

**Board Of Water Works
REGULAR CALLED MEETING MINUTES
January 23, 2024**

Board Members Present:

Dr. Sundeep “Sunny” Dronawat, Chair
Mr. Paul Esselman, Vice Chair
Ms. Cathe Dykstra
Ms. Jennifer Fust-Rutherford
Dr. Sharon Kerrick
Mr. William “Bill” E. Summers, IV

Not Present:

Mayor Craig Greenberg

Others Present:

Mr. Spencer Bruce, President and Chief Executive Officer
Ms. Dana Mayton, Louisville Metro, Deputy Mayor
Mr. Dave Vogel, Executive Vice President, Customer Service and Distribution Operations
Ms. Kelley Dearing Smith, Vice President, Communications and Marketing
Mr. Jeff Knott, Vice President, Information Technology
Mr. Tim Kraus, Vice President, Engineering and Chief Engineer
Ms. Lynn Pearson, Vice President, Finance and Treasurer
Mr. Terrence Spence, Vice President, Human Resources and Labor Relations
Mr. Michael Tigue, Vice President, Compliance, General Counsel and Corporate Secretary
Ms. Shannon Tivitt, Executive Director, One Water
Mr. Adam Carter, Union President, Local 1683 of the AFSCME, AFL-CIO
Mr. David Jarred, Vice President, Local 1683 of the AFSCME, AFL-CIO
Mr. Larry Bryant, Director, Production Operations
Mr. Jeremy Raney, Director, Engineering
Mr. Kendall Boyd, Manager, Employee and Labor Relations
Mr. Eric McGiveney, Manager, Distribution Logistics
Ms. Jenni Schelling, Director, Internal Audit
Mr. Brad Hart, Manager, Safety and Emergency Preparedness
Mr. Brian Sturgeon, Computer Network Administrator
Ms. Beverly Soice, Paralegal

Visitors:

The meeting of the Board of Water Works (BOWW) was held on Tuesday, January 23, 2024, at Louisville Water Tower Park 3005 River Road, Louisville, KY. Chair, Dr. Sunny Dronawat called the meeting to order at 11:05 a.m.

Minutes of the Previous Regular BOWW Meeting Approved

Billl Summers moved to approve the regular monthly meeting minutes of December 19, 2023. Jennifer Fust-Rutherford seconded, and the motion unanimously carried.

President/CEO Report Given

Spencer Bruce advised that Winter made an appearance in the Louisville area in mid-January bringing bitter cold temperatures and winds. From Friday, January 12 through Thursday, January

18, Louisville Water crews responded to roughly 50 water main breaks. Most of those breaks involved smaller pipes and were located in neighborhoods which resulted in only short-term interruptions of water service or no interruption at all.

Louisville Water's customer service center received about 150 "no water" calls from customers. However, 99% of those calls were found to be frozen pipes inside the customer's residence.

Our Communications & Marketing team shared ways for customers to protect their home plumbing in addition to highlighting the work of our crews via LouisvilleWater.com, local media outlets, and through our social media platforms.

Mr. Bruce advised he never ceases to be impressed by the hard work, dedication, and team effort of the employees that keeps Louisville Pure Tap® flowing.

Mr. Bruce then announced that this will be Shannon Tivitt's last BOWW meeting. Shannon is leaving Louisville Water to return to her alma mater, the University of Louisville as Vice President of Governmental Affairs. Mr. Bruce thanked Shannon for her dedication and commitment to Louisville Water and this community. Mr. Bruce presented Shannon with a water meter lid clock in remembrance of her time with Louisville Water.

Dana Mayton thanked Shannon for her service to our community. Shannon has spent her entire professional career working for the people of Louisville and Kentucky. Over the years, Shannon has worked for Louisville Water/One Water, the Mayor's Office for Louisville Metro, State of Kentucky, and Jefferson County PVA office. Ms. Mayton then presented Shannon with a Louisville Metro street sign entitled "Shannon Tivitt's Way."

Shannon thanked Mr. Bruce, Ms. Mayton and the Board for their support over the years. Shannon expressed how fulfilling it has been to work for her community. She stated that Mr. Summers called her many years ago asking her to come to work at the Mayor's office and she has been working for the city, county, or state ever since.

Contract Increased for Project 15619: CHWTP - Residuals Conveyance System

Tim Kraus requested that the BOWW authorize a contract change order to HDR Engineering, Inc. to finalize design for the Crescent Hill Water Treatment Plant (CHWTP) - Residuals Conveyance System project.

The CHWTP – Residuals Conveyance System project includes various improvements to Louisville Water's treatment residuals transfer system. The current conveyance system was installed in 1971. The system is critical to maintaining daily water production at Crescent Hill. The current system cannot be taken out of service for maintenance or cleaning due to the criticality and lack of redundancy. This capital project will include the construction of a new pipeline from the Crescent Hill Water Treatment Plant to the B.E. Payne Water Treatment Plant and new mixers for the residuals holding tanks.

The current contract was executed in 2020 for design of improvements to the residual conveyance system. Over the last three years, there have been numerous changes and additions to project scope that were directed by Louisville Water. These changes were expected to require an increase in contract value for HDR. A change order in the amount of \$394,963 is requested to allow HDR to finalize the design of the new pipeline, assist with bidding services for the pipeline, and provide construction services for the recently awarded tank mixers.

Paul Esselman moved to increase the contract amount by \$394,963, for a new total contract of \$1,893,866. Mr. Summers seconded, and the motion unanimously carried.

Contract Awarded for Project 16350 – B.E. Payne Water Treatment Plant Upgrade – Clearwell and High Service Pump Station

Mr. Kraus requested authorization to award an engineering design contract to HDR Engineers, Inc., in the amount of \$1,710,456 for the B.E. Payne Water Treatment Plant Upgrade project – Clearwell and High Service Pump Station.

The existing high service pump station and clearwell were constructed in the 1970's with the original B.E. Payne Water Treatment Plant. It has a volume of six million gallons (MG), or 10% plant capacity, which does not meet current Kentucky Division of Water general design criteria regulations of a minimum clearwell volume of 15% plant capacity. The proposed clearwell will add two, four MG chambers for an additional eight MG bringing the total proposed clearwell volume to 14 MG, which will exceed the current 15% volume requirements. It will also meet future plant expansion capacities of over 90 MGD.

Mr. Kraus advised that design is expected to take one year to complete and construction two and a half years to complete.

Ms. Fust-Rutherford moved to award a design contract for Project 16350 – B.E. Payne Water Treatment Plant Upgrade – Clearwell and High Service Pump Station to HDR Engineers, Inc. in the amount of \$1,710,456. Mr. Esselman seconded, and the motion unanimously carried.

Approve Contract Renewal for Construction Inspection Services

Mr. Kraus advised the Construction Inspection Services contract was awarded to RA Consultants in February 2023 for the estimated amount of \$2,277,734.40 for a period of one year with the option to renew up to four additional years. Staff determined that this represented excellent value for inspection services. Based on performance to date, staff has recommended renewal of the contract for an additional year in 2024 at an increase of 3.2% with an estimated amount of \$2,546,222.45, which also includes an additional inspector for Distribution Operations.

In 2024, it is anticipated that Louisville Water will utilize up to 19 contract inspectors from the RA Consultants contract. Seven will be utilized by Construction Inspections to inspect pipeline projects constructed by contractors. Up to four inspectors will be utilized by the Distribution Operations department to inspect various maintenance repairs and projects. Lastly, approximately eight inspectors will be utilized by the Metering Services department to inspect the multi-year Automated Metering Infrastructure (AMI) project that is currently underway.

Mr. Kraus advised that on December 8, 2023, the Louisville Water Bids and Awards Committee approved the request to renew the contract with RA Consultants.

Mr. Esselman moved to proceed with the contract renewal with RA Consultants in the amount of \$2,546,222.45. Mr. Summers seconded, and the motion unanimously carried.

Contract Renewal Approved for New Fire Hydrant Purchase

Dave Vogel requested Board authorization to renew the contract for the purchase of fire hydrants used in Louisville Water's distribution system. Louisville Water has over 24,000 fire hydrants across its system and new hydrants are needed to replace old, nonfunctioning, hydrants as well as providing hydrants for system expansion.

The initial contract was bid in early 2023 and was awarded to the American Cast Iron Pipe Company, aka American Flow Control, who came in with the low bid. This is the first year of up to four Producer Price Index (PPI) annual renewals as part of the original contract. Based on the expected volume and the PPI adjustment of 1.7%, the value of the contract is anticipated to be \$1,716,482.

Mr. Summers moved to authorize the first PPI renewal of the contract for fire hydrants to American Cast Iron Pipe Company, aka American Flow Control for \$1,716,482. Dr. Sharon Kerrick seconded, and the motion unanimously carried.

New Service Installation Budget Ratified

Mr. Vogel requested the Board ratify a budget increase to Project 16409. This project includes the replacement of lead, and non-lead, water service lines, as well as the replacement of Louisville Water owned fire services and detector check valves.

The original budget for the scope of work performed within this project was \$1,329,975. During 2023, a portion of this work was transitioned to the Engineering department that was coordinating the replacement of all lead service lines (both customer and Company). Once the customer's lead service line is replaced, per the LCRR, the utility has 45 days to remove any lead that still exists on the Company's portion of the service. This change was made to ensure Louisville Water was meeting the timeliness requirements in the LCRR regulation.

Two activities occurred during the 4th quarter of 2023 that resulted in the overrun of the project budget: (1) the expedited removal (and processing of payments) of Company lead services that were identified in the second half of 2023, and (2) the execution of a project to replace several services in advance of a 2024 KDOT road and sidewalk rehabilitation project.

These activities, along with the fact that two groups were managing portions of the project, resulted in performing work that exceeded internal approval levels. As a result of this, the budget control and monitoring process has been changed to include monthly expenditure and forecasting reviews. This added coordination between Distribution Operations and Engineering will ensure that any required budget approvals will take place in advance of project spending.

Ms. Fust-Rutherford moved to ratify a budget change to Project 16409 increasing the approved budget of record from \$1,329,975 to \$2,129,975. Mr. Esselman seconded, and the motion unanimously carried.

One Water Update

Ms. Tivitt stated that the Louisville One Water Partnership Board met on December 7, 2023 at which time several updates were presented on the progress of the One Water effort.

Approval was given of One Water Board resolution pertaining to Interlocal Agreement (ILA) with Louisville MSD and Louisville Water. Both organizations see the value of working together on issues where there are common interests and potential synergies. Processes are being streamlined and the One Water Board is being dissolved. The Shared Services Agreement will still be in place and MSD and Louisville Water will continue to find ways to share best practices, partner on important issues such as affordability and coordinate valuable resources to assist both utilities.

An update on the 2023 One Water Project Plan was presented by team leaders. The plan includes five 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.*

The ILA will go to the AG’s office and Metro Council for review and approval; the One Water Director position has been posted; the final draft of a Water Affordability Roadmap Study is on target to be completed by the end of January 2024; and the 2023 Progress Reports will be finalized by the end of January.

Oldham County Advisory Committee

Mr. Vogel provided a summary of the discussions that took place during the Oldham County Advisory Committee meeting on December 18, 2023.

Fourth Quarter Certification of Projects & Change Actions Authorized

Mr. Bruce advised that during the fourth quarter, there was one project that did not follow the Capital Projects Authorization Policy. Project 16409 expended approximately \$800,000 in funds before receiving the necessary approvals for the budgetary increase. Mr. Vogel discussed this project Change Action earlier in the meeting.

Mr. Bruce certified that the remaining Projects and Change Actions were authorized during the Fourth Quarter of 2024 in accordance with the Capital Projects Authorization Policy and Procedure.

Project Proposals Requiring Board Approval:

Project Number	Project Name	Requested Total	Contribution	LWC Net Cost	Current Year Estimate
Total					

Project Change Actions/Admin Notifications Requiring Board Approval:

Project Number	Project Name	Previously	Change In Total	Requested Total Estimate	Change In Current Year
15584	Billtown Rd @ Lovers Ln Reloc	(\$850,273)	\$850,273	\$0	\$171,365
15609	CHPS - Discharge System Improvements	(\$76,200,000)	\$76,200,000	\$0	\$200,040
15619	CHWTP - Redundant Residuals Conveyance System	(\$60,040,000)	\$60,040,000	\$0	\$0
16202	CHPS Smokestack Coating	(\$909,000)	\$909,000	\$0	\$0
16272	Mitchell Hill Area Improvements - Mitchell Hill/Keys Ferry PS	(\$1,550,000)	\$1,550,000	\$0	(\$100,000)
16350	B.E. Payne Water Treatment Plant Upgrade	(\$44,270,000)	\$44,270,000	\$0	\$0
16377	690 Plan Transmission Salt River to Chapeze BPS	(\$2,986,000)	\$2,986,000	\$0	(\$154)
16398	2023 RR Crossing Rehab Grp A	(\$1,740,664)	\$1,740,664	\$0	(\$499,336)
16399	2023 RR Crossing Rehab Grp B	(\$1,579,000)	\$1,579,000	\$0	\$0
16406	Fire Hydrant Repl & Renov 2023	(\$400,000)	\$400,000	\$0	\$900,000
Total		(\$190,524,937)	\$190,524,937	\$0	\$671,915

Project Proposals Approved by the President:

Project Number	Project Name	Requested Total	Contribution	LWCNet Cost	Current Year Estimate
Total					

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

Project Number	Project Name	Previously	Change In Total	Requested Total Estimate	Change In Current Year
15584	Billtown Rd @ Lovers Ln Reloc	(\$850,273)	\$850,273	\$0	\$171,365
15609	CHPS - Discharge System Improvements	(\$76,200,000)	\$76,200,000	\$0	\$200,040
15619	CHWTP - Redundant Residuals Conveyance System	(\$60,040,000)	\$60,040,000	\$0	\$0
16202	CHPS Smokestack Coating	(\$909,000)	\$909,000	\$0	\$0
16237	2022 MRRP - Milton St Area	(\$215,319)	\$215,319	\$0	\$215,319
16272	Mitchell Hill Area Improvements - Mitchell Hill/Keys	(\$1,550,000)	\$1,550,000	\$0	(\$100,000)
16350	B.E. Payne Water Treatment Plant Upgrade	(\$44,270,000)	\$44,270,000	\$0	\$0
16377	690 Plan Transmission Salt River to Chapeze BPS	(\$2,986,000)	\$2,986,000	\$0	(\$154)
16380	2351 Millennium Dr	(\$176,004)	\$176,004	\$0	\$173,290
16398	2023 RR Crossing Rehab Grp A	(\$1,740,664)	\$1,740,664	\$0	(\$499,336)
16399	2023 RR Crossing Rehab Grp B	(\$1,579,000)	\$1,579,000	\$0	\$0
16406	Fire Hydrant Repl & Renov 2023	(\$400,000)	\$400,000	\$0	\$900,000
16408	New Lrg Svc FH & FS 2023	(\$115,000)	\$115,000	\$0	\$115,000
Total		(\$191,031,259)	\$191,031,259	\$0	\$1,175,524

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

Project Number	Project Name	Previously Approved Total	Change In Total Estimate	Requested Total Estimate	Change In Current Year Estimate
11310	BEP - Renovate Sludge Lagoons #1, #2, #3, and #4	\$19,970,280	\$0	\$19,970,280	\$260,000
16126	Roe Hill Rd Area CDBG/SRF Proj	\$0	\$0	\$0	\$540,500
16273	Mitchell Hill Area Imp WM	\$0	\$0	\$0	\$455,845
16366	2023 MRRP (MDO)-W Ashland Ave	\$0	\$0	\$0	\$327,900
16367	2023 MRRP (MDO)-Castlewood Ave	\$0	\$0	\$0	\$501,200
16421	2023 SBE MRRP - Creek Trail Ct	\$0	\$0	\$0	\$155,000
Total		\$19,970,280	\$0	\$19,970,280	\$2,240,445

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

Project Number	Project Name	Total Estimate	Total Cost To	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	\$19,970,280	\$17,310,796	Work In Progress	2006 Budget
13264	CHPS - Replace Slate Roof and Improve Masonry	\$6,137,000	\$215,725	Pending Capital	2012 Budget
13274	Metering - AMI for Jefferson County	\$61,000,000	\$57,590,361	Design In Progress	2013 Budget
14325	CHFP - Chemical Building and Lab Fire Protection and Office Space Improvements for Productions	\$14,107,740	\$17,391,455	Work In Progress	2015 Budget
14524	ATT RBF for CH	\$221,905,253	\$5,724,658	Pending Capital	2017 Budget
14542	Transmission - Urton Lane	\$5,297,725	\$789,366	Pending Capital	2017 Budget
15036	Condition 2017 - Reservoir Yard Piping and Valves	\$5,000,000	\$59,859	Design In Progress	2017 Budget - Program
15468	Kentucky,Oak,Glenmary Transmission Main Rehab 2019	\$11,500,000	\$822,497	Design In Progress	2019 Budget
15506	660 Plan-SW Jefferson County Improvements-Blanton Lane 20 inch	\$5,464,300	\$4,292,622	Completed Not Closed	2019 Budget - Unbudgeted
15515	E Manslick Rd - MRRP 2019	\$2,928,001	\$1,567,379	Completed Not Closed	2019 Budget - Unbudgeted

- Pending - An approved project that has not yet begun. Some projects may go to Design and back to Pending if put on 'hold' with no construction.
- Design - The project is currently in Preliminary or Final Design, but a contract has not yet been awarded for construction.
- Work in Progress - Project has full approval to move forward, construction has begun, and a contract has been executed, if applicable.
- Complete Not Closed - Construction is complete, assets are in-service, but the project has not yet been closed due to various reasons.
- Contributed Capital is excluded from the Total Cost.

* This information is time sensitive

Fourth Quarter Certification of Contracts & Bids Awarded

Mr. Bruce certified that the following contracts were awarded during the Fourth Quarter of 2024 in accordance with the Purchasing Policy and Procedure.

Construction

17-150

Assignment to Master Agreement Transmission System Repairs and/or Capital Improvements – 2021 Transmission Valve Condition Assessment – Clay Street Corridor Change order #2

16095

Southern Pipeline Construction Co.

\$194,341

18-96

Concrete Paved Services 6th month Extension

Allterrain Paving & Construction, LLC (CWBE & LWC SBE)

Estimate \$346,907

21-15

CHFP Chemical Building & Lab Fire Protection and Office Space Improvements-Phase2&3 Co# 15

14325

Corbett Construction Co Inc.

\$214,156

23-104

Locust Lane Water Main Replacement Project

16123

Excel Excavating, Inc. (LWC SBE)

\$443,394

SUM BY BIDS AND AWARDS CATEGORY

\$1,198,798

Procurement of Materials and Services

20-46

Cold Water Meters Contract Extension

Badger Meter
Neptune Technologies

Estimate \$258,664
Estimate \$177,368

21-108

Meter Reading Services 1st Renewal

Olameter

\$383,650

21-11

Resilient Seated Gate and Wheel Valves 3rd PPI Renewal

Mueller Co. LLC

Estimate \$449,170

21-111	Meter Box Maintenance 2nd CPI Renewal Basham Construction (secondary) Reid Brothers Inc. (primary)		\$320,061
		Estimate	\$666,114
21-127	Vacuum Excavating Services 1st CPI Renewal Badger Daylighting		\$402,226
22-112	Transmission System Repairs and or Capital Improvements Master Agreement 1st CPI Renewal Basham Construction & Rental Co., Inc. (LWC SBE)	Estimate	\$1,000,000
22-94	Locating Services – MSD Contract 1st CPI Renewal One Call Concepts Locating Services (CWBE)	Estimate	\$1,413,918
23-106 / LMG RFP 220101	Installation of Security Fencing: Strawberry Lane Property Professional Fence Company (LWC-SBE) (CWBE)	Unit Price Contract	\$223,964
<i>16081 / LMG Contract SC00000464</i>			
23-114	Meter Setters Hayes Pipe Supply	Estimate	\$303,560
GSA Contract	Organics Laboratory Equipment (3)new Gas Chromatograph Mass Spectrometers Agilent Instruments Inc.		\$342,629
<i>GS-07F0564X334516</i>			
GSA Contract	Purchase additional assets and change of service from our current system Mitel phone system to move towards phone provider to Teams Enable Voice Services Lumen Technologies Group	Estimate	\$215,368
<i>47QTCA20D0077</i>			
GSA Contract	WAM KloudGin 2024 License renewal KloudGin		\$581,992
<i>47QTCA18D00CC 22-115</i>			
KY State Contract	2024 EBS and PeopleSoft Support Renewal Mythics		\$246,900
<i>MA7582000000580</i>			
KY State Contract	One (1) 2024 Ford F550 XL Reg Cab (4WD V8) Valve Exerciser Truck Configuration w/Extra Slide out Wachs Turning Machine Paul Miller Ford		\$261,002
<i>MA7582300000801</i>			
KY State Contract	Oracle Cloud Licenses Mythics		\$301,959
<i>MA7582000000580 21-72</i>			
SUM BY BIDS AND AWARDS CATEGORY			\$7,548,545

Procurement of Professional Services

	Louisville Water Company Policies Insurance Renewal Affiliated FM (Property) (A.J. Gallagher)		\$419,555
	Louisville Water Company Policies Insurance Renewal A.J. Gallagher (Broker Compensation)		\$40,000
	Ace American (Management Liability (D&O & EPLI) (A.J. Gallagher)		\$86,330
	Ambridge (Cyber) (A.J. Gallagher)		\$78,903
	Berkley (Excess Casualty 15M) (A.J. Gallagher)		\$99,500
	Cincinnati (Excess Mngt Liability 5M) (A.J. Gallagher)		\$25,750
	Great American (Excess Casualty 15M) (A.J. Gallagher)		\$115,000
	Homesite Ins Co (Excess Casualty 10M) (A.J. Gallagher)		\$221,838
	Liberty Mutual (Excess Worker Comp) (A.J. Gallagher)		\$82,351
	Lloyds of London (Terrorism) (A.J. Gallagher)		\$20,174
	Peleus (Architects E&O) (A.J. Gallagher)		\$37,350
	Oracle Applications Technical Architect V-Soft Consulting (CMBE)	Estimate	\$370,000
20-03	Assignment to Plant & Facilities Engineering Services Master Agreement – BE Payne WTP Expansion: 60MGD to 75MGD Black & Veatch	NTE	\$225,585
<i>16350</i>			
SUM BY BIDS AND AWARDS CATEGORY			\$1,822,336

Procurement of Sole Source Materials and Services

	License for Broadcom Automic Renewal Broadcom	Estimate	\$307,874
22-104	Electromagnetic Inspection and Leak Detection on Large Diameter Water Mains Master Agreement-1st CPI Renewal Pure Technologies U.S. Inc.	Estimate	\$2,632,206
L664M	Bohannon Property Main Extension (Betterment) LDG Land Holdings, LLC		\$275,000
<i>16329</i>			
SUM BY BIDS AND AWARDS CATEGORY			\$3,215,080
GRAND TOTAL			\$13,784,759

Closed Session Held

Ms. Fust-Rutherford moved to go into closed session to discuss proposed or pending litigation pursuant to KRS 61.810(c) at 11:45 a.m., seconded by Mr. Esselman and the motion unanimously carried.

Open Session Resumed

Cathe Dykstra moved to return to open session at 12:46 p.m., seconded by Mr. Summers, and the motion unanimously carried.

Financial Report Given

Lynn Pearson advised that the year-end close is underway and progressing well. Financial statements for December and full year 2023 will not be final until the annual audit by external auditors, Crowe LLP, is complete. The ultimate completion date of the audit and the year-end financial statements is uncertain as it is dependent upon the timing of the release of the audited pension report by the state. This report provides updated liability numbers and other information related to pension and other post-employment benefits that we must have in order to finalize the audit and the financial statements.

Ms. Pearson then provided preliminary information on water consumption and revenue based on data available through January 17, 2024.

Water sales ended the year on a very positive note. Total consumption for 2023 reached 34.2 billion gallons, our highest consumption since 2012.

Consumption of 2.6 billion gallons for December is 110 million gallons above budget and 101 million gallons higher than December of 2022. All customer classes are over budget in December with the exception of private fire and Metro government. Consumption ended the year above budget and prior year by 1.8% and 2.2% respectively, with the commercial and irrigation classes driving the favorable budget variance.

Water Revenue for December is \$197,000 higher than budget, and \$1.5 million above prior year. Residential, commercial, industrial and wholesale customer classes all contributed to the favorable budget variance. For the year-to-date period, water revenue is 0.7% over budget and 6.8% higher than prior year levels.

Communication and Marketing Report Given

Kelley Dearing Smith reported that in December, there were 30 engagements for school and community education in Jefferson, Shelby and Bullitt counties. The December outreach caps a successful year for programming which included the following: 465 engagements (staff on-site or materials provided to an organization or school); 59,219 people reached through education programs; and 98 schools visits by a Louisville Water educator.

Ms., Dearing Smith also advised 2023 was a successful year in serving our message with Louisville Pure Tap®: approximately 355,000 people reached; 57 events where staff served Pure Tap; 172 cooler rentals; and 16,718 Pure Tap bottles distributed.

Ms. Dearing Smith then presented a summary of Louisville Water's bi-annual customer satisfaction survey which shows increases in the five measured attributes: water quality, value, customer service,

customer communications, and innovation. The survey includes responses from 681 customers across the service area.

Ms. Dearing Smith advised that she will provide an overview of the history of the Louisville Water Tower and an updated marketing strategy at February's Board meeting.

Customer Service and Distribution Operations Report Given

Mr. Vogel advised that the year ended with the fewest injuries at Allmond Avenue in the Company's history. In 2023, no injuries occurred for almost five months. However, it concluded with six total union injuries (two of which were minor hand injuries and two were vehicle accident related). Additionally, only one at-fault utility damage occurred during 2023, continuing a trend of exemplary performance when excavating around gas and electric lines.

As of the end of December, 243,895 AMI Endpoints have been installed and 143,686 Jefferson County customers have been converted to monthly billing. Since the implementation of AMI, approximately 13,000 truck rolls have been eliminated.

Every year Louisville Water employees are required to complete various training safety sessions. Mr. Vogel was happy to report that 100% of the required safety training was completed.

Engineering and Production Operations Report Given

Mr. Kraus advised that year-end capital program data was not available due to the December books not being closed.

The amount of water produced and delivered to the system in December 2023 was 113.2 MGD, which was 6.7% lower than December 2022 and 2.8% higher than the December five-year average. For year-to-date, the amount of water delivered to the system was 1.2% higher than 2022, and 7.0% higher than the five-year average.

All water quality goals for December 2023 were achieved. No water quality violations were incurred.

One chemical spill was reported upstream of the Zorn intake; it did not impact water treatment.

Mr. Kraus introduced Jeremy Raney who provided an overview of the Louisville Water Tower Renovation project.

Mr. Raney provided an overview of the restoration taking place at the Water Tower including restoring the statues; replacing the wood balustrade with a weather resistant wood species and reconstructing the drainage systems to prevent standing water; the columns were abated and cracks were filled and a new coating system applied; lead abatement was performed on all structures; zinc fixtures were installed to prevent corrosion; the structural shell of the Water Tower was scraped and repainted; and a more efficient ventilation system was designed and installed to enhance air circulation and combat humidity.

To improve acoustics in the Grand Hall, sound panels were installed on the walls above the upper mezzanine, acoustical plaster was applied to the ceiling, and the HVAC equipment was re-balanced and insulated.

Mr. Raney advised staff is very happy with the outcome and final painting and reinstallation of the statues will take place over the next few weeks.

Human Resources and Labor Relation Report Given

Terrence Spence provided a summary regarding 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).

- There are no active grievances filed by the union.
- Union and Company leadership conducted their monthly Labor Management meeting to review various on-going and future joint initiatives and status updates.
- Company union and non-union employees participated as volunteers in the Boxes of Love Event at 4th Street Live!
- Internally - The Company posted four regular full-time and six temporary full-time classified union positions.

Mr. Spence then provided an overview of Louisville Water's EEOC reports.

Information Technology Report Given

Jeff Knott advised that Louisville Water received feedback from the Crowe penetration test of our digital security measures and staff is actively addressing all of the areas recommended.

Louisville Water is working with Arcadis to develop a digital strategy for the future of Louisville Water in alignment and support of the Louisville Water Strategic Business Plan. Phase 2b has now started and is anticipated to be completed during the first half of 2024.

Migration to the cloud environment is underway and testing will be completed by the end of this month. We are currently on track for completion of this migration the first weekend in February.

There being no further business, the meeting was adjourned at 1:24 p.m.

Respectfully submitted,



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