

AUSTIN UTILITIES

MINUTES OF MEETING

4:00 pm August 22nd, 2018

Regular Meeting

Geoff Baker

Date

Presiding Officer

Members Present:

Jeanne Sheehan, Commissioner
Tom Baudler, Commissioner
Geoff Baker, Commissioner
Steve Greenman, Commissioner

Members Absent:

Tyler Hulsebus, President

Others Present:

Mark Nibaur, General Manager
Alex Bumgardner, Energy Resources & Utility Op. Dir.
Tom Tylutki, Electric Distribution Director
Todd Jorgenson, Gas & Water Operations Director
Kim Duncomb, Support Services Director
Ann Christianson, Finance Manager
Tom Dankert, Director of Administrative Services, City of Austin

Vice President Geoff Baker called the meeting to order.

Moved by Jeanne Sheehan, seconded by Tom Baudler, to approve the meeting agenda. Approved unanimously.

Moved by Tom Baudler, seconded by Jeanne Sheehan, to approve the regular meeting minutes of July 17th, 2018. Approved unanimously.

Moved by Jeanne Sheehan seconded by Tom Baudler, to approve the disbursements summary, accounts payable list, additional bills and expenses, and authorize warrants to be drawn for their payment. Approved unanimously.

Tom Dankert, Director of Administrative Services for the City of Austin, administered the oath of office to Steve Greenman. The mayor of the City of Austin appointed Commissioner Greenman to fill the remainder of the term, through 2020, left vacant by Tom Sherman who resigned in June.

Mark Nibaur, General Manager, and Alex Bumgarner, Energy Resources & Utility Operations Director, updated the Board on progress relating to the BP natural gas pre-pay contract. The delay in finalizing the contracts has been beneficial as the price discount has increased to approximately .40 cents compared to the initial estimate of .20 cents per mcf. Staff anticipates finalizing the paperwork in September.

Alex Bumgardner, Energy Resources & Utility Operations Director, provided an update on the Downtown Plant demolition. The Department of Health found another well on the property and now 5 have been found and sealed. Staff is meeting with the Rec Center representatives in September to try to negotiate cost sharing for some of the increased environmental and zoning costs AU has faced. Commissioner Baker called the overruns a financial disaster for ratepayers and he hopes negotiations can minimize the damage.

Mark Nibaur, General Manager, and Kim Duncomb, Support Services Director, presented a request for reconsideration regarding the Pay Equity Non-Compliance notice from the state of MN. AU received a notice of non-compliance in July from the MN office of Management and Budget due to an underpayment ratio for females of 42.86% as submitted in January. The minimum ratio required by law is 80%. AU staff and Flaherty and Hood, who have recently completed a job classification and compensation study, recommend requesting an extended grace period until December 2019. Commissioner Baker stated he was not in favor of an extension, asked how much getting into compliance now would cost, and why AU isn't fixing the problem. Staff explained the pay study has been in the works for the past year, unfortunately there have been unforeseen issues in completing the study and getting into compliance, at a cost of approximately \$19,000, would only be a 'band-aid' and more time would be needed to fully implement a new compensation system. After further discussion, moved by Tom Baudler, seconded by Jeanne Sheehan, to request reconsideration for non-compliance as presented. Motion passed 3 to 1 with Commissioner Baker voting no.

Mark Nibaur, General Manager, also updated the Board on the following:

- SMMPA minutes
- Safety Committee minutes
- Information on Commissioners on the ballot for November election

The next regular Board meeting was discussed. The alternate date of September 18th will be considered due to the General Manager's absence to travel for a SMMPA meeting on the second Tuesday.

Moved by Steve Greenman, seconded by Tom Baudler, to adjourn the meeting. Approved unanimously.
Adjourned 5:01 pm.

President

Secretary