

The Owatonna Public Utilities Commission met in regular session in the Morehouse Conference Room at the Owatonna Public Utilities. Present were Commissioners Zirngible, Rossi, Johnson, Vetter and McLane. Also present were General Manager Warehime; City Administrator Busse; Director, Finance & Administration Linders; Director, Engineering & Field Operations Fenstermacher; Director, Information Technology & Metering Baum; Senior Advisor Olson; Executive, Communications & Administration Coordinator Schmoll; Accountant Lori Jerpbak; Accounting Specialist Shanda Meier; City Councilmember Don McCann; Assistant City Administrator Jenna Tuma; and Tom Olinger, Partner at Abdo, OPU's auditing firm.

President Zirngible called the meeting to order and led the Pledge of Allegiance. He then asked for any changes to, and/or approval of, the agenda and consent agenda items. The consent agenda consisted of the Minutes from the March 25, 2025 Commission meeting, as well as the Contributed Services report as of March 31, 2025. Commissioner Vetter moved to approve the agenda and consent agenda items. Commissioner Rossi seconded the motion. All Commissioners voting Aye, the motion passed.

Election of Officers

President Zirngible presented a slate of offices to the Commission whereby Commissioner Rossi will be President, Commissioner Vetter will become Vice President. All Committee members will remain the same. Commissioner McLane moved to approve the slate of officers as presented. Commissioner Johnson seconded the motion. All Commissioners voting Aye, the motion passed.

Committee Reports

Finance Committee – Commissioner Johnson reported the Finance Committee met, reviewed and approved vouchers totaling \$7,517,815.26. He further reported all three utilities' combined net income are slightly above budget for the year. Three work orders were closed in March coming in at 58% over budget. The overage is due to carrying a larger inventory of transformers and those transformers being more expensive than when they were budgeted. Eight work orders have been closed for the year at 17% over budget. Seventy-four work orders remain open for the year totaling \$17.5 million with \$4 million already being paid on those.

Personnel Committee – Commissioner Rossi reported the Personnel Committee met and received a staffing update. He reported the Energy Conservation & Key Accounts Specialist position was filled with Anne Kraft whom everyone met before the meeting. Tim Linders was the successful candidate for the Director, Finance & Administration replacing Dave Olson who is retiring. Dave will be around for a few months to help with the transition. Recruitment has begun for the now empty position of Supervisor, Accounting. Interviews for the Information Technology Engineer, Meter Serviceworker and Gas/Water Design Engineer are underway. Other upcoming recruitment will include a Marketing, Digital Media & Energy Conservation Specialist, a lead Meter Serviceworker, an Engineering Intern and summer help in the electric line department.

City Administrator's Report

City Administrator Busse reported the City is hosting a Construction & Development meeting to give updates on code changes, discuss Open Gov permitting, and stormwater; answer questions and help contractors and engineering on the same page. Ms. Busse further discussed the City's approved 3-year strategic plan noting five priority areas will include Public Amenities, Economic Prosperity, Financial Security, Premier Employer and Our Neighbors where they will focus on communication to ensure the community is informed and engaged. The City is presenting to the County on the public safety center and the golf course is open with a new restaurant. Commissioner Rossi inquired if the city was well received when they presented to the legislature

regarding the Public Safety Center. City Administrator Busse felt both chiefs did a good job in presenting the points they needed to on a compressed time schedule. Representative Sexton gave up his time so the chiefs could speak. She further noted Senator Jasinski was supportive, as well.

Audit Report

Tom Olinger from Abdo presented the findings of OPU's 2024 financial audit. Mr. Olinger noted, OPU is issued an unmodified opinion for their audit which is a clean audit, as well as there were not any instances of non-compliance in regard to Minnesota Legal Compliance areas. He further discussed year end revenues and expenses, net income and cash flows from operations in the electric, water and natural gas utilities as compared to audit years of 2022 and 2023.

Authorized Bank Signer Responsibility Change

General Manager Warehime noted, with Mr. Linders moving to the position of Director, Finance & Administration, authorization for him to conduct banking and investment transactions on behalf of OPU is needed and presented the following language for approval:

"The Owatonna Public Utilities Commission hereby authorizes, and approves, Timothy Linders, acting in the roll of Director, Finance and Administration, to open or close banking and investment accounts and to transact banking business including signing checks or approving ACH or wire transfer of funds in the name of, and on the behalf of, the Owatonna Public Utilities."

Commissioner Vetter moved to approve the authorization as presented. Commissioner Johnson seconded the motion. All Commissioners voting Aye, the motion passed.

General Manager/Staff Report

General Manager Warehime thanked Commission Johnson for agreeing to serve on the Commission for another term. He further addressed an issue Commission Johnson presented at the last Commission meeting regarding fluoridation in drinking water. He recapped a bill in the legislature repealing the mandate for utilities to put fluoride in water. He noted, the bill will not move forward this year but will undoubtedly come up again and OPU will continue to monitor it going forward. For now, we are mandated by the MN Department of Health, and we will continue to follow such mandates aiming for the lower end of the requirement range. OPU's water contains .3 mg/l of fluoride naturally.

Director, Information Technology and Metering Baum presented to the Commission on a cyber security attack that occurred at Littleton Electric Light & Water Department in Massachusetts. He recapped the incident noting the FBI contacted LELWD to notify them they were one of roughly 200 critical infrastructure organizations identified as victims of Volt Typhoon. Ultimately, it was determined the threat group of VOLTZITE had been in the LELWD's system for 300 days. By working with a security monitoring platform called Dragos as well as other organizations, LELWD was able to completely rebuild their network and environment. Mr. Baum went on to discuss how OPU compares to LELWD and noted measures OPU currently has in place to help prevent an attack like this, as well as measures that will be implemented because of lessons learning from the LELWD's attack. Commissioner Johnson inquired as to the intent of the attack. Mr. Baum noted it was mostly for data gathering of sensitive and organizational data.

Director, Engineering & Field Operations Fenstermacher provided a 2025 project update to the Commission.

General Manager Warehime reminded the Commission the May meeting will be moved to May 20th. He also invited the Commission to the June 12th SMMPA Board meeting being held at OPU. The joint meeting with Steele County, City Council and the school district is scheduled for June 11th. Commissioners Vetter and McLane will attend on behalf of OPU.

Commission Roundtable

The Commission congratulated OPU on another APPA RP3 Diamond Designation. They welcomed Anne Kraft and congratulated Tim Linders on his promotion.

Adjournment

There being no further business to come before the Commission, the meeting adjourned at 5:18 p.m.

Respectfully submitted,

Tammy Schmoll
Executive, Communications & Administration Coordinator