



March 13, 2025

Unclaimed Property

Resolution 1504



What is Unclaimed Property?

- Funds that remain unclaimed one year after a customer terminates service or three years after a vendor receives payment
- For KUB, unclaimed property includes:
 - Customer deposits
 - Overpayments
 - Advances for construction
 - Outstanding vendor payments

State Law Governs Unclaimed Property

- Annual reporting and remittance
- Due diligence to locate rightful owners
 - KUB – One year customers / Three years vendors
 - State – 18 months
- Return of previously remitted funds
 - Board Resolution
 - Future obligation for valid claims

Resolution 1504

Resolution requests return of \$127,762 of unclaimed funds previously remitted to the State,
less administrative fees



March 13, 2025

FY26 Organizational Priorities



Fiscal Year 2026 Organizational Priorities

Grow Fiber Division

Major construction

Complete construction in Phase II areas, installing 700 miles of new fiber. Begin final phase of construction.

Customer growth

Make fiber available to 19,000 new customers. Add 10,560 new residential fiber customers.

Initiate Replacement of Customer Information System

Begin implementation of a new software system to replace the Customer Information System (CIS).

KUB's CIS is nearly 25 years old and has reached the end of its useful life. Additionally, we are committed to improving the customer experience by offering enhanced services. Replacing the current system will require a concentrated effort around selection and implementation activities, and the new system will impact processes and procedures throughout KUB.

This year's focus will be on selecting a product and planning for the implementation of the solution.

Preparing for a Fast-Paced Future

Building on existing work, management teams will update strategic plans in the areas of: utility systems, staffing, facilities, and financial flexibility/efficiency opportunities.

The business environment in which KUB operates is changing rapidly, and KUB needs to have strong plans in place to deal with the external factors which may impact us in the years to come.

Working in cross-functional teams, members of the management team will help ensure that KUB is prepared for the future through analysis of internal and external factors likely to impact KUB over the next several years and the development of updated plans to address these impacts.

FY26 Organizational Priorities

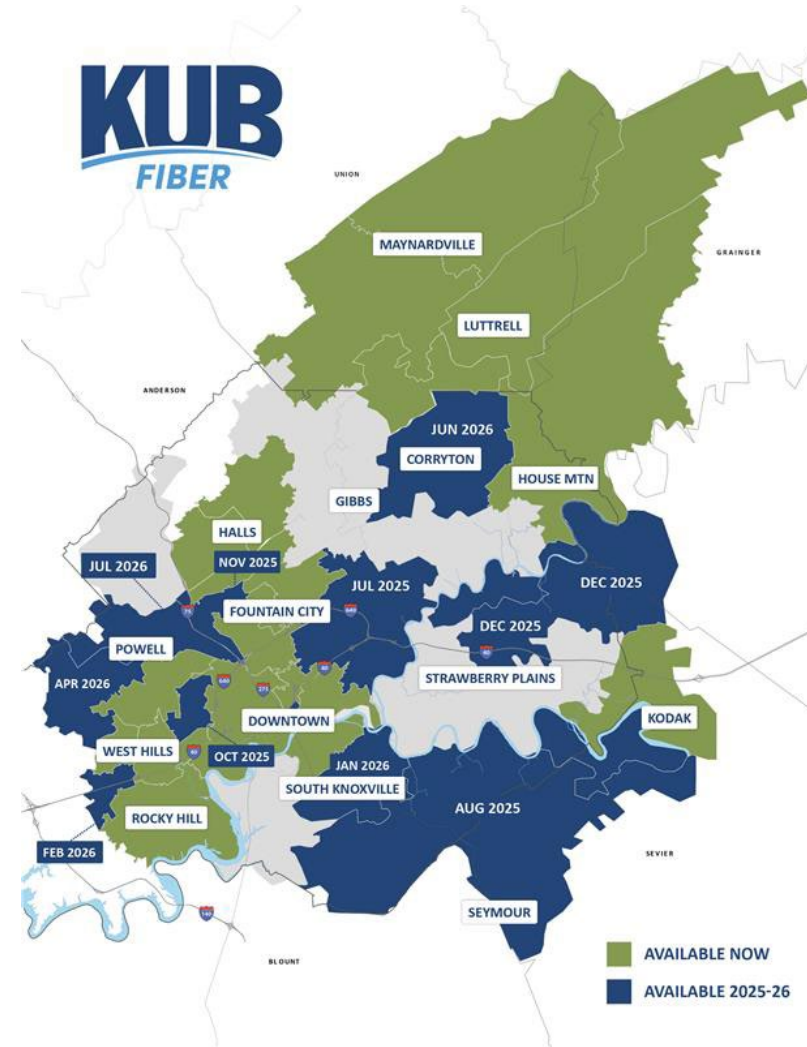
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This year's focus will be on selecting a product and planning for the implementation of the solution.

- 25-year-old system is at end of life
- New system will impact all of KUB
- Opportunity to enhance customer engagement and experience
- Implementation will begin in FY26 and complete in FY28

FY26 Organizational Priorities

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- Multifaceted approach to planning
- Builds on past efforts
 - Utility systems
 - Staffing
 - KUB facilities
 - Financial flexibility/efficiency opportunities
- Responsive to rapidly changing business conditions

Preparing for a Fast-Paced Future

Utility Systems

Energy Planning

Analyze emerging regulatory and market pressures in the electric and gas industries, and prepare options for managing them at KUB.

Water Planning

Analyze emerging regulatory pressures impacting the water and wastewater industries, and prepare options for managing them at KUB.

Growth

Develop growth priorities for each legacy utility system.

Grid Modernization/Flex Supply

Advance grid modernization strategy and implementation for TVA flexibility allocation.

Staffing

Continue implementation of workforce strategy.

Building on the FY25 Workforce Strategy Initiative, continue implementation of key initiatives, especially those focused on critical and hard-to-find skills (financial analysts, critical operational staff).

Build a model partnership with the Knox County Schools' 865 Academies program.

Become an early adopter of the 865 Academies model to build a robust pipeline of future talent.

Facilities

Review KUB's long-term facility needs, and develop a roadmap for future development.

Evaluate KUB's current facilities inventory against anticipated space needs and develop a plan to bridge any gaps identified.

Financial Flexibility/ Efficiency Opportunities

Identify opportunities for cost reduction and operational efficiencies.

Since the Board has adopted a long-term approach to budgeting, KUB must be prepared to absorb unanticipated expenses without increasing rates or debt beyond currently approved levels.

This team will look at options for reducing costs proactively, as well as identifying options for programmatic cuts or deferrals in the event of an unanticipated financial challenge.

Questions?



March 13, 2025

Natural Gas Distribution Integrity Management Program



More Than a Regulatory Program

- Required in 2011
- Ensures the work performed is risk based
- Aligns with budget process to fund programs
- Shapes work practices and procedures



DIMP Methodology

Distribution

- Know your system

Integrity

- Identify risk

Management

- Evaluate and rank risks

- Identify and implement measures

Program

- Measure and evaluate performance for effectiveness

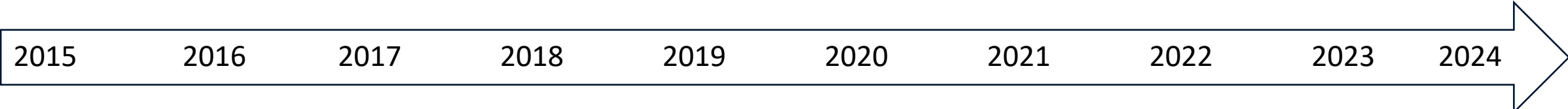
- Evaluate and improve if needed

- Report results

DIMP Priorities

Primary Threat	2021	2022	2023	2024	2025
1	Excavation Damages	Excavation Damages	Excavation Damages	Excavation Damages	Excavation Damages
2	Material, Weld, or Joint Failure	Incorrect Operation	Material, Weld, or Joint Failure	Equipment (Meter Center Leaks)	Material, Weld, or Joint Failure
3	Equipment (Regulators/Dressers)	Material, Weld, or Joint Failure	Equipment (Meter Center Leaks)	Material, Weld, or Joint Failure	Equipment (Meter Center Leaks)

Continuous Improvement for Damage Prevention

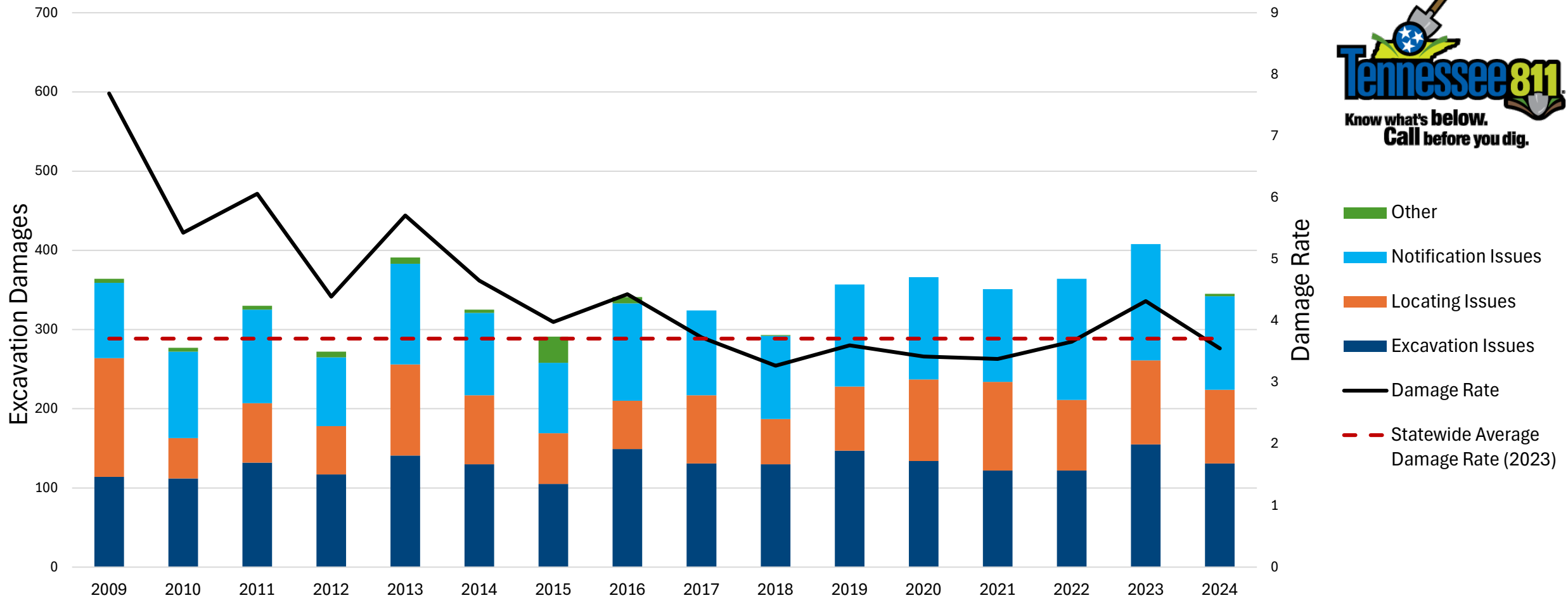


Damage Prevention Strategic Initiative (2015 - 2018)	TN Enforcement Board (2018)	DIMP: PAP Improvements (2019)	DIMP: Utility Locate Evaluation (2021)	Dedicated KUB Resources (2022)	Increased Regulatory Requirements (2023 - 2024)
<p>KUB Strategic Initiative (2015)</p> <ul style="list-style-type: none"> - Cross-functional team 	<p>Started with repeat Offenders</p>	<p>Dedicated KUB excavator meeting</p>	<p>Eval USIC performance</p>	<p>Focused field resources</p>	
<p>Educate</p> <ul style="list-style-type: none"> - Monitor digging activity (safe digging hotline; improved metrics) (2017) - Educate homeowners (more events) (2016) - Educate excavators (safe digging guides; Toolbox Talks) (2017) 	<p>Increased Toolbox Talks</p>	<p>Spanish-speaking literature</p>	<p>Pilot project for in-house resources (3 months)</p>	<p>Re-bid USIC contract</p>	<p>TPUC focus during every inspections</p>
<p>Excavate</p> <ul style="list-style-type: none"> - Internal accountability (Cardinal Rule violation with disciplinary action) (2017) - External accountability (repeat offender program) (2018) 		<p>School emergency plans</p>	<p>Benchmarking</p>	<p>DIMP: Service Lines without Tracer Wire (2022)</p>	<p>New annual reporting at federal level</p>
<p>Data</p> <ul style="list-style-type: none"> - Improve marking utilities (GPS) (2016) - Improve records (GPS) (2016) 		<p>DIMP: Process Evaluations (2020)</p>	<p>Eval Options → chose:</p> <ul style="list-style-type: none"> - Keep third party locating with contract improvements - Add dedicated DP analyst and program techs 	<p>GSE</p>	<p>New reporting form for state level</p>
		<p>Service lines without tracer wire</p>		<p>KUB Fiber</p>	
		<p>Blasting</p>			
		<p>Pipeline markers</p>			

Note: Damage Prevention #1 DIMP Priority since 2015

Excavation Damage Rate – Natural Gas

Excavation Damages and Damage Rate per 1,000 Tickets



- Other
- Notification Issues
- Locating Issues
- Excavation Issues
- Damage Rate
- - - Statewide Average Damage Rate (2023)

Multi-Layered Approach

- Educate the public
- Educate excavators and hold accountable for damages
- Coordinate with and educate emergency responders
- Minimize customer outages when dig-ins occur
- Dedicated resources for damage prevention

Educate the Public

- Community events
- Targeted advertising and social media
- Spanish publications and website
- Emergency Response Plans with schools

Llame al 811

LLAME AL 811 ANTES DE EXCAVAR

Llame al 811 Antes de Excavar

Una simple llamada al 811, le da la ubicación aproximada de las líneas de los servicios públicos de manera gratuita. La FCC ha designado al 811 como el número a usar a nivel nacional para comenzar de manera rápida y fácil la marcación de las líneas que están bajo la tierra antes de empezar todo proyecto. El número 811 elimina la confusión que puede traer el tener que llamar a diferentes números ya que es fácil de usar y recordar, además de ser el mismo número en todos los estados. Los centros de llamada 811 notifican a los servicios públicos, quienes a su vez marcan las líneas subterráneas de gratis.



Excavators

- Education
 - Toolbox Talks
 - Company safety meetings
 - Onsite presence for high-risk excavations
- Accountability
 - Cost recovery for third-party damages
 - TN Underground Utility Damage Enforcement Board



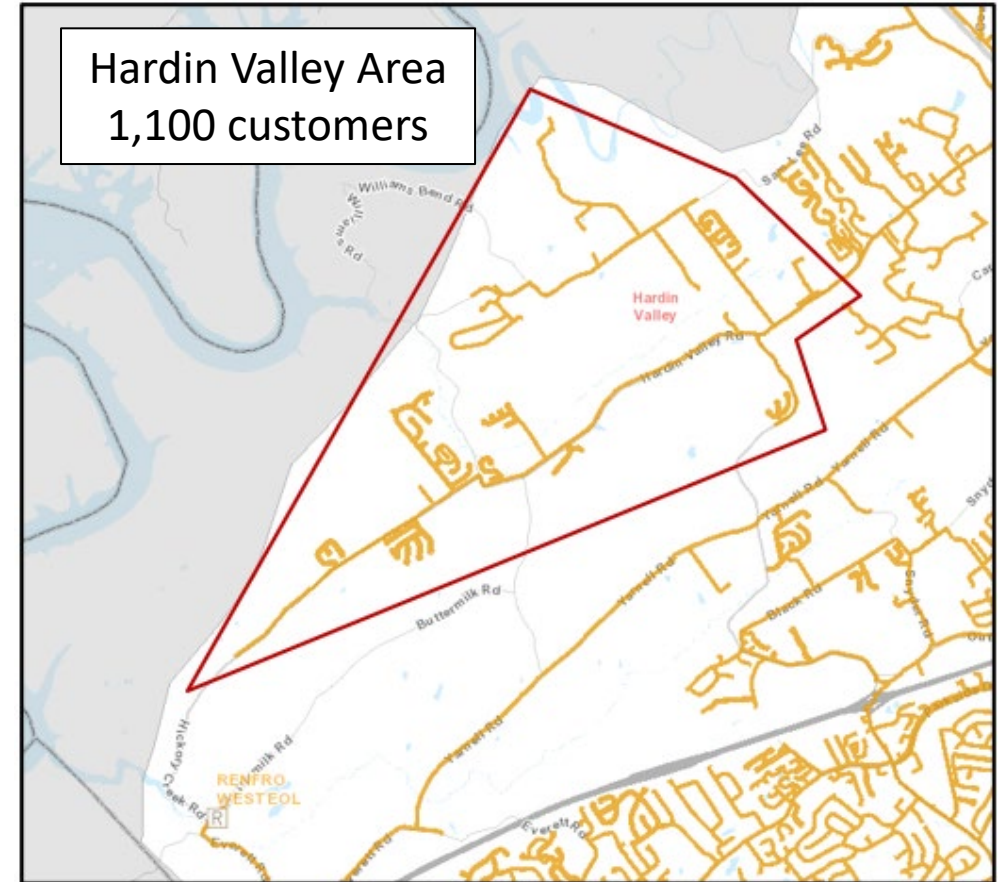
Emergency Responders

- Annual training with fire departments
- Liaison through Local Emergency Planning Committee (LEPC)
- Natural gas exercises



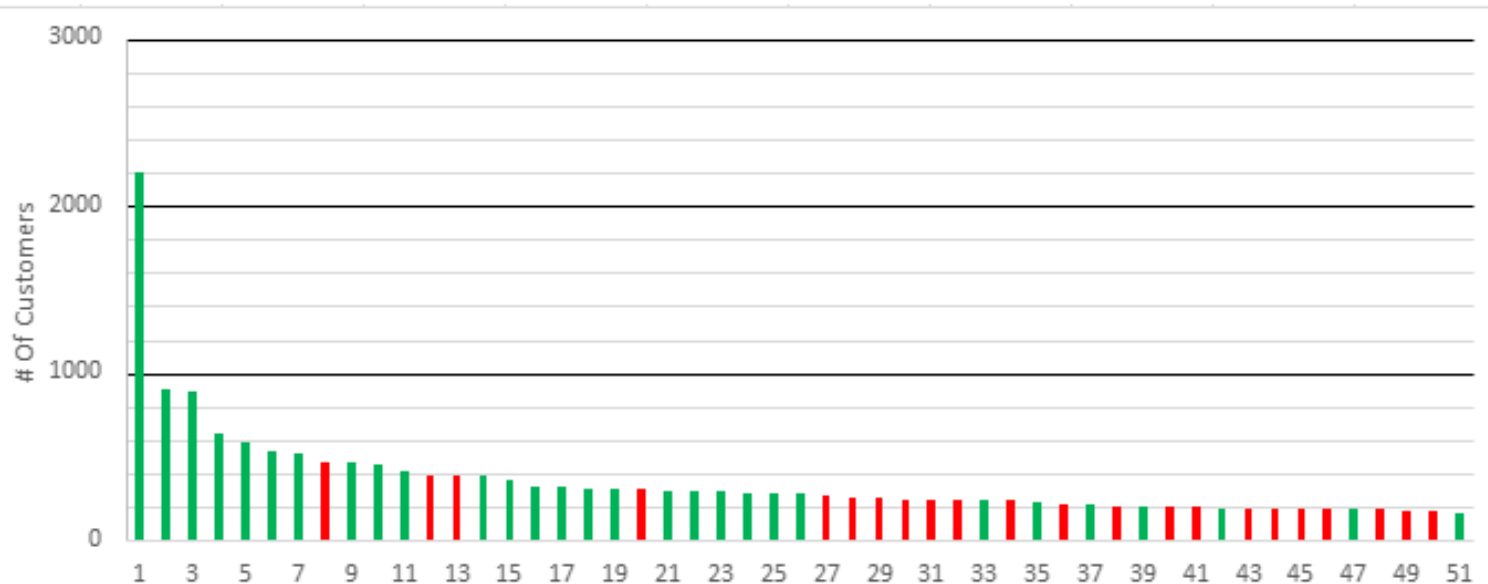
Minimize Outages Due to Dig-ins

- DIMP evaluation: long one-way feeds
- Original projects identified
 - Hardin Valley Road (FY19) – 10,000 LF 8”
 - Choto area (FY19) – 9,000 LF 8”
 - Sterchi Hills (FY20) – 1,800 LF 2”



Resiliency Plan (One-Way Feeds)

- >300 customers (2017)
- >200 customers (2025)
- 200+ customer one-way feeds remaining = 21



Choto Loop	Choto Rd @ S Nortshore Dr	2200	complete
Hardin Valley Loop	Hickory Creek Rd @ Graybeal	900	complete
Pleasant Ridge Loop	Sullivan Rd @ Palmetto	883	complete
McKamey Rd Loop	Mckamey Rd @ Amherst Rd	641	complete
Pelleaux Rd Loop/Norris Freeway Loop	Pelleaux rd @ Long Hollow Rd	579	complete
Holston Hills Loop	Asheville Hwy @ Chilhowee	534	complete
Hackworth Loop	W Emory Rd @ Hackworth	517	complete
Karns Connector	W Emory Rd/@ Karns Valley Dr	460	incomplete
Millertown Pike Loop	Harris Rd @ Rutledge Pik	459	complete
Fox Run	12618 Comblain Rd	451	complete
Saddle Ridge	12800 High Oak Rd	407	complete
Breda Dr	Bruhin Rd @ Chickamauga	385	incomplete
Solway Rd Loop	Solway Rd @ Solway School Rd	385	incomplete
Ball Rd	Ball Rd @ Bakertown Rd	384	complete
Bakertown Loop	Bakertown @ Robinson Rd	360	complete
Wakebridge Loop	Wakebridge Blvd @ Fenton Way	321	complete
S David Lane	Kingston Pike @ S David	317	complete
Mynatt Rd Loop	Mynatt Rd @ Rifle Range	309	complete
George Williams	George Williams @ Fox Rd	301	complete
Chapman Hwy	Chapman Hwy @ Simpson Rd	300	incomplete
Meredith Rd	Meredith Rd @ Weaver Rd	294	complete
Beeler Rd Loop	Beeler Rd @ Twin Brooks	294	complete
Farragut Hills Loop	Farragut Hills Blvd @ Concord Rd	286	complete
Creekhead Loop	Creekhead @ Hembolt	280	complete
Somersworth/Wentworth	Somersworth Dr @ Old Stage	276	complete
Bell Rd Loop	Bell Rd @ Joseph Dr	273	complete
Steele Rd Loop	Steele Rd @ Couch Mill Rd	265	incomplete
Midpark Rd	Midpark Rd @ Middlebrook Pike	251	incomplete
Thompson Scool Rd	Thompson School Rd @ E Emory Rd	251	incomplete
Washington Pk	Washington Pike @ Bud McMillan	243	incomplete
Pedigo	Pedigo Rd @ Greenwell	239	complete
Harmon Rd	Harmon Rd @ Sprint Street	238	incomplete
Timbercrest Loop/Lonas Loop	Lance Dr @ Yosemite Trl	234	complete
Westwood Subdivision	Westover Dr @ Northshore Dr	234	incomplete
River sound Loop	River sound @ Northshore	225	complete
View Harbour Rd	View Harbour Rd @ Woody	215	incomplete
Early Rd Loop	Early Rd @ Stonelane	210	complete
Jefferson Park	Charlottesville Blvd @ Northshore	205	incomplete
Raj Rd	Raj Rd @ Woods Smith Rd	200	complete
Cate Road	Cate Road @ W Emory	200	incomplete
Sails View Loop	Harbor Way @ Turkey Creek Rd	200	incomplete

Dedicated Resources for Damage Prevention

- Damage Prevention Coordinator
- Three Damage Prevention Technicians
- Approximately 40 contract locators for TN One Call tickets
- Specialized UGC crew for “difficult-to-locate” mains and service lines
- Membership in TN 811

Distribution Integrity Management Program

- More than a regulatory program
- Methodology ensures work is risk-based
 - Data-driven
 - Subject matter experts
- Aligns with budget process to fund programs
- Effectiveness reviews promote flexibility and innovation
- Improves public safety, reduces methane emissions, and reduces outages for our customers



March 13, 2025

Walker Springs Force Main & Pump Station Replacement



Project Need, Scope, & Overview

- Original pump station and force main constructed in 1967
- Wet weather
- 3.25-million-gallon storage tank built in 2007
- Increase capacity of station and force main
- Considered rehabilitation of existing station or build new
- New force main



Force Main Design Considerations

Hydraulic modelling

Pipe material, length, etc.

Route selection

Stakeholders

Parks and greenways

School, day care, and churches

Potential conflicts with other utilities

Easement acquisitions

Traffic control

Permitting issues

Force Main Route – Broom Road to Vanosdale Road



Force Main Construction



Pump Station Design Considerations

- Increased pumping capacity from 4.3 to 6.6 MGD
- Site selection
- Extensive geotechnical exploration
- Designed according to Hydraulic Institute standards
- Greenway impacts
- Permitting
- Property acquisition



New Walker Springs Pump Station Details

- Wetwell – 30 feet deep
- Four submersible pumps
- Valve vault and grinders
- Odor control
- Electrical building and generator
- Aesthetics
- Demolish existing station
- Two-year construction schedule
- ARPA funding: \$4.75 million



Current Status

Force main is presently under construction

Contract value: \$2.5 million

Footage installed: Approximately 2,750 linear feet

Completion date: June 2025

Pump station is presently out to bid

Cost estimate: \$12 million

Public communication plan

Expected completion date: Spring 2027

KUUB

KNOXVILLE
UTILITIES BOARD