

FOR IMMEDIATE RELEASE

November 26, 2019



City of Copperas Cove

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City of Copperas Cove and FATHOM to Separate – Update #5

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 18th 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 19th, 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 19th beginning at 6pm in the Council Chambers, 508 S. 2nd 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>
Sent: Saturday, November 9, 2019 8:15 AM
Cc: Rob Stovall <rob.stovall@gwfathom.com>; Karen Garrison <karen.garrison@gwfathom.com>; David Forstrom <david.forstrom@gwfathom.com>; Jornod, Andrew <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.

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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Tuesday, November 19, 2019: (Update #3)

Copperas Cove, Texas – City Administration continues to gather information in effort to develop a transition plan suitable for our community and citizens. As such, we will be sharing the information learned thus far with City Council and our citizens at several public meetings this week, as follows:

Regular City Council Meeting – Tuesday, November 19th, 6pm in the Council Chambers, 508 South 2nd Street: Will include a report by the City Manager and a Citizens Forum to receive public comment.

Special City Council Meeting – Thursday, November 21st, 12pm in the Council Chambers, 508 South 2nd Street: Will include discussion, direction and possible action on software and services for Utility Administration, as well as an opportunity for public comment.

Utilities Administration and FATHOM Public Forum – Friday, November 22, 2019, 6pm in the Civic Center, 1206 W Avenue B: Will include an overview and update on Utilities Administration and FATHOM, as well as a question and answer session.

All meetings have been posted as public meetings and will therefore be open for the public to attend. The Special Meeting and Public Forum will also be streamed via Facebook Live so we encourage those unable to attend to view on the City's Facebook Page: <https://www.facebook.com/cityofcopperascove/>

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Wednesday, November 20, 2019: (Update #4)

Copperas Cove, Texas – City Manager Ryan Haverlah provided an update to City Council and our citizens during the November 19th City Council Regular Meeting. The full meeting video may be located and viewed on the City's website, however the portions specifically dealing with the Utilities Administration transition have been carved out and may be viewed at: http://www.copperascovetx.gov/files/pio/fathom/citymgr_report.mp4. We strongly encourage all citizens to view the video for the most up to date information.

At this point, City Administration's recommendation will be to take Utilities Administration back in-house as a full-service department to provide for the needs of our community. This would include customer service, as well as oversight of meter reads, billing calculations, and bill postings/mailings. Future discussions will include consideration of a physical location, software for billing, customer portal, payment processing, bill printing and mailing. While the City does own the customer meters and the meter reading system, discussion will also be held on software to manage the readings.

It was stated during the meeting that FATHOM has discontinued auto-pay, however we confirmed today that was not accurate. The City has since requested that FATHOM take the appropriate steps to immediately stop all auto-payments. Once FATHOM has stopped all auto-payments, we will include in future updates. As previously stated, all payments submitted through the currently available options will be posted to customer accounts and remitted to the City of Copperas Cove. To provide customers a greater level of confidence, City Administration recommends all customers begin making payments via one of these two manners:

By Mail: Utility Administration, P.O. Drawer 1419, Copperas Cove, TX 76522

In Person: Utility Administration, 914 S. Main Street, Suite A, Copperas Cove, TX 76522 (there is also a 24-hour drop box location on the door of Suite B.

Future online payments options are still being reviewed

Reminder of Upcoming Meetings:

Special City Council Meeting – Thursday, November 21st, 12pm in the Council Chambers, 508 South 2nd Street: Will include discussion, direction and possible action on software and services for Utility Administration, as well as an opportunity for public comment. (Please understand this is a quickly evolving situation and City Council may take action during this

meeting to authorize the City Manager to move forward on preparing various agreements as necessary).

Utilities Administration and FATHOM Public Forum – Friday, November 22, 2019, 6pm in the Civic Center, 1206 W Avenue B: Will include an overview and update on Utilities Administration and FATHOM, as well as a question and answer session.

All meetings have been posted as public meetings and will therefore be open for the public to attend. The November 21st Special Meeting and the November 22nd Public Forum will also be streamed via Facebook Live so we encourage those unable to attend to view on the City's Facebook Page: <https://www.facebook.com/cityofcopperascove/>

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Tuesday, November 26, 2019: (Update #5)

Copperas Cove, Texas – A Special City Council Meeting was held on Thursday, November 21st in the Council Chambers. The purpose of the meeting was to discuss potential solutions on the transfer of Utilities Administration back to a full-service in-house department. The entire meeting video may be viewed on the City's website at:

http://www.copperascovetx.gov/wp-content/uploads/video-gallery/2019-City-Council-Videos/11212019_special.mp4

A Utilities Administration Town Hall Meeting was held on Friday, November 22nd at 6pm at the Civic Center. Following a presentation by City Manager Ryan Haverlah, a Q&A session was held in which answers were provided to the various questions which were asked. There were approximately 200 citizens in attendance for this event. The meeting was broadcast on the City's Facebook page via Facebook Live, and may now be viewed at the following link:

<https://www.facebook.com/cityofcopperascove/videos/739860926478713/>

Special City Council Meeting – A Special City Council Meeting has been posted for Tuesday, November 26th, beginning at 5pm in the Council Chambers, 508 S. 2nd Street. The purpose of the public meeting is to further discuss software and service vendors for a customer information system, customer portal, work order system, payment processor and bill printer/mailer for Utilities Administration.

The City has previously requested that FATHOM take the appropriate steps to immediately stop all auto-payments, however we have not yet received a response from them on the request. Until further notice and effective December 1st, all payments will be required to be paid by one of the following methods:

By Mail: City of Copperas Cove Utilities Administration, P.O. Drawer 1419, Copperas Cove, TX 76522

In Person: City of Copperas Cove Utilities Administration, 914 S. Main Street, Suite A, Copperas Cove, TX 76522

*Online payment methods are being researched for future use.

**A payment by phone method will be available in the coming days; the direct phone line number will be announced in the coming days.

***There is currently a secure drop box located on the door of City Hall, Suite B, however this location may change once Suite B is opened to allow for better customer service.

****Various other City departments are being considered as temporary locations to make payments, to help alleviate customer wait time; more information to follow.

An additional update will be provided as more information becomes available. We appreciate the continued support and patience provided by our citizens.

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