

**Board Of Water Works  
REGULAR CALLED MEETING MINUTES  
February 17, 2026  
Louisville Water Tower**

Board Members Present:

Ms. Jennifer Fust-Rutherford, Vice Chair  
Mr. Jacob Brown  
Ms. Cathe Dykstra  
Mr. Ken Marshall  
Mr. William "Bill" E. Summers, IV

Not Present:

Mayor Craig Greenberg  
Dr. Sundeep "Sunny" Dronawat, Chair

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 Operations  
Mr. Larry Bryant, Vice President, Production Operations and Chief Engineer  
Ms. Jennifer Crough, Vice President, Finance and Treasurer  
Ms. Kelley Dearing Smith, Vice President, Communication and Marketing  
Mr. Carlos Felix, Vice President, Information Technology  
Mr. Terrence Spence, Vice President, Human Resources and Labor Relations  
Mr. Michael Tigues, Vice President, Compliance, General Counsel and Corporate Secretary  
Mr. Homer Barger, III, President, Local 1683 of AFSCME, AFL-CIO  
Mr. Adam Purvis, Vice President, Local 1683 of AFSCME, AFL-CIO  
Mr. Jeremy Raney, Director, Engineering  
Ms. Jenni Schelling, Internal Audit  
Ms. Carol Lyons, Manager, Procurement  
Mr. Erin Rickett, Security Specialist  
Mr. Steven Berry, Microcomputer and Network Analyst  
Ms. Beverly Soice, Senior Paralegal

Visitors:

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, February 17, 2026. Vice Chair Jennifer Fust-Rutherford called the meeting to order at 11:04 a.m.

**Minutes of the Previous Regular BOWW Meeting Approved**

William E. Summers, IV moved to approve the regular monthly meeting minutes of January 20, 2026. Cathe Dykstra seconded, and the motion unanimously carried.

**President/CEO Report Given**

Spencer Bruce advised that last month started off with unseasonably warmer temperatures, but a winter storm followed by a long stretch of bitterly cold temperatures which prompted the onset of water main breaks. This is not out of the ordinary when temperatures plunge. The number of main breaks typically increases when the water temperature falls below 39 degrees.

Crews responded to more than 220 breaks in January, most of those were smaller pipes in neighborhoods.

Mr. Bruce commended the distribution crews and inspectors who worked long days to repair pipes and minimize the impact to customers. Everyone at the treatment plants stepped up to ensure we had an adequate supply to meet the surge in demand; metering specialists responded to 'no water' tickets; the radio room and customer service handled the influx of calls; the water quality team collected samples which were then tested to meet our high-quality standards; the facilities team worked to clear Louisville Water properties for the safety of our employees; and, the communications team worked to share these stories with our customers. It truly was a team effort. Louisville Water always steps up and comes together to deliver high-quality drinking water to nearly a million people every day.

**Capital Projects Authorization Policy and Purchasing Policy Updates Approved**

Jennifer Crough advised that a review of the Company's Purchasing Policy and Capital Projects Authorization Policy revealed the need for an update to the authorization amounts. The Board approval thresholds for total contract amount and real property acquisitions in 2005 and the others were updated in 2019. Since that time, significant economic changes have increased the cost of goods and services, and as a result, a growing number of routine contracts now exceed existing thresholds and require Board approval. The proposed changes would ensure that contracts of greater financial significance continue to be presented to the Board while improving operational efficiency. Appropriate management oversight and internal controls will continue along with quarterly reports to the Board for visibility and accountability.

Ms. Crough reviewed the proposed changes with the Board.

Following a thorough discussion, Ms. Dykstra moved to approve the following changes in the Purchasing Policy and the Capital Projects Authorization Policy as follows.

Contract Total Amount	\$2,000,000
Contract Change Orders – Accumulated Amount	\$1,000,000
Change Actions – Accumulated Budget Amount	\$1,000,000
Real Property – Per Parcel	\$ 500,000
Non-budgeted Projects – Total Accounts	\$1,000,000

Jacob Brown seconded, and the motion unanimously carried.

**Budget Increase Approved for Project 17129: Velocity 65 - Buildings 4A and 4B Project**

Larry Bryant requested authorization from the Board of Water Works to increase the budget for the re-scoping of the Velocity 65 – Buildings 4A and 4B project and establish a budget of record in the amount of \$585,324.

This project will improve system reliability and redundancy by connecting the developer-funded 16-inch main extension to an existing 16-inch main in Buffalo Run Road. Increasing the project budget allows us to take advantage of the mobilized contractor working on behalf of the developer. The grid-tie will also eliminate a 16-inch dead-end improving water quality in the area. Work for the grid-tie includes installing 1,100+/- LF of 16-inch ductile iron water pipe, one fire hydrant, and appurtenances. The estimated construction cost for this grid-tie, including engineering and labor, is \$560,824.10.

Mr. Brown moved to increase the project budget by \$560,824.10 and establish a new budget of record in the amount of \$585,324.10 for Project 17129. Mr. Summers seconded, and the motion unanimously carried.

**Unbudgeted Project Approved, Contract Authorized, and Budget Established for Asset Investigation, Remediation and Replacement of Impacted Water Facilities related to the UPS Flight 2976 Plane Crash**

Mr. Bryant requested the Board of Water Works approve an unbudgeted capital project and to award a construction contract for the replacement of impacted water facilities due to the UPS Flight 2976 plane crash on November 4, 2025, to MAC Construction & Excavating (MAC).

The scope of this project was recommended by Louisville Water's engineer-of-record, Hazen and Sawyer, following review of the data obtained by Arcadis' environmental investigation into the impacts to the water infrastructure due to the release of oil and other contaminants related to the crash. It includes the replacement of a total of 8,810± feet of transmission and distribution main, 10 fire hydrants, and 51 customer services along Grade Lane, Knopp Avenue, Abell Avenue, and Melton Avenue.

Utilizing the existing Transmission Repairs Master Agreement, MAC was selected due to previous experience at the site assisting Louisville MSD, Louisville Water's environmental consultant, Arcadis, and having the appropriate HAZWOPER certification. A not-to-exceed quote was received in the amount of \$6,352,000 and was 4.9% less than the Project Manager's estimate.

Reimbursement for all incurred costs related to the crash response, asset investigation, remediation, and replacement will be pursued from United Parcel Service.

Mr. Brown moved to award a contract to MAC for this unbudgeted project in the amount of \$6,352,000 and establish a budget of record of \$7,963,000. Ms. Dykstra seconded, and the motion unanimously carried.

**Contract Authorized for Core Production and Disaster Recovery Storage Infrastructure Upgrade**

Carlos Felix requested the Board of Water Works authorize a contract with Computacenter United States Inc. for the NetApp production and disaster recovery storage upgrade in the amount of \$1,597,199.32.

As part of the 2026 IT Equipment & Upgrades capital program, the Board previously approved funding for replacement of Louisville Water's core production and disaster recovery storage infrastructure. The proposed solution includes NetApp AFF A50 systems for both production and disaster recovery environments, related network switching equipment, software licensing, and associated components required to support ongoing operations.

Although funding for this storage upgrade was approved within the IT capital budget, the proposed purchase includes ongoing support and maintenance services. As a result, the transaction constitutes a contractual agreement rather than a standalone capital equipment purchase.

The total contract amount of \$1,597,199.32 is fully funded within the previously approved 2026 IT capital budget. This action does not require additional appropriations.

Approval of this item will allow Louisville Water to proceed with execution of the NetApp storage upgrade contract and ensure continued stability, vendor support, and disaster recovery readiness for critical enterprise systems, consistent with the Board-approved capital plan.

Mr. Summers moved to authorize the execution of a contract with Computacenter United State Inc. in the amount of \$1,597,199.32. Ms. Dykstra seconded, and the motion unanimously carried.

The BOWW took a short break for lunch at 11:55 a.m. and resumed the meeting at 12:10 p.m.

### **Investment Report Given**

Jennifer Crough provided an update on investments in the Company's portfolio.

### **Financial Report Given**

Ms. Crough advised that field work for the audit of the 2025 financials will commence in early March. 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.

Following is an overview of financial results for January. Results must be considered preliminary until the audit of the 2025 financial statements is complete.

The year started out on a positive note, with total consumption and water revenue well in excess of budget. Total operating expenses were essentially flat to budget, and as a result, net income for the month was higher than budget by \$1.1 million. Details of the Company's financial performance as compared to budget and prior year follows.

Consumption of 2.7 billion gallons for January was 268 million gallons above budget, and 370 million gallons higher than January 2025. The budget favorability occurred across all customer classes except irrigation and Metro government.

Water Revenue for January 2026 of \$19.8 million was \$1.2 million above budget, and \$3.3 million higher than the prior year. As with consumption, all customer classes except irrigation and Metro government were over budget for the month.

Other Operating Revenue for January of \$1.9 million was 4.3% lower than budget and 2.3% under the prior year. The variance compared to budget was mainly due to lower customer fees than expected. The decrease from prior year was primarily driven by lower customer fees, partially offset by increased sewer billing and higher revenue from the home warranty program.

Operating and Maintenance Expenses for January of \$9.9 million were \$0.2 million above budget and \$0.2 million higher than January 2025. The variances to budget were driven by higher labor and labor-related expenses and materials and supplies, partially offset by contractual services and chemicals. The unfavorable variance to prior year was driven by labor and labor-related expenses, materials and supplies, and system support and maintenance, partially offset by lower chemicals, contractual services, and insurance claims.

Total Operating Expenses for January of \$16.5 million were essentially flat to budget and \$0.5 million higher than prior year. Depreciation, amortization, and loss from disposition of property were all slightly lower than budget in January, offsetting the unfavorable variance in operating and maintenance expenses. The variance to prior year was driven by higher operating and maintenance expenses, depreciation, and loss from the disposition of property.

Interest Income for January of \$0.7 million was flat to budget, and \$0.4 million higher than January 2025. The favorable variance to prior year was due to increased investment of funds received from the September 2025 bond issuance.

Interest Expense for January of \$1.1 million was \$0.1 million less than budget due to higher amounts of interest capitalized than anticipated. Interest expense was \$0.5 million higher than the prior year due to the interest from the 2025 bond issuance, partially offset by bond principal payments made in 2025.

Net Income before Distributions and Contributions for January of \$4.8 million was \$1.1 million more than budget, and \$2.6 million higher than January 2025 driven by the favorability in water revenue.

### **Communication and Marketing Report Given**

Kelley Dearing Smith advised that most of the content in January centered on the winter weather. Staff worked with local media on stories that highlighted the response to water main breaks; social media content highlighted information to protect home plumbing; and stories on social media and online shared how Louisville Water prepares for and responds to a winter weather event.

Most of the stories link to LouisvilleWater.com where we continue to see a steady increase in views. For January, page views jumped by more than seven percent. Beyond the content, many of the views come to the updated Pure Connect portal where the move to monthly billing continues to drive positive web traffic.

Outside of the weather, stories about infrastructure improvements captured nearly 500,000 views.

For January, overall media sentiment was 22.5% positive and 45% neutral.

The winter weather impacted a traditionally slower month for community engagement and education with many school programs and field trips cancelled.

Around 3,000 people were part of programming during January with most of that coming from outreach with Louisville Pure Tap®. Louisville Water was part of the training program kick-off for the Kentucky Derby Festival mini and marathon.

### **Customer Service and Distribution Operations Report Given**

Dave Vogel advised that due to some very cold weather and a drop in the finished water temperature, main break activity for the month was significantly higher than past periods. January's main break volume was in the top five highest months in the last 25 years. The month ended with 228 main breaks, which is higher than last year (216) and the five-year average (163). Capital work in January was largely put on hold due to the significant winter events and the extreme cold conditions. Internal and external resources were prioritized to focus efforts on main break repairs and other emergency work. Kudos to our Allmond Ave. employees who worked long hours and in extreme conditions to address main breaks, customer issues, and ensure the integrity of the distribution system.

Mr. Vogel advised that Customer Service is now assessing a feature from the phone system provider called AI Insights. This uses AI to listen to and evaluate a sampling of calls over the course of the month. It provides customer satisfaction measures, first time resolution insights, and assesses the type of inquiries being received. More information to come on this as we gain experience with the product.

Estimations for the month came in at 0.26% versus 0.79% last year and 0.99% for the five-year average. We were pleased with the performance of the AMI system with the snow and ice that we experienced during the month. Similar events in the past resulted in estimations of 10 - 14%. Disconnect and plug activity for the month was 1,454, which is higher than last year (1,170) and in line with the five-year average (1,557). Billing cycles were adjusted slightly in January to allow for more consistent timing to the customers each month. The metering services field staff also assisted the distribution team by responding to “no water” and frozen services calls. The contract for a new bill print vendor was signed and implementation will begin in the coming weeks.

### **Engineering and Production Operations Report Given**

Mr. Bryant reported that 2025 capital program expenditures through December totaled \$189,651,451, which is \$58,847,663 higher than the same period last year. These expenditures equate to 86.29% of the 2025 total capital program of \$219,793,657.

2026 capital program expenditures through January totaled \$5,275,324 which is \$1,973,541 higher than the same period last year. These expenditures equate to 2.44% of the 2026 total capital program of \$216,420,101.

The amount of water produced and delivered to the system in January was 133.8 MGD, which was 2.4% higher than January 2025 and 11.6% higher than the January five-year average. For year-to-date, the amount of water delivered to the system was 2.4% higher than 2025, and 11.6% higher than the five-year average.

All water quality goals for January 2026 were achieved. No water-quality violations were incurred. A total of one distribution system water-quality customer complaint was received in January (the five-year average is 11 complaints). A total of zero treatment-related taste & odor complaints were reported in January.

Water Quality personnel completed 6,201 analyses on 2,796 samples. Personnel collected 280 routine distribution system compliance samples and zero repeat samples. Zero Total Coliform and zero E. coli detections were noted. Personnel also collected 357 main-break compliance samples associated with 180 repairs. Six local boil-water advisories were issued due to field conditions and one due to initial water-quality monitoring results.

Five chemical spills were reported upstream of the Zorn intake but had no impact on water treatment. One spill, a sinking houseboat on Harrods Creek, caused increased laboratory monitoring of the Zorn intake and reservoir, but no contaminant detections occurred. Powdered-activated carbon (PAC) was not applied during January 2026. The seven-day rolling average of combined MIB and Geosmin taste-and-odor measurements in Crescent Hill Filter Plant’s finished water did not exceed the maximum goal of six ppt in January 2026.

### **Human Resources and Labor Relations Report Given**

Terrence Spence provided a summary of recent and current interactions between Louisville Water Management and Local Union 1683, AFSCME, AFL-CIO.

- Three active grievances currently filed by the union are in the process of review and resolution.
- Monthly labor management meetings were held during which it was confirmed that Union Leadership received a Successful Rating the 2025 EUMAC Goals.
- The Union met Level I Healthcare Incentive Plan targets with an achievement rate of 29%.
- The Company filled three internal union positions.

Human Resources Initiatives: Louisville Water employees completed their self-evaluations, and Human Resources participated in Prosser's Career Education Center Work Readiness Seminar.

Employer of Choice: Louisville Water's non-union, non-management employees successfully attained Level I status in accordance with the company's 2025 Health and Wellness Incentive Goals.

Inclusion & Belonging: Louisville Water is collaborating with WHAS-TV to highlight Black History Month and the company's support of inclusiveness in the workplace.

### **Information Technology Report Given**

Carlos Felix provided a brief overview of the Information Technology Report.

Louisville Water's Oracle HCM Cloud system has transitioned into a stable operational phase. The system has processed payroll and benefits accurately and on schedule for six consecutive weeks. The initial CERS reporting cycle was completed ahead of the required deadline. The project team is completing final stabilization activities, addressing minor refinements identified through production use, and documenting standard operating procedures to formally close the implementation phase. A limited set of potential enhancements is being evaluated to build on the current foundation, with emphasis on learning management and performance management capabilities.

The Enterprise Application Development team continues to support production operations and post-implementation improvements. Work is progressing, with continued deployment and validation of additional composites and configuration plans to support enterprise integrations. The team is addressing enhancements and defects identified through production activity, including improvements to WAM-related integrations and resolution of edge-case data scenarios. Knowledge transfer across the development team is being expanded to strengthen long-term support and operational continuity.

Planned production maintenance impacting CCB and KloudGin was reviewed and rescheduled to avoid conflicts with operational demands and customer service needs. The Infrastructure team initiated legal review of the statement of work for security operations and network monitoring services to ensure continued alignment with security and risk management requirements.

There being no further business, the meeting was adjourned at 12:36 p.m.

Respectfully submitted,



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