

# AUSTIN UTILITIES

## MINUTES OF MEETING

4:00 pm, January 18, 2022  
Date

Regular Meeting

Steve Greenman/Jeanne Sheehan  
President

### Members Present:

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

### Others Present:

Mark Nibaur, General Manager  
Tom Tylutki, Electric Operations Director  
Dan Ulland, Employee Relations Director  
Melissa Swenson, Customer Service Supervisor

### Members Absent:

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President Steve Greenman called the meeting to order.

Moved by Jay Lutz, seconded by Tom Baudler, to approve the meeting agenda. Approved unanimously.

Moved by Kristin Johnson, seconded by Jeanne Sheehan, to approve the regular meeting minutes of December 14th, 2021. 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.

Moved by Jeanne Sheehan, seconded by Tom Baudler, to adjourn the 2021 Board of Commissioners of the Austin Utilities. Sine Die. Approved unanimously.

The Secretary convened the 2022 Board of Commissioners of the Austin Utilities.

Jeanne Sheehan was nominated as President and Kristin Johnson as Vice President from among the Commission, for the ensuing year. (In accordance with Chapter XI, Section I, Austin City Charter). Vote taken and approved unanimously.

The Secretary stated the Board's nomination and election of the President and Vice President for 2022, after which, the new President of the Commission continued with the remaining business of the Commission.

Moved by Tom Baudler, seconded by Jay Lutz, to appoint Mark Nibaur as Secretary to the Board for the ensuing year (in accordance with Chapter XI, Section 1, Austin City Charter). Approved unanimously.

President, Jeanne Sheehan, stated the Board's appointment of Mark Nibaur as Secretary to the Board, and directed the Secretary to note the members of the 2022 Board of Commissioners of the Austin Utilities. President Jeanne Sheehan, and Secretary Mark Nibaur will be official signers on all Austin Utilities checking accounts for 2022.

The Board renewed all appointments of Committee Members to the Personnel Committee: Jeanne Sheehan and Tom Baudler. The Budget Committee representatives will continue to be Kristin Johnson and Steve Greenman and the Mower County Water Management Committee representative will be Jay Lutz.

Melissa Swenson, Customer Service Supervisor, presented the fourth quarter 2021 charge offs. Moved by Jay Lutz, seconded by Kristin Johnson, to approved the charge offs as presented. Approved unanimously.

Mark Nibaur, General Manager, presented Resolution No. 318, Designating Depositories for 2022. Moved by Tom Baudler, seconded by Steve Greenman to approve Resolution No. 318 as presented. Roll call vote taken and approved 5 years to 0 nays.

Mark Nibaur, General Manager, presented a request to approve CLA to perform AU's 2021 independent financial audit. Moved by Tom Baudler, seconded by Kristin Johnson, to approve CLA to perform the 2021 AU audit. Approved unanimously.

Mark Nibaur, General Manager, presented Resolution No. 319 - Accepting donations to AU. The donations were gifts sent to AU for Christmas. Moved by Kristin Johnson, seconded by Jay Lutz, to approve Resolution No. 319 - Accepting donation to AU. Roll call vote taken and approved 5 years to 0 nays.

Mark Nibaur, General Manager, presented Resolution No. 320 - Amending the MMGA Agency agreement. The amendment would allow the agency to expand the participants joining a natural gas prepay transaction. Moved by Jay Lutz, seconded by Tom Baudler, to approve Resolution No. 320. Roll call vote taken and approved 5 years to 0 nays.

Mark Nibaur, General Manager, presented Resolution No. 321 - Natural Gas Supply Agreement with MMGA. The agreement is similar to the current agreement AU has with PEAK. This 30 year agreement will have a minimum of \$0.27 discount on the volumes AU purchases for the initial pricing period (5-7 years); this will be repriced every bond reissuance (5-10 years) and have a repricing period minimum discount established at \$0.19; AU can exit the agreement if the minimum discount isn't achieved. AU is proposing to execute a 30 year commitment on volumes beginning in January 2024 at 10% of AU's average monthly volumes for the full term of the Agreement. Due to the time sensitivity of the financial closing of the prepay deal, Staff is requesting approval of an Authorization Resolution authorizing, but not obligating, AU to enter the Final Agreement once completed. Conditioned on approval, staff anticipate presenting for approval an Authorization Ordinance for the Gas Supply Contracts at the City Council meeting on January 18th. Moved by Tom Baudler, seconded by Jay Lutz, to approve Resolution No. 321 as presented. Roll call vote taken and approved 5 years to 0 nays.

Dan Ulland, Employee Relations Director, presented AU policy changes. Due to the AFSCME labor contract agreement updates are needed to the policy on Health Savings Account matches, Life/AD&D insurance, Long term disability insurance, and funeral leave. Moved by Tom Baudler, seconded by Kristin Johnson, to approve the policy changes are presented. Approved unanimously.

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*(continued)*

Tom Tylutki, Electric Operations Director, presented the results of the Electric Underground Study by DGR and potential next steps with the City of Austin's proposed ordinance requiring all electric utilities be underground. Several options were given including accelerating AU's current undergrounding plan and the cost of meeting the proposed ordinance. Those estimates ranged from \$41M to nearly \$68M. Staff will share the study results with the City of Austin and continue discussions.

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

- SMMPA
- Safety committee minutes
- AU Biometric screening on Jan. 26th

Moved by Steve Greenman, seconded by Kristin Johnson, to enter a Closed Meeting pursuant to Minn. Stat. §13D.05, Subd. 3(a) for a performance review of the General Manager. Approved unanimously at 5:31 pm.

Returned to open meeting at 5:40 pm.

Dan Ulland, Employee Relations Director, presented a proposed 2022-2023 employment contract for the General Manager. The contract includes a total salary of \$190,000 for 2022 and \$195,250 for 2023. The lump sum payment will be reduced if necessary to meet the MN Governor's salary cap. Moved by Jay Lutz, seconded by Tom Baudler, to approve the General Manager employment contract as presented. Approved unanimously.

The next regular Board meeting was scheduled for 4:00 pm, Tuesday, February 15th , 2022.

Moved by Steve Greenman, seconded by Tom Baudler, to adjourn. Approved unanimously. Adjourned 5:45 pm.

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President

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Secretary