

2025 Austin Utility Rates



The Austin Utilities Board of Commissioners approved the 2025 Austin Utilities budget and related rate adjustments at the December board meeting. The annual budget is used to set rates.

Costs of providing energy continue to rise. Reasons behind these increases include rising wholesale energy costs, increasing operational costs, and the continued need to upgrade aging utility infrastructure.

For 2025, customers can anticipate a 1-3% increase in the electric portion of their bill. The average residential customer will see an increase of \$2.99 per month and small to mid-sized business customers can expect to see an average increase of \$3.83 per month. The increase is caused by wholesale market prices, transmission costs, and general infrastructure updates.

Water rates will increase by 4.5% for all customers. May through October, the average residential customer will see an increase of \$1.50. Small to mid-sized business customers can expect to see a monthly water increase of \$4.91 depending on the size of their meter and usage. The need for the rate increase is due to increasing distribution costs and system improvements.

Natural gas rates will increase by 2% for all customer classes. The average residential customer will see an increase of \$4.13 per month, small to mid-sized business customers can expect to see an increase of \$34.04 per month. The increase is due to fluctuations in gas prices and the costs of materials and equipment.

“Our board and staff worked jointly to trim operating expenses for 2025 to help reduce the rate increases,” said Mark Nibaur, General Manager. “We understand the financial impact our customers are experiencing, and we are committed to providing reliable and safe utility services at a reasonable price”.



2025 City of Austin Sewer Rate Change

City of Austin residents and businesses will see a sewer rate increase of 7% in 2025. Residents will see an average increase of \$4.00 per month. Rates are increasing to pay for the \$100 million Wastewater Treatment Plant Expansion. Along with the rate increases, the project will be funded by loans, and state grants. The hydrant and stormwater fees will not see an increase in 2025. If residents or businesses have questions related to their sewer rates, they should call the City of Austin at (507) 437-9940.

Identifying Customer-Owned Water Service Lines

Over the course of the last several years, Austin Utilities has been busy identifying the material type of all the customer-owned water service lines in our system. This is part of an effort led by the Minnesota Department of Health in response to the U.S. Environmental Protection Agency's Lead Service Line Inventory program, a program designed to identify all lead service lines in Public Water Systems throughout the U.S. to protect the health of every household.

Austin Utilities recently published the results of the initial service line inventory and provided notifications to impacted customers. As of October 16, 2024, our inventory contains 0 lead, 28 galvanized requiring replacement, 3,234 unknown material, and 5,766 non-lead service lines. Austin Utilities has been capturing the service line material-type through inspections during our AMI meter replacement program and a records review. We will be finishing our last AMI meter deployment in 2025; this will provide us the opportunity to complete the inspection of the remaining unknown material type services and wrap up the inventory.



Austin Utilities' water quality and system are in very good condition, as much of our water distribution system and services have been replaced through our normal capital improvement projects program. However, we have identified 28 services that will require replacement; once the inventory is completed in 2025, we will begin to develop a replacement program in which Austin Utilities expects to fund the replacement of the customer-owned water services.

We encourage all customers to visit the Water Quality page on our website, www.austinutilities.com, to view additional information on the Water Service Line Inventory. We have a link available to review FAQs as well as a link to a map illustrating material types for all individual water services throughout the state of Minnesota. As always, feel free to call us at 507-433-8886 or email us at talk2au@austinutilities.com if you have any questions or concerns.

Giving Thanks by Giving Back

Austin Utilities employees were busy during the holiday season by volunteering and contributing. Marc Oleson and his daughter Abbie along with Adam Heimer and his son Leo (not pictured) volunteered to ring bells for the Red Kettle Campaign at Jim's Marketplace.

AU employees donated toys for the Salvation Army Angel Tree to make someone's holiday a little brighter.

Employees volunteered at Pizza Ranch. The tips earned are donated to the Salvation Army HeatShare program.



The United Way Campaign was a success! Employees donated over \$7,000 to the United Way.



Winter Gas Meter Safety Tips: Keep Your Home Warm and Safe

As temperatures drop, it's essential to ensure your gas meter is ready for the winter season. Below are some tips to keep it functioning properly.

Clear Snow and Ice

Why it matters: Heavy snow and ice can damage your gas meter.

Blocked meters are harder for our gas service technicians to access in an emergency.

What to do: Use your hands or brush to gently clear snow from your meter. Avoid sharp tools that could damage the meter or piping.

Protect Your Meter from Ice

Why it matters: Ice can freeze parts of the meter, leading to malfunctions.

What to do: Check regularly during freezing weather. If ice builds up, contact Austin Utilities.



Keep the Area Around the Meter Accessible

Why it matters: Gas appliances vent outdoors, blocked vents can lead to carbon monoxide buildup.

What to do: Regularly check appliance vents to ensure they are free from snow or ice.

Having your furnace cleaned and tuned and replacing batteries in the carbon monoxide detector are steps you can take to prevent issues from happening. By following these simple steps, you can help ensure your home stays warm and safe all winter long.

Behind the Scenes – AU's General Manager Mark Nibaur

For this month's Behind the Scenes, we sat down with Mark Nibaur, General Manager, to discuss his role of General Manager here at AU.

Mark, give us an overview of your role?

My responsibilities include managing overall company operations, initiating strategic planning, overseeing financial and regulatory stewardship, board and staff development, engaging and managing community, state and national relationships.

What experience do you feel is needed to become a General Manager for a utility?

Utility (gas, electricity, water) experience and/or education would be necessary. Additionally, leadership and business education would be needed. Lastly, being in a management role and having real life business experience prior to accepting a GM position would be helpful.

How do you work with other departments?

My style is to have an open-door policy and maintain communications with the departments and their teams. I meet with my direct reports on a regularly scheduled basis to stay current with operations and provide two-way dialog. I also like to spend time with the front-line employees, as much as I can anyway, learning what ideas and challenges they may have.

What do you like the most and what do you find the most challenging?

I like seeing our team efforts come together to serve our community with outstanding utility service at a fair and reasonable cost. Not always easy to balance, but I enjoy working with my colleagues to make that happen. A challenge is having the time to meet and work with team members, community leaders and our customers. The busyness of our days will challenge leaders to spend quality time away from behind the desk, to focus on long term operational success.

Anything else you would like to add?

As I wrap up my utility career, I have worked with many different teams and organizations over the years. I want this community to know that you have some of the best qualified and hard-working utility workers supporting your hometown utility. I am proud of that, and you can be too.



NEW YEAR'S RESOLUTION:

CONSERVE & SAVE™

Changes to rebates in 2025:

Residential:

- Furnace rebate increase.
- Boiler rebate increase.
- Gas water heating rebate increase.
- ENERGY STAR® light fixture rebate will be discontinued.

Commercial:

- Furnace rebate increase.

See 2025 rebate forms for details.
austinutilities.com

JANUARY AU ENERGY-SAVING TIP

INSULATE OUTLETS AND SWITCHES

Outlets and switches on exterior walls are common places for cold air to leak into your home. Consider adding insulators to these outlets and switches to help reduce heating costs and increase your comfort!



CHECK OUT OUR PODCAST



Powering Partnerships: Meeting with AU's Large Business Customers



On December 5th employees met with AU's large business customers to reflect on 2024 accomplishments and preview upcoming utility projects for 2025.

The event featured Karleen Kos, CEO of MMUA as the keynote speaker. Her presentation, "Maximizing Cost Efficiency and Sustainability: The Strategic Advantage of Hometown Utilities" highlighted the unique benefits municipal utilities provide to business customers.



Austin Utilities Board of Commissioners

Tyler Hulsebus

Jeanne Sheehan

Steve Greenman

Jay Lutz

Kristin Johnson

To contact or find more information on AU's elected Commissioners visit www.austinutilities.com/pages/board

ONLINE NEWSLETTER & MORE INFO ON OUR WEBSITE



Austin Utilities will be Closed
Monday, Jan. 20th
Martin Luther King Jr. Day



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