

**Board Of Water Works
REGULAR CALLED MEETING MINUTES
December 17, 2024
Louisville Water Tower**

Board Members Present:

Dr. Sundeep “Sunny” Dronawat, Chair
Ms. Jennifer Fust-Rutherford, Vice Chair
Mr. Jacob Brown
Ms. Cathe Dykstra
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
Mr. Larry Bryant, Vice President, Production Operations and Chief Engineer
Ms. Kelley Dearing Smith, Vice President, Communications and Marketing
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. Homer Barger, Vice President, Local 1683 of the AFSCME, AFL-CIO
Mr. Carlos Felix, Director, Information Technology
Ms. Sue Purdy, Director, Finance and Accounting
Ms. Jenni Schelling, Director, Internal Audit
Ms. David Mulloy, Manager, Infrastructure Planning
Mr. Andrew Winslow, Manager, Finance
Ms. Elizabeth Davis, Financial Analyst
Mr. Brian Sturgeon, Computer Network Administrator
Ms. Beverly Soice, Senior Paralegal

Visitors:

Mr. Erik Whitehead

The meeting of the Board of Water Works (BOWW/Board) was held at the Louisville Water Tower located at 3005 River Road, Louisville, KY on Tuesday, December 17 2024. Chair, Dr. Sunny Dronawat called the meeting to order at 11:01 a.m.

David Vogel advised that Spencer Bruce is under the weather and is attending the meeting virtually.

Minutes of the Previous Regular BOWW Meeting Approved

William E. Summers moved to approve the regular monthly meeting minutes of November 19, 2024. Cathe Dykstra seconded, and the motion unanimously carried.

PRESIDENT/CEO REPORT GIVEN

In Mr. Bruce's absence, Mr. Vogel provided the CEO report.

Even though the last quarter of the year seems to fly by, Louisville Water employees always seem to manage to find time to give back to the community.

Last month, some of our CORE Council members served lunch to unhoused veterans and delivered gift bags which included blankets, snacks, and stress balls. A few days later, Local 1683 members continued its annual tradition of loading up bicycles for children with Metro United Way's Bikes or Bust program.

Our Service Board led the Angel Tree project for the third straight year. More than 60 Angels were adopted this year and several people volunteered at The Salvation Army to process and distribute the bags to families. Louisville Water received the "Joy Center Heroes" award for its involvement last year.

Crescent Hill and B.E. Payne employees also deliver holiday cheer every year. They work with Field Elementary's family resource coordinator to adopt several families, shop for them, and then deliver the truckloads of presents before the holiday break. This began more than a decade ago and employees look forward to it every year as do the staff at Field.

Five-Year Capital Improvement Plan Reviewed and Long Range Financial Plan Approved

Lynn Pearson advised that the 2025 Annual Operating and Capital Budget was approved by the Board at the November meeting. Larry Bryant presented highlights of the five-year Capital Improvement Plan (CIP) and then Ms. Pearson presented the ten-year financial plan.

Capital Improvement Plan

Mr. Bryant advised that input from various sources are used to develop the five-year Capital Improvement Plan, including the Strategic Business Plan, Facilities Plan, Biennial Inspection Plan, Economic Development information and guidance from Company Leadership.

Mr. Bryant stated that this plan is focused on "generational" plant/production investments which include the following projects: Crescent Hill Pump Station Discharge System Improvements, B.E. Payne Water Treatment Plant Upgrades, and Crescent Hill Water Treatment Plant – Residuals Conveyance System Improvements. The CIP also includes investment to support regional partnership with Hardin County Water District #2, North Nelson Water District / City of Bardstown, and exploring other potential partnerships.

In order to finance these projects we plan to reduce Main Rehabilitation and Replacement Project (MRRP) spending and the BE Payne Clearwell and High Service Pump Station will be deferred to 2027. Other facility projects being deferred include the Allmond Avenue Renovation (deferred to 2028) the John L. Hubert Building Renovation (deferred to 2029) and the Zorn Avenue Roof and Masonry projects (deferred to 2030+).

Mr. Bryant advised that additional potential funding sources include the PFAS settlement and state and federal infrastructure grants. Mr. Bryant reviewed historic and future annual capital budgets and capital expenditure rates.

Finally, Mr. Bryant reviewed the distribution of CIP funds across the categories: Infrastructure Renewal (68.5%), Growth Related Improvements (22%), New Technologies and Facilities (8.6%), Self-

Financing Improvements (0.6%), Intangible Assets (0.2%) and Major Asset Demolition Program (0.1%).

Long Range Financial Plan

Ms. Pearson advised that the costs related to “generational” projects will mean substantially higher overall capital expenditures over the next several years. These higher capital costs will have an impact on our long-range financial plan: the planned 2025 bond issuance will be for a higher amount than past issuances and financial metrics, particularly Debt Service Coverage, will be negatively impacted.

Ms. Pearson reviewed the new money borrowing anticipated in 2025 and its projected effect on the Annual Debt Service and Debt Service Coverage.

Mr. Summers moved to approve the 2025-2034 Financial Plan submitted by staff. Jacob Brown seconded, and the motion unanimously carried.

2024 Tariff and Cost of Service Approved

Ms. Pearson advised that at its November 16, 2024 meeting, the Board adopted the 2024 Annual Operating Budget and staff was directed to prepare rate schedules with an average rate increase of 4.25%, effective for water service beginning January 1, 2025 and thereafter.

Ms. Pearson reviewed the proposed 2025 Tariff and Water Rate Schedule with the Board. The schedule was developed in accordance with a cost of service study based upon the methods promulgated in the American Water Works Association Manual M1, Water Rates.

Staff recommend that retail water rates increase January 1, 2025 and wholesale rates July 1, 2025. The wholesale rates will require approval by the Public Service Commission (PSC) for utilities that are under its jurisdiction. Upon Board approval, staff will meet with wholesale customers and begin the process of obtaining approval from the PSC.

Ms. Pearson noted that the Service Rules and Regulations authorize certain fees and charges for providing service to customers. Each year, staff reviews these charges and fees as part of the annual Tariff and Water Rate Schedule and recommends appropriate changes as needed.

Mr. Vogel then reviewed the proposed changes with the Board.

Kelley Dearing Smith reviewed the Water Tower rental fees, noting they are competitive with other local venues and that there are no changes recommended to the fees for 2025.

Mr. Summers moved to approve the proposed rates, service installation fees, customer account charges and deposits, and system development charge effective January 1, 2025. Jennifer Fust-Rutherford seconded, and the motion unanimously carried.

Ms. Pearson thanked Sue Purdy, Andrew Winslow and the rest of her team for their work on the rate schedule.

2024 Budget Amended

Ms. Pearson reported that the 2024 operating budget as approved by the Board of Water Works in November of 2023 included a \$20,084,032 funding to the Infrastructure Replacement Reserve (IRR). This funding is a cash transfer made to our infrastructure reserve account and is designated to be used

for capital expenditures. Funding made to the IRR is subtracted from net income to arrive at the adjusted net income used in the dividend calculation, as directed by the 2009 Revised Master Bond Resolution.

The IRR funding amount budgeted for 2024 was directly correlated to the amount budgeted for grant revenue in order to offset the impact of grant revenue to the 2024 budgeted dividend. It is necessary to amend the 2024 budgeted IRR funding due to the difference between budgeted grant revenue and forecasted grant revenue.

Mr. Summers moved to amend the 2024 budget to reduce the IRR funding by \$1,354,437 to \$18,729,595. Mr. Brown seconded, and the motion unanimously carried.

Increase for Lead Services, Fire Services and Renovates Budget Ratified

Mr. Vogel advised that Project 16644 includes the replacement of lead and non-lead water service lines, service renewal and vault replacements for 3" services and larger, and the replacement of Louisville Water owned fire services and detector check valves. The original budget for the scope of work was \$1,328,875. A change action request was submitted and approved in July of 2024, increasing the project budget to \$1,615,875.

Most of this work is customer and/or safety driven, and the volume of work has increased from the original estimate of 255 units to the current estimate of 485 units. Staff identified and approved an additional increase of \$410,000 to this budget in October, and since the total cumulative changes from the original budget would exceed \$500,000, the request was to be presented to the Board at the November meeting. Due to an oversight the letter was not taken, and the budget change now requires ratification by the Board.

Mr. Summers moved to ratify a budget change to Project 16644 increasing the approved budget of record from \$1,615,875 to \$2,025,875. Ms. Dykstra seconded, and the motion unanimously carried.

Fourth Quarter 2024 Dividend Declared

Ms. Pearson advised that Section 508 of the Series 2009 Water System Revenue Bond Resolution provides that the Louisville Water Company will pay to the Louisville / Jefferson County Revenue Commission an annual dividend on the Louisville Water Company stock owned by Louisville / Jefferson County Metro Government, Kentucky. The dividend declared for 2023, based upon estimated net income, is required to be adjusted after completion of the annual audit to reflect any difference between estimated and actual net income. The amount of such adjustments is to be paid with or deducted from the regular quarterly dividend payments in 2024.

The annual audit has been completed. Net income of \$71,395,127 requires a total 2023 dividend to Louisville / Jefferson County Metro Government, Kentucky of \$28,580,363. The total dividends paid during 2023 were \$22,230,512. The difference between the dividend paid for 2023 and the actual dividend computed and declared for 2023 is \$6,349,851. The difference will be added to the dividend payment in the fourth quarter of 2024 as directed by Louisville Metro Office of Management and Budget.

The 2024 Annual Budget provides for a budgeted annual dividend of \$25,101,534. This resolution provides for a total quarterly payment of \$12,625,234.50 after the addition of \$6,349,851 for the adjustment for 2023.

Ms. Fust-Rutherford moved to adopt the following resolution, declaring the regular fourth quarter 2024 dividend in the amount of \$6,275,383.50 and the remainder owed on the 2023 dividend of \$6,349,851

for a total payment of \$12,625,234.50. Dr. Sharon Kerrick seconded, and the motion unanimously carried.

WHEREAS, it has been the long established policy of Louisville Water Company to pay a dividend on its common stock related to its net earnings, after giving consideration to any requirements for debt amortization and bond reserve requirements, and

WHEREAS, a covenant written into the 2009 Water System Revenue Bond Resolution sets forth a formula for determining the amount of any such dividend, and

WHEREAS, such covenant requires payment of a dividend each year based on estimated annual Adjusted Net Income, with adjustment upon completion of the annual audit to reflect any difference between estimated and actual net income, such adjustment to be made in the quarterly dividend payments of the following year, and

WHEREAS, an estimated dividend of \$22,230,512 was paid in 2023 based on estimated Adjusted Net Income of \$39,866,022 and

WHEREAS, the annual audit for 2023 has been completed which establishes the full dividend for 2023 as \$28,580,363 based on actual Adjusted Net Income of \$69,895,127, and the Board resolution of December 19, 2023 was amended on June 18, 2024 to increase the 2023 annual dividend by \$6,349,851 from \$22,230,512 to \$28,580,363, the difference to be added to a future quarterly 2024 dividend payment, as directed by Louisville Metro, and

WHEREAS, the 2009 Bond Resolution requires that the Board of Water Works pay a quarterly dividend based on the formula contained therein, such quarterly payments to be as nearly equal in amount as possible, and

WHEREAS, the 2024 Louisville Water Company Annual Budget reflects the 2024 annual dividend to be \$25,101,534, it would be in order at this time to declare a regular fourth quarter dividend of \$6,275,383.50; therefore, be it

RESOLVED, the regular fourth quarter 2024 dividend of \$6,275,383.50 is hereby declared, and further

RESOLVED the difference in the 2023 annual dividend of \$6,349,851 will be added to the fourth quarterly 2024 dividend payment as directed by Louisville Metro, and further

RESOLVED, that the President of the Company hereby is authorized and directed to pay \$12,625,234.50 to the Louisville / Jefferson County Revenue Commission on December 31, 2024, this being the fourth quarterly dividend for 2024.

The Board took a break for lunch at 11:56 a.m. and resumed meeting at 12:24 p.m.

2025 Service Rules and Regulations Approved

Mr. Vogel advised that annually, staff reviews Louisville Water's Service Rules and Regulations to determine if any changes should be made. Staff recommends changes in the service rules to incorporate new initiatives and to provide clarification to existing regulations.

Mr. Vogel reviewed the proposed changes. There are 21 proposed changes which include 18 related to formatting, reference number updates, and language clean-up; two related to language clarification/enhancements; and, one change for a new section regarding usage alerts.

General Counsel's office has reviewed these proposed revisions, and staff recommends approval by the Board, effective January 1, 2025.

Ms. Fust-Rutherford moved to approve the revisions to the Service Rules and Regulations as proposed. Ms. Dykstra seconded, and the motion unanimously carried.

Contract Assignment Approved for Project 15609: CHPS Discharge System Improvements

Mr. Bryant requested the Board approve a contract assignment for the Crescent Hill Pump Station Discharge System Improvements project – Secondary Pump Station construction, administration and inspection.

At its November 2024 meeting, the Board approved awarding the construction contract for the Secondary Pump Station to Ulliman Schutte (the Construction Manager at Risk or “CMAR”).

During the construction, the engineer of record, Hazen and Sawyer, will act as Louisville Water’s representative, perform routine and special inspections and material testing, review submittals and shop drawings, and coordinate project documents with the CMAR throughout construction.

Ms. Dykstra moved to award the contract assignment to the engineer of record, Hazen and Sawyer, in the amount of \$2,042,822. Mr. Brown seconded, and the motion unanimously carried.

Louisville Economic Development Alliance Donation Approved

Ms. Dearing Smith advised that Louisville Water is a primary stakeholder in Metro Louisville’s economic development efforts. We work regularly with staff at Metro’s economic development office to market the area as a place for new and expanding businesses, to highlight water as the “liquid asset,” and to respond to site selector requests for prospective new industries.

Part of the Metro’s new economic development strategic plan includes a new entity, the Louisville Economic Development Alliance (LEDA), a 501(c)(6) non-profit Kentucky charitable corporation. Louisville Water is part of this new entity where Spencer Bruce sits on the board. Ms. Dearing Smith also noted that she is helping Metro with a rebranding effort.

Membership in LEDA also includes an annual donation of \$25,000. Therefore, in accordance with the “Charitable Donations Policy,” we request the Board approve a \$25,000 donation to the LEDA.

Mr. Summers moved to approve a \$25,000 donation to the LEDA, seconded by Ms. Fust-Rutherford, and the motion unanimously carried.

Ms. Dearing Smith stated staff will keep the Board updated on our efforts with LEDA through monthly officer reports.

2025 Board of Water Works Regular Monthly Meeting Dates Approved

Michael Tigue advised that under the By Laws, Board of Water Works meetings are to be approved by the Board. The following dates were proposed for 2025 Board meetings: January 28, February 18, March 18, April 22, May 20, June 17, July 22, August 19, September 23, October 21, November 18, and December 16. The annual meeting will be held immediately prior to the April Board meeting.

Following a brief discussion, Mr. Summers moved to approve the above meeting dates as regular meetings of the Board of Water Works for 2025. Ms. Fust-Rutherford seconded, and the motion unanimously carried.

Audit Committee Report Provided

Jenni Schelling provided an overview of the reports provided at the Audit Committee meeting held on December 9, 2024 which including Results of Drinking Water Laboratory Audit – Microbiology, Results

of Drinking Water Compliance Reporting Audit, Results of Workers' Compensation – Third Party Administrator, Results of Workers' Compensation – Simulated Premium Assessment, Results of Related Party Transactions Audit, Results of Incentive Plans Audit, Results of Capital Projects & Procurement Procedures Audit, Communication of Follow-up of Audit Corrective Action Plans, Approval of Audit Committee Charter, and Approval of Internal Audit Charter.

David Mulloy provided results of the 2023 American Water Works Association (AWWA) Water Audit, and a Biennial Inspection Update.

Financial Report Given

Ms. Pearson advised that November is the latest in a series of months achieving strong financial results, with consumption and water revenue coming in above budget. Total operating and non-operating expenses are also performing favorably to budget. Shortfalls in other operating revenue and non-operating income only partially offset these favorable variances and as a result, net income for the month exceeds the budget by \$268,000. Details of the Company's financial performance as compared to budget and prior year are as follows.

Consumption of 2.5 billion gallons for November is 164 million gallons above budget, and 240 million gallons lower than November 2023. All customer classes are over budget with the exception of residential and Metro government. Year-to-date consumption exceeds budget by 2.5% and prior year by 0.6%. Residential, commercial, irrigation and wholesale are the primary drivers of the year-to-date favorable budget variance.

Water Revenue for November is \$267,000 higher than budget and \$1.5 million less than the prior year. The commercial, industrial and wholesale customer classes have the largest positive variances for the month. Approximately half of the total of these positive variances are offset by a shortfall in residential water revenue. For the year-to-date period, water revenue is 1.0% and 4.9% higher than budget and prior year, respectively.

Other Operating Revenue for November is \$149,000 under budget and \$166,000 lower than year-ago levels. The variance to budget is mainly due to shortfalls in revenue from late charges and cross connection fees. The decrease from November 2023 is a result of lower revenue from late charges, cross connection fees and service activation/deactivation fees. Year-to-date, other operating revenue exceeds budget by \$387,000 and is \$885,000 higher than prior year revenue. The year-to-date variance to budget is due to higher revenue from service activation/deactivation fees, service line protection, and to a lesser degree profit on sale of materials. These positive variances are slightly offset by lower revenue from late charges.

Operating and Maintenance Expenses for November of \$8.8 million are \$193,000 higher than budget and \$24,000 higher than November 2023. The November variance to budget is primarily a result of higher contractual services and insurance reserves offset to an extent by lower labor, materials and supplies, utilities, and bad debt costs. Contractual services, system support and chemicals costs are the largest drivers of the growth from prior year levels, with materials and supplies, labor related expenses and insurance reserves partially offsetting the increase. November year-to-date operating and maintenance expenses are \$1.9 million lower than budget and \$4.5 million higher than year-ago levels. Labor and labor-related expenses, contractual services and bad debt are the largest contributors to the positive budget variance through November, although these favorable variances are partially offset by higher chemicals, materials and supplies and insurance reserves. The growth in expenses from the previous year through November reflects increases in labor and labor-related, chemicals, contractual services and insurance costs. The unfavorable variances in these categories

are partially offset by lower system support and maintenance, bad debt expenses, miscellaneous expenses and reimbursements.

Total Operating Expenses for November of \$15.2 million are \$188,000 lower than budget and \$54,000 lower than the previous year. The budget variance is due to lower depreciation and loss from disposition of property partially offset by higher operating and maintenance expenses. The variance to November 2023 is due to lower loss from disposition of property offset by higher depreciation and to lesser extent higher operating and maintenance expenses. Total operating expenses year-to-date are 1.9% lower than budget and 3.9% above prior year. The year-to-date budget variance is primarily the result of lower operating and maintenance costs and depreciation.

Interest Income through November of \$6.2 million is \$178,000 lower than budget as a result of rates and invested balances that are less than anticipated. Year-to-date through November, interest income is \$913,000 or 12.8% less than the prior year due primarily to a lower dollar amount invested.

Interest Expense through November is \$6.8 million which is \$433,000 lower than budget due to higher amounts of interest capitalized than anticipated. Compared to prior year, interest expense through November is down \$787,000 due to principal repayments made in 2023.

Net Income before Distributions and Contributions for November is \$2.7 million, which is \$268,000 more than budgeted. In comparison between years, net income for November is \$1.8 million lower than the prior year. November year-to-date net income of \$70.5 million is \$6.1 million in excess of budget and \$14.4 million above prior year.

Communication and Marketing Report Given

Ms. Dearing Smith advised that November signals the conclusion of the event activation with Louisville Pure Tap®. The popularity of cooler rentals, requests for bottles, and on-site event requests soar between March and October. 2024 was a successful outreach effort to highlight Pure Tap. The year-to-date totals are impressive, surpassing 2023. Highlights of the 2024 branding efforts include:

- Total Reach: ~560,000
- Cooler Rentals: 219 orders (829 individual coolers used), reaching ~184,768 people
- Total Pure Tap bottles distributed: ~16,000
- 84 total events with Pure Tap participation
 - 36 Large Water Service Events (mobile units), reaching ~302,000 people
 - 35 Pure Tap Tabling/Education/On-site Cooler Activations, reaching ~29,600
 - 13 Race Events with Water Stops provided by Allmond Ave crews, reaching ~35,500

In November, we concluded consumer research with a third-party to gauge opinions of the Louisville Pure Tap brand and its relation to the company's overall brand. In a survey of approximately 500 customers, we learned Louisville Pure Tap® is a solid, trusted brand. Louisville Pure Tap® is perceived as a safe and high-quality water source, with customers feeling confident about its purity and consistency. The brand's strong emotional connections, particularly with safety and trust, further improve this sense of comfort.

The survey revealed that despite the positive perceptions, fewer customers drink tap water, whether directly from the faucet or from filtered source (e.g., refrigerator water dispenser). We will look at this data point again in the spring of 2025.

In November, the education and outreach team reached 4,718 people through 38 engagements.

At the Louisville Water Tower, staff hosted 21 events that included internal use, eight field trips and group tours.

Customer Service and Distribution Operations Report Given

Mr. Vogel reported that outbound leak alerts were started in November to customers who have not previously registered for alerts in the portal. So far, the feedback has been positive and these alerts have driven customers to the portal to look at their usage patterns. The Integrated Virtual Assistant (IVA) was launched on December 10 and so far has performed well. We are running this feature on a limited basis while we monitor it to ensure everything is operating properly.

Final items are being wrapped up on the Winter Operations Plan in preparation for colder weather.

AMI progress continues with 284,000 endpoints installed to date. Approximately 202,000 Jefferson County customers have now been converted to monthly billing and over 35,000 truck rolls have been eliminated since the beginning of the project.

Engineering and Production Operations Report Given

Mr. Bryant advised that 2024 capital program expenditures through November totaled \$115,540,234, which is 29.5% higher than the same period last year. These year-to-date expenditures equate to 78.32% of the 2024 total capital program of \$147,518,045.

All water quality goals for November 2024 were achieved. No water-quality violations were incurred. A total of seven water-quality customer complaints were received in November (the five-year average is ten complaints), bringing the yearly complaint total to 118 or 0.4 complaints per 1,000 customers.

Water Quality personnel analyzed 1,136 water quality parameters; 976 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 68 main-break compliance samples associated with 36 repairs. Four local boil-water advisories were issued due to field conditions and zero due to initial water-quality monitoring results. Seven chemical spills were reported upstream of the Zorn intake, but no resulting impact on water treatment.

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 four active grievances filed by the union for review/resolution.
- Union and Company leadership conducted their monthly Labor Management meeting to review various on-going and future joint initiatives and status updates.
- The Executive Union Management Alliance Council (EUMAC) met and reviewed progress regarding the 2024 strategic and operational goals.
- The Company posted four full-time regular internal union jobs and filled eight full-time regular external positions.

Human Resources Initiatives

- Louisville Water introduced a High Deductible Health Plan (HDHP) during the 2024 open enrollment.

- HR continues to collaborate with Highstreet Company on Oracle's Cloud-based Human Capital Management System (HCM).
- HR helped fill ninety positions throughout the Company in 2024.

Employer of Choice

- Company and Union leaders discussed questions and concerns with current and former African American union employees.
- The Employee Activities Committee organized the annual Thanksgiving Luncheon and Holiday Event at the Water Tower.

Diversity Equity Inclusion & Belonging

- Union and Company leadership took part in a fourth quarter Diversity, Equity, Inclusion, and Belonging open forum discussion.
- Louisville Water CORE Council members attended an off-site 2025 strategy and planning retreat.
- Louisville Water was a sponsor at the Louisville Urban League's Kentuckiana Builds heavy construction training student graduation event.

Information Technology Report Given

In Jeff Knott's absence, Carlos Felix provided the IT report.

The Data Classification workshop was completed last week and the results have been collected and are now being analyzed for next steps that will be taken early next year to move this effort forward.

Disaster recovery database servers have been created and the DBA Team is working on production sync to enable a four to six-hour recovery target.

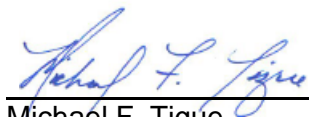
We have partnered with TMG to review current as-is reporting and to move our reporting to a Louisville Water server and off the Intoollect platform. Intoollect is going out of business and will be ending our support at the end of November of 2025. All reports will be converted from the platform by this date.

In a parallel effort, staff is developing skills in the Data Analytics area and are formulating plans for the use of Oracle Analytics by Louisville Water in the future.

Louisville Water's HCM project is completing CRP2 activities. Now that a significant portion of the business processes have been tested in the application, there are concerns with the functionality of the Oracle application. Multiple discussions have been held with the Project Team, Highstreet, Oracle and TMG to determine the best approach to resolve these concerns. A plan forward will be finalized once CRP2 is completed.

There being no further business, the meeting was adjourned at 1:05 p.m.

Respectfully submitted,



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