



Exhibit A

COMMONWEALTH OF KENTUCKY  
OFFICE OF THE ATTORNEY GENERAL

RUSSELL COLEMAN  
ATTORNEY GENERAL

1024 CAPITAL CENTER DRIVE  
SUITE 200  
FRANKFORT, KY 40601  
(502) 696-5300

May 15, 2024

MAY 20 2024

James A. Parrott, Executive Director  
Louisville Metropolitan Sewer District  
700 W. Liberty St.  
Louisville, KY 40203

RE: Review of Interlocal Agreement under KRS 65.242

Agreement between Louisville Metropolitan Sewer District and  
Board of Water Works, Louisville

Dear Mr. Parrott,

The Office of the Attorney General is in receipt of the enclosed Interlocal Agreement proposed between Louisville Metropolitan Sewer District and Board of Water Works, Louisville for the purpose of establishing the One Water Advisory Council. Under KRS 65.260, the Attorney General is charged with reviewing as to form and legality any Interlocal Agreement.

Having reviewed the proposed Interlocal Agreement as to form and legality, the Office of the Attorney General approves the enclosed Interlocal Agreement.

Consistent with KRS 65.290, please be advised that before the enclosed Interlocal Agreement shall become operative or have force and effect, a certified copy shall be filed with the Secretary of State. See KRS 65.290(1). To effectuate filing, forward the approved agreement to the Secretary of State's Office, ATTN: Jeremy Foster, 700 Capital Ave, Suite 80, Frankfort, KY 40601. Please include a self-addressed envelope so that a file-stamped copy can be returned to you for your records. There is no filing fee for this process.

Should you have any questions, please feel free to contact me at (502) 696-5478.

Sincerely,

RUSSELL COLEMAN  
ATTORNEY GENERAL

/s/ Marc Manley

Marc Manley, Assistant Attorney General  
Office of Civil & Environmental Law

May 10, 2024

Honorable Russell Coleman  
Kentucky Attorney General  
Office of the Attorney General  
Kentucky State Capitol  
700 Capital Avenue, Suite 118  
Frankfort, Kentucky 40601-3449  
**UPS NEXT DAY AIR**



**Subject: Interlocal Cooperation Agreement Between Louisville and Jefferson County Metropolitan Sewer District, Board of Water Works/Louisville Water Company re: One Water Partnership**

Dear Attorney General Coleman:

Enclosed is an Interlocal Cooperation Agreement (“ILA”) between the Louisville and Jefferson County Metropolitan Sewer District (“MSD”) and the Board of Water Works (“BOWW”), which is being submitted to you for your determination of whether the Agreement is in proper form and compatible with the laws of this Commonwealth as required KRS §65.260(2). The ILA, which is authorized under KRS §65.210 *et seq.*, was adopted by the parties to revise the existing Amended and Restated Interlocal Cooperation Agreement to dissolve the One Water Board and vest the governance of the partnership with a council comprised of senior executives from both parties.

Louisville MSD and the BOWW by and through the Louisville Water Company have worked collaboratively on the One Water partnership since it was created in 2014 pursuant to an Interlocal Cooperation Agreement, which permits the parties to share and leverage their respective resources to create operational efficiencies and financial savings (the “shared services”). The original ILA was executed on March 11, 2014.

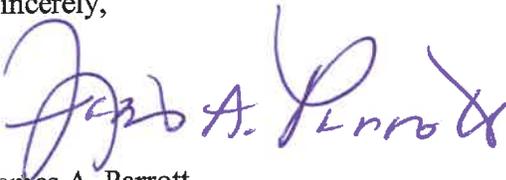
To adapt to changes and increase efficiencies an Amended and Restated ILA was executed on August 24, 2015. Both ILAs were executed prior to the revisions to KRS Chapter 65 that required Louisville Metro Council approval. As the partnership continues, both MSD and LWC believe a council of senior executives from both entities are best suited to govern and advance the strategic initiatives of One Water. The One Water Advisory Council (“OWAC”) will not be a separate legal entity. To maintain public confidence in the undertaking, the parties will meet as often as deemed necessary to discuss the shared services arising from the ILA.

With regard to the duration of the Agreement, the parties remain committed to a long-term partnership and have identified a termination date of June 30, 2034. However, consistent with KRS §65.250(1)(d), any party may terminate the ILA upon sixty days’ written notice. In the event the

parties agree to terminate the ILA, the parties remain responsible for fulfilling any outstanding obligations under the ILA that were incurred prior to the effective date of the termination.

Lastly, the respective governing bodies of MSD and Louisville Water Company/BOWW have each approved the Second Amended ILA. MSD and LWC have submitted a copy of the Second Amended ILA to Louisville Metro Council and Hon. Mayor Craig Greenburg, the governing body of our established local governments, for approval as required by KRS §65.241(1). Please provide your approval of the Second Amended ILA at the earliest possible date. If you have any questions, please contact Louisville MSD General Counsel, Kellie Watson at (502) 540-6484 or Louisville Water Company General Counsel, Michael Tigue at (502) 569-0808.

Sincerely,



James A. Parrott  
Executive Director  
Louisville MSD



Spencer Bruce  
Louisville Water Company  
President and CEO

Enclosures

cc: Kellie Watson  
Michael Tigue  
Wes Sydnor  
Vince Guenthner



May 10, 2024

Hon. Mayor Craig Greenburg  
527 W. Jefferson Street, 4<sup>th</sup> Floor  
Suite 400  
Louisville, KY 40202

Hon. Marcus Winkler  
President  
Louisville Metro Council  
District 17  
601 W. Jefferson Street  
Louisville, KY 40202

Dear Mayor Greenburg and President Winkler:

Louisville MSD and the Board of Water Works, by and through the Louisville Water Company, (“BOWW”), have worked collaboratively on the One Water partnership since its inception in 2014. The One Water partnership was created and organized through an interlocal cooperation agreement or “ILA.” There have been revisions to the original One Water ILA to adapt to changes and increase efficiencies. As the partnership continues, both MSD and the BOWW believe a council comprised of senior executives from both entities is best suited to govern and advance the strategic initiatives of One Water, and we seek approval of the enclosed Second Amended ILA.

ILAs are governed by Kentucky Revised Statute Chapter 65. In 2020, the Kentucky state Legislature amended KRS Chapter 65 to include KRS 65.241. This new provision requires a public agency, such as MSD and the BOWW, to notify the establishing local government of its intent to enter interlocal agreements. The statute also requires that the agency provide a written description and purpose of the proposed agreement. The original and first amended One Water ILA were both executed prior to this statutory change. Consistently, Metro Council’s approval was not previously sought but the agreements were approved by the Attorney General as required. In accordance with KRS 65.241, a term sheet is enclosed summarizing the significant provisions of the Second Amended ILA. The statute also requires a copy of the proposed agreement, which is also enclosed.

Finally, KRS 65.241 directs MSD and the BOWW to provide a statement that the establishing local government “may either approve or disapprove the public agency’s entry into the proposed agreement by sending a written response of its approval or disapproval within thirty (30) days of the receipt of the notification from the public agency. The statement shall also note that if an establishing local government does not respond within that thirty (30) day period, the establishing local government shall be deemed to have approved the proposed entry into the agreement.”

Once you have the opportunity to review the term sheet and Second Amended ILA, please let us know if you have any questions or need any additional information.

Sincerely,



James A. Parrott  
Executive Director  
Louisville MSD



Spencer Bruce  
Louisville Water Company  
President and CEO

Enclosures

cc: Kellie Watson  
Michael Tigue  
Wes Sydnor  
Vince Guenthner

**SECOND AMENDED AND RESTATED  
INTERLOCAL COOPERATION AGREEMENT BETWEEN  
THE BOARD OF WATER WORKS  
AND THE METROPOLITAN SEWER DISTRICT**

**THIS AMENDED AND RESTATED INTERLOCAL COOPERATION AGREEMENT** (“AGREEMENT”) is made and entered into in accordance with the Kentucky Interlocal Cooperation Act (KRS 65.210 et seq.) this \_\_\_\_ day of \_\_\_\_\_, 2024, by and between the BOARD OF WATER WORKS OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT, KENTUCKY (“BOWW”), a public body corporate and political subdivision organized pursuant to the Kentucky Revised Statutes, Chapter 96, with the power and authority to operate and manage the waterworks corporation, the Louisville Water Company (“LWC”), with principal offices at 550 South Third Street, Louisville, Kentucky 40202 and the LOUISVILLE AND JEFFERSON COUNTY METROPOLITAN SEWER DISTRICT (“MSD” or “District”), a public body corporate and political subdivision, organized and operating pursuant to Kentucky Revised Statutes, Chapter 76, with principal offices at 700 West Liberty Street, Louisville, Kentucky 40203 (collectively referred to hereinafter as the “Parties”).

**WITNESSETH:**

**WHEREAS**, the BOWW and MSD are political subdivisions and “public agencies” as defined in the Interlocal Cooperation Act, Kentucky Revised Statutes §65.210 et seq.; and

**WHEREAS**, the BOWW and MSD desire to enter into a Second Amended and Restated Interlocal Cooperation Agreement to provide for the expanded joint and/or cooperative action to the fullest extent permitted under the Interlocal Cooperation Act, including but not limited to the development, provision, sharing and management of certain back-office, administrative and/or support services; and

**WHEREAS**, the BOWW and MSD entered into an Interlocal Cooperation Agreement (the “Original Agreement”) dated March 11, 2014, related to the above-described joint services; and

**WHEREAS**, the BOWW and MSD entered into an Amended and Restated Interlocal Cooperation Agreement (the “First Amended Agreement”) dated August 24, 2015, related to the above-described joint services; and

**WHEREAS**, the BOWW and MSD desire to enter into this Interlocal Cooperation Agreement to assist each other in the provision of such services to the extent possible to alleviate their mutual needs, reduce costs, increase operational efficiency, and improve customer services; and

**WHEREAS**, pursuant to the Interlocal Cooperation Act, any power or powers, privileges or authority exercised or capable of exercise by a public agency of this state may be exercised and enjoyed jointly with any other public agency of this state; and

**WHEREAS**, the BOWW and MSD are empowered to provide the services described herein within their respective jurisdictions; and

**WHEREAS**, pursuant to Section 11.9 of the First Amended Agreement and the Interlocal Cooperation Act, the BOWW and MSD desire to amend and restate the First Amended Agreement to provide for more efficient implementation and expansion of the services set forth in the Original Agreement and the First Amended Agreement.

**NOW THEREFORE**, in consideration of the mutual covenants hereinafter set forth, the Parties hereby agrees as follows:

**ARTICLE I – INCORPORATION OF RECITALS**

**1.1** The recitals are incorporated herein by reference as if fully set forth herein and are adopted as true and correct findings of fact by the Parties.

## **ARTICLE II – EFFECTIVE DATE**

**2.1** This Agreement shall become effective from and after its approval and execution by the Parties, and upon either (i) the issuance of a formal letter of approval from the Kentucky Attorney General, or (ii) upon the Attorney General’s failure to disapprove as provided under KRS 65.260(2). A certified copy of this Agreement shall also be filed with the Jefferson County Clerk and with the Kentucky Secretary of State pursuant to KRS 65.290.

## **ARTICLE III – DURATION**

**3.1** This Agreement shall be in full force and effect through June 30, 2034, approximately ten (10) years, unless earlier terminated as provided under subparagraph 3.2. This Agreement may be extended beyond the ten (10) year term upon written agreement of the Parties.

**3.2** Either Party may terminate this Agreement, in whole or in part, upon sixty (60) days’ advance written notice to the other Party. Notwithstanding termination of this Agreement, the BOWW and MSD shall remain responsible for fulfilling any outstanding obligations under this Agreement incurred prior to the effective date of termination.

## **ARTICLE IV – PURPOSE**

**4.1** The purpose of this Agreement is to provide for the joint and/or cooperative act, over time, to the fullest extent allowed under the Interlocal Cooperation Act to assist each other in the provision of services and resources to alleviate their mutual needs, reduce costs, increase operational efficiency, and improve customer service through joint and cooperation actions including, but not limited to the provision, sharing and management of certain back-office, administrative and/or support services, including the assignment of employees, as is approved by the governing board described below. The shared services may include, but are not limited to, the following (“Joint Services Program” / “Program”):

**4.1.1 Information Technology Services (Appendix “A”)**

1. Help Desk Services
2. Applications Development
3. Geographic Information System (“GIS”)
4. Network and Communication

**4.1.2 Business Development Services (Appendix “B”)**

**4.1.3 Engineering Services (Appendix “C”)**

1. Inspection
2. Surveying
3. Planning
4. Design
5. Project Management
6. Plan Development
7. Facility Management

**4.1.4 Internal/External Communications Services (Appendix “D”)**

1. Government Relations
2. Education
3. Public Relations
4. Customer Service

**4.1.5 Finance Services (Appendix “E”)**

1. Purchasing
2. Treasury
3. Rates
4. Cost Accounting
5. Accounts Payable/Receivable
6. Payroll

7. Budget/Reporting
- 4.1.6 Risk Management Services (Appendix "F")
  1. Emergency Response Planning
  2. Security
- 4.1.7 Human Resources (Appendix "G")
  1. Recruitment
  2. Compensation
  3. Employee and Labor Relations
  4. Training and Organizational Effectiveness
  5. Benefits Administration
- 4.1.8 Operations (Appendix "H")
  1. Planning/Scheduling
  2. Locating
  3. Traffic Control
  4. Radio Control
  5. Supplies (Dirt, Concrete, Gravel)
  6. Stockroom/Warehouse
  7. Fleet Maintenance
  8. Laboratory
  9. Field Customer Service
  10. Emergency/First Run Response

## **ARTICLE V – GOVERNANCE**

Governance of the Joint Services Program shall be vested in a collaborative group representing each Party.

**5.1 Administration.** A joint board known as the “One Water Advisory Council”/ “OWAC” is hereby created to oversee the operation, administration and maintenance of the Joint Services Program. By execution of this Agreement, each Party fully authorizes the creation of OWAC which shall perform administrative functions and be authorized to act in the stead of the Board of MSD or the BOWW as permitted under the Interlocal Cooperation Act and as authorized by the Boards of MSD and the BOWW. This joint board will not be an interlocal agency.

**5.2 Composition.** Each party shall appoint at least ten (10) individuals from their staff to serve as members on OWAC.

**5.3 Duties.** The duties of OWAC are as follows:

**5.3.1** Subject to the approval of the Boards of MSD and BOWW, OWAC shall:

**5.3.1.a.** Review and approve any operating documents as described in Section 5.3.2.c.

**5.3.1.a.** Determine the services to be shared or offered jointly, or offered by one Party in service to the other, the method by which available resources will be allocated among services, and the amounts to be charged for services. In addition, OWAC may direct that services other than those specifically listed in Section 4.1 be shared or offered jointly by one Party in service to the other.

**5.3.1.b.** Initiate, review and implement coordination of policies that promote and facilitate effective delivery of the joint and/or cooperative services to be provided and/or shared pursuant to this Agreement. In developing policies, OWAC will work and collaborate with support service designees of each of the Boards of MSD and the BOWW.

**5.3.1.c.** Establish and approve a budget for OWAC annually for review and approval by the Boards of each of the BOWW and MSD. The budget will reflect the anticipated expenditures necessary to support the services to be shared and/or provided through the Joint Services Program for the fiscal year.

**5.3.1.d** Have the power to purchase insurance, to sue and be sued, to contract and be contracted with, and to do any and all other things necessary or incidental in the performance of the conditions of this Agreement and its general purposes as stated herein.

**5.3.1.e.** Exclusive of employees assigned by the Board and MSD to OWAC, OWAC shall have additional hiring authority. This authority includes the power to interview, hire and train all personnel, and to terminate employment. OWAC shall report to the BOWW and MSD all hiring, disciplinary, or termination decisions made by OWAC.

**5.3.2** Without the specific approval of the Boards of MSD and BOWW, OWAC shall:

**5.3.2.a.** Initiate, review and implement coordination of procedures, standards and plans that promote and facilitate effective delivery of the joint and/or cooperative services to be provided and/or shared pursuant to this Agreement. In developing standards, plans and procedures, OWAC will work and collaborate with support service designees of each of the Boards of MSD and the BOWW.

**5.3.2.b.** Oversee the day-to-day administration of OWAC in accordance with all applicable laws, regulations, policies and procedures that the OWAC may approve. The OWAC may create and empower subcommittees.

**5.3.2.c.** The OWAC board may appoint an Executive Director or other titled administrator to perform the day-to-day operations of OWAC, whose duties may

include: (i) the hiring of any employees of OWAC; (ii) preparation of a charter or other documents that provide for the operation of OWAC and the OWAC budget; and (iii) the procurement of insurance for OWAC.

The OWAC shall provide direction and guidance to the Executive Director or other titled administrator and shall monitor and evaluate the activities of OWAC partnership through reports of the Executive Director or other titled administrator to OWAC and through observation.

**5.3.2.d.** Prepare and submit reports concerning OWAC's activities as requested or directed by the Boards of each of the BOWW and MSD.

**5.3.2.e.** Recommend amendments to this Agreement to each of the Boards of the BOWW and MSD.

## **ARTICLE VI - MUTUAL COOPERATION**

**6.1** The BOWW and MSD agree to mutually cooperate with each other and to use their best efforts in the provision of the services described in and to be performed to effectuate the intent and purposes of this Agreement.

**6.2** Any Party providing a service on behalf of the other Party shall be deemed to be an agent of the non-performing party as to that service, and, except as may be otherwise set forth herein, the performing party shall have full powers of performance and maintenance of the services contracted for.

**6.3** Any service to be provided under this Agreement, however, must be authorized in writing prior to commencement and in the manner required by this Agreement, and/or any applicable procurement or contracting policies and procedures.

6.4 All services provided pursuant to this Agreement shall be provided in a professional, courteous, effective and efficient manner and in compliance with all applicable laws and regulations, policies and procedures.

6.5 All real and personal property acquired or held for use in the provision of services shall remain the property of the Party that purchased said property upon termination of this Agreement.

#### **ARTICLE VII-LIMITATION OF DELEGATION**

7.1 To the extent this Agreement, and/or any term or provision hereof, constitutes or may be construed to constitute a delegation of authority by the BOWW or the MSD Board beyond delegation permitted by the Interlocal Cooperation Act, this Agreement shall not be construed to delegate authority in excess of the authority permitted by the Interlocal Cooperation Act. Neither the MSD Board, nor the BOWW intends by this Agreement, nor any term or provision hereof to delegate the exercise of its judgment, discretion, judicial, quasi-judicial, legislative, quasi legislative, or policy-making authority.

#### **ARTICLE VIII -INDEPENDENT ENTITIES**

8.1 The BOWW and MSD are independent governmental entities and nothing contained in this Agreement shall be construed to limit their independent governmental powers or authority or to relieve either Party of any obligation or responsibility imposed upon it by law.

In addition, the BOWW and MSD are and shall at all times be deemed independent contractors in the provision of services set forth in this Agreement. Except as provided in paragraph 6.2, nothing herein shall be construed as creating the relationship of principal and agent, between the BOWW and MSD. Each Party shall retain authority for the provision of services, standards of

performance, discipline and control of personnel, and other matters incident to the performance of services pursuant to this Agreement. Nothing in this Agreement shall make any employee of either Party an employee of the other Party for any purpose, including but not limited to, the withholding of taxes, payment of benefits, workers' compensation, or any other right or privileges accorded their respective employees by virtue of their employment. The assignment of any employee by either Party to OWAC shall not cause such employee to be an employee of OWAC or of the other Party.

**8.2** Any and all employees specifically hired by OWAC, and not assigned by the BOWW and/or MSD, shall be subject to the terms and conditions of employment established by the rules, policies and procedures implemented by the OWAC for OWAC employees.

#### **ARTICLE IX – FINANCING**

**9.1** In the performance of shared services, the BOWW and MSD agree, to the extent practical, to assign employees, personnel, building space, equipment and facilities and to equitably distribute costs associated therewith.

**9.2** The cost allocation process will be defined for each activity and or process using an agreed upon, generally accepted cost of service or activity based cost allocation model.

**9.3** The cost of labor shall include the base hourly rate of personnel used in the performance of services plus an agreed upon overhead rate that shall include vehicle usage rates as applicable.

**9.4.** The Parties shall also have the right to negotiate a flat fee or other method of compensation for the provision of any service not contemplated or covered by the rates established under subsections 9.2 and 9.3.

## **ARTICLE X - RECORDS AND AUDIT**

**10.1** During the term of this Agreement, and for a period of not less than five (5) years from the date this Agreement is terminated, all the records, books, and accounts pertaining to the work performed, or to be performed under this Agreement and any accounting thereof shall be kept by each Party, and shall be available for inspection and audit by representatives of either Party and any other entity with legal entitlement to review such records. Nothing herein shall be construed as requiring either Party to share or disclose information that is prohibited from disclosure by applicable state and/or federal laws. In the event a lawsuit, claim or audit is commenced pertaining to the work, the records and accounts along with supporting documentation shall be retained until all litigation, claims, or audit findings have been resolved. This provision is not intended to and shall not, however, supplant or substitute for longer record retention requirements established by applicable state and/or federal laws.

## **ARTICLE XI - GENERAL PROVISIONS**

The Parties further agree as follows:

**11.1 Prohibition of Discrimination.** No person engaged in activities or transactions contemplated in this Agreement shall discriminate against any person on the basis of race, color, religion, sex, gender identity, sexual orientation, age 40 or over, creed, ancestry, national origin, or physical or mental disability in connection with any activity or transaction pursuant to this Agreement.

**11.2 Insurance.** At all times during the term of this Agreement, the BOWW and MSD shall maintain, at their sole cost and expense, with corporate insurers authorized to conduct business in the Commonwealth of Kentucky, and/or through self-insurance (which, for purposes of this Agreement, shall include the Louisville Area Governmental Self Insurance Trust (LAGIT)

and the Louisville Area Governmental General Insurance Trust (LAGGIT)), auto liability, comprehensive general liability, public official, employment practices, and workers' compensation insurance as required by law and as each party shall determine to be reasonably required for this Agreement. In addition, upon approval of the Boards of BOWW and MSD to grant authority to OWAC to purchase insurance, shall maintain its own insurance to cover errors and omissions of the members of the OWAC board, and with respect to its assets and employees, as applicable, comprehensive, general liability, casualty, and workers' compensation. The costs of the approved OWAC insurance will be allocated between the Parties as mutually agreed upon by the Boards of each of the BOWW and MSD.

**11.3 Dispute Resolution.** MSD and the BOWW recognize that disputes may arise during the term of this Agreement and that such disputes may adversely affect the performance of services under this Agreement. MSD and the BOWW further recognize that a prompt comprehensive approach to avoiding and resolving disputes is beneficial to both parties. MSD and the BOWW therefore agree that the following dispute resolution procedure shall be used to resolve any disputes that may arise.

**11.3.1** Within 30 calendar days after the commencement of an event that may result in the making of a claim by either party, or within 15 calendar days after the end of said event, whichever is longer, the claiming party shall give a written claim to the other party. The claim shall set forth the circumstances giving rise to the claim, facts, documents, any back-up data, and other information supporting the claim, the relief sought, and those persons with knowledge of the circumstances giving rise to the claim. Failure by the claiming party to provide a written claim as provided herein shall result in a waiver of the claim.

**11.3.2** If a party receiving a claim objects, in whole or in part, to the claim, it shall give written notice to the other party within 30 calendar days after actually receiving the written claim of its objection to the claim and the basis for the objection, including all documents, backup data, and other information which would disprove the claim, and the names of any additional persons having knowledge that would tend to disprove the claim. This notice may be mailed, electronically or via regular mail, hand-delivered or otherwise transmitted to the other party. If the party receiving the claim fails to give written notice of its objection as provided herein, the receiving party shall be conclusively deemed to have agreed with said claim and the claimant shall be entitled to the relief requested.

**11.3.3** If the party receiving the claim files a notice of objection, an executive representative of MSD and an executive representative of the BOWW shall meet within 30 calendar days to discuss the dispute in an attempt to resolve it.

**11.3.4** If the executive representatives are unable to resolve the dispute, then the parties shall agree on a mediator, and the date for mediation shall be set within 20 calendar days after the selection of a mediator or as soon thereafter as the parties agree. Unless otherwise agreed, all disputes, including disputes identified after the selection of the mediator, shall be submitted to the mediator.

**11.3.5** If the parties are unable to resolve their disputes through mediation, either party may pursue its remedy in a court of law.

**11.4** **Performance Pending Mediation.** During the dispute resolution procedure, OWAC, the BOWW, MSD and LWC shall continue to perform the services described in this Agreement.

**11.5 Indemnification.** Each Party shall be liable for its own acts and to the extent provided by law, hereby agrees to indemnify, hold harmless and defend the other, its Board members, officers and employees against any and all liability, loss, costs, damages, expenses, claims or actions, including attorney's fees which the other, its Board members, officers and employees may hereafter sustain, incur or be required to pay, arising out of or by reason of any act or omission of the party, its agents, servants or employees, in the execution, performance or failure to adequately perform its obligations pursuant to this Agreement. ("Indemnification") The Indemnification does not apply to the provision and performance of services pursuant to paragraph 6.2 of this Agreement.

**11.6 Notice.** Any written notice to the BOWW under this Agreement shall be deemed sufficient if delivered to the BOWW via hand-delivery, or by electronic (e-mail) transmission, facsimile, or by recognized overnight courier (e.g. Federal Express, UPS) with confirmed receipt, or by certified or registered United States mail, postage prepaid, return receipt requested, sent to: General Counsel, Board of Water Works, 550 South Third Street, Louisville, Kentucky 40202.

Any written notice to MSD under this Agreement shall be deemed sufficient if delivered to MSD via hand-delivery, or by electronic (e-mail) transmission, facsimile, or by recognized overnight courier (e.g. Federal Express, UPS) with confirmed receipt, or by certified or registered United States mail, postage prepaid, return receipt requested, sent to: General Counsel, Louisville and Jefferson County Metropolitan Sewer District, 700 West Liberty Street, Louisville, Kentucky, 40203-1911.

**11.7 Severability.** Should any provision of this Agreement, with the exception of the terms and conditions in Articles IV and IX, be held invalid, or unenforceable for any reason, the

provision shall be severed from this Agreement and the remainder of the Agreement continues to be in full force and effect without the severed provision.

**11.8 Non-Waiver.** Any failure of a Party to require strict compliance with each and every provision of this Agreement shall not constitute a waiver of any future enforceability of that provision or any other provision of this Agreement. Any waiver or failure to act upon a breach of this Agreement shall not prevent either Party from seeking a remedy against the other Party for a breach of the Agreement.

**11.9 Entire Agreement; Modification.** This Interlocal Cooperation Agreement constitutes the full understanding and entire agreement between the parties with regard to the joint and/or cooperative development, provision, sharing and management of the back-office, administrative and/or support services listed under Article IV hereof and any change to the Agreement shall be effective only after it is committed to writing, as an Amendment to this Agreement, and signed by the duly authorized representatives of both Parties.

**11.10 Corrective Instruments.** Each Party agrees to and shall execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such amendments, modifications, and supplements hereto, and/or such further documents or instruments as may reasonably be necessary and/or required for correcting any inadequate or incorrect description of the services, or to correct any inconsistent or ambiguous term or provision hereof.

**11.11 Execution.** MSD and the BOWW agree that there shall be two (2) duplicate originals of this Agreement distributed for signature by each entity's authorized officials, both of which shall constitute one and the same instrument and shall be binding upon all Parties.

**11.12 Governing Law.** This Agreement shall be governed by the laws of the Commonwealth of Kentucky.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

**LOUISVILLE AND JEFFERSON  
COUNTY METROPOLITAN SEWER  
DISTRICT**

**BOARD OF WATER WORKS OF THE  
LOUISVILLE/JEFFERSON COUNTY  
METRO GOVERNMENT, KENTUCKY**

By: Marita Willis  
Board Chair

By: Dr. Sundeep Dronawat  
Board Chair

Approved for Legality and Form:

Approved for Legality and Form:

By: Kellie Watson  
General Counsel

By: Michael Tigie  
General Counsel

**APPROVED AS TO COMPLIANCE WITH KRS 65.210-65.300**

*May Murray*  
Assistant Attorney General, Commonwealth of Kentucky

Dated: 5/15/24

## **APPENDIX "A"**

### **INFORMATION TECHNOLOGY SERVICES**

The IT Divisions of LWC and MSD provide centralized information technology to all employee end users to enable them to serve the public including, but not limited to help desk services, application development, network and communication, and/or geographic information services ("Service Areas"). By way of example, but not by way of limitation, the BOWW and MSD have identified the following functions within the IT Service Areas for joint and/or collaborative development, provision, sharing and/or management:

1. Help Desk Services - Providing end user support, PC deployments, and management of user accounts, policies, security, and mobile technologies.
2. Application Development - Providing application development and support for enterprise applications including payroll, financials, field work notifications, and reporting.
3. Geographic Information Systems - Hosting, sharing, and supporting a robust ESRI-based GIS providing server infrastructure, web services, and data access among different departments and organizations.
4. Network and Communication - Providing voice and data communication networks.

## **APPENDIX "B"**

### **BUSINESS DEVELOPMENT SERVICES**

Business development staffs within LWC and MSD focus on the development of relationships for regionalism, including wholesale and contract operations and/or new water related business activities ("Service Areas"). By way of example, but not by way of limitation, the BOWW and MSD have identified the following functions within the Business Development Service Areas for joint and/or collaborative development, provision, sharing and/or management:

1. Market Analysis - Performing market and industry analysis for current events related to municipalities and other utilities.
2. Relationship Development - Building and maintaining relationships with other utility executives, government officials, major customers, Greater Louisville, Inc., and other appropriate stakeholders.
3. New Business Development - Evaluating new lines of business and opportunities to market the expertise of LWC and MSD staff.
4. Contract Operations - Developing a business case and cost models for acquisitions, cost sharing, and contract operations.

## **APPENDIX "C"**

### **ENGINEERING SERVICES**

The Engineering Divisions within LWC and MSD provide engineering, surveying, site and construction inspection, planning and design, and project and facility management services ("Service Areas") in support of capital improvement projects, permitting, and/or regulatory compliance. By way of example, but not by way of limitation, the BOWW and MSD have identified the following functions within the Engineering Service Areas for joint and/or collaborative development, provision, sharing and/or management:

1. Inspection - Inspection of construction sites, improvements and/or other land disturbance activities to meet quality control standards.
2. Surveying - land surveying to facilitate the design, construction and operation of LWC / MSD systems and facilities.
3. Planning and Design - planning, designing, reviewing and approving LWC / MSD capital investments and privately funded infrastructure investments.
4. Project Management - managing, supervising, and coordinating LWC / MSD capital and infrastructure projects.
5. Facility Management - managing the facilities and other assets (properties, buildings and grounds) owned by LWC and MSD.

## **APPENDIX "D"**

### **INTERNAL / EXTERNAL COMMUNICATION SERVICES**

The Internal and External Communications staff within LWC and MSD provides operations and activities that interface with, or provides services to several key stakeholder groups ("Service Areas"). These groups include but are not limited to elected leaders, public and private schools and universities, community leaders, civic and business organizations, as well as employees and customers. By way of example, but not by way of limitation, the BOWW and MSD have identified the following functions within the Internal / External Communication Services Areas for joint and/or collaborative development, provision, sharing and/or management:

1. Government Relations - procuring resources and materials for and providing communications with public officials.
2. Education - providing a formal education program geared toward schools as well as the general public.
3. Public Relations - working closely with community groups, neighborhood associations and other civic entities.
4. Customer Service - providing customer service via phone, mail, and face to face channels.

## **APPENDIX "E"**

### **FINANCE SERVICES**

The Finance Divisions within LWC and MSD provide a wide range of support including, purchasing, treasury management, rate-making, cost accounting, payments to suppliers and employees, budgeting, reporting, general ledger processing and revenue management ("Service Areas"). By way of example, but not by way of limitation, the BOWW and MSD have identified the following functions within the Finance Service Areas for joint and/or collaborative development, provision, sharing and/or management:

1. Purchasing - procurement of all utility goods, services, professional services, and construction services including contract administration and administration of minority and woman owned business (MWBE) participation.
2. Treasury Management - management of all cash, debt and investments.
3. Rates - rate making, to include fee and cost transfer/allocation development.
4. Cost Accounting - project accounting and cost allocation processes.
5. Accounts Payable/Receivable - accounting and processing of all payments from LWC / MSD and to LWC / MSD excluding water, sewer and drain accounts.
6. Payroll - processing of payments to employees including tax and other deductions processing and filing.
7. Budget/Reporting - development of budgets, including all management and general ledger management reporting.
8. General Ledger Processing - processing of all general ledger activity including the balancing of accounts.
9. Revenue and Billing - billing for services unrelated to water, sewer and drain and management of the file for sewer and drain accounts.

## **APPENDIX "F"**

### **RISK MANAGEMENT SERVICES**

Risk Management staff within LWC and MSD are responsible for evaluating loss exposures, assessing liability, development of mitigation strategies and internal controls, and assisting in the handling of claims ("Service Areas"). By way of example, but not by way of limitation, the BOWW and MSD have identified the following functions within the Risk Management Service Areas for joint and/or collaborative development, provision, sharing and/or management:

1. Emergency Response - provision of emergency planning services to create planning and training materials.
2. Security - provision of expertise in the development of security and safety measures.

## **APPENDIX "G"**

### **HUMAN RESOURCES SERVICES**

The Human Resources Divisions of LWC and MSD provide an array of human resource management activities to attract and retain a qualified workforce including recruitment, compensation strategies, employee and labor relations, skill and organizational effectiveness training, and employee safety and benefits administration services ("Service Areas"). By way of example, but not by way of limitation, the BOWW and MSD have identified the following functions within the Human Resources Service Areas for joint and/or collaborative development, provision, sharing and/or management:

1. Recruitment - recruitment of full and part-time employees, personal contract workers, and temporary service workers.
2. Compensation - provision of annual market pricing updates and individual market pricing analysis.
3. Employee and Labor Relations - provision of advisory and management services related to unit and non-unit employee investigations, grievance resolutions, disciplinary actions and complaints.
4. Training and Organizational Effectiveness - development and provision of employee training and skill development programs.
5. Employee Safety - provision of employee safety analysis and training.
6. Benefits Administration - procurement and/or administration of employee benefits and/or benefit plans.

## **APPENDIX "H"**

### **OPERATIONS**

The Operations Divisions of LWC and MSD are responsible for the operation and maintenance of primary infrastructure and facilities, and provide a wide range of activities integral to and in support of field operations including work planning and scheduling, utility locating, traffic control, dispatching, procuring and warehousing materials and supplies, fleet maintenance, laboratory services, field customer service and emergency response. By way of example, but not by way of limitation, the BOWW and MSD have identified the following functions within the Operations Service Areas for joint and/or collaborative development, provision, sharing and/or management:

1. Planning/Scheduling - planning and scheduling activities for field and other work activities.
2. Locating - locating facilities in compliance with Before U Dig ("BUD") underground locating regulations.
3. Traffic Control - providing traffic control signage and flagging services as part of the field work that takes place in public streets and right of ways.
4. Radio Control - providing communication and dispatching services to field operations groups.
5. Supplies - procuring and storing free bin materials for filling excavations and performing restoration services.
6. Stockroom/Warehouse - warehousing stock materials and supplies to support field and plant operations.
7. Fleet Maintenance - operation and maintenance of fleets that include small vehicles, trucks, heavy equipment, trailers, and other types of machinery.
8. Laboratory - providing laboratory services as required by regulations and to ensure that public health is not compromised.
9. Field Customer Service - providing responses in the field to routine requests or customer related work orders.
10. Emergency/First Run Response - providing responses to emergency related calls or situations requiring immediate attention.

**RESOLUTION OF THE BOARD OF WATER WORKS APPROVING  
THE SECOND AMENDED AND RESTATED INTERLOCAL COOPERATION  
AGREEMENT**

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**WHEREAS**, pursuant to the Interlocal Cooperation Act, KRS 65.210, et seq., the Board of Water Works (“BOWW”) and the Louisville and Jefferson County Metropolitan Sewer District (“MSD”) entered into an Interlocal Cooperation Agreement (“ILA”) to provide for the joint and/or cooperative action to develop, procure, or share back-office, and administrative of support services on March 11, 2014; this initiative was called “One Water.”

**WHEREAS**, the BOWW and MSD entered into an Amended and Restated Interlocal Cooperation Agreement (“Amended ILA”) on August 25, 2015 to expand the scope of the original ILA to further alleviate mutual needs, reduce costs, increase operational efficiencies, and improve customer service.

**WHEREAS**, the One Water Advisory Council (“OWAC”), which is comprised of senior executives from both entities, works to effectuate the guiding principles of One Water as set forth in the original ILA and later in the Amended ILA.

**WHEREAS**, pursuant to Section 11.9 of the Amended ILA and the Interlocal Cooperation Act, the BOWW and MSD desire to amend and restated the Amended ILA to provide for the more efficient implementation and governance of the partnership and the services set forth in the Amended ILA.

**WHEREAS**, on December 7, 2015, the One Water Board approved the One Water Bylaws. Section 14.01 of the Bylaws states that the Bylaws may be amended or revised at any regular or special meeting of the One Water board by an affirmative vote of three (3) members provided (a) the amendment or revision has been submitted in writing at the previous regular or special meeting and (b) the Boards of MSD and the BOWW have approved such amendment or revision.

**WHEREAS**, on September 28, 2017, MSD and the Louisville Water Company (“LWC”), by and through the BOWW, entered into a First Amended and Restated Shared Services Agreement (“Shared Services Agreement”) to provide for sharing of services, costs and information between MSD and LWC in furtherance of the Amended ILA.

**WHEREAS**, Section 12.2 of the Shared Services Agreement permits MSD and LWC to amend the Shared Services Agreement.

**WHEREAS**, in order to more efficiently implement the purpose of One Water, it is in the best interest of One Water to effectuate the Second Amended and Restated Interlocal Cooperation Agreement between the BOWW and MSD (“Second Amended ILA”), which principally authorizes OWAC to provide the governance and oversight of the partnership as a non-interlocal agency, and to amend the Shared Services Agreement as needed for consistency with the Second Amended ILA.

**NOW THEREFORE, BE IT RESOLVED** by the BOWW that:

1. The BOWW, by and through its President and CEO, is authorized to seek approval of the Second Amended ILA as required by the Interlocal Cooperation Act, KRS 65.210 et seq.
2. The BOWW, by and through its Board Chair, is authorized to execute the Second Amended ILA upon receipt of the approvals required by the Interlocal Cooperation Act.
3. The BOWW, by and through its Board Chair, is authorized to execute the Second Amended and Restated Shared Services Agreement between MSD and the Louisville Water Company acting through the BOWW; such Agreement shall include any changes necessary and proper for consistency with the Second Amended ILA.
4. The December 7, 2015 One Water Bylaws are hereby rescinded and said Bylaws having no further force or effect.

Adopted this 21<sup>st</sup> day of November, 2023.

DocuSigned by:

*Sundeep "Sunny" Dronawat*

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Dr. Sunny Dronawat  
Board of Water Works Chair

DocuSigned by:

*Spencer Bruce*

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Spencer Bruce, P.E.  
Louisville Water Company  
President and CEO

Approved as to form and legality:

DocuSigned by:

*Michael F. Tigue*

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Michael F. Tigue  
Vice President and General Counsel

**RESOLUTION OF THE BOARD OF LOUISVILLE AND JEFFERSON COUNTY  
METROPOLITAN SEWER DISTRICT APPROVING  
THE SECOND AMENDED AND RESTATED INTERLOCAL COOPERATION  
AGREEMENT**

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**WHEREAS**, pursuant to the Interlocal Cooperation Act, KRS 65.210, et seq., the Board of Water Works (“BOWW”) and the Louisville and Jefferson County Metropolitan Sewer District (“MSD”) entered into an Interlocal Cooperation Agreement (“ILA”) to provide for the joint and/or cooperative action to develop, procure, or share back-office, and administrative of support services on March 11, 2014; this initiative was called “One Water.”

**WHEREAS**, the BOWW and MSD entered into an Amended and Restated Interlocal Cooperation Agreement (“Amended ILA”) on August 25, 2015 to expand the scope of the original ILA to further alleviate mutual needs, reduce costs, increase operational efficiencies, and improve customer service.

**WHEREAS**, the One Water Advisory Council (“OWAC”), which is comprised of senior executives from both entities, works to effectuate the guiding principles of One Water as set forth in the original ILA and later in the Amended ILA.

**WHEREAS**, pursuant to Section 11.9 of the Amended ILA and the Interlocal Cooperation Act, the BOWW and MSD desire to amend and restated the Amended ILA to provide for the more efficient implementation and governance of the partnership and the services set forth in the Amended ILA.

**WHEREAS**, on December 7, 2015, the One Water Board approved the One Water Bylaws. Section 14.01 of the Bylaws states that the Bylaws may be amended or revised at any regular or special meeting of the One Water board by an affirmative vote of three (3) members provided (a) the amendment or revision has been submitted in writing at the previous regular or special meeting and (b) the Boards of MSD and the BOWW have approved such amendment or revision.

**WHEREAS**, on September 28, 2017, MSD and the Louisville Water Company (“LWC”), by and through the BOWW, entered into a First Amended and Restated Shared Services Agreement (“Shared Services Agreement”) to provide for sharing of services, costs and information between MSD and LWC in furtherance of the Amended ILA.

**WHEREAS**, Section 12.2 of the Shared Services Agreement permits MSD and LWC to amend the Shared Services Agreement.

**WHEREAS**, in order to more efficiently implement the purpose of One Water, it is in the best interest of One Water to effectuate the Second Amended and Restated Interlocal Cooperation Agreement between the BOWW and MSD (“Second Amended ILA”), which principally authorizes OWAC to provide the governance and oversight of the partnership as a non-interlocal agency, and to amend the Shared Services Agreement as needed for consistency with the Second Amended ILA.

**NOW THEREFORE, BE IT RESOLVED** by the MSD Board that:

1. The MSD Board, by and through its Executive Director James A. Parrott, is authorized to seek approval of the Second Amended ILA as required by the Interlocal Cooperation Act, KRS 65.210 et seq.
2. The MSD Board, by and through its Board Chair, is authorized to execute the Second Amended ILA upon receipt of the approvals required by the Interlocal Cooperation Act.
3. The MSD Board, by and through its Board Chair, is authorized to execute the Second Amended and Restated Shared Services Agreement between MSD and the Louisville Water Company acting through the BOWW; such Agreement shall include any changes necessary and proper for consistency with the Second Amended ILA.
4. The December 7, 2015 One Water Bylaws are hereby rescinded and said Bylaws having no further force or effect.

Adopted this 15<sup>th</sup> day of Nov 2023.

One Water Board:

  
Marita Willis  
MSD Board Chair

  
MSD Executive Director  
James A. Parrott

Approved as to form and legality:

  
Kellie S. Watson  
MSD General Counsel

**RESOLUTION OF THE ONE WATER BOARD APPROVING  
THE SECOND AMENDED AND RESTATED INTERLOCAL COOPERATION  
AGREEMENT**

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**WHEREAS**, pursuant to the Interlocal Cooperation Act, KRS 65.210, et seq., the Board of Water Works (“BOWW”) and the Louisville and Jefferson County Metropolitan Sewer District (“MSD”) entered into an Interlocal Cooperation Agreement (“ILA”) to provide for the joint and/or cooperative action to develop, procure, or share back-office, and administrative of support services on March 11, 2014; this initiative was called “One Water.”

**WHEREAS**, the BOWW and MSD entered into an Amended and Restated Interlocal Cooperation Agreement (“Amended ILA”) on August 25, 2015 to expand the scope of the original ILA to further alleviate mutual needs, reduce costs, increase operational efficiencies, and improve customer service.

**WHEREAS**, the One Water Advisory Council (“OWAC”), which is comprised of senior executives from both entities, works to effectuate the guiding principles of One Water as set forth in the original ILA and later in the Amended ILA.

**WHEREAS**, Section 11.9 of the Amended ILA and the Interlocal Cooperation Act, the BOWW and MSD desire to amend and restated the Amended ILA to provide for more efficient implementation and governance of the partnership and the services set forth in the Amended ILA.

**WHEREAS**, on December 7, 2015, the One Water Board approved the One Water Bylaws. Section 14.01 of the Bylaws states that the Bylaws may be amended or revised at any regular or special meeting of the One Water board by an affirmative vote of three (3) members provided (a) the amendment or revision has been submitted in writing at the previous regular or special meeting and (b) the Boards of MSD and the BOWW have approved such amendment or revision.

**WHEREAS**, on November 21, 2023, the BOWW approved a resolution/board action adopting the Second Amended ILA and rescinding the One Water Bylaws.

**WHEREAS** on November 13, 2023, the MSD Board approved a resolution/board action adopting the Second Amended ILA and rescinding the One Water Bylaws.

**WHEREAS**, in order to more efficiently implement the purpose of One Water, it is in the best interest of One Water to effectuate the Second Amended and Restated Interlocal Cooperation Agreement between the BOWW and MSD (“Second Amended ILA”), which principally authorizes OWAC to provide the governance and oversight of the partnership as a non-interlocal agency.

**NOW THEREFORE, BE IT RESOLVED** by the One Water Board that the following is approved and adopted:

1. The Boards of MSD and the BOWW are authorized to obtain the necessary approvals for the Second Amended ILA as required by the Interlocal Cooperation Act.

2. The Amended ILA dated August 25, 2015 is hereby amended and replaced with the Second Amended ILA upon receipt of the approvals required by the Interlocal Cooperation Act.
3. The December 7, 2015 One Water Bylaws are hereby rescinded and have no further force or effect.

Adopted this 7<sup>th</sup> day of Dec 2023.

One Water Board:

William E. Summers III  
One Water Board Chair

Attest:

Shannon L. Tivitt  
Shannon Tivitt, Secretary