AUSTIN UTILITIES
MINUTES OF MEETING

4:00 pm, October 19th, 2026 — Regular Meeting — Tyler Hulsebus
Date — President

Members Present:
Jay Lutz, Commissioner
Kristin Johnson, Commissioner
Steve Greenman, Commissioner
Tyler Hulsebus, President

Members Absent: Geoff Baker, Commissioner

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

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

Moved by Jay Lutz, seconded by Kristin Johnson, to approve the agenda. Approved unanimously.

Moved by Steve Greenman, seconded by Jay Lutz, to approve the regular meeting minutes of September 15th, 2026. Approved unanimously.

Moved by Steve Greenman, seconded by Kristin Johnson, 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 loss totaled $58,351.54. Commercial loss totaled $62,508.79, attributable to one business that stopped making payments and has not responded to communication attempts. Utility services have been disconnected. Commissioners discussed ways to prevent similarly large balances from accumulating in the future. Attorney Hovey shared approaches used by other public utilities and explained potential complications with placing a lien on the property or filing suit in civil court. AU staff will continue efforts to contact the business and reassess the situation after some time. Moved by Steve Greenman, seconded by Kristin Johnson, to approve the charge-offs as presented. Motion approved unanimously.

Tom Dankert, General Manager, and Kory Robinson, Finance and Customer Care Director, presented a review of the 2026 budget projections and a draft 2027 budget. The budget, based on Scenario 2, reflects an estimated overall rate increase of 1.40%, or approximately $2.50–$3.00 per month for the average residential customer. Additional health insurance funding and a proposed Gas & Water Construction Director position are not yet included but could be funded while meeting targeted operating income. The proposed capital funding approach would carry approved project funds into the Capital Improvement Reserve, subject to the existing $10 million cap. The wage files factored in the 3.5% increase to the Base Pay Schedule (BPS) as outlined in labor union contracts. The Budget Committee reviewed the draft budget and approved sending it to the full board for discussion. Commissioner Lutz expressed concerns about any rate increase and how the PGA and PCA adjustments would be handled. Staff will develop a final budget based on Scenario 2, with approval targeted for November's Board of Commissioners meeting.

Staff Reports:
Alex Bumgardner, Utility Operations Director, reviewed the current street projects and construction timeline.

Tom Dankert, General Manager, provided an update on new hires, upcoming retirements, and vacant positions.

Tom Dankert, General Manager, updated the Board on the following:
- SMMPA meeting minutes
- Safety committee minutes

The next regular board meeting was rescheduled for 4:00 pm on November 17th and a Board of Commissioners Work Session is scheduled for 7:00 am on November 24th, 2026.

Moved by Steve Greenman, seconded by Jay Lutz, to adjourn to a closed meeting pursuant to Minn. Stat. § 13D.03, subd. 1(b), for discussion of labor negotiation strategy. Approved unanimously at 5:07 pm.

Returned to open meeting at 5:28 pm.

Moved by Steve Greenman, seconded by Kristin Johnson, to approve Resolution No. 348 – Establishing certain Austin Utilities medical insurance and health savings account contributions in 2027. Roll call vote taken and approved 3 yeas to 1 nay from Commissioner Lutz.

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

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President

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Secretary