



March 23, 2023

Authorization for Disposition of Wastewater Property

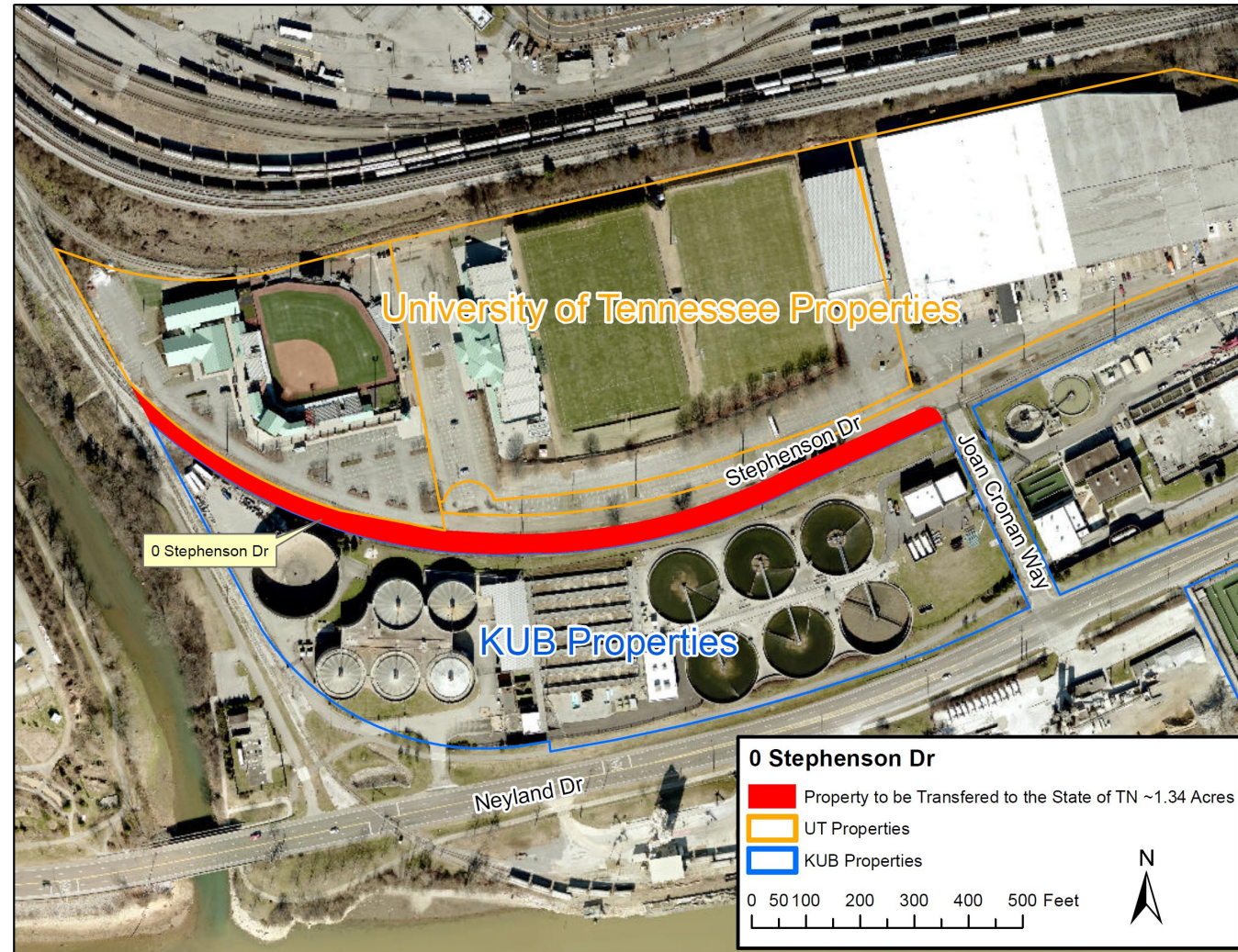
Resolution 1474



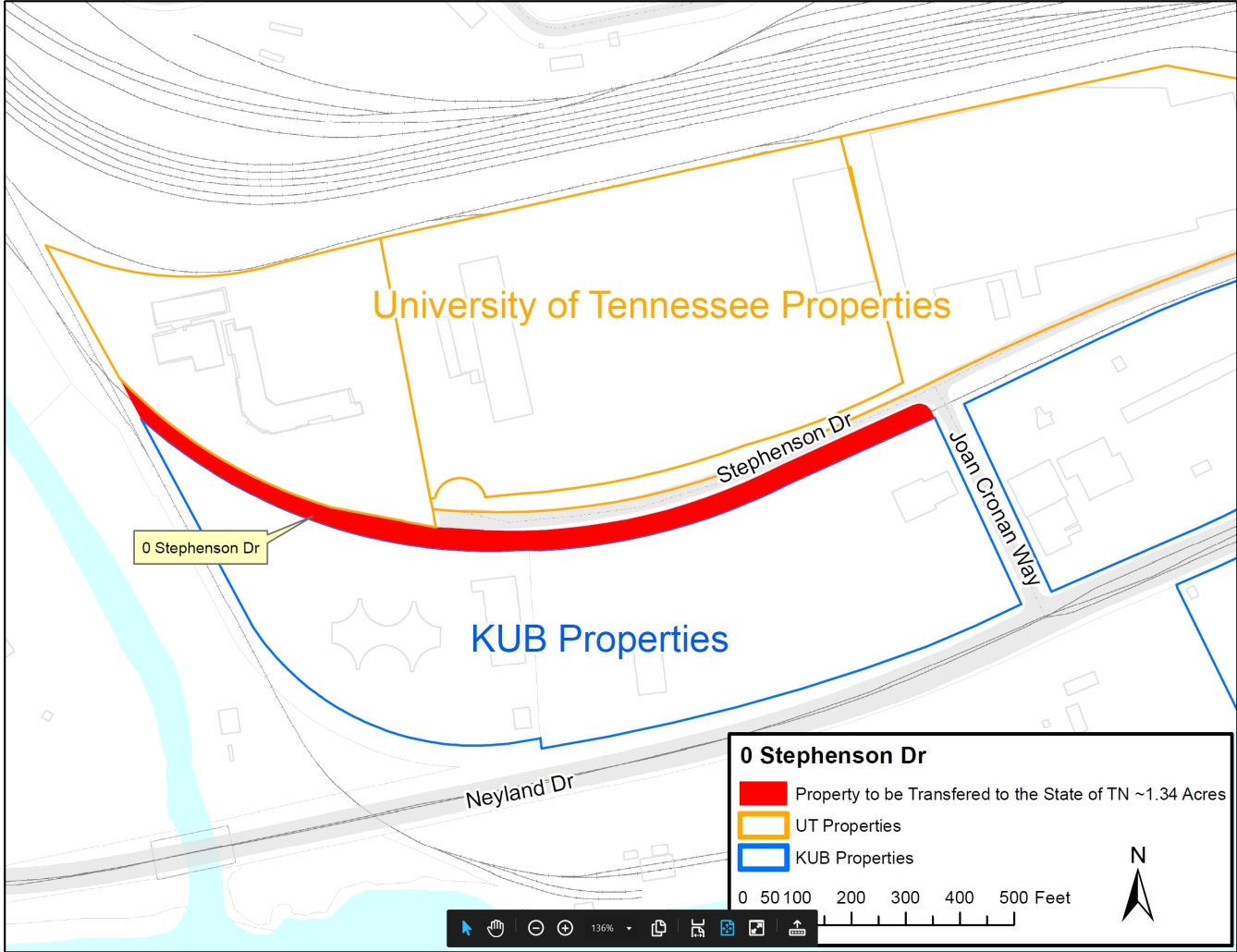
Overview

- KUB owns real property at 0 Stephenson Drive
- Parcel is approximately 1.34 acres
- Property sits between KUB's Kuwahee Wastewater Treatment Plant and University of Tennessee property
- State of Tennessee has requested KUB transfer parcel to the state on behalf of the university
- University intends to plant trees and create a vegetation screen on the property

Aerial View of Property



0 Stephenson Drive



Resolution 1474

- Authorizes the President and CEO to sell or otherwise dispose of the 1.34 acre parcel at 0 Stephenson Drive

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Community Advisory Panel Input



Weatherization Assistance Outreach

- Share weatherization materials with community partners
- Consider alternative ways to promote home weatherization
- Consider partnerships to help expand contractor workforce



Energy Efficiency Programs

- Expand weatherization for all income levels
- Promote Time of Use program and benefits
- Add electric vehicle charger incentive for workplaces and businesses
- Increase outreach for schools, churches, tenants, and landlords
- Share more information for energy and water efficiency and qualified contractors
- Raise awareness for energy and water workshops



KUB Knoxville Utilities Board
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Our Time of Use rate program is all about the timing. As a Time of Use customer, you could pay a lower rate based on the time of day you do your laundry or adjust your thermostat. Use our online tool to learn if you can save under Time of Use rates at www.kub.org/timeofuse.

Take control of your bill with Time of Use Rates.
Get a lower rate when you use energy during off-peak times.

KUB Is Time of Use Right For You?
www.kub.org/timeofuse

The image shows a man in a teal shirt kneeling next to a white front-loading washing machine in a laundry room. The machine's door is open, and he is looking inside. The background is a light-colored wall and a wooden floor.

Community Solar Launch

- Share information about
 - Environmental benefits
 - Benefits of community solar versus individually owned solar
 - Program is first come, first served
- Evaluate options for additional solar projects to prepare for increased demand



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FY23 Budget Update



FY23 Budget Performance

- Board approved \$1.11 billion budget for FY23
- Expenses \$14M over budget
 - Energy costs \$72M over budget
 - O&M \$9M over budget
 - Capital \$60M under budget
- Electric and Gas will need additional budget appropriations
- Revenues \$69M over budget
 - Flow-through of higher energy prices
 - Higher than expected sales volumes
- Cash positions solid

Inflation Driving Higher Operating Costs

- Employee wages
- Chemicals for water/wastewater treatment
- Fuel
- Utilities
- Materials and supplies
- Contractor costs

Capital Down Due to Timing

- Fiber services
- Water plant filter project
- Wastewater pump station projects
- New Customer Information System

FY23 Budget Expenditure Variance

	Electric	Gas	Water	Wastewater	Fiber	Total
Purchased Energy / COGS	(\$57,086)	(\$15,003)	---	---	\$3,838	(\$68,251)
O&M	(\$8,485)	(\$688)	(\$1,718)	(\$2,214)	\$3,795	(\$9,310)
Capital	\$27,480	\$3,156	\$15,791	\$12,521	\$557	\$59,505
Debt Service	\$1,394	\$0	\$600	\$145	(\$390)	\$1,749
Taxes & Equivalentents	\$1,311	\$455	\$140	(\$5)	\$86	\$1,987
Loan to Fiber Division	\$0	---	---	---	---	\$0
(Increase) Decrease	(\$35,386)	(\$12,080)	\$14,813	\$10,447	\$7,886	(\$14,320)
	-4.9%	-8.6%	15.0%	8.3%	36.9%	-1.3%

\$ in 000's

() = Over Budget

FY23 Budget Revenue Variance

	Electric	Gas	Water	Wastewater	Fiber	Total
Sales Revenue	\$59,391	\$10,571	\$1,941	\$3,417	(\$8,875)	\$66,445
Other Revenue	\$758	\$250	\$389	\$822	\$152	\$2,371
Increase (Decrease)	\$60,149	\$10,821	\$2,330	\$4,239	(\$8,723)	\$68,816
	9.7%	8.1%	3.2%	4.1%	-86.7%	7.3%

\$ in 000's

() = Under Budget

FY23 Budget Cast Impact

	Electric	Gas	Water	Wastewater	Fiber	Total
Budget Revenues	\$60,149	\$10,821	\$2,330	\$4,239	(\$8,723)	\$68,816
Budget Expenses	(\$35,384)	(\$12,080)	\$14,813	\$10,447	\$7,886	(\$14,318)
Increase (Decrease)	\$24,765	(\$1,259)	\$17,143	\$14,686	(\$837)	\$54,498

\$ in 000's () = Less Cash

Primarily due to Capital Timing

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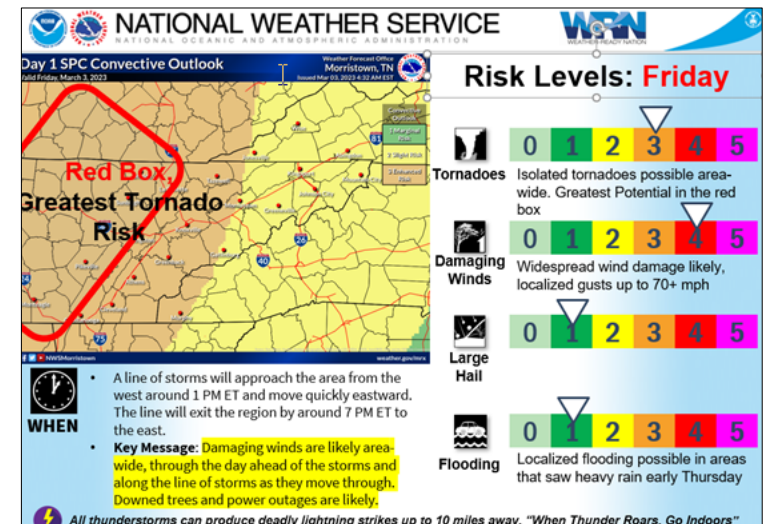
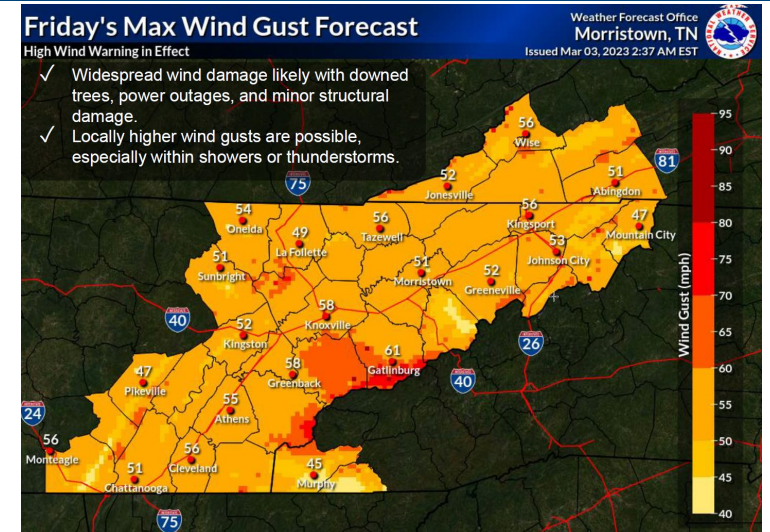
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Storm Response – March 3-5, 2023



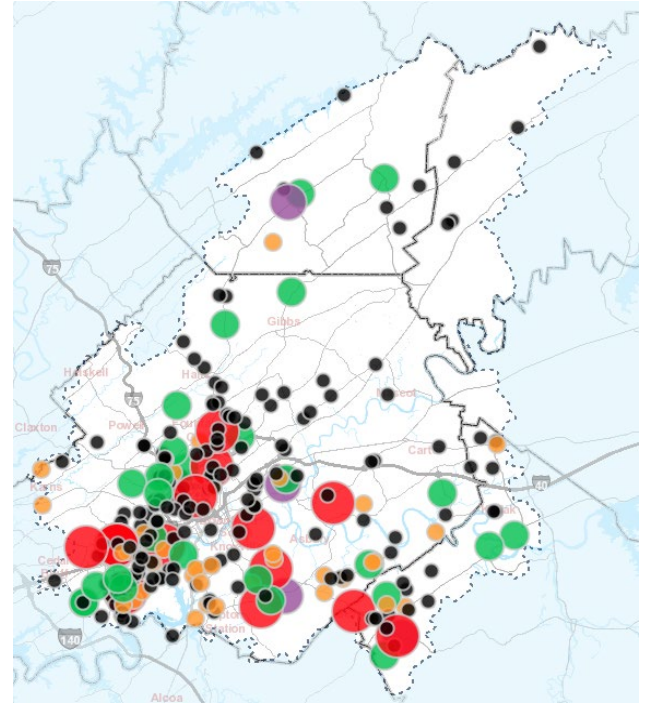
Weather Forecast for Damaging Winds

- Severe weather predicted
 - Heavy rainfall with damaging straight-line winds
 - 60+ mph wind gusts
 - Sustained winds of 30+ mph to follow
 - Increasing confidence of occurrence
- KUB planning began days in advance
 - Ensured key resource availability
 - Secured contract and off-system crews
 - Prepared for Incident Command Structure (ICS)



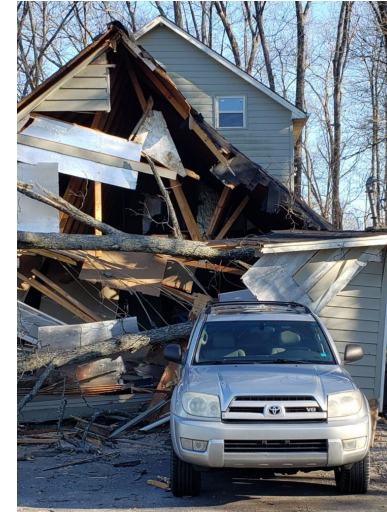
Storm Had Substantial Impact

- Weather forecasts were accurate
 - Straight-line winds with gusts 60+ mph
 - Sustained high winds after storm front
- Significant customer impact
 - Nearly 27,000 customers without power at peak
 - Sustained winds caused ongoing outages



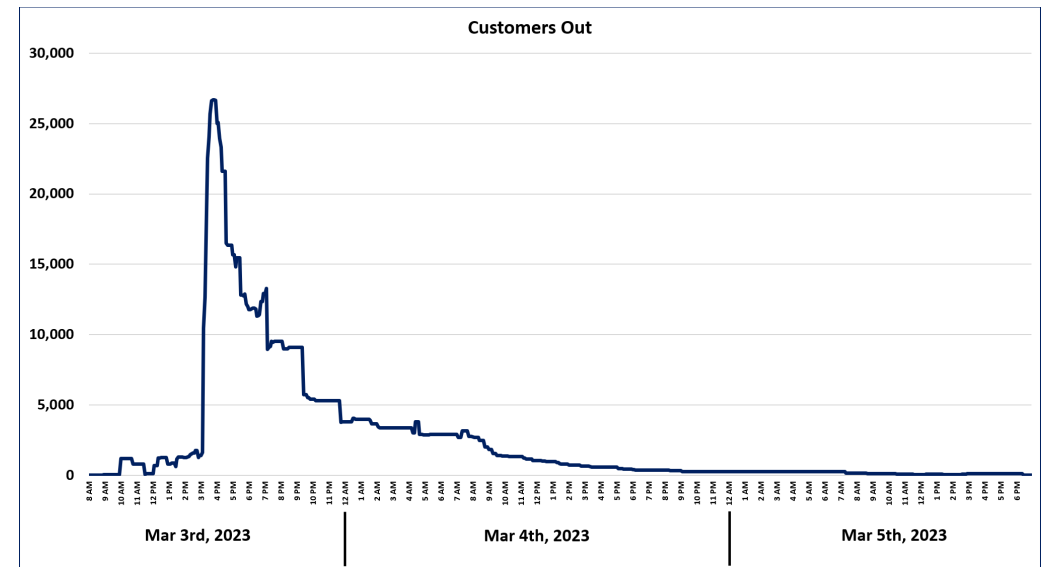
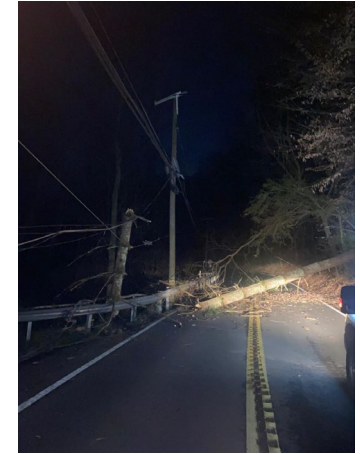
Storm Damage was Significant

- 12 substation breakers locked out in the first 30 minutes of the event
- Trees blown down system-wide
- Nearly all outages caused by customer trees
- Extensive work per event
- Poles, transformers, and wire spans down
- Numerous smaller outages with damage
- Nearly 400 individual outage events



Resources Restore Power Around the Clock

- ICS was initiated and in place throughout weekend
- Crews worked around the clock
 - 56 KUB and on-system contract crews
 - Seven off-system crews
 - 23 vegetation/tree crews
 - 12 damage assessment crews
- Over 80% of customers restored in less than six hours
- 48 hours for complete restoration



Thank You!

- Positive customer comments
 - *“The crews that got our power on did an amazing job. THANKS”*
 - *“Our power had been off for 13 hours...I know they worked all night, took time from their families to help our neighborhood and my family is very grateful”*
- *Thank you to all KUB employees!*



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