

\ LOUISVILLE ONE WATER SPECIAL BOARD MEETING
February 25, 2021
3:00 P.M.
550 S. THIRD STREET, LOUISVILLE, KY
Virtual Meeting

As amended

I. CALL TO ORDER AND INTRODUCTIONS:

The February 25, 2021 special meeting of the Louisville One Water Board was held by teleconference video via Zoom Communications. The meeting was called to order by Mr. J.T Sims at 3:05 p.m.

Board members present:

Mr. William Summers, IV, Vice-Chair
Dr. Sharon Kerrick
Mr. J.T. Sims, Chair
Ms. Marita Willis

Others present:

Mr. Sunny Dronawat, BOWW member
Ms. Anne Trout, MSD, Assistant General Counsel
Mr. Brad Good, MSD, Chief Financial Officer
Mr. Brian Bingham, MSD, Chief of Operations
Ms. Camille Fort, Louisville Water, Executive Assistant
Mr. Dave Vogel, Louisville Water, Executive Vice President
Mr. James A. Parrott, MSD, Executive Director
Ms. Kelley Dearing Smith, Louisville Water, VP of Communications, Marketing & Econ Dev
Ms. Kimberly Reed, One Water, Chief Innovation Officer
Ms. Lynne Fleming, MSD, Human Resources Director
Ms. Rene' Lindsay, One Water, Chief Procurement Officer
Ms. Shannon Tivitt, One Water, Project Liaison Director
Mr. Spencer Bruce, Louisville Water, President & CEO
Mr. Terrence Spence, Louisville Water, Vice President, HR, and Labor Relations
Mr. Tim Kraus, Louisville Water, Vice President, Chief Engineer
Mr. Tom Luckett, One Water, Chief Information Officer
Mr. Wesley Sydnor, MSD, Intergovernmental Relations Director
Mr. Mathew Griffith, Louisville Water, Strategic Planning and Performance Specialist
Ms. Dana Price, MSD, Director of Records & Information Governance Program
Mr. Brian Sturgeon, Louisville Water Computer Network Administrator
Mr. David Johnson, Louisville MSD, Chief Engineer
Mr. Bill Malcolm, One Water, Fleet Services Director
Ms. Lynn Pearson, Louisville Water, Vice President, Finance/Treasurer
Ms. Jenni Schelling, Louisville Water, Internal Auditor

II. REVIEW AND APPROVE OCTOBER 30, 2020 MEETING MINUTES

Mr. Sims asked if everyone had a chance to review the minutes from the October 30, 2020 meeting. Mr. William Summers moved to approve the Regular Called Meeting Minutes seconded by Marita Willis and the motion unanimously carried.

III. 2019 ONE WATER AUDIT UPDATE

Ms. Shannon Tivitt advised the draft audit is completed and was presented to OWAC. A copy of the audit was shared with the Board and Ms. Tivitt outlined the highlights and discussed the three (3) findings, recommendations, and management responses. A motion was made by Dr. Sharon Kerrick to accept the 2019 Audit Report and Mr. William Summers seconded the motion and was unanimously accepted by Board.

IV. 2020 ONE WATER WOK PLAN FINAL SNAPSHOT

Ms. Shannon Tivitt updated the board on the initiatives and the final snapshot for 2020 work plan. Of the initiatives Six (6) are continuous and ongoing, three (3) will continue into 2021, Seven (7) have been completed or will be completed very soon and Seven (7) have been close or will be not pursued.

Ms. Kelley Dearing-Smith updated on the communications initiatives. Both MSD and Louisville Water are working to execute one water partnership communication plan.

Mr. Wes Sydnor presented the joint economic development plan of developing consistency to presenting to groups the value of Louisville Water and MSD.

Mr. Dave Vogel presented the customer service update. He detailed a post call customer service survey has been implemented and the conversion of customers to monthly billing is continuing.

Mr. Bill Malcolm updated the fleet technical training initiative. Two initiatives have been completed. The training plan for fleet mechanics has been completed as well as the process to provide vehicle maintenance services. The one initiative remaining will be ongoing the fleet advisory team with a focus on peer to peer interaction.

Ms. Rene Lindsay reviewed the procurement initiatives. Both Louisville Water and MSD are developing small business programs. MSD implemented its enhanced supplier diversity program effective date June 1, 2020. Louisville Water is in process of implementing its SBE program, some delay due to Covid-19. The next initiative is to explore joint compliance monitoring opportunities. This initiative is still ongoing into 2021. The final initiative is developing recommendations for warehouse materials. Evaluation of this effort has restarted now that Louisville Water's Work and Asset Management System has gone live. Members of both warehouse teams have met and determined to close this initiative as there is not an opportunity for savings in this category. Both teams will continue to communicate with each other and look for future opportunities when opportunities arise.

Mr. Spencer Bruce updated the progress on the procurement of a spoils site. Louisville Water has closed on the property and is currently prepping for their use. Mr. Brian Bingham added that MSD has looked at the site and determined the site will not fit the needs of MSD at this time but could be reevaluated in the future.

Mr. Brian Bingham updated the facilities initiatives. MSD is working internally to review and evaluate/implement energy saving projects identified by the Black and Veatch study. The Metro paving initiative is wrapping up. MSD is finalizing a contract with Metro and currently being reviewed by the MSD legal team. Louisville Water will be able to use the final MSD contract as a guide to renegotiate their paving contract with Metro as well.

Ms. Lynne Fleming reviewed the progress on Human Resources initiatives. MSD completed an equity analysis developing a model for employees moving within their salary range. The reviews have been completed and increases were given where needed. Human Resources is reviewing side-by-side comparisons of recommended job title alignment by Mercer.

Mr. Tim Kraus and Mr. David Johnson gave their final update on the (2) Engineering initiatives and noted how they will continue pulling their teams together various ways to share data, information, etc.

V. PARTNERSHIP UPDATE

A. SHARED SERVICES REIMBURSEMENT PROCEDURES AND NEW QUARTERLY REPORTS

Ms. Lynn Pearson reviewed the finance initiative updating the shared services reimbursement procedure. Each finance team will report the monthly expenditure under the one water agreement. These reports will be reviewed and presented to OWAC on a quarterly basis to ensure completeness. Ms. Lynn Pearson gave a review of the draft Shared Services expense report for 2020. The report shows the Labor costs allocation to Louisville Water and to MSD. She noted that the method of allocation is unique to each individual position. And those are discussed at the time a work order is submitted. She added the dollars shown include direct compensation and a factor for labor related costs such as benefit programs.

Mr. Brad Good discussed the non-labor costs shown in the shared services expense report. For 2020 there were four (4) non labor work orders. All the costs were split 50/50 between the companies except one. As with the labor related shared service costs these are discussed at the time a work order is submitted.

Ms. Shannon Tivitt added these reports will be shared with the board quarterly. The first one being in April 2021.

B. LOOKING AHEAD –

- **2021 ONE WATER PROJECT PLAN AND WORKSHOP**

Ms. Shannon Tivitt shared the updates for the 2021 plan. At the April 2021 board meeting the plan is to share with the board the ten projects for 2021. In March the mayor will head a workshop to share what One Water could look like in the next 3-5 years. At the April board meeting there will be a new document unveiled that the communications teams have been working on - an annual progress report for One Water showing the 2020 progress and value of One Water.

- **INNOVATION PRESENTATION**

Ms. Tivitt reminded the board that we continue to focus towards Innovation and she introduced Kim Reed, One Water Chief Innovation Officer and Matthew Griffith, Louisville Water Strategic Planning and Performance Specialist so they could update the board members on various innovation strategies MSD and Louisville Water are currently working on.

Ms. Kim Reed shared the progress on the billing services offering opportunity. Before progress can be made on this initiative the current billing agreement between Louisville Water and MSD needs to be updated. A third-party consultant provided recommendations which are being reviewed and negotiated. She stated the potential market for billing services is there for other utilities once we finalize a new billing agreement between Louisville Water and MSD.

Ms. Kim Reed also outlined MSD's innovation efforts. There are several projects ongoing that look to generate revenue through regionalization and new technology efforts. They are also looking at implementing several cost recovery initiatives through development services and Artificial intelligence pilot program at Derek Guthrie Water Treatment Plant.

Mr. Mathew Griffith shared the Louisville Water innovation efforts. The goal is to add additional value to our customer base, share holder and to the company. Innovation is embedded in the mission statement and in the Louisville Water strategic plan. However, with some of the emerging challenges the need to shift to new strategies. Louisville Water has been focusing on economic development and diversification.

Mr. Sims noted the next meeting scheduled will be held by video conference Thursday April 22, 2021 at 3pm.

With no further business, a motion to adjourn was made by Dr. Sharon Kerrick and seconded by Marita Willis. Meeting adjourned at 4:26 p.m.

VI. ADJORN

These minutes were approved by the Board on April 25, 2021.

Shannon L. Tivitt

Shannon Tivitt, Secretary