

Board Of Water Works
REGULAR CALLED MEETING MINUTES
May 19, 2026
Louisville Water Tower

Board Members Present:

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

Not Present:

Mayor Craig Greenberg
Dr. Sunny Dronawat

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, Communications and Marketing
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
Mr. Barron Combs, Vice President, Local 1683 of AFSCME, AFL-CIO
Mr. Jeremy Raney, Director, Engineering
Ms. Jenni Schelling, Internal Audit
Ms. Shannon Tivitt, One Water, Project Director
Mr. Andrew Winslow, Director, Finance
Ms. Alice Dawson, Manager, Accounting
Mr. Steven Berry, Microcomputer and Network Analyst
Mr. Erin Rickett, Security Specialist
Ms. Beverly Soice, Senior Paralegal

Visitors:

Scott Nickerson, Crowe
Phillip Piesz, Crowe

The meeting of the Board of Water Works (BOWW/Board) was held at Louisville Water Tower, located at 3005 River Road, Louisville, KY on Tuesday, May 19, 2026. Chair Jennifer Fust-Rutherford called the meeting to order at 11:03 a.m.

Minutes of the Previous Regular BOWW Meeting Approved

Cathe Dykstra moved to approve the regular monthly meeting minutes of April 21, 2026. William E. Summers, IV, seconded, and the motion unanimously carried.

President/CEO Report Given

Spencer Bruce advised that that he is pleased to report that Louisville Water has not received a notice of violation for 19 straight years and that all state and federal guidelines have been met. This and more information can be found in our 2025 Annual Water Quality Report which is now available.

The report is provided to our customers every year as required by the Environmental Protection Agency (EPA). It explains our water treatment process and includes important data collected by the EPA. The report also highlights significant achievements, our investments in infrastructure to keep Pure Tap flowing, the work we are doing with the private lead service line replacement program, and it shares how the community can learn more about the Louisville Water Tower and WaterWorks Museum.

President and CEO and/or the Vice President, Production Operations & Chief Engineer Approved as Authorized Officials to Execute a Documents to Accept Funds from the Cleaner Water Grant Program

Larry Bryant requested that the Board of Water Works accept reallocated funds for the Harmony Village Road project, Kentucky Oak Glenmary Transmission Rehabilitation Phase 2, and 690 Plan Transmission Salt River to Chapeze BPS and to designate Spencer Bruce and/or Larry Bryant as the authorized official to sign documents related to the acceptance of funds from the Cleaner Water Grant Program provided through the American Rescue Plan Act of 2021 and funds from House Bill 1 from the 2022 Regular Session of the Kentucky General Assembly.

Louisville Water was awarded a total of \$18,919,689.00 in Round 2 grant funding from Kentucky Infrastructure Authority (KIA) for nine projects. These projects were approved by the Board of Water Works in April 2023. The actual cost of several of these projects was less than the estimated costs. This resulted in excess funds from the Cleaner Water Grant Program for Oldham County, Jefferson County, and Bullitt County.

Ms. Dykstra moved to accept the reallocated funds and to designate Spencer Bruce and/or Larry Bryant as the authorized official to sign documents related to the acceptance of the reallocated Cleaner Water Grant Program funds. Jake Brown seconded, and the motion unanimously carried.

2025 Financial Audit Report Approved

Jennifer Crough advised that the independent auditing firm Crowe LLP (Crowe) has completed the 2025 audit. Ms. Crough introduced Scott Nickerson who provided a summary of the audit report.

Ms. Crough first took a moment to thank her staff for their work with the audit.

Mr. Nickerson advised that Crowe conducted an audit of Louisville Water's financial statements for the year ended December 31, 2025 and has issued an unqualified opinion. He briefly reviewed the financial highlights in the Management Discussion & Analysis (MD&A), the Statements of Net Position, Changes in Net Position and Cash Flow, and discussed key performance indicators.

Mr. Nickerson advised Crowe found no significant deficiencies or material weaknesses. He also stated no difficulties were encountered during the audit and no disagreements with management. Mr. Nickerson commented that the Board could rely on the monthly reporting provided by staff.

Ms. Dykstra moved to accept the 2025 audited financial statements. Mr. Summers seconded, and the motion unanimously carried.

Kelley Dearing Smith stated that now the Financial Audit has been finalized, she and her team will now complete the 2025 Annual Report.

Hardin County Water District No. 2 Update Provided

Mr. Bruce advised that due to the Ford Motor Company's recent pivot away from EV battery production at their facility in Glendale, KY, Hardin County Water District No. 2 has requested Louisville Water to re-evaluate the supply capacities and the minimum purchase schedule specified in the Second Water Purchase Agreement.

The Second Water Purchase Agreement was based on Louisville Water providing up to 11 million gallons per day (MGD) to Hardin County Water District No. 2 over two Phases. In the agreement, we committed to construct facilities capable of supplying 7 MGD in Phase 1 by the end of 2026 and an additional 4 MGD in Phase 2 by the end of 2029 for a total of 11 MGD. Hardin County Water District No. 2 agreed to a minimum purchase schedule designed to recover our investment for both Phases over 27 to 28 years. Construction of Phase 1 improvements is well underway and slated for completion by the end of the year.

Recent growth projections performed by Hardin County Water District No. 2 indicate Phase 1 capacities will serve their water supply needs for the foreseeable future. Based on these growth projections, Louisville Water and Hardin County Water District No. 2 entered into negotiations to amend the Second Water Purchase Agreement. The resulting First Amendment revised the Second Water Purchase Agreement by delaying Phase 2 investments until the additional finished water capacity is needed and revising the minimum purchase schedule per our reduced capital requirements. The minimum purchase schedule in the First Amendment will recover Phase 1 investments over a 30 to 31 year period.

This First Amendment will allow us to continue our partnership with Hardin County Water District No. 2 and will position us to benefit from future growth opportunities in Hardin County and the I-65 corridor.

Consumer Research Highlights Provided

Ms. Dearing Smith advised that Louisville Water conducts annual research to measure customer satisfaction, brand perception, and brand reputation, which includes Customer Satisfaction surveys in June and December. A Water Quality Perception survey then occurs in the Spring, and a Brand Perception survey in the Fall. These surveys are conducted by a locally owned firm with additional research conducted as needed.

The objective of Water Quality Perception Research is to evaluate customer perceptions of water quality and their level of trust in Louisville Water. An invitation to the survey was provided through email and social media between February 13-22. A total of 676 responses were received. The invitations were distributed to ensure a strong cross-section of community. Ms. Dearing Smith added that this was the first time to add social media with email invitation.

Key findings included positive overall water quality ratings (94%) and safety perceptions (92%). Most customers are passive information consumers that prefer digital communication.

Ms. Dearing Smith reviewed the questions included in the survey with the Board members.

Questions on the survey included satisfaction with the quality of the drinking water provided by Louisville Water (94% responded with positive responses of either Good or Excellent); the taste of Louisville's drinking water (71% were Very Satisfied; up 3% from 2025); the smell of Louisville's drinking water (73% Very Satisfied; up 3% from 2025); and the appearance of Louisville's drinking water (79% were Very Satisfied). Other questions included: Where have you seen or heard information about water quality? and How would you like to receive information about water quality?

Lastly, our customers were asked to rate how well we meet our goal to provide high-quality drinking water and service. Our customers responded with 66% Excellent, 26% Very Good, 6% Good, and 2% Fair.

Ms. Dearing Smith advised that we will use the data from this survey for continuous improvement. The results have been shared internally with communications and water quality. Staff will look at zip codes and demographics with gaps, prioritize communication and outreach tactics, and work to grow digital engagement.

The Winter Weather and Service Perception survey was conducted to look at the impact of the January and February water main breaks and the proactive communication to prepare for cold weather. This was an online survey from March 6 to March 15. Forty-two respondents had direct experience of a service disruption from a water main break and 389 responded with feedback on cold weather preparedness.

Key Insights include customers primarily learn about issues when they see crews or experience disruption, not from Louisville Water directly; customers prefer real-time alerts; one-size-fits-all communication doesn't work; Consumers rely on a "dual-trust" model for information, and customers have a high awareness of communication to prevent frozen plumbing.

Ms. Dearing Smith reviewed the questions included in the survey with the Board members.

Questions on the survey included: How soon after a water main break did you learn about it? (62% within a few hours and 19% within 24 hours); Thinking about the recent service disruption, how would you describe your experience? (19% describe it as a minor inconvenience and 39% state it as frustrating but manageable); How did you learn about the water main break? (36% saw Louisville Water vehicles / employees working and 11% received text or email notifications); Based on your experience, did Louisville Water do enough to notify customers of the disruption? (40% Yes, definitely/somewhat and 40% No or not sure); How would you want Louisville Water to notify you about a disruption? (63% want real-time SMS/text alerts); and, Before the recent cold weather, were you aware of ways to winterize your home? (43% were extremely aware and 43% were very aware).

Ms. Dearing Smith stated that the results of this survey were a clear mandate to improve customer notifications. A cross-departmental team is looking at integration with customer service and field activity programs. The team is also looking at developing rules for using text alerts for service disruptions; and, new website pages are underway to show real-time water main break information. The goal is to develop an updated customer communication campaign by the beginning of the 4th quarter.

Mr. Bruce stated that Carlos Felix must leave the meeting early so he will be providing his report out of order.

Information Technology Report Given

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

IT continues execution of the revised IT Strategy with sustained alignment across Executive and Senior Leadership on priorities, sequencing, and governance expectations. Teams are operating within defined focus areas and execution standards, with increased coordination across functional groups. These efforts reflect continued progression into sustained delivery, with the IT Strategy guiding operational decisions and resource prioritization.

IT has completed configuration activities supporting disaster recovery capabilities within Oracle Cloud Infrastructure (OCI), establishing operational readiness to initiate recovery from alternate regions if needed. This milestone represents a transition from implementation to operational readiness, with remaining efforts focused on coordination, testing, and continued system lifecycle alignment.

Implementation of enhanced network monitoring capabilities is underway, strengthening visibility across on-premises and cloud environments. As these capabilities mature, IT expects continued improvement in proactive issue identification, response times, and overall operational stability.

IT continues execution of the end-user device refresh program, including ongoing replacement of aging iPads used by field crews and continued upgrade or replacement of remaining Windows 10 systems. Asset management efforts have progressed through recovery of duplicate and legacy devices, improving inventory accuracy. Work is advancing into the next phase of this program, including procurement supporting the 2026 laptop refresh cycle and planning for replacement of aging multi-function printers across company facilities.

IT continues to formalize governance for the secure handling of sensitive data, including consistent processes for external data transfers, defined ownership, and appropriate oversight. In coordination with Legal and Compliance, IT also supported updates to the organization's AI usage policy, reinforcing expectations for responsible use of emerging technologies and protection of company and customer data.

The Board took a short break for lunch at 12:04 p.m. and resumed the meeting at 12:15 p.m.

Financial Report Given

Ms. Crough reported total operating revenue for April was above budget by 5.2% due to strong water sales and total operating expenses were under budget by 7.2% primarily due to budget timing with the employee incentive payouts. As a result, net income was \$3.0 million above budgeted expectations. Details of the Company's financial performance as compared to budget and prior year follows.

Consumption of 2.7 billion gallons for April was 153 million gallons above budget and 33 million gallons lower than April 2025. The favorable variance to budget was primarily in the wholesale, commercial, and residential classes, partially offset by a shortfall with industrial. Year-to-date

consumption exceeded budget and the prior year by 3.3% and 2.0%, respectively, driven primarily by commercial, wholesale, and residential, partially offset by industrial and Metro.

Water Revenue for April of \$20.1 million was \$0.9 million higher than budget and \$0.2 million higher than the prior year. All customer classes except for Industrial and Metro were above budget for the month of April. For the year-to-date period, water revenue of \$76.2 million was 2.1% and 5.9% above budget and prior year levels, respectively.

Other Operating Revenue for April of \$2.1 million was 7.5% above budget and 3.6% higher than prior year. The favorable variance to budget was primarily driven by higher revenue from the home warranty program and to a lesser extent, customer fees. Year-to-date, other operating revenue was 0.8% lower than budget and 1.3% higher than prior year. The year-to-date variance to budget was largely due to lower revenue from cross-connection fees and the home warranty program.

Operating and Maintenance Expenses for April of \$10.4 million were \$1.2 million below budget and \$0.9 million higher than April 2025. The favorable variance to budget was mainly driven by a timing issue with annual employee incentives paid out in March but budgeted in April. The unfavorable variance to prior year was driven by higher contractual services, labor and labor-related expenses, power, and chemicals. April year-to-date operating and maintenance expenses of \$43.4 million were \$2.5 million higher than budget and \$5.2 million higher than prior year both driven by contractual services and labor-related expenses.

Total Operating Expenses for April of \$17.3 million were \$1.3 million lower than budget and \$1.1 million higher than the prior year both driven by operating and maintenance expenses. Total operating expenses year-to-date were \$2.2 million higher than budget and \$6.4 million higher than the prior year. The variance to budget was a result of higher operating and maintenance expenses and losses from disposition of property, partially offset by lower depreciation expense.

Interest Income of \$3.0 million through April was \$0.2 million above budget due to higher interest rates than anticipated and \$1.6 million higher than prior year due to increased investment of funds received from the September 2025 bond issuance.

Interest Expense through April of \$4.2 million was \$0.6 million less than budget due to higher amounts of interest capitalized than anticipated. Interest expense was \$2.0 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 April of \$4.9 million was \$3.0 million more than budget and \$1.6 million less than April 2025. April year-to-date net income of \$12.7 million was essentially flat to budget and \$3.4 million less than the prior year.

Communication and Marketing Report Given

Ms. Dearing Smith provided a summary of the Communication and Marketing Report.

Louisville Water's connection to the Kentucky Derby Festival and the Kentucky Derby dominated the earned media in April. Staff worked with television stations for stories on Louisville Water's long history with Churchill Downs, the preparations before Derby season, our twist on the classic drink, a Mint Julep mocktail, and the work to set up 17 water stops for the Kentucky Derby Festival mini and marathon races.

Additionally, our connection with the Louisville Sports Commission to support the Olympic gymnastics trials coming to Louisville was part of a national story and the Spencer County Magnet featured a story on students visiting the WaterWorks Museum.

Churchill Downs featured Louisville Water's long partnership with the Louisville Independent Business Alliance during "502 Day" at the track. An interview on the track's infield highlighted our history and work with local businesses.

The Derby content was also a large part of the social media content in April, but the most popular post was a look back at the April 2025 Ohio River flooding. A video showing the water reaching the Zorn Avenue street sign received nearly 123,000 views.

Eleven schools visited the WaterWorks Museum for tours, and a spring open house attracted 250 people. Finally, school-based and community education programs reached 8,600 people through 51 engagements.

Customer Service and Distribution Operations Report Given

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

Enhancements to the customer portal continue and the ability to start service for existing portal customers is expected to go live in June.

The transition to the new bill print vendor continued in April and we are working through a few final items in the Statement of Work (SOW). We expect to resolve these and move forward in the coming weeks. The transition to a new AMI management software is progressing slower than anticipated from the vendor. This replaces an existing system that is currently in use, and we expect to have this implemented by the third quarter. The metering services team has been selected for the Team Excellence Pilot (Inclusion and Belonging initiative) and will participate in this during the next two months.

All Kentucky Derby preparation activities were completed on schedule. There were no water-related problems reported over Derby week, and everything functioned as planned.

Engineering and Production Operations Report Given

Mr. Bryant reported that expenditures through April totaled \$41,133,072, which is \$5,256,273 or 11.33% lower than the same period last year. These expenditures equate to 19.01% of the 2026 total capital program of \$216,420,101.

The amount of water produced and delivered to the system in April was 134.9 MGD, which was 6.2% higher than April 2025 and 13.5% higher than the April five-year average. For year-to-date, the amount of water delivered to the system was 5.0% higher than 2025, and 13.1% higher than the five-year average.

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

Water Quality personnel completed 5,534 analyses on 2,191 samples. Personnel collected 280 routine distribution-system RTRC compliance samples and zero repeat samples. Zero Total Coliform and zero E. coli detections were noted. Personnel also collected 20 main-break compliance samples associated with 10 repairs. Seven local boil-water advisories were issued due to field conditions and zero due to initial water-quality monitoring results.

Eight chemical spills were reported upstream of the Zorn intake but had no impact on water treatment. Powdered-activated carbon (PAC) was applied for nine days during April 2026 in response to elevated PFAS detections in the source water. 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 6 ppt in April 2026.

Human Resources and Labor Relations Report Given

Terrence Spence introduced Barron Combs who was recently elected as the Vice President of Local 1683. The Board congratulated Mr. Combs and welcomed him to the meeting.

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

- Two active grievances currently filed by the union are in the process of review and resolution.
- Monthly labor management meeting discussed active grievances and union/company collaboration efforts.
- The Company posted and filled twelve internal union positions.

Human Resources Initiatives

- ELT/Directors Essential Skills Training.
- Non-management Achieving Sustainable Inclusion Training.
- Selected finalists for the Louisville Water Summer Youth Worker Program.

Inclusion & Belonging

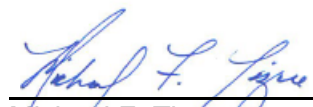
- Asian American Pacific Islander Appreciation Month "Lunch & Learn."
- Team Excellence Pilot.

Community Involvement

- Attended the 2026 Summit for Inclusion Excellence and the Joint Utility Reception.
- Sponsored/presented at the Louisville Urban League's Kentuckiana Builds Heavy Construction Training Cohorts Orientation.

There being no further business, the meeting was adjourned at 12:34 p.m.

Respectfully submitted,



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