

AUSTIN UTILITIES

MINUTES OF MEETING

7:00 am June 3rd, 2024
Date

Special Board Meeting

Jay Lutz
President

Members Present:

Jay Lutz, President
Steve Greenman, Commissioner
Tyler Hulsebus, Commissioner
Kristin Johnson, Commissioner
Jeanne Sheehan, Commissioner

Others Present:

Mark Nibaur, General Manager
Alex Bumgardner, Utility Operations Director
Kory Robinson, Finance & Customer Care Director

President Jay Lutz called the meeting to order at 7:06 am.

Moved by Tyler Hulsebus, seconded by Kristin Johnson, to approve the agenda. Approved unanimously.

Mark reviewed the progress of the power supply analysis to date; power supply study and RFI (analysis of 7 wholesale power agencies, based off 19 questions) completed by 1898 Co., 2022 power agency wholesale rate comparison, meetings with Southern Minnesota Municipal Power Agency (SMMPA) and discussion between board and staff in multiple board meetings and work sessions. The analysis has been ongoing for over a year and a half. Mark asked if the board needed additional information or if there were unanswered questions that the board had or needed. The board had no further questions nor needed additional information to continue the discussion and action.

Mark reviewed the pros, cons, and risks regarding either path for board action – self supply AU power and energy or sign a power sales contract (PSC) with a power agency. Staff was supportive of moving forward with extending our current power sales contract with SMMPA, believing this is the best path for AU and our community.

Tyler asked about the next steps if we move forward with extending the PSC. Next steps would be contacting SMMPA to discuss how they plan on proceeding with agency membership and board approval. We believe that they would draft a resolution to provide the legal documentation for SMMPA. Staff would attend the city council work session at a future meeting to discuss the work that the commission and staff have completed and the due diligence. After educating and reviewing the process with council at a work session, the next step is for council action at the next scheduled council meeting.

Jay shared appreciation to staff for the analysis and work on future AU power supply. He is confident, with the power supply study and RFI, in supporting a PSC extension with SMMPA.

Steve agreed with Jay and is comfortable with the analysis and the due diligence completed by staff and board.

Tyler appreciated the analysis and research available to the board members. The analysis weighed the risks, cost, and benefits in relation to self-supply vs power agency. He is supporting moving forward with a PSC extension with SMMPA, feeling this was the best option for the community and company.

Kristin thanked the staff for the comprehensive work completed and felt it is important for staff to be in alignment with the board in making the right decision. She supports moving forward with PSC extension.

Jeanne echoed the importance of the research, analysis and fact finding that was done to assist the board in making this decision. This is a very important decision for the board, staff and community and we need to do our due diligence, and she believes we have. She supports PSC extension.

Mark discussed the feedback from the Customer Advisory Panel (CAP) regarding the PSC discussion at a recent meeting. Their position was that it will be important for AU to be transparent regarding the power supply decision. Mark explained that he will be working with Melissa Swenson on communications through our newsletter, newspaper, radio, and social media. The board suggested maybe talking points would be valuable to board and staff.

Moved by Jeanne Sheehan and second by Tyler Hulsebus to approve Resolution No. 332 – Extending the power sales contract between SMMPA and AU. Roll call vote was taken and the resolution was approved unanimously, 5 years to 0 days.

Moved by Jeanne Sheehan and seconded by Steve Greenman to adjourn. Approved unanimously. Meeting adjourned at 7:35 am.

President

Secretary