Resolution 1448 – Second Reading

• Amends the Purchased Power Adjustment (PPA) to exclude Pandemic Recovery Credits from TVA for the period October 2021 through September 2022
December 16, 2021

Payments In Lieu of Taxes

Resolution 1449
FY 2022 Payments In Lieu of Taxes (PILOTs)

• FY 2022 payments = $32,447,067
• Decrease of $22,036
• Reflects decreases in combined tax and equalization rates
• $2.8M under budget
<table>
<thead>
<tr>
<th>Service</th>
<th>Established by</th>
<th>Approved by</th>
<th>Basis</th>
<th>Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water &amp; Wastewater</td>
<td>City Charter</td>
<td>KUB Board</td>
<td>Net Plant Value</td>
<td>February</td>
</tr>
<tr>
<td>Electric &amp; Gas</td>
<td>State Law</td>
<td>KUB Board &amp; City Council</td>
<td>Net Plant Value &amp; Avg. Operating Margin</td>
<td>June</td>
</tr>
</tbody>
</table>
### FY 2022 PILOTs Down $22,000

<table>
<thead>
<tr>
<th></th>
<th>FY 2022</th>
<th>FY 2021</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric</td>
<td>$16,791,348</td>
<td>$16,891,189</td>
<td>($99,841)</td>
</tr>
<tr>
<td>Gas</td>
<td>7,082,386</td>
<td>7,166,619</td>
<td>(84,233)</td>
</tr>
<tr>
<td>Water</td>
<td>3,446,015</td>
<td>3,528,135</td>
<td>(82,120)</td>
</tr>
<tr>
<td>Wastewater</td>
<td>5,127,318</td>
<td>4,883,160</td>
<td>244,158</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$32,447,067</strong></td>
<td><strong>$32,469,103</strong></td>
<td><strong>($22,036)</strong></td>
</tr>
<tr>
<td>Jurisdiction</td>
<td>FY 2022</td>
<td>FY 2021</td>
<td>$ Change</td>
</tr>
<tr>
<td>----------------------</td>
<td>----------</td>
<td>----------</td>
<td>----------</td>
</tr>
<tr>
<td>City of Knoxville</td>
<td>$21,305,955</td>
<td>$21,003,825</td>
<td>$302,130</td>
</tr>
<tr>
<td>Knox County</td>
<td>10,115,542</td>
<td>10,467,779</td>
<td>(352,237)</td>
</tr>
<tr>
<td>Union County</td>
<td>369,292</td>
<td>381,883</td>
<td>(12,591)</td>
</tr>
<tr>
<td>Sevier County</td>
<td>369,386</td>
<td>318,398</td>
<td>50,988</td>
</tr>
<tr>
<td>Grainger County</td>
<td>176,924</td>
<td>174,002</td>
<td>2,922</td>
</tr>
<tr>
<td>Jefferson County</td>
<td>84,171</td>
<td>95,058</td>
<td>(10,887)</td>
</tr>
<tr>
<td>Blount County</td>
<td>9,900</td>
<td>15,107</td>
<td>(5,207)</td>
</tr>
<tr>
<td>Anderson County</td>
<td>14,488</td>
<td>11,515</td>
<td>2,973</td>
</tr>
<tr>
<td>Loudon County</td>
<td>1,409</td>
<td>1,536</td>
<td>(127)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$32,447,067</strong></td>
<td><strong>$32,469,103</strong></td>
<td><strong>($22,036)</strong></td>
</tr>
</tbody>
</table>
Resolution 1449
(Electric and Gas PILOTs)

• Requests City Council set electric and gas tax equivalent payments for FY 2022 and provide for their distribution
• Total payments = $23,873,734
Proposed Amended FY 22 Fiber Division Budget

- Board previously approved $6 million Fiber budget for FY 22
- Recommend adding $4M to FY 22 Fiber budget
- Covers for acceleration of purchase of internet address licenses
- Save costs over the long-term
- Future budgets in FY 23 and FY 24 will be reduced

<table>
<thead>
<tr>
<th>Cost</th>
<th>Amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staffing</td>
<td>$1.3M</td>
</tr>
<tr>
<td>Electronics (capital)</td>
<td>$0.9M</td>
</tr>
<tr>
<td>Access fees to Electric</td>
<td>$0.5M</td>
</tr>
<tr>
<td>Advertising</td>
<td>$0.4M</td>
</tr>
<tr>
<td>Billing software</td>
<td>$0.4M</td>
</tr>
<tr>
<td>Interest on loan</td>
<td>$0.2M</td>
</tr>
<tr>
<td>IP addresses</td>
<td>$3.6M</td>
</tr>
<tr>
<td>All other</td>
<td>$2.3M  $2.7M</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$10.0M</strong></td>
</tr>
</tbody>
</table>
Resolution 1450

• Increases FY 22 Fiber budget appropriations by $4 million
• Appropriations expire June 30, 2022
Employee Excellence Awards
Evaluating Utility Location Services
Evaluating Utility Location Services

• Evaluated KUB’s current contract utility location process
• Goal was to identify opportunities for program improvements
• Team launched a three-month pilot program with in-house crew
• Next step - use pilot program results to:
  • Improve communication
  • Reduce excavation damages
  • Better manage internal and external resources
Evaluating Utility Location Services – Employees Recognized

- System Maintenance
  - David Kyle
- Safety & Technical Services
  - Kelsey Campbell
- Underground Construction
  - Andre Blake
- Water Systems Engineering
  - Julie Childers
  - Conor Duff
- Meter Systems
  - Nick Langstaff
December 16, 2021

COVID Response
COVID Response

• Occupational Health
  • Took hundreds of employee calls
  • Tracked KUB COVID cases
  • Determined quarantine and return to work protocols to ensure the safety of employees and customers
  • Coordinated vaccine and booster clinics
COVID Response

• Storerooms
  • Ensured stock materials were available for crews
  • Managed new crew shifts and high pace of work
  • Navigated uncertain supply chain with alternative methods
COVID Response

• Customer Experience
  • Worked with customers to provide assistance resources
  • Collaborated with Knoxville-area agencies to inform customers with assistance information
  • Customer counselors assisted 20,000 additional customers during the pandemic
COVID Response

• Communications
  • Worked with KUB departments to communicate changes to employees and customers
  • Developed central information hub for pandemic-related information at kub.org and the Daily Meter
  • Developed informational materials, including ads, direct mailings, and social media
COVID Response – Employees Recognized

• Human Resources
  • Emily Smith
  • Jennifer Hobbs
  • Deanna Unger

• Communications & External Relations
  • Jay Miller
  • Cortney Roark

• Storerooms:
  • David Reppert

• Customer Technical Services
  • Anna Freshour
  • Veronica Andrews
December 16, 2021

Community Neighbor

Board Chair Award
Community Neighbor

• Winter Storm Assistance
  • While damage assessing during the winter 2020 storm, Rachel Everence noticed a child alone in a parking lot
  • She called 911 and waited with the child until first responders arrived
Community Neighbor

• ATV Fire Incident
  • Appliance team Brad Hall, Justin Clifton, and Dakota Wright were working at a home when they saw an ATV on fire in a nearby home
  • They quickly grabbed a fire extinguisher and controlled the fire
Community Neighbor

• Railroad Trestle Incident
  • Lee Plumlee was working at MBW when he heard a person yelling for help
  • He and Jimmy England used security cameras to locate a person trapped in a railroad trestle nearby
  • They called 911 and the railroad and stayed with the person until first responders arrived
Community Neighbor – Employees Recognized

- Winter Storm Assistance
  - Rachel Everence, Electric Systems Engineering
- ATV Fire Incident
  - Brad Hall, New Service
  - Justin Clifton, Meter Systems
  - Dakota Wright, Meter Systems
- Railroad Trestle Incident
  - Lee Plumlee, Plant Operations
  - Jimmy England, Plant Operations
Storm Impact

• High winds began moving through Saturday morning impacting vegetation
• Event began ~10 a.m. Saturday
• Nearly 19,000 customer outages at peak
• 300+ events, most affecting less than 50 customers each
Restoration

55 crews deployed & most customers (18K) restored within four hours with zero safety incidents