

AUSTIN UTILITIES

MINUTES OF MEETING

4:00 pm, March 16, 2021

Date

Regular Meeting

Steve Greenman

President

Members Present:

Steve Greenman, President
Jay Lutz, Commissioner (via video call)
Tom Baudler, Commissioner (via video call)
Kristin Johnson, Commissioner (via video call)

Others Present:

Mark Nibaur, General Manager
Tom Tylutki, Electric Operations Director (via video call)
Alex Bumgardner, Utility Operations Director (via video call)
Ann Christianson, Finance Manager (via video call)
Dan Ulland, Employee Relations Director (via video call)
Kelly Lady, Marketing & Energy Services Mgr. (via video call)
Melissa Swenson, Customer Service Supervisor (via video call)
Rob Gleason, Gas Service Supervisor (via video call)

Members Absent:

Jeanne Sheehan, Commissioner

President Steve Greenman called the meeting to order. Due to COVID-19 limitations, most Commissioners participated through video call.

Moved by Jay Lutz seconded by Tom Baudler, to approve the meeting agenda. Roll call vote taken and approved unanimously.

Moved by Tom Baudler, seconded by Kristin Johnson, to approve the regular meeting minutes of February 16th, 2021. Roll call vote taken and approved unanimously.

Moved by Kristin Johnson, 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. Roll call vote taken and approved unanimously.

Wade Nelson, a local HVAC contractor, participated during the public comment portion of the agenda via video call. Mr. Nelson was concerned AU was performing services for customers that competed with his business. A customer had told him AU had diagnosed his furnace problems and attempted to make minor repairs, which he felt was beyond AU's scope of service. Rob Gleason, Gas Service Supervisor, explained that Gas Service Technicians do what is necessary to provide safe reliable natural gas and are always told to recommend customers call a contractor for service work. Mr. Nelson requested a copy of AU's gas service procedures regarding gas service calls. A copy will be provided to him.

Mark Nibaur, General Manager, presented proposed economic development incentives for NuTek Inc., a biopharmaceutical manufacturing company, planning to expand production facilities into Austin. The Development Corporation of Austin, City of Austin, Mower County and State of Minnesota all have committed support to NuTek and their expansion plans. AU proposes providing an economic development incentive to NuTek, totaling approximately \$35,000. The expected electric load is 2.5MW, which equates to \$1,000 per job economic development incentive following the previously approved AU incentive program. NuTek plans to create 35 new jobs meeting the program's wage requirements. Commissioners asked general questions about timelines and the size of the new facility. Moved by Tom Baudler, seconded by Kristin Johnson, to approve \$35,000 in economic development incentives for NuTek Inc. Roll call vote taken and approved unanimously, 4-0.

Mark Nibaur, General Manager, presented an update on COVID-19 customer arrears and a summary of positive cases amongst AU staff, totaling 14. Emergency Paid Sick Leave policy expires at the end of March. Austin Utilities, the City, and County have no plans to extend the deadline at this time.

Mark Nibaur, General Manager, presented options for cost recovery from the February natural gas price spike. AU staff proposed spreading the increased cost, through a PGA, over 6 months on customer bills. The average customer's extra cost would be \$305, 6 payments of \$51. A second option would be AU contributing 1 million from reserves, reducing the average to \$240, 6 payments of \$40. Commissioner Baudler felt AU could contribute more than 1 million and the payments could be extended over a longer period so customers would be able to better afford the costs. Commissioners agreed and requested AU staff provide other options with a larger AU contribution and a longer time frame. Staff will do more calculations and a special meeting will be scheduled for the following week to make a final determination. No other action taken at this time.

Tom Tylutki, Electric Operations Director, provided an update on the 69kv transmission project planned for summer/fall of 2021.

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

- SMMPA minutes
- Safety Committee minutes
- Updated staff glide path
- Kerry Hall retirement

The next regular Board meeting was scheduled for 4:00 pm, Tuesday, April 20th, 2021.

Moved by Tom Baudler, seconded by Jay Lutz, to adjourn. Roll call vote taken and approved unanimously. Adjourned 5:28 pm.

President

Secretary