

AUSTIN UTILITIES

MINUTES OF MEETING

December 10, 2013

Regular Meeting

Jeanne Sheehan

Date

Presiding Officer

Members Present

Jeanne Sheehan, President
Geoff Baker, Vice-President
Thomas C. Baudler, Commissioner
Tom Sherman, Commissioner
Jim Schroeder, Commissioner

Members Absent

Others Present:
Mark Nibaur, General Manager
Alex Bumgardner, Power Production Dir.
Todd Jorgenson, Gas/Water/Eng. Oper. Dir.
Tom Tylutki, Electric Distribution Dir.
Kim Duncomb, Support Services Dir.

President Jeanne Sheehan called the meeting to order. She welcomed and thanked staff and community members to the meeting.

Moved by Geoff Baker, seconded by Thomas C. Baudler, to approve the agenda. Approved unanimously.

Moved by Thomas C. Baudler, seconded by Jim Schroeder, to amend the motion and remove Agenda Item No. 6 from the Agenda. Approved unanimously.

Moved by Jim Schroeder, seconded by Geoff Baker, to approve the regular meeting minutes of November 12, 2013. Approved unanimously.

Moved by Geoff Baker, seconded by Thomas C. Baudler, to approve the vendor's payable list, additional bills and expenses, and authorize warrants to be drawn for their payment. Approved unanimously.

Mark Nibaur, General Manager, and Kelly Lady, Energy Services Consultant, presented information on a communication plan for the new Central Facility. Kelly Lady presented and reviewed the plan for the Board. The plan contained information on the purpose, target market, budget, timeline and power point presentation on the planning for a new facility. Mark Nibaur reviewed the power point presentation highlighting:

Construct a New Central Facility

- Allows for economic and community development expansion in the downtown area
- Provides "One Central Facility" concept and gains physical and financial efficiencies
- Provides adequate space for all utility functions with a building size of 105,000 square feet
- Estimated project cost \$15-21 million (includes furnishings, fixtures, equipment, architect and engineering)

Benefits of a new facility

- Building for the Future
 - ◊ Replaces outgrown and outdated facilities
 - ◊ Provides space for Austin Utilities staff and customer meetings that is lacking in current facility
- Improve Operation Efficiencies/Synergies
 - ◊ Savings estimated at \$2.5 million over 10 years
 - ◊ Eliminates staff time traveling to and from current multiple locations.
- Improve Safety
 - ◊ Eliminates traffic hazards associated with current location
 - ◊ Fenced area will secure the new facility from security breaches
 - ◊ Improved Customer and Emergency Functions
 - ◊ Central Dispatch/Control center in a hardened area improving crew response time during emergencies
 - ◊ Backup generation onsite to assure quick response during emergencies
- Improve Customer Service
 - ◊ Serve our customer with a "one stop shop" by providing all departments' functions in one facility.
 - ◊ Improves lobby space and customer interaction providing privacy and an area to complete paperwork

Commissioner Thomas C. Baudler questioned the budget on the program costs. The Board discussed various points of the presentation - budget, marketing information to customers, avenues for customers to communicate with Board members, making sure we are defining Austin Utilities needs and expectations, and the total projected dollar amount for the new facility.

President Jeanne Sheehan invited community members present to speak on the subject.

Sandy Forstner, Austin Chamber of Commerce, stated he felt Austin Utilities needs to clarify to customers what happens if Austin Utilities does not construct a new facility.

Board, staff, and community members discussed Austin news media coverage.

Laura Helle stated she supported the new facility, more now after seeing the presentation, because she felt it was time for Austin Utilities to do something.

Belita Schindler stated she viewed the project as a scenario with your home. You would not have your garage, kitchen, and/or home office all one block apart from your house.

Mary Anne Wolesky stated living in a community with state of the art schools, medical facility, and Fortune 500 Company and reviewing Austin Utilities history in particular historical information on Superintendent William Todd who planned for the Austin Utilities' - she commended the Board for their visionary planning.

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Bonnie Rietz asked the Board and staff if Austin Utilities has heard any negative comments. The Board and staff stated they have heard very few. Commissioner Thomas C. Baudler stated he has heard some.

Jim Burroughs stated he was in support of the new facility, of course he liked the smaller estimated figure vs. the larger figure but he was on board with one facility.

Commissioner Jim Schroeder stated he felt we need to continue to work with staff to define Austin Utilities needs and expectations and the focus should not just be on the \$21 million figure but focus on getting the project completed correctly, working within a project range. The bid process will allow staff time to review the specifics of the project costs.

President Jeanne Sheehan stated we need to get the word out to the public and get their feedback and she felt that the Board needs to make a decision. "We are a conservative Board, but we need to prepare for our customers' needs down the road and we cannot continue to discuss this project for the next couple of years."

The Board thanked and complimented Kelly Lady for the Communication Plan and presentation.

President Jeanne Sheehan thanked everyone for attending the Board meeting on the frigid afternoon and stated the Board is soliciting information from the public and encouraged citizens to come to the January 2014 meeting.

Keven Maxa presented information on an Easement Confinement located on 16th Avenue SE.

Moved by Thomas C. Baudler, seconded Geoff Baker, to approve the Easement Confinement. Approved unanimously.

Tom Tylutki, Electric Distribution Director, reported quotes were received for 2014 Tree Trimming on December 5, 2013, at which time the bids were opened, read and tabulated. Staff recommends approval of the bid from Ted Janning Tree Service of Blooming Prairie, Minnesota.

Moved by Thomas C. Baudler, seconded by Geoff Baker, to approve the 2014 tree trimming quote from Ted Janning Tree Service, 10236 Hwy 218, Blooming Prairie, Minnesota. Approved unanimously.

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

- SMMPA Meeting
- Safety
- Austin Utilities Employee Photo Directory
- Capacity Sales Agreement. Alex Bumgardner updated the Board on a tentative agreement with Rochester Public Utilities. Staff is still working on the agreement and will bring it back to January/February Board meeting.

Geoff Baker questioned the balanced score card and the electric rate comparison. Tom Tylutki explained that the information is compiled from an APPA study. An updated comparison will be brought to the February Board meeting.

Geoff Baker also explained his position in regards to the new facility. He stated that he understands staff may be frustrated with the Board on the decision-making process, but felt the Board needs adequate time to make both an educated and good decision and to do what they are elected to do. He stated he thought two of the Board members have made a decision on the project; however at this time he is on the fence but if a vote was taken at this board meeting he would probably vote in favor of the project. Commissioners Thomas C. Baudler and Tom Sherman stated they still had questions on the facility and at this time, could not state how they would vote on the project.

The next Regular Board meeting was established for January 14, 2014 in the City Council Chambers.

Moved by Tom Sherman, seconded by Thomas C. Baudler, to adjourn. Approved unanimously.

Adjourned 5:22 p.m.

President

Secretary