



There When You Need Us

2020 Annual Report





AUSTIN UTILITIES

A message from ...

Mark Nibaur General Manager

As I started to pull my annual message together, the main topic had to be focused on managing and living through a worldwide COVID-19 pandemic. I would have never imagined conducting our board and staff meetings through a virtual video platform or needing to wear a mask to our breakroom to get a cup of coffee. It certainly changed the work environment at Austin Utilities as we closed our office for a short period and reopened under limited hours. We implemented many new office and field safety protocols, limited face to face meetings, applied travel restrictions, and had some staff working from home. However, our team focused on what we do best, we continued to provide safe and reliable electric, natural gas, and water services. Managing crew separation for safety, our team was able to complete planned infrastructure projects and meet our customer demands. I was pleased to see growth in our customer satisfaction scores in 2020 as we found new ways to assist customers in doing business with us.

We're still working through COVID-19 in 2021 and what we have learned in 2020 will allow us to better serve our customers as we move back to normal work and life, hopefully soon!



Leadership

In the 2020 election, Austin voters chose three residents to serve on the Austin Utilities Board of Commissioners. Incumbents Tom Baudler and Kristin Johnson (appointed in May 2020 to fill an open position) were re-elected while Jay Lutz was selected as AU's newest Commissioner, filling Tyler Hulsebus's seat in January 2021. New commissioners were appointed in a Zoom board meeting.

Austin Utilities announced the retirement of Todd Jorgenson, Gas and Water Operations Director, with 38 years of service, and Kim Duncomb, Employee Relations Director with 20 years of service. As part of an organizational restructure, those positions were filled internally by Alex Bumgardner, Energy Resources & Utility Operations Director, who advanced to the position of Utility Operations Director, and externally by Dan Ulland as the new Employee Relations Director.

Board meetings being held virtually during COVID-19



Austin Utilities Board of Commissioners

- Tom Baudler – Term: 10/12/1999–12/31/2024
- Jeanne Sheehan – Term: 9/9/2003–12/31/2022
- Tyler Hulsebus – Term: 7/1/2016–12/31/2020
- Geoff Baker – Term: 1/1/2011–12/31/2020
(resigned March 2020)
- Steve Greenman – Term: 1/1/2019–12-31-2022
- Kris Johnson – Term: by appointment 3/2020-12/2020
(elected 11/2020 for a 4-year term through 2024)

Austin Utilities Leadership Team

- Mark Nibaur, General Manager
- Todd Jorgenson, Gas and Water Operations Director
(retired 12/2020)
- Tom Tylutki, Electric Operations Director
- Alex Bumgardner Energy Resources and
Utility Operations Director
- Kim Duncomb, Employee Relations Director
(retired 1/31/2021)
- Dan Ulland, Employee Relations Director



Kim Duncomb retires after 20 years of service



Todd Jorgenson retires after 38 years of service



Safe and Reliable

(even during a pandemic)

One of the most difficult decisions we had to make was the announcement that on March 18th we were temporarily closing our office to the public and limiting our service calls to emergency only calls. First and foremost, we wanted to maintain a safe workplace and encourage practices protecting the health of employees and customers. We also wanted to ensure the continuity of our electric, natural gas and water services.

During a time when many people were working from home, home schooling, staying home to be safe, and needed us the most, Austin Utilities was there delivering safe and reliable electric, natural gas, and water services, and giving our customers one less thing to worry about. We accelerated our online application project already in progress to provide a new level of virtual service and safety for customers.

Our annual Public Power and Public Natural Gas Week celebration was held virtually in October 2020 due to the COVID-19 pandemic but our online activities, which included a virtual tour, a white truck treasure hunt and website challenge, and experiments and activities for kids, kept customers and staff safe while having fun engaging in the celebration of your safe and reliable public utility.



Electric Vehicles

Austin Utilities purchased its first all-electric fleet vehicle, a 2019 Nissan Leaf. We also executed plans to install additional electric vehicle (EV) charge stations in our community, launched an EV web page, and launched an EV owners club.

Utility Buddy

We introduced Utility Buddy, your new public utility mascot. Utility Buddy was born and raised in Austin MN and considers himself a hometown guy. Buddy comes from a “power-full” family. In other words – a long family history of utility workers. You can look forward to seeing Buddy at utility sponsored events in the future.

Water Reservoir Revival

Our Downtown Reservoir got a makeover. The reservoir became a bit of an eyesore when our downtown plant was demolished making the reservoir more visible to the public. Some customers hadn't even realized the reservoir was there due to the buildings that partially blocked its view. The new facelift allowed it to blend in better with the new Austin Community Recreation Center that now stands next to it.

Austin Got a Little Greener

Our wholesale electric provider, Southern MN Municipal Power Agency (SMMPA), announced plans to provide 80% of their energy from renewable resources by 2030 as a part of their SMMPA 2.0 plan. SMMPA currently has 209 MW of Wind, 5 MW of Solar and 3.7 MW of Biomass in their renewable energy portfolio, with most wind energy coming from the Wapsipinicon Wind Project located in Dexter MN.

Community Connections (more important than ever)

As a public utility we are here to provide a value to our customers. During the COVID-19 pandemic, we suspended late fees and disconnects for non-payments beginning in March 2020 saving customers \$299,142 in fees. We made budget adjustments in the amount of \$831,000 by deferring planned projects. We increased our outreach to business and residential customers struggling to pay their bills to connect them with available resources.

With everything going on in the world, we still found a way to make connections for better living in our community.

Here are some of the ways our staff have found to **make a difference...**

Little Food Pantries

Little bookshelves located in front of several local elementary schools were converted to little food pantries to help with the community's need for food, especially with kids at home instead of school. AU staffer Larry Sunderman led a campaign to help keep the little food pantries stocked with donations made by his fellow AU employees. Thanks Larry!

Red Cross Blood Drive

At a time when there were restrictions and limits for public gatherings in place, AU was able to hold blood drives in a safe manner to help provide blood that was so desperately needed. Donations were made by appointment only and all the appointments were filled well in advance.



It's the little things that make a big difference.



Thank you to those who were able to give.

Meals on Wheels

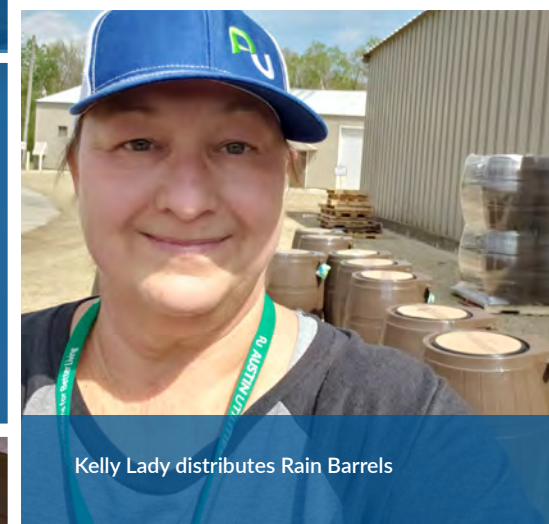
Demand for Meals on Wheels skyrocketed in the wake of COVID-19 meaning more volunteers were needed to deliver meals. AU has helped fill that void by having staff take on some of those deliveries.



Tyler Underdahl loads up boxed meals for delivery to area residents.

Rain Barrels

We held our first rain barrel sale and distribution in May. Austin Utilities partnered with the Recycling Association of MN to offer rain barrels for sale. A rain barrel is a container that captures and stores rainwater draining from your roof. Rain barrels benefit your home, garden and community. Forty-eight customers picked up rain barrels during our socially distance friendly pickup event.



Kelly Lady distributes Rain Barrels

Salvation Army and United Way Donations

Each year we focus on ways to raise money for the Salvation Army, the HeatShare program and the United Way. 2020 didn't stop us from having great campaigns to show our support for these local organizations that do so much for our community. We participated in bell ringing, held a food drive, raised funds with our customers for HeatShare, and also ran our annual United Way campaign.



Corey Kreutzbender collects donations

LED's for Seniors

Austin Utilities supported 2020 graduating seniors who were unable to have the traditional celebrations by donating LED bulbs for community gift bags handed out to 340 graduating seniors from Austin and Pacelli High School.



Our Employees...

Adapting to COVID 19 to continue connections for better living.

Administration – **Mark Nibaur** (General Manager)

Sarah Douty

Accounting/Finance – **Ann Christianson** (Manager)

Joan Maxfield, Dana Steichen

Storeroom (Purchasing) – **Pete Klingfus, Jerry Stowell**

Employee Relations – **Kim Duncomb** (Director)

Jenny Loucks

Customer Service – **Melissa Swenson** (Supervisor)

Dar Duholm, Kerry Hall, Beth Johannsen, John LaVelle, Michelle Orozco, Ashley Stadheim, Dave Thompson, Wendy Whalen, Kara Wollschlager

Marketing and Energy Services – **Kelly Lady** (Manager)

Electric Distribution – **Tom Tylutki** (Director) and **Bill Bumgarner** (Supervisor)

Pat Andera, Pat Donovan, Gilbert Ferguson, Jr., Mark Gerstner, Trevor Herfindahl, Jeff Martinson, Kurt Regenscheid, Colin Roberts, Doug Rysavy, Dillon Sprague, Steve Tiegs, Tyler Underdahl
Retired in 2020: Doug Barth

Gas & Water Operations – **Todd Jorgenson** (Director)

Gas & Water Construction – **Jeff Majerus** (Supervisor)

Matt Ball, Rob Cabeen, Garrett Gilster, Willie Granholm, Brian Gunderson, Wayne Guyette, Adam Heimer, Brandon Hemry, Matias Martin, Wade Nelson, Justin Peterson, Brandon Schaefer, Larry Sunderman, Craig Weis, Hunter Yocom

Gas & Water Services – **Rob Gleason** (Supervisor)

Joe Bartholomew, Ryan Bell, Jason Cummings, Jessie Dumais, Gary Gabrielson, Marty Johnson, Dave Maloney, John Troupe, Scott Wangen

Energy Resources & Utility Operations – **Alex Bumgardner** (Director)

Engineering Services – **Keven Maxa** (Supervisor)

Samantha Bekaert, Derek Berndt, Mike Jensen

Information Systems – **Butch Goergen** (Manager)

Jonas Morehouse

Utility Operations – **Jess Dunlap** (Supervisor)

Steve Bissett, Jay Halleck, Mike Johnson, Jay Kohnke, Corey Kreutzbender, Duane McGonigle, Brad Sistik, Dave White. Retired in 2020: Brian Klapperick

Meet your Public Utility Employees

Our greatest asset is our staff. Providing safe, reliable and affordable service to our customers is the reason they come to work every day. We created the Employee Spotlight so you could get to know the people who help make connections for better living. Be sure to check it out in our monthly Connections newsletter.

April Employee Spotlight
 Learn more about Jeff in our April Connections newsletter at www.austinutilities.com



Jeff Majerus left his heavy equipment operator position with the Mower County highway department to join Austin Utilities in 2000 and is now the Gas & Water Construction Supervisor. Learn about Jeff's future plans in our April Connections newsletter.


March Employee Spotlight



Ann Christianson, Finance Manager, has been on AU's staff since 1991 when she joined as an Accountant. Ann says the most rewarding part of her job is finding that balance between keeping rates affordable for our customers and maintaining a safe and reliable utility infrastructure.

Learn more about Ann in our March Connections newsletter at www.austinutilities.com

Employee Spotlight



Bill Bumgarner

Bill Bumgarner spent time as a cable guy before joining AU as a janitor in 1995. He worked his way through the Gas and Water department as a laborer, the Electric department as a lineworker and in 2016 became the Electric Distribution Supervisor.

Learn more about Bill in our November Connections newsletter at www.austinutilities.com

December Employee Spotlight
 Learn more about Skip in our April Connections newsletter at www.austinutilities.com



At just 20 years old, Skip Ferguson started his career with Austin Utilities. Skip says he has wanted to work at AU since he was 12 years old. Skip is currently a lineworker and says "After 28 years at AU, I still wake up every morning and say 'I love my job'. Not many people can say that."

2020 Financial Highlights

The following graph depicts the percent of revenue spent for each major category of expense. Sixty percent of revenues are spent on purchased power costs and natural gas purchases. Operating expenses are the next highest expense at 25%. Depreciation and Contributions in Lieu of Taxes make up 8% and our Operating Margin makes up the remaining 7%.



Our margin remained steady last year as the increase in sales was sufficient to cover our increased cost of purchases and depreciation. As you can see, our financial position has remained strong.

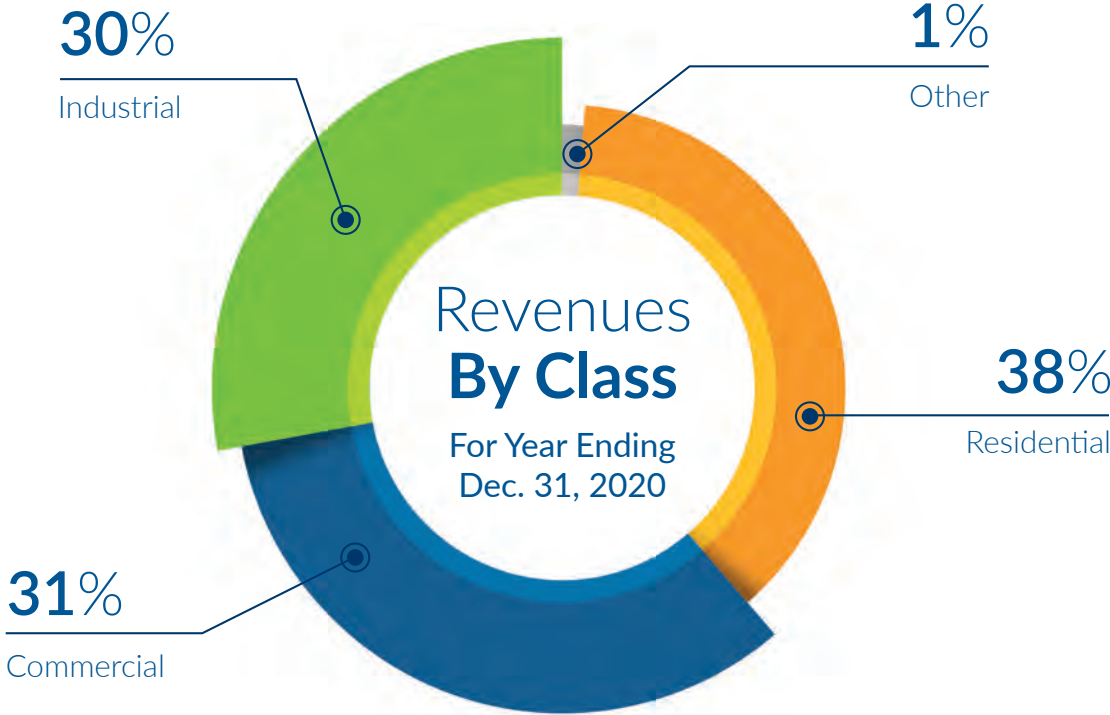
- **60%** Purchased Power & Natural Gas Purchases
 - **25%** Operating Expenses
 - **3%** Contributions in Lieu of Taxes
- **5%** Depreciation
 - **7%** Operating Margin

Operating costs were lower than previous years, and total assets increased with our improved infrastructure. There were no increases in sales as we reduced electric rates. As we look ahead to 2021, we will continue to diligently manage our costs in order to mitigate rate impacts to our customers.

	2020	2019
Total Assets	\$ 109.4 Million	\$ 105.7 Million
Equity	\$ 61.0 Million	\$ 57.0 Million
Revenue	\$ 55.2 Million	\$ 57.5 Million
Operating & Fixed Expenses	\$ 51.7 Million	\$ 53.4 Million
Other Income Expenses	\$ 0.4 Million	\$ 0.9 Million
Margins	\$ 3.9 Million	\$ 5.0 Million

Audited financial statements are available on our website at www.austinutilities.com.

2020 Revenues by Class and Source



Our NEW Customer Advisory Panel

AU is excited about our Customer Advisory Panel (CAP), which started meeting in 2020. The panel provides input, ideas, and feedback on a variety of utility related topics. We consider the direct feedback we receive from this panel as we develop new offerings or to enhance an existing offering.

We encouraged customers to apply through an ad in our March 2020 newsletter and a direct mailing to the Chamber of Commerce Leadership Austin graduates. We received 32 excellent applications. We narrowed those down to 12 finalists, which was the number of panel members we were looking for. Panel members are not compensated. They will meet quarterly and will serve 3-year terms.

Oliver Ballinger
Hornel

Helen Jahr
Riverland

Dan Marmsoler
Fire & Ice Comfort

Julie Schramek
CRC

William Budion
Austin Country Club

Mary Lindgren
Real Estate

Taggart Medgaarden
Austin HRA

Rita Srock
Oaks Golf Club

Amanda Gunderson
Home Federal

Vernon Lippert
Retired

Brock Miller
Hornel

Jerry Wolesky
Fawver Agency

 If you have information you would like to share with us please send your comments to talk2au@austinutilities.com. We always listen to our customer needs.



**AUSTIN
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Connections for Better Living®

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