

Monthly Executive Report

Financial & Capital Program Updates

As of January 31, 2023



MONTHLY EXECUTIVE REPORT

January 31, 2023

NOTE TO THE READER:

The following Monthly Executive Report is prepared and used by Louisville MSD for purposes of updating its governing Board of Directors of various operational and financial matters regarding Louisville MSD on a monthly basis. The Report is not prepared to help investors decide whether to purchase or sell financial obligations of Louisville MSD. As such, the Report contains unaudited financial information that may change after the date of the Report. In addition, the Report contains forward-looking statements in the form of financial and operating budgets, performance targets, and other information. These statements are not a guarantee of future performance and actual results may differ. Investors should not consider the enclosed Report a recommendation to purchase or sell financial obligations of Louisville MSD. The Report does not present a complete summary of Louisville MSD's financial or operational position to investors and should not be used in that manner.

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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
EAP	Early Action Plan
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
PSC	Property Service Connection
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 January, 2023, with respect to Fiscal Year 2023 (FY23) program health and regulatory compliance.

FINANCIAL HEALTH

A high-level summary key financial information is presented in the table below. More detailed information is presented in Section 2 of this report.

Summary of FY23 Financial Information

Description	Status as of January 31, 2023
Operating Revenues	Total Operating Revenues are \$6.4 million favorable to budget year-to-date. Wastewater service charges account for \$4.5 million of this budget variance.
Operating Expenses	Total Operating Expenses are \$8.5 million favorable to budget year-to-date. Salaries and labor-related overhead account for \$3.9 million of the savings to budget. Contract Services and Chemicals make up the majority of the remainder.
Interest Expense	Total Interest Expense is \$6.1 million favorable to budget year-to-date. This savings are being driven by lower swap interest payments as a result of favorable interest rates.
Statement of Cash Flows	Cash and cash equivalents increased \$27.0 million in January. Net cash provided by operating activities was \$24.2 million. Net cash used by capital-related financing activities was \$18.5 million, primarily to fund construction in process. Net cash provided by investing activities was \$21.3 million as investments matured.
Commercial Paper Notes	Commercial paper notes outstanding total \$100 million with an average term of 90 days.

CAPITAL PROGRAM HEALTH

A high-level summary of the status of key programs and initiatives is presented in the table below. More detailed information is presented in Section 3 of this report.

Summary of FY23 Capital Program Performance To-date

Key Programs and Initiatives	Status as of January 31, 2023
Consent Decree and Agreed Order Compliance	All Consent Decree and Agreed Order deadlines have been satisfied through the reporting period.

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Emergency Repairs & Reactive Equipment Replacements	Six (6) emergency projects started in the reporting period. Emergencies include a Floodwall closure repair at Mellwood, FM repairs at Hilltop Ct./Albrecht PS and Terra Crossing, and sewer repairs at 13 Quality Place (Oldham Co.), 29 th and Liberty, and 818 S. Floyd. The estimated costs are \$800k.
Cashflow Performance*	Budget Performance Target is \$191.8M as of January 31, 2023. The FY23 Spending Projection is \$175.0M
Change Management Notice of Advisements (NOAs)	Thirteen (13) NOAs were processed this month in the following advisement categories: Nine (9) new projects, two (2) EAC increase, three (3) budget impact, four (4) schedule impact, one (1) Construction Advancement, one (1) project name change. Note: A NOA can have more than one advisement category.

*Discussion on Performance Target and Budget Ceiling is found in the Capital Program Performance Section

SECTION 2: FINANCIAL REPORT

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

- Monthly financial results for January 2023
- Customer Statistics
- Employee Headcount
- Cash Balances
- Investment Summary
- Commercial Paper Program Summary

JANUARY FINANCIAL SUMMARY

Financial Highlights for the month of January 2023

- Total operating revenues were \$3.6 million favorable to budget
- Service and administrative expenses were \$450 thousand favorable to budget

Results of Operations for the month of January 2023

Total operating revenues were \$3.6 million favorable to budget and \$3.8 million more than January 2022. Wastewater service charges were \$2.1 million favorable to budget and \$3.7 million more than January 2022. Drainage service charges were \$1.2 million favorable to budget and \$992 thousand more than January 2022. There were 4 customer billing cycles that typically bill on the last day of December that billed on the first business day of January this year. The revenue billed for these cycles account for the majority of the wastewater and drainage revenue variances to budget and prior year in January. Other operating revenues were \$262 thousand favorable to budget and \$877 thousand less than January 2022. Year to date, total operating revenues were \$6.4 million favorable to budget (wastewater service charges \$4.5 million, drainage service charges \$684 thousand and other operating income \$1.2 million). Wastewater service charges are being driven by the commercial customer class which account for \$2.9 million of the \$4.5 million budget variance, primarily due to higher billed volume charges.

Service and administrative expenses were \$450 thousand favorable to budget and \$169 thousand less than January 2022. Year to date, service and administrative expenses were \$8.5 million favorable to budget. Salaries and Labor Related Overhead account for \$3.9 million of the savings to budget. Contract Services and Chemicals make up most of the remaining budget savings.

Depreciation and amortization expenses were \$204 thousand unfavorable to budget and \$586 thousand more than January 2022. Year to date, depreciation and amortization expenses were \$2.34 million unfavorable to budget. Depreciation expense is being driven by the large number of capital projects that were placed in service in June of 2022 including the Waterway Protection Tunnel.

Investment income was \$1.2 million favorable to budget and \$1.8 million more than January 2022. Year to date, investment income was \$3.3 million favorable to budget.

Interest expense was \$908 thousand favorable to budget and \$135 thousand less than January 2022. Year to date, interest expense was \$6.1 million favorable to budget. Interest expense savings are being driven by lower swap payments.

Statement of Cash Flows

Cash and cash equivalents increased \$27.0 million in January. Net cash provided by operating activities was \$24.2 million. Net cash used by capital-related financing activities was \$18.5 million, primarily to fund construction in process. Net cash provided by investing activities was \$21.3 million as investments matured.

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FINANCIAL STATEMENTS – FY23

Comparative Statement of Net Position

Louisville & Jefferson County Metropolitan Sewer District Monthly Comparative Statement of Net Position Month Ended, January 31, 2023				
	YTD		Variance	Percent
	Jan-2023	Jan-2022		
Current Assets				
Unrestricted Cash & Cash Equivalents	\$135,936,530	\$113,191,490	\$22,745,040	20.09%
Sewer & Drainage Receivable	28,167,889	30,405,430	(2,237,541)	-7.36%
Assessment Warrants Receivable	176,554	252,071	(75,517)	-29.96%
Miscellaneous Receivables	(115,148)	(965,954)	850,806	-88.08%
Inventories	5,716,985	5,277,021	439,964	8.34%
Prepaid Expenses	5,914,098	5,784,441	129,657	2.24%
Restricted Funds	134,287,692	128,933,453	5,354,239	4.15%
Accrued Interest Receivable	340,553	231,208	109,345	47.29%
Total Current Assets	310,425,154	283,109,161	27,315,993	9.65%
Non-Current Assets				
Utility Plant in Service	4,738,306,948	4,310,341,479	427,965,469	9.93%
Accumulated Depreciation	(1,631,363,117)	(1,523,020,557)	(108,342,560)	7.11%
Construction in Progress	513,675,053	699,129,146	(185,454,093)	-26.53%
Net Fixed Assets	3,620,618,884	3,486,450,068	134,168,816	3.85%
Non-Current Receivables	21,463,811	25,099,470	(3,635,659)	-14.49%
Total Assets	3,952,507,849	3,794,658,699	157,849,150	4.16%
Total Deferred Outflow of Resources	69,888,586	78,604,282	(8,715,696)	-11.09%
Total Assets & Deferred Outflow of Resources	4,022,396,435	3,873,262,981	149,133,454	3.85%
Current Liabilities				
Miscellaneous Accounts Payable	9,992,210	6,973,320	3,018,891	43.29%
Accounts Payable - Construction	6,799,194	3,252,972	3,546,222	109.01%
Contract Retainage	5,710,264	11,409,530	(5,699,267)	-49.95%
Accrued Interest Payable	22,016,303	20,639,054	1,377,249	6.67%
Current Maturities of Bonds Payable	52,880,000	51,230,000	1,650,000	3.22%
Current Maturities of Subordinate Debt	2,589,874	1,780,976	808,898	45.42%
Deposits Payable	2,002,937	2,537,744	(534,806)	-21.07%
Accrued Salaries & Wages	2,275,200	1,930,133	345,067	17.88%
Accrued Workers' Comp Insurance	1,512,835	2,455,512	(942,677)	-38.39%
Employee Comp Absences Payable	4,936,644	4,765,159	171,484	3.60%
Total Current Liabilities	110,715,461	106,974,400	3,741,062	3.50%
Non-Current Liabilities				
Long-Term Senior Debt Payable	2,228,405,000	2,058,785,000	169,620,000	8.24%
Long-Term Subordinate Debt Payable	375,020,628	487,053,061	(112,032,433)	-23.00%
Other Long-Term Liability	277,890,518	243,558,084	34,332,434	14.10%
Total Non-Current Liabilities	2,881,316,146	2,789,396,145	91,920,001	3.30%
Total Liabilities	2,992,031,607	2,896,370,544	95,661,062	3.30%
Total Deferred Inflow of Resources	51,618,934	10,001,873	41,617,061	416.09%
Total Liabilities & Deferred Inflow of Resources	3,043,650,541	2,906,372,418	137,278,124	4.72%
Net Position	978,745,893	896,047,155	82,698,738	9.23%
Total Liabilities, Deferred Inflow of Resources and Net Position	4,022,396,435	3,802,419,573	219,976,861	5.79%

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Statement of Revenues, Expenses & Change in Net Position

Louisville & Jefferson County Metropolitan Sewer District Monthly Statement of Revenues, Expenses, and Changes in Net Position Month Ended, January 31, 2023							
	YTD Actual	YTD Budget	YTD Variance	% YTD Variance	YTD Prior Year	YTD Variance	% YTD Variance
Wastewater Charges							
Residential	\$ 97,900,721	\$ 96,756,033	\$ 1,144,688	1.2%	\$ 93,118,515	\$ 4,782,207	5.1%
Commercial	57,195,629	54,270,333	2,925,296	5.4%	52,254,941	4,940,688	9.5%
Industrial	14,330,906	14,215,885	115,021	0.8%	13,610,272	720,634	5.3%
Other Wastewater	6,362,821	5,103,232	1,259,589	24.7%	5,593,389	769,432	13.8%
Free Wastewater Charges	(3,740,633)	(2,816,745)	(923,888)	32.8%	(3,511,040)	(229,593)	6.5%
Total Wastewater Charges	172,049,444	167,528,738	4,520,706	2.7%	161,066,077	10,983,367	6.8%
Drainage							
Residential	19,813,644	19,435,553	378,091	1.9%	18,334,742	1,478,902	8.1%
Commercial	30,522,572	30,455,802	66,770	0.2%	28,781,615	1,740,958	6.0%
Industrial	3,596,859	3,481,059	115,800	3.3%	3,283,894	312,965	9.5%
Other Stormwater	2,450,385	2,213,131	237,254	10.7%	2,148,539	301,846	14.0%
Free Stormwater Charges	(1,621,478)	(1,508,021)	(113,457)	7.5%	(1,517,034)	(104,444)	6.9%
Total Drainage Charges	54,761,982	54,077,524	684,458	1.3%	51,031,756	3,730,226	7.3%
Total Service Charges	226,811,426	221,606,262	5,205,164	2.3%	212,097,833	14,713,593	6.9%
Other Operating Income	3,807,623	2,668,987	1,138,636	42.7%	5,270,284	(1,462,661)	-27.8%
Total Operating Revenue	230,619,049	224,275,249	6,343,800	2.8%	217,368,118	13,250,932	6.1%
Operating Expenses							
Salaries & Wages	33,467,283	36,121,098	(2,653,815)	-7.3%	31,654,306	1,812,977	5.7%
Labor Related Overhead	15,520,261	16,808,560	(1,288,299)	-7.7%	15,209,056	311,204	2.0%
Utilities	9,238,744	10,062,073	(823,328)	-8.2%	8,666,811	571,933	6.6%
Materials & Supplies	4,885,985	5,188,684	(302,699)	-5.8%	4,293,582	592,403	13.8%
Contractual Services	18,552,963	20,841,243	(2,288,280)	-11.0%	19,926,302	(1,373,338)	-6.9%
Chemicals	3,995,123	5,398,703	(1,403,580)	-26.0%	3,523,088	472,035	13.4%
Fuel	1,020,798	1,312,871	(292,073)	-22.2%	804,548	216,250	26.9%
Insurance Premiums & Claims	4,120,198	3,661,844	458,354	12.5%	3,626,317	493,881	13.6%
Bad Debt	2,419,608	2,062,257	357,351	17.3%	2,700,152	(280,544)	-10.4%
Other Operating Expense	1,093,782	1,441,523	(347,740)	-24.1%	799,582	294,201	36.8%
Mapping/Insurance Recovery	-	-	-	0.0%	-	0	0.0%
Capitalized Overhead	(22,966,662)	(24,695,725)	1,729,063	-7.0%	(22,179,167)	(787,495)	3.6%
Capital Expenses (over)/under applied							
Net Service and Administrative Costs	71,348,084	78,203,131	(6,855,046)	-8.8%	69,024,577	2,323,508	3.4%
Depreciation	62,918,169	56,583	62,861,586	111095.6%	57,353,549	5,564,620	9.7%
Amortization	912,561	0	912,561	0.0%	772,469	140,092	18.1%
Total Depreciation/Amortization	63,830,730	56,583	63,774,147	112708.4%	58,126,018	5,704,712	9.8%
Total Operating Expenses	135,178,815	78,259,714	56,919,101	72.7%	127,150,595	8,028,220	6.3%
Net Operating Income	95,440,235	146,015,535	(50,575,300)	-34.6%	90,217,523	5,222,712	5.8%
Non-Operating Revenue (Expenses)							
Gain/Loss Disposal of Assets	(737,011)	700	(737,711)	-105387.3%	125,827	(862,838)	-685.7%
Investment Income	10,038,271	6,722,800	3,315,471	49.3%	5,907,126	4,131,146	69.9%
Interest Expense	(53,656,052)	(59,825,174)	6,169,122	-10.3%	(53,495,879)	(160,173)	0.3%
Total Non-Operating Revenue (Expenses)	(44,354,791)	(53,101,674)	8,746,882	-16.5%	(47,462,927)	3,108,135	-6.5%
Contributions	208,194.60	-	208,195	0.0%	51,895	(156,300)	301.2%
Change in Net Position Before Swaps	51,293,638	92,913,861	(41,620,223)	-44.8%	42,806,491	(8,487,147)	19.8%
Change in Fair Value of Swaps	4,420,434	-	4,420,434	0.0%	5,475,046	1,054,612	-19.3%
Change in Net Position After Swaps	\$ 55,714,072	\$ 92,913,861	\$ (37,199,789)	-40.0%	\$ 48,281,537	\$ (7,432,535)	15.4%

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Statement of Cash Flows

Louisville and Jefferson County Metropolitan Sewer District		
Statement of Cash Flows		
For the Month Ended, January 31, 2023		
	FY 2023 YTD	FY 2022 YTD
Cash Flows from Operating Activities		
Cash received from customers	\$ 228,710,931	\$ 212,235,280
Cash paid to suppliers	(41,399,456)	(48,836,439)
Cash paid to employees	(35,046,737)	(33,087,169)
Net Cash Provided by Operating Activities	152,264,738	130,311,672
Cash Flows from Capital and Related Financing Activities		
Proceeds from issuance of revenue bonds	-	2,250,000
Proceeds from issuance of bond anticipation note	229,468,019	232,924,231
Proceeds from issuance of commercial paper	240,000,000	315,000,000
Proceeds from issuance of notes	-	-
Proceeds from issuance of other subordinated debt	-	2,156,188
Payments for retirement of revenue bonds	-	(3,579,797)
Payments for retirement of bond anticipation note	(226,340,000)	(226,340,000)
Payments for retirement of commercial paper	(190,000,000)	(250,000,000)
Payments for retirement of notes	-	-
Payments for retirement of other subordinated debt	(1,504,548)	(1,406,049)
Payments for interest expense	(55,967,316)	(55,298,448)
Payments for interest on swaps	(2,913,562)	(5,923,155)
Build America bond interest subsidy	6,408,588	6,030,187
Proceeds from capital grants	-	-
Proceeds from sale of capital assets	(737,011)	125,827
Payments for capital assets	(116,989,741)	(115,903,301)
Proceeds from assessments	515,755	709,851
Net Cash Provided (Used) by Capital and Related Financing	(118,059,816)	(99,254,466)
Cash Flows from Investing Activities		
Purchase of investments	(74,740,357)	(71,425,123)
Maturity of investments	70,881,756	36,293,794
Investment income	8,623,363	1,062,122
Net Cash Provided (Used) by Investing Activities	4,764,762	(34,069,207)
Net Increase (Decrease) in Cash and Cash Equivalents	38,969,684	(3,012,001)
Cash and Cash Equivalents, Beginning of Year	71,854,355	101,985,796
Cash and Cash Equivalents, End of Year	\$ 110,824,039	\$ 98,973,795
Reconciliation of Operating Income to Net Cash provided by Operating Activities		
Income from operations	\$ 95,440,235	\$ 90,217,499
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	63,830,730	58,126,018
Accounts receivable	(1,990,952)	(4,913,964)
Inventories	(454,704)	(190,933)
Prepaid expense	(2,965,027)	371,087
Accounts payable	184,989	(11,475,692)
Customer deposits	82,835	(218,873)
Accrued liabilities	(1,863,368)	(1,603,470)
Pension liability	-	-
OPEB liability	-	-
Net Cash Provided by Operating Activities	\$ 152,264,738	\$ 130,311,672
Non-Cash Capital Financing and Investing Activities		
Contribution of plant, lines and other facilities by developers and property owners	\$ -	\$ -
Construction costs in accounts payable	12,509,457	14,662,502
Change in fair value of investments	(1,290,853)	879,541
Decrease in interest rate swap deferred revenue	(289,888)	(289,888)
Change in fair value - swap agreements	(4,420,434)	(5,475,046)
Bonds issued for refunding of debt	-	246,555,000

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SUPPLEMENTAL FINANCIAL REPORTING

Revenue by Customer Class

	Number of Customers		Revenue by Customer Class		Budget By Customer Class	
	Jan-2023	Jan-2022	Jan-2023	Jan-2022	Jan-2023	Jan-2022
Wastewater						
Residential	235,999	234,299	14,879,472	12,840,594	13,467,469	12,299,542
Commercial	21,929	21,811	9,653,936	7,972,389	8,878,548	7,516,659
Industrial	393	395	1,975,325	1,982,737	2,077,529	1,945,509
Sub-Total	258,321	256,505	26,508,733	22,795,721	24,423,546	21,761,710
Drainage						
Residential	209,782	208,853	2,987,567	2,441,814	2,588,420	2,430,242
Commercial	14,015	14,030	4,857,603	4,503,900	4,069,410	4,186,270
Industrial	276	271	534,647	464,484	492,371	474,561
Sub-Total	224,073	223,154	8,379,817	7,410,198	7,150,201	7,091,073
Grand Total			\$ 34,888,550	\$ 30,205,918	\$ 31,573,747	\$ 28,852,783

Wastewater Revenue by County

	Number of Customers		Revenue by Customer Class		Budget by Customer Class	
	Jan-2023	Jan-2022	Jan-2023	Jan-2022	Jan-2023	Jan-2022
Jefferson County						
Residential	224,547	224,171	14,100,119	12,028,050	12,760,399	11,565,847
Commercial	21,501	21,463	9,500,080	7,860,637	8,756,091	7,438,059
Industrial	391	393	1,974,047	1,981,231	2,075,083	1,945,419
Sub-Total	246,439	246,027	25,574,246	21,869,918	23,591,573	20,949,325
Bullitt County						
Residential	4,563	3,781	219,648	260,708	221,693	231,695
Commercial	163	116	97,729	69,125	72,664	26,000
Industrial	1	1	1,188	1,416	2,356	-
Sub-Total	4,727	3,898	318,565	331,249	296,713	257,695
Oldham County						
Residential	6,889	6,347	559,705	551,836	485,377	502,000
Commercial	265	232	56,126	42,627	49,793	52,600
Industrial	1	1	90	90	90	90
Sub-Total	7,155	6,580	615,922	594,553	535,260	554,690
Grand Total			\$ 26,508,733	\$ 22,795,721	\$ 24,423,546	\$ 21,761,710

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Headcount

The approved fiscal year 2023 operating budget fully funded 665 staffed positions, provided full funding for 40 vacant positions and provided partial funding for 92 vacant positions. There were 2 vacant positions that were not funded at all in the budget which brought the total Budget Approved positions to 797.

The Currently Authorized column includes any positions that have been added or moved since the budget was adopted.

The chart below shows staffing level by division as of January 31, 2023.

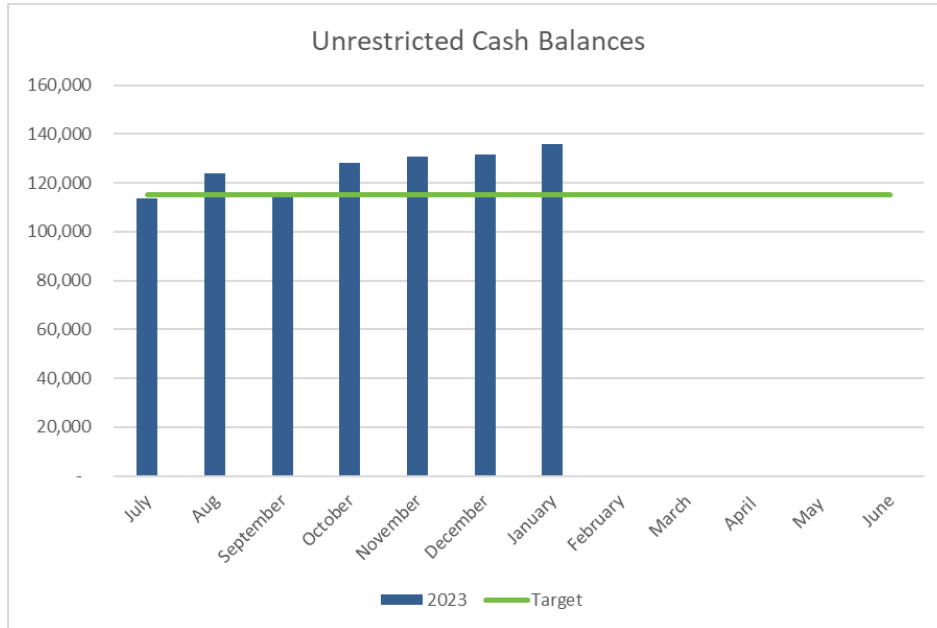
FY23 Headcount by Division			
	Budget Approved	Current Authorized	Filled
Administration			
Community Benefits & Partnerships	5	8	5
Customer Relations	22	21	17
Executive Offices	3	2	2
Government & Public Affairs	6	6	5
Innovation	3	4	3
Internal Audit	4	4	3
Records and Information Governance	9	9	8
Corporate	1	1	1
Engineering	101	98	84
Facilities, Safety & Security	30	32	28
Finance	19	19	17
Human Resources	21	21	19
Information Technology	32	32	27
Legal	12	10	8
Operations	502	502	417
Supply Chain & Economic Inclusion	27	26	23
Total Authorized Positions	797	795	667
*Excludes temporary & seasonal staff			

MONTHLY EXECUTIVE REPORT

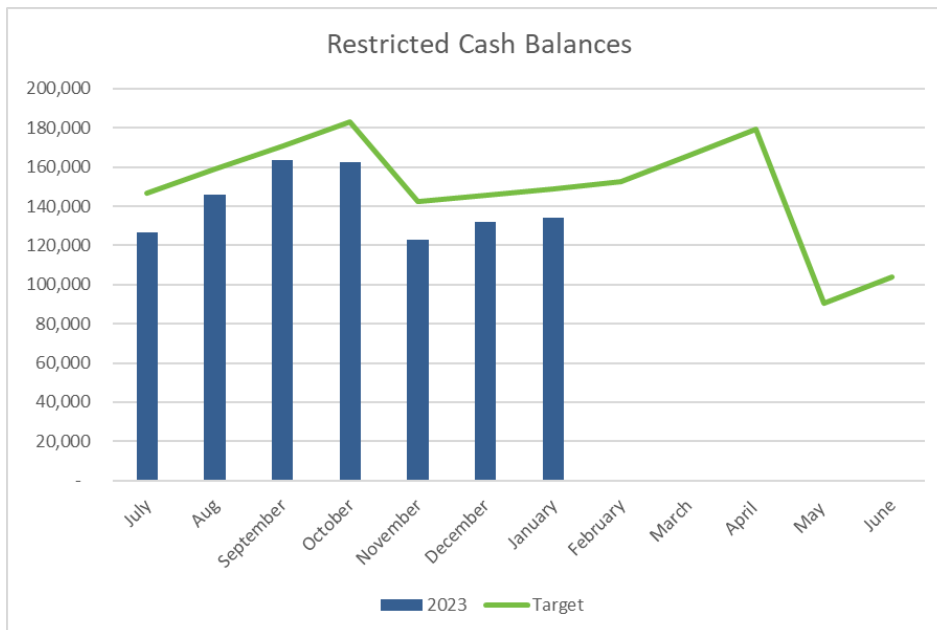
January 31, 2023

Cash Balances

Unrestricted cash & cash equivalents generated from service fees and our 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 annual debt service reserve funding.



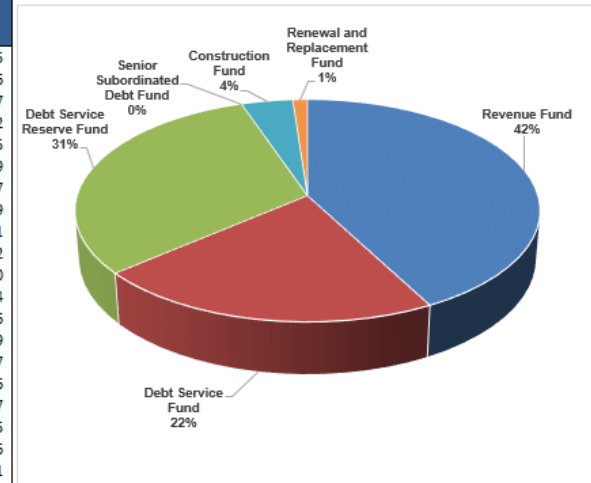
MONTHLY EXECUTIVE REPORT

January 31, 2023

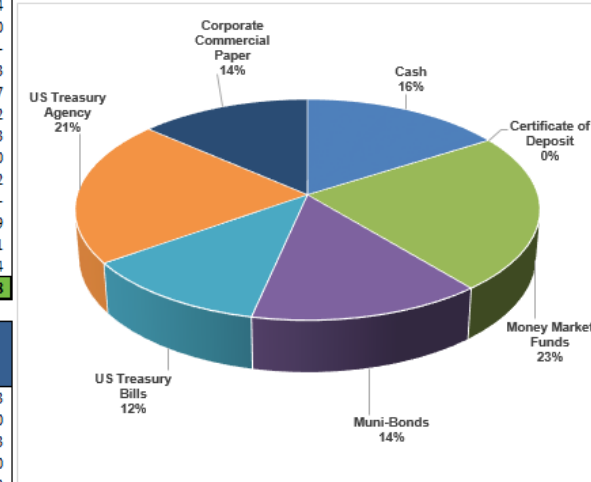
Current Investment Model

MSD's Investment Policy requires distribution of a monthly investment report with an analysis of the status of the portfolio.

Series	Revenue Fund	Debt Service Fund	Debt Service Reserve Fund	Senior Subordinated Debt Fund	Construction Fund	Renewal and Replacement Fund	Total
2008A	-	-	959,625	-	-	-	959,625
2009A	-	-	4,356,806	-	-	-	4,356,806
2009B	-	-	13,596,867	-	-	-	13,596,867
2009C	-	2,391,134	13,162,927	-	-	-	15,554,062
2010A	-	3,559,020	17,520,145	-	-	-	21,079,165
2013A	-	828,786	27,535,863	-	-	-	28,364,649
2013B	-	2,003,307	-	-	-	-	2,003,307
2013C	-	85,223	98,046	-	-	-	183,269
2014A	-	633,001	-	-	-	-	633,001
2015A	-	1,613,009	152,082	-	-	-	1,765,092
2015B	-	2,492,700	-	-	-	-	2,492,700
2016A	-	1,497,294	-	-	-	-	1,497,294
2016B	-	1,577,976	-	-	-	-	1,577,976
2016C	-	8,994,949	-	-	-	-	8,994,949
2017A	-	5,302,510	1,488,527	-	-	-	6,791,037
2017B	-	914,476	-	-	-	-	914,476
2018A	-	436,807	-	-	-	-	436,807
2019A	-	6,391,395	-	-	-	-	6,391,395
2020A	-	1,755,057	2,170,379	-	-	-	3,925,436
2020C	-	1,201,071	-	-	-	-	1,201,071
2021A	-	9,483,294	-	-	-	-	9,483,294
2022A	-	2,509,043	-	-	10,628,747	-	13,137,790
2021 BAN	-	-	-	-	-	-	-
2022 BAN	-	2,487,913	-	-	-	-	2,487,913
Renewal & Replacement	-	-	-	-	-	3,027,937	3,027,937
CP 2018 A-1 & A-2	-	-	-	-	8,472	-	8,472
Cash	41,642,103	-	-	-	-	-	41,642,103
Certificate of Deposit	100,000	-	-	-	-	-	100,000
Money Market Funds	200,762	-	-	-	-	-	200,762
Muni-Bonds	-	-	-	-	-	-	-
US Treasury Bills	27,616,319	-	-	-	-	-	27,616,319
US Treasury Agency	17,952,351	-	-	-	-	-	17,952,351
Corporate Commercial Paper	22,900,744	-	-	-	-	-	22,900,744
	\$ 110,412,279	\$ 56,157,966	\$ 81,041,267	\$ -	\$ 10,637,219	\$ 3,027,937	\$ 261,276,668



Asset Description	Revenue Fund	Debt Service Fund	Debt Service Reserve Fund	Senior Subordinated Debt Fund	Construction Fund	Renewal and Replacement Fund	Total
Cash	41,642,103	-	-	-	-	-	41,642,103
Certificate of Deposit	100,000	-	-	-	-	-	100,000
Money Market Funds	200,762	56,157,966	3,227,392	-	639,669	11,094	60,236,883
Muni-Bonds	-	-	37,502,490	-	-	-	37,502,490
US Treasury Bills	27,616,319	-	-	-	-	3,016,844	30,633,162
US Treasury Agency	17,952,351	-	37,844,011	-	-	-	55,796,362
Corporate Commercial Paper	22,900,744	-	2,467,374	-	9,997,550	-	35,365,668
	\$ 110,412,279	\$ 56,157,966	\$ 81,041,267	\$ -	\$ 10,637,219	\$ 3,027,937	\$ 261,276,668



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Monthly Investment Activity

Following is a list of individual investment transactions executed over the last month. Unless otherwise noted, redemptions represent maturities of investments.

Account	Transaction Type	Category	Amount
2011/2013 Debt Reserve	Redemption	Federal Home Loans Banks	(1,000,000.00)
2022A	Redemption	US Treasury Bond	(998,964.84)
2022A	Redemption	US Treasury Bond	(9,991,842.66)

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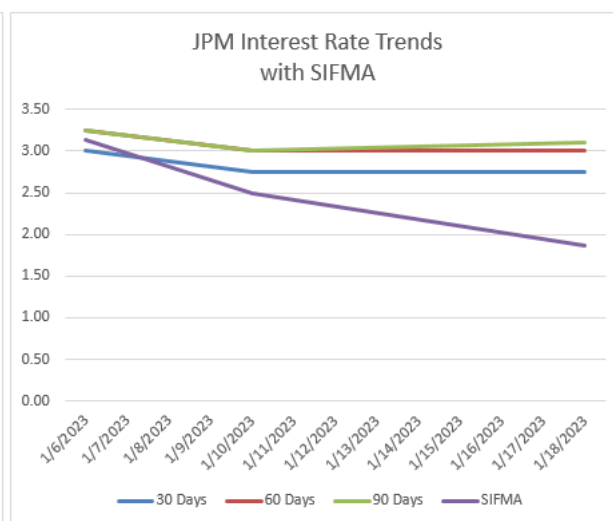
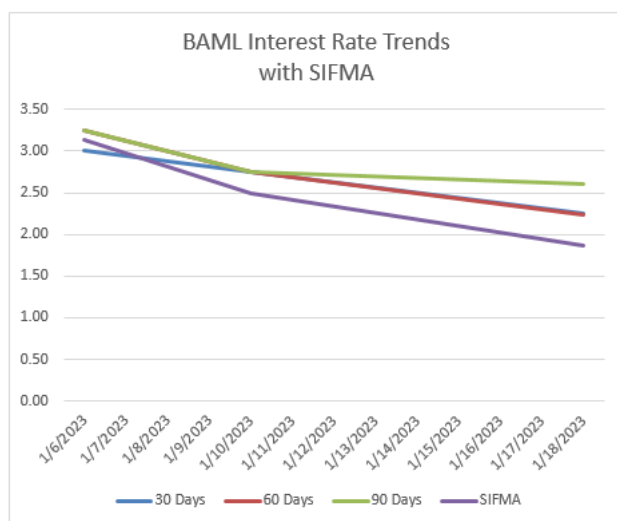
Commercial Paper Program Summary

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 January, we had three notes mature that were replaced with new notes with an average rate of 2.68% and average terms of 99 days. In January, we did not issued any new notes. In February, we have three notes maturing totaling \$30M.

The CP Construction Fund balance as of January 31st was \$8,471.48. Outstanding CP notes are currently split 50% with JP Morgan and 50% with Bank of America.

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
11/4/2022	54658QDJ0	10,000,000	2.85%	90	2/2/2023	JPM	70,273.97	Roll	2.38%	0.47%
11/21/2022	54658NDL2	10,000,000	2.55%	87	2/16/2023	BAML	60,780.82	Roll	2.04%	0.51%
12/2/2022	54658QDK7	10,000,000	2.50%	91	3/3/2023	JPM	62,328.77	Roll	1.85%	0.65%
12/5/2022	54658QDL5	10,000,000	2.50%	93	3/8/2023	JPM	63,698.63	Roll	1.85%	0.65%
12/7/2022	54658QDM3	10,000,000	2.72%	98	3/15/2023	JPM	73,030.14	New	1.85%	0.87%
12/15/2022	54658NDM0	10,000,000	3.65%	60	2/13/2023	BAML	60,000.00	Roll	3.73%	-0.08%
1/9/2023	54658QDN1	10,000,000	3.05%	93	4/12/2023	JPM	77,712.33	Roll	3.13%	-0.08%
1/12/2023	54658NDN8	10,000,000	2.62%	104	4/26/2023	BAML	74,652.05	Roll	2.50%	0.12%
1/19/2023	54658NDP3	20,000,000	2.37%	99	4/28/2023	BAML	128,564.38	Roll	1.86%	0.51%
Currently Outstanding: \$ 100,000,000							\$ 671,041			

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.



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 FY23 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 FY23 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

FY23 CAPITAL BUDGET BASIS

The FY23 CIP budget of \$195.4M for Jefferson, Bullitt and Oldham County projects was approved by the Board in May 2022. The approved budget was based upon \$190.4M in total expenditures forecasted at that time for the projects anticipated to be active during the Fiscal Year July 1, 2022 through June 30, 2023. In addition, \$5M was set aside in Management Reserve to fund emergencies and other unanticipated priorities for a total approved budget ceiling of \$195.4M.

Many projects span across multiple fiscal years so the annual budget may not represent the total estimate for the project. Construction spending is dependent upon the Contractor's actual progress with the work contracted. Complex construction projects 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 FY23 CIP was developed in coordination with MSD's Engineering, Finance, and Operations divisions. The 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 divisions. The 5-year and FY23 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 FY23 CIP.

- **Morris Forman WQTC Biosolids**: The aging biosolids processes at the Morris Forman WQTC have presented significant operational challenges. The FY23 CIP includes multiple projects related to biosolids process improvements including design and site work for the new state-of-the-art biosolids processing facility, and an update to 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. The project is in construction.
- **Large Diameter Sewer Rehabilitation Program**: Every year, MSD experiences multiple sewer failures that are primarily due to aging infrastructure. As such, MSD is continuing a 5-year program to proactively rehabilitate the highest risk large diameter sewers. Construction for the I-64 & Grinstead rehabilitation project will be complete in FY23. Rehab work on a portion of the Prospect Sewer is in construction. Additional sewers are in this program that is included in the amended Consent Decree.

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- Flood Pump Station Reliability Improvements:** The Ohio River Flood Protection System protects 240,000 people and \$60B of property within the levee area. MSD is working in partnership with the United States Army Corps of Engineers (USACE) to complete \$168M of asset improvements with the intent of improving the overall reliability of the system. The USACE continues to coordinate funding for the reliability program. Work is progressing for the Paddy's Run FPS Capacity Improvement Project. MSD staff is currently in discussion with the USACE regarding new requirements.

FY23 CIP OVERALL PERFORMANCE

MSD assigned funds to a Management Reserve to fund emergencies and unanticipated priorities. Use of the Management Reserve requires approval by the CIP Management Team. The baseline FY23 budget included \$5M for Management Reserve. MSD is reporting cash flow performance excluding this unutilized reserve position. The following new budget performance nomenclature is introduced into this monthly report:

- Budget Ceiling:** This represents the total annual capital spend approved with the FY23 CIP of \$195.4M inclusive of all projects, appropriations, and Management Reserve funds.
- Performance Budget Target:** This represents the Budget Ceiling minus the current level of Management Reserve (as captured in G23029). This target, which will change as Management Reserve is utilized, better measures progress of the working slate of projects. As of January 31, 2023, the Performance Budget Target is \$191.8M.

FY23 capital expenditures for the Wastewater, Stormwater, and Support Services Programs totaled \$76.7M through January 2022. This spend represents approximately 39.3% of the \$195.4M FY23 capital budget and 39.9% of the budget performance target.

The forecasted spend for FY23 has been lowered to \$175M due primarily to easement issues impacting design progression and construction starts, as well as equipment delivery constraining construction activities.

Capital Budget Performance Summary

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

Financial Category	Value	Comments
FY 2023 Budget Ceiling	\$195.4M	Approved by MSD Board
FY 2023 Performance Budget Target	\$191.8M	Budget Ceiling minus Mgmt. Reserve
FY 2023 Spending Projection	\$175.0M	Forecasted Spend
FY 2023 Actuals	\$76.7M	39.3% of Budget Ceiling

A breakdown of the monthly spend forecast as compared to actual spending is presented in the table below. Capital expense reflects total capital invoices received against purchase orders in the month.

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FY23 Evolving Spend Forecast and Actuals

FY23	Monthly Baseline Performance Target	Monthly Actuals
July 2022	---	\$ 1.4M
August 2022	\$12.1M	\$ 6.9M
September 2022	\$12.6M	\$ 6.7M
October 2022	\$13.4M	\$14.8M
November 2022	\$15.2M	\$12.1M
December 2022	\$16.4M	\$17.5M
January 2023	\$16.7M	\$17.3M
February 2023	\$16.5M	
March 2023	\$18.7M	
April 2023	\$18.6M	
May 2023	\$21.5M	
June 2023	\$28.7M	
FY23 Performance Budget Target	\$ 190.4M	\$ 76.7M

Note: The FY23 baseline forecast excludes \$5M 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 FY22 budget. The June 2023 estimate includes the FY23 accruals.

Challenges to CIP Execution

Efforts made by staff to meet project schedules and budgets have been impacted by the following:

Construction bids

- Reduced the number of respondents or responsive bidders for some procurements.
- Due to unprecedented construction escalation rates, bids are often coming in much higher than anticipated. Some non-regulatory projects will be subject to internal discussion and may be put on hold.

Supply-Chain Project Impacts

- Nationwide electronic chip shortage impacting the delivery of new vehicles.
- Supply shortage of material impacting delivery of equipment.
- Shortage of external workforce.

Third-Party Coordination Impacts

- Obtaining easements and stakeholder approval have resulted in delays for some projects.
- Contractor learning curve to understand and properly comply with Supplier Diversity requirements is requiring some projects to be re-bid.

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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.
- **Studies:** Specific projects for assessments, evaluations, studies, and plan development.

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

Summary of Active Non-Appropriation Projects During Reporting Month

Current Project Activity	# of Projects	Lifetime Actuals	FY23 Budget	FY23 Actuals
Initiation & Procurement	20	\$ 3,550	\$ 4,836,761	\$ 3,550
Design	57	\$ 34,881,691	\$ 52,662,383	\$ 15,751,754
Construction	48	\$ 110,041,893	\$ 67,859,680	\$ 25,597,192
Studies	16	\$ 6,546,181	\$ 4,883,318	\$ 1,896,002
TOTAL	141	\$ 151,473,315	\$ 130,242,142	\$ 43,248,498

Does not include projects in Closeout phase.

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. In general, emergencies are any situation that disrupt service to customers and community related to wastewater treatment, stormwater management and flood protection. Often emergencies are due to the condition and age of MSD's assets, while some 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.

Active emergency projects 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 FY23 Renewal and Replacement - Budget ID G23001. Projects more complex or requiring more time for completion are assigned a new budget ID.

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Year-to-Date Active Emergency Contract Work

Emergency	Funding Source	Date Began	Emergency Certificate Amount (\$)	Contractor
MFQTC LG Dryer Replacements	D20285	1/1/2020	69,668,264	Judy Construction
SGC Gates Replacement - Design	H22022	7/1/2021	2,000,000	AECOM
SGC Gates Replacement - Construction	H22022	4/1/2022	2,000,000	Pace Contracting, LLC
15th Street Sewer Repair	A22183	3/7/2022	500,000	Temple and Temple
MFQTC MEB East & West Freight Elevators	G23001	TBD	500,000	Oracle Elevators
BC ProLogis Treatment Plant	Y23098	10/10/2022	75,000	MAC Construction
Mellwood Closure	F21096	1/3/2023	65,000	Pace Contracting, LLC
Wenzel and Liberty Sewer Repair	G23001	11/25/2022	250,000	Basham Construction & Rental
7309 Ethan Allen Way	G23001	12/2/2022	75,000	TRC, LLC (WBE)
5th St FPS MCC's	F15012	12/22/2022	335,000	AES, Inc
Blue Lick Road Bus Compound	G23001	2/6/2023	75,000	Basham Construction & Rental
13 Quality Place (OC)	W23173	1/13/2023	150,000	MAC Construction
3024 Hilltop Ct. Albrecht PS FM	G23001	1/23/2023	50,000	Oliver Excavating
818 S Floyd Sewer Repair	G23001	1/30/2023	150,000	Basham Construction & Rental
Liberty Street Sewer Replacement	E23172	2/13/2023	2,500,000	Flynn Brothers
Terra Crossings FM	G23001	1/30/2023	50,000	TRC, LLC (WBE)
29th and Liberty Sewer Repair	G23001	1/31/2023	250,000	Basham Construction & Rental

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Projects Removed from Cashflow

Projects that have been removed from the cashflow are shown in the following table.

Projects Removed from Cashflow Forecast

Budget ID and Project Name	FY23 Budget (\$)	Lifetime Actuals	Reason
H23042 - Padmount Transformer for Battery C	850,000	---	The scope of this project is being completed as part of the MFWQTC High Voltage Maintenance project.
H09163 Little Cedar Creek Interceptor	575,110	---	Project is being eliminated from MSD's IOAP via Minor Mod letter.
H23015 Carslaw Court PS Elimination	212,500	---	The scope of this project will be completed at the Gunpowder Pump Station ILS project.
H19018 FY23 CMOM Program Management	127,500	---	The scope of this project will be completed under FY23 Modeling
N23024 Communications Message Boards	42,500	---	Project postponed to a future year.
H23017 CCWQTC Preliminary Treatment Improvements	558,623	---	Project postponed due to new headworks decision

Major Project Highlights

A major project is defined as one with an FY23 budget larger than \$5M. The following tables list major projects in design and construction.

Major Design/Build Projects

Budget ID & Project Name	Design Finish	Current Project Estimate at Completion	FY23 Budget	Lifetime Actuals	FY23 Spending Projection	Project Outlook
D22100 Morris Forman Water Quality Treatment Plant Biosolids Facility	9/19/2023	\$340.5M	\$8.5M	\$13.2M	\$8.5M	60% Design has been completed.
F18515 Paddy's Run FPS Capacity Upgrade	9/21/2023	\$250.1M	\$7.7M	\$5.4M	\$7.4M	USACE coordination has begun and will potentially delay this project

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Major CIP Projects Under Construction

Budget ID & Project Name	Anticipated Substantial Completion	Current Project Estimate at Completion	FY23 Budget	Lifetime Actuals	FY23 Spending Projection	Project Outlook
D17042 MFWQTC Sedimentation Basin	4/3/2024	\$38.7M	\$15.0M	\$12.4M	\$9.7M	Project on schedule. Demolition is continuing in several areas. Many of the gates have arrived onsite and work has begun to install them.
H21019 Rudd Ave Sewer Infrastructure Rehabilitation	1/23/2023	\$14.4M	\$8.2M	\$9.3M	\$5.2M	Construction is on going.
D20285 MFWQTC LG Dryer Replacements	1/29/2023	\$74.9M	\$7.0M	\$70.9M	\$7.4M	This project will be completed soon
H22022 SGC Gate Replacements	9/15/2023	\$8.9M	\$5.9M	\$4.3M	\$6.0M	Construction is on going.

CIP MANAGEMENT TEAM MEETING HIGHLIGHTS

The CIP Management Team met on January 24, 2023. The following presents a summary of the meeting discussions,

Meeting Participants

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

Technical Support Staff: John Loechle, Stephanie Laughlin, Yajaira Morphonios, Dolly Smith, Dan French, Jacquelyn Quarles, Marc Thomas, Tony Marconi, Daymond Talley, Latoya English, Troy Smith, Mike Griffith, Greg Powell, Kellie Watson. Consultant Support: Leisha Pica, Sharma Young

Regulatory Discussion

The following discussion was had regarding regulatory topics.

Consent Decree. Ms. Pica noted staff submitted minor mod letters for 4 SSDP projects in November. Staff are currently working on the mid-year report to be submitted in February. Progress continues to be made as scheduled for the Consent Decree projects.

Agreed Order Projects.

- Ms. Pica stated good progress has been made with the projects included in the Corrective Action Plan for the Morris Forman WQTC. The EPA Completion Letter has been prepared representing completion of the dryer project. Only two projects remain under construction: Sodium Hypo Building Relocation and the Sed Basins Rehab.

Other Regulatory Topics.

- NOVs
- Wet weather events

FY23 CIP Progress and Discussion

The following topics were discussed related to the FY23 CIP.

January 2023 Forecast. Easements and supply chain challenges are continuing to slow spending similarly to previous COVID-post-COVID years. Ms. Pica noted for FY23 expenditures through December 31st represent about 30% of the budget. This is very similar to prior years.

Construction Advancement Requests. Ms. Morphonios presented the following for consideration by the CIP Mgmt Team:

- Cedar Creek Main Interceptor: Approved with timing to be confirmed during the budget process.
- CMF Vehicle Wash Facility: On hold awaiting budget decision.
- Beargrass Creek Interceptor: Approved with timing to be confirmed during the budget process.

EAC Increase.

- MFWQTC Groundwater Dewatering Project – EAC increase. Bids came in higher than the Engineer's Estimate. Project may be incorporated into the Secondary Treatment project.

New Projects.

- Stormwater Pilot Modeling: Approved.
- Maple Street Land Use: Approved.

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- California Neighborhood Phase 2: Approved.

New Emergencies. The list of 13 active emergencies was presented by Ms. Pica. She noted three new emergencies occurred in December including the following projects.

- Blue Lick Road Bus Compound – MSD to be reimbursed.
- 5th Street FPS MCCs – approx. \$150k
- MFWQTC MEB East & West Freight Elevator

Potential pending emergencies include:

- Upper Mill Creek FPS
- Floyd Street void emergency
- OC emergency occurred in Industrial Park.

Upcoming Construction Procurement Forecast. The list of 11 projects anticipating advertising for construction over the next 60 days was presented by Ms. Pica. She noted these projects have a collective construction value of \$32.5M based upon the Engineer's estimate for construction cost. All procurements are subject to further budget review.

FY24 CIP Development

CIP Development Process.

Ms. Young presented the process underway for development of the FY24-28 CIP. The process started with a Guardrail Meeting with the Chiefs to establish boundary conditions and executive expectations. Preliminary Leadership recommendations were incorporated into the CIP forecast along with adjustments for delaying projects. The team is hosting a series of CIP developmental meetings. During January meetings were held related to the WQTCs and the Flood Pump Stations. The remaining workshops will be held during February.

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. 

The table below 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 CIP:** New projects that were not known at the time the 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 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.

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- **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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Notice of Advisement Log for Reporting Month

ID	Project Name	Advisement Category	Impact on FY Budget (\$)	Status
501	UofL MOA for Mill Creek Watershed Plan 319 Grant	New Project - GRANT	---	Approved
502	Shepherds Crossing DIP Phase 2	New Project	70,000	Approved
503	CMF Garage Fluid Delivery System	EAC, Budget, Schedule	75,000	Approved
504	BC Office Facility Study and Improvements	New Project	50,000	Approved
505	Lynnview Catch Basin Replacement	New Project	260,000	Approved
506	CCWQTC Re-Rating to 9 MGD	Construction Advancement, Budget, Schedule	236,881	Approved
507	10701 West Manslick Road DIP	New Project	120,000	Approved
508	Stormwater Regional Facilities Fee Basin	New Project	48,862	Approved
509	CCWQTC Solids Handling Centrifuge Relocation	EAC, Budget, Project Name Change, Schedule	300,000	Approved
510	CMF Materials Sorting Facility Stormwater Imp	New Project	255,000	Approved
511	Supplemental Engineering Staff Support	New Project	350,000	Approved
512	KY 393 Reconstruction SSR	New Project	40,000	Approved
513	Customer Relations Phone Migration	Schedule Impact	---	Approved

PROCUREMENT ACTIVITIES

A forecast of the upcoming procurement activities for the next 60 days is presented in the table below. The bid dates represent anticipated times and may be adjusted depending upon project conditions.

Potential Upcoming Construction Bid Openings

Budget ID	Project Name	MSD Project Manager	Bid Opening
C23138	10701 West Manslick Road DIP	Exely Joe	2/9/23
H22032	DRGWQTC Sodium Bisulfite Bldg Improvements	Potempa Julie	2/21/23
D22098	CCWQTC Re-rating to 9.0 MGD	Leong Steven	2/23/23

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Bid Openings

Bids opened during the reporting month are shown below.

Budget ID	Project Name	Bid Opening	Engineer's Estimate	Awarded Bid
D22186	MFWQTC Computer Room Upgrade	1/26/23	\$1,181,674	\$1,598,070

Construction - Notice to Proceeds (NTP) Issued

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

Budget ID	Project Name	NTP Date
D22187	FFWQTC Tertiary Treatment Bldgs Roof Replacement	1/13/2023
H23016	California Neighborhood Trap Catch Basin Rehab	1/16/2023

END OF REPORT