

AUSTIN UTILITIES

MINUTES OF MEETING

4:00 pm, October 21st, 2025

Regular Meeting

Steve Greenman

Date

President

Members Present:

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

Others Present:

Tom Dankert, General Manager
Alex Bumgardner, Utility Operations Director
Kory Robinson, Finance & Customer Care Director
Marc Oleson, Information Technology Director
Michelle Orozco, Customer Service Supervisor
Sarah Douty, Administrative Coordinator

Members Absent:

President Steve Greenman called the meeting to order at 4:01 pm.

Moved by Geoff Baker, seconded by Jay Lutz, to approve the agenda. Approved unanimously.

Moved by Geoff Baker, seconded by Jay Lutz, to approve the regular meeting minutes of September 16th, 2025. Approved unanimously.

Moved by Jay Lutz, 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.

Michelle Orozco, Customer Service Supervisor, presented the 3rd quarter charge offs. Commercial loss was \$4,104.12. Residential loss was \$79,977.79. Residential bankruptcy totaled \$1,627.26. Moved by Geoff Baker, seconded by Kristin Johnson, to approve the charge offs as presented. Approved unanimously.

Alex Bumgardner, Utility Operations Director, and Jake Pichelmann, Bolton & Menk presented the AU Water System study. AU committed to the YMCA/Rec Center when AU transferred the property in 2016 that AU would remove the Downtown Reservoir within a 10-year period. The study covers a 20 year plan including growth projections, an evaluation of the existing system, and a proposal for a new well and a new one million gallon water tower. Commissioner Hulsebus felt the projected growth formula was high. Discussion was held regarding financing, waste water capacity with the City of Austin, and the future of the NE plant site and existing well. Commissioners asked for more information on costs to rehabilitate the Downtown Reservoir before taking any action or moving forward with preliminary design plans.

Tom Dankert, General Manager, and Kory Robinson, Finance and Customer Care Director, presented the 2026 draft budget. The finance committee had met several times to review budget requests for each of the departments. Notable changes from the 2025 budget were requests to add a full time Horizontal Directional Drill Operator and a full time IT Network & Systems Administrator. Estimates were used for cost of living increases for employees due to contract negotiations upcoming. The 2026 electric operating budget has rate decrease of approximately 1.9% for residential and commercial customers. Purchased Power costs through SMMPA continue to be the largest expense for electric accounting for 71.3% of the operating expenses. The 2026 gas operating budget has rate increases of 0.4% residential and 2.7% commercial and is only in the cost of service, there will be no change to the purchased gas rate. The 2026 water operating budget has rate increases of approximately 4.25% for both residential and commercial customers. The operating budget is slightly below the target operating income even with the proposed rate increase. Brief discussions were held on the resulting budget being a neutral rate adjustment for customers. Commissioner Baker asked for additional rationale for adding the IT position and a more detailed and updated year end capital projection for 2025. Approval for the final 2026 budget will be on the agenda for the November board meeting.

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

- SMMPA meeting minutes
- Safety committee minutes
- Provider changes for employee benefits
- Artworks center partnership for painting art on transformer boxes
- APPA Legislative Conference in Washington, D.C. in February 2026
- Received second payment for PFAS settlement from 3M

The Finance Committee reported they met three times to review the 2026 budget draft before it was presented today.

Jay Lutz shared that a meeting was held to review a Public Purpose Expenditure policy with AU staff, the City Attorney, and himself. A final policy is expected for board approval by December.

The next regular board meeting was set for Monday, November 17th, 2025 at 4pm to accommodate Commissioner's previous commitments.

Moved by Tyler Hulsebus, seconded by Jay Lutz, to adjourn. Approved unanimously at 5:30 pm.

President

Secretary