

AUSTIN UTILITIES

MINUTES OF MEETING

4:00 pm, October 15th, 2024
Date

Regular Meeting

Jay Lutz
President

Members Present:

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

Others Present:

Mark Nibaur, General Manager
Alex Bumgardner, Utility Operations Director
Kory Robinson, Finance & Customer Care Director
Marc Oleson, Information Technology Director
Dan Ulland, Employee Relations Director
Michelle Orozco, Customer Service Supervisor

Members Absent:

President Jay Lutz called the meeting to order.

Moved by Jeanne Sheehan, seconded by Kristin Johnson, to approve the meeting agenda. Approved unanimously.

Moved by Steve Greenman, seconded by Jeanne Sheehan, to approve the regular meeting minutes of September 17th, 2024 and the Work Session minutes of October 2nd, 2024. Approved unanimously.

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

Michelle Orozco, Customer Service Supervisor, presented the 3rd Quarter charge-offs. Residential accounts finalized between April 1st, 2024 and June 30th, 2024 totaled \$88,762.83. No commercial accounts were identified. It was noted that a payment of \$400 had been received after these amounts were totaled. Commissioner Sheehan questioned the large utility bill totals for some individuals. Staff explained some of these accounts had been delinquent during the cold weather rule and disconnection due to nonpayment was not possible. Moved by Tyler Hulsebus, seconded by Steve Greenman to approve the 3rd Quarter charge-offs. Approved unanimously.

Kory Robinson, Finance and Customer Care Director, presented financial projections for 2024. Operating income has decreased by 24% for the year, or \$506k. However, we have recovered \$95k in interest income due to higher interest rates on investments. Additionally, Aid of Construction has increased \$112k for the year. These factors bring our Net Income to \$1.7m, compared to a budgeted amount \$2.0m, reflecting an approximate shortfall of 15% below budget. Gas Operating income is at \$417k vs budget of \$578k. Water Operating income is at \$228k vs budget of \$289k. Electric Operating income stands at \$922k vs budget of \$1,207k, of which some will be caught up through the PCA in November and December. A brief discussion was had on natural gas prices and the predicted weather for the upcoming winter season.

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

- SMMPA meeting minutes
- Safety committee minutes
- Update on General Manager search timeline
- Mutual aid lineman returning from Florida

The next regular board meeting was set for 4:00 pm, November 19th, 2024.

Moved by Jeanne Sheehan, seconded by Kristin Johnson, to enter closed session pursuant to Minn. Stat. §13D.03 Subd. 1(b) for strategy relating to labor negotiations with AFSCME union. Approved unanimously at 4:36 pm.

The board meeting returned to open session at 5:22 pm. Moved by Kristin Johnson, seconded by Jeanne Sheehan, to adjourn. Approved unanimously at 5:22 pm.

President

Secretary