Proposed Water and Wastewater Rate Increases

Resolution 1455 – Second Reading
Proposed Water and Wastewater Rate Increases

| Long-Range Plans – Actual/Proposed Rate Increases * |
|---------------------------------|------|------|------|------|------|
|       | FY21 | FY22 | FY23 | FY24 | FY25 |
| Water  | 5%   | 5%   | 2%   | 5%   | 5%   |
| Wastewater | 3%  | 3%   | 4%   | 4%   | 4%   |

| Average Residential Monthly Bill Impacts * |
|---------------------------------|------|------|------|------|------|
|       | FY21 | FY22 | FY23 | FY24 | FY25 |
| Water | -    | $0.65| $1.40| $1.50| $1.60|
| Wastewater | -   | -    | $2.60| $2.70| $2.75|

* Residential increases applied only to commodity costs

- Approved on first reading May 19
- Needed to sustain funding for Century II and treatment plant upgrades
- Residential bills gradually increase over three-year period
- Commercial and industrial customer impacts will vary by rate class and usage
- Initial rate increases reflected on August 2022 bills
Resolution 1455 – Second Reading

• Adopts three years of annual rate increases for water and wastewater service
• Rate increases effective July 2022, 2023, and 2024 (August bills)
Fiber Update – Rules & Regulations
Resolution 1460
Progress Continues to an Early Summer Launch

• Supply chain still an issue, but necessary equipment received
• Contracts for internet connectivity have been signed
• Making connection to internet in Atlanta next week
• Arlington is over 80% complete and Dolltown construction has begun
• Pilot to begin early July in Mohawk area
Awaiting News on State and Federal Grants

• Public comment period on state grants extended to July 8
• KUB will have opportunity to respond to those comments
• Anticipate awards of state grants in early August
• Federal grants appear to be gaining some momentum
• National Telecommunications and Information Administration (NTIA) organizing staff and processes
Launch of New KUB Logo

• Previewed logo in April
• Officially unveiled this morning at company-wide event
• Will begin use of logos today
  • May take a year or more to make full transition
  • Focus on using current stock
  • Digital mediums will begin use immediately
Purpose of Fiber Division Rules and Regulations

• Modeled after Rules and Regulations of KUB’s other divisions
• Provide for administration, operation, and expansion of KUB’s fiber optic services
• Provide for fair, uniform, and reasonable treatment of Fiber Division customers
• Support customers’ compliance with these Rules and Regulations
Fiber Rules and Regulations Governance

• Rules and Regulations of the Fiber Division contain all rights, duties, and authorities not limited by the Charter or other official Board action

• Board delegates authority to President and CEO to establish policies and programs necessary to implement the Rules and Regulations

• Any changes to Rules and Regulations must be approved by both President and CEO and the Board
Key Elements of Fiber Rules and Regulations

• Key Elements
  • Initiation of Fiber Optic Service
  • Interruption of Fiber Optic Service
  • Billing for Fiber Optic Service
  • Authority to Establish Fees and Charges
  • Authority to Establish Policies

• Authority to Establish Fees and Charges and Policies delegated to President and CEO

• Regular reporting required to Audit and Finance Committee
Overview of Fiber Division Policies

• Policies serve as guides to implement the rules and regulations
• Initial policies:
  • KUB Terms and Conditions for Residential Fiber Optic Services
  • KUB Terms and Conditions for Commercial Fiber Optic Services
  • KUB Acceptable Use Policy
  • KUB Privacy Policy
  • KUB Annual Subscriber Notice
  • Digital Millennium Copyright Act (DCMA) Policy
  • Customer Proprietary Network Information (CPNI) Policy
  • Communications Assistance for Law Enforcement Act (CALEA) Policy
Resolution 1460

• Establishes Fiber Division Rules and Regulations
• Delegates certain authorities to President and CEO
• Requires periodic updates to Board’s Audit and Finance Committee
• Effective on passage of this resolution
Authorization for Sale or Disposition of Wastewater Real Properties

Resolution 1461

June 16, 2022
Overview

• Two parcels of land owned by KUB’s Wastewater Division
  • 5220 Yorktown Road
  • 5724 Holston Hills Road

• Properties not needed for wastewater system or other KUB system

• President and CEO has declared as surplus real property

• Board authorization required for sale or disposition of properties
5220 Yorktown Road

- Approximately 0.60 acres
- Located in Martha Washington Heights
- KUB has received several inquiries regarding the property
- Appraised in February 2022 for $30,000
- Property to be sold via publicly advertised RFP process
5724 Holston Hills Road

• Approximately 0.076 acres
• Site previously used for wastewater pump station
• Pump station subsequently relocated to adjacent property at 5720 Holston Hills Road
• Quit claim property to owner of 5720 Holston Hills Road
• In return, KUB will receive new easement with improved site safety and access to the pump station
Holston Hills Road Properties - Future
Resolution 1461

• Authorizes sale or disposition of Yorktown Road and Holston Hills Road properties

• The proceeds of any sale will go to KUB’s Wastewater Division
June 16, 2022

KUB Community Solar
KUB Community Solar Initiative

• Knoxville’s first community solar site
• TVA Flexibility Research Project in partnership with City of Knoxville
• KUB investment of $1.4 million
• Provides option for customers to invest in local solar
## Project Overview

<table>
<thead>
<tr>
<th><strong>Location</strong></th>
<th>1400 Loraine Street (COK)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Lot Size</strong></td>
<td>Approximately 3 acres</td>
</tr>
<tr>
<td><strong>Installer</strong></td>
<td>Solar Alliance</td>
</tr>
<tr>
<td><strong>System Size</strong></td>
<td>1 Megawatt</td>
</tr>
<tr>
<td><strong>Annual Production</strong></td>
<td>1.36 Gigawatt hours</td>
</tr>
</tbody>
</table>
Community Solar Model

Benefits of Community Solar

- Supports local renewable energy
- Leverages economies of scale to make solar more affordable
- No upfront costs or ongoing maintenance
- Provides access to solar for those that cannot install it at their own properties

KUB owns, operates, and maintains the shared community solar array.

Customers sign up for a portion of the array through a monthly subscription.

Subscribers are credited for their portion of the renewable energy produced.
Subscription Details

• Approximately **2,100 shares** available for all residential and commercial customers

• No required annual commitment or upfront fee

• **$5 per share monthly subscription fee**; will receive on average **$3.61** monthly credit

• Each share will generate roughly **640 kwh of renewable energy** annually

• Option to donate bill credit to **Project Help**
Program Launch

• Anticipated program launch **winter of 2022-2023**
• Conducting outreach and compiling interest list
• Marketing plan includes commercials, billboards, advertisements, and promotional materials