

**Board Of Water Works**  
**REGULAR CALLED MEETING MINUTES**  
**April 16, 2019**

**Board Members Present:**

Mr. Creighton Mershon, Chair  
Dr. Sharon Kerrick, Vice Chair  
Mr. Paul Esselman  
Dr. Sundeep "Sunny" Dronawat  
Ms. Tierra Kavanaugh Wayne  
Mr. Craig Willman

**Not Present:**

Mayor Greg Fischer

**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  
Ms. Lynn Pearson, Vice President and Treasurer  
Mr. Terrence Spence, Vice President, Human Resources and Labor Relations  
Mr. Michael Tigue, Vice President, General Counsel and Corporate Secretary  
Ms. Sue Purdy, Director, Finance and Accounting  
Ms. Kim Reed, Director, One Water Liaison  
Ms. Jenni Schelling, Director, Internal Audit  
Mr. Matthew Griffith, Strategic Planning and Performance Specialist  
Ms. Beverly Soice, Paralegal

**Visitors:**

The regular called meeting of the Board of Water Works (BOWW) was held on Tuesday, April 16, 2019 at the Louisville Water Company (Louisville Water or the Company) located at 550 South Third Street, Louisville, Kentucky. Chair Creighton Mershon called the meeting to order at 12:20 p.m.

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

Paul Esselman moved to approve the Regular Called Meeting Minutes of March 19, 2019 seconded by Tierra Kavanaugh Wayne and the motion unanimously carried.

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

Spencer Bruce noted the Board has received periodic updates on Louisville Water's efforts to develop products, services and partnerships that build on our core competencies. The team of employees working on the pure spout™ project continue to work towards field evaluations in September. We recently executed an agreement with a local firm to take the prototype of the water fountain filter, implement design improvements and manufacture the first units. The current plan is to test and certify the product and then place pure spout™ filters on drinking water fountains in approximately 10 locations throughout Louisville.

Mr. Bruce advised the team has had numerous conversations with prospective customers and as we prepare for the field evaluation, we are in discussions with vendors to secure a partner for the marketing strategy. This work will include developing the brand architecture and storylines for various audiences, media, case studies and, if warranted, a go-to-market strategy.

Mr. Bruce indicated that he will keep the Board advised as the project progresses.

### **Appoint Delegates to the One Water Board**

After a short discussion, Ms. Wayne moved to appoint Mr. Mershon and Craig Willman as the BOWW delegates to the One Water Board. Mr. Esselman seconded, and the motion unanimously carried.

### **Contact Ratified for the Unbudgeted Cardinal Hill Slope Stability Project**

Tim Kraus asked for ratification of the award of the unbudgeted Cardinal Hill Slope Stability Construction Project. Cardinal Hill Road was constructed by Louisville Water in 1931 as part of the construction of the Cardinal Hill Reservoir. Spoil material from construction of the 30-million-gallon reservoir was placed along the side of Cardinal Hill to form a road bed which became Cardinal Hill Road. The 60-inch reservoir supply main was placed along the uphill side of the road in native soils.

Mr. Kraus provided a summary of the improvements made to the road over the years.

Mr. Kraus reported that a significant series of cracks were observed in Cardinal Hill Road on March 7, 2019. Subsequent investigations determined that the road was actively sliding downhill, and corrective action was necessary. On March 14, 2019, a Certificate of Emergency was issued by the President to allow immediate corrective action to be taken to reduce subsidence and to protect the 60-inch reservoir supply main in Cardinal Hill Road.

Louisville Water worked with its Geotechnical Engineer, Vector Engineers, Inc., to conduct soil borings, monitor road movement and design a system to stabilize the road. A pre-quote meeting was held with three prequalified contractors to explain project details and answer contractor questions. Three quotes were received that were evaluated based on costs (50% weighting), contractor experience (25% weighting) and time to complete the project (25% weighting). The best evaluated quote, which also was the lowest cost quote, was submitted by RAM Engineering & Construction, Inc., with a price of \$1,623,725.

Mr. Kraus advised the revised project estimate including engineering design, construction, inspection, future drainage improvements, restoration and contingency is \$2,770,400.

Mr. Willman moved to ratify the contract award for the Cardinal Hill Slope Stability Project to RAM Engineering & Construction, Inc. in the amount of \$1,623,725 and establishment of a budget of record of \$2,770,400 for this project. Mr. Esselman seconded and the motion unanimously carried.

### **Project Ratified and Budget Established for Ford Collins Lane Meter Rehabilitation Project**

Mr. Kraus advised staff is requesting authorization to initiate an unbudgeted project to replace one of the water mains that provides service to Ford's Kentucky Truck Plant (Ford) in eastern Jefferson County. Ford's plant was constructed in the late 1960's and is currently our third largest water customer with usage of over 1 million gallons per day. There are two separate points of services that provide both fire and domestic service to Ford, one on Chamberlain Lane near Westport Road

and one at Collins Lane near an unnamed private access road referred to as Mermaid Drive.

The Collins Lane service to Ford is non-standard, in that the meters are located inside a building on Ford's property. Normally, Louisville Water owns and maintains the main up to and including the water meters and the supply main is located in the public right-of-way or a Louisville Water easement, so the main can be maintained. In this case there is no record of an easement and the main is laid cross-county in Ford's property. As Ford has expanded this facility over the years, surplus soil has been placed over this main, which is now covered by an estimated 20 to 25 feet of fill.

Louisville Water and Ford have met to discuss this situation and have agreed that this main should be replaced. A new main will be installed in a Louisville Water easement in Mermaid Drive. The meter vault will be placed just outside Ford's gate, so Louisville Water can maintain the main and services without difficulty. The main will be upsized from an existing 12-inch main to a 16-inch main and an 8-inch grid-tie will be extended down North Winchester Acres Road to provide redundancy. Ford will extend its domestic and fire service lines from Louisville Water's meter vault to the mains at the existing meter building.

Ford will construct the portion of the improvements on its property and Louisville Water will construct and maintain the portion in the Louisville Water easement. The costs associated with both improvements will be combined and the total will be split 50/50. Ford will maintain the service lines on their property and Louisville Water will maintain the main extension on Mermaid Drive and the meter vault in accordance with our Service Rules and Regulations.

The preliminary estimate of the total project cost is \$1,557,585, with Louisville Water's share to be \$778,792.50 with Ford contributing the remaining \$778,792.50

Mr. Esselman moved to proceed with the Ford Collins Lane Meter Rehabilitation Project and to establish a budget of record of \$1,557,585, contingent on executing an agreement with Ford for cost sharing and ownership as described above. Ms. Wayne seconded and the motion unanimously carried.

### **Compensation and Benefits Committee Meeting held April 11, 2019**

Lynn Pearson reviewed historical trend analysis with the Board as a backdrop prior to the review of the proposed Company goals. Ms. Pearson reviewed Declining Total Water Sales Analysis, Annual Water Sales by Customer Class, Water Revenue By Customer Class, Other Operating Revenue, and Water Rate History and Revenue by Type.

Dr. Sharon Kerrick provided a report on the Compensation and Benefits Committee meeting held on April 16, 2018.

Dr. Kerrick reported that staff presented the 2019 Leadership Shared Operating Goals, the Management Incentive Goals and the Corporate Performance Goals for review. Dr. Kerrick reviewed each goal with the Board.

Dr. Kerrick advised the committee recommends approval of the proposed Leadership Shared Operating Goals, the Management Incentive Goals, and the Corporate Performance Goals as presented.

Mr. Esselman moved to approve the proposed goals as presented, seconded by Mr. Willman and the motion unanimously carried.

## First Quarter 2019 Certification of Projects & Change Actions

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

### Project Proposals Requiring Board Approval:

Project Number	Project Name	Requested Total Estimate	Contribution	LWC Net Cost	Current Year Estimate
15434	660 Plan-SW Jefferson Cty Improvements-Greenbelt Hwy from Johnstown Rd to 10901	\$ 505,800	\$ -	\$ 505,800	\$ 464,800
15435	660 Plan-SW Jefferson Cty Improvements-Greenbelt Hwy from Skyview Dr to Bethany Ln	\$ 1,313,000	\$ -	\$ 1,313,000	\$ 1,205,800
15436	Lead 2019 - Partial Service Renewals	\$ 1,915,000	\$ -	\$ 1,915,000	\$ 1,600,000
XXXXX <sup>1</sup>	Ford Collins Lane Meter Rehabilitation	\$ 1,252,500	\$ 626,250	\$ 626,250	\$ 1,252,500
XXXXX <sup>2</sup>	MRRP 2019 - E Manslick Road	\$ 3,815,000	\$ -	\$ 3,815,888	\$ 950,000
<b>Total</b>		<b>\$ 8,801,300</b>	<b>\$ 626,250</b>	<b>\$ 8,175,938</b>	<b>\$ 5,473,100</b>

### Project Change Actions/Admin Notifications Requiring Board Approval:

Project Number	Project Name	Previously Approved Total Estimate	Change In Total Estimate	Requested Total Estimate	Change In Current Year Estimate
14124	690 Plan - Preston Highway 16-Inch (Belmont Road to Timber Ridge Court)	\$ 1,094,500	\$ 655,500	\$ 1,750,000	\$ 655,500
14321	Rehabilitation 2015 - Eastern Pkwy 48-inch main	\$ 25,761,000	\$ 1,325,000	\$ 27,086,000	\$ 15,000
15027	Storage - Tank Coating Program 2017 - Peaceful Vly	\$ 305,000	\$ 525,000	\$ 830,000	\$ 225,000
15035	Condition 2017 - PCCP	\$ 8,959,871	\$ 444,481	\$ 9,404,352	\$ 352,801
<b>Total</b>		<b>\$ 36,120,371</b>	<b>\$ 2,949,981</b>	<b>\$ 39,070,352</b>	<b>\$ 1,248,301</b>

### Project Proposals Approved by the President:

Project Number	Project Name	Requested Total Estimate	Contribution	LWC Net Cost	Current Year Estimate
15432	2019 CHFP Lab Renovations	\$ 220,000	\$ -	\$ 220,000	\$ 220,000
15437	2019 Fleet - Tri Axle Dump Truck	\$ 160,000	\$ -	\$ 160,000	\$ 160,000
<b>Total</b>		<b>\$ 380,000</b>	<b>\$ -</b>	<b>\$ 380,000</b>	<b>\$ 380,000</b>

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

Project Number	Project Name	Previously Approved Total Estimate	Change In Total Estimate	Requested Total Estimate	Change In Current Year Estimate
15243	BPS - Kenwood Hill HBPS Renovation 2018	\$ 272,000	\$ 185,000	\$ 457,000	\$ 185,000
15144	BEP - RBF Pump Modification	\$ 886,703	\$ 82,257	\$ 968,960	\$ 82,257
15256	Algonquin Pkwy 30" Leak Detec	\$ 417,900	\$ 210,926	\$ 628,826	\$ 210,926
15458	Condition 2019 - PCCP	\$ 7,990,400	\$ 84,418	\$ 8,074,818	\$ 320,338
<b>Total</b>		<b>\$ 9,567,003</b>	<b>\$ 562,601</b>	<b>\$ 10,129,604</b>	<b>\$ 798,521</b>

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

Project Number	Project Name	Previously Approved Total Estimate	Change In Total Estimate	Requested Total Estimate	Change In Current Year Estimate
15458	Condition 2019 - PCCP	\$ 8,074,818	\$ -	\$ 8,074,818	\$ 295,000
15463	Garden Green Way 2019 MRRP	\$ 1,239,200	\$ -	\$ 1,239,200	\$ 600,000
15465	Hawley Gibson Rd Area MRRP	\$ 1,504,800	\$ -	\$ 1,504,800	\$ 600,000
15467	S 41st Street Area - MRRP	\$ 1,437,300	\$ -	\$ 1,437,300	\$ 600,000
<b>Total</b>		<b>\$ 12,256,118</b>	<b>\$ -</b>	<b>\$ 12,256,118</b>	<b>\$ 2,095,000</b>

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

Project Number	Project Name	Total Estimate	Total Cost To Date	Status	Budget Year Category
11264	Transmission - Cardinal Hill Second Supply Phase 2B	\$ 3,708,490	\$ 125,621	Pending Capital	2005 Budget
11310	BEP - Renovate Sludge Lagoons #1, #2, #3, and #4	\$ 7,272,800	\$ 7,785,069	Work In Progress	2006 Budget
11615	Transmission - Gene Snyder Freeway Section 1B	\$ 9,133,000	\$ 382,885	Design In	2007 Budget
11616	Transmission - Gene Snyder Freeway Section 2A	\$ 6,641,500	\$ 64,331	Pending Capital	2007 Budget - Program Child
13109	ZPS - Standby Generator	\$ 9,500,000	\$ 652,112	Design In	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	\$ 58,500,000	\$ 757,949	Design In	2013 Budget
13364	Relocation 2012 - Blue Lick Road Phase 1	\$ 4,198,144	\$ 4,230,539	Completed Not Closed	2012 Budget - Unbudgeted
13512	ZPS - Station #3 Slate Roof Replacement and Masonry Improvements	\$ 6,569,000	\$ 5,451,810	Work In Progress	2013 Budget
13523	690 Plan - Preston Highway, Collins Hill Road to Rolling Fork	\$ 5,863,521	\$ 6,087,919	Completed Not Closed	2013 Budget - Program
13650	Relocation 2013 - 690 Plan - Preston Hwy Corridor T&D- John Harper Hwy to Highway 44	\$ 3,655,000	\$ 1,217,538	Work In Progress	2014 Budget - Unbudgeted
14321	Rehabilitation 2015 - Eastern Pkwy 48-inch main	\$ 25,761,000	\$ 19,227,122	Work In Progress	2015 Budget
14325	CHFP - Chemical Building and Lab Fire Protection and Office Space Improvements for Productions	\$ 4,882,740	\$ 408,131	Design In Progress	2015 Budget
14330	CHWTP - Standby Generator	\$ 12,987,000	\$ 4,858,475	Work In Progress	2015 Budget - Unbudgeted
14498	ZPS,CHPS - 13.8 KV Switchgear Rehab	\$ 2,174,287	\$ 2,094,104	Completed Not Closed	2015 Budget - Unbudgeted
14515	Condition 2016 - CH Yard Piping and Valves	\$ 6,741,755	\$ 5,518,721	Work In Progress	2016 Budget - Program
14524	ATT RBF for CH	\$ 221,905,253	\$ 5,798,000	Design In	2017 Budget
14530	I.T. - Business Intelligence Expansion: Financial and Human Resources Analytics	\$ 2,267,127	\$ -	Pending Capital	2017 Budget
14534	I.T. - Oracle Utilities CCB,MWM Enhancements	\$ 3,500,000	\$ 2,671,790	Work In Progress	2016 Budget
14536	I.T. - Work and Asset Management System - WAM	\$ 23,526,488	\$ 12,068,274	Work In Progress	2016 Budget
14542	Transmission - Urton Lane	\$ 5,297,725	\$ 185,323	Design In	2017 Budget
14543	860 PZ - Bardstown Road Elevated Storage Tank	\$ 6,700,000	\$ 5,144,697	Work In Progress	2016 Budget
14545	Transmission - I-64 Transmission Main, I-64 Clark Station Rd to Hwy 55 in Shelby Co	\$ 16,180,300	\$ 15,053,698	Work In Progress	2016 Budget
14553	Transmission - Minor Lane Grid-Tie	\$ 2,191,500	\$ 2,357,005	Work In Progress	2016 Budget - Unbudgeted
15035	Condition 2017 - PCCP	\$ 7,495,160	\$ 7,007,704	Work In Progress	2017 Budget - Program
15036	Condition 2017 - Reservoir Yard Piping and Valves	\$ 5,000,000	\$ 50,546	Design In Progress	2017 Budget - Program
15060	680 Plan - Highway 42, Greenmere Boulevard to 13450 Highway 42	\$ 2,644,000	\$ 1,226,332	Completed Not Closed	2017 Budget - Program
15253	900 Plan - Old Henry Rd to Terra Crossing Blvd	\$ 2,372,000	\$ 57,703	Design In	2018 Budget
15254	680 Plan - Rivercrest Dr main	\$ 2,005,750	\$ 1,199,483	Completed Not Closed	2018 Budget - Program
15255	Condition 2018 - PCCP	\$ 7,343,000	\$ 4,454,286	Work In Progress	2018 Budget - Program
15264	MRRP 2018 - Virginia Ave area	\$ 2,331,500	\$ 970,091	Work In Progress	2018 Budget - Program
15265	MRRP 2018 - Glaser Ln area	\$ 2,005,900	\$ 10,645	Design In Progress	2018 Budget - Program
15438	660 Plan-SW Jefferson Cty Improvements-Lower Hunters Trace 20"	\$ 4,857,300	\$ 3,437	Design In Progress	2019 Budget

## First Quarter 2019 Certification of Contracts & Bids

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

Mr. Bruce noted four exceptions with corrective actions are included in this reporting period. He reviewed the exceptions and the corrective actions being implemented to ensure they do not reoccur.

**Construction**

<b>17-149</b>	<b>BEP RBF Pump Modifications, CO#2 Change Order #2</b>		
15144	Layne Christensen Company		\$82,257
<b>17-150</b>	<b>Assignment to Master Agreement - Transmission System Repairs and/or Capital Improvements. Algonquin Pkwy 30" Leak Detection</b>		
15256	Garney Companies (MBE-WBE)		\$282,058
<b>17-60</b>	<b>Zorn Pump Station #3 Renovation Change Order #3</b>		
13512	HGC Construction		\$256,793
<b>18-124</b>	<b>Rollingwood Booster Pumping Renovation</b>		
15243	G.B.M.C. (CMBE)		\$400,167
<b>18-129</b>	<b>Lime Unloading System Renovation at BE Payne Water Treatment Plant</b>		
15022	Scott & Ritter, Inc.		\$279,950
<b>18-131</b>	<b>Highway 1793 Tank &amp; Goshen BPS Demolition</b>		
14127	O'Rourke Wrecking Company		\$88,850
<b>18-25</b>	<b>Eastern Parkway 48-inch Transmission Main Rehab Phase 2B-Change order #2</b>		
14321	MAC Construction & Excavating, Inc.		\$70,778
<b>18-31</b>	<b>Condition 2017 PCCP- Assignment from Master Agreement Distribution System Repairs &amp; Capital Improvement.</b>		
15035	MAC Construction & Excavating, Inc. (MBE, WBE)		\$300,607
<b>19-03</b>	<b>Central Jefferson County Area Lead Service Renewals</b>		
15459	Basham Construction & Rental Co., Inc.		\$923,000
<b>19-04</b>	<b>East Jefferson County Area Lead Service Renewals</b>		
15460	Basham Construction & Rental Co., Inc.		\$825,000
<b>19-05</b>	<b>Northwest Jefferson County LSR</b>		
15461	Seven Seas Construction (MBE)		\$989,880
<b>19-06</b>	<b>14009 Fairway Lane Water Main Relocation Project</b>		
15379	S-Walk Inc. dba Seven Seas Construction		\$44,300
<b>19-24</b>	<b>Lead Tailpiece Service Renewals</b>		
15436	Basham Construction and Rental Co., Inc.		\$862,000
	<b>SUM BY BIDS AND AWARDS CATEGORY</b>		<b>\$5,405,640</b>

**Procurement of Emergency Materials and Services**

<b>19-43</b>	<b>CERTIFICATE OF EMERGENCY- Cardinal Hill Road Slope Stability Tree Clearing.</b>		
15513	Bob Ray Company, Inc	NTE	\$30,037
	<b>SUM BY BIDS AND AWARDS CATEGORY</b>		<b>\$30,037</b>

**Procurement of Materials and Services**

	<b>Employee Group Dental Insurance</b>		
	Delta Dental (Renewal)	LWC cost \$281,565.00	\$365,669
	<b>Employee Group Disability Insurance</b>		
	Voya Insurance- (Renewal)	LWC cost \$115,667.00	\$115,667
	<b>Employee Group Life Insurance</b>		
	Voya Insurance- (Renewal)	LWC cost \$57,302.00	\$292,358
<b>11-146</b>	<b>Notification &amp; Collection of Delinquent Accounts Contract Extension</b>		
	The CMI Group (TAG)	Estimate	\$175,000
<b>12-89</b>	<b>Louisville Water Company Property Protection 2019 Contract Extension</b>		
	Frederick Asset Protection		\$100,474
<b>13-101</b>	<b>Print Utility &amp; Mail Services- 4th CPI Renewal- Correction</b>		
	Utilitec	Estimate	\$1,255,113
<b>14-03</b>	<b>Compensation Consulting Services-4th CPI Renewal</b>		
	Mercer	Estimate	\$71,052
<b>15-32</b>	<b>Grounds Maintenance and Snow Removal for LWC 4th &amp; Final CPI Renewal</b>		
	Class A Lawn & Landscape Site 2 Grounds Maintenance	Estimate	\$56,752
	Greenway Landscape Site 2 Snow Removal	Estimate	\$90,613
	Ward Brothers Mowing & Tree Service Site 1,3,4 Ground Maintenance	Estimate	\$108,454
<b>16-126</b>	<b>Assignment from Master Contract for Contingency Pump Repairs-BEPP High Service #6 Pump</b>		
	Layne Christensen Company	Estimate	\$54,372

<b>16-175</b>	<b>Ready Mix Concrete 2nd PPI Renewal</b> Smyrna ready Mix	Estimate	\$539,643
<b>16-22</b>	<b>Major Engine &amp; Transmission Repairs - Under One Ton 2nd CPI Renewal</b> Aamco Transmission & Total Car Care, Fleet Pride and Allstate Ford Truck Sales, LLC	Estimate-Unit Rate Contract	\$103,000
<b>16-23</b>	<b>Major Engine &amp; Transmission Repairs - One Ton &amp; Over 2nd CPI Renewal</b> Peterson Truck Center, Fleet Pride, and all State Ford Trucks Sales, LLC	Estimate-Unit Rate Contract	\$257,500
<b>16-48</b>	<b>Skid Mounted Air Compressors 3rd PPI Renewal</b> Brandeis Machinery	Estimate	\$76,927
<b>16-56</b>	<b>Maintenance, Repair and Supplies for Konica/Minolta Multifunction Machines- Extend Contract</b> Lang Company	Estimate	\$43,077
<b>17-140</b>	<b>Crew Trucks with Crane-1st PPI Renewal</b> UHL Truck Sales	Estimate	\$705,108
<b>17-143</b>	<b>Bonfire (Electronic Bidding) for Procurement</b> Bonfire	2 years	\$35,856
<b>17-61</b>	<b>Assignment to Contingency Contract for Motor Repairs- BEPP High Service #6 Motor</b> Mohler Technology, Inc.	Estimate	\$40,225
<b>17-61</b>	<b>Assignment to Contingency Contract for Motor Repairs- Horner Industrial for CHPS #6 Motor</b> Horner Industrial	Estimate	\$25,000
<b>17-61</b>	<b>Assignment to Contingency Contract for Motor Repairs-Bearing Replacement and Cleaning of RBF# 2 Motor.</b> Horner Industrial	Estimate	\$20,185
<b>17-61</b>	<b>Contingency Contract for Motor Repairs- 1st CPI Renewal</b> Horner Industrial Services, Inc.		\$75,000
<b>17-80</b> <i>Louisville Metro RFP# 170016</i>	<b>Office Supplies- 1st Renewal</b> Office Depot	Estimate	\$42,231
<b>17-80</b> <i>Louisville Metro RFP# 170016</i>	<b>Office Supplies- Renew Contract and Ratify first renewal</b> Office Depot- 2nd Renewal	Estimate	\$43,498
<b>18-02</b>	<b>Temporary Personnel &amp; Direct Hire Placement Services-1st CPI Renewal</b> Category A: 22nd Century Technologies, Inc.	Estimate	\$2,265,120
<b>18-58</b>	<b>Cement - 1st PPI Renewal</b> Cemex / Kosmos Cement Company	Estimated	\$86,898
<b>18-88</b>	<b>Property Protection / Security Services</b> Frederick Asset Protection	Estimated	\$1,061,088
<b>19-09</b>	<b>Gate and Wheel Valves</b> Hayes Pipe Supply	Estimated	\$343,762
<b>19-14</b>	<b>Copper Tubing Spot Purchase &amp; Staggered Delivery</b> Plumbers Supply		\$202,848
<b>19-19</b>	<b>Tri-Axle Dump Truck</b> UHL Truck Sales		\$129,786
<b>19-20</b> <i>Louisville Metro Contract #3048</i>	<b>Occupational Medical Services</b> Occupational Health centers Southwest, P.A. dba Concentra Medical		\$20,409
<b>19-25</b>	<b>PVC Pipe &amp; Ductile Iron Pipe</b> Core & Main (Ductile Iron Pipe) Ferguson Waterworks (PVC Pipe)	Estimate	\$27,113 \$81,890
<b>19-27</b>	<b>Stone, Soil and Sand</b> Course Concrete Sand- Quality Stone Manufactured Sand- Hanson Aggregates Manufactured Sand- Irving Materials Soil- Earth First of Kentuckiana Soil- Litter's Environmental Stone- Green Dream International, LLC Stone- Green Dream International, LLC Stone- Hanson Aggregates Stone- Irving Materials Stone- Quality Stone		\$22,188 \$29,915 \$25,575 \$76,650 \$54,750 \$138,450 \$138,450 \$37,180 \$34,380 \$92,569
<b>19-28</b>	<b>Steel Casing Boring &amp; Jacking</b> Miller Pipeline	Estimate	\$120,610

<b>GSA Contract</b> 47QTC18D00LA	<b>Oracle Identity Management Improvements</b> KapStone	Estimate	\$166,765
<b>KY State Contract</b> MA-758-06000001126	<b>Computer Systems Purchase - Replacement of 54 systems</b> Dell		\$73,240
<b>KY State Contract</b> MA7581400000671-61	<b>One (1) 2019 Rotary Wireless Mobile Lift (set of 6) w/18,000lb each Lifting Capacity</b> Choice Equipment, LLC.		\$60,891
<b>KY State Contract</b> MA75818000006091	<b>One (1) Caterpillar 308CR Mini-Excavator w/ Hammer &amp; 24", 36" Buckets</b> Whayne Supply		\$132,886
<b>KY State Contract</b> MA758PUNC17000007 662	<b>Replacing some antiquated Chairs (20 years old) at the JLH Building</b> Office Resources, Inc (ORI)		\$21,595
<b>KY State Contract</b> MA7581800000017	<b>Software-as-a-Service for Asset Management</b> SHI International Corp. (CMBE)		\$88,700
<b>KY State Contract</b> MA60500000600	<b>Three (3) 2020 Freightliner (108SD) Tandem Dump Trucks</b> Kentucky Truck Sales Inc.		\$371,238
<b>KY State Contract</b> MA758160000490	<b>XtremeIO -Renewal</b> PROSYS		\$69,677
<b>RFP 18-01</b>	<b>Oracle Remote Application Management Support-PeopleSoft-RFP 35% Technical, 30% Interview, 35% Cost</b> Sierra Cedar		\$23,920
<b>WKU-10178</b>	<b>Acquire KnowB4 Security Awareness Subscription (3year)</b> Volta		\$41,476

**SUM BY BIDS AND AWARDS CATEGORY** **\$10,732,793**

### Procurement of Professional Services

15513	<b>CERTIFICATE OF EMERGENCY- Cardinal Hill Road Slope Stability</b> Vector Engineers, Inc.	NTE	\$147,385
	<b>Louisville Water Company Strategic Communications Consultant</b> Ms. Barbara Crow-Theobald		\$70,000
	<b>Water Research Foundation Project #4998</b> Eurofins Eaton Analytical, Inc.	NTE	\$30,000
<b>13-169</b>	<b>Assignment from Contingency Contract for Commercial Diving Services- BEPP Filter Influent Valves</b> Marine Solutions Diving	Estimate	\$53,940
<b>13-48</b>	<b>Insurance Brokerage Services-5th Renewal</b> Assured Partners NL (fka Neace Lukens)		\$47,892
<b>16-03</b>	<b>Assignment from Transmission Pipeline System Design Engineering Services- Kentucky, Oak Glenmary 48-inch Transmission Main Rehabilitation</b> HDR		\$67,730
<b>19-36</b>	<b>Sell of Property- Oldham Co. PVA #01-00-00-6B on Riverside Drive.</b> Winning Bidder (Sperry Van Ness) <span style="float: right;">Paid to LWC Minimum Amount</span>		\$30,000
<b>RFP 15-47</b>	<b>Assignment from Surveying, Platting and Mapping- 660 Plan SW Jefferson County Improvements Lower Hunters Trace 20" Transmission Main</b> Sabak, Wilson & Lingo, Inc		\$35,051
15438	<b>Assignment from Surveying, Platting and Mapping- 662 Plan SW Jefferson County Improvements Blanton Lane 20" Transmission Main</b> Sabak, Wilson, & Lingo, Inc		\$47,267
<b>RFP 17-13</b>	<b>Assignment from Engineer of Record - Master Agreement RFP (50% Technical, 25% Interview, 25% Cost Proposal)- CHPS Discharge Header Valve Refurbishment</b> Hazen and Sawyer	NTE	\$172,500

**SUM BY BIDS AND AWARDS CATEGORY** **\$701,765**

### Procurement of Sole Source Materials and Services

	<b>2019 RBF and Wellhead Protection Monitoring Plan</b> U.S. Geological Survey (USGS)		\$79,440
	<b>BEP Sodium Hypochlorite Process Safety Enhancement and Cell Rebuild.</b> DeNora Water Technologies, Inc. (DeNora)	NTE	\$30,148
	<b>Laboratory Supplies -Contract Renewal</b> IDEXX Laboratories		\$41,595
	<b>Maintenance Contract for on-site Chlorine Generation System at CHFP and BEPP</b> De Nora Water Technologies, LLC.		\$46,100



	<b>Oracle Cloud Services</b>	
	Oracle	\$280,007
	<b>T.C. Technology Software License and Maintenance Agreement Renewal</b>	
	T.C. Technology	\$26,677
<b>17-153</b>	<b>Assignment to Master Agreement - Electromagnetic Inspection and Leak Detection</b>	
<i>15469</i>	<b>on Large Diameter Water Mains- Transmission Valve Condition Assessment 2019-1st CPI Renewal</b>	
	Pure Technologies	\$73,093
<b>17-153</b>	<b>Assignment to Sole Source Services Master Agreement-Algonquin Pkwy 30" Leak Detection</b>	
<i>15256</i>	Pure Technologies U.S. Inc.	\$161,975
	<b>SUM BY BIDS AND AWARDS CATEGORY</b>	<b>\$739,035</b>
	<b>GRAND TOTAL</b>	<b>\$17,609,270</b>

## **Financial Report Given**

Ms. Pearson advised that completion of the financial statements for December and full year 2018 is pending the release of final audited pension and post-retirement benefits balances by the state. Preliminary information has been received and staff is in the process of incorporating the numbers into our financials. Once the audited report is issued, we will work with our external audit team to finalize our 2018 audited financial statements.

Total consumption and water revenue for March came in below budget and prior year levels. Other operating revenue was also slightly less than budget. Total operating expenses and non-operating income and expense all performed favorably to budget in March, more than offsetting the shortfall in operating revenue. As a result, net income for the month was \$231,000 higher than budgeted.

Consumption of 2.4 billion gallons for March 2019 is 104 million gallons below budget, and 154 million gallons lower than March 2018. Residential, commercial and industrial customer classes account for the majority of the unfavorable budget variance in March. Year-to-date consumption remains under budget and prior year by 5.3% and 8.6% respectively, with all classes under budget except private fire services.

Water Revenue for March 2019 is \$542,000 lower than budget and \$75,000 below prior year. A portion of the shortfall is due to timing issues which will reverse in April. Water revenue through March is under budget by \$2 million and is \$768,000 below prior year levels. Lower consumption is the key factor driving decreased water revenue for the year-to-date period as compared to both budget and prior year levels.

Other Operating Revenue for March is \$29,000 lower than budget but is \$118,000 higher than year-ago levels. For the year through March, other operating revenue is lagging budget by \$86,000 but is over prior year by \$325,000. The year-to-date variance to budget is primarily due to lower revenue from late payment and other customer fees, offset by higher revenue from profit on sale of materials and contract operations revenue. The variance to prior year is driven by growth in cross connection fees, service line protection and contract operations revenue slightly offset by lower late charges.

Operating and Maintenance Expenses for March of \$6.7 million are \$756,000 lower than budget and \$59,000 lower than March 2018. The March variance from budget is primarily in labor and labor related, contractual services, bad debt and chemicals costs. Labor costs are lower mainly due to full time vacancies in excess of budgeted levels. Contractual services are below budget primarily due to Oracle managed services and Windows 10 training costs budgeted to occur in March but were postponed to a later month. Chemicals are below budget due to less water pumped than anticipated.

March year-to-date operating and maintenance expenses are \$1.2 million under budget and \$283,000 under year-ago levels. The majority of the year-to-date favorable budget variance is in contractual services, chemicals, bad debt, power and insurance reserves. The year-to-date favorable variance to prior year is mainly in contractual services and overtime. Costs in 2018 were high as a result of the high number of main breaks that occurred early in the year. Power costs and bad debt expense are also lower than prior year.

Net Income before Distributions and Contributions for March is \$2.8 million which is \$231,000 more than budgeted. In comparison between years, net income is \$247,000 less than March 2018. March year-to-date net income of \$9.2 million is \$455,000 lower than budget and \$771,000 less than the three months ended March 2018.

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

Kelley Dearing Smith provided a summary of the communications and marketing report for March.

On World Water Day, March 22, Louisville Water participated in two events: Members of the UofL Sustainability Club hosted a “taste test” on campus where students sampled bottled water and Louisville’s pure tap®, and at the WaterWorks Museum, over 250 people attended a program that highlighted Louisville Water’s history and operations with local historian Tom Owen sharing the story of the Ohio River.

Several of the schools that staff visit annually include monthly programming that build on a water topic. At Fern Creek High School, we are working with Louisville MSD on a sustainability project that includes classroom programming, community involvement and a rain garden at the school. The science teacher we are working with has also received funding from the Louisville Water Foundation.

In March, Louisville Water was represented at the annual Water Matters! Fly-In, which was hosted by the American Water Works Association in Washington, D.C. More than 150 water managers from 49 states and Puerto Rico met with their elected leaders in the U.S. Congress to urge support for programs that fund water infrastructure and protect water quality. Ms. Dearing Smith joined other utility professionals during the Fly-In and highlighted Louisville Water’s efforts in removing lead service lines and inspecting some of our larger water mains with robotic technology.

Louisville Water played an active role in the recent Kentucky General Assembly. Our involvement included reviewing bills introduced, attending committee meetings and networking with numerous legislators. The most critical issue for Louisville Water remains pension reform. At the beginning of the session, a bi-partisan working group was formed to study the issue. Several meetings were held but no recommendations were made. Pension reform remains a priority of the governor and many members of the legislature.

Louisville Water also partnered with the Kentucky Dental Association to defeat a proposed bill that would have allowed optional fluoridation of public drinking water supplies. Our concern was the bill could potentially create problems for regionalization since local communities could determine if a water utility fluoridated the water.

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

Dave Vogel provided a summary of the customer service and distribution operations report for March.

The preparation checklist and planning for Kentucky Derby activities continue prior to the events as scheduled. As in past years, a dedicated crew and a first responder will be on standby to cover any water-related issues, should they arise, on Derby day.

April ended with 26 main breaks for the month which is slightly lower than last year (32) and the five-year average (31). New service work continues to be strong; five to six crews were assigned to this activity during the month. Warehouse transition to contractor supplied materials for projects is progressing with nine projects bid as contractor supplied. Thus far, it appears that the bids are competitive and within budget using this new material supply methodology.

Call Center performance continued to be hindered by lower than normal staffing levels in March. Two new classes have been hired since the beginning of the year and a third is currently being recruited. The Call Center operations received 32,038 calls for the month with an abandonment rate of 27% which is higher than past periods. The average speed of answer (ASA) came in at 11:19 m:s which is also higher than past periods. The front lobby processed 10,783 payments (8,127 cash and 2,656 check) for the month.

Processing of electronic payments was shifted to a new vendor in March. This was an extremely successful transition with virtually no issues and zero customer impact. The new payment vendor is more consumer friendly with the IVR prompts and visually on the web. Additionally, customers can receive a text confirmation when a payment is made.

March bad debt came in under budget for the second month in a row at \$76K. Staff has placed a great deal of emphasis on reducing bad debt through improvements in the collections process and focusing on our field activities. Year-to-date bad debt is running 28% lower than budget and 34% lower than last year.

### **Engineering and Production Operation Report Given**

Mr. Kraus provided a summary of the engineering and production operations report for March.

2019 capital program expenditures through March totaled \$12,052,026 which is \$5,004,860 or 29.34% lower than the same period last year. These expenditures equate to 11.06% of the 2019 total capital program of \$108,979,178.

The amount of water produced and delivered to the system in March 2019 was 104.4 MGD, which was 2.0% lower than March 2018 and 1.3% lower than the March five-year average. For year-to-date, the amount of water delivered to the system was 6.5% lower than 2018, and 2.4% lower than the five-year average.

There were 11 chemical spills reported by ORSANCO during the month of March; nine occurred upstream of Louisville Water's Zorn intake. There were no incidents that prompted additional treatment. All treatment goals were achieved.

Water Quality (WQ) staff monitored 1,200 water quality parameters of a required 994 per federal and state regulatory requirements. There were zero water quality violations.

As of April 1, 2019, there are 2,350 documented lead service lines that remain in our service area. A total of 1,455 of these documented lead services are in some phase of bidding/awarding, construction or in the process of being posted to our records for removal. Of the remaining 895

documented lead services, there are 834 services that are lost and no longer have a meter associated with them, leaving a total of 61 known lead services to be removed.

### **Human Resources Report Given**

Terrence Spence provided the following 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).

- Currently, there are five active grievances filed by the Union. Two are under review for possible resolution, one is pending recommendation for resolution and one is in pre-mediation status.
- Company and Union leadership reviewed a preliminary draft of the revised Drug/Alcohol and Vehicle Usage Policies and Procedures prior to the scheduled roll-out in early May 2019.
- Union and Management representatives collaborated and instituted a metering work guideline for route coverage.
- Management and Union representatives held two meetings to begin the modification of the Company's emergency response process to improve the Company's readiness to respond to main breaks and other distribution repair needs.
- A Letter of Understanding (LOU) developed by Management and Union Leadership establishing a two-tiered Pilot Training Program for union personnel completing apprentice level instructions was approved by the Union.

### **Information Technology Report Given**

Dr. Tom Luckett provided a summary of the Information Technology (IT) report for March.

IT is working with Ernst & Young (E&Y) to support Phase I of the Oracle Work & Asset Management (WAM) Implementation while also working on the Phase II high-level design. Staff is expecting to transition Phase I support to a third-party vendor at the end of the current E&Y agreement term.

IT is working with Volta to implement an IT Asset Management system. The project is in the discovery phase and when complete, we will have a comprehensive inventory of our assets. This will ensure all devices are being managed properly.

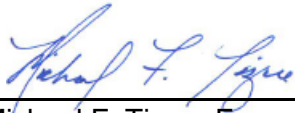
As of April 10, Louisville Water's network and server systems are being monitored around the clock for failures. This positions us for high-availability systems when WAM and CC&B are fully integrated and deployed.

IT has purchased a new security awareness training package which will allow targeted training as well as annual and onboard training. This product also has a portal to analyze potentially malicious emails that allow deeper inspection of emails without risk to the Company.

The PeopleSoft support agreement with Sierra Cedar has been approved through the Bids & Awards Process. The balance of the applications is being finalized utilizing additional Oracle discount capacity.

There being no further business for the Board, the meeting was adjourned at 1:45 p.m.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Michael F. Tigue". The signature is written in a cursive style with a horizontal line extending from the end of the name.

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