

**Board Of Water Works  
REGULAR CALLED MEETING MINUTES  
JANUARY 21, 2020**

**Board Members Present:**

Mr. Creighton Mershon, Chair  
Dr. Sharon Kerrick  
Dr. Sundeep “Sunny” Dronawat  
Mr. Paul Esselman

**Not Present:**

Greg Fischer  
Ms. Tierra Kavanaugh Wayne

**Others Present:**

Mr. Spencer Bruce, President and Chief Executive Officer  
Mr. Daniel Frockt, CFO, Louisville / Jefferson County Metro Government  
Mr. Dave Vogel, Executive Vice President, Customer Service and Distribution Operations  
Ms. Kelley Dearing Smith, Vice President, Communications and Marketing  
Mr. Tim Kraus, Vice President, Engineering and Chief Engineer  
Dr. Tom Luckett, Vice President, Information Technology  
Ms. Lynn Pearson, Vice President and Treasurer  
Mr. Terrence Spence, Vice President, Human Resources and Labor Relations  
Mr. Michael Tigue, Vice President, General Counsel and Corporate Secretary  
Mr. Adam Carter, President, Local Union 1683 of the AFSCME  
Ms. Kim Reed, Chief Innovation Officer, One Water  
Ms. Jenni Schelling, Director, Internal Audit  
Ms. Laura Armistead, Manager, Information Technology, Technical Services  
Ms. Beverly Soice, Paralegal

**Visitors:**

The regular called meeting of the Board of Water Works (BOWW) was held on Tuesday, January 21, 2020 at the Louisville Water Company (Louisville Water or the Company) located at 550 South Third Street, Louisville, Kentucky. Chair, Creighton Mershon called the meeting to order at 11:04 a.m.

**Minutes of the Previous Regular BOWW Meeting Approved**

Paul Esselman moved to approve the Regular Called Meeting Minutes of December 17, 2019 seconded by Dr. Sharon Kerrick and the motion unanimously carried.

**Report Provided by the President/Chief Executive Office**

Spencer Bruce stated that one of the priorities in Louisville Water’s 2018-2025 Strategic Business Plan is “Employer of Choice.” The Executive Leadership Team (ELT) is focused on this priority and communication with our employees is an important component.

Mr. Bruce noted that one of his actions in this priority is to hold bi-annual conversations with employees at our large facility locations. Coined “Talk with Spencer,” these meetings are informal

and highlight key accomplishments and obstacles. The conversation is structured around the Strategic Business Plan priorities and it also provides a chance for employees to ask questions, suggest ideas and interact with the ELT.

**Financial Assistance Approved for Private Lead Service Replacement Costs**

Tim Kraus stated that historic information indicates that approximately 74,000 lead service lines were installed up to 1950. In 1991, a field survey determined that Louisville Water had approximately 36,000 lead services remaining in its distribution system. Louisville Water has had an aggressive program over the past 20+ years to remove our lead service lines. With the Lead Service Renewal Program basically complete, our focus has now changed to helping customers replace their private lead service lines.

A pilot program was implemented in 2017 to provide funding to residential customers who have a private lead service, between the customer connection at the property line and the foundation of the house, to encourage customers to remove their portion of the lead service while we remove Louisville Water’s portion of the lead service. Louisville Water funds 50% of the cost of the private lead service replacement up to \$1,000. In 2018, the pilot program transitioned into a formal ongoing initiative and was expanded to include the replacement of private lead services that were not associated with an ongoing project.

Based on data from our program, it appears that the actual cost of removing the private lead service is higher than first estimated. Staff believes it would improve participation if we increased Louisville Water’s cap of \$1,000 on funding of 50% of the cost of the private lead service replacement to \$1,500. Likewise, we propose to increase the Louisville Water Foundation’s cap for funding to pay the remaining 50% of the private lead service replacement cost up to \$1,500 (an increase of \$500) for low income residents. To date, there have only been five low income residents that have pursued funding from the Louisville Water Foundation for replacement of a private lead service line.

The 2020 Operations and Maintenance budget includes adequate funding for Louisville Water’s portion of the private lead service replacement costs assuming that the historical number of customers utilizing the program remaining constant, and therefore no additional funding, beyond what is already incorporated into the 2020 budget, is required to fund this expanded initiative.

Mr. Esselman moved to increase the offer to pay 50% of the cost of private lead service line replacement up to \$1,500 for all Louisville Water customers. Dr. Sunny Dronawat seconded and the motion unanimously carried.

**Fourth Quarter 2019 Certification of Projects & Change Actions**

Mr. Bruce certified that the following Projects and Change Actions were authorized during the Fourth Quarter of 2019 in accordance with the Capital Projects Authorization Policy and Procedure.

Project Proposals Requiring Board

Project Number	Project Name	Requested Total Estimate	Contribution	LWC Net Cost	Current Year Estimate
<b>Total</b>					

Project Change Actions/Admin Notifications Requiring Board Approval:

Project Number	Project Name	Previously Approved Total Estimate	Change In Total Estimate	Requested Total Estimate	Change In Current Year Estimate
14321 <sup>1</sup>	Rehabilitation 2015 - Eastern Pkwy 48" Main	\$ 27,086,000.00	\$ 100,000.00	\$ 27,186,000.00	\$ 4,000.00
<b>Total</b>		<b>\$ 27,086,000.00</b>	<b>\$ 100,000.00</b>	<b>\$ 27,186,000.00</b>	<b>\$ 4,000.00</b>

Project Proposals Approved by the

Project Number	Project Name	Requested Total Estimate	Contribution	LWCNet Cost	Current Year Estimate
15567	I.T. OVM to VMWARE Migration	\$ 180,000.00	\$ -	\$ 180,000.00	\$ 180,000.00
15574	Graston Ave MRRP 2019	\$ 220,100.00	\$ -	\$ 220,100.00	\$ 220,100.00
15583	I.T. - Server Expansion	\$ 279,000.00	\$ -	\$ 279,000.00	\$ 279,000.00
<b>Total</b>		<b>\$ 679,100.00</b>	<b>\$ -</b>	<b>\$ 679,100.00</b>	<b>\$ 679,100.00</b>

Project Change Actions Approved by the President with Total Estimate Changes:

Project Number	Project Name	Previously Approved Total Estimate	Change In Total Estimate	Requested Total Estimate	Change In Current Year Estimate
13650	Reloc 2013 - 690 Plan Preston Hwy Corridor T&D	\$ 3,655,000.00	\$ (114,867.00)	\$ 3,540,133.00	\$ 2,966,527.00
15272	Lead 2018 - Woodlawn Ave Area	\$ 759,000.00	\$ 205,000.00	\$ 964,000.00	\$ 235,000.00
<b>Total</b>		<b>\$ 4,414,000.00</b>	<b>\$ 90,133.00</b>	<b>\$ 4,504,133.00</b>	<b>\$ 3,201,527.00</b>

Project Change Actions Approved by the President with no change Total Estimate Changes:

Project Number	Project Name	Previously Approved Total Estimate	Change In Total Estimate	Requested Total Estimate	Change In Current Year Estimate
14536	I.T. - Work and Asset Management System (WAM)	\$ 23,526,488.00	\$ -	\$ 23,526,488.00	\$ 1,789,382.00
15459	Lead 2019 - Central Jefferson County	\$ 1,035,200.00	\$ -	\$ 1,035,200.00	\$ 294,000.00
15461	Lead 2019 - NW Jefferson County	\$ 1,120,200.00	\$ -	\$ 1,120,200.00	\$ 301,000.00
15463	Garden Green Way 2019 MRRP	\$ 1,039,200.00	\$ -	\$ 1,039,200.00	\$ 92,000.00
<b>Total</b>		<b>\$ 26,721,088.00</b>	<b>\$ -</b>	<b>\$ 26,721,088.00</b>	<b>\$ 2,476,382.00</b>

Status of Open Projects with Total Estimates over \$2,000,000:

Project Number	Project Name	Total Estimate	Total Cost To Date	Status	Budget Year Category
11264	Transmission - Cardinal Hill Second Supply Phase 2B	\$ 3,708,490.00	\$ 125,621.36	Pending Capital	2005 Budget
11310	BEP - Renovate Sludge Lagoons #1, #2, #3, and #4	\$ 19,970,280.00	\$ 9,205,138.87	Work In Progress	2006 Budget
11615	Transmission - Gene Snyder Freeway Section 1B	\$ 9,133,000.00	\$ 383,106.60	Pending Capital	2007 Budget
11616	Transmission - Gene Snyder Freeway Section 2A	\$ 6,641,500.00	\$ 64,331.00	Pending Capital	2007 Budget - Program
13109	ZPS - Standby Generator	\$ 15,408,083.00	\$ 949,248.29	Work In Progress	2011 Budget
13264	CHPS - Replace Slate Roof and Improve Masonry	\$ 6,137,000.00	\$ 215,724.56	Pending Capital	2012 Budget
13274	Metering - AMI for Jefferson County	\$ 61,000,000.00	\$ 4,216,978.83	Design In Progress	2013 Budget
13512	ZPS - Station #3 Slate Roof Replacement and Masonry Improvements	\$ 6,569,000.00	\$ 6,195,638.34	Work In Progress	2013 Budget
13650	Relocation 2013 - 690 Plan - Preston Hwy Corridor T&D- John Harper Hwy to Highway 44	\$ 3,548,700.00	\$ 4,218,142.17	Completed Not Closed	2014 Budget - Unbudgeted
14321	Rehabilitation 2015 - Eastern Pkwy 48-inch main	\$ 27,186,000.00	\$23,685,390.89	Work In Progress	2015 Budget
14325	CHFP - Chemical Building and Lab Fire Protection and Office Space Improvements for Productions	\$ 9,982,740.00	\$ 1,062,086.77	Work In Progress	2015 Budget
14330	CHWTP - Standby Generator	\$ 12,987,000.00	\$11,006,428.02	Work In Progress	2015 Budget -
14498	ZPS,CHPS - 13.8 KV Switchgear Rehab	\$ 2,174,287.00	\$ 2,094,103.58	Completed Not Closed	2015 Budget -
14524	ATT RBF for CH	\$ 221,905,253.00	\$ 5,724,658.30	Pending Capital	2017 Budget
14534	I.T. - Oracle Utilities CCB,MWM Enhancements	\$ 3,500,000.00	\$ 2,974,892.65	Work In Progress	2016 Budget
14536	I.T. - Work and Asset Management System - WAM	\$ 23,526,488.00	\$16,758,480.78	Work In Progress	2016 Budget

## Status of Open Projects with Total Estimates over \$2,000,000:

14542	Transmission - Urton Lane	\$ 5,297,725.00	\$ 213,089.24	Design In Progress	2017 Budget
14543	860 PZ - Bardstown Road Elevated Storage Tank	\$ 6,343,131.00	\$ 6,031,734.20	Work In Progress	2016 Budget
14545	Transmission - I-64 Transmission Main, I-64 Clark Station Rd to Hwy 55 in Shelby Co	\$ 15,685,230.00	\$15,622,649.90	Completed Not Closed	2016 Budget
15035	Condition 2017 - PCCP	\$ 10,295,101.00	\$ 9,738,541.74	Completed Not Closed	2017 Budget - Program
15036	Condition 2017 - Reservoir Yard Piping and Valves	\$ 5,000,000.00	\$ 52,355.99	Design In Progress	2017 Budget - Program
15055	Property Acquisition for Spoil Disposal - Site B	\$ 4,300,000.00	\$ 65,065.12	Design In Progress	2017 Budget
15253	900 Plan - Old Henry Rd to Terra Crossing Blvd	\$ 2,374,551.00	\$ 60,257.26	Pending Capital	2018 Budget
15255	Condition 2018 - PCCP	\$ 10,221,922.00	\$ 6,818,570.87	Work In Progress	2018 Budget - Program
15438	660 Plan-SW Jefferson Cty Improvements-Lower Hunters Trace 20"	\$ 4,857,300.00	\$ 57,882.38	Design In Progress	2019 Budget
15458	Condition 2019 - PCCP	\$ 8,074,818.00	\$ 6,449,287.49	Work In Progress	2019 Budget - Program
15468	Kentucky,Oak,Glenmary Transmission Main Rehab 2019	\$ 11,500,000.00	\$ 152,426.24	Design In Progress	2019 Budget
15506	660 Plan-SW Jefferson County Improvements-Blanton Lane 20 inch	\$ 5,464,300.00	\$ 77,543.11	Design In Progress	2019 Budget - Unbudgeted
15509	Belmont Road BPS	\$ 2,245,000.00	\$ 85,690.38	Design In Progress	2019 Budget
15511	Preston Highway- Timber Ridge Ct to 9693 Preston Hwy	\$ 7,476,000.00	\$ 216,477.99	Design In Progress	2019 Budget - Program
15513	Cardinal Hill-Slope Stability	\$ 2,770,400.00	\$ 2,350,459.07	Work In Progress	2019 Budget -
15515	E Manslick Rd - MRRP 2019	\$ 2,928,001.00	\$ 99,203.35	Work In Progress	2019 Budget -

- Pending - An approved project that has not yet begun. Some projects may go to Design and back to Pending if put on 'hold' with no construction.
- Design - The project is currently in Preliminary or Final Design, but a contract has not yet been awarded for construction.
- Work in Progress - Project has full approval to move forward, construction has begun, and a contract has been executed, if applicable.
- Complete Not Closed - Construction is complete, assets are in-service, but the project has not yet been closed due to various reasons.
- Contributed Capital is excluded from the Total Cost.

\* This information is time sensitive

<sup>1</sup> 14321 - BOWW Approval due to contract change order procedure - incremental increase Change Order No 2 \$322,900

## Fourth Quarter 2019 Certification of Contracts & Bids

Mr. Bruce certified that the following contracts were awarded during the Fourth Quarter of 2019 in accordance with the Purchasing Policy and Purchasing Procedure.

### Construction

<b>17-150</b>	<b>Assignment of Master Agreement for Transmission Main repair- 24-inch Main Repair at the corner of Preston Highway and I-65</b>	
	Mac Construction	\$144,528
<b>18-31</b>	<b>Assignment from Master Agreement Distribution System Repairs &amp; Capital Improvement.</b>	
	<b>Graston Avenue 2019 MRRP</b>	
281-19-0005	Basham Construction	Estimate\$161,862
<b>19-109</b>	<b>North Shelby #1 Master Meter Renovation Project</b>	
15042	Advanced Paving and Construction Co., Inc (CWBE)	\$286,500
<b>19-24</b>	<b>Lead Tailpiece Service Renewal Project Change Order #1</b>	
15436	Basham Construction & Rental Company	\$181,468
<b>19-77</b>	<b>690 Plan Belmont Road Project</b>	
15508	MAC Construction & Excavating, Inc	\$746,432
<b>RFP 17-150</b>	<b>Assignment to Master Agreement - Transmission System Repairs and/or Capital Improvements Ellingsworth 36" Valve Improvement Project</b>	
15255	Garney Companies	\$527,719
<b>RFP 18-31</b>	<b>Assignment for Distribution System Repairs &amp; Capital Improvement from the Master Agreement- MDOL needs to utilize for Various Emergency and Regular Distribution Repairs.</b>	
	Basham Construction & Rental Co.	\$963,350
	<b>SUM BY BIDS AND AWARDS CATEGORY</b>	<b>\$3,011,859</b>

## Payments

### **Old Ford Road Water Main Installation and Relocation Contractual Agreement**

#### **Reimbursement**

11172 Kentucky Transportation Cabinet (KYTC) \$187,314  
**SUM BY BIDS AND AWARDS CATEGORY \$187,314**

## Procurement of Materials and Services

<b>08-178</b>	<b>Electronic Plan Room- Extension Rate Adjustment</b> Lynn Imaging	Estimate \$25,000
<b>09-187</b>	<b>Louisville Water Company Procurement Card- 2019-2020 Contract Extension</b> Fifth Third Bank	Estimate - Paid to Company (Rebate) \$20,692
<b>13-169</b>	<b>Commercial Diving Services 2nd CPI Renewal</b> Marine Solutions, Inc	Estimate \$250,000
<b>15-127</b>	<b>Frames &amp; Covers and Monitor Castings</b> General Foundries, Inc. (CMBE)	Estimate \$172,715
<b>16-128</b>	<b>ARC Flash Personal Protection Equipment</b> Wesco Distribution	Estimate \$30,000
<b>16-161</b>	<b>Vacuum Excavating Services 2nd CPI Renewal</b> Badger Daylighting	Estimate \$63,226
<b>16-22</b>	<b>Major Engine &amp; Transmission Repairs - Under One Ton 3rd CPI Renewal</b> All-State Ford Truck Sales, LLC	Unit Rate Contract Estimate \$103,000
<b>16-23</b>	<b>Major Engine &amp; Transmission Repairs - One Ton &amp; Over 3rd CPI Renewal</b> All-State Ford Truck Sales, LLC	Unit Rate Contract Estimate \$257,500
<b>17-02</b>	<b>Overhead Intercom Paging System -Allmond Facility</b> Unified Technologies	\$45,235
<b>17-0807</b>	<b>Locating Services Contract Renewal</b> One Call Concepts Locating Services	Estimate \$1,194,561
<i>Joint Bid with MSD</i> <b>17-101</b>	<b>Assignment from Electrical Switchgear Cleaning / Inspection / Repair &amp; Associated Electrical Work- Switchgear PM Work</b> Eaton	Estimate \$52,744
<b>17-129</b>	<b>Fire Hydrants 2nd PPI Renewal</b> American Flow Control	Estimate \$595,437
<b>17-140</b>	<b>Crew Truck with Crane 2nd PPI Renewal</b> UHL Truck Sales	\$354,317
<b>17-161</b>	<b>Fire Protection District Servicing Agreement- 3rd CPI Renewal</b> Multiple Fire Districts. Please see Bid tab	Estimate \$171,723
<b>17-61</b>	<b>Assignment to Contingency Contract for Motor Repairs- Ft Knox Otter Creek Motor and Pump #10 Rework</b> Horner Industrial Group	Estimate \$24,905
<b>18-02</b>	<b>Temporary Services Assignment- V-Soft Java Developer</b> V-Soft Consulting (MBE)	Estimate \$251,600
<b>18-02</b>	<b>Temporary Services Assignment-Oracle Golden Gate Technical Architect</b> V-Soft Consulting (MBE)	Estimate \$216,500
<b>18-02</b>	<b>Temporary Services Assignment-Oracle RAC DBA Technical Architect</b> V-Soft Consulting (MBE)	Estimate \$180,000
<b>19-09</b>	<b>Gate and Wheel Valves 1st &amp; Final PPI Renewal</b> Hayes Pipe Supply	Estimate \$353,045
<b>19-0919</b>	<b>Paving Restoration (Joint Bid - MSD - LWC)</b> AEP Enterprises	\$447,350
<i>N/A</i> <b>19-102</b>	<b>Tanglewood Pressure Reducing Valve Station</b> Scott & Ritter, Inc.	\$138,800
<i>15442</i> <b>19-106</b>	<b>Horizontal Directional Drilling Services</b> Drilltek, LLC (primary)	Estimate \$95,250
<b>GSA Contract</b> <i>GS07F5559R</i>	<b>GPS Equipment and Continued Monthly Service</b> Verizon Networkfleet	Estimate \$37,860
<b>GSA Contract</b> <i>GS-35F-0119Y</i>	<b>Internet Website Hosting</b> Carahsoft	\$48,209
<b>GSA Contract</b> <i>GS-35F-208L</i>	<b>Purchase and Installation of Fiber for DR</b> CenturyLink	\$103,140
<b>GSA Contract</b> <i>GS-35F-0119Y</i>	<b>VMware Maintenance Renewal</b> Prosys Information Systems (WBE)	\$76,946

<b>GSA Contract</b> GS-35F-0119Y GS-35F-0119Y	<b>VMware vSphere License</b> Prosys (WBE)	\$21,668
<b>GSA Contract</b> 47QTCA18D00CC	<b>WAM Implementation Phase 2 Go Live KloudGin License Procurement</b> KloudGin	\$36,100
<b>GSA Contract</b> 47QTCA18D00CC	<b>WAM Implementation Phase2 CC&amp;B/AMI FA Interface Development Effort Change order 1 &amp; 2</b> KloudGin	\$451,031
<b>KY State Contract</b> MA7581800000180	<b>(1) 2020 Ford F550 4x4 Regular Cab Crew Truck w/KUV cc Body</b> Paul Miller Ford	\$132,200
<b>KY State Contract</b> MA758Punch16000000	<b>CHFP Water Quality Lab Equipment</b> Fisher Scientific	\$91,099
<b>KY State Contract</b> MA75806000001126	<b>Computer Systems Purchase</b> Dell	\$27,207
<b>KY State Contract</b> MA75816000000776	<b>DR Move Project Request</b> Dell/EMC	\$168,535
<b>KY State Contract</b> MA75813000000622	<b>iPads for MWM Replacement Project</b> Verizon	\$39,664
<b>KY State Contract</b> MA75818000000597	<b>Microsoft Azure Premium License 2 Year Term</b> Software House International (SHI) (MWBE)	\$29,399
<b>KY State Contract</b> MA75818000000597	<b>Microsoft License Renewal 2 Year Term</b> Software House International (SHI) (MWBE)	\$57,728
<b>KY State Contract</b> MA75814000000876	<b>Production Hyperflex</b> Prosys (WBE)	\$390,089
<b>MSD 17-0711</b>	<b>DR Data Center CORRECTION</b> Flexential	\$278,090
<b>RFP 16-21</b>	<b>WAM Report and Dashboard Development assignment # 2</b> Intoollect LLC	\$38,728
<b>WKU Contract</b> UK-1704-17A	<b>Purchase of DR Data Center Servers and upgrade of the DMZ Servers</b> Prosys (WBE)	\$444,251
<b>WKU Contract</b> UK-1704-17A	<b>Purchase and Installation of Cisco Network Equipment for DR</b> Prosys (WBE)	Estimate \$411,361
<b>WKU Contract</b> UK-1704-17A	<b>XtremIO Renewal</b> Prosys (WBE)	\$168,601
<b>WKU-553</b>	<b>After hours Monitoring of IT Assets</b> Volta Inc	\$77,615
<b>WKU-553</b>	<b>IT Am (IT Asset Management Services)</b> Volta Inc	Estimate \$54,180
<b>WKU-553</b>	<b>Pure Storage Renewal</b> Volta	Estimate \$52,200
		\$283,110
	<b>SUM BY BIDS AND AWARDS CATEGORY</b>	<b>\$8,562,611</b>

Procurement of Professional Services

<b>13-48</b>	<b>Litigation Services- Paul Hershberg</b> Paul Hershberg	Estimate \$30,000
<b>15-47</b>	<b>Louisville Water's Advanced Metering Project (AMI) Engineering Consulting and Design Services.</b> HDR	NTE\$237,918
<b>16-01</b>	<b>Oracle Applications Technical Architect</b> V-Soft Consulting (MBE)	Estimate \$341,120
<b>16-03</b>	<b>Social Media Strategy and Management</b> In.Mode Marketing	\$31,000
<b>15-47</b>	<b>Insurance Brokerage Services Renewal</b> Assured Partners	\$47,892
<b>16-01</b>	<b>Surveying, Platting and Mapping - RFP (70% Technical, 30% Cost) 4th &amp; Final CPI Renewal</b> BTM Engineering Inc.	Estimate \$60,000
<b>16-03</b>	<b>Roof Consulting Services Master agreement 3rd CPI Renewal</b> Unit Price Contract Patrick D. Murphy Co., Inc. Architects	
<b>15513</b>	<b>Assignment from Transmission Pipeline System Design Engineering Services- Cardinal Hill Road Slope Stability</b> GRW	\$65,660

<b>18-123</b>	<b>Operations Coordinator of the River Ridge Commerce Center and FT. Knox Water Treatment Plant Pumping and Storage Facilities 1st CPI Renewal</b> Phoenix Services, LLC	Estimate \$147,368
<b>PSC 08-63</b>	<b>Assignment from Master Agreement - Professional Consulting Services -Financial Advisor</b> Raymond James (fka Morgan Keegan & Company)	\$20,500
<b>RFP 16-03</b>	<b>Assignment from Transmission Pipeline System Design Engineering Services- Bridge on E. Broadway at Brent Street</b> GRW Engineers	\$20,973
<b>RFP 19-30</b>	<b>Banking Services and Investment Custodial Services</b> PNC Bank	Annual Estimate \$122,364
<b>SUM BY BIDS AND AWARDS CATEGORY</b>		<b>\$1,124,795</b>

Procurement of Sole Source Materials and Services

<b>17-153</b>	<b>Electromagnetic Inspection and Leak Detection on Large Diameter Water Mains Master Sole Source Agreement- Renew Sole Source Master Agreement 2nd CPI Renewal</b> Pure Technologies U.S. Inc.	Estimate \$1,009,085
<b>Sole Source</b>	<b>AWWA Membership Renewal 01/01/2020-12/31/2020</b> American Water Works Association (AWWA)	\$22,400
<b>Sole Source</b>	<b>Contract Management Software</b> Cobblestone	\$56,640
<b>Sole Source</b> 15029	<b>Cyanotoxin Automated Assay System (CAAS)</b> Eurofins Abraxis, Inc.	\$34,000
<b>Sole Source</b>	<b>DeNora FRP Cell with Plate Assembly</b> DeNora Water Technologies	Estimate \$44,595
<b>Sole Source</b>	<b>Funding Request for ORSANCO Programs</b> Ohio River Valley Water Sanitation Commission (ORSANCO)	\$40,000
<b>Sole Source</b>	<b>Marketing/Sponsorship Louisville Sports and Learning Complex</b> Louisville Urban League	\$125,000
<b>Sole Source</b>	<b>Water Research Foundation Subscription 2020 Renewal</b> Water Research Foundation (WRF)	\$87,099
<b>SUM BY BIDS AND AWARDS CATEGORY</b>		<b>\$1,418,819</b>
<b>GRAND TOTAL</b>		<b>\$14,305,398</b>

**Oldham County Advisory Board Report Given**

Dave Vogel provided a summary of the Oldham County Advisory Board meeting held on December 9, 2019.

**Financial Report Given**

Lynn Pearson summarized the Financial report for December.

The year-end close is underway and progressing well. Financial statements for December and full year 2019 will not be final until the annual audit by our external auditors, Crowe Horwath, is complete. The auditors began their preliminary field work on January 13 and will return for final field work in March. The ultimate completion date of the audit and the year-end financial statements is dependent upon the release of the audited pension report by the state, which is expected in late May based on prior years' experience. This report will provide updated liability numbers and other information related to pension and other post-employment benefits that we must have in order to finalize the audit and the financial statements.

Ms. Pearson reported preliminary December financial results to the Board. She advised that 2019 ended on a positive note, with water consumption and sales that performed favorably to budget and prior year in December. Total consumption for December of 2.5 billion gallons is 31.1 million



gallons higher than budget and 73.6 million gallons above December 2018. Total consumption for the full year 2019 is 33.4 billion gallons, which is right on budget, and 380 million gallons below the prior year. December water sales exceed budget by \$375,000 and are \$714,000 higher than the prior year. For the full year 2019, strong sales in the second half of the year, reflecting the impact of hot, dry weather that lasted well into autumn, offset shortfalls in residential and irrigation earlier in the year that were driven by record setting rainfall. As a result, overall water sales for the year met our budget of \$182 million.

### **Closed Session Held**

Mr. Esselman moved to go into Closed Session to discuss proposed or pending litigation pursuant to KRS 61.810(1)(c) 11:40 a.m., seconded by Dr. Dronawat and the motion unanimously carried.

### **Open Session Resumed**

Dr. Kerrick moved to return to Open Session at 12:50 p.m., seconded by Mr. Esselman and the motion unanimously carried. No action was taken in closed session.

### **Communications and Marketing Report Given**

Kelley Dearing Smith summarized the Communications and Marketing report for December.

Louisville Water ended 2019 with a series of positive earned media stories. Our regionalization efforts received local and statewide media attention with the recent connection to Shelbyville Water and Sewer; a campaign to prepare for winter weather, "Wrap your presents, wrap your pipes and tag it" was highlighted in television and print media; and the 2020 budget and rate schedule received extensive coverage in December and January.

Louisville Water has done several stories to highlight the robotic inspections of large-diameter water mains. For the first time, we were able to show media the results of those inspections as we repaired a 30-inch diameter water main in Crescent Hill.

Staff has finalized the sales and marketing plan for Louisville Water Tower Park. The plan centers on building the brand awareness of the museum and rental facility, increasing the number of education tours and growing rental revenue. Staff has also begun executing the plan with targeted marketing to teachers at the WaterWorks Museum, a wedding show at the tower, and a digital media campaign.

### **Customer Service and Distribution Operations Report Given**

Mr. Vogel summarized the Customer Service and Distribution Operations for December.

The main break activity was slightly higher than last December with 65 breaks. This is 25% higher than December 2018 and 7% lower than the five-year average. The finished water temperature, which is a leading indicator of break activity, remains warmer than normal and is a positive indicator for lower break levels in the coming weeks. We did experience five large water main joint leaks which were repaired. Interviews concluded for the eight general laborer positions that will start in January and staff continues its preparation for the WAM implementation in May.

The Call Center operations received 23,443 calls in December with an abandonment rate of 0.8%. The average speed of answer came in at 0:29 m:s for the month, which is significantly better than



last year and the five-year average. For full year 2019, we saw significant performance improvements in our Call Center operations due to staffing level stability and the implementation of our new IVR. Megan Hancock accepted the position of Director of Customer Service and began on January 6, 2020.

Bad debt for the year finished favorable to budget for the first time in four years. Bad debt for the month came in at \$86K, which is approximately 33% lower than past periods. Year to date, bad debt finished \$52K favorable to budget and 26% lower than last year.

### **Engineering and Production Operations Report Given**

Mr. Kraus summarized the Engineering and Production Operations report for December.

Year-end capital program data was not available due to the December books not being closed.

The amount of water produced and delivered to the system in December 2019 was 110.8 MGD, which was 9.2% higher than December 2018 and 6.2% higher than the December five-year average. For year-to-date, the amount of water delivered to the system was 0.1% higher than 2018, and 1.0% higher than the five-year average.

All water quality goals were achieved for December 2019. There were zero water quality violations in December and zero in 2019.

There were 11 chemical spills reported upstream of the Zorn intake, none that prompted additional treatment. Staff monitored 1,154 water quality parameters of a required 994 per federal and state regulatory requirements. Staff collected 280 compliance distribution samples. There were zero Total Coliform and zero E-Coli detections. Staff also collected 122 main break samples on 61 repairs in the month, of which six localized boil water advisories were issued due to field conditions and zero were issued due to water quality monitoring results. There was a total of one water quality customer complaint, in comparison to the five-year average of 12 complaints.

2019 ended with 635 main breaks, 16 breaks more than the five-year average (619.2), and 63 leaks, which is 25 less than the five-year average (88.8). The Main Break Frequency (# of breaks per 100 miles of main) for 2019 was 14.9, which is below the Partnership for Safe Water Goal of 15.0. Louisville Water has achieved this rating three other times (2012, 2016 and 2017), giving us a five-year average of 14.7.

### **Human Resources and Labor Relations Report Given**

Terrence Spence provided a summary of recent and current activity between the Louisville Water Company's (Louisville Water/the Company) Labor Management and Local Union 1683 of the American Federation of State, County and Municipal Employees, AFL-CIO (the Union).

- Currently there are three active grievances filed by the Union; two are pending results from arbitration hearings and one is in discussion for possible resolution.
- Union and Company representatives approved the Union employee's Wellness/Safety Incentive Plan goals for the 2020 benefit year.
- The Company posted five regular full-time classified positions for the internal Union personnel bidding process.

- Union President, Adam Carter participated on the interview team for the position of Director of Distribution Operations.
- Union leadership participated in the orientation process of eight general laborers new hires.

### **Information Technology Report Given**

Tom Luckett summarized the Information Technology (IT) Report for December.

Work continues to support Oracle Work and Asset Management (WAM) Implementation Phase One in production while developing Phase Two.

Testing has begun on the interfaces necessary to integrate Advanced Metering Infrastructure (AMI) with the existing Louisville Water applications.

Cisco's Identity Services Engine (ISE) implementation is complete. This is a network administration product that enables the creation and enforcement of security and access policies for devices connected to the Company's routers and switches. Staff will be registering all of our devices over the first quarter of 2020.

Phase one of the Company's Disaster Recovery (DR) project (vacate MSD Cedar Creek Facility) is complete. Staff is working to implement a full failover DR function by the end of the year with a maximum target recovery point of ten minutes and recovery time of one hour. This means that, in the event of a disaster, we will lose no more than ten minutes of data, and the systems will be back up within one hour.

Staff is currently working to replace all remaining computers still using Windows 7 with Windows 10. The replacements should be completed by the end of January.

There being no further business for the Board, the meeting was adjourned at 1:10 p.m.

Respectfully submitted,



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Michael F. Tigue, Esq.  
Vice President, General Counsel and  
Corporate Secretary