, and Liability Act. Utilities argued that they act as passive recipients of per- and polyfluoroalkyl substances, or PFAS, rather than as sources of contamination. Industry witnesses warned cleanup obligations could impose crushing financial burdens on ratepayers if utilities remain subject to Superfund enforcement.

Environmental advocates pushed back, cautioning lawmakers against broad exemptions to weaken accountability. Groups such as Clean Cape Fear argued liability loopholes could allow contamination to persist while shifting costs away from responsible manufacturers. Advocates urged stronger national regulation to limit exposure to PFAS, which scientists have linked to cancer, thyroid disease, and other serious health risks.

The hearings followed a major regulatory shift by the US Environmental Protection Agency, which in 2024 designated two widely used PFAS compounds—PFOA and PFOS—as hazardous substances under Superfund law. The agency also finalized enforceable drinking water standards for the chemicals. Those actions triggered lawsuits from industry groups and increased pressure on Congress to clarify how liability should apply across affected sectors.

A separate November hearing before the Senate Environment and Public Works Committee examined disposal options and liability protections for so-called passive receivers, including wastewater utilities and waste management companies. Industry representatives told senators the compliance costs could rise sharply without statutory exemptions. Environmental organizations countered that exemptions risk transferring cleanup costs to taxpayers while reducing incentives to prevent future contamination.

States have continued to advance their own PFAS policies amid federal uncertainty. Minnesota's Amara's Law, effective January 2026, bans PFAS in

certain consumer products and requires detailed reporting on biosolids management. Similar laws across the country have created a patchwork of requirements for manufacturers, utilities, and municipalities.

In Congress, bipartisan legislation such as HR 1267, the Water Systems PFAS Liability Protection Act, seeks to shield drinking water and wastewater utilities from Superfund liability. Supporters insist the bill offers necessary protections for public services, while critics warn the proposal could limit accountability for widespread contamination.

During the House hearing, Tracy Mehan, executive director of government affairs for the American Water Works Association, outlined the water sector's concerns. Mehan emphasized the financial and legal exposure utilities face following the Superfund designation and questioned the reliability of enforcement discretion alone to protect ratepayers. He urged lawmakers to advance HR 1267 to provide statutory certainty.

With PFAS cleanup costs projected to reach into the billions nationwide, the central question remains unresolved. Lawmakers must now decide how to balance public health protection, environmental accountability, and the financial stability of essential water systems as the debate moves into a contentious legislative year.

Shutdown freezes heating aid

Continued from page 15

receive assistance.

The shutdown disrupted more than LIHEAP, and states differed in how quickly they restored services. Some governors and state legislatures authorized emergency measures to front-load assistance or tap into rainy-day reserves. Local community action agencies and utility companies also offered flexible payment plans, crisis grants, and emergency fuel deliveries where possible. Still, those local fixes could not replace the scale of federal LIHEAP allocations, and some say the gap left low-income households exposed to disconnection, illness, and dangerous indoor conditions.

The national implications extend beyond winter discomfort. Heating-assistance delays force families to choose between food, medication, and energy, increasing demand at food banks and emergency shelters and shifting costs to utilities and local governments. Pundits argue the shutdown's economic toll will outlast the frozen funding: missed payments and deferred maintenance can raise long-term costs for households and service providers alike.

During the shutdown, Minnesota officials emphasized that the state would distribute funds equitably once the federal allocation arrived, but they also urged residents to contact local agencies about interim help. Community organizations in Minnesota and elsewhere expanded outreach to the most vulnerable: seniors on fixed incomes, families with young children, and households relying on electric heat. Those groups

say coordinated state and local action blunted, but could not eliminate, the worst effects of a funding freeze.

During the shutdown, energy and anti-poverty advocates urged lawmakers to prioritize aid protecting public health and preventing winter disconnections.

Following the historic 43-day shutdown, the federal government released \$3.6 billion to

states and tribes. Some of these distributions were further delayed due to processing time.

Since the 2026 LIHEAP applications opened, spots are filling quickly following fears of a second shutdown and increasing heating expenses. The urgency matters, as delays are measured not only in dollars but also human lives.



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The **Willmar** City Council has approved the bylaws for the Willmar Municipal Utilities Commission. These bylaws, developed over several months, define the duties, responsibilities, and conduct of commissioners. Utilities Commission President Shawn Mueske led the effort to draft WMU's inaugural bylaws, drawing on resources from the American Public Power Association. The commission expects the bylaws to improve decision-making processes and provide stability during member turnover.



Maplewood Mall experienced a brief disruption during the busy holiday shopping season when a suspected gas leak raised con-

cerns among customers. The Maplewood fire department responded to the smell while mall officials swiftly initiated an evacuation. Fortunately, the source of the odor was quickly identified, eliminating the need for a full evacuation. The cause of the gas leak has not been shared publicly.

The **Lakeland** City Council voted 3–2 against purchasing the Telus commercial building at 84 St. Croix Trail S. for \$525,000 for its new city hall. Mayor Bob Craggs and one council member supported the purchase, citing its central location and readiness for occupancy, which could have avoided rising construction costs. However, most residents favored building a new city hall on city-owned land near the water department, where a previous city hall project was destroyed by arson in 2016.

Concerns about the Telus building included its small size,



lack of handicapped parking, and limited expansion potential. The current city hall, a former church built in 1868, has severe structural issues, forcing staff to relocate. A new city hall is estimated to cost \$1.4 million and could take 18 months or more to complete.

Concerns over city leadership decisions, rising taxes and water rates, and the resignation of city staff have prompted residents to seek the dissolution of the city of **Twin Lakes** in Freeborn County.

An administrative law judge will set the date for a special election within the next 90 days to allow voters to decide whether the city should dissolve. During a recent hearing, Judge Jessica Palmer-Denig emphasized that dissolution is effectively irreversible without a lengthy and complex process and encouraged residents to engage in thoughtful, informed discussions before voting. County officials told the court that holding the election in November would likely reduce costs and increase voter turnout compared with a May or August election. Opponents of dissolution, including city and township representatives, warned that dissolving Twin Lakes would shift responsibility for services such as sewer and fire protection to Nunda Township, which they say lacks the capacity to provide them. Twin Lakes has 74 registered voters and approximately \$10.3 million in assets, including land, buildings, and equipment, and carries no debt. The issue

has sparked intense emotions amid ongoing disputes over governance and public participation.

Ramsey County is proactively addressing the high energy costs of maintaining ice rinks as warmer winters reduce outdoor skating opportunities. The county is nearing completion of a project costing more than \$6 million to upgrade its 11 indoor ice arenas. By adding LED lighting, smart thermostats, improving insulation, replacing old gas furnaces with modern ones, and installing rooftop solar panels, the county aims to reduce electricity expenses and greenhouse gas emissions. The majority of energy consumption in indoor ice arenas comes from cooling the ice and heating the rink.

Minnesota ratepayers face a costly winter as heating bills are projected to increase by 9.2 percent, driven by higher electricity and natural gas prices and colder weather. Electricity users will see a 12.2 percent rise, while natural gas prices have surged nearly 50 percent over the year, partly due to expanding liquefied natural gas (LNG) exports tying US prices to global markets. The National Energy Assistance Directors Association forecasts a 37 percent increase in LNG exports next year, tightening supply. Minnesota's natural gas prices remain below the national average despite recent increases, with Greater Minnesota Gas approved for a 7.7 percent hike and Xcel Energy's interim rate increase of 6.8 percent effective January 1. Electricity costs rose 15 percent from January to September, and Xcel plans further rate hikes next year despite public opposition; however, Minnesota residential rates remain 27 percent below the national average.

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Communities across **Minnesota's Iron Range** are working to replace more than 400 water systems with lead service lines, including cities such as Hibbing, Grand Rapids, Hoyt Lakes, Cook, Ley, and Tower. These communities are aiming to complete the replacements by 2030. Hibbing Public Utilities (HPU) has been vocal about the process, estimating costs at about \$20,000–\$30,000 per site. In 2024, HPU received a \$1 million grant from the Minnesota Public Facilities Authority to replace 30 service lines and is seeking additional funding. Like many towns in the Iron Range, HPU aims to eliminate lead but lacks sufficient resources.

The Vermont Department of Public Service has asked the state's 14 municipal electric utilities to provide information on their finances, system reliability, and staffing after financial concerns emerged at two utilities. State officials say the review is meant to assess overall utility stability as providers contend with rising operating costs, cybersecurity risks, extreme weather, evolving technology, and changing electricity demand. One utility in Hyde Park recently raised rates after accumulating significant debt, while the Burlington Electric Department has faced questions related to documentation and renewable energy credit practices. The department expects to evaluate the information by early next year to identify potential vulnerabilities and determine where additional oversight or support may be needed. Vermont's municipal utilities range in size from fewer than 700 customers to nearly 6,000, with most serving fewer than 3,000.

Colorado residents spend less on utilities relative to income than any other state, according to a recent study by Move.org. The report found that monthly utility costs in Colorado are at or below national averages across six categories. Nationwide, average monthly utility expenses are about \$611, up from \$583 in 2024, driven by increases in electricity, natural gas, water, sewer, and streaming services, while trash, internet, and phone costs have remained largely stable. In Colorado, the average household spends \$568 per month on utilities, ranking 15th lowest overall. Because of the state's relatively high median household income of \$8,875 per month, utilities account for just 6.4 percent of income, the lowest share in the country. Minnesota ranks fourth lowest by the same measure.

New York has passed legislation eliminating the state's long-standing "100-foot rule," which required gas utilities to cover the cost of the first 100 feet of new residential gas service lines. Those costs were ultimately spread across existing customers through rates. State leaders say repealing the rule will reduce unnecessary expenses for ratepayers and correct a system that forced customers to subsidize gas hookups for properties they did not own. The new law is scheduled to take effect in just under one year.

An Illinois state court has blocked Ameren Illinois from avoiding competitive bidding requirements for two high-voltage transmission projects. Ameren argued

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that it should receive priority to build the lines under a "first-in-field" doctrine that once favored existing utilities. Associate Judge Michael Stroh rejected that argument, saying it conflicted with long-standing Illinois Commerce Commission practices. The decision upholds competitive bidding rules for transmission projects approved by the Mid-continent Independent System Operator and denies Ameren exclusive construction rights.

The **Federal Energy Regulatory Commission (FERC)** has unanimously approved a policy allowing large data centers to connect directly to power plants. The order addresses uncertainty surrounding so-called colocation agreements within the PJM Interconnection, which supplies electricity to roughly 65 million people across the Mid-Atlantic and parts of the Midwest. FERC said the decision provides clearer rules for developers and customers while maintaining protections for existing ratepayers.

In **Sioux City, Iowa**, artist Brandon Bradshaw was charged with fourth-degree criminal mischief and first-offense consumption of alcohol in a public place after he turned an ordinary manhole cover into a brightly colored, flower-shaped street mural. Bradshaw, a 46-year-old contractor and youth sports coach, says his inspiration often feels instinctive. His unofficial public art drew both legal trouble and widespread public support, earning him a reputation as a local folk hero. Nearby communities have embraced the idea, with one town hosting a sewer-themed art contest and several others planning similar efforts. A petition seeking to drop charges against Bradshaw gathered about 2,200 signatures, and supporters sold T-shirts celebrating his work. Following negotiations, the charges against Bradshaw were dismissed in late December after he agreed to "seek approval from the office of the City Manager prior to engaging in future art projects on City-owned property and City right-of-ways [sic]" and to pay court costs.

In wildfire-prone foothill areas of California, the **City of Palo Alto Utilities** is undertaking a major effort to move overhead power lines underground. The work is part of the utility's broader Wildfire Mitigation Plan, which focuses on neighborhoods at highest risk from wind-driven fires and falling power lines. The project includes burying about nine miles of electric distribution lines and utility-owned fiber optic cable, installing new conduits and equipment, and removing poles and other overhead infrastructure. The total cost of the project is estimated at approximately \$11 million.



By Joe Schmidt, MMUA Assistant Director of Workplace Safety

Near-miss reporting: a key to the value of safety

"An individual tends to accept his own conclusions. Positive acceptance of safety rules can result if subordinates can suggest and develop their own safe methods and rules. After all, who knows more about the work and its hazards than the people actually doing the work?" — Robert L. Burns in *Participative Safety: A Motivating Factor*

"A miss is as good as a mile," says an old adage. In the world of safety, though, that's simply not true. OSHA says that a near miss is an incident that could have caused a serious negative outcome but did not. And according to the National Safety Council (NSC), a near miss is an unplanned event that did not result in injury, illness or damage, but had the potential to do so. In other words, yes, near misses need to be taken seriously.

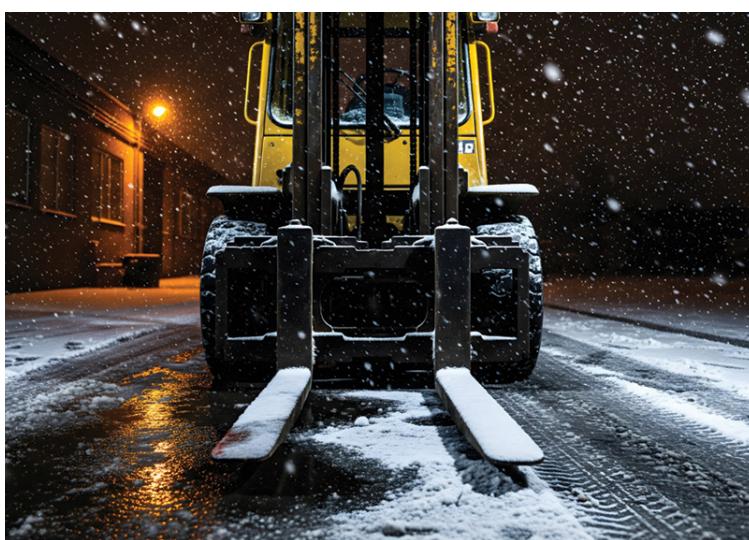
Many of us remember the Loony Tunes cartoon from years back, when Wile E. Coyote was attempting to catch and eat the Roadrunner. Regardless of the tools and equipment mail ordered from Acme Products, he never was successful, as the Roadrunner "beep beeped" on down the road. Sure enough, in

a short time Wile E. was back again with yet another purchase. Then Wile E. ended up flattened into the side of a mountain, had his face singed from an explosion, or fell victim to the power of gravity. Since Wile E. never ended up in the hospital, would you consider his incidents to be a near miss? By the OSHA and NSC definitions one could easily make the argument that Wile E.'s antics created near-miss incidents week after week.

Near miss reporting is a vital component of the culture of safety we are all working to build. Is the NSC's definition the best definition of a near-miss?

Not that long ago I witnessed a forklift operator behind the wheel without a seat belt on. This was not long after forklift operator training in which we covered the necessity and requirement for the use of a seatbelt. Would this be considered a near-miss or a simple safety rule violation?

Does your safety program include discussion about near-miss reports, or are there even any near-miss reports to discuss? The status quo can be a hindrance to the true development of a culture of safety. When we're comfortable with the way things are, we may not recognize a near miss for what it is. As long as nobody gets hurt, workers can go about their business without noticing problems and near misses right in front of them. Even when employees are "required" to report an unsafety act or condition, when they don't "see" a near-miss, there are no reports, and safety issues may



remain unknown.

You've most likely heard of Heinrich's triangle. In 1931, Heinrich proposed that for every major injury, there were 29 minor injuries and 300 no-injury incidents. Since then, much debate has occurred about the validity of his theory. A subsequent study was conducted by Health and Safety Executive researchers with the conclusion that for every lost time injury (three days lost time) there were seven minor injuries and 189 non-injury cases. Elsewhere it has been suggested that for every near miss that is reported, up to 10 people do not report a near miss. When that happens, failure to uncover root causes of unsafe conditions or unsafe acts is far more likely.

Within a few months of starting my first job as a safety coordinator with the Minnesota Department of Natural Resources, I investigated a fatal automobile accident. The employee was returning to the regional fisheries

office after working on a local lake for the day. His route of travel had him go over a set of railroad tracks at an uncontrolled crossing. The crossbucks included a stop sign, something that doesn't qualify as a controlled crossing. The vehicle he was driving was struck by the train that was coming through the intersection.

We'll never know what happened other than the train personnel reporting that the vehicle didn't stop at the stop sign. It's a fair assumption that the employee had crossed over the tracks in that location many times before without encountering a train, and thus he felt no need to stop at the sign. The truth is this: every time that vehicle crossed without stopping should have been reported as a near miss. The accident investigation encompassed the interviewing of fellow employees, and without other evidence, we had to take what they and the railroad personnel had to say at face val-

ue. The death likely occurred because of unreported—and probably unrecognized—near misses that were never discussed, nor was corrective action taken.

Near miss reporting, discussions, and investigations need to take place without embarrassment or retaliation. People who bring them up need to be thanked for the report. A culture that encourages self-examination, critical thinking, and safety will protect workers and save lives.

Minnesota's AWAIR (A Workplace Accident and Injury Reduction) Program establishes that all employers must adopt such a plan. MMUA's templated plan meets the requirements for promptly reporting accidents, near misses and safety and health hazards. Under AWAIR, supervisors must also immediately initiate an investigation and address all safety concerns reported. Within the APPA Safety Manual, sections 103 and 104 establish similar requirements. The point is this: if there is a sense of necessity for a regulatory requirement of near-miss reporting and investigating to back up the need to get buy-in at your utility, there are several from which to choose.

Within MMUA's Safety Management program, we work for a culture in which safety is more than compliance; it becomes a shared value. When we all recognize that safety is a value, it becomes proactive and an accepted daily habit. Then incidents and injuries go down, everyone goes home at night, and everyone wins.

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March 18–19, 2026
MMUA Training Center, Marshall

This course is offered as supplemental training for water/wastewater operators and support staff. This comprehensive electrical training program can benefit non-electricians to improve skills and gain competency.

Understanding what electrical work can and cannot be done by a non-electrician operator or maintenance technician can present a challenge. Are you confident that the work you are assigned—or that you are assigning—can safely and legally be performed? Recognizing your limitations is the key to ensuring everyone's safety.

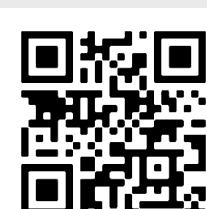
Visit mmua.org/events for more information or to register.

Legislative Conference

March 18–19, 2026
Drury Plaza Hotel, Saint Paul

MMUA's Legislative Conference is an essential opportunity for municipal utilities to inform and influence state lawmakers on issues of importance to municipal utilities. The 2026 conference will take place approximately one month into session, just before lawmakers take their annual Easter/Passover break. This will make it a perfect time to push hard for MMUA's legislative agenda.

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



For more information, see the Events Calendar at www.mmua.org or call MMUA at 763-551-1230.