



2026 - 2030

LOUISVILLE WATER COMPANY

STRATEGIC BUSINESS PLAN

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MESSAGE FROM THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

Louisville Water remains one of the nation's premier water utilities and a key asset for the Louisville region.

I am pleased to present Louisville Water Company's 2026-2030 Strategic Business Plan. This plan builds on successes from the previous plan, as well as input from employees, stakeholders, and the Board of Water Works about key priorities to focus on over the next five years.

Effective planning has been key to Louisville Water's success since it was first chartered in 1854. Careful planning has helped us provide safe, reliable, affordable, and high-quality water to our customers for more than 165 years, and ambitious and forward-thinking planning has enabled us to offer innovative lines of business that deliver a return on investment to our owner, Louisville Metro.

This Strategic Business Plan is intended as a refresh of our previous 2019-2025 plan, and our core vision, mission, and values remain the same. Over the next five years, we'll focus on fulfilling our mission through a continued commitment to excellence and by leveraging technological innovations and other strategies to operate more efficiently, enhance customer service and communication, and foster economic development throughout the Louisville region.

As in our previous plan, Louisville Water will embark on these efforts with our most important asset at the forefront: our employees. From scientists and engineers to field crews and plant operators to customer service representatives and accountants, Louisville Water's workforce is our key to success. The service we provide makes it possible for the region to thrive and for customers to enjoy a quality product that's second to none.

Louisville Water began operations in 1860 with 512 customers and now, 165 years later, nearly one million people use our product every day. We're a lifeline to this region—a direct link to public health and fire protection, jobs, and quality of life. Our success is directly connected to the success of the region. This Strategic Business Plan helps continue a tradition of quality, service, innovation, and value.

Spencer Bruce
President and Chief Executive Officer,
Louisville Water



INTRODUCTION

In November 2024, Louisville Water initiated a process to update its existing Strategic Business Plan. The utility's Executive Leadership Team sought input from the Board of Water Works, employees, and external stakeholders. The strategic framework presented in this document will help guide organizational decision-making and resource allocations for 2026-2030.



PROCESS

Louisville Water designed its strategic planning process to establish:

Continued acceptance of the shared direction and importance of the plan for advancing Louisville Water's priorities

Identification of specific strategies for advancing these priorities in the coming years

A collective understanding of the resource needs, commitments, operating environment, and principles upon which the utility will base progress

Louisville Water's strategic planning process involved input from a broad group of internal and external stakeholders, utilizing the following key tasks:

Project Kick-off Workshop:

The project started with a reflection of successes and setbacks that occurred since the adoption of the previous plan. Then, the team developed a project charter and reviewed the impact of key industry trends on the current planning process.

Priority Sessions:

A series of topic-specific workshops with executive leadership, management, and front-line employees ensured key stakeholders provided input for strategies and projects to advance the plan's priorities and metrics to track progress.

Steering Team Review:

Once each team identified proposed strategies, projects, and metrics for their priority, the Steering Team reviewed the collective work to ensure alignment with Louisville Water's desired direction.

COMMUNITY PROFILE

Situated along the Ohio River, Louisville is Kentucky's largest city and a cultural anchor in the region. Home to the Kentucky Derby and the Louisville Slugger Museum and Factory, the birthplace of Muhammad Ali, and the place where some of the world's most popular bourbons are distilled, Louisville attracts visitors and residents alike with its friendly Southern charm. It's a unique destination.



In many ways, Louisville's success is directly linked to the Ohio River. Economic growth, signature global industries, and Louisville Water's place as a premier water utility all derived, in part, from the city's location. Since its founding in 1778, Louisville has been an economic hub. First, as a key shipping port and today with manufacturing, technology, and food and beverage, some of the nation's most successful brands are based in Louisville. Louisville's economy supports long-standing industries while fostering innovation. In 2024, the Industrial Asset Management Council recognized Louisville as one of the top cities in the country for economic development.¹ Louisville's proximity to major metropolitan areas, including Indianapolis, Columbus, Cincinnati, St. Louis, and Nashville, gives it an advantage for landing a business or settling down in an affordable

2025 AT A GLANCE



Chartered
March 6, 1854



Began delivering water
October 16, 1860



Population Served
Nearly 1 million



Louisville Water operates as a quasi-municipal utility with Louisville Metro **owning all of the Company's stock**



Louisville Water is the only utility to trademark tap water, **Louisville Pure Tap®**



Louisville Water's treatment plants rank as **2 of the top 19** in North America for water quality. The distribution system also has the highest distinction from the Partnership for Safe Water.



Service area includes Jefferson County, as well as significant portions of Bullitt and Oldham Counties. **Wholesale service** is provided to the surrounding counties of Bullitt, Hardin, Nelson, Shelby, Spencer and Meade.

Louisville Water maintains



4,300+ miles
of water main



25,000
public fire hydrants

community. With the headquarters for UPS's Worldport shipping facility, Louisville is also a logistical hub for moving millions of packages. Airports Council International named it the fifth busiest cargo airport in the world in 2024.²

Louisville has a legacy of cultural and demographic diversity, beginning soon after its founding and continuing today. Drawn by Louisville's Midwestern sensibility and southern hospitality, along with economic opportunities, millennials have moved in record numbers to the city. In 2024, ADP Research ranked Louisville Metro as one of the top 10 best cities for new college graduates.³

Louisville's regional population has grown during recent decades, with an estimated population of approximately 1.39 million as of 2024, up from 1.36 million in 2020, according to data from the U.S. Census Bureau.⁴ The most recent census estimate for Louisville reports a Median Household Income (MHI) of \$61,488, slightly higher than the state MHI of \$61,188. As of 2023, the Census reported that 18.0% of Louisville residents lived below the federal poverty level, slightly higher than the 16.4% rate for the Commonwealth of Kentucky. The city's unemployment rate, based on May 2025 Bureau of Labor Statistics results, is about 3.9%, which is lower than the Kentucky average of 5.0%.

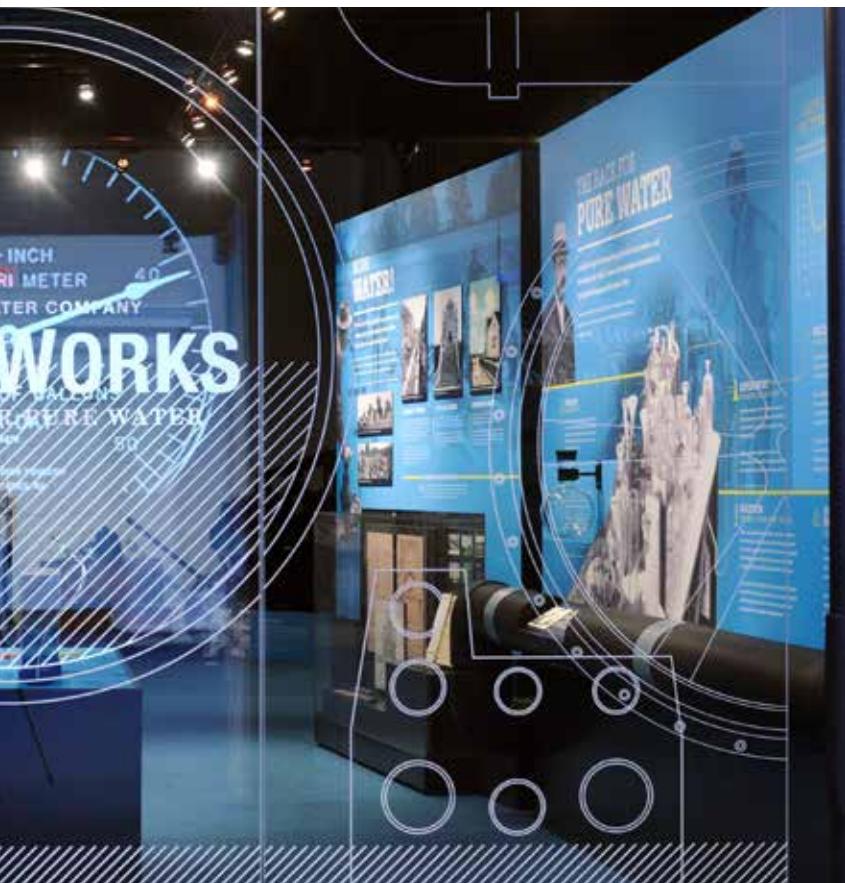
While the city's location on the Ohio River has shaped economic success, the river has also carved Louisville's



history and culture. Today, the Ohio River is an attraction in its own right, as well as an ecological conservation site and an abundant water source. On average, Louisville Water pulls 130 million gallons of water from the river daily; up to 60 million of that comes from the aquifer that naturally filters river water. Louisville Water's Riverbank Filtration system, which was completed in 2010, made Louisville Water the first utility in the world to combine a gravity tunnel with collector wells as a source for drinking water. That innovation is one in a series of landmarks for the utility: in the late 1800s, Louisville Water pioneered experiments into modern-

day water treatment with filtration; its original 1860 structures are National Historic Landmarks, and Louisville Water is the only utility to trademark its tap water, Louisville Pure Tap®.

Louisville Water's forward-thinking attitude is evident on multiple fronts: its water quality, where its treatment plants are two of the top 19 in North America; its infrastructure renewal program, where Louisville Water is a model for other utilities; its financial position as a AAA-rated utility; and its focus on stakeholder engagement. Louisville Water's story is visible throughout the community in a school-based education program



IN LOUISVILLE, WATER IS SOMETHING SPECIAL, AND THE WATERWORKS MUSEUM HIGHLIGHTS THE COMPANY'S HISTORY.

that visits more than 100 schools annually, an outreach team that serves Louisville Pure Tap at dozens of community events, and branding at some of the city's most popular attractions.

Louisville Water's history, and more broadly, the city's history, is highlighted at Louisville Water Tower, the facilities for the original Water Works. Inside the 1860 structure is the Waterworks Museum, a popular attraction where school

groups and tourists learn the story behind Louisville's drinking water. In Louisville, water is something special. It's common to hear locals brag about the taste of the water; waiters explain the quality to out-of-town guests; city leaders serve it as part of an economic development visit; and a distillery tour guide highlights the quality as a key ingredient in Kentucky bourbon.

This acknowledgment that water is a key aspect of the region's success

has sparked a new opportunity for Louisville Water. Over the past two years, the Company has worked in partnership with city and state leaders on an economic development strategy. The strategy includes marketing and branding the strengths of Louisville Water, expanding the utility's regional footprint, and exploring new lines of business. Louisville Water's continued success is dependent on a strong and vital community in which to operate.

¹ Site Selection Magazine, March 2024. <https://siteselection.com/digitalEdition/2024/mar/#page=103>.

² Airports Council International. 14 April 2025. <https://aci.aero/2025/04/14/the-busiest-airports-in-the-world-defy-global-uncertainty-and-hold-top-rankings/>.

³ ADP Research. June 24, 2024. <https://www.adpresearch.com/youve-graduated-now-what/>.

⁴ Federal Reserve Economic Data (FRED), March 2025. <https://fred.stlouisfed.org/series/LOIPOP>.

2019- 2025 HIGHLIGHTS

The 2019–2025 Business Plan laid out an extensive and ambitious roadmap for Louisville Water. Over the seven-year period, the utility successfully executed its targets and initiatives, demonstrating considerable adaptability to evolving local, regional, and national operating conditions. Despite unprecedented disruptions, including COVID-19, significant workforce changes, persistent supply chain issues, and increased operational costs, Louisville Water successfully sustained its momentum. The utility made substantial headway against all key priorities, with some of the major accomplishments achieved highlighted here.

WATER QUALITY

- ✓ Continuing to ensure strong water quality, Louisville Water has maintained 100% compliance with more than 90 health-based drinking water standards for 18 consecutive years.
- ✓ In response to the Lead and Copper Rule Revisions, Louisville Water spearheaded a Lead Task Force to develop and implement a comprehensive action plan, which included the completion of critical projects and studies.
- ✓ Developed a best-practical strategy for PFAS removal using powdered activated carbon treatment. The strategy achieved PFAS removal goals with operational simplicity and saved more than \$300 million in alternate treatment technology costs.
- ✓ Louisville Water maintained its Partnership for Safe Water rankings. Both treatment plants were recognized as two of the top 19 in North America for excellence in utility operations and water quality. Its distribution system is one of only 10 systems to be awarded the Presidents' Award for management and optimization.

CUSTOMERS AND STAKEHOLDERS

- ✓ Louisville Water improved the customer experience and stakeholder engagement for large engineering projects, completed an affordability rebrand with Drops of Kindness and implemented a new customer portal, Pure Connect .
- ✓ The Automated Meter Infrastructure (AMI) project was completed and all Jefferson County customers transitioned to monthly billing.
- ✓ Through the Louisville Pure Tap marketing strategy, Louisville Water built awareness and trust; research shows that 87% of customers recognize Pure Tap as the name for Louisville's drinking water.



INFRASTRUCTURE INVESTMENT

- ✓ Existing wholesale contracts with Hardin County Water District #2 and North Nelson Water District expanded to fuel economic growth and more fully utilize production capacity.
- ✓ Completed significant infrastructure projects, including the major repair to the Frankfort 60" transmission main, construction of back-up generators at the Zorn Pump Station and Crescent Hill Water Treatment Plant, and rehabilitation of the North/South Filter Gallery.
- ✓ Executed critical projects including the Work and Assessment Management (WAM) system, removal of all known public lead service lines, development of a Transmission Valve Condition Assessment Program, expansion of the Main Replacement and Rehabilitation Program (MRRP), and chemical optimization.
- ✓ Restored the exterior of historic Pumping Station No. 1 and the Louisville Water Tower, and completed the renovation of the interior event space and museum. The project won the American Institute of Architects Citation Award and the Kentucky Excellence in Cultural Heritage Tourism Award.



BUSINESS DEVELOPMENT AND PARTNERSHIPS

- ✓ Spearheaded the approval of \$35 million in state funding for growth-related water supply projects for wholesale partners. Wholesale water volume grew from 2.5 billion gallons in 2018 to 3.7 billion gallons in 2025.
- ✓ Successfully launched a new Strategic Business Unit as well as a subsidiary company, Blue Focus (BlueFocusInnovation.com), to drive innovation and create transformational value. One example of this team's success is the WaterPro Leak Protection ProgramSM.
- ✓ Completed the first Digital Innovation Strategy to better utilize data, improve technology adoption, and leverage future technologies like Artificial Intelligence (AI).
- ✓ Supported regional economic development activities with Greater Louisville, Inc., the Louisville Economic Development Alliance, and the Kentucky Economic Development Cabinet.



FINANCIAL VIABILITY

- ✓ Louisville Water maintained its AAA/aaa rating through three bond issuances (2019, 2022, and 2025), including the largest bond issuance in the Company's history.
- ✓ The cost-of-service model was redesigned to align with industry best practice and phased in changes to the water rate structure to support revenue stability and economic development.
- ✓ Louisville Water successfully increased shareholder value.



EMPLOYER OF CHOICE

- ✓ Louisville Water expanded its leadership training programs with a Leadership Academy, new leadership orientation, and technical assessments.
- ✓ Grew the focus for an inclusive environment with training for all employees that emphasized a culture of respect and belonging, regular manager-team meetings, and community engagement.
- ✓ Established employee-driven activities and programs to strengthen team culture, boost engagement, and raise morale, such as the Employees Activities Committee, CORE Council, Allmond Joy, Service Board, and others.
- ✓ Improved the employee compensation program, making Louisville Water more competitive in the labor market, resulting in improved talent acquisition and retention.



INDUSTRY TRENDS ANALYSIS

Louisville Water's product is integrally connected to, and essential for, the health, safety, and vitality of the utility's regional service area. The Steering Team reviewed nine industry-wide trends to determine the extent to which each impacts the utility's operating environment and supports or inhibits the utility's continued success.

For each trend, Steering Team members summarized how the trend currently affects the greater Louisville region, as well as the expectations for future impacts. Finally, the Steering Team considered potential responses and actions that helped to inform subsequent elements of this strategic plan.



TREND #1

POPULATION AND DEMOGRAPHICS

The Current Situation

The population of the Louisville region is relatively stable with small annual increases. The growth is driven by the surrounding suburbs, with the city/county population decreasing in recent years. Much of the growth has been due to new apartment complexes rather than single-family houses, which is changing the customer profile, as many apartment residents are not billed directly for water. The poverty rate is also increasing, jumping from 15% in 2022 to 18% in 2023, per the American Community Survey.

Expectations For the Future

- The population in Louisville Water's service and wholesale area is projected to rise in the next five years due to economic investments in the surrounding counties.
- There will be increased water demand in the coming years, particularly among wholesale customers.

Louisville Water Projects and Programs that Address These Trends

- The Drops of Kindness program, which helps support customers having difficulty paying their water bills.
- Continued investment in water quality and infrastructure, ensuring that demand is met, high quality water is maintained, and customers receive excellent service.

TREND #2

FINANCIAL AND ECONOMIC CONSIDERATIONS

The Current Situation

Louisville Water's financial condition is strong; the Company is able to pay dividends to Louisville Metro and meet all financial metrics. The utility has recently transitioned from bimonthly to monthly billing, making it easier for many customers to pay their bills in a timely manner. Significant economic development in the region is expected to increase demand for Louisville Water services and create new opportunities for revenue generation.

Expectations For the Future

- General regulatory uncertainty at the state and federal level may impact finances.
- Significant capital investments and occasionally volatile water sales will require innovation and careful financial management.
- Customers and other stakeholders expect reliable infrastructure for water service and fire protection without substantially increasing the rates they pay.
- Costs are expected to continue increasing for energy (electricity to pump and treat water), labor (pension and health care benefits), and materials (chemicals, products, and tools).

Louisville Water Projects and Programs that Address These Trends

- Strategic bond issuances to fund Louisville Water's capital program.
- Continued pursuit of grant funding.
- Initiatives to position Louisville Water as the supplier for the entire region.
- Structured innovation program to optimize operations and grow other operating revenue.



TREND #3

ENVIRONMENTAL AND REGULATORY REQUIREMENTS

The Current Situation

Louisville Water remains committed to meeting and surpassing all water quality regulations and to protecting its source water. The regulatory landscape is challenging due to uncertainty at the federal level. The utility is adapting its practices to meet ongoing and upcoming regulations, like changes to the federal Lead and Copper Rule.

Expectations For the Future

- Politics at the federal and local levels will continue to impact the adoption and implementation of regulatory requirements.
- Changing climate conditions impact Louisville Water's service area with increased risk of drought, flooding, extreme weather, and river conditions.

Louisville Water Projects and Programs that Address These Trends

- A strong government affairs team and effective legal representation to advocate for and protect the utility's interests.
- Planned capital investments to increase resiliency and meet future requirements.
- Continued research to develop and implement best practice strategies to address current and future regulations.

TREND #4

TECHNOLOGY

The Current Situation

Over the past decade, Louisville Water has invested in technology solutions that significantly improved customer service and internal operations. The utility is now focused on optimizing those systems, while simultaneously preparing for a rapidly evolving technological landscape thanks in part to the emergence of AI.

Expectations For the Future

- Louisville Water will continue to implement technological solutions that enhance efficiency and effectiveness.
- Technological solutions will become increasingly complex, allowing them to be more effective but also requiring more specialized knowledge and skills to support.
- New technology solutions and capabilities enabled by AI advancements will present significant opportunities while also creating new risks.

Louisville Water Projects and Programs that Address These Trends

- Louisville Water's Digital Innovation Strategy.
- Implementation of the Information Technology Department Plan.
- Implementation of Facilities Master Plan.



TREND #5

WORKFORCE

The Current Situation

The Water Research Foundation has projected that as many as half of all water sector employees will be of retirement age or will have retired by the end of the decade and the need for succession planning and mentoring could move from risk to crisis.

Louisville Water is no exception and expects a high number of retirements in the near future. The low unemployment rate in Louisville makes attracting new personnel challenging. While the utility is working diligently to recruit skilled employees to fill openings, appropriate replacements are not always available and there is significant recruiting competition for skilled workers. In addition, changes with the state pension program and generational shifts have affected employee work environment preferences.

Expectations For the Future

- A significant proportion of Louisville Water's staff will likely retire within the next several years, with approximately 25% of employees currently eligible to retire.
- AI and machine learning will impact how employees do their jobs and what skill sets are needed.
- Lifetime employment will become less common and turnover will increase, making it harder to transfer, build, and retain institutional knowledge.
- The workforce will continue to be generationally diverse, with a wide variety of approaches to work and career.
- Competition for skilled employees in the region will remain high.

Louisville Water Projects and Programs that Address These Trends

- Robust inclusion and belonging efforts.
- A formal apprenticeship program.
- Diverse outreach and communication methodologies.
- Internal training programs to build professional skills.



TREND #6

RISK

The Current Situation

Louisville Water manages a complex risk profile and must prepare for risks on a number of fronts, from extreme weather to cyberattacks to physical violence. A key focus is enterprise-wide planning and preparedness to ensure that the utility is prepared to mitigate risks as much as possible and manage any incidents that occur.

Expectations For the Future

- Employee safety, including injury prevention and safe work practices, will remain a top priority.
- Cyberattacks will become more frequent and more challenging to mitigate.
- Spills and discharges in the Ohio River pose risks to water quality.

Louisville Water Projects and Programs that Address These Trends

- Engineering projects and programs to increase regional redundancy and resiliency.
- Enterprise emergency response plan.
- Workplace safety training and tabletop exercise programs.
- Physical security upgrades.
- Updated cybersecurity plans and procedures.



TREND #7

POLITICAL ENVIRONMENT

The Current Situation

Shifting state and federal priorities and changes to legislation continue to impact Louisville Water. Louisville Water has strong relationships with state and local leaders, but further legislative changes could impact the Company in unknown ways.

Expectations For the Future

- Potential changes to federal regulations may directly impact business operations and treatment processes.
- Regional interest in partnerships and collaboration may increase as utilities seek efficiencies and economies of scale.
- Future elections at the federal, state, and local levels change the political environment.

Louisville Water Projects and Programs that Address These Trends

- Strong focus on public affairs and relationships with government officials and regulatory agencies.
- Ongoing engagement with strategic stakeholder groups, the broader community, and industry organizations.
- Continuous monitoring of the legislative landscape.



TREND #8

COMMUNITY EXPECTATIONS

The Current Situation

The community has a positive perception of Louisville Water and trusts the utility to reliably provide high-quality water. They expect Louisville Water to engage extensively with the community and to communicate about initiatives or changes that could impact customers. However, customers' preferred method of communication varies.

Expectations For the Future

- Community members expect that they will be kept informed regarding issues and projects that affect them.
- Affordability pressures will continue to increase.
- Customers desire an enhanced customer experience, similar to what they see with leading private-sector service providers.

Louisville Water Projects and Programs that Address These Trends

- Enhanced call center technology to improve customer service.
- Strategic use of AI.
- Holistic consumer outreach and proactive messaging.
- Leak alerts and other consumer-facing products or services like the WaterPro Water Leak Protection Plan.

STRATEGIC DIRECTION

THIS STRATEGIC PLAN SERVES AS A **BLUEPRINT** FOR FUTURE DECISION MAKING AND PROVIDES A STRUCTURE FOR PERIODIC REVIEWS TO ASSURE THAT **PRIORITIES, PERFORMANCE MEASURES, STRATEGIES, AND PROJECTS** REMAIN RELEVANT.

VISION

Louisville Water will lead the industry with superior quality, service, innovation, and value.

MISSION

Provide the highest quality water, fire protection, and related services through dedicated employees who deliver exceptional value to our customers, shareholder, and the communities we serve.

VALUES

Louisville Water is committed to doing the right thing. We value:

Safety – Above all

We strive to maintain safe work environments for our employees, contractors, and for the communities we serve.

Trust – Earning the trust of our customers every day

We work vigorously to uphold the trust the community has placed in us.

Partnership – Internally with employees and externally with communities

We seek to cultivate and nurture relationships with employees, customers, and community partners to help advance our mutual interests.

Quality – In what we do and what we produce

We are passionate about our commitment to a high-performing, quality-focused culture.

Diversity – Respect and value differences

We believe in fostering a diverse and inclusive workforce and network of suppliers.

PRIORITIES

Priorities represent the most vital issues Louisville Water should focus on to achieve the organization's desired future state. These priorities were identified through engagement with Louisville Water's Board of Water Works, leadership team, employees, customers, and community stakeholders. The priorities are what Louisville Water will strive to achieve over the next five years. Several priorities build upon major ideas in the Company's 2019-2025 Plan, while others are new or refined efforts.

WATER QUALITY

Produce and deliver high-quality water that meets or surpasses regulatory standards and maintains public trust.

Strategies

- Ensure compliance with drinking water regulations.
- Enhance source-water management and protection.
- Further optimize and modernize water treatment and distribution to provide high-quality water from the treatment plant through customers' taps.
- Provide high-quality water and enhanced technical support to regional customers and partners.
- Remain an industry leader in the science and technology of water quality and treatment.
- Collaborate with other departments to ensure that production aspects of the Facilities Plan are executed effectively to ensure compliance and continue water-quality optimization efforts.

Key Water Quality Projects

- Complete Powdered Activated Carbon (PAC) projects to enhance treatment capacity for removal of organics, including taste and odor compounds, pesticides, and PFAS.
- Assess the source water capacity at the B.E. Payne Water Treatment Plant to evaluate the safe yield of the aquifer and ensure that Louisville Water is able to meet current and anticipated capacity demands.
- Complete Riverbank Filtration system inspection, rehabilitation, and operational strategies.
- Complete reservoir cleaning and lining, Secondary Pump Station, and South Coag Basin renovation.
- Develop a Distribution System Water Quality model.
- Formalize and implement the Water Quality Research Plan.
- Implement the comprehensive Lead Program Action Plan to ensure compliance with the requirements of the Environmental Protection Agency (EPA's) Lead and Copper Rule Revisions/Lead and Copper Rule Improvements.
- Optimize and modernize water-quality laboratories and equipment.



INFRASTRUCTURE INVESTMENT

Manage and invest in Louisville Water's assets to assure a reliable and sustainable infrastructure.

Strategies

- Enhance redundancy and resiliency.
- Optimize performance and investments and leverage innovations in water treatment, water delivery, and fire protection.
- Update facilities and assets, considering employee, technology, safety, and security needs.
- Equip employees with the technology and tools necessary to do their jobs effectively.

Key Infrastructure Investment Projects

- Implement the Capital Improvement Plan, which represents a total capital investment of approximately \$750 million from 2026 to 2030.
- Implement Louisville Water's non-revenue water plan to mitigate water leaks and losses within the distribution system, which will result in a more efficient operation.
- Execute the Service Line Identification and Replacement Program, which includes 48,000 private service lines.
- Update and implement the Comprehensive Facilities Plan, a 20-year roadmap for major infrastructure investments.
- Advance the Allmond Avenue facility project, the first large-scale update to the facility since its construction in the 1960s.





FINANCIAL VIABILITY

Protect the long-term financial health and integrity of Louisville Water.

Strategies

- Maintain revenue stability.
- Practice effective financial planning.
- Maximize operational effectiveness through coordination, technology enhancements, and process improvement.
- Promote supplier diversity.
- Grow shareholder value over time.

Key Financial Viability Projects

- Conduct annual cost of service studies to analyze and allocate the actual cost of delivering water across the customer base.
- Complete a comprehensive review of the cost-of-service models, financial planning model, and rate design to ensure that the models and rate-design framework are accurate, transparent, and aligned with industry best practices and regulatory requirements.
- Review financial policies and procedures to provide a strategic foundation for decision-making and to identify any opportunities for improvement.
- Issue bonds and manage investments.
- Optimize the Oracle™ and B2Gnow™ Software Systems to promote more efficient processes, streamline workflows, and refine reporting capabilities.
- Implement the PeopleSoft warehousing project as part of the transition to the new Human Capital Management system to ensure that historical information remains accessible, accurate, and reportable.



CUSTOMERS AND STAKEHOLDERS

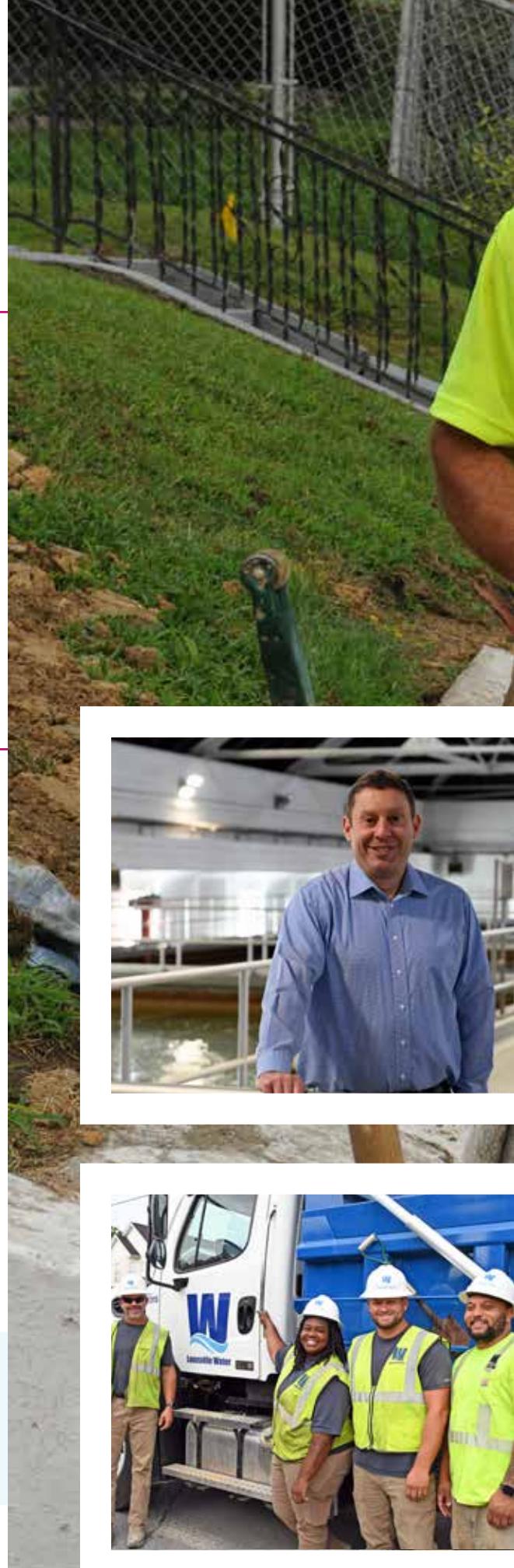
Continue to grow trust, value, and respect from the community.

Strategies

- Enhance customer experience and self-service opportunities by leveraging innovative technologies and business practices.
- Equip customers with additional tools and resources to better manage water usage, payments, and accounts.
- Share Louisville Water's story and continue to build its brand through strategic communications, partnerships, and outreach.
- Ensure Louisville Water is engaged with and involved in local, state, and national water priorities, associations, and advocacy efforts.

Key Customers and Stakeholders Projects

- Execute and maintain the Customer Service three-year plan, including customer self-service enhancements.
- Develop and implement a Drops of Kindness communications and engagement plan to position as the umbrella brand for Louisville Water and Louisville MSD affordability efforts.
- Develop and execute communication and engagement plans for large-scale initiatives, such as the Service Line Inventory/Lead and Copper Rule, the Oak Street Project, the Reservoir Relining Project, and the Crescent Hill Header Project.
- Share Louisville Water's story by expanding digital storytelling, launching a new intranet, and continuing to grow brand endorsements.
- Implement community outreach strategies and tactics to build Louisville Water's brand, including the Louisville Pure Tap® brand.
- Develop annual priorities and track local, state, and federal legislative and stakeholder activities.





EMPLOYER OF CHOICE

Cultivate an inclusive and safe work environment where people desire to work and develop fulfilling careers.

Strategies

- Support a comprehensive recruitment, retention, and succession strategy.
- Equip employees with the resources, training, and development opportunities needed to do their jobs effectively and grow in their careers.
- Promote an inclusive culture and environment of employee engagement, teamwork, belonging, psychological safety, and wellness.
- Continue to support a collaborative relationship between Louisville Water and Local 1683.

Key Employer of Choice Projects

- Create and implement a career development and succession plan to identify and prepare internal candidates for key roles.
- Develop and implement the Oracle Human Capital Management system to modernize core human resource functions and provide employees and managers with self-service tools.
- Cultivate a culture of inclusiveness by collecting and acting on employee feedback.
- Strengthen labor relations between Local 1683 and Louisville Water by continuing to foster a collaborative and forward-looking partnership. Successfully negotiate a new collective bargaining agreement and jointly develop a union strategic plan.



BUSINESS DEVELOPMENT AND PARTNERSHIPS

Create transformational value for the Company, owner, and the communities we serve.

Strategies

- Grow Louisville Water's wholesale water sales through regionalization and contract operations by developing or maintaining excellent relationships with current or future wholesale partners.
- Use data-driven insights and innovative technology solutions to enhance operational efficiencies, ensure high-quality water, and deliver exceptional customer experiences.
- Develop and expand products, services, and projects that provide value to the Company, customers, regional partners, and the utility industry.
- Increase Louisville Water's involvement in local, regional, and state economic development initiatives.
- Build and leverage partnerships to make investments and seek out funding opportunities.

Key Business Development and Partnerships Projects

- Execute the Strategic Business Unit plan by collaborating internally to solve business pains and partnering externally to launch scalable solutions.
- Leverage the Blue Focus subsidiary for innovative growth pathways.
- Implement the Digital Innovation Strategy, with specific work plans developed annually to enhance operational efficiencies, ensure water quality, and deliver exceptional customer experiences through data-driven insights.
- Develop an economic development framework and toolbox to leverage Louisville Water's strengths—such as its abundant, high-quality water, AAA/Aaa bond rating, reliable infrastructure, and regional partnerships—to attract and retain industry.
- Execute regional infrastructure projects and activities to support regional growth and expand water sales along strategic corridors.





SAFETY, SECURITY, AND RISK MITIGATION

Manage an environment that safeguards employees, assets, and the community.

Strategies

- Create a culture of safety and accountability.
- Continue and enhance safety, security, and risk training for new and existing employees.
- Invest in physical and digital systems that enhance safety and security.
- Strengthen the organization's cybersecurity.
- Enhance proactive, comprehensive, and enterprise-wide risk mitigation planning and preparedness.

Key Safety, Security, and Risk Mitigation Projects

- Develop a comprehensive safety and security training plan, using a dynamic and customized training framework tailored to the specific job functions and environments of employees.
- Develop and implement an Enterprise Risk Mitigation Strategic Plan that translates high-level risk mitigation goals into specific, actionable objectives.
- Conduct a bi-annual risk heat mapping assessment to ensure risk mitigation efforts remain relevant and effective.
- Integrate with the utility's Digital Innovation Strategy to address technology needs and implement solutions that enhance safety, security, and risk management processes.
- Engage all levels of management in the safety and security process.
- Execute Information Technology/Operational Technology's Cybersecurity Program goals.
- Conduct third-party assessments of key safety and security systems and processes to ensure our systems and processes align with industry best practices and regulatory standards.

STRATEGIC FRAMEWORK

PRIORITIES

VISION

Louisville Water will lead the industry with superior quality, service, innovation, and value.

VALUES

Louisville Water is committed to doing the right thing. We value:

- Safety - Above all
- Trust - Earning the trust of our customers every day
- Partnership - Internally with employees and externally with communities
- Quality - In what we do and what we produce
- Diversity - Respect and value differences

MISSION

Provide the highest quality water, fire protection, and related services through dedicated employees who deliver exceptional value to our customers, shareholders, and the communities we serve.



WATER QUALITY

Produce and deliver high-quality water that meets or surpasses regulatory standards and maintains public trust.



INFRASTRUCTURE INVESTMENT

Manage and invest in Louisville Water's assets to assure a reliable and sustainable infrastructure.



FINANCIAL VIABILITY

Protect the long-term financial health and integrity of Louisville Water.



CUSTOMERS AND STAKEHOLDERS

Continue to grow trust, value, and respect from the community.



EMPLOYER OF CHOICE

Cultivate an inclusive and safe work environment where people desire to work and develop fulfilling careers.



BUSINESS DEVELOPMENT AND PARTNERSHIPS

Create transformational value for the Company, owner, and the communities we serve.



SAFETY, SECURITY, AND RISK MITIGATION

Manage an environment that safeguards employees, assets, and the community.

STRATEGIES

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1. Ensure compliance with drinking water regulations.
2. Enhance source-water management and protection.
3. Further optimize and modernize water treatment and distribution to provide high-quality water from the treatment plant through customers' taps.
4. Provide high-quality water and enhanced technical support to regional customers and partners.
5. Remain an industry leader in the science and technology of water quality and treatment.
6. Collaborate with other departments to ensure that production aspects of the Facilities Plan are executed effectively to ensure compliance and continue water-quality optimization efforts.

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1. Enhance redundancy and resiliency.
2. Optimize performance and investments and leverage innovations in water treatment, water delivery, and fire protection.
3. Update facilities and assets, considering employee, technology, safety, and security needs.
4. Equip employees with the technology and tools necessary to do their jobs effectively.

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1. Maintain revenue stability.
2. Practice effective financial planning.
3. Maximize operational effectiveness through coordination, technology enhancements, and process improvement.
4. Promote supplier diversity.
5. Grow shareholder value over time.

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1. Enhance customer experience and self-service opportunities by leveraging innovative technologies and business practices.
2. Equip customers with additional tools and resources to better manage water usage, payments, and accounts.
3. Share Louisville Water's story and continue to build its brand through strategic communications, partnerships, and outreach.
4. Ensure Louisville Water is engaged with and involved in local, state, and national water priorities, associations, and advocacy efforts.

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1. Support a comprehensive recruitment, retention, and succession strategy.
2. Equip employees with the resources, training, and development opportunities needed to do their jobs effectively and grow in their careers.
3. Promote an inclusive culture and environment of employee engagement, teamwork, belonging, psychological safety, and wellness.

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1. Grow Louisville Water's wholesale water sales through regionalization and contract operations by developing or maintaining excellent relationships with current or future wholesale partners.
2. Use data-driven insights and innovative technology solutions to enhance operational efficiencies, ensure high-quality water, and deliver exceptional customer experiences.
3. Develop and expand products, services, and projects that provide value to the utility, customers, regional partners, and the utility industry.
4. Increase Louisville Water's involvement in local, regional, and state economic development initiatives.

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1. Create a culture of safety and accountability.
2. Continue and enhance safety, security, and risk training for new and existing employees.
3. Invest in physical and digital systems that enhance safety and security.
4. Strengthen the organization's cybersecurity.
5. Enhance proactive, comprehensive, and enterprise-wide risk mitigation planning and preparedness.

PLAN. PRIORITIZE. IMPLEMENT. COMMUNICATE. MEASURE.

Louisville Water's Strategic Business Plan represents the collective input of our leadership, employees, and stakeholders. Our vision to lead the water industry is bold; to achieve it, we've outlined a plan that requires thoughtful implementation, ongoing communication, and measurable metrics that keep us on track. In 1854, our founders chartered a "water works" and envisioned a company that would lead the nation in water quality and innovation. As we embark on an updated Strategic Business Plan, we are proud to continue that rich tradition.



LouisvilleWater.com

550 South Third Street
Louisville, KY 40202