



**2020 Report to
the Community**



A Year of Help and Hope

A Message from Our Leadership

As the world reeled from the coronavirus pandemic in 2020, the Louisville Water Foundation awarded grants to organizations providing water assistance around the globe and administered emergency programs to communities throughout Louisville Water Company's service area.

Because of the Foundation's role in providing emergency customer assistance, its community partners helped thousands of customers affected by the economic crisis the pandemic created. The Foundation also took on a critical role in distributing nearly \$6 million from special programs created to help struggling families.

Because of the Foundation's 2020 grants, the Navajo Nation will receive new water filtration systems, more than 1,300 children at four schools in rural India will have access to clean water, and a water assistance organization will use a new virtual training center to communicate with field consultants and partners in more than 50 countries.

These are just a few examples of the new and ongoing projects highlighted in this report. They all continue the Foundation's focus on education, water science, stewardship of resources, or healthy hydration.

We would like to thank the many donors who make the Foundation's work possible. Funding comes from corporate donations as well as the generous employees at Louisville Water Company and Louisville Metropolitan Sewer District (MSD).

Marita Willis
Chair



Spencer Bruce
President



Our History

A Legacy of Serving the Community

Louisville Water Company was chartered in 1854. Throughout its history, the company has improved the welfare of the communities it serves.

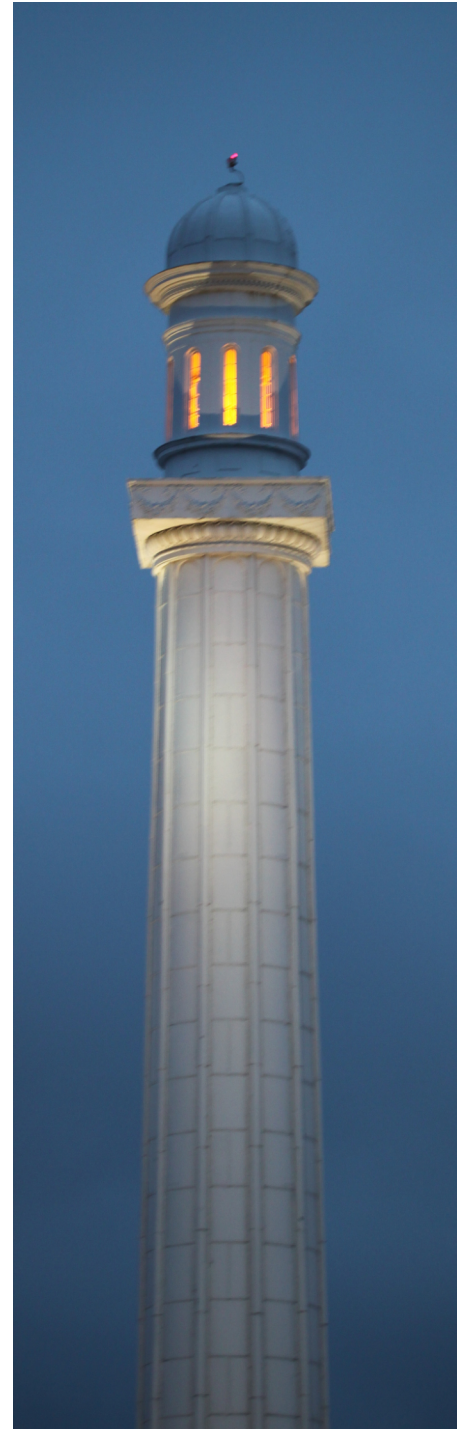
It went a step further in 2013 by establishing the Louisville Water Foundation, which consolidated many charitable and philanthropic efforts behind a unified mission. In addition, the formation of a separate nonprofit entity allows the organization to receive financial support from a broad base of public and private sources.

The Foundation operates as an independent entity with a separate Board of Directors who consider grant requests and manage business affairs. The Board includes a diverse representation of employees from Louisville Water, MSD, and members of the public.

The Louisville Water Foundation was granted status as a tax-exempt public charity under section 501 (c) (3) of the Internal Revenue Code on July 14, 2013. The Foundation's employee identification number is 46-2069742.

Our Mission:

To improve the health and well-being of the communities we serve and around the world by providing water assistance and water education.





The Drops of Kindness program offers financial assistance to customers who need help with water and wastewater bills.

Providing Emergency Customer Assistance

Before the pandemic, roughly 2,000 customers were behind on their water bills during a typical month. Soon after the pandemic began, this number rose to 12,000, and it reached as high as 18,000. A large majority of these customers had never missed even one payment before.

In April, Louisville Water and Louisville MSD each provided a special \$100,000 donation to the Foundation. The Board quickly voted to allocate this \$200,000 to be distributed through Drops of Kindness, a collaborative approach to customer assistance.

For many years, this customer assistance program has been administered by the Foundation's community partners in three Kentucky counties: The Association of Community Ministries (ACM) in Jefferson County, the Multi-Purpose Community Action Agency (MPCAA) in Bullitt County, and the American Red Cross in Oldham County.

It is important to note that even before the pandemic, the Foundation regularly provided customer assistance funding to these agencies. In 2020, the ACM received \$300,000 and the MPCAA received \$20,000 in addition to funds from the special donations.

To ensure Drops of Kindness was widely available to customers in a range of extenuating circumstances during the pandemic, the Foundation's Board granted the president and chair the authority to work with the agencies to temporarily modify or partially suspend certain eligibility criteria for their individual assistance programs.

The Foundation also regularly provides funding for the Salvation Army's Water Bill Payment Assistance Program. In April 2020, the Board approved an emergency request for \$5,000 to fund the program until a full request could be reviewed. As with the other partners, the Salvation Army experienced a significant increase in requests due to the pandemic and the resulting economic crisis. Later in the year, the Foundation approved \$12,500 in additional funding for the Salvation Army's program.

Metro COVID-19 Relief

Near the end of 2020, the Foundation played an important role in Louisville Metro's plan to help struggling utility customers. Foundation President Spencer Bruce called a special meeting to inform the Board that the Louisville Metro Council approved \$4 million for water and wastewater bill assistance. The Louisville Metro Office of Resilience and Community Services and the Foundation entered into a contract for allocation of the funds.

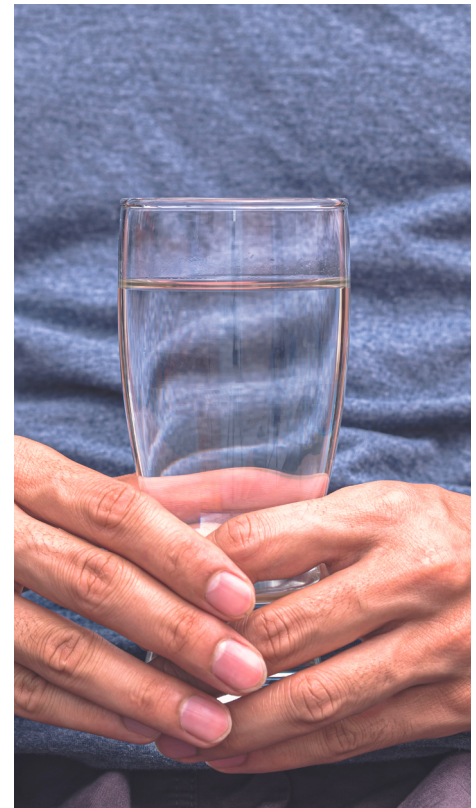
Jefferson County residential customers were eligible for these Metro COVID-19 Relief funds if they had a past due balance incurred between March 16, 2020 and December 31, 2020 and if they attested that they were negatively impacted by the pandemic.

On December 15, Louisville Water's Board of Water Works approved a donation of \$1.75 million to the Foundation to augment the funds provided by Louisville Metro. (The Foundation Board approved the final arrangements for disbursement of these funds on January 5, 2021.)

By mid-February 2021, nearly 12,000 customers had received Metro COVID-19 Relief credits between \$10 and \$500. Twenty-four percent of these customers were able to lower their balance to zero, and another 4,200 established payment plans with an average payment of \$50 a month.

Comments from these customers:

- "The Metro COVID-19 Relief Fund has been a blessing to many out-of-work people."
- "You have no idea how much stress this has taken off our shoulders."
- "What a relief to have help on that bill."
- "I am in tears. My family is extremely grateful for this!"
- "Words can't explain how truly grateful I am for the assistance. It was truly a blessing."
- "Thanks for this service. Times are hard for everyone."



The Foundation partnered with the Louisville Metro Office of Resilience and Community Services to distribute emergency financial assistance to thousands of customers.



Water with Blessings is helping 2,400 Navajo Nation families gain access to clean water.



The new WaterStep Virtual Training Center supports water assistance efforts worldwide.

2020 Grant Highlights

Water with Blessings

A Louisville-based charity that works to make clean water technology available in 48 countries, Water with Blessings requested a grant of \$30,000 to complete funding for a \$60,000 project focused on providing water filtration systems for 800 households in the Navajo Nation. These households then supply water to an additional 1,600 families for a total impact of 2,400 households. The Foundation has supported successful Water with Blessings projects in previous years and approved a new grant for the requested amount.

Sister Lorraine Lauter, Water with Blessings Executive Director, said the grant helps "provide clean drinking water in an indigenous community whose members experience water scarcity every day and who must rely on bottled water or trucked-in water stored in a cistern."

She added that the filtration systems helped "prevent the further spread of COVID-19 — which devastated the Navajo Nation — as well as decrease the incidence of water-borne illnesses."

WaterStep

A \$25,000 Foundation grant and matching funds from local philanthropist Sue Badgett covered the cost of a new Virtual Training Center at WaterStep. The Louisville-based nonprofit organization focuses on water system and well repair, sanitation, and hygiene education in communities worldwide.

WaterStep began using the training center to continue their water education program while adhering to new pandemic health guidelines, including significant limitations on in-person training.

WaterStep Founder and CEO Mark Hogg said, "This new center will not only address the immediate needs for increased virtual training and education options, but it will also support all of our current and future projects around the world by allowing us to provide real-time, on-going support."

Droplet

Droplet is a Louisville-based nonprofit organization working to improve the global effort to provide access to clean drinking water. The organization focuses on technological solutions, community engagement, knowledge creation, and training.

The Foundation awarded Droplet a grant of \$10,000 for its Clean Water India program, which is providing clean and safe water to more than 1,300 children

at four schools in rural Andhra Pradesh, a state in the southeastern coastal region of India.

According to Praneeth Goli, Droplet Executive Director, in the short term the project will help the children access clean, safe drinking water.

"In the long term," Goli added, "we want the members of these communities to start their own clean water infrastructure projects and [provide assistance] in their local regions and communities, or to travel to other communities to replicate the success seen in their own communities."

Louisville Grows

Louisville Grows, a nonprofit organization in the Portland neighborhood, requested a grant to purchase a truck to water 2,500 trees that are a part of the Green Heart Louisville Project conducted by the University of Louisville and other community partners. The goal is to measure health improvements in a community with an increased tree canopy.

"Green Heart Louisville is a first-of-its-kind scientific experiment that will test if increasing green space in a neighborhood will improve air quality and human health," said Louisville Grows Executive Director Kedrick Stanfield. "We are studying how Louisville's tree canopy affects heart health and risk for developing diabetes and obesity. Our researchers will develop a scientifically backed 'greenprint' for creating healthier cities."

Keeping the trees planted for this project alive by regular watering is critical to the overall success of the research. To do this, Louisville Grows needs to water trees in the four South Louisville neighborhoods taking part in the study. The Foundation awarded Louisville Grows a grant of \$25,000.

Catholic Charities of Louisville

Catholic Charities requested a grant to expand water access at their Common Earth Gardens facility, which offers a program that teaches recent refugees how to operate successful, independent farm businesses.

The program needed to add 200 feet of water line and two yard hydrants to their property to accommodate nine additional farm teams. The Foundation awarded \$3,000 to help participants grow healthy food for their families and learn the skills to run their own small businesses.

"The funding will provide infrastructure to beginning farmers in Louisville who arrived here through the refugee resettlement program," said Lisa DeJaco Crutcher, CEO of Catholic Charities of Louisville.



Water is critical to the success of Louisville Grows' research into the link between health in a community and its tree canopy.



Fund for the Arts

The Fund for the Arts submitted a request for renewal of program funds to continue the Water Tower Form and Function Program.

"With support from the Louisville Water Foundation, the Fund has partnered with Louisville Visual Art to successfully deliver the Form and Function program for the last three years in Jefferson, several surrounding counties, and Louisville Archdiocese Schools," said Christen Boone, President & CEO of the Fund for the Arts. "Through a practical and project-based approach, this program uses the arts to teach the purpose and function of a water tower and to include elements of Greek and Roman architecture."



Students create their own water towers in the Form and Function Program, which involves the Fund for the Arts and Louisville Visual Art.

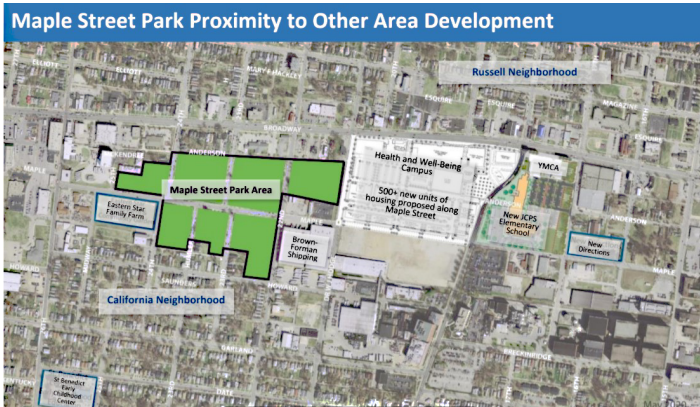
Based on a review of the program's exceptional performance over the past three years, the Foundation awarded \$20,000 to continue funding the Form and Function Program.

New Directions Housing Corporation (NDHC)

New Directions is a Louisville organization that works to increase and preserve affordable housing. The Foundation awarded \$20,000 to the organization to transform the Maple Street Flood Mitigation Area — more than 18 acres of vacant lots in the California neighborhood — into a community park.

NDHC used the Foundation funding to hire a consultant to review the plan and identify next steps. NDHC plans to include Louisville Water branding and placards in the park as well as a Louisville Water educational component.

"The grant from the Louisville Water Foundation came at a pivotal moment and has served as a catalyst for a significant step forward," said New Directions President & CEO Lori Flanery. "Your grant enabled the creation of an action plan to move the Maple Street Flood Mitigation Area from the dream of a community asset to a reality."



2020 Financial Highlights

As an independent nonprofit entity, Louisville Water Foundation can receive financial support from a broad base of public and private sources.

The Foundation is committed to maintaining the highest levels of financial transparency. Accordingly, the financial information contained in this annual report is available for further inspection upon request.

The Foundation is governed by a 14-member Board of Directors that is responsible for management and administration, including the review and approval of operating policies, charitable grants, and financial statements. (See page 10 for a list of Board members.)

Policies for the Foundation consist of the following:

- By Laws and Articles of Incorporation — lists the responsibilities of directors and officers and the requirement to produce an annual report
- Conflict of Interest Policy — requires the disclosure of all possible conflicts of interest for directors and officers
- Procedure for Disbursements — establishes a set of internal controls
- Whistle-Blower Procedure — establishes a procedure to follow for complaints
- Affordability Program Policy — establishes the framework for water affordability programs
- Investment Policy — lists approved securities with an emphasis on capital preservation
- Shared Services Agreements — provides for services from and reimbursement to Louisville Water Company
- Grant Review Committee — establishes a committee to review and recommend grants to the full Board for approval

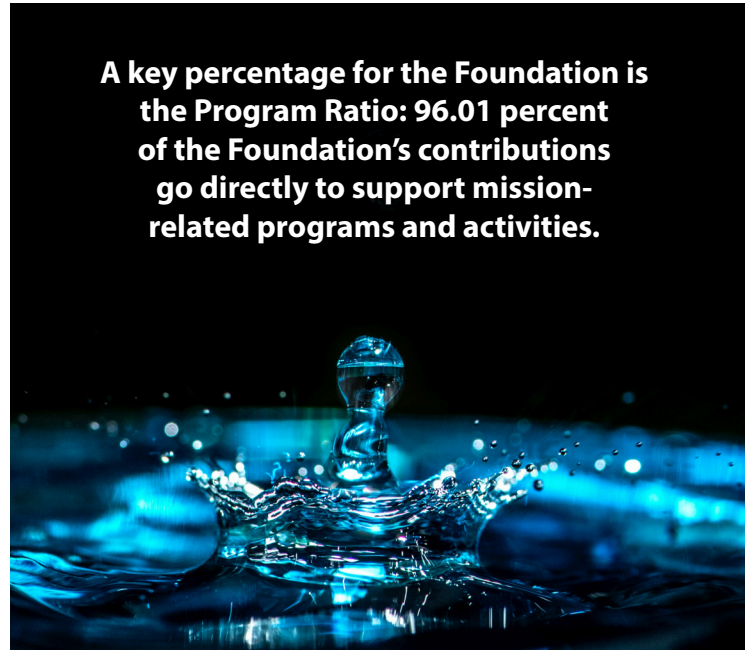
The Foundation's Grant Program is designed to provide support for projects or activities that address water-related needs in communities. All submitted grant applications are reviewed and scored by the Foundation's Grant Review Committee.

The committee evaluates each grant application in terms of demonstrated financial need, fiscal viability, adherence to the values of the Foundation, alignment with its mission, and the degree to which it meets the intent of its grant program.

If the grant application meets the Foundation's eligibility requirements and minimum scoring criteria, it is presented to the full Board, which ultimately makes the final award decision.

The Foundation's financial statements for 2020 show total revenue and support of \$2,406,605, total expenses (including grants) of \$373,337, and a balance of \$2,213,756 in Net Assets as of December 31, 2020.

A key percentage for the Foundation is the Program Ratio: 96.01 percent of the Foundation's contributions go directly to support mission-related programs and activities.



Condensed Statement of Financial Position

	Dec. 31, 2020	Dec. 31, 2019	\$ Change	% Change
Cash and Cash Equivalents	\$2,106,129	\$273,135	\$1,832,994	671.1%
Accounts Receivable	446	-	446	na
Investments	109,333	108,878	455	0.4%
Total Assets	\$2,215,908	\$382,013	\$1,833,895	480.1%
Accounts Payable and Accrued Expenses	\$2,152	\$1,525	\$627	41.1%
Pledges	-	200,000	(200,000)	-100.0%
Total Liabilities	\$2,152	\$201,525	\$(199,373)	-98.9%
Unrestricted Net Assets	\$463,756	\$180,488	\$283,268	156.9%
Temporarily Restricted Net Assets	1,750,000	-	1,750,000	na
Total Net Assets	\$2,213,756	\$180,488	\$2,033,268	1126.5%
Total Liabilities & Net Assets	\$2,215,908	\$382,013	\$1,833,895	480.1%

Condensed Statement of Activities

	Year Ended Dec. 31, 2020	Year Ended Dec. 31, 2019	\$ Change	% Change
Louisville Water Contributions	\$2,100,000	\$250,000	\$1,850,000	740.0%
Louisville Water Combined Giving Campaign & Payroll Contributions	28,984	28,095	889	3.2%
MSD Water/Sewer Assistance Contributions*	250,000	150,000	100,000	66.7%
MSD Employee Donations & Payroll Contributions	11,999	12,465	(466)	-3.7%
HomeServe USA Contribution	12,000	12,000	-	0.0%
Other Income	3,622	3,856	(234)	-6.1%
Total Revenue and Support	\$2,406,605	\$456,416	\$1,950,189	427.3%
Local Water Assistance (Customer Assistance Program)	\$217,500	\$332,500	\$(115,000)	-34.6%
Water Education	52,950	52,200	750	1.4%
Other Contributions	88,000	22,500	65,500	291.1%
Other Expense	14,887	10,322	4,565	44.2%
Total Expenses	\$373,337	\$417,522	\$(44,185)	-10.6%
Change in Net Assets	\$2,033,268	\$38,894	\$1,994,374	5127.7%
Net Assets, Beginning of Year	180,488	141,594	38,894	27.5%
Net Assets, End of Year	\$2,213,756	\$180,488	\$2,033,268	1126.5%

* Funds are designated for the Jefferson County Customer Assistance Program, administered by the Association of Community Ministries.

How to Apply for a Grant

Louisville Water Foundation accepts grant applications year-round from organizations and individuals who have projects that address a water-related need.

Examples of projects/activities supported:

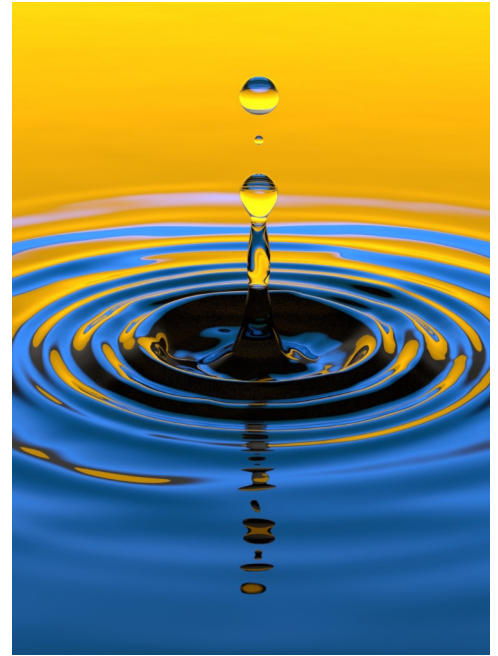
- Potable water solutions in water-poor communities
- Water assistance programs serving individuals and/or communities
- Water awareness or education campaigns
- Water stewardship education
- Surface or groundwater protection education
- Watershed cleanup

Activities that do not qualify:

- Interest payments
- Personal articles
- Lobbying (attempting to influence local, state, or national legislation)

You can request a grant application packet and review the guidelines at LouisvilleWaterFoundation.org. The Foundation Board meets quarterly to consider any recommended awards.

To speak with someone about the Louisville Water Foundation, please call 502.569.3600.



Board of Directors

Marita Willis – Chair

Spencer Bruce – President

Lynn Pearson – Treasurer

Michael Tigue – Secretary

Chad Collier

Emily Fritz

David Glenn

Jim Grunow

Greg Heitzman

Keith Meriwether

Tony Parrott

Kimberly Reed

Terrence Spence

Jennifer Fust-Rutherford





550 South Third Street, Louisville, KY 40202

LouisvilleWaterFoundation.org



*Green lights on the Louisville Water headquarters
honor those lost during the pandemic.*