

LOUISVILLE ONE WATER BOARD MEETING
July 30, 2020
1:00 P.M.
550 S. THIRD STREET, LOUISVILLE, KY
Virtual Meeting

I. CALL TO ORDER AND INTRODUCTIONS:

The July 30, 2020 meeting of the Louisville One Water Board was held by teleconference video via Zoom Communications. The meeting was called to order by Mr. J.T Sims at 1:01 p.m.

Board members present:

Dr. Sharon Kerrick, Vice Chair
Mr. William Summers, IV
Ms. Ellen Heslen
Mr. J.T. Sims, Chair

Others present:

Mayor Greg Fischer
Ms. Anne Trout, MSD, Assistant General Counsel
Mr. Brad Good, MSD, Chief Financial Officer
Mr. Brian Bingham, MSD, Chief of Operations
Ms. Camille Fort, Louisville Water, Executive Assistant
Mr. Dave Vogel, Louisville Water, Executive Vice President
Mr. James A. Parrott, MSD, Executive Director
Ms. Kelley Dearing Smith, Louisville Water, VP of Communications, Marketing & Econ Dev
Ms. Kimberly Reed, One Water, Chief Innovation Officer
Ms. Lynne Fleming, MSD, Human Resources Director
Mr. Michael Tiguel, Louisville Water, Vice President Compliance / General Counsel
Ms. Rene' Thomas, One Water, Chief Procurement Officer
Ms. Shannon Tivitt, One Water, Project Liaison Director
Mr. Spencer Bruce, Louisville Water, President & CEO
Mr. Terrence Spence, Louisville Water, Vice President, HR and Labor Relations
Mr. Tim Kraus, Louisville Water, Vice President, Chief Engineer
Mr. Tom Luckett, One Water, Chief Information Officer
Mr. Wesley Sydnor, MSD, Intergovernmental Relations Director
Mr. Mathew Griffith, Louisville Water, Strategic Planning and Performance Specialist
Ms. Dana Price, MSD, Director of Records & Information Governance Program
Mr. Brian Sturgeon, Louisville Water Computer Network Administrator
Ms. Kacy Thompson, MSD, Board Assistant
Ms. Megan Hancock, Louisville Water, Director of Customer Service

The Chair recognized Mayor Greg Fischer on the videoconference and welcomed him to the One Water Board Meeting and congratulated Mayor Greg Fischer on his election as the President of the US Conference of Mayors. Mayor Fischer thanked the entire board for their continued work in innovation and continued recognition as leaders in engineering and expansion of services to the community. The Mayor also discussed

how One Water is a great example of how our city innovates and how we work together to create an efficient city government operation by continuously finding efficiencies that benefit both Louisville Water Company and MSD and, most importantly, the people of Louisville. The Mayor commented that One Water was a national model for efficiency and collaboration worth millions of dollars in savings to our city's taxpayers. The Mayor was also confident that there will be even more ways to strengthen and deepen this partnership in the months and years ahead.

II. REVIEW AND APPROVE NOVEMBER 6, 2019 MEETING MINUTES

Mr. Sims asked if everyone had a chance to review the minutes. Ellen Heslen moved to approve the Regular Called Meeting Minutes of November 6, 2019 seconded by Marita Willis and the motion unanimously carried.

III. A. APPOINTMENTS OF NEW MEMBERS

Mr. Sims congratulated Dr. Sharon Kerrick and Mr. Summers to the One Water board. Mayor Greg Fischer welcomed and thanked the new board members.

B. BOARD ELECTIONS

Ellen Heslen made a motion to reelect JT Sims as Chair and Bill Summers as the Vice Chair to the One Water Board. Dr. Sharon Kerrick seconded the motion and the motion unanimously carried.

IV. LAGIT RENEWAL

Ms. Shannon Tivitt explained On December 7, 2015, the Louisville One Water Board adopted a resolution to become insured under the LAGIT fund to provide liability coverage for its members. The insurance premium for the 2020/2021 policy year is \$21,571, an approximate 51% increase from the 2019/2020 premium. Per the notice from LAGIT, the trustees voted to strengthen LAGIT's net worth (surplus) by increasing the surplus load factor and was necessary to protect members from funding large claims directly from their budgets and to assure LAGIT's long term financial strength.

Due to this year's timing of One Water board meetings, this payment was made in June. Therefore, a motion to retroactively approve from the board at this meeting is needed in order to formally renew our coverage for the coming fiscal year.

Motion to approve was made by Dr. Kerrick and seconded by Bill Summers the motion unanimously carried.

V. PARTNERSHIP UPDATE

A. 2019 FINANCIALS AND DISCUSSION OF FUTURE FINANCIALS

Mr. Brad Good reviewed the 2019 One Water Net Benefits. He explained the two categories of benefits Revenue and Savings. Revenue making up 10 million and 3 million in savings. Benefits are consistent with 13 million in net benefit savings. Revenue enhancement account for a large portion of the benefits.

Mr. Good reviewed the 2020 initiative. The first initiative is to establish a more formal process to ensure timely and accurate One Water shared services reimbursements between Louisville Water and MSD. A quarterly expense report for reimbursements with each organization will be generated to compare reports for consistency. Another initiative will be working groups created to review work orders. Over the next 3 months a working group along with OWAC will discuss and develop a new method to track One Water Benefits/ Overall Impact.

Mayor Fischer requested that line items be added to quantify the savings and he challenged the team to continue to find ways to share services while finding new ways to generate revenue growth.

B. WORK PLAN REVIEW

Ms. Tivitt reviewed the strategic plan refresh process from September through December of 2019. 10 of the 15 initiatives were carried forward. Eight (8) were amended with different actions steps and seven (7) were closed for the strategic plan being either closed or no longer advantageous. 23 initiatives are on the 2020 Work Plan. Of these 23 initiatives, 4 are new, 4 are continuous and ongoing initiatives, 10 that are currently in progress, 3 are preliminary initiatives with potential of starting in 2020 and 2 initiatives were completed from the fleet program. Ms. Tivitt noted that some initiatives are delayed due to COVID-19 and may need to be pushed to 2021. She stated at the October meeting we will update the status of the work plan.

Mr. Sims noted the challenge will be how to find the breakaway improvements in savings. He asked the team to think outside the box for more initiatives to tackle.

Ms. Tivitt noted the team is committed to finding more synergies and new revenue.

C. EVALUATE CURRENT PRACTICES AND DOCUMENTS

Ms. Shannon Tivitt reviewed the current practices and documents. She noted for the next couple of months she will reviewing the work documents and practices One Water Bi-laws. She will be setting up a legal work group to review the One Water legal documents.

D. PARTNERSHIP INITIATIVES

- **ECONOMIC DEVELOPMENT**

Ms. Kelley Dearing Smith shared the economic development initiative. She noted that partnership with GLI has helped create the Louisville Water story. A team has been formed to work to create a shared story of Louisville Water's assets and connect the value of these services to growing the economy. The team will work in the coming months to evaluate the existing tools Louisville Water and MSD use for economic development request. They will then develop a coordinated response for inquires. A big part of this is building the digital platform.

Mr. Wes Sydnor noted we now have the time to develop a plan to react to the reopening of businesses post COVID-19. Mr. Sydnor explained the team is working to compile a list of partnerships in place and create a common message to solidify partnerships with local and regional economic development organizations. Another goal of the team will be looking for opportunities for regionalization.

Ms. Heslen asked if the team was getting coordination from Louisville Forward. Ms. Dearing Smith remarked both MSD and Louisville Water already have a great relationship with Louisville Forward but there is an opportunity to establish a deeper relationship. Ms. Heslen noted perhaps a quarterly meeting with Louisville Forward and GLI could be helpful.

- **BILLING SERVICES OFFERING**

Ms. Kim Reed presented information on the potential of offering billing services. The project started with a question of being able to partner and leverage the CC&B system to offer billing services as an additional revenue source. This process started with the 2018 feasibility study a financial model was completed in 2019. Currently we are reviewing the Louisville Water and MSD billing agreement, examining how we can do this together.

Ms. Reed informed the board of some of the findings of the feasibility study. The study found we have the system capability to offer billing services. There is a market for billing services amongst utilities that desire these services, the market is not saturated, and we have staff and key personnel with knowledge and experience to support the future effort if we decide to pursue.

The next step involves working with Raftelis on a four-month initiative looking at the current billing costs and billing agreement. This will include an evaluation of full cost of services data provided by Louisville Water with 2019 costs. Once Raftelis is finished with their study, OWAC will decide how to move forward with results.

Ms. Hesen thanked the team for moving this forward in a smart way. She asked if billing services offerings are limited to water and sewer utilities. Ms. Reed noted the system capabilities has the potential outside the utilities scope. The team focused on utilities because of our reputation in the industry however, potential for expansion is there. She noted we do have some limitation currently due to Oracle licensing however that can be changed. Ms. Hesen suggested looking at the area of ambulance services and asked that Ms. Reed and Ms. Tivitt talk to Daniel Frockt.

Mr. JT Sims suggested the team find out what other utilities are using in order to determine if we can be competitive. Mr. Bruce added a large factor will depend on what a client would potentially want. He suggested the potential of offering a core group of products.

VI. NEXT MEETING DATE

Mr. Sims noted the next meeting will be held by video conference October 29, 2020 at 3pm. A motion by Marita Willis to adjourn was made and seconded by Ellen Hesen. Meeting adjourned at 2.19 p.m.

VII. ADJORN

These minutes were approved by the Board on October 29, 2020.

Shannon L. Tivitt

Shannon Tivitt, Secretary