

**Board Of Water Works
REGULAR CALLED MEETING MINUTES
April 25, 2022
Louisville Water Tower**

Board Members Present:

Mayor Greg Fischer
Dr. Sundeep "Sunny" Dronawat, Chair
Mr. Paul Esselman, Vice Chair
Mr. Greg Dearing
Ms. Jennifer Fust-Rutherford
Dr. Sharon Kerrick
Mr. William E. Summers, IV

Not Present:

Others Present:

Mr. Spencer Bruce, President and Chief Executive Officer
Mr. Aaron Jackson, Budget Manager, Louisville Metro Government
Mr. Dave Vogel, Executive Vice President, Customer Service and Distribution Operations
Mr. Jeff Knott, Vice President, Information Technology
Mr. Tim Kraus, Vice President, Engineering and Production Operations, and Chief Engineer
Ms. Lynn Pearson, Vice President Finance and Treasurer
Ms. Kelley Dearing Smith, Vice President, Communications and Marketing
Mr. Terrence Spence, Vice President, Human Resources and Labor Relations
Mr. Michael Tigue, Vice President, Compliance, General Counsel and Corporate Secretary
Mr. Jeremy Raney, Director, Engineering
Ms. Shannon Tivitt, One Water Project Liaison Director
Mr. Brian Sturgeon, Computer Network Administrator
Ms. Beverly Soice, Paralegal

Visitors:

Mr. Creighton Mershon
Mr. Eric Ayers

The special called meeting of the Board of Water Works (BOWW) was held on Monday, April 25, 2022 at the Louisville Water Tower located at 3005 River Road, Louisville, Kentucky. Chair, Dr. Sunny Dronawat called the meeting to order at 11:22 a.m.

Minutes of the Previous Regular BOWW Meeting Approved

William Summers moved to approve the Regular Monthly Meeting minutes of March 15, 2022. Dr. Sharon Kerrick seconded, and the motion unanimously carried.

Report Provided by the President/Chief Executive Officer

Spencer Bruce discussed recent regional water supply partnership activities.

Louisville Water currently serves Bullitt County and provides water to Hardin and Nelson counties through wholesale water agreements. The region is poised for growth with the announcement of the Ford Blue Oval Battery Plant, Nucor Steel, and the booming bourbon industry. In response to these announcements, Louisville Water is forming a coalition of regional water suppliers, economic development professionals and elected officials from Bullitt, Hardin, Meade, and Nelson Counties to collectively support water system improvements in the region.

Utilizing a contract lobbying firm, we were successful in securing a \$35 million appropriation in the Kentucky General Assembly budget. Under the proposal, Hardin County will receive \$10 million to construct water system improvements to serve the Ford plant, Nelson County will receive \$10 million to construct a transmission main from Bullitt County to Bardstown, Meade County will receive \$10 million to construct a transmission main from Hardin County to Brandenburg and Bullitt County will receive \$5 million to subsidize a transmission main Louisville Water is constructing along the I-65 corridor.

With this investment, the region should have the necessary water supply to meet future demands.

Compensation and Benefits Committee Report Given

Jennifer Fust-Rutherford provided a summary of the discussions which took place during the Compensation and Benefits Committee meeting held on April 11, 2022. She reported that staff presented the proposed 2022 Leadership Shared Operating Goals, Management Incentive Goals and Corporate Performance Goals for review. Ms. Fust-Rutherford reviewed each goal with the Board.

Ms. Fust-Rutherford advised the committee recommends approval of the proposed Leadership Shared Operating Goals, the Management Incentive Goals, and the Corporate Performance Goals as presented.

After a short discussion, Paul Esselman moved to approve the proposed goals as presented, seconded by Mr. Summers and the motion unanimously

Increase AMI Budget and Associated Contracts Authorized

Dave Vogel stated the AMI Project was bid in 2017 and designed to bring Advanced Metering Infrastructure to all water services (278,316) in Jefferson County. The contract was finalized with Itron in April 2019 and project work began that year. The project has completed nearly 90,000 of the water services to date and has successfully implemented a new customer facing portal.

Mr. Vogel advised that current market conditions have created challenges that place the project at risk of delay or stoppage. Supply chain pressures have created price increases and slower delivery times. Suppliers of labor and materials are requesting price increases to be able to continue the work. Staff has been working with the vendors since February to minimize the increases which are still well below current market levels for both material and labor.

Additionally, the Louisville Water distribution system in Jefferson County has grown by over 11,000 services since the RFP was issued and staff predicts a total increase of 20,000 water services by the completion of the project.

As such, staff is requesting BOWW approval to increase the overall project budget and approve changes to three contracts as we work to move the project forward. Internal discussions have been held with Engineering and Finance to ensure we can fund this increase and work it into the

capital plan.

After a brief discussion, Mr. Esselman moved to authorize the following:

1. Increase the AMI Project budget from \$ 61,000,000 to \$69,628,227
2. Increase the Neptune Cold Water Meter contract by \$10,074,807 to \$10,405,640; and
3. Decrease the Itron contract by \$4,102,579 to \$48,637,504; and
4. Increase the RA Consulting contract by \$800,000 to \$2,247,280.

Mr. Summers seconded, and the motion unanimously carried.

Mayor Greg Fischer arrived at the BOWW meeting at approximately 11:58 a.m. at which time the meeting paused.

Mayor Fischer thanked the Board for its work and thanked Dr. Kerrick for her leadership as Chair.

Mayor Fischer thanked Mr. Mershon for his leadership and guidance. He added that Mr. Mershon was the right person at the right time for Metro and the Louisville Water Company. Prior to being appointed to the Board, Mr. Mershon served two years on the TARC Board. Mayor Fischer then presented Mr. Mershon with a framed proclamation honoring Mr. Mershon's years of leadership and service to the BOWW and to the citizens of Louisville Metro.

Mr. Bruce presented Mr. Mershon with a Louisville Stoneware replica of Pumping Station No. 1 and the Louisville Water Tower as a token of appreciation of his time on the BOWW.

Mr. Mershon thanked the Mayor and Mr. Bruce for their kind remarks. He then stated there are two things with respect to the BOWW, that he proud of; the first being the establishment of the current management team at Louisville Water and the second is the formation of Louisville One Water.

The Mayor, Board members, Mr. Mershon and staff withdrew from the meeting for lunch at 12:17 p.m.

The meeting resumed at 12:55 p.m.

Renewal of Oracle Unlimited License Agreement Authorized

Jeff Knott advised that Louisville Water continues to partner with Oracle Corporation for its enterprise applications including Work and Asset Management (WAM), Customer Care and Billing (CC&B), Human Resource Management and Payroll (PeopleSoft), and Enterprise Business Systems (EBS).

The underlying technologies that support these applications include Oracle Databases, SOA, Weblogic, GoldenGate, as well as others.

In April 2021, the Board of Water Works approved a renewal of the Unlimited License Agreement (ULA) for the technologies that are required to support Louisville Water applications, replacing the previous ULA which was executed in 2019. Included in this purchase was a two-year cost of \$1,929,465 for unlimited licenses and a first-year maintenance support costs of these unlimited licenses of \$2,161,753.32, for a total of \$4,091,218.32.

The first-year support portion of this purchase will expire at the end of May 2022 and this request is for approval of the annual O&M support cost that will occur every year while we continue to utilize these applications.

The annual cost for support of the underlying technologies is \$2,290,075.87 and is currently renewed from mid-year to mid-year. In order to align all of our technology contracts to our annual budget cycle, this request is for an 18-month renewal period from June of 2022 through December of 2023, so in addition to the one-year cost of \$2,290,075.87, this renewal includes an additional six (6) months of support of \$1,145,037.94 for a total of \$3,435,113.

The support costs for the remainder of 2022 are included in the 2022 budget.

Dr. Kerrick moved to approve this 18-month renewal for Oracle technology support in the amount of \$3,435,113.81. Seconded by Mr. Summers, the motion unanimously carried.

President Authorized to Execute Documents Related to Kentucky Infrastructure Grant Funding – Kentucky Cleaner Water Program

Tim Kraus advised that he is requesting that the Board of Water Works officially designate Mr. Bruce as the authorized official to sign appropriate documents related to acceptance of Cleaner Water Grant Program funds.

Louisville Water was awarded a total of \$8,397,103.00 in grant funding from the Kentucky Infrastructure Authority for five projects: Oak Street 48-inch Rehabilitation, W. Muhammad Ali Area MRRP and Hwy 1694 8-inch Water Main Extension.

Dr. Kerrick asked who will be tracking the project and funds dispersed. Jeremy Raney responded that Louisville Water has contracted with KIPDA to perform those responsibilities.

Greg Dearing moved to designate Mr. Bruce as the authorized official to sign appropriate documents related to acceptance of Cleaner Water Grant Program funds, including the required Conditional Commitment Letters. Ms. Fust-Rutherford seconded, and the motion unanimously carried.

First Quarter 2022 Certification of Projects & Change Actions

Mr. Bruce certified that the following Projects and Change Actions were authorized during the First Quarter of 2022 in accordance with the Capital Projects Authorization Policy and Procedure.

Project Proposals Requiring Board Approval:

Project Number	Project Name	Requested Total	Contribution	LWC Net Cost	Current Year
xxxxx	690 Plan-Transmission Salt River to Chapeze BPS	\$ 25,300,000	\$ -	\$ 25,300,000	\$ 25,300,000
xxxxx	690 Plan-Transmission Clermont Tank to Belmont	\$ 16,698,000	\$ -	\$ 16,698,000	\$ 16,698,000
xxxxx	900 PZ Expansion Chenoweth Run Rd 12" WM Repl	\$ 607,190	\$ -	\$ 607,190	\$ 607,190
Total		\$ 42,605,190	\$ -	\$ 42,605,190	\$ 42,605,190

Project Change Actions/Admin Notifications Requiring Board Approval:

Project Number	Project Name	Previously Approved Total Estimate	Change In Total	Requested Total Estimate	Change In Current Year Estimate
16106 ¹	Northwestern Pkwy Area-MRRP	\$ 2,441,000	\$ 630,000	\$ 3,071,000	\$ (1,942,000)
Total		\$ 2,441,000	\$ 630,000	\$ 3,071,000	\$ (1,942,000)

Project Proposals Approved by the President:

Project Number	Project Name	Requested Total	Contribution	LWCNet Cost	Current Year
22999,01	Prelim Engineering-Engineering 2023 MRRP Projects	\$ 180,000	\$ -	\$180,000	\$ 180,000
22999,01.7	Prelim Eng-690 Plan-Transmission Salt River to	\$ 180,000	\$ -	\$180,000	\$ 180,000
22999,01.8	Prelim Eng-690 Plan-Transmission Clermont Tank to	\$ 180,000	\$ -	\$180,000	\$ 180,000
16298	24" Main Break Watterson Trail and Lochridge Pky	\$ 215,000	\$ -	\$215,000	\$ 215,000
xxxxx	690 Plan-Transmission Salt River to Chapeze BPS	\$ 25,300,000	\$ -	\$25,300,000	\$ 25,300,000
xxxxx	690 Plan-Transmission Clermont Tank to Belmont	\$ 16,698,000	\$ -	\$16,698,000	\$ 16,698,000
xxxxx	900 PZ Expansion Chenoweth Run Rd 12" WM Repl	\$ 607,190	\$ -	\$607,190	\$ 607,190
Total		\$ 43,360,190	\$ -	\$ 43,360,190	\$ 43,360,190

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

Project Number	Project Name	Previously Approved Total Estimate	Change In Total	Requested Total Estimate	Change In Current Year Estimate
16106 ¹	Northwestern Pkwy Area-MRRP	\$ 2,441,000	\$ 630,000	\$ 3,071,000	\$ (1,942,000)
16277	2022 Oracle ULA Extension	\$ 870,000	\$ 220,000	\$ 1,090,000	\$ 220,000
Total		\$ 3,311,000	\$ 850,000	\$ 4,161,000	\$ (1,722,000)

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
Total					

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

Project Number	Project Name	Total Estimate	Total Cost To	Status	Budget Year
11264	Transmission - Cardinal Hill Second Supply Phase 2B	\$ 3,708,490	\$ 125,621	Pending Capital	2005 Budget
11310	BEP - Renovate Sludge Lagoons #1, #2, #3, and #4	\$ 19,970,280	\$13,982,665	Work In Progress	2006 Budget
11615	Transmission - Gene Snyder Freeway Section 1B	\$ 9,133,000	\$ 383,107	Pending Capital	2007 Budget
11616	Transmission - Gene Snyder Freeway Section 2A	\$ 6,641,500	\$ 64,331	Pending Capital	2007 Budget -
13109	ZPS - Standby Generator	\$ 15,624,260	\$14,805,852	Work In Progress	2011 Budget
13264	CHPS - Replace Slate Roof and Improve Masonry	\$ 6,137,000	\$ 215,725	Pending Capital	2012 Budget
13274	Metering - AMI for Jefferson County	\$ 61,000,000	\$24,457,631	Design In	2013 Budget
14325	CHFP - Chemical Building and Lab Fire Protection and Office Space Improvements for Productions	\$ 14,107,740	\$ 7,877,829	Work In Progress	2015 Budget
14330	CHWTP - Standby Generator	\$ 13,005,472	\$13,098,763	Completed Not	2015 Budget -
14524	ATT RBF for CH	\$ 221,905,253	\$ 5,724,658	Pending Capital	2017 Budget
14542	Transmission - Urton Lane	\$ 5,297,725	\$ 232,853	Pending Capital	2017 Budget
15036	Condition 2017 - Reservoir Yard Piping and Valves	\$ 5,000,000	\$ 56,722	Design In	2017 Budget -
15253	900 Plan - Old Henry Rd to Terra Crossing Blvd	\$ 2,374,551	\$ 60,257	Pending Capital	2018 Budget
15438	660 Plan-SW Jefferson Cty Improvements-Lower Hunters Trace 20"	\$ 4,857,300	\$ 2,632,013	Work In Progress	2019 Budget
15458	Condition 2019 - PCCP	\$ 8,074,818	\$11,850,608	Completed Not	2019 Budget -
15468	Kentucky,Oak,Glenmary Transmission Main Rehab 2019	\$ 11,500,000	\$ 326,952	Design In Progress	2019 Budget
15506	660 Plan-SW Jefferson County Improvements-Blanton Lane 20 inch	\$ 5,464,300	\$ 1,542,380	Design In Progress	2019 Budget - Unbudgeted
15511	690 Plan:Preston Hwy Area	\$ 7,476,000	\$ 3,899,265	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

1 Louisville Board of Water Works approved Project 16106 on March 25, 2022

First Quarter 2022 Certification of Contracts & Bids

Mr. Bruce certified that the following contracts were awarded during the First Quarter of 2022 in accordance with the Purchasing Policy and Procedure.

Procurement of Materials and Services

<i>16305</i>	EBS Phase 2 Enhancements (GSA Master Agreement GS35F474GA)	
15-154 KY State Contract	TMG Consulting	\$375,000
<i>MA7582100000436</i>	Wireless Servers (cell phones & data) 2022 Contract Extension	
17-100	Verizon Wireless	Annual Estimate \$300,000
<i>13274</i>	Advanced Metering Infrastructure (AMI) Installation and Implementation – Change in Meter Lids and price, Change Order #15	
17-71	ITRON	\$138,300
	Construction Inspection Services 4th & Final CPI Renewal	
19-27	RA Consultants	Annual Estimate
	\$1,447,280	
	Stone, Soil, and Sand 2nd CPI Renewal	
	Course Concrete Sand – Quality Stone	\$24,185
	Manufactured Sand – Hanson Aggregates	\$32,609
	Manufactured Sand – Irving Materials	\$27,878
	Soil – Earth First of Kentuckiana	\$106,112
	Soil – Liter’s Environmental	\$43,447
	Stone – Hanson Aggregates	\$46,763
	Stone – Irving Materials	\$78,074
	Stone – Quality Stone	\$242,171
19-44	Restraint Joint Clamps 3rd & Final PPI Renewal	
	Core & Main	Estimate \$97,712
20-101	Assignment to IT Project Consulting Services Master Agreement- 2022 O&M Support for Oracle Utilities	
<i>GSA G535F474GA</i>	TMG Consulting	\$346,750
20-116	Ready Mix Concrete 1st PPI Renewal	
	Ernst Concrete	Estimate \$484,644
20-121	New Services	
	Section A Small Services Installations Primary- Debbie Sutherland	Estimate \$786,351
	Excavating (CWBE) (LWC-SBE)	
	Section B Medium Service Installations Primary- Debbie Sutherland	Estimate \$398,554
	Excavating (CWBE) (LWC-SBE)	
	Section C Large Service Installations-Primary Debbie Sutherland Excavating (CWBE) (LWC-SBE)	Estimate \$300,056
21-11	Resilient Seated Gate and Wheel Valves 1st Renewal	
	Mueller Co, LLC	Estimate \$348,637
22-02	Copper Tubing Purchase & Delivery	
	Plumbers Supply Company	\$443,980
	SUM BY BIDS AND AWARDS CATEGORY	\$6,068,503

Procurement of Professional Services

RFP 18-01	Assignment from PeopleSoft Managed Services Master Agreement-Oracle SOA Applications Architect	
	Sierra-Cedar	Estimate \$370,000
	SUM BY BIDS AND AWARDS CATEGORY	\$370,000

Procurement of Sole Source Materials and Services

<i>RFP #14-10</i>	AMR Meters, Registers, Endpoint Transmitters and Equipment – 8th PPI Renewal	
Sole Source	Neptune Technology Group Inc.	\$485,986
	Annual Renewal of Automatic License and Support	
Sole Source	Broadcom CA, Inc.	\$443,540
	LOJIC Capital and Operations Costs for Fiscal Year 2022	
	LOJIC	\$390,395
	SUM BY BIDS AND AWARDS CATEGORY	\$1,319,921
	GRAND TOTAL	\$7,758,424

Financial Report Given

Lynn Pearson advised that the audit of the 2021 financial statements is nearing its conclusion, with the exception of areas related to pension and other post-retirement benefits. The ultimate completion date of the audit and issuance of the financial statements is dependent upon the release of the audited pension report from the Kentucky Retirement System (KRS). This report will provide updated liability numbers and other information that we must have in order to finalize the audit and the financial statements.

Ms. Pearson advised that she has spoken with personnel with the KRS and they estimate the pension liability numbers will not be complete until late June. Pursuant to our Bond Covenants, Louisville Water's audited financial report must be filed on or before June 30. She added that KRS will release unaudited liability numbers in late May, but the Company's external auditors can only use KRS's audited numbers.

Mr. Bruce advised that we may need to call a special Board meeting to approve the audit report.

Ms. Pearson advised that she will keep in contact with the KRS and will provide updates to the Board as needed.

Ms. Pearson proceeded with the presentation of the financial results for March. Results must be considered preliminary until the audit of the 2021 financial statements is complete.

Total consumption and water revenue were under budget for March, but the shortfall was almost completely offset by a favorable variance in other operating revenue. Total operating expense, along with non-operating income performed favorably to budget and as a result, net income for the month exceeded budget by \$140,000.

Consumption of 2.7 billion gallons for March is 35 million gallons less than budget, and 145 million gallons higher than March 2021. The unfavorable budget variance was driven primarily by shortfalls in residential and Metro government consumption, offset partially by the commercial and industrial customer classes. A considerable portion of the negative variance in residential is attributable to the timing of meter reads. Year-to-date consumption remains under budget by 2.6% and over prior year 0.7%, with residential being the main driver of the year-to-date budget variance.

Water Revenue for March 2022 is \$164,000 lower than budget and \$1.7 million higher than the prior year. Lower consumption is the key factor driving lower water revenue for this period as compared to budget. The majority of the shortfall was in residential and Metro government offset by higher revenue in commercial, industrial and irrigation. For the year-to-date period, water revenue is 2.2% less than budget and 4.4% higher than prior year levels.

Other Operating Revenue for March is \$130,000 higher than budget and \$313,000 above year-ago levels. The variance to budget is mainly due to higher revenue from late charges, disconnect fees and service line protection. The increase over prior year is also driven by revenue from late charges and to a lesser extent, disconnect fees and service line protection. Year-to-date, other operating revenue is \$292,000 higher than budget and \$771,000 higher than prior year. The year-to-date variance to budget is primarily due to higher revenue from late charges and service line protection.

Operating and Maintenance Expenses for March of \$8.4 million are \$484,000 higher than budget and \$1.2 million higher than March 2021. The March variance to budget is primarily due to higher contractual services, insurance reserves, and fleet costs partially offset by lower labor and labor related expenses and bad debt expense. Much of the overage in contractual services is due to repairs for main breaks. The increase over March 2021 is primarily due to higher labor and labor related costs, contractual services, bad debt, and insurance reserves. March year-to-date operating and maintenance expenses are \$562,000 higher than budget and \$2.1 million higher than year ago levels. Labor and labor related expense, chemicals, contractual services, and fleet expenses were all higher than budget through March, offset somewhat by lower insurance reserves. The year-to-date variance to prior year is mainly due to higher labor and labor related expense, chemicals, utilities, contractual services and bad debt expense somewhat offset by lower insurance reserves.

Total Operating Expenses for March of \$13.7 million are \$162,000 lower than budget and \$903,000 more than prior year. The budget variance is due to realizing a net gain from disposition of assets vs. a budgeted net loss, along with lower depreciation. These favorable variances are partially offset by higher operating and maintenance expense. The net gain on disposition of assets is the result of a gain of \$230,000 recognized on the sale of property on Johnstontown Road. The variance to prior year is mainly due to higher operating and maintenance expense. Total operating expenses year-to-date are 0.7% lower than budget and 6.9% over year-ago levels. The year-to-date budget variance is primarily the result of lower depreciation and loss from disposition of property.

Communication and Marketing Report Given

Kelley Dearing Smith advised that in March, Louisville Water's economic development work garnered the most significant earned media activity. A profile in *Louisville Business First* on water's link to economic growth reached more than 7 million people. Additionally, *The Lane Report* highlighted our marketing and branding efforts in its "women in business" feature.

Louisville Water continues to enjoy record engagement with customers through our electronic newsletter. The open rate for March was 51% with most of the interest coming from the launch of Pure ConnectSM, our new customer portal for viewing and paying your bill.

Louisville Water is raising awareness about the importance of a high-quality, reliable water supply to Kentucky's economic health. The "Water Grows KY" campaign highlights water's vital and often unexpected role in Kentucky's top industry sectors – agriculture, education, distilling and brewing, health care and manufacturing.

The campaign kicked off with a presentation and water tasting at the Third Annual James B. Beam Institute Conference in Lexington and will be featured at industry events scheduled throughout 2022. A webpage at LouisvilleWater.com includes videos, testimonials, and facts on water's link to Kentucky's economy.

Ms. Dearing Smith also added that restoration of the Water Tower will begin within the next couple of months.

Customer Service and Distribution Operations Report Given

Mr. Vogel referred the Board to his officer's report in the agenda book but did bring attention to two items.

Training will begin in April for our full time Field Services Team to prepare for taking on the operations and maintenance of the AMI installed endpoints. This is a big shift in responsibility for the team and will become a much larger portion of their workload in the future as we expand our AMI areas. A major milestone was achieved in late March when we began using the AMI system to reduce truck rolls for customer “move ins/outs”. While full automation of the process will not be complete until the 3rd quarter, we are seeing significant efficiency gains.

Engineering and Production Operations Report Given

Mr. Kraus stated that 2022 capital program expenditures through March totaled \$14,526,900 which is \$1,716,308 or 13.4% higher than the same period last year. These expenditures equate to 13.02% of the 2022 total capital program of \$111,534,377.

The amount of water produced and delivered to the system in March 2022 was 114.5 MGD, which was 1.8% higher than March 2021 and 7.5% higher than the March five-year average. For year-to-date, the amount of water delivered to the system was 2.7% higher than 2021, and 7.1% higher than the five-year average.

All water quality goals for March 2022 were achieved. No water quality violations occurred.

Eleven chemical spills were reported upstream of the Zorn intake; no incidents prompted additional treatment or impact to water quality. All treatment goals were achieved. Eight water quality customer complaints were received in March (cf. the five-year average is six complaints).

Mr. Kraus stated that he will not be attending the May Board meeting. Jeremy Raney will be attending and presenting several items for the Board’s review and approval.

Human Resources Report Given

Terrence Spence provided a summary regarding recent and current activity between the Louisville Water’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 four active grievances filed by the Union.
- The Executive Union Management Alliance Council (EUMAC) established and finalized their 2022 performance goals.
- Diversity, Equity and Inclusion training of Achieving Sustainable Inclusion (ASI) was completed for all available Louisville Water employees. Make-up sessions are being scheduled for those who were unable to attend.
- Company and union leadership participated in the Commitments, Actions, Results and Stories (CARS) Diversity, Equity and Inclusion training.
- Union and company representatives attended the monthly labor management meeting and discussed various work-related topics.
- Louisville Water kicked off collective bargaining agreement (CBA) negotiations to succeed the current contract between the Company and Local 1683 employees scheduled to expire March 16, 2023.
- The Company posted five regular full-time and six temporary full-time positions.

Mr. Spence stated Central High School Senior, Eniayo “Enny” Lyun has been awarded Louisville Water’s “Thomas Family” \$10,000 Scholarship Award.

Information Technology Report Given

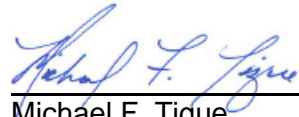
Mr. Knott advised that the Work order and Asset Management (WAM) Upgrade to WAM and GIS is tentatively planned for the second half of 2022 and will include further enhancements to improve support for our business processes.

E-Business Suite (EBS) Phase 2 enhancement have been proposed, budgeted and are now underway.

Customer Care and Billing (CC&B) Upgrade is planned to go live May 15.

There being no further business, the meeting adjourned at 1:46 p.m.

Respectfully submitted,



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