



OPU Commission Meeting

April 28, 2026

4:00 PM

OWATONNA PUBLIC UTILITIES



VISION: *We are recognized for excellence in our community, our state and nationwide.*

MISSION: *We enhance the quality of life in our community by safely and reliably delivering customer-focused utility services.*

Core Values

Customer Focus - They're why we're here

Safety - For ourselves, our families and our community.

Accountability - Fully responsible for our attitudes and actions

Pursuit of Excellence - Going above and beyond

Company-Wide Expectations

- We never compromise safety
- Follow the Golden Rule
- Know what is expected; if you don't know, ask
- We're a team; by working together we accomplish more
- Decisions are not driven by personal agendas
- We share knowledge to help each other grow in knowledge and skills
- All people and jobs are valued
- Take pride in every task
- Start from a position of trust and assume positive intent
- We are ambassadors for OPU on and off the clock
- Demonstrate gratitude and appreciation
- Positively impact the lives of others everyday

OPU COMMISSION MEETING

April 28, 2026

4:00 P.M.

3:45pm – Meet Todd Norbeck, Dispatch Coordinator

Location: OPU Morehouse Meeting Room

1.	Open Meeting, Pledge of Allegiance and Agenda Approval	4:00 pm
2.	Consent Agenda • Minutes from March 31, 2026 • Contributed Services as of March 31, 2026	
3.	Committee Reports	
4.	City Administrator's Report	
5.	2025 Audit Results <i>(Tom from ABDO)</i>	4:10 pm
6.	Leadership • General Update <i>(Kent)</i> • Hiring Process Update <i>(Marge)</i> • Internal Approval Process & Finance <i>(Dave)</i> • SMMPA Board Representative <i>(Dave)</i>	4:30 pm
7.	Water Service Line Protection <i>(Josh)</i>	5:00 pm
8.	Lobby Redesign Update <i>(Christian)</i>	5:05 pm
9.	2026 Gas Improvements Bid <i>(Josh)</i>	5:10 pm
10.	2026 Tree Trimming Bid <i>(Christian)</i>	5:20 pm
11.	AI Policy <i>(Damian)</i>	5:30 pm
12.	General Manager/Staff Report • Kent – Thank You & Farewell <i>(Dave)</i>	5:45 pm
13.	Commission Roundtable	5:50 pm
14.	President's Report	
15.	Audience Comments [†]	
16.	Adjournment	5:55 pm

[†]Please state your name and address. We appreciate your cooperation in keeping remarks within a five-minute timeframe. As a matter of policy, the commission will not take immediate action or provide direct responses to concerns during this meeting and assures you your concerns will be thoroughly addressed.

The Owatonna Public Utilities Commission met in regular session at 4:05 p.m.

Present were Commissioners McLane, Rossi, Vetter, and Zirngible. Commissioner Johnson attended virtually. Also present were General Manager Warehime; Director, Finance & Administration Linders; Director, Information Technology & Metering Baum; Manager, Human Resources Madson; Manager, Customer Experience Schmoll; and Manager, Gas & Water Operations Prokopec. City Administrator Tuma was also in attendance, along with Krista Loudon, a current applicant for the open Commission seat, and Dan McCann, City Council.

President Rossi called the meeting to order at 4:05 p.m. Commissioner McLane moved to approve the agenda. Commissioner Zirngible seconded the motion. All Commissioners voting Aye, the motion passed.

Commissioner Vetter moved to approve the consent agenda, which included the minutes from February 24, 2026. Commissioner McLane seconded the motion. All Commissioners voting Aye, the motion passed.

Committee Reports

Personnel Committee Report – The Personnel Committee met on March 18th. The following new hires were reported: Isaac Goergen joined as an Apprentice Lineworker on March 9th; Todd Norbeck joined as a Dispatch Coordinator on March 16th; Makenzie Jacobson joined as a Customer Service/Credit Representative on March 17th; and Gage Motl returned as a Summer/Seasonal Lineworker for the current construction season.

The committee discussed the Minnesota Paid Leave Act. OPU currently has two employees approved for leave and three awaiting approval, with 392 hours (49 days) utilized across four employees to date. The committee also discussed drug testing for new hires. Two previously utilized testing providers are no longer operating, and OPU is in the process of identifying a formal partner for future testing needs. OPU has reached 336 days without an OSHA recordable incident.

Finance Committee Report – Commissioner Vetter reported the Finance Committee reviewed February financials and disbursements. Financial highlights included:

- Total disbursements for February were just over \$9,500,000, slightly higher than normal due to increased gas costs.
- Electric utility net income was \$317,000 below budget in February, and \$206,000 below budget year-to-date.
- Water utility net income was \$35,000 above budget in February, and \$98,000 above budget year-to-date.

- Natural gas utility net income was \$444,000 below budget in February, and \$118,000 below budget year-to-date.
- Three work orders were completed in February totaling \$295,000, coming in \$92,000 below budget. Seventy work orders remain open with \$3.3 million spent toward a total budget of \$20.2 million.
- Water reserves are currently at 160% of the minimum target; Gas reserves at 123%; and Electric reserves at 96%.

City Administrator Report

City Administrator Tuma reported that the City continues to coordinate with OPU on street projects along Main Street and Broadway. Budget planning for 2027 is expected to begin in April. Work on the Police and Fire building projects is ongoing.

Electric Vehicle Charging Policy

Director, Finance & Administration Linders presented a recommended revision to OPU's Electric Vehicle Charger Rate Policy #601.70. The current rate of \$2.00 per hour is proposed to change to \$0.25 per kWh. The State of Minnesota passed legislation in 2025 requiring EV charging operators to bill by energy delivered (kWh) rather than by time. This revision would bring OPU into compliance with the new law.

OPU installed two Level 2 EV chargers in 2021–2022, at the movie theater and the Marriott parking lot. The current per-hour rate has resulted in declining revenue since 2023, with 2025 revenue around \$1,000. Staff noted that OPU is currently recovering approximately \$0.10 per kWh under the hourly structure, and the proposed \$0.25 per kWh rate would better align revenue with energy costs. Commissioner Vetter inquired about the potential for time-of-use pricing; staff indicated they would explore whether tiered rates based on time of day are feasible through the platform.

Commissioner Zirngible moved to approve the revised Level 2 Electric Vehicle Charging Policy Rate of \$0.25 per kWh. Commissioner McLane seconded the motion. All Commissioners voting Aye, the motion passed.

Lobby Redesign Update

Manager Warehime provided an update on the lobby redesign project. Design is approximately 95% complete and the project is ready to go out for bid. The original approved budget of \$250,000, including \$40,000 in design fees, was significantly exceeded by the initial estimate of \$436,000.

Staff identified two areas to reduce scope. First, reusing existing mechanical and electrical equipment would reduce costs by approximately \$94,000. Second, eliminating the planned conference room and repurposing that space as the Energy Conservation office would reduce the estimate further to approximately \$271,000, with additional mechanical and electrical savings expected to bring the total closer to \$221,000. Staff noted that while the conference room was a desired feature, it is not operationally necessary, and locating the Energy Conservationist within the main customer service area better serves both workflow and customer visibility.

Bids will be presented at the April Commission meeting. The plan is to have customer service staff operate from a construction trailer in the parking lot during the renovation. Construction is expected to begin in June with a targeted completion date in September.

Water Service Line Protection Policy

Manager, Gas & Water Operations Prokopec presented proposed revisions to OPU's Water Service Line Protection Policy. Key changes include:

Fee Adjustments: The residential monthly fee would increase from \$0.99 to \$1.33. A new commercial fee of \$4.99 per month is proposed for eligible properties.

Commercial Eligibility: Commercial properties would be eligible if the service line diameter is 4 inches or smaller, the total service line length is 300 feet or less, and the property is owner-billed. Eligible commercial customers would be auto-enrolled for a full-year with a bill credit applied to their bill each month.

Coverage Updates: A formal \$15,000 per-incident coverage cap has been established. Updated coverage now includes one frozen line thawing incident per year, service line work tied to street reconstruction projects, service line work connected to public health initiatives such as lead and galvanized line replacement, up to 3x3 feet of concrete replacement near the meter, and full restoration of street, curb, sidewalk, driveway, and yard.

Opt-Out Process: Customers wishing to opt out must submit a written request. Coverage will end within five business days of OPU receiving the request. Properties seeking re-enrollment will require an inspection to confirm no pre-existing conditions. Continuously enrolled properties do not require inspections upon change of ownership.

Repair Process: A five-step reimbursement model was outlined: customer reports a leak; OPU inspects and assists with shutoff; customer hires a qualified contractor; OPU inspects completed repairs; and the customer or contractor submits the bill to OPU for reimbursement up to \$15,000.

Financial Outlook: Current annual revenue under the existing policy is \$109,225. The proposed changes are projected to generate \$192,884 annually, an increase of \$83,659 (76%). With the current surplus fund of \$254,659, total available funds would reach approximately \$448,000, sufficient to cover the estimated \$410,000 in projected 2026 line replacements, leaving a remaining surplus of approximately \$38,000. Residential and

commercial program funds will be tracked separately to ensure residential customers do not subsidize commercial claims.

Discussion included the \$500 re-enrollment fee outlined in the current policy. Staff indicated they do not recommend retaining this provision and will remove it from the revised policy.

More discussion and fine tuning will take place with this at the April Commission Work Session.

General Manager/Staff Report

General Manager Warehime reported that SMMPA has confirmed OPU will not incur any additional costs related to Winter Storm Fern storage fees. He also extended appreciation to Commissioner McLane for her participation in the Minnesota Legislative Conference, noting the value of relationship-building with state legislators, including Representative Sexton.

Commission Roundtable

Commissioner McLane shared that she had an excellent experience at the Minnesota Legislative Conference. She noted that personal donations to the MMUA Fund are available for those interested, and shared a QR code for that purpose. The fund supports community-based utilities by enabling lobbyists to attend legislative events on their behalf.

President's Report

There were no items in the President's Report.

Audience Comments

There were no audience comments.

Adjournment

There being no further business to come before the Commission, the meeting adjourned at 5:07 p.m.

Respectfully submitted,
Shannon DeWitz Executive Administrative Assistant

DRAFT

Owatonna Public Utilities – Emergency Meeting

April 14, 2026

A special meeting was held at Owatonna Public Utilities. Present were Commissioners Rossi, McLane, Johnson, Vetter, and Zirngible. Also present were HR Manager Madson, and Ben Messenger from Owatonna People's Press. The meeting was called to order by Commissioner Rossi at 9:35 a.m.

Background

The purpose of the meeting was to discuss the interim leadership plan and the process for hiring a permanent General Manager following the unexpected death of GM Roger Warehime. Commissioner Rossi noted that when he visited Warehime, he was on a ventilator and in a coma. He met Warehime's son, Jacob, and conveyed that the Commission and the utilities community are thinking of the family.

It was noted that following Warehime's initial absence, Directors Linders, Baum, and Fenstermacher had been trained to cover his responsibilities on a rotating basis during his planned vacation and conference schedule. That was the plan put in place for the next couple of weeks until the Commission had more information on a timeline. Now that the Commission has been made aware of the unexpected death of GM Warehime, they agreed that the plan needed to be revisited.

Interim General Manager Structure

The Commission discussed whether to continue the three-director rotation or appoint a single interim General Manager. There was broad consensus in favor of a single individual. Key considerations included:

- Staff consistency, rotating leadership week to week creates instability for the organization and makes accountability unclear if issues arise.
- The importance of having one person the full organization can rely on during the transition.
- Concern about retaining key internal talent during a 3–4 month interim period.

Commissioner Rossi shared that he had reached out to Dave Olson, OPU's former Finance Director, to gauge his interest in serving as Interim GM. Olson has continued to mentor Director Linders since his retirement and remains familiar with OPU's operations. The group expressed strong support for this option. Some concerns about other options included:

- An outside interim would take immense time to bring someone up to speed without organizational knowledge
- Appointing an internal director could create complications around compensation and backfilling their current position. If an internal director were to serve as interim, it was noted they would do so at their current salary, with some delegation of their existing responsibilities to others but overall still trying to manage two full time positions. Adjusting pay upward and then returning it to prior levels was viewed as unnecessarily complicated. A potential bonus was discussed but not decided upon.

Commissioner Rossi committed to sending a written offer to Olson that day with a request for a response by noon on April 15th. The proposed terms discussed were:

- 120-day term beginning April 20th, working three days per week (subject to ordinary vacation needs).
- Compensation of \$225,000 annualized (equivalent to GM Warehime's current salary) for the three-day-per-week schedule, without benefits, though benefits would be negotiable. Given that Olson is currently on COBRA at age 60, it was suggested OPU offer to cover his insurance rather than risk losing him over a modest cost.
- Madson will contact PERA to confirm what is permissible given Olson's retirement status (retired October, age 60). Final acceptance will go through HR after Commissioner Rossi has negotiated the terms.

It was agreed that Olson's role, if he accepts, would not include attendance at external organization meetings (SMMPA, MMUA, etc.) if he chose not to participate, consistent with the part-time, transitional nature of the position. The group also noted that Olson could play a valuable role in helping select the permanent GM candidate.

Permanent General Manager Search

The Commission discussed the process for conducting a national search for a permanent GM. Madson outlined the approach used during the previous search, which she would replicate:

- Position advertisement placed with IS, APPA, APGA, AWWA, MMUA, the OPP, regional newspapers (Rochester, Twin Cities Star Tribune, Pioneer Press, Duluth), the MN League of Cities, and the five-state MMUA region group.
- A recruitment brochure will accompany the ad, including the job description, key competencies, and links to community resources such as the Chamber of Commerce and School District websites. Community statistics provided by the Chamber will also be included. Madson noted this approach was effective in the prior search and will be updated to better reflect OPU's culture. Staff will update the brochure with a more modern photo (Tammy) and the updated materials.
- Interested candidates will submit a cover letter and resume. The posting will be open for 30 days.
- Madson and a designee will conduct pre-interviews of all candidates and present a short list to the Commission for first-round interviews. The previous search attracted approximately 50 applicants. The Commission may elect to participate in pre-interviews if desired.
- City Administrator Jenna Tuma (previously Kris Busse) and the Mayor will be involved in the process, consistent with the prior search. The Mayor's role includes meeting with finalists independently and providing recommendations; Madson will review and approve the Mayor's questions in advance.
- HR Generalist Megan will be actively involved in the process, which will also serve as a valuable professional development experience for her.

The anticipated timeline is approximately four months from advertisement to hire, consistent with the prior search (advertising began in July and the position was filled in October). The advertisement is the immediate next step and is expected to be posted the following week.

The group agreed to conduct the search internally through Madson rather than engage a headhunter, provided the candidate pool is expected to be strong. The Commission confirmed its intent to conduct a nationwide search while acknowledging that strong internal candidates may also be considered. It was noted that internal candidates should be evaluated on their merits relative to all applicants.

A concern was raised about the possibility of losing internal candidates who apply for the GM role but are not selected. The group agreed that honest, supportive communication with any such candidates, framing the outcome as a matter of timing and continued development, would be important.

Commissioner Zirngible expressed a preference for Commissioner Rossi to remain involved in the hiring process even after his term concludes at the end of April, given his institutional knowledge and familiarity with the prior search. The group was in agreement if Rossi is willing to continue in a consulting capacity.

Other Business

- **June Commission Meeting** – The June Commission meeting date will be moved to June 30th.
- **Joint Task Force Meeting** – The 4:00 p.m. Wednesday Joint Task Force meeting was discussed for potential postponement to allow Commissioner Rossi's replacement to attend once they have a few months of OPU experience. No final decision was made.
- **Staff Communication** – Staff will draft an update to all OPU employees regarding the interim leadership plan for Commissioner Rossi's review prior to distribution.
- **Personnel Committee Meeting** – All Commissioners are invited to attend the Personnel Committee meeting scheduled for Wednesday at 12:00 p.m., at which interim arrangements will be further discussed.

The group expressed gratitude for OPU's strong leadership bench and noted that the organization is well-positioned to navigate the transition. The meeting concluded without a formal adjournment time recorded.

Respectfully submitted,
Shannon DeWitz
Executive Administrative Assistant

04/12/2026 7:00:55 am

Contributed Services to the City of Owatonna for the Billing Period Ending 04/01/2026 March 2026

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#	Location	Service Address	Electric	Water	Gas	Total
1	139	1150 INDUSTRIAL BLVD	0.00	67.82	0.00	67.82
2	1020010	330 MILL ST W	35.00	0.00	0.00	35.00
3	1020020	332 MILL ST W	30.23	0.00	0.00	30.23
4	1020030	328 MILL ST W	29.93	25.84	0.00	55.77
5	1020040	350 SCHOOL ST W	192.30	67.22	0.00	259.52
6	1020042	350 SCHOOL ST E	242.00	0.00	0.00	242.00
7	1020050	347 SCHOOL ST W	181.92	113.60	979.07	1274.59
8	1020060	330 SCHOOL ST W	29.89	0.00	0.00	29.89
9	1100090	400 15TH ST SW (BROWN)	57.09	49.84	0.00	106.93
10	1140020	1301 OAK AVE S	121.57	22.71	424.49	568.77
11	1160612	111 1/2 MAIN ST W	185.06	0.00	0.00	185.06
12	1160620	107 MAIN ST W (FIRE HALL)	2276.91	266.24	1942.52	4485.67
13	1221080	1460 AUSTIN RD	0.00	22.73	0.00	22.73
14	1221090	344 18TH ST SE	118.00	0.00	0.00	118.00
15	1221100	1710 AUSTIN RD	0.00	65.86	0.00	65.86
16	1221130	342 18TH ST SE	32.02	0.00	0.00	32.02
17	1221140	340 18TH ST SE	39.39	191.57	0.00	230.96
18	1380702	925 LINCOLN AVE	38.76	0.00	0.00	38.76
19	1441062	899 HAVANA RD	73.30	0.00	0.00	73.30
20	2020010	100 MAIN ST E	0.00	22.73	0.00	22.73
21	2020016	100 MAIN ST E	1437.13	113.60	0.00	1550.73
22	2020440	631 RICE LAKE ST	0.00	67.13	0.00	67.13
23	2031600	1650 ROSE ST E (GOLF COURSE MA	413.69	41.27	283.80	738.76
24	2031630	1600 ROSE ST E	29.50	0.00	0.00	29.50
25	2040480	105 ELM AVE N (LIBRARY)	2009.40	76.89	1850.27	3936.56
26	2080490	228 PEARL ST E	33.65	23.76	100.16	157.57
27	2080520	204 PEARL ST E	3229.11	174.22	1623.00	5026.33
28	2080522	204 1/2 PEARL ST E	95.08	0.00	0.00	95.08
29	2140870	1650 ROSE ST E (GOLF COURSE)	50.42	70.94	0.00	121.36
30	2180664	600 CHERRY ST (DARTTS)	184.08	12.92	0.00	197.00
31	2180667	429 MINERAL SPRINGS RD	29.50	104.55	0.00	134.05
32	2190010	1369 CHERRY ST	65.50	0.00	0.00	65.50
33	2190660	1369 CHERRY ST (CLUB HOUSE)	770.46	144.23	730.63	1645.32
34	2190700	1025 MINERAL SPRINGS PKWY	30.30	0.00	0.00	30.30
35	2190710	1025 MINERAL SPRINGS PKWY	37.08	35.65	0.00	72.73
36	2190720	1025 MINERAL SPRINGS PW RD	83.34	0.00	0.00	83.34
37	2330710	1940 3RD AVE NE	124.13	106.59	0.00	230.72
38	2340050	140 FREMONT ST E	26.39	1.27	70.78	98.44
39	2360270	115 ROSE ST E	481.97	111.99	1345.85	1939.81
40	3020102	148 MAIN ST W	0.00	1.27	0.00	1.27
41	3020230	117 BRIDGE ST W	99.17	1.27	0.00	100.44
42	3060220	224 CEDAR AVE N	81.03	0.00	221.93	302.96
43	3081060	223 ROSE ST W	79.79	0.00	0.00	79.79
44	3112730	640 RIVERSIDE AVE	135.80	21.24	647.35	804.39
45	3112740	646 RIVERSIDE AVE	40.05	0.00	38.33	78.38
46	3112780	639 RIVERSIDE AVE	135.73	21.24	202.25	359.22
47	3113030	433 NORTH ST W	0.00	0.00	562.07	562.07
48	3113310	1015 HOFFMAN DR	77.34	0.00	0.00	77.34
49	3141155	431 SELBY AVE	35.97	22.73	0.00	58.70
50	3160105	515 BRIDGE ST W	690.36	62.38	1687.80	2440.54

04/12/2026 7:00:55 am

Contributed Services to the City of Owatonna for the Billing Period Ending 04/01/2026 March 2026

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#	Location	Service Address	Electric	Water	Gas	Total
51	3281350	1100 INDUSTRIAL RD (CITY SHOP)	516.29	70.44	2082.68	2669.41
52	3300730	2015 BRIDGE ST W	1321.15	0.00	0.00	1321.15
53	3300746	1002 LEMOND RD	40.58	0.00	0.00	40.58
54	3300802	1295 KOHLMEIER DR SW	43.32	0.00	0.00	43.32
55	3300806	1300 LAKE KOHLMEIER DR SW	131.09	0.00	0.00	131.09
56	3301032	600 RIVERWOOD DR SW	37.45	0.00	0.00	37.45
57	6020055	1525 CEDAR AVE S (4 SEASONS)	10784.70	829.08	5847.92	17461.70
58	6020840	1150 INDUSTRIAL RD WST.TREAT. B	19882.93	1062.37	15928.68	36873.98
59	6021180	500 DUNNELL DR (SENIOR PL)	0.00	0.00	939.76	939.76
60	6021230	540 HILLS CIR W (CITY HALL)	5884.84	131.33	7640.55	13656.72
61	6021231	575 DUNNELL DR CARPENTER SHOP	0.00	26.08	1028.13	1054.21
62	6021233	565 DUNNELL DR (COTTAGE 11)	137.42	62.38	401.78	601.58
63	6021235	502 DUNNELL DR (GYM)	1359.02	168.41	3503.63	5031.06
64	6021236	560 DUNNELL DR STE 109	2492.10	308.15	2514.99	5315.24
65	6021237	500 DUNNELL DR	1282.69	151.18	0.00	1433.87
66	6021238	545 DUNNELL DR (VEVLE HALL)	290.72	116.83	766.23	1173.78
67	6021365	1115 PARK DR	81.19	0.00	0.00	81.19
68	6021500	2310 4TH ST NW	29.50	0.00	0.00	29.50
69	6023000	540 HILLS CIR W	31761.84	0.00	0.00	31761.84
70	6031251	222 CEDARDALE DR SE	114.17	0.00	0.00	114.17
71	6123000	540 HILLS CIR W	0.00	2274.24	0.00	2274.24
72	6128135	1140 INDUSTRIAL RD PARK & REC BLD	573.54	187.27	1435.82	2196.63
73	6128147	317 MINERAL SPRINGS RD (DARTTS)	0.00	68.40	0.00	68.40
74	6128191	930 HOFFMAN DR	63.70	0.00	0.00	63.70
75	6128192	102 STATE AVE	65.22	0.00	0.00	65.22
76	6128303	1200 INDUSTRIAL RD (DOG POUND)	68.94	21.24	190.39	280.57
77	6128597	1659 CEDAR AVE S	136.05	0.00	0.00	136.05
78	6128652	3431 FRONTAGE RD W (CITY HANGER)	0.00	21.24	1676.18	1697.42
79	6128653	3435 FRONTAGE RD W AIRPORT OFFICE	0.00	113.60	568.79	682.39
80	6128695	640 RIVERSIDE AVE	36.93	0.00	0.00	36.93
81	6128838	310 MAIN ST E	69.54	0.00	0.00	69.54
82	6128839	710 BRIDGE ST W	81.56	0.00	0.00	81.56
83	6129122	2120 BRIDGE ST W	75.69	0.00	0.00	75.69
84	6129130	1155 24TH AVE SW	67.66	0.00	0.00	67.66
85	6129149	1145 INDUSTRIAL RD (GARAGE)	91.39	21.24	236.25	348.88
86	6129159	1065 24TH AVE SW (OBI)	1016.70	136.17	2444.22	3597.09
87	6129162	433 NORTH ST W	50.42	0.00	0.00	50.42
88	6129570	657 26TH ST NW	30.38	0.00	0.00	30.38
89	6129804	3490 FRONTAGE RD W (MAINT. GARAGE)	0.00	111.99	408.25	520.24
90	6129876	1800 MOSHER AVE	29.50	15.74	0.00	45.24
91	6129877	1200 SMITH AVE SE	119.97	312.98	0.00	432.95
92	6129906	2090 HOFFMAN DR	96.87	0.00	0.00	96.87
93	6130083	1550 GREENLEAF RD	33.16	0.00	0.00	33.16
94	6130135	3440 FRONTAGE RD W	0.00	41.27	990.97	1032.24
95	6130771	3034 NORTHRIDGE LN NE	47.86	0.00	0.00	47.86

04/12/2026 7:00:55 am

Contributed Services to the City of Owatonna for the Billing Period Ending 04/01/2026 March 2026

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#	Location	Service Address	Electric	Water	Gas	Total
96	6131148	1190 INDUSTRIAL RD	148.02	0.00	0.00	148.02
97	6131149	1149 INDUSTRIAL RD (TRK WASH BLD)	129.76	49.33	824.69	1003.78
98	6131505	475 26TH ST NW	36.59	0.00	0.00	36.59
99	6131742	380 AUTUMN HILLS PL NE	70.35	0.00	0.00	70.35
100	6131899	400 CEDAR AVE N	87.46	0.00	0.00	87.46
101	6131900	1221 FRONTAGE RD E	70.24	0.00	0.00	70.24
102	6131901	2005 BRIDGE ST W	74.37	0.00	0.00	74.37
103	6131986	3065 SAINT PAUL RD (WATER PARK)	207.30	234.20	35.70	477.20
104	6132016	21ST AVE NW & FRONTAGE RD	95.89	0.00	0.00	95.89
105	6132017	24TH AVE NW	95.92	0.00	0.00	95.92
106	6140020	1440 AUSTIN RD BALL DIAMONDS BATHROOMS	34.44	0.00	0.00	34.44
107	6140076	1720 AUSTIN RD	29.50	0.00	0.00	29.50
108	6140088	1740 AUSTIN RD	44.55	0.00	0.00	44.55
109	6140122	560 STATE AVE	29.50	0.00	0.00	29.50
110	6140123	685 FLORENCE AVE	29.50	0.00	0.00	29.50
111	6140124	210 ELM AVE S(HARRY WENGER FESTIVAL)	31.68	0.00	0.00	31.68
112	6140165	3671 18TH ST SW	40.36	0.00	0.00	40.36
113	6140205	710 MAIN ST E BALL LIGHTS	79.41	0.00	0.00	79.41
114	6140206	1680 AUSTIN RD SE	31.90	0.00	0.00	31.90
115	6140291	315 ELM AVE N	139.40	0.00	0.00	139.40
116	6140340	3400 FRONTAGE RD W (GEN)	0.00	0.00	39.23	39.23
117	6140439	433 NORTH ST W (QC LAB)	47.81	0.00	0.00	47.81
118	6140440	433 NORTH ST W (PLANT 069)	42.97	0.00	0.00	42.97
119	6140468	147 PEARL ST W APT 2	15.50	0.00	0.00	15.50
120	6140478	280 BRIDGE ST W (FOUNTAIN)	0.00	12.92	0.00	12.92
121	6140480	400 18TH ST SE (FOUNTAIN)	0.00	12.92	0.00	12.92
122	6140625	1975 STATE AVE NW	29.50	12.92	0.00	42.42
123	6140809	827 CHERRY ST (FOUNTAIN)	0.00	12.92	0.00	12.92
124	6140818	856 MOSHER AVE SE (FOUNTAIN)	0.00	12.92	0.00	12.92
125	6140821	835 CRESTVIEW LN (UP9 FOUNTAIN)	0.00	12.92	0.00	12.92
126	6140855	455 26TH ST NW TRAIL LIGHTS	66.55	0.00	0.00	66.55
127	6140856	1675 STATE AVE NW TRAIL LIGHTS	82.72	0.00	0.00	82.72
128	6140859	1051 INDUSTRIAL RD TRAIL LIGHTS	105.89	0.00	0.00	105.89
129	6141234	BRIDGE & 39TH AVE--LIFT	60.58	0.00	0.00	60.58
130	6141238	1102 RICE LAKE ST E (SOCCER FIELDS)	48.92	65.86	0.00	114.78
131	6141268	120 26TH ST NW	57.00	0.00	0.00	57.00
132	6141394	OAK AVE AND SCHOOL ST	29.89	0.00	0.00	29.89
133	6141667	225 24TH STREET NE	0.00	22.73	0.00	22.73
134	6141688	212 ELM AVE S	58.74	0.00	0.00	58.74
135	6141809	200 BLOCK N. CEDAR ALLEY W. SIDE(IRRIG.)	0.00	22.73	0.00	22.73
136	6141819	314 CEDAR AVE N	37.65	0.00	0.00	37.65
137	6141820	214 CEDAR AVE N	34.49	0.00	0.00	34.49
138	6141825	1155 INDUSTRIAL RD MBR BLDG	21275.06	113.60	3183.36	24572.02
139	6141830	114 CEDAR AVE N	62.41	0.00	0.00	62.41
140	6142089	1155 INDUSTRIAL RD S.T.B.	0.00	110.72	159.84	270.56

04/12/2026 7:00:55 am

Contributed Services to the City of Owatonna
for the Billing Period Ending 04/01/2026
March 2026

Page: 4

#	Location	Service Address	Electric	Water	Gas	Total
141	6142230	600 CHERRY ST NE (GATE)	31.48	0.00	0.00	31.48
142	6142231	1300 LAKE KOHLMEIR DR (GATE)	31.08	0.00	0.00	31.08
143	6142563	140 BROADWAY ST W	29.89	21.46	0.00	51.35

04/12/2026 7:00:55 am

Contributed Services to the City of Owatonna
for the Billing Period Ending 04/01/2026
March 2026

Page: 5

Contributed Service Totals:	\$ 116,789.69	\$ 9,101.08	\$ 65,558.34	\$ 191,449.11
Commodity Totals:	\$ 3,656,100.34	\$ 420,841.50	\$ 2,796,473.65	\$ 6,873,415.49
Grand Totals:	\$ 3,772,890.03	\$ 429,942.58	\$ 2,862,031.99	\$ 7,064,864.60
Contributed Percent:	3.10 %	2.12 %	2.29 %	2.71 %

Owatonna Public Utilities: The above current amounts are hereby authorized to be written off as contributed services to the City of Owatonna for the billing month indicated.

Public Utilites Commission:

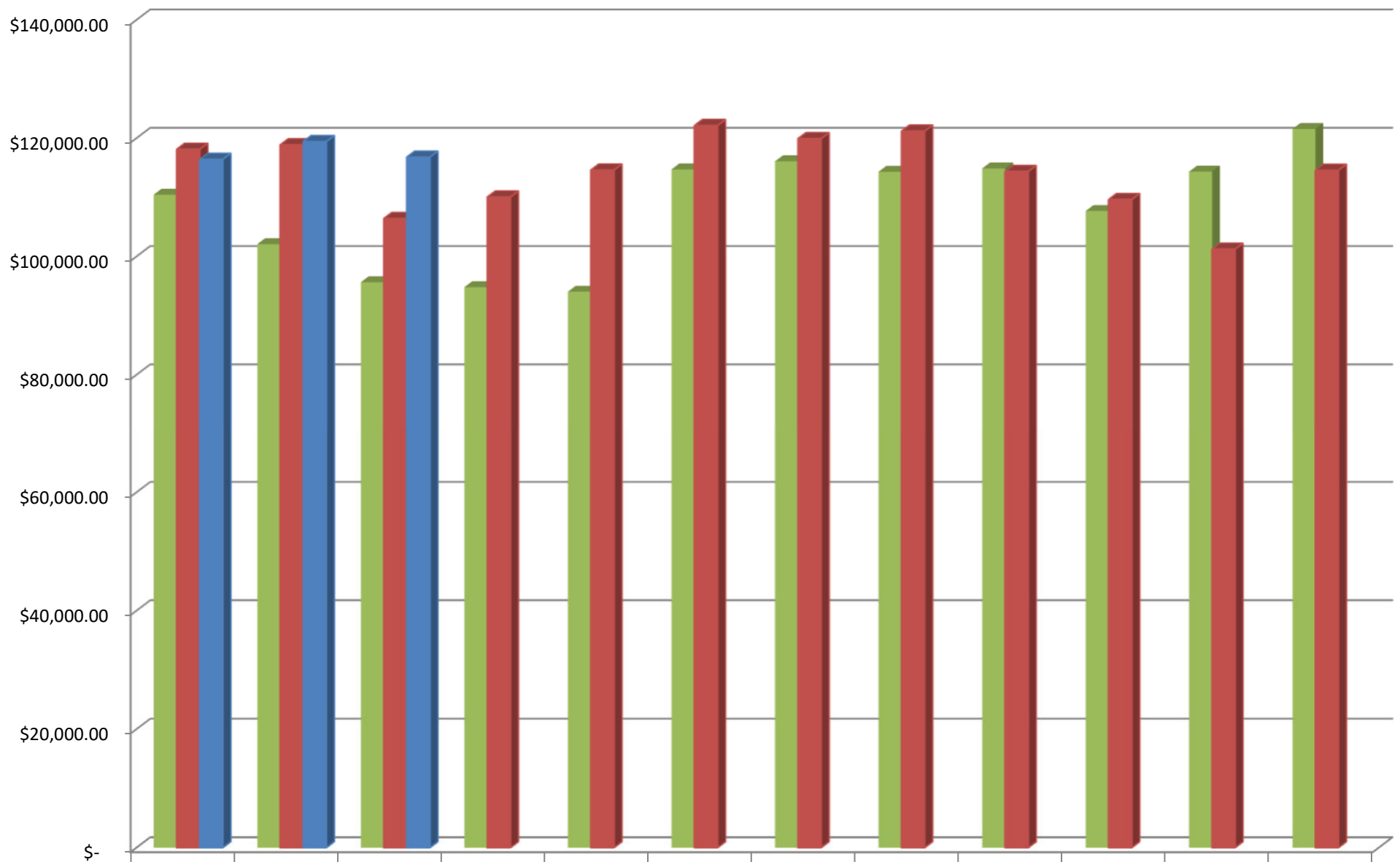
General Manager/CEO:		
Chief Financial Officer:		

Contributed Services Historical Data

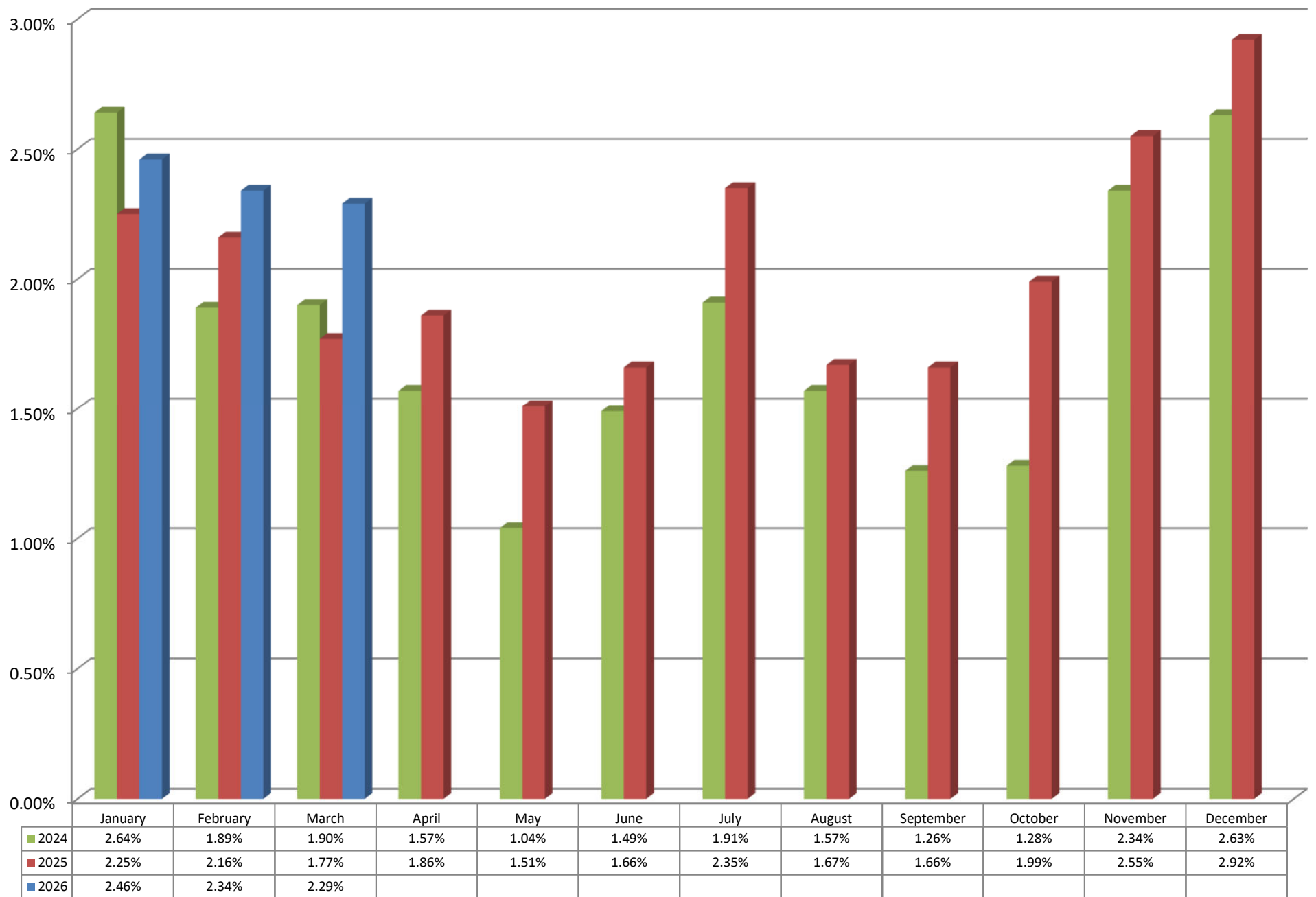
	Electric						Water						Natural Gas						Total					
	2026		2025		2024		2026		2025		2024		2026		2025		2024		2026		2025		2024	
	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent
January	\$ 116,415.37	2.86%	\$ 118,112.04	2.90%	\$ 110,449.65	2.58%	\$ 9,085.74	2.08%	\$ 15,666.87	3.95%	\$ 13,118.78	3.62%	\$ 81,876.22	2.46%	\$ 66,467.70	2.25%	\$ 61,917.00	2.64%	\$ 207,377.33	2.65%	\$ 200,246.61	2.70%	\$ 185,485.43	2.65%
February	\$ 119,418.18	2.95%	\$ 118,865.94	2.96%	\$ 102,088.08	2.57%	\$ 9,255.75	2.09%	\$ 9,342.81	2.40%	\$ 17,219.03	4.53%	\$ 93,201.11	2.34%	\$ 77,076.65	2.16%	\$ 50,237.50	1.89%	\$ 221,875.04	2.62%	\$ 205,285.40	2.58%	\$ 169,544.61	2.42%
March	\$ 116,789.69	3.10%	\$ 106,399.40	2.90%	\$ 95,642.70	2.58%	\$ 9,101.08	2.12%	\$ 8,735.76	2.26%	\$ 14,807.24	3.97%	\$ 65,558.34	2.29%	\$ 38,576.88	1.77%	\$ 32,224.05	1.90%	\$ 191,449.11	2.71%	\$ 153,712.04	2.46%	\$ 142,673.99	2.47%
April			\$ 110,039.68	3.34%	\$ 94,806.27	2.53%			\$ 8,448.26	2.21%	\$ 16,159.51	4.33%			\$ 21,035.58	1.86%	\$ 25,842.38	1.57%			\$ 139,523.52	2.90%	\$ 136,808.16	2.37%
May			\$ 114,603.33	3.11%	\$ 94,043.21	2.64%			\$ 9,497.85	2.31%	\$ 14,261.24	3.77%			\$ 14,375.35	1.51%	\$ 9,818.72	1.04%			\$ 138,476.53	2.74%	\$ 118,123.17	2.42%
June			\$ 122,127.11	3.11%	\$ 114,714.90	2.79%			\$ 14,189.37	2.97%	\$ 19,063.90	4.61%			\$ 11,433.28	1.66%	\$ 11,685.34	1.49%			\$ 147,749.76	2.00%	\$ 145,464.14	2.74%
July			\$ 119,910.69	2.82%	\$ 116,083.26	2.67%			\$ 11,799.49	2.47%	\$ 20,064.38	4.76%			\$ 9,862.93	2.35%	\$ 10,916.06	1.91%			\$ 141,573.11	2.75%	\$ 147,063.70	2.75%
August			\$ 121,191.10	2.63%	\$ 114,325.74	2.48%			\$ 12,759.97	2.49%	\$ 24,578.96	5.22%			\$ 9,097.30	1.67%	\$ 8,485.19	1.57%			\$ 143,048.37	2.52%	\$ 147,389.89	2.62%
September			\$ 114,370.61	2.71%	\$ 114,874.75	2.54%			\$ 12,730.19	2.33%	\$ 31,860.42	5.75%			\$ 8,926.76	1.66%	\$ 5,526.87	1.26%			\$ 136,027.56	2.57%	\$ 152,262.04	2.76%
October			\$ 109,618.39	2.76%	\$ 107,689.85	2.81%			\$ 16,423.73	3.27%	\$ 25,290.97	5.04%			\$ 12,283.19	1.99%	\$ 7,497.25	1.28%			\$ 138,325.31	2.72%	\$ 140,478.07	2.86%
November			\$ 101,230.12	2.82%	\$ 114,339.20	2.92%			\$ 9,070.40	2.14%	\$ 22,685.83	5.59%			\$ 33,883.18	2.55%	\$ 24,723.17	2.34%			\$ 144,183.70	2.70%	\$ 161,748.20	3.01%
December			\$ 114,565.53	2.85%	\$ 121,546.84	2.89%			\$ 8,178.17	2.12%	\$ 19,627.77	5.35%			\$ 69,238.58	2.92%	\$ 59,039.17	2.63%			\$ 191,982.28	2.83%	\$ 200,213.78	2.93%
																			\$ 620,701.48	2.66%	\$ 1,880,134.19	2.62%	\$ 1,847,255.18	2.67%

Percent is percent of commodity sales for the month
Dollars are the actual dollars used by the City facilities

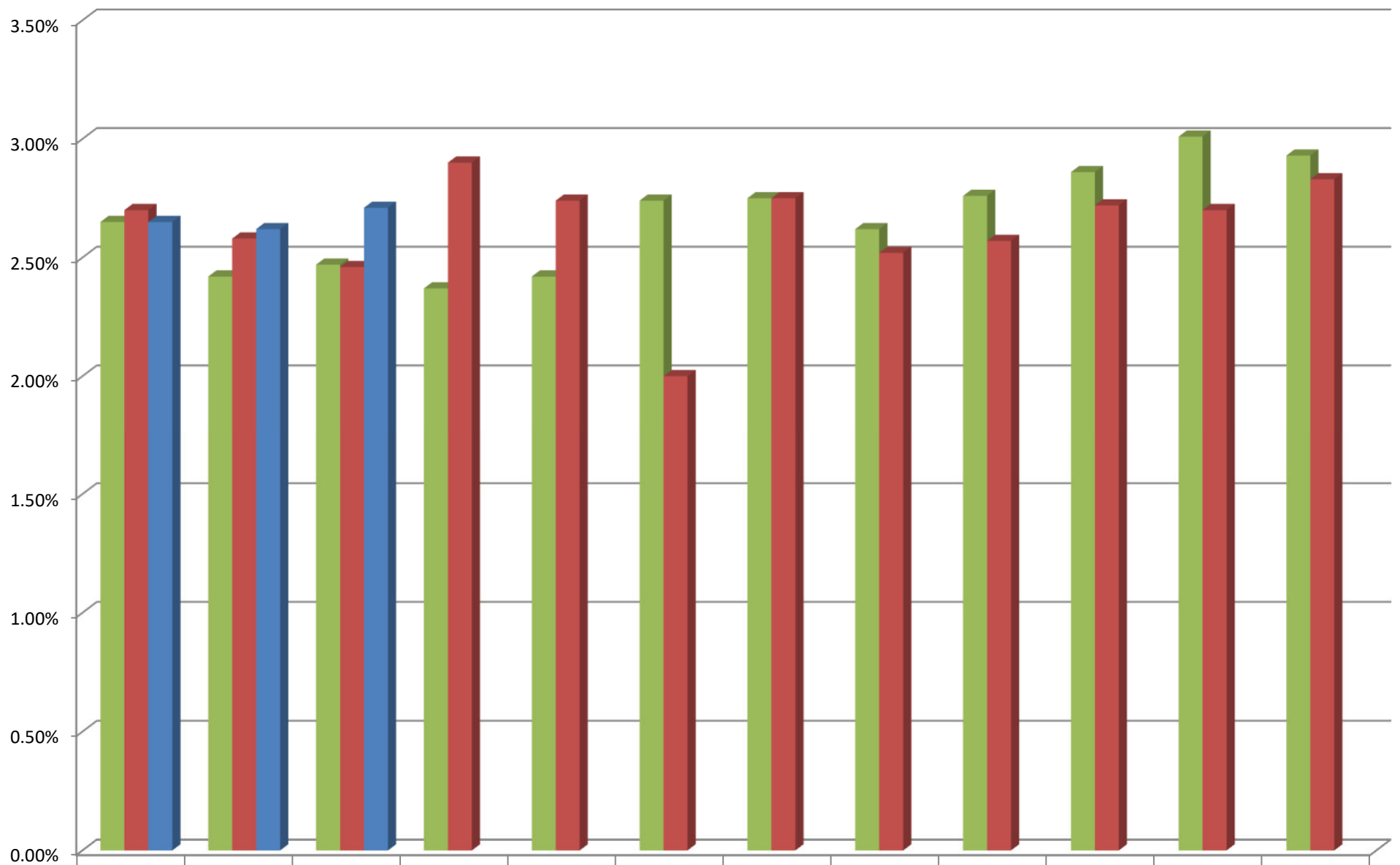
Contributed Services Electric Dollars

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Contributed Services Natural Gas Percents



Contributed Services Total Percents

[illegible]

Owatonna Public Utilities

Disbursements March 2026

Date	#	Type	VENDOR	VENDOR NAME	REFERENCE	AMOUNT
3/5/2026	158593	CHK	00690	AFLAC	February 2026 Premiums	\$ 1,289.62
3/5/2026	158594	CHK	08806	AMARIL UNIFORM COMPANY	FR Jeans/Pants - Joe B. & 7 NSA FR HI VIS Shirts	\$ 1,511.47
3/5/2026	158595	CHK	09160	APG MEDIA OF MN LLC	Employment Ads-CS,Apprentice	\$ 772.44
3/5/2026	158596	CHK	09444	AUTO VALUE OWATONNA	MVI AW 46 HYDRAU 5GL, Heater Pad Flexible & Zerex G05 50/50, Bit TORX & Impact 1/2 F X3/8M, Socket Bit Hex 3/8 Dr	\$ 472.30
3/5/2026	158597	CHK	09066	BLUE CROSS BLUE SHIELD OF MN- DENTAL	April Premiums for Dental	\$ 3,075.97
3/5/2026	158598	CHK	00965	BORDER STATES ELECTRIC SUPPLY	ARRESTER SURGE LDCNTR, 3563412 RA- M211 BT LABEL, Label Printer Kit, Block Terminal Flat-Type&Circuit Breaker, Pin Flat 2POS Blk Term Jumper	\$ 421.89
3/5/2026	158599	CHK	07150	CARR'S TREE SERVICE INC	TREE TRIMMING WEEK 02/14/26	\$ 10,007.78
3/5/2026	158600	CHK	03430	CCP DIRECT	TOWELS HEAVY DUTY	\$ 427.39
3/5/2026	158601	CHK	09072	CINTAS CORPORATION - GK	MAT RENTAL	\$ 174.21
3/5/2026	158602	CHK	00983	COLE'S ELECTRIC INC	REMOVE LM 1860 BROOKVIEW PL NW-JERRY NYQ	\$ 115.00
3/5/2026	158603	CHK	09401	COURT SPORTS AND MORE	United Way Clothing Winners	\$ 375.00
3/5/2026	158604	CHK	00116	CROSSTOWN CARTAGE COMPANY OF OWATONNA IN	COURIER & DEPOSIT BOX BANKING	\$ 933.00
3/5/2026	158605	CHK	08664	DGR ENGINEERING	Professional Services thru 01.31.26 - Distribution Planning Analysis	\$ 966.00
3/5/2026	158606	CHK	00040	FERGUSON ENTERPRISES INC	FLANGE,CAPS,NIPPLES,PLUG,COUPLING,ELBOW	\$ 2,326.69
3/5/2026	158607	CHK	00160	FIRST SUPPLY LLC-OWATONNA	BUSHING HEX OMNI WATER METER, BUSHING, ADPT MALE COP CXM 1/2X11, TUBE COP SOFT K, PIPE DOPE 1/2PT & TAPE TEFLON BLUE MONSTER	\$ 1,223.22
3/5/2026	158608	CHK	09496	HEALTHIEST YOU	Management Teladoc Monthly Services	\$ 156.00
3/5/2026	158609	CHK	00193	ITRON INC	9570500 C2SRD Form 2S, CL200, 240V	\$ 1,014.58
3/5/2026	158610	CHK	08585	KECK'S REPAIR INC	#T44 DOT INSPECTION,MOUNT&BALANCE TIRES, #76 OIL CHANGE & BRAKE CLEANING FLUID, T36 DOT INSPECT, MOUNT /BAL TIRES, T43 DOT INSPECT/BATTERY/BEARING/SEAL, T50 DOT INSPECT/MOUNT&BAL TIRE, #103 OIL CHG/FUEL FILTER/LUBE FITTING, #7 DOT INSPECT/BRAKE SENSOR/FITTINGS, T34 DOR INSPECT/NEW SEAL/BEARINGS, T48 DOT INSPECT/HUBS/BEARINGS	\$ 6,375.01
3/5/2026	158611	CHK	00073	KOWZ - KRUE	Smarthub 2026 Ads	\$ 1,110.00
3/5/2026	158612	CHK	01945	LOCAL UNION 949 IBEW	Local Union Dues	\$ 2,238.15
3/5/2026	158613	CHK	09244	MINNESOTA LIFE INSURANCE COMPANY	March Life Ins Premiums	\$ 4,744.01
3/5/2026	158614	CHK	01064	MINNESOTA MUNICIPAL UTILITIES ASSOCIATION	2026 Substation School(3.10.26)-BB,LV	\$ 1,270.00
3/5/2026	158615	CHK	01215	MINNESOTA OFFICE OF PIPELINE SAFETY	MOPS QTRLY MTR ASSESSMENT 10/01-12/31/25	\$ 2,226.70
3/5/2026	158616	CHK	01095	OWATONNA SHOE COMPANY	Safety Shoes Launie Sorensen	\$ 205.00
3/5/2026	158617	CHK	00009	RESCO-RURAL ELECTRIC SUPPLY COOPERATIVE	TRANSFORMER 1P PAD 25KVA	\$ 51,387.08
3/5/2026	158618	CHK	09342	SEYKORA AUTOMOTIVE REPAIR LLC	#36 OLF CHANGE,CAMSHAFT,LIFTERS,PUSH ROD	\$ 6,688.60
3/5/2026	158619	CHK	00081	SOUTHEAST SERVICE COOP (MEDICAL)	Wellness Reset Retreat-Marge M	\$ 15.00
3/5/2026	158620	CHK	01128	STEELE-WASECA COOPERATIVE ELECTRIC	829 28TH ST SE ELE SERV 01/12 - 02/12/26, 3175 N CTY RD ELEC SERV, ISP SERVICE TERRITORY	\$ 8,707.93
3/5/2026	158621	CHK	09412	STEVE JAMES EXCAVATING INC	CONCRETE CRUSHED W/FINES CLASS 5, WATERMAIN REPAIR REDWOOD PLACE	\$ 1,272.70
3/5/2026	158622	CHK	03190	STUART C IRBY CO	WASHER SQ 2-1/4 X 3/16	\$ 256.50
3/5/2026	158623	CHK	09158	T-MOBILE	Monthly recurring charges, taxes	\$ 235.01
3/5/2026	158624	CHK	00896	UC LABORATORY	2026 FEBRUARY COLIFORM	\$ 441.00
3/5/2026	158625	CHK	01170	US POSTAL SERVICE	Customer Newsletter March 2026	\$ 3,390.39
3/5/2026	158626	CHK	04243	VERIZON WIRELESS	Monthly Invoice Jan 24 - Feb 23	\$ 2,280.09
3/5/2026	158627	CHK	00613	VISION COMPANIES LLC	Everyday Leadership Program	\$ 7,000.00
3/5/2026	158628	CHK	02314	WATER CONSERVATION SERVICES INC	WATER LEAK LOCATE 1025 REDWOOD PL-2/06/2	\$ 1,140.07
3/5/2026	158629	CHK	01188	WESCO DISTRIBUTION INC	RING TERMINAL #12, WIRE ZAP EZ STRIP 32, HEAD LED POST	\$ 64,643.35
3/5/2026	158630	CHK	09499	WINCH LLC	WILLY WINCH W/7:&10" CAPSTAN,SENSORNODE,E	\$ 7,360.00
3/5/2026	158631	CHK	9997	CAITLIN J ANDERSON	REBATE EV	\$ 500.00
3/5/2026	158632	CHK	9997	MR JASON T BASTYR	REBATE F	\$ 600.00
3/5/2026	158633	CHK	9998	CHARLES R BULTMAN	Credit Balance Refund	\$ 35.00
3/5/2026	158634	CHK	9997	CITY OF OWATONNA	REBATE LIGHTING	\$ 19,568.00
3/5/2026	158635	CHK	9997	KYLE C KRUCKEBERG	REBATE F	\$ 600.00
3/5/2026	158636	CHK	9997	ROSA S MULLEN	REBATE F WIFI TH	\$ 1,050.00
3/5/2026	158637	CHK	9997	JANITA L PAULSON	REBATE F WIFI TH	\$ 1,050.00
3/5/2026	158638	CHK	9997	MR PATRICK M STECKELBERG	REBATE F	\$ 1,000.00
3/12/2026	158639	CHK	09323	ABDO LLP	Audit Services for year ended 12.31.25	\$ 10,750.00
3/12/2026	158640	CHK	00044	ABM EQUIPMENT & SUPPLY LLC	#6 FLASHER LED AMBER ECCO	\$ 146.88
3/12/2026	158641	CHK	09360	ABOVE ALL CLEANING INC	2026 MARCH JANITORIAL SERVICES	\$ 5,114.93
3/12/2026	158642	CHK	08806	AMARIL UNIFORM COMPANY	FR Hooded Sweatshirt -Issac	\$ 280.76
3/12/2026	158643	CHK	09444	AUTO VALUE OWATONNA	SWIVEL PIPE MALE DIGGER, DRIVE 1/2	\$ 101.92
3/12/2026	158644	CHK	00182	BARR ENGINEERING CO	SERVICES GEN ASSIST 12/27/25 - 01/23/26	\$ 350.00
3/12/2026	158645	CHK	00964	BLOCK PLUMBING & HEATING	WSLPP 234 SELBY AVE-GARRETT KOLB, 540 23RD ST NE BONNIE MEIER	\$ 1,167.06
3/12/2026	158646	CHK	00965	BORDER STATES ELECTRIC SUPPLY	WASHER CURVED SQ, WASHER CURVED SQ, PRINTER MAT BLK/YEL&WHT/RED 3/4INX21FT	\$ 336.81
3/12/2026	158647	CHK	07150	CARR'S TREE SERVICE INC	TREE TRIMMING WEEK 02/21/26	\$ 11,057.82
3/12/2026	158648	CHK	01084	CITY OF OWATONNA	2026 FEBRUARY FUEL CONSUMPTION	\$ 2,647.35
3/12/2026	158649	CHK	00983	COLE'S ELECTRIC INC	#5 WELL FUSE&HOLDER GENERATOR REMOTE PAN	\$ 351.70
3/12/2026	158650	CHK	09399	DUFOR CLEANERS	Cleaning of FR Clothing	\$ 2,719.81
3/12/2026	158651	CHK	00160	FIRST SUPPLY LLC-OWATONNA	BUSHINGS HEX & NIPPLE BRS RGH, COUPLING W STOP&N/TEE/ADAPTER/HOSE, BUSHING HEX, ADAPTER, BALL VALVE	\$ 297.76
3/12/2026	158652	CHK	03490	FS3 INC	BAR SUPPORT,SKID BASE SEC&EXT,GUIDE CABL, RODDER TRACEABLE DUCT HUNTERER 800'	\$ 8,281.37
3/12/2026	158653	CHK	00068	HUBER SUPPLY COMPANY INC	2026 FEB CYLINDER RENT AC,AR,CO,NI,OX,IH, INDUSTRIAL HIGH PRESSURE	\$ 386.38
3/12/2026	158654	CHK	06082	JAGUAR COMMUNICATIONS INC	2026 FEBRUARY LOCATES	\$ 2,450.00

Owatonna Public Utilities

Date	#	Type	VENDOR	VENDOR NAME	REFERENCE	AMOUNT
3/12/2026	158655	CHK	08585	KECK'S REPAIR INC	#T41 DOT INSPECTION,BATTERY 12V 5.0AMP, T46 DOT INSPECT, WHEEL ENDS, HUBS, BEAR, T51 DOT INSPECT, WHEEL HUBS & BEARINGS, #3 DOT INSPECT, OIL CHG, TRANSMISSION, T53 DOT INSPECT, REPLACESEALS, REINS, #116 OIL CHNG, T20 DOT INSPECT, BEARINGS, SEAL KIT, BATTERY, T40 DOT INSPECT BEARINGS, SEAL KIT	\$ 4,095.42
3/12/2026	158656	CHK	01233	MADISON NATIONAL LIFE (LTD)	LTD Premiums March	\$ 2,869.74
3/12/2026	158657	CHK	09501	MADISON NATIONAL LIFE (MN PAID LEAVE)	MN Paid Leave (Jan2026)	\$ 3,963.01
3/12/2026	158658	CHK	9018	MADISON NATIONAL LIFE (STD)	STD Premiums March	\$ 1,105.90
3/12/2026	158659	CHK	01054	MANKE'S OUTDOOR EQUIPMENT	CYLINDER W/PIST & GASKET,NEEDLE CAGE,HP	\$ 516.39
3/12/2026	158660	CHK	08450	MARCO TECHNOLOGIES LLC	Marco VaaS, Named User Account, Resource, MICROSOFT SERVICES 1YR	\$ 46,620.36
3/12/2026	158661	CHK	01066	MINNESOTA SAFETY COUNCIL INC	MSC Membership Fees 4/1/26-3/31/27	\$ 685.00
3/12/2026	158662	CHK	09449	NECA IBEW FAMILY MEDICAL CARE PLAN	Union Medical Insurance APRIL Premium	\$ 91,782.36
3/12/2026	158663	CHK	09288	NORTH CENTRAL INTERNATIONAL LLC	#11 DOT INSPECTION,OLF CHANGE,NEW CLUSTE	\$ 3,048.31
3/12/2026	158664	CHK	00103	NOVASPECT INC	NPS 1 627 NPT suctile Iron Body 1/8"	\$ 3,454.49
3/12/2026	158665	CHK	07868	ONLINE INFORMATION SERVICES INC	Utility Exchange Report, Web Access Fee & Collections	\$ 208.19
3/12/2026	158666	CHK	09420	OWATONNA ACE HARDWARE	FASTENERS	\$ 15.26
3/12/2026	158667	CHK	09016	OWATONNA FIRE & SAFETY LLC	BRACKETS EXTINGUISHER VEHICLE 5LB	\$ 63.44
3/12/2026	158668	CHK	01089	OWATONNA MOTOR COMPANY	#12 NEW VEHICLE 2026 FORD F250	\$ 60,668.84
3/12/2026	158669	CHK	05456	PIONEER CRITICAL POWER	GENERATOR PM SERVICE ANNUAL	\$ 1,311.50
3/12/2026	158670	CHK	09270	PRIME GARAGE DOOR & MORE LLC	PANELS REPLACEMENT 4,SEAL,HINGE,RETAINER, REPLACE BOTH CABLES & HIGH LIFT INTO RADI	\$ 5,307.50
3/12/2026	158671	CHK	08687	SHRED RIGHT	Mobile Shred, Security Console	\$ 71.66
3/12/2026	158672	CHK	09262	SKARSHAUG TESTING LABORATORY INC	Clean&Test&Repair Services and Parts	\$ 3,056.49
3/12/2026	158673	CHK	09412	STEVE JAMES EXCAVATING INC	CONCRETE CRUSHED W/FINES CLASS 5, PROPANE, WATERMAIN REPAIR 736 14TH ST NE 2/10/26	\$ 1,903.03
3/12/2026	158674	CHK	03190	STUART C IRBY CO	BAR TRANS 8 THREADED SECONDARY	\$ 1,599.92
3/12/2026	158675	CHK	01050	TRI M GRAPHICS	MARCH 2026 Customer Update, REBATE FORMS	\$ 7,656.97
3/12/2026	158676	CHK	00249	VAN METER INC	EDW 125LEDSG120A 125 LED STEADY G	\$ 587.78
3/12/2026	158677	CHK	09313	VERIZON	Feb 2026 Vehicle Tracking Subscription	\$ 788.25
3/12/2026	158678	CHK	04243	VERIZON WIRELESS	Machine to Machine Monthly Charges	\$ 246.21
3/12/2026	158679	CHK	01188	WESCO DISTRIBUTION INC	SEAL FLOOD CONN MULTI UNDGRND	\$ 5,164.06
3/12/2026	158680	CHK	9998	MS JACQUELINE M GRUNKLEE	Credit Balance Refund	\$ 472.00
3/12/2026	158681	CHK	9998	MONTEZ D SPRATLEY	Credit Balance Refund	\$ 240.28
3/19/2026	158682	CHK	08806	AMARIL UNIFORM COMPANY	FR Button-Down (2) - Jake R, FR Nomex HIVIS-Vest Paden, FR Pants Paden	\$ 792.86
3/19/2026	158683	CHK	09444	AUTO VALUE OWATONNA	BELTS GARAGE DOOR OPENERS&COOLING UNIT	\$ 86.37
3/19/2026	158684	CHK	00965	BORDER STATES ELECTRIC SUPPLY	TAPE SPLICING 3/4X30FT, LUG RING	\$ 449.35
3/19/2026	158685	CHK	00978	CEDAR VALLEY SERVICES INC	Envelope Checking, Daily Misc Postage	\$ 460.00
3/19/2026	158686	CHK	09072	CINTAS CORPORATION - GK	MAT RENTAL	\$ 174.21
3/19/2026	158687	CHK	00983	COLE'S ELECTRIC INC	2026 CODE CLASS CONTINUING ED-BOB ANHORN	\$ 200.00
3/19/2026	158688	CHK	00116	CROSTOWN CARTAGE COMPANY OF OWATONNA IN	COURIER & DEPOSIT BOX BANKING	\$ 1,043.00
3/19/2026	158689	CHK	09366	ENDEAVOR BUSINESS MEDIA LLC	UAI Membership MAR2026-FEB2027	\$ 5,765.00
3/19/2026	158690	CHK	01002	FASTENAL COMPANY	CREDIT BALANCE ON ORIG INV#MNOWA249429, WIPE REPELLENT CLEANER	\$ 573.21
3/19/2026	158691	CHK	00040	FERGUSON ENTERPRISES INC	FLANGE FF 2"	\$ 468.53
3/19/2026	158692	CHK	09002	FLOWPOINT ENVIRONMENTAL SYSTEMS INC	Web Services for February 2026	\$ 105.81
3/19/2026	158693	CHK	03490	FS3 INC	GLOVE GROUND FR ARC RATING 37	\$ 1,690.82
3/19/2026	158694	CHK	01854	GARCIA GRAPHICS	Revisions-CS Letterhead, Revisions to Commercial Rebates Apps, Revisions to Residential Rebate Apps	\$ 1,650.00
3/19/2026	158695	CHK	09394	HOUCK TRANSIT ADVERTISING	Transit Media Space Ad-Energy/Safety, Tail Wraps	\$ 2,250.00
3/19/2026	158696	CHK	00068	HUBER SUPPLY COMPANY INC	Nitrogen Size 115, Welding Gloves , Lens, Ginding Wheels, Cutting Wheels	\$ 148.86
3/19/2026	158697	CHK	04970	MATTHEW T JESSOP	REIM for APPA Conf. in Washington, DC	\$ 2,756.35
3/19/2026	158698	CHK	01945	LOCAL UNION 949 IBEW	Local Union Dues	\$ 2,238.15
3/19/2026	158699	CHK	01190	LOCATORS & SUPPLIES INC	LUBE CABLE PULLING & BLOWING	\$ 1,487.00
3/19/2026	158700	CHK	08450	MARCO TECHNOLOGIES LLC	Contract CN225973-01 base,usage,fees	\$ 1,651.56
3/19/2026	158701	CHK	09285	METRONET	Fiber-Speed Internet, Advanced Services	\$ 178.44
3/19/2026	158702	CHK	03487	MINNESOTA DEPT OF COMMERCE	4TH QTR2026 Indirect Assessment ELECTRIC, Infrastructure Permitting, Gas Assesment	\$ 10,953.97
3/19/2026	158703	CHK	09169	NATIONAL ENERGY FOUNDATION	NEF Kits(363) February 2026	\$ 15,246.00
3/19/2026	158704	CHK	09045	NATIONAL INFORMATION SOLUTIONS COOPERATI	FEB 2026 Print Services, Software License, Postage, Online Pmts	\$ 28,662.57
3/19/2026	158705	CHK	00827	OFFICE OF MN.IT SERVICES	Wide Area Network Services FEB2026	\$ 1,157.00
3/19/2026	158706	CHK	02694	OWATONNA EAGLES 1791	DAMAGE PREVENTION MEETING	\$ 3,794.01
3/19/2026	158707	CHK	00240	RENT N SAVE PORTABLE SERVICES	2026 FEBRUARY RESTROOM FARIBAULT SUB, 3141 W Bridge St	\$ 235.12
3/19/2026	158708	CHK	00009	RESCO-RURAL ELECTRIC SUPPLY COOPERATIVE	TAPE MASTIC BLACK 2" X 10'	\$ 342.01
3/19/2026	158709	CHK	09342	SEYKORA AUTOMOTIVE REPAIR LLC	#32 OLF CHANGE,ADJUST UTILITY DOORS	\$ 127.66
3/19/2026	158710	CHK	01244	STEELE COUNTY FREE FAIR	BOOTH LICENSING FEE AUG 18-23	\$ 722.00
3/19/2026	158711	CHK	09412	STEVE JAMES EXCAVATING INC	PROPANE TANK FILL, PROPANE OH LINES FOR HEATER	\$ 174.23
3/19/2026	158712	CHK	05408	STEWART SANITATION	2026 FEBRUARY GARBAGE/CARDBOARD SERVICE	\$ 725.50
3/19/2026	158713	CHK	03190	STUART C IRBY CO	SELF RESCUE SYSTEM 1 OR 2 PERSON BUCKET, SLING TRANSFORMER PADMOUNT 2 LEG ADJ	\$ 2,561.84
3/19/2026	158714	CHK	01164	TRENCHERS PLUS INC	ERECTA SWIT D48J ROM 100999	\$ 141.94
3/19/2026	158715	CHK	01170	US POSTAL SERVICE	BRM Permit#696000 RENEWAL	\$ 370.00
3/19/2026	158716	CHK	04308	UTILITY SAFETY & DESIGN INC	2026 FEBRUARY RETAINER FEES	\$ 1,578.00
3/19/2026	158717	CHK	01188	WESCO DISTRIBUTION INC	BOLT MACH 5/8X14, CONNECTER VISE BRONZE, SCREW LAG 1/2X4, POLE TOP COVER 36KV, LITE RESTORE AMP 160 20KVA, METER HEAD	\$ 10,747.43
3/19/2026	158718	CHK	9999	COMPCARE OCCUPATIONAL MEDICINE & URGENT	12/30/25-DrugTest JakeP	\$ 50.00
3/19/2026	158719	CHK	9998	DRIESSEN WATER, INC	INACTIVE REFUND	\$ 1,324.33
3/19/2026	158720	CHK	9998	DRIESSEN WATER, INC	INACTIVE REFUND	\$ 125.00
3/19/2026	158721	CHK	9998	DRIESSEN WATER, INC	INACTIVE REFUND	\$ 99.91

Owatonna Public Utilities

Date	#	Type	VENDOR	VENDOR NAME	REFERENCE	AMOUNT
3/19/2026	158722	CHK	9998	DRIESSEN WATER, INC	INACTIVE REFUND	\$ 120.71
3/19/2026	158723	CHK	9998	DRIESSEN WATER, INC	INACTIVE REFUND	\$ 85.13
3/19/2026	158724	CHK	9998	MARANDA J MELTON	INACTIVE REFUND	\$ 117.83
3/19/2026	158725	CHK	9998	KATHERINE A MORALES	INACTIVE REFUND	\$ 21.69
3/19/2026	158726	CHK	9998	SCOTT PASCH	INACTIVE REFUND	\$ 17.48
3/19/2026	158727	CHK	9998	PIKE CONSULTING LLC	INACTIVE REFUND	\$ 201.59
3/19/2026	158728	CHK	9998	STADHEIM PROPERTIES OWAT	INACTIVE REFUND	\$ 162.53
3/19/2026	158729	CHK	9998	STEELE COUNTY ADMIN	Credit Balance Refund	\$ 565.87
3/26/2026	158730	CHK	00690	AFLAC	March 2026 Premiums	\$ 1,289.62
3/26/2026	158731	CHK	08806	AMARIL UNIFORM COMPANY	FR Clothing - Isaac Goergen	\$ 4,744.30
3/26/2026	158732	CHK	09160	APG MEDIA OF MN LLC	Tree Trimming BID Ad	\$ 226.88
3/26/2026	158733	CHK	07424	AUTO-OWNERS INSURANCE COMPANY	Flood INS 6/15/26- 6/15/27	\$ 12,130.00
3/26/2026	158734	CHK	00965	BORDER STATES ELECTRIC SUPPLY	BOLT MACHINE 5/8"X16", SHRINK COLD SPLICES	\$ 2,424.30
3/26/2026	158735	CHK	09235	CARAHSOFT TECHNOLOGY CORP	LinkedIn Learning 3/18/26-3/17/27	\$ 8,400.00
3/26/2026	158736	CHK	07150	CARR'S TREE SERVICE INC	TREE TRIMMING WEEK 02/28/26	\$ 11,556.93
3/26/2026	158737	CHK	09143	EMERSON PROCESS MANAGEMENT REGULATOR TEC	CS400IR Fisher NPS 2" (DN 50) CS400IR,	\$ 14,432.26
3/26/2026	158738	CHK	01001	FAME AWARDS	Laser Commissioner name plate/pen holder	\$ 21.38
3/26/2026	158739	CHK	00999	GA ERNST & ASSOCIATES INC	Conserve and Save House Calls	\$ 1,514.00
3/26/2026	158740	CHK	00347	GIRARD'S BUSINESS SOLUTIONS	Canon Scanner Roller Kit	\$ 49.99
3/26/2026	158741	CHK	01015	GROEBNER & ASSOCIATES INC	FUSION TL FULL DAY INSPECT&REPAIR,TRAVEL	\$ 3,890.28
3/26/2026	158742	CHK	01032	IFACS	BANDSAW CLASSIC	\$ 80.53
3/26/2026	158743	CHK	08585	KECK'S REPAIR INC	#T37 DOT INSPECTION,OLF CHANGE,BRAKES LH, #8 DOT INSPECT, KIT TRIANGLE FLARE, T47 DOT INSPECT, SEAL LAMP, CONNECTER, #65 DOT INSPECT, FLUSH OUT WASHER TANK, T6 DOT INSPECT, CLEAN BRAKE, SEALS, #37 DOT INSPECT, OIL CHANGE, T39 DOT INSPECT, NEW WHEEL SEALS, BEARINGS	\$ 4,164.50
3/26/2026	158744	CHK	08493	LEAGUE OF MN CITIES INSURANCE TRUST WC	CLAIM LMC CA 000000257235	\$ 500.00
3/26/2026	158745	CHK	01190	LOCATORS & SUPPLIES INC	LUBRICANT CONDUIT	\$ 113.24
3/26/2026	158746	CHK	08450	MARCO TECHNOLOGIES LLC	CN233110-01 Base Rate Charge 3/26-4/25	\$ 168.29
3/26/2026	158747	CHK	08998	MARCO TECHNOLOGIES LLC-CONTRACT	Contract Payment HP Copiers March	\$ 642.01
3/26/2026	158748	CHK	09420	OWATONNA ACE HARDWARE	FASTENERS, SWIFFER WET REFIL 24CT	\$ 17.09
3/26/2026	158749	CHK	00009	RESCO-RURAL ELECTRIC SUPPLY COOPERATIVE	TERMINAL CABLE TO FLAT 1/0-250, TERMINAL CABLE 1/0-250	\$ 2,471.78
3/26/2026	158750	CHK	01128	STEELE-WASECA COOPERATIVE ELECTRIC	829 28TH ST SE ELE SERV 02/12 - 03/12/26	\$ 102.69
3/26/2026	158751	CHK	09412	STEVE JAMES EXCAVATING INC	DIRT 3 YARDS	\$ 96.19
3/26/2026	158752	CHK	03190	STUART C IRBY CO	CONNECTOR VICE BRONZE #6, SLINGS WEB NYLON 1"X6' & 1"X4'	\$ 1,492.12
3/26/2026	158753	CHK	01050	TRI M GRAPHICS	SmartHub Cards	\$ 74.64
3/26/2026	158754	CHK	01946	UNITED WAY OF STEELE COUNTY	UNITED WAY CONTIBUTION 1st QTR 2026	\$ 1,044.00
3/26/2026	158755	CHK	01188	WESCO DISTRIBUTION INC	CLAMP PAA129	\$ 343.07
3/26/2026	158756	CHK	00204	XCEL ENERGY	7702 SW 18TH ST ELE SER02/17/26-03/19/26	\$ 43.86
3/26/2026	158757	CHK	9997	JAMES L ANDERSON	REBATE WH	\$ 350.00
3/26/2026	158758	CHK	9997	ALLISON M ANDRIST	REBATE F	\$ 500.00
3/26/2026	158759	CHK	9997	MS TAMMY J ATKINSON	REBATE BO WIFI TH	\$ 1,550.00
3/26/2026	158760	CHK	9997	ROBERT L BRAINARD	REBATE F WIFI TH	\$ 550.00
3/26/2026	158761	CHK	9997	MS ANNE E CLOUD	REBATE F	\$ 600.00
3/26/2026	158762	CHK	9997	MR DENNIS DRACHE	REBATE F	\$ 500.00
3/26/2026	158763	CHK	9997	MR TROY S ECKARD	REBATE F	\$ 600.00
3/26/2026	158764	CHK	9997	MR DUSTIN J GAFFKE	REBATE F	\$ 600.00
3/26/2026	158765	CHK	9997	MISS RENEE K JANDRO	REBATE F	\$ 500.00
3/26/2026	158766	CHK	9997	JOSTENS INC	REBATE VARIABLE SPEED DRIVES	\$ 750.00
3/26/2026	158767	CHK	9997	L & L LEGACY PROPERTIES LLC	REBATE F	\$ 500.00
3/26/2026	158768	CHK	9999	LIFE FITNESS	Elevation Motor	\$ 550.34
3/26/2026	158769	CHK	9997	DANIEL P MOBLEY	REBATE F	\$ 1,000.00
3/26/2026	158770	CHK	9997	REBECCA K MOHR	REBATE F	\$ 600.00
3/26/2026	158771	CHK	9997	MR BRIAN J OLESON	REBATE F	\$ 600.00
3/26/2026	158772	CHK	9997	FAYE SEVERINSON	REBATE F	\$ 600.00

TOTAL CHECKS

\$703,580.22

3/2/2026	2032	WIRE	00081	SOUTHEAST SERVICE COOP (MEDICAL)	March 2026 Premiums MGMT Medical	\$ 27,338.86
3/2/2026	2034	WIRE	09346	WEX HEALTH, INC	MEDy26- R.Noble	\$ 20.00
3/3/2026	2035	WIRE	09346	WEX HEALTH, INC	MEDy26:SP-490,Buzz 49,RN 11.97,TR 134.07	\$ 181.66
3/2/2026	2036	WIRE	09346	WEX HEALTH, INC	MEDy26-R.Noble 11.99, J.Wencl 267.28	\$ 279.27
3/4/2026	2037	WIRE	09346	WEX HEALTH, INC	MEDy26- B.Riggleman 117.98	\$ 117.98
3/6/2026	2038	WIRE	09346	WEX HEALTH, INC	MEDy26-Dan C. 65.22	\$ 65.22
3/5/2026	2039	WIRE	09346	WEX HEALTH, INC	MEDy26-Buzz 20, TG 103.60, RN 240 & 349	\$ 712.60
3/6/2026	2040	WIRE	09061	UNITED STATES TREASURY	FEDERAL WITHHOLDING TAXES	\$ 73,535.15
3/9/2026	2041	WIRE	09170	MINNESOTA DEPT OF REVENUE PAYROLL	MN WITHHOLDING TAX	\$ 14,183.11
3/9/2026	2042	WIRE	09034	DEFERRED COMPENSATION	DEFERRED COMP CONTRIBUTION	\$ 8,135.00
3/9/2026	2043	WIRE	09346	WEX HEALTH, INC	EMPLOYER CONTRIBUTION HSA & VEB	\$ 3,257.73
3/9/2026	2044	WIRE	09168	PERA	PERA EMPLOYER CONTRIBUTIONS	\$ 40,200.66
3/5/2026	2045	WIRE	09414	BREMER BANK COMMERCIAL CREDIT CARD 6147	022826 CREDIT CARD	\$ 34,709.76
3/9/2026	2046	WIRE	09346	WEX HEALTH, INC	MEDy26- Tim R. 20.00	\$ 20.00
3/10/2026	2047	WIRE	09346	WEX HEALTH, INC	MEDy26- Dan C 20.00, Matt K 242.00	\$ 262.00
3/10/2026	2048	WIRE	09346	WEX HEALTH, INC	MEDy26-LT 20.82, TG 78.62	\$ 99.44
3/11/2026	2049	WIRE	09346	WEX HEALTH, INC	MEDy26-T.Grupa 16.96, S.Petty 52.59	\$ 69.55
3/12/2026	2050	WIRE	09064	THE ENERGY AUTHORITY INC	NNG Transport Demand Fee February 2026	\$ 562,027.51
3/16/2026	2051	WIRE	09064	THE ENERGY AUTHORITY INC	February 2026 Gas Purchases	\$ 1,912,251.68
3/12/2026	2052	WIRE	09346	WEX HEALTH, INC	MEDy26-M.Smith 77.85	\$ 77.85
3/13/2026	2053	WIRE	09346	WEX HEALTH, INC	MEDy26 - J.Wencl 162.88 & 121.87	\$ 284.75

Owatonna Public Utilities

Date	#	Type	VENDOR	VENDOR NAME	REFERENCE	AMOUNT
3/16/2026	2054	WIRE	09346	WEX HEALTH, INC	MEDy26-TGrupa 39.12, SPetty 400.00&20.00	\$ 459.12
3/17/2026	2055	WIRE	09346	WEX HEALTH, INC	MEDy26-BRiggelman 117.98	\$ 117.98
3/17/2026	2056	WIRE	09346	WEX HEALTH, INC	MEDy26- SP17.41,BRigg 95.96, TRoger(-20)	\$ 93.37
3/19/2026	2057	WIRE	09346	WEX HEALTH, INC	MEDy26-DanC 226,BRigg 58.99,JWen 23.60	\$ 308.59
3/23/2026	2058	WIRE	09346	WEX HEALTH, INC	EMPLOYER CONTRIBUTION HSA & VEB	\$ 3,257.73
3/23/2026	2059	WIRE	09034	DEFERRED COMPENSATION	DEFERRED COMP CONTRIBUTION	\$ 8,135.00
3/20/2026	2060	WIRE	09061	UNITED STATES TREASURY	FEDERAL WITHHOLDING TAXES	\$ 74,257.91
3/23/2026	2061	WIRE	09168	PERA	PERA EMPLOYER CONTRIBUTIONS	\$ 40,542.41
3/23/2026	2062	WIRE	09170	MINNESOTA DEPT OF REVENUE PAYROLL	MN WH/J WENCL GARN L1993870176 520.08	\$ 14,800.67
3/25/2026	2063	WIRE	01121	SOUTHERN MN MUNICIPAL POWER AGENCY	February Power Sale Contract	\$ 2,810,063.03
3/20/2026	2064	WIRE	09346	WEX HEALTH, INC	MEDy26:TGrupa 89.99, JWencl 322.07	\$ 412.06
3/24/2026	2065	WIRE	09346	WEX HEALTH, INC	MEDy26-JWencl 288.69&417.38	\$ 706.07
3/24/2026	2066	WIRE	09346	WEX HEALTH, INC	MEDy26:Jwen -162.88,TGrup96.12,DanC219	\$ 152.24
3/26/2026	2067	WIRE	09346	WEX HEALTH, INC	Monthly Premium	\$ 156.75
3/25/2026	2068	WIRE	09346	WEX HEALTH, INC	MEDy26:AMoran 1.91	\$ 1.91
3/26/2026	2070	WIRE	09346	WEX HEALTH, INC	MEDy26:RAnhorn 20,20,181.50	\$ 221.50
3/30/2026	2071	WIRE	09346	WEX HEALTH, INC	MEDy26:DCammock 769.00,TGrupa 64.48	\$ 833.48
3/31/2026	2072	WIRE	09346	WEX HEALTH, INC	MEDy26: TGrupa 21.94	\$ 21.94
3/31/2026	2073	WIRE	09346	WEX HEALTH, INC	MEDy26:Briggelman 39.99, TRogers 1183.51	\$ 1,233.50
3/31/2026	104015	ACH	1238	MN DEPT OF REVENUE	SALES TAXES	\$ 251,276.00
3/31/2026	104429	ACH	1084	CITY OF OWATONNA	SEWER PAYMENT	\$ 645,000.00
3/5/2026	21327	DD	05444	CDW GOVERNMENT LLC	SEAGATE 24TB EXOS X24 HDD (10)	\$ 6,382.47
3/5/2026	21328	DD	06152	CENTURYLINK	Monthly&Usage Charges - Line: 1031,3735	\$ 364.98
3/5/2026	21329	DD	06172	CENTURYLINK BUSINESS SERVICES	Voice Services Recurring Charges	\$ 18.72
3/5/2026	21330	DD	01169	HAWKINS INC	DEMURRAGE CHLORINE CYLINDER 150LB	\$ 130.00
3/5/2026	21331	DD	07257	NELSON TECHNOLOGIES INC	REBUILD KIT PILOT SERIES 20/20S, O-RING	\$ 4,648.01
3/5/2026	21332	DD	09358	POWER SYSTEM ENGINEERING INC	ELE UTIL NETWORK MIGRATION-2025 REBUILD	\$ 7,792.50
3/5/2026	21333	DD	09466	TRC ENGINEERS INC	2026 JANUARY SERVICES 01/11/26-02/10/26	\$ 1,901.00
3/5/2026	21334	DD	01183	UNITED PARCEL SERVICE INC	SMMPA - Ryan Deering shipping	\$ 83.33
3/12/2026	21335	DD	05444	CDW GOVERNMENT LLC	(2)Laptop, Scanner, Headset, (2)Docks	\$ 5,577.41
3/12/2026	21336	DD	01012	GOPHER STATE ONE-CALL INC	2026 FEBRUARY LOCATING SERVICE	\$ 56.70
3/12/2026	21337	DD	00072	KLM ENGINEERING INC	VERIZON ANTENNA DRAWING REVIEW&INSPECTIO	\$ 1,600.00
3/12/2026	21338	DD	07944	LITTLER MENDELSON PC	Legal Services for January 2026	\$ 5,123.00
3/12/2026	21339	DD	01948	NCPERS MINNESOTA	APRIL 2026 Premiums	\$ 432.00
3/12/2026	21340	DD	09358	POWER SYSTEM ENGINEERING INC	ELE UTIL NETWORK MIGRATION-2025 REBUILD	\$ 5,410.00
3/19/2026	21469	DD	06152	CENTURYLINK	Monthly and Usage Charges F94-166-3369	\$ 114.00
3/19/2026	21470	DD	08463	COOPERATIVE RESPONSE CENTER INC	2026 FEBRUARY DISPATCH,CRCLINK,SCADA MON	\$ 4,334.71
3/19/2026	21471	DD	01169	HAWKINS INC	HYDROFLUOSILICIC ACID, CHLORINE, LPC 5	\$ 3,969.31
3/19/2026	21472	DD	09500	SLACK PAINTING LLC	#8 TOWER REPAIR INSULATION ON TANK	\$ 400.00
3/19/2026	21473	DD	01183	UNITED PARCEL SERVICE INC	Jeri Customer Returns Itron 2 packages	\$ 96.34
3/26/2026	21474	DD	09199	REAGAN OUTDOOR ADVERTISING OF ROCHESTER	March Space Billing	\$ 700.00
3/26/2026	21475	DD	01183	UNITED PARCEL SERVICE INC	Jeri Customer Returns Itron 2pkgs	\$ 51.89

TOTAL ELECTRONIC PAYMENTS \$6,579,067.41

3/6/2026	Various	DD	Various	60 Employees @ 23.08 each	Cell Phone Stipends	\$ 1,384.80
3/6/2026		DD		Robert Anhorn	Mileage Reimbursement	\$ 101.50
3/20/2026	Various	DD	Various	60 Employees @ 23.08 each	Cell Phone Stipends	\$ 1,384.80
3/20/2026		DD		Brian Clausen	Mileage Reimbursement	\$ 210.25
		DD		Brian Austinson	Mileage Reimbursement	\$ 197.20

TOTAL EMPLOYEE REIMBURSEMENTS \$3,278.55

TOTAL CHECKS	\$703,580.22
TOTAL EMPLOYEE REIMBURSEMENTS	\$3,278.55
TOTAL WIRE PAYMENTS	\$5,633,605.04
TOTAL EFT PAYMENTS	\$49,186.37
Check Register Subtotal	<u>\$6,389,650.18</u>
TOTAL ACH PAYMENTS	\$896,276.00
Payments Subtotal	<u>\$7,285,926.18</u>

REBATES APPLIED TO CUSTOMER ACCOUNTS	\$5,084.13
PAYROLL ACH - 3/06/2026	\$178,645.25
PAYROLL ACH - 3/20/2026	\$178,173.66

TOTAL PAYMENTS \$7,647,829.22

Checks/Wires Voided this month - 2 **\$0.00**

Electric Monthly Financial Scorecard

March 2026

	Actual	Plan	Vs. Plan	
Commodity Sold (MWh)	27,967	32,177	(4,209)	-13.1%
Commodity Revenue (000)	\$3,076	\$3,603	-\$527	-14.6%
Commodity Expense (000)	\$2,306	\$2,406	-\$100	-4.1%
Gross Margin (000)	\$769	\$1,197	(\$428)	-35.7%
Other Revenue (000)	\$137	\$164	-\$27	-16.7%
Other Expense (000)	\$942	\$1,026	-\$84	-8.2%
Net Income (000)	-\$36	\$335	(\$371)	-110.7%
NI as a % of Comm Rev	-1.2%	9.3%		-10.5%

Key Drivers

Commodity Revenue:

\$6K - Residential sales above plan
 \$25K - Commercial sales below plan
 \$295K - Industrial sales below plan
 \$9K - City sales above plan
 \$221K - ETC adjustment below plan

Other Revenue:

\$29K - SMMPA Distribution & Economic Credits below plan
 \$4K - SMMPA Rebate reimbursement below plan
 \$9K - SMMPA Substation revenue below plan
 \$10K - Interest income above plan
 \$4K - Reading & Connect Charges above plan

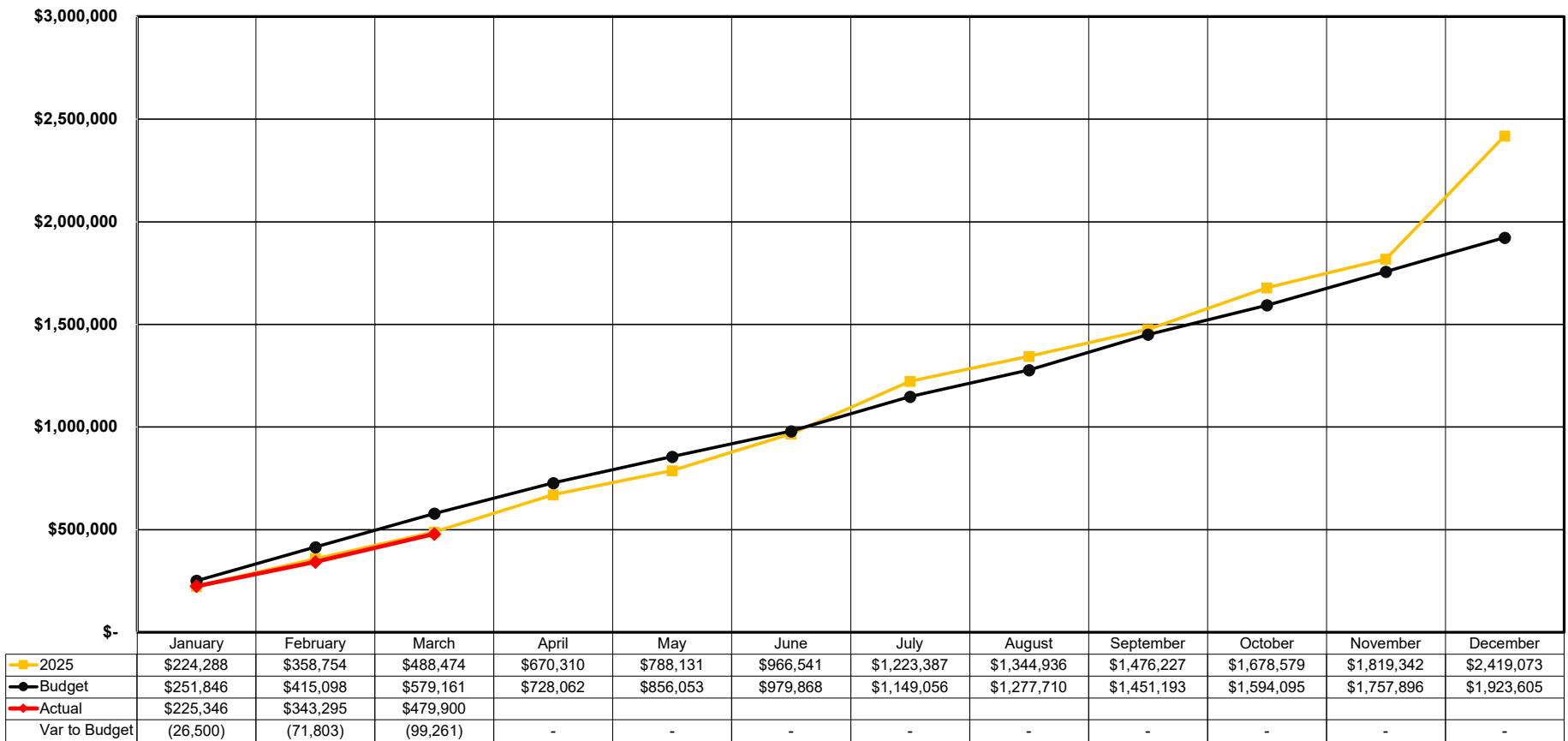
Note: Unbilled revenue

Accrual (U) (\$70U) - below plan
 Reversal (U) (\$115U) - below plan
Total (U) (\$185U)- below plan

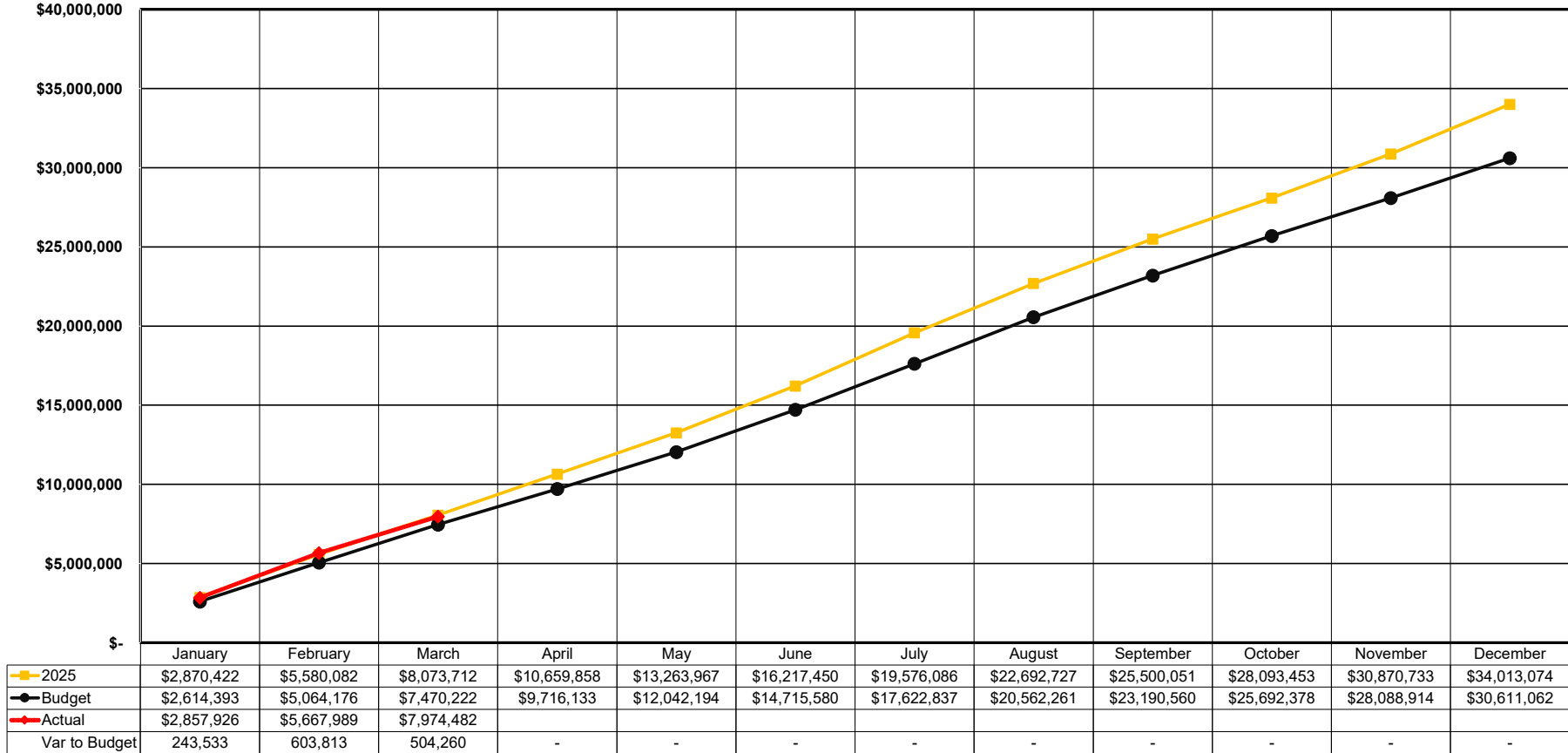
Other Expense:

\$79K - Labor/Benefits below plan
 \$20K - Distribution Expense above plan
 \$25K - Administrative & General Expenses below plan

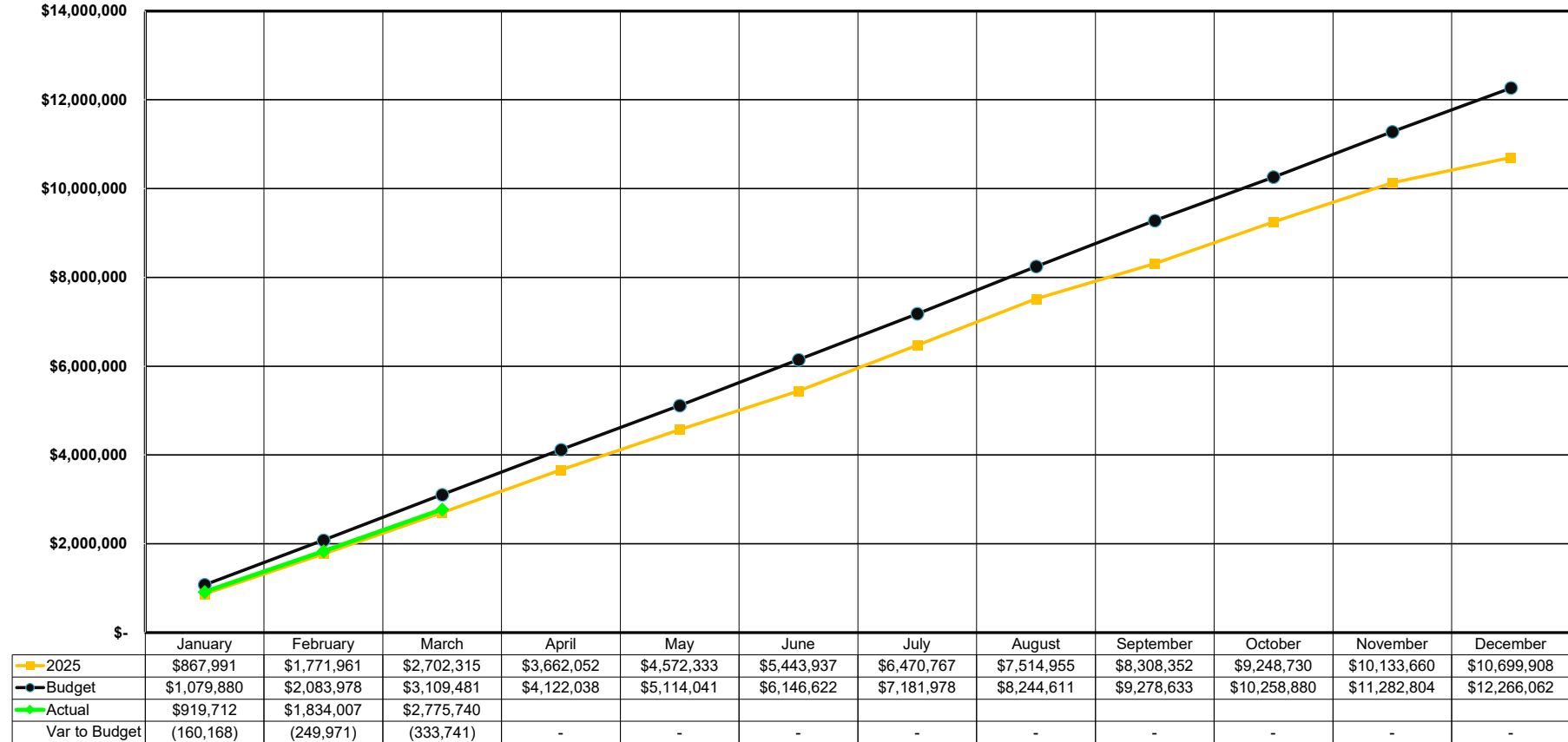
Electric Other Revenues



Electric Variable Costs (Purchased Power)



Electric Fixed Costs



Water Monthly Financial Scorecard

March 2026

	Actual	Plan	Vs. Plan	
Commodity Sold (CCF)	96,807	99,483	(2,676)	-2.7%
Commodity Revenue (000)	\$410	\$406	\$4	1.1%
Commodity Expense (000)	\$0	\$0	\$0	0.0%
Gross Margin (000)	\$410	\$406	\$4	1.1%
Other Revenue (000)	\$52	\$46	\$6	13.1%
Other Expense (000)	\$350	\$411	-\$61	-14.9%
Net Income (000)	\$112	\$40	\$72	176.8%
NI as a % of Comm Rev	27.3%	10.0%		17.3%

Key Drivers

Commodity Revenue:

\$5K - Residential sales above plan
 \$2K - Commercial sales above plan
 \$3K - City sales below plan

Other Revenue:

\$3K - Water access charges above plan
 \$4K - Interest income above plan

Note: Unbilled revenue

Accrual (U) (\$5U) - above plan

Reversal (U) (\$2U) - below plan

Total (U) (\$4U) - below plan

Other Expense:

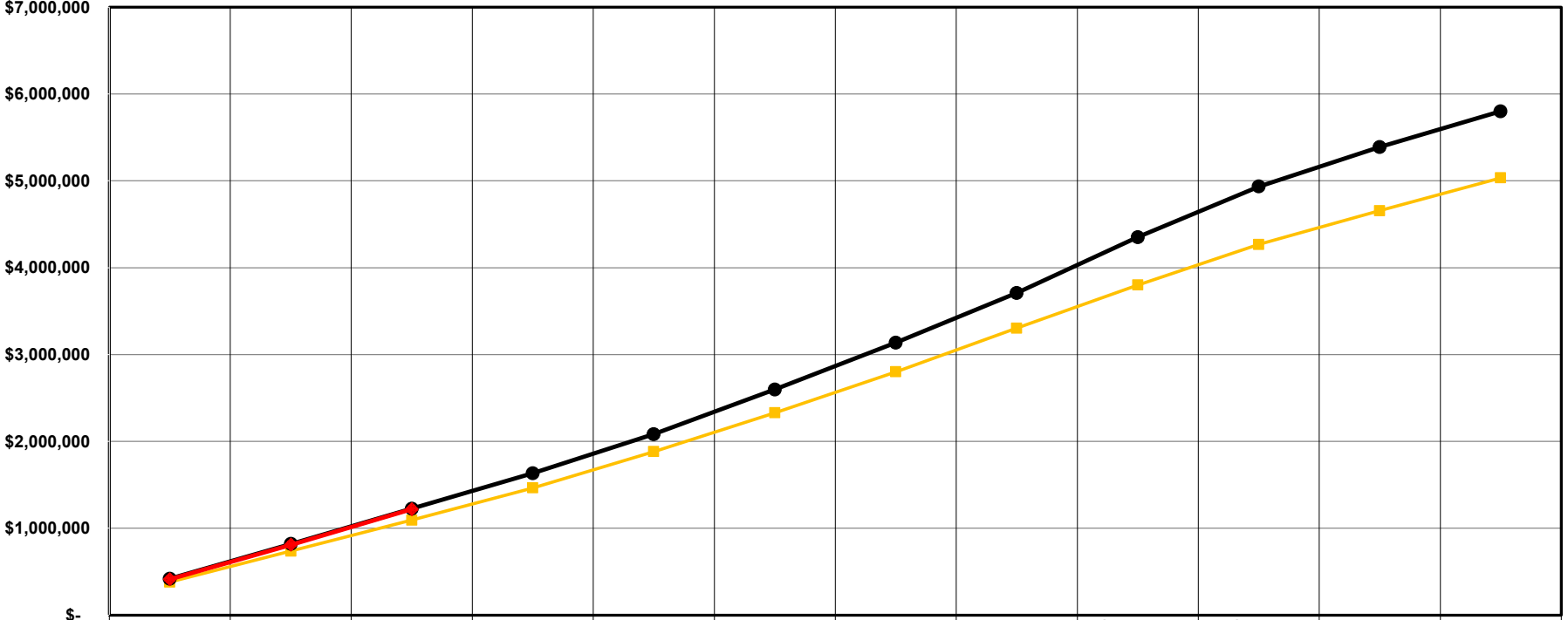
\$12K - Production expense below plan

\$24K - Distribution expense below plan

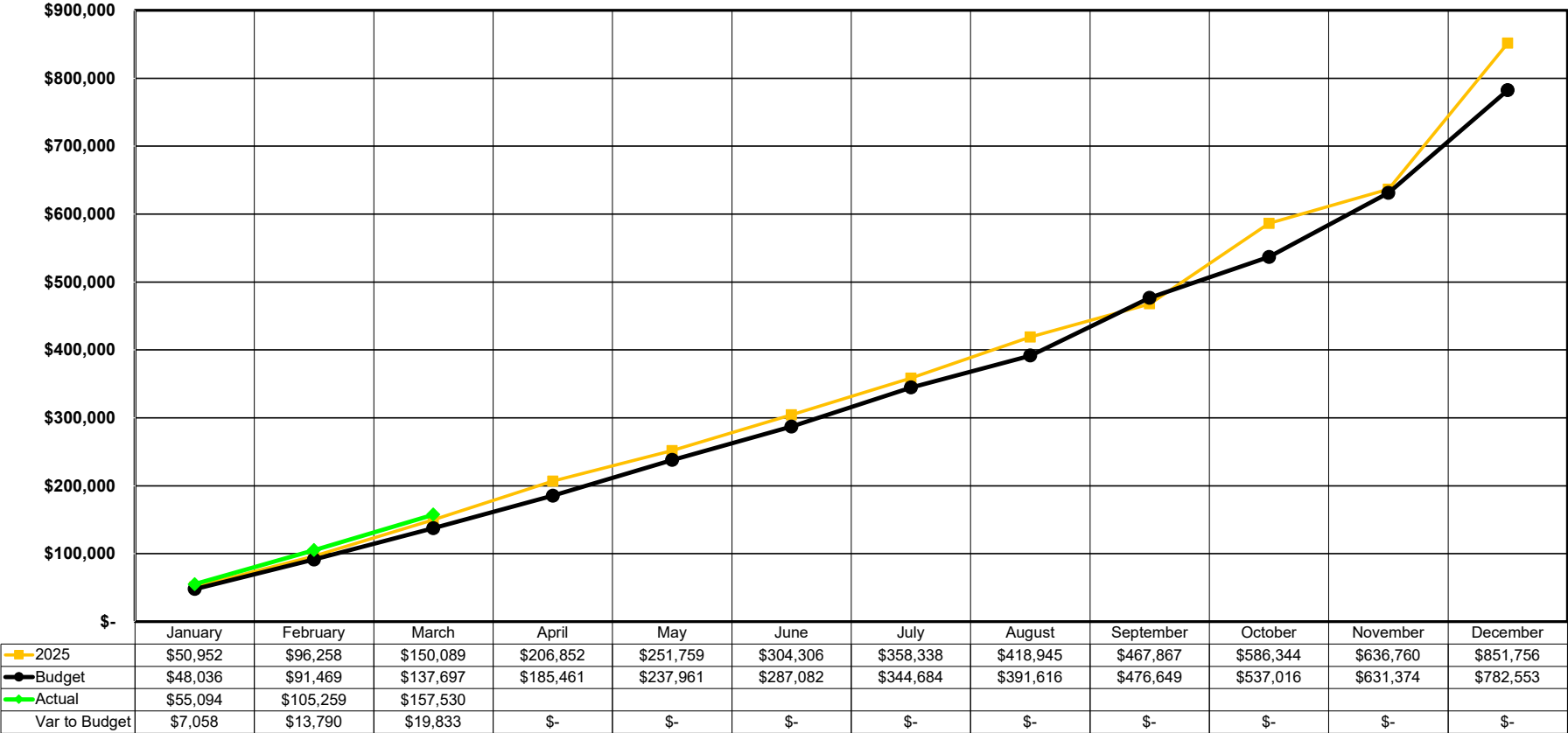
\$5K - Depreciation expense below plan

\$18K - Labor/Benefits below plan

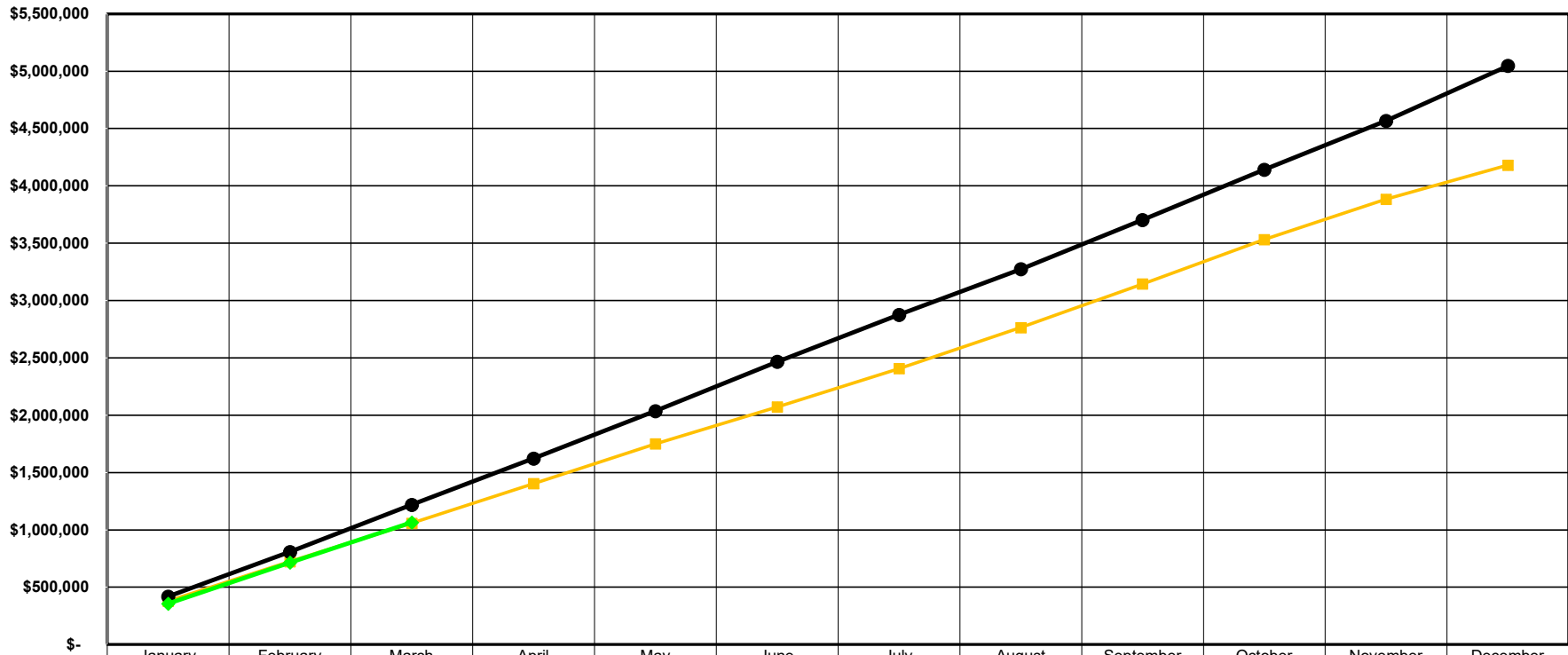
Water Commodity Revenues

[illegible]

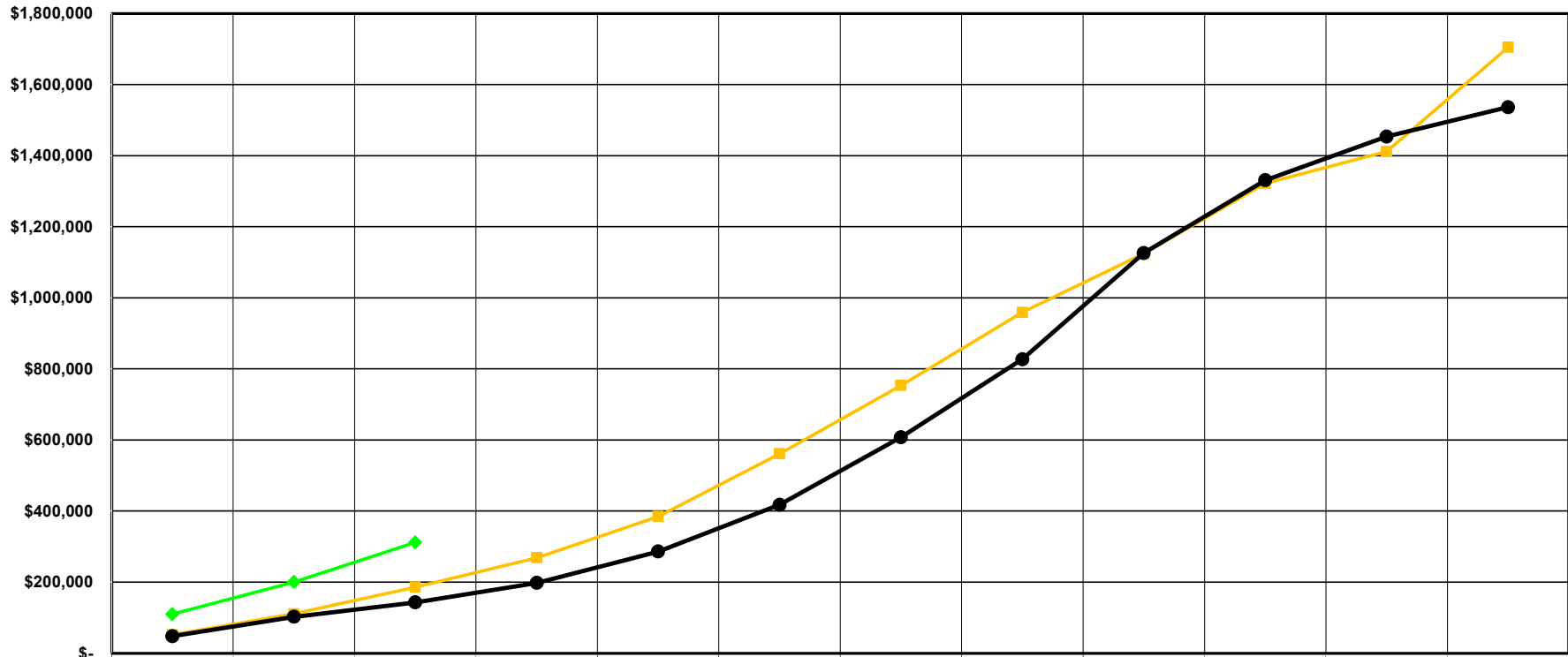
Water Other Revenues



Water Fixed Costs

[illegible]

Water Net Income

[illegible]

Gas Monthly Financial Scorecard

March 2026

	Actual	Plan	Vs. Plan	
Commodity Sold (CCF)	2,226,665	2,324,477	(97,812)	-4.2%
Commodity Revenue (000)	\$1,785	\$2,490	-\$704	-28.3%
Commodity Expense (000)	\$1,606	\$1,750	-\$145	-8.3%
Gross Margin (000)	\$180	\$740	(\$560)	-75.7%
Other Revenue (000)	\$68	\$64	\$4	5.5%
Other Expense (000)	\$582	\$575	\$7	1.2%
Net Income (000)	-\$334	\$229	(\$563)	-246.3%
NI as a % of Comm Rev	-18.7%	9.2%		-27.9%

Key Drivers

Commodity Revenue:

\$93K - Residential sales below plan
 \$100K - Commercial sales below plan
 \$31K - Industrial sales below plan
 \$8K - City sales above plan
 \$488K - PGA/Gas true-up revenue above plan

Note: Unbilled revenue

Accrual (U) (\$67U) - below plan
 Reversal (U) (\$115U) below plan
Total (U) (\$182U) - below plan

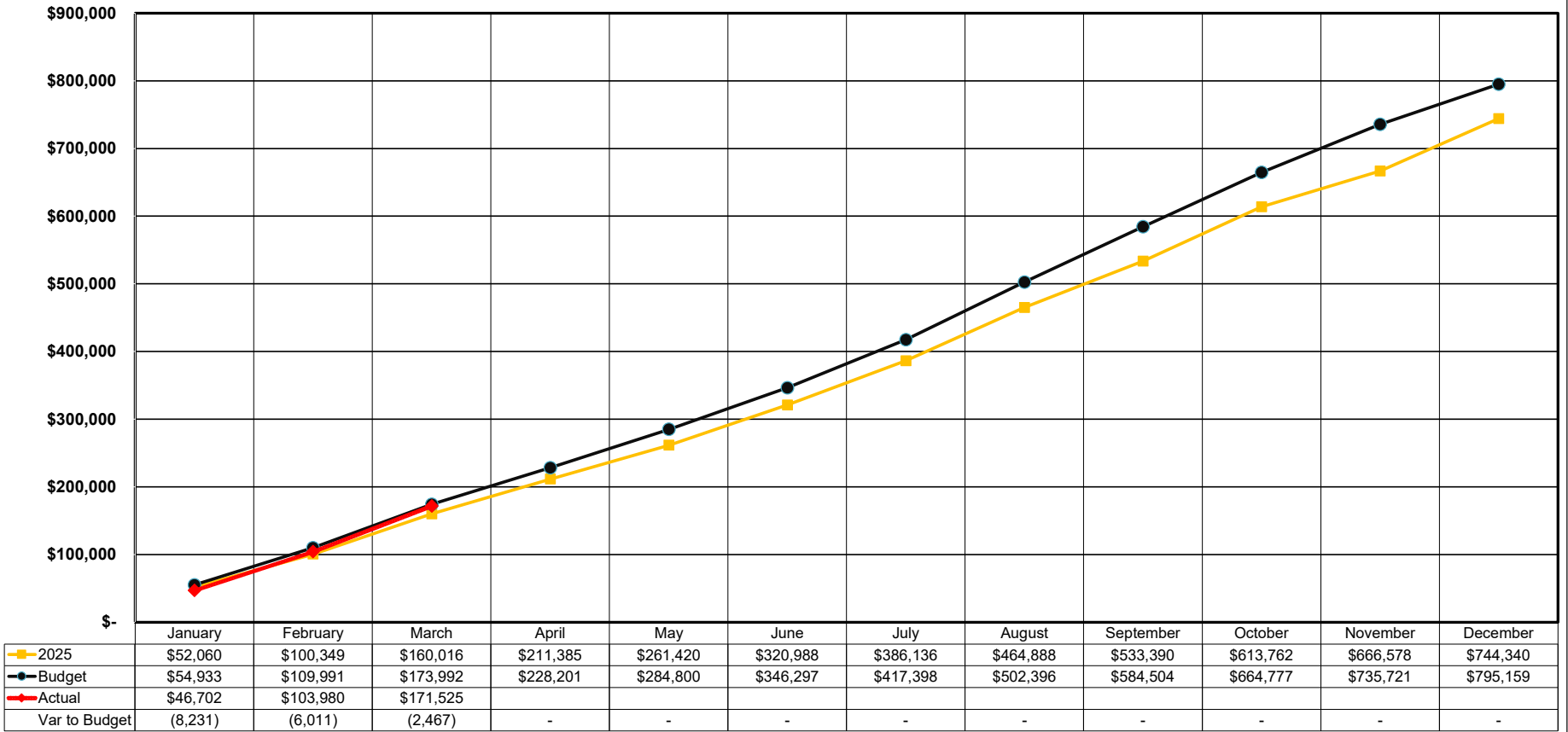
Other Revenue:

\$4K - Forfeited discounts above plan
 \$5K - Interest income below plan
 \$5K - Trans Tariff revenue above plan

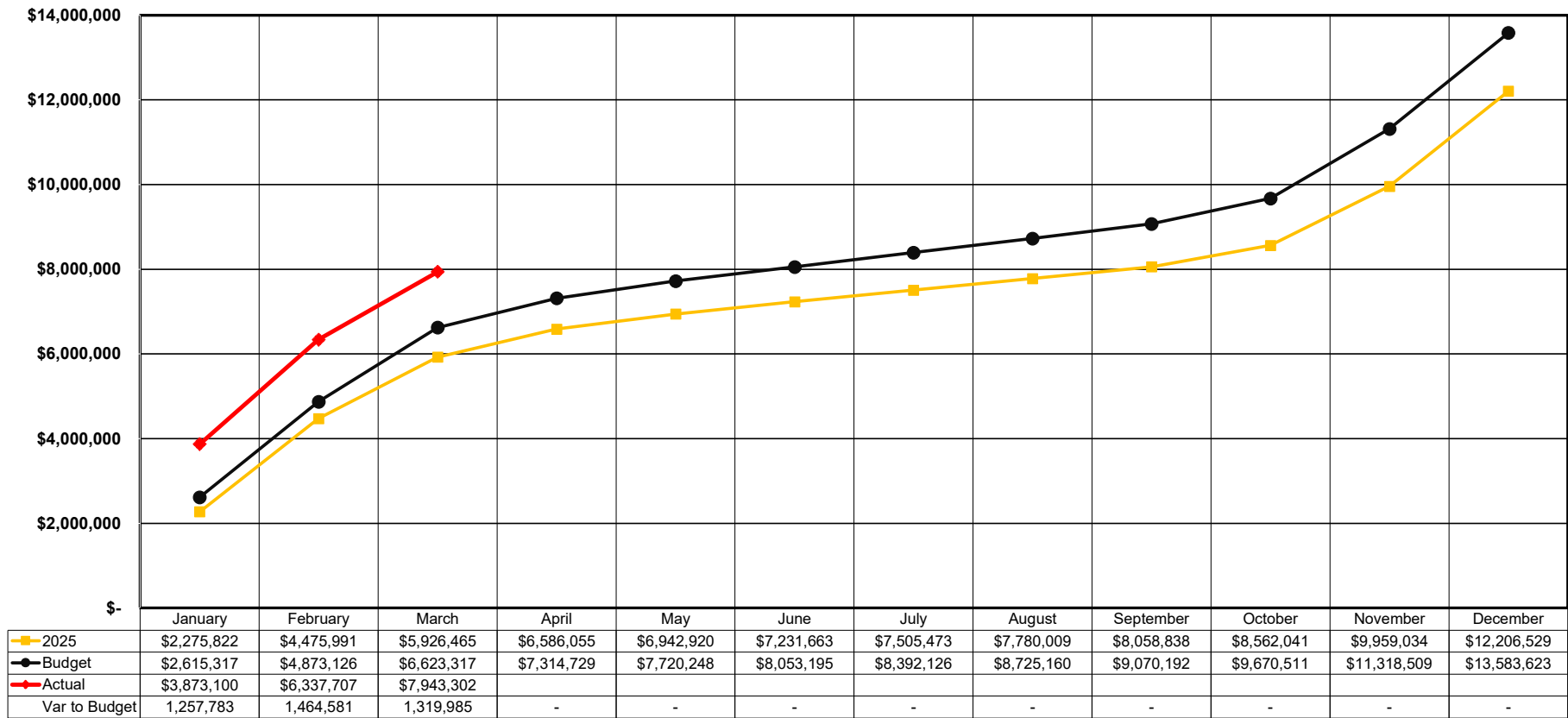
Other Expense:

\$9K - Depreciation below plan
 \$10K - Admin & General expense below plan
 \$7K - Labor/Benefits above plan
 \$22K - Contributed Services above plan

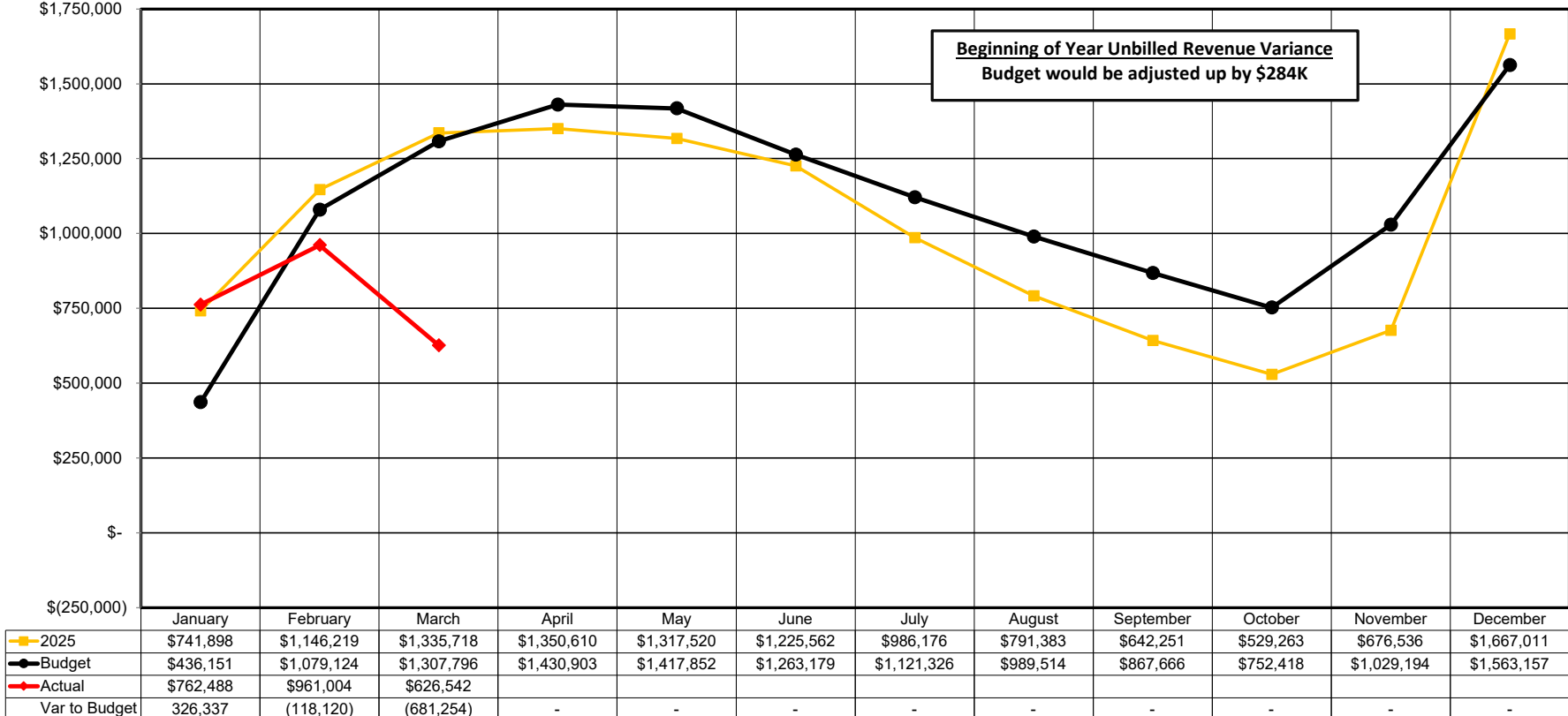
Gas Other Revenues



Gas Variable Costs (Purchased Gas)



Gas Net Income





Balance Sheet

Consolidated

March 2026

Assets	Current Year	Prior Year	Prior Month	Change From Prior Month
Current Assets				
Cash on Hand	2,400.00	2,400.00	2,400.00	-
Cash in Bank	682,079.92	(521,541.76)	(256,671.10)	938,751.02
Bremer Money Market	16,309,126.41	12,359,020.54	13,433,415.68	2,875,710.73
Raymond James Money Market	41,468.94	274,230.91	40,402.53	1,066.41
UBS Money Market	12,261.23	4,570.28	12,260.92	0.31
Other Accounts	-	-	-	-
Total Cash	17,047,336.50	12,118,679.97	13,231,808.03	3,815,528.47
Investments				
Investments	13,345,932.72	17,000,673.72	15,366,164.72	(2,020,232.00)
PDO Reserve Fund	1,702,000.00	1,615,000.00	1,685,000.00	17,000.00
Expansion Reserve Fund	657,067.28	554,326.28	653,835.28	3,232.00
Land Held for Investment	660,266.23	660,266.23	660,266.23	-
Total Investments	16,365,266.23	19,830,266.23	18,365,266.23	(2,000,000.00)
Accounts Receivable				
Customers	6,918,172.00	5,852,127.97	8,099,372.13	(1,181,200.13)
City of Owatonna	612,987.86	583,696.06	631,293.84	(18,305.98)
Other Receivables	121,038.36	122,810.87	94,131.30	26,907.06
Miscellaneous Invoices	103,714.50	305,131.86	167,842.66	(64,128.16)
Lease Receivable	2,764,688.00	2,923,876.00	2,764,688.00	-
Interest Receivable	1,021,692.55	994,363.02	1,290,057.02	(268,364.47)
Allowance for Doubtful Accounts	(146,600.93)	(126,620.18)	(134,591.22)	(12,009.71)
Net Receivables	11,395,692.34	10,655,385.60	12,912,793.73	(1,517,101.39)
Other Assets				
Inventory				
Major Material	2,435,264.99	2,054,259.23	2,313,114.28	122,150.71
Minor Material	88,065.25	64,800.75	88,065.25	-
Revenue Earned Not Billed	1,811,915.00	1,462,427.07	3,632,096.14	(1,820,181.14)
Unbilled Commodity Cost Adjustment	-	-	-	-
Prepaid Expenses	1,153,901.71	912,987.36	1,037,744.10	116,157.61
Deferred Charges	195,965.73	152,486.92	195,965.73	-
Deferred Outflows - Pension/OPEB	711,478.00	614,652.00	711,478.00	-
Total Other Assets	6,396,590.68	5,261,613.33	7,978,463.50	(1,581,872.82)
Total Current Assets	51,204,885.75	47,865,945.13	52,488,331.49	(1,283,445.74)
Fixed Assets				
Construction Work in Progress	3,205,952.21	4,061,937.51	3,313,802.47	(107,850.26)
Utility Plant in Service	154,518,797.26	148,132,153.44	154,085,069.66	433,727.60
Accumulated Depreciation	(63,915,363.99)	(61,076,024.63)	(63,649,149.05)	(266,214.94)
Net Fixed Assets	93,809,385.48	91,118,066.32	93,749,723.08	59,662.40
Total Assets	145,014,271.23	138,984,011.45	146,238,054.57	(1,223,783.34)



Balance Sheet

Consolidated

March 2026

Liabilities and Equity	Current Year	Prior Year	Prior Month	Change From Prior Month
Current Liabilities				
Current Payables				
Accounts Payable	4,971,439.27	4,781,795.64	5,975,983.49	(1,004,544.22)
Payable to City of Owatonna	657,894.74	617,169.49	692,579.71	(34,684.97)
Customer Deposit Interest	1,467.54	1,601.47	1,128.30	339.24
Taxes Payable	235,982.09	186,988.66	255,397.99	(19,415.90)
Customer Deposits	143,710.00	146,940.00	145,000.00	(1,290.00)
Total Current Payables	6,010,493.64	5,734,495.26	7,070,089.49	(1,059,595.85)
Other Current Liabilities				
Accrued Payroll Expenses	415,798.35	346,134.04	336,346.94	79,451.41
Deferred Credits	229,744.11	217,886.85	240,831.49	(11,087.38)
Deferred Inflows - Pension/OPEB	1,699,962.00	2,024,515.00	1,699,962.00	-
Deferred Inflows - Leases	2,604,092.00	2,827,312.00	2,604,092.00	-
Insurance Reserve	5,168.12	(1,047.84)	(473.49)	5,641.61
Paid Days Off Bank	1,700,115.94	1,613,911.26	1,683,677.65	16,438.29
Comp Time Bank	5,149.38	6,530.32	1,366.32	3,783.06
Total Other Current Liabilities	6,660,029.90	7,035,241.63	6,565,802.91	94,226.99
Total Current Liabilities	12,670,523.54	12,769,736.89	13,635,892.40	(965,368.86)
Long Term Liabilities				
OPEB Payable	136,844.00	152,110.00	136,844.00	-
Net Pension Liability	2,586,911.00	2,843,363.00	2,586,911.00	-
Total Long Term Liabilities	2,723,755.00	2,995,473.00	2,723,755.00	-
Equity				
Net Income	1,483,417.29	2,169,968.62	1,741,831.77	(258,414.48)
Retained Earnings	128,136,575.40	121,048,832.94	128,136,575.40	-
Total Equity	129,619,992.69	123,218,801.56	129,878,407.17	(258,414.48)
Total Liabilities and Equity	145,014,271.23	138,984,011.45	146,238,054.57	(1,223,783.34)



Income Statement

Electric Utility
March 2026

	This Month	Prior Year	Current YTD	Prior YTD	Budget YTD	YTD Budget Difference \$	YTD Budget Difference %
Commodity Revenue							
Residential	968,253	981,956	3,063,732	3,118,928	3,015,141	48,591	1.61%
Commercial	541,827	572,353	1,679,412	1,797,545	1,728,026	(48,614)	-2.81%
Industrial & Large Commercial	1,652,952	1,832,067	5,348,836	5,747,154	5,984,604	(635,768)	-10.62%
City - Street and Park Lighting	31,762	31,762	95,286	95,286	95,286	(0)	0.00%
City - Public Buildings	76,694	76,172	243,066	247,044	217,809	25,257	11.60%
OPU - Interutility	25,377	28,534	83,176	84,330	82,252	924	1.12%
Energy Acquisition Adjustment	-	(108,011)	(194,334)	(154,267)	-	(194,334)	0.00%
Electric True-up Charge	(221,217)	-	495,898	-	-	495,898	0.00%
Total Commodity Revenue	3,075,647	3,414,833	10,815,073	10,936,020	11,123,118	(308,045)	-2.77%
Other Operating Revenue							
Forfeited Discounts	14,626	10,127	38,820	31,532	37,800	1,020	2.70%
Reading and Connect Charges	8,090	5,040	19,530	11,095	12,033	7,497	62.30%
Property Rentals	365	355	69,532	67,599	68,418	1,114	1.63%
EV Charger Revenue	139	19	266	202	193	73	37.98%
SMPMA Sub and Gen O&M Revenue	19,990	18,284	54,813	54,301	84,027	(29,214)	-34.77%
Total Other Operating Revenue	43,210	33,825	182,961	164,729	202,471	(19,510)	-9.64%
Non-Operating Revenue							
Interest Income	46,134	45,390	119,110	125,847	97,676	21,434	21.94%
Fair Market Value Gain on Investments	-	-	10,241	27,862	14,400	(4,159)	-28.88%
Miscellaneous Sales & Credits	474	9,830	2,308	10,979	3,050	(742)	-24.32%
Grant Revenue	-	-	-	-	-	-	0.00%
Supplier Credits and Distributions	15,959	33,538	94,980	121,416	158,419	(63,439)	-40.05%
Supplier Credits - Rebates	25,309	2,260	53,956	23,010	87,342	(33,386)	-38.22%
Sewer & Stormwater Admin Fees	5,251	4,936	15,753	14,808	15,753	-	0.00%
Energy Conservation Revenue	-	-	-	-	-	-	0.00%
Merchandising Revenue	268	(59)	592	(177)	50	542	1083.76%
Renewable Energy Credit Revenue	-	-	-	-	-	-	0.00%
Total Non-Operating Revenue	93,395	95,895	296,939	323,745	376,690	(79,751)	-21.17%
Total Revenue	3,212,252	3,544,553	11,294,973	11,424,494	11,702,279	(407,306)	-3.48%



Income Statement

Electric Utility
March 2026

	This Month	Prior Year	Current YTD	Prior YTD	Budget YTD	YTD Budget Difference \$	YTD Budget Difference %
Commodity Expenses							
Purchased Power	2,306,493	2,493,629	7,974,482	8,073,712	7,470,222	504,260	6.75%
Subtotal Commodity Expenses	2,306,493	2,493,629	7,974,482	8,073,712	7,470,222	504,260	6.75%
Operating Expenses							
Production	28,496	29,094	78,382	81,282	94,103	(15,721)	-16.71%
Transmission	10,383	7,112	23,914	18,130	48,935	(25,021)	-51.13%
Distribution	310,969	342,791	838,382	921,037	1,079,261	(240,879)	-22.32%
Customer Acct & Collections	75,296	72,444	221,134	219,625	227,562	(6,428)	-2.82%
Administrative and General	165,958	157,072	524,908	474,709	556,392	(31,484)	-5.66%
Stockroom	1,808	5,385	11,336	14,930	17,260	(5,924)	-34.32%
Other Operating Expenses	4,840	3,552	16,154	10,899	14,484	1,670	11.53%
Subtotal Operating Expenses	597,750	617,449	1,714,211	1,740,613	2,037,997	(323,786)	-15.89%
Capitalized Expenses	-	-	-	-	-	-	0.00%
Total Operating Expenses	2,904,243	3,111,078	9,688,693	9,814,325	9,508,219	180,474	1.90%
Income (Loss) Before Other Expense	308,009	433,474	1,606,280	1,610,169	2,194,060	(587,780)	-26.79%
Other Expense							
Contributions in Aid to Construction	(10,354)	(10,354)	(31,062)	(31,062)	(31,062)	-	0.00%
Depreciation	236,441	218,501	699,714	648,205	756,387	(56,673)	-7.49%
Gain (Loss) on Asset	-	(1,822)	36,368	(1,822)	-	36,368	0.00%
Contributed Services	117,896	106,581	356,509	346,381	346,159	10,350	2.99%
Total Other Expense	343,983	312,906	1,061,529	961,702	1,071,484	(9,955)	-0.93%
Total Expenses	3,248,226	3,423,984	10,750,222	10,776,027	10,579,703	170,519	1.61%
Net Income (Loss)	(35,974)	120,569	544,752	648,467	1,122,576	(577,824)	-51.47%



Income Statement

Gas Utility
March 2026

	This Month	Prior Year	Current YTD	Prior YTD	Budget YTD	YTD Budget Difference \$	YTD Budget Difference %
Commodity Revenue							
Residential	951,412	806,541	4,132,972	3,806,946	4,045,075	87,897	2.17%
Commercial	433,177	496,029	1,881,803	1,852,176	1,959,762	(77,959)	-3.98%
Industrial & Large Commercial	744,922	582,679	2,706,067	2,294,998	2,739,216	(33,149)	-1.21%
City - Public Buildings	52,430	38,959	206,098	168,296	175,500	30,598	17.43%
OPU - Interutility	6,363	4,966	26,444	24,152	26,407	37	0.14%
Purchased Gas Adjustment (PGA)	23,733	63,105	801,069	506,410	568,366	232,703	40.94%
Gas True-up Charge (GTC)	(426,776)	116,936	461,696	(13,755)	-	461,696	0.00%
Total Commodity Revenue	1,785,261	2,109,215	10,216,148	8,639,223	9,514,326	701,822	7.38%
Other Operating Revenue							
Forfeited Discounts	18,885	13,130	43,700	33,034	36,600	7,100	19.40%
Reading and Connect Charges	45	95	70	160	194	(124)	-63.92%
Property Rentals	-	-	-	-	-	-	0.00%
Gas Transportation Tariff	13,980	5,285	31,494	16,729	26,280	5,214	19.84%
Total Other Operating Revenue	32,910	18,510	75,265	49,923	63,074	12,191	19.33%
Non-Operating Revenue							
Interest Income	30,287	30,007	91,065	92,553	99,338	(8,273)	-8.33%
Fair Market Value Gain on Investments	-	-	(7,827)	(1,619)	(2,600)	(5,227)	201.05%
Miscellaneous Sales & Credits	383	7,531	1,169	8,299	2,430	(1,261)	-51.91%
Grant Revenue	-	-	-	-	-	-	0.00%
Sewer & Stormwater Admin Fees	3,850	3,620	11,550	10,860	11,550	-	0.00%
Energy Conservation Revenue	-	-	-	-	-	-	0.00%
Merchandising Revenue	114	-	304	-	200	104	52.00%
Total Non-Operating Revenue	34,634	41,158	96,260	110,093	110,918	(14,658)	-13.22%
Total Revenue	1,852,805	2,168,882	10,387,673	8,799,239	9,688,318	699,355	7.22%



Income Statement

Gas Utility
March 2026

	This Month	Prior Year	Current YTD	Prior YTD	Budget YTD	YTD Budget Difference \$	YTD Budget Difference %
Commodity Expenses							
Purchased Gas	1,605,596	1,450,474	7,943,302	5,926,466	6,623,317	1,319,985	19.93%
Subtotal Commodity Expenses	1,605,596	1,450,474	7,943,302	5,926,466	6,623,317	1,319,985	19.93%
Operating Expenses							
Production	4,989	4,874	6,147	24,191	20,957	(14,810)	-70.67%
Distribution	190,324	176,454	543,152	479,420	532,404	10,748	2.02%
Customer Acct & Collections	58,007	49,675	167,087	153,842	161,278	5,809	3.60%
Administrative and General	180,666	182,498	593,302	505,999	555,395	37,907	6.83%
Stockroom	1,055	3,925	9,351	11,759	12,650	(3,299)	-26.08%
Other Operating Expenses	9,725	5,750	20,975	17,945	29,444	(8,469)	-28.76%
Subtotal Operating Expenses	444,767	423,177	1,340,014	1,193,156	1,312,128	27,886	2.13%
Capitalized Expenses	-	-	-	-	-	-	0.00%
Total Operating Expenses	2,050,363	1,873,651	9,283,317	7,119,622	7,935,445	1,347,872	16.99%
Income (Loss) Before Other Expense	(197,558)	295,231	1,104,356	1,679,617	1,752,873	(648,517)	-37.00%
Other Expense							
Contributions in Aid to Construction	(3,911)	(3,911)	(11,733)	(11,733)	(11,733)	-	0.00%
Depreciation	74,940	72,182	224,819	214,877	251,655	(26,836)	-10.66%
Gain (Loss) on Asset	-	(1,354)	22,631	(42,419)	-	22,631	0.00%
Contributed Services	65,875	38,814	242,097	183,174	205,155	36,942	18.01%
Total Other Expense	136,904	105,731	477,814	343,898	445,077	32,737	7.36%
Total Expenses	2,187,267	1,979,382	9,761,131	7,463,520	8,380,522	1,380,609	16.47%
Net Income (Loss)	(334,462)	189,500	626,542	1,335,719	1,307,796	(681,254)	-52.09%



Income Statement

Water Utility
March 2026

	This Month	Prior Year	Current YTD	Prior YTD	Budget YTD	YTD Budget Difference \$	YTD Budget Difference %
Commodity Revenue							
Residential	275,685	241,880	823,895	741,196	815,407	8,488	1.04%
Commercial	61,892	55,339	180,995	166,557	178,511	2,484	1.39%
Industrial & Large Commercial	62,793	48,709	185,838	150,532	183,689	2,149	1.17%
City - Public Buildings	8,750	8,476	26,416	32,905	45,301	(18,885)	-41.69%
OPU - Interutility	950	690	2,298	1,546	1,556	742	47.66%
Total Commodity Revenue	410,070	355,093	1,219,441	1,092,736	1,224,464	(5,023)	-0.41%
Other Operating Revenue							
Forfeited Discounts	2,187	1,838	6,665	5,727	5,700	965	16.93%
Reading and Connect Charges	-	75	-	100	105	(105)	-100.00%
Water Access Charges	3,232	1,250	12,001	2,500	1,100	10,901	991.00%
Property Rentals	20,407	22,082	61,221	57,968	61,315	(94)	-0.15%
Lease Interest Revenue	-	-	-	-	-	-	0.00%
Lease Amortization	-	-	-	-	-	-	0.00%
Total Other Operating Revenue	25,827	25,245	79,887	66,295	68,220	11,667	17.10%
Non-Operating Revenue							
Interest Income	23,603	21,416	66,533	63,674	56,116	10,417	18.56%
Fair Market Value Gain on Investments	-	-	1,959	7,302	4,000	(2,041)	-51.03%
Miscellaneous Sales & Credits	274	4,757	1,450	5,579	1,660	(210)	-12.64%
Grant Revenue	-	-	-	-	-	-	0.00%
Sewer & Stormwater Admin Fees	2,567	2,413	7,701	7,239	7,701	-	0.00%
Water Service Line Protection Revenue	-	-	-	-	-	-	0.00%
Total Non-Operating Revenue	26,445	28,586	77,643	83,794	69,477	8,166	11.75%
Total Revenue	462,341	408,924	1,376,971	1,242,825	1,362,161	14,810	1.09%



Income Statement

Water Utility
March 2026

	This Month	Prior Year	Current YTD	Prior YTD	Budget YTD	YTD Budget Difference \$	YTD Budget Difference %
Operating Expenses							
Production	61,857	59,551	194,402	191,398	214,571	(20,169)	-9.40%
Distribution	75,468	84,143	227,156	277,952	334,578	(107,422)	-32.11%
Customer Acct & Collections	34,021	29,990	100,024	95,665	100,441	(417)	-0.42%
Administrative and General	105,127	90,553	300,696	266,390	308,662	(7,967)	-2.58%
Stockroom	703	2,617	6,214	7,833	8,440	(2,226)	-26.38%
Water Service Line Protection Expenses	-	-	-	-	-	-	0.00%
Other Operating Expenses	5,229	4,189	18,006	13,634	25,906	(7,900)	-30.49%
Subtotal Operating Expenses	282,404	271,042	846,497	852,872	992,598	(146,101)	-14.72%
Capitalized Expenses	-	-	-	-	-	-	0.00%
Total Operating Expenses	282,404	271,042	846,497	852,872	992,598	(146,101)	-14.72%
Income (Loss) Before Other Expense	179,937	137,882	530,474	389,953	369,563	160,911	43.54%
Other Expense							
Contributions in Aid to Construction	(6,025)	(6,025)	(18,075)	(18,075)	(18,075)	-	0.00%
Depreciation	64,520	61,286	193,560	182,864	207,501	(13,941)	-6.72%
Gain (Loss) on Asset	-	(902)	15,088	5,578	-	15,088	0.00%
Contributed Services	9,421	8,759	27,778	33,803	37,184	(9,406)	-25.30%
Total Other Expense	67,916	63,117	218,350	204,170	226,610	(8,260)	-3.64%
Total Expenses	350,320	334,159	1,064,847	1,057,042	1,219,208	(154,361)	-12.66%
Net Income (Loss)	112,021	74,765	312,123	185,783	142,953	169,170	118.34%

Owatonna Public Utilities
Uncollectible Accounts Activity
March 2026

Write-offs:

Bankruptcies
Uncollectibles
Small balances
Total Write-offs

2026			
March		Year-to-date	
# of accts	\$	# of accts	\$
		0	\$ -
12	\$ 7,399.58	41	\$ 24,323.90
3	\$ 0.57	7	\$ 8.89
15	\$ 7,400.15	48	\$ 24,332.79
25	\$ 8,288.88	43	\$ 21,571.92
25	\$ 8,288.88	43	\$ 21,571.92

Collections:

Collections
Total Collections

2025			
March		Year-to-date	
# of accts	\$	# of accts	\$
1	\$ 2,634.60	1	\$ 2,634.60
228	\$ 110,867.67	228	\$ 110,867.67
36	\$ 51.71	36	\$ 51.71
265	\$ 113,553.98	265	\$ 113,553.98
118	\$ 37,636.94	118	\$ 37,636.94
118	\$ 37,636.94	118	\$ 37,636.94

**Owatonna Public Utilities
Investment Report, Electric
3/31/2026**

	Financial Institution	Month Invested	Maturity Month	Term (Mos)	Current Interest Rate	Balance March 2025	Balance February 2026	Balance March 2026	
Operating Funds:									
Acct# 110378948	Bremer Bank/Old Nat'l Bank				0.00%	(257,554.33)	(209,955.87)	198,065.48	
Cash on Hand	None				0.00%	960.00	960.00	960.00	
Total Operating Funds						(256,594.33)	(208,995.87)	199,025.48	
Money Market & Savings:									
Acct# 26032391	Raymond James				0.03%	250,545.06	0.06	0.06	
Acct# 672631288	Bremer Bank/Old Nat'l Bank				2.37%	5,171,966.73	7,022,445.99	8,014,386.87	
Acct# RP-57586-CE	UBS Financial Services				0.03%	4,570.28	12,260.92	12,261.23	
Total MM & Savings						5,427,082.07	7,034,706.97	8,026,648.16	Change PM
Subtotal Cash, Electric						5,170,487.74	6,825,711.10	8,225,673.64	1,399,962.54
Certificates of Deposit:									
CD #2000051130	Home Federal Savings	Mar-23	Mar-26	36	4.06%		1,000,000.00	-	
CD #14042TFD4	Capital One Bank USA (UBS)	Apr-22	Apr-26	48	2.60%		245,000.00	245,000.00	
CD #1603876	Community Bank Owatonna	Dec-22	Dec-26	48	4.25%		1,500,000.00	1,500,000.00	
CD #68676797	Bremer Bank	Feb-24	Feb-27	36	4.00%		600,000.00	600,000.00	
CD #07371CG37	Beal Bank NV (UBS)	Feb-22	Feb-27	60	1.85%		245,000.00	245,000.00	
CD #07371AYL1	Beal Bank Plano TX (UBS)	Feb-22	Feb-27	60	1.85%		245,000.00	245,000.00	
CD #1604001	Community Bank Owatonna	Mar-23	Mar-28	60	4.25%		900,000.00	900,000.00	
CD #1604635	Community Bank Owatonna	Nov-24	Nov-28	48	3.80%		750,000.00	750,000.00	
CD #2000058550	Home Federal Savings	Feb-24	Feb-29	60	3.95%		900,000.00	900,000.00	
CD #3012915	Profinium	Nov-24	Nov-29	60	4.00%		500,000.00	500,000.00	
CD #3016155	Profinium	Jul-25	Jul-30	60	3.85%		400,000.00	400,000.00	
Total Certificates of Deposit						7,885,000.00	7,285,000.00	6,285,000.00	Change PM
Total Funds, Electric						13,055,487.74	14,110,711.10	14,510,673.64	399,962.54
Restricted Funds:									
Unspent Capital from Work Orders Approved in Prior Years						1,528,504.72	1,927,333.17	1,646,290.66	
PDO Reserve						783,000.00	794,000.00	801,000.00	
Consumer Deposits						52,750.00	51,630.00	51,060.00	
PIES revolving loan fund						250,000.00	250,000.00	250,000.00	
Total Restricted Funds						2,614,254.72	3,022,963.17	2,748,350.66	Change PM
Net Unrestricted Funds, Electric						10,441,233.02	11,087,747.93	11,762,322.98	674,575.05
Required Reserves:									
Operating Reserve Minimum Requirement						4,729,439.00	4,524,739.00	4,524,739.00	
Capital Reserve Minimum Requirement						5,390,077.00	7,022,616.00	7,022,616.00	
Total Reserve Minimum Requirement						10,119,516.00	11,547,355.00	11,547,355.00	% of Target
Excess Unrestricted Reserves, Electric						321,717.02	(459,607.07)	214,967.98	101.9%

Plans For Future Capital Reserves or Excess Reserves: (2026 - Plan Total= \$7.85M); (2027-30 = \$23.26M)

Substation/Electric Lines - Land & Construction approx \$3.95M (2026); \$16.3M (2027-2030)	Streetlights approx. \$2.1M (2026 - 2030)
Security/IT Software/Hardware- approx. \$285K (Current - 2026); \$469K (2027-2030)	Transformers approx. \$520K (2026); \$2.51M (2027-2030)
Vehicles approx. \$2.5M (2026-2030)	
New Service Territory - approx. \$0.9 million (2030); Service Territory Pmts - \$3.97M (2026-30)	

**Owatonna Public Utilities
Investment Report, Water
3/31/2026**

	Financial Institution	Month Invested	Maturity Month	Term (Mos)	Current Interest Rate	Balance March 2025	Balance February 2026	Balance March 2026	
Operating Funds:									
Acct# 110378948	Bremer Bank/Old Nat'l Bank				0.00%	(155,899.34)	(101,668.52)	211,790.79	
Cash on Hand	None				0.00%	480.00	480.00	480.00	
Total Operating Funds						<u>(155,419.34)</u>	<u>(101,188.52)</u>	212,270.79	
Money Market & Savings:									
Acct# 26032391	Raymond James				0.03%	4,123.83	8,774.56	8,774.78	
Acct# 672631288	Bremer				2.37%	<u>3,534,605.55</u>	<u>4,325,804.88</u>	4,690,827.16	
Total MM & Savings						<u>3,538,729.38</u>	<u>4,334,579.44</u>	4,699,601.94	Change PM
Subtotal Cash, Water						3,383,310.04	4,233,390.92	4,911,872.73	678,481.81
Certificates of Deposit:									
CD #3002610	Profinium	Mar-23	Mar-26	36	4.00%		400,000.00	-	
CD# 85628AAU4	State Bank India (RJ)	Jul-25	Jul-26	12	4.25%		239,000.00	239,000.00	
CD #160203194	Bremer Bank	Nov-24	Nov-26	24	4.15%		500,000.00	500,000.00	
CD #1603878	Community Bank Owatonna	Dec-22	Dec-26	48	4.25%		500,000.00	500,000.00	
CD #838734581	Bremer Bank	Feb-24	Feb-27	36	4.00%		750,000.00	750,000.00	
CD #61773TDG5	Morgan Stanley Bank NA (RJ)	Apr-22	Apr-27	60	2.75%		246,000.00	246,000.00	
CD #3016150	Profinium	Jul-25	Jul-27	24	3.95%		400,000.00	400,000.00	
CD #1604002	Community Bank Owatonna	Mar-23	Mar-28	60	4.25%		500,000.00	500,000.00	
CD #2000058557	Home Federal Savings	Feb-24	Feb-29	60	3.95%		250,000.00	250,000.00	
Total Certificates of Deposit						<u>4,115,000.00</u>	<u>3,785,000.00</u>	3,385,000.00	Change PM
Total Funds, Water						7,498,310.04	8,018,390.92	8,296,872.73	278,481.81
Restricted Funds:									
Unspent Capital from Work Orders Approved in Prior Years						1,145,312.87	1,072,428.71	510,298.25	
PDO Reserve						375,000.00	407,000.00	406,000.00	
Consumer Deposits						6,990.00	6,620.00	6,400.00	
Water Service Line Protection Program Balance						231,503.79	254,526.79	258,301.18	
Water Expansion (excess/shortage compared to reserve requirement total)						<u>554,326.28</u>	<u>653,835.28</u>	657,067.28	
Total Restricted Funds						<u>2,313,132.94</u>	<u>2,394,410.78</u>	1,838,066.71	Change PM
Net Unrestricted Funds, Water						5,185,177.10	5,623,980.14	6,458,806.02	834,825.88
Required Reserves:									
Operating Reserve Minimum Requirement						850,793.00	888,381.00	888,381.00	
Capital Reserve Minimum Requirement						3,052,551.00	2,633,290.00	2,633,290.00	
Water Expansion Reserve						-	-	-	
Total Reserve Minimum Requirement						<u>3,903,344.00</u>	<u>3,521,671.00</u>	3,521,671.00	% of Target
Excess Unrestricted Reserves, Water						1,281,833.10	2,102,309.14	2,937,135.02	183.4%

Plans For Future Capital Reserves or Excess Reserves: (2026 Plan Total = \$2.8M); (2027-30 = \$10.4M)
 Water Mains - \$553K (2025); approx. \$1.64 million (2026); \$4.4M (2027-2030)
 New Well - Land \$440K (2026); Water Tower - \$2M (2028)
 Water Tower restoration - approx. \$487K 2025, \$2.57M (2027-30); Rebuild Wells - \$438K (2026-30)

**Owatonna Public Utilities
Investment Report, Gas
3/31/2026**

	Financial Institution	Month Invested	Maturity Month	Term (Mos)	Current Interest Rate	Balance March 2025	Balance February 2026	Balance March 2026	
Operating Funds:									
Acct# 110378948	Bremer Bank/Old Nat'l Bank				0.00%	(141,561.52)	(6,332.58)	227,316.77	
Cash on Hand	None				0.00%	960.00	960.00	960.00	
Total Operating Funds						<u>(140,601.52)</u>	<u>(5,372.58)</u>	228,276.77	
Money Market & Savings:									
Acct# 1AB21566	Wells Fargo				0.00%	-	-		
Acct# 26032391	Raymond James				0.03%	19,562.02	31,627.91	32,694.10	
Acct# 97174	HomeTown Credit Union				0.00%	-			
Acct# 672631288	Bremer Bank				2.37%	3,652,448.26	2,085,164.81	3,603,912.38	
Total MM & Savings						<u>3,672,010.28</u>	<u>2,116,792.72</u>	3,636,606.48	Change PM
Subtotal Cash, Gas						3,531,408.76	2,111,420.14	3,864,883.25	1,753,463.11
Certificates of Deposit:									
CD #3002620	Profinium	Mar-23	Mar-26	36	4.00%		600,000.00	-	
CD #254673V45	Discover Bank (RJ)	Oct-22	Oct-26	48	4.45%		243,000.00	243,000.00	
CD #01882MAJ1	Alliant Credit Union (RJ)	Nov-23	Nov-26	36	5.60%		248,000.00	248,000.00	
CD #1603879	Community Bank Owatonna	Dec-22	Dec-26	48	4.25%		1,250,000.00	1,250,000.00	
CD #167527928	Bremer Bank	Feb-24	Feb-27	36	4.00%		650,000.00	650,000.00	
CD #3012930	Profinium	Nov-24	Nov-27	36	4.30%		500,000.00	500,000.00	
CD #1604003	Community Bank Owatonna	Mar-23	Mar-28	60	4.25%		600,000.00	600,000.00	
CD #930260981	Bremer Bank	Nov-24	Jan-28	48	3.80%		750,000.00	750,000.00	
CD #2000058564	Home Federal Savings	Feb-24	Feb-29	60	3.95%		850,000.00	850,000.00	
CD #3016160	Profinium	Jul-25	Jul-30	60	3.85%		700,000.00	700,000.00	
CD # 61776NVV2	Morgan Stanley PVT (RJ)	Jul-25	Jul-30	60	4.05%		244,000.00	244,000.00	
Total Certificates of Deposit						<u>7,170,000.00</u>	<u>6,635,000.00</u>	6,035,000.00	
Other:									
Land Holdings						660,266.23	660,266.23	660,266.23	
Total Other						<u>660,266.23</u>	<u>660,266.23</u>	660,266.23	Change PM
Total Funds, Gas						11,361,674.99	9,406,686.37	10,560,149.48	1,153,463.11
Restricted Funds:									
Unspent Capital from Work Orders Approved in Prior Years						1,005,770.09	848,480.64	514,632.12	
PDO Reserve						457,000.00	484,000.00	495,000.00	
Consumer Deposits						87,200.00	86,750.00	86,250.00	
Land Holdings						660,266.23	660,266.23	660,266.23	
Total Restricted / Non-Liquid Funds						<u>2,210,236.32</u>	<u>2,079,496.87</u>	1,756,148.35	Change PM
Net Unrestricted Funds, Gas						9,151,438.67	7,327,189.50	8,804,001.13	1,476,811.63
Required Reserves:									
Operating Reserve Minimum Requirement						3,194,424.00	3,565,185.00	3,565,185.00	
Capital Reserve Minimum Requirement						2,299,715.00	2,403,409.00	2,403,409.00	
Total Reserve Minimum Requirement						<u>5,494,139.00</u>	<u>5,968,594.00</u>	5,968,594.00	% of Target
Excess Unrestricted Reserves, Gas						3,657,299.67	1,358,595.50	2,835,407.13	147.5%

Plans For Future Capital Reserves or Excess Reserves: (2026 Plan Total = \$2.67M); (2027-30 = \$9.35M)

Gas Mains/Services - \$4.2M (2026 - 2030); Gas Connect Border Stations - approx. \$4.0M (2028)

Gas - Regulators/Services/Meters - \$570K (2026); \$2.45M (2027-30)

Vehicles - \$800K - (2027-2030)

**Owatonna Public Utilities
Investment Report, Consolidated
3/31/2026**

	Financial Institution	Month Invested	Maturity Month	Term (Mos)	Current Interest Rate	Balance March 2025	Balance February 2026	Balance March 2026	
Operating Funds:									
Acct# 110378948	Bremer Bank/Old Nat'l Bank				0.00%	(555,015.19)	(317,956.97)	637,173.04	
Cash on Hand	None				0.00%	2,400.00	2,400.00	2,400.00	
Total Operating Funds						(552,615.19)	(315,556.97)	639,573.04	
Money Market & Savings:									
Acct# 1AB21566	Wells Fargo				0.00%	-	-	-	
Acct# 26032391	Raymond James				0.03%	274,230.91	40,402.53	41,468.94	
Acct# 97174	HomeTown Credit Union				0.00%	-	-	-	
Acct# 672631288	Bremer Bank				2.37%	12,359,020.54	13,433,415.68	16,309,126.41	
Acct# RP-57586-CE	UBS Financial Services				0.03%	4,570.28	12,260.92	12,261.23	
Total MM & Savings						12,637,821.73	13,486,079.13	16,362,856.58	Change PM
Subtotal Cash, Consolidated						12,085,206.54	13,170,522.16	17,002,429.62	3,831,907.46
Certificates of Deposit:									
Electric CDs						7,885,000.00	7,285,000.00	6,285,000.00	
Water CDs						4,115,000.00	3,785,000.00	3,385,000.00	
Gas CDs						7,170,000.00	6,635,000.00	6,035,000.00	
Total Certificates of Deposit						19,170,000.00	17,705,000.00	15,705,000.00	
Other:									
Land Holdings						660,266.23	660,266.23	660,266.23	
Total Other						660,266.23	660,266.23	660,266.23	Change PM
Total Funds, Consolidated						31,915,472.77	31,535,788.39	33,367,695.85	1,831,907.46
Restricted Funds:									
Unspent Capital from Work Orders Approved in Prior Years						3,679,587.68	3,848,242.52	2,671,221.03	
PDO Reserve						1,615,000.00	1,685,000.00	1,702,000.00	
Consumer Deposits						146,940.00	145,000.00	143,710.00	
PIES revolving loan fund						250,000.00	250,000.00	250,000.00	
Water Expansion (excess/shortage compared to reserve requirement total)						554,326.28	653,835.28	657,067.28	
Water Service Line Protection Program surplus						231,503.79	254,526.79	258,301.18	
Land Holdings						660,266.23	660,266.23	660,266.23	
Total Restricted / Non-Liquid Funds						7,137,623.98	7,496,870.82	6,342,565.72	Change PM
Net Unrestricted Funds, Consolidated						24,777,848.79	24,038,917.57	27,025,130.13	2,986,212.56
Required Reserves:									
Operating Reserve Minimum Requirement						8,774,656.00	8,978,305.00	8,978,305.00	
Capital Reserve Minimum Requirement						10,742,343.00	12,059,315.00	12,059,315.00	
Water Expansion Reserve Requirement						-	-	-	
Total Reserve Minimum Requirement						19,516,999.00	21,037,620.00	21,037,620.00	% of Target
Excess Unrestricted Reserves, Consolidated						5,260,849.79	3,001,297.57	5,987,510.13	128.5%

Plans For Future Capital Reserves or Excess Reserves: (2026 - 2030) Plan Total = \$60M

Substation/Electric Lines - Land & Construction approx \$3.95M (2026); \$16.3M (2027-2030)
Security/IT Software/Hardware- approx. \$285K (Current - 2026); \$469K (2027-2030)
Vehicles approx. \$2.5M (2026-2030)
New Service Territory - approx. \$0.9 million (2030); Service Territory Pmts - \$3.97M (2026-30)
Streetlights approx. \$2.1M (2026 - 2030)
Transformers approx. \$520K (2026); \$2.51M (2027-2030)
Water Mains - \$553K (2025); approx. \$1.64 million (2026); \$4.4M (2027-2030)
New Well - Land \$440K (2026); Water Tower - \$2M (2028)
Water Tower restoration - approx. \$487K 2025, \$2.57M (2027-30); Rebuild Wells - \$438K (2026-30)
Gas Mains/Services - \$4.2M (2026 - 2030); Gas Connect Border Stations - approx. \$4.0M (2028)
Gas - Regulators/Services/Meters - \$570K (2026); \$2.45M (2027-30)
Vehicles - \$800K - (2027-2030)

Work Order Status Report 2026

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Work Orders Completed:													
#	3	3	4	0	0	0	0	0	0	0	0	0	10
Dollar Amount Spent	\$1,485,796	\$294,840	\$523,123	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,303,758
Amount Budgeted*	\$1,145,000	\$387,000	\$1,365,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,897,000
% over/(under)	29.76%	-23.81%	-61.68%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-20.48%
Approved Workorder Additions	\$365,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$365,000
Combined Amount Approved**	\$1,510,000	\$387,000	\$1,365,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,262,000
Total % over/(under)	-1.60%	-23.81%	-61.68%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-29.38%

Approved New Work Orders:

Approved Year to date 43
Amount Budgeted* \$ 12,633,501

Approved Year to date 1
Amount Non-Budgeted \$ 35,000

Approved Work Order Additions:

Approved Year to date 1
Total Approved \$ 365,000

Cancelled Work Orders:

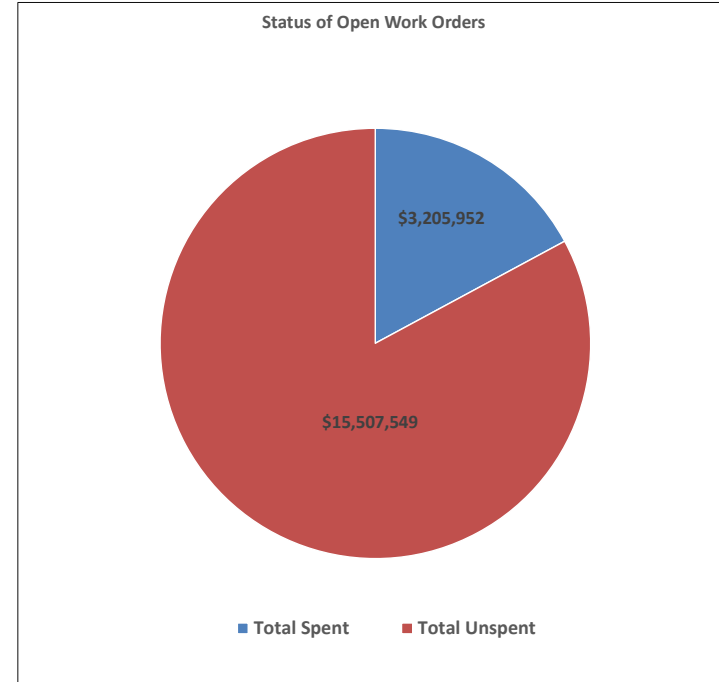
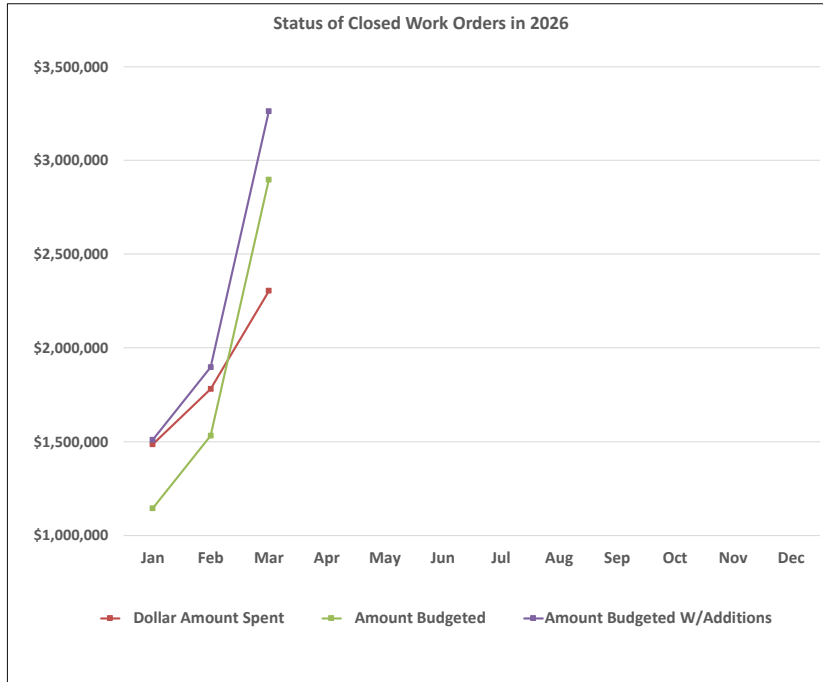
Cancelled Year to date 1
Amount Budgeted* \$ 150,000

Active Work Orders Open:

Mar-26
65
Dollar Amount Spent \$ 3,205,952
Combined Amount Approved** \$ 18,713,501

* Amount Budgeted = Original budget plus any new approved work order amounts, excluding work order additions

** Combined Amount Approved = Original budget, new approved worder amounts, plus any approved work order additions



Open Orders > 80% spent	Project	Description	Budget	Actual	%	Notes
E2025013	Replace vehicle #12	New Ele Substation vehicle	\$ 75,000	\$ 69,222	92.30%	The new unit is scheduled to have a topper installed
E2025035	Backup Generator VSB Garage Door	Backup power added to VSB garage doors for operation off generator in an emergency	\$ 10,000	\$ 10,083	100.83%	Minimal costs remaining, expected to close in April 2026
E2026027	Restore Lite Service Saver	Restore lite service saver 20kVA for secondary half power	\$ 9,000	\$ 7,969	88.55%	Minimal costs remaining, expected to close in April 2026
G2024002	Install new odorizer at WWTP	Waste Water Treatment Plant	\$ 80,000	\$ 85,433	106.79%	The work has not been completed and we are working with the City of Owatonna to come up with the best resolution on the final steps. We are nearing the end of the project, but it may take a few months before we are able to complete this work order
G2025004	Gas Services-2025	Gas Services	\$ 500,000	\$ 462,586	92.52%	This project will be closed in the spring of 2026 when the contractor can finish up any restoration issues identified after thawing

Open Orders > 2 Years old	Project	Description	Budget	Actual	%	Notes
E2022017	Purchase XCEL territory	Territory Acquisition	\$ 77,000	\$ 13,928	18.09%	Territory has been obtained and coordinating the infrastructure installation with Xcel Energy with an estimated completion date in Spring of 2026



2025 Financial Statement Audit

Owatonna Public Utilities



Introduction

- Audit Opinion and Responsibility
- General Fund Results
- Other Governmental Funds
- Key Performance Indicators



Audit Results

Auditor's Opinion

unmodified
opinion under
GAAP

Minnesota Legal Compliance

One instance
of
noncompliance

AUDIT RESULTS

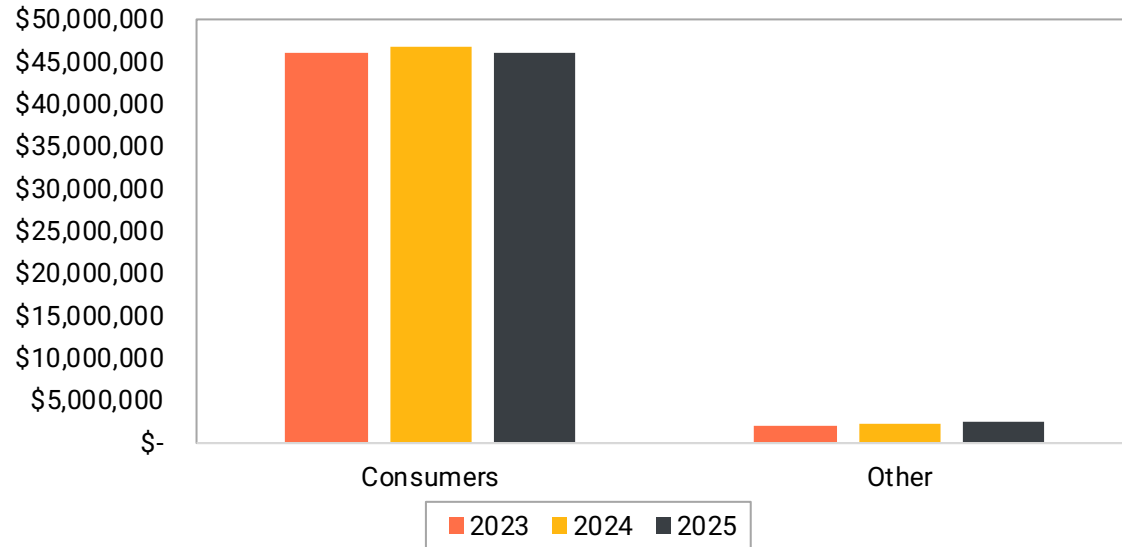
Fiscal Year 2025 Findings

- Insufficient Collateral Coverage
 - *Legal Compliance Finding*

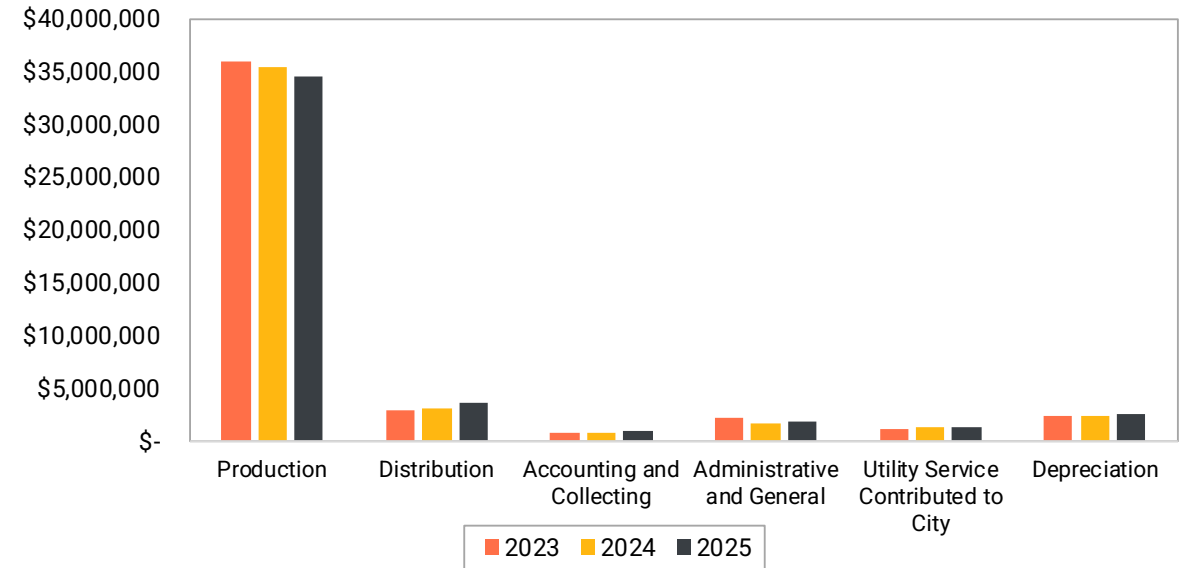
Electric Fund

Revenues and Expenses

Revenues by Type

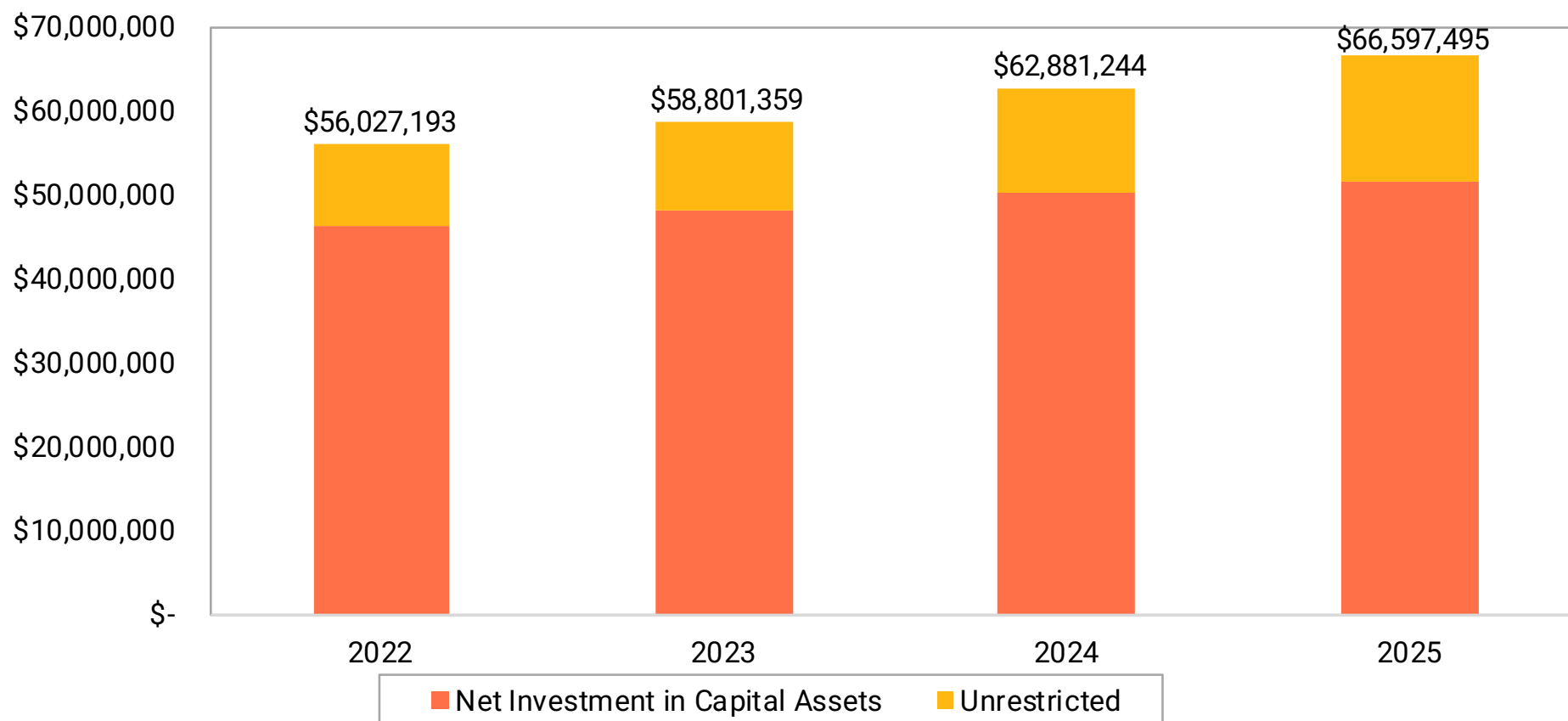


Expenses by Type



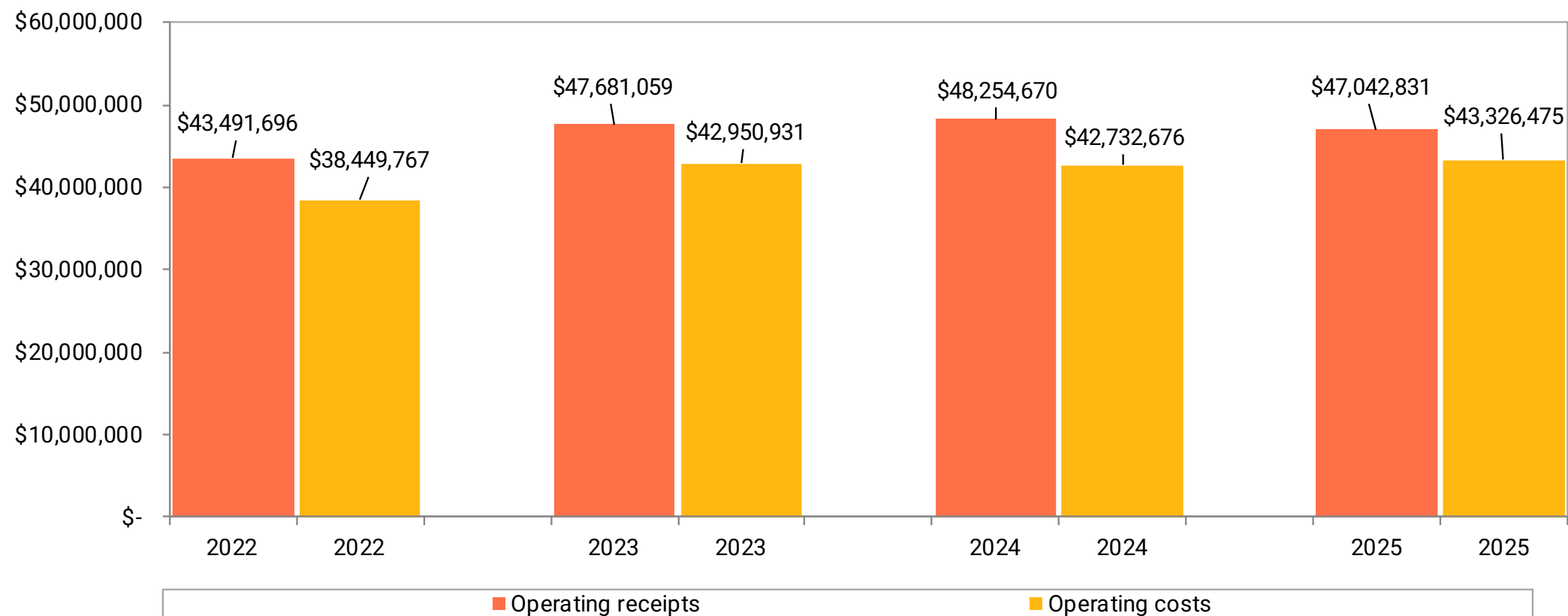
Electric Fund

Net Position



Electric Fund

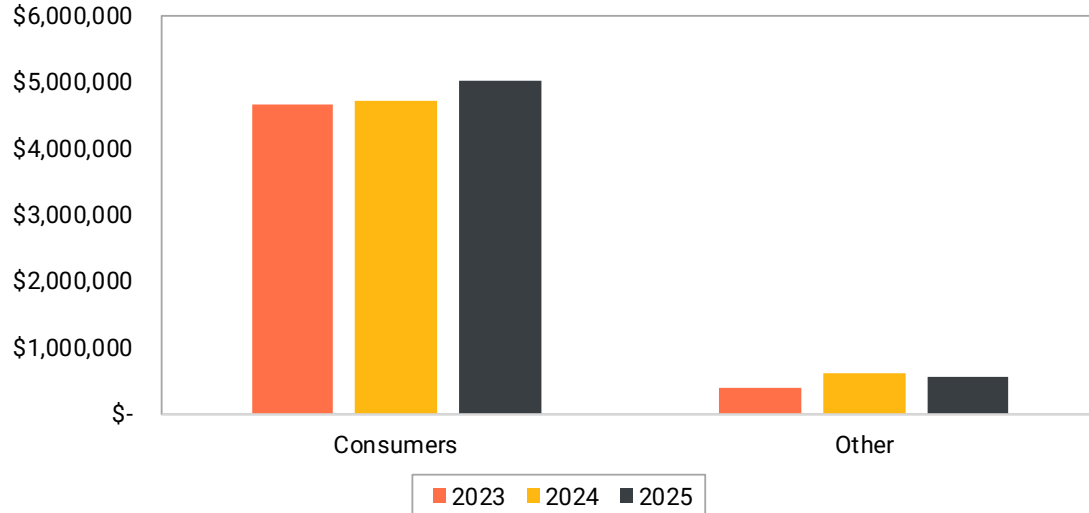
Cash Flows from Operations



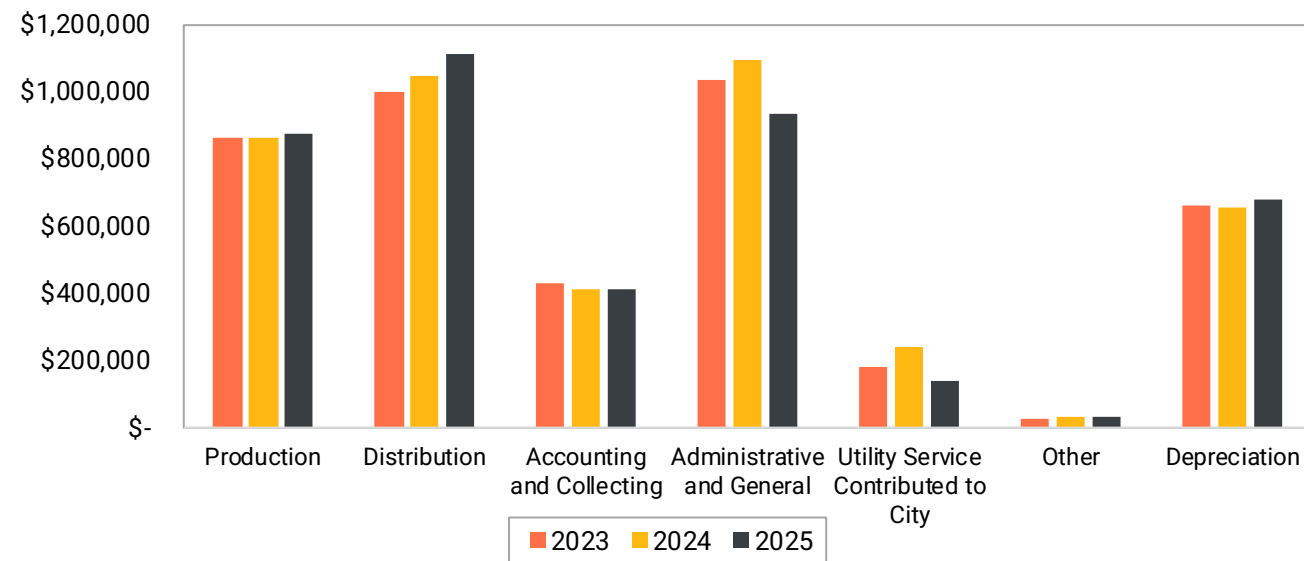
Water Fund

Revenues and Expense

Revenues by Type

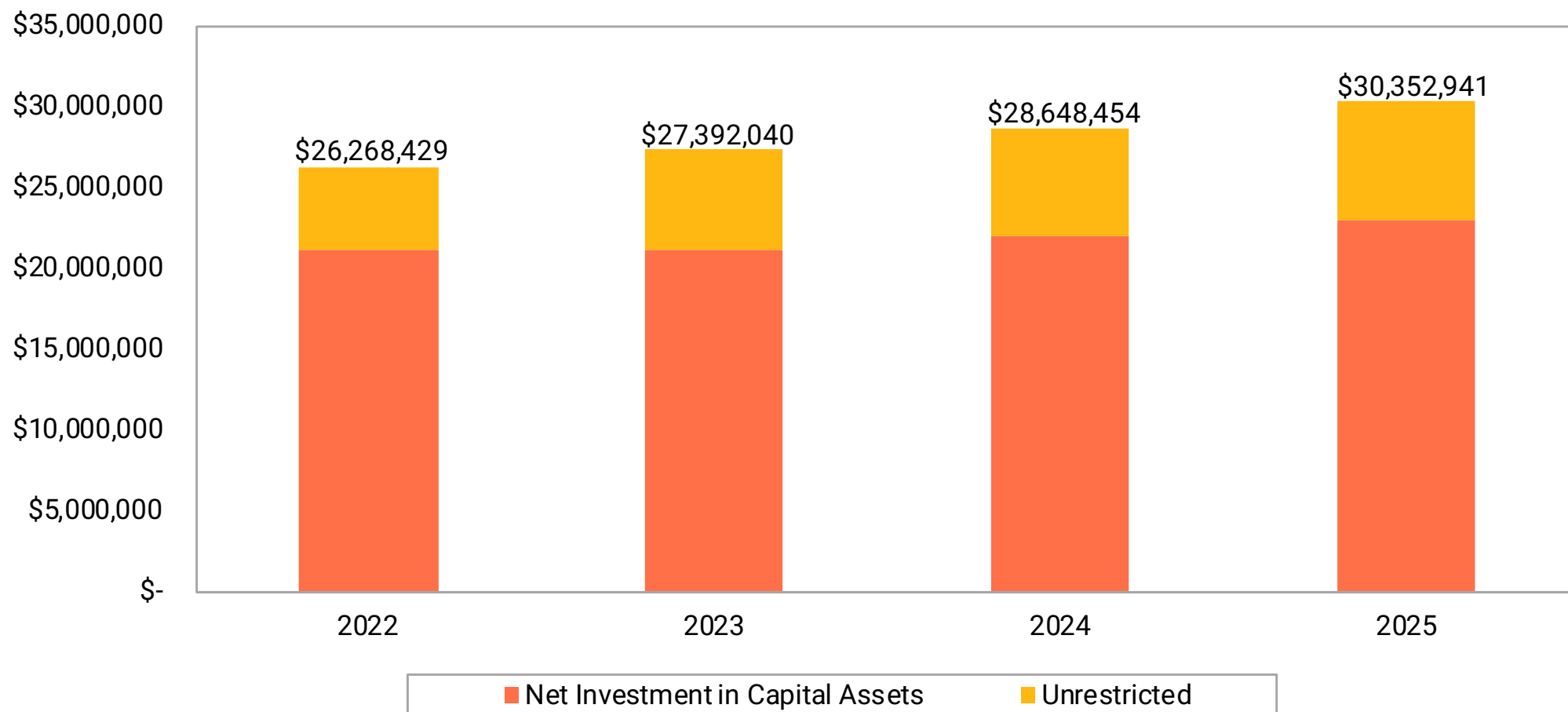


Expenses by Type



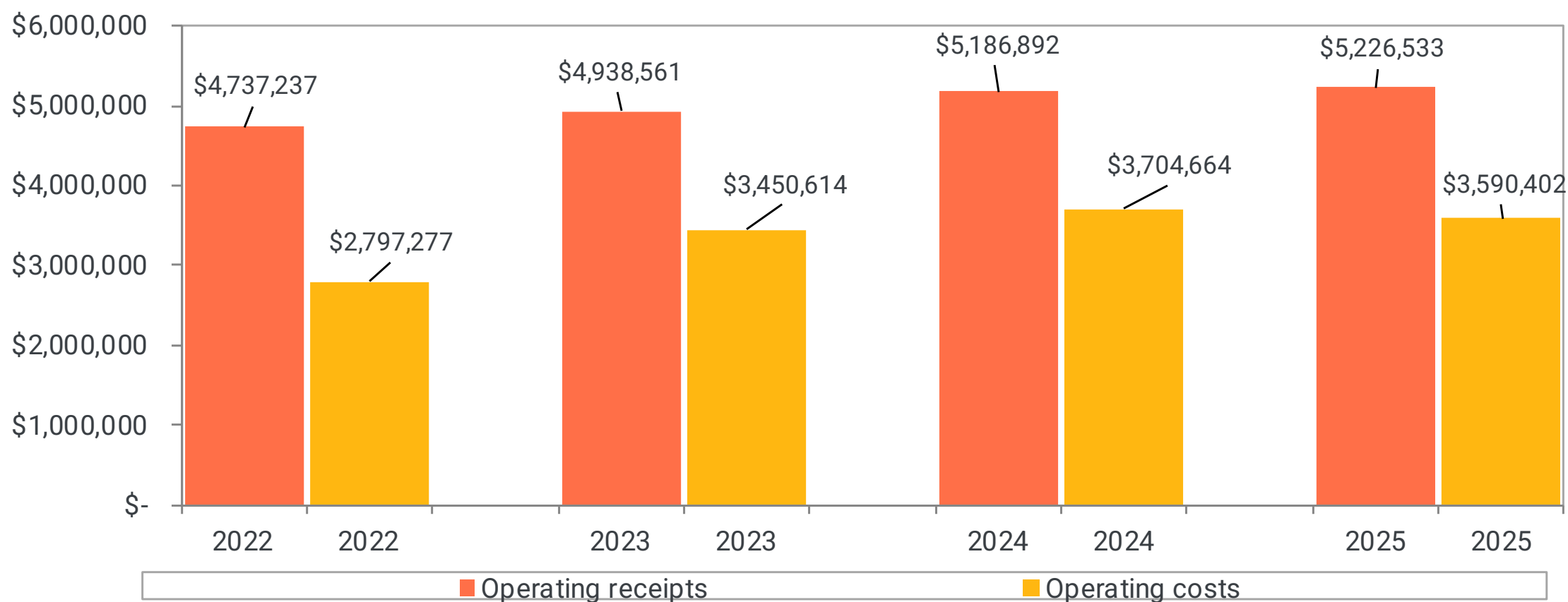
Water Fund

Net Position



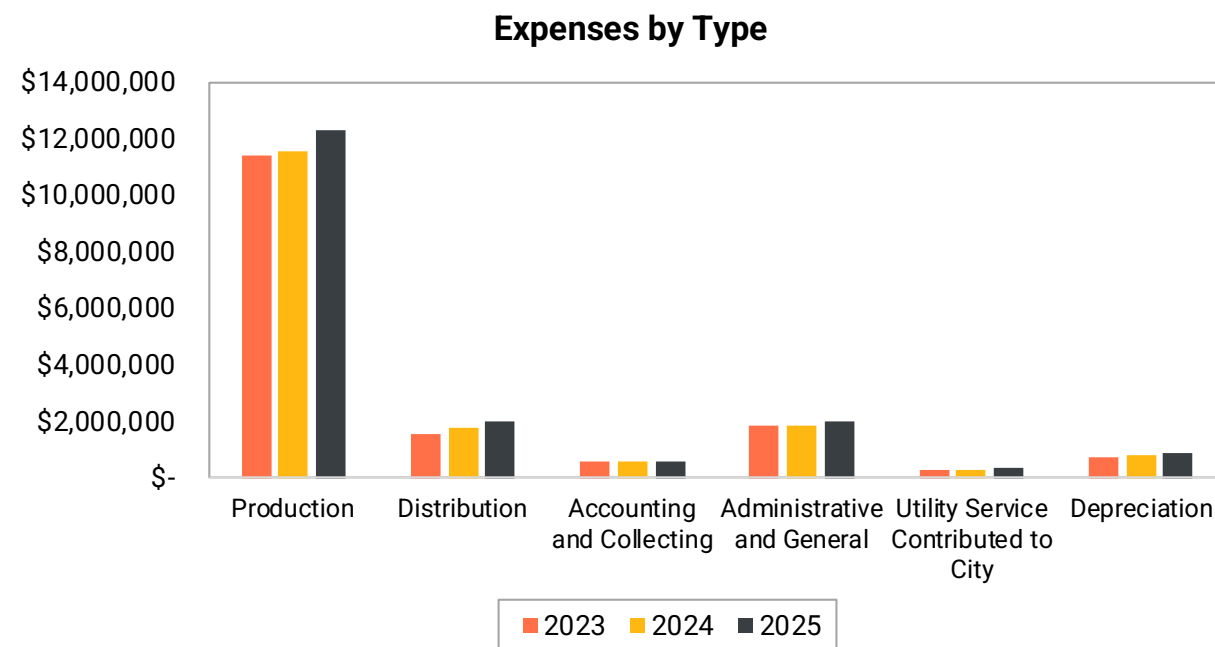
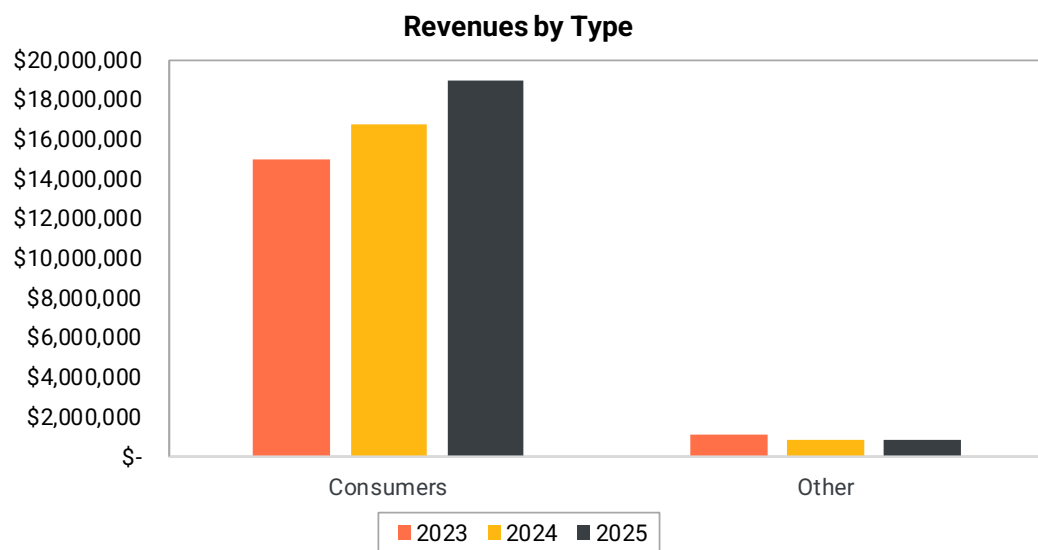
Water Fund

Cash Flows from Operations



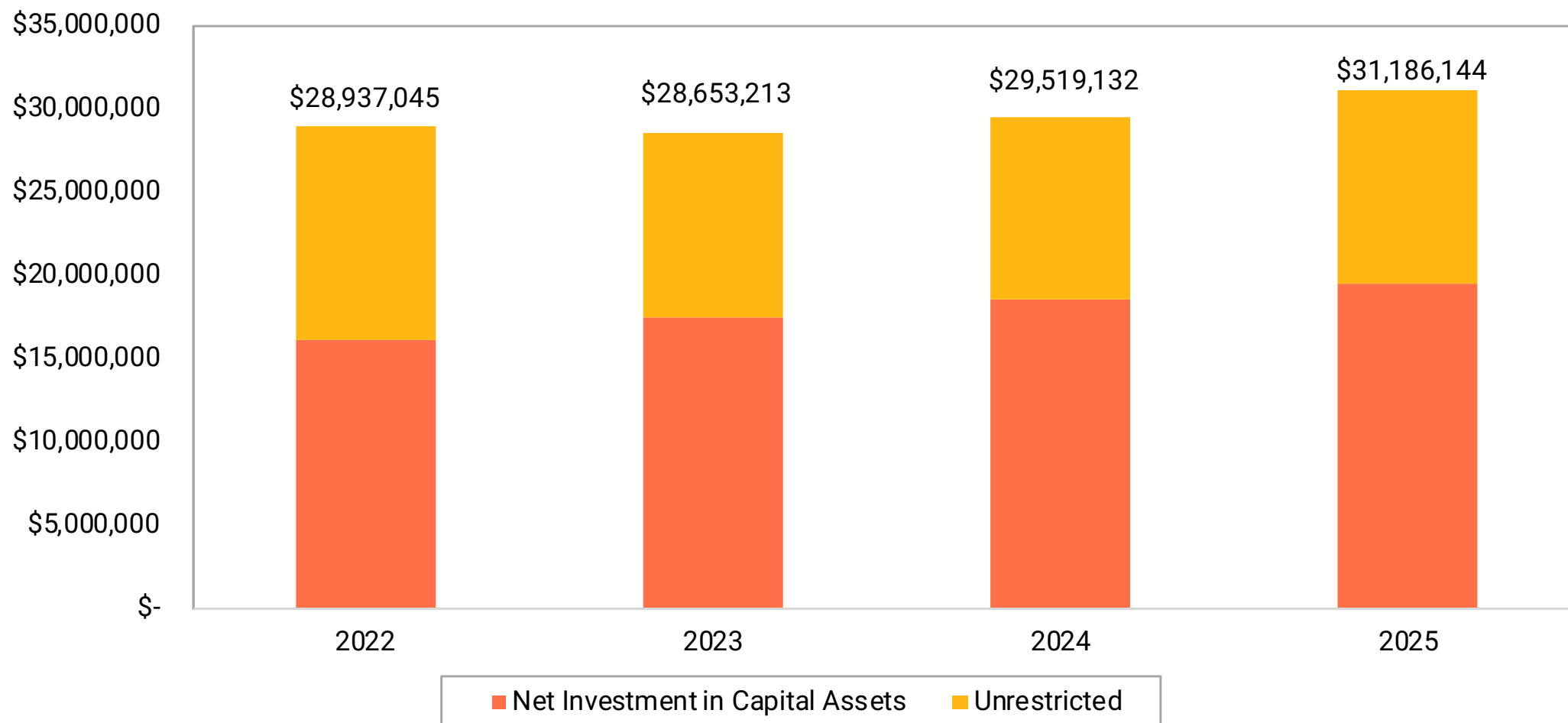
Gas Fund

Revenues and Expenses



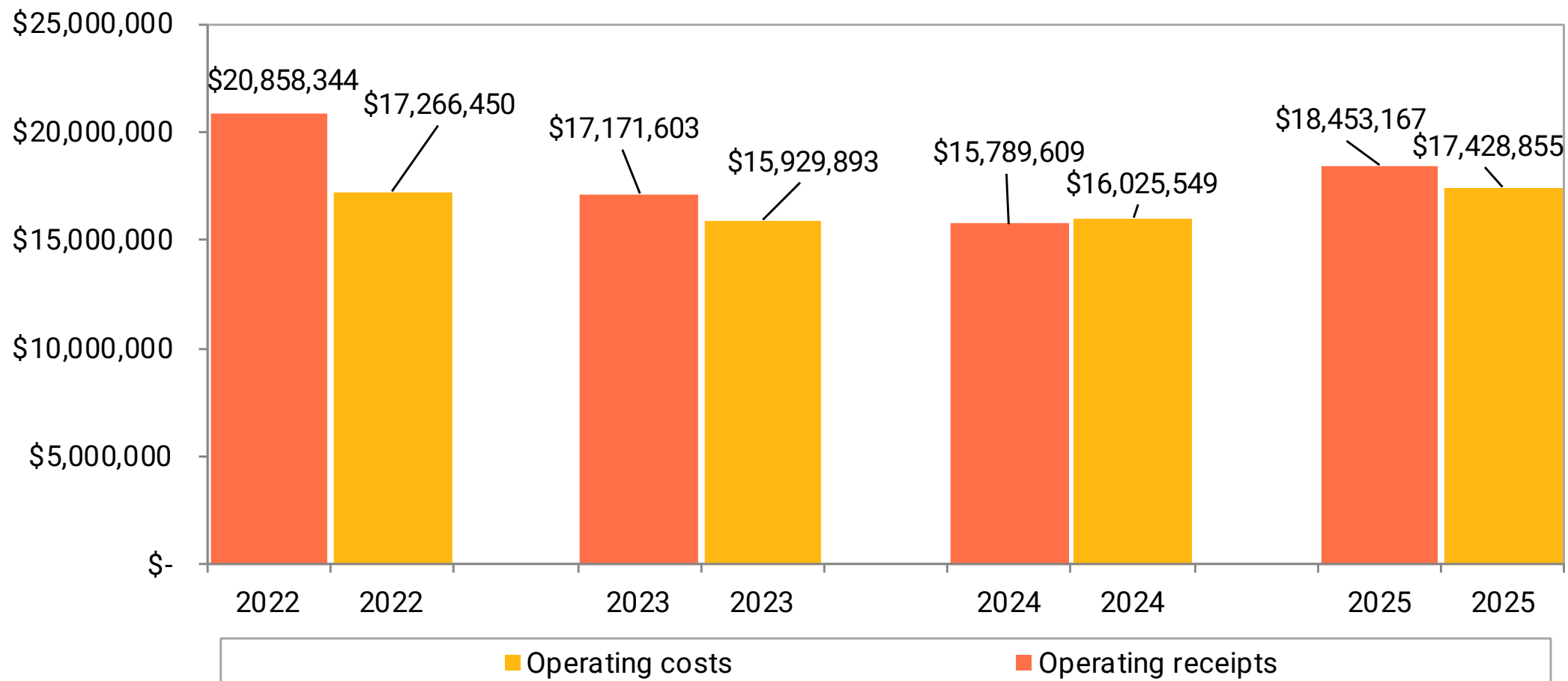
Gas Fund

Net Position

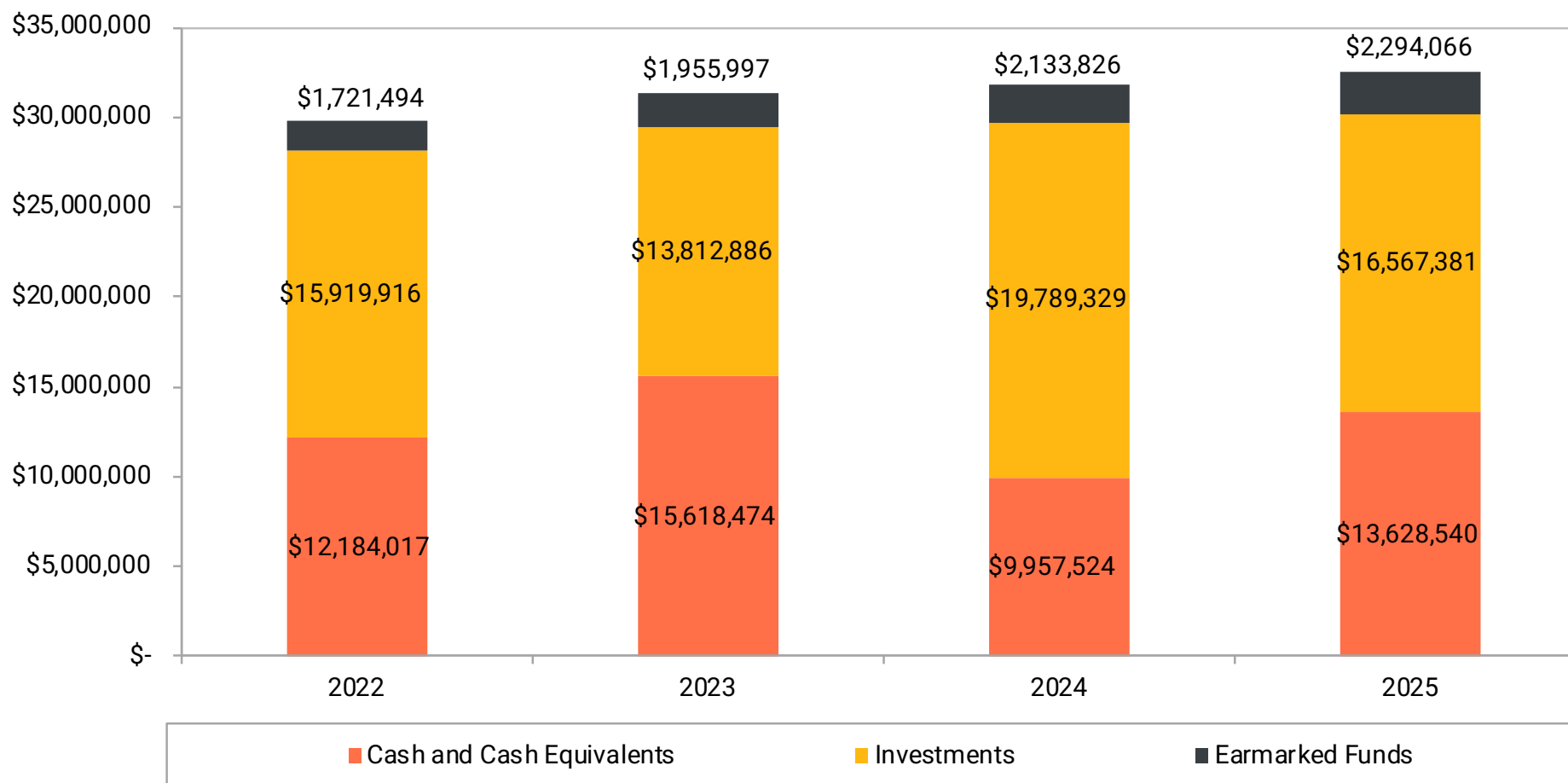


Gas Fund

Cash Flows from Operations



Combined Cash and Investment Balances



Key Notes

Leadership team staffing changes

Replacement of forward looking EAA policy with backward looking ETC policy

Address based watering rules to lower peak demand

Large Summer Windstorm Outage

Your Abdo Team



Tom
OLINGER
CPA - Partner



Abby
SCHMIDT
CPA – Senior Manager



Chad
GUSE
CPA -Senior Associate



Mara
RICHARDSON
Associate



MEMORANDUM

Date: April 22, 2026
To: OWATONNA PUBLIC UTILITIES COMMISSION
From: Dave Olson
Re: Authorized Bank Signer – Responsibility Change

Summary

Due to the recent and unexpected passing of General Manager Roger Warehime, it is necessary to designate a new authorized bank signer to conduct banking and investment transactions on behalf of Owatonna Public Utilities (OPU). Commission action is required to formally authorize a replacement.

For reference, Director of Finance and Administration Tim Linders is also authorized as a bank signer on behalf of OPU. It is advisable to authorize two bank signers to provide continuity when one signer is not available. Past practice has been for the Commission to authorize both the General Manager and the Director of Finance and Administration.

Recommendation

Staff requests the Commission vote to approve the following authorization:

“The Owatonna Public Utilities Commission hereby authorizes, and approves, David Olson, acting in the role of Interim General Manager, 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.”

When a permanent General Manager is hired, this matter will be brought back before the Commission for re-authorization.



MEMORANDUM

Date: April 22, 2026
To: OWATONNA PUBLIC UTILITIES COMMISSION
From: Dave Olson
Re: SMMPA Member Representative Delegation – Responsibility Change

Summary

Due to the recent and unexpected passing of General Manager Roger Warehime, it is necessary to designate a new primary representative to the Southern Minnesota Municipal Power Agency (SMMPA) Board on behalf of Owatonna Public Utilities. General Manager Warehime served as OPU's primary SMMPA representative.

For reference, at the February 25, 2025 Commission meeting, the Commission approved a change to the SMMPA alternate representative, designating Director, Engineering & Field Operations Christian Fenstermacher in place of former Director, Finance & Administration David Olson. Christian Fenstermacher currently holds the alternate representative role.

With David Olson now serving as Interim General Manager, the Commission is asked to consider who should serve in each role during this transition period while a permanent General Manager is recruited and hired.

Recommendation

The Commission may wish to consider one of the following two options:

Option A — Interim GM as Primary Representative

Primary Representative: David Olson, Interim General Manager

Alternate Representative: Christian Fenstermacher, Director, Engineering & Field Operations

This option aligns the primary representative role with the GM position, consistent with past practice.

Option B — Director of Engineering as Primary Representative

Primary Representative: Christian Fenstermacher, Director, Engineering & Field Operations

Alternate Representative: David Olson, Interim General Manager

This option recognizes that Mr. Fenstermacher has been serving as alternate and is already engaged with SMMPA.

Note: *With either option A or B, when a permanent General Manager is hired, staff recommends this delegation be brought back before the Commission for re-authorization at that time.*



MEMORANDUM

Date: 4/28/2026
To: Owatonna Public Utilities Commission
From: Josh Prokopec, Manager of Gas & Water Operations
Re: Policy Revision – Water Service Line Protection Program

Purpose

Staff is requesting Commission approval of the proposed revisions to the Water Service Line Protection Program (WSLPP). The Commission reviewed this item for informational purposes at the March 31 regular meeting and discussed it further at the April 20 Commission Work Session.

Requested Action

Staff requests that the Commission move to approve the revised Water Service Line Protection Program policy as presented, effective April 28, 2026.

POLICY

WATER SERVICE LINE PROTECTION PROGRAM

POLICY STATEMENTPURPOSE

~~The Water Service Line Protection Program (The Program) provides owners of residential properties affordable protection against the significant costs of repair or replacing leaking or damaged water service lines. In addition to providing a valuable service to OPU customers, the program is intended to minimize disruption and public hazard due to leaks which would not otherwise be repaired in a timely manner.~~

The Water Service Line Protection Program provides affordable protection for residential and commercial customers against the significant costs of repairing or replacing leaking or damaged water service lines. The program is designed to support customers while also reducing public hazards and service disruptions that may occur when leaks go unaddressed.

ELIGIBILITY

~~The program is available to OPU residential water customers for properties which are served by a single dedicated service line that only serves one customer in a single dwelling unit. The program is not available to customers whose service line is directly connected to a shared private water main. The program is not available to customers with homes not attached to a permanent foundation or homes having water service lines which OPU determines in its sole discretion are improperly installed, are in a state of disrepair, have been neglected or abused, or have adverse pre-existing conditions (e.g. existing leaks). Water services that serve both commercial and residential water customers off the same line are not eligible for this program.~~

~~The Program is not available to commercial or industrial customers.~~

All residential and commercial water customers are eligible to participate. Industrial customers are not eligible.

Customers on properties with a building not attached to a permanent foundation or have service lines that are improperly installed, neglected, in disrepair, or affected by pre-existing conditions are not eligible for coverage.

Commercial customers on properties with service lines larger than 4 inches in diameter totaling more than 300 feet in length are not eligible for the program. Combined fire and domestic service lines will be eligible up to a 6 inch diameter line, for lines no longer in total length than 300 feet.

COVERAGE

~~Water service lines are property of the homeowner, who has the responsibility to repair any damage between the corporation stop or saddle and the inlet meter valve. Water mains, water meters, and meter~~

~~couplings are the property of and maintained by the Owatonna Public Utilities. The Program will cover the cost of repair or replacement of the leaking customer owned service line, including the corporation stop or saddle, service line, curb stop, curb stop box, and inlet meter valve. Coverage will also include back filling trenches and restoration of the road right of way for repairs covered under the Program. Restoration will include the street, curb, public sidewalk, boulevard, and driveway approach up to the property line. In the case where an OPU owned main is buried under private property (i.e. private road), restoration of private property, including road, driveway and sidewalk, will be covered up to the point 10 feet to the house side of the curb stop box. In the case where a private watermain is buried under private property (i.e. private road) all restoration work shall be the owner's responsibility. Thawing of a frozen service line will be covered under the Program once per year.~~

~~Restoration from the property line to the building, including landscaping, concrete, pavement, retaining walls, trees, sod, and any other surface and subsurface improvements will be the responsibility of the owner. The restoration inside the building will be the responsibility of the homeowner, with the~~

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Water Service Line Protection Program – policy #602.35

~~exception of a 3'x3' maximum concrete replacement near the meter if a new service line is pulled into the property. The Program will not cover: incidental or consequential damage resulting from water service line break or leak; repair of customer owned utilities, irrigation systems, and dog fences; required service line upgrades in conjunction with street projects or lead service lines; improperly installed service lines; pre-existing conditions, negligence or abuse; lack of adequate heat during freezing conditions within the previous 3 years; and damage from natural disaster or fire. The outlet meter valve and customer piping will not be covered under the Program. The following curb stop box items will not be covered: broken cover or box, silted in box, vertical adjustment of box, relocation, bent or misalignment, seized operating nut, customer/third party damage, and damage from natural disaster or fire. When curb stop and meter valve are both inoperable, repair of meter valve will be covered.~~

Water service lines are the property of the landowner, who has the responsibility to repair the water service lines from the connection at the public water main into the building to the end use appliance or plumbing fixture. Public water mains and water meter assemblies are the property of and maintained by OPU.

The program will cover the cost of repairing or replacement of the service line, including all components from the connection at the public main to the meter assembly. Replacement of service lines for service line deficiencies related to public health initiatives will be covered under the program. Thawing of a frozen service line is covered once per calendar year. Coverage will include trench backfilling and restoration will include the public street infrastructure in public right-of-way and on private property will include landscaping, pavement, concrete, and other improvements. Private property restoration will not include structures, such as decking or retaining walls, decorative landscaping features and plantings other than grass.

Interior restoration is the customer's responsibility, except for up to a 3' x 3' concrete replacement near the meter when a new service line is installed. The Program does not cover incidental or consequential damages, customer-owned utilities or irrigation systems, service line upgrades required for street projects, improper installation, pre-existing conditions, negligence, inadequate heating, natural disasters, fires, outlet meter valves, or interior customer piping.

There is a per incident limit of \$15,000.

FUNDING AND BILLING

Customers enrolled in the program will be charged a fee. The fee will be added to the monthly utility bill for property owners who have the utilities in their own name. The fee will be billed annually for properties where the utilities are billed to someone other than the owner (e.g. tenant/landlord).

Funds collected will be restricted and cannot be used for general utility operations or considered as general operating reserves. Funds will be used for Water Service Line Protection Program costs including repairs and replacements, marketing, and administration. Funds may also be used to repair customer water service line property (e.g. curb stop valves) damaged by OPU without regard to whether or not the property is enrolled in the program.

The charge to eligible customers will be \$0.99-\$1.33 per month for residential and \$4.99 per month for commercial, billed with their water services. Fees are subject to change and will be reviewed annually. The fee will be billed annually for properties where the utilities are billed to someone other than the owner (e.g., tenant/landlord). A customer shall be refunded their Program monthly fees if it is determined they were not eligible under the Program eligibility requirements.

Opt-Out and Opt-In

Customers may opt out of the Program at any time by submitting a written form or visiting OPU in person. Phone requests require returning a completed form, and coverage ends within five days of OPU receiving it. Customers who previously opted out may re-enroll after an inspection confirming that no pre-existing conditions exist. Properties that have remained continuously enrolled do not require inspection when ownership changes.

Customer and Utility Responsibilities

Customers are responsible for reviewing Program terms, reporting leaks promptly, providing access for inspections, hiring qualified contractors, keeping payments current, and submitting detailed invoices for reimbursement up to the per incident limit. OPU is responsible for inspecting leaks, determining eligibility, providing program documentation, assisting customers in understanding requirements, inspecting completed work, assisting with shut-offs, and reimbursing eligible expenses. OPU retains sole discretion over all coverage decisions.

ADDITIONAL PROGRAM DETAILS

Additional program details may be defined through OPU Procedures.

TAXES

The above rates do not include any taxes.

EFFECTIVE DATE – ~~January 1, 2023~~August 1, 2026

Adopted this ~~28th~~27th day of ~~April~~December, 20226 by the Owatonna Public Utilities Commission,

_____, President.

~~Jay S. Johnson~~Kent D. Rossi

~~Doug Z. Zirngible~~Gregory J. Vetter
Vice President

~~Roger E. Warehime~~David Olson
Interim General Manager

~~Matt Kottke~~Jay S. Johnson
Commissioner

Effective: ~~January 1, 2015~~August 1, 2026

Revised: January 1, 2016

January 1, 2023

April 28, 2026

~~Kent D. Rossi~~Douglas A. Zirngible
Commissioner

~~Randall Doyal~~Sharon E. McLane
Commissioner

POLICY

WATER SERVICE LINE PROTECTION PROGRAM

PURPOSE

The Water Service Line Protection Program provides affordable protection for residential and commercial customers against the significant costs of repairing or replacing leaking or damaged water service lines. The program is designed to support customers while also reducing public hazards and service disruptions that may occur when leaks go unaddressed.

ELIGIBILITY

All residential and commercial water customers are eligible to participate. Industrial customers are not eligible.

Customers on properties with a building not attached to a permanent foundation or have service lines that are improperly installed, neglected, in disrepair, or affected by pre-existing conditions are not eligible for coverage.

Commercial customers on properties with service lines larger than 4 inches in diameter totaling more than 300 feet in length are not eligible for the program. Combined fire and domestic service lines will be eligible up to a 6 inch diameter line, for lines no longer in total length than 300 feet.

COVERAGE

Water service lines are the property of the landowner, who has the responsibility to repair the water service lines from the connection at the public water main into the building to the end use appliance or plumbing fixture. Public water mains and water meter assemblies are the property of and maintained by OPU.

The program will cover the cost of repairing or replacement of the service line, including all components from the connection at the public main to the meter assembly. Replacement of service lines for service line deficiencies related to public health initiatives will be covered under the program. Thawing of a frozen service line is covered once per calendar year. Coverage will include trench backfilling and restoration will include the public street infrastructure in public right-of-way and on private property will include landscaping, pavement,

Page 2

Water Service Line Protection Program - #602.35

concrete, and other improvements. Private property restoration will not include structures, such as decking or retaining walls, decorative landscaping features and plantings other than grass.

Interior restoration is the customer's responsibility, except for up to a 3' × 3' concrete replacement near the meter when a new service line is installed. The Program does not cover incidental or consequential damages, customer-owned utilities or irrigation systems, service line upgrades required for street projects, improper installation, pre-existing conditions, negligence, inadequate heating, natural disasters, fires, outlet meter valves, or interior customer piping.

There is a per incident limit of \$15,000.

Funding and Billing

Customers enrolled in the program will be charged a fee. The fee will be added to the monthly utility bill for property owners who have the utilities in their own name. The fee will be billed annually for properties where the utilities are billed to someone other than the owner (e.g. tenant/landlord).

Funds Collected will be restricted and cannot be used for general utility operations or considered as general operating reserves. Funds will be used for Water Service Line Protection Program costs including repairs and replacements, marketing and administration. Funds may also be used to repair customer water service line property (e.g. curb stop valves) damaged by OPU without regard to whether or not the property is enrolled in the program.

The charge to eligible customers will be \$0.99 per month for residential and \$4.99 per month for commercial, billed with their water services. Fees are subject to change and will be reviewed annually. The fee will be billed annually for properties where the utilities are billed to someone other than the owner (e.g., tenant/landlord).

Opt-Out and Opt-In

Customers may opt out of the Program at any time by submitting a written form or visiting OPU in person. Phone requests require returning a completed form, and coverage ends within five days of OPU receiving it. Customers who previously opted out may re-enroll after an inspection confirming that no pre-existing conditions exist. Properties that have remained continuously enrolled do not require inspection when ownership changes.

Customer and Utility Responsibilities

Customers are responsible for reviewing Program terms, reporting leaks promptly, providing access for inspections, hiring qualified contractors, keeping payments current, and submitting detailed invoices for reimbursement up to the per incident limit. OPU is responsible for inspecting leaks, determining eligibility,

Page 3
Water Service Line Protection Program - #602.35

providing program documentation, assisting customers in understanding requirements, inspecting completed work, assisting with shut-offs, and reimbursing eligible expenses. OPU retains sole discretion over all coverage decisions.

Additional Program Details

Additional program details may be defined through OPU Procedures.

Taxes

The above rates do not include any taxes.

Effective Date – August 1, 2026

Adopted this 28th day of April 2026 by the Owatonna Public Utilities Commission,

_____, President
Kent D. Rossi

Gregory J. Vetter
Vice President

David Olson
Interim General Manager

Jay S. Johnson
Commissioner

Douglas A. Zirngible
Commissioner

Effective: August 1, 2026
Revised: January 1, 2023
April 28, 2026

Sharon E. McLane
Commissioner



MEMORANDUM

Date: April 22, 2026
To: OWATONNA PUBLIC UTILITIES COMMISSION
From: Josh Prokopec
Re: 2026 Gas Improvements Bid

Summary

Staff is requesting Commission authorization to award the 2026 Gas System Improvements contract.

Background

OPU conducts an annual gas system improvements project as part of its ongoing commitment to maintaining the safety, reliability, and integrity of its natural gas distribution system. State and federal pipeline safety regulations require utilities to continuously inspect, maintain, and upgrade gas infrastructure to meet current standards and address aging components.

Each year, staff identifies priority work based on system condition assessments, regulatory requirements, and capital planning. This work is then publicly bid to qualified contractors in accordance with OPU's procurement policies. The Commission is asked to authorize the contract award each year as part of its oversight of significant capital expenditures.

Typical work included in the annual gas system improvements project may involve main replacements or upgrades, service line improvements, pressure system enhancements, and related infrastructure work necessary to keep the gas distribution system operating safely and in compliance with applicable regulations.

OPU's 2026 Gas System Improvement project is coordinated with City and County Street reconstruction efforts. Planned work locations include 18th Street SE from Austin Road to Bixby Road, and Main Street from Oak Avenue to just east of Elm Avenue.

Bid Process

The project was publicly advertised in accordance with OPU's procurement requirements. Sealed bids were solicited and received from qualified contractors.

Bids Received

Contractor	Bid Amount	Notes
Engineers Estimate	\$695,705.00	
Q3 Contracting	\$753,429.99	Staff Recommended Low Bid
NPL Construction	\$754,221.03	
Michels Services	\$1,421,161.58	

Requested Action

Staff requests that the Commission review the submitted bids and, if comfortable, authorize the award of the 2026 Gas System Improvements contract to the lowest responsible bidder (Q3 Contracting) as recommended by staff. Staff will be present to answer any questions regarding the scope of work, the bid process, or the basis for its recommendation.



MEMORANDUM

Date: April 22, 2026
To: OWATONNA PUBLIC UTILITIES COMMISSION
From: Christian Fenstermacher
Re: 2026 Tree Trimming Bid

Summary

Staff is requesting Commission review of bids received for OPU's vegetation management contract and, if the Commission is comfortable, authorization to reject all bids. Staff consulted Mark Walbran due to concerns with one of the bid submissions and based on his recommendation, we are recommending to reject all bids and advertise for new bids to be submitted. I will be presenting the details around these concerns for Commission's consideration.

Background

The tree trimming plan has been modified from a three year contract based on labor hours only to a project based annual contract that identifies set circuits to trim for the year. There are concerns around the effectiveness of that labor based contract, therefore the change to a project based contract. Under the new contract, the contractor will be expected to complete the work within the contract price, regardless of hours worked.

The last several contracts have been awarded, based on low responsible bid, to Carr's Tree Service out of Ottertail, MN. The last contract was set to expire at the end of 2025, but we have been extending the contract one month at a time until we have awarded the 2026 contract.

OPU has recently transitioned its vegetation management program to leverage AI-driven tools through a company called AI Dash. The new tools are on a platform called the Intelligent Vegetation Management System (IVMS), which applies satellite imagery and AI analysis to assess tree proximity to OPU's distribution lines and prioritize trimming work with a risk-based approach.

Through the analysis in IVMS, we have observed a 23% increase in high risk growth in proximity to the distribution lines, reflecting insufficient progress under the prior contracts. The goal is to reduce high-risk line miles year over year, until we get back to a proper trimming cycle with minimal high-risk growth. We do expect to remain behind for the next couple of years as work catches up to that ideal trimming cycle.

Progress and contractor performance will be tracked through the IVMS platform.

Scope of Work

The base contract for 2026 covers 4 circuits and 27.6 line miles. An option exists to add 2 additional circuits covering 12 line miles. The budgeted amount for 2026 is \$400,000, of which \$125,000 has been spent with the month to month contract extension.

Bids Received

Contractor	Base Bid	Option	Total Bid Amount	Notes
Carr's Tree Service	\$246,170.00	\$95,075.00	\$341,245.00	See bid issues below.
Asplundh	\$444,770.00	\$123,563.00	\$568,333.00	67% higher than the low bidder
Tree Story	\$483,355.00	\$194,800.00	\$678,155.00	
New Age Tree Service	\$799,975.16	\$218,536.20	\$1,018,511.36	

Bid Issues

While Carr Tree Service submitted the lowest bid, their bid was submitted via email rather than in a sealed bid as was instructed in the bid instructions and advertisement. Mark Walbran has provided a letter with his recommendation to reject the Carr's Tree Service bid out of fairness due to bid instructions not being followed.

Mark Walbran has also recommended to reject the remaining bids due to the stark difference in price between the next lowest bid, Asplundh, and the Carr's Tree Service bid. This is due to the public interest in achieving the most cost-effective bid. This recommendation was made solely based on the difference in price with case-law backing that action. Mark did indicate that it would be acceptable to award the bid to Asplundh should the Commission decide the difference in price is acceptable.

Mark Walbran's letter with recommendation is attached for the Commission's review.

Recommendation

Staff is recommending to reject all bids and immediately re-advertise for new bids. We would communicate bid instructions to all participating parties for proper bid submission.

Alternatively, the Commission may decide to award the bid to Asplundh.

Staff is prepared to answer questions and provide any additional context needed to support the Commission's decision.

WALBRAN & FURNESS

CHARTERED

ATTORNEYS AT LAW

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OWATONNA, MINNESOTA 55060

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MARISSA R. WUNDERLICH, ASSOCIATE
mwunderlich@walbranfurnesslaw.com

JOHN P. WALBRAN (1913-1993)
MARY P. WALBRAN (1915-1995)

April 22, 2026

The Commissioners of Owatonna Public Utilities
208 S. Walnut Ave.
Owatonna, MN 55060

RE: Vegetation Management Contract

Dear Commissioners of Owatonna Public Utilities,

Owatonna Public Utilities (OPU) on March 21, 2026, placed an Advertisement for Bids for vegetation management services in the *Owatonna Peoples Press*. It was published on March 21, March 28, and April 4th, 2026. The Advertisement said that OPU would receive the bids at its Main Office at 208 S Walnut Ave, Owatonna, MN until 1 pm on April 9, 2026. The advertisement noted that:

“OPU reserves the right to, (1) defer acceptance of any bid, not to exceed 40 days, (2) reject any or all bids, (3) waive any informalities and technicalities”.

The “INSTRUCTIONS TO BIDDERS” were sent out to interested vendors. The instructions stated that:

“Bids shall be contained in a sealed envelope conspicuously marked “bid – tree trimming” and addressed to the attention of Tim Linders. Bids are to be delivered by 1 pm, March 25, 2026 to the Main Office only. No bid will be received after this time and date. Bids received late, unmarked or unsealed, will be returned to the bidder. Bids will be publicly opened and read immediately following the bid deadline on March 25, 2026 and may be awarded at the Owatonna Public Utilities Commission March 26th, 2026, meeting. The date and time of the meeting will be posted on the OPU website.” (Emphasis supplied.)

The instructions also provided that:

“The Owatonna Public Utilities reserves the right to waive informalities and/or technicalities in any bid and to accept and/or reject any part or all of said bid it deems to be in its best interest”.

On March 18, 2026, OPU issued Addendum #1 changing the bid opening date to April 9, 2026.

Four bids were received. The bids of Asplund, Tree Story, and New Age were all submitted as specified in the instructions.

Carr's bid was sent via email just before the 1 pm bid opening to Michael Enright and not to Tim Linders. Carr's bid was not submitted in a marked and sealed envelope and was not delivered to the Main Office on Walnut Ave.

Some bidders whose bids deviate from the specifications are regarded as material deviations in which case they may be disregarded. For example, a material deviation is one where the bidder increases its bid after the bid opening, even if its still the lowest bid.

Other irregularities are regarded as minor, for example, submitting a bid a few minutes late.

The issue here is whether the deviation of the Carr's bid is material or minor.

The Uniform Municipal Contracting Law, Minn. Stat. § 471.345, states that contracts estimated to be over \$175,000 requires that a sealed bid be submitted.

Sealed bids are required to ensure fairness, transparency, and competition. Public policy considerations restrict the rights of the bidder on a public contract because those requirements are intended for the benefit and protection of the public and to prevent fraud, collision and favoritism. Vol. 13, McQuillin, Municipal Corporations, Sec. 37:107, p.385.

The bids of the 3 other bidders who complied with the sealed bid requirement were all greater than Carr's bid. Carr's bid, although it was lowest, was not a sealed bid as

OPU

Page 3

Vegetation Management Contract

required by Minnesota Law.

OPU's invitation to bid clearly states that it has the right to reject all bids. It is within the OPU's contractual powers to reject all bids and rebid the project. In the interest of equity and fairness, its my recommendation that OPU reject all bids and readvertise the project.

Respectfully,



Mark M. Walbran



MEMORANDUM

Date: 4/22/2026
To: OWATONNA PUBLIC UTILITIES COMMISSION
From: Damian Baum, Director of Technology and Metering
Re: Proposed AI Use Policy and Related Policy Amendments

Summary

Artificial intelligence tools are becoming a routine part of the modern workplace, and OPU is no exception. Staff across the organization are increasingly encountering AI-powered features embedded in everyday software and web-based tools. As this technology continues to evolve rapidly, OPU has an opportunity to get ahead of it — establishing clear, practical guardrails that allow staff to benefit from AI while protecting the organization, our systems, and the customers we serve.

Staff is presenting three related policy documents for Commission review at the March meeting, with a recommendation to bring them forward for **formal approval at the April Commission meeting**.

Proposal

What Is Being Proposed

1. OPU AI Acceptable Use Policy (New)

A new standalone policy that establishes OPU's governance framework for AI tool use. Key elements include:

- Designation of **Claude Teams** (provided by Anthropic) as OPU's approved enterprise AI tool, selected for its strong data protection commitments, contractual prohibition on using OPU data for model training, and enterprise-grade security controls
- A **data classification framework** that defines what types of information may or may not be used with AI tools — prohibiting customer PII, critical infrastructure data, credentials, and other sensitive data from being entered into any AI tool
- Clear prohibition on **"shadow AI"** — the use of personal AI accounts, free consumer tools, or unapproved browser-based AI assistants for OPU work

- A **tiered approval and risk framework** for any OPU-deployed AI systems, scaled to the sensitivity of the application
- **Vendor disclosure requirements** ensuring that third parties proactively inform OPU when AI is embedded in services they provide

2. Acceptable Use Policy (AUP) — Amendment (Policy 380.00, Version 5.0)

The existing AUP is being updated to align with the new AI policy and to modernize several provisions. Notable changes include:

- **Section 4.1.3** — Strengthened third-party data sharing language to require that agreements with AI vendors include specific data protection provisions (data ownership, no-training commitments, breach notification, and security standards), with the Director of Technology responsible for verifying these are in place before any AI tool is approved
- **Section 4.1.4** — Expanded personal use guidance to add clarity on timing, prohibited personal use categories, and an explicit reminder that OPU Systems — including personal use — are subject to the Minnesota Government Data Practices Act and may be subject to public records requests
- **Section 4.2.3** — Expanded to explicitly prohibit unauthorized cloud-based services, browser extensions, and AI tools, not just installed software
- **Section 4.2.4** — Updated phishing guidance to reflect modern threats, including AI-generated impersonation and social engineering tactics
- **Section 4.4 (New)** — Added a dedicated AI tools section directing staff to the AI Acceptable Use Policy and reinforcing that personal AI accounts and unapproved tools are prohibited for OPU work

3. Customer Information Privacy Policy (CIPP) — Amendment (Policy 901.00)

The existing privacy policy, last updated in 2018, is being substantially modernized to reflect current OPU operations and legal obligations. Key changes include:

- Complete restructuring into clearly defined sections covering what information OPU collects, how it is used, when it may be shared, and customer rights
- New dedicated section on **Advanced Metering Infrastructure (AMI)** data, acknowledging the more detailed interval usage data collected through OPU's current metering systems and affirming that this data is treated with particular care
- Explicit alignment with the **Minnesota Government Data Practices Act (MGDPA)** as the governing framework for customer data requests
- Clarified **data sharing standards** — affirming that OPU does not sell customer information and limiting sharing to service delivery, legal obligations, safety situations, and aggregated/de-identified data
- Updated **data security language** and a new section on data retention consistent with Minnesota records retention requirements

- Formal designation of the **Data Practices Compliance Officer** contact

Why This Matters

These three documents are intentionally designed to work together. The AI Use Policy establishes OPU's AI governance framework. The AUP amendments integrate AI into OPU's existing acceptable use structure. The CIPP amendments ensure that customer data protections explicitly extend to AI-related contexts. Together, they position OPU to use emerging technology responsibly — protecting customer data, managing organizational risk, and maintaining the public trust that is central to OPU's mission.

Recommendation

Staff recommends the Commission review the attached draft policies and provide any feedback or direction to staff. Staff intends to bring all three documents forward for **formal approval at the April Commission meeting**. Draft copies of each policy are attached.

OWATONNA PUBLIC UTILITIES

ACCEPTABLE USE POLICY — REDLINE

Policy 380.00 | Comparing: v4 (Effective February 1, 2024) → v5 (Revised [Date])
Prepared for OPU Commission review

Inserted text = new language added in v5

Deleted text = language removed from v4

This redline reflects all substantive changes between the adopted v4 AUP (February 1, 2024) and the proposed v5 revision. Sections with no substantive changes are noted but not reproduced in full.

Policy Header

Owatonna Public Utilities | Policy 380.00 | Effective: February 1, 2024 | Revised: [Date]

1. Overview

No substantive changes. Text is unchanged from v4.

2. Purpose

No substantive changes. Text is unchanged from v4.

3. Scope

No substantive changes. Text is unchanged from v4.

4. Policy

4.1 General Use and Ownership

4.1.1 Unchanged.

4.1.2 Unchanged.

4.1.3 Users may access, use, or share OPU proprietary or sensitive information only to the extent it is authorized and necessary to fulfill their assigned job duties. In such cases, proprietary or sensitive information may only be shared with outside entities, including but not limited to 3rd parties, contractors, ~~ChatGPT, or other online services where a data or non-disclosure agreement is in place.~~ and external services, where an appropriate agreement is in place. For standard third-party services, a non-disclosure agreement is required at

minimum. For AI tools and services, the governing agreement must include appropriate data protection provisions — including data ownership, prohibition on training models with OPU data, security standards, and breach notification — consistent with the requirements of the OPU AI Acceptable Use Policy. The Director of Technology is responsible for verifying these provisions are in place before any AI tool is approved for OPU use. Use of AI tools for OPU work is governed by the AI Acceptable Use Policy. Additionally, vendors providing services to OPU must proactively disclose any use of AI in the delivery of those services, including AI embedded in software platforms, automated decision-making features, analytics tools, and third-party integrations. This disclosure requirement applies at contract initiation and whenever a vendor materially changes how AI is used in their service. The Director of Technology is responsible for ensuring this requirement is reflected in vendor contracts and procurement processes.

Summary of 4.1.3 changes: Removed specific mention of "ChatGPT" (replaced with vendor-neutral language). Added tiered agreement standard distinguishing standard third-party tools (NDA minimum) from AI tools (must include data protection provisions). Added new vendor AI disclosure obligation requiring vendors to disclose AI use in their services, with a Director of Technology compliance role.

4.1.4 OPU Systems are designed and intended for the sole purpose of conducting OPU business. Personal use may be allowed in limited amounts, ~~subject to the following:~~ subject to the following:

Users are responsible for exercising good judgment regarding the reasonableness of personal use. ~~Individual OPU departments are responsible for creating User guidelines concerning personal use of OPU Systems. In the absence of such guidelines, Users should consult their supervisor, manager, or the OPU IT Department.~~ Personal use must occur primarily during break periods, lunch, or before and after work hours, and must not impact work productivity, deadlines, or system performance. Personal use of OPU Systems may be limited or prohibited based on the needs of conducting OPU business.

Users have no expectation of privacy when using OPU Systems, including for personal purposes. All activity on OPU Systems may be monitored, accessed, and reviewed by OPU IT staff and management. Additionally, as a municipal utility, OPU is subject to the Minnesota Government Data Practices Act (MGDPA). Activity on OPU Systems — including personal use — may be subject to public records requests, potentially making personal communications or activity publicly accessible. Users should carefully consider this exposure before using OPU Systems for personal matters, and are encouraged to use personal devices and accounts for sensitive personal topics.

The following personal uses are never acceptable on OPU Systems, regardless of timing:

- Illegal activities or content
- Content that violates OPU's harassment, discrimination, or workplace policies
- Operating a personal business or side venture
- Political campaigning or advocacy
- Any activity that could embarrass OPU or damage its public reputation

For personal use of AI tools specifically, additional standards and limitations apply as established in the OPU AI Acceptable Use Policy.

Summary of 4.1.4 changes: Replaced department-level guideline model with a unified, organization-wide personal use standard. Added explicit timing requirement (breaks, lunch, before/after hours). Added no-expectation-of-privacy statement and MGDPA/public records warning for personal use. Added never-acceptable uses list. Added cross-reference to AI Acceptable Use Policy for AI-specific personal use standards.

4.1.5 *Unchanged.*

4.2 Security

4.2.1 *Unchanged.*

4.2.2 *Unchanged.*

4.2.3 Users may not install unauthorized software on OPU Systems. ~~Approval of software, devices, and access to OPU Systems will be conducted by the OPU Director of Technology or the OPU IT Supervisor.~~ , nor

may they access or use unauthorized cloud-based services, web-based tools, browser extensions, or AI tools on OPU Systems or for OPU work. This includes free consumer versions of services where an enterprise equivalent exists or has been approved. Approval of software, cloud services, web-based tools, and access to OPU Systems will be conducted by the OPU Director of Technology or the OPU IT Supervisor.

Summary of 4.2.3 changes: Expanded from software-only prohibition to cover cloud-based services, web tools, browser extensions, and AI tools. Added explicit prohibition on free consumer versions where an enterprise equivalent exists.

4.2.4 Users must use extreme caution when accessing electronic communications ~~from unknown senders containing links, attachments, or other methods, which may contain malware or attempt to phish sensitive information from the User.~~ from any source, as malicious actors increasingly use sophisticated methods — including AI-generated content, impersonation of trusted individuals, and social engineering — to compromise OPU Systems or obtain sensitive information. This applies regardless of the apparent sender. When in doubt about the legitimacy of any communication, Users should verify through a separate, known-good channel before clicking links, opening attachments, or acting on requests involving credentials, financial transactions, or sensitive data. Suspicious communications should be reported to the IT Department immediately.

Summary of 4.2.4 changes: Modernized phishing warning. Removed the "unknown senders" qualifier (modern threats often impersonate trusted contacts). Added AI-generated content and social engineering as named threat vectors. Added verification guidance and reporting requirement.

4.3 Unacceptable Use

Introductory paragraph: Unchanged.

4.3.1 System and Network Activities

Items 1–9: *Unchanged (text is substantively identical; minor formatting normalization only).*

Item 4 (accessing Systems for non-OPU purposes): ~~Accessing Systems or accounts for any purpose other than conducting OPU business, even if the User has authorized access, is prohibited.~~ Accessing Systems or accounts for any purpose other than conducting OPU business is prohibited, except where personal use is explicitly permitted under Section 4.1.4 of this policy. Personal use must comply with all conditions and restrictions established in that section.

Summary of Item 4 change: Reconciled the absolute prohibition with the personal use framework in 4.1.4, which permits limited personal use under specific conditions. The revised language preserves the prohibition but carves out the expressly permitted personal use.

Item 10 (sharing sensitive data without agreement): ~~Sharing sensitive organization data, including customer identifiable data, with 3rd parties without a signed non-disclosure agreement.~~ Sharing sensitive organization data, including customer identifiable data, with 3rd parties without an appropriate agreement in place. The required agreement standard varies by service type and is defined in Section 4.1.3 of this policy.

Summary of Item 10 change: Updated to reflect the tiered agreement standard introduced in 4.1.3. "Signed non-disclosure agreement" replaced with "appropriate agreement" with a cross-reference to 4.1.3, which now requires higher-level data protection provisions for AI tools.

4.3.2 Communication Activities

Unchanged.

4.3.3 Social Media

Unchanged in substance. Minor structural reordering: the introductory paragraph ("When using social media...") was moved to precede the numbered items for improved readability. No content was added or removed.

4.4 Artificial Intelligence Tools *[New section — entirely new in v5]*

OPU's use of artificial intelligence tools and services is governed by the OPU AI Acceptable Use Policy, which should be read in conjunction with this AUP. All staff using AI tools for OPU work must comply with that policy in addition to the requirements of this AUP.

The use of personal AI accounts, free consumer AI tools, or any AI service not approved by the Director of Technology for OPU work is prohibited, regardless of intent or perceived convenience. This includes browser-based AI assistants and AI features embedded in non-approved applications. Approved AI tools must be accessed using OPU organizational credentials, IT-provided methods, and any authentication controls required by IT.

Staff who are uncertain whether a specific AI tool or use case is permitted should consult the OPU AI Acceptable Use Policy or contact the IT Department before proceeding.

Summary of Section 4.4: Entirely new section. Establishes AUP-level prohibition on unapproved AI tools (personal accounts, consumer free tools, browser AI assistants, AI embedded in non-approved apps). Cross-references the AI Acceptable Use Policy as the governing document for AI-specific requirements. Sets credential and authentication requirements for approved AI tools.

5. Policy Compliance

5.1 Compliance Measurement *Unchanged.*

5.2 Exceptions

~~Any exception to the policy must be approved by the OPU Director of Technology in advance.~~

Any exception to this policy must be approved by the OPU Director of Technology in advance. Where OPU has adopted supplemental policies governing specific technologies, systems, or use cases, those policies may establish their own tiered exception and approval processes. Such processes, when defined in an OPU-adopted policy, constitute valid exception mechanisms under this AUP and supersede the requirement for Director of Technology approval for matters within the scope of that supplemental policy.

Summary of 5.2 change: Expanded to accommodate the AI Acceptable Use Policy's tiered approval framework (low/medium/high risk tiers). Supplemental policies may define their own exception processes for matters within their scope without requiring a separate Director of Technology approval for each instance.

5.3 Non-Compliance

~~Non-compliance may result in disciplinary action, up to and including termination for an OPU employee, or loss of access to OPU Systems for a contractor or outside entity. Use of OPU System for defamatory, illegal, or fraudulent purposes is also subject to civil liability and criminal prosecution.~~

Non-compliance may result in disciplinary action, up to and including termination for an OPU employee, or loss of access to OPU Systems for a contractor or outside entity. Use of OPU Systems for defamatory, illegal, or fraudulent purposes is also subject to civil liability and criminal prosecution. Where OPU has adopted supplemental policies governing specific technologies or use cases, those policies may define their own violation severity classifications and corresponding consequences. Such frameworks operate within and are consistent with this AUP's enforcement authority, and should be read together with this section when determining appropriate disciplinary response.

Summary of 5.3 change: Preserved all original enforcement language. Added accommodation for the AI Acceptable Use Policy's violation severity table (minor/moderate/serious/severe tiers), which operates within the AUP's enforcement authority rather than replacing it.

Revision History

Version	Effective Date	Description	Approved By
1.0	February 1, 2003	Initial policy	OPU Commission
2.0	December 1, 2015	Revised	OPU Commission
3.0	September 1, 2019	Revised	OPU Commission
4.0	February 1, 2024	Revised	OPU Commission
<u>5.0</u>	<u>[Date]</u>	<u>AI policy alignment; modernized security provisions; added vendor AI disclosure requirement to Section 4.1.3</u>	<u>OPU Commission</u>

POLICY

ACCEPTABLE USE POLICY

1. OVERVIEW

Owatonna Public Utilities (OPU) embraces a culture of openness, trust, and integrity. This Acceptable Use Policy (AUP) aims to guide employees, contractors, and other users in the responsible use of OPU's data, networks, equipment, systems, Internet/Cloud services, and websites (collectively, "Systems") by our employees, contractors, and other users of the Services (collectively, "Users"). OPU is committed to protecting OPU's employees, partners, and the company from illegal or damaging actions by individuals, either knowingly or unknowingly.

OPU Systems, including but not limited to local and cloud hosted systems and services, network resources, and workstations, are the property of OPU. These Systems are to be used for business purposes in serving the interests of the company, and of our clients and customers.

Each User is personally responsible for understanding and adhering to these guidelines in the conduct of their activities.

2. PURPOSE

This policy outlines the acceptable use of OPU Systems to protect both the Systems and Users from potential risks such as cybersecurity attacks, compromise of Systems, and legal issues.

3. SCOPE

This policy applies to all Users interacting with OPU Systems, including personnel affiliated with third parties, and covers all Systems owned or leased by OPU.

4. POLICY

4.1 General Use and Ownership

- 4.1.1 OPU proprietary information stored on electronic and computing devices whether owned or leased by OPU, the employee, or a third party, remains the sole property of OPU.
- 4.1.2 Users have a responsibility to promptly report the theft, loss, unauthorized access, or unauthorized disclosure of OPU Systems. This includes but is not limited to the loss of a technology device, proprietary or sensitive data, or compromised credentials.
- 4.1.3 Users may access, use, or share OPU proprietary or sensitive information only to the extent it is authorized and necessary to fulfill their assigned job duties. In such cases, proprietary or sensitive information may only be shared with outside entities, including but not limited to 3rd parties, contractors, and external services, where an appropriate agreement is in place. For standard third-party services, a non-disclosure agreement is required at minimum. For AI tools and services, the governing agreement must include appropriate data protection provisions — including data ownership, prohibition on training models with OPU data, security standards, and breach notification — consistent with the requirements of the OPU AI Acceptable Use Policy. The Director of Technology is responsible for verifying these provisions are in place before any AI tool is approved for OPU use. Use of AI tools for OPU work is governed by the AI Acceptable Use Policy. Additionally, vendors providing services to OPU must proactively disclose any use of AI in the delivery of those services, including AI embedded in software platforms, automated decision-making features, analytics tools, and third-party integrations. This disclosure requirement applies at contract initiation and whenever a vendor materially changes how AI is used in their service. The Director of Technology is responsible for ensuring this requirement is reflected in vendor contracts and procurement processes.
- 4.1.4 OPU Systems are designed and intended for the sole purpose of conducting OPU business. Personal use may be allowed in limited amounts, subject to the following:

Users are responsible for exercising good judgment regarding the reasonableness of personal use. Personal use must occur primarily during break periods, lunch, or before and after work hours, and must not impact work productivity, deadlines, or system performance. Personal use of OPU Systems may be limited or prohibited based on the needs of conducting OPU business.

Users have no expectation of privacy when using OPU Systems, including for personal purposes. All activity on OPU Systems may be monitored, accessed, and reviewed by OPU IT staff and management. Additionally, as a municipal utility, OPU is subject to the Minnesota Government Data Practices Act (MGDPA). Activity on OPU Systems — including personal use — may be subject to public records requests, potentially making personal communications or activity publicly accessible. Users should carefully consider this exposure before using OPU Systems for personal matters, and are encouraged to use personal devices and accounts for sensitive personal topics.

The following personal uses are never acceptable on OPU Systems, regardless of timing: - Illegal activities or content - Content that violates OPU's harassment, discrimination, or workplace policies - Operating a personal business or side venture - Political campaigning or advocacy - Any activity that could embarrass OPU or damage its public reputation

For personal use of AI tools specifically, additional standards and limitations apply as established in the OPU AI Acceptable Use Policy.

- 4.1.5 OPU reserves the right to monitor all Systems and User activity for security and AUP compliance purposes.

4.2 Security

- 4.2.1 System level and User level account security must comply with the secure access procedure governing secure User access and authentication to OPU systems and device protected lock screen settings. Providing access to another individual, either deliberately or through failure to secure its access, is prohibited.
- 4.2.2 Users are required to keep devices containing or having the ability to access proprietary or sensitive data appropriately secured (e.g., not leaving these items unattended in a public place or in open view inside a vehicle) and to limit access to only authorized Users.
- 4.2.3 Users may not install unauthorized software on OPU Systems, nor may they access or use unauthorized cloud-based services, web-based tools, browser extensions, or AI tools on OPU Systems or for OPU work. This includes free consumer versions of services where an enterprise equivalent exists or has been approved. Approval of software, cloud services, web-based tools, and access to OPU Systems will be conducted by the OPU Director of Technology or the OPU IT Supervisor.
- 4.2.4 Users must use extreme caution when accessing electronic communications from any source, as malicious actors increasingly use sophisticated methods — including AI-generated content, impersonation of trusted individuals, and social engineering — to compromise OPU Systems or obtain sensitive information. This applies regardless of the apparent sender. When in doubt about the legitimacy of any communication, Users should verify through a separate, known-good channel before clicking links, opening attachments, or acting on requests involving credentials, financial transactions, or sensitive data. Suspicious communications should be reported to the IT Department immediately.

4.3 Unacceptable Use

OPU emphasizes that Users are strictly prohibited from engaging in any activity that is illegal under local, state, federal, or international law while utilizing OPU Systems.

The lists below are by no means exhaustive but attempt to provide a framework for activities which fall into the category of unacceptable use. Users may be exempted from these restrictions during the course of their legitimate job responsibilities (e.g., IT staff activities needed to support, monitor, and secure OPU Systems).

4.3.1 System and Network Activities

The following activities are strictly prohibited, with no exceptions:

1. Violations of the rights of any person or company protected by copyright, trade secret, patent or other intellectual property, or similar laws or regulations, including, but not limited to, the installation or distribution of “pirated” or other software products that are not appropriately licensed for use by OPU.
2. Introduction of malicious code or applications into OPU Systems.
3. Effecting security breaches or disruptions of OPU Systems. Security breaches include, but are not limited to, accessing data of which the employee is not an intended recipient or logging into a server or account that the employee is not expressly authorized to access. For purposes of this section, “disruption” includes, but is not limited to, network monitoring or scanning, pinged floods, packet spoofing, denial of service, use of code or scripting to interfere with sessions or communications, and forged routing information for malicious purposes.
4. Accessing Systems or accounts for any purpose other than conducting OPU business is prohibited, except where personal use is explicitly permitted under Section 4.1.4 of this policy. Personal use must comply with all conditions and restrictions established in that section.
5. Revealing or sharing User account credentials with others or allowing use of a User account by other people or use of another User’s account. This includes family and other household members when work is being done at home.
6. Using OPU Systems to actively engage in procuring or transmitting material that is in violation of sexual harassment policies or hostile workplace laws.
7. Using OPU Systems to make fraudulent offers of products, items, or services.
8. Circumventing user authentication or security of any host, network, or account.
9. Unauthorized removing, altering, or changing of OPU data, logs, or system configurations.
10. Sharing sensitive organization data, including customer identifiable data, with 3rd parties without an appropriate agreement in place. The required agreement standard varies by service type and is defined in Section 4.1.3 of this policy.

4.3.2 Communication Activities

When using OPU Systems, Users must realize they represent the company. There may be instances where a User states or represents a personal position or opinion while using OPU Systems. In such instances, the User must clearly indicate that “the opinions expressed are my own and not necessarily those of OPU.”

To minimize risk and complication concerning User communication using OPU Systems, the following activities are strictly prohibited, with no exceptions:

1. The use of OPU Systems to conduct personal or non-OPU business. This includes but is not limited to email use to support a personal business, personal correspondence unrelated to OPU business, and unsolicited propagation of personal views and agendas via OPU Systems.
2. Any form of harassment via OPU Systems, whether through language, frequency, or size of messages.
3. Manipulation of communication systems. This includes but is not limited to unauthorized use, or forging, of email header information.

4.3.3 Social Media

When using social media, Users must be cognizant of their representation of OPU. Users must be clear on social media what actions are personal and what actions are linked to OPU. In instances where there is the potential for confusion or ambiguity, Users must clearly indicate that “the opinions expressed are my own and not necessarily those of OPU.”

1. Personal use of social media using OPU Systems by Users is also subject to the terms and restrictions set forth in this policy. Limited and occasional use of OPU systems to engage in social media is acceptable, provided that it meets the conditions in Section 4.1.4 and does not otherwise violate OPU’s policy. Usage of social media from OPU’s systems is also subject to monitoring.
2. Use of social media by Users may not violate OPU’s Sexual Harassment and Workplace Violence policies.
3. OPU’s intellectual property, including but not limited to trademarks and logos, may not be used in connection with any social media activity without written approval.

4.4 Artificial Intelligence Tools

OPU’s use of artificial intelligence tools and services is governed by the OPU AI Acceptable Use Policy, which should be read in conjunction with this AUP. All staff using AI tools for OPU work must comply with that policy in addition to the requirements of this AUP.

The use of personal AI accounts, free consumer AI tools, or any AI service not approved by the Director of Technology for OPU work is prohibited, regardless of intent or perceived convenience. This includes browser-based AI assistants and AI features embedded in non-approved applications. Approved AI tools

must be accessed using OPU organizational credentials, IT-provided methods, and any authentication controls required by IT.

Staff who are uncertain whether a specific AI tool or use case is permitted should consult the OPU AI Acceptable Use Policy or contact the IT Department before proceeding.

5. POLICY COMPLIANCE

5.1 Compliance Measurement

Compliance will be verified by OPU through various methods, including but not limited to system monitoring, business tool reports, internal and external audits.

5.2 Exceptions

Any exception to this policy must be approved by the OPU Director of Technology in advance. Where OPU has adopted supplemental policies governing specific technologies, systems, or use cases, those policies may establish their own tiered exception and approval processes. Such processes, when defined in an OPU-adopted policy, constitute valid exception mechanisms under this AUP and supersede the requirement for Director of Technology approval for matters within the scope of that supplemental policy.

5.3 Non-Compliance

Non-compliance may result in disciplinary action, up to and including termination for an OPU employee, or loss of access to OPU Systems for a contractor or outside entity. Use of OPU Systems for defamatory, illegal, or fraudulent purposes is also subject to civil liability and criminal prosecution. Where OPU has adopted supplemental policies governing specific technologies or use cases, those policies may define their own violation severity classifications and corresponding consequences. Such frameworks operate within and are consistent with this AUP's enforcement authority, and should be read together with this section when determining appropriate disciplinary response.

Related Documents: OPU AI Acceptable Use Policy · Data Security and Privacy Policy

Adopted this 28th day of April 2026 by the Owatonna Public Utilities Commission,

_____, President
Kent D. Rossi

Gregory J. Vetter
Vice President

David Olson
Interim General Manager

Jay S. Johnson
Commissioner

Douglas A. Zirngible
Commissioner

Effective: April 28, 2026
Revised: February 1, 2003
December 1, 2015
September 1, 2019
April 28, 2026

Sharon E. McLane
Commissioner

POLICY

ARTIFICIAL INTELLIGENCE ACCEPTABLE USE POLICY

1. PURPOSE AND SCOPE

This policy establishes requirements for the acceptable and responsible use of Artificial Intelligence (AI) tools and systems at Owatonna Public Utilities (OPU). The policy aims to:

- Enable staff to leverage AI technology safely and effectively
- Protect customer data, critical infrastructure information, and confidential utility data
- Ensure compliance with applicable laws and regulations
- Establish clear governance and accountability for AI use

This policy applies to all OPU employees, contractors, temporary staff, and vendors, all use of external AI tools and services for OPU work, all AI systems deployed by OPU, and all OPU data, regardless of format or location.

This policy supplements and must be read in conjunction with the OPU Acceptable Use Policy (AUP). The AUP establishes baseline conduct requirements that apply to all OPU Systems, including AI tools. This policy governs AI-specific requirements beyond that baseline.

2. GOVERNANCE STRUCTURE

Executive Sponsor/General Manager - Overall accountability for AI policy and compliance - Approval of high-risk AI system deployments - Board reporting on AI use and incidents

Director of Technology - Primary authority for AI tool approval and policy interpretation - Oversight of AI tool procurement and vendor relationships - Technical security and compliance oversight - Policy review and updates

OPU Data Committee - Review of medium and high-risk AI system proposals - Policy recommendations and best practice development - Cross-departmental coordination on AI initiatives

Department Managers - Ensure staff compliance with policy - Approve higher-risk uses within their departments - Support staff training and responsible AI adoption - Monitor and report AI-related issues

All Staff - Comply with all policy requirements - Complete training - Use AI tools responsibly and within approved parameters - Report policy violations or concerns

3. APPROVED TOOLS AND ACCEPTABLE USE

A. Approved AI Tool

OPU maintains an approved enterprise AI tool for general staff use (the “Approved AI Tool”). The currently approved tool is identified in the AI Policy Implementation Guide. The Director of Technology is responsible for tool selection and maintaining that designation.

All work-related AI use must be conducted through OPU’s Approved AI Tool unless approved otherwise by the Director of Technology. Use of unauthorized AI tools, including free consumer AI tools, personal AI accounts, and browser-based AI assistants, is prohibited for OPU work as established in AUP Section 4.4.

B. Account Type Requirements

OPU Enterprise Account: Approved AI Tool - Required

Staff must access the Approved AI Tool using OPU organizational credentials, OPU’s designated enterprise portal/access method, and any authentication controls required by IT. Staff must verify proper enterprise account access before using the Approved AI Tool for any OPU work. Verification procedures are detailed in the Implementation Guide.

Personal AI Accounts

The use of personal AI accounts for OPU work is prohibited as established in AUP Section 4.4. This includes free versions of AI tools, personally paid subscriptions, and any unauthorized AI tool accessed without OPU enterprise credentials.

Personal Use of the Approved AI Tool

Limited, reasonable personal use of the Approved AI Tool is permitted in accordance with AUP Section 4.1.4, which governs personal use of all OPU Systems including AI tools. Additional AI-specific guidance on personal use is provided in the Implementation Guide.

C. Other AI Tools

Staff may not use AI tools other than the Approved AI Tool for work purposes without prior written approval from the Director of Technology. Request procedures and the required request form are provided in Appendix B of the Implementation Guide.

D. Shadow AI

“Shadow AI” refers to the use of AI tools outside of OPU’s approved and governed channels — including free consumer tools, personal subscriptions, browser-based AI assistants, and AI features embedded in non-approved applications. Shadow AI is prohibited for OPU work as established in AUP Sections 4.2.3 and 4.4. Staff who are aware of shadow AI use — by themselves or others — are expected to report it. Reporting procedures are detailed in the Incident Reporting section of the Implementation Guide.

E. Permitted Uses

Staff may use the Approved AI Tool for work-related purposes consistent with their job responsibilities, subject to the data classification restrictions in Section IV.

F. Prohibited Uses

Prohibited data inputs (in any approved AI tool): - Customer PII, account numbers, addresses, or usage data - Critical infrastructure data or system configurations - Cybersecurity information (passwords, vulnerabilities, security configurations) - Confidential employee information (SSNs, health data, performance records) - Pending legal matters or attorney-client privileged information - Sensitive financial data (payment card data, bank account numbers, financial statements)

These data input restrictions apply in addition to the data sharing and agreement requirements established in AUP Section 4.1.3. Full data classification standards and permitted use by classification are defined in Section IV of this policy.

Prohibited decision-making (without documented human review): - Safety-critical operational decisions - Critical operational decisions - Customer billing or credit determinations - Employee hiring, discipline, or performance evaluations - Vendor selection or contract awards

All other prohibited uses — including illegal activity, harassment, circumventing security controls, and fraudulent purposes — are governed by AUP Sections 4.3.1, 4.3.2, and 4.4, and apply equally to use of AI tools.

4. DATA CLASSIFICATION AND AI USE

Classification Levels

Classification	Description
Public	Information available to or intended for the public
Internal	Operational data without customer or security sensitivity
Confidential	Sensitive information requiring protection, including customer PII, employee records, financial data, and vendor contracts
Restricted	Highly sensitive operational or security data, including critical infrastructure details, cybersecurity information, and credentials

For detailed classification examples and a quick decision guide, see Implementation Guide Section V.

Permitted AI Use by Classification

Classification	General Staff	Analytics / IT Staff
Public	Permitted	Permitted
Internal	Permitted with data minimization	Permitted with data minimization
Confidential	Prohibited unless anonymized with manager approval*	Permitted with Director of Technology approval**
Restricted	Prohibited	Permitted with Director of Technology approval**

*Confidential data may be used only after proper anonymization/de-identification and with manager approval.

**Confidential and Restricted data is permitted in the Approved AI Tool and OPU-deployed AI systems by Analytics and IT Staff with the approval of the Director of Technology. Staff must classify data before use and apply data minimization principles at all times. Anonymization procedures are detailed in the Implementation Guide.

5. RISK ASSESSMENT AND APPROVALS

Staff Use of Approved AI Tool

- Standard use (Public/Internal data): No additional approval required
- Higher-risk use (anonymized Confidential data or sensitive Internal data): Manager approval required
- Uncertain classification: Consult manager or IT before proceeding

OPU-Deployed AI Systems

AI systems deployed by OPU require approval based on risk level. Approval tiers, required approvers, and typical applications for each tier are defined in the Implementation Guide. All deployments require a documented risk assessment using the template provided in Appendix A of the Implementation Guide. This tiered approval framework constitutes the exception and approval process for AI-related matters under AUP Section 5.2.

6. SECURITY REQUIREMENTS

Baseline security requirements for all OPU Systems — including device security, credential management, unauthorized access, and monitoring — are governed by the OPU Acceptable Use Policy and apply fully to AI tool use. The following AI-specific security requirements apply beyond that baseline.

A. Approved AI Tool Security Requirements

Staff must access the Approved AI Tool only through IT-provided approved methods using OPU organizational credentials and any authentication controls required by IT. IT provisions and manages all accounts with regular access reviews. Detailed security procedures are specified in the Implementation Guide.

B. Alternative Approved AI Tools

Any AI tools approved by the Director of Technology must meet minimum security requirements including enterprise licensing with appropriate data protection provisions consistent with AUP Section 4.1.3, authentication controls equivalent to those required by OPU IT, audit logging, administrative controls for OPU IT, and security standards equivalent to or exceeding those required of the Approved AI Tool.

C. OPU-Deployed AI Systems

OPU-deployed AI systems must meet all standard IT security requirements plus AI-specific requirements. Detailed requirements are specified in the Implementation Guide.

7. ACCOUNTABILITY AND QUALITY CONTROL

- Staff are accountable for all work product, including AI-assisted work, consistent with their responsibilities under the OPU Acceptable Use Policy
- Critical decisions require documented human review and approval
- AI outputs must be verified for accuracy before use and cross-referenced with authoritative sources; guidance on managing AI output accuracy, including hallucination risk, is provided in the Implementation Guide

- AI-generated code must be tested before deployment
- AI-drafted external communications must be reviewed and approved by a human before sending
- Significant AI assistance in creating work product must be appropriately attributed
- OPU maintains a current inventory of approved AI tools and logs high-risk AI-assisted decisions

8. ETHICAL PRINCIPLES

- AI is used to augment staff capabilities, not replace human judgment in consequential decisions
- AI systems affecting customers or operations must be tested for accuracy and monitored on an ongoing basis
- As a municipal utility, OPU manages AI adoption conservatively, prioritizing public trust and transparency

9. COMPLIANCE AND ENFORCEMENT

Monitoring

OPU monitors usage, conducts compliance audits, and tracks AI-related incidents and exceptions. This monitoring is conducted under the authority established in AUP Section 4.1.5.

Reporting Violations

Staff must immediately report suspected violations. Self-reported good-faith mistakes are treated more leniently and may result in training rather than discipline. Reporting channels: direct supervisor, IT Help Desk for technical violations, Director of Technology for significant concerns, or HR for violations involving harassment or discrimination. Detailed reporting procedures are in the Implementation Guide.

Violation Consequences

The OPU Acceptable Use Policy establishes OPU's baseline enforcement framework under AUP Section 5.3, including disciplinary action up to termination. AI-specific violation severity guidance, operating within that framework, is provided in the Implementation Guide.

10. VENDOR MANAGEMENT

A. Vendor AI Disclosure

OPU requires vendors to disclose any use of AI in the delivery of services under contract. This obligation is established in AUP Section 4.1.3 and applies to all OPU vendor relationships. Staff who become aware of undisclosed vendor AI use should report it to the Director of Technology.

B. Approved AI Tool Vendor Oversight

IT maintains current contracts and governing agreements with all approved AI vendors. As established in AUP Section 4.1.3, governing agreements for AI tools must include appropriate data protection provisions including data ownership, prohibition on training models with OPU data, security standards, retention and deletion terms, breach notification, and audit rights. IT conducts regular vendor performance reviews and monitors for vendor security incidents.

C. Procurement of Additional AI Tools

If OPU approves additional AI tools, procurement must ensure the governing agreement meets the data protection standards established in AUP Section 4.1.3, including liability provisions and audit rights. Procurement due diligence requirements are detailed in the Implementation Guide.

D. Ongoing Vendor Oversight

OPU conducts regular vendor performance reviews and security monitoring for all approved AI vendors. Oversight procedures and cadences are detailed in the Implementation Guide.

Related Documents: OPU Acceptable Use Policy · AI Policy Implementation Guide

Adopted this 28th day of April 2026 by the Owatonna Public Utilities Commission,
_____, President

Kent D. Rossi

Gregory J. Vetter
Vice President

David Olson
Interim General Manager

Jay S. Johnson
Commissioner

Douglas A. Zirngible
Commissioner

Effective: April 28, 2026

Sharon E. McLane
Commissioner

OWATONNA PUBLIC UTILITIES

CUSTOMER INFORMATION PRIVACY POLICY — REDLINE

Policy #901.00 | Comparing: Effective July 1, 2018 → Revised Draft (Effective [Date])
Prepared for OPU Commission review

Inserted text = new language in revised draft

~~Deleted text~~ = language removed from 2018 version

The 2018 policy was a single-page, narrative-format document without section headings. The revised draft restructures that content into a formal policy format with numbered sections. This redline traces each substantive change. Where 2018 content is retained but reorganized into a new structure, it is shown as deleted from its original location and inserted in its new location with any edits marked inline.

Policy Header / Title Block

~~Policy #901.00 | Effective 07-01-18~~

Policy #901.00 | Effective Date: [DATE] | Supersedes: Policy #901.00, effective July 1, 2018

~~[No formal title in 2018 document body — title appeared as "Customer Information Privacy" centered above policy statement]~~

Title: Customer Information Privacy Policy.

Added formal "Supersedes" line to create a clear amendment chain. Policy is now structured with a title, effective date block, and numbered sections.

Policy Statement

Opening sentence retained: At Owatonna Public Utilities (OPU), customer privacy is extremely important to us.

~~Owatonna Public Utilities does not collect personal information about customers such as name, telephone number, and e-mail address, unless a customer voluntarily submits this information to us by e-mail or other means. Owatonna Public Utilities treats all personal information obtained as confidential and does not sell such information to third parties, except upon the customer's prior written consent or as otherwise may be authorized or required by law.~~

~~If a customer sends us an e-mail, asks for information, or provides personal information in any other way, Owatonna Public Utilities may maintain the information provided. Customer information will be shared among Owatonna Public Utilities support services as necessary to respond to requests. Owatonna Public Utilities uses personal information for billing, collecting payments, contacting customers, resolving problems, providing or improving utility services, marketing purposes, enhancing the Website, and meeting legal concerns or obligations.~~

~~Owatonna Public Utilities uses other companies to perform certain business-related functions in connection with the website and other services. Examples include mailing services, maintaining databases, and consumption comparison reports for customers. When we engage with another company to perform a function of this nature, we provide such company with personal information they need to perform that function, provided we first determine that such company's use of the data directly advances the general welfare, health, or safety of the public.~~

~~When a customer visits our website, Owatonna Public Utilities automatically collects non-identifying information such as type of browser, IP address, computer operating system, and the domain name of website the customer used to link to us. Owatonna Public Utilities may store information on a customer's hard drive as a~~

~~"cookie", or similar type of file, which we may use internally to help us enhance the efficiency and usefulness of the website. If a customer objects to this, they may consult the browser's documentation for information on erasing or blocking "cookies".~~

~~Owatonna Public Utilities makes use of sound security measures to protect personal information submitted by customers to us once it is received.~~

~~Customers having questions pertaining to the Owatonna Public Utilities Privacy Policy may contact our office through one of our many contact methods.~~

Note on Policy Statement changes: The 2018 policy was a single undivided narrative. The revised draft retains the core substance of that narrative but redistributes it across purpose-built numbered sections (Sections 1–9). The deletions above represent content that has been reorganized and refined rather than eliminated — see the corresponding new sections below. Two specific substantive changes from the 2018 narrative are noted: (1) the "marketing purposes" use of customer information has been removed; and (2) the third-party disclosure standard has been updated from "advances the general welfare, health, or safety of the public" to a utility-purpose standard. Both changes are flagged in the relevant sections below.

This policy describes what personal information OPU collects from customers, how we use and protect it, when we may share it, and how customers can contact us with questions or concerns. This policy applies to all OPU services, including electric, water, and natural gas.

OPU is a government entity subject to the Minnesota Government Data Practices Act (Minnesota Statutes, Chapter 13). This policy is intended to be read consistent with that framework.

New in Policy Statement: Added scope statement (electric, water, natural gas services) and MGDPA reference. The MGDPA governs OPU's data practices obligations as a government entity; this language acknowledges that framework without duplicating it.

Section 1 — Information We Collect *[New formal section; substance derived from 2018 narrative]*

Account and Contact Information — name, service address, mailing address, telephone number, and email address.

Billing and Payment Information — payment history, billing preferences, and information necessary to process payments. OPU does not retain full payment card numbers or bank account numbers beyond what is necessary to complete a transaction.

Service and Usage Data — consumption data for electric, water, and natural gas services collected through meters, including interval and historical usage data collected through Advanced Metering Infrastructure (AMI).

Account Interaction Data — records of customer service contacts, service requests, outage reports, and communications with OPU staff.

Online and Digital Data — when customers use the OPU website, online customer portal, or mobile application, we may automatically collect information such as IP address, browser type, operating system, pages visited, and session duration. We may also use cookies or similar technologies to support the functionality of our digital services.

OPU does not collect personal information unless a customer voluntarily provides it or it is generated through the delivery of utility services.

Changes from 2018: The 2018 policy listed only name, telephone number, and email as collected data, and separately described website/cookie data. The revised draft expands to enumerate all categories OPU actually collects, including AMI/smart meter interval data, billing data, and account interaction records. The digital/cookie language is updated to reflect current practices (portal, mobile app) beyond just the website. The voluntary-only

collection statement is retained and clarified to acknowledge data generated through service delivery (e.g., meter reads).

Section 2 — How We Use Customer Information *[Replaces use-of-information language in 2018 narrative]*

~~Owatonna Public Utilities uses personal information for billing, collecting payments, contacting customers, resolving problems, providing or improving utility services, marketing purposes, enhancing the Website, and meeting legal concerns or obligations.~~

OPU uses customer information to support utility programs, processes, and functions necessary to provide electric, water, and natural gas services. OPU also uses customer information to meet legal, regulatory, and audit obligations.

OPU does not sell customer information to third parties.

Key changes:

1. **"Marketing purposes" removed** from the list of permitted uses. The 2018 policy listed marketing as a use of customer data. The revised draft omits this, consistent with OPU's actual practices and the commitment in Section 3 that OPU does not share data for commercial/marketing purposes without consent.
2. Replaced enumerated use list with broader categorical language ("utility programs, processes, and functions") that is more durable and less likely to require amendment as specific uses evolve.
3. Added explicit "does not sell" statement (carried forward from 2018 implicit stance, now stated affirmatively).
4. "Enhancing the Website" removed as a standalone use — subsumed under the broader utility functions language and addressed more specifically in Section 5 (Online Services).

Section 3 — Sharing of Customer Information *[Replaces third-party sharing language in 2018 narrative]*

~~Owatonna Public Utilities uses other companies to perform certain business-related functions in connection with the website and other services. Examples include mailing services, maintaining databases, and consumption comparison reports for customers. When we engage with another company to perform a function of this nature, we provide such company with personal information they need to perform that function, provided we first determine that such company's use of the data directly advances the general welfare, health, or safety of the public.~~

Service Providers — OPU may engage third-party vendors and contractors to perform functions on its behalf in support of utility programs, processes, and functions. When OPU shares information with a service provider, we do so only to the extent necessary for the provider to perform the contracted function, and we require that such use of data is consistent with OPU's obligations and serves a legitimate utility purpose.

Legal and Regulatory Requirements — OPU may disclose customer information when required to do so by applicable law, court order, or a regulatory authority.

Safety and Emergency Situations — OPU may share customer information when necessary to protect the health or safety of a customer or the public.

Aggregated or De-identified Data — OPU may share or report data that has been aggregated or de-identified in a manner that does not permit identification of individual customers, for purposes such as energy efficiency planning, regulatory reporting, or community analysis.

OPU does not share customer information for marketing or commercial purposes unrelated to OPU services without prior customer consent.

Key changes:

1. **Third-party disclosure standard updated:** The 2018 standard ("directly advances the general welfare, health, or safety of the public") has been replaced with a utility-purpose standard ("consistent with OPU's obligations and serves a legitimate utility purpose"). The 2018 language was broader and potentially ambiguous — the revised standard is more appropriate for routine utility service provider relationships.
2. Added explicit disclosure categories: legal/regulatory requirements and safety/emergency situations (implied in 2018, now explicit).
3. Added aggregated/de-identified data category, which reflects common utility reporting practices not previously addressed.
4. Added explicit prohibition on sharing for marketing purposes without consent.

Section 4 — Advanced Metering Infrastructure (AMI) and Usage Data *[Entirely new section — no counterpart in 2018 policy]*

OPU operates Advanced Metering Infrastructure (AMI) for its electric, water, and natural gas services. AMI systems collect interval usage data, replacing the less detailed snapshot provided by legacy monthly meter reads. OPU uses this data to support utility programs, processes, and functions.

OPU treats AMI data with particular care, collecting only the data necessary for legitimate utility operations and does not share individual customer usage data with third parties except as described in Section 3 above.

New section rationale: The 2018 policy predated OPU's AMI deployment and contained no reference to smart meter interval data. AMI data is more granular than traditional monthly reads and can reveal household behavior patterns. This section acknowledges AMI data collection and affirms that it is handled with the same protections as other customer data.

Section 5 — Online Services, Cookies, and Digital Data *[Updates 2018 website/cookie paragraph]*

~~When a customer visits our website, Owatonna Public Utilities automatically collects non-identifying information such as type of browser, IP address, computer operating system, and the domain name of website the customer used to link to us. Owatonna Public Utilities may store information on a customer's hard drive as a "cookie", or similar type of file, which we may use internally to help us enhance the efficiency and usefulness of the website. If a customer objects to this, they may consult the browser's documentation for information on erasing or blocking "cookies".~~

When customers interact with the OPU website, online customer portal, or mobile application, OPU may collect technical and usage data as described in Section 1. This information is used to ensure the security and functionality of our digital services and to improve the customer experience.

OPU may use session and analytics technologies to support the functionality of its digital services. Customers may manage these settings through their browser or device preferences, though doing so may affect certain features.

OPU does not share customer digital data with advertising networks or use it for commercial advertising purposes.

Key changes:

1. Expanded from "website" only to "website, online customer portal, or mobile application" — reflecting OPU's current digital footprint.
2. Updated cookie/browser language: the 2018 instruction to "consult the browser's documentation" has been replaced with a more current statement about browser or device preference management.

3. Added explicit statement that OPU does not share digital data with advertising networks.
4. Removed "non-identifying" characterization of collected data (IP addresses and similar data are not always non-identifying under current standards).

Section 6 — Data Security *[Updates 2018 security paragraph]*

~~Owatonna Public Utilities makes use of sound security measures to protect personal information submitted by customers to us once it is received.~~

OPU maintains reasonable and appropriate administrative, technical, and physical safeguards to protect customer information from unauthorized access, use, disclosure, alteration, or destruction. These measures are reviewed and updated as needed to reflect current practices and applicable requirements.

Access to customer information is limited to OPU employees and authorized contractors who require it to perform their job responsibilities.

Key changes: "Sound security measures" replaced with the standard administrative/technical/physical safeguard framework commonly used in privacy policies and aligned with applicable legal standards. Added access limitation statement. Added ongoing review commitment.

Section 7 — Customer Rights Regarding Personal Data *[Entirely new section — no counterpart in 2018 policy]*

Customers seeking to access data OPU maintains about them, or wishing to submit a data practices request, should refer to OPU's Data Practices Act Policy for Members of the Public or contact our Data Practices Compliance Officer using the contact information in Section 10.

New section rationale: The 2018 policy did not address customer rights or data access procedures. As a government entity, OPU's customer data access rights are primarily governed by the MGDPA. This section directs customers to the appropriate channel without duplicating MGDPA requirements.

Section 8 — Retention of Customer Information *[Entirely new section — no counterpart in 2018 policy]*

OPU retains customer information for as long as necessary to fulfill the purposes for which it was collected, to comply with applicable legal and regulatory requirements, and to support OPU's operational needs. Retention schedules are maintained consistent with applicable Minnesota records retention requirements.

New section rationale: The 2018 policy contained no retention statement. This section aligns with standard privacy policy practice and acknowledges OPU's records retention obligations under Minnesota law.

Section 9 (formerly unnumbered) — Contact Information

~~Customers having questions pertaining to the Owatonna Public Utilities Privacy Policy may contact our office through one of our many contact methods:~~

Customers with questions or concerns about this policy or OPU's handling of their personal information may contact:

Data Practices Compliance Officer

Damian Baum, Director of Technology and Metering

Owatonna Public Utilities

208 S. Walnut Ave., P.O. Box 800

Owatonna, MN 55060

Phone: (507) 451-2480

Email: datarequests@owatonnautilities.com

Key changes: The 2018 policy directed customers to "one of our many contact methods" with no specific contact provided. The revised draft provides the specific Data Practices Compliance Officer (name, title, address, phone, email). This reflects both the MGDPA requirement to identify the responsible authority and OPU's current organizational structure.

Adoption / Signature Block

~~Adopted this 26th day of June, 2018 by the Owatonna Public Utilities Commission, [signatures of Kent D. Rossi (President), Matt Kottke (Vice President), Mark J. Fritsch (General Manager), Kim J. Gosens (Commissioner), Dale E. Simon (Commissioner), Randall J. Doyal (Commissioner)]~~

Adopted by the Owatonna Public Utilities Commission on [DATE].

[Signature block for: President, Vice President, General Manager, Commissioner (×3)]

Effective: [DATE] | Revised: [DATE]

Adoption block updated to reflect current Commission membership (names not pre-populated in draft). "Revised" line added to support future amendment tracking.

Summary of All Changes

Area	2018 Version	Revised Draft
Format / Structure	Single narrative page, no section headings	Nine numbered sections with descriptive headings; formal title/supersedes block
Information Collected	Name, phone, email (voluntary only); website/cookie data	Full enumeration: account/contact, billing/payment, service/usage (incl. AMI), account interaction, online/digital data
Permitted Uses	Billing, payments, contacting, resolving problems, improving services, <i>marketing</i> , website, legal	Utility programs, processes, and functions; legal/regulatory/audit — <i>marketing removed</i>
Third-Party Sharing Standard	"Directly advances the general welfare, health, or safety of the public"	"Consistent with OPU's obligations and serves a legitimate utility purpose"

Area	2018 Version	Revised Draft
AMI / Smart Meter Data	Not addressed (policy predates AMI)	New Section 4 acknowledges AMI data collection and affirms same protections
Digital / Cookie Language	Website only; "non-identifying" characterization; browser documentation reference	Website, portal, mobile app; updated browser/device preference language; no ad-network sharing
Data Security	"Sound security measures"	Administrative, technical, and physical safeguards; access limitation; ongoing review
Customer Rights	Not addressed	New Section 7 directs to MGDPA policy and Data Practices Compliance Officer
Data Retention	Not addressed	New Section 8: retention per purpose, legal/regulatory requirements, MN records retention
Contact Information	"Contact our office through one of our many contact methods"	Named Data Practices Compliance Officer with full contact details
MGDPA Reference	Not referenced	Acknowledged in Policy Statement; referenced in Sections 4, 7, 8

POLICY

CUSTOMER INFORMATION PRIVACY POLICY

POLICY STATEMENT

At Owatonna Public Utilities (OPU), customer privacy is extremely important to us. This policy describes what personal information OPU collects from customers, how we use and protect it, when we may share it, and how customers can contact us with questions or concerns. This policy applies to all OPU services, including electric, water, and natural gas.

OPU is a government entity subject to the Minnesota Government Data Practices Act (Minnesota Statutes, Chapter 13). This policy is intended to be read consistent with that framework.

1. INFORMATION WE COLLECT

OPU collects customer information only to the extent necessary to provide and administer utility services. We may collect the following categories of information:

- **Account and Contact Information** — name, service address, mailing address, telephone number, and email address.
- **Billing and Payment Information** — payment history, billing preferences, and information necessary to process payments. OPU does not retain full payment card numbers or bank account numbers beyond what is necessary to complete a transaction.
- **Service and Usage Data** — consumption data for electric, water, and natural gas services collected through meters, including interval and historical usage data collected through Advanced Metering Infrastructure (AMI).
- **Account Interaction Data** — records of customer service contacts, service requests, outage reports, and communications with OPU staff.
- **Online and Digital Data** — when customers use the OPU website, online customer portal, or mobile application, we may automatically collect information such as IP address, browser type, operating system, pages visited, and session duration. We may also use cookies or similar technologies to support the functionality of our digital services.

OPU does not collect personal information unless a customer voluntarily provides it or it is generated through the delivery of utility services.

2. HOW WE USE CUSTOMER INFORMATION

OPU uses customer information to support utility programs, processes, and functions necessary to provide electric, water, and natural gas services. OPU also uses customer information to meet legal, regulatory, and audit obligations.

OPU does not sell customer information to third parties.

3. SHARING OF CUSTOMER INFORMATION

OPU treats customer information as confidential and does not share it with third parties except in the following circumstances:

- **Service Providers** — OPU may engage third-party vendors and contractors to perform functions on its behalf in support of utility programs, processes, and functions. When OPU shares information with a service provider, we do so only to the extent necessary for the provider to perform the contracted function, and we require that such use of data is consistent with OPU's obligations and serves a legitimate utility purpose.
- **Legal and Regulatory Requirements** — OPU may disclose customer information when required to do so by applicable law, court order, or a regulatory authority.
- **Safety and Emergency Situations** — OPU may share customer information when necessary to protect the health or safety of a customer or the public.
- **Aggregated or De-identified Data** — OPU may share or report data that has been aggregated or de-identified in a manner that does not permit identification of individual customers, for purposes such as energy efficiency planning, regulatory reporting, or community analysis.

OPU does not share customer information for marketing or commercial purposes unrelated to OPU services without prior customer consent.

4. ADVANCED METERING INFRASTRUCTURE (AMI) AND USAGE DATA

OPU operates Advanced Metering Infrastructure (AMI) for its electric, water, and natural gas services. AMI systems collect interval usage data, replacing the less detailed snapshot provided by legacy monthly meter reads. OPU uses this data to support utility programs, processes, and functions.

OPU treats AMI data with particular care, collecting only the data necessary for legitimate utility operations and does not share individual customer usage data with third parties except as described in Section 3 above.

5. ONLINE SERVICES, COOKIES, AND DIGITAL DATA

When customers interact with the OPU website, online customer portal, or mobile application, OPU may collect technical and usage data as described in Section 1. This information is used to ensure the security and functionality of our digital services and to improve the customer experience.

OPU may use session and analytics technologies to support the functionality of its digital services. Customers may manage these settings through their browser or device preferences, though doing so may affect certain features.

OPU does not share customer digital data with advertising networks or use it for commercial advertising purposes.

6. DATA SECURITY

OPU maintains reasonable and appropriate administrative, technical, and physical safeguards to protect customer information from unauthorized access, use, disclosure, alteration, or destruction. These measures are reviewed and updated as needed to reflect current practices and applicable requirements.

Access to customer information is limited to OPU employees and authorized contractors who require it to perform their job responsibilities.

7. CUSTOMER RIGHTS REGARDING PERSONAL DATA

Customers seeking to access data OPU maintains about them, or wishing to submit a data practices request, should refer to OPU's Data Practices Act Policy for Members of the Public or contact our Data Practices Compliance Officer using the contact information in Section 10.

8. RETENTION OF CUSTOMER INFORMATION

OPU retains customer information for as long as necessary to fulfill the purposes for which it was collected, to comply with applicable legal and regulatory requirements, and to support OPU's operational needs. Retention schedules are maintained consistent with applicable Minnesota records retention requirements.

9. CONTACT INFORMATION

Data Practices Compliance Officer

Damian Baum, Director of Technology and Metering
Owatonna Public Utilities
208 S. Walnut Ave., P.O. Box 800
Owatonna, MN 55060
Phone: (507) 451-2480
Email: datarequests@owatonnautilities.com

Adopted this 28th day of April 2026 by the Owatonna Public Utilities Commission,

_____, President
Kent D. Rossi

Gregory J. Vetter
Vice President

David Olson
Interim General Manager

Jay S. Johnson
Commissioner

Douglas A. Zirngible
Commissioner

Effective: April 28, 2026
Revised: July 1, 2018
April 28, 2026

Sharon E. McLane
Commissioner

AI POLICY IMPLEMENTATION GUIDE

This Implementation Guide supports the AI Acceptable Use Policy (Policy #381.00) and the OPU Acceptable Use Policy (Policy #380.00) and should be read in conjunction with both policies. In case of conflict, those policies take precedence.

1. PURPOSE

This guide provides operational procedures, templates, and reference materials supporting the AI Acceptable Use Policy. In all cases, the AI Acceptable Use Policy and the OPU Acceptable Use Policy take precedence over this guide.

2. CURRENTLY APPROVED AI TOOL

OPU's currently approved enterprise AI tool is Claude Teams, provided by Anthropic. The AI Acceptable Use Policy refers to the approved tool generically as the "Approved AI Tool" rather than by name. This is intentional: the AI Acceptable Use Policy requires Commission approval to amend, and tying a specific vendor name to policy language would require Commission action to change tools — even for a routine operational decision within the Director of Technology's authority. By naming the tool here instead, OPU can update the approved tool without a policy amendment, so long as the new tool meets the selection criteria established in the policy.

Claude Teams was selected based on its strong data protection and privacy commitments, contractual prohibition on using OPU data for model training, enterprise-grade security controls, and cost-effectiveness for municipal operations. These protections are built into the Claude Teams subscription agreement and do not require a separately negotiated data processing agreement.

If OPU's approved tool changes, the Director of Technology will update this section and the account verification checklist in the section below. Staff should verify they are using the currently listed tool before conducting any OPU work with AI assistance.

3. OWATONNA PUBLIC UTILITIES APPROACH TO AI

Why OPU Uses AI

OPU's adoption of AI tools is guided by a straightforward principle: AI should help our staff do their jobs better, not replace the human judgment that our customers and community depend on. As a municipal utility, we have an obligation to manage new technologies responsibly, transparently, and in a way that maintains the public trust placed in us.

AI as a Tool, Not a Decision-Maker

AI is used at OPU to augment staff capabilities — handling routine tasks, surfacing information faster, and supporting better-informed decisions. Consequential decisions affecting customers, operations, safety, or staff remain the responsibility of OPU employees. AI can inform those decisions; it does not make them. This is reflected in the human-in-the-loop requirements throughout the AI Acceptable Use Policy.

Accuracy and Reliability

OPU expects AI tools used in our operations to be accurate and reliable for their intended purpose. AI systems affecting customers or operations are tested before deployment and monitored on an ongoing basis. Staff are expected to verify AI outputs before acting on them. Guidance on managing AI output accuracy, including hallucination risk, is provided in Section VIII of this guide.

Workforce Development

OPU is committed to building staff AI literacy and supporting employees as AI tools evolve. Training is provided to help staff use AI tools effectively and responsibly. OPU views AI adoption as an opportunity to enhance how our staff deliver customer-focused utility services, and is committed to managing that transition in a way that supports rather than undermines our workforce.

Conservative, Trust-First Adoption

As a public entity, OPU adopts AI conservatively. We pursue the benefits AI can offer while managing risks carefully and maintaining the transparency our community expects. When in doubt, we err on the side of protecting customer data, operational safety, and public trust.

Managing Shadow AI

OPU recognizes that shadow AI typically arises not from malicious intent but from productivity pressure and slow approval processes. To reduce the conditions that create it, OPU commits to maintaining a reasonable and accessible approval process for alternative tools. Staff who become aware of shadow AI use — by themselves or others — are expected to report it as outlined in the Incident Reporting section of this guide. Managers are expected to watch for and address shadow AI proactively as part of their oversight responsibilities.

4. CLAUDE TEAMS ACCOUNT VERIFICATION

Before using Claude Teams for any OPU work, verify the following:

- ☐ Logged in with @owatonnautilities.com email
- ☐ "Owatonna Public Utilities" organization name is visible in the interface
- ☐ Accessed through the IT-provided link or portal (not a personal bookmark)
- ☐ Multi-factor authentication (MFA) was required at login
- ☐ Data classification confirms use in Claude Teams is permitted

If any item cannot be confirmed, stop — do not enter any OPU data. Log out completely and contact the IT Help Desk for proper access setup.

5. PERSONAL USE OF CLAUDE TEAMS

Personal use of Claude Teams is permitted in accordance with AUP Section 4.1.4, which establishes OPU's organization-wide personal use standards applicable to all OPU Systems. Those standards — including the no-expectation-of-privacy requirement, MGDPA public records exposure, timing and productivity requirements, and the never-acceptable uses list — apply equally to personal use of Claude Teams and should be reviewed before using Claude Teams for personal matters.

The following guidance is specific to personal use of Claude Teams and supplements the AUP standards.

- Appropriate Personal Uses of Claude Teams
- The following are generally acceptable personal uses of Claude Teams during breaks or outside work hours: - Learning new skills or hobbies - General information lookup (recipes, weather, historical facts) - Educational assistance (homework help, certification study) - Creative writing or personal brainstorming - Travel planning and research - General personal productivity
- Protecting Yourself
- Before using Claude Teams for personal matters, ask: *"Would I be comfortable if this conversation became public or my supervisor saw it?"* For sensitive personal topics, use your own AI accounts on personal devices.

6. DATA CLASSIFICATION REFERENCE

Quick Decision Guide

If the data contains...	Classification	Claude Teams Permitted?
Already-public information	Public	Yes
General procedures, non-sensitive communications	Internal	Yes, with data minimization
Customer names, accounts, addresses, usage data	Confidential	General staff: No. Analytics/IT with Director of Technology approval: Yes
Employee personnel or health records	Confidential	General staff: No. Analytics/IT with Director of Technology approval: Yes
Vendor contracts, strategic plans, financial accounts	Confidential	General staff: No. Analytics/IT with Director of Technology approval: Yes
SCADA configs, network architecture, credentials	Restricted	General staff: No. Analytics/IT with Director of Technology approval: Yes
Cybersecurity vulnerabilities, CIP data	Restricted	General staff: No. Analytics/IT with Director of Technology approval: Yes

When in doubt, ask your manager before proceeding.

Classification Examples:

- **Public:** Published annual reports, public website content, news releases, published rate schedules, general service area information
- **Internal:** General operational procedures, non-sensitive internal communications, standard forms and templates, publicly available technical specifications, industry best practices documentation
- **Confidential:** Customer names, addresses, phone numbers, account numbers, usage data; employee personnel files or performance reviews; vendor contracts and pricing; strategic plans not yet public; financial account information
- **Restricted:** SCADA system configurations; cybersecurity vulnerability information; network architecture details; passwords, encryption keys, access credentials; critical infrastructure protection (CIP) data; trade secrets and proprietary methods; incident response procedures with security details

7. DATA ANONYMIZATION

When Confidential data must be used with AI (with proper approval), apply the following steps before inputting any data.

Step 1: Remove Direct Identifiers

- Names (customer, employee, vendor)
- Account numbers
- Street and email addresses
- Phone numbers
- Social Security Numbers
- Any unique identifiers

Step 2: Remove Indirect Identifiers

- Dates of birth → use age ranges (e.g., “50–60 years old”)
- Specific locations → use general regions (e.g., “northeast service area”)
- Unique combinations of characteristics that could enable re-identification
- Categories with fewer than 5 individuals

Step 3: Aggregate or Generalize

- Use ranges instead of specific values (e.g., “\$100–150” not “\$127.43”)
- Combine small categories into larger ones
- Use percentages instead of counts where appropriate

Step 4: Use Synthetic or Composite Examples

- Create synthetic data that represents patterns without using actual records
- Use composite examples combining features from multiple cases
- Generate hypothetical scenarios based on general patterns rather than specific individuals

Step 5: Document and Get Approval

- Record what identifiers were removed and the method used
- Note any limitations or re-identification risks
- Obtain manager approval (general staff) or Director of Technology approval (Analytics/IT staff) before proceeding

Anonymization Examples

❌ Wrong	✅ Right
“Customer John Smith at 123 Main St, account #12345, used 850 kWh in January”	“A residential customer in the downtown area used approximately 850 kWh in a winter month”
“Employee Sarah Johnson’s review shows she missed 3 deadlines”	“A staff member in operations received feedback about deadline management”

Analytics and IT Staff Using Non-Anonymized Data

When Director of Technology approval is granted to use Confidential or Restricted data without anonymization, the following safeguards are required:

- Document the business justification and approval received
- Use only the minimum data necessary for the specific purpose
- Implement strict access controls and enable comprehensive audit logging
- Establish data retention and deletion procedures
- Use secure methods for data transfer and storage

Even with approval, the following remain prohibited: - Sharing data outside approved systems or personnel - Using data for purposes beyond the approved scope - Retaining data longer than necessary - Bypassing security controls or audit logging - Using personal AI accounts for approved work

7. SECURITY PROCEDURES

Baseline security requirements for all OPU Systems are governed by the OPU Acceptable Use Policy. The following procedures are specific to the Approved AI Tool and any additionally approved AI tools, and supplement the AUP baseline.

Account Management

- IT provisions all Approved AI Tool accounts
- Access reviews are conducted quarterly by IT and department managers
- Accounts are immediately deprovisioned upon separation or role change
- Accounts inactive for 90 days are automatically disabled
- Contractors and temporary staff receive time-limited access
- Manager approval is required for account reactivation

Device and Network

- The Approved AI Tool may be accessed from OPU-managed devices
- Personal device access requires prior IT approval and device compliance verification (updated OS, antivirus, encryption)
- Avoid use on public or unsecured Wi-Fi when working with any sensitive data; if outside the OPU network on an unsecured connection, use VPN.

Data Handling in the Approved AI Tool

- Never paste passwords, API keys, or credentials into the Approved AI Tool
- Avoid pasting entire databases or large datasets — use data minimization
- Do not export conversations containing confidential data to unsecured locations
- Do not store Approved AI Tool outputs containing confidential data in personal cloud storage
- Do not use browser extensions or third-party tools that intercept Approved AI Tool communications

8. UNDERSTANDING AI HALLUCINATION RISK

Generative AI tools, including OPU’s Approved AI Tool, can produce outputs that are plausible-sounding but factually incorrect, fabricated, or misleading. This is known as “hallucination” and is an inherent characteristic of how large language models work — not a bug or malfunction, but a known limitation staff must account for.

Why It Matters for OPU

In a utility environment, errors in AI-generated content can have real consequences — incorrect regulatory information, flawed technical procedures, inaccurate customer-facing content, or miscited policy language. The risk is higher when:

- The topic is technical, legal, regulatory, or highly specific
- The AI is asked to recall precise figures, dates, names, or citations
- Outputs are used without cross-referencing authoritative sources
- Staff assume confident-sounding responses are accurate

How to Manage Hallucination Risk

- **Always verify before you rely.** AI output should be treated as a starting point, not a final answer — particularly for anything that will be acted upon, shared externally, or used in a decision.
- **Cross-reference authoritative sources.** For regulatory requirements, technical specifications, legal language, or customer-affecting content, verify AI outputs against official sources (industry rules, vendor documentation, applicable statutes).
- **Be skeptical of specifics.** AI is more reliable for general reasoning and drafting than for precise facts, statistics, citations, or highly specialized technical content. The more specific the claim, the more it warrants verification.

- **Don't correct AI with more AI.** If an output seems wrong, verify it through a reliable source — not by asking the AI to confirm or revise its own answer.
- **Calibrate to stakes.** A hallucination in a brainstorming draft is low risk. A hallucination in a customer notice, regulatory filing, or operational procedure is high risk and requires careful review.

9. OPU-DEPLOYED AI SYSTEMS: APPROVAL TIERS

AI systems deployed by OPU require approval based on risk level. The following table identifies the required approval authority and typical applications for each tier. This tiered approval framework constitutes the exception and approval process for AI-related matters under AUP Section 5.2.

Risk Level	Approval Required	Typical Applications
Low	Department Head	Internal productivity tools, non-customer-facing analytics
Medium	Data Committee + Director of Technology	Customer-facing informational tools, operational support systems
High	Executive (General Manager)	Systems affecting billing, safety-critical operations, systems using Confidential customer data

10. TRAINING COMPLETION CHECKLIST

OPU will provide training covering: policy requirements, Claude Teams account verification, data classification, prohibited uses, and violation reporting. IT staff and managers receive additional role-specific training.

All Staff (Annual)

- **Policy Fundamentals:** - ☐ Completed data classification training - ☐ Reviewed prohibited uses and examples - ☐ Know how to verify Approved AI Tool enterprise account (see Section IV of this guide) - ☐ Know how to report violations or concerns
- **Practical Skills:** - ☐ Can classify common data types - ☐ Know when manager approval is needed - ☐ Understand anonymization basics - ☐ Can identify prohibited uses
- **Acknowledgment:** - ☐ I understand the requirements and my responsibilities under both the AI Acceptable Use Policy and the OPU Acceptable Use Policy - ☐ I will not use personal AI accounts or unauthorized AI tools for OPU work - ☐ I will only use the approved enterprise account for the Approved AI Tool

Training Date: _____

Staff Signature: _____

Supervisor Signature: _____

Additional — IT Staff

- ☐ Technical security requirements for AI tools
- ☐ Account provisioning and deprovisioning procedures
- ☐ Audit logging and monitoring
- ☐ Vendor security assessment criteria consistent with AUP Section 4.1.3
- ☐ Incident response for AI-related security issues

Additional — Managers

- ☐ Approval processes for higher-risk uses under both the AI Acceptable Use Policy and AUP Section 5.2
- ☐ Risk assessment procedures
- ☐ Team oversight and monitoring responsibilities, including awareness of shadow AI
- ☐ How to evaluate data classification questions
- ☐ Violation reporting and investigation procedures under both the AI Acceptable Use Policy and AUP Section 5.3

11. INCIDENT REPORTING PROCEDURES

When to Report

- **Immediately:** - Confidential or Restricted data entered into an unauthorized AI tool - Discovery of a data breach or unauthorized access - Malicious use of AI tools - Safety-critical decision made solely by AI without human review - Suspected fraud or intentional policy circumvention - Discovery of shadow AI use or unauthorized AI tool use as defined in AUP Sections 4.2.3 and 4.4
- **Within 24 Hours:** - Use of unapproved AI tools for work - Recurring minor violations of either the AI Acceptable Use Policy or the OPU Acceptable Use Policy - Accidental input of sensitive data (self-reported) - Technical security issues with AI tools
- How to Report
 - **Step 1: Stop the Activity** Immediately cease using the unauthorized tool or data. Do not delete evidence or logs. Document what occurred.
 - **Step 2: Choose the Right Channel** - Self-reported accidental violations → Direct supervisor - Technical or security issues → IT Help Desk: support@owatonnautilities.com - Significant violations → Director of Technology - Harassment or discrimination → HR Department
 - **Step 3: Provide Details** - What happened (specific tool, data, action taken) - When it occurred - What data was involved - Whether it is self-reported or observed - What steps you have already taken
 - **Step 4: Cooperate with Investigation** Respond to follow-up questions, provide access to accounts or logs as requested, and complete any required remedial training.

Self-Reporting Benefits

Prompt self-reporting demonstrates good faith, may result in training rather than discipline as established in AI Policy Section IX and AUP Section 5.3, enables faster remediation, and helps OPU improve policies and procedures.

AI-Specific Violation Severity Guidance

The following AI-specific severity guidance applies within the AUP's baseline enforcement framework and constitutes the violation classification system referenced in AUP Section 5.3. Factors considered in all cases include intent, self-reporting, actual harm, cooperation, and training history.

Severity	Examples	Potential Consequences
Minor	Unintentional personal account use; prompt self-report	Counseling, additional training
Moderate	Repeated minor violations; unapproved tool use	Written warning, temporary AI access suspension
Serious	Intentional circumvention; unreported Confidential data input	Suspension, permanent AI access revocation
Severe	Malicious use; significant data breach; fraud	Immediate suspension pending investigation; potential termination

12. QUICK REFERENCE

Before You Use AI — 5-Second Account and Data Check

Condensed from the full verification checklist in Section IV of this guide.

- ☐ Logged in with @owatonnautilities.com email?
- ☐ "Owatonna Public Utilities" organization name visible?
- ☐ Accessed through the IT-provided link or portal?
- ☐ MFA was required at login?
- ☐ Data is Public or Internal with no customer/employee identifiers or security information?

All yes → Proceed. Any no → Stop and consult the AI Acceptable Use Policy, the OPU Acceptable Use Policy, or your manager.

If You Make a Mistake

1. Stop immediately
2. Tell your supervisor right away
3. Do not attempt to cover it up
4. Cooperate to fix the problem

Self-reporting = usually training, not discipline. See AI Policy Section IX and AUP Section 5.3.

13. CONTACT INFORMATION

Need	Contact
General questions about AI tools	Your department manager
General questions about AUP or OPU Systems	Your department manager
Technical issues / IT Help Desk	support@owatonnautilities.com
AI policy interpretation	Director of Technology
AUP interpretation	Director of Technology
Alternative AI tool requests	Director of Technology (written request required — see Appendix B of this guide)
Security concerns	IT Supervisor or Director of Technology
Training and HR matters	HR Department
Violation reporting	Supervisor → IT Help Desk → Director of Technology → HR
Shadow AI or unauthorized tool reporting	IT Help Desk or Director of Technology

APPENDIX A — AI SYSTEM DEPLOYMENT RISK ASSESSMENT

Use this template when proposing deployment of an AI system at OPU.

- **System Information** - System name and purpose: - Vendor/provider: - Proposed implementation date: - Department(s) affected: - Project sponsor:
- **Data Assessment** - Data types the system will access: ☐ Public ☐ Internal ☐ Confidential ☐ Restricted - Will it process customer PII? ☐ Yes ☐ No - Will it access critical infrastructure data? ☐ Yes ☐ No - Data protection measures in place:
- **Operational Impact** - Is this customer-facing? ☐ Yes ☐ No - Does it affect billing or service delivery? ☐ Yes ☐ No - Is it safety-critical? ☐ Yes ☐ No - What decisions will it make or support?

- **Risk Evaluation** - Accuracy requirements: ☐ High ☐ Medium ☐ Low - Impact if system fails: ☐ Severe ☐ Moderate ☐ Minor - Can decisions be reviewed by humans? ☐ Yes ☐ No - Transparency requirements: ☐ High ☐ Medium ☐ Low - Bias evaluation completed? ☐ Yes ☐ No ☐ N/A - Vendor security certifications verified? ☐ Yes ☐ No - Public records implications considered? ☐ Yes ☐ No - Alternative solutions evaluated? ☐ Yes ☐ No
- **Deactivation Criteria** - Under what conditions should this system be suspended or deactivated? - Who has authority to deactivate the system if performance degrades? - What is the fallback process if the system is taken offline? - How will performance be monitored on an ongoing basis, and at what threshold will review be triggered?
- **Preliminary Risk Rating** - ☐ Low Risk — Department head approval - ☐ Medium Risk — OPU Data Committee + Director of Technology approval - ☐ High Risk — Executive (General Manager) approval required

Submit completed assessment to the Director of Technology.

14. VENDOR PROCUREMENT AND OVERSIGHT

Procurement Due Diligence

When evaluating any additional AI tool for approval, the Director of Technology must conduct due diligence including the following:

- Verification of vendor security certifications
- References from public sector or utility clients
- Financial stability assessment
- Review of data handling and privacy policies
- Confirmation that liability provisions and audit rights are addressed in the governing agreement

Ongoing Vendor Oversight

IT conducts the following oversight activities for all approved AI vendors:

- Annual vendor performance reviews
- Quarterly security and compliance check-ins
- Review of vendor audit reports
- Monitoring of vendor security incidents
- Maintenance of incident response coordination procedures

APPENDIX B — ALTERNATIVE AI TOOL REQUEST FORM

Use this form to request approval for an AI tool other than the Approved AI Tool.

- **Requestor Information** - Name and Department: - Date of Request: - Manager Name:
- **Tool Information** - AI tool/service requested: - Vendor/provider: - Licensing type: ☐ Free ☐ Personal Paid ☐ Enterprise - Website/access URL:
- **Business Justification** - Describe the business need: - Why is the Approved AI Tool insufficient for this purpose? - What specific capabilities are required? - How long will this tool be needed?
- **Data Usage** - What types of OPU data will be used? ☐ Public ☐ Internal ☐ Confidential ☐ Restricted - Describe the specific data: - Will any customer PII be involved? ☐ Yes ☐ No - Will any confidential data be involved? ☐ Yes ☐ No
- **Security Information** - Does the tool offer enterprise licensing? ☐ Yes ☐ No ☐ Unknown - Does it support MFA? ☐ Yes ☐ No ☐ Unknown - Does the governing agreement include appropriate data protection provisions consistent with AUP Section 4.1.3? ☐ Yes ☐ No ☐ Unknown - Does it commit not to train on OPU data? ☐ Yes ☐ No ☐ Unknown
- **Cost Information** - Estimated cost: \$_____ per ☐ Month ☐ Year ☐ One-time - Budget source:

Submit completed form to the Director of Technology for review.

15. REVISION HISTORY

Version	Date	Changes	Approved By
1.0	[Date]	Initial implementation guide	Director of Technology
2.0	[Date]	Revised to align with streamlined Policy v2; added hallucination risk guidance (VII), deactivation criteria in deployment template (VIII), shadow AI reporting in incident procedures (XI), and Quick Reference alignment (XII)	Director of Technology
3.0	[Date]	Aligned with revised AUP and AI Acceptable Use Policy v2; added OPU's Approach to AI section (II); renumbered all sections; condensed personal use section to remove redundancy with AUP Section 4.1.4; updated security procedures to defer baseline security to AUP; updated training checklist to reference both policies; updated cross-references throughout; updated	Director of Technology

Version	Date	Changes	Approved By
		vendor agreement language to reflect governing agreement standard; removed Data Security and Privacy Policy references	
4.0	[Date]	Added Section II (Currently Approved AI Tool) naming Claude Teams and explaining why tool identification resides in the Implementation Guide rather than policy; updated generic procedural references from “Claude Teams” to “Approved AI Tool” throughout; retained Claude Teams by name in account verification, personal use, and data classification sections where operational specificity is required	Director of Technology
5.0	[Date]	Added OPU’s Approach to AI narrative and Managing Shadow AI subsection; moved OPU-Deployed AI Systems approval tiers table from policy; moved violation severity table and factors to Incident Reporting section; added Vendor Procurement and Oversight section with due diligence checklist and oversight cadences; moved forms to Appendix A and Appendix B; corrected CONTACT INFORMATION heading; fixed section cross-references (IV, IX); removed Session Security subsection; fixed Workforce Development paragraph break artifact	Director of Technology

This Implementation Guide supports the AI Acceptable Use Policy and the OPU Acceptable Use Policy and should be read in conjunction with both policies. In case of conflict, those policies take precedence.

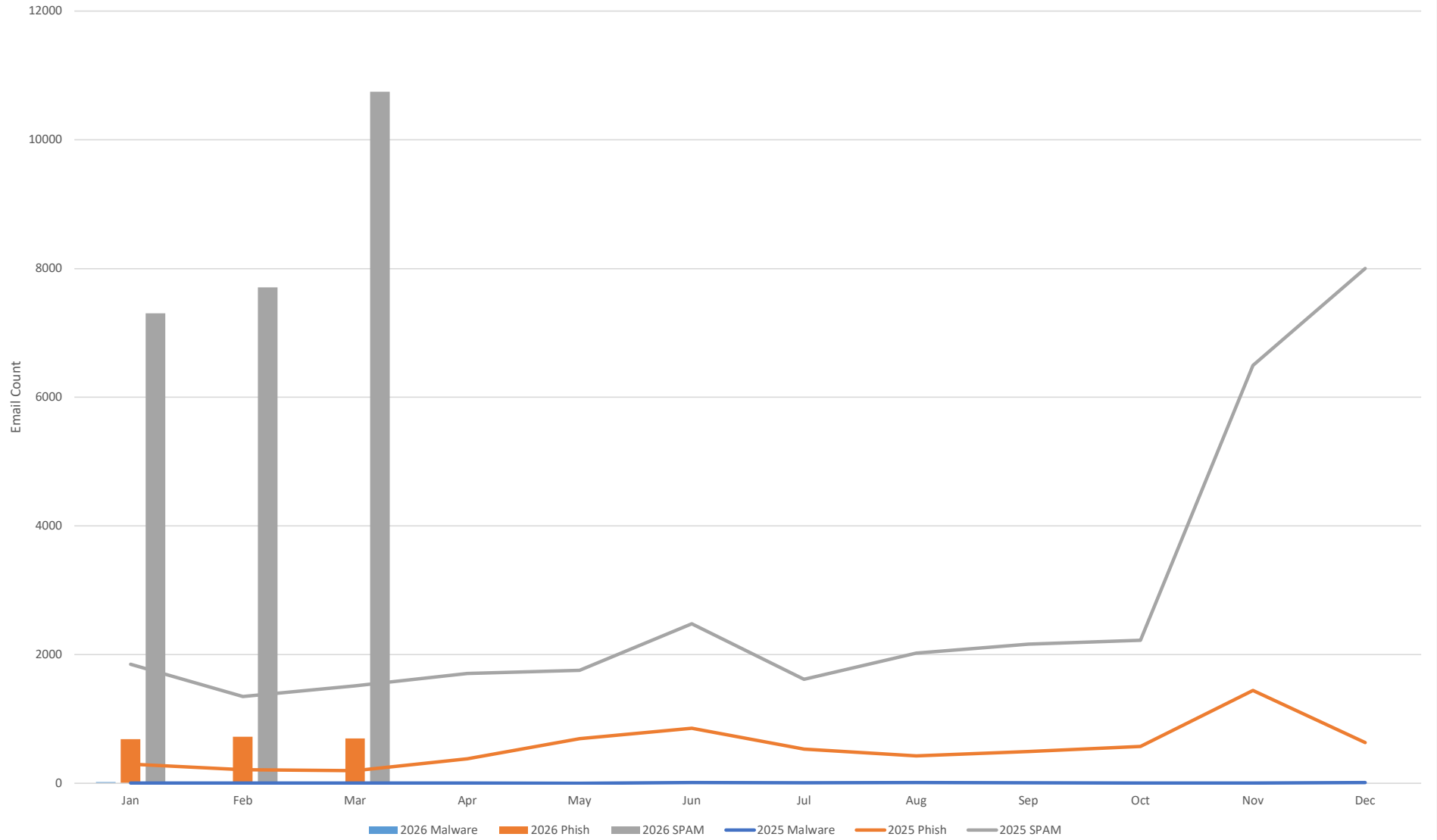


Kent Rossi

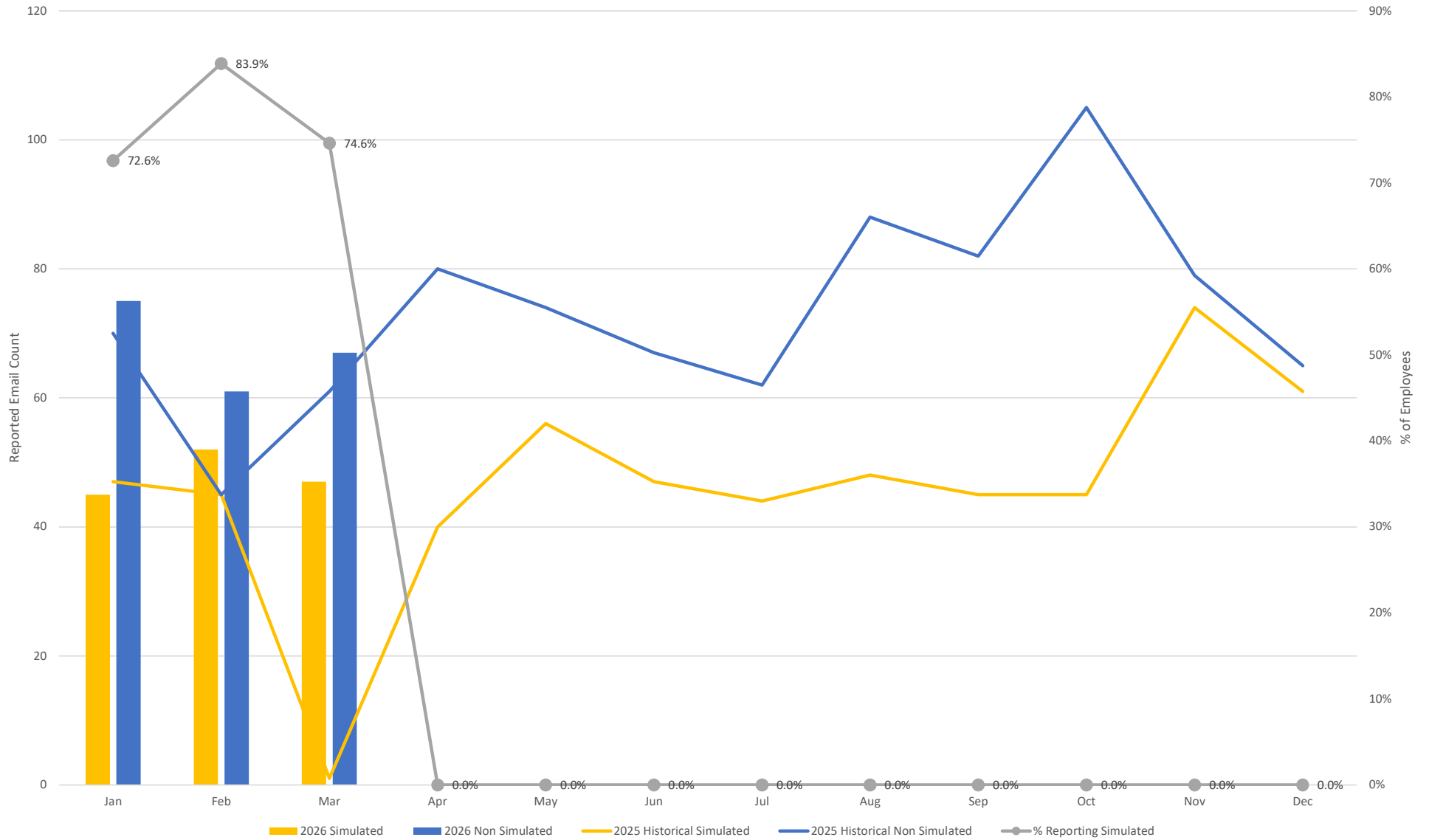
**Owatonna Public Utilities
Commissioner
2016-2026**



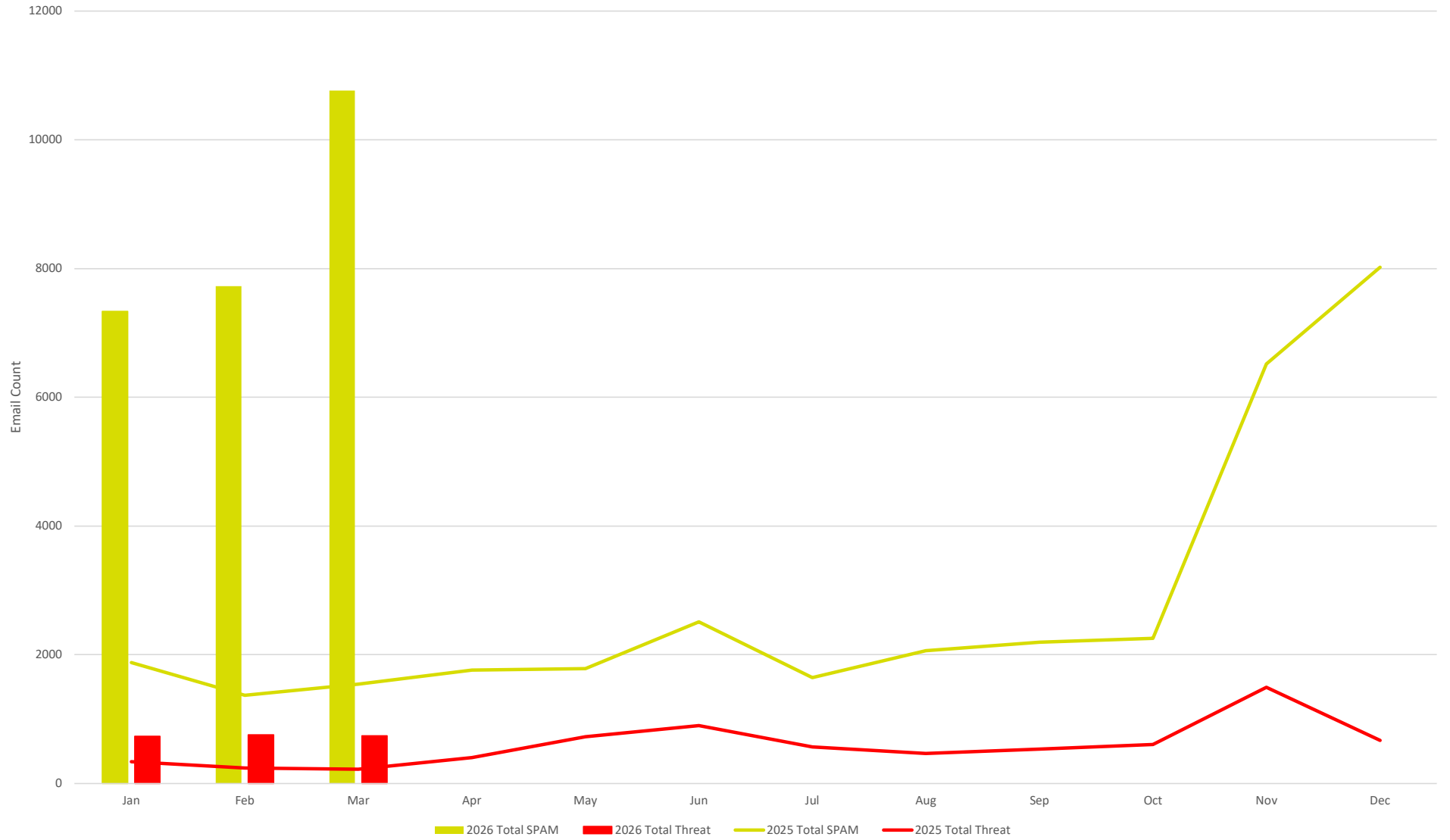
Email Security Metrics - Prevented



Email Security Metrics - Reported

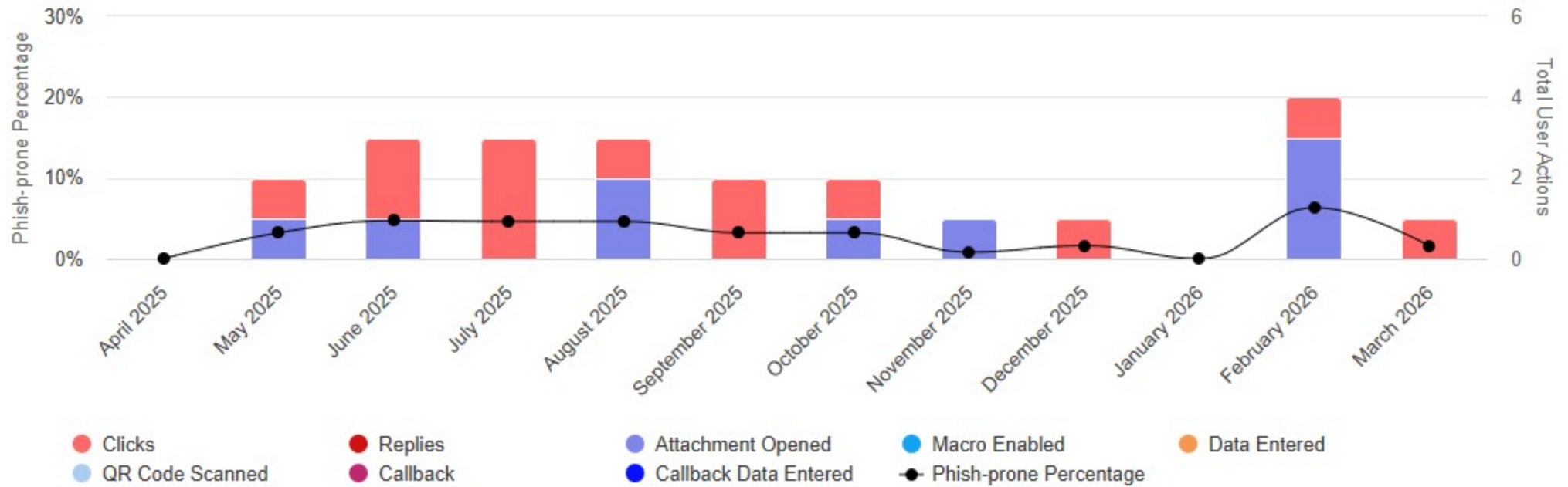


Email Security Metrics - Total Stopped

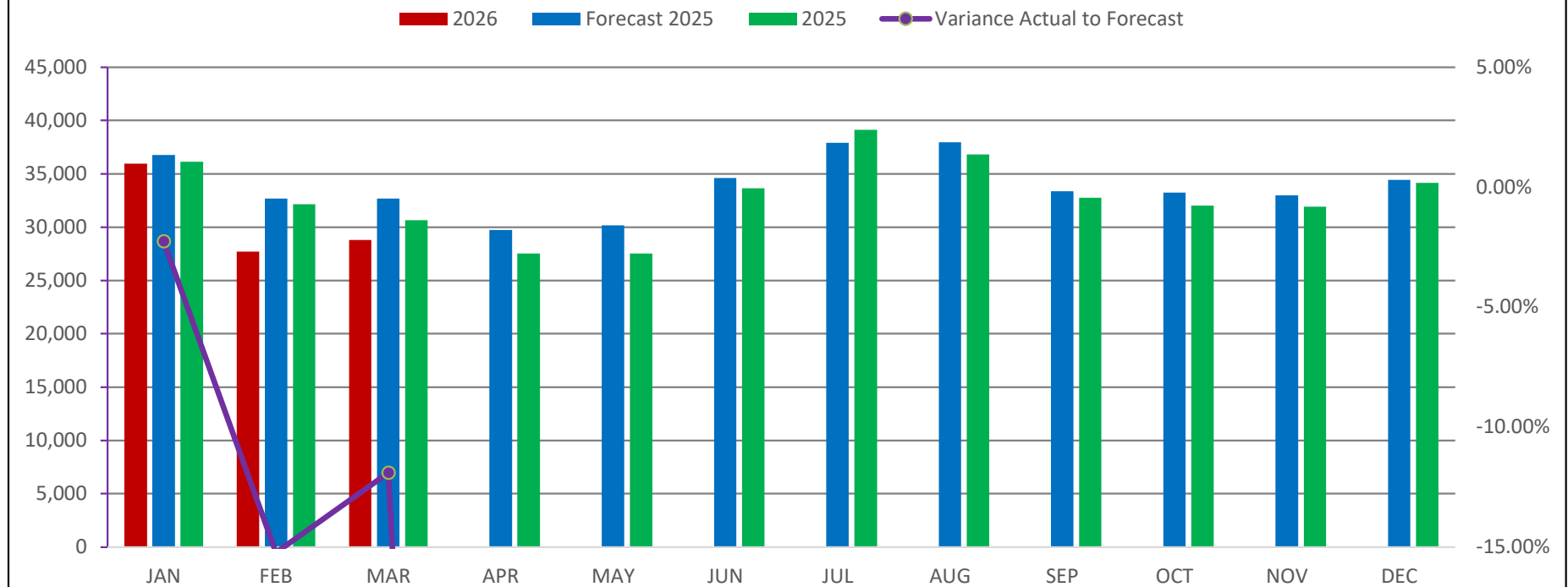


Failure Types

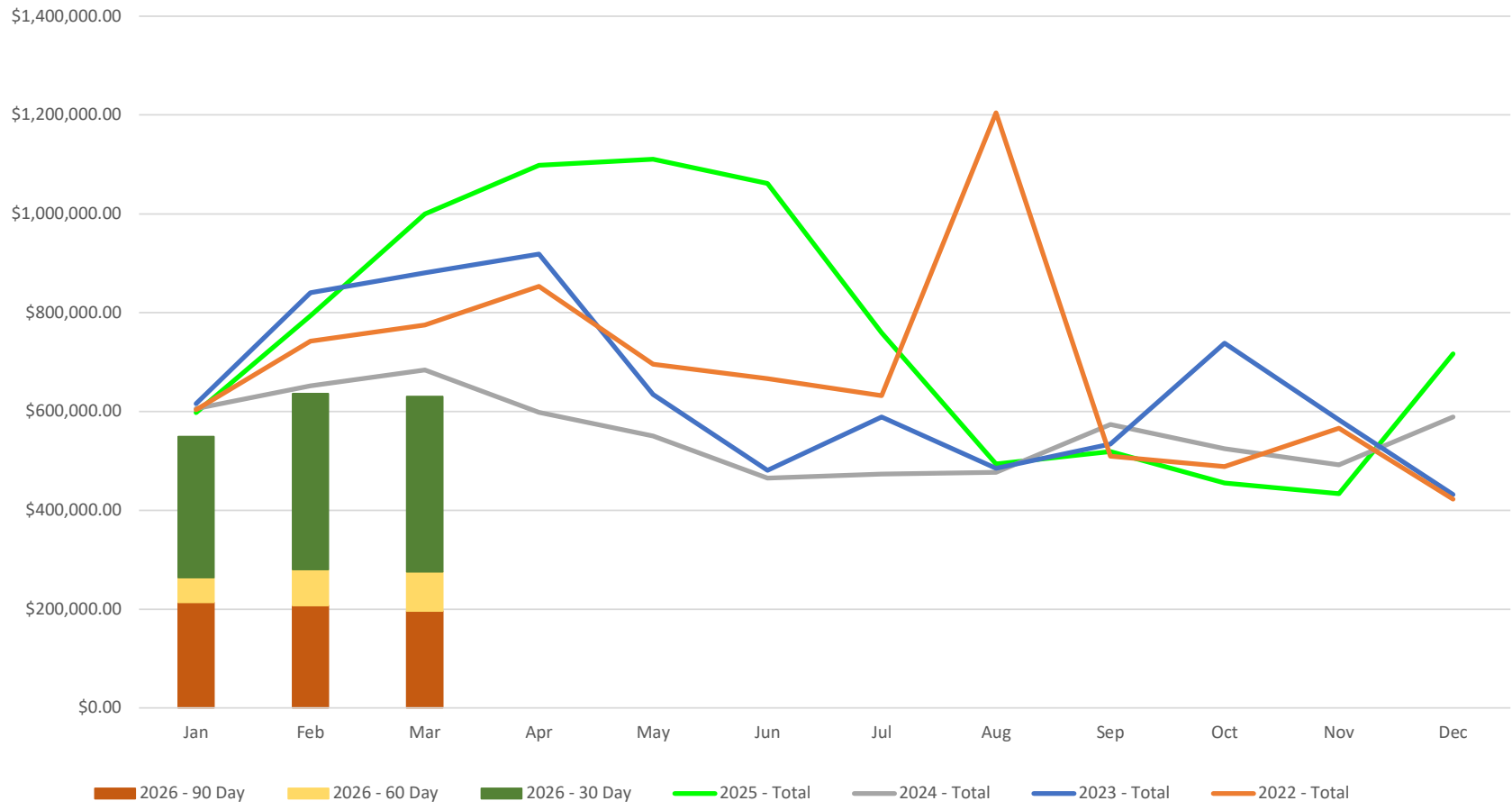
This report displays the number of failure types by campaign for selected users.



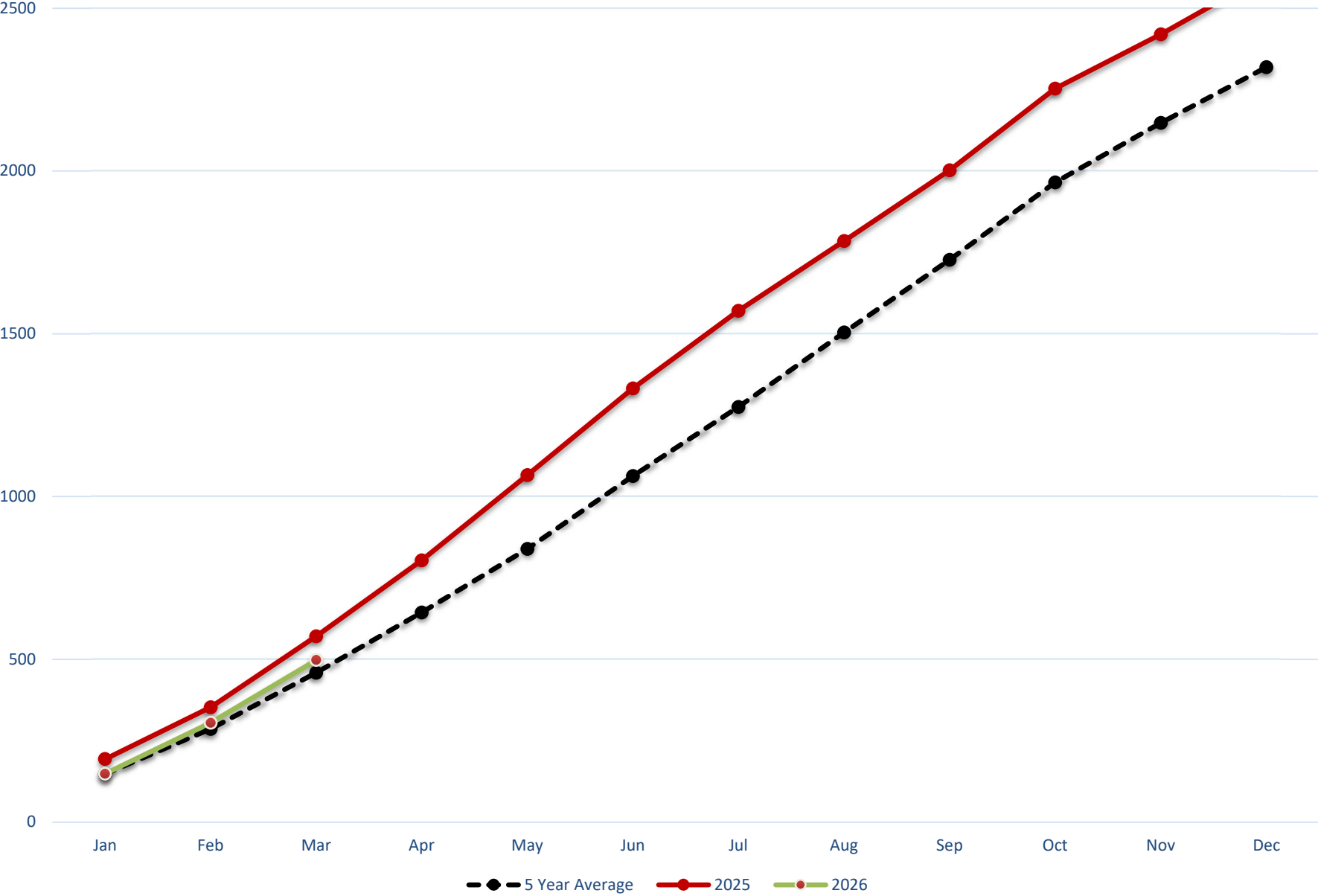
OPU Electric MWH System Requirements



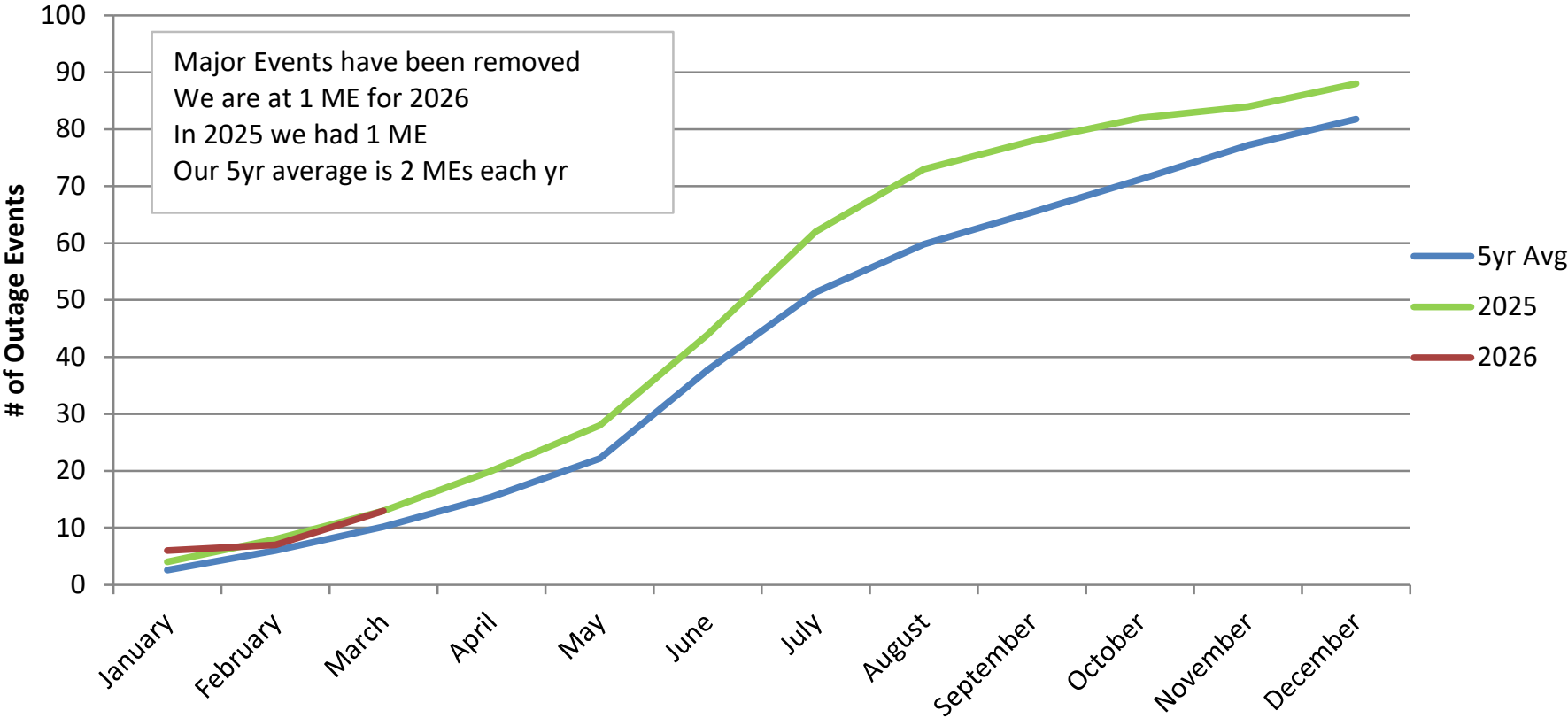
Accounts Receivable - Past Due All Accounts
Aging History -Combined E, W & G



Year to Date Move Orders (Transfers)

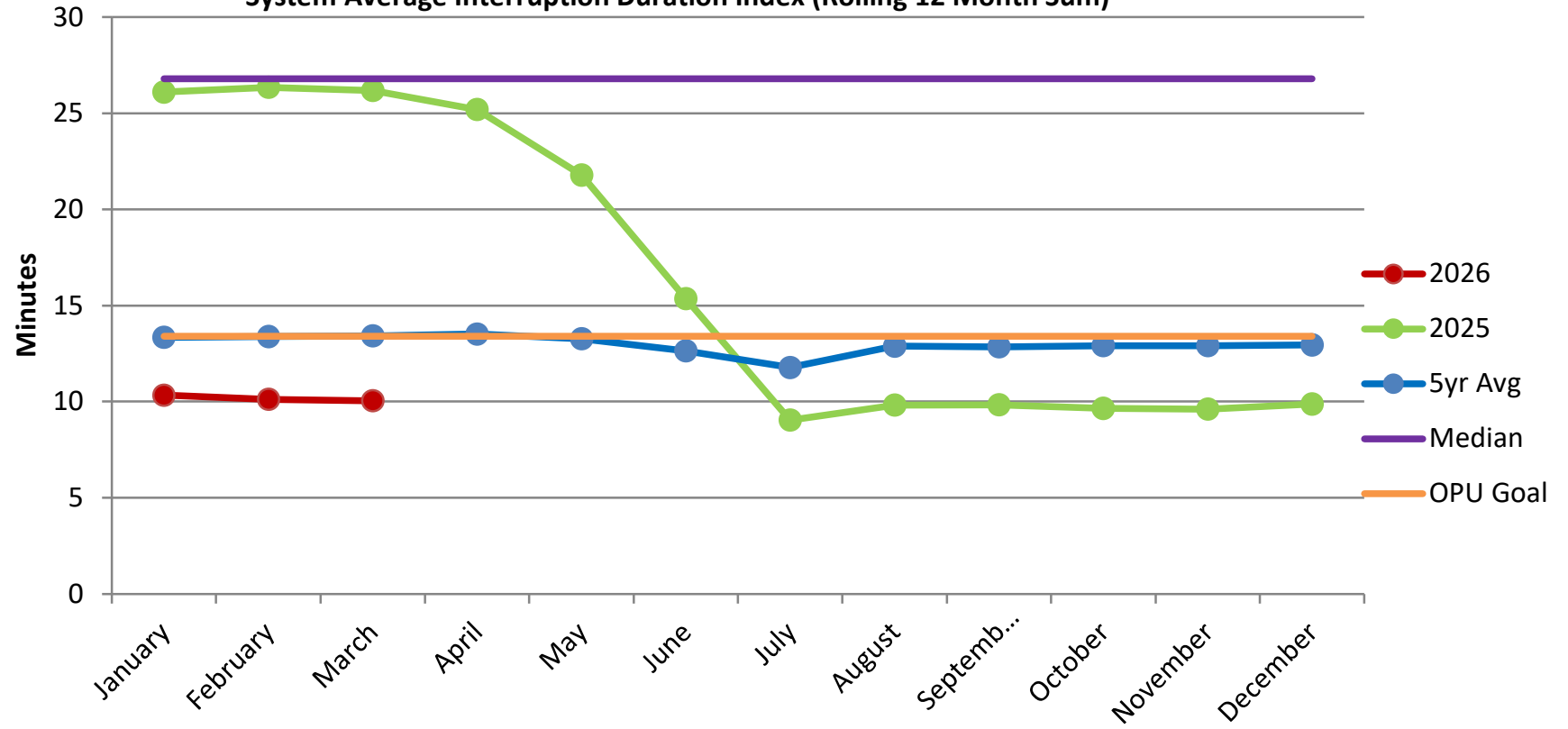


YTD OUTAGE EVENT COUNT



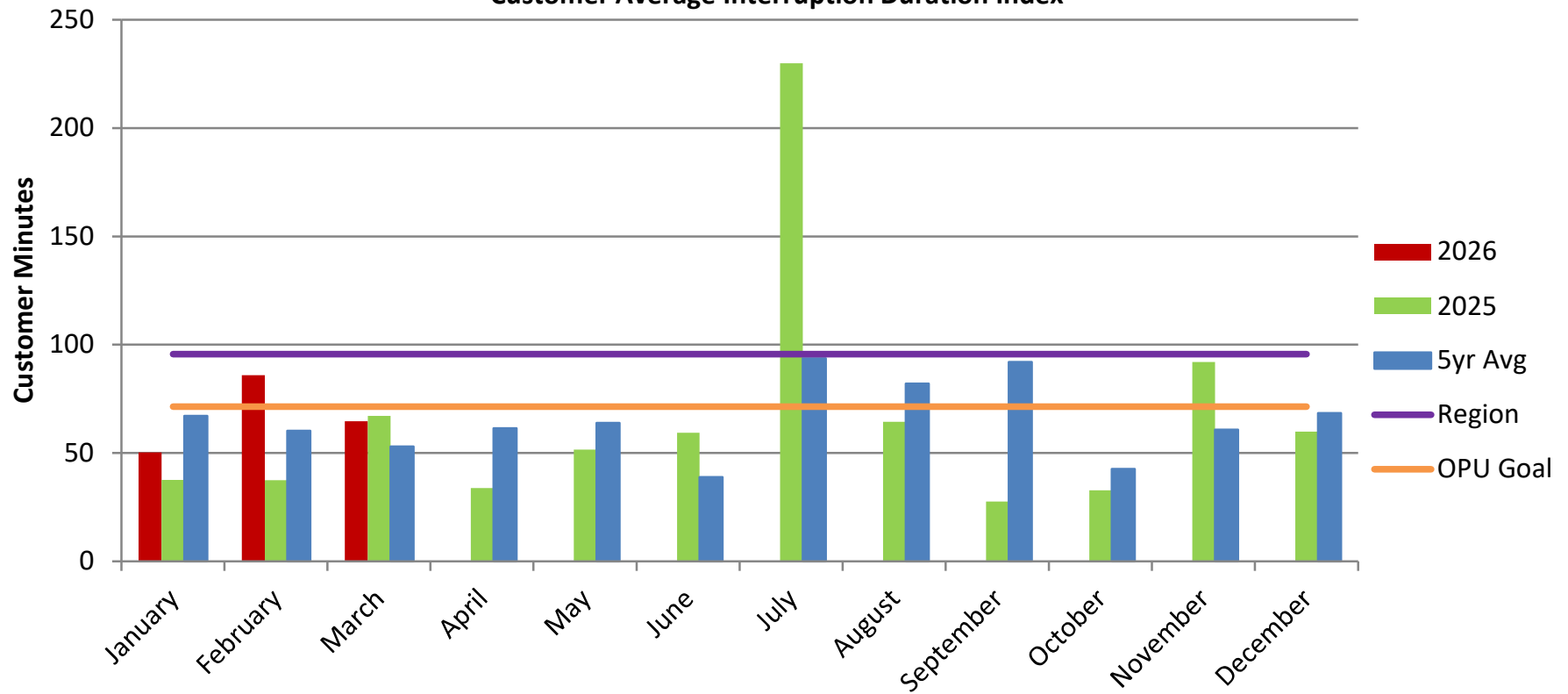
SAIDI

System Average Interruption Duration Index (Rolling 12 Month Sum)



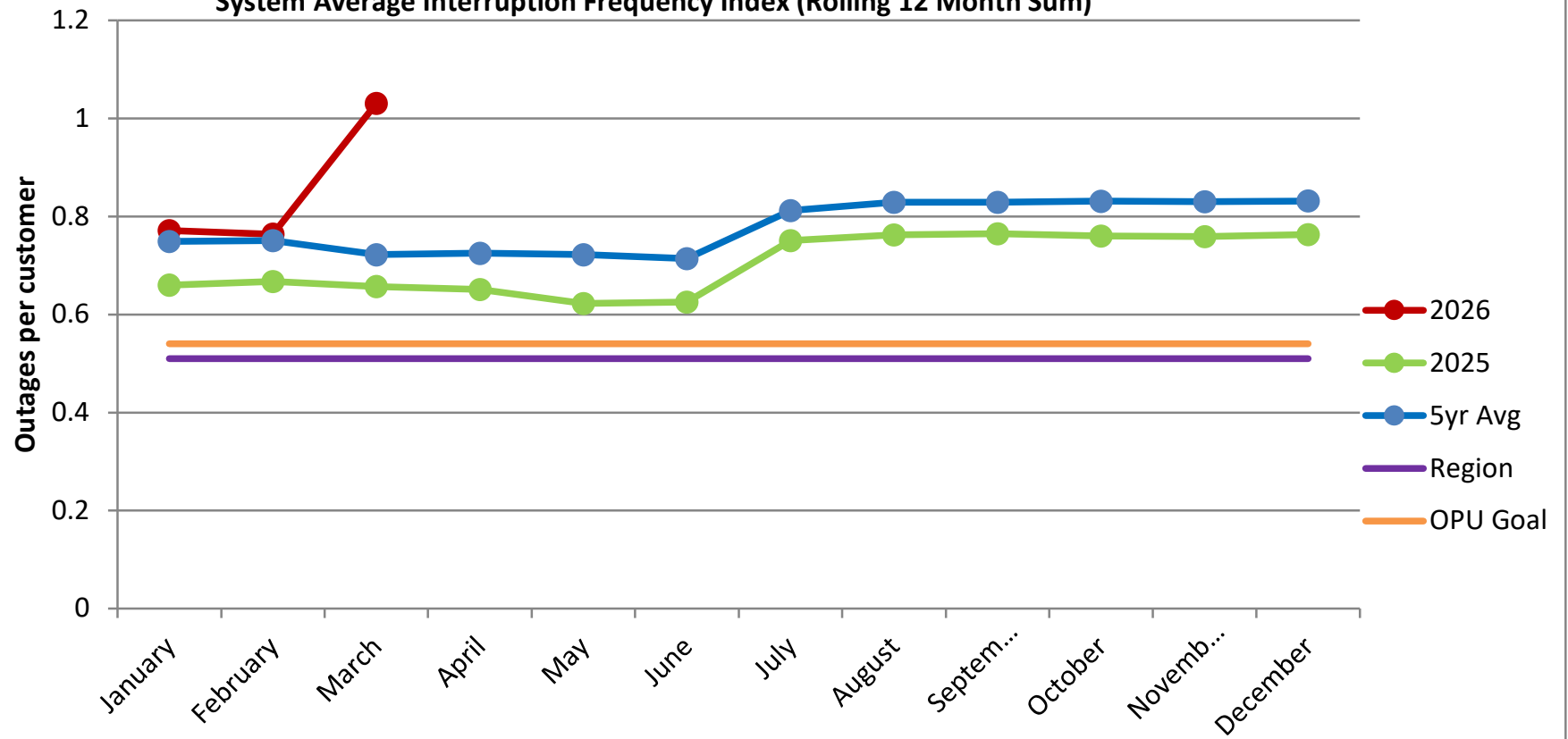
CAIDI

Customer Average Interruption Duration Index



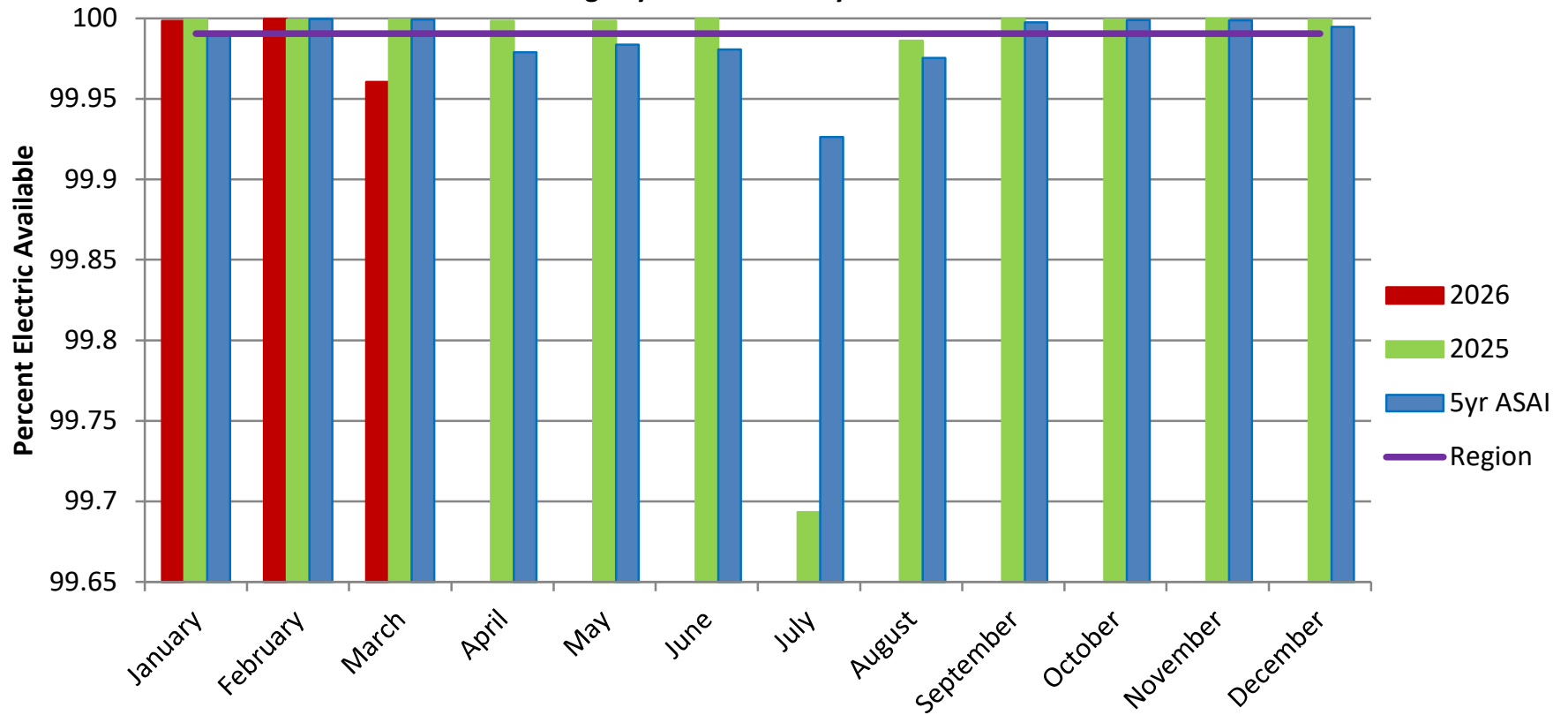
SAIFI

System Average Interruption Frequency Index (Rolling 12 Month Sum)

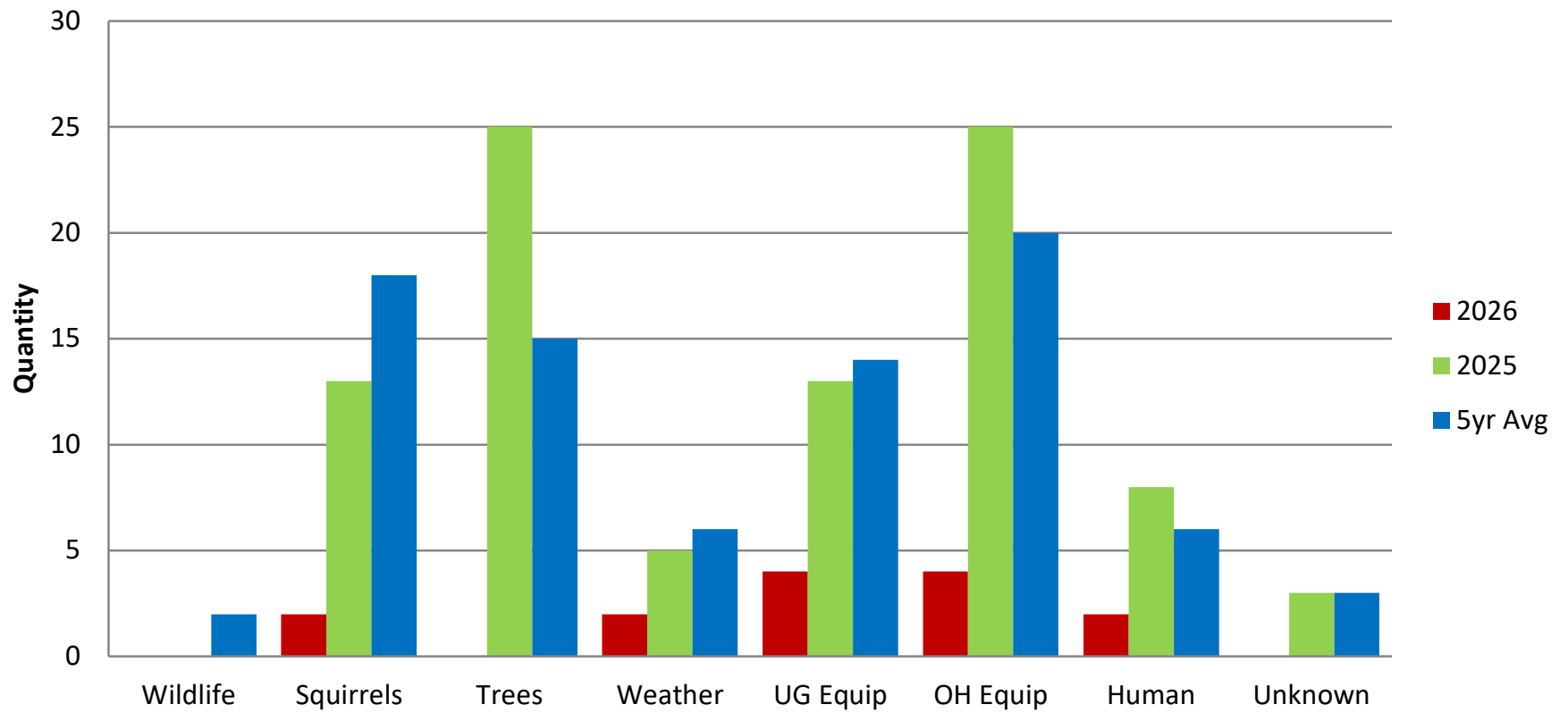


ASAI

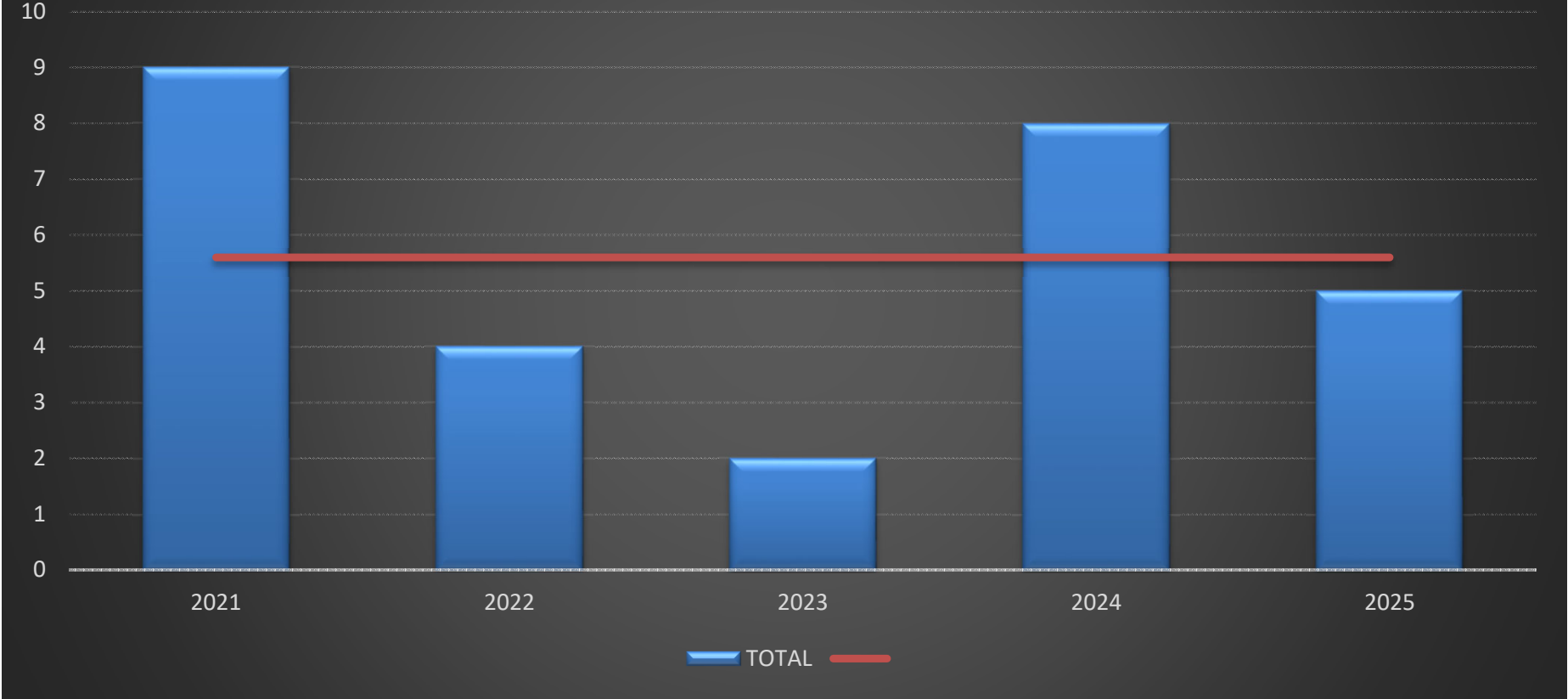
Average System Availability Index



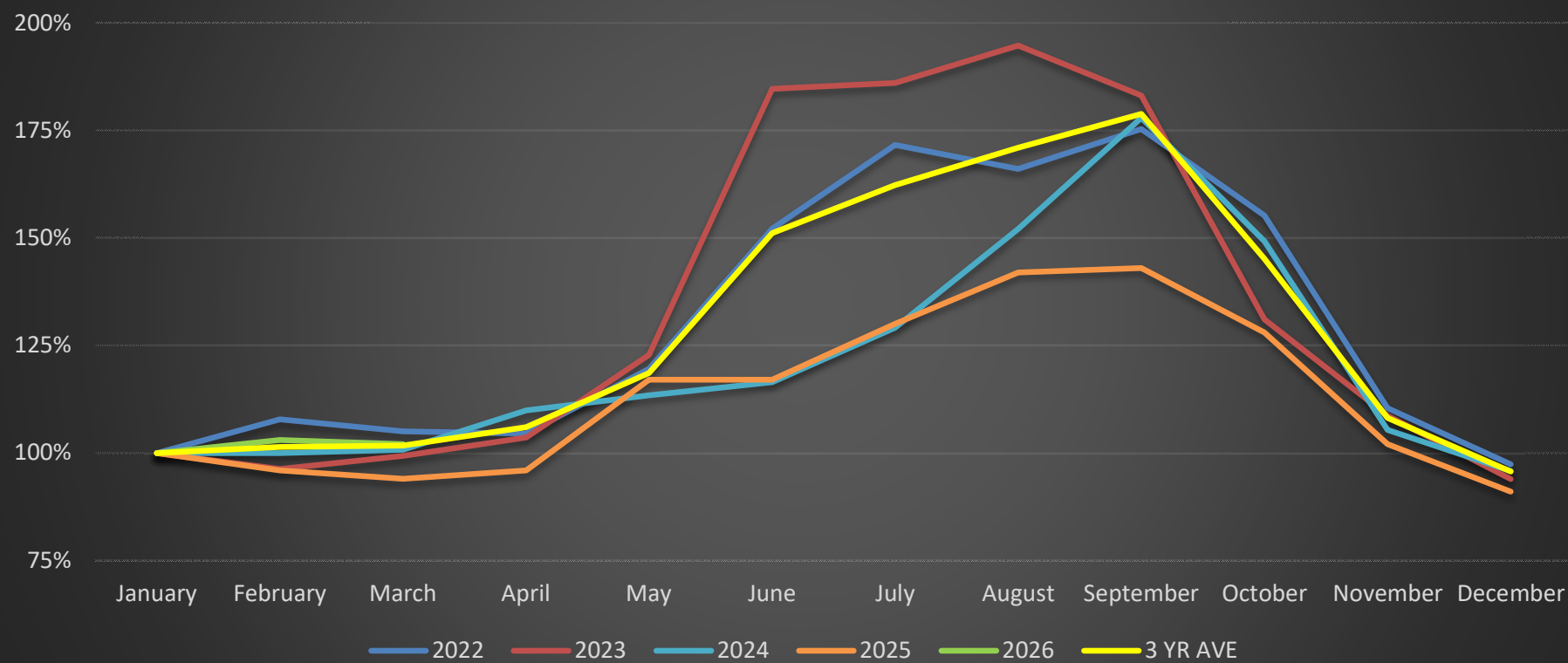
Outage Causes



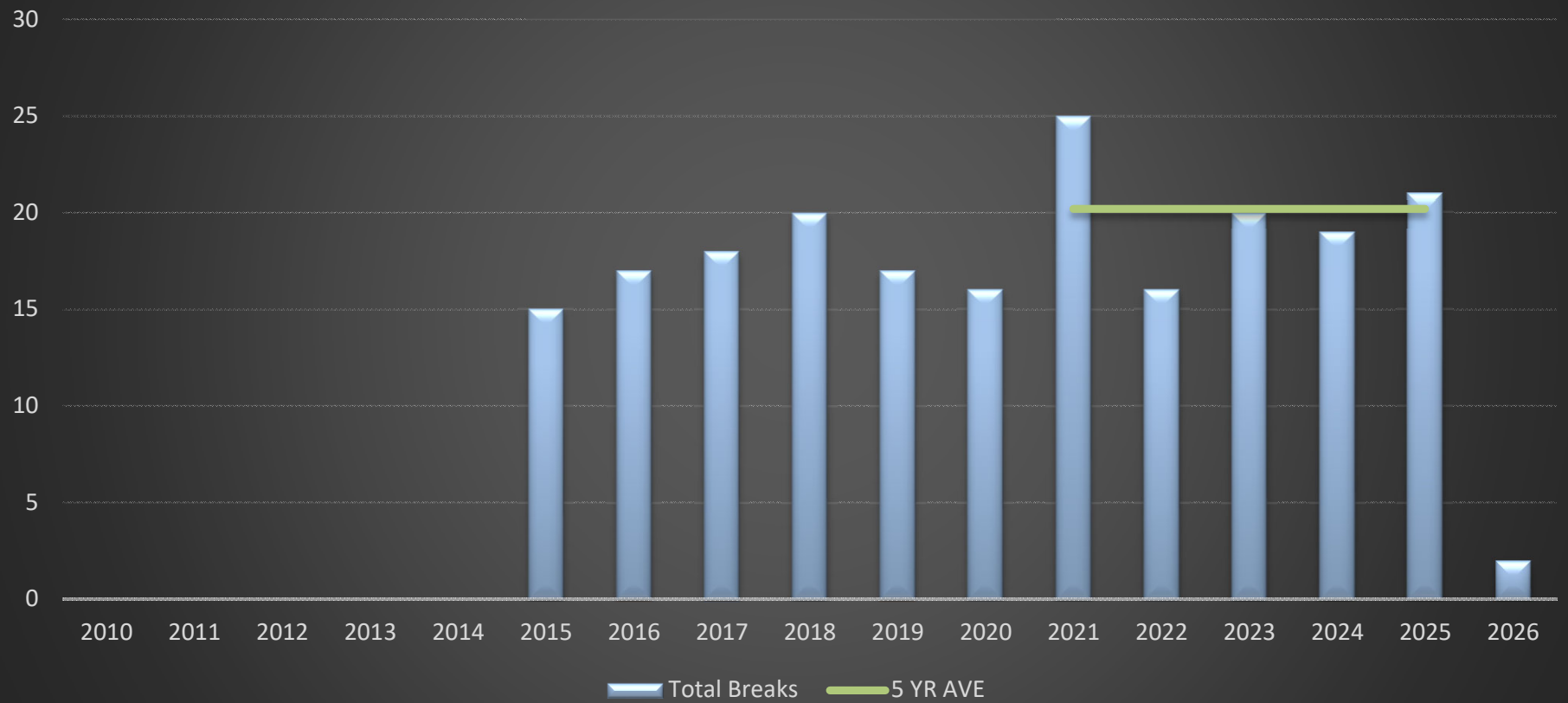
GAS HITS



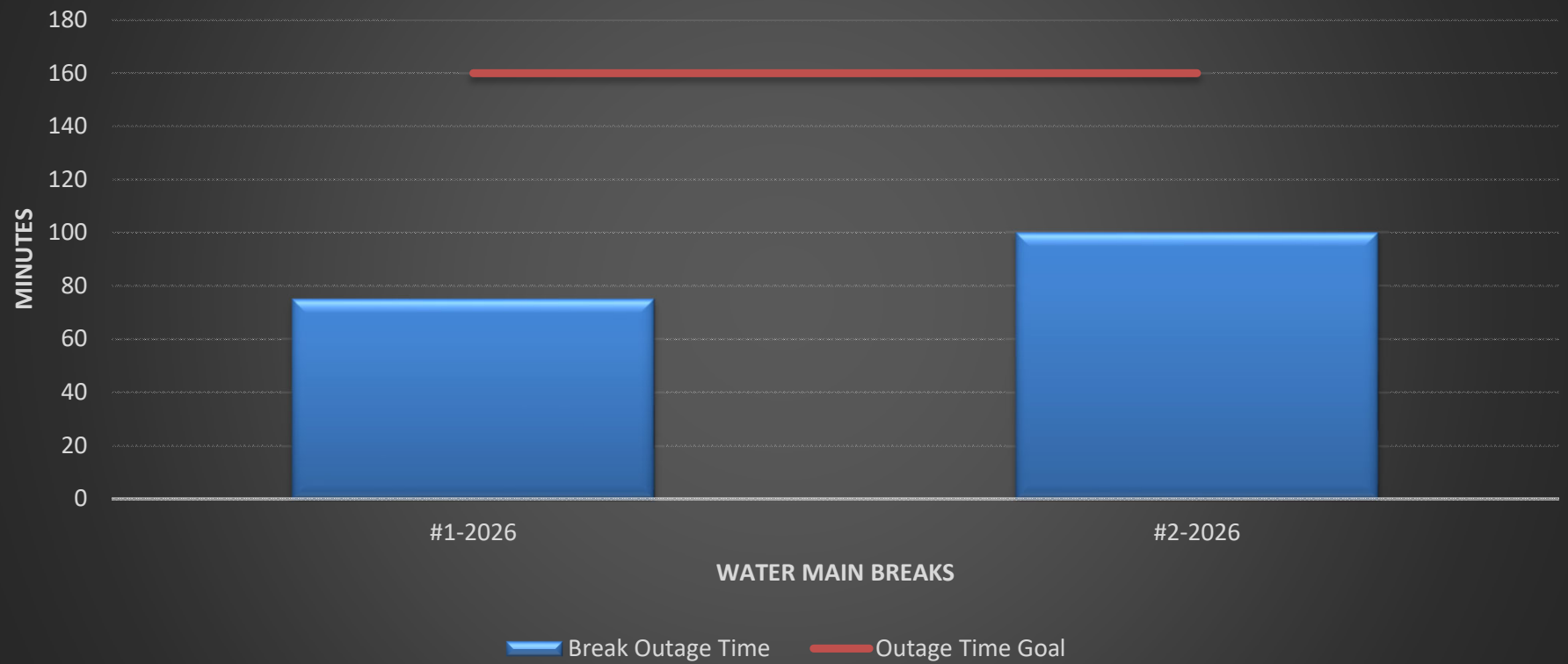
PERCENT OF JANUARY WATER USAGE



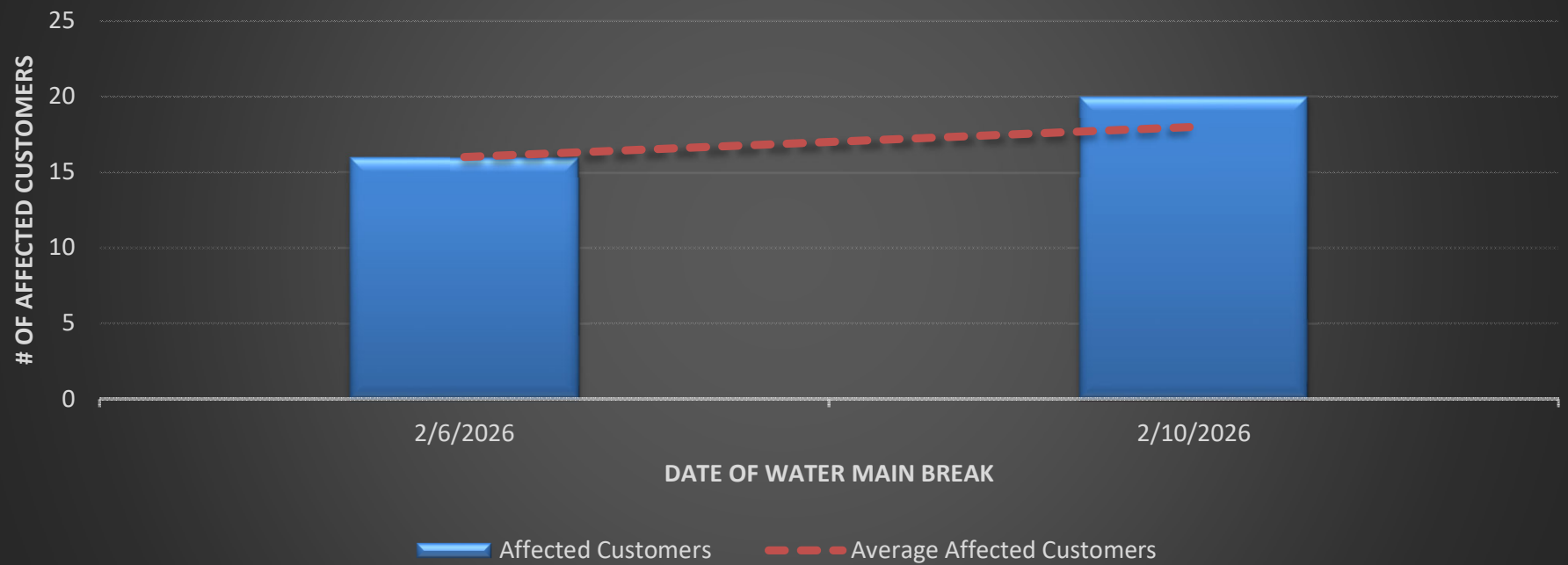
WATER MAIN BREAKS



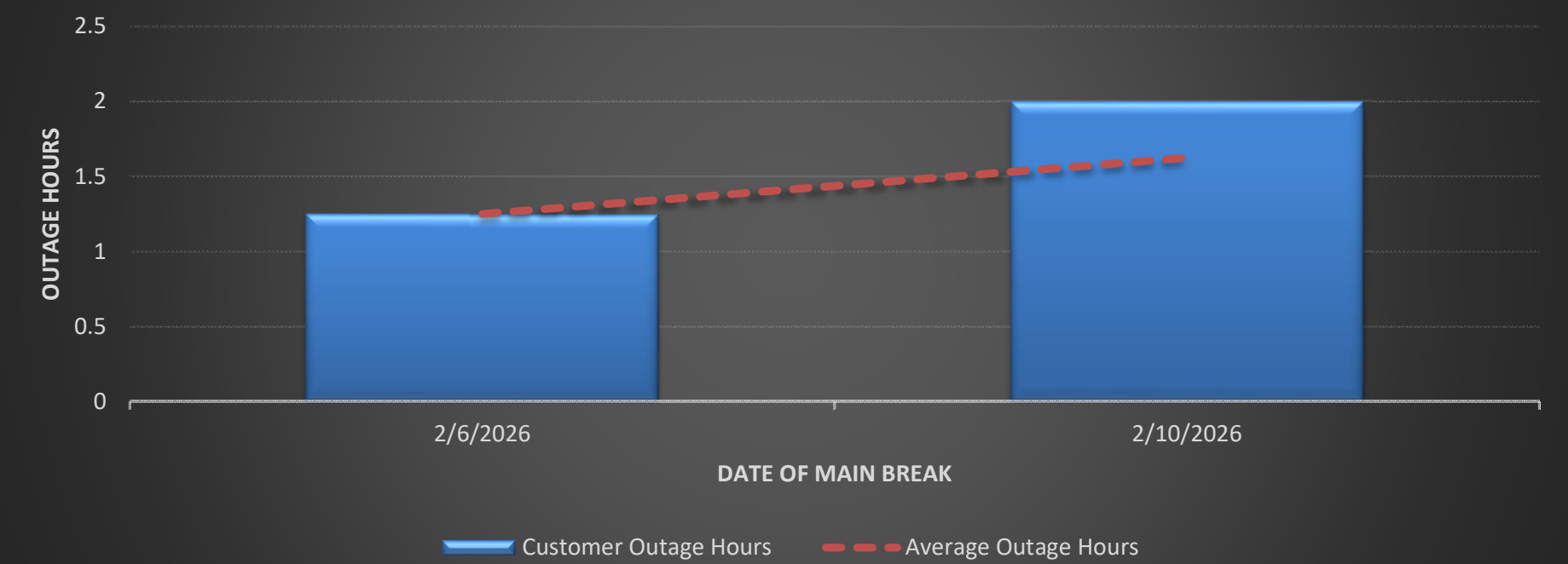
2026 WATER RELIABILITY - CAIDI



2026 AFFECTED CUSTOMERS

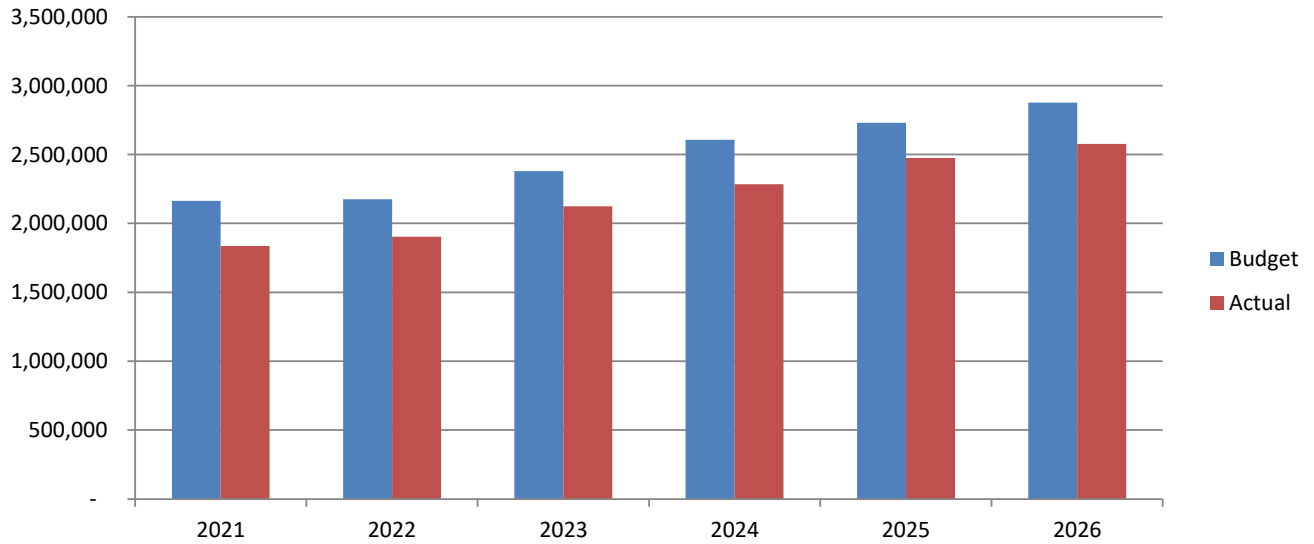


2026 OUTAGE HOURS

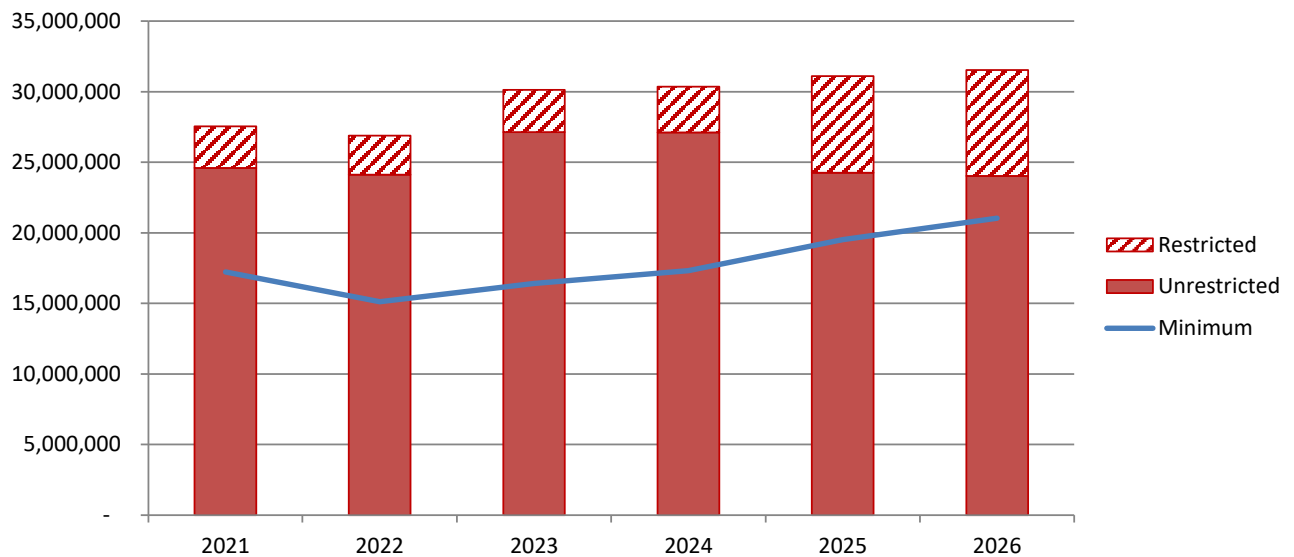


Owatonna Public Utilities Financial Metrics

Controllable Costs As of Feb. 2026



Reserve Levels As of Feb. 2026



SOUTHERN MINNESOTA MUNICIPAL POWER AGENCY
Minutes of the Board of Directors' Meeting
March 11, 2026

President Moulton called the meeting to order at 9:00 a.m. at the Waseca City Hall in Waseca, Minnesota.

Mr. Sonnenberg, Waseca City Manager/Utilities & Public Works Director, welcomed the members to Waseca.

Board Members Present:

President Peter T. Moulton, Saint Peter; Vice President Roger E. Warehime, Owatonna; Secretary James R. Bakken, Preston; Treasurer Bruce A. Reimers, New Prague; Thomas J. Dankert, Austin; and Timothy M. McCollough, Rochester.

Others Present:

David P. Geschwind, Executive Director & CEO; Jerry Mausbach, Blooming Prairie; Julie Zarling, Fairmont; Mike Roth, Grand Marais; Jason Halvorson, Redwood Falls; Todd Prafke, Saint Peter; Chris Rolli, Spring Valley; Carl Sonnenberg, Waseca; Craig Anderson, Wells; Beth Fondell, Naomi Goll, Joe Hoffman, Becca Schmitz, and Jeremy Sutton of the Agency staff.

Others Present Via Conference Call:

Miles Heide, Fairmont; Shane Steele, Grand Marais; Mike Geers, Litchfield; Joe Kohlgraf, Mora; and Christian Fenstermacher, Owatonna.

#1 Agenda Approval:

Mr. Dankert moved to approve the agenda, seconded by Mr. Warehime, passed upon a unanimous vote of the board members present.

#2 Consent Agenda:

Mr. Bakken moved to approve the consent agenda, seconded by Mr. Warehime, passed upon a unanimous vote of the board members present.

APPROVED the February 11, 2026 board meeting minutes.

APPROVED the Rutland Substation Station Power Transformer Replacement. (Attachment A.)

#3 Fairmont Transformer Short-Term Solution-Sutton:

Mr. Sutton reported on the Fairmont transformer short-term solution.

On January 17, 2026 a fault occurred on the load side of Fairmont's southwest feeder within the Fairmont Energy Station (FES) 12.5 kV switchgear. Testing of the transformer identified

numerous issues concluding that the transformer should not be energized.

In 2023 the board authorized a cost sharing project with Fairmont to replace this transformer. The new transformer is scheduled to be delivered and energized by fall 2026. The FES plant is limited to 13 MW of output. Temporarily increasing the plant's output capability until the new transformer can be installed involves repurposing the FES to 10th Street 69 kV transmission line to a 12.5 kV dedicated distribution tie between the switchgear at FES and 10th Street.

Appreciation was expressed toward Fairmont for their efforts.

Discussion.

Action Item

Authorize FES to 10th Street temporary distribution tie using 69 kV line at a cost not to exceed \$205,000. Project expected to be in service prior to MISO summer season.

Mr. Reimers moved to authorize the Fairmont Energy Station to 10th Street temporary distribution tie using 69 kV line at a cost not to exceed \$205,000, seconded by Mr. Warehime, passed upon a unanimous vote of the board members present. (Attachment B.)

#4 Financial Forecast Assumptions-Schmitz:

Ms. Schmitz reviewed the annual financial planning calendar and presented the proposed financial assumptions and scenarios for the upcoming financial forecast.

Financial Planning Calendar

- May – Develop short-term forecast. Budget preparation begins.
- June – Short-term forecast to board.
- July – Load forecast summary to board.
- August – Budget preparation continues.
- September – Budget and rates preview. Budget & Rates Workshop.
- October – Budget and rates for board approval.
- November – Develop long-term forecast.
- December – Long-term forecast to board.

The General Operating Reserves target includes a 2.35% inflationary increase in 2026. Data from the Bureau of Labor Statistics and Energy Information Administration (EIA) is used to apply inflation rate historical averages for the next year, and EIA forecasted inflation is used for subsequent years.

A Sherco 3 planned outage is scheduled from late February 2026 into May 2026, which will require the Agency to purchase replacement capacity. A fall outage is planned for October 10, 2026 to October 23, 2026.

Recommended Forecast Case Run Options

- Base case.
- No forward price premium case.
- High PPA costs case.

- Six-month congestion factor case.

Discussion.

It was suggested that a case be built around Sherco 3 being unavailable for 6 months and unavailable winter or summer seasons in 2028 or 2029.

These assumptions and cases will be used in the short-term forecast.

#5 Investment Policy Review-Fondell:

Ms. Fondell reported on the Investment Policy, which is reviewed every three years by the board.

The SMMPA Finance and Audit Committee reviewed the proposed changes and supports moving forward with the revised policy. The committee was thanked for their assistance.

Proposed Changes

- Extend the allowable maturity for General Reserve Account (capital reserves) to 120 months, as allowed in the senior bond resolution.
- Increase the Money Market Mutual Fund Portfolio limit from 50% to 75% to allow for increased liquidity.
- Clarify that the Agency's Trustee manages settlement of investments.
- Modify the Safekeeping section to be consistent with senior bond resolution.
- Minor grammar and formatting edits.

The Agency considered modifying the Investment Policy to align with allowable investments noted in the Minnesota Statute 118A. Any changes to authorized investments are deferred until after the adoption of the new senior bond resolution later this year.

Discussion.

Action Item

Seeking approval of the revised Investment Policy.

Mr. Dankert moved to approve the Investment Policy with proposed changes, seconded by Mr. McCollough, passed upon a unanimous vote of the board members present. (Attachment B.)

#6 Winter Storm Fern Impact-Fondell:

Ms. Fondell reported on the Winter Storm Fern impact.

The financial impact from the storm was estimated last month as \$10 million, primarily attributed to market price fluctuations during the Sherco 3 unplanned outage. The actual Energy Cost Adjustment (ECA) for January was \$9,333,346, limited to \$4,871,521 by the \$0.02 cap and deferring the remaining \$4,461,827 in accordance with Schedule B base rates. The Sherco 3 outage was a qualifying event under the unplanned Sherco 3 outage self-insurance program. The claim amount of \$577,606.17 was applied towards the MISO net market expenses, reducing the ECA charge. The Agency's General Operating Reserves surplus could absorb the deferred

portion of the January ECA.

Discussion.

Recommendation

Seeking board approval to forego billing members for the deferred January 2026 ECA and instead reduce Agency General Operating Reserves (Rate Stabilization) by \$4,461,827.

Mr. Dankert moved to approve to forego billing members for the deferred January 2026 Energy Cost Adjustment and instead reduce Agency General Operating Reserves (Rate Stabilization) by \$4,461,827, seconded by Mr. Bakken, passed upon a unanimous vote of the board members present.

#7 SMMPA Wind Turbine Repairs-Sutton:

Mr. Sutton reported on the SMMPA wind turbine repairs.

One of the 1650 kW wind turbines in Fairmont experienced a bearing failure in late January 2026.

The Vestas wind turbines maintenance contract only covers preventative maintenance. While the replacement of a bearing does show to be a cost-effective solution by itself, the possibility of further component failure within the next five years is high.

Recommendation Factors

- Renewable energy standard compliance achieved without the generation of the turbine.
 - Renewable Energy Credit bank balance is sufficient.
- Failure of next component imminent.
- Lease contract was reviewed and deemed to allow for the retirement of a unit.
- Cheaper alternatives are currently being explored.

Action Item

Approve retirement of the Fairmont wind turbine with no further repairs. The unit will be retired in place. Demolition or repowering options will be evaluated as additional information becomes available.

Discussion.

Mr. McCollough moved to approve retiring the Fairmont wind turbine with no further repairs with the understanding that the demolition or repowering options will be evaluated as additional information becomes available, seconded by Mr. Reimers, passed upon a unanimous vote of the board members present.

After a short break, the board reconvened at 10:20 a.m.

#8 Steele Energy Station Project Authorization-Sutton:

Mr. Sutton reported on the Steele Energy Station (SES) project authorization.

The Minnesota Pollution Control Agency flagged the air permit for further review based on the new provision in the Minnesota Statute 2161.04 defining the size-based requirements for large energy facilities capable of producing over 50 MW. SMMPA filed the air permit application for SES as a 45 MW nominal facility. During colder temperatures, the unit could exceed the 50 MW threshold, but the controls software would limit output to 49.9 MW. On February 12, 2026, SMMPA submitted an Applicability Determination form as required to the Minnesota Public Utilities Commission (MPUC), and the Agency is waiting for MPUC's decision.

Under the Combustion Turbine Procurement Contract, the Notice to Proceed deadline to Solar Turbines is April 15, 2026.

Discussion.

Next Steps

- Working with DGR Engineering on schedule impacts and permit expectations.
- Reached out to Solar Turbines for generation queue options.
- Overall industry trends on supply chain.

April Board Meeting

- DGR Engineering will attend the April Board meeting to share insights on the air permit process, timeline, and cost estimates.
- Member Representatives vote for funding the SES Project.

Government Affairs/Member Services Report-Hoffman:

Mr. Hoffman summarized the government affairs/member services report detailed in the board book.

APPA Legislative Rally

SMMPA members from Austin, Blooming Prairie, Owatonna, Rochester, and Saint Peter, along with SMMPA staff, attended the APPA Legislative Rally February 22-26, 2026 in Washington, D.C.

MMUA Legislative Conference

Members were reminded of the MMUA Legislative Conference March 24-25, 2026 in St. Paul, Minnesota.

Nuclear Energy Education Day

The Minnesota Nuclear Energy Alliance (SMMPA is a member) will hold a rally in the Minnesota State Capitol Rotunda on March 17, 2026 from 9:30 a.m. – 11:30 a.m.

AES Personal Property Tax Exemption

The Austin Energy Station personal property tax exemption has been drafted and will be introduced in legislation this week. Senator Dornink (R-Austin) has agreed to author the legislation in the Senate and Senator Hauschild (DFL-Grand Marais) as co-author. This week SMMPA will meet with Representative Mueller (R-Austin) regarding authoring the bill in the

House and Representative Liebling (DFL-Rochester) as co-author. The Steele Energy Station tax exemption bill is still active in the Senate and House.

Electric Vehicle Charging New Pricing and Signage

In 2025 a new Minnesota law required electricity sold for electric vehicles (EV) must be expressed in kilowatt-hour units. SMMPA EV charging at both the Level 2 and DCFCs have been billed by 'time used' rather than 'energy delivered'. Based on conversations with ZEF Energy and pricing around the region, SMMPA has determined the following pricing is fair:

- Public Level 2 Chargers: \$0.25/kWh
- Public DC Fast Chargers: \$0.40/kWh
- If requested by the member, an 'Idle Fee' (perhaps \$2/hour after 1 hour of idle time) can be added.

SMMPA has updated the pricing on the Level 2 at the SMMPA office. SMMPA will update the pricing on the remaining L2s and DCFCs in the member communities on April 1, 2026.

Members should contact SMMPA if they prefer a different pricing structure or would like to adjust the pricing themselves. The new law also requires signage display service expressed in kilowatts or if a fee is assessed for other services (idle time fee) must be displayed on the face of the device. SMMPA will prepare and distribute new signage to the members for both the Level 2 and DCFC chargers.

DER Technical Specification Manual Training

The DER Technical Specification Manual Training will be held on April 20, 2026 in Saint Peter, Minnesota.

Cybersecurity Board Security Brief

Firewall is a hardware device, with associated software/firmware, that serves as a security control that sits between trusted systems (like SMMPA's internal network) and untrusted networks (such as the internet) and decides what digital traffic is allowed in or out based on defined rules. During a cybersecurity incident, firewall rules can be updated quickly to isolate affected systems and stop threats from spreading and firewalls also produce logs that help IT staff spot unusual activity and support investigations, compliance, and collaboration with insurers and responders.

Operations Report-Sutton:

Mr. Sutton reported:

Sherco 3 Tours

Members will have the opportunity to tour Sherco 3 during its current planned outage. An email will be sent to the members with the tour dates, and we are aiming to keep tour groups to 10 people per day.

Sherco 3/Hedge Position

The current Sherco 3 planned outage is scheduled from late February 2026 to May 2026. Energy hedge purchases recommended by The Energy Authority are in place. TEA will re-run the analysis model to determine if SMMPA's remaining hedge budget of 25 MW (May) should be purchased.

Capacity Position

Mr. Sutton provided review of the Agency's current MISO capacity situation. Since MISO implemented the Reliability-Based Demand Curve, capacity prices in the auction have been higher. The market is tight, with not a lot of excess generation available for bilateral transactions.

Litchfield Air Permit

The Minnesota Pollution Control Agency (MPCA) requested SMMPA be a signatory on the Litchfield air permit. SMMPA submitted a letter to MPCA requesting not to be a signatory on the Litchfield air permit. More details to follow.

Market Update

A graph of recent natural gas and on-peak electricity prices was discussed.

Financial Report January 2026-Fondell:

Ms. Fondell summarized Agency financial results through January as provided in the board book materials.

SMMPA Financial Audit

The SMMPA financial audit has gone well.

SMMPA Finance & Audit Committee

The SMMPA financial audit report will be presented at the April SMMPA board meeting, and the SMMPA Finance & Audit Committee will meet prior to the board meeting. The annual review of the Audit Committee Charter and the internal controls review will be on the agenda.

Annual Review of Financial Information

Members were asked for feedback on the financial and operational reports included in monthly board books. A member suggested adding budget information to the board book income statement, which will be implemented going forward.

Bond Issuance 2027

The 2027 bond issuance timeline prepared by Public Financial Management was presented. Pricing is planned for the second week of January 2027 and closing the end of January 2027. A Member Representatives meeting will be required for approval of the debt issuance, likely in October or November 2026.

SMMPA Personnel

Ms. Fondell announced her retirement at the end of January 2027.

President's Report:

Mr. Moulton reported:

- SMMPA Staff Recognition: Congratulations to Ms. Fondell on her upcoming retirement. SMMPA staff members recognized were Beth Fondell and Becca Schmitz for their work on the January Energy Cost Adjustment issue; Jeremy Sutton and staff work with Winter

Storm Fern impacts; and Joe Hoffman and staff for coordinating events at the APPA Legislative Rally in Washington, D.C.

Executive Director & CEO's Report:

Mr. Geschwind reported:

- APPA Board of Directors Meeting: Mr. Geschwind serves on the APPA Board of Directors as a Regional Representative. The APPA Board of Directors meetings are held three times a year during the APPA Legislative Rally, APPA National Conference, and a stand-alone meeting in October. Mr. Geschwind reported on a few items of interest from the board meeting held in conjunction with the recent Legislative Rally.
- SMMPA Board Meeting December: An email will be sent to the members proposing holding the December 2026 board meeting on December 10, 2026 to avoid conflict with the MMUA Technical & Operations Conference.
- Rochester Post-2030 Option: Rochester is exploring post-2030 options for power supply. Mr. Geschwind reported on recent conversations he has had with Rochester Public Utilities to explore the possibility of partial-requirements power supply to Rochester after 2030.
- SMMPA Member Representative Meeting: Next month a Member Representatives meeting will be held to seek financing approval for the Steele Energy Station.

Member Forum:

None.

Other Business:

There was no other business.

Adjourn:

A motion to adjourn the meeting was made by Mr. Warehime, seconded by Mr. Reimers, passed upon a unanimous vote of the board members present.

The meeting was adjourned at 12:02 p.m.

Secretary