

# ACT ON KUB

ACCOUNTABILITY + COST-SAVINGS + TRANSPARENCY

**The Knoxville Utilities Board (KUB) has been a long-time, trusted community partner, yet the rules governing KUB have facilitated a drift away from the people KUB serves.**

## **In recent years, KUB has:**

- Increased its mandatory monthly electrical fixed fee from \$6 in 2010 to \$20.50 in 2020. All utility fixed fees on customers' bills now exceed \$85 per month.
- Rushed signing a 20-year long-term contract with power provider TVA, with no meaningful opportunity for public comment even though customers' dollars are on the line, which has put customers at risk.
- Spent hundreds of thousands of customers' dollars on public relations consultants to boost KUB's image, even though KUB is a public-power monopoly without competition.

*These things have happened because the 'public' has too often been left out of KUB's role as a public utility.*

**Knoxville: It's time for the public to ensure more accountability, cost-savings, and transparency from KUB, the utility we own.**

The initially proposed charter amendment would have promoted **ACCOUNTABILITY, COST-SAVINGS, AND TRANSPARENCY** by:

- **Saving customers money and promoting lower bills by discouraging unjustified fees and customer charges**, ensuring charges do not exceed KUB's actual cost of providing service and are subject to public input at a hearing before enactment
- **Shortening KUB commissioners' terms** from seven years to four years, and from fourteen to eight years for a two-term maximum
- **Providing an opportunity for a broader slate of community members to serve on the KUB board** by stopping the board's practice of self-selecting its preferred candidates
- **Ensuring KUB board meetings are accessible** by scheduling meetings at times and locations around the city that are convenient for public attendance and ensuring that meetings are broadcast live, recorded, and published in a timely fashion to enable participation of customers who cannot attend in person
- **Promoting fiscal responsibility** by prohibiting KUB expenditures on expensive and unnecessary public relations consultants for government communications
- **Giving low-income communities and the environment a seat at the table**, with one board seat guaranteed for both a low-income advocate and an environmental advocate
- **Spreading the responsibility of nominating KUB board members** by allowing the city council to nominate some members
- **Requiring transparency on customers' bills** by requiring all components of bills to be broken out as line items

# HOW DID THE PROPOSED CHANGES COMPARE TO KUB'S PRACTICES?\*

## PROPOSED CHANGES

## EXISTING PRACTICE

### Fees and Customer Charges

- Any increase in mandatory fixed fees must not exceed the actual cost of providing service, as determined by a cost of service study, and must have a public hearing before enactment
- KUB can raise customer fees without proper justification and without a public hearing\*\*

### Commissioners' Term Lengths and Limits

- Terms will be four years each
- The two-term limit caps total lifetime service on the board at eight years
- Terms are seven years each
- The two-term limit caps total lifetime service on the board at fourteen years\*\*

### Commissioners' Election

- All applications to be a KUB commissioner will be sent to the mayor for consideration for nomination
- KUB self-selects by screening applicants and sending only their five preferred candidates for consideration for nomination by the mayor\*\*

### KUB Board Meetings

- Meetings will be held on weekday evenings after most customers are off of work or out of school
- Each city council district will host one meeting per year, making them more convenient for customers to attend
- Meetings will *mandatorily* be broadcast live and recorded
- Meetings are typically held midday on weekdays, making them very inaccessible for people at work or school
- Meetings are held at KUB's downtown office
- Meetings are not typically broadcast live but are *voluntarily* recorded and posted to KUB's website after the meeting is completed

### Bill Transparency

- All components of bills will *mandatorily* be broken out by line items
- All components of bills are *voluntarily* broken out by line items

### Board Composition

- One seat of seven will be for a customer from a low-income household
- One seat of seven will be for a customer representing environmental interests
- No requirements for representation of low-income communities
- No requirements for representation of environmental interests

### Expenditures on Public Relations

- No expenditures allowed for public relations for government communications but will be allowed for public education
- Hundreds of thousands of dollars are spent on PR consultants, even though KUB is a monopoly and doesn't have any competition

Learn More at [ACTonKUB.org](https://ACTonKUB.org)

\* As of June 2020.

\*\* This was partially addressed by KUB in Aug. 2020.