



Meeting Date: December 12, 2024 **Agenda Type:** Consent Items for Action

From: Jenna Mathis. **Reviewed by:** Dawn Schriewer
Customer Service Assistant Chief Financial Officer
Manager

Submitted by: Dawn Schriewer **Approved by:** Ryan Kelso
Chief Financial Officer Chief Executive Officer

RECOMMENDED ACTION: Approve 2024 Second Quarter Charge-Off Accounts

BACKGROUND

Charge-offs for the Second quarter of calendar year 2024 (April, May, and June) netted \$67,742.53 for NBU accounts that have unpaid balances. New Braunfels Utilities applied \$38,682.72 in customer deposits to the delinquent account balance of \$106,425.25, which reduced the total unpaid balance by 36%.

When compared to total revenue billings for the same quarter, the charge-off balance amounts to 0.10%. For every \$100 billed to our customers, we received \$99.90.

The number of residential accounts included in the charge-offs increased by 7.21% compared to the previous 3 years' average for the same quarter, and the dollar amount increased by 19.87%. Residential customers accounted for 99% of the number of charge-off accounts.

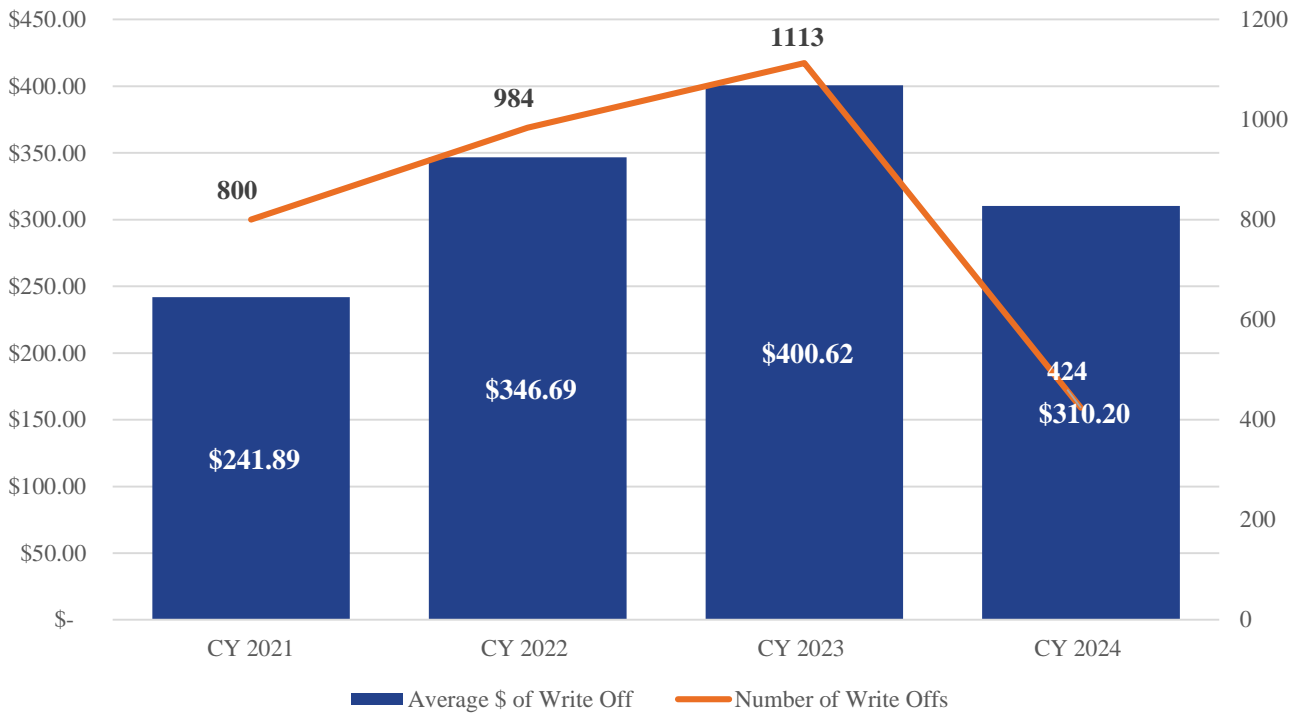
The accounts that included insufficient funds due to returned checks and failed auto-draft payments totaled \$1,705.63.

The main factors in the charge-offs for Q2 of 2024 include failure to comply with payment extensions, a moratorium on disconnects for nonpayment due to high-temperature indexes and account deposits calculated on previous rates and not equaling a two-month annual average.

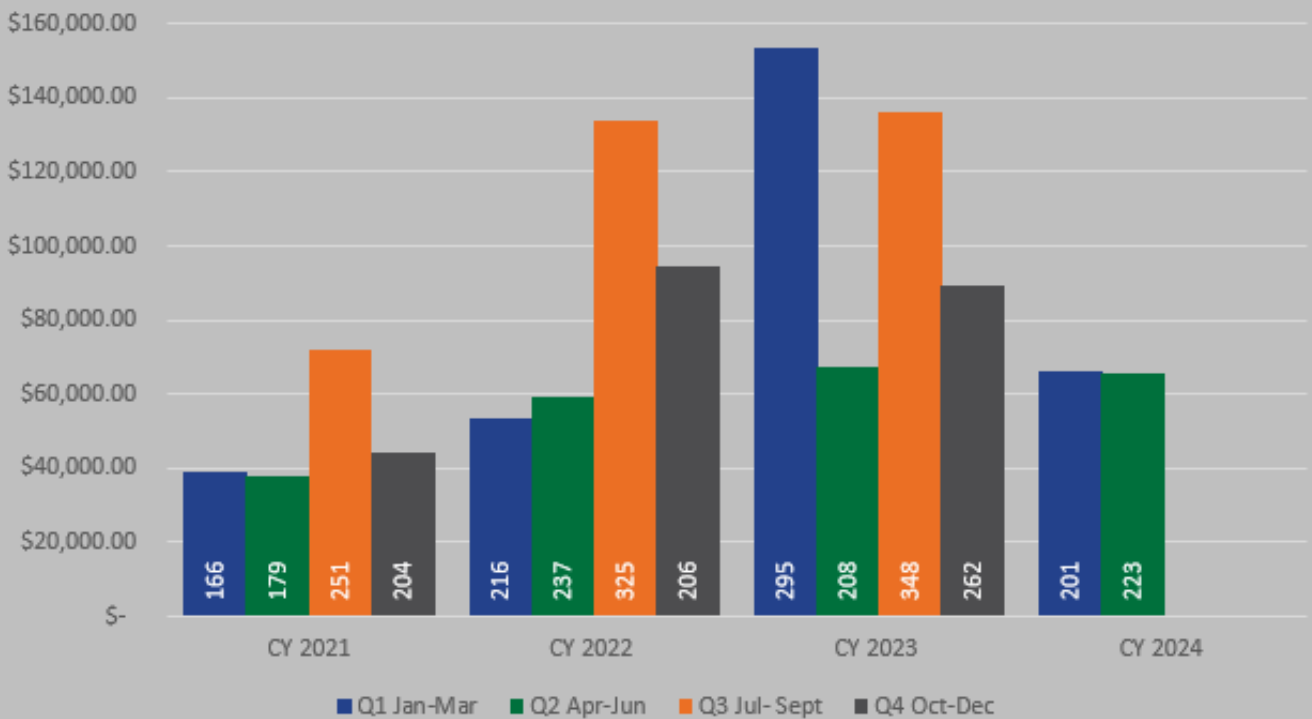
The NBU credit rating summary for this report is as follows:

Credit Rating*	Number of Active Customers	Number of Charge-off Customers	Percentage of Charge-off Customers
A	55,043	16	0.03%
B	7,533	77	1.02%
C	4,081	131	3.21%
D	1	2	200.00%

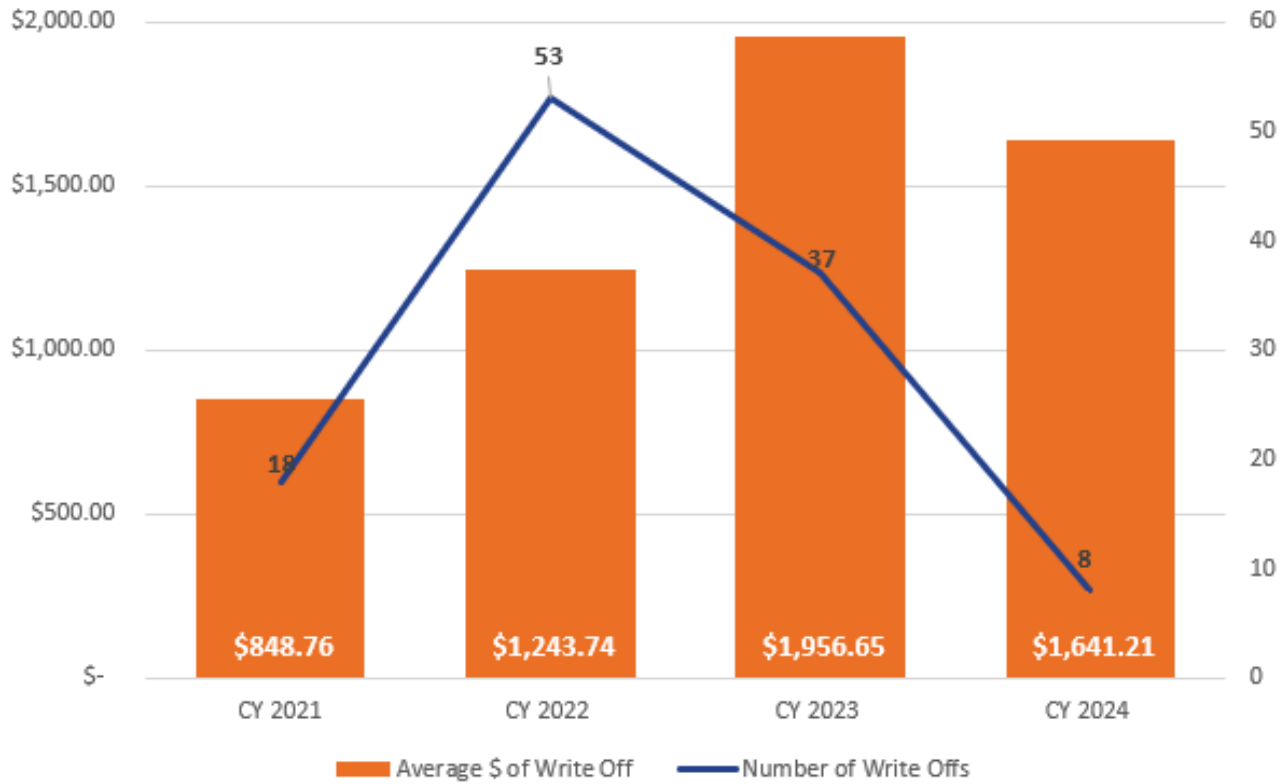
Residential Annual Write Off Average & Total Write Off Accounts



Quarterly Residential Write Offs

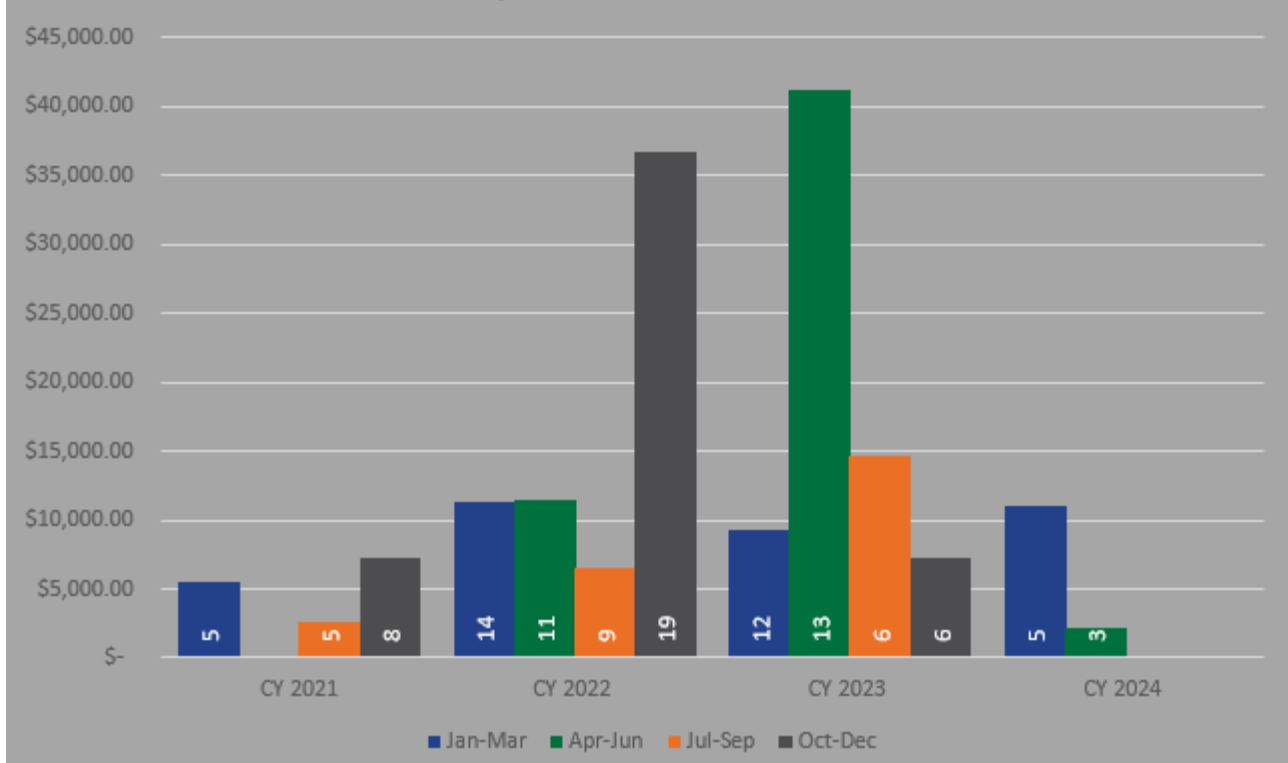


Commercial Annual Write Off Average & Total Write Off Accounts

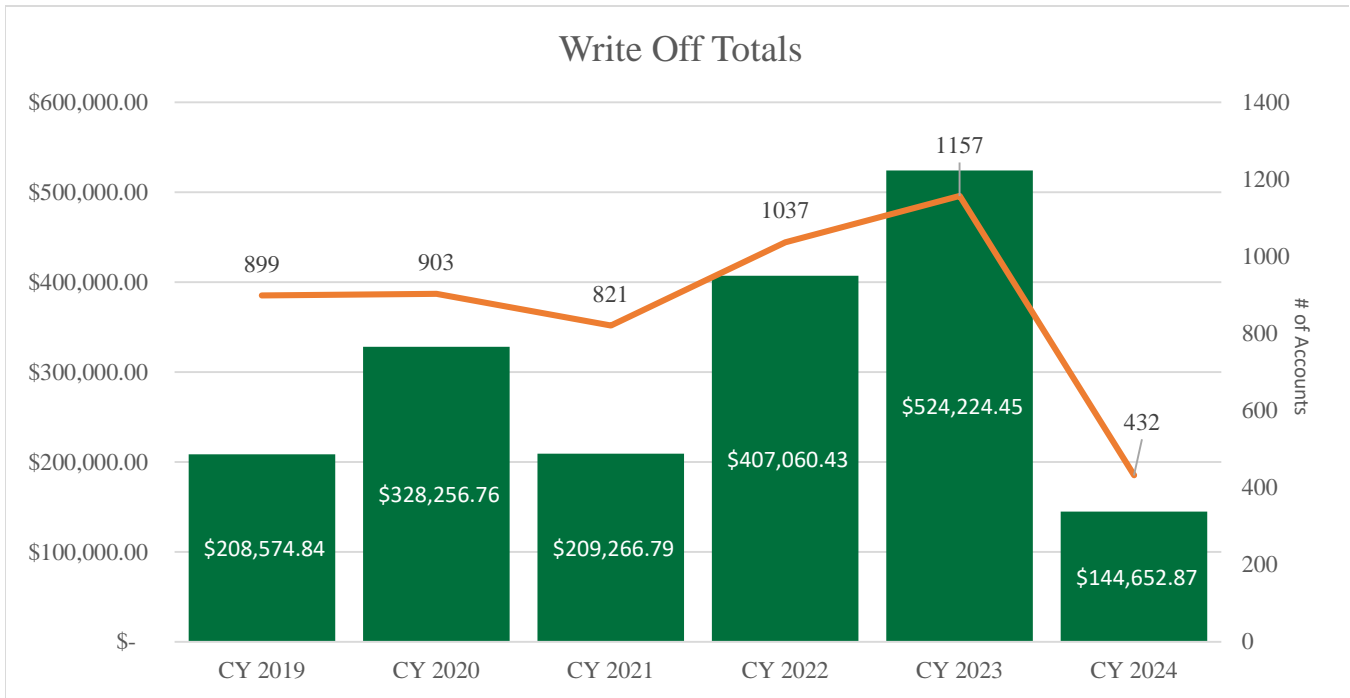


■ Average \$ of Write Off
 — Number of Write Offs

Quarterly Commercial Write Offs



■ Jan-Mar
 ■ Apr-Jun
 ■ Jul-Sep
 ■ Oct-Dec



FINANCIAL IMPACT

NBU has an estimate included in the Financial Operating Plan for charge off amounts and updates the estimate annually.

LINK TO STRATEGIC PLAN

Financial Excellence

EXHIBITS

1. Charge-off Summary