

**Board Of Water Works
REGULAR CALLED MEETING MINUTES
February 16, 2018**

Board Members Present:

Mr. Creighton Mershon, Chair
Dr. Sundeep “Sunny” Dronawat
Mr. Paul Esselman
Ms. Tierra Kavanaugh Wayne (Via Video Teleconference)
Mr. Craig Willman

Not Present:

Mayor Greg Fischer
Dr. Sharon Kerrick

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, Production Operations and Chief Engineer
Dr. Tom Luckett, Vice President and Chief Information Officer
Ms. Lynn Pearson, Vice President, Finance and Treasurer
Mr. Terrence Spence, Vice President, Human Resources and Labor Relations
Mr. Michael Tigue, Vice President, Compliance, General Counsel and Corporate Secretary
Ms. Kim Reed, Director, One Water Liaison
Ms. Jenni Schelling, Director, Internal Audit
Mr. Adam Carter, Union President
Ms. Beverly Soice, Paralegal

Visitors:

The regular called meeting of the Board of Water Works (“BOWW”) was held on Friday, February 16, 2018 at the Louisville Water Company (“Louisville Water” or “Company”) located at 550 South Third Street, Louisville, Kentucky. Chair Creighton Mershon called the meeting to order at 11:13 a.m.

Minutes of the Previous Regular BOWW Meeting Approved

Mr. Paul Esselman moved to approve the Regular Called Meeting Minutes of January 23, 2018, seconded by Mr. Craig Willman and the motion was unanimously carried.

Report Provided by the President/Chief Executive Office

Mr. Spencer Bruce reported that this month, Louisville Water began the process to update the Company’s Strategic Business Plan. Raftelis Financial Consultants has been retained to help with development of the 2019 - 2023 plan. Raftelis has worked with several of our peer utilities on their strategic business plans and their experience is an asset in our efforts. The process for Louisville Water’s updated plan began with two days of stakeholder engagement. Our executive leadership team, several board members, members of management, front-line staff and crew members participated in focus group sessions. Raftelis also conducted one-on-one interviews with our leadership team, Board member participants and external stakeholders.

Our goal is to present the updated plan to the Board in the 3rd quarter and then roll out the plan to all employees in the 4th quarter. It was evident by the conversation in the initial sessions that Louisville Water employees have tremendous pride in this Company, see opportunities for advancing our mission, and can easily identify future aspirations.

Mr. Bruce thanked the Board for its support of this project and stated updates will be provided to them throughout the process.

Election to Receive Build America Bonds Interest Subsidy Authorized

Ms. Lynn Pearson advised the American Recovery and Reinvestment Act of 2009 authorized the Board to issue taxable bonds known as Build American Bonds (“BABs”) to finance capital expenditures for which it could issue tax exempt bonds and to elect to receive a subsidy payment from the federal government equal to 35% of the amount of each interest payment on such taxable bonds (“BABs Interest Subsidy Payment”). The Series 2009B Bond issue was issued as Federally Taxable BABs – Direct Payment.

The available subsidy for the Series 2009B Bonds will be paid to the Board; no holders of Series 2009B Bonds are entitled to a tax credit. The receipt of BABs Interest Subsidy Payments is subject to certain requirements, including the Board filing a form with the Internal Revenue Service prior to each interest payment. The next interest payment of \$1,880,558.75 will be paid on May 15, 2018.

Mr. Esselman moved to approve following resolution to file IRS Form 8038-CP for \$658,195.56, representing 35% of the interest payment, on February 19, 2018, seconded by Mr. Willman and the motion unanimously carried. The full amount of the subsidy will be requested; however, it is likely the subsidy will be sequestered, reducing the payment by \$43,440.91 to \$614,754.65. This reduction was included in the Company’s 2018 budget approved in November of 2017.

WHEREAS, The American Recovery and Reinvestment Act of 2009 (the “Recovery Act”) authorizes the Board to issue taxable bonds known as Build American Bonds (“BABs”) to finance capital expenditures for which it could issue tax exempt bonds and elect to receive a subsidy payment from the federal government equal to 35% of the amount of each interest payment on such taxable bonds (“BABs Interest Subsidy Payment”)

WHEREAS, Louisville Water Company issued Series 2009B Bonds as Federally Taxable – Build America Bonds – Direct payment in December of 2009 to finance capital expenditures.

WHEREAS, the IRS requires Form 8038-CP be filed for each interest payment date no later than the date that is 45 days before the interest payment date but not more than 90 days before the interest payment.

WHEREAS, the next interest payment of \$1,880,558.75 will be paid on May 15, 2018

And

RESOLVED, that the Treasurer of the Company be authorized and directed to file IRS Form 8038-CP on February 19, 2018 for the subsidy payment from the federal government equal to 35% of the interest payment due on the 2009B Series Bonds.

Contract Awarded for Project No. 15255 – Condition 2018 – PCCP

Mr. Tim Kraus advised that the 2018 Condition Assessment Project was initiated to perform electromagnetic condition assessment on 13.05 miles of 24”, 30”, 36”, and 48” prestressed concrete cylinder pipe (PCCP) along multiple corridors in Louisville Water’s service area. Timely assessment results in the repair, rehabilitation, and/or replacement of distressed PCCP pipe sections in advance of catastrophic failures. The project also

replaces or rehabilitates valves, air valves, and drain assemblies to ensure these critical appurtenances are functioning properly.

Mr. Kraus explained that like past condition assessment projects, two contracts are issued for each project. One contractor handles the condition assessment, inspection, leak detection, and failure risk analysis, and the other contractor handles the appurtenance repair, tap installation, valve replacement, and site assistance. To better control costs, management decided to proceed with multiple master agreements allowing Louisville Water to do the work at cost and allow Louisville Water the flexibility to mix and match contractors based on experience and scheduling needs.

The project's inspection and condition assessment bid estimate was \$2,539,000.00. On February 5, 2018, a quote was received from Pure Technologies U.S., Inc., utilizing Louisville Water's existing Master Agreement 17-153, Electromagnetic Inspection and Leak Detection of Large Diameter Water Mains. The quote was \$317,796.60, or 12.52% higher, than the bid estimate. The project's construction bid estimate was \$2,400,800. On February 5, 2018, a quote was received from Southern Pipeline Construction Co., Inc., utilizing Louisville Water's existing Master Agreement 17-150, Transmission System Repairs and/or Capital Improvements. The quote was \$200,947.77, or 8.37%, lower than the bid estimate. No change in the project budget is recommended at this time as the combined quotes were slightly over the project manager's estimates and current funding is adequate utilizing the budgeted contingency funds.

Mr. Mershon stated he believes it is important to do what we can to identify weaknesses and cracks in our infrastructure before a catastrophic break takes place. The break like the one on Oak Street hurts the Company's reputation.

After a short discussion, Mr. Esselman moved to award a contract in the amount of \$2,199,852.23 to Southern Pipeline Construction Co., Inc., and to award a contract in the amount of \$2,856,796.60 to Pure Technologies U.S., Inc., for the construction, inspection, leak detection, and condition assessment work associated with Project 15255 – Condition 2018–P.C.C.P. Dr. Sunny Dronawat seconded and the motion unanimously carried.

Unbudgeted Project 222-18-0001: Tank Coating Program 2018 – Parkridge Tank Coatings Rehabilitation Approved

Mr. Kraus advised that as a part of the Tank Coatings Program, the Parkridge Water Storage Tank, located at 1913 Ridge Road, is currently scheduled for coatings rehabilitation in 2020 based on the age and condition of the existing coatings and our water storage tank rehabilitation priority scale. Staff is requesting authorization to accelerate the project schedule by two years due to current negotiations with T-Mobile on a leasing agreement for cellular equipment to be placed on the tank, which would result in long-term revenue for Louisville Water. The scope of the project includes internal and external coatings replacement, tank containment, accessory replacement/repairs and the installation of appurtenances for the telecommunications company's equipment. The coatings improvements are based on recommendations from inspections performed by Dixon Engineering, Inc., and are necessary to address areas of coating failures and degradation; thereby extending the life of the tank.

Mr. Kraus advised the requested project budget is \$535,000, which includes an estimated \$20,000 for modifications for cellular equipment mounting that will be reimbursed by T-Mobile.

Dr. Dronawat inquired as to the amount of revenue the lease agreement with T-Mobile will generate. Mr. Kraus stated the amount is still in negotiations, but it should be approximately \$50,000 per year.

Dr. Dronawat moved to approve Project 222-18-0001: Tank Coating Program 2018 – Parkridge Tank Coatings Rehabilitation in the amount of \$535,000, with the understanding that T-Mobile will reimburse Louisville Water

for the modification incorporated for its equipment. Mr. Willman seconded and the motion unanimously carried.

Unbudgeted Project 264-12-0012: Replace Sodium Hypochlorite Cells Approved

Mr. Kraus stated that as part of a Louisville Water's capital project, a sodium hypochlorite (chlorine) generation system was designed, constructed, and put into service at its Crescent Hill Filtration Plant in 2010. The system produces all the chlorine needed for the plant. This system consists of six generation units and each generation unit consists of two generating cells.

Mr. Kraus advised the original generation cells consisted of proprietary metal plates encased in an acrylic tube. These metal plates deteriorate over time as anticipated. Therefore, staff appropriated money for the replacement of these cells. This money was scheduled to be spent in 2020, 2021, and 2022. Unfortunately, the useful life of these cells is less than originally estimated. This reduction in useful life could be attributed to the operating conditions and extensive use of the system. Six of these cells have been replaced under pro-rated warranty. Therefore, six original generating cells remain. These cells are showing signs that they are reaching the end of their useful life. Chlorine application is vital to any water treatment process and trying to extend the life of these cells would not be prudent. Staff recommends money originally allotted for replacement of these cells be moved to 2018.

Additionally, the manufacturer of the sodium hypochlorite system, Denora (formerly known as Severn Trent Services) has made several improvements to both the plate and casing design. Staff anticipates that these improvements will extend the life of the second generation of these cells. Based on the current quote provided by the Denora, the cost to replace the original remaining sodium hypochlorite generation cells is \$360,000.

Mr. Esselman moved to approve the unbudgeted Project 264-12-0012 to replace the six (6) remaining original Sodium Hypochlorite Cells in the amount of \$360,000. Dr. Dronawat seconded and the motion unanimously carried.

Ms. Tierra Kavanaugh Wayne exited the meeting.

Property on Buffalo Run Road in Bullitt County Declared Surplus and Disposal Authorized

Mr. Kraus noted that Louisville Water owns a 10-acre parcel of land at Buffalo Run Road and Ohm Drive in the Cedar Grove Business Park in Shepherdsville, Bullitt County, KY, which was acquired in 2009 for future use as a material storage yard, customer service center, truck parking area, or a southern Distribution Operations Center. Staff has determined that this property is no longer necessary for existing or future operations of Louisville Water and may be declared surplus and sold. Hazen and Sawyer, the Company's Engineer of Record, has evaluated this matter and has issued a letter concurring with Staff's recommendation that this property be declared surplus and sold.

Mr. Kraus stated that Louisville Water received an economic development request to sell the property and that Bullitt County elected officials have encouraged and supported the request.

Dr. Dronawat asked what the Company paid for the property. Mr. Kraus stated \$750,000 was paid for it in 2009.

Mr. Michael Tighe advised that staff has procured an appraisal of the property and will set a minimum reserve price. The sale will be held on-line via a publicly advertised auction and will be open to all bidders.

Dr. Dronawat moved to declare the subject property surplus and authorize the sale of the property in accordance with Louisville Water's Purchasing Policy. Mr. Esselman seconded and the motion unanimously carried.

Economic Development

Mr. Mershon noted this item will be discussed in closed session.

Amendment of the Section 125 Cafeteria Plan

Mr. Terrence Spence advised that Louisville Water has an Internal Revenue Code, Section 125 "Cafeteria Plan" that allows Eligible Employees, as defined by the Plan, the opportunity to elect Flexible Benefit Options for themselves and their dependents based on their own particular goals, desires and needs. This Plan is a restatement of the Plan which was originally effective on March 1, 2004.

Under the current Plan, March 1 through February 28/29 is defined as the Plan Year. For ease in administration of employee benefits by both accounting and human resources, staff is proposing to modify the Plan to a January 1 through December 31 Plan Year beginning January 1, 2019. By making this change, the current 2018 Plan Year is shortened to March 1 through December 31, or a 10-month period.

Additionally, a modification is being incorporated to allow a rollover of Health and Dependent Flex Spending Account funds.

Mr. Willman moved to authorize the execution of the Amended and Restated Section 125 Cafeteria Plan, seconded by Mr. Esselman, and the motion unanimously carried.

Closed Session

Dr. Dronawat moved to go into closed session at 12:15 p.m. pursuant to KRS 61.810(1)(g) to discuss an economic development opportunity. Mr. Esselman seconded and the motion unanimously carried.

Resume Open Session

Mr. Willman moved to return to open session at 12:36, seconded by Dr. Dronawat and the motion unanimously carried. No action was taken in closed session.

Investment Report Given

Ms. Pearson advised that the Investment Guidelines adopted by Louisville Water in April of 2016 require that, on a semi-annual basis (as of June 30th and December 31st), an update will be provided to the Board of Water Works on investments held in the Portfolio. The Guidelines require the reports be presented to the Board of Water Works by the second board meeting following June 30 and December 31.

Ms. Pearson reported on the current investment holdings by the Company.

One Water Update Given

Ms. Kim Reed provided the following One Water update.

The Louisville One Water Board met on January 30, 2018 in the Metropolitan Sewer District (MSD) Board Room. During this meeting, a new board member was appointed, board officers were elected, the 2018 board

meeting schedule was adopted, and updates on One Water efforts within Procurement, Communications, and Education were provided.

Ms. Marita Willis, MSD Board Director, was recognized as a new One Water Board member. Ms. Ellen Hesen was elected as Board Chair and Mr. Willman was elected as Board Vice-Chair.

The 2018 One Water Board Meeting schedule was reviewed and approved. The dates, times, and locations are April 26, 2018 at 10:00 a.m. at Louisville Water Company, July 26, 2018 at 11:00 a.m. at MSD; October 25, 2018 at 10:00 a.m. at Louisville Water.

Ms. Rene' Thomas was recognized as the One Water Procurement and Supplier Diversity Director effective November 4, 2017. A Memorandum of Understanding (MOU) is being developed between Louisville Water and MSD to allow for joint procurement. A One Water buyer position will be filled to provide Information Technology (IT) procurement services to both organizations. Ms. Thomas plans to pursue joint opportunities for Supplier/Diversity, starting with combined representation at outreach events.

Ms. Kelley Dearing Smith, Vice President of Communications, Marketing and Economic Development at Louisville Water explained that she is now overseeing the Communication efforts at MSD. The initial focus will be to develop a communication model at MSD, highlight large-scale initiatives, identify opportunities for joint communication and outreach efforts, and determine additional shared services.

The Louisville Water Education and Outreach Manager is expanding Louisville Water's school-based education program to include sewer and drain curriculum. The new curriculum will be known as "River to River". The program is projected to start in April. In addition to the school-based program, the Waterworks Museum at the Water Tower will include a MSD component to provide hands on experience for adults and kids.

Financial Report Given

Ms. Pearson summarized the Financial report for January 2018 and provided an update on December 2017.

Financial statements for December and full year 2017 will not be final until the annual audit by our external auditors, Crowe Horwath, is complete. Final field work for the audit commenced on February 2 and on-site work is now completed. The audit and the year-end financial statements cannot be completed until the GASB 68 report is received from the Kentucky Retirement System. Based on prior year's timing, we would anticipate receiving preliminary, unaudited information in mid-March.

Ms. Pearson provided the following overview of the financial results for January. These results must be considered preliminary until the audit of the 2017 financial statements is complete.

Total consumption and water revenue for January 2018 exceeded both budget and prior year levels. The positive budget variance in water revenue was partially offset by small unfavorable variances in both other operating revenue and operating expenses. Non-operating income and expense are performing favorably to budget. As a result, net income for the month was \$258,000 higher than budgeted and \$391,000 lower than prior year.

Consumption of 2.8 billion gallons for January is 138 million gallons more than budget, and 68 million gallons more than January 2017. All customer classes are over budget except for irrigation, with residential, wholesale and Metro Government classes accounting for the majority of the difference.

Water Revenue for January 2018 is \$334,000 higher than budget and \$565,000 higher than the prior year. Higher consumption is the main driver of the strong revenue performance this month.

Other Operating Revenue for January is \$27,000 lower than budget, but is \$19,000 above year-ago levels. The variance to budget is primarily due to disconnect fees, late fees and contract operations revenue running lower than anticipated. The variance to prior year is driven by increases in sewer billing and contract operations revenue.

Operating and Maintenance Expenses for January of \$6.3 million are \$60,000 higher than budget and \$766,000 higher than January 2017. The January variance to budget is primarily due to higher overtime and increased insurance reserves, both of which resulted from an escalated number of main breaks due to extreme cold weather. Bad debt expense also contributed to the unfavorable budget variance. These budget overages were partially offset by contractual services costs, which came in significantly under budget in January.

Total Operating Expenses for January of \$11.1 million are \$116,000 higher than budget and \$1.1 million more than January 2017. The budget variance is mainly due to higher operating and maintenance and depreciation costs, partially offset by lower losses recognized from disposition of property due to timing of projects.

Non-Operating Income for January is \$141,000, which is \$21,000 higher than budget and \$51,000 more than January 2017. The variance to prior year is due to funds reinvested in treasury securities at a substantially higher rate than those which matured late in 2017. The variance to budget is due to receiving a higher rate on the new treasuries than anticipated.

Non-Operating Expense for January of \$602,000 is \$46,000 less than budgeted and \$88,000 less than year-ago levels. Interest expense is less than prior year and budget due to higher amounts of interest capitalized. Principal payments made on bonds during 2017 also reduced interest expense as compared to prior year levels.

Net Income before Distributions and Contributions for January is \$4.1 million, which is \$258,000 more than budgeted. In comparison between years, net income for January is \$391,000 less than January 2017.

Contributions for January of \$227,000 are \$14,000 more than budget and \$110,000 more than prior year.

Cash, Cash Equivalents and Short-term Investments totaled \$110.2 million at the end of January 2018, well in excess of the 250 days of estimated Operations and Maintenance expense of \$51.2 million

Communications and Marketing Report Given

Ms. Smith summarized the Communications and Marketing report for January.

In February, Louisville Water highlighted the process of installing a new water main along Eastern Parkway to local media. A photo and video opportunity allowed journalists to see up-close how we're slip-lining a new pipe inside an original 1923 cast-iron water main. We're in the second year of a three-year project to install the pipe. Along with the media communication, we deliver stakeholder and customer communications on a weekly basis.

The communications team has created an outreach strategy in 2018 for "neighborhood saturations." Our first effort in the Crescent Hill neighborhood was a tremendous success.

In the midst of the flu-season, staff delivered hands-on education around the best uses of water - hand washing. Louisville Water has a curriculum on hand washing and over the course of two weeks, educators visited every classroom at Field Elementary with hands-on experiments on the importance of washing hands. We followed up with visits to daycares and senior citizen facilities and at the same time produced content for internal and

external websites and stakeholders. The education effort at Field Elementary attracted multiple television stations.

February is National Children's Dental Health month and Louisville Water is involved in several local and state oral health initiatives. Smile Kentucky! is a community partnership Louisville Water began in 2002 along with a dozen other partners. Smile Kentucky! provides hands-on education, free dental screenings and treatment. Louisville Water coordinates the education and marketing.

In February, staff visited local libraries with "Tapper's Story Time," a program that uses books to highlight water's connection to good oral health. The Kentucky Dental Foundation has endorsed Smile Kentucky! as its state-wide education effort and this month, a new website was launched with resources for teachers, scout leaders and parents.

Louisville Water has a weekly presence during the 2018 Kentucky session. The session includes 60 working days with the last day scheduled for Friday April 13. Currently, Louisville Water is tracking over a dozen bills that are of interest to our business and we are awaiting the introduction of the pension reform bill. During the session, staff also meets with lawmakers from our service area and represents Louisville Water at functions with local chambers, stakeholder groups and utility partners. Our "liquid assets" campaign around economic development is also part of the session. Recently, the Louisville Night in Frankfort featured a Louisville Water serving station.

Customer Service and Distribution Operations Report Given

Mr. Vogel summarized the Customer Service and Distribution Operations report for January.

The month of January ended with 238 main breaks which is significantly higher than last year (68) and the five-year average (156) primarily driven by the extremely cold temperatures. While staff was able to handle this volume without declaring an emergency, we have seen an increase in the backlogs of other work including service installations, main replacement activities, and fire hydrant replacements.

Ten new General Laborers and one new Supervisor started work on January 8, 2018. We anticipate losing a significant number of employees to retirement this spring and the training of these, as well as other newer employees, continues to be a priority.

The Call Center welcomed a new Manager, Tendra Osborne, on January 18. Ms. Osborne has significant Call Center experience both at Louisville Water and externally. Three new temporary employees completed training and began taking calls on January 18. Schedule changes were made in January as well that helped improve our ability to handle the call volume.

The Call Center operations received 36,920 calls in January with an abandonment rate of 11.8% and an average speed of answer of 6:01m:s for the month. Heavy call volume driven by the extreme weather impacted the operations, particularly during the first week of the month. Excluding this period, our performance was much improved with an abandonment rate of 8.54% and an average speed of answer of 4:22 m:s.

Field Services personnel, like Distribution Operations, were extremely busy during the month responding to customer related activities associated with the cold weather (i.e. frozen pipe calls and emergency turn-off orders). This activity resulted in an increase to our backlog of orders. The percentage of estimated bills in January came in at 17.2% which is higher than last year (5.4%) and the five-year average (10.4%) driven mostly by weather.

The department has really focused on metrics over the past few months and is working on developing departmental goals for 2018, which will align with the overall Company objectives. A fully functional daily report now exists that provides key metrics for all areas of Metering Services. Evaluating this information has helped us identify what is working, opportunities for improvement, and has given us a basis for measuring our progress as we move forward.

Bad debt continues to be a major focus for our team. January's bad debt came in at \$208K, which is lower than last year but higher than budget. Staff met with LG&E on January 26 to learn about their collections and bad debt processes and came away with several ideas.

Engineering and Production Operation Report Given

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

2018 capital program expenditures through January totaled \$1,940,611, which is \$3,252,395 or 62.63% lower than the same period last year. These expenditures equate to 1.75% of the 2018 total capital program of \$110,955,772.

The amount of water produced and delivered to the system in January 2018 was 121.9 MGD, which was 16.6% higher than January 2017 and 12.8% higher than the January five-year average. The higher than average values were due to a significant main break on an 8-inch water line along Dixie Highway and various smaller leaks throughout the system.

There were a total of seven chemical spills reported by ORSANCO during the month of January: six upstream and one downstream of Louisville Water's Zorn intake. There were no impacts on water quality and treatment.

Water Quality staff monitored 1,218 water quality parameters of a required 1,058 per federal and state regulatory requirements with zero violations. Staff collected 280 compliance distribution samples. There were zero total coliform and zero E-Coli results. All internal water quality goals were met. Staff also collected 432 main break samples on 216 repairs during the month, of which 14 localized boil water advisories were issued due to field conditions and two were issued due to water quality monitoring results. There were a total of 29 water quality customer complaints, the same as the five-year average.

Human Resources Report Given

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

To date, there are eight (8) active grievances; seven (7) are in various stages of the contractual process for resolution. One (1) recommendation for resolution is under review by the union.

Union leadership participated in the Company's Strategic Business Plan kick-off session on February 5.

The Executive Union Management Alliance Committee (EUMAC) conducted a meeting on February 7 to discuss joint Company initiatives.

Company and Union leadership attended and participated in the One Water Fleet Meeting to review and discuss phase #1 shared-services initiatives on February 8.

The Company posted one (1) regular full-time classified position and one (1) classified relief position for union employee's internal bidding process.

Mr. Adam Carter added that a Memorandum of Understanding is being drafted between the Company and the Union concerning the change in the Company's benefit plan year.

Information Technology Report Given

Mr. Tom Lockett summarized the Information Technology Report for January.

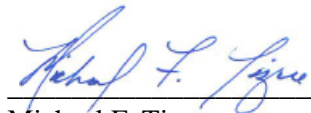
Staff continues to build out new environments for the Oracle Work & Asset Management (WAM) Implementation. The User Acceptance Testing (UAT) and Production environments were handed over to EY implementation team on February 15. Staff is working with vendor KloudGin and EY for system and network connectivity for a cloud hosted mobile solution.

Staff has installed a Hosted Umbrella Security Service from CISCO to block outgoing malicious DNS requests, which provides an additional layer of security.

Staff is currently working on the Request for Proposal (RFP) for support of the Louisville Water's Oracle software suite. This includes Financials (EBS), Customer Care & Billing (CC&B), Work & Asset Management (WAM), Service Oriented Architecture (SOA), and PeopleSoft HR & Payroll. The RFP was to close on February 21, however given the number of interested bidders (12) the close date is being pushed back to February 28.

There being no further business for the Board, Mr. Willman moved to adjourn at 1:40 p.m., seconded by Dr. Dronawat and the motion unanimously carried.

Respectfully submitted,



Michael F. Tighe
Vice President, Compliance, General Counsel
and Corporate Secretary