

**FOR IMMEDIATE RELEASE**

November 14, 2019



City of Copperas Cove

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## **City of Copperas Cove and FATHOM to Separate – Update #2**

### **Tuesday, November 12, 2019:**

Copperas Cove, Texas – The City of Copperas Cove received email notification from FATHOM this past Saturday, November 9, 2019, that they will be going out of business. The email stated in part that “Despite a massive effort this year, we [FATHOM] have not been able to secure an investment or additional debt to save our business”. The City of Copperas Cove and FATHOM entered into a partnership on May 17, 2016.

FATHOM hosted a webinar early Tuesday morning with clients throughout the nation to provide further details on the situation, leading City administration to believe FATHOM will discontinue all contracted services as early as the end of November 2019. To say we are astounded by this announcement is an understatement. While City administration was aware of and understood the day-to-day challenges faced over the past 3½ years, we are disappointed that FATHOM representatives not once spoke of or alluded to this possibility.

We are sharing this information with our citizens and customers in an effort to be transparent about this situation and will continue to provide updates as new information is available. At this point, we are privy to very limited information and continue to seek answers to questions. Calls or visits to Utility Administration to verify or ask questions about the matter, while important, will only slow down local day-to-day operations so please be patient and know updates will be provided as soon as possible.

Regarding account payments, until further notice customers are encouraged to continue making regularly scheduled payments on utility accounts. The revenues received through bill payments will continue to be received by the City of Copperas Cove.

Lastly, FATHOM representatives will meet face-to-face with City administration early next week to further discuss the situation. We will continue to evaluate our options in an effort to develop a transition plan and way forward. City administration anticipates hosting a Town Hall meeting late next week to provide an update and receive questions from our citizens. Further information on that event will be released later this week.

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### **Wednesday, November 13, 2019: (Update #1)**

Copperas Cove, Texas – City staff has reviewed the many comments and messages that were left on our social media page and wish to provide some answers to common questions

and concerns which many of you have. We also conducted several media interviews today, with both print and TV media outlets, and will share some of their stories over to social media for additional info. We will continue to provide more updates as they become available:

**1. Will I have an interruption in water service?** There will be NO interruption in water service to our customers resulting from Fathom's decision to close their business. The City receives its water from Belton Lake, through a contract with Bell County WCID #1, and we maintain the city's water system. The water meters and Neptune meter readers, which were installed during the transition in 2016 and 2017, are owned by the City. FATHOM does NOT have the capability to turn water on/off to your residence, this must be done by City staff.

**2. How do I make bill payments, where does the money go, and what happens to my account deposit?** Until further notice, we recommend customers continue to make payments via the current options available. All money that is collected by FATHOM on behalf of the City by any method is applied to the appropriate customer account and remitted to the City. The option to make in person payments to City staff is also available by visiting Utility Administration at City Hall, 914 S. Main Street, Suite A. Account deposits are also in possession of the City, not FATHOM.

**3. Who will handle my billing and customer service needs?** Until further notice, FATHOM is still handling billing and customer care needs through the end of November 2019. City administration has a scheduled meeting with FATHOM representatives the week of November 18<sup>th</sup> to discuss options moving forward. All options will be evaluated, such as needed service agreements, software, and personnel. One such option is to bring full-service in-house utility billing needs of our community back to Copperas Cove.

**4. Will FATHOM be required to pay any money back and/or be sued by the City?** The City's Attorney, DNRBZ, is currently reviewing the contract and will provide a legal opinion on their findings at next week's City Council Regular Meeting on Tuesday, November 19<sup>th</sup>, at 6pm during an Executive Session. As this item is sensitive and may require future litigation, this portion of the meeting will not be open to the public. Any legal action the City might take would be initiated at the direction of City Council.

**5. How can I find out more?** City Manager Ryan Haverlah will make a brief statement referencing the situation during next week's City Council Regular Meeting, on Tuesday, November 19<sup>th</sup> beginning at 6pm in the Council Chambers, 508 S. 2<sup>nd</sup> Street. A Town Hall Meeting is also being coordinated for late next week and details will be released very soon. The meeting will be open to the public to attend and allow opportunities for questions to be asked and answered.

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#### **Thursday, November 14, 2019: (Update #2)**

Copperas Cove, Texas – City administration continues to gather information in effort to develop a transition plan suitable for our community and citizens. A Utilities Administration Town Hall Meeting has been scheduled for Friday, November 22, 2019 at 6pm at the Copperas Cove Civic Center, located at 1206 W Avenue B. City Manager Ryan Haverlah will give a presentation and provide a factual overview of the situation. The meeting will allow ample time for a Q&A session so public questions may be received and answered. This event will be streamed via Facebook Live, we encourage those unable to attend to view on the City's Facebook Page at: <https://www.facebook.com/cityofcopperascove/>

Additionally, the City has recently processed an Open Records Requests for the email which was received by the City from FATHOM. We thought this would be a good opportunity to share that document with our citizens as well to ensure transparency:

**From:** Jason Bethke <[jason.bethke@gwfathom.com](mailto:jason.bethke@gwfathom.com)>  
**Sent:** Saturday, November 9, 2019 8:15 AM  
**Cc:** Rob Stovall <[rob.stovall@gwfathom.com](mailto:rob.stovall@gwfathom.com)>; Karen Garrison <[karen.garrison@gwfathom.com](mailto:karen.garrison@gwfathom.com)>; David Forstrom <[david.forstrom@gwfathom.com](mailto:david.forstrom@gwfathom.com)>; Jornod, Andrew <[Andrew.Jornod@VertexGroup.com](mailto:Andrew.Jornod@VertexGroup.com)>  
**Subject:** FATHOM Services - IMPORTANT message to all Clients

**CAUTION: This email originated from outside of the organization. Do not click on links or open attachments unless you recognize the sender and know the content is safe.**

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Today is an unexpected and sad day for FATHOM which pioneered “as a service” for the water industry and with your help made advanced technology more accessible.

Despite a massive effort this year, we have not been able to secure an investment or additional debt to save our business. Our focus has now turned to provide an exit for our clients and to settle as many of the outstanding obligations as possible. We (I) know that this outcome will cause disruption and stress for you, the communities we serviced, and their customers.

Over the past month, a team from FATHOM has been working to identify alternatives for our clients to provide for the continuity of service, if our funding efforts proved unsuccessful.

On Tuesday at 10:00 am Central Time, we ask that you join us as we present the alternatives that will be available to existing FATHOM clients. This is an all client meeting and will be a general review of the alternatives and their requirements, along with an introduction to the company that is in a position to step in and provide for continuity of service.

In the week or two that follows, we will visit you in person and walk through the specifics for your community, provide you an opportunity to meet the CEO, ask questions and demonstrate the offering. It is my belief that this alternative will be the best thing going forward for your communities.

Please ensure you or your representative attends this presentation as additional information will be provided and documents distributed for review. The link to the meeting is below:

<https://gwfathom.zoom.us/j/790785709>

Thank you for the years of support and please accept my apology for this unfortunate and disappointing outcome.

Jason Bethke

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