

**Board Of Water Works
REGULAR CALLED MEETING MINUTES
January 28, 2025
Virtual Meeting**

Board Members Present:

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

Not Present:

Mayor Craig Greenberg
Mr. Jacob Brown
Ms. Cathe Dykstra

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
Mr. Larry Bryant, Vice President, Production Operations and Chief Engineer
Mr. Jeff Knott, Vice President, Information Technology
Ms. Lynn Pearson, Vice President and Treasurer
Mr. Terrence Spence, Vice President, Human Resources and Labor Relations
Mr. Michael Tigue, Vice President, Compliance, General Counsel and Corporate Secretary
Mr. David Jared, President, Local 1683 of the AFSCME, AFL-CIO
Ms. Channa Newman, Director, Community Relations
Ms. Jenni Schelling, Director, Internal Audit
Mr. Brian Sturgeon, Computer Network Administrator
Ms. Beverly Soice, Senior Paralegal

Visitors:

The meeting of the Board of Water Works (BOWW/Board) was held virtually via Microsoft Teams on Tuesday, January 29, 2025. Chair, Dr. Sunny Dronawat called the meeting to order at 11:04 a.m.

Minutes of the Previous Regular BOWW Meeting Approved

Jennifer Fust-Rutherford moved to approve the regular monthly meeting minutes of December 17, 2024. Dr. Sharon Kerrick seconded, and the motion unanimously carried.

President/CEO Report Given

Spencer Bruce advised that in 2024, Louisville Water’s product, Pure Spout®, achieved local and national recognition. Louisville Water developed Pure Spout for drinking fountains to ensure good water quality and reduce the risk of lead getting into the water through older pipes and plumbing fixtures. Pure Spout is a low-cost solution to replace existing water fountain spouts with a filter designed specifically to reduce levels of lead. It is aimed to protect students at public schools with aging infrastructure.

Mr. Bruce noted over the past couple of years, Pure Spout® has received multiple accolades including the Thomas Edison Award–Bronze Award in Social & Cultural Impact: Health and wellness, America by Design: Innovations People’s Choice Award, America by Design, Innovations Commentator’s Choice Award, International Design Excellence Award, Core77 Design Award, Good Design Award, Davey Award Winner for Best Integrated Advertising & Marketing Campaign, and Davey Award Winner for Best Corporate Identity / Brand Identity.

In fall 2024, Pure Spout® was featured on the CBS television show America by Design. This is a remarkable achievement when you consider other iconic brands spotlighted on the show including Coca-Cola, Porsche, and Airstream.

Pure Spout also made Louisville Business First’s list of “KY Inno’s 2025 Startups to Watch.”

Mr. Bruce also discussed recent modifications made to the Lead and Copper Rule as they apply to schools that may change the plans for the Pure Spout filter over the next two to three years. Currently, we are working on a 2025 implementation plan and will share that with the Board in the coming months.

Contract Renewal for Construction Inspection Services Approved

Larry Bryant advised that Louisville Water currently has a total of 31 construction inspectors; 21 contract inspectors and ten full-time employees. The current Construction Inspection Services contract provides seven inspectors to the Construction Inspections Department, three inspectors to the Managing Distribution Operations Department, and eight inspectors to Metering Services. Contract inspectors have been utilized each year since 2000 to supplement the Construction Inspections Department.

The Construction Inspection Services contract was awarded to RA Consultants (now Gonzales) in 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. The CPI increase for the renewal for 2025 will be 2.6%.

In 2025, it is anticipated that Louisville Water will continue to utilize up to 21 contract inspectors from the Gonzales contract.

Dr. Kerrick moved to approve proceeding with the contract renewal with RA Consultants (now Gonzales) in the amount of \$1,987,605. Bill Summers seconded, and the motion unanimously carried.

Management Incentive Plan, Corporate Performance Award and Union Healthcare Incentive Plan Policy Updates Approved

Lynn Pearson advised Internal Audit recently completed a review of the Company’s Management Incentive Plan (MIP), Corporate Performance Award (CPA) and Union Healthcare Incentive Plans. That review revealed the need for some updates to the policy that governs these plans. The Executive Leadership Team also reviewed the policy and identified some additional recommended updates.

Ms. Pearson reviewed the proposed changes with the Board.

Dr. Kerrick moved to approve the updated MIP, CPA and Union Healthcare Incentive Plan Policy as presented. Mr. Summers seconded, and the motion unanimously carried.

Change to Thomas Family Scholarship Approved

Terrence Spence advised that Louisville Water has sponsored a \$10,000 annual scholarship awarded to a local high school student in the YMCA’s Youth Black Achievers Program since 2021.

Named after the first African American family employed by Louisville Water in 1872, the Thomas Family Scholarship is now approaching its fifth year. With rising college tuition costs in Kentucky averaging \$11,300 - \$12,000 annually, an increase is necessary to support students facing economic barriers.

Mr. Spence stated that management is requesting the Board approve an increase in the scholarship to \$15,000. Mr. Bruce stated that while this increase is not specifically budgeted, there is room in the President’s budget to cover the small increase.

Mr. Summers moved to increase the scholarship to \$15,000 to assist with rising tuition costs for recipients in the YMCA Youth Black Achievers Program. Ms. Fust-Rutherford seconded, and the motion unanimously carried.

Audit Committee

Mr. Bruce advised the Audit Committee minutes of the December 9, 2004 meeting are included in the agenda book for records purposes only. Jenni Schelling provided a verbal summary of the minutes at the December 17, 2024 Board meeting.

Fourth Quarter Certification of Projects & Change Actions Authorized

Mr. Bruce certified that the following 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
15441	760 Plan-Peaceful Valley BPS Rehab	\$50,000	\$300,000	\$350,000	\$300,000
16376	690 Plan HCWD 2 Ph1 Wilson Crk	(\$13,300,000)	\$13,300,000	\$0	\$0
16428	690 Plan Trans Minor Ln BPS	(\$4,600,000)	\$4,600,000	\$0	\$0
16604	BEP Plan-Raw Water Supply-Eval	(\$6,600,000)	\$6,600,000	\$0	\$800,000
16606	BEP Plan-Standby Gentr Impr	(\$4,300,000)	\$4,300,000	\$0	\$0
16613	Saltwell Springs Phase 1	(\$327,000)	\$327,000	\$0	(\$50,000)
16634	FH Repl & Renov 2024	(\$495,000)	\$495,000	\$0	\$575,000
16644	Ld Svc,Cop Svc,FS,Lrg Mtr 2024	(\$410,000)	\$410,000	\$0	\$410,000
17010	2024 Public Lead Svc Repl	(\$260,000)	\$260,000	\$0	\$260,000
17022	Crescent Hill Lab Landscaping	(\$303,700)	\$303,700	\$0	\$303,700
Total		(\$30,545,700)	\$30,895,700	\$350,000	\$2,598,700

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
15441	760 Plan-Peaceful Valley BPS Rehab	\$50,000	\$300,000	\$350,000	\$300,000
16376	690 Plan HCWD 2 Ph1 Wilson Crk	(\$13,300,000)	\$13,300,000	\$0	\$0
16428	690 Plan Trans Minor Ln BPS	(\$4,600,000)	\$4,600,000	\$0	\$0
16546	Commerce Crossings Apts	(\$176,000)	\$176,000	\$0	(\$259,892)
16604	BEP Plan-Raw Water Supply-Eval	(\$6,600,000)	\$6,600,000	\$0	\$800,000
16606	BEP Plan-Standby Genr Impr	(\$4,300,000)	\$4,300,000	\$0	\$0
16613	Saltwell Springs Phase 1	(\$327,000)	\$327,000	\$0	(\$50,000)
16634	FH Repl & Renov 2024	(\$495,000)	\$495,000	\$0	\$575,000
16644	Ld Svc,Cop Svc,FS,Lrg Mtr 2024	(\$410,000)	\$410,000	\$0	\$410,000
17010	2024 Public Lead Svc Repl	(\$260,000)	\$260,000	\$0	\$260,000
17022	Crescent Hill Lab Landscaping	(\$303,700)	\$303,700	\$0	\$303,700
Total		(\$30,721,700)	\$31,071,700	\$350,000	\$2,338,808

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
16377	690 Plan Transmission Salt River to Chapeze BPS	\$0	\$0	\$0	\$268,159
Total		\$0	\$0	\$0	\$268,159

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	\$19,888,338	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	\$68,656,781	Work In Progress	2013 Budget
14325	CHFP - Chemical Building and Lab Fire Protection and Office Space Improvements for Productions	\$14,107,740	\$19,479,116	Completed Not Closed	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	\$61,536	Pending Capital	2017 Budget - Program
15468	Kentucky,Oak,Glenmary Transmission Main Rehab 2019	\$11,500,000	\$7,471,695	Work In Progress	2019 Budget
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

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

22-112	Assignment to Transmission System Repairs and or Capital Improvements Master Agreement-2023 Transmission Valve Condition Assessment –PeeWee Reese 60” Corridor	
16404	Southern Pipeline Construction Co. (LWC-SBE)	\$320,687
22-112	Assignment to Transmission System Repairs and or Capital Improvements Master Agreement-BEP 60” Valve Replacement & Inspection	
17038	MAC Construction & Excavating, Inc	\$976,000

22-112	Transmission System Repairs and or Capital Improvements Master Agreement 2nd CPI Renewal		
	Basham Construction & Rental Co., Inc. (LWC-SBE)	Unit price contract	
	Garney Companies, Inc.		
	MAC Construction & Excavating, Inc.		
	Southern Pipeline Construction (LWC-SBE)		
23-103	Crescent Hill Water Treatment Plant Residuals Line - Solids Holding Tanks - Mixing System CO# 4		
15619	Dugan & Meyers LLC		\$265,228
23-111	690 Plan - Transmission - Salt River to Chapeze BPS - Phase 2 CO # 1		
16377	MAC Construction & Excavating, Inc.		\$357,979
23-67	Private Lead Service Line Replacement – Group H- CO #7		
16397	Lee Le Plumber		\$213,200
23-84	Private Lead Service Line Replacement-Known Lead Agreement Group I- CO# 2		
16397	Basham Construction & Rental Co.		\$206,000
24-101	Shepherdsville Pointe Community		
16259	Argenbright Dirt Works (LWC-SBE)		\$706,213
24-106	Meter Vault Maintenance		
	Baxt Construction (LWC-SBE)	Estimate	\$354,132
24-108	Lamborne Blvd Main Replacement		
17078	Excel Excavating, Inc. (LWC SBE)		\$251,125
24-115	Mount Holly Road Area Water Main Replacement Project		
17020	Southern Pipeline Construction Co. (LWC SBE)		\$796,000
24-117	Peaceful Valley 16in Water Main Installation		
15441	S-Walk dba Seven Seas Construction (CMBE & LWC SBE)		\$1,364,775
24-87	Oleanda Avenue Area Water Main Replacement Project		
16643	Allterrain Paving & Construction LLC (CWBE & LWC SBE)		\$1,380,000
24-92	Crescent Hill Lab Landscaping		
17022	Allterrain Paving & Construction LLC (CWBE & LWC SBE)		\$340,848
	SUM BY BIDS AND AWARDS CATEGORY		\$7,532,187

Procurement of Materials and Services

13-101	Print Utility & Mail Services 2025 Contract Extension		
	Doxim FKA - Utilitec	Estimate	\$807,260
19-75	Vehicle Parts Supply and Management (Metro Louisville Cooperative Agreement through Sourcewell) Contract Extension		
110520	NAPA Integrated Business Solutions	Estimate	\$900,000
20-101	Assignment to IT Project Consulting Services Master Agreement-2025 O&M Support for Oracle Utilities CCB & WAM Functional Architect		
GSA G535F474GA	TMG Consulting		\$375,756
20-101	HCM Project 2 Additional Resources for 3 months of Support		
GSA G535F474GA	TMG Consulting	Estimate	\$206,400
21-107	Barricade Rental, and Traffic Control Packages, Signage 3rd CPI Renewal		
	AWP, Inc.		\$257,080
21-127	Vacuum Excavating Services 2nd CPI Renewal		
	Badger Daylighting		\$411,103
22-81	Flagging and Traffic Control Services 2024 Contract Extension		
	AWP, Inc.		\$512,948
22-94	Locating Services – MSD Contract 2nd CPI Renewal		
	One Call Concepts Locating Services (CWBE)	Estimate	\$1,450,680
24-100	Paving Restoration		
	Reid Brothers, Inc.	Estimate	\$599,931
24-113	Copper Tubing Purchase & Delivery		
	Masters Supply		\$234,302
24-69	Water Treatment Chemicals – Sodium Chloride		
	Gunther Salt		\$811,688
24-90	Brass Fittings and Valves		
	AY McDonald	Estimate	\$772,023
	Hayes Pipe Supply		\$480,882
GSA Contract	WAM/CCB KloudGin 2025 License Renewal		
47QTCA18D00CC 22-115	KloudGin		\$581,962
KY State Contract	2024 EBS and PeopleSoft Support renewal		
MA758 2000000580	Mythics		\$277,349

KY State Contract	Tires, Tubes, and Services		
MA7582400000697-24-85	The Goodyear Tire & Rubber Company		\$500,000
LJCMG	Cisco Smartnet Onsite Support Renewal		
SC0000285	CDWG		\$256,647
SUM BY BIDS AND AWARDS CATEGORY			\$9,436,011

Procurement of Professional Services

	Management and on-going support of Five9 Intelligent Virtual Assistant		
	InflowCX	24- Months	\$264,000
20-03	Assignment to Plant & Facilities Engineering Services Master Agreement-CHWTP - Residuals Conveyance System		
15619	HDR Engineering Inc	NTE	\$546,673
23-08	Assignment to the Potable Water Tank Cleaning & Inspection Services - Master Agreement -Wilson Creek 3MG Tank		
16376	Dixon Engineering	NTE	\$450,588
23-118	Assignment from Transmission Pipeline System Design Engineering Services- Communications & Community Engagement for Service Line Inventory and Lead Service Line Replacement		
	HDR Engineering	NTE	\$265,000
GSA Contract	Oracle Applications Technical Architect Renewal- Ty Hardin		
47QTCA21D007Q	V-Soft Consulting (CMBE)	Estimate	\$370,000
SUM BY BIDS AND AWARDS CATEGORY			\$1,896,261

Procurement of Sole Source Materials and Services

	Advanced Metering Infrastructure (AMI) Installation and Implementation -Purchase of EndPoints.		
16659	Itron	Estimate	\$467,900
	Automatic Speech Recognition (ASR) and Large Language Model (LLM) for Contact Centers to Analyze 100% of Customer Conversations.		
Capital Project # TBD 16501	Observe.AI		\$260,000
	License for Broadcom Automic Renewal		
	Robert Mark Technologies		\$337,736
17-100	Advanced Metering Infrastructure (AMI) Installation and Implementation 5-years		
13274	Itron	Estimate	\$661,044
22-104	Electromagnetic Inspection and Leak Detection on Large Diameter Water Mains Master Agreement 2nd CPI Renewal		
	Pure Technologies U.S. Inc.	Estimate	\$1,729,304
SUM BY BIDS AND AWARDS CATEGORY			\$3,455,984
GRAND TOTAL			\$22,320,443

Oldham County Advisory Board

Dave Vogel provided a summary of the discussions that took place during the Oldham County Advisory Committee meeting held on December 12, 2024.

Financial Report Given

Ms. Pearson reported that the year-end close is underway and progressing well. Financial statements for December and full year 2024 will not be final until the annual audit by our 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 provided preliminary information based on data available through January 23, 2025.

Water sales ended the year on a very positive note. Total consumption for 2024 reached 34.8 billion gallons, our highest consumption since 2012.

Consumption of 3.0 billion gallons for the month of December is over budget by 210 million gallons and higher than December 2023 by 424 million gallons. Total consumption for the full year 2024 came in at 34.8 billion gallons, which is 3.0% over budget and 1.8% higher than the prior year.

Water revenue for December is \$1.6 million higher than budget and \$4.1 million higher than the prior year. For the full year 2024, all customer classes finished the year over budget with the exception of industrial and public fire hydrants which have very modest shortfalls. Residential, irrigation and commercial customer classes have the largest positive variances, totaling over \$3 million combined. As a result, overall water revenue for the full year 2024 exceeds budget by \$3.7 million.

Communication and Marketing Report Given

In Kelley Dearing Smith's absence, Channa Newman presented the Communication and Marketing Report.

As Louisville Water managed through the January arctic weather, the content team produced a series of stories and highlighted consumer information through community partners and our newsletters. The tips on protecting home plumbing were shared by more than a dozen partners and social media posts highlighted crews working in the cold which received more than 8,000 views.

Outreach efforts through school-based instruction and community programming produced exceptional results in 2024 with more than 418 engagements (in-person or through the distribution of materials) that reached 73,300 people. The education team was at 95 schools in 2024, 11 of those outside Jefferson County. Field trips and tours returned to Louisville Water Tower with 70 groups and schools visiting the WaterWorks Museum.

The 2025 Session of the General Assembly is a "short session", meaning the Legislature only meets for 30 days. One issue Louisville Water is monitoring is proposed legislation on fluoride. The legislation introduced would make adding fluoride to drinking water supplies optional for local water utilities. The 2024 session was the first time the bill received a vote. It passed out of committee but did not go further. Louisville Water has long supported the use of fluoride in drinking water, following the science and recommendations of health experts.

Result of the bi-annual Customer Satisfaction survey show that Louisville Water ended 2024 with 77% of customers saying we meet our goal of delivering high-quality water and reliable service. This score has increased by one percentage point each of the past four years. Other highlights include an increase in customers using the website for self-service, higher ratings for their experience in talking with a customer service employee, and an increase in the number of customers saying we show "empathy."

Customer Service and Distribution Operations Report Given

Mr. Vogel stated that due to the weather conditions, January has already been a very busy month.

Mr. Vogel advised that as of January 28, Louisville Water has sustained 195 main breaks to its system. Mr. Vogel stated that he checked this morning and the number of main breaks seems to be slowing.

The Call Center has received many calls from customers indicating they have no water. Crews responded to each call and, in the majority of cases, the service line was found to be frozen on the customer side.

Mr. Vogel also advised that due to recent delivery delays caused by the United State Postal Service, we will waive late charges when customers inform us they did not receive their monthly bill.

Engineering and Production Operations Report Given

Mr. Bryant advised that the 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 was 117.1 MGD, which was 3.4% higher than December 2023 and 5.8% higher than the December five-year average. For year-to-date, the amount of water delivered to the system was 2.0% higher than 2023, and 7.4% higher than the five-year average.

All water quality goals for December 2024 were achieved. No water-quality violations were incurred. A total of five water-quality customer complaints were received in December, bringing the yearly complaint total to 123 or 0.4 complaints per 1,000 customers.

Water Quality personnel analyzed 1,203 water quality parameters; 997 of which were required pursuant to federal and state regulations. Personnel collected 280 routine distribution-system compliance samples. Zero Total Coliform and zero E. coli detections were noted. Personnel also collected 95 main-break compliance samples associated with 48 repairs. Eight local boil-water advisories were issued due to field conditions and zero due to initial water-quality monitoring results. Six chemical spills were reported upstream of the Zorn intake, but there was no resulting impact on water treatment. Powder-activated carbon was applied for two days in response to a taste and odor event. This taste and odor event most likely resulted from a naturally occurring river-change event.

Human Resources and Labor Relations Report

Mr. Spence then provided an overview of Louisville Water's Equal Employment Opportunity Compliance utilization reports.

Information Technology Report Given

Jeff Knott advised that the Data Classification workshop was held last month, and staff is still actively analyzing the results. These insights will guide us through the next steps to advance this initiative.

Louisville Water has partnered with TMG to review and redevelop oracle reports due to the current vendor exiting the business. This work is now under way and all reports of "critical" and "high" importance will be converted to the new platform by the end of November.

In a parallel effort, we are developing our skills in the Data Analytics area so that we can begin the use of the Oracle Analytics software package.

Louisville Water's Human Capital Management (HCM) / Human Resource Management System (HRMS) project has extended CRP2 through February 2025 because of functionality concerns with the Oracle application. The project team is actively collaborating with Highstreet IT, Oracle Product Support, and TMG to address these challenges. Additional meetings are being conducted in January to develop a comprehensive mitigation plan with actionable recommendations. This extended timeline allows for refining the approach and validating proposed solutions before proceeding to subsequent project phases.

There being no further business, the meeting was adjourned at 11:53 a.m.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Michael F. Tighe", is written over a horizontal line.

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