

**Board Of Water Works  
REGULAR CALLED MEETING MINUTES  
March 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  
Mr. Sunny Dronawat, Chair

Others Present:

Mr. Spencer Bruce, President and Chief Executive Officer  
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  
Mr. Carlos Felix, Vice President, Information Technology  
Mr. Terrence Spence, Vice President, Human Resources and Labor Relations  
Mr. Michael Tigue, Vice President, Compliance, General Counsel and Corporate Secretary  
Mr. Adam Purvis, President, Local 1683 of AFSCME, AFL-CIO  
Ms. Channa Newman, Director, Community Relations  
Ms. Jenni Schelling, Internal Audit  
Ms. Shannon Tivitt, One Water, Project Director  
Mr. Andrew Winslow, Director, Finance  
Mr. Tim McKenna, Manager, Finance  
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, March 17, 2026. Vice Chair Jennifer Fust-Rutherford called the meeting to order at 11:01 a.m.

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

Cathe Dykstra moved to approve the regular monthly meeting minutes of February 17, 2026. William E. Summers, IV seconded, and the motion unanimously carried.

**President/CEO Report Given**

Spencer Bruce advised that one in five customers contacts us every year with leak concerns. This helped motivate us to become the first water utility to develop and offer a leak protection plan like WaterPro which covers the excess water and wastewater caused by a leak.

Recently, Louisville Water has executed a more focused effort to grow the WaterPro Water Leak Protection Plan<sup>SM</sup>. In 2025, a direct mail campaign netted nearly 2,000 enrollments in the plan.

The campaign not only increased awareness of WaterPro, but it allowed us to prove the feasibility of marketing investments. That effort laid the groundwork for the strategic digital campaign we launched in February. Short videos illustrating how \$3 a month for WaterPro can offer relief from unexpected leaks led to dozens of new enrollments in the first week. An article in February's issue of our customer newsletter, NewsSplash, also boosted enrollment activity.

Additional components of the campaign include employee and customer testimonials, educating employees, and community engagement at events.

Around 4,300 customers are currently enrolled in WaterPro. The goal is to continue to increase participation in the program over the coming months.

### **First Quarter Dividend Declared**

Jennifer Crough 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 2025, 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 adjustment is to be paid with or deducted from the regular quarterly dividend payments in 2026.

The annual audit has not been completed, and as a result, there will be no adjustment to the first quarter 2026 dividend. The adjustments will occur in subsequent quarters of Louisville Water's 2026 calendar year as directed by Louisville Metro Office of Management and Budget.

Ms. Dykstra moved to declare the first quarterly 2026 dividend in the amount of \$8,201,739. Mr. Summers 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 \$30,039,324 was paid in 2025 based on estimated Adjusted Net Income of \$52,533,772 and  
**WHEREAS**, the annual audit for 2025 is not yet completed, no adjustment will be made to the first quarter 2026 dividend and adjustments will occur in subsequent quarters of Louisville Water's 2026 calendar year 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 2026 Louisville Water Company Annual Budget reflects the 2026 annual dividend to be \$32,806,956 it would be in order at this time to declare a regular first quarter dividend of \$8,201,739; therefore, be it

**RESOLVED**, the regular first quarter 2026 dividend of \$8,201,739 is hereby declared, and further

**RESOLVED**, that the President of the Company hereby is authorized and directed to pay \$8,201,739 to the Louisville / Jefferson County Revenue Commission on March 31, 2026, this being the first quarterly dividend for 2026.

### **Unbudgeted Project No. 342-26-0007- Zorn POL Storage Approved**

Larry Bryant requested authorization from the Board of Water Works to initiate an unbudgeted project greater than \$1,000,000 for a new Petroleum, Oils and Lubricant (POL) storage area at Zorn Pump Station.

Louisville Water's insurance provider, Factory Mutual, has identified the need for a POL storage space at the Zorn Pump Station facility. POL storage is presently accomplished with safe contained pallets located near large pumping systems. However, best practice is for storage at a defined area away from sensitive / critical electromechanical equipment. Louisville Water has dedicated storage spaces at Crescent Hill and B.E. Payne for this function. The scope of work for this project is to design and construct this new storage space within the existing Boiler House #2 at the Zorn Pump Station. Also included in this project is the demolition and removal of the potassium permanganate feed system, storage area, and supply.

Mr. Summers moved to approve the unbudgeted Zorn POL Storage project in the amount of \$1,175,000. Kenneth Marshall seconded, and the motion unanimously carried.

### **Compensation and Benefits Committee Report Given**

Ms. Fust-Rutherford provided a summary of the discussions that took place during the Compensation and Benefits Committee meeting held on March 10, 2026, which included a review of the results of the Company's 2025 goals and discussion of the 2026 merit budget for non-union wages.

Following a short conversation, Ms. Dykstra moved to recommend the following:

1. Approve the budgeted merit increase recommended by Mercer for all non-union employees at a 3.1% average.
2. Approve the range change and compensation adjustment of 2.25% for all non-union employees as recommended by Mercer.
3. Approve all performance incentive program results and corresponding payouts for the Management Incentive Goals and the Corporate Performance Award.

Mr. Marshall seconded, and the motion unanimously carried.

Mr. Bruce advised that Louisville Water requires that two Light Switches be met for employees to receive merit increases: Louisville Water must meet or exceed the budgeted dividend, which was met in 2025, and only those employees who achieve an annual individual performance rating of "successful performance" or better are eligible for incentive and award payouts.

### **Financial Report Given**

Ms. Crough reported that the preliminary close of the books for 2025 is complete and the audit of the 2025 financial statements is progressing well. Draft numbers from the Kentucky Public Pensions Authority (KPPA) have not yet been released. Calculations to determine the year-end entries related to pension and other post-employment benefits will be compiled by Finance staff and reviewed by our external auditors once we have received the draft numbers.

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

Total operating revenue for February was marginally below budget by 0.5%, while total operating expenses exceeded budget by 6.0% primarily due to an increase in main breaks. As a result, net income was \$1.1 million below budgeted expectations. Details of the Company's financial performance as compared to budget and prior year follows.

Consumption of 2.5 billion gallons for February was 25 million gallons below budget, and 276 million gallons lower than February 2025. The shortfall to budget was primarily in the industrial class, partially offset by favorability with commercial. Year-to-date consumption exceeded budget by 4.8% driven by commercial, residential, and wholesale and was higher than the prior year by 1.8% primarily from the wholesale class.

Water Revenue for February of \$18.7 million was \$0.1 million lower than budget, and \$1.4 million lower than the prior year. The shortfall to budget was primarily in the industrial class, partially offset by residential. For the year-to-date period, water revenue was 3.1% and 5.3% above budget and prior year levels, respectively.

Other Operating Revenue for February of \$1.9 million was 2.0% below both the budget and the prior year driven by lower revenue from the home warranty program and less cross-connection fees. Year-to-date, other operating revenue was 3.2% and 2.1% below the budget and the prior year, respectively, due to lower revenue from the home warranty program and less cross connection and other customer fees.

Operating and Maintenance Expenses for February of \$9.9 million were \$0.7 million above budget and \$1.1 million higher than February 2025. The variance to budget was driven by higher contractual services and materials and supplies due to the increased number of main breaks. The unfavorable variance to prior year was driven by contractual services, labor and labor-related expenses, and materials and supplies, partially offset by lower insurance claims and bad debt. February year-to-date operating and maintenance expenses were \$0.9 million higher than budget primarily due to labor and labor-related expenses and \$1.3 million higher than prior year driven by contractual services and labor-related expenses.

Total Operating Expenses for February of \$16.9 million were \$1.0 million higher than budget and \$1.6 million higher than prior year both driven by operating and maintenance expenses and losses from the disposition of property. Similarly, total operating expenses year-to-date were \$1.0 million higher than budget and \$2.1 million higher than prior year from higher operating and maintenance expenses and losses from disposition of property.

Interest Income of \$1.4 million through February was essentially flat to budget and \$0.7 million higher than prior year due to increased investment of funds received from the September 2025 bond issuance.

Interest Expense through February of \$2.2 million was \$0.3 million less than budget due to higher amounts of interest capitalized than anticipated. Interest expense was \$1.0 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 February of \$3.3 million was \$1.1 million less than budget, and \$3.4 million less than February 2025. February year-to-date net income of \$8.1 million was essentially flat to budget and \$0.8 million less than prior year.

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

In Kelley Dearing Smith's absence, Channa Newman provided a summary of the Communication and Marketing report.

Ms. Newman advised that the cold weather and increased number of water main breaks continued to bring attention to Louisville Water's work. Overall media sentiment for February had a higher negative percentage than typical: 36% positive, 19% neutral, and 45% negative. The sentiment about the weather and a repurposed story from public radio about PFAS is the reason for the spike in negative sentiment.

The positive attention included Louisville Water's partnership with the inaugural Kentucky Bourbon Country event; WHAS-TV's Great Day Live program highlighted Louisville Water's commitment to inclusion as part of Black History Month. The show featured four segments at Louisville Water Tower; Louisville Water's mascot Tapper was part of WDRB's "Mascot Bowl," a play on the Super Bowl with local mascots attempting to play football; and, Louisville Water's work with KY Educational Television to highlight our history continues to get positive attention with an Oklahoma PBS station broadcasting the segment.

Louisville Water's education and outreach efforts reached more than 2,800 people in February with school programs, community events, and field trips. Louisville Water Tower and WaterWorks Museum received a ranking in *Business First* "Most Visited Attractions in 2025" landing at #28.

The winter months are a slower time for events where we serve Louisville Pure Tap®. One unique partnership with schools and libraries highlighted the value of water in oral health. February is National Children's Dental Health Month. Central High School students were trained in how to deliver a classroom program to show the amount of sugar in a variety of drinks and then delivered the program to students at Coleridge Taylor Elementary. Educators delivered this same program at libraries and churches in Jefferson and Bullitt counties.

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

Dave Vogel provided a summary of his Customer Service and Distribution Operations report.

There were 192 main breaks for the month, which is significantly higher than last year (62) and the five-year average (86). Year to date, main break activity (420) is also running significantly higher than last year (278) and the five-year average (249). Capital work in February was put on hold due to a significant winter event with continued snow cover and extremely cold conditions. Internal and external resources were prioritized to focus efforts on main break repairs and other emergency work. Distribution Operations has been injury and accident free thus far in 2026.

A training day was held on February 16, 2026, and provided an opportunity for employees to learn from experts in other areas of the company and network with other Customer Service Representatives. Several projects continued in February including phase 2 of the portal implementation, IVA tuning, and additional assistance features for call center representatives.

The bill print contract has been signed and we are now working on the changeover plan and statement of work with the new vendor. We will finalize this in March and anticipate a six-month implementation.

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

Ms. Bryant reported that 2026 capital program expenditures through February totaled \$11,971,087 which is \$1,250,124 or 11.66% higher than the same period last year. These expenditures equate to 5.53% of the 2026 total capital program of \$216,420,101.

The amount of water produced and delivered to the system in February was 142.1 MGD, which was 9.0% higher than February 2025 and 17.9% higher than the February five-year average. For year-to-date, the amount of water delivered to the system was 5.6% higher than 2025, and 14.6% higher than the five-year average.

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

Water Quality personnel completed 5,892 analyses on 2,627 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 363 main-break compliance samples associated with 186 repairs. Seven local boil-water advisories were issued due to field conditions and zero due to initial water-quality monitoring results.

### **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.

- One active grievance currently filed by the union is in the process of review and resolution.
- Monthly labor management meeting conducted to establish and confirm EUMAC's 2026 goals.
- The Company posted and filled twelve internal union positions.

#### Human Resources Initiatives

- Oracles HCM employee training sessions for 2026 Performance Goals.
- Louisville Water Summer Youth Worker Program.
- Non-union employee merit increases and salary range adjustments.

#### Employer of Choice

- Employee appreciation breakfast for their effort during the 2026 winter weather event.

#### Inclusion & Belonging

- Attended the Ronald McDonald House Charities of Kentuckiana Red Tie Event.
- Attended the Thomas Family Scholarship Award Banquet.

### **Information Technology Report Given**

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

The End User Support team has begun a targeted refresh of aging employee devices, including the replacement of older iPads used by field crews. New devices have been ordered and are expected to arrive shortly. Remaining Windows 10 workstations are being upgraded where possible or flagged for replacement when hardware does not meet current operating system standards. Planning is underway to replace several aging large multi-function printers across company facilities to maintain reliability and supportability. Ordering for the scheduled 2026 laptop refresh cycle will begin in the coming weeks, prioritizing older systems and those unable to upgrade to current standards.

IT is preparing to implement enhanced network monitoring capabilities in late Q1 2026 to provide a unified view of network performance across cloud and on-premise environments. This capability will

improve early detection of network issues, reduce troubleshooting time, and strengthen overall operational visibility.

**Executive Session Held**

Mr. Summers moved to go into closed session to discuss personnel matters pursuant to KRS 61.810(f) at 11:50 a.m., seconded by Ms. Dykstra and unanimously carried.

**Executive Session Resumed**

Ms. Dykstra moved to return to open session and adjourn the meeting at 12:55 p.m., seconded by Mr. Summers, and unanimously carried.

Ms. Fust-Rutherford moved to authorize Spencer Bruce to provide merit increases per Company guidelines for all the officers at a 3.1% average. Mr. Summers seconded, and the motion unanimously carried.

There being no further business, the meeting was adjourned at 1:00 p.m.

Respectfully submitted,



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