

AUSTIN UTILITIES
MINUTES OF MEETING

4:00 pm, May 21st, 2026 Regular Meeting Tyler Hulsebus
Date President

- Members Present: Tyler Hulsebus, President; Geoff Baker, Commissioner; Kristin Johnson, Commissioner; Steve Greenman, Commissioner
- Others Present: Tom Dankert, General Manager; Marc Oleson, Information Technology Director; Dan Ulland, Employee Relations Director; Alex Bumgardner, Utility Operations Director; Kory Robinson, Finance & Customer Care Director; Melissa Swenson, Communications & Energy Services Mgr.
- Members Absent: Jay Lutz, Commissioner

President Tyler Hulsebus called the meeting to order at 4:00 pm.

Moved by Geoff Baker, seconded by Steve Greenman, to approve the agenda. Approved unanimously.

Moved by Geoff Baker, seconded by Kristin Johnson, to approve the regular meeting minutes of April 21st, 2026. Approved unanimously.

Moved by Kristin Johnson, seconded by Geoff Baker, 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, introduced Craig Popenhagen, and Sterling Shatek, CLA to review AU’s 2025 financial audit. They reviewed CLA’s audit process and AU’s financial highlights in 2025. AU received a clean audit with an unmodified opinion, the highest level of assurance.

The change in net position for 2025 showed an increase of \$8.6 million, partially caused by \$3+ million in positive adjustments to the pension liability and the other post-employment benefits liability. Mr. Shatel noted on the Statements of Cash Flows an increase in cash of \$548,744 and indicated a strong liquidity position.

Mr. Shatek did note the auditors had an inventory adjustment based on their actual inventory count, noting in the sample they reviewed there was a variance between what they actually counted and what the inventory listing noted. This variance, calculated in dollars, is then extrapolated to the entire inventory balance. The end result was around \$400,000 as a “passed adjustment” meaning it was immaterial enough that they didn’t require Austin Utilities to adjust their balance on the financial statements.

Additionally, Mr. Popenhagen noted for 2026 the actuarial valuation indicated a correction in the 2025 actuarial valuation that will require a \$5+ million charge against Austin Utilities based on retirees and their eligibility to have Austin Utilities’ paid health insurance. The 2025 valuation included the assumption that only those staff that retired before January 1, 2004 received the benefit of paying the same contributions as current active employees, when the actual date is retirement prior to January 1, 2019. The GASB doesn’t allow a lookback to push this through in 2025, hence it will be a charge in 2026. Mr. Dankert cautioned the Board, noting the \$8.5 million of net income will be drastically lower in 2026 now that this adjustment will be recorded.

Moved by Steve Greenman, seconded by Geoff Baker, to approve the 2025 Annual Financial Audit and Internal Annual Report and forward to the Austin City Council as presented. Approved unanimously.

Melissa Swenson, Communications & Energy Services Manager, presented proposed changes to the Partnering in Energy Solutions (PIES) program. The program offers business customers an interest-free financing option for eligible energy efficiency projects. Customers can apply for up to \$25,000 in financing and an application fee is required. The fee is \$300 for loans below \$5,000 and \$500 for loans above \$5,000. The proposed change would change the application fee to a deposit, allowing the deposit to be used if the customer would default or as their final payment. The program has been underutilized recently, and it is hoped the change will increase participation.

Moved by Kristin Johnson, seconded by Steve Greenman, to approve the fee change to a deposit as presented. Approved unanimously.

Tom Dankert, General Manager, updated the Board on the following:

- SMMPA meeting minutes
- Safety committee minutes
- Follow up research on renter vs landlord charge offs
- Past due commercial accounts
- Customer water theft update

The next regular board meeting was set for 4:00 pm on Thursday, June 16th, 2026.

Moved by Geoff Baker, seconded by Kristin Johnson, to adjourn. Approved unanimously at 4:44 pm.

Secretary President