

**Board Of Water Works
REGULAR CALLED MEETING MINUTES
April 16, 2024**

Board Members Present:

Dr. Sundeep “Sunny” Dronawat, Chair
Ms. Cathe Dykstra
Ms. Jennifer Fust-Rutherford
Dr. Sharon Kerrick

Not Present:

Mayor Craig Greenberg
Mr. Paul Esselman, Vice Chair
Mr. William “Bill” E. Summers, IV

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
Mr. Jordan Basham, Director, Infrastructure Planning and Records
Mr. Brad Hart, Director, Security, Risk & Resiliency
Mr. Jeremy Raney, Director, Engineering
Ms. Jenni Schelling, Director, Internal Audit
Mr. Andrew Winslow, Manager, Finance
Mr. Brian Sturgeon, Computer Network Administrator
Ms. Beverly Soice, Paralegal

Visitors:

The meeting of the Board of Water Works (BOWW) was held on Tuesday, March 19, 2024, at Louisville Water Company Headquarters located at 550 South 3rd Street, Louisville, KY. Chair, Dr. Sunny Dronawat called the meeting to order at 11:12 a.m.

Minutes of the Previous Regular BOWW Meeting Approved

Cathe Dykstra moved to approve the regular monthly meeting minutes of March 19, 2024. Dr. Sharon Kerrick seconded, and the motion unanimously carried.

President/CEO Report Given

Spencer Bruce advised that Louisville Water employees are working to finalize their individual goals for 2024 and management has outlined the shared leadership goals. As you know, Louisville Water is a performance-based company and every year we strive to make improvements by setting goals that are challenging but realistic. Ultimately, we want to meet our community’s needs and

customers' needs, contribute to a thriving economy, and fulfill our commitment to deliver safe, high-quality water every day.

Coming off of a strong year in 2023 in terms of financial performance, water quality performance, and from a safety standpoint, we want to carry that momentum throughout 2024.

Our performance as a company and as individuals are used to determine our compensation structure. By having our employees set their own personal goals, they are invested in doing better and we are helping ensure that Louisville Water is growing as an organization each year.

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

Tim Kraus requested that the Board officially designate Mr. Bruce as the authorized official to sign documents related to acceptance of supplemental funds from the Cleaner Water Grant Program provided through the American Rescue Plan Act of 2021 and funds from House Bill 1 from the 2022 Regular Session of the KY General Assembly for Phase I of the Kentucky, Oak, and Glenmary Transmission Main Rehabilitation project.

Louisville Water was awarded a total of \$6,161,142 in grant funding from KIA for this project, inclusive of the original allocation (\$5,114,360), a supplemental allocation (\$511,436), and a reallocation from another CWP grant (\$535,346). To date, Louisville Water has accepted all funds from the original allocation and supplemental allocation and must now accept the reallocated funds.

Jennifer Fust-Rutherford moved to officially designate Mr. Bruce as the authorized official to sign all appropriate documents related to acceptance of Cleaner Water Grant Program funds. Ms. Dykstra seconded, and the motion unanimously carried.

Project Budget Increased for Project No. 16397 – Private Lead Service Line Replacement

Mr. Kraus requested Board approval to increase the budget of an existing project by more than \$500,000. The private lead service line replacement project began in 2023 to replace known lead service lines on private property within Louisville Water's service area. To date, this project has replaced 284 service lines documented as being made of lead and galvanized steel. This project has also helped to identify the material of several hundred services whose material type is unknown, requiring their replacement or identification under the EPA's new Lead and Copper Rules. Identifying the materials of service lines previously listed as unknown helps to mitigate the potential cost of replacing service lines not made of lead or galvanized steel.

The reasons behind this request for increasing the budget are that the estimated unit cost per service replacement was 30% higher than originally estimated due to the complexity of individual installations encountered; and the scope has grown from replacement of the original 800 known lead services to include replacement of newly found galvanized and newly identified lead services. We are also statistically validating that Louisville Water has no lead services post-1950.

The scope of work planned for this project in 2024 will include replacement of additional lead and galvanized services and the continuation of current initiatives to identify unknown materials located within Louisville Water's service area.

Ms. Dykstra moved to increase the project budget for Project No. 16397 – Private Lead Service Line Replacement in the amount of \$1,500,000.00. Ms. Fust-Rutherford seconded, and the motion unanimously carried.

Unbudgeted Expenditures Ratified for Project No. 16630: 60-inch Main Repair –5207 Olde Creek Way and Unbudgeted Project Approved

Mr. Kraus requested that the Board ratify an exigent unbudgeted capital project greater than \$500,000. This exigent event (project) consists of replacing a 20-ft section of damaged 60-inch pipe and internally carbon fiber lining an additional 20-ft section of damaged 60-inch pipe, located near the intersection of Olde Creek Way and Breakwater Place in Prospect, KY.

On the afternoon Friday, March 22, 2024, Louisville Water was notified of water in the roadway near the intersection of Olde Creek Way and Breakwater Pl. A crew was sent out to investigate the area and determined that the existing 1970's vintage, 60-inch PCCP concrete main at 5207 Olde Creek Way was leaking. The main was isolated and the leak was excavated. The pipe was cracked and leaking. During the pipe replacement, additional pipeline damage was discovered while the onsite contractor was replacing the damaged section that caused the current break near the intersection of Olde Creek Way and Breakwater Pl. Following a meeting, the decision was made to internally carbon fiber line the newly discovered damaged pipe section instead of replacing the damaged section. By internally repairing this damaged section, Louisville Water avoided removal of a large mature tree, relocating an existing 8-inch water main, removal and replacement of a streetlight, and the construction of a temporary roadway. MAC Construction & Excavating and Structural Preservation Systems were mobilized utilizing existing master agreements. The total project cost including the replacement of the damaged pipe section, the internal lining, the restoration of the neighborhood, and Louisville Water's labor and materials is \$925,000.

Ms. Dykstra moved to ratify the expenditures of the 60-inch Main Repair at 5207 Olde Creek Way of approximately \$700,000 to date and approval of an unbudgeted project in the amount of \$925,000. Ms. Fust-Rutherford seconded, and the motion unanimously carried.

Contract Awarded for Project 16378: 690 Plan – Transmission - Clermont Tank to Belmont BPS and Budget of Record Increased

Mr. Kraus requested Board authorization to increase the budget of record and award the construction contract for the 690 Plan – Transmission – Clermont Tank to Belmont BPS Project to MAC Construction & Excavating, Inc. This project consists of a total of 14,841 linear feet of water main consisting of 14,746 linear feet of 30-inch, five linear feet of 24-inch, 25 linear feet of 12-inch, and 65 linear feet of 8-inch water main along the Interstate 65/Pioneer Drive corridor in Bullitt County. An alternate bid to upsize a majority of the pipe was requested.

The low bidder was MAC Construction & Excavating, Inc. whose base bid was 4.4% lower than the Project Manager's estimate. In addition, the alternate bid was 3.6% lower than the Project Manager's estimate. After a thorough review of the bid results and the impacts on the agreements with Hardin County Water District #2, the alternate bid is being selected. The increase in pipe size will increase the flow capacity of the corridor by 44.0% allowing for future growth along the corridor. An increase in project budget is required as a result of easement costs and pipe costs higher than estimated and the addition of approximately 1,600 feet of pipe.

Ms. Fust-Rutherford moved to award the contract to MAC Construction & Excavating, Inc., in the amount of \$16,982,000 and to increase the budget of record for this project to \$19,974,000. Ms. Dykstra seconded, and the motion unanimously carried.

Contract Change Order Approved for Project No. 15637 - Zorn Pump Station Roadway Improvement

Mr. Kraus requested that the Board authorize the award of a contract change order to Allterrain Paving & Construction for the Zorn Pump Station Roadway Improvement Project. This contract change order will cause the total contract value to exceed \$1,500,000.

In June 2023, a construction contract was awarded to Allterrain Paving & Construction to rebuild the entrance to the Zorn pump station. The revised entrance will connect to the proposed River Road Improvements. An earthen berm was also constructed to provide emergency access to Zorn pump station during major flood events. In January 2024, a contract change order was executed to address undercutting of unsuitable soils for the roadway, revisions to the bioswale, and to raise manholes and catch basins. The current proposed contract change order is to assist Pipe Eyes with the cleaning of storm pipe to the Ohio River outfall and adjusting additional drainage structures. This last change order increases the contract value to \$1,531,828.00. No increase in project budget is needed.

Ms. Dykstra moved to approve the contract change order with Allterrain Paving & Construction increasing the total contract value to \$1,531,828. Ms. Fust-Rutherford seconded, and the motion unanimously carried.

Unbudgeted 2024 MRRP Projects Approved

Mr. Kraus requested approval of three unbudgeted main replacement and rehabilitation projects (MRRP) greater than \$500,000. Due to the delay of several projects, funds are now available within the capital program to address additional aging pipe infrastructure. Louisville Water Planning staff track mains breaks and leaks; these projects are three of the highest priority.

342-24-0021 - Berry Boulevard MRRP

An 8-inch cast iron main originally installed in Berry Boulevard between Taylor Boulevard and Warren Avenue in 1938 experienced five main breaks during the cold snap this past January. Louisville Water repair crews observed that the main was in poor condition with a high level of corrosion. Staff recommends replacing this main along with two others in the area with similar main break histories. The estimated project cost is \$1,595,000.

342-24-0023 – Castlevale Avenue MRRP

The 6-inch main in Castlevale Avenue has experienced at least eight main breaks or leaks since 2007, with four of those occurring since the summer of 2022. The main is not looped meaning each maintenance activity is highly disruptive to the 17 multifamily buildings served by the main. Staff recommends replacing this main along with two others in the area with above average main break histories. The estimated project cost is \$1,116,000.

342-25-0025 – Mount Holly Road MRRP

In February, Louisville Water put in service the Hollyvilla PRV station in southern Jefferson County to increase the level of service to customers in the area. While the increase in pressure was relatively modest (10-15 PSI), a 12-inch ductile iron main along Mount Holly Road has repeatedly failed and was reported to be in poor condition by the repair crews. Staff recommends replacing this main along with a short section of adjacent 12-inch main of similar vintage. The estimated project cost is \$988,000.

Ms. Dykstra moved to approve the Bery Boulevard, Castlevale and Mount Holly MRRP projects in the estimated proposed amounts above. Ms. Fust-Rutherford seconded, and the motion unanimously carried.

The Board took a short break for lunch at 11:45 a.m. and resumed the meeting at 12:02 p.m.

Compensation and Benefits Committee Report Given

Ms. Fust-Rutherford provided a summary of the discussions that took place at the Compensation and Benefits Committee meeting held on April 2, 2024. She reported that staff presented the proposed 2024 Leadership Shared Operating Goals, Management Incentive Goals and Corporate Performance Goals for review. Ms. Fust-Rutherford reviewed each goal with the Board.

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

After a short discussion, Ms. Dykstra moved to approve the proposed goals as presented. Ms. Fust-Rutherford seconded, and the motion unanimously carried.

First Quarter 2024 Certification of Projects & Change Actions

Mr. Bruce certified that the following Projects and Change Actions were authorized during the First 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
342-24-0019	BEP 60 Repair-5207 Olde Creek Way	\$750,000	\$0	\$750,000	\$700,000
Total		\$750,000	\$0	\$750,000	\$700,000

Project Change Actions/Admin Notifications Requiring Board Approval:

Project Number	Project Name	Previously Approved	Change In Total	Requested Total Estimate	Change In Current Year
16304	Springdale Road Apartments	(\$314,389)	\$314,389	\$0	\$677,400
16409	Lead Svc,Cop Svc,FS,Lrg Mtr 23	(\$800,000)	\$800,000	\$0	\$0
16441	CHFP-Activated Carbon Feed Sys Upg	(\$300,000)	\$300,000	\$0	\$100,000
Total		(\$1,414,389)	\$1,414,389	\$0	\$777,400

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 Approved	Change In Total	Requested Total Estimate	Change In Current Year
16099	Taylorville Rd Area-2021 MRRP	(\$183,589)	\$183,589	\$0	\$5,000
16304	Springdale Road Apartments	(\$314,389)	\$314,389	\$0	\$677,400
16363	2023 MRRP - N Hubbards Ln Area	(\$140,162)	\$140,162	\$0	\$88,676
16409	Lead Svc,Cop Svc,FS,Lrg Mtr 23	(\$800,000)	\$800,000	\$0	\$0
16441	CHFP-Activated Carbon Feed Sys Upg	(\$300,000)	\$300,000	\$0	\$100,000
16483	Norton Commons Hamlet Sec 1B2A	(\$114,393)	\$114,393	\$0	\$114,393
16570	CHFP Dewtrng Pmp S Coag Bldg	(\$140,000)	\$140,000	\$0	\$140,000
16664	2024 MRRP Jeffe Elem School	(\$154,000)	\$154,000	\$0	\$154,000
Total		(\$2,146,533)	\$2,146,533	\$0	\$1,279,469

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
15638	WRTS - Standby Generator	\$0	\$0	\$0	\$159,387
16107	N 26th St Area-2021 MRRP	\$0	\$0	\$0	\$143,450
16131	Farms at Lovers Ln Sec 4	\$0	\$0	\$0	\$131,345
16270	2021 PCCP Condition Assessment	\$0	\$0	\$0	\$363,235
16271	Creekside Commons Section 2	\$0	\$0	\$0	\$193,483
16275	2022 Trans Valve Cond Assessment	\$0	\$0	\$0	\$426,729
16278	2022 Fleet Replacement	\$0	\$0	\$0	\$1,125,237
16289	LDG Cooper Chapel	\$0	\$0	\$0	\$327,818
16315	Vilgs at Heritage Crk Sec 2-4	\$0	\$0	\$0	\$377,503
16326	Beecher Terrace IV	\$0	\$0	\$0	\$136,895
16329	Bohannon Property Tract 1	\$0	\$0	\$0	\$785,803
16384	Garrett - 400 Shelby Station Dr	\$0	\$0	\$0	\$335,530
16393	3790 Windcrest Farms Sec 2	\$0	\$0	\$0	\$132,089
16394	Bull Run Townhomes	\$0	\$0	\$0	\$305,454
16404	Trans Valve Cond Assess 2023	\$0	\$0	\$0	\$370,000
16408	New Lrg Svc FH & FS 2023	\$0	\$0	\$0	\$146,309
16416	KT #3 BPS Renovation	\$0	\$0	\$0	\$332,276
16420	IT Networking Upgrades 2023	\$0	\$0	\$0	\$150,000
16435	Hardens Cove	\$0	\$0	\$0	\$410,235
16440	Hidden Forest Section 4	\$0	\$0	\$0	\$116,663
16458	Bellingham Park Phase 4	\$0	\$0	\$0	\$958,027
16459	Wind Dance Farm Phase 1	\$0	\$0	\$0	\$306,689
16463	Bellingham Park Ph 3A and 3B	\$0	\$0	\$0	\$532,962
16469	Bridle Run Sec 3A and 3B	\$0	\$0	\$0	\$325,953
16475	Glengrove Apartments	\$0	\$0	\$0	\$261,834
16478	805 S English Station Rd	\$0	\$0	\$0	\$277,317
16479	Catalpa Farms Section 10	\$0	\$0	\$0	\$275,737
16480	Smyrna Village	\$0	\$0	\$0	\$461,595
16484	The Trails at Belmont Sec 2/3	\$0	\$0	\$0	\$366,229
16491	Wray Estates	\$0	\$0	\$0	\$373,563
16496	Oldham County Public Library	\$0	\$0	\$0	\$128,935
16498	Flats at Bardstown	\$0	\$0	\$0	\$203,949
16499	Glenmary Farms Subdivision	\$0	\$0	\$0	\$255,540
16507	Oracle Cloud Infra Migration	\$0	\$0	\$0	\$710,877
16509	Wind Dance Farm Phase 1B	\$0	\$0	\$0	\$579,498
16510	Wind Dance Farm Phase 1C	\$0	\$0	\$0	\$427,596
16514	Helen Heights Phase 2	\$0	\$0	\$0	\$134,985
16520	Thomasson Cedar Creek	\$0	\$0	\$0	\$128,214
16537	Preserve at Cedar Creek Sec 4	\$0	\$0	\$0	\$158,180
16573	ZPS New Screen Chains	\$0	\$0	\$0	\$283,750
16583	Pure Spout Tooling Investment	\$0	\$0	\$0	\$183,791
Total		\$0	\$0	\$0	\$13,804,662

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	\$17,522,725	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	\$59,604,454	Work In Progress	2013 Budget
14325	CHFP - Chemical Building and Lab Fire Protection and Office Space Improvements for Productions	\$14,107,740	\$18,482,546	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	\$60,413	Design In Progress	2017 Budget - Program
15468	Kentucky,Oak,Glenmary Transmission Main Rehab 2019	\$11,500,000	\$965,768	Work In Progress	2019 Budget
15506	660 Plan-SW Jefferson County Improvements-Blanton Lane 20 inch	\$5,464,300	\$4,338,853	Completed Not Closed	2019 Budget - Unbudgeted
15515	E Manslick Rd - MRRP 2019	\$2,928,001	\$1,567,379	Pending Capital	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

First Quarter 2024 Certification of Contracts & Bids

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

Construction

20-121	New Services 3rd CPI Renewal		
	Section A Small Services Installations Primary- Debbie Sutherland Excavating (CWBE) (LWC-SBE)		\$1,108,294
	Section A: Small Service Installations Secondary - Basham Construction & Rental (LWC SBE)		\$23,089
	Section A: Small Service Installations Secondary - Southern Pipeline		\$23,089
	Section B: Medium Service Installations Primary - Southern Pipeline		\$436,190
	Section B: Medium Service Installations Secondary - Basham Construction & Rental (LWC SBE)		\$83,084
	Section C1: Large Service Installations Primary - Southern Pipeline		\$293,650
	Section C1: Large Service Installations Secondary - Basham Construction & Rental (LWC SBE)		\$103,174
	Section C2: Fire Services Primary - Southern Pipeline		\$322,659
	Section C2: Fire Services Secondary - Basham Construction (LWC-SBE)		\$56,940
	Section C3: Discontinue Services Primary - Southern Pipeline		\$238,419
	Section C3: Discontinue Services Secondary - Basham Construction (LWC SBE)		\$28,725
	Section C3: Discontinue Services Secondary - Debbie Sutherland Excavating (CWBE), (LWC-SBE)		\$20,108
22-112	Assignment to Transmission System Repairs and or Capital Improvements Master Agreement-26th Str. At Greenwood Ave		
24999x02	MAC Construction & Excavating, Inc.		\$344,114
22-112	Assignment to Transmission System Repairs and or Capital Improvements Master Agreement-BEP 60” Repair – 5207 Olde Creek Way		
16630	MAC Construction & Excavating, Inc.	NTE	\$615,265
22-63	N. Hubbards Lane Water Main Replacement CO #6		
16363	C.J. Hughes Construction Co. Inc.		\$84,611
23-119	I -64 Tank Coating and Renovation		
16636	D&M Painting Corporation		\$924,640
24-04	Schneiter Avenue Water Main Replacement Project		
16661	Basham Construction & Rental Co., Inc.		\$259,000
24-06	2024 SBE MRRP La Salle Avenue		
16663	Basham Construction & Rental Co., Inc. (LWC SBE)		\$228,000
24-11	Jeffersontown Elementary School MRRP		
16664	Allterrain Paving & Construction LLC (CWBE & LWC SBE)		\$596,000
	SUM BY BIDS AND AWARDS CATEGORY		\$5,789,051

Procurement of Materials and Services

16-21	Assignment to Master Agreement-WAM/CCB Reporting Development, Enhancements and Support 2024		
	Intoollect LLC		\$213,000
17-100	Advanced Metering Infrastructure (AMI) Installation and Implementation -1st Renewal		
13274	Itron	Estimate	\$387,062
17-161	Fire Protection District Servicing Agreement 2024 CPI Renewal		
	Multiple Fire Districts. Please see attached Listing		\$225,000
18-01	Assignment to Oracle Remote Application Management Support Master Agreement & Oracle Application Project-Oracle SOA Applications Architect-Sam Donato		
	Sierra-Cedar	Estimate	\$370,000
19-27	Stone, Soil, and Sand 4th CPI Renewal Contract Extension		
	COURSE CONCRETE SAND-Quality Stone		\$26,602
	MANUFACTURED SAND-Hanson Aggregates		\$28,732
	MANUFACTURED SAND-Irving Materials		\$36,568
	SOIL-Earth First of Kentuckiana		\$119,340
	SOIL-Liter’s Environmental		\$46,410
	STONE-Hanson Aggregates		\$52,338
	STONE-Irving Materials		\$84,546
	STONE-Quality Stone		\$265,716
20-101	2024 O&M Support for Oracle Utilities CCB & WAM		
GSAG535F474GA	TMG Consulting	Estimate	\$380,550

20-116	Ready Mix Concrete 3rd PPI Renewal Ernst Concrete	Estimate	\$593,554
21-64	Commercial Diving Services 3rd CPI Renewal Marine Solutions, Inc. (CWBE)	Estimate	\$250,000
22-20 15252	Louisville Water Tower & Museum Renovations CO#12 Corbett Construction, Co, Inc (CWBE)		\$73,200
24-07	Ultra Low Sulfur #2 Diesel Fuel Bid by Transit Authority of River City (TARC) Sunoco, LLC		\$579,612
KY State Contract	One (1) 2024 Caterpillar 305 CR Mini-Excavator w/24" Bucket-One (1) 2024 Caterpillar 306CR Mini-Excavator w/Hammer & 24" Bucket MA7582300001527 16635 Boyd Cat	Purchase and Deliver	\$203,496
KY State Contract	Oracle Cloud Credits MA7582000000580 16507 Mythics		\$210,000
MSD Bid 17-0711	DR Data Center Flexential Renewal Flexential	Estimate	\$205,500
SUM BY BIDS AND AWARDS CATEGORY			\$4,351,226

Procurement of Professional Services

20-03	Assignment to Plant & Facilities Engineering Services Master Agreement – BEP Plan-PAC System Installation 16605 Black & Veatch		\$431,140
20-03	Assignment to Plant & Facilities Engineering Services Master Agreement – CHFP – Reservoir Liner Replacement/Sludge Removal 16665 Hazen and Sawyer		\$589,705
20-03	Assignment to Plant & Facilities Engineering Services Master Agreement – Task 02 CHFP-Activated Carbon Feed System Upgrade 16641 Black & Veatch		\$610,582
20-03	Assignment to Plant & Facilities Engineering Services Master Agreement- 690 Plan: Minor Lane BPS Expansion 16428 HDR Engineering, Inc	NTE	\$523,653
20-03	Assignment to Plant & Facilities Engineering Services Master Agreement- BEP Plan – Lime System Improvements 16607 CDM Smith, Inc	NTE	\$493,686
20-03	Assignment to Plant & Facilities Engineering Services Master Agreement-BEP Plan – Standby Generator Improvements 16606 CDM Smith, Inc	NTE	\$503,859
20-03	Plant & Facilities Engineering Services Master Agreement- 3rd CPI Renewal Black & Veatch	Annually	\$500,000
21-64	Assignment from Contingency Contract for Commercial Diving Services- BEP Plan: Raw Water Supply Evaluation 16604 Marine Solutions, Inc (CWBE)		\$970,745
GSA Contract	Info-Tech Information Technology Research & Advisory Services GS35F298GA Infotech Research Group		\$253,844
SUM BY BIDS AND AWARDS CATEGORY			\$4,877,214

Procurement of Sole Source Materials and Services

24-21	UPS Systems, Battery, and Electrical System Updates-Server Room 3rd Street 16649 Graybar		\$275,337
24-21	AMR Meters, Registers, Endpoint Transmitters and Equipment Contract Extension Neptune Technology Group Inc.	Estimate	\$570,539
SUM BY BIDS AND AWARDS CATEGORY			\$845,876
GRAND TOTAL			\$15,863,367

Financial Report Given

Lynn Pearson informed the Board that the close of the books for 2023 is complete and the audit of the 2023 financial statements is nearing completion. Draft numbers from the Kentucky Public Pensions Authority (KPPA) were released last month and finance staff completed the calculations to determine the year-end entries related to pension and other post-employment benefits. KPPA has now released their audited report which is required to finalize the audit and our financial

statements. Staff has confirmed that the final audited numbers are consistent with the draft numbers.

Ms. Pearson then provided the following overview of financial results for March. Results must be considered preliminary until the audit of the 2023 financial statements is complete.

Total consumption and water revenue came in lower than budget in March. Other operating revenue, total operating expenses and non-operating income also performed unfavorably to budget. Non-operating expenses are under budget in March, but this favorable variance only offset the negative variances to a small extent. As a result, net income for the month is under budget by \$744,000. Details of the Company's financial performance as compared to budget and prior year are as follows.

Consumption of 2.1 billion gallons for March is 16 million gallons less than budget, and 352 million gallons lower than March 2023. The budget shortfall is in every customer class except residential and irrigation. Year-to-date consumption is over budget by 2.3% and lower than prior year by 5.0%, with residential, industrial and wholesale being the primary drivers of the budget overage.

Water Revenue for March 2023 is \$184,000 less than budget and \$1.9 million lower than the prior year. Residential and irrigation customer classes are higher than budget, but these favorable variances are mostly offset by shortfalls in the commercial, industrial and wholesale classes. For the year-to-date period, water revenue is 0.5% under budget and 1.5% lower than prior year levels.

Other Operating Revenue for March is \$25,000 short of budget and \$63,000 lower than year-ago levels. The variance to budget is mainly due to a shortfall in revenue from customer charges, somewhat offset by a positive variance in service line protection revenue. The decrease from prior year is driven by the same factors. Year-to-date, other operating revenue is \$76,000 higher than budget and \$148,000 higher than prior year. The year-to-date variance to budget is due to higher revenue from service line protection and to a lesser extent higher service deactivation fees, partially offset by lower revenue from late fees.

Operating and Maintenance Expenses for March of \$10.1 million are \$564,000 higher than budget and \$1.2 million higher than March 2023. The March variance to budget is driven by materials and supplies, insurance reserves and labor and labor-related costs, partially offset by lower utilities and bad debt expense. The variance in labor cost is primarily related to the payment of the performance awards in April. It is considered a timing difference as favorable variances in labor and other areas later in the year will offset the overage. The unfavorable variance to March 2023 is primarily due to higher labor-related expenses, materials and supplies, contractual services and insurance reserves offset by lower system support and maintenance. March year-to-date operating and maintenance expenses are \$682,000 higher than budget and \$2.4 million higher than year-ago levels. The performance award, chemicals, materials and supplies and insurance reserves all contribute to the budget overage through March, although these unfavorable variances are somewhat offset by lower contractual services, bad debt and utilities. The variance to the previous year through March reflects increased labor and labor-related costs, along with higher materials and supplies, contractual services and insurance reserves.

Total Operating Expenses for March of \$16.4 million are \$555,000 higher than budget and \$1.3 million more than prior year. The budget variance is due to higher operating and maintenance expense. The variance to prior year is also mainly due to higher operating and maintenance expense and depreciation, offset by lower loss from disposition of property. Total operating expenses year-to-date are 1.3% and 6.7% above budget and prior year, respectively. The year-to-date budget variance is primarily the result of higher operating and maintenance costs.

Non-Operating Income through March is \$1.7 million, which is \$69,000 under budget due to a lower level of funds invested and slightly lower interest rates earned than expected. Year-to-date through March, non-operating income is \$144,000 lower than prior year due primarily to a lower dollar amount invested than this time last year.

Non-Operating Expense through March is \$1.9 million, which is \$121,000 less than budgeted due to higher amounts of interest capitalized than anticipated. Compared to prior year, non-operating expense through March is \$120,000 lower due to less capitalized interest along with lower interest on bonds as a result of principal repayments made in 2023.

Communication and Marketing Report Given

Kelley Dearing Smith advised that Louisville Water received a variety of positive media attention in March. Most of the 168 media mentions were about the reopening of the Louisville Water Tower. Every local television station covered the opening weekend, and three stations did morning live shows from the Tower. The reopening event was shared dozens of times on social media. The outreach we did for the EPA's national "Fix a Leak" week was featured on one television newscast and was a top social media post. And finally, Louisville Water's work with a local artist to create "WaterWorks" for Brightside's Gallopooza Horse event received several comments for the artistic interpretation and an unexpected compliment from Michter's master distiller about the quality of our water was featured in a bourbon trade publication.

More than 400 people attended the opening week at Louisville Water Tower where we offered special events for stakeholders, vendors and employees and public tours. Staff is now focused on marketing tours and rentals at the Museum.

Louisville Water's education and outreach team reached 2,836 people through 33 engagements in March. Event season is underway where Louisville Pure Tap® is part of the Triple Crown of Running series, the American Lung Association's Fight for Air Climb event, and we partnered with the University of Louisville for an education event with World Water Day on March 22.

Louisville Water and Louisville MSD hosted a group of water professionals from across the United States for an affordability summit. Held in partnership with the US Water Alliance, this event looked at Louisville's success with developing and implementing a customer assistance program, Drops of KindnessSM and highlighted the link of affordability with utility resiliency.

Nearly 200 economic development professionals from across the United States learned about Louisville Water's advantages at the Area Development Site Selector Conference. This annual event was in Louisville and held at the site of our 1860 office, the now Omni hotel. Louisville Water along with Louisville Metro, LG&E and GLI helped sponsor this event. We provided water service with an education touch and met with site selectors who help identify locations for new business projects.

Customer Service and Distribution Operations Report Given

Dave Vogel advised that he has been on the Executive Board of the Kentucky Derby Festival for several years. He and other employees volunteered at the Marathon and MiniMarathon, the Hole in One at Senaca Park, and the Tour de Lou.

Staffing continues to be a challenge and we are working to hire new employees and evaluate new ways of recruiting.

Last month, we kicked off final bill notifications via text messaging and we are seeing a positive trend of customers paying on the same day they received the text. We are also in the testing phase of the new Screen Pop Technology which will help reduce call handling time for customer calls.

AMI endpoint installations are approximately 90% complete and we are working on the final two cycles. Estimated bills for the month came in at 0.39%, which is lower than past periods. Staff is working with Itron and the cellular carriers on an issue that is causing some of the reads to fail when transmitted. This has resulted in us having to use the drive-by-reading functionality which has mitigated any potential billing issues. We expect this issue to be corrected in the coming days.

The disconnection for non-pay backlog continues to remain at historically low levels.

Engineering and Production Operations Report Given

Mr. Kraus advised the 2024 capital program expenditures through March totaled \$16,303,490, which is \$953,881 or 5.53% lower than the same period last year. These expenditures equate to 11.05% of the 2024 total capital program of \$147,518,045.

All water quality goals for March 2024 were achieved. No water quality violations were incurred.

Water Quality personnel analyzed 1,301 water quality parameters; 1,095 of which were required pursuant to federal and state regulations. Personnel collected 283 routine distribution system (RTCR) compliance samples. One Total Coliform and zero E. coli detections were noted. Personnel also collected 64 main-break compliance samples for 34 repairs. Two local boil-water advisories (BWAs) were issued due to field conditions. Zero BWAs were issued due to initial water-quality monitoring results.

Seven chemical spills were reported upstream of the Zorn intake; PAC was fed five days as a precaution for two events. None impacted finished water quality. All treatment goals were achieved.

Eight water-quality customer complaints were received in March (the five-year average is six complaints).

Human Resources and Labor Relation Report Given

Terrence Spence reviewed the results of the Affirmative Action Programs established for each Louisville Water facility. These programs are required by the Office of Federal Contract Compliance Program and helps to ensure equal employment opportunities.

Information Technology Report Given

Jeff Knott advised that in May, IT staff will begin the Data Classification Project, a crucial initiative aimed at organizing data into relevant categories. This process is instrumental in enhancing information security and privacy by enabling us to identify, prioritize, and safeguard sensitive data more effectively. With a consistent and thorough classification system, we can further mitigate risks, prevent data breaches, and optimize our investments in data loss prevention tools. This project is scheduled to be completed by the end of the year.

The IT department has sent out its annual customer survey to Company employees. Results of the survey will be used to improve services provided by IT.

Staff is working on phase 2 of the Oracle Cloud migration which will consist of enhancing Disaster Recovery, adding additional applications to the Cloud environment, evaluating other Cloud capabilities to further secure and enhance the solution and looking for further opportunities to reduce our costs where possible.

The PeopleSoft migration to the Human Capital Management (HCM) Oracle Cloud application was announced this month and staff is working with the internal team to prepare for this effort that will begin next quarter.

Executive Session Held

Ms. Fust-Rutherford moved to go into executive session at 12:28 p.m. Seconded by Ms. Dykstra, and unanimously carried.

Open Session Resumed

Ms. Dykstra moved to return to open session at 1:20 p.m., seconded by Ms. Fust-Rutherford and unanimously carried. No action was taken in closed session.

There being no further business, the meeting was adjourned at 1:20 p.m.

Respectfully submitted,



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