

LOUISVILLE ONE WATER BOARD MEETING  
JULY 25, 2019, 2019  
3:00 P.M.  
700 WEST LIBERTY, LOUISVILLE, KY  
MSD  
REBA DOUTRICK BOARD ROOM

**I. CALL TO ORDER**

The July 25, 2019 meeting of the Louisville One Water Board was called to order by Ellen Hesen at 3:00 p.m. in the MSD Boardroom.

**Board members present:**

Creighton Mershon  
Craig Willman  
Ellen Hesen  
J.T. Sims

**Others present:**

Anne Trout, MSD Assistant General Counsel  
Babs Elliott, Outgoing Secretary, One Water Board  
Brian Bingham, MSD Chief of Operations  
James A. Parrott, MSD Executive Director  
Kelley Dearing Smith, LWC Vice President of Communications & Marketing  
Kimberly Reed, One Water, Chief Innovation Officer  
Lynne Fleming, MSD Human Resources Director  
Michael Tigue, LWC Vice President Compliance / General Counsel  
Rene' Thomas, MSD Chief Procurement Officer (One Water)  
Shannon Tivitt, One Water Project Liaison Director  
Spencer Bruce, LWC President & CEO  
Terrence Spence, LWC Vice President, Human Resources and Labor Relations  
Tim Kraus, LWC Vice President, Chief Engineer  
Tom Lockett, LWC Chief Information Officer (One Water)

**II. INTRODUCTION OF NEW CHAIR**

Ms. Hesen introduced J. T. Sims, as the newly elected Chair of One Water, and gave the meeting over to Mr. Sims.

**III. REVIEW AND APPROVE MARCH 14, 2019 MEETING MINUTES**

Mr. Sims asked if everyone had a chance to review the minutes and asked for a motion to approve the minutes. A motion to approve the minutes was made and seconded and the motion passed unanimously.

**IV. CONFIRMATION OF SECRETARY**

Shannon Tivitt was introduced as the new One Water Project Liaison Director. The current Secretary of the Board is Babs Elliott. She is retiring and will no longer be serving after this meeting. Mr. Sims and Ms. Hesen thanked Babs Elliott for her service. A motion was made and seconded to approve Shannon Tivitt as the new Secretary and the motion passed unanimously.

**V. LAGIT RENEWAL**

Notice was given to the Board that the coverage of the Louisville Area Governmental Self Insurance Trust (LAGIT) for One Water was approved by the Chair at \$14,268 (an increase of 4.7 % from last year) for the 2020 Fiscal Year. The Board Chair has authority under a resolution adopted on August 18, 2017, which allows the Chair to approve if the renewal is within 15% of the prior year.

**VI. 2018 ONE WATER AUDIT**

The internal audit was conducted by the internal auditors of MSD and LWC. A copy of the audit report with findings, recommendations, and management response was included in the Board Book for today's meeting. Sandra Conner and Jenni Schelling, auditors for LWC and MSD respectively, presented the findings for this year's audit and a review of the findings from last year to make sure the findings were appropriately addressed. Kim Reed provide the management response to the audit findings. A motion was made and seconded to approve the 2018 Audit and the motion passed unanimously.

**VII. HUMAN RESOURCES UPDATE**

The Chair recognized Lynne Fleming and Terrence Spence to present an update on Human Resource activities. The HR activities are divided into Policies and Procedures, Job Descriptions, Benefits, Recruitment, and Training and Development. They have been working with Mercer on a compensation review to identify similarities and differences in MSD and LWC compensation. Mercer made recommendations that they are following up one to unify the compensation policies and practices. Mercer also did a job title alignment and Mercer recommended job descriptions for job titles and job duty alignment.

Aon was used to look at combining MSD and LWC benefits and recommended that health insurance not be combined and to take a further look at how dental, vision, life, and disability could be the same. Mr. Mershon, Mr. Sims, and Ms. Hesen asked about looking at claims experience over multiple years instead of just the past year and Ms. Fleming explained that the insurance companies will not go past one year of coverage due to the volatility of health insurance. Mr. Spence explained that they will point to past years experiences to try and negotiate a more favorable rate each year.

Ms. Fleming and Mr. Spence explained how they are looking at recruitment and training and development opportunities that cross boundaries between MSD and LWC.

## **VIII. ONE WATER UPDATE**

Lynn Pearson, with LWC, explained the One Water Financial Benefits and a slide setting forth those benefits was provided to the members. Revenue Enhancement and Billing Services are the two largest providers of revenue enhancement. One Water has produced \$13.2 million in overall savings so far. Ms. Reed provided a handout about Shared Processes, Shared Contracts, Shared Labor, Partnerships and Teamwork, and Knowledge Sharing that have produced the savings. A chart on the projected savings was also shown in a slide Ms. Pearson noted that the projected savings are very conservative and a greater benefit may be forthcoming. Mr. Bruce explained that savings from spoils had upfront costs but it should show savings in the next year. All of the projections showed modest increases in savings, except for Information Technology. Mr. Mershon asked why that is trending down and Tom Lockett explained that security and storage had contracts that were ending in 2020 and they did not want to project savings past the expiration of those contracts. Mr. Sims asked about using the same type of equipment to save money on fleet expenses and Ms. Reed and Mr. Bruce provided some examples of how that has already been done. Ms. Heslen asked in the energy savings were in line with the recommendations of the auditors and Ms. Reed said they are.

Ms. Reed also pointed out that innovation has also led to significant savings. A request to MSD employees for recommendations on innovative ideas produced over 150 unique ideas to explore. Thirty of those have real potential for innovation.

Mr. Bruce stated that TMG Consulting was working on feasibility analysis to provide billing for other utility services and that report is due by the end of September.

## **IX. STRATEGIC PLAN**

Ms. Tivitt presented information from Kelly Dearing-Smith about communications with employees. The topic of One Water appears in each monthly newsletter and MSD has hired a new customer communications supervisor. Lisa Burnett provided an update on Customer Service including a focus on quality, attendance, and communications. Ms. Reed said Fleet is resolving training requirements. Rene' Thomas said that joint bids, a newly hired buyer, and a small business program are in play to assist with procurement efforts. A warehousing survey is on hold for now. Brian Bingham said they continue to work on cost savings and the attorneys are reviewing that policy now. They are pulling together to reevaluate the recommendations from Black & Veatch. The monthly costs from the Morris Forman treatment plant are going down and the efficiency of the use of power has increased from around 78% to 92% efficiency. Tim Kraus said that LWC is reviewing the software used by MSD to see if it might work for LWC. There are some legal issues involved but it would update LWC from paper to an electronic system. Mr. Kraus also said they are looking at field surveys. LWC has survey crews in-house and MSD uses contracts for surveys. LWC has offered the use of its drone for use by MSD. Michael Tigue said LWC is looking at the EB document management system used by MSD. The current LWC process takes too long and is all on paper.

Mr. Sims said One Water can help Louisville Metro Government with the money problems it is having due to the state pension crisis by continuing to identify savings.

**X. ADJOURN**

Mr. Sims noted the next meeting will be at LWC on 11/6/2019 at 1:00 p.m. A motion to adjourn was made and seconded. Meeting adjourned at 4:39 p.m.

These minutes were approved by the Board on Nov 6, 2019.



Shannon Tivitt, Secretary