

LOUISVILLE ONE WATER SPECIAL BOARD MEETING
November 4, 2021
3:00 P.M.
550 S. THIRD STREET, LOUISVILLE, KY
Virtual Meeting

I. CALL TO ORDER AND INTRODUCTIONS:

The November 04, 2021, special meeting of the Louisville One Water Board was held by teleconference video via Zoom Communications. The meeting was called to order by Mr. J.T Sims at 3:02 p.m.

Board members present:

Dr. Sharon Kerrick
Mr. J.T. Sims, Chair
Ms. Ellen Heslen
Mr. William Summers, Vice Chair

Others present:

Ms. Anne Trout, MSD, Assistant General Counsel
Mr. Brad Good, MSD, Chief Financial Officer
Mr. Brian Bingham, MSD, Chief of Operations
Ms. Camille Fort, Louisville Water, Paralegal
Mr. Dave Vogel, Louisville Water, Executive Vice President
Mr. James A. Parrott, MSD, Executive Director
Ms. Kelley Dearing Smith, Louisville Water, VP of Communications, Marketing & Econ Dev
Ms. Kimberly Reed, One Water, Chief Innovation Officer
Ms. Lynne Fleming, MSD, Human Resources Director
Ms. Rene' Lindsay, One Water, Chief Procurement Officer
Ms. Megan Hancock, Louisville Water, Director - Customer Service
Ms. Shannon Tivitt, One Water, Project Liaison Director
Mr. Spencer Bruce, Louisville Water, President & CEO
Mr. Terrence Spence, Louisville Water, Vice President, HR, and Labor Relations
Mr. Tim Kraus, Louisville Water, Vice President, Chief Engineer
Mr. Wesley Sydnor, MSD, Intergovernmental Relations Director
Mr. Mathew Griffith, Louisville Water, Strategic Planning and Performance Specialist
Ms. Dana Price, MSD, Director of Records & Information Governance Program
Mr. Brian Sturgeon, Louisville Water Computer Network Administrator
Mr. David Johnson, Louisville MSD, Chief Engineer
Ms. Lynn Pearson, Louisville Water, Vice President, Finance/Treasurer
Ms. Jenni Schelling, Louisville Water, Internal Auditor
Mr. Paul Bagley, MSD, CIO
Mr. Michael Tigue, Louisville Water, General Counsel
Ms. Sandra Conner, MSD, Internal Auditor
Jordan Basham, Louisville Water, Infrastructure Manager
Stephanie Laughlin, MSD, Infrastructure Planning Program Manager

II. REVIEW AND APPROVE JULY 29, 2021, MEETING MINUTES

Mr. J.T. Sims called the meeting to order and asked if everyone had a chance to review the minutes from the July 29, 2021, meeting. Dr. Sharon Kerrick moved to approve the Special Called Meeting Minutes, seconded by Ellen Heslen and the motion unanimously carried.

III. REVIEW OF ONE WATER DOCUMENTS

Ms. Shannon Tivitt presented the progress of reviewing One Water documents. The review committee, made up of Ms. Tivitt, Anne Trout with MSD, and Richard Hinton with Louisville Water, examined: One Water Bylaws, First Amended and Restated Shared Services Agreement and Amended and Restated Interlocal Cooperation Agreement. The proposed changes to the bylaws included: changing the principal address being used for the initiative from Louisville Metro Govt to Louisville Water as this is where the Project Liaison Director is housed. The second recommendation was to change the language on board terms. The third recommendation was to determine the definition of executive director. Ms. Tivitt shared internally we consider the One Water Project Liaison Director the staff person for the One Water Board and overall Partnership. Documents refer to Executive Director as appointed by the board. The question raised by the review committee was: Will we ever want to hire an Executive Director that's not an employee with MSD or Louisville Water? Should we update Bylaws to remove Executive Director and replace with current Project Liaison Director title? Ms. Ellen Heslen suggested changing the title from Project Liaison director to Executive Director eliminating the need to change the bylaws. Ms. Tivitt will have internal dialogue with both MSD and Louisville Water human resources departments to determine if this is achievable. The fourth recommendation made by the committee included holding regular meetings at least biannually and establishing a calendar of regular meetings its last regular meeting of each year. Lastly, the review committee recommended changing the fiscal year of One Water from July-Jun to a calendar year (Jan-Dec) matching the shared services report, audits, and progress reports. Both CFOs have approved the language change.

The second document reviewed by the committee was the First Amended Shared Services Agreement which outline the general terms and conditions for sharing personnel and other resources. Again, the first recommendation is changing the principal address being used for the initiative from Louisville Metro Govt to Louisville Water address as this is where the Project Liaison Director is housed. Second, it was recommended both companies review the language within Section IX- Ownership and Disclosure of Shared Information, Proprietary Information, Shared Attorney-Client Communication, etc. to ensure it is current. The third recommendation involves the audit section. The committee believes biannual audits would be sufficient as we no longer track net benefits with the One Water Tracking Tool and the reporting focus has shifted to an annual project plan. The main financial component for audit will be the shared services reimbursements between MSD and Louisville Water, which will also

be reviewed by the One Water Board at every quarterly meeting. In the future, a biannual review of One Water items will be presented when needed. One Water activity items such as reimbursements, contracts, etc. are already incorporated into other audit review plans made by MSD and Louisville Water Auditors. If there are any findings that pertain to One Water activities, then those can be shared with the One Water Board.

The Amended and Restated Interlocal Cooperation Agreement Between the Board of Water Works and the Metropolitan Sewer District was the final document reviewed by the committee. At this time, Ms. Tivitt is still researching but it is likely both (MSD and BOWW) boards will need to approve the Mayor's appointments to ensure compliance. No other changes were recommended to the ILA. Ellen Hesen made a motion to accept the proposed changes to the documents, Dr. Sharon Kerrick seconded, and the motion carried.

IV. 2022 BOARD MEETING DATES (Board Action)

Mr. JT Sims moved to adopt the following resolution for approval of the One Water Board establishing its regular meeting schedule for January 2022 – December 2022, Ms. Ellen Hesen seconded, and the motion carried unanimously.

Whereas, KRS Chapter 61 (the "Open Meetings Act") requires the One Water Board to hold regular meetings and to fix the time and place of such meetings;

Whereas, the Louisville One Water Bylaws states the One Water Board may hold at least one meeting each quarter, and to establish a calendar of regular meetings at its first regular meeting of each calendar year;

Whereas, the Kentucky Open Meetings Act also requires that the Board provide for a schedule of regular meetings by resolution or bylaw and that the same be made available to the public; and

Whereas, in compliance with statutory requirements and the requirements of its Bylaws, it is the consensus of the One Water Board to establish and publish a schedule of regular meetings for the months of January – December 2022.

NOW THEREFORE, BE IT RESOLVED by the One Water Board that the following schedule of regular meetings shall apply for the months of January – December 2022. All regular One Water Board meetings shall be held at the Louisville Water Company (LW) Training Room A, 550 S. 3rd Street, Louisville, Kentucky 40202 meeting, through video teleconference.

January – December 2022 One Water Board Regular Meeting Schedule

Date: Thursday, April 21, 2022 Time: 3:00 PM

Date: Thursday, November 17, 2022 Time: 3:00 PM

Adopted this 4th day of November 2021.

V. PARTNERSHIP UPDATE

A. SHARED SERVICES REIMBURSEMENT REPORT (July – September 2021)

Mr. Brad Good presented the third quarter 2021 shared service expenses. The report is grouped by labor and non-labor related expenses. Through the third quarter five (5) positions with labor costs totaling \$54,573 were allocated to Louisville Water. Four (4) positions with labor costs totaling \$38,294 were allocated to MSD. The LAGIT insurance expense made up a large portion of the non-labor costs. This expense was allocated 50/50 between each company. Year-to-date non-labor costs included a billing feasibility study, a backup data line for customer service and communications econ development. All of which were divided equally among both companies.

B. 2021 ONE WATER PROJECT PLAN – 3rd QUARTER REPORT

Ms. Kelley Dearing Smith updated the board on the execution of the Drops of Kindness program. Louisville Water and MSD are participating in the US Water Alliance pilot program. Over the next year, the project will investigate how water fits into affordability. The Drops of Kindness content has received some press through the Metro COVID campaign and Give for Good Louisville. To date, 21,000 customers have been assisted with Drops of Kindness and more than \$7 million has been distributed.

Mr. Dave Vogel shared the progress on updating customers to monthly billing through PureConnect. As of September 15, 2021, 55,534 AMI endpoints have been installed (total to convert is 285,000). He added we are on schedule to move the planned cycles to monthly billing for 2021 (total of 28,665 meters).

Mr. Tony Parrott updated the board on renegotiating the billing agreement between MSD and Louisville Water. Currently the working group is finalizing the recommendations provided by the subgroup. Mr. Spencer Bruce added the goal is to have an agreement that can be easily updated in the future. He stated everyone worked well together and the contract should be finalized in the next few weeks.

Ms. Rene Lindsey presented the progress of implementing the findings of the Mayor's Equity in Contracting and Procurement Task Force. MSD and Louisville Water have provided 2nd quarter diversity expenditure and monthly outreach reports. Both companies will continue to actively participate in the subcommittee group meetings. She added MSD and Louisville Water have also submitted information regarding outreach to be included on the Equity in Contracting and Procurement website. Ms. Lynn Pearson added Louisville Water is looking at ways to automize the adding of businesses to reduce manual work and improve accuracy. Mr. Parrott added the City FY 22 budget also allocated for equity in procurement and the resource allocation is being discussed. Ms. Heslen stated a gap assessment has been done and to work with Christy Jarboe with the city to review findings.

Ms. Tivitt gave information on sustainable green opportunities. The Mayor has asked each organization to look at and evaluate green and sustainable opportunities. A meeting with Metro officials to learn about their programs and projects has been held. The plan is to meet again before end of year to review partnering opportunities. This project will continue into 2022.

Ms. Kelley Dearing Smith provided an update on economic development. Both teams have continued to work with House Foods as they develop site design details. House Foods will be a top user for both entities. She stated Louisville Water and MSD have also been pulled to collaborate on a potential new industrial user. Mr. Wes Sydnor added MSD is hoping to close a partnership with Bullitt County at the end of November 2021 and stated this is a testament to the One Water Partnership.

Ms. Kimberly Reed shared progress on revenue growth opportunities in offering billing services to other entities. The first step is finalizing the billing agreement between MSD and Louisville Water. The goal is to have the agreement finalized in December 2021. Some conversations have started on potential offerings. This goal will continue into 2022.

Ms. Tivitt updated the board on Fleet Services. MSD and Louisville Water staff began testing the new Fleet Management system on September 13 using vendor provided test scripts with an estimated completion date of October 1. Integrations with the NAPA parts system and Fuel providers continue. The plan is to begin system training (all staff) starting October 18. The project continues to be on-time as initially targeted with “go live” in November.

Ms. Lindsey outlined MSD’s efforts developing an outreach and recruitment plan for small local businesses. MSD launched the small business program July 1, 2021. MSD has started accepting applications last week. During this time, the Supplier Diversity team in conjunction with B2GNow (Business to Government Now) developed an online Small Business Enterprise program (SBE) application. Parallel to that, Supplier Diversity has conducted several internal and external informational sessions and has begun outreaching to recruit SBEs to the Program. MSD continues its outreach effort to grow its list of diverse businesses. Some activities include conducting virtual town hall meetings, one-on-one phone calls and meetings including the monthly “Doing Business with MSD” meetings. Ms. Lindsay will be participating in a panel discussion with other Chief Procurement Officers during the Women’s Business Enterprise Council Ohio River Valley (WBEC ORV) “Catch the Wave.” MSD provided the task force with monthly and quarterly diverse expenditures, as well as list of outreach activities as listed above and other requested information.

Ms. Pearson added, as of October 1, Louisville Water has made some changes to the SBE. Louisville Water updated SBE program procedures and requirements to allow for a bigger pool of possible applicants. The changes align better with the size requirements of the Small Business Administration (SBA), allows for self-certification registration thru U.S. General Services Administration – System of Awards Management (“SAM”), increased opportunities for sheltered market bids, and for a reciprocal process for MSD SBE applicants. Louisville Water staff conducts one on one calls, send emails to list of diverse firms from Metro Louisville, MSD, KY Finance, and other resources databases to recruit SBEs. Louisville Water continues to promote and provide a monthly SBE program workshop. Staff participated in Women’s Business Enterprise Council Ohio River Valley (WBEC ORV) “Catch the Wave” Conference virtually to network and meet potential SBE and diverse business. Louisville Water successfully completed a 2nd sheltered market bid and awarded to a Woman Owned SBE.

C. FEDERAL FUNDING OVERVIEW

Mr. David Johnson, Mr. Jordan Basham and Ms. Stephanie Laughlin presented a report on the funding snapshot pursued by MSD and Louisville Water. MSD and Louisville Water are leveraging state and federal funding opportunities to expand infrastructure investments.

MSD is preparing project profiles to submit for the FY23 State Revolving Fund (SRF) call for projects Preliminary rankings will be presented at the October 12, 2021, Clean Water Management Council Meeting and project profiles are due to be submitted to the Kentucky Infrastructure Authority's WRIS portal on December 15, 2021.

Louisville Water identified seven priority projects across its service area in Jefferson, Bullitt, and Oldham County for consideration under the FY23 SRF program. These priority projects are consistent with Louisville Water's broader system needs as well as local priorities. Louisville Water developed project estimates and profiles for these seven projects and submitted them to KIPDA on October 8th. These projects will be presented to the KIPDA Regional Water Management Council on October 12th for approval. Once approved, these projects will be ranked by the Kentucky Infrastructure Authority (KIA) for funding consideration in the FY23 Intended Use Plan (IUP).

Of the \$250 million made available through Senate Bill 36 for clean water and drinking water projects, awards are expected to be issued in October and November for county allocations. Consent Decree / Rural water and Supplemental allocations will follow at a later date.

MSD is working with various cities with ARPA funds in Jefferson County to identify clean water projects that will provide drainage, asset management, and overflow abatement benefits to residents. MSD was notified on July 1, 2021, that the Paddy's Run application was not selected for funding consideration. Although only \$500 million was available in funding, the project did score within the top \$1 billion of project submittals.

Louisville Water and its federal funding consultant, Stantec, evaluated two major projects for suitability under BRIC criteria. It was determined that neither of these projects was likely to score highly per BRIC's evaluation methodology. Louisville Water is continuing to review its CIP for possible BRIC candidates and expects to make a final determination by the end of October.

Additionally, staff are tracking the bipartisan infrastructure bill and coordinating on potential measures to leverage funding for clean water projects. If it passes, \$650 million in additional funding is anticipated through Kentucky's SRF program.

D. 2022 PROJECT PLANNING

Ms. Shannon Tivitt provided an outline for planning and goals for 2022. The change to using project plans has driven progress for this initiative. Four (4) projects will likely roll into 2022. Both organizations will look at items to pursue. She added suggestions by board members are encouraged. A new project plan will be presented in April 2022.

Ms. Hesen suggested making efforts to include Metro in future opportunities for economic developments as well as billing services and utility coordination.

Mr. Sims noted the next meeting scheduled will be held Thursday April 21, 2022, at 3:00PM.

With no further business a motion to adjourn was made by Bill Summers and seconded by Ellen Hesen. Meeting adjourned at 4:19 p.m.

VI. ADJOURN

These minutes were approved by the Board on April 21, 2022.

Shannon L. Tivitt

Shannon Tivitt, Secretary