

Monthly Executive Report

Financial & Capital Program Updates

As of October 31, 2022



MONTHLY EXECUTIVE REPORT

October 31, 2022

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 October 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 the table below. More detailed information is presented throughout this report.

Summary of FY23 Capital Program Performance To-date

Key Programs and Initiatives	Status as of October 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	There was an emergency project in October to repair a clarifier drain line at the ProLogis treatment facility (\$250k estimate) and a failed sewer line at 13505 Tennis Blvd (\$75k estimate)
Cashflow Performance*	Budget Performance Target is \$191.8M as of October 31, 2022.
Change Management Notice of Advisements (NOAs)	Thirteen (13) NOAs were processed this month in the following advisement categories: Four (4) EAC changes, Five (5) new projects, Five (5) budget impacts, Two (2) schedule impacts, One (1) Construction Advancement and one (1) scope 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 October 2022
- Customer Statistics
- Employee Headcount
- Cash Balances
- Investment Summary
- Commercial Paper Program Summary

OCTOBER FINANCIAL SUMMARY

Financial Highlights for the month of October 2022

- Total operating revenues were \$202 thousand favorable to budget
- Service and administrative expenses were \$670 thousand favorable to budget

Results of Operations for the month of October 2022

Total operating revenues were \$202 thousand favorable to budget and \$1.4 million more than October 2021. Wastewater service charges were \$589 thousand favorable to budget and \$1.2 million more than October 2021. Drainage service charges were \$420 thousand unfavorable to budget and \$625 thousand more than October 2021. Other operating revenues were \$33 thousand favorable to budget and \$420 thousand less than October 2021. Year to date, total operating revenues were \$5.7 million favorable to budget (wastewater service charges \$3.9 million, drainage service charges \$663 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 \$3.9 million budget variance, primarily due to higher billed volume charges.

Service and administrative expenses were \$670 thousand favorable to budget and \$272 thousand more than October 2021. Year to date, service and administrative expenses were \$5.6 million favorable to budget. Salaries and Labor Related Overhead account for \$2.7 million of the savings to budget. Professional Services and Contract Services make up the remainder of the budget variance.

Depreciation and amortization expenses were \$374 thousand unfavorable to budget and \$855 thousand more than October 2021. Year to date, depreciation and amortization expenses were \$1.5 million unfavorable to budget.

Investment income was \$225 thousand favorable to budget and \$589 thousand more than October 2021. Year to date, investment income was \$130 thousand favorable to budget.

Interest expense was \$50 thousand favorable to budget and \$479 thousand more than October 2021. Year to date, interest expense was \$3.4 million favorable to budget. Interest expense savings are being driven by lower swap payments.

Statement of Cash Flows

Cash and cash equivalents increased \$13.1 million in October. Net cash provided by operating activities increased \$25.7 million. Net cash used by capital-related financing activities was \$12.8 million. Net cash used in investing activities was \$243 thousand.

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FINANCIAL STATEMENTS – FY23

Comparative Statement of Net Position

Louisville & Jefferson County Metropolitan Sewer District Monthly Comparative Statement of Net Position				
	YTD Oct-2022	YTD Oct-2021	Variance	Percent
Current Assets				
Unrestricted Cash & Cash Equivalents	\$128,294,775	\$106,912,184	\$21,382,591	20.00%
Sewer & Drainage Receivable	29,368,663	28,437,687	930,976	3.27%
Assessment Warrants Receivable	167,217	138,586	28,630	20.66%
Miscellaneous Receivables	(1,325,835)	(2,561,030)	1,235,195	-48.23%
Inventories	5,496,199	5,255,003	241,196	4.59%
Prepaid Expenses	7,283,317	7,142,144	141,173	1.98%
Restricted Funds	162,287,585	140,407,309	21,880,276	15.58%
Accrued Interest Receivable	340,553	231,208	109,345	47.29%
Total Current Assets	331,912,474	285,963,091	45,949,382	16.07%
Non-Current Assets				
Utility Plant in Service	4,731,415,686	4,303,698,348	427,717,338	9.94%
Accumulated Depreciation	(1,604,449,431)	(1,498,400,152)	(106,049,279)	7.08%
Construction in Progress	462,250,198	659,442,341	(197,192,143)	-29.90%
Net Fixed Assets	3,589,216,453	3,464,740,538	124,475,916	3.59%
Non-Current Receivables	21,962,904	25,707,087	(3,744,184)	-14.56%
Total Assets	3,943,091,831	3,776,410,716	166,681,115	4.41%
Total Deferred Outflow of Resources	70,840,506	83,310,517	(12,470,011)	-14.97%
Total Assets & Deferred Outflow of Resources	4,013,932,337	3,859,721,234	154,211,104	4.00%
Current Liabilities				
Miscellaneous Accounts Payable	8,083,472	8,273,603	(190,131)	-2.30%
Accounts Payable - Construction	7,633,064	3,129,743	4,503,321	143.89%
Contract Retainage	5,122,631	12,183,326	(7,060,695)	-57.95%
Accrued Interest Payable	42,831,914	41,881,495	950,418	2.27%
Current Maturities of Bonds Payable	52,880,000	51,230,000	1,650,000	3.22%
Current Maturities of Subordinate Debt	1,604,226	1,867,099	(262,873)	-14.08%
Deposits Payable	2,064,937	3,709,975	(1,645,038)	-44.34%
Accrued Salaries & Wages	1,957,342	1,486,038	471,304	31.72%
Accrued Workers' Comp Insurance	1,767,997	2,652,990	(884,993)	-33.36%
Employee Comp Absences Payable	4,122,139	4,094,670	27,469	0.67%
Total Current Liabilities	128,067,721	130,508,938	(2,441,217)	-1.87%
Non-Current Liabilities				
Long-Term Senior Debt Payable	2,228,405,000	2,056,535,000	171,870,000	8.36%
Long-Term Subordinate Debt Payable	366,497,203	465,208,663	(98,711,460)	-21.22%
Other Long-Term Liability	285,195,695	249,895,797	35,299,898	14.13%
Total Non-Current Liabilities	2,880,097,898	2,771,639,459	108,458,438	3.91%
Total Liabilities	3,008,165,618	2,902,148,397	106,017,221	3.65%
Total Deferred Inflow of Resources	55,053,855	10,119,835	44,934,020	444.02%
Total Liabilities & Deferred Inflow of Resources	3,063,219,474	2,912,268,233	150,951,241	5.18%
Net Position	950,457,641	872,716,167	77,741,474	8.91%
Total Liabilities, Deferred Inflow of Resources and Net Position	4,013,677,115	3,784,984,400	228,692,715	6.04%

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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							
October 31, 2022							
	YTD	YTD	YTD	% YTD	YTD	YTD	% YTD
	Actual	Budget	Variance	Variance	Prior Year	Variance	Variance
Wastewater Charges							
Residential	\$ 56,828,385	\$ 56,353,628	\$ 474,757	0.8%	\$ 53,059,065	\$ 3,769,321	7.1%
Commercial	32,856,649	29,999,334	2,857,315	9.5%	29,438,613	3,418,036	11.6%
Industrial	8,566,344	8,173,730	392,614	4.8%	7,837,661	728,682	9.3%
Other Wastewater	4,415,156	3,220,898	1,194,258	37.1%	3,394,029	1,021,126	30.1%
Free Wastewater Charges	(2,925,550)	(1,914,334)	(1,011,217)	52.8%	(2,339,672)	(585,878)	25.0%
Total Wastewater Charges	99,740,983	95,833,256	3,907,727	4.1%	91,389,696	8,351,287	9.1%
Drainage							
Residential	11,380,505	10,979,243	401,262	3.7%	10,357,389	1,023,116	9.9%
Commercial	17,289,687	17,161,129	128,558	0.7%	15,967,716	1,321,971	8.3%
Industrial	2,054,021	1,966,349	87,672	4.5%	1,854,976	199,045	10.7%
Other Stormwater	1,417,591	1,290,976	126,615	9.8%	1,206,079	211,512	17.5%
Free Stormwater Charges	(968,335)	(888,056)	(80,278)	9.0%	(900,519)	(67,816)	7.5%
Total Drainage Charges	31,173,470	30,509,641	663,829	2.2%	28,485,641	2,687,829	9.4%
Total Service Charges	130,914,453	126,342,897	4,571,556	3.6%	119,875,337	11,039,116	9.2%
Other Operating Income	2,663,500	1,495,160	1,168,340	78.1%	2,528,293	135,207	5.3%
Total Operating Revenue	133,577,953	127,838,057	5,739,896	4.5%	122,403,630	11,174,323	9.1%
Operating Expenses							
Salaries & Wages	18,645,028	20,522,290	(1,877,262)	-9.1%	17,399,523	1,245,505	7.2%
Labor Related Overhead	8,719,619	9,569,472	(849,853)	-8.9%	8,378,584	341,035	4.1%
Utilities	5,960,007	5,478,756	481,251	8.8%	4,790,445	1,169,562	24.4%
Materials & Supplies	3,022,196	2,972,169	50,027	1.7%	2,328,155	694,041	29.8%
Contractual Services	10,008,257	12,591,904	(2,583,647)	-20.5%	12,095,985	(2,087,728)	-17.3%
Chemicals	2,065,054	3,084,973	(1,019,919)	-33.1%	1,942,043	123,011	6.3%
Fuel	622,740	742,369	(119,629)	-16.1%	458,752	163,988	35.7%
Insurance Premiums & Claims	2,462,283	2,092,482	369,801	17.7%	1,906,856	555,427	29.1%
Bad Debt	1,369,608	1,178,436	191,172	16.2%	1,542,944	(173,336)	-11.2%
Other Operating Expense	686,421	942,390	(255,969)	-27.2%	493,105	193,315	39.2%
Mapping/Insurance Recovery	-	-	-	0.0%	-	0	0.0%
Capitalized Overhead	(13,064,257)	(14,202,057)	1,137,801	-8.0%	(12,576,488)	(487,769)	3.9%
Capital Expenses (over)/under applied							
Net Service and Administrative Costs	40,496,957	44,973,183	(4,476,227)	-10.0%	38,759,905	1,737,052	4.5%
Depreciation	36,106,651	34,486,668	1,619,983	4.7%	32,715,615	3,391,036	10.4%
Amortization	523,110	598,655	(75,544)	-12.6%	380,876	142,235	37.3%
Total Depreciation/Amortization	36,629,761	35,085,323	1,544,438	4.4%	33,096,490	3,533,271	10.7%
Total Operating Expenses	77,126,718	80,058,506	(2,931,788)	-3.7%	71,856,395	5,270,323	7.3%
Net Operating Income	56,451,235	47,779,551	8,671,684	18.1%	50,547,235	5,904,000	11.7%
Non-Operating Revenue (Expenses)							
Gain/Loss Disposal of Assets	(737,011)	400	(737,411)	-184352.7%	74,983	(811,994)	-1082.9%
Investment Income	3,971,432	3,841,600	129,832	3.4%	3,388,994	582,438	17.2%
Interest Expense	(29,948,032)	(33,348,799)	3,400,767	-10.2%	(32,026,823)	2,078,792	-6.5%
Total Non-Operating Revenue (Expenses)	(26,713,610)	(29,506,799)	2,793,188	-9.5%	(28,562,847)	1,849,236	-6.5%
Contributions	1,066,715.48	-	1,066,715	0.0%	91,519	(975,197)	1065.6%
Change in Net Position Before Swaps	30,804,341	18,272,752	12,531,588	68.6%	22,075,907	(8,728,434)	39.5%
Change in Fair Value of Swaps	(3,123,298)	-	(3,123,298)	0.0%	(2,874,642)	248,656	8.6%
Change in Net Position After Swaps	\$ 27,681,043	\$ 18,272,752	\$ 9,408,290	51.5%	\$ 19,201,265	\$ (8,479,778)	44.2%

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Statement of Cash Flows

Louisville and Jefferson County Metropolitan Sewer District Statement of Cash Flows For the Month Ended, October 31, 2022		
	FY 2023 YTD	FY 2022 YTD
Cash Flows from Operating Activities		
Cash received from customers	\$ 131,741,749	\$ 122,005,844
Cash paid to suppliers	(28,172,592)	(32,626,953)
Cash paid to employees	(21,356,847)	(19,946,972)
Net Cash Provided by Operating Activities	82,212,310	69,431,919
Cash Flows from Capital and Related Financing Activities		
Proceeds from issuance of revenue bonds	-	-
Proceeds from issuance of bond anticipation note	229,468,019	232,924,231
Proceeds from issuance of commercial paper	130,000,000	160,000,000
Proceeds from issuance of notes	-	-
Proceeds from issuance of other subordinated debt	-	-
Payments for retirement of revenue bonds	-	(3,577,297)
Payments for retirement of bond anticipation note	(226,340,000)	(226,340,000)
Payments for retirement of commercial paper	(90,000,000)	(115,000,000)
Payments for retirement of notes	-	-
Payments for retirement of other subordinated debt	(1,011,671)	(385,000)
Payments for interest expense	(8,239,555)	(12,153,917)
Payments for interest on swaps	(2,060,475)	(3,469,210)
Build America bond interest subsidy	3,662,050	3,463,802
Proceeds from capital grants	-	-
Proceeds from sale of capital assets	(737,011)	74,983
Payments for capital assets	(59,499,599)	(69,382,899)
Proceeds from assessments	298,238	478,269
Net Cash Provided (Used) by Capital and Related Financing	(24,460,004)	(33,367,038)
Cash Flows from Investing Activities		
Purchase of investments	(37,464,371)	(56,044,153)
Maturity of investments	22,209,531	20,003,794
Investment income	(1,782,899)	337,547
Net Cash Provided (Used) by Investing Activities	(17,037,739)	(35,702,812)
Net Increase (Decrease) in Cash and Cash Equivalents	40,714,567	362,069
Cash and Cash Equivalents, Beginning of Year	71,854,355	101,985,796
Cash and Cash Equivalents, End of Year	\$ 112,568,922	\$ 102,347,865
Reconciliation of Operating Income to Net Cash provided by Operating Activities		
Income from operations	\$ 56,451,235	\$ 50,547,235
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	36,629,761	33,096,490
Accounts receivable	(1,981,038)	(1,351,144)
Inventories	(233,919)	(168,916)
Prepaid expense	(4,334,245)	(966,616)
Accounts payable	(1,723,749)	(10,137,912)
Customer deposits	144,834	953,358
Accrued liabilities	(2,740,569)	(2,520,576)
Pension liability	-	-
OPEB liability	-	-
Net Cash Provided by Operating Activities	\$ 82,212,310	\$ 69,431,919
Non-Cash Capital Financing and Investing Activities		
Contribution of plant, lines and other facilities by developers and property owners	\$ -	\$ -
Construction costs in accounts payable	12,755,695	15,313,069
Change in fair value of investments	795,002	451,817
Decrease in interest rate swap deferred revenue	(165,650)	(165,650)
Change in fair value - swap agreements	(3,123,298)	2,874,642
Bonds issued for refunding of debt	-	246,555,000

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Actual vs. Budget Operating and Maintenance Expenses

Louisville & Jefferson County Metropolitan Sewer District Operating and Maintenance Expenses October 31, 2022							
	YTD Actual	YTD Budget	YTD Variance	% YTD Variance	YTD Prior Year	YTD Variance	% YTD Variance
Salaries & Wages							
51120 - Regular Salaries & Wages	\$ 15,679,196	\$ 19,650,958	\$ (3,971,761)	-20.2%	\$ 14,678,587	\$ 1,000,609	6.8%
51130 - Overtime	860,884	740,402	120,482	16.3%	699,510	161,374	23.1%
51135 - Special Event Compensation	47,250	121,408	(74,158)	-61.1%	45,780	1,470	3.2%
51140 - Wages pd for vacation, holidays & other	2,039,314	0	2,039,314	0.0%	1,950,494	88,820	4.6%
51145 - Incentive Pay - Performance, ERT, Sugg	12,334	0	12,334	0.0%	18,477	(6,143)	-33.2%
51147 - Service & Safety Incentive Awards	6,050	9,523	(3,473)	-36.5%	6,675	(625)	-9.4%
Total Salaries & Wages	18,645,028	20,522,290	(1,877,262)	-9.1%	17,399,523	1,245,505	7.2%
Labor & Related Overhead							
51210 - Short-Term Disability	80,790	0	80,790	0.0%	146,630	(65,840)	-44.9%
51220 - Workers' Compensation Insurance	47,192	108,336	(61,144)	-56.4%	86,092	(38,900)	-45.2%
51225 - Workers' Compensation Claims	217,489	393,019	(175,530)	-44.7%	186,614	30,875	16.5%
51230 - Long-Term Disability	(14,245)	16,800	(31,045)	-184.8%	(18,017)	3,772	-20.9%
51240 - Group Life - AD&D Insurance	16,167	13,200	2,967	22.5%	40,760	(24,593)	-60.3%
51250 - Tuition Assistance	(16,871)	26,664	(43,535)	-163.3%	20,020	(36,890)	-184.3%
51260 - Empl Assistance & Wellness Program	1,246	4,668	(3,422)	-73.3%	0	1,246	0.0%
51300 - Payroll Taxes	1,319,850	1,474,359	(154,509)	-10.5%	1,084,064	235,786	21.8%
51400 - Unemployment Insurance	0	10,879	(10,879)	0.0%	(35,776)	35,776	0.0%
51500 - Med Ins: MSD's port. of prem for grp	2,341,927	2,525,052	(183,125)	-7.3%	2,151,588	190,340	8.8%
51600 - Retirement Contributions	4,726,073	4,996,495	(270,422)	-5.4%	4,716,610	9,463	0.2%
Total Labor & Related Overhead	8,719,619	9,569,472	(849,853)	-8.9%	8,378,584	341,035	4.1%
Utilities							
53310 - Electric	4,373,739	4,106,940	266,799	6.5%	3,821,737	552,002	14.4%
53320 - Natural Gas	418,155	330,311	87,844	26.6%	76,186	341,968	448.9%
53330 - Water	709,229	481,172	228,058	47.4%	458,877	250,352	54.6%
53340 - Telephone	110,167	104,333	5,834	5.6%	82,199	27,968	34.0%
53345 - Data Communications	348,717	456,000	(107,283)	-23.5%	351,445	(107,283)	-8.8%
Total Utilities	5,960,007	5,478,756	481,251	8.8%	4,790,445	1,065,007	24.4%
Materials & Supplies							
53100 - Tires & Tire Service Expense	114,065	113,799	266	0.2%	0	114,065	0.0%
53140 - Materials & Supplies	2,712,130	2,732,370	(20,240)	-0.7%	2,098,959	613,171	29.2%
53150 - Inventory Adjustments	105,051	0	105,051	0.0%	0	105,051	0.0%
53160 - Landfill Cost of fill dirt	90,949	126,000	(35,051)	-27.8%	229,196	(138,247)	-60.3%
Total Materials & Supplies	3,022,196	2,972,169	50,027	1.7%	2,328,155	694,041	29.8%
Contractual Services							
51700 - Uniforms	70,591	100,650	(30,058)	-29.9%	67,341	3,250	4.8%
52110 - Billing & Collection	2,287,562	2,245,868	41,694	1.9%	2,085,093	202,469	9.7%
52130 - Custodial & Watchmen	246,402	285,868	(39,466)	-13.8%	211,418	34,984	16.5%
52140 - Professional Services	599,430	1,495,088	(895,659)	-59.9%	713,596	(114,166)	-16.0%
52145 - Legal	123,189	423,547	(300,358)	-70.9%	162,211	(39,022)	-24.1%
52155 - Banking Services	21,312	22,700	(1,388)	-6.1%	14,692	6,619	45.1%
52160 - Maintenance & Repairs	1,737,050	2,114,203	(377,152)	-17.8%	1,772,644	(35,594)	-2.0%
52170 - Sludge & Grit Disposal	990,092	995,591	(5,499)	-0.6%	2,079,624	(1,089,532)	-52.4%
52180 - Temporary Services	24,862	84,950	(60,088)	-70.7%	68,793	(43,930)	-63.9%
52195 - Other Contractual Services	3,907,766	4,823,439	(915,673)	-19.0%	4,920,572	(1,012,805)	-20.6%
Total Contractual Services	10,008,257	12,591,904	(2,583,647)	-20.5%	12,095,985	(2,087,728)	-17.3%
Bad Debt							
54200 - Bad Debts	1,269,608	1,178,436	91,172	7.7%	1,342,944	(73,336)	-5.5%
54210 - Bad Debt - Assessments	100,000	0	100,000	0.0%	200,000	(100,000)	-50.0%
Total Bad Debt	1,369,608	1,178,436	191,172	16.2%	1,542,944	(173,336)	-11.2%
Chemicals							
53205 - Peracetic Acid	0	66,667	(66,667)	0.0%	0	0	0.0%
53210 - Chlorine	0	3,150	(3,150)	0.0%	0	0	0.0%
53215 - Sodium Hypochlorite	589,471	751,369	(161,897)	-21.5%	267,361	322,110	120.5%
53220 - Polymer	868,740	1,300,563	(431,822)	-33.2%	924,962	(56,222)	-6.1%
53225 - Sodium Aluminate	41,713	143,744	(102,031)	-71.0%	49,407	(7,694)	-15.6%
53230 - Liquid Oxygen	68,569	109,505	(40,936)	-37.4%	83,980	(15,411)	-18.4%
53235 - Liquid Nitrogen	5,607	29,528	(23,921)	-81.0%	0	5,607	0.0%
53240 - Other Chemicals	3,457	17,702	(14,245)	-80.5%	29,836	(26,379)	-88.4%
53250 - Dechlorination	108,864	249,257	(140,393)	-56.3%	125,331	(16,466)	-13.1%
53275 - Defoamer	0	13,238	(13,238)	0.0%	0	0	0.0%
53280 - Biocide	378,632	400,000	(21,368)	-5.3%	461,166	(82,534)	-17.9%
53285 - Sodium Hydroxide	0	250	(250)	0.0%	0	0	0.0%
Total Chemicals	2,065,054	3,084,973	(1,019,919)	-33.1%	1,942,043	123,011	6.3%
Fuel							
53120 - Gasoline	254,700	300,000	(45,300)	-15.1%	199,825	54,875	27.5%
53130 - Diesel Fuel	368,040	442,369	(74,329)	-16.8%	258,927	109,113	42.1%
Total Fuel	622,740	742,369	(119,629)	-16.1%	458,752	163,988	35.7%
Insurance Premiums & Claims							
54110 - General Liability Insurance	1,396,717	1,230,756	165,961	13.5%	1,039,770	356,947	34.3%
54130 - Property Insurance	736,822	675,976	60,846	9.0%	675,977	60,845	9.0%
54140 - General Liability Claims	328,744	185,750	142,994	77.0%	191,109	137,636	72.0%
Total Insurance Premiums & Claims	2,462,283	2,092,482	369,801	17.7%	1,906,856	555,427	29.1%
Other Operating Expense							
53410 - Equipment Rental	125,951	69,609	56,342	80.9%	95,278	30,672	32.2%
53420 - Space Rent	10,000	10,000	0	0.0%	10,000	0	0.0%
53430 - Leased Parking	20,656	26,513	(5,857)	-22.1%	1,350	19,306	1430.1%
54250 - Contributions	164,269	202,917	(38,648)	-19.0%	151,000	13,269	8.8%
54300 - Fines, Penalties & Damages	0	0	0	0.0%	4,399	(4,399)	0.0%
54400 - Advertising	9,122	60,703	(51,581)	-85.0%	10,115	(994)	-9.8%
54500 - Travel & Meetings	89,242	200,124	(110,881)	-55.4%	15,520	73,723	475.0%
54550 - Training	49,560	215,315	(165,755)	-77.0%	40,471	9,090	22.5%
54600 - Dues, Fees and Subscriptions	213,027	152,409	60,618	39.8%	163,053	49,975	30.6%
54700 - Board Members	2,125	4,800	(2,675)	-55.7%	3,200	(1,075)	-33.6%
54725 - Bond Closing Cost	0	0	0	0.0%	0	0	0.0%
55555 - Over/under payments	2,469	0	2,469	0.0%	(1,280)	3,749	-292.9%
Total Other Operating Expense	686,421	942,390	(255,969)	-27.2%	493,105	193,315	39.2%
Grand Total	53,561,214	59,175,241	(5,614,027)	-9.5%	51,336,393	2,120,266	4.3%

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SUPPLEMENTAL FINANCIAL REPORTING

Revenue by Customer Class

	Number of Customers		Revenue by Customer Class		Budget By Customer Class	
	Oct-2022	Oct-2021	Oct-2022	Oct-2021	Oct-2022	Oct-2021
Wastewater						
Residential	235,605	230,408	14,079,538	13,788,290	14,240,035	13,312,427
Commercial	21,952	21,629	7,642,646	6,686,508	6,695,278	6,315,799
Industrial	394	392	1,848,553	1,902,442	2,043,059	2,075,283
Sub-Total	257,951	252,429	23,570,737	22,377,240	22,978,372	21,703,509
Drainage						
Residential	209,506	208,671	3,011,145	2,904,464	3,078,847	2,890,878
Commercial	14,014	14,058	4,454,170	4,014,954	4,840,440	3,892,970
Industrial	277	269	534,010	459,184	486,753	447,236
Sub-Total	223,797	222,998	7,999,325	7,378,602	8,406,040	7,231,085
Grand Total			\$ 31,570,062	\$ 29,755,842	\$ 31,384,412	\$ 28,934,593

*October 2022 includes acquired Bullitt County Sanitation District customers.

Wastewater Revenue by County

	Number of Customers		Revenue by Customer Class		Budget by Customer Class	
	Oct-2022	Oct-2021	Oct-2022	Oct-2021	Oct-2022	Oct-2021
Jefferson County						
Residential	224,231	224,040	13,310,434	13,207,183	13,473,523	12,810,427
Commercial	21,515	21,474	7,474,201	6,629,282	6,558,615	6,263,199
Industrial	392	391	1,846,802	1,902,352	2,040,613	2,075,193
Sub-Total	246,138	245,905	22,631,438	21,738,817	22,072,751	21,148,819
Bullitt County						
Residential	4,535	0	240,700	-	239,492	-
Commercial	163	0	110,719	-	86,870	-
Industrial	1	0	1,661	-	2,356	-
Sub-Total	4,699	0	353,080	-	328,718	-
Oldham County						
Residential	6,839	6,368	528,404	581,107	527,020	502,000
Commercial	274	155	57,725	57,226	49,793	52,600
Industrial	1	1	90	90	90	90
Sub-Total	7,114	6,524	586,219	638,423	576,903	554,690
Grand Total			\$ 23,570,737	\$ 22,377,240	\$ 22,978,372	\$ 21,703,509

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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 October 31, 2022.

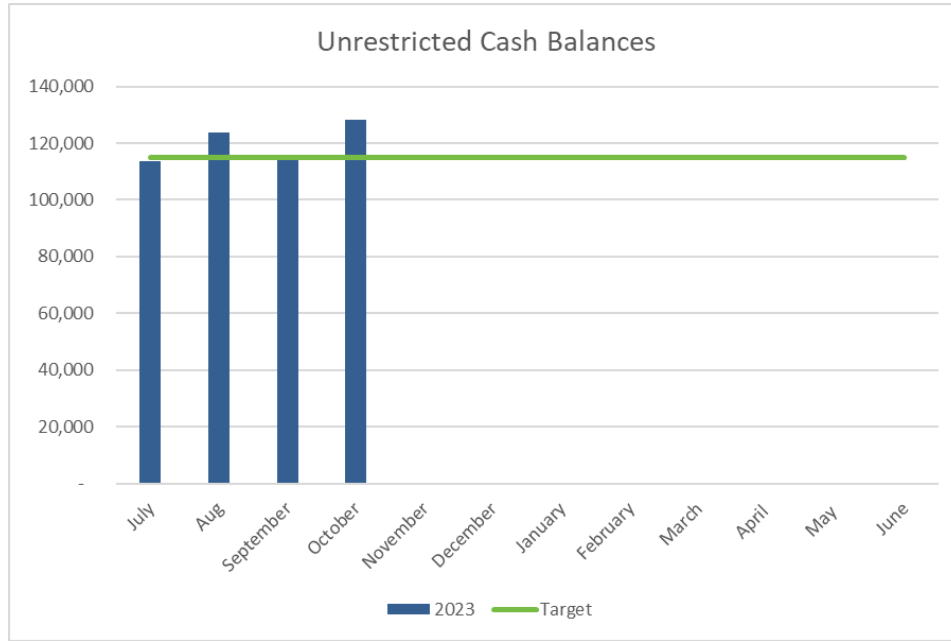
FY23 Headcount by Division			
	Budget Approved	Current Authorized	Filled
Administration			
Community Benefits & Partnerships	5	5	5
Customer Relations	22	22	17
Executive Offices	3	3	3
Facilities	9	8	7
Government & Public Affairs	6	6	5
Innovation	3	3	3
Internal Audit	4	4	3
Records and Information Governance	9	9	8
Safety & Security	21	21	16
Corporate	1	1	1
Engineering	101	97	86
Finance	19	19	16
Human Resources	21	21	17
Information Technology	32	32	28
Legal	12	10	7
Operations	502	497	412
Supply Chain & Economic Inclusion	27	26	23
Total Authorized Positions	797	784	657
*Excludes temporary & seasonal staff			

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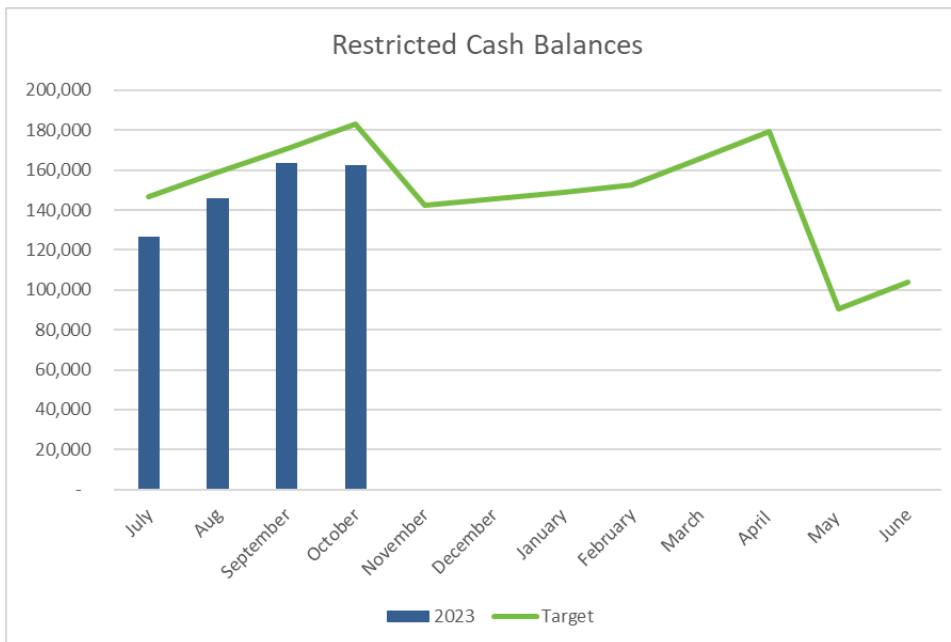
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Cash Balances

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.



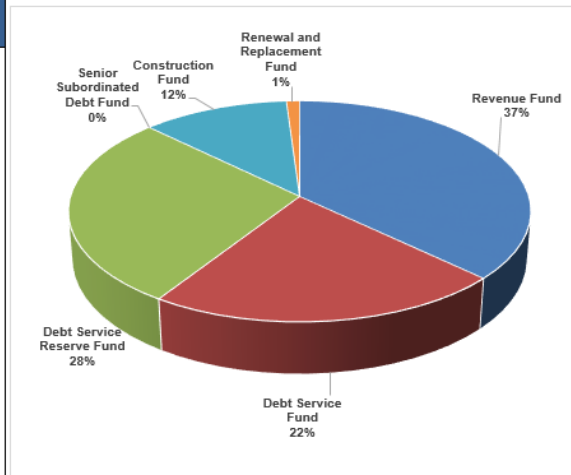
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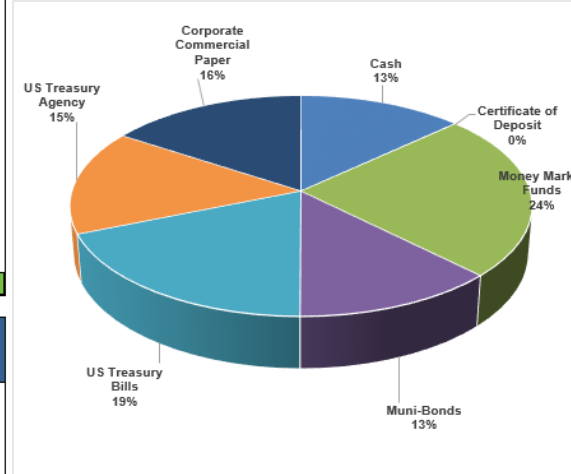
Current Investment Model

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	-	-	945,697	-	-	-	945,697
2009A	-	-	4,296,153	-	-	-	4,296,153
2009B	-	-	13,369,651	-	-	-	13,369,651
2009C	-	5,061,117	13,181,164	-	-	-	18,242,281
2010A	-	8,683,210	17,768,223	-	-	-	26,451,433
2013A	-	1,979,249	26,450,304	-	-	-	28,429,553
2013B	-	2,690,713	-	-	-	-	2,690,713
2013C	-	54,733	97,259	-	-	-	151,992
2014A	-	1,457,583	-	-	-	-	1,457,583
2015A	-	3,196,607	150,861	-	-	-	3,347,468
2015B	-	2,387,467	-	-	-	-	2,387,467
2016A	-	2,408,010	-	-	-	-	2,408,010
2016B	-	1,231,932	-	-	-	-	1,231,932
2016C	-	5,855,043	-	-	-	-	5,855,043
2017A	-	5,218,499	1,451,248	-	-	-	6,669,747
2017B	-	1,056,574	-	-	-	-	1,056,574
2018A	-	1,036,220	-	-	-	-	1,036,220
2019A	-	4,253,160	-	-	-	-	4,253,160
2020A	-	3,088,764	2,132,113	-	-	-	5,220,877
2020C	-	1,475,834	-	-	-	-	1,475,834
2021A	-	7,568,203	-	-	-	-	7,568,203
2022A	-	4,309,958	-	-	33,261,253	-	37,571,211
2021 BAN	-	-	-	49,256	-	-	49,256
2022 BAN	-	-	-	-	-	-	-
Renewal & Replacement	-	-	-	-	-	2,992,892	2,992,892
CP 2018 A-1 & A-2	-	-	-	-	3,806	-	3,806
Cash	37,309,667	-	-	-	-	-	37,309,667
Certificate of Deposit	100,000	-	-	-	-	-	100,000
Money Market Funds	3,036,710	-	-	-	-	-	3,036,710
Muni-Bonds	-	-	-	-	-	-	-
US Treasury Bills	27,326,187	-	-	-	-	-	27,326,187
US Treasury Agency	5,027,502	-	-	-	-	-	5,027,502
Corporate Commercial Paper	32,560,544	-	-	-	-	-	32,560,544
Total	\$ 105,360,609	\$ 63,012,877	\$ 79,842,672	\$ 49,256	\$ 33,265,059	\$ 2,992,892	\$ 284,523,365



Asset Description	Revenue Fund	Debt Service Fund	Debt Service Reserve Fund	Senior Subordinated Debt Fund	Construction Fund	Renewal and Replacement Fund	Total
Cash	37,309,667	-	-	-	-	-	37,309,667
Certificate of Deposit	100,000	-	-	-	-	-	100,000
Money Market Funds	3,036,710	63,012,877	2,810,419	49,256	289,981	3,226	69,202,470
Muni-Bonds	-	-	35,794,870	-	-	-	35,794,870
US Treasury Bills	27,326,187	-	-	-	23,100,148	2,989,375	53,415,709
US Treasury Agency	5,027,502	-	38,804,455	-	-	-	43,831,957
Corporate Commercial Paper	32,560,544	-	2,432,928	-	9,874,930	-	44,868,402
Total	\$ 105,360,609	\$ 63,012,877	\$ 79,842,672	\$ 49,256	\$ 33,265,059	\$ 2,992,601	\$ 284,523,074



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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.

There were no investment transactions in the month of October.

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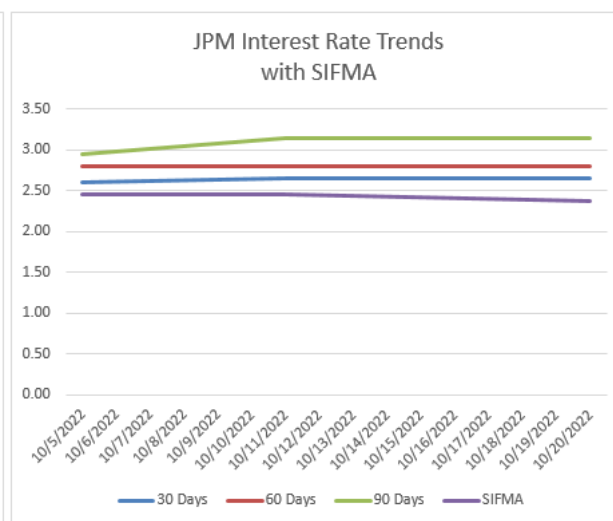
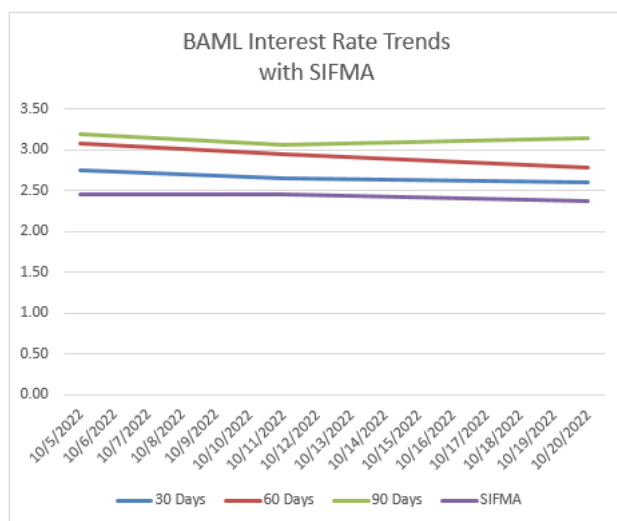
Commercial Paper Program Summary

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 October, we had four notes mature that were replaced with a new notes with an average rate of 2.95% and average terms of 78 days. In October, we issued one new note with a interest rate of 2.95% and a term of 94 days. In November, we have two \$10M notes maturing.

The CP Construction Fund balance as of October 31st, was \$3,805.46. Outstanding CP notes are currently split 44.4% with JP Morgan and 55.6% 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
8/23/2022	54658QDE1	10,000,000	1.87%	73	11/4/2022	JPM	37,400.00	Roll	1.79%	0.08%
9/16/2022	54658QDF8	10,000,000	2.17%	80	12/5/2022	JPM	47,561.64	Roll	1.44%	0.73%
9/22/2022	54658NDG3	10,000,000	2.25%	60	11/21/2022	BAML	36,986.30	Roll	1.96%	0.29%
10/3/2022	54658QDG6	10,000,000	2.85%	60	12/2/2022	JPM	46,849.32	Roll	2.46%	0.39%
10/6/2022	54658NDH1	10,000,000	2.84%	70	12/15/2022	BAML	54,465.75	Roll	2.45%	0.39%
10/7/2022	54658QDH4	10,000,000	2.95%	94	1/9/2023	JPM	75,972.60	New	2.45%	0.50%
10/12/2022	54658NDJ7	10,000,000	3.05%	92	1/12/2023	BAML	76,876.71	Roll	2.45%	0.60%
10/21/2022	54658NDK4	20,000,000	3.05%	90	1/19/2023	BAML	150,410.96	Roll	2.37%	0.68%
Currently Outstanding: \$ 90,000,000							\$ 526,523			

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 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. 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 prioritizes funding to achieve the greatest risk mitigation possible with the available budget.

The top CIP priorities from an operational perspective were included in the baseline 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 submittal has been presented.
- **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.
- **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

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proactively rehabilitate the highest risk large diameter sewers. Construction for the I-64 & Grinstead rehab project will be complete in FY23. Prospect Sewer Rehab is underway. All CCTV footage has been reviewed and point repairs have been identified. Point repairs are expected to be completed by January. CIPP liner has been ordered.

- 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 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 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 USACE regarding the Canal Street Floodwall project.

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

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 October 31, 2022, the Performance Budget Target is \$191.8M.

FY23 capital expenditures for the Wastewater, Stormwater, and Support Services Programs totaled \$29.8M through October 2022. This spend represents approximately 15.2% of the \$195.4M FY23 capital budget and 15.6% of the budget performance target.

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 Actuals	\$29.8M	15.2 % 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.

FY23 Evolving Spend Forecast and Actuals

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FY23	Monthly Baseline Performance Target	Monthly Actuals	<i>Note: The FY23 baseline forecast excludes \$5M in</i>
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		
January 2022	\$16.4M		
January 2023	\$16.7M		
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	\$ 29.8M	

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:

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
- General impacts of COVID have delayed some projects

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.

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	48	\$ 132,925	\$ 12,831,033	\$ (556,575)*
Design	56	\$ 25,376,599	\$ 53,352,208	\$ 2,643,329
Construction	40	\$ 150,668,343	\$ 75,967,208	\$ 3,086,800
Studies	9	\$ 1,228,402	\$ 2,319,140	\$ 112,175
TOTAL	153	\$ 177,406,269	\$ 144,469,589	\$ 5,285,729

*Negative value due to FY22 accruals

** This table was not updated for the month of October

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	Contractor	Emergency Certificate Amount (\$)
MFQTC LG Dryer Replacements	D20285	1/1/2020	Judy Construction	69,668,264
SGC Gates Replacement - Design	H22022	7/1/2021	AECOM	2,000,000
DRG Aeration Basin Sluice Gate Project	G22001	9/22/2021	Pace Contracting, LLC	153,000
CMF Remediation	G22001	11/11/2021	Brownfields Environmental Consulting	150,000
Beargrass Pump #3, Bearing Replacement	G22001	1/17/2022	Derby City Pump & Valve Service, Inc.	150,000
Bar Screen Repair at the SWPS	G22001	1/28/2022	EZ Construction Company	75,000
15th Street Sewer Repair	A22183	3/7/2022	Temple and Temple	500,000
SGC Gates Replacement - Construction	H22022	4/1/2022	Pace Contracting, LLC	2,000,000
W Broadway Sewer Repair	H20147	6/22/2022	Ulliman Schutte	2,000,000
34th Street CSO	G23029	6/30/2022	Temple and Temple	1,500,000
26th and Bank Street	G23001	7/21/2022	Seven Seas Construction	50,000
2218 Dorothy Ave	G23001	8/23/2022	TRC, LLC (WBE)	50,000
ProLogis Treatment Plant	Y23098	10/5/22	MAC Construction	75,000
13505 Tennis Blvd	G23001	10/21/22	Pace Contracting, LLC	75,000

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 MFQTC 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

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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 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	9/19/2023	\$340.5M	\$8.5M	\$7.9M	\$8.5M	60% Design Underway
F18515 Paddy's Run FPS Capacity Upgrade	9/21/2023	\$250.1M	\$7.7M	\$3.7M	\$7.6M	60% design underway. EAC increased with the Stage 2 estimate. Bid packages for the pumps/motors and the early work package expected to be issued in January 2023.

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	\$8.8M	\$11.7M	Work has been completed on the bypass channel. Demolition is ongoing at various locations.
H21019 Rudd Ave Sewer Infrastructure Rehabilitation	1/23/2023	\$14.4M	\$8.2M	\$7.8M	\$7.7M	Construction ongoing for Rudd Slip Lining and Rudd Spot Repairs
D20285 MFWQTC LG Dryer Replacements	1/29/2023	\$70.6M	\$7.0M	\$69.0M	\$7.3M	Startup issues have delayed project completion
H22022 SGC Gate Replacements	9/15/2023	\$8.9M	\$5.9M	\$1.4M	\$5.9M	
G21225 MFWQTC & CMF Facility Guard Building	10/31/2023	\$5.7 M	\$5.1M	\$0.3M	\$3.4M	Construction ongoing

CIP MANAGEMENT TEAM MEETING HIGHLIGHTS

A meeting of the CIP Management Team was held on October 25, 2022. A summary of the meeting follows.

Meeting Participants

Voting Members	Technical Support Staff	
Tony Parrott (present)	John Loechle (present)	Erin Wagoner (present)
Brian Bingham (present)	Stephanie Laughlin (present)	Kevin Gibson (present)
Angela Akridge (present)	Wolffie Miller (present)	Yajaira Morphonios (present)
Brad Good (present)	Dan French (present)	Dolly Smith (present)
David Johnson (present)	Jacquelyn Quarles (present)	Marc Thomas (present)
	Tony Marconi (present)	Mike Griffith (present)
	Latoya English (present)	Paul Bagley (present)
	Wes Sydnor (present)	Sharma Young (present)
	Greg Powell (present)	Leisha Pica (present)

Regulatory Topics for Discussion

Consent Decree.

- **LTCP Projects.**
- **Additional Consent Decree Projects**
 - PADDY’S RUN FPS – USACE is changing the project approach regarding levee repairs. This will increase cost and extend schedules. There will need to be more discussion regarding this.
 - WESTERN OUTFALL – Further discussion is also needed before final decisions can be made regarding this project.
 - BIOSOLIDS FACILITY – Project is moving forward with two trains.
 - SSDP Minor Mods will be submitted for several projects.

Agreed Order Projects.

- Good progress with Morris Forman WQTC projects

Other Regulatory Topics.

- NOVs received for WWTPs in Bullet County.

FY23 CIP Progress and Discussions

The following topics were discussed related to the FY23 CIP.

September 2022 Forecast.

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

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

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- Monticello PS Elimination, DJ moved, BB seconded = APPROVED.

New Emergencies. One emergency in October.

Design Start Forecast. List of projects ready for design was presented.

Procurement Forecast. List of potential procurements for the next 90 days was presented.

Construction Start Forecast: List of projects moving to construction was presented.

FY22 CIP Performance

Ms. Pica presented a few slides showing how MSD performed related to the BluePrint 2025 CIP metrics.

- Schedule Performance
- Cashflow Performance
- Change Order

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. ^(OBJ)

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.
- **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.

Notice of Advisement Log for Reporting Month

ID	Project Name	Advisement Category	Impact on FY Budget	Status
484	Oak Valley Drainage Remedies	EAC Change	---	Approved
485	Pirogue Court PS Elimination	Scope, Schedule Impact	---	Approved
486	Bigwood PS Elimination	EAC, Budget	\$150,000	Approved
487	Hunter's Hollow PS Elimination	EAC, Budget	\$147,000	Approved
488	Monticello Pump Station Elimination	Construction Advancement	---	Approved
489	BC Prologis WWTP Emergency	New Project, Budget	\$150,000	Approved

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ID	Project Name	Advisement Category	Impact on FY Budget	Status
490	BSCD Multi-Plant Disinfection	EAC, Budget	\$50,000	Approved
491	10213 Brownhurst Court DIP	New Project, Budget	\$90,000	Approved
492	Mill Creek Watershed Plan Grant 319	New Project	---	Approved
493	MFWQTC Secondary Clarifiers Assessment	Scope, Schedule Impact	---	Approved
494	OT Cyberterrorism Preparation and Recovery Project	New Project, Budget	\$286,400	Approved
495	Rutherford Ave Alley DIP	New Project, Budget	\$80,000	Approved
496	MFWQTC Groundwater Dewatering System Automation	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 Advertisements

Potential Upcoming Procurement Projects

Budget ID	Project Name	MSD Project Manager	Projected Advertising Start
D22186	MFWQTC Computer Room Upgrades	Potempa Julie	11/9/22
D22098	CCWQTC Re-rating to 9_0 MGD	Leong Steven	12/1/22
D21079	Fairmount Road Pump Station Force Main Extension – Phase 2	Eshetu Meskerem	12/1/22
H22032	DRGWQTC Sodium Bisulfite Bldg Improvements	Potempa Julie	12/14/22

Bid Openings

Bids opened during the reporting month are shown below.

Bids opened during Reporting Month

Budget ID	Project Name	Bid Opening	Engineer's Estimate	Awarded Bid
D22209	DRG Centrifuge Maintenance Platforms	10/13/22	204,789	\$197,100*
C23072	3000 Dunraven Drive DIP	10/13/22	65,000	48,762
C23085	1717 Trevillian Way DIP	10/18/22	65,000	62,880
C23066	Dingle Dell Road DIP (rebid)	10/20/22	90,000	56,304
D21247	MFWQTC MEB HVAC Replacement	10/27/22	Bid Cancelled	

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* Apparent Low Bid. Not Awarded

Construction - Notice to Proceeds (NTP) Issued

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

NTP's Issued during Reporting Month

Budget ID	Project Name	NTP Date

No NTPs reported during the month

END OF REPORT