

**Board Of Water Works  
REGULAR CALLED MEETING MINUTES  
December 21, 2021  
Virtual Meeting**

**Board Members Present:**

Dr. Sharon Kerrick, Chair  
Dr. Sundeep "Sunny" Dronawat, Vice Chair  
Mr. Greg Dearing  
Mr. Paul Esselman  
Mr. William E. Summers, IV

**Not Present:**

Mr. Greg Fischer  
Ms. Jennifer Fust-Rutherford

**Others Present:**

Mr. Spencer Bruce, President and Chief Executive Officer  
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, General Counsel and Corporate Secretary  
Mr. Adam Carter, Union President, Local 1683, AFSCME  
Ms. Sue Purdy, Director, Finance  
Mr. Andrew Winslow, Manager, Finance  
Mr. Brian Sturgeon, Computer Network Administrator  
Ms. Beverly Soice, Paralegal

**Visitors:**

The regular called meeting of the Board of Water Works (BOWW) was held on Tuesday, December 21, 2021 by video teleconference via Zoom. Chair, Dr. Sharon Kerrick called the meeting to order at 11:04 a.m.

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

William Summers moved to approve the Regular Monthly Meeting minutes of November 23, 2021. Greg Dearing seconded, and the motion unanimously carried.

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

Spencer Bruce advised that the Executive Leadership Team is working to update Louisville Water Company's policies and procedures in response to OSHA's Emergency Temporary Standards (ETS) concerning COVID-19 vaccination and testing. We will communicate the policies and procedure to employees next week.

Mr. Bruce stated that he would like to share what the Company has done and is planning to do to assist the communities in western Kentucky that were recently devastated by strong storms and tornados.

He advised that Louisville Water will be requesting Board approval for \$50,000 to help local organizations across the devastated region. This money will be dedicated to disaster relief for the Kentucky communities that were affected. The Louisville Water Foundation is donating \$10,000 to the Team Western Kentucky Tornado Relief Fund and \$5,000 to WaterStep, which is sending its Water on Wheels Cart -- a portable, mini-water treatment system -- to Graves County.

Mr. Bruce stated he has talked to the manager at Mayfield Electric & Water Systems and offered both personnel and equipment to assist him in restoring the water system. He shared that while he appreciates the goodwill, he doesn't need hands-on support right now as the recovery situation in the community is still developing. He also said the good news is that their water treatment plant is partially operational, and they are working to restore full pressure. While we aren't needed at this exact moment, the manager shared that he will let us know if, in a few days or weeks, that changes. Mr. Bruce stated he also offered assistance to Bowling Green Municipal Utilities, and we've been in communication with the Kentucky Division of Water and the Kentucky Rural Water Association to let them know we are willing to help.

#### **Fourth Quarter 2021 Dividend Declared**

Lynn Pearson advised that Section 508 of the Series 2009 Water System Revenue Bond Resolution provides that the Louisville Water Company will pay to the Louisville / Jefferson County Revenue Commission an annual dividend on the Louisville Water Company stock owned by Louisville / Jefferson County Metro Government, Kentucky. The dividend declared for 2020, based upon estimated net income, is required to be adjusted after completion of the annual audit to reflect any difference between estimated and actual net income. The amount of such adjustments is to be paid with or deducted from the regular quarterly dividend payments in 2021.

The annual audit has been completed. Net income of \$33,044,204 requires a total 2020 dividend to Louisville / Jefferson County Metro Government, Kentucky of \$18,542,855. The total dividends paid during 2020 were \$20,424,641. The difference between the dividend paid for 2020 and the actual dividend computed and declared for 2020 is \$1,881,786. A portion of the difference was deducted from the second quarter 2021 dividend payment and the balance will be deducted from the fourth quarter 2021 dividend payment as directed by Louisville Metro Office of Management and Budget

Paul Esselman moved to declare the quarterly 2021 dividend in the amount of \$4,706,839.50. Mr. Summers seconded, and the motion unanimously carried.

**WHEREAS**, it has been the long established policy of Louisville Water Company to pay a dividend on its common stock related to its net earnings, after giving consideration to any requirements for debt amortization and bond reserve requirements, and

**WHEREAS**, a covenant written into the 2009 Water System Revenue Bond Resolution sets forth a formula for determining the amount of any such dividend, and

**WHEREAS**, such covenant requires payment of a dividend each year based on estimated annual Adjusted Net Income, with adjustment upon completion of the annual audit to reflect any difference between estimated and actual net income, such adjustment to be made in the quarterly dividend payments of the following year, and

**WHEREAS**, an estimated dividend of \$20,424,641 was paid in 2020 based on estimated Adjusted Net Income of \$39,746,000 and

**WHEREAS**, the annual audit for 2020 has now been completed which establishes the full dividend for 2020 as \$18,542,855 based on actual Adjusted Net Income of \$33,044,204, and the Board resolution of December 15, 2020 was amended on June 22, 2021 to decrease the 2020 annual dividend by \$1,881,786 from \$20,424,641 to \$18,542,855, and a portion of the difference was deducted from the second quarterly 2021 dividend payment and the

remainder will be deducted from the fourth quarterly 2021 dividend payment, as directed by Louisville Metro, and

**WHEREAS**, the 2009 Bond Resolution requires that the Board of Water Works pay a quarterly dividend based on the formula contained therein, such quarterly payments to be as nearly equal in amount as possible, and

**WHEREAS**, the 2021 Louisville Water Company Annual Budget reflects the 2021 annual dividend to be \$18,827,358, it would be in order at this time to declare a regular fourth quarter dividend of \$4,706,839.50; therefore, be it

**RESOLVED**, the regular fourth quarter 2021 dividend of \$4,706,839.50 is hereby declared, and

**RESOLVED**, that \$425,000 of the total difference of \$1,881,786 will be deducted from the fourth quarterly 2021 dividend payment, and

**RESOLVED**, that the President of the Company hereby is authorized and directed to pay \$4,281,839.50 to the Louisville / Jefferson County Revenue Commission on December 31, 2021, this being the fourth quarterly dividend for 2021.

### **2022 Tariff and Cost of Service Approved**

Ms. Pearson advised that at its November 23, 2021 meeting, the Board adopted the 2022 Annual Budget and staff was directed to prepare rate schedules with an average rate increase of 3.5%, effective for water service beginning January 1, 2022 and thereafter.

The proposed 2022 Tariff and Water Rate Schedule was developed in accordance with a cost of service study based upon the methods promulgated in the American Water Works Association Manual M1, Water Rates.

Staff is recommending retail water rates increase as of January 1, 2022 and wholesale rates as of July 1, 2022. The wholesale rates will require approval by the Public Service Commission (PSC) for utilities that are under its jurisdiction. Upon approval, staff will meet with wholesale customers and begin the process for obtaining approval from the PSC.

Ms. Pearson noted that Louisville Water's Service Rules and Regulations authorize certain fees and charges for providing service to customers. Each year, staff reviews these charges and fees as part of the annual Tariff and Water Rate Schedule and recommends appropriate changes as needed. Ms. Pearson, Tim Kraus and Kelley Dearing Smith reviewed the proposed changes with the Board.

Mr. Esselman moved to approve the proposed customer installation fees and customer account charges and deposits effective January 1, 2022. Mr. Dearing seconded, and the motion unanimously carried.

Ms. Pearson thanked Andrew Winslow and his team for their work on the rate schedule. Mr. Bruce thanked the entire budget team for their work.

### **Contract and Budget Increased for Project No. 11310: Renovate B.E. Payne Water Treatment Plant Sludge Lagoons 1, 2, 3 and 4**

Mr. Kraus advised that he is asking the Board to approve a contract change order to increase the project budget for the B.E. Payne WTP Renovation of the Sludge Lagoons. The contract change order increases Liter's Inc. contract value by \$1,927,763 and increases the project budget by \$3,035,000.

Mr. Kraus provided a summary of the specifics included in the change order which included an increase in the volume of residuals, removal of the debris from Lagoon #4 decant tower, and

increasing the unit price cost of Lagoon #4 residual removal. The original unit price has remained unchanged since 2014 when the project was initially bid. Labor and hauling costs have increased in the ensuing years.

Mr. Esselman moved to approve Liter's contract increase in the amount of \$1,927,763 to \$20,144,854.50 to address the items specifically noted in the change order and the project budget increase in the amount of \$3,035,000 to \$23,005,280. Mr. Summers seconded, and the motion unanimously carried.

**Scope and Contract Increased and New Budget of Record Established for Project No. 15438 – Lower Hunters 20' Transmission Main Improvements**

Mr. Kraus advised that he is asking the Board approve contract change orders for the Lower Hunter 20" Transmission Main project in the amount of \$516,575.

The Notice to Proceed for Project No. 15438 Lower Hunters 20" Transmission Main project was provided to the Basham Construction and Rental Co, Inc. on April 14, 2021. The current scope of the Lower Hunters 20" Transmission Main Project includes installation of the 20" main down Lucille Avenue. Change order #1 adds a 16" grid tie to the project scope to improve system redundancy and to allow for future tie-ins. Change order #2 adds flushing ports to seven gate valves within the project. To eliminate additional disruptions to our customers, optimize restorations, and gain economy of scale with Basham already working in the area, the decision was made to transfer the main replacement on Lucille from the 2022 MRRP program to project 15438 which became change order #3. The scope of change order #3 includes replacement of existing 4" asbestos cement water main in Lucille Avenue as well as stub connections on Railroad Avenue.

Mr. Dearing moved to increase the project scope to include the above referenced items and the change orders be approved setting a new contract amount of \$2,816,575. Mr. Summers seconded, and the motion unanimously carried.

**Contract Awarded and Budget Increased for Project No. 16232 - McMahan Area Main Replacement**

Mr. Kraus advised he is requesting the Board authorize the award of a contract greater than \$1,500,000 and increase the project budget by \$564,000 for the McMahan Boulevard Area Water Main Replacement Project.

The McMahan Boulevard project consists of 7,320 linear feet of distribution water main replacement, with pipe sizes ranging from 12-inch diameter to 4-inch diameter along five different streets, located in the east central side of Louisville Metro. These mains were selected utilizing our cohort analysis paired with a net present value analysis. All the mains are the same vintage and are experiencing failures in similar corrosive soils, which tends to be a major driver for pipe failure in the distribution system.

The apparent low bid for this project is Louisville Paving Company, Inc with a bid of \$1,800,000, which is 28.6% higher than the engineers estimate of \$1,400,000. This difference is due to the increases in material and labor cost

Mr. Esselman moved to award a contract to Louisville Paving Company, Inc., in the amount of \$1,800,000 and to increase the project budget \$564,000, establishing a new budget of record in the amount of \$2,030,000. Mr. Dearing seconded, and the motion unanimously carried.

**Contract Awarded for Project No. 16237 – Milton Street Area Main Replacement**

Mr. Kraus advised he is requesting the Board authorize the award of a contract greater than \$1,500,000 for the Milton Street Area Water Main Replacement Project.

The Milton Street Area Project scope consist of 5,005 linear feet of distribution water main replacement, with pipe sizes ranging from 8-inch diameter to 4-inch diameter along seven different streets, located southeast of the Central Business District. These mains were selected utilizing our cohort analysis paired with a net present value analysis. The mains are the same vintage and are experiencing failures in similar corrosive soils, which tends to be a major driver for pipe failure in our distribution system.

The apparent low bid for this project was Basham Construction & Rental Co., Inc with a bid of \$1,589,000, which is 1% lower than the engineer’s estimate of \$1,605,000.

Mr. Dearing moved to award a contract to Basham Construction & Rental Co., Inc., in the amount of \$1,589,000. Mr. Summers seconded, and the motion unanimously carried.

**Reimbursement of Capital Expenditures with Proceeds of Tax Exempt Bonds Approved**

Ms. Pearson advised the Board may adopt a resolution announcing its intention to reimburse itself with the proceeds from the issuance of tax-exempt obligations for the expenditure on certain projects identified in the 2021 Capital Expenditures Program and the 2022-2026 Capital Expenditures Program. By adopting this resolution, the Board of Water Works will be able to replenish funds to be expended during the period beginning 60 days prior to the date of the reimbursement resolution through the date of the bond issue. The Board adopted similar reimbursement resolutions prior to previous issuances including the Series 2019 issuance.

Mr. Esselman moved to approve the reimbursement of Capital Expenditures with Proceeds of Tax Exempt Bond. Seconded by Dr. Sunny Dronawat and the motion unanimously carried.

RESOLUTION OF THE BOARD OF WATER WORKS OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT, KENTUCKY, AUTHORIZING A CAPITAL EXPENDITURES PROGRAM AND EXPRESSING ITS INTENT TO REIMBURSE CERTAIN CAPITAL EXPENDITURES BY APPLICATION OF THE PROCEEDS OF TAX-EXEMPT OBLIGATIONS TO BE ISSUED BY THE BOARD OF WATER WORKS OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT, KENTUCKY.

WHEREAS, the Board of Water Works of the Louisville/Jefferson County Metro Government, Kentucky (formerly the Board of Water Works of the City of Louisville, Kentucky, the Louisville/Jefferson County Metro Government being the governmental successor to such City as a result of operation of law), established and acting under the provisions of Section 96.230 through 96.315 of the Kentucky Revised Statutes (the "Board"), as the governing body of the Louisville Water Company (the "Company"), has received and reviewed the Company's 2021 and 2022-2026 Capital Expenditures Program, more particularly described in detail in Exhibit No. 1, attached hereto (the "Capital Expenditures Program");

WHEREAS, pursuant thereto, the Board has determined to make capital expenditures of approximately \$106,476,644 for purposes of the 2021 Capital Expenditures Program (only expenditures incurred between October 23, 2021 and

December 31, 2021 are eligible for reimbursement) and \$631,438,043 for purposes of the 2022-2026 Capital Expenditures Program part of which is to be financed from the proceeds of tax-exempt obligations to be issued from time to time by the Board; and

WHEREAS, construction and installation of certain components of the Capital Expenditures Program are expected to commence prior to the date of receipt of the proceeds of tax-exempt obligations to be issued from time to time by the Company or the Board and it is therefore necessary for the Board or the Company to advance moneys from funds of the Company on hand and temporarily available therefore, including, inter alia, the Depreciation Fund, Infrastructure Replacement Fund and the Operation Fund, subject in the case of any such interim borrowing or advances to repayment or reimbursement from the proceeds of such tax-exempt obligations to be issued by the Board.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF WATER WORKS OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT, KENTUCKY, AS FOLLOWS:

Section 1. The statements of fact set forth in the preambles to this Resolution are hereby incorporated by reference in this Resolution and are declared to be true and accurate in all respects.

Section 2. The Board shall fund the Capital Expenditures Program on an interim basis pending receipt of the proceeds of tax-exempt obligations of the Board by temporary advances from the Depreciation Fund, Infrastructure Replacement Fund and the Operation Fund of the Company. The Board shall hereafter issue its Water System Revenue Bonds for the purpose of funding all or part of the net costs of the Capital Expenditures Program and shall, to the extent such advances shall have been made, reimburse such advances.

Section 3. In accordance with the provisions of federal law, including Section 1.150-2 of the United States Treasury Regulations, the Board hereby determines and states that;

(a) The Company reasonably expects and intends to reimburse all or part of the 2022-2026 Capital Expenditures Program expenditures incurred and all or part of the 2021 Capital Expenditures Program expenditures incurred between October 23, 2021 and December 31, 2021 with the proceeds of tax-exempt obligations of the Board.

(b) This declaration of official intent is being made under Section 1.150-2 of the United States Treasury Regulations.

(c) The reimbursements herein authorized are to be effected by application of the proceeds of Water System Revenue Bonds of the Board to be hereafter issued for reimbursing expenditures made in respect of the Capital Expenditures Program for the year 2021(as more specifically described in 3 (a)) and the Capital Expenditures Program for the years 2022 to 2026, inclusive, as identified specifically in Exhibit No. 1 attached hereto.

(d) The maximum principal amount of bonds expected to be issued for the five-year Capital Expenditures Program is \$250,000,000.

(e) Reimbursement from the proceeds of such tax-exempt Water System Revenue Bonds shall be made to the Company's Depreciation Fund, Infrastructure Replacement Fund and Operation Fund, which are required for other governmental purposes and are not available for such permanent financing.

Section 4. This Resolution shall be in full force and effect from and after its adoption.

### **Property Declared Surplus and Advertisement Authorized**

Mr. Kraus advised that he is requesting that the Board declare the vacant property located at 6716 Shepherdsville Road as a surplus asset. This 0.44-acre parcel no longer serves any operational purpose and can be declared as surplus property.

Hazen and Sawyer, the Company's Engineer of Record, evaluated this property and issued a Retirement of Asset letter concurring with the position that the parcels can be declared as surplus property and advertised on the open market.

Mr. Summers moved to declare this asset as surplus and authorize staff to proceed with advertisement on the open market. Mr. Esselman seconded, and the motion unanimously carried.

### **Changes to Service Rules and Regulations Approved**

Dave Vogel advised that annually staff reviews Louisville Water's Service Rules and Regulations to determine if any changes should be made. Staff recommends changes in the service rules to incorporate new initiatives and to provide clarification to existing regulations.

A detailed list of the proposed changes was provided to the Board which included additional clarity regarding plumbing permits for New Service Applications; minor verbiage and formatting changes on service installation fees; and a new section to outline how customer payments are allocated between the various services billed.

Mr. Vogel advised that General Counsel has reviewed these proposed revisions and staff recommends approval by the Board, effective January 1, 2022.

Mr. Esselman moved to approve the proposed changes to the Service Rules and Regulations. seconded and the motion unanimously carried. Mr. Dearing seconded, and the motion unanimously carried.

### **2022 Board of Water Works Regular Meeting Dates Approved**

Mr. Bruce advised that under the By Laws, the annual schedule of BOWW meetings are to be approved by the Board. The following dates were proposed for 2022 Board meetings:

January 18, February 15, March 15, April 26, May 17, June 21, July 26, August 16, September 20, October 18, November 22 and December 20.

Mr. Esselman moved to approve the above meeting dates as regular meetings of the BOWW for 2022. The Annual meeting will be held immediately prior to the April Board meeting. Mr. Summers seconded, and the motion unanimously carried.

### **Donation Approved to the Louisville Water Foundation for the Western Kentucky Disaster Relief**

Mr. Bruce advised that recent storms unleashed devastating tornadoes late December 10 and early December 11 across parts of Western Kentucky. As a result of this devastation, Louisville Water has reached out to our peer utilities and are on standby to assist as they recover operationally from the storms.

Additionally, staff is requesting the approval of \$50,000 to use to assist these communities as they recover from the devastating storms. This effort supports our mission of public health and safety and

recognizes the importance of assisting other communities when disasters strike. Mr. Bruce also noted that the Union has donated \$3,500 to the effort.

Per Louisville Water's Charitable Organizations Policy, Mr. Bruce requested the Board's approval to donate \$50,000 to support Western Kentucky as part of their tornado relief efforts.

Following a brief discussion, Mr. Dearing moved to approve that \$50,000 be allocated as a donation to those individuals, charities and entities that were impacted by the December 10 and 11 storms in Western Kentucky. He added that up to 30% will be distributed in January and the remaining funds to be distributed as needed. Seconded by Mr. Summers, and the motion unanimously carried.

Mr. Bruce advised that he will provide reports to the Board with regard to the distributions from these funds.

### **One Water Update Given**

Shannon Tivitt provided a summary of the items discussed at the Louisville One Water Partnership Board on November 4, 2021.

Ms. Tivitt advised that minor updates to the One Water Bylaws, First Amended and Restated Shared Services Agreement and the Amended and Restated Interlocal Cooperation Agreement will be proposed in 2022.

The Board was provided with a copy of the Third Quarter Reimbursement Report for 2021.

The Third Quarter Summary of the 2021 One Water Project Plan was presented to Board. The plan included ten (10) projects for the year and is aligned with the four One Water Goals: *Improve Every Customer Experience, Sustain Partnership/Partner for Progress, Drive Revenue Growth and Create Efficiencies.*

Jordan Basham with Louisville Water and David Johnson with MSD outlined to the Board the infrastructure funding opportunities both organizations have taken advantage of this year.

Efforts are underway to develop the 2022 One Water Project Plan which will be presented to the Board at the next meeting.

MSD Board approved the contract with Louisville Water for billing services for five years.

The Board voted to set their 2022 Board meeting dates for 2022 by videoconferencing.

### **Financial Report Given**

Ms. Pearson advised the Company had strong financial results in November, with water revenue, other operating revenue and total operating expenses performing very favorably to budget. As a result, net income for November is \$833,000 higher than budget.

Consumption of 2.9 billion gallons for November is 69 million gallons in excess of budget, and 242 million gallons higher than November 2020. For the year-to-date period, consumption shows continuing recovery from the pandemic, coming in 5.6% higher than prior year, with all customer classes contributing to the increase except for residential which is within 0.4% of budget. Residential, commercial, and wholesale customer classes were the drivers of the favorable budget variance for the month. Year-to-date, positive variances in irrigation and wholesale are offset to a great extent by negative variances in residential, commercial and industrial, resulting in consumption that is 7 million gallons or 0.02% over budget. For the



year-to-date period, consumption shows continuing recovery from the pandemic, coming in 5.6% higher than prior year, with all customer classes contributing to the increase except for residential which is within 0.4% of budget.

Water Revenue for November 2021 is \$451,000 above budget and \$1.7 million higher than the prior year. Residential, commercial, wholesale, and private fire services were the major drivers of the favorable variance for the month. For the year-to-date period, water revenue is within 0.3% of budget and is 7.1% higher than prior year levels.

Other Operating Revenue for November is \$97,000 higher than budget and \$41,000 higher than November 2020. Year-to-date, other operating revenue is \$1.2 million below budget and \$498,000 higher than prior year. The favorable budget variance for the month is attributable to late charges, cross connection and contract operations revenue. The year-to-date unfavorable variance to budget is primarily attributable to lower revenue from service deactivation fees which were budgeted to resume in April and revenue from the release of the bridge reserve budgeted but not realized. These shortfalls were partially offset by higher revenue in numerous categories including contract operations, property leases and service line protection. The variance to prior year for the year-to-date period is driven by higher revenue in many categories including late charges, cross connection fees, consulting services and service line protection, partially offset by lower contract operations revenue.

Operating and Maintenance Expenses for November are \$386,000 higher than budget and \$711,000 higher than November 2020. The November variance to budget is due to higher contractual services in a number of areas, with Distribution Operations having the largest overage, which is offset to an extent by lower labor and labor related expense related to main break repairs. The unfavorable variance to November 2020 is driven by higher labor and labor related expenses, contractual services and chemicals partially offset by lower insurance reserves. November year-to-date operating and maintenance expenses are \$3.0 million or 3.7% lower than budget and \$2.4 million or 3.2% higher than year-ago levels. Numerous expense categories are below budget through November including bad debt, contractual services, materials and supplies, equipment maintenance, insurance reserves, utilities and chemical costs. The variance to prior year for the year-to-date period is mainly due to higher labor and labor related expenses, contractual services, utilities and chemicals offset by lower bad debt and insurance reserves.

Total Operating Expenses for November are \$308,000 lower than budget and \$886,000 above prior year. Total operating expenses year-to-date are 3.7% lower than budget and 3.9% above year-ago levels. The November budget variance is primarily the result of lower depreciation and loss from disposition of property partially offset by higher operating and maintenance expenses. The year-to-date budget variance is primarily due to lower operating and maintenance expenses along with lower depreciation and loss from disposition of property.

### **Communication and Marketing Report Given**

Ms. Dearing Smith advised the massive infrastructure project on Frankfort Avenue continues to receive media attention, both locally and nationally. Highlighting the infrastructure investment was part of proactive media pitches in November for Louisville Water's 2022 budget along with employee profiles and Veteran's Day events.

Content and education on water leaks is an important part of the Pure Connect metering, monthly billing, and customer portal project. Leak education also helps explain the need for WaterPro<sup>SM</sup>, the company's new water leak protection plan. In November, we launched a new video series called "Ginny on the Job" that features a Louisville Water employee highlighting how to find leaks in your home. The launch of the series quickly became a popular social media campaign, reaching thousands of people.

In December, nursing students from Bellarmine and Spalding Universities represented Louisville Water in dozens of classrooms. The first week of December is “National Handwashing Week” and Louisville Water has a curriculum that highlights the importance of soap and water for hygiene. Staff trained nursing students on the Clean Hands Up program and then students took the lesson to 13 schools in Jefferson County, reaching more than 2,500 students.

Prior to the pandemic, school based education and community outreach included more than 100 schools and dozens of community partners. Staff did an excellent job of pivoting during the pandemic, creating new and lasting opportunities with virtual programming. Today, our education and outreach now include a mix of in-person and virtual and we’re seeing a rebound of programming.

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

Mr. Vogel advised that staff has been extremely busy working with Metro’s Office of Resiliency on the new water assistance program. We continue working with customers who have large arrearages as we work toward normal operations, and still have approximately \$400K of funding remaining in the last Metro grant.

The final items are being wrapped up in our winter operations plan as we prepare for colder weather.

While progress has been slower than anticipated, we now have over 70,000 customers on AMI in Jefferson County. All customers scheduled to convert to monthly billing in 2021 are completed with four cycles converted totaling 28,665 customers.

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

Mr. Kraus advised that six chemical spills were reported upstream of the Zorn intake; Water Quality staff responded to an AFFF foam release in the east end tunnel in Harrods Creek and PAC was applied as a precautionary measure. All treatment goals continued to be achieved. The highest atrazine level detected in finished water was 0.10 ppb on November 4th (cf. Goal < 0.80 ppb).

Mr. Kraus added that work is still ongoing along Frankfort Avenue and staff is trying to get a lane open later this week.

### **Human Resources Report Given**

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

- Currently there is one active grievance filed by the Union in discussion for possible resolution. The other two grievances mention in his report has been resolved.
- Management and Union leadership continue to participate in weekly COVID-19 update meetings to discuss the pandemic’s impact on Louisville Water employees, work schedules, and working on ETS and COVID testing.
- Louisville Water participated in Iroquois High School’s Student Career Fair with representative from Local 1683, management and the Human Resources Department in attendance.

- Louisville Water management and union leadership attended the Louisville Urban League's 2021 Annual Report Luncheon held at the League's Norton Healthcare Sports & Learning Complex.
- Union and management members were provided an overview by local 1683 legal counsel on how the Right-to-Work law can impact Louisville Water and employees as the expiration of the current collective bargaining agreement approaches in 2023.
- The Company posted three temporary full-time Customer Service Representative positions for the internal union job bidding process.

Louisville Water attended a recent graduation ceremony for students who completed the six week Kentuckiana Builds "Heavy Construction Training Program". The Company provides financial sponsorship, work readiness training and apprenticeship education presentations to the program.

Louisville Water's Diversity Equity & Inclusion (DEI) third party consultant, Integrity Development Corporation (IDC), distributed and collected Employee Inclusion Survey forms with the results to be provided in early January 2022. IDC representatives met with several of the Company's management staff for one-on-one discussion and feedback.

### **Information Technology Report Given**

Jeff Knott advised Information Technology staff continues to concentrate on a regular cadence testing of disaster recovery plans.

After many months of issues with our phone systems, we now have a stable environment and phone calls are no longer being dropped on a daily/hourly basis. While we are cautiously optimistic that we have addressed all of the concerns, we will continue to monitor the system closely for further issues.

Mr. Knott provided a brief summary on the status of upgrades to various business systems.

IT staff continue to work with Customer Service to improve the new application process. This will be accomplished by automating much of the manual research done within our own systems. Additionally, we will be able to create applications within our billing system from a central location, simplifying the number of steps and the amount of manual work. This enhancement is in development and is on track to be in production at the beginning of 2022.

### **Legal Report**

Michael Tighe stated he had nothing to report this month.

There being no further business, the meeting adjourned at 12:56 p.m.

Respectfully submitted,



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