

Monthly Executive Report

Financial & Capital Program Updates

As of August 31, 2021



DISCLAIMER

This monthly report was prepared by Louisville MSD staff using the best available information. Contributions were made from Finance, Engineering, Regulatory Compliance, Procurment, and Project Controls. Additional information will be incorporated into this report as deemed appropriate.

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Acronyms & Abbreviations

B	Billions
BCE	Business Case Evaluation
BOD	Biochemical Oxygen Demand
BMP	Best Management Practice
BRIC	Building Resilient Infrastructure & Communities Grant Program
CCWQTC	Cedar Creek Water Quality Treatment Center
CD	Consent Decree
CIP	Capital Improvement Program
CMF	Centralized Maintenance Facility
CMOM	Capacity, Management, Operations, and Maintenance Program
CP	Commercial Paper
CRRP	Critical Repair and Replacement Plan
CSF	Critical Success Factor
CSO	Combined Sewer Overflow
CSS	Combined Sewer System
DOW	Kentucky Department of Water
DRGWQTC	Derek Guthrie Water Quality Treatment Center
DRI	Drainage Response Initiative
EAC	Estimate-at-Completion
ENV	Environmental
EPA	Environmental Protection Agency
EPM	Enterprise Program Manager
FEMA	Federal Emergency Management Agency
FEPS	Final Effluent Pump Station
FFWQTC	Floyds Fork Water Quality Treatment Center
FM	Force Main
FPS	Flood Pump Station
FY	Fiscal Year
GASB	General Accounting Standards Board
GIS	Geographical Information System
HCWQTC	Hite Creek Water Quality Treatment Center
HSE	Health and Safety Evaluation
HVAC	Heating, Ventilation, and Air Conditioning
ID	Project Budget Identification Number
IOAP	Integrated Overflow Abatement Plan
IT	Information Technology
KPDES	Kentucky Pollutant Discharge Elimination System
LG	Louisville Green Biosolids Processing System
LOJIC	Louisville Jefferson County Information Center
LTCP	Long Term Control Plan
LWC	Louisville Water Company
M	Millions
MBE/WBE	Minority Owned Business Enterprise/Women Owned Business Enterprise
MCC	Motor Control Center
MEB	Morris Forman WQTC Maintenance Equipment Building
MHI	Median Household Income
MFWQTC	Morris Forman Water Quality Treatment Center
MS4	Municipal Separate Storm Sewer System Program
MSD	Metropolitan Sewer District
NMC	Nine Minimum Controls

Acronyms & Abbreviations - Continued

NOA	Notice of Advisement
NOI	Net Operating Income
NTP	Notice to Proceed
OC	Oldham County
OCEA	Oldham County Environmental Agency
PM	Project Manager
PMIS	Project Information Management System
PS	Pump Station
Q	Quarter of Year
RAS	Return Activated Sludge
RFP	Request for Proposals
RR	Repair and Replacement
RTC	Real Time Control
SCADA	Supervisory Control and Data Acquisition
SIFMA	Securities Industry and Financial Markets Association
SRF	State Revolving Loan Fund Program
SSDP	Sanitary Sewer DP
SWPS	Southwestern Pump Station
TBD	To Be Determined
TSS	Total Suspended Solids
USACE	United States Army Corps of Engineers
USEPA	United States Environmental Protection Agency
VFD	Variable Frequency Drive
WIFIA	Water Infrastructure Finance and Innovation Act
WQTC	Water Quality Treatment Center
WWTF	Wet Weather Treatment Facility
WWPS	Wastewater Pump Station
YTD	Year-to-Date

SECTION 1: FINANCIAL REPORT

The Financial Report is prepared monthly to provide MSD's Executive Director and the MSD Board with a high-level understanding of MSD's financial position. This report contains information on the following:

- Year-to-date financial results as of August 2021
- Customer statistics
- Employee headcount
- Cash
- Investments
- Commercial paper program

AUGUST FINANCIAL SUMMARY

Financial Highlights for the month of August 2021

- Wastewater and Drainage service charges were \$2.4 million favorable to budget.
- Operations and Maintenance expenses were \$707 thousand unfavorable to budget.

Results of Operations for the month of August 2021

Total operating revenues were \$1.2 million favorable to budget and \$2.8 million more than August 2020. Wastewater service charges were \$1.1 million favorable to budget and \$2.0 million more than August 2020. The favorability to budget is being driven by residential service charges and higher commercial and industrial volume charges. Drainage service charges \$70 thousand favorable to budget to budget and \$566 thousand more than August 2020. MSD's fiscal year 2022 rate increase of 6.9% for wastewater and drainage service charges became effective August 1, 2021. Other operating revenues were \$39 thousand favorable to budget and \$247 thousand more than August 2020.

Service & Administrative costs were \$707 thousand unfavorable to budget and \$2.4 million more than August 2020. The unfavorability to budget is being driven by elevated insurance premiums, bad debt and sludge and grit disposal charges.

Depreciation and Amortization expenses were \$72 thousand unfavorable to budget and \$234 thousand more than August 2020.

Investment Income was \$78 thousand favorable to budget and \$90 thousand more than August 2020.

Interest expense was \$1.0 favorable to budget and \$166 thousand less than August 2020. The favorability to budget is due to the closing of the forward delivery advance refunding of the 2011A revenue bonds on August 17, 2021. This refunding will save MSD \$4.3 million per year in debt service expense through 2034.

Cash Flows

Cash and cash equivalents increased \$20.2 million in August. Net cash provided by operations in August was \$22.0 million. \$5.8 million in cash was used in financing activities. Net investment activity in August provided \$4.0 million in cash.

Employee Headcount

MSD was able to fund 88 vacant positions in the fiscal year 2022 operating budget bringing total budgeted positions to 735. 9 vacant positions were unfunded in the 2022 budget. Since July 1, 2021 MSD's employee headcount has increased from 652 to 669.

CAPITAL PROGRAM HEALTH

A high-level summary of the status of key programs and initiatives is presented in Table 1. More detailed information is presented throughout this report.

Table 1 – Summary of FY22 Capital Program Performance To-date

Key Programs and Initiatives	Status as of August 31, 2021
Consent Decree Compliance	All Consent Decree deadlines have been satisfied through the reporting period.
Emergency Repairs & Reactive Equipment Replacements	Zero emergency projects were added in August, 2021.
Cashflow Performance*	Forecasted to spend 95.9% of the performance target and 85.5% of the budget ceiling.
Change Management Notice of Advisements (NOAs)	Seventeen NOAs were processed including: creating 10 new projects from appropriation budgets; approving two schedule extensions; 7 EAC increases; and two construction advancement requests.

*Discussion on Performance Target and Budget Ceiling is found in Section 3.

SECTION 2: FINANCIAL REPORT

The Financial Report is prepared monthly to provide MSD's Executive Director and the MSD Board with a high-level understanding of MSD's financial position. This report contains information on the following:

- Financial Results for August 2021
- Customer Statistics
- Headcount
- Cash
- Investments
- Commercial Paper Program

FINANCIAL STATEMENTS

MSD's financial position is presented in the following series of tables that include:

- Comparative Statement of Net Position
- Statement of Revenue, Expense and Change in Net Position
- Statement of Cash Flows
- Actual vs Budget Operating and Maintenance Expenses
- Division Actuals vs. Budget – Administration
- Division Actuals vs. Budget – Corporate
- Division Actuals vs. Budget – Engineering
- Division Actuals vs. Budget – Finance
- Division Actuals vs. Budget – Human Resources
- Division Actuals vs. Budget – Information Technology
- Division Actuals vs. Budget – Legal
- Division Actuals vs. Budget – Operations
- Division Actuals vs. Budget – Supply Chain

Table 2 – Comparative Statement of Net Position

Louisville & Jefferson County Metropolitan Sewer District Monthly Comparative Statement of Net Position				
	YTD Aug-2021	YTD Aug-2020	Variance	Percent
Current Assets				
Unrestricted Cash & Cash Equivalents	\$116,647,208	\$102,766,258	\$13,880,949	13.51%
Sewer & Drainage Receivable	26,422,151	24,145,311	2,276,841	9.43%
Assessment Warrants Receivable	136,113	187,659	(51,546)	-27.47%
Miscellaneous Receivables	1,171,938	5,679,900	(4,507,961)	-79.37%
Inventories	5,157,185	5,017,398	139,787	2.79%
Prepaid Expenses	6,767,685	3,937,120	2,830,565	71.89%
Restricted Funds	110,805,362	199,372,254	(88,566,891)	-44.42%
Accrued Interest Receivable	231,208	186,454	44,754	24.00%
Total Current Assets	267,338,851	341,292,353	(73,953,502)	-21.67%
Non-Current Assets				
Utility Plant in Service	4,301,496,867	4,138,843,324	162,653,543	3.93%
Accumulated Depreciation	(1,482,593,744)	(1,387,815,098)	(94,778,646)	6.83%
Construction in Progress	637,416,548	557,508,494	79,908,054	14.33%
Net Fixed Assets	3,456,319,671	3,308,536,720	147,782,951	4.47%
Non-Current Receivables	25,971,150	29,802,808	(3,831,657)	-12.86%
Total Assets	3,749,629,672	3,679,631,880	69,997,792	1.90%
Total Deferred Outflow of Resources	87,693,939	79,363,582	8,330,357	10.50%
Total Assets & Deferred Outflow of Resources	3,837,323,610	3,758,995,462	78,328,149	2.08%
Current Liabilities				
Miscellaneous Accounts Payable	9,969,485	11,737,005	(1,767,520)	-15.06%
Accounts Payable - Construction	8,228,365	5,206,392	3,021,973	58.04%
Contract Retainage	12,632,173	13,607,057	(974,883)	-7.16%
Accrued Interest Payable	37,083,667	34,221,393	2,862,274	8.36%
Current Maturities of Bonds Payable	51,230,000	43,710,000	7,520,000	17.20%
Current Maturities of Subordinate Debt	1,816,678	2,266,636	(449,958)	-19.85%
Deposits Payable	2,963,243	2,814,249	148,994	5.29%
Accrued Salaries & Wages	3,410,226	2,807,708	602,518	21.46%
Accrued Workers' Comp Insurance	2,626,118	2,280,418	345,700	15.16%
Employee Comp Absences Payable	4,220,228	4,051,088	169,140	4.18%
Total Current Liabilities	134,180,183	122,701,946	11,478,237	9.35%
Non-Current Liabilities				
Long-Term Senior Debt Payable	2,056,535,000	2,093,205,000	(36,670,000)	-1.75%
Long-Term Subordinate Debt Payable	450,644,084	389,624,459	61,019,625	15.66%
Other Long-Term Liability	327,217,684	250,258,399	76,959,286	30.75%
Total Non-Current Liabilities	2,834,396,768	2,733,087,858	101,308,910	3.71%
Total Liabilities	2,968,576,951	2,855,789,804	112,787,148	3.95%
Total Deferred Inflow of Resources	10,198,477	13,065,249	(2,866,773)	-21.94%
Total Liabilities & Deferred Inflow of Resources	2,978,775,428	2,868,855,053	109,920,375	3.83%
Net Position	858,548,182	809,652,797	48,895,385	6.04%
Total Liabilities, Deferred Inflow of Resources and Net Position	3,837,323,610	3,678,507,850	158,815,760	4.32%

Table 3 – Statement of Revenues, Expenses and Changes in Net Position

Louisville & Jefferson County Metropolitan Sewer District Monthly Statement of Revenues, Expenses, and Changes in Net Position							
	YTD Actual	YTD Budget	YTD Variance	% YTD Variance	YTD Prior Year	YTD Variance	% YTD Variance
Wastewater Charges							
Residential	\$ 26,007,160	\$ 25,319,084	\$ 688,076	2.7%	\$ 25,652,526	\$ 354,634	1.4%
Commercial	14,293,397	13,638,797	654,599	4.8%	12,599,191	1,694,206	13.4%
Industrial	4,030,307	4,078,283	(47,976)	-1.2%	3,919,738	110,569	2.8%
Other Wastewater	1,524,702	1,360,398	164,303	12.1%	631,585	893,116	141.4%
Free Wastewater Charges	(1,057,918)	(1,051,340)	(6,579)	0.6%	(632,358)	(425,561)	67.3%
Total Wastewater Charges	44,797,647	43,345,223	1,452,424	3.4%	42,170,682	2,626,965	6.2%
Drainage							
Residential	5,049,926	5,135,109	(85,183)	-1.7%	4,914,543	135,383	2.8%
Commercial	7,873,881	7,770,567	103,314	1.3%	7,469,987	403,894	5.4%
Industrial	913,756	888,366	25,390	2.9%	856,394	57,362	6.7%
Other Stormwater	572,346	553,178	19,168	3.5%	424,484	147,862	34.8%
Free Stormwater Charges	(440,821)	(449,149)	8,329	-1.9%	(426,833)	(13,987)	3.3%
Total Drainage Charges	13,969,088	13,898,070	71,018	0.5%	13,238,575	730,513	5.5%
Total Service Charges	58,766,735	57,243,293	1,523,442	2.7%	55,409,257	3,357,478	6.1%
Other Operating Income	841,454	783,470	57,983	7.4%	713,997	127,456	17.9%
Total Operating Revenue	59,608,188	58,026,763	1,581,425	2.7%	56,123,255	3,484,934	6.2%
Operating Expenses							
Salaries & Wages	8,527,623	9,398,630	(871,007)	-9.3%	8,289,938	237,685	2.9%
Labor Related Overhead	4,172,612	4,507,120	(334,508)	-7.4%	4,050,703	121,909	3.0%
Utilities	3,067,748	2,864,227	203,521	7.1%	2,498,353	569,396	22.8%
Materials & Supplies	1,408,702	1,223,673	185,029	15.1%	926,308	482,393	52.1%
Contractual Services	5,083,570	6,813,887	(1,730,317)	-25.4%	5,078,270	5,300	0.1%
Chemicals	883,940	1,069,348	(185,408)	-17.3%	643,807	240,133	37.3%
Fuel	230,846	232,598	(1,752)	-0.8%	103,039	127,808	124.0%
Insurance Premiums & Claims	824,631	637,372	187,259	29.4%	421,621	403,010	95.6%
Bad Debt	771,472	583,340	188,132	32.3%	628,550	142,922	22.7%
Other Operating Expense	122,053	436,754	(314,702)	-72.1%	125,262	(3,209)	-2.6%
Mapping/Insurance Recovery	-	-	-	0.0%	-	0	0.0%
Capitalized Overhead	(5,805,903)	(6,664,068)	858,165	-12.9%	(5,219,081)	(586,822)	11.2%
Capital Expenses (over)/under applied	-	-	-	0.0%	-	-	0.0%
Net Service and Administrative Costs	19,287,294	21,102,880	(1,815,587)	-8.6%	17,546,770	1,740,524	9.9%
Depreciation	16,339,006	16,166,666	172,340	1.1%	15,886,636	452,370	2.8%
Amortization	189,628	-	189,628	0.0%	250,139	(60,512)	-24.2%
Total Depreciation/Amortization	16,528,634	16,166,666	361,968	2.2%	16,136,776	391,858	2.4%
Total Operating Expenses	35,815,927	37,269,546	(1,453,619)	-3.9%	33,683,546	2,132,382	6.3%
Net Operating Income	23,792,261	20,757,217	3,035,044	14.6%	22,439,709	1,352,552	6.0%
Non-Operating Revenue (Expenses)							
Gain/Loss Disposal of Assets	74,983	200	74,783	37391.5%	11,890	63,093	530.6%
Investment Income	2,053,976	1,920,800	133,176	6.9%	1,864,923	189,053	10.1%
Interest Expense	(15,975,000)	(17,111,973)	1,136,973	-6.6%	(14,861,822)	(1,113,178)	7.5%
Total Non-Operating Revenue (Expenses)	(13,846,041)	(15,190,973)	1,344,932	-8.9%	(12,985,008)	(861,033)	6.6%
Contributions	-	-	-	0.0%	92,267	92,267	0.0%
Change in Net Position Before Swaps	9,946,220	5,566,244	4,379,976	78.7%	9,546,968	(399,252)	4.2%
Change in Fair Value of Swaps	836,344	-	836,344	0.0%	3,375,619	2,539,275	-75.2%
Change in Net Position After Swaps	\$ 10,782,564	\$ 5,566,244	\$ 5,216,320	93.7%	\$ 12,922,587	\$ 2,140,023	-16.6%

Table 4 – Monthly Statement of Cash Flows

Louisville and Jefferson County Metropolitan Sewer District Monthly Statement of Cash Flows	
	FY 2022
Cash Flows from Operating Activities	
Cash received from customers	\$ 56,746,238
Cash paid to suppliers	(19,818,861)
Cash paid to employees	(9,025,325)
Net Cash Provided by Operating Activities	27,902,052
Cash Flows from Capital and Related Financing Activities	
Proceeds from issuance of revenue bonds	-
Proceeds from issuance of bond anticipation note	-
Proceeds from issuance of commercial paper	100,000,000
Proceeds from issuance of notes	-
Proceeds from issuance of other subordinated debt	-
Payments for retirement of revenue bonds	(3,435,996)
Payments for retirement of bond anticipation note	-
Payments for retirement of commercial paper	(70,000,000)
Payments for retirement of notes	-
Payments for retirement of other subordinated debt	-
Payments for interest expense	171,001
Payments for interest on swaps	(1,858,661)
Build America bond interest subsidy	1,731,900
Proceeds from capital grants	-
Proceeds from sale of capital assets	74,983
Payments for capital assets	(39,129,472)
Proceeds from assessments	251,679
Net Cash Provided (Used) by Capital and Related Financing	(12,194,566)
Cash Flows from Investing Activities	
Purchase of investments	(29,979,844)
Maturity of investments	14,672,093
Investment income	321,774
Net Cash Provided (Used) by Investing Activities	(14,985,977)
Net Increase (Decrease) in Cash and Cash Equivalents	721,509
Cash and Cash Equivalents, Beginning of Year	101,985,796
Cash and Cash Equivalents, End of Year	\$ 102,707,305
Reconciliation of Operating Income to Net Cash provided by Operating Activities	
Income from operations	\$ 23,792,261
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation and amortization	16,528,633
Accounts receivable	(3,068,577)
Inventories	(71,097)
Prepaid expense	(612,157)
Accounts payable	(8,375,936)
Customer deposits	206,627
Accrued liabilities	(497,702)
Pension liability	0
OPEB liability	0
Net Cash Provided by Operating Activities	\$ 27,902,052
Non-Cash Capital Financing and Investing Activities	
Contribution of plant, lines and other facilities by developers and property owners	\$ -
Construction costs in accounts payable	20,860,538
Change in fair value of investments	87,859
Decrease in interest rate swap deferred revenue	82,825
Change in fair value - swap agreements	836,344
Bonds issued for refunding of debt	246,555,000

Table 5 - Actual vs Budget Operating and Maintenance Expenses

Louisville & Jefferson County Metropolitan Sewer District Operating and Maintenance Expenses August 31, 2021							
	YTD Actual	YTD Budget	YTD Variance	% YTD Variance	YTD Prior Year	YTD Variance	% YTD Variance
Salaries & Wages							
51120 - Regular Salaries & Wages	\$ 7,243,955	\$ 8,929,054	\$ (1,685,100)	-18.9%	\$ 6,769,853	\$ 474,101	7.0%
51130 - Overtime	345,656	406,121	(60,464)	-14.9%	256,815	88,842	34.6%
51135 - Special Event Compensation	25,590	58,693	(33,103)	-56.4%	23,250	2,340	10.1%
51140 - Wages pd for vacation, holidays & other	887,477	0	887,477	0.0%	1,117,793	(230,316)	-20.6%
51145 - Incentive Pay - Performance, ERT, Sugg	22,195	0	22,195	0.0%	120,077	(97,883)	-81.5%
51147 - Service & Safety Incentive Awards	2,750	4,761	(2,011)	-42.2%	2,150	600	27.9%
Total Salaries & Wages	8,527,623	9,398,630	(871,007)	-9.3%	8,289,938	237,685	2.9%
Labor & Related Overhead							
51210 - Short-Term Disability	68,518	0	68,518	0.0%	86,823	(18,305)	-21.1%
51220 - Workers' Compensation Insurance	25,805	41,878	(16,073)	-38.4%	87,372	(61,567)	-70.5%
51225 - Workers' Compensation Claims	101,071	178,581	(77,510)	-43.4%	66,024	35,048	53.1%
51230 - Long-Term Disability	(13,935)	8,332	(22,267)	-267.2%	(12,313)	(1,622)	13.2%
51240 - Group Life - AD&D Insurance	(7,481)	16,660	(24,141)	-144.9%	(29,141)	21,660	-74.3%
51250 - Tuition Assistance	10,408	18,330	(7,922)	-43.2%	3,936	6,472	164.4%
51260 - Empl Assistance & Wellness Program	0	2,334	(2,334)	0.0%	1,186	(1,186)	0.0%
51300 - Payroll Taxes	574,656	681,879	(107,223)	-15.7%	603,682	(29,027)	-4.8%
51400 - Unemployment Insurance	0	5,921	(5,921)	0.0%	0	0	0.0%
51500 - Med Ins: MSD's port. of prem for grp	1,188,209	1,167,158	21,051	1.8%	1,063,744	124,465	11.7%
51600 - Retirement Contributions	2,225,361	2,386,047	(160,686)	-6.7%	2,179,390	45,971	2.1%
Total Labor & Related Overhead	4,172,612	4,507,120	(334,508)	-7.4%	4,050,703	121,909	3.0%
Utilities							
53310 - Electric	2,645,533	2,240,000	405,533	18.1%	2,103,528	542,006	25.8%
53320 - Natural Gas	48,027	162,104	(114,077)	-70.4%	70,859	(22,832)	-32.2%
53330 - Water	188,735	210,532	(21,797)	-10.4%	176,371	12,364	7.0%
53340 - Telephone	32,405	55,033	(22,628)	-41.1%	18,865	13,540	71.8%
53345 - Data Communications	153,047	196,558	(43,511)	-22.1%	128,730	(43,511)	18.9%
Total Utilities	3,067,748	2,864,227	203,521	7.1%	2,498,353	501,567	22.8%
Materials & Supplies							
53140 - Materials & Supplies	1,105,067	1,178,173	(73,105)	-6.2%	900,709	204,359	22.7%
53160 - Landfill Cost of fill dirt	303,634	45,500	258,134	567.3%	25,600	278,035	1086.1%
Total Materials & Supplies	1,408,702	1,223,673	185,029	15.1%	926,308	482,393	52.1%
Contractual Services							
51700 - Uniforms	18,596	37,094	(18,499)	-49.9%	13,476	5,120	38.0%
52110 - Billing & Collection	1,041,430	1,046,816	(5,386)	-0.5%	1,026,352	15,078	1.5%
52130 - Custodial & Watchmen	119,253	187,313	(68,060)	-36.3%	130,432	(11,178)	-8.6%
52140 - Professional Services	235,299	738,704	(503,405)	-68.1%	129,152	106,147	82.2%
52145 - Legal	43,413	218,350	(174,937)	-80.1%	58,835	(15,423)	-26.2%
52155 - Banking Services	16,438	17,850	(1,412)	-7.9%	16,008	430	2.7%
52160 - Maintenance & Repairs	711,654	856,922	(145,268)	-17.0%	848,944	(137,290)	-16.2%
52170 - Sludge & Grit Disposal	932,141	526,059	406,082	77.2%	871,963	60,178	6.9%
52180 - Temporary Services	21,051	57,415	(36,364)	-63.3%	28,201	(7,150)	-25.4%
52195 - Other Contractual Services	1,944,296	3,127,363	(1,183,067)	-37.8%	1,954,908	(10,612)	-0.5%
Total Contractual Services	5,083,570	6,813,887	(1,730,317)	-25.4%	5,078,270	5,300	0.1%
Bad Debt							
54200 - Bad Debts	671,472	583,340	88,132	15.1%	628,550	42,922	6.8%
54210 - Bad Debt - Assessments	100,000	0	100,000	0.0%	0	100,000	0.0%
Total Bad Debt	771,472	583,340	188,132	32.3%	628,550	142,922	22.7%
Chemicals							
53210 - Chlorine	0	1,900	(1,900)	0.0%	0	0	0.0%
53215 - Sodium Hypochlorite	125,401	198,767	(73,366)	-36.9%	136,204	(10,803)	-7.9%
53220 - Polymer	404,860	432,665	(27,805)	-6.4%	275,703	129,157	46.8%
53225 - Sodium Aluminate	29,497	48,000	(18,503)	-38.5%	25,146	4,351	17.3%
53230 - Liquid Oxygen	49,503	76,600	(27,097)	-35.4%	4,004	45,498	1136.2%
53235 - Liquid Nitrogen	0	4,000	(4,000)	0.0%	0	0	0.0%
53240 - Other Chemicals	14,406	17,768	(3,362)	-18.9%	20,721	(6,315)	-30.5%
53250 - Dechlorination	63,019	75,500	(12,481)	-16.5%	55,818	7,201	12.9%
53275 - Defoamer	0	14,081	(14,081)	0.0%	0	0	0.0%
53280 - Bioxide	197,254	200,067	(2,812)	-1.4%	126,210	71,044	56.3%
Total Chemicals	883,940	1,069,348	(185,408)	-17.3%	643,807	240,133	37.3%
Fuel							
53120 - Gasoline	103,574	85,036	18,538	21.8%	53,031	50,543	95.3%
53130 - Diesel Fuel	127,272	147,562	(20,290)	-13.8%	50,008	77,265	154.5%
Total Fuel	230,846	232,598	(1,752)	-0.8%	103,039	127,808	124.0%
Insurance Premiums & Claims							
54110 - General Liability Insurance	375,404	183,754	191,650	104.3%	131,226	244,178	186.1%
54130 - Property Insurance	337,989	349,998	(12,010)	-3.4%	267,761	70,227	26.2%
54140 - General Liability Claims	111,238	103,619	7,619	7.4%	22,633	88,605	391.5%
Total Insurance Premiums & Claims	824,631	637,372	187,259	29.4%	421,621	403,010	95.6%
Other Operating Expense							
53410 - Equipment Rental	46,505	28,033	18,472	65.9%	42,454	4,051	9.5%
53420 - Space Rent	5,000	5,000	0	0.0%	3,900	1,100	28.2%
53430 - Leased Parking	(300)	6,166	(6,466)	-104.9%	5,300	(5,600)	-105.7%
54250 - Contributions	0	20,583	(20,583)	0.0%	0	0	0.0%
54400 - Advertising	3,467	51,000	(47,533)	-93.2%	10,878	(7,411)	-68.1%
54500 - Travel & Meetings	6,494	87,623	(81,128)	-92.6%	(9,549)	16,044	-168.0%
54550 - Training	10,607	129,431	(118,824)	-91.8%	37,346	(26,739)	-71.6%
54600 - Dues, Fees and Subscriptions	50,415	106,519	(56,104)	-52.7%	29,114	21,301	73.2%
54700 - Board Members	1,275	2,400	(1,125)	-46.9%	1,550	(275)	-17.7%
55555 - Over/under payments	(1,411)	0	(1,411)	0.0%	270	(1,681)	-622.6%
Total Other Operating Expense	122,053	436,754	(314,702)	-72.1%	121,262	791	0.7%
Grand Total	25,093,197	27,766,948	(2,673,751)	-9.6%	22,761,851	2,263,517	10.2%

Table 6 - Division Actuals vs. Budget – Administration

Louisville & Jefferson County Metropolitan Sewer District Administration August 31, 2021							
	YTD Actual	YTD Budget	YTD Variance	% YTD Variance	YTD Prior Year	YTD Variance	% YTD Variance
Salaries & Wages							
51120 - Regular Salaries & Wages	\$ 775,815	\$ 965,465	\$ (189,650)	-19.6%	\$ 656,024	\$ 119,791	18.3%
51130 - Overtime	7,978	7,043	935	13.3%	6,074	1,905	31.4%
51140 - Wages pd for vacation, holidays & other	118,029	0	118,029	0.0%	127,253	(9,224)	-7.2%
51145 - Incentive Pay - Performance, ERT, Sugg	200	0	200	0.0%	1,528	(1,328)	-86.9%
Total Salaries & Wages	902,022	972,508	(70,486)	-7.2%	790,878	111,144	14.1%
Labor & Related Overhead							
51300 - Payroll Taxes	63,891	72,054	(8,163)	-11.3%	56,742	7,149	12.6%
51400 - Unemployment Insurance	0	538	(538)	0.0%	0	0	0.0%
51500 - Med Ins: MSD's port. of prem for grp	103,328	82,366	20,961	25.4%	64,007	39,321	61.4%
51600 - Retirement Contributions	234,411	249,117	(14,707)	-5.9%	211,471	22,939	10.8%
Total Labor & Related Overhead	401,629	404,075	(2,446)	-0.6%	332,220	69,409	20.9%
Utilities							
53310 - Electric	80,606	50,000	30,606	61.2%	40,468	40,138	99.2%
53320 - Natural Gas	1,820	4,740	(2,920)	-61.6%	497	1,323	266.0%
53330 - Water	2,529	2,500	29	1.2%	477	2,052	430.6%
Total Utilities	84,955	57,240	27,715	48.4%	41,442	43,513	105.0%
Materials & Supplies							
53140 - Materials & Supplies	20,590	62,944	(42,354)	-67.3%	(12,520)	33,110	-264.5%
Total Materials & Supplies	20,590	62,944	(42,354)	-67.3%	(12,520)	33,110	-264.5%
Contractual Services							
51700 - Uniforms	3,749	11,050	(7,301)	-66.1%	778	2,971	382.0%
52130 - Custodial & Watchmen	84,248	154,380	(70,132)	-45.4%	102,745	(18,497)	-18.0%
52140 - Professional Services	38,368	225,132	(186,764)	-83.0%	44,010	(5,641)	-12.8%
52160 - Maintenance & Repairs	75,752	150,976	(75,225)	-49.8%	120,152	(44,400)	-37.0%
52180 - Temporary Services	8,072	15,833	(7,762)	-49.0%	7,053	1,018	14.4%
52195 - Other Contractual Services	3,998	27,092	(23,094)	-85.2%	5,948	(1,950)	-32.8%
Total Contractual Services	214,187	584,463	(370,277)	-63.4%	280,686	(66,499)	-23.7%
Insurance Premiums & Claims							
54140 - General Liability Claims	0	10,786	(10,786)	0.0%	0	0	0.0%
Total Insurance Premiums & Claims	0	10,786	(10,786)	0.0%	0	0	0.0%
Other Operating Expense							
53410 - Equipment Rental	0	2,600	(2,600)	0.0%	0	0	0.0%
53430 - Leased Parking	(300)	5,749	(6,049)	-105.2%	5,300	(5,600)	-105.7%
54250 - Contributions	0	10,833	(10,833)	0.0%	0	0	0.0%
54400 - Advertising	2,230	27,514	(25,284)	-91.9%	10,539	(8,309)	-78.8%
54500 - Travel & Meetings	996	26,270	(25,275)	-96.2%	59	936	1582.9%
54550 - Training	0	15,950	(15,950)	0.0%	0	0	0.0%
54600 - Dues, Fees and Subscriptions	25,200	32,811	(7,611)	-23.2%	4,205	20,995	499.3%
54700 - Board Members	1,275	2,400	(1,125)	-46.9%	1,550	(275)	-17.7%
Total Other Operating Expense	29,401	124,128	(94,727)	-76.3%	21,653	7,748	35.8%
Grand Total	1,652,783	2,216,145	(563,362)	-25.4%	1,454,358	198,425	13.6%

Table 7 - Division Actuals vs. Budget – Corporate

Louisville & Jefferson County Metropolitan Sewer District								
Corporate								
August 31, 2021								
	YTD Actual	YTD Budget	YTD Variance	% YTD Variance	YTD Prior Year	YTD Variance	% YTD Variance	
Salaries & Wages								
51120 - Regular Salaries & Wages	\$ 26,148	\$ 37,033	\$ (10,885)	-29.4%	\$ 30,642	\$ (4,494)	-14.7%	
51140 - Wages pd for vacation, holidays & other	11,755	0	11,755	0.0%	7,550	4,206	55.7%	
51147 - Service & Safety Incentive Awards	2,750	4,761	(2,011)	-42.2%	2,150	600	27.9%	
Total Salaries & Wages	40,653	41,795	(1,141)	-2.7%	40,341	312	0.8%	
Labor & Related Overhead								
51210 - Short-Term Disability	68,518	0	68,518	0.0%	86,823	(18,305)	-21.1%	
51220 - Workers' Compensation Insurance	25,805	41,878	(16,073)	-38.4%	87,372	(61,567)	-70.5%	
51225 - Workers' Compensation Claims	101,071	178,581	(77,510)	-43.4%	66,024	35,048	53.1%	
51230 - Long-Term Disability	(13,935)	8,332	(22,267)	-267.2%	(12,313)	(1,622)	13.2%	
51240 - Group Life - AD&D Insurance	(8,417)	16,660	(25,077)	-150.5%	(33,891)	25,474	-75.2%	
51250 - Tuition Assistance	10,408	18,330	(7,922)	-43.2%	3,936	6,472	164.4%	
51260 - Empl Assistance & Wellness Program	0	2,334	(2,334)	0.0%	1,186	(1,186)	0.0%	
51300 - Payroll Taxes	2,800	2,590	210	8.1%	2,411	390	16.2%	
51400 - Unemployment Insurance	0	158	(158)	0.0%	0	0	0.0%	
51500 - Med Ins: MSD's port. of prem for grp	9,284	1,872	7,412	396.0%	1,848	7,435	402.3%	
51600 - Retirement Contributions	10,018	10,480	(462)	-4.4%	10,339	(321)	-3.1%	
Total Labor & Related Overhead	205,553	281,215	(75,662)	-26.9%	213,734	(8,182)	-3.8%	
Contractual Services								
52110 - Billing & Collection	1,013,486	1,019,280	(5,794)	-0.6%	999,164	14,322	1.4%	
52140 - Professional Services	0	10,850	(10,850)	0.0%	7,658	(7,658)	0.0%	
52155 - Banking Services	1,185	1,670	(485)	-29.0%	688	497	72.3%	
52195 - Other Contractual Services	1,447	333,438	(331,991)	-99.6%	3,726	(2,279)	-61.2%	
Total Contractual Services	1,016,118	1,365,238	(349,120)	-25.6%	1,011,235	4,883	0.5%	
Bad Debt								
54200 - Bad Debts	668,472	583,340	85,132	14.6%	628,550	39,922	6.4%	
54210 - Bad Debt - Assessments	100,000	0	100,000	0.0%	0	100,000	0.0%	
Total Bad Debt	768,472	583,340	185,132	31.7%	628,550	139,922	22.3%	
Insurance Premiums & Claims								
54110 - General Liability Insurance	373,102	183,334	189,768	103.5%	131,226	241,875	184.3%	
54130 - Property Insurance	337,989	338,332	(343)	-0.1%	267,761	70,227	26.2%	
54140 - General Liability Claims	111,238	90,000	21,238	23.6%	20,455	90,784	443.8%	
Total Insurance Premiums & Claims	822,329	611,666	210,663	34.4%	419,442	402,886	96.1%	
Other Operating Expense								
54400 - Advertising	900	0	900	0.0%	0	900	0.0%	
54500 - Travel & Meetings	0	3,000	(3,000)	0.0%	0	0	0.0%	
54550 - Training	0	16,400	(16,400)	0.0%	15,000	(15,000)	0.0%	
55555 - Over/under payments	460	0	460	0.0%	0	460	0.0%	
Total Other Operating Expense	1,360	19,400	(18,040)	-93.0%	15,000	(13,640)	-90.9%	
Grand Total	2,854,485	2,902,654	(48,168)	-1.7%	2,328,304	526,182	22.6%	

Table 8 - Division Actuals vs. Budget - Engineering

Louisville & Jefferson County Metropolitan Sewer District							
Engineering							
August 31, 2021							
	YTD Actual	YTD Budget	YTD Variance	% YTD Variance	YTD Prior Year	YTD Variance	% YTD Variance
Salaries & Wages							
51120 - Regular Salaries & Wages	\$ 1,137,609	\$ 1,354,820	\$ (217,211)	-16.0%	\$ 1,111,975	\$ 25,633	2.3%
51130 - Overtime	11,684	27,272	(15,588)	-57.2%	8,999	2,685	29.8%
51135 - Special Event Compensation	0	166	(166)	0.0%	0	0	0.0%
51140 - Wages pd for vacation, holidays & other	136,553	0	136,553	0.0%	137,244	(691)	-0.5%
Total Salaries & Wages	1,285,846	1,382,258	(96,412)	-7.0%	1,258,218	27,628	2.2%
Labor & Related Overhead							
51300 - Payroll Taxes	92,514	103,826	(11,311)	-10.9%	90,734	1,780	2.0%
51400 - Unemployment Insurance	0	865	(865)	0.0%	0	0	0.0%
51500 - Med Ins: MSD's port. of prem for grp	166,288	162,098	4,190	2.6%	149,148	17,141	11.5%
51600 - Retirement Contributions	339,842	375,475	(35,633)	-9.5%	323,682	16,161	5.0%
Total Labor & Related Overhead	598,645	642,264	(43,619)	-6.8%	563,564	35,081	6.2%
Materials & Supplies							
53140 - Materials & Supplies	7,275	6,349	926	14.6%	18,438	(11,163)	-60.5%
Total Materials & Supplies	7,275	6,349	926	14.6%	18,438	(11,163)	-60.5%
Contractual Services							
52140 - Professional Services	(71,075)	29,167	(100,242)	-343.7%	(85,933)	14,858	-17.3%
52160 - Maintenance & Repairs	2,150	0	2,150	0.0%	0	2,150	0.0%
Total Contractual Services	(68,925)	29,167	(98,092)	-336.3%	(85,933)	17,008	-19.8%
Other Operating Expense							
54500 - Travel & Meetings	498	9,675	(9,177)	-94.9%	(7,699)	8,197	-106.5%
54550 - Training	1,400	9,410	(8,010)	-85.1%	7,678	(6,278)	-81.8%
54600 - Dues, Fees and Subscriptions	(108)	2,920	(3,028)	-103.7%	3,195	(3,303)	-103.4%
Total Other Operating Expense	1,790	22,005	(20,215)	-91.9%	3,174	(1,384)	-43.6%
Grand Total	1,824,630	2,082,043	(257,412)	-12.4%	1,757,461	67,170	3.8%

Table 9 - Division Actuals vs. Budget – Finance

Louisville & Jefferson County Metropolitan Sewer District							
Finance							
August 31, 2021							
	YTD Actual	YTD Budget	YTD Variance	% YTD Variance	YTD Prior Year	YTD Variance	% YTD Variance
Salaries & Wages							
51120 - Regular Salaries & Wages	\$ 183,933	\$ 237,064	\$ (53,131)	-22.4%	\$ 187,185	\$ (3,252)	-1.7%
51130 - Overtime	9	250	(241)	-96.3%	0	9	0.0%
51140 - Wages pd for vacation, holidays & other	17,680	0	17,680	0.0%	(251)	17,931	-7149.4%
Total Salaries & Wages	201,622	237,314	(35,691)	-15.0%	186,934	14,689	7.9%
Labor & Related Overhead							
51300 - Payroll Taxes	(20,489)	18,173	(38,662)	-212.7%	14,357	(34,846)	-242.7%
51400 - Unemployment Insurance	0	154	(154)	0.0%	0	0	0.0%
51500 - Med Ins: MSD's port. of prem for grp	26,643	25,564	1,079	4.2%	23,050	3,593	15.6%
51600 - Retirement Contributions	57,978	65,377	(7,399)	-11.3%	54,983	2,995	5.4%
Total Labor & Related Overhead	64,132	109,268	(45,136)	-41.3%	92,389	(28,257)	-30.6%
Materials & Supplies							
53140 - Materials & Supplies	372	1,080	(708)	-65.5%	567	(195)	-34.3%
Total Materials & Supplies	372	1,080	(708)	-65.5%	567	(195)	-34.3%
Contractual Services							
52140 - Professional Services	(27,936)	61,530	(89,466)	-145.4%	15,415	(43,352)	-281.2%
52155 - Banking Services	15,075	16,180	(1,105)	-6.8%	15,320	(245)	-1.6%
52195 - Other Contractual Services	13,283	2,000	11,283	564.2%	21,270	(7,986)	-37.5%
Total Contractual Services	422	79,710	(79,288)	-99.5%	52,005	(51,583)	-99.2%
Insurance Premiums & Claims							
54110 - General Liability Insurance	2,302	0	2,302	0.0%	0	2,302	0.0%
Total Insurance Premiums & Claims	2,302	0	2,302	0.0%	0	2,302	0.0%
Other Operating Expense							
54400 - Advertising	337	400	(63)	-15.7%	340	(2)	-0.7%
54500 - Travel & Meetings	0	1,924	(1,924)	0.0%	0	0	0.0%
54550 - Training	0	1,690	(1,690)	0.0%	848	(848)	0.0%
54600 - Dues, Fees and Subscriptions	902	490	412	84.0%	938	(36)	-3.8%
Total Other Operating Expense	1,239	4,504	(3,265)	-72.5%	2,125	(886)	-41.7%
Grand Total	270,089	431,875	(161,786)	-37.5%	334,020	(63,931)	-19.1%

Table 10 - Division Actuals vs. Budget – Human Resources

Louisville & Jefferson County Metropolitan Sewer District							
Human Resources							
August 31, 2021							
	YTD Actual	YTD Budget	YTD Variance	% YTD Variance	YTD Prior Year	YTD Variance	% YTD Variance
Salaries & Wages							
51120 - Regular Salaries & Wages	\$ 233,899	\$ 286,958	\$ (53,059)	-18.5%	\$ 226,359	\$ 7,540	3.3%
51130 - Overtime	0	400	(400)	0.0%	0	0	0.0%
51140 - Wages pd for vacation, holidays & other	20,757	0	20,757	0.0%	22,553	(1,796)	-8.0%
Total Salaries & Wages	254,656	287,358	(32,701)	-11.4%	248,912	5,744	2.3%
Labor & Related Overhead							
51300 - Payroll Taxes	18,505	22,031	(3,526)	-16.0%	18,016	489	2.7%
51400 - Unemployment Insurance	0	180	(180)	0.0%	0	0	0.0%
51500 - Med Ins: MSD's port. of prem for grp	27,410	30,330	(2,920)	-9.6%	26,107	1,303	5.0%
51600 - Retirement Contributions	66,356	77,616	(11,260)	-14.5%	67,039	(683)	-1.0%
Total Labor & Related Overhead	112,270	130,157	(17,887)	-13.7%	111,162	1,108	1.0%
Materials & Supplies							
53140 - Materials & Supplies	819	3,366	(2,547)	-75.7%	(889)	1,709	-192.1%
Total Materials & Supplies	819	3,366	(2,547)	-75.7%	(889)	1,709	-192.1%
Contractual Services							
52140 - Professional Services	20,902	68,078	(47,176)	-69.3%	21,688	(786)	-3.6%
52160 - Maintenance & Repairs	0	32	(32)	0.0%	0	0	0.0%
Total Contractual Services	20,902	68,110	(47,208)	-69.3%	21,688	(786)	-3.6%
Other Operating Expense							
54400 - Advertising	0	2,886	(2,886)	0.0%	0	0	0.0%
54500 - Travel & Meetings	549	4,770	(4,221)	-88.5%	(3,190)	3,739	-117.2%
54550 - Training	553	6,644	(6,091)	-91.7%	2,790	(2,237)	-80.2%
54600 - Dues, Fees and Subscriptions	3,143	10,053	(6,910)	-68.7%	711	2,432	342.0%
Total Other Operating Expense	4,245	24,353	(20,108)	-82.6%	311	3,934	1264.6%
Grand Total	392,893	513,344	(120,451)	-23.5%	381,184	11,709	3.1%

Table 11 - Division Actuals vs. Budget – Information Technology

Louisville & Jefferson County Metropolitan Sewer District Information Technology August 31, 2021							
	YTD Actual	YTD Budget	YTD Variance	% YTD Variance	YTD Prior Year	YTD Variance	% YTD Variance
Salaries & Wages							
51120 - Regular Salaries & Wages	\$ 429,060	\$ 523,780	\$ (94,720)	-18.1%	\$ 390,527	\$ 38,532	9.9%
51130 - Overtime	3,339	1,866	1,473	79.0%	1,794	1,546	86.2%
51135 - Special Event Compensation	410	0	410	0.0%	1,400	(990)	-70.7%
51140 - Wages pd for vacation, holidays & other	55,177	0	55,177	0.0%	47,205	7,971	16.9%
51145 - Incentive Pay - Performance, ERT, Sugg	0	0	0	0.0%	6,218	(6,218)	0.0%
Total Salaries & Wages	487,986	525,646	(37,660)	-7.2%	447,144	40,842	9.1%
Labor & Related Overhead							
51300 - Payroll Taxes	35,461	40,200	(4,739)	-11.8%	32,298	3,163	9.8%
51400 - Unemployment Insurance	0	330	(330)	0.0%	0	0	0.0%
51500 - Med Ins: MSD's port. of prem for grp	52,016	53,190	(1,174)	-2.2%	47,840	4,176	8.7%
51600 - Retirement Contributions	126,474	140,867	(14,394)	-10.2%	113,711	12,763	11.2%
Total Labor & Related Overhead	213,951	234,588	(20,636)	-8.8%	193,849	20,102	10.4%
Utilities							
53340 - Telephone	32,404	55,033	(22,629)	-41.1%	18,865	13,539	71.8%
53345 - Data Communications	113,753	154,958	(41,205)	-26.6%	110,807	(41,205)	2.7%
Total Utilities	146,157	209,992	(63,835)	-30.4%	129,672	(27,667)	12.7%
Materials & Supplies							
53140 - Materials & Supplies	17,274	94,134	(76,860)	-81.6%	31,942	(14,668)	-45.9%
Total Materials & Supplies	17,274	94,134	(76,860)	-81.6%	31,942	(14,668)	-45.9%
Contractual Services							
51700 - Uniforms	0	167	(167)	0.0%	0	0	0.0%
52140 - Professional Services	100,874	200,693	(99,819)	-49.7%	(6,841)	107,715	-1574.6%
52160 - Maintenance & Repairs	331,600	469,193	(137,593)	-29.3%	487,240	(155,640)	-31.9%
52195 - Other Contractual Services	233,487	845,880	(612,393)	-72.4%	223,093	10,394	4.7%
Total Contractual Services	665,962	1,515,933	(849,971)	-56.1%	703,492	(37,530)	-5.3%
Other Operating Expense							
54500 - Travel & Meetings	0	13,700	(13,700)	0.0%	0	0	0.0%
54550 - Training	6,354	11,083	(4,730)	-42.7%	2,280	4,074	178.7%
54600 - Dues, Fees and Subscriptions	285	2,350	(2,065)	-87.9%	160	125	78.1%
Total Other Operating Expense	6,639	27,133	(20,495)	-75.5%	2,440	4,199	172.1%
Grand Total	1,537,968	2,607,425	(1,069,457)	-41.0%	1,508,540	(14,723)	2.0%

Table 12 - Division Actuals vs. Budget - Legal

Louisville & Jefferson County Metropolitan Sewer District Legal August 31, 2021							
	YTD Actual	YTD Budget	YTD Variance	% YTD Variance	YTD Prior Year	YTD Variance	% YTD Variance
Salaries & Wages							
51120 - Regular Salaries & Wages	\$ 135,397	\$ 173,798	\$ (38,401)	-22.1%	\$ 144,077	\$ (8,680)	-6.0%
51130 - Overtime	0	600	(600)	0.0%	125	(125)	0.0%
51140 - Wages pd for vacation, holidays & other	17,699	0	17,699	0.0%	14,450	3,249	22.5%
Total Salaries & Wages	153,097	174,398	(21,301)	-12.2%	158,652	(5,555)	-3.5%
Labor & Related Overhead							
51300 - Payroll Taxes	10,674	12,677	(2,003)	-15.8%	10,676	(2)	0.0%
51400 - Unemployment Insurance	0	112	(112)	0.0%	0	0	0.0%
51500 - Med Ins: MSD's port. of prem for grp	10,296	10,990	(693)	-6.3%	11,506	(1,209)	-10.5%
51600 - Retirement Contributions	38,003	43,103	(5,100)	-11.8%	43,166	(5,163)	-12.0%
Total Labor & Related Overhead	58,973	66,882	(7,909)	-11.8%	65,347	(6,374)	-9.8%
Materials & Supplies							
53140 - Materials & Supplies	348	2,510	(2,162)	-86.1%	259	89	34.4%
Total Materials & Supplies	348	2,510	(2,162)	-86.1%	259	89	34.4%
Contractual Services							
52140 - Professional Services	23,327	42,316	(18,988)	-44.9%	20,588	2,739	13.3%
52145 - Legal	43,413	218,350	(174,937)	-80.1%	58,835	(15,423)	-26.2%
Total Contractual Services	66,740	260,666	(193,926)	-74.4%	79,423	(12,683)	-16.0%
Other Operating Expense							
54550 - Training	0	1,000	(1,000)	0.0%	0	0	0.0%
54600 - Dues, Fees and Subscriptions	6,710	8,032	(1,322)	-16.5%	6,159	551	8.9%
Total Other Operating Expense	6,710	9,032	(2,322)	-25.7%	6,159	551	8.9%
Grand Total	285,868	513,488	(227,620)	-44.3%	309,840	(23,973)	-7.7%

Table 13 - Division Actuals vs. Budget – Operations

Louisville & Jefferson County Metropolitan Sewer District							
Operations							
August 31, 2021							
	YTD Actual	YTD Budget	YTD Variance	% YTD Variance	YTD Prior Year	YTD Variance	% YTD Variance
Salaries & Wages							
51120 - Regular Salaries & Wages	\$ 4,047,373	\$ 5,057,902	\$ (1,010,529)	-20.0%	\$ 3,810,249	\$ 237,124	6.2%
51130 - Overtime	310,910	364,936	(54,026)	-14.8%	236,420	74,490	31.5%
51135 - Special Event Compensation	25,180	58,527	(33,347)	-57.0%	21,850	3,330	15.2%
51140 - Wages pd for vacation, holidays & other	484,444	0	484,444	0.0%	740,120	(255,676)	-34.5%
51145 - Incentive Pay - Performance, ERT, Sugg	21,695	0	21,695	0.0%	98,917	(77,222)	-78.1%
Total Salaries & Wages	4,889,602	5,481,365	(591,763)	-10.8%	4,907,556	(17,954)	-0.4%
Labor & Related Overhead							
51300 - Payroll Taxes	353,402	387,763	(34,361)	-8.9%	360,421	(7,019)	-1.9%
51400 - Unemployment Insurance	0	3,412	(3,412)	0.0%	0	0	0.0%
51500 - Med Ins: MSD's port. of prem for grp	754,463	772,338	(17,875)	-2.3%	713,803	40,660	5.7%
51600 - Retirement Contributions	1,285,266	1,355,640	(70,374)	-5.2%	1,294,999	(9,733)	-0.8%
Total Labor & Related Overhead	2,393,132	2,519,153	(126,021)	-5.0%	2,369,224	23,908	1.0%
Utilities							
53310 - Electric	2,564,928	2,190,000	374,928	17.1%	2,062,845	502,083	24.3%
53320 - Natural Gas	46,207	157,364	(111,157)	-70.6%	70,312	(24,105)	-34.3%
53330 - Water	186,206	208,032	(21,826)	-10.5%	175,903	10,303	5.9%
53340 - Telephone	1	0	1	0.0%	0	1	0.0%
53345 - Data Communications	39,295	41,600	(2,305)	-5.5%	17,923	(2,305)	119.2%
Total Utilities	2,836,636	2,596,996	239,641	9.2%	2,326,983	485,977	21.9%
Materials & Supplies							
53140 - Materials & Supplies	1,032,034	992,370	39,664	4.0%	862,357	169,676	19.7%
53160 - Landfill Cost of fill dirt	303,634	45,500	258,134	567.3%	25,600	278,035	1086.1%
Total Materials & Supplies	1,335,668	1,037,870	297,798	28.7%	887,957	447,711	50.4%
Contractual Services							
51700 - Uniforms	14,770	25,148	(10,378)	-41.3%	11,621	3,149	27.1%
52110 - Billing & Collection	27,944	27,536	408	1.5%	27,189	756	2.8%
52130 - Custodial & Watchmen	35,005	32,933	2,072	6.3%	27,687	7,318	26.4%
52140 - Professional Services	146,839	74,242	72,598	97.8%	112,567	34,273	30.4%
52155 - Banking Services	178	0	178	0.0%	0	178	0.0%
52160 - Maintenance & Repairs	295,819	219,220	76,598	34.9%	237,014	58,805	24.8%
52170 - Sludge & Grit Disposal	932,141	526,059	406,082	77.2%	871,963	60,178	6.9%
52180 - Temporary Services	3,095	41,583	(38,489)	-92.6%	7,519	(4,425)	-58.8%
52195 - Other Contractual Services	1,688,682	1,931,797	(243,115)	-12.6%	1,712,022	(23,341)	-1.4%
Total Contractual Services	3,144,473	2,878,518	265,955	9.2%	3,007,582	136,891	4.6%
Bad Debt							
54200 - Bad Debts	3,000	0	3,000	0.0%	0	3,000	0.0%
Total Bad Debt	3,000	0	3,000	0.0%	0	3,000	0.0%
Chemicals							
53210 - Chlorine	0	1,900	(1,900)	0.0%	0	0	0.0%
53215 - Sodium Hypochlorite	125,401	198,767	(73,366)	-36.9%	136,204	(10,803)	-7.9%
53220 - Polymer	404,860	432,665	(27,805)	-6.4%	275,703	129,157	46.8%
53225 - Sodium Aluminate	29,497	48,000	(18,503)	-38.5%	25,146	4,351	17.3%
53230 - Liquid Oxygen	49,503	76,600	(27,097)	-35.4%	4,004	45,498	1136.2%
53235 - Liquid Nitrogen	0	4,000	(4,000)	0.0%	0	0	0.0%
53240 - Other Chemicals	14,406	17,768	(3,362)	-18.9%	20,721	(6,315)	-30.5%
53250 - Dechlorination	63,019	75,500	(12,481)	-16.5%	55,818	7,201	12.9%
53275 - Defoamer	0	14,081	(14,081)	0.0%	0	0	0.0%
53280 - Bioxide	197,254	200,067	(2,812)	-1.4%	126,210	71,044	56.3%
Total Chemicals	883,940	1,069,348	(185,408)	-17.3%	643,807	240,133	37.3%
Fuel							
53120 - Gasoline	103,574	85,036	18,538	21.8%	53,031	50,543	95.3%
53130 - Diesel Fuel	127,272	147,562	(20,290)	-13.8%	50,008	77,265	154.5%
Total Fuel	230,846	232,598	(1,752)	-0.8%	103,039	127,808	124.0%
Insurance Premiums & Claims							
54110 - General Liability Insurance	0	420	(420)	0.0%	0	0	0.0%
54130 - Property Insurance	0	11,666	(11,666)	0.0%	0	0	0.0%
54140 - General Liability Claims	0	2,833	(2,833)	0.0%	2,179	(2,179)	0.0%
Total Insurance Premiums & Claims	0	14,920	(14,920)	0.0%	2,179	(2,179)	0.0%
Other Operating Expense							
53410 - Equipment Rental	44,205	23,433	20,772	88.6%	42,454	1,751	4.1%
53420 - Space Rent	5,000	5,000	0	0.0%	3,900	1,100	28.2%
54500 - Travel & Meetings	3,251	5,750	(2,499)	-43.5%	350	2,900	827.9%
54550 - Training	2,300	49,400	(47,100)	-95.3%	8,750	(6,450)	-73.7%
54600 - Dues, Fees and Subscriptions	14,184	30,003	(15,819)	-52.7%	11,921	2,263	19.0%
Total Other Operating Expense	68,939	113,586	(44,646)	-39.3%	67,375	1,564	2.3%
Grand Total	15,786,237	15,944,353	(158,116)	-1.0%	14,315,701	1,446,859	10.3%

Table 14 - Division Actuals vs. Budget – Supply Chain

Louisville & Jefferson County Metropolitan Sewer District Supply Chain August 31, 2021							
	YTD Actual	YTD Budget	YTD Variance	% YTD Variance	YTD Prior Year	YTD Variance	% YTD Variance
Salaries & Wages							
51120 - Regular Salaries & Wages	\$ 211,831	\$ 292,236	\$ (80,405)	-27.5%	\$ 212,816	\$ (985)	-0.5%
51130 - Overtime	3,165	3,753	(589)	-15.7%	3,404	(239)	-7.0%
51140 - Wages pd for vacation, holidays & other	25,381	0	25,381	0.0%	21,669	3,712	17.1%
51145 - Incentive Pay - Performance, ERT, Sugg	300	0	300	0.0%	9,274	(8,974)	-96.8%
Total Salaries & Wages	240,676	295,989	(55,313)	-18.7%	247,163	(6,487)	-2.6%
Labor & Related Overhead							
51240 - Group Life - AD&D Insurance	936	0	936	0.0%	0	936	0.0%
51300 - Payroll Taxes	17,897	22,565	(4,668)	-20.7%	18,028	(131)	-0.7%
51400 - Unemployment Insurance	0	172	(172)	0.0%	0	0	0.0%
51500 - Med Ins: MSD's port. of prem for grp	29,327	28,410	917	3.2%	26,436	2,891	10.9%
51600 - Retirement Contributions	67,013	68,370	(1,357)	-2.0%	59,999	7,014	11.7%
Total Labor & Related Overhead	115,173	119,517	(4,345)	-3.6%	104,463	10,709	10.3%
Materials & Supplies							
53140 - Materials & Supplies	1,727	15,420	(13,693)	-88.8%	555	1,173	211.5%
Total Materials & Supplies	1,727	15,420	(13,693)	-88.8%	555	1,173	211.5%
Contractual Services							
51700 - Uniforms	76	730	(654)	-89.5%	97	(20)	-20.8%
52140 - Professional Services	3,999	26,697	(22,698)	-85.0%	0	3,999	0.0%
52160 - Maintenance & Repairs	6,333	17,500	(11,167)	-63.8%	4,538	1,796	39.6%
52180 - Temporary Services	9,885	(1)	9,886	-741467.5%	13,628	(3,743)	-27.5%
52195 - Other Contractual Services	3,398	(12,844)	16,242	-126.5%	(10,911)	14,309	-131.1%
Total Contractual Services	23,692	32,081	(8,389)	-26.2%	7,351	16,341	222.3%
Other Operating Expense							
53410 - Equipment Rental	2,300	2,000	300	15.0%	0	2,300	0.0%
53430 - Leased Parking	0	417	(417)	0.0%	0	0	0.0%
54250 - Contributions	0	9,750	(9,750)	0.0%	0	0	0.0%
54400 - Advertising	0	20,200	(20,200)	0.0%	0	0	0.0%
54500 - Travel & Meetings	1,201	22,533	(21,332)	-94.7%	0	1,201	0.0%
54550 - Training	0	17,853	(17,853)	0.0%	0	0	0.0%
54600 - Dues, Fees and Subscriptions	100	19,860	(19,760)	-99.5%	1,825	(1,725)	-94.5%
Total Other Operating Expense	3,601	92,613	(89,012)	-96.1%	1,825	1,776	97.3%
Grand Total	384,869	555,621	(170,752)	-30.7%	361,357	23,512	6.5%

SUPPLEMENTAL FINANCIAL REPORTING

MSD's supplemental financial reporting is presented in the following series of tables that include:

- Revenue by Customer Class
- Headcount by Division
- Unrestricted Cash Balances
- Restricted Cash Balances
- Current Investment Model
- Monthly Investment Activity
- Commercial Paper Program Issuance Details

Revenue by Customer Class

Table 15 - Revenue by Customer Class

	Number of Customers		Revenue by Customer Class		Budget By Customer Class	
	Aug-2021	Aug-2020	Aug-2021	Aug-2020	Aug-2021	Aug-2020
Wastewater						
Residential	230,116	228,614	13,769,123	13,216,447	13,268,766	12,031,836
Commercial	21,584	21,488	6,394,865	5,402,782	5,959,594	5,675,827
Industrial	390	392	2,078,495	1,820,921	1,959,720	2,533,546
Sub-Total	252,090	250,494	22,242,482	20,440,150	21,188,080	20,241,209
Drainage						
Residential	208,179	207,429	2,810,023	2,690,068	2,835,645	2,612,652
Commercial	14,053	14,074	3,907,915	3,560,744	3,825,673	3,535,829
Industrial	269	270	441,219	410,232	448,405	398,435
Sub-Total	222,501	221,773	7,159,157	6,661,044	7,109,723	6,546,916
Grand Total			\$ 29,401,639	\$ 27,101,194	\$ 28,297,804	\$ 26,788,125

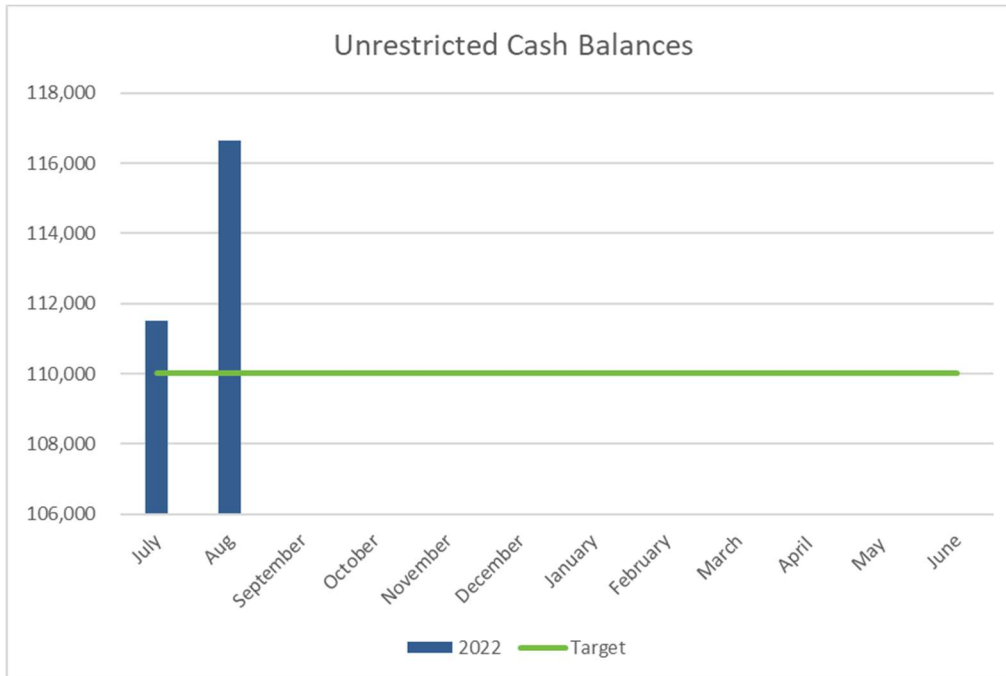
Headcount

Table 16 – Headcount by Division

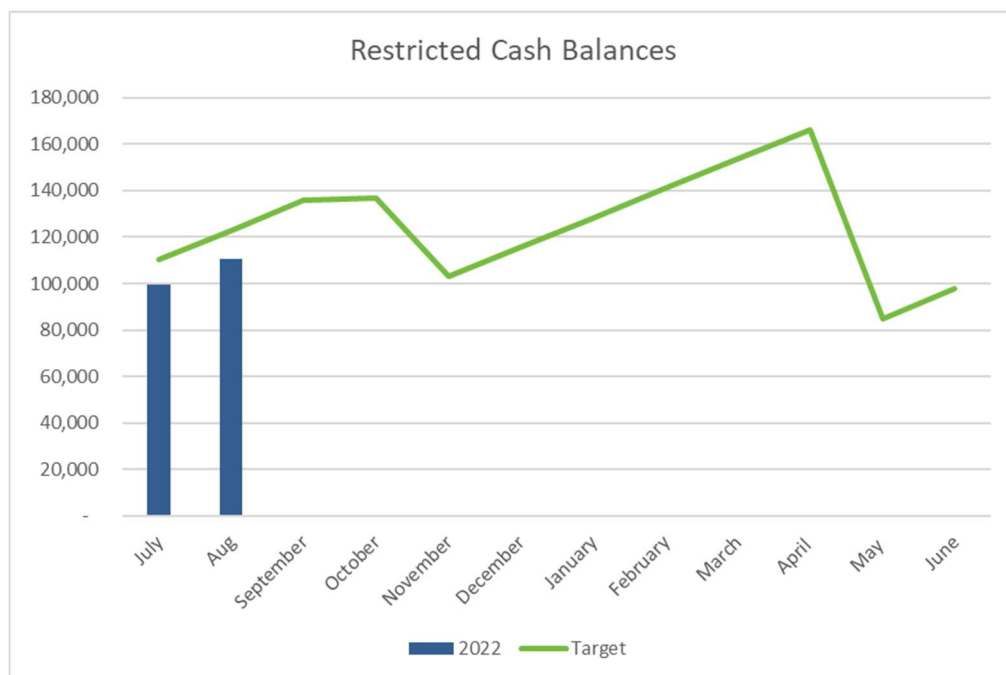
FY22 Headcount by Division		
	Authorized	Filled
Communications	4	4
Community Benefits & Partnerships	8	4
Customer Relations	22	19
Engineering	96	89
Executive Office	5	6
Facilities	8	8
Finance	19	17
Human Resources	19	16
Innovation	3	3
Internal Audit	4	4
Information Technology	33	29
Legal	10	8
Records and Information Governance	9	8
Safety	15	13
Supply Chain & Economic Inclusion	24	18
Operations	465	423
Total Authorized Positions	744	669
*Excludes temporary & seasonal staff		

Cash Balances

Unrestricted Cash & Cash Equivalents generated from service fees and are operating income are used to pay for operating expenses. Unrestricted cash balance is a measure of financial health and supports the underlying credit rating. Low cash balances indicate poor flexibility and inability to manage contingencies.



Restricted Cash & Cash Equivalents are reserved for the purpose of bond debt service, funding of capital construction, cost of issuance, and debt service reserves. MSD supplements its restricted debt service reserve cash and investments with a \$75 million bond surety policy to meet its required level of Maximum Annual Debt Service reserve funding.



MONTHLY EXECUTIVE REPORT

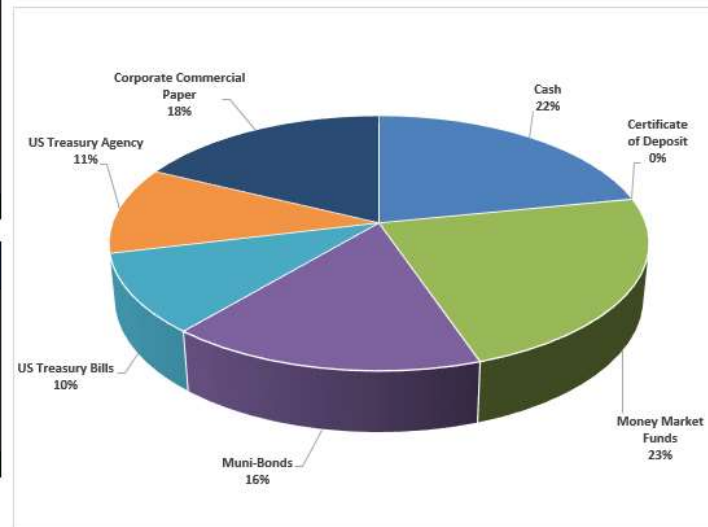
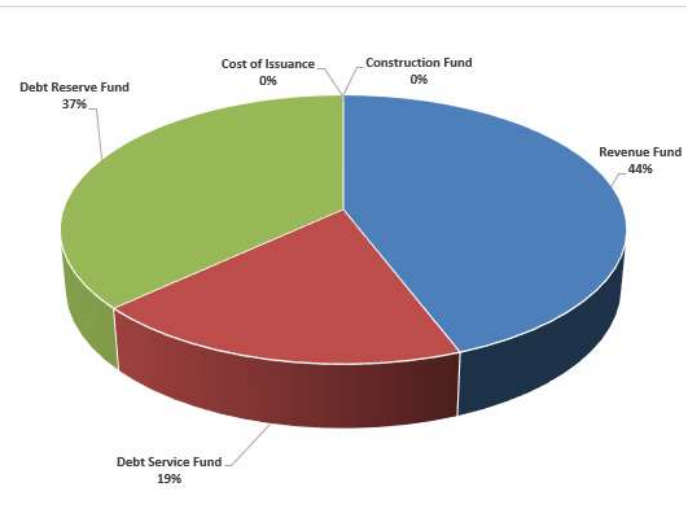
August 31, 2021

Current Investment Model

Table 17 – Current Investment Model

Series	Revenue Fund	Debt Service Fund	Debt Reserve Fund	Construction Fund	Cost of Issuance	Total
2008A	-	-	950,660	-	-	950,660
2009A	-	-	4,453,172	-	-	4,453,172
2009B	-	-	15,251,153	-	-	15,251,153
2009C	-	3,252,237	13,859,388	-	-	17,111,625
2010A	-	5,222,780	18,785,897	-	-	24,008,676
2011A	-	81,179	-	-	-	81,179
2013A	-	1,202,005	25,727,720	-	-	26,929,725
2013B	-	1,629,729	-	-	-	1,629,729
2013C	-	33,846	177,755	-	-	211,600
2014A	-	884,074	-	-	-	884,074
2015A	-	2,007,274	150,040	-	-	2,157,314
2015B	-	1,447,565	-	-	-	1,447,565
2016A	-	1,466,573	-	-	-	1,466,573
2016B	-	777,530	-	-	-	777,530
2016C	-	5,386,427	-	-	-	5,386,427
2017A	-	3,344,254	1,568,447	-	-	4,912,701
2017B	-	612,324	-	-	-	612,324
2018A	-	630,034	-	-	-	630,034
2019A	-	2,638,689	-	-	-	2,638,689
2020A	-	1,795,941	2,213,677	-	-	4,009,618
2020C	-	886,162	-	-	-	886,162
2020 BAN	-	9,589,513	-	-	-	9,589,513
CP 2018 A-1 & A-2	-	-	-	52	-	52
Cash	49,021,618	-	-	-	-	49,021,618
Certificate of Deposit	100,000	-	-	-	-	100,000
Money Market Funds	2,594,881	-	-	-	-	2,594,881
Muni-Bonds	3,032,518	-	-	-	-	3,032,518
US Treasury Agency	4,989,850	-	-	-	-	4,989,850
Corporate Commercial Paper	39,975,938	-	-	-	-	39,975,938
	\$ 99,714,805	\$ 42,888,135	\$ 83,137,907	\$ 52	\$ -	\$ 225,740,899

Asset Description	Revenue Fund	Debt Service Fund	Debt Reserve Fund	Construction Fund	Cost of Issuance	Total
Cash	49,021,618	84,447	150,040	-	-	49,256,105
Certificate of Deposit	100,000	-	-	-	-	100,000
Money Market Funds	2,594,881	42,803,688	6,340,908	52	-	51,739,529
Muni-Bonds	3,032,518	-	33,854,785	-	-	36,887,303
US Treasury Bills	-	-	22,748,425	-	-	22,748,425
US Treasury Agency	4,989,850	-	20,043,749	-	-	25,033,599
Corporate Commercial Paper	39,975,938	-	-	-	-	39,975,938
	\$ 99,714,805	\$ 42,888,135	\$ 83,137,907	\$ 52	\$ -	\$ 225,740,899



MONTHLY EXECUTIVE REPORT

August 31, 2021

Monthly Investment Activity

Table 18 - Monthly Investment Activity

Account	Transaction Type	Category	Amount
2008A Debt Reserve	Redemption	County of Baltimore MD muni bond	(555,197.10)
2009B Debt Reserve	Redemption	County of Baltimore MD muni bond	(3,116,896.00)

MONTHLY EXECUTIVE REPORT

August 31, 2021

Commercial Paper Program Summary

MSD operates a \$500 million Commercial Paper (CP) program to provide interim financing for its capital program. Liquidity support is provided by JP Morgan Chase and Bank of America, NA. Merrill Lynch, Pierce, Fenner & Smith Inc and JP Morgan Securities are dealers for the program. In August, we had three notes mature which were replaced with new notes with an average rate of 0.11% and an average term of 154 days. In August, we issued one new \$15M note with a rate of 0.10% and a term of 120 days. In September, we have two notes maturing totaling \$30M. The CP Construction Fund balance as of August 31st, was \$51.62. Outstanding CP notes are currently split 50% with JP Morgan and 50% with Bank of America.

Table 19 – Commercial Paper Program Issuance Details

CP Issuance Details										
Currently Outstanding										
Issuance Date	CUSIP	Principal	Rate	Term (# of days)	Maturity Date	Dealer (JPM/BAML)	Interest Cost	New Issuance or Roll?	SIFMA Index	Spread over (under) SIFMA
5/7/2021	54658NCH2	15,000,000	0.12%	117	9/1/2021	BAML	5,769.86	Roll	0.05%	0.07%
5/13/2021	54658NCK5	15,000,000	0.13%	120	9/10/2021	BAML	6,410.96	New	0.07%	0.06%
6/1/2021	54658QCK8	15,000,000	0.13%	153	11/1/2021	JPM	8,173.97	Roll	0.05%	0.08%
6/10/2021	54658QCL6	10,000,000	0.10%	151	11/8/2021	JPM	4,136.99	New	0.03%	0.07%
6/17/2021	54658QCM4	10,000,000	0.10%	152	11/16/2021	JPM	4,164.38	Roll	0.03%	0.07%
6/24/2021	54658NCM1	5,000,000	0.10%	120	10/22/2021	BAML	1,643.84	New	0.03%	0.07%
6/24/2021	54658QCN2	10,000,000	0.12%	113	10/15/2021	JPM	3,715.07	New	0.03%	0.09%
7/1/2021	54658QCP7	10,000,000	0.10%	126	11/4/2021	JPM	3,452.05	Roll	0.03%	0.07%
7/7/2021	54658RAC6	10,000,000	0.10%	149	12/3/2021	JPM	4,082.19	Roll	0.03%	0.07%
7/12/2021	54658NCN9	15,000,000	0.11%	150	12/9/2021	BAML	6,780.82	New	0.02%	0.09%
8/9/2021	54658QCQ5	15,000,000	0.10%	120	12/7/2021	JPM	4,931.51	New	0.02%	0.08%
8/17/2021	54658QCR3	10,000,000	0.12%	162	1/26/2022	JPM	5,326.03	Roll	0.02%	0.10%
8/23/2021	54658NCP4	20,000,000	0.11%	150	1/20/2022	BAML	9,041.10	Roll	0.02%	0.09%
8/27/2021	54658NCQ2	20,000,000	0.10%	150	1/24/2022	BAML	8,219.18	Roll	0.02%	0.08%
Currently Outstanding: \$ 180,000,000							\$ 75,848			
FY21 YTD: \$ 160,000,000							\$ 76,190			

The Securities Industry and Financial Markets Association (SIFMA) publishes a 7-day high-grade market index comprised of tax-exempt Variable Rate Demand Obligations (VRDOs) with certain characteristics. The Index is calculated and published by Bloomberg and is overseen by SIFMA's Municipal Swap Index Committee. The SIFMA is a short-term interest rate index that MSD uses to gauge the interest rates we receive on our CP placements.

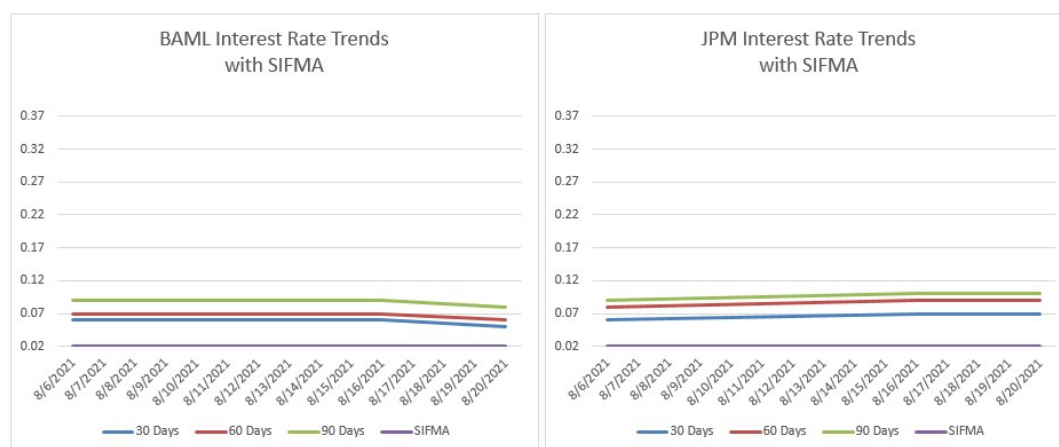


Figure 1 – BAML and JPM Interest Rate Trends

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SECTION 3: CAPITAL PROGRAM PERFORMANCE

The Capital Program Performance section is prepared to provide MSD's Executive Director and the MSD Board with a high-level understanding of progress made with implementing the FY22 CIP, including Consent Decree and other mandated projects, regulatory compliance commitments, and high priority asset management needs. The following information is presented in this report:

- Comparison of forecast and expenditures to the approved FY22 budget performance target (approved budget minus Management Reserve)
- Discussion of change management activities occurring during the reporting period
- Major project highlights and program challenges
- Forecast of upcoming procurement activities

FY22 CAPITAL BUDGET BASIS

The FY22 CIP budget of \$200.7M for Jefferson County and Oldham County projects was approved by the Board in May 2021. The approved budget was based upon \$183.3M in total expenditures forecasted at that time for the projects anticipated to be active during the Fiscal Year July 1, 2021 through June 30, 2022 plus \$17.4M was set aside in Management Reserve to fund emergencies and other unanticipated priorities for a total approved budget ceiling of \$200.7M.

It is important to recognize many projects span across multiple fiscal years so the annual budget may not represent the total estimate for the project. Also, construction spending is dependent upon the Contractor's actual progress with the work contracted. Complex construction projects, such as tunnels, are difficult to predict exactly how spending will occur each month. Variations in starting project activities, equipment deliveries, weather delays, subsurface conditions, etc. can affect the speed of monthly and annual spending. For large capital projects MSD reviews the Contractor's anticipated rate of spending and compares it with MSD's cashflow forecast on a monthly basis.

CIP Priorities for Operations

The FY22 CIP was developed in coordination with MSD's Engineering, Finance, and Operations Divisions. The overarching intent of the CIP is to enhance, support, and streamline utility operations by 1) providing capital funding for new equipment; 2) replacing aging infrastructure; 3) reducing sewer overflows; and 4) improving reliability of all assets operated and maintained by MSD. The 5-year and FY22 CIP were developed to mitigate risks related to asset failure and regulatory compliance. MSD prioritizes funding to achieve the greatest risk mitigation possible with the available budget.

The top CIP priorities from an operational perspective were included in the baseline FY22 CIP.

- **Morris Forman WQTC Biosolids:** The aging biosolids processes at the Morris Forman WQTC have presented significant operational challenges. The FY22 CIP includes multiple projects related to biosolids process improvements including: 1) award of the progressive design-build project for a new state-of-the-art biosolids processing facility; 2) completion of construction of the Morris Forman WQTC dryer replacements; 3) completion of construction of the Derrik R. Guthrie WQTC new dewatering facility; and 4) an completion of an update the District-Wide Biosolids Management Master Plan.
- **Morris Forman WQTC Sedimentation Basin Rehabilitation:** The peak flow capacity of the Morris Forman WQTC is currently limited by the capacity of the sedimentation basins. Construction began in FY22 for rehabilitating all four basins. Per an Agreed Order with the State, this work must be completed no later than December 31, 2026.

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- **Large Diameter Sewer Rehabilitation Program:** Every year, MSD experiences multiple sewer failures – primarily due to aging infrastructure. As such, MSD is continuing a 5-year program to proactively rehabilitate the highest risk large diameter sewers. In FY22 construction will proceed for the I-64 & Grinstead, Rudd Avenue, Nightingale, and Western Outfall sewers. Design and condition assessment will begin in FY22 for the Prospect Phase 2 and Little Cedar Creek sewers.
- **Flood Pump Station Reliability Improvements:** The Ohio River Flood Protection System protects 240,000 people and \$60 billion of property within the levee area. MSD is working in partnership with the United States Army Corps of Engineers to complete \$168 million of asset improvements with the intent of improving the overall reliability of the system. Work is anticipated to begin in FY22 for at least two projects: Canal Street Floodwall and the Paddy's Run FPS Capacity Improvement Project.

This information will be updated/adjusted in the event new priorities develop or risks change.

FY22 CIP OVERALL PERFORMANCE

MSD assigned funds to Management Reserve to fund emergencies and unanticipated priorities. Use of the Management Reserve requires approval by the CIP Management Team. The baseline FY22 budget included \$17.4M for Management Reserve. Given the fluid nature of the timing Management Reserve funds will be expended, MSD is reporting cash flow performance excluding unutilized Management Reserve. The following new budget performance nomenclature is introduced into this monthly report:

- **Budget Ceiling:** This represents the total annual capital spend approved with the FY22 CIP of \$200.7M inclusive of all projects, appropriations, and Management Reserve funds.
- **Performance Budget Target:** This represents the baseline budget minus the Management Reserve. This value better represents how overall CIP spending compares to forecasted progress for the initial slate of projects. For FY22, the budget ceiling is \$183.3M ($\$200.7\text{M} - \$17.4\text{M} = \183.3M). Comparing the FY22 forecasted total spend to the \$183.3M performance budget target provides a more realistic perspective of the cash flow forecast's variations due to reality of project implementation.
- **Difference with Approved Budget:** This represents the remaining amount of Management Reserve that has not been allocated to capital requests by the CIP Management Team. This value is expected to decrease over time due to emergencies and other unanticipated capital needs.

FY22 capital expenditures for the Wastewater, Stormwater, and Support Services Programs totaled \$7.6M through August 2021. This spend represents approximately 3.8% the \$200.7M FY22 capital budget and 4.2% of the budget performance target. The total expenditures for FY22 are currently projected to be \$179.5M, which is 4.1% below the budget performance target of \$187.0M but 10.5% below approved budget ceiling.

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Table 20 - Capital Budget Performance Summary

Financial Category	Value	Comments
FY 2022 Budget Ceiling	\$200.7M	Approved by MSD board
FY 2022 Performance Budget Target	\$187.0 M	Baseline budget minus Mgmt Reserve
FY 2022 Actuals	\$7.6M	3.8% of budget
FY 2022 Remaining Forecasted Spend	\$171.9M	Forecasted remaining spend in FY 2021
Forecast for Total FY 2022 Spend	\$179.5M	Actuals plus forecasted remaining spend
Difference from Approved Budget Ceiling	\$21.2M	10.5% below approved FY 2022 budget ceiling

Note: The forecast will continue to evolve throughout the FY based on changes to the program including project schedules and estimates.

A breakdown of the monthly spend forecast as compared to actual spending is presented in Table 21 and Figure 4. Capital expense reflects total capital invoices received against a purchase order in the month.

Table 21 – FY22 Evolving Spend Forecast and Actuals

FY22	Monthly Baseline Forecast	Monthly Actuals
July 2021	\$ ---	\$ 1.3M
August 2021	\$ 14.5M	\$ 6.3M
September 2021	\$ 13.0M	
October 2021	\$ 12.6M	
November 2021	\$ 14.9M	
December 2021	\$ 16.4M	
January 2022	\$ 18.1M	
March 2022	\$ 19.6M	
March 2022	\$ 20.7M	
April 2022	\$ 18.1M	
May 2022	\$ 14.5M	
June 2022	\$ 20.9M	
FY22 Baseline	\$ 183.3M	\$ 7.6M

Note: The FY22 baseline forecast excludes \$17.4M in Management Reserve. The forecast and actuals exclude FEMA grant projects. Most invoices paid in July are for work performed in June, and therefore were charged against the FY21 budget. The June 2022 estimate includes the FY22 accruals.

The cash forecast graph presents the monthly actual spending along with the current projected spending for the fiscal year as mathematically calculated by the cash flow tool. The baseline compares the forecast to the projection used to develop the FY22 CIP. For the current reporting period, the total FY22 spending projection is \$179.5M or 10.5% below the budget ceiling.

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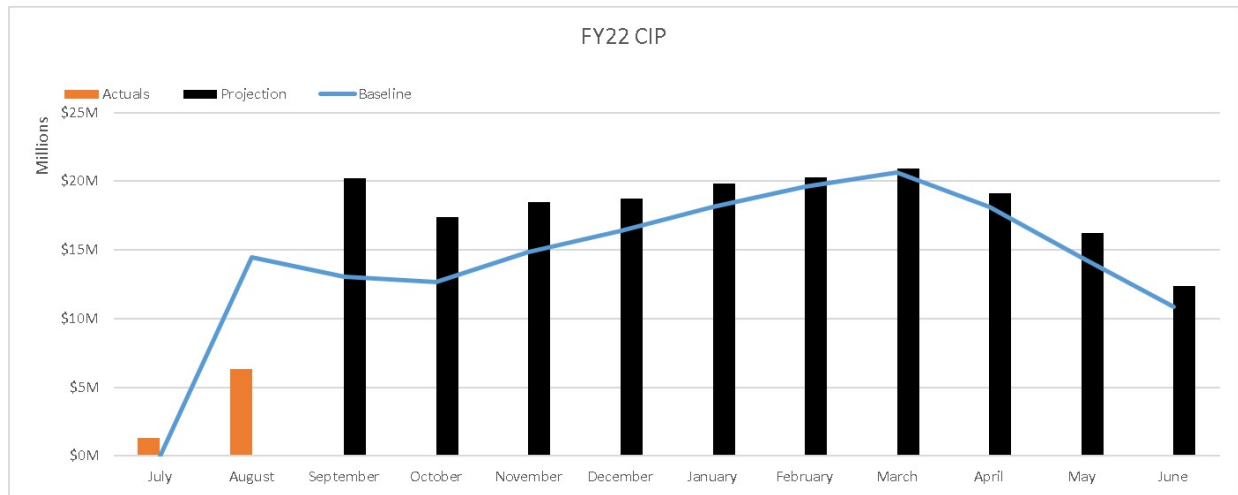


Figure 2 – FY22 Baseline Cashflow Forecast Vs. Actuals and Current Forecast

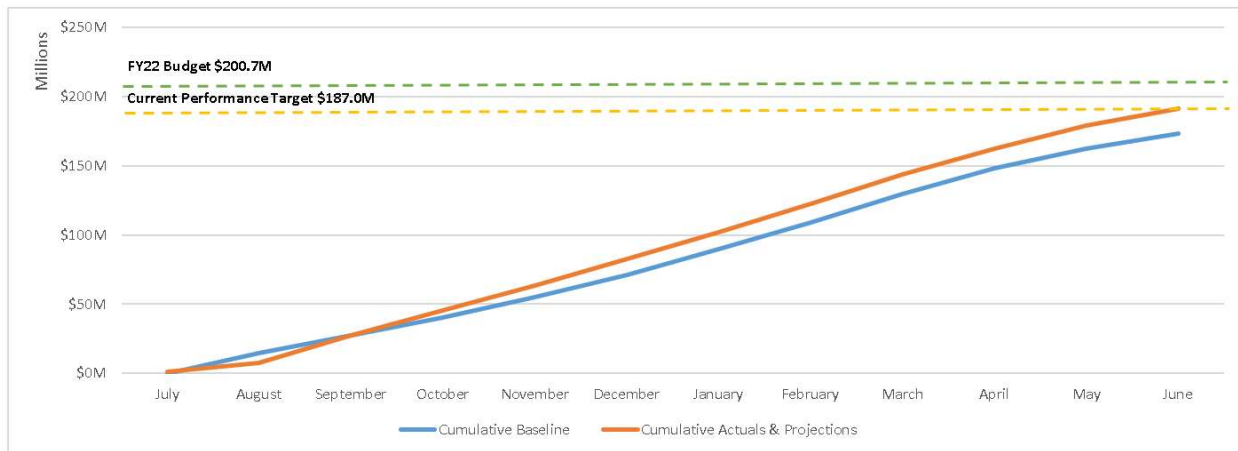


Figure 3 – FY22 Budget, Current Performance Target, Cum. Baseline vs Cum. Actuals and Projections

Challenges to CIP Execution

Efforts made by staff to meet project delivery milestones have been impacted by the following:

- Chip shortage impacting the delivery of new vehicles
- Supply shortage of material impacting delivery of equipment
- Shortage of external workforce impacting manufacturing and delivery of equipment
- General impacts of COVID have delayed projects
- Obtaining easements and stakeholder approval have resulted in delays for major interceptor projects including Floyds Fork and Ash Avenue
- New procurement regulations

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MONTHLY PROJECT ACTIVITIES

MSD's working definitions for each project's schedule activity are as follows:

- **Initiation/ Procurement Activity:** The time when a project in the approved CIP is waiting for planning to be completed; a design Project Manager (PM) assignment; or a consulting Professional Services Agreement Notice-to-Proceed (NTP).
- **Design Activity:** The time from when a project is transitioned from planning to preliminary design through final design, through bidding, until the NTP is issued for construction.
- **Construction Activity:** The time from when a project is issued a NTP through achievement of Substantial Completion of the contracted scope of work.
- **Closeout/Warranty Phase Project:** The time when contracted work has been Substantially Completed and the Project Manager is waiting to receive the final pay application and/or finalize the warranty walkthrough inspection.

A summary of status of projects active during the reporting period is provided in the following table.

Table 22 – Summary of Active Non-Appropriation Projects During Reporting Month

Current Project Activity	# of Projects	Lifetime Actuals	FY22 Budget	FY22 Actuals
Studies	4	\$ 97,841	\$ 14,582,477	\$ 15,573
Initiation & Procurement	25	\$ 8,959,301	\$ 64,606,997	\$ (2,473,530)
Design	45	\$ 299,088,368	\$ 56,486,291	\$ 4,280,380
Construction	27	\$ 129,753,398	\$ 2,704,641	\$ 3,762,821
Closeout/Warranty	60	\$ -	\$ 712,727	\$ -
TOTAL	161	\$ 437,898,909	\$ 139,093,133	\$ 5,585,244

Emergency Contracts to Repair Infrastructure Damage

When emergencies become larger than internal resources can handle and/or present immediate public safety dangers, emergency contracts are executed. MSD issues emergency contracts under the Chief Engineer's and Executive Director's authority. These emergencies are primarily due to the condition and age of MSD's assets. Some of the emergencies are due to heavy rain events and saturated soils undermining of pipe infrastructure and drainage runoff has washing away and/or eroding drainage systems. For the past decade MSD had to defer spending for asset management in order to comply with construction of new assets mandated in the Consent Decree to mitigate unauthorized discharges.

Details of the emergency contract work for FY22 through the current reporting period are included in the table below. The amount presented typically reflects the construction contract only. The Budget ID assigned to each project is listed. Projects that are routine in nature and repaired relatively quickly are performed under the annual appropriation FY22 Renewal and Replacement - Budget ID G22001. Projects more complex or requiring more time for completion are assigned a new budget ID.

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Table 23 – Year-to-Date Active Emergency Contract Work

Emergency	Funding Source	Date Began	Contractor	Amount
Harrods Creek FM Repair	A20280	11/25/2019	MAC Construction	\$ 9,000,000
DRGWQTC Dewatering*	D20284	12/2/2019	Ulliman Schutte	\$ 27,769,000
MFWQTC LG Dryer Replacements	D20285	1/2/2020	Judy Construction	\$ 51,317,010
10 th Street FPS MCC Replacement	F21123	7/23/2020	CE Power	\$ 250,000
26th Street Sewer Repair	A21241	5/6/2021	Temple and Temple	\$ 5,000,000
SGC Gates Replacement – Design	H22022	7/1/21	AECOM	\$ 300,000
SGC Gate #1 Repairs	F21202	3/9/2021	Pace Contracting, LLC	\$ 550,000
Upper Mill Creek FPS, Pump #3	K18266	7/21/2021	JCI	\$ 500,000
MFWQTC FEPS Soft Starters	G22001	12/2/2019	Advanced Electric Systems	\$ 985,997
1102 Outer Loop Pipe Replacement Project		9/16/2020	B & R Contracting, LLC	\$ 47,000
6800 Bardstown Road Bank Repair		8/3/2020	Basham Construction and Rental Company Inc.	\$ 202,000
Mason Lane Culvert Replacement		1/26/2021	Basham Construction	\$ 271,898
MF Water Line Replacement		2/8/2021	Seven Seas	\$ 40,850
MFWQTC FEPS N Integral Substation Repl.		3/5/2021	CE Power	\$ 550,000
2021 Woodford Place Emergency PSC		3/15/2021	TRC, LLC (WBE)	\$ 30,000
3342 Indian Lake Drive		6/18/21	TRC, LLC (WBE)	\$ 25,000
Scenic Loop Pipe Replacement		6/24/2021	K. Weihe Construction, Inc	\$ 45,000
DRG Aeration Basin Sluice Gate Project		TBD	TBD	\$ 500,000
Clay and Breckinridge Sewer Repair		7/16/21	Pace Contracting, LLC	\$ 250,000

*This project is part of the overall project that was included in the emergency certification.

Projects Removed from Cashflow

The FY22 CIP represents a list of projects forecasted to have spending during the fiscal year. No projects have been removed from cashflow during the reporting period.

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Major Project Highlights

A major project is defined as one with an FY22 budget larger than \$4M. The following tables list major projects in design and construction.

Table 24 – Major CIP Projects in Design

Budget ID & Project Name	Design Finish	Current Project Estimate at Completion	FY22 Budget	Lifetime Actuals	FY22 Spending Projection	Project Outlook
D20351 Floyds Fork Interceptor	7/10/22	\$92.8M	\$8.6M	\$0.6M	\$7.7M	30% Design is complete. Schedule is being impacted by an order to cease and desist from Parklands until the agency approves MSD plans.
H21019 Rudd Avenue Infrastructure Rehabilitation	10/30/21	\$23.1M	\$7.1M	---	\$7.1M	On track to submit the GMP to the Board in September.
D17042 MFWQTC Sedimentation Basin RR	9/1/21	\$41.5M	\$6.8M	\$2.4M	\$2.3M	NTP issued for DSDC; to include ancillary work related to rebidding.
A20244 Large Diameter Sewer Rehabilitation	8/18/21	\$9.4M	\$5.5M	\$3.0M	\$2.7M	Design progressing as planned.
W21006 OC Ash Avenue Interceptor	10/19/21	\$6.5M	\$4.9M	\$0.3M	\$2.7M	Bid advertisement is pending easement acquisitions.

Table 25 – Major CIP Projects Under Construction

Budget ID & Project Name	Anticipated Substantial Completion	Current Project Estimate at Completion	FY22 Budget	Lifetime Actuals	FY22 Spending Projection	Project Outlook
H09133 Ohio River Tunnel	4/30/22	\$194.0 M	\$18.8M	\$154.7M	\$18.3M	Imminent change order to Contractor and amendment to BV forthcoming. The spending projection will increase.

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Budget ID & Project Name	Anticipated Substantial Completion	Current Project Estimate at Completion	FY22 Budget	Lifetime Actuals	FY22 Spending Projection	Project Outlook
D20285 MFWQTC LG Dryer Replacements	12/31/21	\$53.9M	\$10.8M	\$47.9M	\$10.4M	Construction on schedule to have both dryer trains online January 2022.

Table 26 – Other Highlighted Projects

Budget ID & Project Name	Anticipated Substantial Completion	Current Estimate at Completion	Lifetime Actuals	Project Outlook
FY22 Vehicles and Equipment	6/30/2022	\$15.0M	---	Component related delays will impact this project.

MONTHLY CIP MANAGEMENT TEAM MEETING

The CIP Management Meeting was held on August 24, 2021. The following members and support staff participated:

Voting Members: Tony Parrott, Brian Bingham, Angela Akridge, Brad Good, David Johnson

Technical Support Staff: John Loechle, Stephanie Laughlin, Woffie Miller, Dan French, Jacquelyn Quarles, Tony Marconi, Latoya English, Erin Wagoner, Yajaira Morphonios, Dolly Smith, Marc Thomas, Heather Dodds, Mike Griffith

Consultant Support: Leisha Pica, Sharma Young

The notes reflected herein summarize discussions held during the meeting.

Regulatory Discussion

The following topics were discussed:

- Consent Decree
- Morris Forman WQTC
- Agreed Order Projects

FY22 CIP Progress and Discussions

The following topics were discussed related to the FY22 CIP.

July Actuals & Forecast. Ms. Morphonios noted July spending totaled \$1.3M. She summarized the current spending forecast is approximately 0.6% below the FY22 budget. She noted we are forecasting \$187M spending and remain on track to hit FY22 Performance Budget Target.

August Notice of Advisements (NOAs). YM presented the following for consideration by the CIP Mgmt Team:

- a. New Project: CMF Automated Vehicle Wash Facility for \$500k. Budget to be transferred from operations RR and FY22 MFWQTC appropriation project (management reserve is not required for this project). This project represents a best practice for utility management. APPROVED.

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- b. EAC Increase: SWPS Gas Monitoring and SP1 Control: Increase of \$2.1M with no impact on FY22 budget = \$1.2M FY23, \$0.5M FY24. Added scope to include modeling and construction. APPROVED.

New Emergencies. Three new emergencies that occurred in July totaling approximately \$1M.

Procurement Forecast. Ms. Pica noted a new agenda item has been added to highlight upcoming procurements. She noted all but three of the projects qualify for the Second Amendment to the CD Asset Management Annual Spend requirement. She wanted to assure the CIP Management Team that MSD is making progress with the AM Program.

Mr. Johnson noted easements for Ash Avenue could be a challenge and Ms. Quarles noted work on those easements is progressing. The project's anticipated advertising date may have to be extended more time than initially scheduled is needed.

USACE Update

Federal appropriations are not yet available, and Ms. Laughlin reported that it will present an obstacle for USACE to review the projects ahead of the funding.

Ms. Pica noted active projects include Canal Street Floodwall and Paddy's Run FPS (NTP November 2021). Canal Street 30% design milestone is approaching.

Funding Opportunities. Ms. Laughlin provided an update.

- KIA Intended Use Plan is not yet out. KIA has been focusing on the Clean Water Grants and only two communities have received those.
- BRIC Grant: MSD's application was competitive but only one non-coastal project was selected
- Louisville Metro Build Back Better: nothing new to report.
- FY22 House Appropriations Funding: Park Duvalle was included in the House package that was passed on July 29th. Maple Street is also included in the funding through Parks alliance. Full passage is hopeful.

Other Topics for Discussion.

Mr. Johnson noted Thursday at the Gateway meeting we will hear from the first group of Appropriations Owners. This is a new initiative in FY22.

Asset Management Program (AMP) Update Discussion

Ms. Dodds presented an update to the program.

- SAMP submitted to EPA but have not yet received any comments back. She appreciates the help from 100 people working on that over the past year to get all the details together. She noted every MSD department participated.
- AMP Update – Development Timeline
 - About one year into the process
 - Performed gap analysis and developed 5-year roadmap
 - Kicked off tactical AM discussions with MFWQTC for FY22
 - TAMP is all vertical assets outside of treatment – will start in September and will wrap up in December.
 - Beginning condition assessment data.

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- Building performance measures – working with IT to develop strategy for consultants to build dashboard
- Employee development training later in the year
- Tweaking technology and systems to support AMP – continuous improvement forever
- AMP reports to AM Steering Committee quarterly then to CIP Mgmt Team. Development teams are being established as needed.
- Communication Strategy
 - Initial Rollout TBD after January 1st with messaging by Mr. Parrott
 - Communications team meeting monthly – working on newsletter content and video
- Management of Change
 - MOC Training
 - AM Implementation Pace
 - Resource Availability
- Upcoming Initiative
 - FY22 AM Gap Closure

Mr. Parrott noted very comprehensive update and agrees with having a good pace. Mr. French echoed excellent work, and things are moving along. Everyone needs to shout it this is an organizational effort.

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CHANGE MANAGEMENT ACTIVITIES

Notice of Advisement (NOA)

NOAs are intended to document any change to a project scope, schedule, and budget. A standardized electronic form has been created by the MSD Project Controls Team. Table 27 lists the NOA's processed during the reporting period. In general, requests by staff tend to fall into the following categories:

- **New Projects Added to the FY22 CIP:** New projects were not known at the time the FY22 CIP was under development and subsequently approved by MSD's Board. These projects are vetted by staff before funding is requested. Projects are only added to the FY22 CIP if funding is available from the CIP Management Reserve.
- **Projects with Schedule Adjustments:** As projects progress through a standard lifecycle, schedules are adjusted. The schedule dates and project duration are used in the cashflow forecast tool. As such, it is important to track and monitor schedule adjustments to the CIP projects.
- **Projects with EAC Adjustments:** As projects advance, the estimate at completion (EAC) is adjusted. Routine adjustments are made at the 30%, 60%, 90%, and bid award milestones.
- **Projects Deferred to a Future Year:** Some projects are deferred based upon new information, updated planning status, or to free up funds for other more pressing capital needs.

Table 27 – Notice of Advisement Log for Reporting Month

ID	Project Name	Advisement Category	Impact in FY Budget	Status
262	CMF Automated Vehicle Wash Facility	New Project	\$500,000	Approved
263	ORT Legal Services	New Project	\$100,000	Approved
267	DRGWQTC Grit Handling Building Roof Replacement	EAC, Budget	\$105,300	Approved
268	DRGWQTC WWPS Roof Replacement	EAC, Budget	\$456,300	Approved
269	DRGWQTC Sodium Hypochlorite & Process Water Bldgs	EAC, Budget	\$387,319	Approved
270	DRG Clarifier 4-6 Mechanism Upgrades	New Project	\$37,000	Approved
271	3709 East Indian Trail PSC	New Project	\$45,000	Approved
272	CMF Roofs A, C and D	Construction Advancement, EAC	\$1,330,828	Approved
273	Harbour Tree Ave DIP	New Project	\$50,000	Approved
274	4315 Rudy Lane	New Project	\$100,000	Approved
275	MFWQTC Admin Building Exterior Repairs	Construction Advancement, Project Name Change, EAC	\$5,383	Approved
276	MSD Radio Repeaters	EAC, Budget, Schedule	\$380,445	Approved

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ID	Project Name	Advisement Category	Impact in FY Budget	Status
277	Floyds Fork and Ohio River Condition Assessment	New Project	\$1,356,451	Approved
278	HCWQTC Expansion	Scope, EAC, Budget, Schedule	\$1,720,000	Approved
279	Crescent Court DIP	New Project	90,000	Approved
280	Stormwater Data Management & Asset Knowledge Program	New Project	\$300,000	Approved
281	2607 Meadow Road DIP	New Project	\$100,000	Approved

Approved Change Orders

The Change Orders processed by MSD during the reporting period are listed in the following table. This information is provided for informational purposes.

Table 28 – Construction Change Orders Processed during Reporting Month

Budget ID	Project	Original Contract Amount	Change Order Amount (this month)	Revised Contract Amount
H09133	Ohio River Tunnel	\$106,670,000	\$147,134	\$153,271,062
A18354	Raintree Court and Marian Court Pump Station Eliminations – Phase 1A	\$133,550	\$40,037	\$173,587.40

PROCUREMENT ACTIVITIES

A forecast of the upcoming procurement activities for the next 90 days is presented in Table 29. The bid dates represent anticipated times and may be adjusted depending upon project conditions.

Table 29 – Potential Upcoming Procurement Projects

Budget ID	Project Name	Anticipated Advertising Date
G20018	SWPS Site Security	9/1/2021
D21224	DRGWQTC Sodium Hypochlorite and Process Water Buildings Roof Replacement	9/8/2021
D22042	FFWQTC and CCWQTC Power Factor Correction	9/27/2021
E21070	Rosa Terrace PS Elimination	10/1/2021
E21090	Sonne Avenue PS Elimination	10/1/2021
W21126	OCEA Lift Station Rehab	10/1/2021

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Budget ID	Project Name	Anticipated Advertising Date
G21139	CMF Roof A C and D Replacement	10/20/2021
H09164	Idlewood Inline Storage	11/2/2021
G21225	CMF and MFWQTC Facilities Entrance Upgrades	11/20/2021
E21071	Wathen Lane PS Rehabilitation	11/30/2021
E21091	Sanders Lane PS Rehabilitation	11/30/2021

Bid Openings

Bids opened during the reporting month are shown below.

Table 30 – Bids opened during Reporting Month

Budget ID	Project Name	Bid Opening	Engineer's Estimate	Bid Award
D19048	MSD Radio Repeaters	8/5/2021	\$ 686,570	TBD
D21208	MFWQTC Administration Building Exterior Repairs	8/26/2021	\$ 107,265	TBD

Construction - Notice to Proceeds (NTP) Issued

The Notice-to-Proceeds issued for projects are listed below.

Table 31 – NTP's Issued during Reporting Month

Budget ID	Project Name	NTP Date
D19045	MFWQTC Sodium Hypochlorite Building Relocation	8/9/2021

END OF REPORT