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### **2023 REPORT TO THE COMMUNITY**

MÉXICO



Above: Water storage tanks in Tanzania.

On the cover: A water purification system "yielded a dramatic increase in health and well-being in five impoverished communities in Mexico."

See pages four and five for more information on these projects.

# A Message from Our Leadership

Financial assistance for hundreds of families in Kentucky. New water treatment systems in Mexico and Tanzania. Repairs to community wells in South Sudan. These are just a few results of the Louisville Water Foundation's work in 2023.

In the decade since its founding, the Foundation has had great success in its mission. Our customer assistance program is clearly a strength, and our grants and education programs also get high marks. The Foundation has a history of serving all levels of community: local, regional, national, and global.

Last year, however, our tenth anniversary also gave the Board of Directors a chance to pause and begin developing a new strategic plan to guide the work of the organization through the next several years.

The goals and objectives we are developing reflect both the Foundation's understanding of its current operating environment and its longer-term vision. Foundation leadership will use this plan to focus effort, communicate priorities, and navigate the many challenges and opportunities in a dynamic environment.

During this strategic transition, we remain committed to helping families throughout our service area that face financial difficulties. The Foundation will also support safe water initiatives, promote education, help protect water resources, and respond to emergencies worldwide.

We sincerely appreciate the contributions of the many donors who make the Foundation's work possible. Funding comes from organizations as well as generous employees at Louisville Water Company and Louisville Metropolitan Sewer District (MSD).



Jennifer Fust-Rutherford Chair



Spencer Bruce President

## **Our History**

### A Legacy of Serving the Community

In 1854, the Kentucky Legislature chartered Louisville Water Company. Throughout its history, the company has worked to improve the welfare of the communities it serves. Louisville Water went a step further in 2013 by establishing the Louisville Water Foundation, which consolidated many charitable and philanthropic efforts behind a unified mission.

The formation of a separate nonprofit entity allows the organization to receive financial support from a broad base of public and private sources. This was a critical moment in the company's history as it gave Louisville Water the opportunity to expand its generosity to a global level.

The Foundation operates as an independent entity with a separate Board of Directors who consider grant requests and manage business affairs. The Board includes a diverse representation of employees from Louisville Water, MSD, and members of the public. Today, Louisville Water and MSD provide a majority of the funding to support the Foundation's work.

The Louisville Water Foundation was granted status as a tax-exempt public charity under section 501 (c) (3) of the Internal Revenue Code on July 14, 2013. The Foundation's employee identification number is 46-2069742.

#### **Our Vision**

A world where safe water is available to everyone, no matter where they live.

#### **Our Mission**

To improve the health and well-being of both the local communities we serve and around the globe through water assistance and education.

#### **Our Belief Statement**

Water is an essential and precious resource to life. In fact, water is life's most valuable natural resource. The quality and availability of water are directly linked to the health and well-being of communities, so the Foundation believes every individual should have convenient access to a reliable and affordable supply of safe water.



# **Providing Customer Assistance**

Our 2023 customer assistance efforts helped hundreds of individuals and families struggling to pay their water and wastewater bills. As in previous years, the Foundation's largest percentage of grants funded customer assistance through the Drops of Kindness<sup>™</sup> program.

The Foundation provided \$300,000 in regular funding and \$100,000 in special funding to the Association of Community Ministries in Jefferson County. This not only enabled the organization to support clients who had fallen behind in paying their Louisville Water and MSD bills but also helped provide budgeting and financial planning information, thereby alleviating the immediate financial emergency and helping to prevent another from occurring.

The Foundation also provided \$20,000 in regular funding to the Multi-Purpose Community Action Agency in Bullitt County. Like the Association in Jefferson County, the MPCAA works to eliminate barriers to economic self-sufficiency for low-income families and senior citizens through a range of community resources and partnerships.

The Foundation also regularly supports the Salvation Army's Water Bill Payment Assistance Program. We provided \$22,500 to continue the organization's work last year.

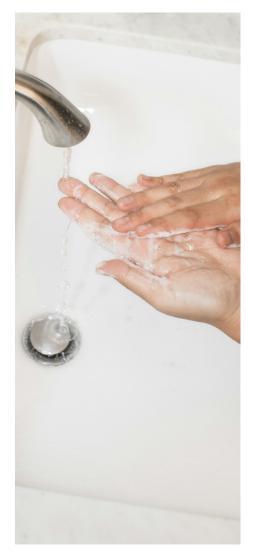
## 2023 Grant Highlights

### WaterStep

Louisville-based WaterStep provides safe water and sanitation during both man-made and natural disasters across the world. Since 2009, the organization has responded to 31 disasters, including three in Kentucky in the last two years.

The Foundation has a long history of providing grants as well as emergency funding to support WaterStep's work. In 2023, we continued our partnership by providing a \$24,771 grant to help fund a WaterStep Disaster Response Trailer. This on-site mobile "hub" will connect multiple teams and equipment after tornadoes, floods, and other disasters.

This trailer includes specialized equipment, such as two WOW (Water On Wheels) mobile water sanitation carts, and it will be part of the Lily Pad Network, a statewide network of strategically placed safe water and sanitation equipment coupled with trained responders.



Thousands of customers were able to keep their faucets flowing because of the Foundation's emergency assistance.



The WaterStep Disaster Response Trailer will include two WOW carts.

"It is our hope that this Lily Pad Network, along with the Disaster Response Trailer, will become a model to be replicated in other states grappling with increasing water disasters," said Kellie Moore, WaterStep Director of Strategic Initiatives.



#### **Water Mission**

The Foundation awarded \$20,000 to Water Mission, a South Carolina-based nonprofit organization, to help build a water treatment system in the Tanzanian community of Hwazi.

"Thanks to the generosity of the Foundation and other strategic partners, this significant water system installation was successfully constructed, completed, and commissioned," said Grace Humbles, Water Mission Grants Director. "The Hwazi water system now provides reliable access to safe water for Hwazi's 4,130 citizens."

Before the treatment system was installed, the residents relied on untreated wells containing harmful bacteria, which caused such diseases as cholera and schistosomiasis.

"A teacher in Hwazi shared with Water Mission staff that the community is rejoicing because of the presence of this safe water," Humbles said. "The system is a gift to Hwazi's children today and for future generations."

#### **Healing Waters International**

A \$20,000 Foundation grant to Colorado-based Healing Waters International (HWI) helped install a water purification system that "yielded a dramatic increase in health and well-being in five impoverished communities in Mexico, impacting more than 1,000 people," said Dr. Robin Waterman, the organization's Director of Grants and Education Impacts.

HWI used the funding to achieve several specific goals, including:

- Working alongside local community leaders in Agua Cristalina, an impoverished community in the Sierra region of Chiapas, to permanently install a water purification system capable of removing 99.99% of bacteria and pathogens for at least 10 years.
- Training community members to operate and maintain the system.
- Training community members to teach a six-week health and hygiene class that promotes understanding of the harm caused by contaminated water and the benefit of specific health and hygiene habits.
- Promoting increased use of purified water and attendance in the health and hygiene class in other impoverished communities where a HWI water purification system exists within the local schools.

Dr. Waterman said data collected on the success of these efforts "is compelling proof that the Louisville Water Foundation-funded work yielded dramatic change in this community, which will support increased physical and emotional health for many years ahead."

### Water is Basic

A \$10,000 Foundation grant allowed Texas-based Water is Basic to repair wells for communities in South Sudan affected by the influx of refugees and returnees from the Sudanese conflict.

According to Carrie Ward, Water is Basic Executive Director, "Since our founding, our focus has remained on clean water for South Sudan, but we now believe the water crisis is best solved by those most impacted by it — women. Women, now leading our work, are repairing more than 500 wells annually with a goal of 1,000 annually in South Sudan."

The Foundation grant supported not only repairs to the wells but also training for committees of community members in hygiene and maintaining the wells.



A new water treatment system increased health and well-being in five Mexican communities.



Water is Basic used a Foundation grant to repair wells in South Sudan.



The Young Authors Greenhouse helps students learn about water and recognize the power of their voices and stories.

"Each water committee will be tasked with establishing a plan for monitoring and maintaining their communal well," Ward said. "This includes a plan for fee collection by the community and devising a system they will implement to host refugees and returnees who will use their well."

"As far as long-term effects," she added," the water committee will be aware that they have a local WESI [Women's Empowerment Solutions Initiative] well repair team available to repair future breakdowns. They will no longer have to wait months for an outside NGO [non-governmental organization] to take care of minor repairs."

#### **Young Authors Greenhouse**

The Foundation awarded a \$20,000 2023 grant to Louisville-based Young Authors Greenhouse, a writing and literacy nonprofit, to help the organization continue developing students' writing skills as they learn about the role of water in their lives.

The Foundation first began supporting the Greenhouse in 2019 with a \$20,000 grant to fund its Poetry of Water Program. A 2021 grant of \$15,000 and a 2022 grant of \$20,000 provided continued support for the organization's efforts to reach even more Jefferson County students.

This funding also allowed the Young Authors Greenhouse to culminate the students' work by publishing hardcover books: *Water Moves With Me* and *The Water Is Wise*.

The 2023 grant supported the organization's efforts to continue building on its Water Series curriculum, working with about 100 students at four schools to develop a "boxed set" of student publications.

Jeannette Bahouth, the organization's Executive Director, said, "We believe writing and a supportive creative community cultivate student confidence, self-efficacy, and healthy emotional development; these conditions, like soil, water, and sun, contribute to a culture — an environment — of growth that celebrates the joys, interests, and value of each individual."

# **2023 Financial Highlights**

As an independent nonprofit entity, Louisville Water Foundation can receive financial support from a broad base of public and private sources.

The Foundation is committed to maintaining the highest levels of financial transparency. Accordingly, the financial information contained in this annual report is available for further inspection upon request.

The Foundation is governed by a Board of Directors that is responsible for management and administration, including the review and approval of operating policies, charitable grants, and financial statements. (See page 10 for a list of Board members.)

Policies for the Foundation consist of the following:

- Bylaws and Articles of Incorporation lists the responsibilities of directors and officers and the requirement to produce an annual report.
- Conflict of Interest Policy requires the disclosure of all possible conflicts of interest for both directors and officers.
- Procedure for Disbursements establishes a set of internal controls.
- Whistleblower Procedure establishes a procedure to follow for complaints.
- Affordability Program Policy establishes the framework for water affordability programs.
- Investment Policy lists approved investments with an emphasis on capital preservation.
- Shared Services Agreements provides for services from as well as reimbursement to Louisville Water Company.
- Grant Review Committee establishes a committee to review and recommend grants to the full Board for approval.

The Foundation's Grant Program is designed to provide support for projects or activities that address community water needs. The Grant Review Committee reviews and scores all submitted grant applications.

The committee evaluates each grant application in terms of demonstrated financial need, fiscal viability, adherence to the values of the Foundation, alignment with its mission, and the degree to which it meets the intent of its grant program.

If the grant application meets the Foundation's eligibility requirements and minimum scoring criteria, it is presented to the full Board, which makes the final decision.

The Foundation's financial statements for 2023 show total revenue and support of \$599,310, total expenses (including grants) of \$573,922, and total net assets of \$1,136,564 at the end of the year.



A key percentage for the Foundation is the Program Ratio: 93.79% of the Foundation's expenditures supported missionrelated programs and activities in 2023.



### **Condensed Statement of Financial Position**

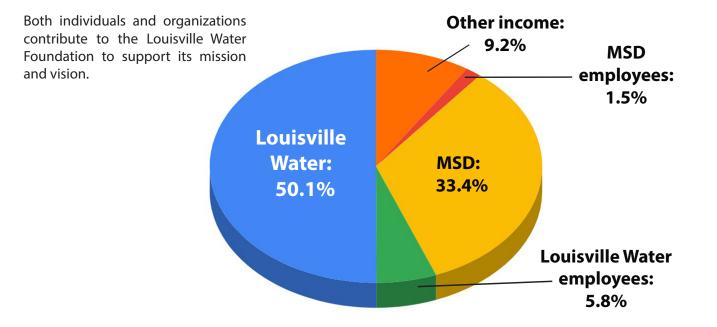
	Dec. 31, 2023	Dec. 31, 2022	Variance	% Change
Cash and Cash Equivalents	\$1,021,496	\$1,001,233	\$20,263	2.0%
Accounts Receivable	-	365	(365)	-100.0%
Investments	115,840	110,584	5,256	4.8%
Total Assets	\$1,137,336	\$1,112,182	\$25,154	2.3%
Accounts Payable and Accrued Expenses	\$772	\$1,006	\$(234)	-23.3%
Total Liabilities	\$772	\$1,006	\$(234)	-23.3%
Unrestricted Net Assets	\$1,136,564	\$1,111,176	\$25,388	2.3%
Total Net Assets	\$1,136,564	\$1,111,176	\$25,388	2.3%
Total Liabilities & Net Assets	\$1,137,336	\$1,112,182	\$25,154	2.3%

### **Condensed Statement of Activities**

	Dec. 31, 2023	Dec. 31, 2022	Variance	% Change
Louisville Water Contributions	\$300,000	\$250,000	\$50,000	20.0%
Louisville Water Pledge Drive Donations & Payroll Contributions	\$34,949	33,420	1,529	4.6%
MSD Water/Sewer Assistance Contributions*	\$200,000	150,000	50,000	33.3%
MSD Cares Employee Donations & Payroll Contributions	\$9,132	9,561	(429)	-4.5%
Other Income	\$55,229	23,938	31,291	130.7%
Total Revenue and Support	\$599,310	\$466,919	\$132,392	28.4%
Customer Assistance Programs	\$442,500	\$571,547	\$(129,047)	-22.6%
Grants	95,771	106,600	(10,829)	-10.2%
Disaster Relief	-	7,500	(7,500)	-100.0%
Other Expenses	35,651	23,620	12,031	50.9%
Total Expenses	\$573,922	\$709,267	\$(135,345)	-19.1%
Change in Net Assets	\$25,388	\$(242,348)	\$267,736	110.5%
Net Assets, Beginning of Year	\$1,111,176	\$1,353,524	\$(242,348)	-17.9%
Net Assets, End of Year	\$1,136,564	\$1,111,176	\$25,388	2.3%

\*Funds are designated for customer assistance programs in Jefferson, Bullitt, and Oldham counties.

### 2023 Contributions



### **Developing a New Strategic Plan**

The Foundation celebrated its tenth anniversary in 2023 by reaffirming its mission and taking the firsts steps to develop a new strategic plan. Although it is still in development, the directors have identified potential areas of focus:

**Programming:** The Foundation will enhance its programming by reviewing and refining the assistance it provides to customers. We will enhance our work in supporting agencies' water projects, disaster relief efforts, and water cycle education initiatives through a clarified, focused grantmaking process.

**Revenue Generation:** The Foundation will expand its sources of revenue by researching, prioritizing, and

developing a comprehensive funding strategy around both current and potential sources.

**Brand Awareness:** The Foundation will increase awareness of its work through a comprehensive communication strategy, with particular attention to the Drops of Kindness initiative.

**Structure:** The Foundation will review its governance structure, function, composition, and policies, ensuring it complies with applicable statutes, aligns with nonprofit best practices, and provides a solid foundation to guide the organization over its next 10 years.

We will implement the new strategic plan in several phases through 2026.



### **Board of Directors**

Jennifer Fust-Rutherford – Chair Spencer Bruce – President Lynn Pearson – Treasurer Michael Tigue – Secretary Emily Fritz David Glenn Jim Grunow Greg Heitzman Keith Meriwether Tony Parrott Kimberly Reed Terrence Spence

## How to Apply for a Grant

The Louisville Water Foundation accepts grant applications year-round from organizations with projects that address a water-related need.

#### Examples of projects/activities supported:

- Potable water solutions in water-poor communities
- Water assistance programs serving individuals and/or communities
- Water awareness or education campaigns
- Water stewardship education
- Surface or groundwater protection education
- Watershed cleanup

The Louisville Water Foundation awards grants to 501 (c) (3) organizations based in the United States.

#### Activities that do not qualify:

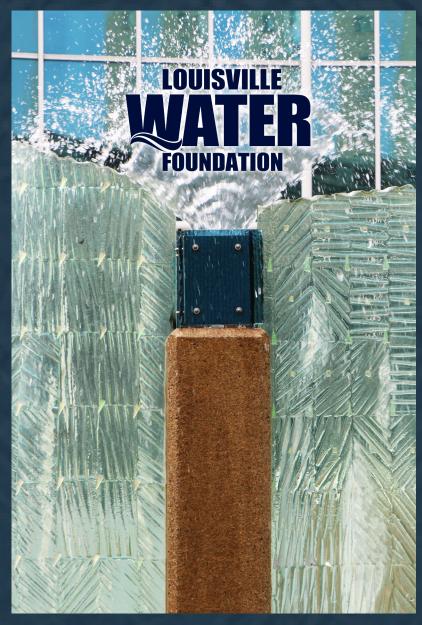
- Interest payments
- Personal articles
- Lobbying (attempting to influence local, state, or national legislation)

#### Selection Criteria:

- Clarity of project goals, objectives, and potential impact on the community
- Strength of project design and team
- Evidence of an innovative approach with real-world application
- Sustainability of the project post-grant
- Evidence of community engagement
- A plan for assessing the impact of the project and the capacity to measure its outcomes
- A reasonable and efficient budget

Visit LouisvilleWater.com/LouisvilleWaterFoundation for more information.

To help support the goals of the Foundation, contribute to the Drops of Kindness program when you pay your water bill.



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