

AUSTIN UTILITIES

MINUTES OF MEETING

4:00 pm December 14th, 2022

Regular Meeting

Jeanne Sheehan

Date

President

Members Present:

Jeanne Sheehan, President
Steve Greenman, Commissioner
Jay Lutz, Commissioner
Kristin Johnson, Commissioner
Tom Baudler, Commissioner

Others Present:

Mark Nibaur, General Manager
Alex Bumgardner, Utility Operations Director
Ann Christianson, Finance Manager
Dan Ulland, Employee Relations Director
Tom Tylutki, Electric Operations Director
Kelly Lady, Marketing and Energy Services Manager

Members Absent:

President Jeanne Sheehan called the meeting to order.

Moved by Steve Greenman, seconded by Tom Baudler to approve the meeting agenda. Approved unanimously.

Moved by Jay Lutz, seconded Kristin Johnson, to approve the regular meeting minutes of November 15th, 2022. Approved unanimously.

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

Mark Nibaur, General Manager, introduced Gene Kotz, from HDR Engineering. He will be helping with the knowledge transfer during Tom Tylutki's retirement process.

Mark Nibaur, General Manager, and Ann Christianson, Finance Manager, presented AU's 2023 proposed budget. After preliminary discussions at November's Board of Commissioners meeting, the final recommendation was a 7% increase in electric rates, a 9% increase in water rates, and a positive PGA of \$0.125 which could fluctuate throughout the year. Discussion was held on the status of the Northern Natural Gas rate case which may have less of an impact than originally budgeted for. Moved by Tom Baudler, seconded by Kristin Johnson, to approve the 2023 Budget as presented. Approved unanimously.

Mark Nibaur, General Manager, and Ann Christianson, Finance Manager, presented the 2023 rate tariffs reflecting the electric, water, and gas rate adjustments approved in the budget. Moved by Kristin Johnson, seconded by Jay Lutz, to approve the rate tariffs as presented. Approved unanimously.

Mark Nibaur, General Manager, and Alex Bumgardner, Utility Operations Director, presented the Northern Natural Gas Asset Management Agreements. The agreements are based on a two year term beginning in January of 2023 thru December of 2024 with a monthly Capacity Consideration payment being made to AU for \$12,500 per month. Much of the day to day NG scheduling will work in the same manner as it is today under this new AMA proposal. Staff has reviewed the Agreements and believe the added financial benefit does outweigh the slight risk. Moved by Jay Lutz, seconded by Tom Baudler, to grant the General Manager the authority to execute the agreements. Approved unanimously.

Mark Nibaur, General Manager, and Alex Bumgardner, Utility Operations Director, presented Resolution No. 324 - Sale of property to Lawrence A. Qualey and Randall E. Qualey. Due to the property being for sale, the Windrift restaurant was found to be encroaching AU's property. Staff proposes to sell a 50 foot strip of AU property to Qualey for \$4,000. AU does not foresee any future need for that portion of property. The City Attorney has provided a purchase agreement and if the resolution is approved it will be forwarded to the City Council for final approval. Moved by Steve Greenman, seconded by Kristin Johnson, to approve Resolution No. 324 as presented. Roll call vote taken and approved unanimously, 5 yeas to 0 nays.

Mark Nibaur, General Manager, presented information about the Creekside Business Park and the City of Austin's request to assist in recouping infrastructure costs. Discussion was held on setting precedent for future developments and whether or not this project would increase the businesses electric load. Staff will continue to discuss the issue with the Port Authority. The matter was tabled.

Mark Nibaur, General Manager, presented Resolution No. 325 - Extending a vote of thanks to Tom Tylutki. His official last day of employment as Electric Operations Director will be March 17, 2023. Roll call vote taken and Resolution No. 325 approved unanimously, 5 yeas to 0 nays.

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

- SMMPA board meeting minutes
- Safety committee minutes
- Tom Tylutki retirement party

The next regular Board meeting was scheduled for 4:00 pm, January 17th, 2023.

Moved by Tom Baudler, seconded by Steve Greenman, to enter closed meeting pursuant to Minn. Stat. §13D.03 Subd. 1(b) for strategy relating to labor negotiations. Approved unanimously. Closed session begins at 5:12 pm.

Return to open meeting at 5:35 pm.

Moved by Tom Baudler, seconded by Jay Lutz, to enter closed meeting to receive attorney-client privileged information pertaining to threatened litigation regarding a former employee and their separation from employment, pursuant to Minnesota Statute 13D.05 subdivision 3(b). Approved unanimously. Closed session begins at 5:36 pm.

Return to open meeting a 6:02 pm.

Continued

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Moved by Steve Greenman, seconded by Kristin Johnson, to adjourn. Approved unanimously. Adjourned 6:02 pm.

President

Secretary