



**Meeting Date:** September 26, 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 First Quarter Charge-Off Accounts

**BACKGROUND**

Charge-offs for the first quarter of calendar year 2024 (January, February, and March) netted \$76,910.34 for NBU accounts that have unpaid balances. New Braunfels Utilities applied \$43,643.71 in customer deposits to the delinquent account balance of \$120,554.05, which reduced the total unpaid balance by 36%.

When compared to total revenue billings for the same quarter, the charge-off balance amounts to 0.11%. For every \$100 billed to our customers, we received \$99.89.

The number of residential accounts included in the charge-offs decreased by 10.93% compared to the previous 3 years' average for the same quarter, and the dollar amount decreased by 19.61%. Residential customers accounted for 98% of the number of charge-off accounts.

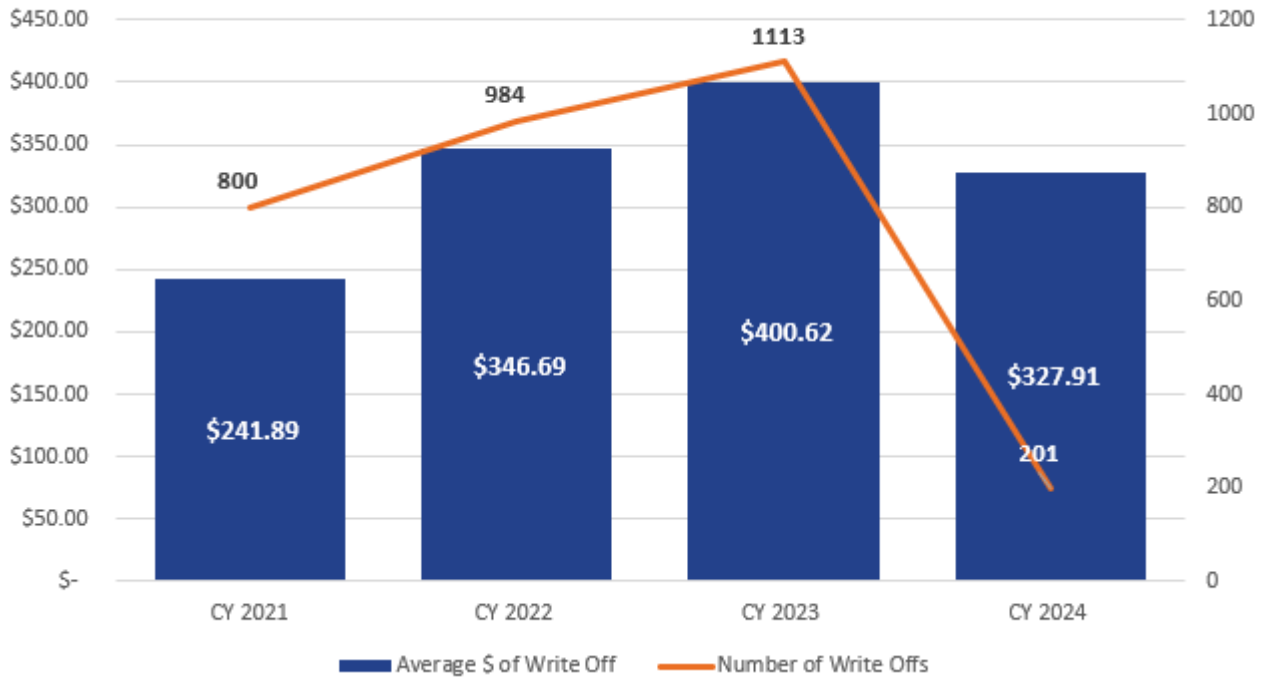
The accounts that included insufficient funds due to returned checks and failed auto-draft payments totaled \$2,864.79.

The main factors in the charge-offs for Q1 of 2024 include failure to comply with payment extensions, moratorium of disconnects for nonpayment due to low-temperature indexes, and account deposits calculated on previous rates and not equaling a two-month annual average.

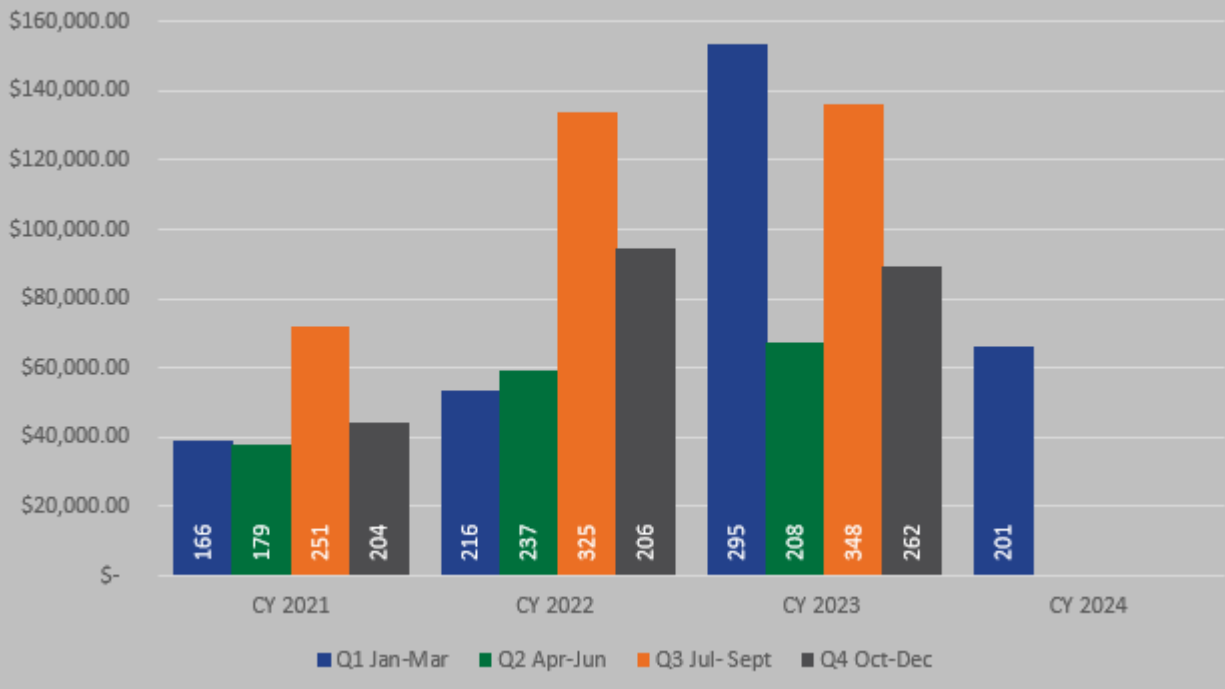
The NBU credit rating summary for this report is as follows:

Credit Rating*	Number of Active Customers	Number of Charge-off Customers	Percentage of Charge-off Customers
A	53,859	9	0.02%
B	7,488	55	0.73%
C	4,405	139	3.16%
D	1	3	300.00%

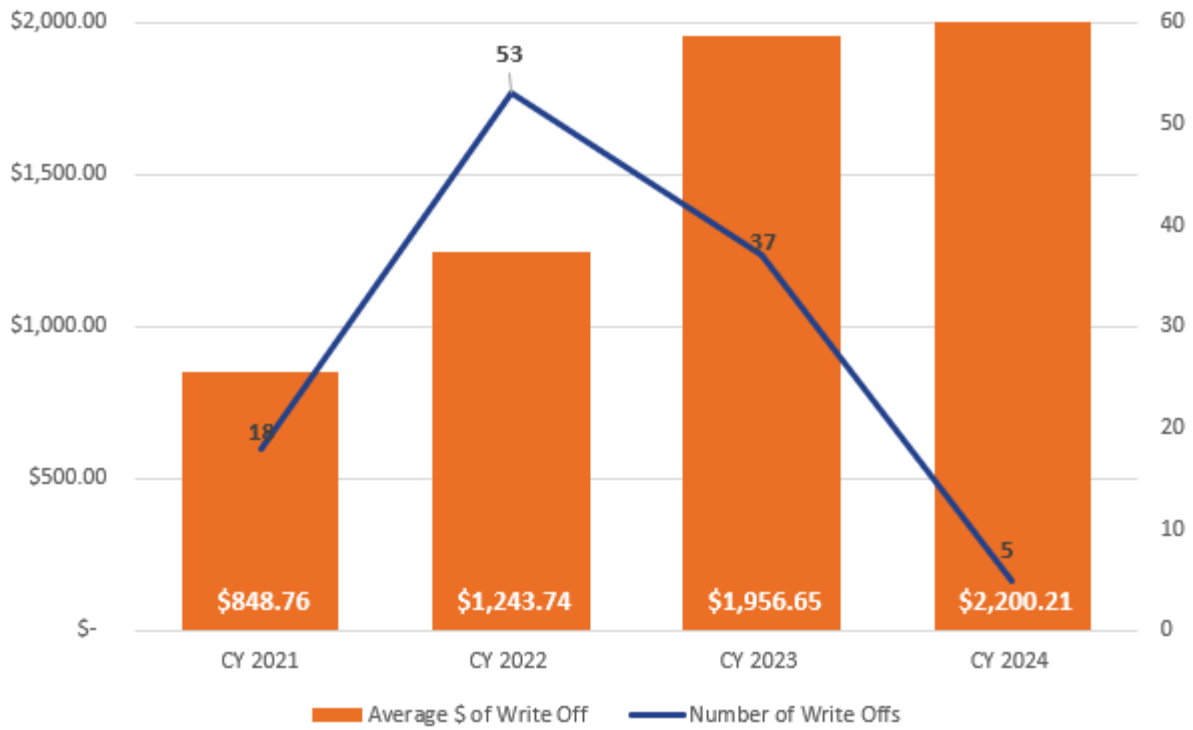
Residential Annual Write Off Average & Total Write Off Accounts



Quarterly Residential Write Offs

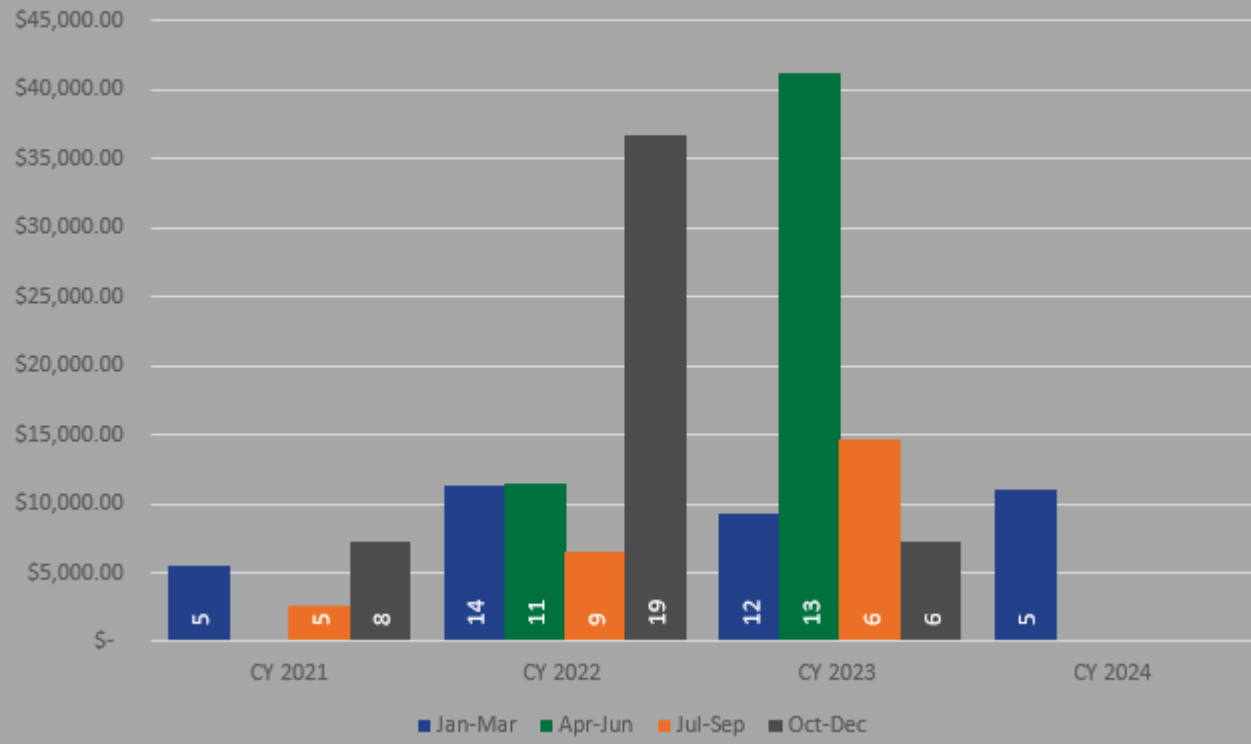


### Commercial Annual Write Off Average & Total Write Off Accounts



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

### Quarterly Commercial Write Offs



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

## **FINANCIAL IMPACT**

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

## **LINK TO STRATEGIC PLAN**

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**Financial Excellence**

## **EXHIBITS**

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1. Charge-off Summary