

**Notice of Conflicts of Interest – East Side Corridor (ESC) Project  
FONSI Determination and Discretionary Approvals**

**To:** Steele County Board of Commissioners, Steele County Attorney, Steele County Administrator

**From:** Owatonna East Side Corridor Residents

**Date:** January 10, 2026

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This submission provides formal notice that multiple members of the Steele County Board of Commissioners have conflicts of interest that require disclosure and mandatory recusal from all discussion, deliberation, influence, and voting related to the East Side Corridor (ESC) project, including any Finding of No Significant Impact (FONSI) or other discretionary environmental determinations.

A FONSI is not a ministerial or procedural act. It is a discretionary governmental decision that commits the County to a specific project alignment, forecloses alternatives, and enables subsequent infrastructure planning, land acquisition, and construction. Under Minnesota law, such determinations must be made by impartial decision-makers.

The attached notices document conflicts arising from: (1) direct ownership, control, or financial interest in property uniquely and materially affected by the ESC alignment and roadway design; (2) shared financial interests through development entities benefiting from reduced traffic, noise, and safety impacts shifted onto other neighborhoods; (3) employment in a leadership, managerial, or decision-influencing role with entities that benefit from ESC-related utility coordination, infrastructure planning, land acquisition, and capital investment enabled by a FONSI; and (4) documented prior conflict-of-interest proceedings involving county roadway projects, which heighten concerns regarding both actual and perceived impartiality.

These conflicts do not stem from generalized policy views or interests shared with the public at large. They arise from individualized, concrete interests tied to discretionary design and alignment decisions that directly affect property value, development conditions, infrastructure planning, and financial outcomes.

Under Minnesota conflict-of-interest standards, disclosure alone does not cure such conflicts. Where a reasonable member of the public would question an official's ability to act impartially, recusal is required from all discussion, deliberation, influence—formal or informal—and voting. Participation by a conflicted official in discretionary ESC decisions compromises both the reality and appearance of fairness required in environmental review.

Failure to disclose and recuse where conflicts exist exposes the County to significant legal and procedural risk, including invalidation of a FONSI or related approvals, vacatur and remand on administrative or judicial review, delay and increased public expense, and noncompliance with MEPA and due-process requirements, as well as potential statutory enforcement consequences as determined by appropriate oversight or enforcement authorities. Decisions tainted by conflicts of interest are routinely set aside regardless of whether a conflicted official's vote was outcome-determinative.

This notice is submitted prior to any final environmental determination to allow the County to cure these defects, preserve the integrity of the environmental review process, and avoid unnecessary legal exposure. The Owatonna East Side Corridor Residents respectfully request that the identified commissioners disclose the conflicts on the public record and fully recuse themselves from all ESC-related FONSI and discretionary approvals.

# **NOTICE OF CONFLICT OF INTEREST AND REQUEST FOR RECUSAL**

## **East Side Corridor Project – FONSI Determination**

**To:** Commissioner Jim Abbe  
Steele County Board of Commissioners

**From:** Owatonna East Side Corridor Residents

**Date:** January 10, 2026

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### **Purpose of This Notice**

This letter provides formal notice of a conflict of interest requiring disclosure and recusal from any discussion, deliberation, influence, or vote related to the East Side Corridor (ESC) project, including any Findings of No Significant Impact (FONSI) or other discretionary environmental determinations.

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### **Relevant Facts**

Public records establish that you own and control property within the Majestic Oaks subdivision through your management role in REO Development Group, LLC (Exhibits A and B).

Publicly available project maps show that the proposed ESC roadway alignment and related design changes occur immediately adjacent to the Majestic Oaks subdivision (Exhibit C). In addition, the project includes removal and redirection of Kenyon Road, which currently runs adjacent to Majestic Oaks (Exhibit D).

This change reduces traffic, noise, and safety impacts to the subdivision while shifting those impacts onto other residential areas. These changes materially affect the value, marketability, and development conditions of property you own, control, or have managerial authority over, creating a direct personal financial interest in the outcome of the decision.

These ESC alignment and roadway decisions are discretionary and directly affect traffic patterns, noise exposure, safety risks, and development conditions for property you own, control, or have managerial authority over. The benefits associated with these decisions are distinct from those experienced by the general public.

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## **Conflict of Interest Analysis**

A FONSI is a discretionary governmental determination that commits the County to a specific project alignment and forecloses alternatives. Under Minnesota common-law conflict-of-interest standards, such determinations must be made by impartial decision-makers.

Where an official has a direct personal or financial interest in property uniquely affected by discretionary design and alignment decisions, participation in those decisions is not permitted. Disclosure alone does not cure such a conflict; recusal from discussion, deliberation, influence, and voting is required.

In addition, Minnesota conflict-of-interest standards require officials to avoid participation in decisions where a reasonable member of the public would question the official's impartiality.

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## **Requested Action**

This notice is submitted to preserve the integrity of the environmental review process and to ensure compliance with applicable conflict-of-interest standards prior to any final environmental determination.

**Given the direct adjacency of the proposed ESC alignment and roadway changes to property you own, control, or have managerial authority over, your continued participation in ESC-related FONSI deliberations or decisions would compromise the appearance and reality of impartiality required under Minnesota law.**

Accordingly, we respectfully request that you:

1. **Disclose the identified conflict of interest on the public record, and**
2. **Recuse yourself from all discussion, deliberation, influence, and voting related to any FONSI or other discretionary approvals for the East Side Corridor project.**

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Respectfully submitted,  
**Owatonna East Side Corridor Residents**

### **Attached:**

- Exhibit A – Minnesota Secretary of State business filing for REO Development Group, LLC
- Exhibit B – City of Owatonna Staff Report and Plat Materials (Majestic Oaks No. 3), pp. 1–3
- Exhibit C – Majestic Oaks subdivision map - adjacency
- Exhibit D – East Side Corridor concept map illustrating roadway alignment changes

## Business Record Details »

Minnesota Business Name

**REO Development Group, LLC**

**Business Type**

Limited Liability Company (Domestic)

**MN Statute**

322C

**File Number**

832439-2

**Home Jurisdiction**

Minnesota

**Filing Date**

03/17/2004

**Status**

Active / In Good Standing

**Renewal Due Date**

12/31/2026

**Registered Office Address**

702 N Elm Ave PO Box 731  
Owatonna, MN 55060  
USA

**Registered Agent(s)**

(Optional) Currently No Agent

**Principal Executive Office Address**

413 Pebble Beach Dr., PO Box 731  
Owatonna, MN 55060  
USA

**Manager**

James Abbe  
PO BOX 731  
OWATONNA, MN 55060-0731  
USA

### Filing History

## Filing History

Select the item(s) you would like to order: [Order Selected Copies](#)

<input type="checkbox"/>	Filing Date	Filing	Effective Date
<input type="checkbox"/>	03/17/2004	Original Filing - Limited Liability Company (Domestic)	

Filing Date	Filing	Effective Date
03/17/2004	Limited Liability Company (Domestic) Business Name (Business Name: REO Development Group, LLC)	
<input type="checkbox"/> 03/17/2010	Registered Office and/or Agent - Limited Liability Company (Domestic)	
1/1/2018	Conversion to 322C Due to Statute Mandate – Limited Liability Company (Domestic)	

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June 9, 2023

**To:** Planning Commission  
**From:** Community Development Department  
**RE:** Final Plat of Majestic Oaks No. 3

### **Background**

REO Development Group is requesting approval of the preliminary plat of Majestic Oaks No. 3, a 7 lot residential replat. The applicant is requesting approval to reconfigure the subject lots in order to add in 3 additional patio homes along White Oak Lane NE.

The proposed patio home lots are set up for a 42' x 80' deep home. All homes will meet the single family detached standard for the side setbacks of 5' to a garage and 10' to all livable portions of the house. All portions of the structure, and all attachments, decks or other items are not permitted on the common lot area. Lots 1 & 7 will be used for the front and rear setback areas and will be considered a common lot.

### **Application Review:**

**Applicant/Owner:** REO Development Group

**Location of Property:** 1875-1905 White Oak Lane NE

**Existing Zoning:** R-3, Single & Two Family Residential District

**Existing Land Use:** The land is currently vacant however; it is platted for single-family detached dwellings.

**Report Attachments:**

1. Location Maps
2. Preliminary Plat

### **Proposed Development:**

**Size of Subdivision:** 1.78± acres

**Number of Lots:** 4 patio home lots, 2 common area lots, and 1 SF lot

**Lot Configuration:** The lots are generally rectangular in shape.

**Street Pattern:** The street pattern will not change from what exists today.

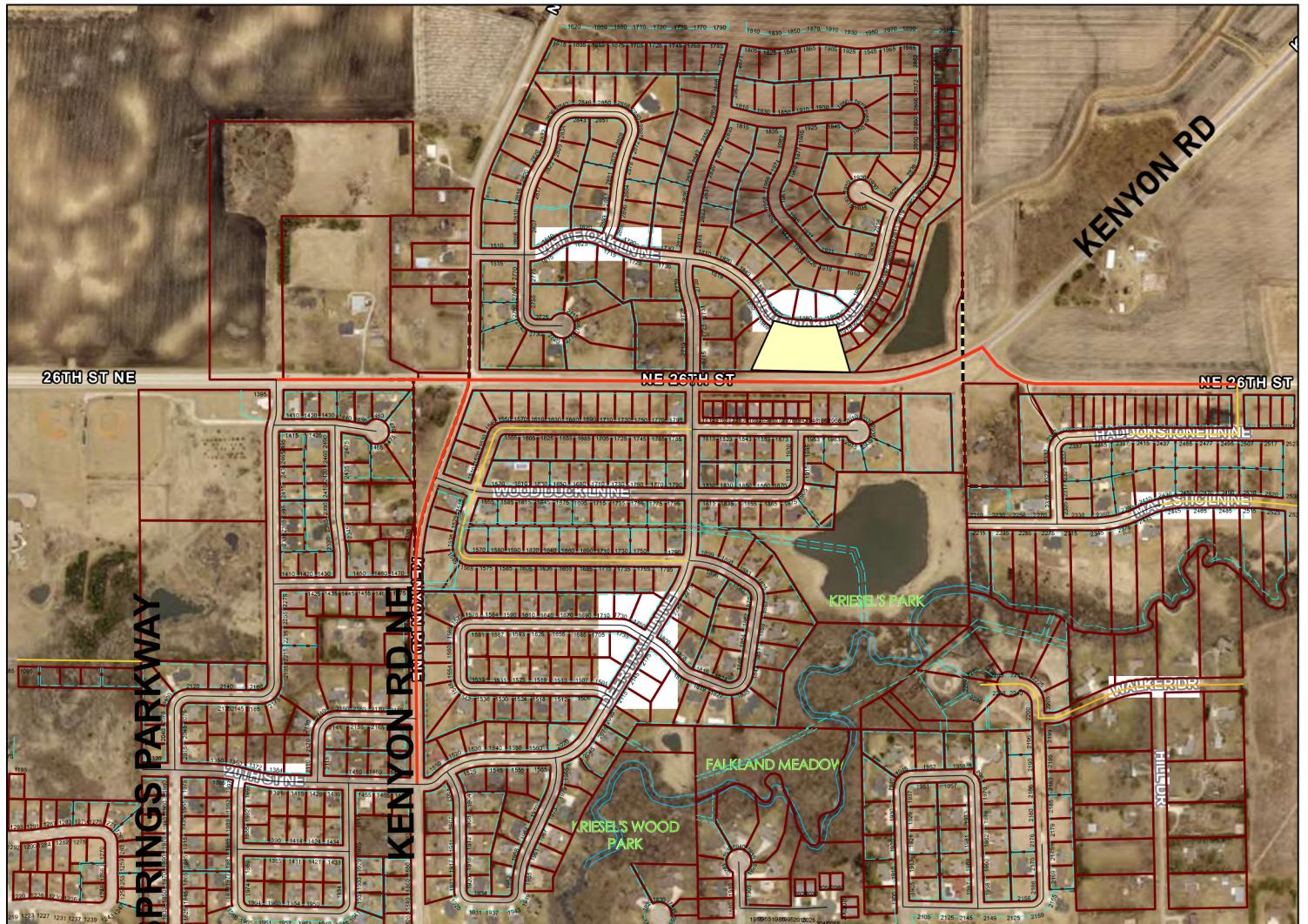
**Services:** Services are currently stubbed into the lots. With the creation of an additional lot, Lot 4 will need to have services existing.

<b>Timing/Financing of Development:</b>	The applicant is hoping to record the final plat soon.
<b>Outstanding Assessments:</b>	There are no outstanding assessments on the property.
<b>Floodplain:</b>	No
<b>Wetlands:</b>	The property does not have any wetlands. The plat has been sent to the Soil & Water Conservation District for verification.
<b>Storm Water Drainage:</b>	No changes are proposed as storm water was addressed with previous additions. With the original development agreement it was agreed upon that the City would eventually take the pond over, with conditions. In order for the City to do that in the future access would need to be provided to the pond.
<b>Easements:</b>	The applicant is proposing to dedicate a 10' utility easement along the north and south property line.
<b>County/MNDOT Review:</b>	This plat has been sent to Steele County for comment, as the property is located along CSAH 34 (26 <sup>th</sup> Street). The plan is not subject to MNDOT review.

#### **Staff Review:**

Staff recommends approval of the preliminary plat of Majestic Oaks No. 3 with the following conditions:

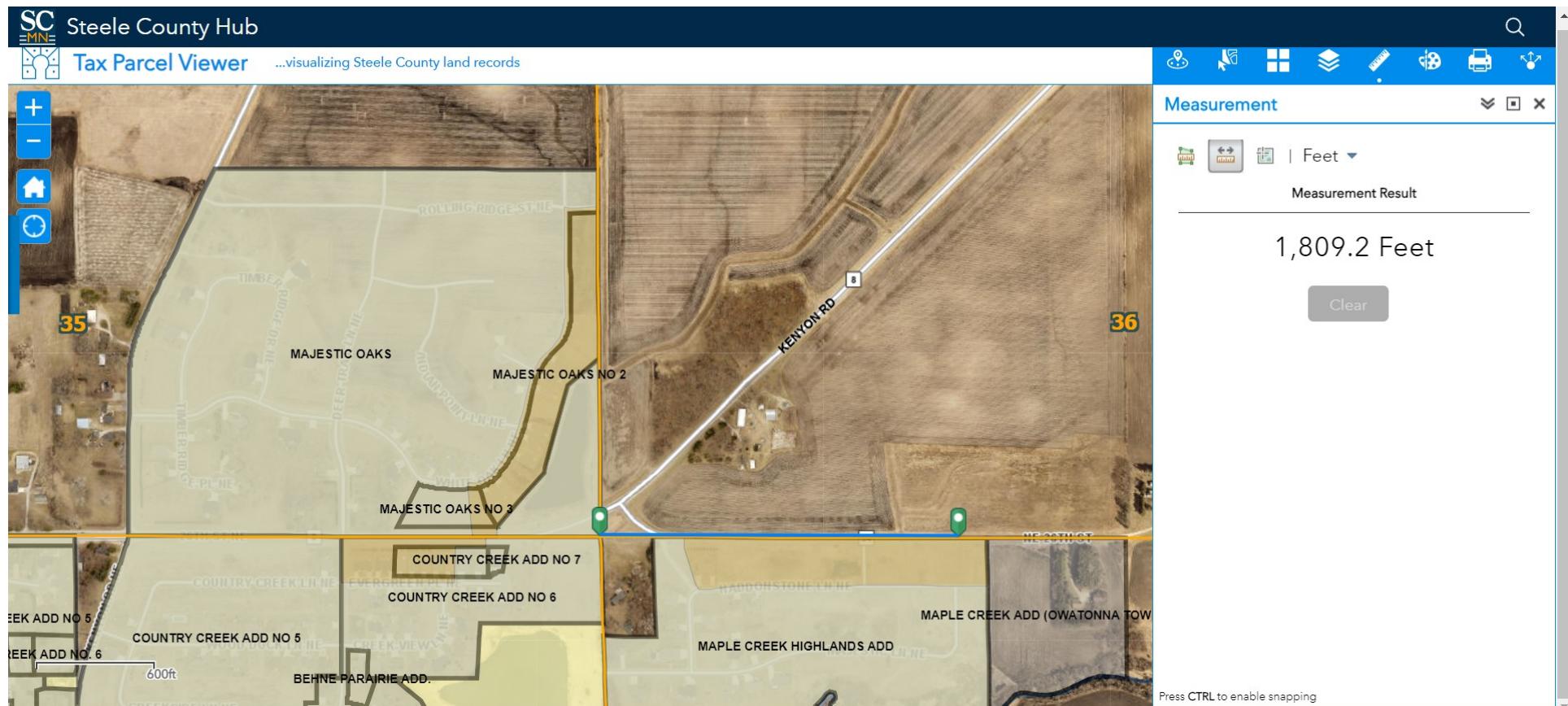
- 1) Final plat approval shall be contingent upon the rezoning.
- 2) The final plat shall be recorded within sixty days of the date of approval of the final plat.
- 3) The title opinion shall be approved by the City Attorney prior to recording of the final plat.
- 4) The applicant shall amend the declarations and covenants for the lots to adjust for the new legal descriptions and design of the patio homes.
- 5) Adequate access, as approved by the City Engineer, shall be provided to the pond prior to the City taking it over as previously agreed upon.
- 6) The emergency overflow through the Timber Ridge Drive NE area shall be constructed prior to the City signing the final plat for recording.



RZ-3 - Majestic Oaks No. 3  
Rezone from R-1 to R-3

1:7,453

Date: 5/26/2023





# **NOTICE OF CONFLICT OF INTEREST AND REQUEST FOR RECUSAL**

## **East Side Corridor Project – FONSI Determination**

**To:** Commissioner Glynn  
Steele County Board of Commissioners

**From:** Owatonna East Side Corridor Residents

**Date:** January 10, 2026

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### **Purpose of This Notice**

This letter provides formal notice of a conflict of interest requiring disclosure and recusal from any discussion, deliberation, influence, or vote related to the East Side Corridor (ESC) project, including any Finding of No Significant Impact (FONSI) or other discretionary environmental determinations.

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### **Relevant Facts**

Publicly available records indicate that you hold a financial interest in property associated with the Majestic Oaks subdivision through REO Development Group, LLC and share in the financial benefits and development outcomes associated with that property (Exhibits A and B),.

Publicly available project maps show that the proposed ESC roadway alignment and related design changes occur immediately adjacent to the Majestic Oaks subdivision (Exhibit C). In addition, the project includes removal and redirection of Kenyon Road, which currently runs adjacent to Majestic Oaks (Exhibit D). This change reduces traffic, noise, and safety impacts to the subdivision while shifting those impacts onto other residential areas.

These alignment and roadway decisions are discretionary and directly affect traffic patterns, noise exposure, safety risks, and development conditions for property in which you hold a financial interest. The benefits associated with these decisions are distinct from those experienced by the general public.

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## **Conflict of Interest Analysis**

A FONSI is a discretionary governmental determination that commits the County to a specific project alignment and forecloses alternatives. Under Minnesota common-law conflict-of-interest standards, such determinations must be made by impartial decision-makers.

Where an official has a direct personal or financial interest in property uniquely affected by discretionary design and alignment decisions, participation in those decisions is not permitted. Disclosure alone does not cure such a conflict; recusal from discussion, deliberation, influence, and voting is required.

In addition, Minnesota conflict-of-interest standards require officials to avoid participation in decisions where a reasonable member of the public would question the official's impartiality.

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## **Requested Action**

This notice is submitted to preserve the integrity of the environmental review process and to ensure compliance with applicable conflict-of-interest standards prior to any final environmental determination.

**Given the direct adjacency of the proposed ESC alignment and roadway changes to property you hold a financial interest, your continued participation in ESC-related FONSI deliberations or decisions would compromise the appearance and reality of impartiality required under Minnesota law.**

Accordingly, we respectfully request that you:

1. **Disclose the identified conflict of interest on the public record, and**
2. **Recuse yourself from all discussion, deliberation, influence, and voting related to any FONSI or other discretionary approvals for the East Side Corridor project.**

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Respectfully submitted,  
**Owatonna East Side Corridor Residents**

### **Attached:**

Exhibit A – Public Business Profile for REO Development Group, LLC

Exhibit B – City of Owatonna Staff Report and Plat Materials (Majestic Oaks No. 3), pp. 1–3

Exhibit C – Majestic Oaks subdivision map - adjacency

Exhibit D – East Side Corridor concept map illustrating roadway alignment changes

**BUSINESS PROFILE**

Share

Liability Insurance

## REO Development Group

This business is **NOT BBB Accredited**. Find BBB Accredited Businesses in [Liability Insurance](#).

[\(507\) 451-3811](#)[Write a Review](#)[MAIN](#)   [REVIEWS](#)   [COMPLAINTS](#)[Overview](#)   **BBB Accreditation & Rating**   [Business Details](#)   [Industry Tip](#)   [More Resources](#)   [Feedback](#)

### Overview

[Own this business?](#)**REO Development Group**

PO Box 731  
Owatonna, MN 55060-0731

### BBB Accreditation & Rating



**REO Development Group is NOT a BBB Accredited Business.**

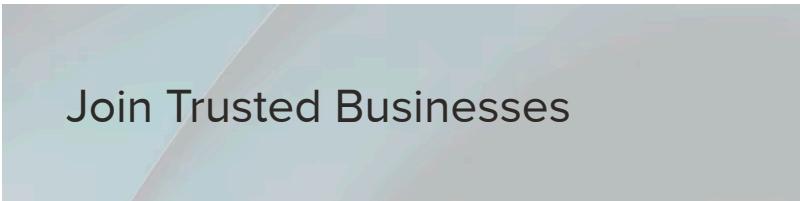
To become accredited, a business must agree to [BBB Standards for Trust](#) and pass BBB's vetting process.

 **Why choose a BBB Accredited Business?****BBB Rating**

# Not Rated

**Reasons for rating**

- BBB does not have sufficient information to issue a rating on this business.

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## About This Business

**Years in Business:** 19

## Business Details

**Local BBB:** [BBB of Minnesota and North Dakota](#)

**BBB File Opened:** 11/22/2006

**Business Started:** 1/1/2006

**Business Started Locally:** 1/1/2006

### Business Management:

John Glynn, Partner

### Additional Contact Information

#### Principal Contacts

John Glynn, Partner

#### Customer Contacts

John Glynn, Partner

## Additional Information

### Other Resources

Minnesota Department of Commerce  
85 7th Pl E Ste 500  
Saint Paul MN 55101  
Phone Number: (651) 539-1500  
<http://www.commerce.state.mn.us>  
[general.commerce@state.mn.us](mailto:general.commerce@state.mn.us)

North Dakota Dept of Insurance  
600 E Boulevard Ave Dept 401  
Bismarck ND 58505  
Phone Number: (701) 328-2440  
<http://www.state.nd.us/ndms/consinfo>  
[insurance@nd.gov](mailto:insurance@nd.gov)

### Business Categories

[Liability Insurance](#)

## Industry Tip



[BBB Tip: Buying insurance](#)

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June 9, 2023

**To:** Planning Commission  
**From:** Community Development Department  
**RE:** Final Plat of Majestic Oaks No. 3

### **Background**

REO Development Group is requesting approval of the preliminary plat of Majestic Oaks No. 3, a 7 lot residential replat. The applicant is requesting approval to reconfigure the subject lots in order to add in 3 additional patio homes along White Oak Lane NE.

The proposed patio home lots are set up for a 42' x 80' deep home. All homes will meet the single family detached standard for the side setbacks of 5' to a garage and 10' to all livable portions of the house. All portions of the structure, and all attachments, decks or other items are not permitted on the common lot area. Lots 1 & 7 will be used for the front and rear setback areas and will be considered a common lot.

### **Application Review:**

**Applicant/Owner:** REO Development Group

**Location of Property:** 1875-1905 White Oak Lane NE

**Existing Zoning:** R-3, Single & Two Family Residential District

**Existing Land Use:** The land is currently vacant however; it is platted for single-family detached dwellings.

**Report Attachments:**

1. Location Maps
2. Preliminary Plat

### **Proposed Development:**

**Size of Subdivision:** 1.78± acres

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**Lot Configuration:** The lots are generally rectangular in shape.

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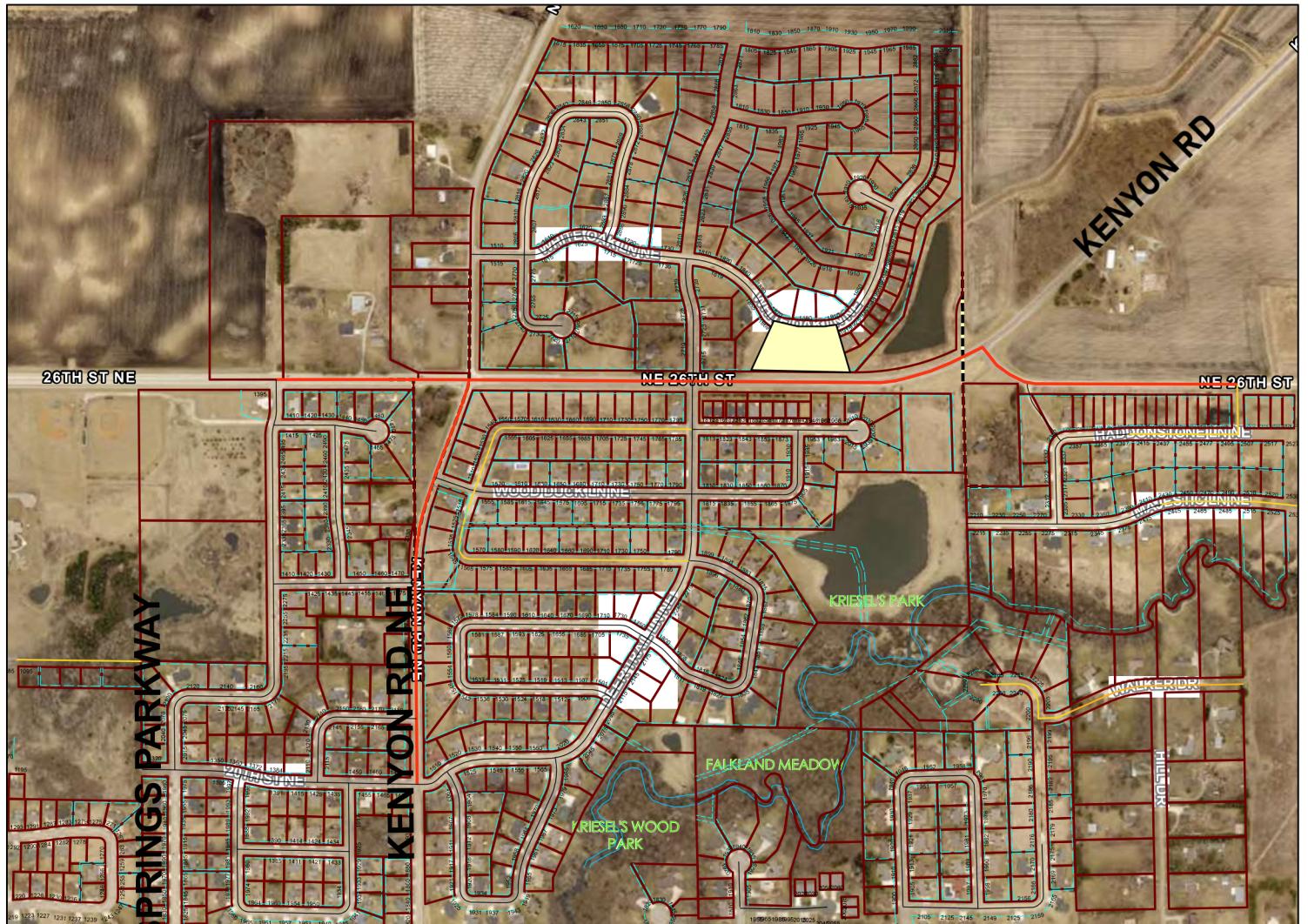
**Services:** Services are currently stubbed into the lots. With the creation of an additional lot, Lot 4 will need to have services existing.

<b>Timing/Financing of Development:</b>	The applicant is hoping to record the final plat soon.
<b>Outstanding Assessments:</b>	There are no outstanding assessments on the property.
<b>Floodplain:</b>	No
<b>Wetlands:</b>	The property does not have any wetlands. The plat has been sent to the Soil & Water Conservation District for verification.
<b>Storm Water Drainage:</b>	No changes are proposed as storm water was addressed with previous additions. With the original development agreement it was agreed upon that the City would eventually take the pond over, with conditions. In order for the City to do that in the future access would need to be provided to the pond.
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<b>County/MNDOT Review:</b>	This plat has been sent to Steele County for comment, as the property is located along CSAH 34 (26 <sup>th</sup> Street). The plan is not subject to MNDOT review.

#### **Staff Review:**

Staff recommends approval of the preliminary plat of Majestic Oaks No. 3 with the following conditions:

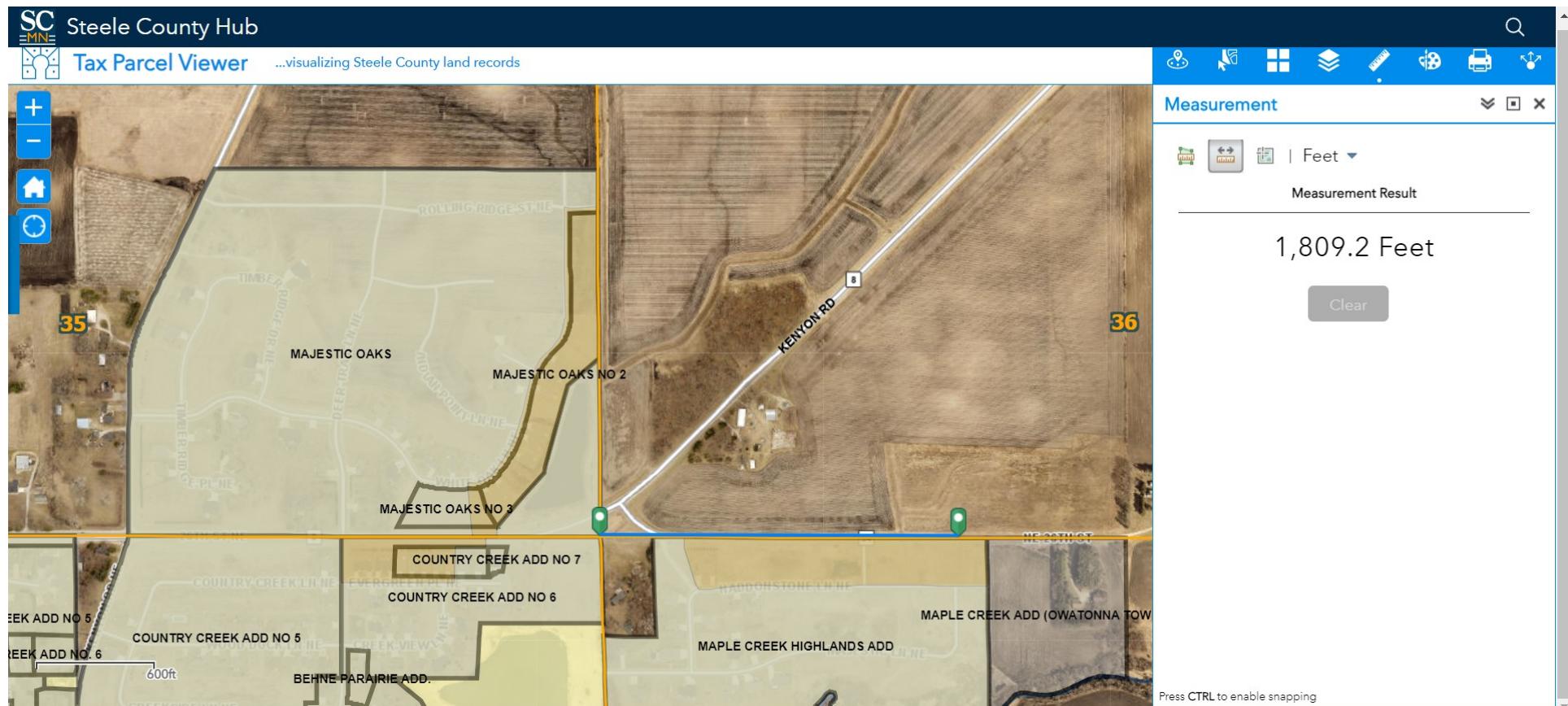
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- 3) The title opinion shall be approved by the City Attorney prior to recording of the final plat.
- 4) The applicant shall amend the declarations and covenants for the lots to adjust for the new legal descriptions and design of the patio homes.
- 5) Adequate access, as approved by the City Engineer, shall be provided to the pond prior to the City taking it over as previously agreed upon.
- 6) The emergency overflow through the Timber Ridge Drive NE area shall be constructed prior to the City signing the final plat for recording.



RZ-3 - Majestic Oaks No. 3  
Rezone from R-1 to R-3

1:7,453

Date: 5/26/2023





# **NOTICE OF CONFLICT OF INTEREST AND REQUEST FOR RECUSAL**

## **East Side Corridor Project – FONSI Determination**

**To:** Commissioner Josh Prokopec  
Steele County Board of Commissioners

**From:** Owatonna East Side Corridor Residents

**Date:** January 10, 2026

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### **Purpose of This Notice**

This letter provides formal notice of a conflict of interest requiring disclosure and recusal from any discussion, deliberation, influence, or vote related to the East Side Corridor (ESC) project, including any Finding of No Significant Impact (FONSI) or other discretionary environmental determinations.

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### **Relevant Facts**

Publicly available records establish that you are employed by Owatonna Public Utilities (OPU) as Manager of Gas & Water Operations (Exhibit A). According to OPU's published job description, this position provides leadership and oversight of engineering, operations, facilities, and capital projects for OPU's gas and water systems, including coordination of construction and contracted infrastructure work (Exhibit B).

The published job description further states that this position oversees bidding processes and contracted projects, including review of bids and recommendations related to utility infrastructure work.

OPU is a direct beneficiary of utility coordination, installation, and infrastructure planning associated with the ESC project. Public records further show that OPU-related activities connected to the ESC include utility planning and land acquisition associated with the East Substation expansion (Exhibits C–E). This conflict exists regardless of whether OPU is a formal project sponsor or applicant.

These matters are advanced by discretionary ESC decisions, including the issuance of a FONSI, which commits the County to a project alignment and forecloses alternatives.

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## **Conflict of Interest Analysis**

A FONSI is a discretionary governmental determination that commits the County to a specific project alignment and enables subsequent infrastructure planning and implementation. Under Minnesota common-law conflict-of-interest standards, such determinations must be made by impartial decision-makers.

Where an official is employed in a leadership role by an entity that benefits from a discretionary governmental decision, participation in that decision presents an institutional conflict of interest. Disclosure alone does not cure such a conflict; recusal from discussion, deliberation, influence, and voting is required.

In addition, Minnesota conflict-of-interest standards require officials to avoid participation in decisions where a reasonable member of the public would question the official's impartiality.

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## **Requested Action**

This notice is submitted to preserve the integrity of the environmental review process and to ensure compliance with applicable conflict-of-interest standards prior to any final environmental determination. Given your employment in a leadership role with OPU—an entity that benefits from ESC-related utility coordination, infrastructure planning, and land acquisition—your continued participation in ESC-related FONSI deliberations or decisions would compromise the appearance and reality of impartiality required under Minnesota law.

Accordingly, we respectfully request that you:

- 1. Disclose the identified conflict of interest on the public record, and**
- 2. Recuse yourself from all discussion, deliberation, influence, and voting related to any FONSI or other discretionary approvals for the East Side Corridor project.**

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Respectfully submitted,  
**Owatonna East Side Corridor Residents**

### **Attached:**

Exhibit A – OPU Newsletter (October 2025), pages 1–2

Exhibit B – OPU Job Description

Exhibit C – OPU Commission Meeting Minutes (November 28, 2023) & Letter of support

Exhibit D – OPU Commission Minutes / Budget Record (Land Purchase & Infrastructure Expansion)

Exhibit E – OPU Newsletter (January 2024), pages 2; Strategic Utilities



# CUSTOMER UPDATE



# FALL FLUSHING

- 2 Dead End Hydrant Flushing
- 3 City Spot
- 4 Dead End Hydrant Flushing Schedule
- 5 Halloween Saving & Safety Tips
- 5 Space Heater Safety - Part 2
- 6 OPU FAQ - Vampire Power
- 6 Conservation Tips
- 7 Business Bites
- 7 Reminder to Submit 2025 Rebates
- 7 Electronic Ignition Hearth Rebates
- 8 Energy Assistance
- 8 Action Required



# OPU MEMO

**Josh Prokopec**  
Manager, Gas & Water  
Operations

## OPU Commission

Kent Rossi  
Jay Johnson  
Doug Zirngible  
Greg Vetter  
Sharon McLane

### DEAD END HYDRANT FLUSHING

Dead-end hydrant flushing is an essential procedure that water utilities implement to enhance the overall quality of drinking water by eliminating stagnant water and sediment accumulation from dead-end water mains. This process involves the strategic opening of hydrants or blow-off valves, allowing water to flow at high velocities. This vigorous flow effectively scours the interior walls of the pipes, ensuring that fresh, clean water reaches the farthest points of the distribution system, where water tends to sit for longer periods.

#### Reasons for Implementing Flushing:

**Enhanced Water Quality:** The primary aim of flushing is to remove sediment, rust, and other debris that can accumulate in the pipes, thus improving the clarity and taste of the water supplied to consumers.

**Effectiveness of Disinfectants:** Flushing helps eliminate buildups that may reduce the efficiency of chlorine and other disinfectants. This is crucial in preventing conditions that lead to aging water, nitrification, or the formation of biofilms within the system.

**Proactive Maintenance:** This practice serves as a proactive approach to maintaining the health and reliability of the water distribution infrastructure, preventing potential issues before they arise.

**Operational Readiness of Equipment:** Flushing also provides an opportunity for utility crews to physically operate hydrants, ensuring that they are functioning properly and are ready to be used in emergencies.

#### Potential Effects on Customers:

During the flushing activities, residents in the affected areas may observe discolored water emerging from their taps. This occurrence is typically harmless, but it's advisable to refrain from using washing machines or running dishwashers during this period to avoid staining. Additionally, customers may experience a temporary drop in water pressure due to the high flow of water being released from the system.

#### Recommendations for Post-Flushing Actions:

If you notice discolored water following the flushing process, OPU recommends the following steps:

1. **Be Patient:** Allow the water a few moments to clear up naturally.
2. **Run Cold Water:** Open a cold-water faucet at the lowest point in your home and let it run for several minutes until the water appears clear.
3. **Avoid Hot Water:** Do not use hot water or operate laundry machines until the cold water runs clear to prevent drawing sediment into the water heater.
4. **Utilize Rust Removers:** If any clothing or fixtures become stained, rust removal products are widely available at retail stores and may also be offered by the utility company.

By understanding and following these guidelines, customers can effectively manage any inconveniences that arise during the flushing process while ensuring their water quality remains high. See page 4 for the areas that will be flushed each day.

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## OPU Careers



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the  
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Click on each position to learn more about its duties and position requirements.

Current openings can be viewed [here](#).

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» [Afterhours Serviceworker](#)

» [Buildings & Facilities Maintainer](#)

» [Communications & Executive Administration Coordinator](#)

» [GIS Related Positions +](#)

» [Human Resources Generalist](#)

» [Inventory Procurement & Control Specialist](#)

» [Information Technology & Related Positions +](#)

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- » [Dispatch Coordinator +](#)
- » [Electric Engineering Related Positions +](#)
- » [Electric Linework Related Positions +](#)
- » [Gas & Water Distribution Related Positions +](#)
- » [Gas & Water Engineering Related Positions +](#)

- » [Key Accounts/Energy Conservation Officer +](#)

- » [Managerial Related Positions](#)

### **Manager, Electric Operations & Dispatch**

Supervises the Electric Operations activities of the Electric Line Distribution crew, the Afterhours Serviceworker, and the Substation Utility Technician. This includes the y on-site operations of the Electric Linecrew and Substations.

Oversees the Electric Linecrew on maintenance and new construction of the electric distribution system. Develops and implements electric lineworker and substation procedures in conjunction with the Director of Engineering. Oversees all projects for electric distribution and substations including contracted projects insuring they are completed according to specifications. Oversees bidding processes on electric and substation projects insuring the process is complete, the required advertising is in order, reviews the construction bids and makes recommendations based on the lowest and best bids and competency of the vendors and/or consultants. Participates in evaluating electric and substation system loads, reliability, contingency and future needs. Implements, and monitors training necessary for the safe, reliable, cost-effective operation of the electric operations and su

GET HELP

Supervises all dispatch functions for OPU's electric, water, and natural gas service orders. Insures the dispatching of all service orders is prompt and in accordance with all dispatching procedures. Develops and implements dispatching procedures, as well as, is the main contact for CRC afterhours customer utility service problems, outages, requests. Provides and assigns dispatch training. Provides prompt attention to the restoration of services in the event of interruption. This position serves as OPU's SMMPA's Liaison on power generation, OPU Gas Turbine, Byron, Owatonna, Waseca and Faribault transmission lines, and all substations on transmission lines.

### **Education Requirements**

Electric Lineworker certificate/degree or other associates degree in Power Distribution systems.

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### **Manager, Gas & Water Operations**

Provides leadership and supervises the Engineering & Operations activities of the Water Production and Gas/Water Distribution systems of OPU. This includes the daily on-site operations of the water supply system, ensuring the state, federal and regulatory data, as well as, the required reports to the Minnesota

Department of Natural Resources are filed. Schedules the departments water production & distribution and gas projects for repair work, construction, or installing structures, mains, service lines, meters, regulators, and other gas/water related equipment. Oversees the development and implementation of the Water and Gas policies and procedures. Oversees all projects for gas and water projects including contracted projects ensuring they are completed according to specifications. Oversee bidding processes on projects ensuring the process is complete, the required advertising is in order, reviews the construction bids and makes recommendations based on the lowest and best bids and competency of the vendors and/or consultants. Oversees the long and short term engineering plans and programs for water and gas utilities. Oversees the needed operations analysis of the water and gas systems evaluating system loads, reliability, contingency and future needs. Implements, and monitors training, tools, and procedures necessary for the safe, reliable, cost-effective operation of the gas distribution, and water production & distribution systems. Responsible for all internal and external, on-going facilities, buildings and grounds maintenance. Assigns work projects internally or to contractors for the on-

going, general maintenance of OPU facilities, buildings and grounds.

### **Education Requirements**

Associates or BS Degree in Gas Serviceworker, mechanical or civil engineering or related engineering field.

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### **Manager, Human Resources & Safety**

Develops, implements, and coordinates policies and programs covering employment, labor relations, wage and salary administration, indoctrination and training, recruitment and selection for job positions, safety and health, employee benefits and benefit insurance plans. Assists the General Manager in union negotiations, grievances, and other union matters insuring all documents and records are in compliance with the Minnesota Fair Labor Standards Act and National Fair Labor Relations Act. Originates and implements Human Resource policies and practices which will provide a balanced program throughout the utility.

### **Education Requirements:**

BS Degree – Human Resources

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» [Metering & Related Positions +](#)

» [Substation Re](#)

GET HELP

» [Supervisory Related Positions](#)

» [Water Production Related Positions +](#)

» [Upper Management Related Positions](#)

\* National average wages obtained from the American Public Power Association's Salary Survey



#### **HOURS**

Mon – Wed: 8AM – 5PM

Thu: 8AM – 6PM

Fri: 8AM – 4PM

Sat & Sun: Closed

#### **ADDRESS**

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

Owatonna, MN 55060

(Corner of Bridge St. & Walnut Ave., downtown)

#### **TELEPHONE**

Business Office: (507) 451-2480 Option #3

Repairs (incl. street lights) or after business

hours: (507) 451-2480 Option #1

Owatonna Public Utilities Commission

November 28, 2023

4:00 p.m.

The Owatonna Public Utilities Commission met in regular session in the Morehouse Conference Room at the Owatonna Public Utilities. Present were Commissioners Zirngible, Ross, Doyal and Vetter. Absent was Commissioner Johnson. Also present were General Manager Warehime; Director, Finance & Administration Olson; Director, Engineering & Field Services Fenstermacher; Director, Information Technologies and Metering Baum; Manager, Human Resources Madson, Manager, Gas & Water Operations Prokopec; Supervisor, Accounting Linders; Executive, Communications & Administration Coordinator Schmoll; Key Accounts & Energy Conservation Officer Hendricks; OPU Employees Lori Jerpbak and Shanda Meier and Greg Ilkka, Steele County Engineer.

President Zirngible called the meeting to order and led the Pledge of Allegiance. He then asked for approval of the agenda and the consent agenda. There was a typo in the date for the October minutes. The October minutes were from October 24<sup>th</sup>. The consent agenda items contained the minutes from the October 24, 2023 Commission meeting, the special budget meeting of November 6, 2023 and the contributed services report as of October 31, 2023. Commissioner Rossi moved to approve the agenda and the consent agenda items with the October minutes being changed from October 26 to October 24. Commissioner Doyal seconded the motion. All Commissioners voting Aye, the motion passed.

### **Committee Reports**

Finance Committee – Commissioner Doyal reported the Finance Committee met, reviewed, and approved disbursements totaling \$5,739,277.77. He reported one work order was completed and one for underground vaults was cancelled. The work order was canceled due to the work not going to be done. There was a request for another work order to replace the heating boiler in the building. Since there was not a quorum at the Finance meeting, Commissioner Doyal moved for approval of the work order in the amount of \$20,000 and asked Commissioner Zirngible to sign it with him. Commissioner Rossi seconded the motion. All Commissioners voting Aye, the motion passed.

Personnel Committee – Commissioner Vetter reported the Personnel Committee met and received a staffing updated. He noted interviews for an open Meter Serviceworker position are ongoing with external candidates, as well as internal interviews are being conducted for the HR Generalist position. Mr. Vetter also noted the committee discussed non-union wage adjustments for 2024. They received wage comparisons, historic wage adjustments versus CPI and are recommending a 3.5% wage increase. There also was not a quorum at this committee meeting, so Commissioner Vetter moved to approve a 3.5% wage increase for the non-union employees. Commissioner Rossi seconded the motion. All Commissioners voting Aye, the motion passed. Mr. Vetter continued by noting the committee received updates regarding the proposed Diversity, Equity and Inclusion policy up for approval at this meeting, changes in the PDO policy due to state law changes and an update regarding proposed health insurance company changes. He noted the union voted to stay with the existing health insurance company.

### **City Administrator Report**

City Administrator Busse was not present,

### **Letter of Support for Grant Related to East Corridor Project**

General Manager Warehime introduced Greg Ilkka, Steele County Engineering, and noted Mr. Ilkka will be discussing the east corridor project and asking for support of a grant for the project.

Mr. Ilkka discussed what the East Side Corridor project and study consist of and noted the County is applying for a grant to help with funding the project. Part of that process is including letters of support from the community. The main purpose of the project is to improve the connectivity of the county's transportation

network and meet near term and future travel needs on the east side of Owatonna and adjacent townships for motorized and non-motorized users. He discussed the differences between local, collector and arterial roadway functions. He discussed the purposes, needs and additional considerations for the corridor including mobility – poor connectivity, functional class network, downtown congestion impacts, land use and anticipated growth areas, walkability/bikeability, consistency with officially mapped corridor, and consistency with the County and City plans regarding transportation and development. He noted, the existing property owners along this corridor will not see an impact to the size of their property. If additional land is needed, they would try to buy additional land from the farmer across the road. Mr. Ilkka shared the project timeline and urged the Commission to check out the project website at [eastsidecorridor.com](http://eastsidecorridor.com). After discussion, Commissioner Doyal moved to accept and sign the letter of support for the East Side Corridor. Commissioner Rossi seconded the motion. All Commissioners voting Aye, the motion passed.

### **Liability of Coverage Waiver Form**

Director, Finance & Administration Olson presented the Liability of Coverage Waiver Form to the Commission. He noted this is a formality the League of Minnesota Cities requires us to sign every year indicating our wishes regarding monetary limits on municipal tort liability. The form indicates we DO NOT WAIVE this liability coverage. Commissioner Rossi moved to sign the form. Commissioner Doyal seconded the motion. All Commissioners voting Aye the motion passed.

### **Diversity, Equity and Include Statement**

General Manager Warehime presented the draft policy statement which clearly states OPU's position on Diversity, Equity, and Inclusion. Mr. Warehime noted, this has been part of strategic planning, and our focus on our culture. The company has spent about a year drafting this policy. After discussion, Commissioner Vetter moved to approve the policy as presented. Commissioner Rossi seconded the motion. All Commissioners voting Aye the motion passed.

### **PDO Policy**

General Manager Warehime presented an updated PDO policy to the Commission. He noted, Director, Finance and Administration Olson gave a brief presentation at the Personnel Committee meeting regarding the changes to the Minnesota Earned Sick & Safe Time law (ESST) and turned it over to Mr. Olson. Mr. Olson explained what the ESST law encompasses and addressed how OPU plans to meet the requirements. He noted our current policy is more generous than what the law requires, and the updates to the policy include adding the protected uses. All employees will be notified with a copy of the updated PDO policy and/or a Memo of Understanding addressing the sections in the union contract. Supervisors will be trained on how to handle this time off law. Mr. Olson wrapped up by discussing the definition of a family member, eligible uses of ESST and made a recommendation to the Commission to approve the policy as presented. After discussion, Commissioner Rossi moved to approve the PDO policy to be compliant with the State of Minnesota changes to the law. Commissioner Vetter seconded the motion. All Commissioners voting Aye, the motion passed.

### **2024 Budget, 2025-2028 Forecast**

Director, Finance and Administration Olson sent out the final budget to the Commission through a separate email. He noted there were not any changes discussed at the budget meeting that affected he expenses, revenue or capital. The only change made was taking out the excess residential water tiered plan. Commissioner Doyal moved to approve the 2024 Budget, 2025-2028 Forecast as presented. Commissioner Rossi seconded the motion. All Commissioners voting Aye, the motion passed.

### **Rate Policies**

General Manager Warehime presented the rate policies which were approved in the 2024 Budget, 2025-2028 Forecast. Director, Finance & Administration Olson noted there was one minor change from the policies presented in the agenda packet. In the water rates policy, it did not specify which months were considered summer. The policy now notes the summer months for purposes of the rate policy are June to October. Commissioner Rossi moved to approve all the rate policies provide in the agenda packet. Commissioner Doyal seconded the motion. All Commissioners voting Aye, the motion passed.

### **General Manager/Staff Report**

General Manager Warehime reminded the Commission the December meeting is rescheduled to December 20<sup>th</sup> and Mr. Warehime noted OPU will be participating in the Holiday Lighted parade with a truck and the Employees' Club is coordinating walkers to join the truck.

Director, Information Technology & Metering Baum reported the cameras for the audio-visual project are on backorder until February. The installer has been asked if the project can move forward without the cameras in regard to wiring, etc. until the cameras come in. Mr. Baum will update the Commission in December.

### **Commissioner Roundtable**

There was nothing else to discuss.

### **Adjournment**

There being no further business to come before the Commission, the meeting adjourned at 5:10 p.m.

Respectfully submitted,

Tammy Schmoll  
Executive, Communications & Administration Coordinator

November 28, 2023

Mr. Greg Ilkka  
Steele County Engineer  
3000 Hoffman Drive  
P.O. Box 890  
Owatonna, MN 55060

SUBJECT: STEELE COUNTY EAST SIDE CORRIDOR

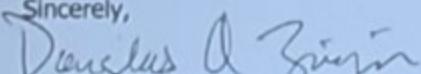
Dear Mr. Ilkka,

The Owatonna Public Utilities Commission is pleased to support the East Side Corridor project.

The project, which has been decades in the planning, will address the critical need for a north – south collector route on the east side of Owatonna, as well as serve as a major utility corridor. It will facilitate the City's growth and significantly contribute to its economic development. Without this corridor, traffic into downtown will continue to increase and create congestion which will have a detrimental impact on the economic development of the City.

The Owatonna Public Utilities Commission wishes you the best of luck with your grant application to the Minnesota Local Road Improvement Program.

Sincerely,



Owatonna Public Utilities Commission

November 4, 2024

4:00 p.m.

The Owatonna Public Utilities Commission met in special budget session in the Morehouse Conference room at the Owatonna Public Utilities. Present were Commissioners Zirngible, Rossi, Johnson, Vetter and McLane. Also present were General Manager Warehime; Director, Finance & Administration Olson; Director, Engineering & Field Operations Fenstermacher; Director, Information Technologies & Metering Baum; Manager, Electric Operations Enright; Manager, Gas & Water Operations Prokopek; Manager, Human Resources Madson; Supervisor, Accounting Linders; Supervisor, Customer Care Van Esch; Supervisor, Information Technologies Trom; Supervisor, Meter Services Johnson; Executive, Communications & Administration Coordinator Schmoll; Energy Conservation & Key Accounts Officer Hendricks; OPU employees Deb Anderson, Lori Jerpbak, Shanda Meier and Megan Smith.

President Zirngible opened the meeting and led the Pledge of Allegiance.

### **Notable Changes from Prior Years**

Director, Finance & Administration Olson discussed the agenda for the meeting. He discussed notable budget changes from the previous year, with the biggest change being how the minimum reserve levels are calculated. Restricted funds are identified separately from unrestricted funds and reserves for individual utilities are adjusted for shared assets owned by the electric utility.

### Rate Terminology and Proposed 2025 Rates

Before reporting on proposed rates, Mr. Olson defined average rate changed, budgeted EAA or PGA rate change and Combined rate impact.

Supervisor, Accounting Linders discussed proposed rates changes in each utility. He reported staff is proposing a 0% rate increase for electric rates; a 10% increase for water which equates to an increase of \$2.68 per month to the average residential customer, and a 6.6% rate increase for natural gas which is approximately a \$4.40 increase per month to the average residential customer.

Mr. Linders went on to discuss commodity and non-commodity revenues, controllable costs and other expenses in each utility.

Accountant Lori Jerpbak discussed the labor and benefits included in the proposed budget.

Mr. Olson wrapped up this portion of the presentation by discussing net income, capital forecasts, and reserve forecasts. He noted in the water utility, reserves show negative balances in a couple years due to the anticipation of having to drill a new well and build a new water tower. Staff and the Commission discussed implementing a water restrictions policy, including sprinkling restrictions and other measures that can be taken to avoid this expenditure. The Commission would like to hold off on adding a well as long as possible.

### **Operating Budgets - Non-labor Expenses and Capital**

Director, Engineering & Field Operations Fenstermacher discussed proposed changes to the Engineering expenses and capital, highlighting items in this budget such as GIS, locating services, training and supplies, and consulting. In the electric area he discussed proposed changes to expenses and capital including tree trimming, distribution maintenance, and purchasing of transformers. In substations, proposed changes in expenses and capital included reductions in expenses due to trends and an increase in capital for the purchase

of land to expand the East Owatonna Substation. Other changes Mr. Fenstermacher discussed included SMMPA expenses, Dispatch expense and capital, and vehicle expenses and fleet capital items. He provided vehicle and equipment ages and discussed OPU's replacement philosophy. He provided the Commission a look forward to request approval for proposed vehicle purchases in 2026 due to supply chain delays and the amount of time it takes to receive equipment.

Manager, Gas & Water Operations Prokopec discussed proposed changes to the expenses and capital budgets in the Water Production, Gas & Water Distribution, and Buildings and Grounds areas.

Supervisor, Meter Services discussed proposed changes to the expenses and capital budgets in the Meter Services area.

### **Non-Operating Budgets – Non-Labor Expense and Capital**

Non-operating proposed budget expenses and capital were presented by Information Technology, Human Resources including safety and insurance, Customer Service, Energy Conservation, Communications, Administration, and Accounting.

### **Wrap Up and Next Steps**

During the wrap-up, the Commission emphasized the importance of ongoing collaboration with the City of Owatonna and the City Council to ensure any new large commercial or industrial customers do not impose financial burdens on existing customers. They urged city officials to be selective when attracting new businesses and to continue partnering with OPU to ensure necessary facility upgrades address new infrastructure demands without compromising reliability or increasing costs for current customers. The Commission also asked staff to check into what impact a new well would have on the wastewater treatment plant.

### **Adjournment**

The Commission thanked everyone for the work they put into their budgets and expressed appreciation for the great detail. There being no further business to come before the Commission, the meeting adjourned at 7:18 p.m.

Respectfully submitted,

Tammy Schmoll,  
Executive, Communications & Administration Coordinator

# OPU MEMO



Roger Warehime,  
General Manager

## OPU Commission

Kent Rossi  
Randy Doyal  
Jay Johnson  
Doug Zirngible  
Greg Vetter

Happy New Year! The start of 2024 is a wonderful opportunity for us at Owatonna Public Utilities to reflect on what we accomplished in 2023 and to look forward to the exciting developments that lie ahead.

Did you know Owatonna has now become the 6th largest city in Minnesota outside the Twin Cities metro area? At OPU, we've been an integral part of this growth. In 2023 we connected our electric, natural gas, and water systems to 14 new commercial/industrial and 24 new residential locations (including one 75-unit apartment building) and provided support for street reconstruction.

Our efforts have been focused not just on expanding services to new locations but also on enhancing the existing infrastructure to prepare for future needs. One example of our forward-thinking approach was the new roundabout at 18th St SE and Bixby Road. Here, we strategically ran casings for future utilities under the roundabout and adjacent railroad. This proactive step ensures that we are well-prepared to serve the area east of Bixby Road as it develops in the future, demonstrating our dedication to not just meeting but anticipating the community's needs.

We also completed several projects that help maintain reliability as we grow including rebuilding and extending a number of our mainline electric feeders, updating the control equipment in one of our substations, and continuing to move more of our lines from overhead to underground.

In 2024 we will be doing a number of projects to improve our infrastructure in the downtown area in conjunction with Vine Street parking lot improvements and the Ascend redevelopment project. We will also be completing a number of engineering studies to assess our long-term system needs so that we can adequately plan to reliably keep up with future growth.

Another way we prepare for future needs is by using our resources efficiently today. As such, we will be revisiting some of our rate structures later this year. We will look at changes designed to encourage efficiency, particularly during peak demand periods, aligning with our goal of sustainable and smart growth for Owatonna.

As we step into 2024, a year that marks OPU's 100th anniversary, your feedback, ideas, and participation are more valuable than ever. We're here to listen, to adapt, and to grow with you. Let's work together to make 2024 a year of achievements, celebrating our past and paving the way for a future filled with promise and potential. I wish you a prosperous and fulfilling year ahead.

## CONSERVATION TIP\$

Do you have a chest freezer? Keeping it mostly full uses less energy than a mostly empty freezer. To save money, fill the empty space with water jugs. They can easily be removed when you need the extra space.



# **NOTICE OF CONFLICT OF INTEREST AND REQUEST FOR RECUSAL**

## **East Side Corridor Project – FONSI Determination**

**To:** Commissioner James Brady  
Steele County Board of Commissioners

**From:** Owatonna East Side Corridor Residents

**Date:** January 10, 2026

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### **Purpose of This Notice**

This letter provides formal notice of a conflict of interest requiring disclosure and recusal from any discussion, deliberation, influence, or vote related to the East Side Corridor (ESC) project, including any Findings of No Significant Impact (FONSI) or other discretionary environmental determinations.

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### **Relevant Facts**

Public reporting and court records document that, while serving as a Steele County Commissioner, you were charged with holding an impermissible interest in county road construction contracts after voting on roadway projects from which you allegedly benefited through ownership interests and subcontracting relationships.

These matters resulted in formal criminal proceedings, including judicial rulings affirming that county commissioners are subject to Minnesota conflict-of-interest statutes, and ultimately a resolved case through a plea agreement. Public reporting reflects that the underlying allegations arose from county road projects and involved questions of direct or indirect financial interest in county infrastructure decisions.

Relevant publicly available reporting and court-related records supporting the facts described above are attached as Exhibits A–C.

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## **Conflict of Interest Analysis**

A FONSI is a discretionary governmental determination that commits the County to a specific project alignment and forecloses alternatives. Such determinations must be made by impartial decision-makers.

Given the documented history of conflict-of-interest proceedings involving county road projects and judicial findings confirming the applicability of Minnesota conflict-of-interest standards to county commissioners, continued participation in discretionary decisions related to a major county roadway project raises significant concerns regarding both actual and perceived impartiality.

Minnesota conflict-of-interest standards require officials not only to avoid actual conflicts, but also to refrain from participating in decisions where a reasonable member of the public would question the official's ability to act impartially.

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## **Requested Action**

This notice is submitted to preserve the integrity of the environmental review process and to ensure compliance with applicable conflict-of-interest standards prior to any final environmental determination.

Accordingly, we respectfully request that you:

- 1. Disclose any potential conflict of interest on the public record, and**
- 2. Recuse yourself from all discussion, deliberation, influence, and voting related to any FONSI or other discretionary approvals for the East Side Corridor project.**

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Respectfully submitted,  
**Owatonna East Side Corridor Residents**

### **Attachments:**

- Exhibit A – “Trial back on as judge rules against Commissioner Brady” (June 16, 2018)
- Exhibit B – “Commissioner Brady pleads, avoids jury trial” (Aug. 20, 2018)
- Exhibit C – “Steele County Commissioner James Brady makes first appearance in court” (June 27, 2017)

[https://www.southernminn.com/owatonna\\_peoples\\_press/news/local/trial-back-on-as-judge-rules-against-commissioner-brady/article\\_790b5209-381c-5c8c-a7b8-b835fd2d5c13.html](https://www.southernminn.com/owatonna_peoples_press/news/local/trial-back-on-as-judge-rules-against-commissioner-brady/article_790b5209-381c-5c8c-a7b8-b835fd2d5c13.html)

SPOTLIGHT

## Trial back on as judge rules against Commissioner Brady

By JEFFREY JACKSON [jjackson@owatonna.com](mailto:jjackson@owatonna.com)

Jun 16, 2018

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Brady



Gavel

**O**WATONNA — A judge has denied Steele County Commissioner James Brady's motion to dismiss charges against him, saying that, despite objections by Brady's attorneys to the contrary, the commissioner is a county official and the law under which he has been charged does apply to him.

The ruling, handed down earlier this month by Judge Carol M. Hanks, sets the stage for the case to proceed to trial.

Brady, who was elected District 1 Commissioner in 2014, was slated to go on trial in early March on charges that he held an impermissible interest in county contracts after he allegedly voted in favor of several road construction projects for which he served either as a supplier or subcontractor.

But the trial was delayed on the eve of when it was supposed to begin when the attorney for Brady filed a motion asking Judge Hanks to dismiss the charges against his client because he was being charged as an "official" with the county. Brady's attorney argued that under state statute a county commissioner is not considered an "official" and therefore Brady, who is up for re-election in November, should not be charged.

The attorney further argued that even if the judge rules that Brady is considered a county official under the law, the commissioner did not violate the statute under which he was charged because the commissioner was "twice removed" from the contracts he voted on and allegedly profited from.

The judge rejected both claims.

Brady's attorney had argued that the statute under which Brady was charged did not designate a county commissioner as a county official. The statute, rather, defines "official" as "a county auditor, a county treasurer, sheriff, county recorder or coroner," the attorney argued in his motion. If the statute does not classify a county commissioner as a county official, Brady cannot be charged under that statute, the motion continues.

But the prosecutor — Jeffrey Hill, the senior assistant Olmsted County Attorney, who has been prosecuting the case after attorney for Steele County recused themselves — argued that under state law, as well as case law, county commissioners would be classified as county officials and therefore subject to the statute.

"If the legislature had wanted to exempt county commissioners from the statute, they would have added them as an exemption," Hill argued late last month in a response to the defense. "The common-sense reason they have not is because county commissioners are the very people who are empowered to enter into contracts on behalf of the county. They control the process, so to exempt them would make no sense."

The judge, while acknowledging some ambiguity in the statute, turned to other sections of Minnesota law "to ascertain the legislature's intent while construing the meaning of the statute." Specifically, the judge looked at a passage from the law about the removal of elected officials. There, the judge noted, the legislature provided that "*elected county official*" also means a *county commissioner* elected or appointed from a commissioner district."

Therefore, the judge ruled, Brady is a "county official" under Minnesota law.

The judge, then, addressed whether Brady's actions could possibly be construed as a violation of the charging statute. Brady's attorney had argued that the actions do not constitute a violation.

Brady was charged in May 2017 with holding an illegal interest in county contracts. The allegations stem from a 2016 investigation into several county road work contracts. As a commissioner, Brady had voted for the contracts, but then he is alleged to have worked as a subcontractor on the contracts or to have profited from the county's purchase of construction materials because those materials were purchased from a gravel pit co-owned by Brady.

Brady's attorney argued that "In the present case, Commissioner Brady is accused of violating [the statute] for being interested in an informal agreement between JJD Construction and Edward Springer, Commissioner Brady's brother-in-law, for the purchase of bedding and backfill material. The alleged violation is due to the fact that JJD was a subcontractor for Ulland Brothers, Inc., who, in turn, was the general contractor on a Steele County road construction contract. Commissioner Brady is twice removed from that contract to which the county is a party."

But the judge noted ambiguity here as well.

"There is more than one reasonable conclusion as to whether Defendant [Brady] was directly or indirectly interested in the road construction contract," the judge wrote, "thus raising a question of material fact for the trier of fact."

And, in essence, the judge said that decision is for a jury to decide.

Brady is scheduled to appear again in court at 2 p.m. July 10 in the Waseca County Courthouse.

Reach Managing Editor Jeffrey Jackson at 444-2371 or follow him on Twitter @OPPJeffrey.

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Jeffrey Jackson

[https://www.southernminn.com/owatonna\\_peoples\\_press/news/commissioner-brady-pleads-avoids-jury-trial/article\\_1297d9f2-3345-572e-a325-8661f58e33cb.html](https://www.southernminn.com/owatonna_peoples_press/news/commissioner-brady-pleads-avoids-jury-trial/article_1297d9f2-3345-572e-a325-8661f58e33cb.html)

SPOTLIGHT

## **Commissioner Brady pleads, avoids jury trial**

By JEFFREY JACKSON jjackson@owatonna.com  
Aug 20, 2018

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Brady



Gavel

**O**WATONNA — Steele County Commissioner James Brady entered an Alford plea Monday in District Court, avoiding a trial that was slated to begin that morning and bringing to an end a legal battle that has lingered in the courts for more than a year.

As a part of the plea agreement, the charge against Brady, who was elected District 1 Commissioner in 2014, was reduced from a gross misdemeanor to a petty misdemeanor. Judge Carol Hanks fined him \$295, which was also part of the plea agreement.

An Alford plea has the effect of a guilty plea under Minnesota law. However, as Judge Hanks stressed to Brady, the Alford plea allows a defendant to maintain his innocence even while entering the plea. Under the plea, a defendant, such as Brady, may say he is innocent but agree that prosecutors have enough evidence that a jury might find the defendant guilty.

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"I just want to save the time, trouble and expense for everyone," Brady said of the reason he entered the plea as jury selection was about to begin in his trial.

But as the judge was asking Brady about the Alford plea — questions required under Minnesota law — the commissioner objected to the judge's question about whether the jury, based on the evidence the state would bring against him, would *likely* convict him of the charges.

"The word 'likely' is at issue," Brady said through his attorney, James Ryan, after a brief conference.

Ryan suggested a change in the terminology, saying that it would be "possible" that a jury would find him guilty.

When Judge Hanks then asked Brady if a jury "may" find him guilty of the charge, Brady said a jury "could" find him guilty.

Brady was charged in May 2017 with holding an illegal interest in county contracts. The allegations stem from a 2016 investigation into several county road work contracts. As a commissioner, Brady had voted for the contracts, but then he is alleged to have worked as a subcontractor on the contracts and to have profited from the county's purchase of construction materials because those materials were purchased from a gravel pit co-owned by Brady.

A first-term commissioner who is up for re-election in November, Brady was slated to go on trial in early March. But the trial was delayed on the eve of when it was supposed to begin when Brady's attorney, Ryan, filed a motion asking the judge to dismiss the charges against Brady because he was being charged as an "official" with the county. Ryan argued that under state statute, a county commissioner is not considered an "official" and therefore Brady should not be charged.

Ryan further argued that even if the judge ruled that Brady is considered a county official under the law, Brady did not violate the statute under which he was charged because the commissioner was "twice removed" from the contracts he voted on and allegedly profited from.

The judge rejected both claims in June, resulting in a settlement hearing between both parties in July. But no settlement was reached at that time, resulting in the trial scheduled for Monday.

At the appointed hour, however, the prosecutor — Jeffrey Hill, the senior assistant Olmsted County Attorney, who was prosecuting the case after attorneys for Steele County recused themselves — told the judge that a plea agreement had been reached. The agreement was the same one the prosecutor had offered Brady in July, Hill said — an agreement that reduced the charge to a petty misdemeanor, capped the fine at \$295 and allowed Brady to enter the Alford plea.

Had Brady been convicted of the gross misdemeanor with which he was originally charged, he faced a maximum sentence of a year in jail, a fine up to \$3,000 or both.

After accepting Brady's plea, the judge moved the hearing into the penalty phase in which the prosecution asked for the maximum fine of \$295, but did not ask for Brady to be placed on probation.

"There is nothing to be gained by a probationary period," Hill said.

The judge agreed, and then allowed Brady a chance to speak before passing sentence.

"I have no words at this time, your honor," Brady said.

Reach Managing Editor Jeffrey Jackson at 444-2371 or follow him on Twitter @OPPJeffrey.

Jeffrey Jackson

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## **Steele County Commissioner James Brady makes first appearance in court**

By ASHLEY STEWART astewart@owatonna.com  
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Brady

**O**WATONNA — Steele County Commissioner James Brady, who is accused of profiting from a county contract, made his first appearance Tuesday morning in Waseca County District Court.

Brady, 55, who has been on the Steele County Board of Commissioners since 2015 and is currently serving as the board chair, is charged with a conflict of interest after receiving money from a gravel pit he co-owns in Blooming Prairie Township as well as working for a subcontractor used on the county's pavement rehabilitation projects in 2016, a gross misdemeanor.

On Tuesday, Waseca County Judge Carol Hanks released Brady without bail under the condition he attend his future court appearances.

According to the complaint, on March 22, 2016, the Steele County Board voted 4-0, with Commissioner John Glynn — not Brady — abstaining, to award Ulland Brothers Inc. the bid for the county's three pavement rehabilitation projects on County Road 45 and County Road 7 for nearly \$7 million.

The complaint states that Hansen Hauling and Excavating, a subcontractor for the project, spoke to Brady about purchasing more than 1,100 cubic yards of aggregate rock from his pit for the project. After Steele County rejected the material due to oversized rocks, the remainder of the material was sourced from a Ulland gravel pit in Lemond Township.

Brady was also listed as an employee for another subcontractor on the project, JJD Construction, and worked seven hours for the company on June 17, 2016. According to the complaint, on that day, a Steele County employee saw and spoke with Brady at the Ulland Brothers pit, where he was operating an excavator that was loading trucks hauling material from the gravel pit to the site of a culvert replacement on County Road 45.

Investigators found a cleared check from Hansen Hauling and Excavating to Brady's co-owner worth \$1,955.25. Brady also was paid \$202.33 for his work for JDD Construction for the period of June 12 to June 18, 2016.

Court records show the case was filed June 5 in Steele County District Court, nearly a year after the Olmsted County Sheriff's Office was asked to investigate the case by Steele County. Due to a conflict of interest, Steele County Attorney Dan McIntosh appointed a special assistant county attorney, Olmsted County Senior Assistant County Attorney Jeff Hill, to serve as prosecutor for the case. Both judges appointed to Steele County, Karen Duncan and Joseph Bueltel, recused themselves, and the case has been assigned to judges in Waseca County.

If convicted, the maximum sentence he faces under statute is one year imprisonment and a \$3,000 fine.

It's not clear what impact this may have on the Steele County Board if Brady is convicted.

Brady is scheduled to appear for a settlement conference on Aug. 3 in Waseca.

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