

Monthly Executive Report

Financial & Capital Program Updates

As of July 31, 2021



MONTHLY EXECUTIVE REPORT

July 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, Procurement, 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: EXECUTIVE SUMMARY

The Louisville and Jefferson County Metropolitan Sewer District (MSD) provides wastewater, stormwater and flood protection services to a population of nearly 800,000 throughout the service area. The MSD operating budget supports the day-to-day operation and maintenance of all infrastructure, while the capital budget supports the infrastructure investments through its Capital Improvement Program (CIP). The organization continues to complete important projects; comply with Consent Decree and regulatory requirements; and repair/replace critical assets. This report provides a summary of the financial position and the progress made through July 31, 2021 with respect to Fiscal Year 2022 (FY22) program health and regulatory compliance.

FINANCIAL POSITION

The following information provides a high-level summary of July Operating results:

- **Total operating revenues** were \$322,000 favorable to budget and \$659,000 more than July 2020. Wastewater service charges were \$303,000 favorable to budget and \$605,000 more than July 2020. The favorability to budget is being driven by residential service charges and higher commercial volume. Drainage service charges were flat to budget and \$174,000 more than July 2020. Other operating revenues were \$19,000 favorable to budget and \$120,000 less than July 2020.
- **Service & Administrative costs** were \$3.4 million favorable to budget and \$88,000 less than July 2020. The favorability to budget is being driven by lower spending in contractual services, labor and labor related overhead.
- **Depreciation and Amortization expenses** were \$193,000 unfavorable to budget and \$187,000 more than July 2020.
- **Investment Income** was \$55,000 and favorable to budget and \$99,000 more than July 2020.
- **Interest expense** was \$71,000 favorable to budget and \$1.3 million more than July 2020.

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 July 31, 2021
Consent Decree Compliance	All Consent Decree deadlines have been satisfied through the reporting period.
Emergency Repairs & Reactive Equipment Replacements	Three (3) emergency projects were added in July, 2021. SGC Gates Replacement; Upper Mill Creek FPS Pump #3; and Clay and Breckinridge Sewer Repair. Estimated cost of \$1.05M.
Cashflow Performance*	Forecasted to spend 102% of the performance target and 93.3% of the budget ceiling.
Change Management Notice of Advisements (NOAs)	Twenty-five (25) NOAs were processed including: creating 21 new projects from the appropriation budgets; approving three schedule extensions; and advancing one project to construction.

*Discussion on Performance Target and Budget Ceiling is found on page 33.

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 July 2021
- Customer Statistics
- Headcount
- Cash
- Investments
- Commercial Paper Program
- One Water Reimbursements

JULY 2021 FINANCIAL SUMMARY

Financial Highlights for July 2021

- Wastewater and Drainage service charges were \$303,000 favorable to budget.
- Operations and Maintenance expenses were \$3.4 million favorable to budget.

Results of Operations

- Total operating revenues were \$322,000 favorable to budget and \$659,000 more than July 2020. Wastewater service charges were \$303,000 favorable to budget and \$605,000 more than July 2020. The favorability to budget is being driven by residential service charges and higher commercial volume. Drainage service charges were flat to budget and \$174,000 more than July 2020. Other operating revenues were \$19,000 favorable to budget and \$120,000 less than July 2020.
- Service & Administrative costs were \$3.4 million favorable to budget and \$88,000 less than July 2020. The favorability to budget is being driven by lower spending in contractual services, labor and labor related overhead.
- Depreciation and Amortization expenses were \$193,000 unfavorable to budget and \$187,000 more than July 2020.
- Investment Income was \$55,000 favorable to budget and \$99,000 more than July 2020.
- Interest expense was \$71,000 favorable to budget and \$1.3 million more than July 2020.

Cash Flows

Cash and cash equivalents decreased \$19.5 million in July. Net cash provided by operations in July as \$6.2 million. \$6.7 million in cash was used in financing activities. \$18.8 million in cash was used to purchase investments.

Capitalized Interest

Effective July 1, 2021, MSD implement GASB Statement No. 89, *Accounting for Interest Costs Incurred before the End of a Construction Period*. GASB 89 required that interest expense associated with the construction of capital assets be recognized as an expense of the period. Previously, GASB required interest costs to be capitalized and included in the historical costs of an asset. In fiscal year 2021, MSD capitalized \$12 million in interest expense. This statement will be applied prospectively.

FINANCIAL STATEMENTS

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

- Monthly Comparative Statement of Net Position
- Statement of Revenue, Expense and Change in Net Position
- Monthly 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

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Table 2 – Comparative Statement of Net Position

Louisville & Jefferson County Metropolitan Sewer District Monthly Comparative Statement of Net Position				
	YTD Jul-2021	YTD Jul-2020	Variance	Percent
Current Assets				
Unrestricted Cash & Cash Equivalents	\$ 111,513,685	\$ 100,083,586	\$ 11,430,099	11.42%
Sewer & Drainage Receivable	28,418,360	23,293,299	5,125,060	22.00%
Assessment Warrants Receivable	139,668	193,289	(53,621)	-27.74%
Miscellaneous Receivables	8,394,553	5,633,976	2,760,577	49.00%
Inventories	5,093,418	4,944,527	148,891	3.01%
Prepaid Expenses	7,055,969	3,488,152	3,567,816	102.28%
Restricted Funds	99,547,914	329,910,533	(230,362,619)	-69.83%
Accrued Interest Receivable	231,208	186,454	44,754	24.00%
Total Current Assets	260,394,775	467,733,817	(207,339,042)	-44.33%
Non-Current Assets				
Utility Plant in Service	4,301,496,867	4,137,758,018	163,738,849	3.96%
Accumulated Depreciation	(1,474,437,863)	(1,379,893,550)	(94,544,312)	6.85%
Construction in Progress	627,733,887	546,403,829	81,330,058	14.88%
Net Fixed Assets	3,454,792,892	3,304,268,296	150,524,595	4.56%
Non-Current Receivables	26,156,896	29,986,736	(3,829,840)	-12.77%
Total Assets	3,741,344,562	3,801,988,850	(60,644,287)	-1.60%
Total Deferred Outflow of Resources	78,310,735	79,565,205	(1,254,469)	-1.58%
Total Assets & Deferred Outflow of Resources	3,819,655,297	3,881,554,054	(61,898,757)	-1.59%
Current Liabilities				
Miscellaneous Accounts Payable	9,147,549	11,477,905	(2,330,357)	-20.30%
Accounts Payable - Construction	16,213,692	9,454,503	6,759,189	71.49%
Contract Retainage	12,582,951	13,566,418	(983,467)	-7.25%
Accrued Interest Payable	29,114,297	25,587,074	3,527,223	13.79%
Current Maturities of Bonds Payable	47,565,000	43,710,000	3,855,000	8.82%
Current Maturities of Subordinate Debt	1,816,678	2,266,636	(449,958)	-19.85%
Deposits Payable	2,998,242	2,917,366	80,877	2.77%
Accrued Salaries & Wages	2,635,662	2,229,044	406,617	18.24%
Accrued Workers' Comp Insurance	2,626,118	2,280,418	345,700	15.16%
Employee Comp Absences Payable	4,301,190	4,115,194	185,996	4.52%
Total Current Liabilities	129,001,380	117,604,560	11,396,820	9.69%
Non-Current Liabilities				
Long-Term Senior Debt Payable	2,057,555,000	2,093,205,000	(35,650,000)	-1.70%
Long-Term Subordinate Debt Payable	443,798,589	519,624,459	(75,825,870)	-14.59%
Other Long-Term Liability	331,003,145	250,258,399	80,744,747	32.26%
Total Non-Current Liabilities	2,832,356,734	2,863,087,858	(30,731,123)	-1.07%
Total Liabilities	2,961,358,114	2,980,692,417	(19,334,303)	-0.65%
Total Deferred Inflow of Resources	5,290,194	17,432,377	(12,142,183)	-69.65%
Total Liabilities & Deferred Inflow of Resources	2,966,648,308	2,998,124,794	(31,476,486)	-1.05%
Net Position	853,006,989	801,877,868	51,129,121	6.38%
Total Liabilities, Deferred Inflow of Resources and Net Position	3,819,655,297	3,800,002,662	19,652,635	0.52%

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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	\$ 12,238,037	\$ 12,050,317	\$ 187,720	1.6%	\$ 12,436,078	\$ (198,041)	-1.6%
Commercial	7,898,532	7,679,203	219,329	2.9%	7,196,409	702,123	9.8%
Industrial	1,951,813	2,118,563	(166,751)	-7.9%	2,098,818	(147,005)	-7.0%
Other Wastewater	860,695	779,663	81,032	10.4%	336,300	524,396	155.9%
Free Wastewater Charges	(613,248)	(594,825)	(18,423)	3.1%	(336,816)	(276,432)	82.1%
Total Wastewater Charges	22,335,829	22,032,922	302,907	1.4%	21,730,789	605,040	2.8%
Drainage							
Residential	2,239,904	2,299,464	(59,560)	-2.6%	2,224,476	15,428	0.7%
Commercial	3,965,966	3,944,894	21,072	0.5%	3,909,243	56,722	1.5%
Industrial	472,537	439,961	32,576	7.4%	446,161	26,375	5.9%
Other Stormwater	235,113	229,502	5,611	2.4%	153,239	81,874	53.4%
Free Stormwater Charges	(161,572)	(162,462)	889	-0.5%	(155,015)	(6,557)	4.2%
Total Drainage Charges	6,751,947	6,751,359	588	0.0%	6,578,105	173,842	2.6%
Total Service Charges	29,087,776	28,784,281	303,495	1.1%	28,308,894	778,882	2.8%
Other Operating Income	529,792	511,062	18,730	3.7%	649,634	(119,842)	-18.4%
Total Operating Revenue	29,617,568	29,295,344	322,224	1.1%	28,958,529	659,039	2.3%
Operating Expenses							
Salaries & Wages	4,257,322	4,699,529	(442,207)	-9.4%	4,220,656	36,665	0.9%
Labor Related Overhead	1,854,868	2,268,452	(413,584)	-18.2%	1,825,348	29,520	1.6%
Utilities	1,218,389	1,433,364	(214,974)	-15.0%	1,235,921	(17,531)	-1.4%
Materials & Supplies	441,869	631,455	(189,587)	-30.0%	480,572	(38,703)	-8.1%
Contractual Services	2,252,916	4,184,482	(1,931,566)	-46.2%	2,752,838	(499,923)	-18.2%
Chemicals	423,033	534,524	(111,491)	-20.9%	288,313	134,719	46.7%
Fuel	115,742	116,199	(456)	-0.4%	80,579	35,163	43.6%
Insurance Premiums & Claims	378,849	324,079	54,770	16.9%	207,399	171,450	82.7%
Bad Debt	385,736	291,674	94,062	32.2%	314,275	71,461	22.7%
Other Operating Expense	32,683	259,180	(226,498)	-87.4%	43,570	(10,887)	-25.0%
Mapping/Insurance Recovery	-	-	-	0.0%	-	-	0.0%
Capitalized Overhead	(2,790,820)	(3,538,305)	747,485	-21.1%	(2,957,814)	166,994	-5.6%
Capital Expenses (over)/under applied							
Net Service and Administrative Costs	8,570,586	11,204,632	(2,634,045)	-23.5%	8,491,658	78,928	0.9%
Depreciation	8,183,124	8,083,333	99,791	1.2%	7,965,088	218,036	2.7%
Amortization	94,004	-	94,004	0.0%	124,207	(30,203)	-24.3%
Total Depreciation/Amortization	8,277,128	8,083,333	193,795	2.4%	8,089,295	187,833	2.3%
Total Operating Expenses	16,847,715	19,287,965	(2,440,250)	-12.7%	16,580,953	266,761	1.6%
Net Operating Income	12,769,854	10,007,379	2,762,474	27.6%	12,377,575	392,278	3.2%
Non-Operating Revenue (Expenses)							
Gain/Loss Disposal of Assets	-	100	(100)	0.0%	11,890	(11,890)	0.0%
Investment Income	1,015,141	960,400	54,741	5.7%	916,420	98,721	10.8%
Interest Expense	(8,485,304)	(8,555,987)	70,683	-0.8%	7,206,040	(15,691,344)	-217.8%
Total Non-Operating Revenue (Expenses)	(7,470,163)	(7,595,487)	125,324	-1.6%	8,134,351	(15,604,514)	-191.8%
Contributions	-	-	-	0.0%	-	-	0.0%
Change in Net Position Before Swaps	5,299,691	2,411,892	2,887,798	119.7%	20,511,926	15,212,236	-74.2%
Change in Fair Value of Swaps	(6,088)	-	(6,088)	0.0%	952,188	958,276	-100.6%
Change in Net Position After Swaps	5,293,603	2,411,892	2,881,710	119.5%	\$ 21,464,114	\$ 16,170,512	-75.3%

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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	\$ 25,674,067
Cash paid to suppliers	(14,418,908)
Cash paid to employees	(5,448,626)
Net Cash Provided by Operating Activities	5,806,533
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	35,000,000
Proceeds from issuance of notes	-
Proceeds from issuance of other subordinated debt	-
Payments for retirement of revenue bonds	-
Payments for retirement of bond anticipation note	-
Payments for retirement of commercial paper	(20,000,000)
Payments for retirement of notes	-
Payments for retirement of other subordinated debt	-
Payments for interest expense	203,957
Payments for interest on swaps	(1,039,058)
Build America bond interest subsidy	865,950
Proceeds from capital grants	-
Proceeds from sale of capital assets	-
Payments for capital assets	(21,510,706)
Proceeds from assessments	116,144
Net Cash Provided (Used) by Capital and Related Financing	(6,363,713)
Cash Flows from Investing Activities	
Purchase of investments	(44,979,444)
Maturity of investments	26,000,000
Investment income	27,719
Net Cash Provided (Used) by Investing Activities	(18,951,725)
Net Increase (Decrease) in Cash and Cash Equivalents	(19,508,905)
Cash and Cash Equivalents, Beginning of Year	101,985,796
Cash and Cash Equivalents, End of Year	\$ 82,476,891
Reconciliation of Operating Income to Net Cash provided by Operating Activities	
Income from operations	\$ 12,769,854
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation and amortization	8,277,126
Accounts receivable	(4,185,126)
Inventories	(7,330)
Prepaid expense	(900,441)
Accounts payable	(9,197,872)
Customer deposits	241,626
Accrued liabilities	(1,191,304)
Pension liability	0
OPEB liability	0
Net Cash Provided by Operating Activities	\$ 5,806,533
Non-Cash Capital Financing and Investing Activities	
Contribution of plant, lines and other facilities by developers and property owners	\$ -
Construction costs in accounts payable	28,796,644
Change in fair value of investments	(53,491)
Decrease in interest rate swap deferred revenue	41,413
Change in fair value - swap agreements	6,088
Bonds issued for refunding of debt	-

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Table 5 - Actual vs Budget Operating and Maintenance Expenses

Louisville & Jefferson County Metropolitan Sewer District Operating and Maintenance Expenses July 31, 2021							
	YTD Actual	YTD Budget	YTD Variance	% YTD Variance	YTD Prior Year	YTD Variance	% YTD Variance
Salaries & Wages							
51120 - Regular Salaries & Wages	\$ 3,475,358	\$ 4,464,527	(\$989,169)	-22.2%	\$ 3,402,158	\$ 73,200	2.2%
51130 - Overtime	229,559	203,147	26,411	13.0%	140,261	89,298	63.7%
51135 - Special Event Compensation	19,410	29,474	(10,064)	-34.1%	14,650	4,760	32.5%
51140 - Wages pd for vacation, holidays & other	508,570	0	508,570	0.0%	651,418	(142,848)	-21.9%
51145 - Incentive Pay - Performance, ERT, Sugg	23,300	0	23,300	0.0%	10,894	12,406	113.9%
51147 - Service & Safety Incentive Awards	1,125	2,381	(1,256)	-52.7%	1,275	(150)	-11.8%
Total Salaries & Wages	4,257,322	4,699,529	(442,207)	-9.4%	4,220,656	36,665	0.9%
Labor & related Overhead							
51210 - Short-Term Disability	28,669	0	28,669	0.0%	40,748	(12,080)	-29.6%
51220 - Workers' Compensation Insurance	10,073	29,689	(19,617)	-66.1%	13,503	(3,431)	-25.4%
51225 - Workers' Compensation Claims	49,122	89,291	(40,169)	-45.0%	24,208	24,913	102.9%
51230 - Long-Term Disability	(12,135)	4,166	(16,301)	-391.3%	(10,537)	(1,598)	15.2%
51240 - Group Life - AD&D Insurance	6,190	8,330	(2,140)	-25.7%	(14,737)	20,928	-142.0%
51250 - Tuition Assistance	6,401	14,163	(7,762)	-54.8%	2,514	3,888	154.7%
51260 - Empl Assistance & Wellness Program	0	1,167	(1,167)	0.0%	1,186	(1,186)	0.0%
51300 - Payroll Taxes	307,164	342,356	(35,192)	-10.3%	312,522	(5,358)	-1.7%
51400 - Unemployment Insurance	0	2,628	(2,628)	0.0%	0	0	0.0%
51500 - Med Ins: MSD's port. of prem for grp	361,304	583,579	(222,275)	-38.1%	349,727	11,577	3.3%
51600 - Retirement Contributions	1,098,081	1,193,083	(95,002)	-8.0%	1,106,214	(8,133)	-0.7%
Total Labor & Related Overhead	1,854,868	2,268,452	(413,584)	-18.2%	1,825,348	29,520	1.6%
Utilities							
53310 - Electric	1,059,152	1,120,000	(60,848)	-5.4%	1,216,919	(157,767)	-13.0%
53320 - Natural Gas	17,930	81,052	(63,122)	-77.9%	35,785	(17,855)	-49.9%
53330 - Water	89,233	106,516	(17,283)	-16.2%	(56,688)	145,920	-257.4%
53340 - Telephone	7,223	27,517	(20,294)	-73.8%	1,381	5,842	423.0%
53345 - Data Communications	44,852	98,279	(53,427)	-54.4%	38,524	(53,427)	16.4%
Total Utilities	1,218,389	1,433,364	(214,974)	-15.0%	1,235,921	(77,287)	-1.4%
Materials & Supplies							
53140 - Materials & Supplies	421,162	608,705	(187,543)	-30.8%	480,572	(59,410)	-12.4%
53160 - Landfill Cost of fill dirt	20,706	22,750	(2,044)	-9.0%	0	20,706	0.0%
Total Materials & Supplies	441,869	631,455	(189,587)	-30.0%	480,572	(38,703)	-8.1%
Contractual Services							
51700 - Uniforms	6,824	19,352	(12,528)	-64.7%	4,596	2,227	48.5%
52110 - Billing & Collection	519,067	523,408	(4,341)	-0.8%	510,133	8,934	1.8%
52130 - Custodial & Watchmen	58,468	109,407	(50,939)	-46.6%	67,377	(8,909)	-13.2%
52140 - Professional Services	272,160	462,239	(190,079)	-41.1%	136,583	135,577	99.3%
52145 - Legal	(549)	109,175	(109,724)	-100.5%	56,116	(56,665)	-101.0%
52155 - Banking Services	3,958	3,677	281	7.6%	2,766	1,192	43.1%
52160 - Maintenance & Repairs	338,579	612,232	(273,653)	-44.7%	537,154	(198,576)	-37.0%
52170 - Sludge & Grit Disposal	269,746	263,030	6,717	2.6%	329,199	(59,452)	-18.1%
52180 - Temporary Services	14,758	30,699	(15,942)	-51.9%	16,581	(1,824)	-11.0%
52195 - Other Contractual Services	769,906	2,051,264	(1,281,357)	-62.5%	1,092,333	(322,427)	-29.5%
Total Contractual Services	2,252,916	4,184,482	(1,931,566)	-46.2%	2,752,838	(499,923)	-18.2%
Bad Debt							
54200 - Bad Debts	335,736	291,674	44,062	15.1%	314,275	21,461	6.8%
54210 - Bad Debt - Assessments	50,000	0	50,000	0.0%	0	50,000	0.0%
Total Bad Debt	385,736	291,674	94,062	32.2%	314,275	71,461	22.7%
Chemicals							
53210 - Chlorine	0	950	(950)	0.0%	0	0	0.0%
53215 - Sodium Hypochlorite	60,284	99,383	(39,099)	-39.3%	60,028	256	0.4%
53220 - Polymer	221,974	216,333	5,641	2.6%	143,242	78,732	55.0%
53225 - Sodium Aluminate	0	24,000	(24,000)	0.0%	0	0	0.0%
53230 - Liquid Oxygen	43,303	38,300	5,003	13.1%	0	43,303	0.0%
53235 - Liquid Nitrogen	0	2,000	(2,000)	0.0%	0	0	0.0%
53240 - Other Chemicals	6,703	8,884	(2,181)	-24.5%	11,376	(4,673)	-41.1%
53250 - Dechlorination	21,142	37,750	(16,608)	-44.0%	22,050	(908)	-4.1%
53275 - Defoamer	0	6,891	(6,891)	0.0%	0	0	0.0%
53280 - Bioxide	69,626	100,033	(30,407)	-30.4%	51,618	18,008	34.9%
Total Chemicals	423,033	534,524	(111,491)	-20.9%	288,313	134,719	46.7%
Fuel							
53120 - Gasoline	51,787	43,647	8,140	18.6%	33,763	18,024	53.4%
53130 - Diesel Fuel	63,955	72,552	(8,596)	-11.8%	46,817	17,139	36.6%
Total Fuel	115,742	116,199	(456)	-0.4%	80,579	35,163	43.6%
Insurance Premiums & Claims							
54110 - General Liability Insurance	186,831	91,877	94,954	103.3%	65,613	121,218	184.7%
54130 - Property Insurance	168,994	174,999	(6,005)	-3.4%	133,881	35,114	26.2%
54140 - General Liability Claims	23,023	57,203	(34,180)	-59.8%	7,905	15,118	191.2%
Total Insurance Premiums & Claims	378,849	324,079	54,770	16.9%	207,399	171,450	82.7%
Other Operating Expense							
53410 - Equipment Rental	5,422	15,316	(9,895)	-64.6%	20,260	(14,838)	-73.2%
53420 - Space Rent	2,500	2,500	0	0.0%	1,950	550	28.2%
53430 - Leased Parking	(150)	3,083	(3,233)	-104.9%	3,650	(3,800)	-104.1%
54250 - Contributions	0	13,542	(13,542)	0.0%	0	0	0.0%
54400 - Advertising	3,017	24,052	(21,035)	-87.5%	6,581	(3,563)	-54.1%
54500 - Travel & Meetings	650	54,339	(53,689)	-98.8%	(6,788)	7,438	-109.6%
54550 - Training	7,650	62,180	(54,530)	-87.7%	7,611	39	0.5%
54600 - Dues, Fees and Subscriptions	12,686	82,968	(70,282)	-84.7%	9,732	2,953	30.3%
54700 - Board Members	650	1,200	(550)	-45.8%	500	150	30.0%
55555 - Over/under payments	258	0	258	0.0%	74	184	250.3%
Total Other Operating Expense	32,683	259,180	(226,498)	-87.4%	43,570	(10,887)	-25.0%
Grand Total	11,361,406	14,742,937	(3,381,530)	-22.9%	11,449,472	(147,821)	-0.8%

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Table 6 - Division Actuals vs. Budget – Administration

Louisville & Jefferson County Metropolitan Sewer District							
Administration							
July 31, 2021							
	YTD	YTD	YTD	% YTD	YTD	YTD	% YTD
	Actual	Budget	Variance	Variance	Prior Year	Variance	Variance
Salaries & Wages							
51120 - Regular Salaries & Wages	\$ 362,747	\$ 482,732	\$ (119,986)	-24.9%	\$ 341,160	\$ 21,587	6.3%
51130 - Overtime	4,839	3,528	1,311	37.2%	2,918	1,921	65.8%
51140 - Wages pd for vacation, holidays & other	67,017	0	67,017	0.0%	61,708	5,309	8.6%
51145 - Incentive Pay - Performance, ERT, Sugg	200	0	200	0.0%	0	200	0.0%
Total Salaries & Wages	434,803	486,260	(51,457)	-10.6%	405,785	29,018	7.2%
Labor & related Overhead							
51300 - Payroll Taxes	31,958	36,357	(4,398)	-12.1%	28,768	3,191	11.1%
51400 - Unemployment Insurance	0	239	(239)	0.0%	0	0	0.0%
51500 - Med Ins: MSD's port. of prem for grp	32,808	41,183	(8,375)	-20.3%	23,350	9,459	40.5%
51600 - Retirement Contributions	115,150	124,560	(9,410)	-7.6%	106,815	8,335	7.8%
Total Labor & Related Overhead	179,917	202,339	(22,422)	-11.1%	158,933	20,985	13.2%
Utilities							
53310 - Electric	25,311	25,000	311	1.2%	36,922	(11,611)	-31.4%
53320 - Natural Gas	353	2,370	(2,017)	-85.1%	648	(295)	-45.6%
53330 - Water	2,529	2,500	29	1.2%	351	2,178	620.2%
Total Utilities	28,192	29,870	(1,678)	-5.6%	37,922	(9,729)	-25.7%
Materials & Supplies							
53140 - Materials & Supplies	13,868	44,122	(30,254)	-68.6%	(17,229)	31,097	-180.5%
Total Materials & Supplies	13,868	44,122	(30,254)	-68.6%	(17,229)	31,097	-180.5%
Contractual Services							
51700 - Uniforms	3,403	5,800	(2,397)	-41.3%	335	3,068	914.8%
52130 - Custodial & Watchmen	43,321	92,940	(49,619)	-53.4%	50,671	(7,350)	-14.5%
52140 - Professional Services	5,894	189,591	(183,697)	-96.9%	12,237	(6,344)	-51.8%
52160 - Maintenance & Repairs	30,198	78,689	(48,491)	-61.6%	86,474	(56,276)	-65.1%
52180 - Temporary Services	8,072	9,333	(1,262)	-13.5%	5,353	2,718	50.8%
52195 - Other Contractual Services	(4,980)	13,546	(18,526)	-136.8%	(5,795)	815	-14.1%
Total Contractual Services	85,907	389,899	(303,992)	-78.0%	149,275	(63,368)	-42.5%
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	(150)	2,875	(3,025)	-105.2%	3,650	(3,800)	-104.1%
54250 - Contributions	0	5,417	(5,417)	0.0%	0	0	0.0%
54400 - Advertising	2,230	4,759	(2,529)	-53.1%	6,581	(4,351)	-66.1%
54500 - Travel & Meetings	0	20,639	(20,639)	0.0%	59	(59)	0.0%
54550 - Training	0	14,225	(14,225)	0.0%	0	0	0.0%
54600 - Dues, Fees and Subscriptions	0	28,333	(28,333)	0.0%	3,478	(3,478)	0.0%
54700 - Board Members	650	1,200	(550)	-45.8%	500	150	30.0%
Total Other Operating Expense	2,730	80,047	(77,317)	-96.6%	14,268	(11,538)	-80.9%
Grand Total	745,417	1,243,323	(497,905)	-40.0%	748,954	(3,536)	-0.5%

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Table 7 - Division Actuals vs. Budget – Corporate

Louisville & Jefferson County Metropolitan Sewer District							
Corporate							
July 31, 2021							
	YTD	YTD	YTD	% YTD	YTD	YTD	% YTD
	Actual	Budget	Variance	Variance	Prior Year	Variance	Variance
Salaries & Wages							
51120 - Regular Salaries & Wages	\$ 12,257	\$ 18,517	\$ (6,260)	-33.8%	\$ 12,571	\$ (314)	-2.5%
51140 - Wages pd for vacation, holidays & other	6,320	0	6,320	0.0%	7,821	(1,501)	-19.2%
51147 - Service & Safety Incentive Awards	1,125	2,381	(1,256)	-52.7%	1,275	(150)	-11.8%
Total Salaries & Wages	19,702	20,897	(1,196)	-5.7%	21,667	(1,965)	-9.1%
Labor & related Overhead							
51210 - Short-Term Disability	28,669	0	28,669	0.0%	40,748	(12,080)	-29.6%
51220 - Workers' Compensation Insurance	10,073	29,689	(19,617)	-66.1%	13,503	(3,431)	-25.4%
51225 - Workers' Compensation Claims	49,122	89,291	(40,169)	-45.0%	24,208	24,913	102.9%
51230 - Long-Term Disability	(12,135)	4,166	(16,301)	-391.3%	(10,537)	(1,598)	15.2%
51240 - Group Life - AD&D Insurance	6,190	8,330	(2,140)	-25.7%	(19,487)	25,678	-131.8%
51250 - Tuition Assistance	6,401	14,163	(7,762)	-54.8%	2,514	3,888	154.7%
51260 - Empl Assistance & Wellness Program	0	1,167	(1,167)	0.0%	1,186	(1,186)	0.0%
51300 - Payroll Taxes	1,382	1,417	(34)	-2.4%	1,528	(145)	-9.5%
51400 - Unemployment Insurance	0	70	(70)	0.0%	0	0	0.0%
51500 - Med Ins: MSD's port. of prem for grp	7,962	936	7,026	750.8%	676	7,286	1077.6%
51600 - Retirement Contributions	5,002	5,240	(238)	-4.5%	5,536	(534)	-9.6%
Total Labor & Related Overhead	102,666	154,468	(51,802)	-33.5%	59,875	42,791	71.5%
Contractual Services							
52110 - Billing & Collection	505,103	509,640	(4,537)	-0.9%	499,930	5,173	1.0%
52155 - Banking Services	1,185	837	348	41.6%	266	919	345.1%
52195 - Other Contractual Services	(12,099)	166,719	(178,818)	-107.3%	3,726	(15,825)	-424.7%
Total Contractual Services	494,189	677,196	(183,007)	-27.0%	503,922	(9,733)	-1.9%
Bad Debt							
54200 - Bad Debts	334,236	291,674	42,562	14.6%	314,275	19,961	6.4%
54210 - Bad Debt - Assessments	50,000	0	50,000	0.0%	0	50,000	0.0%
Total Bad Debt	384,236	291,674	92,562	31.7%	314,275	69,961	22.3%
Insurance Premiums & Claims							
54110 - General Liability Insurance	186,831	91,667	95,164	103.8%	65,613	121,218	184.7%
54130 - Property Insurance	168,994	169,166	(172)	-0.1%	133,881	35,114	26.2%
54140 - General Liability Claims	23,023	45,000	(21,977)	-48.8%	5,726	17,296	302.0%
Total Insurance Premiums & Claims	378,849	305,833	73,016	23.9%	205,220	173,628	84.6%
Other Operating Expense							
54400 - Advertising	450	0	450	0.0%	0	450	0.0%
55555 - Over/under payments	258	0	258	0.0%	0	258	0.0%
Total Other Operating Expense	708	0	708	0.0%	0	708	0.0%
Grand Total	1,380,349	1,450,068	(69,719)	-4.8%	1,104,959	275,390	24.9%

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Table 8 - Division Actuals vs. Budget - Engineering

Louisville & Jefferson County Metropolitan Sewer District							
Engineering							
July 31, 2021							
	YTD	YTD	YTD	% YTD	YTD	YTD	% YTD
	Actual	Budget	Variance	Variance	Prior Year	Variance	Variance
Salaries & Wages							
51120 - Regular Salaries & Wages	\$ 549,504	\$ 677,410	\$ (127,906)	-18.9%	\$ 551,738	\$ (2,233)	-0.4%
51130 - Overtime	6,499	13,642	(7,143)	-52.4%	5,884	615	10.5%
51135 - Special Event Compensation	0	83	(83)	0.0%	0	0	0.0%
51140 - Wages pd for vacation, holidays & other	84,161	0	84,161	0.0%	78,537	5,624	7.2%
Total Salaries & Wages	640,164	691,135	(50,971)	-7.4%	636,158	4,006	0.6%
Labor & related Overhead							
51300 - Payroll Taxes	46,691	51,998	(5,307)	-10.2%	46,451	240	0.5%
51400 - Unemployment Insurance	0	383	(383)	0.0%	0	0	0.0%
51500 - Med Ins: MSD's port. of prem for grp	51,680	81,049	(29,369)	-36.2%	50,539	1,141	2.3%
51600 - Retirement Contributions	167,976	187,739	(19,763)	-10.5%	163,694	4,282	2.6%
Total Labor & Related Overhead	266,347	321,169	(54,822)	-17.1%	260,683	5,664	2.2%
Materials & Supplies							
53140 - Materials & Supplies	770	2,850	(2,079)	-73.0%	4,752	(3,982)	-83.8%
Total Materials & Supplies	770	2,850	(2,079)	-73.0%	4,752	(3,982)	-83.8%
Contractual Services							
52140 - Professional Services	(71,075)	833	(71,908)	-8629.0%	36,390	(107,465)	-295.3%
52160 - Maintenance & Repairs	2,150	0	2,150	0.0%	0	2,150	0.0%
Total Contractual Services	(68,925)	833	(69,759)	-8371.0%	36,390	(105,315)	-289.4%
Other Operating Expense							
54500 - Travel & Meetings	300	1,500	(1,200)	-80.0%	(7,149)	7,449	-104.2%
54550 - Training	0	2,495	(2,495)	0.0%	3,298	(3,298)	0.0%
54600 - Dues, Fees and Subscriptions	(1,199)	1,500	(2,699)	-180.0%	611	(1,810)	-296.4%
Total Other Operating Expense	(899)	5,495	(6,394)	-116.4%	(3,240)	2,341	-72.2%
Grand Total	837,456	1,021,482	(184,026)	-18.0%	934,743	(97,286)	-10.4%

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Table 9 - Division Actuals vs. Budget – Finance

Louisville & Jefferson County Metropolitan Sewer District							
Finance							
July 31, 2021							
	YTD	YTD	YTD	% YTD	YTD	YTD	% YTD
	Actual	Budget	Variance	Variance	Prior Year	Variance	Variance
Salaries & Wages							
51120 - Regular Salaries & Wages	\$ 91,151	\$ 118,532	\$ (27,381)	-23.1%	\$ 90,322	\$ 828	0.9%
51130 - Overtime	0	125	(125)	0.0%	0	0	0.0%
51140 - Wages pd for vacation, holidays & other	11,429	0	11,429	0.0%	(7,990)	19,420	-243.0%
Total Salaries & Wages	102,580	118,657	(16,077)	-13.5%	82,332	20,248	24.6%
Labor & related Overhead							
51300 - Payroll Taxes	7,783	9,087	(1,304)	-14.4%	6,031	1,752	29.1%
51400 - Unemployment Insurance	0	69	(69)	0.0%	0	0	0.0%
51500 - Med Ins: MSD's port. of prem for grp	7,994	12,782	(4,788)	-37.5%	6,974	1,020	14.6%
51600 - Retirement Contributions	28,931	32,688	(3,757)	-11.5%	23,916	5,015	21.0%
Total Labor & Related Overhead	44,708	54,626	(9,918)	-18.2%	36,920	7,787	21.1%
Materials & Supplies							
53140 - Materials & Supplies	146	578	(432)	-74.7%	190	(44)	-23.0%
Total Materials & Supplies	146	578	(432)	-74.7%	190	(44)	-23.0%
Contractual Services							
52140 - Professional Services	7,134	21,765	(14,631)	-67.2%	6,391	743	11.6%
52155 - Banking Services	2,773	2,840	(67)	-2.4%	2,500	273	10.9%
52195 - Other Contractual Services	13,283	1,000	12,283	1228.3%	9,186	4,097	44.6%
Total Contractual Services	23,190	25,605	(2,415)	-9.4%	18,077	5,113	28.3%
Other Operating Expense							
54400 - Advertising	337	0	337	0.0%	0	337	0.0%
54500 - Travel & Meetings	350	862	(512)	-59.4%	0	350	0.0%
54550 - Training	0	845	(845)	0.0%	713	(713)	0.0%
54600 - Dues, Fees and Subscriptions	254	465	(212)	-45.5%	413	(159)	-38.5%
Total Other Operating Expense	941	2,172	(1,231)	-56.7%	1,126	(185)	-16.4%
Grand Total	171,565	201,638	(30,072)	-14.9%	138,645	32,920	23.7%

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Table 10 - Division Actuals vs. Budget – Human Resources

Louisville & Jefferson County Metropolitan Sewer District							
Human Resources							
July 31, 2021							
	YTD	YTD	YTD	% YTD	YTD	YTD	% YTD
	Actual	Budget	Variance	Variance	Prior Year	Variance	Variance
Salaries & Wages							
51120 - Regular Salaries & Wages	\$ 110,808	\$ 143,479	\$ (32,671)	-22.8%	\$ 113,206	\$ (2,398)	-2.1%
51130 - Overtime	0	325	(325)	0.0%	0	0	0.0%
51140 - Wages pd for vacation, holidays & other	14,531	0	14,531	0.0%	14,381	150	1.0%
Total Salaries & Wages	125,339	143,804	(18,465)	-12.8%	127,586	(2,247)	-1.8%
Labor & related Overhead							
51240 - Group Life - AD&D Insurance	0	0	0	0.0%	4,750	(4,750)	0.0%
51300 - Payroll Taxes	9,276	11,015	(1,740)	-15.8%	9,376	(101)	-1.1%
51400 - Unemployment Insurance	0	80	(80)	0.0%	0	0	0.0%
51500 - Med Ins: MSD's port. of prem for grp	8,962	15,165	(6,203)	-40.9%	8,562	400	4.7%
51600 - Retirement Contributions	34,418	38,844	(4,425)	-11.4%	34,392	27	0.1%
Total Labor & Related Overhead	52,656	65,104	(12,448)	-19.1%	57,080	(4,424)	-7.8%
Materials & Supplies							
53140 - Materials & Supplies	113	1,983	(1,870)	-94.3%	(917)	1,030	-112.4%
Total Materials & Supplies	113	1,983	(1,870)	-94.3%	(917)	1,030	-112.4%
Contractual Services							
51700 - Uniforms	0	0	0	0.0%	981	(981)	0.0%
52140 - Professional Services	10,912	49,013	(38,101)	-77.7%	11,506	(594)	-5.2%
52160 - Maintenance & Repairs	0	16	(16)	0.0%	0	0	0.0%
52195 - Other Contractual Services	0	0	0	0.0%	10	(10)	0.0%
Total Contractual Services	10,912	49,029	(38,117)	-77.7%	12,497	(1,585)	-12.7%
Other Operating Expense							
54400 - Advertising	0	1,693	(1,693)	0.0%	0	0	0.0%
54500 - Travel & Meetings	0	3,187	(3,187)	0.0%	0	0	0.0%
54550 - Training	0	2,125	(2,125)	0.0%	0	0	0.0%
54600 - Dues, Fees and Subscriptions	438	6,978	(6,540)	-93.7%	(10)	448	-4480.0%
Total Other Operating Expense	438	13,983	(13,545)	-96.9%	(10)	448	-4480.0%
Grand Total	189,459	273,903	(84,444)	-30.8%	196,237	(6,778)	-3.5%

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Table 11 - Division Actuals vs. Budget – Information Technology

Louisville & Jefferson County Metropolitan Sewer District							
Information Technology							
July 31, 2021							
	YTD	YTD	YTD	% YTD	YTD	YTD	% YTD
	Actual	Budget	Variance	Variance	Prior Year	Variance	Variance
Salaries & Wages							
51120 - Regular Salaries & Wages	\$ 211,222	\$ 261,890	\$ (50,668)	-19.3%	\$ 195,214	\$ 16,008	8.2%
51130 - Overtime	2,208	933	1,275	136.6%	1,009	1,199	118.9%
51135 - Special Event Compensation	0	0	0	0.0%	1,230	(1,230)	0.0%
51140 - Wages pd for vacation, holidays & other	29,936	0	29,936	0.0%	29,532	404	1.4%
Total Salaries & Wages	243,366	262,823	(19,457)	-7.4%	226,985	16,381	7.2%
Labor & related Overhead							
51300 - Payroll Taxes	17,905	20,121	(2,215)	-11.0%	16,527	1,378	8.3%
51400 - Unemployment Insurance	0	147	(147)	0.0%	0	0	0.0%
51500 - Med Ins: MSD's port. of prem for grp	16,052	26,595	(10,543)	-39.6%	15,905	147	0.9%
51600 - Retirement Contributions	61,694	70,434	(8,740)	-12.4%	56,561	5,133	9.1%
Total Labor & Related Overhead	95,651	117,297	(21,646)	-18.5%	88,993	6,658	7.5%
Utilities							
53340 - Telephone	7,223	27,517	(20,294)	-73.8%	1,381	5,842	423.0%
53345 - Data Communications	40,069	77,479	(37,410)	-48.3%	20,601	(37,410)	94.5%
Total Utilities	47,292	104,996	(57,703)	-55.0%	21,982	(31,568)	115.1%
Materials & Supplies							
53140 - Materials & Supplies	3,616	47,292	(43,676)	-92.4%	25,502	(21,886)	-85.8%
Total Materials & Supplies	3,616	47,292	(43,676)	-92.4%	25,502	(21,886)	-85.8%
Contractual Services							
51700 - Uniforms	0	83	(83)	0.0%	0	0	0.0%
52140 - Professional Services	239,947	124,872	115,075	92.2%	31,654	208,292	658.0%
52160 - Maintenance & Repairs	275,790	459,242	(183,452)	-39.9%	416,721	(140,931)	-33.8%
52195 - Other Contractual Services	102,966	750,140	(647,174)	-86.3%	561,860	(458,894)	-81.7%
Total Contractual Services	618,702	1,334,337	(715,635)	-53.6%	1,010,236	(391,533)	-38.8%
Other Operating Expense							
54500 - Travel & Meetings	0	11,900	(11,900)	0.0%	0	0	0.0%
54550 - Training	7,650	8,042	(392)	-4.9%	0	7,650	0.0%
54600 - Dues, Fees and Subscriptions	0	225	(225)	0.0%	0	0	0.0%
Total Other Operating Expense	7,650	20,167	(12,517)	-62.1%	0	7,650	0.0%
Grand Total	1,016,277	1,886,911	(870,634)	-46.1%	1,373,697	(414,298)	-26.0%

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Table 12 - Division Actuals vs. Budget - Legal

Louisville & Jefferson County Metropolitan Sewer District							
Legal							
July 31, 2021							
	YTD	YTD	YTD	% YTD	YTD	YTD	% YTD
	Actual	Budget	Variance	Variance	Prior Year	Variance	Variance
Salaries & Wages							
51120 - Regular Salaries & Wages	\$ 59,253	\$ 86,899	\$ (27,646)	-31.8%	\$ 71,035	\$ (11,783)	-16.6%
51130 - Overtime	0	300	(300)	0.0%	58	(58)	0.0%
51140 - Wages pd for vacation, holidays & other	12,673	0	12,673	0.0%	9,928	2,745	27.7%
51145 - Incentive Pay - Performance, ERT, Sugg	0	0	0	0.0%	1,588	(1,588)	0.0%
Total Salaries & Wages	71,926	87,199	(15,273)	-17.5%	82,609	(10,683)	-12.9%
Labor & related Overhead							
51300 - Payroll Taxes	5,339	6,714	(1,375)	-20.5%	6,168	(829)	-13.4%
51400 - Unemployment Insurance	0	50	(50)	0.0%	0	0	0.0%
51500 - Med Ins: MSD's port. of prem for grp	3,202	5,495	(2,293)	-41.7%	3,885	(683)	-17.6%
51600 - Retirement Contributions	18,014	21,552	(3,537)	-16.4%	22,407	(4,393)	-19.6%
Total Labor & Related Overhead	26,555	33,810	(7,255)	-21.5%	32,460	(5,905)	-18.2%
Materials & Supplies							
53140 - Materials & Supplies	294	1,261	(967)	-76.7%	160	134	83.4%
Total Materials & Supplies	294	1,261	(967)	-76.7%	160	134	83.4%
Contractual Services							
52140 - Professional Services	22,000	21,158	842	4.0%	18,667	3,333	17.9%
52145 - Legal	(549)	109,175	(109,724)	-100.5%	56,116	(56,665)	-101.0%
52195 - Other Contractual Services	0	0	0	0.0%	(250)	250	0.0%
Total Contractual Services	21,451	130,333	(108,882)	-83.5%	74,533	(53,083)	-71.2%
Other Operating Expense							
54500 - Travel & Meetings	0	0	0	0.0%	302	(302)	0.0%
54550 - Training	0	1,000	(1,000)	0.0%	0	0	0.0%
54600 - Dues, Fees and Subscriptions	5,866	4,016	1,850	46.1%	210	5,656	2697.3%
Total Other Operating Expense	5,866	5,016	850	16.9%	512	5,354	1045.9%
Grand Total	126,092	257,619	(131,528)	-51.1%	190,275	(64,183)	-33.7%

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Table 13 - Division Actuals vs. Budget – Operations

Louisville & Jefferson County Metropolitan Sewer District							
Operations							
July 31, 2021							
	YTD	YTD	YTD	% YTD	YTD	YTD	% YTD
	Actual	Budget	Variance	Variance	Prior Year	Variance	Variance
Salaries & Wages							
51120 - Regular Salaries & Wages	\$ 1,951,643	\$ 2,528,951	\$ (577,307)	-22.8%	\$ 1,925,915	\$ 25,728	1.3%
51130 - Overtime	208,930	182,418	26,512	14.5%	128,454	80,477	62.7%
51135 - Special Event Compensation	19,410	29,391	(9,981)	-34.0%	13,420	5,990	44.6%
51140 - Wages pd for vacation, holidays & other	262,943	0	262,943	0.0%	441,006	(178,063)	-40.4%
51145 - Incentive Pay - Performance, ERT, Sugg	22,800	0	22,800	0.0%	6,493	16,307	251.1%
Total Salaries & Wages	2,465,726	2,740,759	(275,033)	-10.0%	2,515,289	(49,562)	-2.0%
Labor & related Overhead							
51300 - Payroll Taxes	178,337	194,318	(15,981)	-8.2%	188,437	(10,100)	-5.4%
51400 - Unemployment Insurance	0	1,514	(1,514)	0.0%	0	0	0.0%
51500 - Med Ins: MSD's port. of prem for grp	224,365	386,169	(161,804)	-41.9%	231,414	(7,049)	-3.0%
51600 - Retirement Contributions	635,242	677,841	(42,599)	-6.3%	662,206	(26,964)	-4.1%
51650 - Pension & OPEB Expense	0	0	0	0.0%	0	0	0.0%
Total Labor & Related Overhead	1,037,945	1,259,843	(221,898)	-17.6%	1,082,057	(44,113)	-4.1%
Utilities							
53310 - Electric	1,032,466	1,095,000	(62,534)	-5.7%	1,179,828	(147,362)	-12.5%
53320 - Natural Gas	17,342	78,682	(61,340)	-78.0%	35,064	(17,722)	-50.5%
53330 - Water	86,704	104,016	(17,312)	-16.6%	(57,030)	143,734	-252.0%
53345 - Data Communications	4,783	20,800	(16,017)	-77.0%	17,923	(16,017)	-73.3%
Total Utilities	1,141,295	1,298,498	(157,203)	-12.1%	1,175,786	(37,368)	-2.9%
Materials & Supplies							
53140 - Materials & Supplies	377,318	496,910	(119,592)	-24.1%	467,695	(90,377)	-19.3%
53160 - Landfill Cost of fill dirt	20,706	22,750	(2,044)	-9.0%	0	20,706	0.0%
Total Materials & Supplies	398,024	519,660	(121,636)	-23.4%	467,695	(69,671)	-14.9%
Contractual Services							
51700 - Uniforms	3,383	13,104	(9,721)	-74.2%	3,222	160	5.0%
52110 - Billing & Collection	13,964	13,768	196	1.4%	10,203	3,761	36.9%
52130 - Custodial & Watchmen	15,147	16,467	(1,320)	-8.0%	16,706	(1,559)	-9.3%
52140 - Professional Services	57,348	41,408	15,940	38.5%	21,943	35,405	161.3%
52160 - Maintenance & Repairs	27,274	58,035	(30,760)	-53.0%	31,690	(4,416)	-13.9%
52170 - Sludge & Grit Disposal	269,746	263,030	6,717	2.6%	329,199	(59,452)	-18.1%
52180 - Temporary Services	1,466	21,367	(19,901)	-93.1%	5,051	(3,585)	-71.0%
52195 - Other Contractual Services	669,038	1,126,280	(457,243)	-40.6%	529,099	139,939	26.4%
Total Contractual Services	1,057,366	1,553,458	(496,092)	-31.9%	947,114	110,252	11.6%
Bad Debt							
54200 - Bad Debts	1,500	0	1,500	0.0%	0	1,500	0.0%
Total Bad Debt	1,500	0	1,500	0.0%	0	1,500	0.0%
Chemicals							
53210 - Chlorine	0	950	(950)	0.0%	0	0	0.0%
53215 - Sodium Hypochlorite	60,284	99,383	(39,099)	-39.3%	60,028	256	0.4%
53220 - Polymer	221,974	216,333	5,641	2.6%	143,242	78,732	55.0%
53225 - Sodium Aluminate	0	24,000	(24,000)	0.0%	0	0	0.0%
53230 - Liquid Oxygen	43,303	38,300	5,003	13.1%	0	43,303	0.0%
53235 - Liquid Nitrogen	0	2,000	(2,000)	0.0%	0	0	0.0%
53240 - Other Chemicals	6,703	8,884	(2,181)	-24.5%	11,376	(4,673)	-41.1%
53250 - Dechlorination	21,142	37,750	(16,608)	-44.0%	22,050	(908)	-4.1%
53275 - Defoamer	0	6,891	(6,891)	0.0%	0	0	0.0%
53280 - Bioxide	69,626	100,033	(30,407)	-30.4%	51,618	18,008	34.9%
Total Chemicals	423,033	534,524	(111,491)	-20.9%	288,313	134,719	46.7%
Fuel							
53120 - Gasoline	51,787	43,647	8,140	18.6%	33,763	18,024	53.4%
53130 - Diesel Fuel	63,955	72,552	(8,596)	-11.8%	46,817	17,139	36.6%
Total Fuel	115,742	116,199	(456)	-0.4%	80,579	35,163	43.6%
Insurance Premiums & Claims							
54110 - General Liability Insurance	0	210	(210)	0.0%	0	0	0.0%
54130 - Property Insurance	0	5,833	(5,833)	0.0%	0	0	0.0%
54140 - General Liability Claims	0	1,417	(1,417)	0.0%	2,179	(2,179)	0.0%
Total Insurance Premiums & Claims	0	7,460	(7,460)	0.0%	2,179	(2,179)	0.0%
Other Operating Expense							
53410 - Equipment Rental	4,272	11,716	(7,445)	-63.5%	20,260	(15,988)	-78.9%
53420 - Space Rent	2,500	2,500	0	0.0%	1,950	550	28.2%
54500 - Travel & Meetings	0	2,735	(2,735)	0.0%	0	0	0.0%
54550 - Training	0	17,010	(17,010)	0.0%	3,600	(3,600)	0.0%
54600 - Dues, Fees and Subscriptions	7,327	21,591	(14,264)	-66.1%	3,306	4,021	121.6%
Total Other Operating Expense	14,099	55,552	(41,453)	-74.6%	29,116	(15,017)	-51.6%
Grand Total	6,654,730	8,085,952	(1,431,223)	-17.7%	6,588,127	63,725	1.0%

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Table 14 - Division Actuals vs. Budget – Supply Chain

Louisville & Jefferson County Metropolitan Sewer District							
Supply Chain							
July 31, 2021							
	YTD	YTD	YTD	% YTD	YTD	YTD	% YTD
	Actual	Budget	Variance	Variance	Prior Year	Variance	Variance
Salaries & Wages							
51120 - Regular Salaries & Wages	\$ 96,616	\$ 146,118	\$ (49,501)	-33.9%	\$ 100,997	\$ (4,381)	-4.3%
51130 - Overtime	1,775	1,877	(102)	-5.4%	1,940	(165)	-8.5%
51140 - Wages pd for vacation, holidays & other	19,559	0	19,559	0.0%	16,496	3,064	18.6%
51145 - Incentive Pay - Performance, ERT, Sugg	300	0	300	0.0%	2,812	(2,512)	-89.3%
Total Salaries & Wages	118,251	147,995	(29,744)	-20.1%	122,245	(3,994)	-3.3%
Labor & related Overhead							
51300 - Payroll Taxes	8,491	11,330	(2,839)	-25.1%	9,236	(745)	-8.1%
51400 - Unemployment Insurance	0	76	(76)	0.0%	0	0	0.0%
51500 - Med Ins: MSD's port. of prem for grp	8,279	14,205	(5,927)	-41.7%	8,423	(144)	-1.7%
51600 - Retirement Contributions	31,653	34,185	(2,532)	-7.4%	30,688	965	3.1%
Total Labor & Related Overhead	48,423	59,796	(11,373)	-19.0%	48,346	77	0.2%
Materials & Supplies							
53140 - Materials & Supplies	409	13,710	(13,301)	-97.0%	418	(10)	-2.3%
Total Materials & Supplies	409	13,710	(13,301)	-97.0%	418	(10)	-2.3%
Contractual Services							
51700 - Uniforms	38	365	(327)	-89.5%	58	(20)	-34.0%
52140 - Professional Services	0	13,598	(13,598)	0.0%	0	0	0.0%
52160 - Maintenance & Repairs	3,167	16,250	(13,083)	-80.5%	2,269	898	39.6%
52180 - Temporary Services	5,220	(1)	5,221	-783127.0%	6,178	(957)	-15.5%
52195 - Other Contractual Services	1,699	(6,422)	8,121	-126.5%	(5,502)	7,201	-130.9%
Total Contractual Services	10,124	23,791	(13,667)	-57.4%	3,002	7,122	237.2%
Other Operating Expense							
53410 - Equipment Rental	1,150	1,000	150	15.0%	0	1,150	0.0%
53430 - Leased Parking	0	208	(208)	0.0%	0	0	0.0%
54250 - Contributions	0	8,125	(8,125)	0.0%	0	0	0.0%
54400 - Advertising	0	17,600	(17,600)	0.0%	0	0	0.0%
54500 - Travel & Meetings	0	13,517	(13,517)	0.0%	0	0	0.0%
54550 - Training	0	16,439	(16,439)	0.0%	0	0	0.0%
54600 - Dues, Fees and Subscriptions	0	19,860	(19,860)	0.0%	1,725	(1,725)	0.0%
Total Other Operating Expense	1,150	76,749	(75,599)	-98.5%	1,725	(575)	-33.3%
Grand Total	178,357	322,040	(143,683)	-44.6%	175,737	2,620	1.5%

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
- Quarterly One Water Shared Expenses
- Reporting Month One Water Shared Expenses

Table 15 - Revenue by Customer Class

	Number of Customers		Revenue by Customer Class		Budget By Customer Class	
	Jul-2021	Jul-2020	Jul-2021	Jul-2020	Jul-2021	Jul-2020
Wastewater						
Residential	230,335	228,257	12,238,037	12,436,078	12,050,317	10,734,057
Commercial	21,570	21,488	7,898,532	7,196,409	7,679,203	7,206,639
Industrial	389	391	1,951,813	2,098,818	2,118,563	1,993,617
Sub-Total	252,294	250,136	22,088,381	21,731,305	21,848,084	19,934,313
Drainage						
Residential	208,091	207,244	2,239,904	2,224,476	2,299,464	2,089,313
Commercial	14,059	14,082	3,965,966	3,909,243	3,944,894	3,555,056
Industrial	269	271	472,537	446,161	439,961	392,076
Sub-Total	222,419	221,597	6,678,406	6,579,881	6,684,318	6,036,445
Grand Total			\$ 28,766,787	\$ 28,311,186	\$ 28,532,402	\$ 25,970,758

Table 16 – Headcount by Division

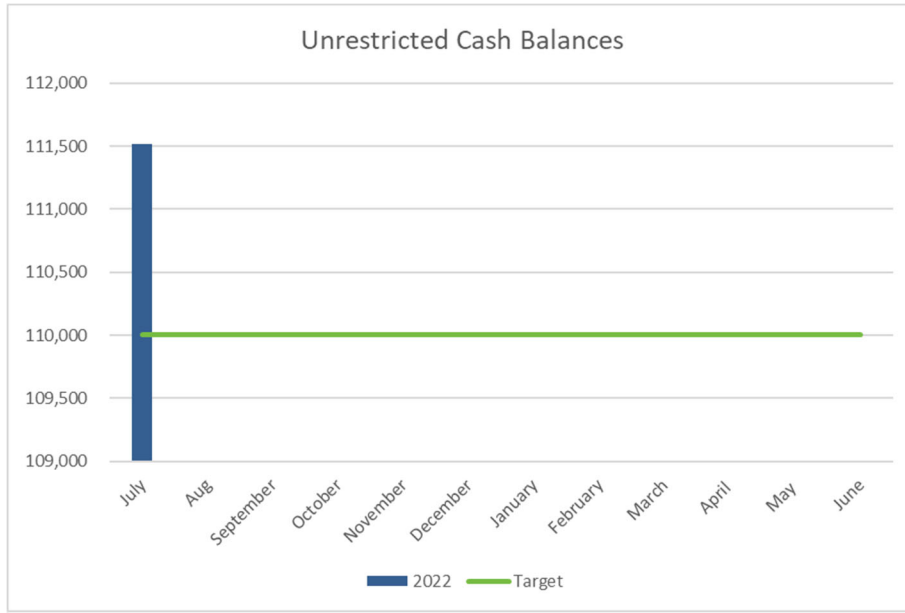
FY22 Headcount by Division		
	Authorized	Filled
Communications	4	4
Community Benefits & Partnerships	8	4
Customer Relations	22	18
Engineering	96	88
Executive Office	5	6
Facilities	8	7
Finance	19	17
Human Resources	19	17
Innovation	3	3
Internal Audit	4	4
Information Technology	33	30
Legal	10	8
Records and Information Governance	9	8
Safety	15	12
Supply Chain & Economic Inclusion	24	18
Operations	465	419
Total Authorized Positions	744	663

*Excludes temporary & seasonal staff

Cash Balances

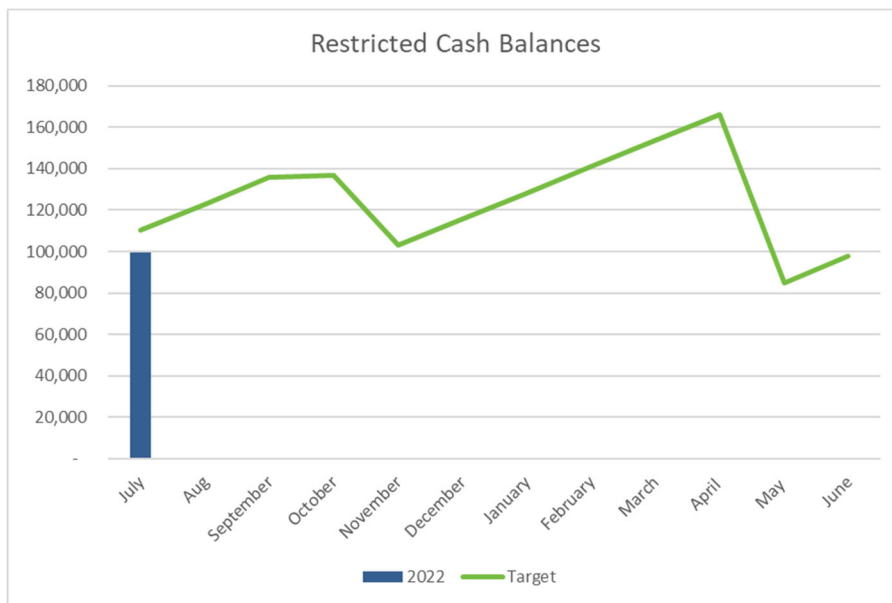
Unrestricted Cash & Cash Equivalents generated from service fees and are operating income are used to pay for operating expenses. Unrestricted cash balance is a measure of financial health and supports the underlying credit rating. Low cash balances indicate poor flexibility and inability to manage contingencies.

Table 17 – Unrestricted Cash Balances



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.

Table 18 – Restricted Cash Balances



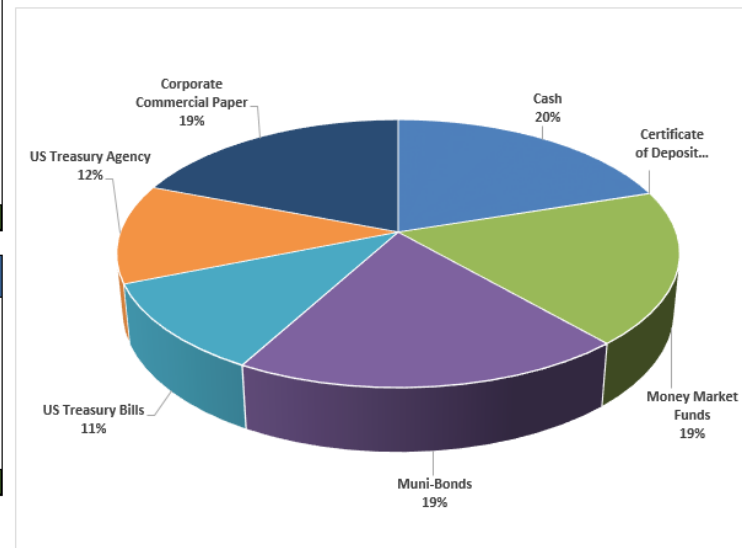
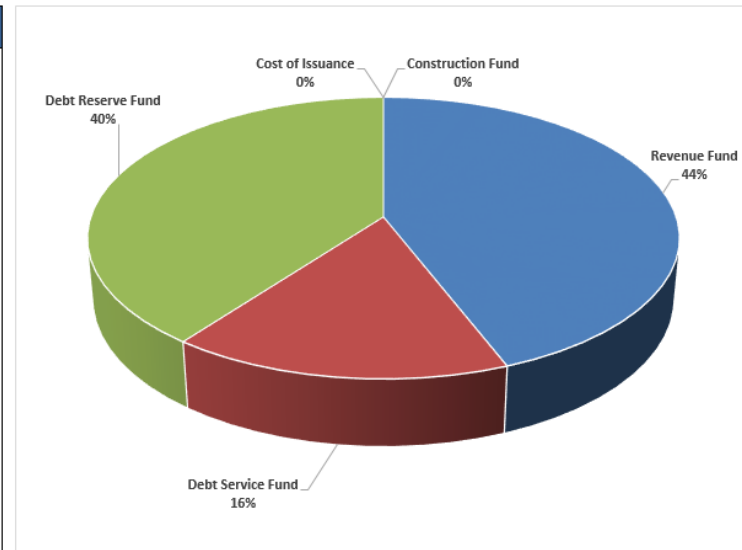
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Table 19 – Current Investment Model

Series	Revenue Fund	Debt Service Fund	Debt Reserve Fund	Construction Fund	Cost of Issuance	Total
2008A	-	-	945,452	-	-	945,452
2009A	-	-	4,462,042	-	-	4,462,042
2009B	-	-	15,228,223	-	-	15,228,223
2009C	-	2,355,195	13,821,976	-	-	16,177,171
2010A	-	3,503,970	18,727,041	-	-	22,231,011
2011A	-	2,497,435	-	-	-	2,497,435
2013A	-	816,025	25,728,305	-	-	26,544,330
2013B	-	1,100,919	-	-	-	1,100,919
2013C	-	22,699	177,751	-	-	200,450
2014A	-	598,845	-	-	-	598,845
2015A	-	1,360,882	150,040	-	-	1,510,922
2015B	-	980,529	-	-	-	980,529
2016A	-	999,003	-	-	-	999,003
2016B	-	536,864	-	-	-	536,864
2016C	-	3,642,457	-	-	-	3,642,457
2017A	-	2,290,465	1,564,846	-	-	3,855,311
2017B	-	408,338	-	-	-	408,338
2018A	-	428,759	-	-	-	428,759
2019A	-	1,882,551	-	-	-	1,882,551
2020A	-	1,197,859	2,211,097	-	-	3,408,955
2020C	-	593,628	-	-	-	593,628
2020 BAN	-	8,630,536	-	-	-	8,630,536
CP 2018 A-1 & A-2	-	-	-	40	-	40
Cash	41,449,165	-	-	-	-	41,449,165
Certificate of Deposit	100,000	-	-	-	-	100,000
Muni-Bonds	3,036,883	-	-	-	-	3,036,883
US Treasury Agency	5,000,350	-	-	-	-	5,000,350
Corporate Commercial Paper	39,968,215	-	-	-	-	39,968,215
Money Market	2,583,396	-	-	-	-	2,583,396
	\$ 92,138,009	\$ 33,846,959	\$ 83,016,772	\$ 40	\$ -	\$ 209,001,779

Asset Description	Revenue Fund	Debt Service Fund	Debt Reserve Fund	Construction Fund	Cost of Issuance	Total
Cash	41,449,165	84,409	150,040	-	-	41,683,614
Certificate of Deposit	100,000	-	-	-	-	100,000
Money Market Funds	2,583,396	33,762,550	2,387,471	40	-	38,733,457
Muni-Bonds	3,036,883	-	37,678,379	-	-	40,715,262
US Treasury Bills	-	-	22,747,287	-	-	22,747,287
US Treasury Agency	5,000,350	-	20,053,594	-	-	25,053,944
Corporate Commercial Paper	39,968,215	-	-	-	-	39,968,215
	\$ 92,138,009	\$ 33,846,959	\$ 83,016,772	\$ 40	\$ -	\$ 209,001,779



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Table 20 - Monthly Investment Activity

Account	Transaction Type	Category	Amount
2010A Debt Reserve	Redemption	Federal Farm Credit Banks	(1,000,000.00)
Fifth Third	Purchase	Natixis NY BRH 3/A3 Disc Commercial Paper	9,992,575.00
Fifth Third	Purchase	Royal BK CDA Disc Commercial Paper	4,991,911.11
Fifth Third	Purchase	Societe Generale Disc Commercial Paper	4,992,255.56
Fifth Third	Purchase	Societe Generale Disc Commercial Paper	3,214,790.76
Fifth Third	Purchase	Standard Chartered Disc Commercial Paper	6,788,311.56
Fifth Third	Redemption	Lloyds Bank Commercial Paper	(10,000,000.00)
Fifth Third	Redemption	Lloyds Bank Corporate Commercial Paper	(5,000,000.00)
Fifth Third	Redemption	Federal Home Loan Mortgage Corp	(3,210,000.00)
Fifth Third	Redemption	Federal Home Loan Mortgage Corp	(6,790,000.00)

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 July, we had two notes mature which were replaced with new notes with an average rate of 0.10% and an average term of 138 days. In July, we issued one new \$15M note with an 0.11% rate and 150 day term. In August, we have three notes maturing totaling \$50M.

The CP Construction Fund balance as of July 31st, was \$39.51. Outstanding CP notes are currently split 45.5% with JP Morgan and 54.5% with Bank of America.

Table 21 – 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
4/19/2021	54658QCJ1	10,000,000	0.14%	120	8/17/2021	JPM	4,602.74	New	0.06%	0.08%
5/7/2021	54658NCH2	15,000,000	0.12%	117	9/1/2021	BAML	5,769.86	Roll	0.05%	0.07%
5/11/2021	54658NCJ8	20,000,000	0.12%	104	8/23/2021	BAML	6,838.36	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%
5/25/2021	54658NCL3	20,000,000	0.12%	94	8/27/2021	BAML	6,180.82	Roll	0.07%	0.05%
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%
Currently Outstanding: \$ 165,000,000							\$	65,952		
FY21 YTD: \$ 145,000,000							\$	71,259		

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.

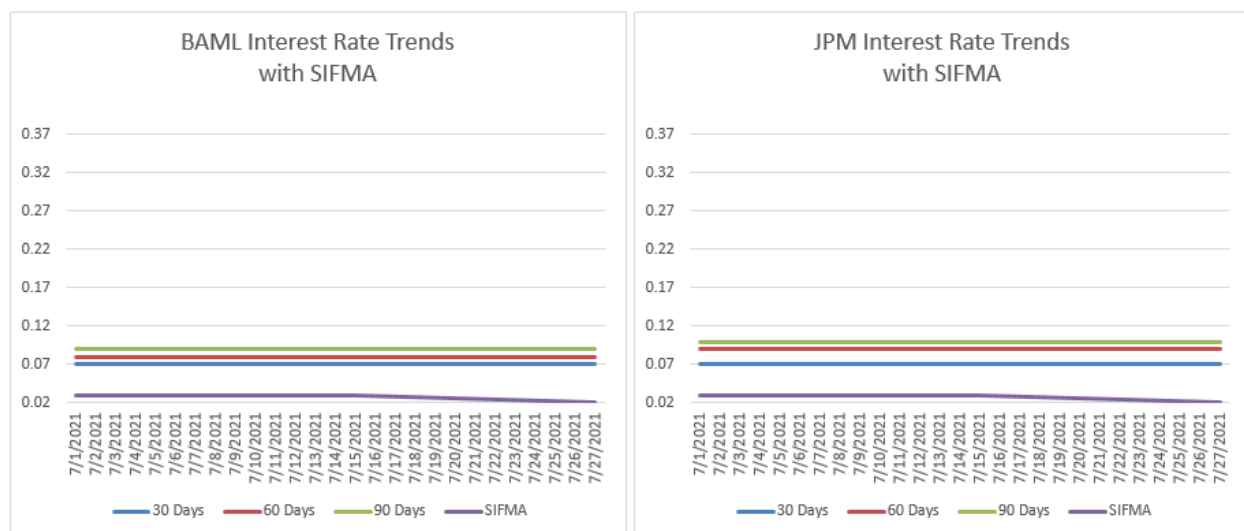
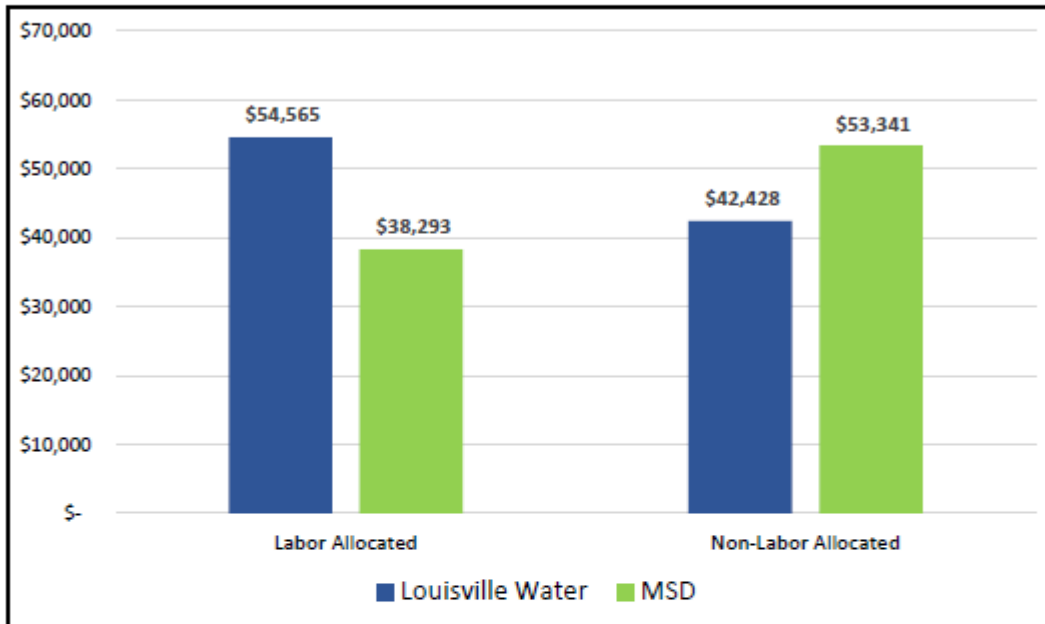


Figure 1 – BAML and JPM Interest Rate Trends



One Water Shared Service Expenses Q2 2021



Labor Costs Allocated to LW	
MSD One Water Employees	Amount
Chief Innovations Officer	\$ 15,302
Fleet Services Director	20,793
Fleet Services Administrator	11,534
Procurement Director	6,936
Total	\$ 54,565
Non-Labor Costs Allocated to LW	
Shared Services	Amount
Assetwork Implementation	\$ 40,012
Backup Data Line for Cust Svc	2,416
Total	\$ 42,428

Labor Costs Allocated to MSD	
LW One Water Employees	Amount
Project Liasion Director	\$ 25,181
Vice President of Communications	6,804
Customer Service Director	4,883
Customer Service Representative	1,426
Total	\$ 38,293
Non-Labor Costs Allocated to MSD	
Shared Services	Amount
Assetwork Implementation	\$ 50,925
Backup Data Line for Cust Svc	2,416
Total	\$ 53,341

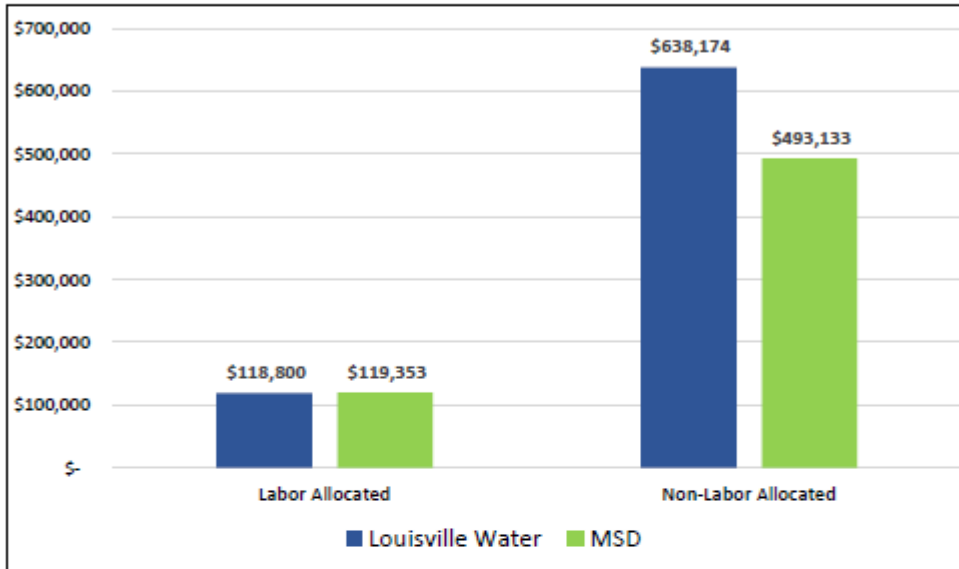
Grand Total Allocated to LW \$ 96,993

Grand Total Allocated to MSD \$ 91,634

Figure 2 – Q2 One Water Shared Expenses



**One Water
Shared Service Expenses
June 2021 YTD**



Labor Costs Allocated to LW	
MSD One Water Employees	Amount
Fleet Services Director	\$ 39,876
Chief Innovations Officer	31,406
Procurement Director	25,398
Fleet Services Administrator	22,120
Total	\$ 118,800
Non-Labor Costs Allocated to LW	
Shared Services	Amount
Dell EMC TLA Costs	\$ 587,015
Assetwork Implementation	40,012
Billing Services Feasibility Study	8,006
Backup Data Line for Cust Svc	2,416
Communications Econ Development	725
Total	\$ 638,174

Labor Costs Allocated to MSD	
LW One Water Employees	Amount
Project Liasion Director	\$ 49,118
IT Vice President	36,620
Customer Service Director	16,547
Customer Service Manager	7,454
Vice President of Communications	6,804
Customer Service Representative	2,810
Total	\$ 119,353
Non-Labor Costs Allocated to MSD	
Shared Services	Amount
Dell EMC TLA Costs	\$ 431,061
Assetwork Implementation	50,925
Billing Services Feasibility Study	8,006
Backup Data Line for Cust Svc	2,416
Communications Econ Development	725
Total	\$ 493,133

Grand Total Allocated to LW \$ 756,975

Grand Total Allocated to MSD \$ 612,485

Figure 3 – Current Reporting Period One Water Shared Services Expenses

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. 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 priorities 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.
- **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

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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 (\$200.7M - \$17.4M = \$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 \$1.3M through July 2021. This spend represents approximately 0.6% the \$200.7M FY22 capital budget and 0.7% of the budget performance target. The total expenditures for FY22 are currently projected to be \$187.4M, which is 2% above the budget performance target of \$183.3M but 7% below approved budget ceiling.

Table 22 - Capital Budget Performance Summary

Financial Category	Value	Comments
FY 2022 Budget Ceiling	\$200.7M	Approved by MSD board
FY 2022 Performance Budget Target	\$183.3M	Baseline budget minus Mgmt Reserve
FY 2022 Actuals	\$1.3M	0.6% of budget
FY 2022 Remaining Forecasted Spend	\$186.1M	Forecasted remaining spend in FY 2021
Forecast for Total FY 2022 Spend	\$187.4M	Actuals plus forecasted remaining spend
Difference from Approved Budget Ceiling	\$13.3M	6.7% 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.

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A breakdown of the monthly spend forecast as compared to actual spending is presented in Table 23 and Figure 4. Capital expense reflects total capital invoices received against a purchase order in the month.

Table 23 – FY22 Evolving Spend Forecast and Actuals

FY22	Monthly Baseline Performance Target	Monthly Actuals
July 2021	\$ ---	\$ 1.3M
August 2021	\$ 14.5M	
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	
FY 22 Performance Budget Target	\$ 183.3M	\$ 1.3M

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 \$187.4M or 6.7% below the budget ceiling.

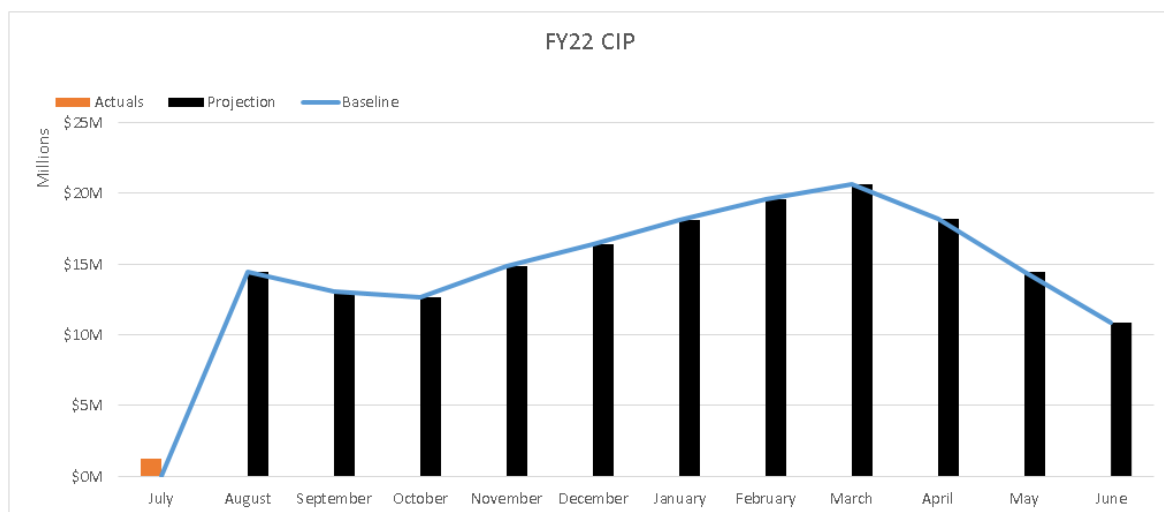


Figure 4 – FY22 Baseline Cashflow Forecast Vs. Actuals and Current Forecast

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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

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 Table 24.

Table 24 – Summary of Active Non-Appropriation Projects During Reporting Month

Current Project Activity	# of Projects	Lifetime Actuals	FY22 Budget	FY22 Actuals
Studies	4	\$ 31,071	\$ 657,931	\$ 31,071
Initiation & Procurement	27	\$ 82,848	\$ 15,342,477	\$ 82,848
Design	44	\$ 11,518,436	\$ 62,544,626	\$ 11,350,264
Construction	28	\$ 295,833,031	\$ 54,290,048	\$ 295,833,031
Closeout/Warranty	63	\$ 164,797,485	\$ 2,197,427	\$ 105,616,163
TOTAL	166	\$ 472,262,871	\$ 135,032,509	\$ 412,913,377

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.

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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.

Table 25 – 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
Upper Mill Creek FPS, Pump #1 Repair	F20342	4/6/2020	JCI	\$ 468,870
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	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
3342 Indian Lake Drive		6/18/21	TRC, LLC (WBE)	\$ 25,000
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

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Emergency	Funding Source	Date Began	Contractor	Amount
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 this reporting period.

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 26 – 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	Construction period extended.
A20244 Large Diameter Sewer Rehabilitation	8/18/21	\$9.4M	\$5.5M	\$6.0M	\$1.4M	Design progressing as planned.
W21006 OC Ash Avenue Interceptor	10/19/21	\$6.5M	\$4.9M	\$0.3M	\$3.2M	Bid advertisement is pending easement acquisitions.

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Table 27 – 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	\$153.4M	\$18.3M	Lining is 32% complete.
D20285 MFWQTC LG Dryer Replacements	12/31/21	\$53.9M	\$10.8M	\$46.1M	\$7.5M	Construction on schedule to have both dryer trains online January 2022.

Table 28 – Other Highlighted Projects

Budget ID & Project Name	Anticipated Substantial Completion	Current Estimate at Completion	Lifetime Actuals	Project Outlook
This table remains under development and will be provided with the August report.				

MONTHLY CIP MANAGEMENT TEAM MEETING

No CIP Management Team meeting was held in July.

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 29 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.

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Table 29 – Notice of Advise ment Log for Reporting Month

ID	Project Name	Advise ment Category	Impact in FY Budget	Status
259	MFWQTC Sedimentation Basin	Schedule	(\$700,000)	Approved
260	SWPS Gas Monitoring & SP1 Odor Control	EAC, Scope, Schedule	---	Approved
261	SGC RTC Enhancements	Schedule	---	Approved
265	6503 Pagoda Court DIP	New Project	\$50,000	Approved
266	Multiple DRI Projects	New Projects	\$940,000	Approved
267	HCWQTC Grit Building Roof Replacement	EAC, Construction Advancement	(\$122,741)	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 30 – Construction Change Orders Processed during Reporting Month

Budget ID	Project	Original Contract Amount	Change Order Amount (this month)	Revised Contract Amount
C21155	8506 Running Springs Drive	\$88,319	\$59,439	\$147,758
H09141	Lexington & Payne CSO Interceptor	\$23,135,011	\$31,352	\$24,563,236
H19142	Upper Floyds Fork Interceptor	\$2,823,831	4,113	\$3,226,541

PROCUREMENT ACTIVITIES

A forecast of the upcoming procurement activities for the next 90 days is presented in Table 31. The bid dates represent anticipated times and may be adjusted depending upon project conditions.

Table 31 – Potential Upcoming Procurement Projects

Budget ID	Project Name	Anticipated Advertising Date
D21208	MFWQTC Administration Building Environmental Damage Assessment	8/19/2021
E21070	Rosa Terrace PS Elimination	8/26/2021
D21222	DRGWQTC Grit Building Roof Replacement	8/27/2021
D21233	MFWQTC MEB and Service Blower Building Roof Replacement	8/27/2021
D21223	HCWQTC Grit and Process Water Buildings Roof Replacement	8/28/2021
E21091	Sanders Lane PS Rehabilitation	9/1/2021

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Budget ID	Project Name	Anticipated Advertising Date
E21071	Wathen Lane PS Rehabilitation	9/1/2021
D21226	DRGWQTC WWPS Building Roof Replacement	9/1/2021
D21237	MFQWQTC Secondary Clarifiers Repairs	9/2/2021
D21224	DRGWQTC Sodium Hypochlorite and Process Water Buildings Roof Replacement	9/8/2021
D21230	DRG RAS Pumps 2 and 3 Replacement	9/14/2021
W21006	OC Ash Avenue Interceptor	9/20/2021
D22042	FFWQTC and CCWQTC Power Factor Correction	9/27/2021

Bid Openings

Bids opened during the reporting month are shown below.

Table 32 – Bids opened during Reporting Month

Budget ID	Project Name	Bid Opening	Engineer's Estimate	Bid Award
D17042	MFQWQTC Primary Sedimentation Basin Rehabilitation project	7/27/2021	\$ 37,191,000	TBD
D18130	MFQWQTC FEPS Loadcenter and MCC Replacement	7/14/2021	\$ 720,000	TBD
D20223	Bells Lane WWTF Polymer Dosing System Updates	7/8/2021	\$ 368,179	\$ 354,179

Construction - Notice to Proceeds (NTP) Issued

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

Table 33 – NTP's Issued during Reporting Month

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

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END OF REPORT