

AUSTIN UTILITIES

MINUTES OF MEETING

4:00 pm, June 17th, 2025
Date

Regular Meeting

Steve Greenman
President

Members Present:

Steve Greenman, President
Jay Lutz, Commissioner
Geoff Baker, Commissioner
Tyler Hulsebus, Commissioner
Kristin Johnson, Commissioner

Others Present:

Alex Bumgardner, Utility Operations Director
Kory Robinson, Finance & Customer Care Director
Dan Ulland, Employee Relations Director
Marc Oleson, Information Technology Director

Members Absent: Mark Nibaur, General Manager

President Steve Greenman called the meeting to order.

Moved by Geoff Baker, seconded by Kristin Johnson, to approve the agenda. Approved unanimously.

Moved by Geoff Baker, seconded by Jay Lutz, to approve the regular meeting minutes of May 20th, 2025. Approved unanimously.

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

Kory Robinson, Finance & Customer Care Director, presented a financial update through April of 2025. A review of each department's sales, operating income and expenses versus the budget year to date were explained. A miscalculation in the budget number for depreciation was found and Clifton Larson Allen has been contacted to help clarify how it was calculated. These board reports will be done quarterly from now on. The next report will be through 2nd Quarter and be reported to the board in August. Commissioner Baker also requested information on actual and predicted labor and healthcare costs for 2025-2026. The finance department will present the information at the next Board of Commissioners meeting.

Alex Bumgardner, Utility Operations Director, updated the board on modifications to the capital budget. The planned lease for a horizontal direction drill was stalled due to legal concerns with the lease language. AU staff members have been happy with the drill and intended to purchase it eventually. The unit is \$290,000 and the capital budget has room to fit this expense in 2025 while maintaining the bottom line as originally budgeted. AU has a couple of budgeted capital projects that have adjusted down simply due to project timelines being pushed out that will allow for the unexpected expense.

Kory Robinson, Finance & Customer Care Director, and Marc Oleson, Information Technology Director, explained the results of the Minnesota Electric Grid Resilience Grant Program ("MN EGRG"). In November 2024, AU applied for funding to upgrade operational technology switches, with a total request of \$205,150.00. The grant was to cover 100% of costs up to \$250,000. This project was not included in the budget due to the assumption of full grant funding. The upgrade is necessary because AU's current OT switches—used to connect substations, well houses, and gas infrastructure—are no longer sold or supported by the manufacturer. In January 2025 AU received notification of 71% funding awarded, or \$145,405.59 of the requested amount. This leaves AU with an estimated \$59,744.41 responsibility for this project. Completion is estimated to be in the first quarter of 2026.

Alex Bumgardner, Utility Operations Director, presented a request to release an easement for 2516 16th Ave SE, Austin. This residential property is located adjacent to the South end of the airport. The easement was originally obtained in 1948 and is not currently being utilized for AU infrastructure. AU staff reviewed the request and easement location, and do not feel there would ever be a need to locate AU infrastructure inside of the easement in question. Moved by Geoff Baker, seconded by Kristin Johnson, to approve the release of easement as presented. Approved unanimously.

Marc Oleson, Information Technology Director, presented Resolution No. 339 - Honoring AU's 125th Anniversary. Moved by Geoff Baker, seconded by Jay Lutz, to approve the resolution as presented. Roll call vote taken and approved unanimously, 5 yeas to 0 nays.

Alex Bumgardner, Utility Operations Director, also updated the Board on the following:

- SMMPA meeting minutes
- Safety committee minutes
- Northern Natural Gas rate case filed
- Nibaur retirement

Dan Ulland, Employee Relations Director, presented to the Board on update regarding the search for a new GM. The position has been posted for 4 months and 35 applicants have applied so far. The personnel committee has had preliminary virtual interviews with 8 applicants. Some applicants withdrew their names, some were determined by the committee to not be qualified. One candidate has been chosen to advance to a second round of interviews so far. Commissioner Baker noted that the intent of the personnel committee was to provide additional viable candidates, all commissioners agreed and the search will continue for the time being. Mark Nibaur has indicated he would be available to extend his retirement date to later in the year if needed. The leadership assessment planned for finalists has been scaled down and arranged with MDA Leadership Consulting for \$2,755.

The next regular board meeting was set for 4:00 pm, July 15th, 2025. Commissioner Johnson noted that she will be able to attend the July meeting but not be able to attend the August meeting due to a conflict.

Moved by Geoff Baker, seconded by Tyler Hulsebus, to adjourn. Approved unanimously at 4:54 pm.

President

Secretary