

Monthly Executive Report

Financial & Capital Program Updates

As of July 31, 2022



MONTHLY EXECUTIVE REPORT
July 31, 2022

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.

Table of Contents

SECTION 1: EXECUTIVE SUMMARY	8
CAPITAL PROGRAM HEALTH	8
SECTION 2: FINANCIAL REPORT	9
FISCAL YEAR 2022 FINANCIAL SUMMARY	9
JULY FINANCIAL SUMMARY	10
FINANCIAL STATEMENTS – FY22.....	11
Statement of Revenue, Expense & Change in Net Position - Unaudited.....	12
Statement of Cash Flows – Unaudited	13
Actual vs. Budget Operating and Maintenance Expenses - Unaudited	14
Top 20 Customers – FY22	15
FINANCIAL STATEMENTS – FY23.....	16
Comparative Statement of Net Position.....	16
Statement of Revenue, Expense & Change in Net Position.....	17
Statement of Cash Flows	18
Actual vs. Budget Operating and Maintenance Expenses	19
SUPPLEMENTAL FINANCIAL REPORTING.....	20
Revenue by Customer Class.....	20
Wastewater Revenue by County	20
Headcount	21
Cash Balances	22
Current Investment Model	23
Monthly Investment Activity	24
Commercial Paper Program Summary	25
SECTION 3: CAPITAL PROGRAM PERFORMANCE	26
FY23 CAPITAL BUDGET BASIS	26
CIP Priorities for Operations	26
FY23 CIP OVERALL PERFORMANCE	27
Challenges to CIP Execution.....	28
MONTHLY PROJECT ACTIVITIES	28
Emergency Contracts to Repair Infrastructure Damage.....	29
Projects Removed from Cashflow	30
Major Project Highlights	30
CIP MANAGEMENT TEAM MEETING HIGHLIGHTS	31
CHANGE MANAGEMENT ACTIVITIES.....	31
Notice of Advisement (NOA)	31
PROCUREMENT ACTIVITIES	32

MONTHLY EXECUTIVE REPORT

July 31, 2022

Bid Openings.....	33
Construction - Notice to Proceeds (NTP) Issued.....	33

List of Tables

Table 1 – Summary of FY23 Capital Program Performance To-date	8
Table 2 – Comparative Statement of Net Position	11
Table 3 – Statement of Revenues, Expenses and Changes in Net Position - Unaudited	12
Table 4 – Monthly Statement of Cash Flows - Unaudited	13
Table 5 - Actual vs Budget Operating and Maintenance Expenses - Audited.....	14
Table 6 – Top 20 Customers – FY22.....	15
Table 7 – Comparative Statement of Net Position	16
Table 8 – Statement of Revenue, Expense & Change in Net Position	17
Table 9 – Statement of Cash Flows.....	18
Table 10 – Actual vs. Budget Operating and Maintenance Expenses.....	19
Table 11 - Revenue by Customer Class.....	20
Table 12 – Headcount by Division	21
Table 13 – Unrestricted Cash Balances.....	22
Table 14 – Restricted Cash Balances	22
Table 15 – Current Investment Model.....	23
Table 16 - Monthly Investment Activity	24
Table 17 – Commercial Paper Program Issuance Details	25
Table 18 - Capital Budget Performance Summary.....	27
Table 19 – FY23 Evolving Spend Forecast and Actuals	28
Table 20 – Summary of Active Non-Appropriation Projects During Reporting Month	29
Table 21 – Year-to-Date Active Emergency Contract Work.....	29
Table 22 – Projects Removed from Cashflow Forecast	30
Table 23 – Major CIP Projects in Design	30
Table 24 – Major CIP Projects Under Construction	31
Table 25 – Notice of Advise ment Log for Reporting Month	32
Table 26 – Potential Upcoming Procurement Projects.....	32
Table 27 – Bids opened during Reporting Month.....	33
Table 28 – NTP’s Issued during Reporting Month	33

List of Figures

Figure 1 – BAML and JPM Interest Rate Trends25

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 July 31, 2022 with respect to Fiscal Year 2023 (FY23) program health and regulatory compliance.

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 FY23 Capital Program Performance To-date

Key Programs and Initiatives	Status as of July 31, 2022
Consent Decree and Agreed Order Compliance	All Consent Decree and Agreed Order deadlines have been satisfied through the reporting period.
Emergency Repairs & Reactive Equipment Replacements	One (1) emergency project started in July 2022. The emergency is for repair of catch basin leads and all appurtenances located at the intersection of 26th and Bank Street. The estimated cost is \$50k.
Cashflow Performance*	Budget Performance Target is \$191.8M as of July 31, 2022.
Change Management Notice of Advisements (NOAs)	Twenty one (21) NOAs were processed with the following advisement categories: ten (10) new projects, four (4) EAC change, four (4) schedule impacts, one (1) construction advancement, one (1) budget adjustment, and one (1) Project name change. <i>Note:</i> A NOA can have more than one advisement category.

*Discussion on Performance Target and Budget Ceiling is found on page 30.

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:

- Unaudited financial results for the fiscal year ending June 30, 2022
- Top 20 customers for the fiscal year ending June 30, 2022
- Monthly financial results for the month of July 2022
- Customer Statistics for the month of July 2022
- Employee Headcount for the month of July 2022
- Cash Balances for the month of July 2022
- Investment Summary for the month of July 2022
- Commercial Paper Program Summary for the month of July 2022

FISCAL YEAR 2022 FINANCIAL SUMMARY

Financial Highlights for fiscal year 2022

- Total Operating Revenues were \$18.1 million favorable to budget.
- Operating and Maintenance expenses before GASB 68 pension expense and GASB 75 OPEB expense were \$1.0 million favorable to budget.

Results of Operations for fiscal year 2022 (unaudited)

Total operating revenues were \$18.1 million favorable to budget and \$35.9 million more than fiscal 2021. Wastewater service charges were \$12.5 million favorable to budget and \$24.2 million more than fiscal year 2021. Drainage service charges were \$1.6 million favorable to budget and \$6.9 million more than fiscal year 2021. Other operating revenues were \$4.0 million favorable to budget and \$4.8 million more than fiscal year 2021. Variances to prior year for wastewater and drainage service charges are driven by a rate increase of 6.9% that became effective on August 1, 2021. Additionally, MSD acquired the former Bullitt County Sanitation District (BCSD) wastewater system on December 1, 2021. Total operating revenues provided by Bullitt County in fiscal year 2022 were \$2.3 million. In other operating revenues, inflow and infiltration fees were \$982 thousand more than fiscal year 2021 and capacity charges were \$2.8 million more than fiscal year 2021.

Service & Administrative costs before GASB 68 pension expense and GASB 75 OPEB expense were \$1.0 million favorable to budget and \$9.6 million more than fiscal year 2021. Variances to prior year include costs to operate the BCSD wastewater system, higher prices for chemicals, higher prices for materials and supplies and higher insurance premiums. GASB 68 pension expense totaled \$7.0 million and GASB 75 OPEB expense totals \$1.6 million bringing total Service & Administrative costs to \$169.8 million for fiscal year 2022.

Depreciation and Amortization expenses were \$7.2 million unfavorable to budget and \$6.3 million more than fiscal year 2021. MSD placed \$428 million worth of assets into service in fiscal year 2022. The depreciation on these new assets exceeded budgetary projections for fiscal year 2022.

Investment Income was \$2.6 million unfavorable to budget and \$3.3 million less than fiscal year 2021. Investment earnings are down because higher yielding investments matured during the year which could not be replaced with comparable-yielding investments and a reduction in market value of MSD's investments as interest rates changed.

Interest expense was \$25.9 million favorable to budget and \$1.2 million less than fiscal year 2021. Interest expense savings compared to budget were driven by the refinancing of the Series 2011 revenue bonds which was completed in August of 2021 and the issuance of the Series 2021 bond anticipation notes and the Series 2022A revenue bonds at lower interest rates than what was projected in the budget.

Cash Flows

Cash and cash equivalents decreased \$30.1 million from fiscal 2021 to fiscal 2022. Net cash provided by operating activities totaled \$238.3 million which is an increase of \$13.6 million compared to fiscal year 2021. This change is driven primarily by an increase in cash received from customers due to the 6.9% service charge increase that was effective August 1, 2021. \$215.0 million in cash was used by financing activities to pay for bond principal payments, bond interest, and construction in process. \$53.4 million in cash was used by investment activities as MSD re-invested cash reserves.

JULY FINANCIAL SUMMARY

Financial Highlights for the month of July 2022

- Total Operating Revenues were \$1.5 million favorable to budget.
- Operating and Maintenance expenses were \$4.2 million favorable to budget.

Results of Operations for the month of July 2022

Total operating revenues were \$1.5 million favorable to budget and \$3.3 million more than July 2021. Wastewater service charges were \$964 thousand favorable to budget and \$2.8 million more than July 2021. Drainage service charges were \$472 thousand favorable to budget and \$500 thousand more than July 2021. Other operating revenues were \$74 thousand favorable to budget and \$83 thousand less than July 2021.

Service & Administrative costs were \$4.2 million favorable to budget and \$406 thousand less than July 2021.

Depreciation and Amortization expenses were \$388 thousand unfavorable to budget and \$882 thousand more than July 2021.

Investment Income was \$323 thousand favorable to budget and \$269 thousand more than July 2021.

Interest expense was \$779 thousand favorable to budget and \$1.1 million less than July 2021.

Cash Flows

Cash and cash equivalents decreased \$5.8 million in July. Net cash provided by operating activities totaled \$9.4 million. \$1.9 million in cash was used by financing activities to pay for construction in process. \$13.3 million in cash was used in investing activities as investments that matured in the prior period were re-invested.

FINANCIAL STATEMENTS – FY22

Comparative Statement of Net Position - Unaudited

Table 2 – Comparative Statement of Net Position

Louisville & Jefferson County Metropolitan Sewer District Monthly Comparative Statement of Net Position				
	YTD Jun-2022	YTD Jun-2021	Variance	Percent
Current Assets				
Unrestricted Cash & Cash Equivalents	\$118,628,843	\$107,405,044	\$11,223,798	10.45%
Sewer & Drainage Receivable	26,007,733	24,575,543	1,432,190	5.83%
Assessment Warrants Receivable	178,015	138,336	39,679	28.68%
Miscellaneous Receivables	54,056	(50,030)	104,086	-208.05%
Inventories	5,262,281	5,086,088	176,193	3.46%
Prepaid Expenses	2,949,072	6,155,528	(3,206,456)	-52.09%
Restricted Funds	114,068,252	104,110,840	9,957,412	9.56%
Accrued Interest Receivable	340,553	231,208	109,345	47.29%
Total Current Assets	267,488,805	247,652,557	19,836,248	8.01%
Non-Current Assets				
Utility Plant in Service	4,728,202,951	4,300,047,713	428,155,239	9.96%
Accumulated Depreciation	(1,568,630,701)	(1,466,254,738)	(102,375,962)	6.98%
Construction in Progress	420,199,585	625,112,540	(204,912,955)	-32.78%
Net Fixed Assets	3,579,771,836	3,458,905,514	120,866,321	3.49%
Non-Current Receivables	22,486,840	26,361,401	(3,874,561)	-14.70%
Total Assets	3,869,747,480	3,732,919,472	136,828,008	3.67%
Total Deferred Outflow of Resources	72,109,734	80,984,362	(8,874,628)	-10.96%
Total Assets & Deferred Outflow of Resources	3,941,857,215	3,813,903,835	127,953,380	3.35%
Current Liabilities				
Miscellaneous Accounts Payable	9,807,221	18,345,421	(8,538,200)	-46.54%
Accounts Payable - Construction	25,767,400	33,602,358	(7,834,958)	-23.32%
Contract Retainage	4,696,652	12,634,491	(7,937,839)	-62.83%
Accrued Interest Payable	16,622,219	20,092,599	(3,470,381)	-17.27%
Current Maturities of Bonds Payable	52,880,000	47,565,000	5,315,000	11.17%
Current Maturities of Subordinate Debt	2,547,532	1,816,678	730,854	40.23%
Deposits Payable	1,920,103	2,756,617	(836,514)	-30.35%
Accrued Salaries & Wages	4,322,372	3,662,893	659,479	18.00%
Accrued Workers' Comp Insurance	1,796,748	2,626,118	(829,370)	-31.58%
Employee Comp Absences Payable	4,468,926	4,465,263	3,663	0.08%
Total Current Liabilities	124,829,173	147,567,438	(22,738,265)	-15.41%
Non-Current Liabilities				
Long-Term Senior Debt Payable	2,228,405,000	2,057,555,000	170,850,000	8.30%
Long-Term Subordinate Debt Payable	326,434,318	420,644,084	(94,209,766)	-22.40%
Other Long-Term Liability	290,923,262	330,094,577	(39,171,315)	-11.87%
Total Non-Current Liabilities	2,845,762,580	2,808,293,660	37,468,919	1.33%
Total Liabilities	2,970,591,752	2,955,861,098	14,730,654	0.50%
Total Deferred Inflow of Resources	48,488,863	10,277,118	38,211,745	371.81%
Total Liabilities & Deferred Inflow of Resources	3,019,080,615	2,966,138,216	52,942,399	1.78%
Net Position	922,776,599	847,765,618	75,010,981	8.85%
Total Liabilities, Deferred Inflow of Resources and Net Position	3,941,857,215	3,813,903,834	127,953,380	3.35%

MONTHLY EXECUTIVE REPORT
July 31, 2022

Statement of Revenue, Expense & Change in Net Position - Unaudited

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

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	\$ 156,763,661	\$ 151,334,344	\$ 5,429,318	3.6%	\$ 148,090,665	\$ 8,672,996	5.9%
Commercial	86,009,714	79,962,464	6,047,251	7.6%	74,459,732	11,549,982	15.5%
Industrial	23,558,187	24,582,168	(1,023,981)	-4.2%	23,079,605	478,583	2.1%
Other Wastewater	7,839,755	5,623,796	2,215,959	39.4%	2,588,579	5,251,175	202.9%
Free Wastewater Charges	(4,105,277)	(3,981,662)	(123,615)	3.1%	(2,416,879)	(1,688,398)	69.9%
Total Wastewater Charges	270,066,040	257,521,109	12,544,931	4.9%	245,801,703	24,264,338	9.9%
Drainage							
Residential	31,496,707	31,418,015	78,692	0.3%	29,412,945	2,083,762	7.1%
Commercial	48,525,710	47,785,545	740,165	1.5%	45,220,288	3,305,422	7.3%
Industrial	5,670,621	5,473,788	196,833	3.6%	5,239,424	431,197	8.2%
Other Stormwater	3,802,799	3,190,267	612,532	19.2%	2,576,384	1,226,415	47.6%
Free Stormwater Charges	(2,691,580)	(2,629,614)	(61,965)	2.4%	(2,533,536)	(158,043)	6.2%
Total Drainage Charges	86,804,258	85,238,000	1,566,258	1.8%	79,915,505	6,888,753	8.6%
Total Service Charges	356,870,298	342,759,109	14,111,189	4.1%	325,717,207	31,153,091	9.6%
Other Operating Income	8,497,277	4,498,554	3,998,723	88.9%	3,701,210	4,796,066	129.6%
Total Operating Revenue	365,367,575	347,257,663	18,109,912	5.2%	329,418,417	35,949,157	10.9%
Operating Expenses							
Salaries & Wages	55,014,040	56,399,086	(1,385,046)	-2.5%	53,013,756	2,000,284	3.8%
Labor Related Overhead	35,263,179	27,020,834	8,242,345	30.5%	43,321,818	(8,058,640)	-18.6%
Utilities	16,594,938	18,277,272	(1,682,334)	-9.2%	16,265,126	329,812	2.0%
Materials & Supplies	8,012,063	7,313,700	698,364	9.5%	6,840,568	1,171,496	17.1%
Contractual Services	31,287,858	35,733,055	(4,445,197)	-12.4%	34,083,775	(2,795,917)	-8.2%
Chemicals	6,904,857	6,707,794	197,063	2.9%	5,017,412	1,887,445	37.6%
Fuel	1,657,915	1,355,815	302,100	22.3%	1,082,605	575,311	53.1%
Insurance Premiums & Claims	7,215,890	3,800,302	3,415,588	89.9%	3,624,261	3,591,628	99.1%
Bad Debt	6,421,528	3,516,212	2,905,316	82.6%	5,501,213	920,315	16.7%
Other Operating Expense	1,496,604	2,086,302	(589,698)	-28.3%	1,323,694	172,910	13.1%
Mapping/Insurance Recovery	-	-	-	0.0%	-	0	0.0%
Capitalized Overhead	(42,165,667)	(39,109,570)	(3,056,097)	7.8%	(41,785,321)	(380,346)	0.9%
Capital Expenses (over)/under applied							
Net Service and Administrative Costs	127,703,205	123,100,801	4,602,403	3.7%	128,288,907	(585,703)	-0.5%
Depreciation	102,698,982	97,000	102,601,982	105775.2%	96,621,943	6,077,039	6.3%
Amortization	1,520,241	0	1,520,241	0.0%	1,251,599	268,642	21.5%
Total Depreciation/Amortization	104,219,223	97,000	104,122,223	107342.5%	97,873,542	6,345,681	6.5%
Total Operating Expenses	231,922,428	123,197,801	108,724,626	88.3%	226,162,449	5,759,978	2.5%
Net Operating Income	133,445,147	224,059,862	(90,614,715)	-40.4%	103,255,968	30,189,179	29.2%
Non-Operating Revenue (Expenses)							
Gain/Loss Disposal of Assets	123,947	1,200	122,747	10228.9%	(21,439)	145,386	-678.1%
Investment Income	8,877,380	11,524,800	(2,647,420)	-23.0%	12,174,608	(3,297,228)	-27.1%
Interest Expense	(88,300,164)	(114,261,011)	25,960,847	-22.7%	(89,592,864)	1,292,701	-1.4%
Total Non-Operating Revenue (Expenses)	(79,298,837)	(102,735,011)	23,436,174	-22.8%	(77,439,696)	(1,859,141)	2.4%
Contributions	9,571,440.12	-	9,571,440	0.0%	16,422,570	6,851,130	-41.7%
Change in Net Position Before Swaps	63,717,751	121,324,851	(57,607,100)	-47.5%	42,238,842	(21,478,908)	50.9%
Change in Fair Value of Swaps	11,293,230	-	11,293,230	0.0%	8,796,566	(2,496,664)	28.4%
Change in Net Position After Swaps	\$ 75,010,981	\$ 121,324,851	\$ (46,313,870)	-38.2%	\$ 51,035,408	\$ (23,975,573)	47.0%

*51650 – Pension & OPEB expense is not budgeted for. This is a non-cash expense.

Statement of Cash Flows – Unaudited

Table 4 – Monthly Statement of Cash Flows - Unaudited

Louisville and Jefferson County Metropolitan Sewer District Statement of Cash Flows		
	FY 2022	FY 2021
Cash Flows from Operating Activities		
Cash received from customers	\$ 362,992,284	\$ 331,766,606
Cash paid to suppliers	(70,301,796)	(55,029,684)
Cash paid to employees	(54,350,898)	(52,092,197)
Net Cash Provided by Operating Activities	238,339,590	224,644,725
Cash Flows from Capital and Related Financing Activities		
Proceeds from issuance of revenue bonds	248,821,124	233,132,796
Proceeds from issuance of bond anticipation note	232,924,231	237,295,082
Proceeds from issuance of commercial paper	375,000,000	365,000,000
Proceeds from issuance of other subordinated debt	7,824,445	17,788,487
Payments for retirement of revenue bonds	(55,497,021)	(48,033,726)
Payments for retirement of bond anticipation note	(226,340,000)	(226,340,000)
Payments for retirement of commercial paper	(475,000,000)	(470,000,000)
Payments for retirement of notes	-	(100,000)
Payments for retirement of other subordinated debt	(1,926,493)	(2,118,821)
Payments for interest expense	(103,135,778)	(103,392,914)
Payments for interest on swaps	(9,501,841)	(9,792,937)
Build America bond interest subsidy	10,344,206	10,398,085
Proceeds from capital grants	2,610,298	1,914,557
Proceeds from sale of capital assets	123,947	(21,439)
Payments for capital assets	(224,660,839)	(219,887,675)
Proceeds from assessments	3,377,952	2,464,996
Net Cash Provided (Used) by Capital and Related Financing	(215,035,769)	(211,693,509)
Cash Flows from Investing Activities		
Purchase of investments	(127,427,249)	(212,292,018)
Maturity of investments	71,789,235	157,087,333
Investment income	2,202,753	1,422,686
Net Cash Provided (Used) by Investing Activities	(53,435,261)	(53,781,999)
Net Increase (Decrease) in Cash and Cash Equivalents	(30,131,440)	(40,830,783)
Cash and Cash Equivalents, Beginning of Year	101,985,796	142,816,579
Cash and Cash Equivalents, End of Year	\$ 71,854,356	\$ 101,985,796
Reconciliation of Operating Income to Net Cash provided by Operating Activities		
Income from operations	\$ 133,445,147	\$ 103,255,968
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	104,219,223	97,873,542
Accounts receivable	(1,538,777)	2,545,938
Inventories	(176,193)	(108,972)
Prepaid expense	3,206,456	(2,194,128)
Accounts payable	(8,538,200)	3,656,353
Customer deposits	(836,514)	(197,749)
Accrued liabilities	(166,228)	1,267,259
Pension liability	7,070,825	15,806,041
OPEB liability	1,653,851	2,740,473
Net Cash Provided by Operating Activities	\$ 238,339,590	\$ 224,644,725
Non-Cash Capital Financing and Investing Activities		
Contribution of plant, lines and other facilities by developers and property owners	\$ 6,909,247	\$ 14,455,781
Construction costs in accounts payable	30,464,052	46,236,849
Unrealized (gain)/loss on investments	3,587,153	(498,546)
Decrease in interest rate swap deferred revenue	496,951	496,951
Change in fair value - derivative instruments	11,293,230	8,796,566
Bonds issued for refunding of debt	246,555,000	112,065,000

MONTHLY EXECUTIVE REPORT

July 31, 2022

Actual vs. Budget Operating and Maintenance Expenses - Unaudited

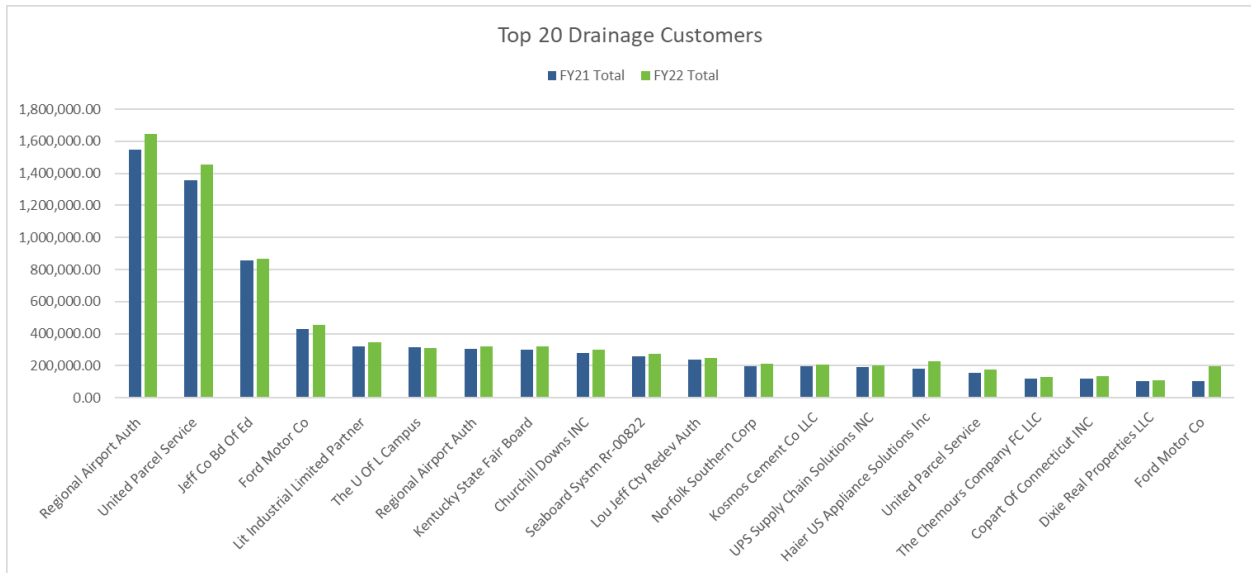
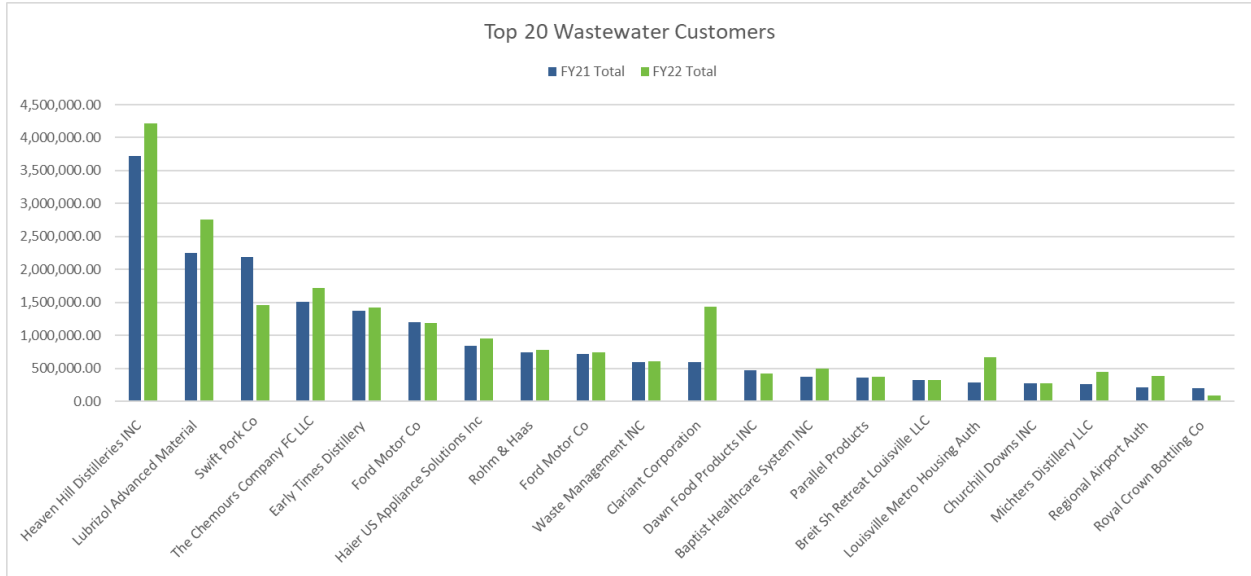
Table 5 - Actual vs Budget Operating and Maintenance Expenses - Audited

Louisville & Jefferson County Metropolitan Sewer District Operating and Maintenance Expenses June 30, 2022							
	YTD Actual	YTD Budget	YTD Variance	% YTD Variance	YTD Prior Year	YTD Variance	% YTD Variance
Salaries & Wages							
51120 - Regular Salaries & Wages	\$ 43,346,463	\$ 53,539,281	\$ (10,192,819)	-19.0%	\$ 40,705,917	\$ 2,640,546	6.5%
51130 - Overtime	2,446,965	2,476,049	(29,085)	-1.2%	2,130,737	316,228	14.8%
51135 - Special Event Compensation	157,980	355,188	(197,208)	-55.5%	162,320	(4,340)	-2.7%
51140 - Wages pd for vacation, holidays & other	7,880,489	0	7,880,489	0.0%	7,594,519	285,969	3.8%
51145 - Incentive Pay - Performance, ERT, Sugg	1,166,894	0	1,166,894	0.0%	2,319,303	(1,152,409)	-49.7%
51147 - Service & Safety Incentive Awards	15,250	28,568	(13,318)	-46.6%	100,961	(85,711)	-84.9%
Total Salaries & Wages	55,014,040	56,399,086	(1,385,046)	-2.5%	53,013,756	2,000,284	3.8%
Labor & Related Overhead							
51210 - Short-Term Disability	310,011	0	310,011	0.0%	434,225	(124,214)	-28.6%
51220 - Workers' Compensation Insurance	497,482	264,468	233,014	88.1%	271,464	226,018	83.3%
51225 - Workers' Compensation Claims	353,308	1,070,786	(717,478)	-67.0%	1,143,075	(789,767)	-69.1%
51230 - Long-Term Disability	68,388	49,992	18,396	36.8%	(14,297)	82,684	-578.3%
51240 - Group Life - AD&D Insurance	22,057	99,960	(77,903)	-77.9%	124,699	(102,641)	-82.3%
51250 - Tuition Assistance	41,118	60,000	(18,882)	-31.5%	38,277	2,841	7.4%
51260 - Empl Assistance & Wellness Program	6,983	14,000	(7,017)	-50.1%	13,920	(6,937)	-49.8%
51300 - Payroll Taxes	3,789,931	4,061,134	(271,203)	-6.7%	4,008,527	(218,596)	-5.5%
51400 - Unemployment Insurance	(35,776)	34,196	(69,972)	-204.6%	0	(35,776)	0.0%
51500 - Med Ins: MSD's port. of prem for grp	7,203,648	7,042,978	160,671	2.3%	6,540,071	663,577	10.1%
51600 - Retirement Contributions	14,281,351	14,323,320	(41,969)	-0.3%	12,215,343	2,066,009	16.9%
51650 - Pension & OPEB Expense	8,724,676	0	8,724,676	0.0%	18,546,514	(9,821,838)	-53.0%
Total Labor & Related Overhead	35,263,179	27,020,834	8,242,345	30.5%	43,321,818	(8,058,640)	-18.6%
Utilities							
53310 - Electric	12,633,500	14,403,000	(1,769,500)	-12.3%	12,782,689	(149,189)	-1.2%
53320 - Natural Gas	873,448	1,009,622	(136,174)	-13.5%	587,188	286,260	48.8%
53330 - Water	1,593,517	1,337,600	255,917	19.1%	1,485,698	107,818	7.3%
53340 - Telephone	275,747	330,200	(54,453)	-16.5%	314,616	(38,869)	-12.4%
53345 - Data Communications	1,218,726	1,196,850	21,877	1.8%	1,094,935	21,877	11.3%
Total Utilities	16,594,938	18,277,272	(1,682,334)	-9.2%	16,265,126	227,897	2.0%
Materials & Supplies							
53140 - Materials & Supplies	7,664,822	7,010,700	654,122	9.3%	6,486,610	1,178,213	18.2%
53150 - Inventory Adjustments	16	0	16	0.0%	28	(12)	-42.8%
53160 - Landfill Cost of fill dirt	347,225	273,000	74,225	27.2%	353,930	(6,705)	-1.9%
Total Materials & Supplies	8,012,063	7,283,700	728,364	10.0%	6,840,568	1,171,496	17.1%
Contractual Services							
51700 - Uniforms	187,638	228,646	(41,008)	-17.9%	190,189	(2,550)	-1.3%
52110 - Billing & Collection	6,234,566	6,369,930	(135,364)	-2.1%	6,228,245	6,321	0.1%
52130 - Custodial & Watchmen	806,157	988,880	(182,723)	-18.5%	854,506	(48,349)	-5.7%
52140 - Professional Services	2,906,393	3,606,493	(700,100)	-19.4%	2,679,364	227,029	8.5%
52145 - Legal	(1,488,581)	1,310,100	(2,798,681)	-213.6%	2,507,392	(3,995,973)	-159.4%
52155 - Banking Services	49,847	54,580	(4,733)	-8.7%	46,766	3,081	6.6%
52160 - Maintenance & Repairs	5,467,775	5,463,929	3,846	0.1%	5,305,986	161,789	3.0%
52170 - Sludge & Grit Disposal	3,152,308	3,354,422	(202,114)	-6.0%	3,931,443	(779,135)	-19.8%
52180 - Temporary Services	216,752	282,600	(65,848)	-23.3%	254,418	(37,666)	-14.8%
52195 - Other Contractual Services	13,755,002	14,073,474	(318,472)	-2.3%	12,085,466	1,669,536	13.8%
Total Contractual Services	31,287,858	35,733,055	(4,445,197)	-12.4%	34,083,775	(2,795,917)	-8.2%
Bad Debt							
54200 - Bad Debts	3,821,528	3,516,212	305,316	8.7%	4,201,213	(379,685)	-9.0%
54210 - Bad Debt - Assessments	2,600,000	0	2,600,000	0.0%	1,300,000	1,300,000	100.0%
Total Bad Debt	6,421,528	3,516,212	2,905,316	82.6%	5,501,213	920,315	16.7%
Chemicals							
53210 - Chlorine	0	39,400	(39,400)	0.0%	0	0	0.0%
53215 - Sodium Hypochlorite	1,313,761	1,198,600	115,161	9.6%	736,703	577,058	78.3%
53220 - Polymer	3,331,633	2,794,000	537,633	19.2%	2,186,609	1,145,024	52.4%
53225 - Sodium Aluminate	218,251	291,800	(73,549)	-25.2%	203,488	14,763	7.3%
53230 - Liquid Oxygen	153,627	459,600	(305,973)	-66.6%	190,525	(36,897)	-19.4%
53235 - Liquid Nitrogen	17,725	24,000	(6,275)	-26.1%	5,429	12,296	226.5%
53240 - Other Chemicals	98,094	115,808	(17,714)	-15.3%	99,417	(1,323)	-1.3%
53250 - Dechlorination	559,609	498,500	61,109	12.3%	452,611	106,998	23.6%
53275 - Defoamer	18,419	84,186	(65,767)	-78.1%	57,866	(39,446)	-68.2%
53280 - Bioxide	1,193,738	1,200,400	(6,662)	-0.6%	1,084,764	108,974	10.0%
53285 - Sodium Hydroxide	0	1,500	(1,500)	0.0%	0	0	0.0%
Total Chemicals	6,904,857	6,707,794	197,063	2.9%	5,017,412	1,887,445	37.6%
Fuel							
53120 - Gasoline	690,463	527,634	162,829	30.9%	490,369	200,094	40.8%
53130 - Diesel Fuel	967,452	828,181	139,271	16.8%	592,236	375,217	63.4%
Total Fuel	1,657,915	1,355,815	302,100	22.3%	1,082,605	575,311	53.1%
Insurance Premiums & Claims							
54100 - Casualty Insurance	0	0	0	0.0%	0	0	0.0%
54110 - General Liability Insurance	3,736,003	1,102,524	2,633,479	238.9%	827,718	2,908,286	351.4%
54130 - Property Insurance	2,053,843	2,129,992	(76,149)	-3.6%	1,898,584	155,259	8.2%
54140 - General Liability Claims	1,426,043	567,786	858,257	151.2%	897,959	528,084	58.8%
54150 - Automobile Liability Claims	0	0	0	0.0%	0	0	0.0%
Total Insurance Premiums & Claims	7,215,890	3,800,302	3,415,588	89.9%	3,624,261	3,591,628	99.1%
Other Operating Expense							
53410 - Equipment Rental	212,104	134,596	77,508	57.6%	201,617	10,487	5.2%
53420 - Space Rent	30,000	30,000	0	0.0%	28,350	1,650	5.8%
53430 - Leased Parking	54,672	37,000	17,672	47.8%	14,300	40,372	282.3%
54250 - Contributions	256,795	281,500	(24,705)	-8.8%	292,550	(35,755)	-12.2%
54300 - Fines, Penalties & Damages	19,794	0	19,794	0.0%	18,528	1,267	6.8%
54400 - Advertising	52,964	135,428	(82,464)	-60.9%	66,803	(13,839)	-20.7%
54500 - Travel & Meetings	148,488	397,616	(249,128)	-62.7%	13,429	135,059	1005.7%
54550 - Training	221,257	498,594	(277,337)	-55.6%	162,039	59,218	36.5%
54600 - Dues, Fees and Subscriptions	488,529	557,168	(68,640)	-12.3%	514,287	(25,758)	-5.0%
54700 - Board Members	9,800	14,400	(4,600)	-31.9%	9,750	50	0.5%
54725 - Bond Closing Cost	0	0	0	0.0%	0	0	0.0%
55555 - Over/under payments	2,201	0	2,201	0.0%	2,041	159	7.8%
Total Other Operating Expense	1,496,604	2,086,302	(589,698)	-28.3%	1,323,694	172,910	13.1%
Grand Total	169,868,872	162,180,371	7,688,501	4.7%	170,074,228	(907,271)	-0.1%

*51650 – Pension & OPEB expense is not budgeted for. This is a non-cash expense.

Top 20 Customers – FY22

Table 6 – Top 20 Customers – FY22



FINANCIAL STATEMENTS – FY23
Comparative Statement of Net Position

Table 7 – Comparative Statement of Net Position

Louisville & Jefferson County Metropolitan Sewer District Monthly Comparative Statement of Net Position				
	YTD Jul-2022	YTD Jul-2021	Variance	Percent
Current Assets				
Unrestricted Cash & Cash Equivalents	\$113,844,415	\$111,513,685	\$2,330,730	2.09%
Sewer & Drainage Receivable	30,627,086	28,418,360	2,208,727	7.77%
Assessment Warrants Receivable	177,020	139,668	37,352	26.74%
Miscellaneous Receivables	835,653	8,394,553	(7,558,900)	-90.05%
Inventories	5,149,683	5,093,418	56,265	1.10%
Prepaid Expenses	8,669,362	7,055,969	1,613,393	22.87%
Restricted Funds	126,683,594	99,547,914	27,135,680	27.26%
Accrued Interest Receivable	340,553	231,208	109,345	47.29%
Total Current Assets	286,327,367	260,394,775	25,932,592	9.96%
Non-Current Assets				
Utility Plant in Service	4,729,094,519	4,301,496,867	427,597,652	9.94%
Accumulated Depreciation	(1,577,524,679)	(1,474,437,863)	(103,086,817)	6.99%
Construction in Progress	423,716,861	627,733,887	(204,017,026)	-32.50%
Net Fixed Assets	3,575,286,701	3,454,792,892	120,493,809	3.49%
Non-Current Receivables	22,324,918	26,156,896	(3,831,978)	-14.65%
Total Assets	3,883,938,985	3,741,344,562	142,594,423	3.81%
Total Deferred Outflow of Resources	71,792,427	78,310,735	(6,518,308)	-8.32%
Total Assets & Deferred Outflow of Resources	3,955,731,413	3,819,655,297	136,076,115	3.56%
Current Liabilities				
Miscellaneous Accounts Payable	7,102,638	9,147,549	(2,044,911)	-22.35%
Accounts Payable - Construction	17,014,551	16,213,692	800,859	4.94%
Contract Retainage	5,158,558	12,582,951	(7,424,394)	-59.00%
Accrued Interest Payable	24,947,998	29,114,297	(4,166,299)	-14.31%
Current Maturities of Bonds Payable	52,880,000	47,565,000	5,315,000	11.17%
Current Maturities of Subordinate Debt	2,547,532	1,816,678	730,854	40.23%
Deposits Payable	1,942,503	2,998,242	(1,055,740)	-35.21%
Accrued Salaries & Wages	3,083,757	2,635,662	448,096	17.00%
Accrued Workers' Comp Insurance	1,796,748	2,626,118	(829,370)	-31.58%
Employee Comp Absences Payable	4,356,447	4,301,190	55,257	1.28%
Total Current Liabilities	120,830,731	129,001,380	(8,170,648)	-6.33%
Non-Current Liabilities				
Long-Term Senior Debt Payable	2,228,405,000	2,057,555,000	170,850,000	8.30%
Long-Term Subordinate Debt Payable	336,434,318	443,798,589	(107,364,271)	-24.19%
Other Long-Term Liability	293,657,883	331,003,145	(37,345,263)	-11.28%
Total Non-Current Liabilities	2,858,497,200	2,832,356,734	26,140,466	0.92%
Total Liabilities	2,979,327,932	2,961,358,114	17,969,818	0.61%
Total Deferred Inflow of Resources	44,646,011	5,290,194	39,355,817	743.94%
Total Liabilities & Deferred Inflow of Resources	3,023,973,943	2,966,648,308	57,325,635	1.93%
Net Position	931,757,469	853,006,989	78,750,480	9.23%
Total Liabilities, Deferred Inflow of Resources and Net Position	3,955,731,412	3,819,655,297	136,076,115	3.56%

Statement of Revenue, Expense & Change in Net Position

Table 8 – Statement of Revenue, Expense & Change 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	\$ 13,614,334	\$ 13,526,842	\$ 87,493	0.6%	\$ 12,238,037	\$ 1,376,297	11.2%
Commercial	9,035,014	8,316,956	718,058	8.6%	7,898,532	1,136,482	14.4%
Industrial	2,128,843	2,022,765	106,078	5.2%	1,951,813	177,030	9.1%
Other Wastewater	1,366,453	860,433	506,021	58.8%	860,695	505,758	58.8%
Free Wastewater Charges	(986,925)	(533,792)	(453,133)	84.9%	(613,248)	(373,677)	60.9%
Total Wastewater Charges	25,157,720	24,193,204	964,517	4.0%	22,335,829	2,821,891	12.6%
Drainage							
Residential	2,526,217	2,374,387	151,830	6.4%	2,239,904	286,314	12.8%
Commercial	4,131,245	3,804,081	327,164	8.6%	3,965,966	165,280	4.2%
Industrial	467,071	500,908	(33,837)	-6.8%	472,537	(5,466)	-1.2%
Other Stormwater	302,218	263,691	38,527	14.6%	235,113	67,105	28.5%
Free Stormwater Charges	(174,539)	(162,961)	(11,578)	7.1%	(161,572)	(12,967)	8.0%
Total Drainage Charges	7,252,213	6,780,106	472,107	7.0%	6,751,947	500,266	7.4%
Total Service Charges	32,409,933	30,973,310	1,436,623	4.6%	29,087,776	3,322,157	11.4%
Other Operating Income	446,586	366,453	80,133	21.9%	529,792	(83,206)	-15.7%
Total Operating Revenue	32,856,519	31,339,763	1,516,756	4.8%	29,617,568	3,238,951	10.9%
Operating Expenses							
Salaries & Wages	4,581,648	5,185,008	(603,360)	-11.6%	4,257,322	324,327	7.6%
Labor Related Overhead	1,626,712	2,428,034	(801,322)	-33.0%	1,854,868	(228,157)	-12.3%
Utilities	1,344,862	1,372,189	(27,327)	-2.0%	1,218,389	126,472	10.4%
Materials & Supplies	522,204	753,433	(231,229)	-30.7%	441,869	80,335	18.2%
Contractual Services	1,376,607	3,492,650	(2,116,044)	-60.6%	2,252,916	(876,309)	-38.9%
Chemicals	357,363	771,243	(413,880)	-53.7%	423,033	(65,670)	-15.5%
Fuel	158,300	188,967	(30,667)	-16.2%	115,742	42,558	36.8%
Insurance Premiums & Claims	584,276	523,121	61,156	11.7%	378,849	205,427	54.2%
Bad Debt	350,000	294,615	55,385	18.8%	385,736	(35,736)	-9.3%
Other Operating Expense	53,392	244,273	(190,880)	-78.1%	32,683	20,710	63.4%
Mapping/Insurance Recovery	-	-	-	0.0%	-	-	0.0%
Capitalized Overhead	(2,543,825)	(3,660,848)	1,117,023	-30.5%	(2,790,820)	246,995	-8.9%
Capital Expenses (over)/under applied							
Net Service and Administrative Costs	8,411,538	11,592,685	(3,181,147)	-27.4%	8,570,586	(159,048)	-1.9%
Depreciation	9,028,590	8,621,667	406,923	4.7%	8,183,124	845,466	10.3%
Amortization	130,778	149,664	(18,886)	-12.6%	94,004	36,774	39.1%
Total Depreciation/Amortization	9,159,368	8,771,331	388,037	4.4%	8,277,128	882,239	10.7%
Total Operating Expenses	17,570,906	20,364,016	(2,793,110)	-13.7%	16,847,715	723,191	4.3%
Net Operating Income	15,285,613	10,975,747	4,309,867	39.3%	12,769,854	2,515,760	19.7%
Non-Operating Revenue (Expenses)							
Gain/Loss Disposal of Assets	-	100	(100)	0.0%	-	-	0.0%
Investment Income	1,284,255	960,400	323,855	33.7%	1,015,141	269,114	26.5%
Interest Expense	(7,343,756)	(8,122,774)	779,018	-9.6%	(8,485,304)	1,141,548	-13.5%
Total Non-Operating Revenue (Expenses)	(6,059,501)	(7,162,274)	1,102,773	-15.4%	(7,470,163)	1,410,662	-18.9%
Contributions	-	-	-	0.0%	-	-	0.0%
Change in Net Position Before Swaps	9,226,112	3,813,473	5,412,640	141.9%	5,299,691	(3,926,422)	74.1%
Change in Fair Value of Swaps	(245,242)	-	(245,242)	0.0%	(6,088)	239,154	3928.2%
Change in Net Position After Swaps	\$ 8,980,870	\$ 3,813,473	\$ 5,167,398	135.5%	\$ 5,293,603	\$ (3,687,268)	69.7%

MONTHLY EXECUTIVE REPORT
July 31, 2022

Statement of Cash Flows

Table 9 – Statement of Cash Flows

Louisville and Jefferson County Metropolitan Sewer District Statement of Cash Flows		
	FY 2023 YTD	FY 2022 YTD
Cash Flows from Operating Activities		
Cash received from customers	\$ 27,477,969	\$ 25,674,067
Cash paid to suppliers	(12,142,166)	(14,418,908)
Cash paid to employees	(5,932,742)	(5,448,626)
Net Cash Provided by Operating Activities	9,403,061	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	20,000,000	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	(10,000,000)	(20,000,000)
Payments for retirement of notes	-	-
Payments for retirement of other subordinated debt	-	-
Payments for interest expense	(51,392)	203,957
Payments for interest on swaps	(607,007)	(1,039,058)
Build America bond interest subsidy	915,513	865,950
Proceeds from capital grants	-	-
Proceeds from sale of capital assets	-	-
Payments for capital assets	(12,224,875)	(21,510,706)
Proceeds from assessments	71,167	116,144
Net Cash Provided (Used) by Capital and Related Financing	(1,896,594)	(6,363,713)
Cash Flows from Investing Activities		
Purchase of investments	(13,395,155)	(44,979,444)
Maturity of investments	14,559	26,000,000
Investment income	100,202	27,719
Net Cash Provided (Used) by Investing Activities	(13,280,394)	(18,951,725)
Net Increase (Decrease) in Cash and Cash Equivalents	(5,773,927)	(19,508,905)
Cash and Cash Equivalents, Beginning of Year	71,854,355	101,985,796
Cash and Cash Equivalents, End of Year	\$ 66,080,428	\$ 82,476,891
Reconciliation of Operating Income to Net Cash provided by Operating Activities		
Income from operations	\$ 15,285,613	\$ 12,769,854
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	9,159,368	8,277,126
Accounts receivable	(5,400,950)	(4,185,126)
Inventories	112,597	(7,330)
Prepaid expense	(5,720,290)	(900,441)
Accounts payable	(2,704,583)	(9,197,872)
Customer deposits	22,400	241,626
Accrued liabilities	(1,351,094)	(1,191,304)
Pension liability	-	-
OPEB liability	-	-
Net Cash Provided by Operating Activities	\$ 9,403,061	\$ 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	22,173,109	28,796,644
Change in fair value of investments	(176,116)	(53,491)
Decrease in interest rate swap deferred revenue	(41,413)	41,413
Change in fair value - swap agreements	245,242	6,088
Bonds issued for refunding of debt	-	-

MONTHLY EXECUTIVE REPORT

July 31, 2022

Actual vs. Budget Operating and Maintenance Expenses

Table 10 – Actual vs. Budget Operating and Maintenance Expenses

Louisville & Jefferson County Metropolitan Sewer District Operating and Maintenance Expenses July 31, 2022							
	YTD Actual	YTD Budget	YTD Variance	% YTD Variance	YTD Prior Year	YTD Variance	% YTD Variance
Salaries & Wages							
51120 - Regular Salaries & Wages	\$ 3,715,747	\$ 4,969,208	\$ (1,253,461)	-25.2%	\$ 3,475,358	\$ 240,389	6.9%
51130 - Overtime	296,530	183,193	113,337	61.9%	229,559	66,971	29.2%
51135 - Special Event Compensation	17,620	30,227	(12,607)	-41.7%	19,410	(1,790)	-9.2%
51140 - Wages pd for vacation, holidays & other	550,252	0	550,252	0.0%	508,570	41,682	8.2%
51145 - Incentive Pay - Performance, ERT, Sugg	0	0	0	0.0%	23,300	(23,300)	0.0%
51147 - Service & Safety Incentive Awards	1,500	2,381	(881)	-37.0%	1,125	375	33.3%
Total Salaries & Wages	4,581,648	5,185,008	(603,360)	-11.6%	4,257,322	324,327	7.6%
Labor & Related Overhead							
51210 - Short-Term Disability	17,653	0	17,653	0.0%	28,669	(11,016)	-38.4%
51220 - Workers' Compensation Insurance	(183,071)	27,084	(210,155)	-775.9%	10,073	(193,144)	-1917.5%
51225 - Workers' Compensation Claims	0	99,384	(99,384)	0.0%	49,122	(49,122)	0.0%
51230 - Long-Term Disability	(8,625)	4,200	(12,825)	-305.3%	(12,135)	3,511	-28.9%
51240 - Group Life - AD&D Insurance	107	3,300	(3,193)	-96.8%	6,190	(6,083)	-98.3%
51250 - Tuition Assistance	6,892	14,163	(7,271)	-51.3%	6,401	490	7.7%
51260 - Empl Assistance & Wellness Program	0	1,167	(1,167)	0.0%	0	0	0.0%
51300 - Payroll Taxes	332,581	381,919	(49,338)	-12.9%	307,164	25,417	8.3%
51400 - Unemployment Insurance	0	2,558	(2,558)	0.0%	0	0	0.0%
51500 - Med Ins: MSD's port. of prem for grp	333,441	631,263	(297,822)	-47.2%	361,304	(27,863)	-7.7%
51600 - Retirement Contributions	1,127,734	1,262,995	(135,262)	-10.7%	1,098,081	29,653	2.7%
51650 - Pension & OPEB Expense	0	0	0	0.0%	0	0	0.0%
Total Labor & Related Overhead	1,626,712	2,428,034	(801,322)	-33.0%	1,854,868	(228,157)	-12.3%
Utilities							
53310 - Electric	973,347	1,026,735	(53,388)	-5.2%	1,059,152	(85,806)	-8.1%
53320 - Natural Gas	107,529	82,578	24,951	30.2%	17,930	89,599	499.7%
53330 - Water	221,611	122,793	98,818	80.5%	89,233	132,379	148.4%
53340 - Telephone	26,559	26,083	476	1.8%	7,223	19,336	267.7%
53345 - Data Communications	15,816	114,000	(98,184)	-86.1%	44,852	(98,184)	-64.7%
Total Utilities	1,344,862	1,372,189	(27,327)	-2.0%	1,218,389	57,325	10.4%
Materials & Supplies							
53100 - Tires & Tire Service Expense	0	28,400	(28,400)	0.0%	0	0	0.0%
53140 - Materials & Supplies	522,204	693,533	(171,329)	-24.7%	421,162	101,041	24.0%
53150 - Inventory Adjustments	0	0	0	0.0%	0	0	0.0%
53160 - Landfill Cost of fill dirt	0	31,500	(31,500)	0.0%	20,706	(20,706)	0.0%
Total Materials & Supplies	522,204	753,433	(202,829)	-30.7%	441,869	80,335	18.2%
Contractual Services							
51700 - Uniforms	6,560	20,862	(14,302)	-68.6%	6,824	(264)	-3.9%
52110 - Billing & Collection	562,841	563,967	(1,126)	-0.2%	519,067	43,774	8.4%
52130 - Custodial & Watchmen	34,296	75,217	(40,921)	-54.4%	58,468	(24,172)	-41.3%
52140 - Professional Services	47,543	442,360	(394,817)	-89.3%	272,160	(224,617)	-82.5%
52145 - Legal	35,212	105,887	(70,675)	-66.7%	(549)	35,761	-6509.8%
52155 - Banking Services	6,442	3,050	3,392	111.2%	3,958	2,483	62.7%
52160 - Maintenance & Repairs	172,219	621,535	(449,317)	-72.3%	338,579	(166,360)	-49.1%
52170 - Sludge & Grit Disposal	138,569	248,898	(110,328)	-44.3%	269,746	(131,177)	-48.6%
52180 - Temporary Services	10,903	24,817	(13,914)	-56.1%	14,758	(3,855)	-26.1%
52195 - Other Contractual Services	362,023	1,386,059	(1,024,036)	-73.9%	769,906	(407,883)	-53.0%
Total Contractual Services	1,376,607	3,492,650	(2,116,044)	-60.6%	2,252,916	(876,309)	-38.9%
Bad Debt							
54200 - Bad Debts	325,000	294,615	30,385	10.3%	335,736	(10,736)	-3.2%
54210 - Bad Debt - Assessments	25,000	0	25,000	0.0%	50,000	(25,000)	-50.0%
Total Bad Debt	350,000	294,615	55,385	18.8%	385,736	(35,736)	-9.3%
Chemicals							
53205 - Peracetic Acid	0	16,667	(16,667)	0.0%	0	0	0.0%
53210 - Chlorine	0	788	(788)	0.0%	0	0	0.0%
53215 - Sodium Hypochlorite	58,301	187,842	(129,541)	-69.0%	60,284	(1,983)	-3.3%
53220 - Polymer	200,458	325,141	(124,683)	-38.3%	221,974	(21,516)	-9.7%
53225 - Sodium Aluminate	8,810	35,936	(27,126)	-75.5%	0	8,810	0.0%
53230 - Liquid Oxygen	(6,406)	27,376	(33,783)	-123.4%	43,303	(49,709)	-114.8%
53235 - Liquid Nitrogen	5,640	7,382	(1,742)	-23.6%	0	5,640	0.0%
53240 - Other Chemicals	(2,941)	4,426	(7,367)	-166.5%	6,703	(9,644)	-143.9%
53250 - Dechlorination	17,769	62,314	(44,545)	-71.5%	21,142	(3,373)	-16.0%
53275 - Defoamer	0	3,310	(3,310)	0.0%	0	0	0.0%
53280 - Bioside	75,732	100,000	(24,268)	-24.3%	69,626	6,106	8.8%
53285 - Sodium Hydroxide	0	63	(63)	0.0%	0	0	0.0%
Total Chemicals	357,363	771,243	(397,214)	-53.7%	423,033	(65,670)	-15.5%
Fuel							
53120 - Gasoline	65,668	73,000	(7,332)	-10.0%	51,787	13,880	26.8%
53130 - Diesel Fuel	92,632	115,967	(23,335)	-20.1%	63,955	28,677	44.8%
Total Fuel	158,300	188,967	(30,667)	-16.2%	115,742	42,558	36.8%
Insurance Premiums & Claims							
54100 - Casualty Insurance	0	0	0	0.0%	0	0	0.0%
54110 - General Liability Insurance	341,128	307,689	33,439	10.9%	186,831	154,297	82.6%
54130 - Property Insurance	184,206	168,994	15,212	9.0%	168,994	15,211	9.0%
54140 - General Liability Claims	58,942	46,438	12,505	26.9%	23,023	35,919	156.0%
54150 - Automobile Liability Claims	0	0	0	0.0%	0	0	0.0%
Total Insurance Premiums & Claims	584,276	523,121	61,156	11.7%	378,849	205,427	54.2%
Other Operating Expense							
53410 - Equipment Rental	7,884	19,702	(11,818)	-60.0%	5,422	2,462	45.4%
53420 - Space Rent	2,500	2,500	0	0.0%	2,500	0	0.0%
53430 - Leased Parking	(150)	6,628	(6,778)	-102.3%	(150)	0	0.0%
54250 - Contributions	0	16,667	(16,667)	0.0%	0	0	0.0%
54300 - Fines, Penalties & Damages	0	0	0	0.0%	0	0	0.0%
54400 - Advertising	2,197	13,726	(11,529)	-84.0%	3,017	(821)	-27.2%
54500 - Travel & Meetings	7,292	66,190	(58,898)	-89.0%	650	6,642	1021.9%
54550 - Training	8,409	60,716	(52,307)	-86.2%	7,650	759	9.9%
54600 - Dues, Fees and Subscriptions	24,602	56,944	(32,343)	-56.8%	12,686	11,916	93.9%
54700 - Board Members	675	1,200	(525)	-43.8%	650	25	3.8%
54725 - Bond Closing Cost	0	0	0	0.0%	0	0	0.0%
55555 - Over/under payments	(16)	0	(16)	0.0%	258	(274)	-106.2%
Total Other Operating Expense	53,392	244,273	(190,880)	-78.1%	32,683	20,710	63.4%
Grand Total	10,955,363	15,253,533	(4,298,170)	-28.2%	11,361,406	(406,043)	-3.6%

SUPPLEMENTAL FINANCIAL REPORTING

Revenue by Customer Class

Table 11 - Revenue by Customer Class

	Number of Customers		Revenue by Customer Class		Budget By Customer Class	
	Jul-2022	Jul-2021	Jul-2022	Jul-2021	Jul-2022	Jul-2021
Wastewater						
Residential	234,309	230,326	13,614,334	12,238,037	13,526,842	12,050,317
Commercial	21,832	21,578	9,035,014	7,898,532	8,316,956	7,679,203
Industrial	397	389	2,128,843	1,951,813	2,022,765	2,118,563
Sub-Total	256,538	252,293	24,778,191	22,088,381	23,866,563	21,848,084
Drainage						
Residential	209,080	208,091	2,526,217	2,239,904	2,374,387	2,299,464
Commercial	14,000	14,059	4,131,245	3,965,966	3,804,081	3,944,894
Industrial	275	269	467,071	472,537	500,908	439,961
Sub-Total	223,355	222,419	7,124,534	6,678,406	6,679,376	6,684,318
Grand Total			\$ 31,902,725	\$ 28,766,787	\$ 30,545,939	\$ 28,532,402

*July 2022 includes acquired Bullitt County Sanitation District customers.

Wastewater Revenue by County

	Number of Customers		Revenue by Customer Class		Budget by Customer Class	
	Jul-2022	Jul-2021	Jul-2022	Jul-2021	Jul-2022	Jul-2021
Jefferson County						
Residential	224,078	223,970	12,981,633	11,744,708	12,819,772	11,548,317
Commercial	21,491	21,425	8,868,364	7,849,441	8,180,293	7,626,603
Industrial	395	388	2,126,913	1,951,722	2,021,134	2,118,473
Sub-Total	245,964	245,783	23,976,911	21,545,871	23,021,199	21,293,394
Bullitt County						
Residential	3,832	0	258,209	-	221,693	-
Commercial	116	0	91,323	-	86,870	-
Industrial	1	0	1,930	-	1,541	-
Sub-Total	3,949	0	351,462	-	310,104	-
Oldham County						
Residential	6,399	6,356	374,492	493,329	485,377	502,000
Commercial	225	153	75,327	49,091	49,793	52,600
Industrial	1	1	-	90	90	90
Sub-Total	6,625	6,510	449,819	542,510	535,260	554,690
Grand Total			\$ 24,778,191	\$ 22,088,381	\$ 23,866,563	\$ 21,848,084

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 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 June 30, 2022.

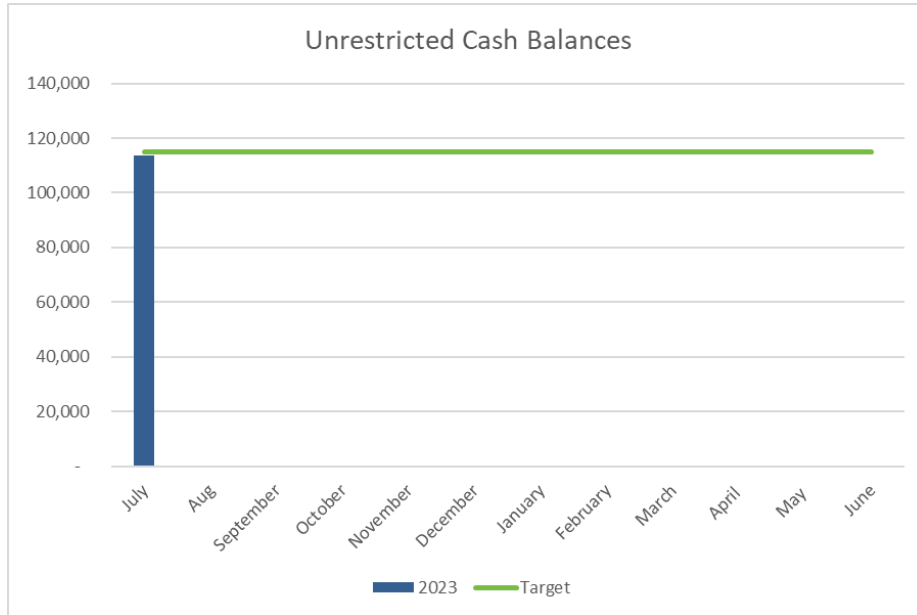
Table 12 – Headcount by Division

FY23 Headcount by Division			
	Budget Approved	Current Authorized	Filled
Administration			
Community Benefits & Partnerships	5	5	5
Customer Relations	22	22	17
Executive Offices	3	3	3
Facilities	9	8	6
Government & Public Affairs	6	6	5
Innovation	3	3	3
Internal Audit	4	4	3
Records and Information Governance	9	9	8
Safety & Security	21	22	15
Corporate	1	1	1
Engineering	101	102	91
Finance	19	19	17
Human Resources	21	21	15
Information Technology	32	32	29
Legal	12	12	8
Operations	502	502	422
Supply Chain & Economic Inclusion	27	27	20
Total Authorized Positions	797	798	668
*Excludes temporary & seasonal staff			

Cash Balances

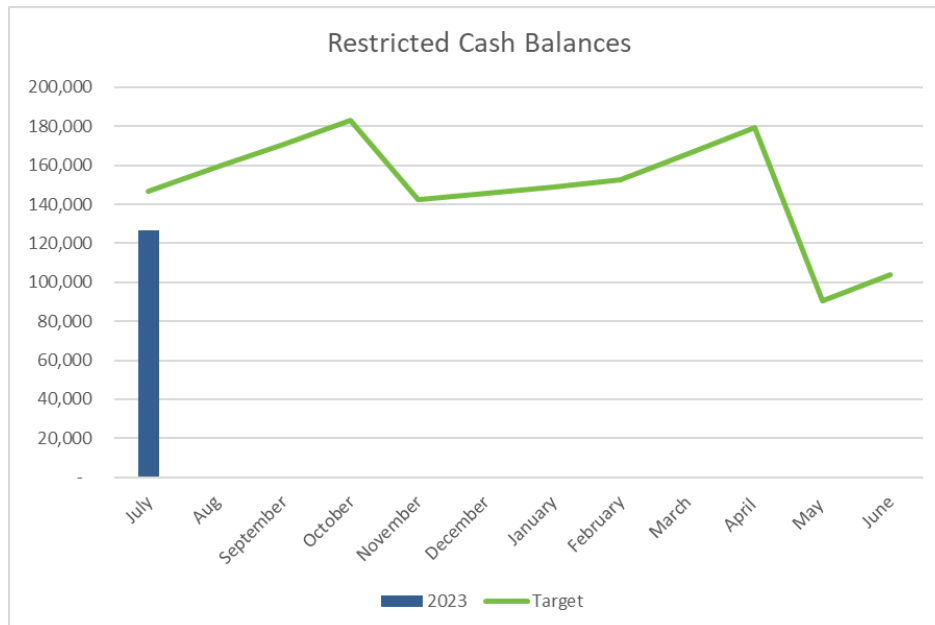
Unrestricted Cash & Cash Equivalents generated from service fees and are operating income are used to pay for operating expenses. Unrestricted cash balance is a measure of financial health and supports the underlying credit rating. Low cash balances indicate poor flexibility and inability to manage contingencies.

Table 13 – 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 14 – Restricted Cash Balances



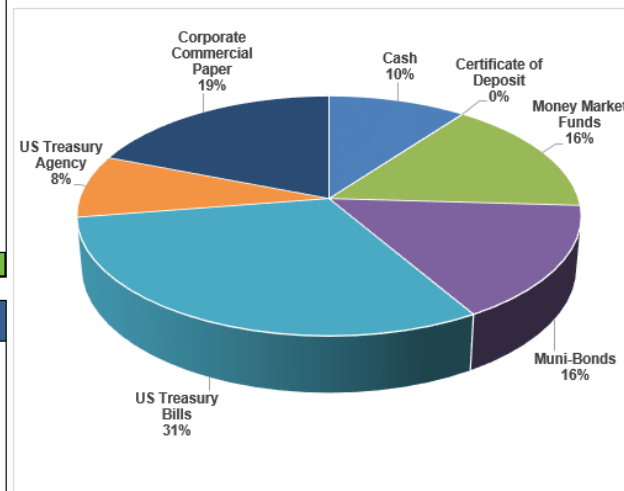
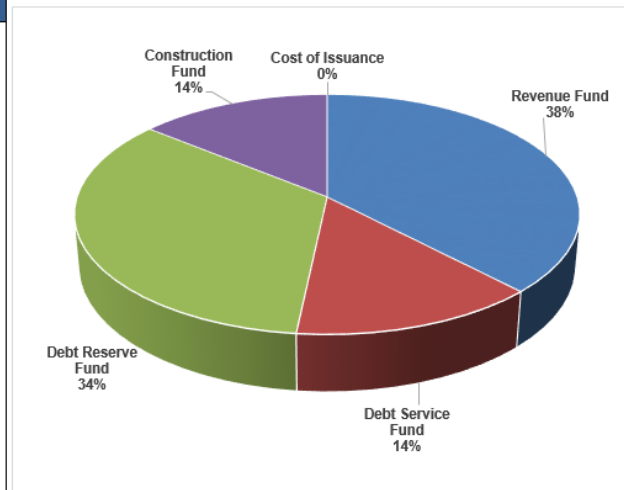
Current Investment Model

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

Table 15 – Current Investment Model

Series	Revenue Fund	Debt Service Fund	Debt Reserve Fund	Construction Fund	Cost of Issuance	Total
2008A	-	-	958,725	-	-	958,725
2009A	-	-	4,327,387	-	-	4,327,387
2009B	-	-	13,680,204	-	-	13,680,204
2009C	-	2,357,312	13,341,328	-	-	15,698,641
2010A	-	3,506,867	18,085,899	-	-	21,592,766
2013A	-	816,709	26,176,229	-	-	26,992,938
2013B	-	1,100,439	-	-	-	1,100,439
2013C	-	22,107	96,833	-	-	118,939
2014A	-	599,018	-	-	-	599,018
2015A	-	1,317,259	150,201	-	-	1,467,460
2015B	-	981,324	-	-	-	981,324
2016A	-	999,298	-	-	-	999,298
2016B	-	524,841	-	-	-	524,841
2016C	-	2,428,421	-	-	-	2,428,421
2017A	-	2,195,298	1,482,717	-	-	3,678,015
2017B	-	422,364	-	-	-	422,364
2018A	-	429,576	-	-	-	429,576
2019A	-	1,920,797	-	-	-	1,920,797
2020A	-	1,234,350	2,155,948	-	-	3,390,298
2020C	-	594,489	-	-	-	594,489
2021A	-	3,022,853	-	-	-	3,022,853
2021 BAN	-	5,951,446	-	-	-	5,951,446
2022A	-	2,216,638	-	33,230,550	10,057	35,457,245
CP 2018 A-1 & A-2	-	-	-	1,797	-	1,797
Cash	23,916,797	-	-	-	-	23,916,797
Certificate of Deposit	100,000	-	-	-	-	100,000
Money Market Funds	1,875,103	-	-	-	-	1,875,103
Muni-Bonds	-	-	-	-	-	-
US Treasury Bills	27,376,125	-	-	-	-	27,376,125
US Treasury Agency	3,309,371	-	-	-	-	3,309,371
Corporate Commercial Paper	32,441,026	-	-	-	-	32,441,026
Total	\$ 89,018,422	\$ 32,641,406	\$ 80,455,472	\$33,232,347	\$ 10,057	\$235,357,703

Asset Description	Revenue Fund	Debt Service Fund	Debt Reserve Fund	Construction Fund	Cost of Issuance	Total
Cash	23,916,797	-	-	-	-	23,916,797
Certificate of Deposit	100,000	-	-	-	-	100,000
Money Market Funds	1,875,103	32,641,406	2,182,506	286,752	10,057	36,995,824
Muni-Bonds	-	-	36,777,355	-	-	36,777,355
US Treasury Bills	27,376,125	-	22,439,334	23,039,370	-	72,854,828
US Treasury Agency	3,309,371	-	16,620,884	-	-	19,930,255
Corporate Commercial Paper	32,441,026	-	2,435,393	9,906,225	-	44,782,644
Total	\$ 89,018,422	\$ 32,641,406	\$ 80,455,472	\$33,232,347	\$ 10,057	\$235,357,703



MONTHLY EXECUTIVE REPORT

July 31, 2022

Monthly Investment Activity

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

Table 16 - Monthly Investment Activity

Account	Transaction Type	Category	Amount
Fifth Third Securities	Redemption	Royal BK CDA Disc Commercial Paper	(5,000,000.00)
Fifth Third Securities	Redemption	Societe Generale Disc Commercial Paper	(3,220,000.00)
Fifth Third Securities	Redemption	Standard Chartered Disc Commercial Paper	(6,800,000.00)
Fifth Third Securities	Purchase	US Treasury Bill	5,266,700.20
Fifth Third Securities	Purchase	Federal Home Loan Bank	2,110,770.00
Fifth Third Securities	Purchase	Federal Home Loan Bank	1,196,664.00
Fifth Third Securities	Purchase	Royal Bank of Canada Disc Commercial Paper	4,821,020.83

MONTHLY EXECUTIVE REPORT

July 31, 2022

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 one \$10M note mature that was replaced with a new note with a rate of 1.45% and 90 day terms. In July, we issued one new \$10M note with a rate of 1.38% and a term of 91 days. In August, we have one \$10M note maturing.

The CP Construction Fund balance as of July 31st, was \$1,796.26. Outstanding CP notes are currently split 60% with JP Morgan and 40% with Bank of America.

Table 17 – 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	
4/25/2022	54658QDB7	10,000,000	1.15%	120	8/23/2022	JPM	37,808.22	New	0.46%	0.69%	
5/20/2022	54658QDC5	10,000,000	1.50%	119	9/16/2022	JPM	48,904.11	New	0.82%	0.68%	
6/24/2022	54658NDB4	10,000,000	1.37%	90	9/22/2022	BAML	33,780.82	Roll	0.98%	0.39%	
6/29/2022	54658NDC2	10,000,000	1.59%	96	10/3/2022	JPM	41,819.18	New	0.98%	0.61%	
7/7/2022	54658NDC2	10,000,000	1.38%	91	10/6/2022	BAML	34,405.48	New	0.78%	0.60%	
7/14/2022	54658NDE8	10,000,000	1.45%	90	10/12/2022	BAML	35,753.42	Roll	0.69%	0.76%	
Currently Outstanding: \$ 60,000,000							\$ 232,471				

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.

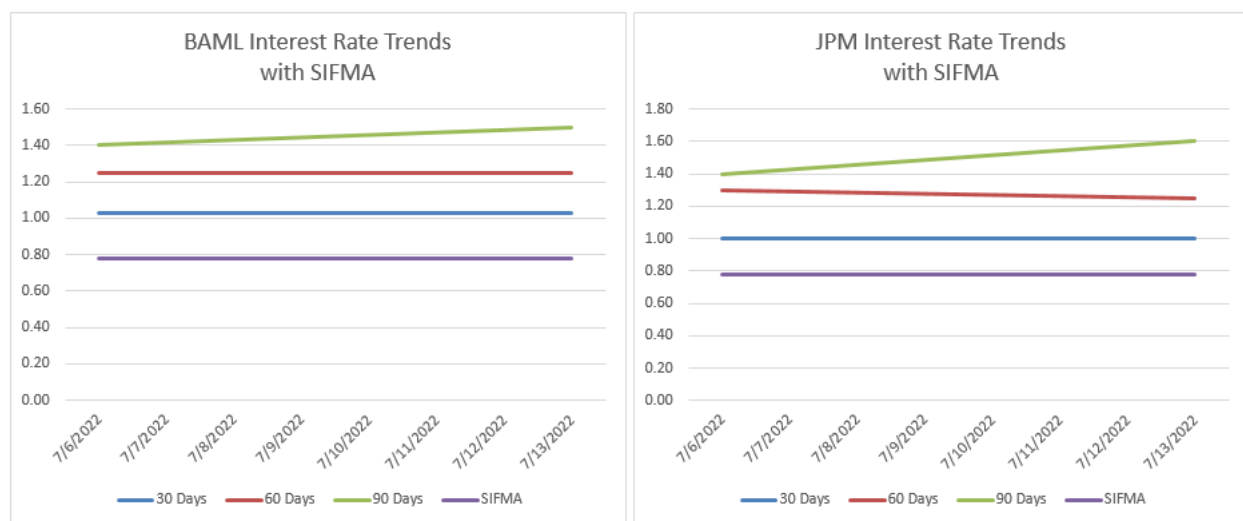


Figure 1 – BAML and JPM Interest Rate Trends

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 County 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 plus \$5M was set aside in Management Reserve to fund emergencies and other unanticipated priorities for a total approved budget ceiling of \$195.4M.

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 FY23 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 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: 1) design and site work for the new state-of-the-art biosolids processing facility and advancement of an update to the District-Wide Biosolids Management Master Plan. The 30% design for the biosolids facility is currently under review. The Phase 1 Biosolids Master Plan was reviewed and the scope for Phase 2 has been verified with staff.
- **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 and Contractor is finished the bypass channel and demolition. Work will continue for the replacement gates, existing aerated channel, and the traveling bridges. Overall construction is approximately 10-percent complete.

MONTHLY EXECUTIVE REPORT

July 31, 2022

- 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 FY3 construction will proceed for the I-64 & Grinstead area sewers, Prospect area sewers, and Western Outfall 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. The USACE continues to coordinate funding for the reliability program. Work is progressing for the Canal Street Floodwall and the Paddy’s Run FPS Capacity Improvement Project. MSD has received the 30% design submittal for Paddy’s Run. Staff continue to coordinate with LG&E regarding the Canal Street Floodwall project and have identified additional work that is required to relocate the floodwall including archeological services.

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

FY23 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 FY23 budget included \$5M 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 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 July 31, 2022, the Performance Budget Target is \$191.8M.

FY23 capital expenditures for the Wastewater, Stormwater, and Support Services Programs totaled \$1.4M through July 2022. This spend represents approximately 0.7% the \$195.4M FY23 capital budget and 0.7% of the budget performance target.

Supply chain and contractor/consultant manpower challenges due to the pandemic are still – and will continue to impact progress of many projects. Additionally, global inflation rates are influencing manufacturing, bidding and delivery of materials. Shortages of key construction materials including steel, PVC pipe, and roofing materials continue to cause schedule delays. Contractors are giving their best guess at lead times but these times are rarely met. Extensive delays with electrical equipment are being experienced. Personnel challenges, such as a shortage of CDL drivers is also creating issues on the job sites and in the engineering offices. Global shortages of semiconductors is impacting the delivery of budgeted vehicles and other machinery.

Table 18 - Capital Budget Performance Summary

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 Actuals	\$1.4M	0.7 % of Budget Ceiling

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

MONTHLY EXECUTIVE REPORT

July 31, 2022

A breakdown of the monthly spend forecast as compared to actual spending will be presented in Table 19 next month. Capital expense reflects total capital invoices received against purchase orders in the month.

Table 19 – FY23 Evolving Spend Forecast and Actuals

FY23	Monthly Baseline Performance Target	Monthly Actuals
July 2022		\$ 1.4M
August 2022		
September 2022		
October 2022		
November 2022		
January 2022		
January 2023		
February 2023		
March 2023		
April 2023		
May 2023		
June 2023		
FY23 Performance Budget Target	\$ 190.4M	\$ 1.4M

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 delivery have been impacted by the following:

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
- General impacts of COVID have delayed some projects

Third-Party Coordination Impacts

- Obtaining easements and stakeholder approval have resulted in delays for some projects
- Lack of bidders/bidder interest has reduced the number of respondents for some procurements
- Contractor learning curve to understand and properly comply with Supplier Diversity requirements is requiring some projects to be re-bid.

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.

MONTHLY EXECUTIVE REPORT

July 31, 2022

- **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 20.

Table 20 – Summary of Active Non-Appropriation Projects During Reporting Month

Current Project Activity	# of Projects	Lifetime Actuals	FY23 Budget	FY23 Actuals
Initiation & Procurement	50	\$ 686,850	\$ 18,066,005	\$(2,650)
Design	50	\$ 19,422,127	\$ 56,493,966	\$ 256,573
Construction	39	\$ 149,542,574	\$ 66,237,572	\$412,867
Studies	13	\$ 4,240,835	\$ 4,182,583	\$13,447
TOTAL	152	\$ 173,892,387	\$ 144,980,126	\$680,238

Emergency Contracts to Repair Infrastructure Damage

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

Details of the emergency contract work for FY23 through the current reporting period are included in the table below. The table includes project started in FY22 that have yet to be completed. 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 G22001. Projects more complex or requiring more time for completion are assigned a new budget ID.

Table 21 – Year-to-Date Active Emergency Contract Work

Emergency	Funding Source	Date Began	Contractor	Emergency Certificate Amount
MFWQTC LG Dryer Replacements	D20285	1/1/2020	Judy Construction	\$69,668,264
DRG Aeration Basin Sluice Gate Project	G22001	9/22/2021	Pace Contracting, LLC	\$153,000
CMF Remediation		11/11/2021	Brownfields Environmental Consulting	\$150,000
Beargrass Pump #3, Bearing Replacement		1/11/2022	Derby City Pump & Valve Service, Inc.	\$150,000
Bar Screen Repair at the SWPS		1/28/2022	EZ Construction Company	\$75,000
MFWQTC FEPS N Integral Substation Repl.	G22064	3/5/2021	CE Power	\$550,000

MONTHLY EXECUTIVE REPORT
July 31, 2022

Emergency	Funding Source	Date Began	Contractor	Emergency Certificate Amount
SGC Gates Replacement – Design	H22022	7/1/2021	AECOM	\$300,000
SGC Gates Replacement – Construction	H22022	TBD	TBD	\$2,000,000
SGC Gate 2 & 3 Temp Repairs	H22022	12/6/2021	Derby City Pump & Valve Service, Inc.	\$50,000
15 th Street Sewer Repair	A22183	3/7/2022	TRC, LLE (WBE)	\$500,000
W. Broadway Sewer Repair	H21047	6/22/2022	Ulliman Schutte	\$2,000,000
34 th Street CSO	G23029	6/30/2022	Temple and Temple	\$1,500,000
26 th and Bank Street	G23001	7/21/2022	Seven Seas Construction	\$50,000

Projects Removed from Cashflow

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

Table 22 – Projects Removed from Cashflow Forecast

No projects have been removed from the cashflow as of July 31, 2022.

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.

Table 23 – Major CIP Projects in Design

Budget ID & Project Name	Design Finish	Current Project Estimate at Completion	FY23 Budget	Lifetime Actuals	FY23 Spending Projection	Project Outlook
D22100 MFWQTC Thermo-hydrolysis	8/7/2023	\$198M	\$8.5M	\$5.6M	\$6.9M	30% design submitted
F18515 Paddy's Run FPS Capacity Upgrade	9/21/2023	\$123.7M	\$7.7M	\$2.3M	\$7.7M	30% design submitted
F16004 Canal Street Floodwall	7/19/2022	\$7.5M	\$5.7M	\$0.4M	\$5.7M	Project in procurement
G21225 MFWQTC & CMF Facility Guard Building	10/21/2021	\$6.3M	\$5.1M	\$0.3M	\$5.6M	Project in procurement

MONTHLY EXECUTIVE REPORT

July 31, 2022

Table 24 – 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	\$41.5M	\$15.0M	\$8.3M	\$11.7M	.
H21019 Rudd Ave Sewer Infrastructure Rehabilitation	1/23/2023	\$14.4M	\$8.2M	\$5.6M	\$7.6M	
D20285 MFWQTC LG Dryer Replacements	1/6/2023	\$70.6M	\$7.0M	\$67.1M	\$3.6M	
H22022 SGC Gate Replacements	7/31/2023	\$9.0M	\$5.6M	\$0.4M	\$5.9M	

CIP MANAGEMENT TEAM MEETING HIGHLIGHTS

MSD did not hold a CIP Management Team Meeting during July 2022 in order to provide staff time to coordinate financial closeout and FY 23 budget upload.

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 25 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 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.
- **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.

MONTHLY EXECUTIVE REPORT July 31, 2022

Table 25 – Notice of Advise ment Log for Reporting Month

ID	Project Name	Advise ment Category	Impact in FY Budget	Status
432	2314 Fallsview Road Bank Repair	New Project	\$150,000	Approved
433	4328 N Foeburn Lane bank Repair	New Project	\$150,000	Approved
434	Dixie Highway Flood Vault Foundation	New Project	\$70,000	Approved
435	Dingle Dell Road DIP	New Project	\$200,000	Approved
436	2530 Parkwood Road Bank Repair	New Project	\$250,000	Approved
437	4034 St Germaine Court DIP	New Project	\$90,000	Approved
438	Maple St Land Use	Budget, Schedule, Project Status	\$70,620	Approved
439	Floyds Fork Interceptor	Schedule Impact	---	Approved
440	FY23 BC BHWQTC Screening	New Project	\$120,000	Approved
441	MFWQTC Groundwater Wells Assistance	EAC, Budget, Schedule	\$90,000	Approved
442	CR Phone Migration	Budget, Schedule	\$163,000	Approved
443	GIS Equipment Replacement	EAC, Budget	\$9,000	Approved
444	I&I Rehabilitation and PSC Support	New Project	\$400,000	Approved
445	Admiral PS Foundation Repair	Project Name Change	---	Approved
446	PSC Program Support	EAC, Budget	\$100,000	Approved
447	645 Emily Road	New Project	\$70,000	Approved
448	Odor Management Plan	Budget	\$109,604	Approved
449	Bigwood PS Elimination	Budget Construction Advancement	\$450,000	Approved
450	34 th St CSO Emergency Project	New Project	\$400,000	Approved
451	3000 Dunraven Road DIP	New Project	\$70,000	Approved
452	Ohio River Service Area Lift Station	Schedule	---	Approved

PROCUREMENT ACTIVITIES

A forecast of the upcoming procurement activities for the next 90 days is presented in Table 26. The bid dates represent anticipated times and may be adjusted depending upon project conditions.

Table 26 – Potential Upcoming Procurement Projects

Budget ID	Project Name	Anticipated Advertising Date
W21006	OC Ash Avenue Interceptor	8/1/2022
F16004	Canal Street Floodwall	8/19/2022
D21247	MFWQTC MEB HVAC Replacement	8/26/2022
D22209	DRG Centrifuge Maintenance Platforms	9/1/2022
D22187	FFWQTC Tertiary Treatment Bldgs Roof Replacement	9/11/2022
H23049	WQTC Loadcenter Rehab	9/14/2022

MONTHLY EXECUTIVE REPORT
July 31, 2022

Budget ID	Project Name	Anticipated Advertising Date
H23050	WQTC Regional Lab Upgrade	9/14/2022
D18132	DRGWQTC WWPS WW Screen Bldg HVAC	9/15/2022
H22014	MFWQTC Groundwater Dewatering System Automation	9/20/2022
D20012	SGC RTC Enhancements	10/1/2022
H09182	Monticello PS Elimination	10/1/2022
E21066	Pirogue Court Pump Station Elimination	10/7/2022
E21062	Modesto Pump Station Elimination	10/14/2022
D22098	CCWQTC Re-rating to 9 MGD	10/26/2022
E15035	Lake Forest Pump Station Eliminations	10/30/2022

Bid Openings

Bids opened during the reporting month are shown below.

Table 27 – Bids opened during Reporting Month

Budget ID	Project Name	Bid Opening	Engineer's Estimate	Bid Award
D22122	MFWQTC MEB Boiler Replacement	6/1/2022	\$1,266,000	\$811,149
D21242	DRGWQTC Lab Upgrade	6/14/2022	\$593,144	\$787,478
H22018	CCWQTC Sludge Storage Tank	7/19/2022	\$2,684,000	\$2,780,000
D22175	HCWQTC Spare Parts Pole Barn	7/21/2022	\$132,170	\$100,000
H22038	Sneads Branch Pump Replacement	7/26/2022	\$1,161,994	\$1,793,000
Y22140	Bigwood PS Elimination	7/26/2022	\$560,000	TBD

Construction - Notice to Proceeds (NTP) Issued

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

Table 28 – NTP's Issued during Reporting Month

Budget ID	Project Name	NTP Date
n/a		

END OF REPORT