

Monthly Executive Report

Financial & Capital Program Updates

As of August 31, 2023



MONTHLY EXECUTIVE REPORT
August 31, 2023

NOTE TO THE READER:

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

MONTHLY EXECUTIVE REPORT

August 31, 2023

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Acronyms & Abbreviations

AEAP	Additional Early Action Projects
APCD	Air Pollution Control District
AO	Agreed Order
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
CSG	Collections System Group
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 Consortium
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

Acronyms & Abbreviations - Continued

MFWQTC	Morris Forman Water Quality Treatment Center
MS4	Municipal Separate Storm Sewer System Program
MSD	Metropolitan Sewer District
NMC	Nine Minimum Controls
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 August 2023, with respect to Fiscal Year 2024 (FY24) program health and regulatory compliance.

FINANCIAL HEALTH

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

Summary of FY24 Financial Information

Description	Status as of August 31, 2023
Operating Revenues	Year to date, total operating revenues were \$123 thousand favorable to budget (wastewater service charges \$950 thousand unfavorable, drainage service charges \$110 thousand favorable and other operating income \$963 thousand favorable).
Operating Expenses	Service and administrative expenses were \$4.3 million favorable to budget and \$4.2 million more than August 2022. Year to date, service and administrative expenses were \$7.9 million favorable to budget. Contractual Services account for \$3.4 million of the savings to budget.
Interest Expense	Interest expense was \$431 thousand unfavorable to budget and \$46 thousand more than August 2022. Year to date, interest expense was \$656 thousand favorable to budget.
Statement of Cash Flows	Cash and cash equivalents increased \$15 million in August. Net cash provided by operating activities was \$19.5 million. Net cash used by capital-related financing activities was \$2.9 million. Net cash provided by investing activities was \$1.6 million as excess cash was reinvested.
Commercial Paper Notes	Commercial paper notes outstanding total \$190 million with an average duration to maturity of 42 days.

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CAPITAL PROGRAM HEALTH

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

Summary of FY24 Capital Program Performance To-date

Key Programs and Initiatives	Status as of August 31, 2023
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	No emergency projects were started in the reporting period.
Cashflow Performance*	Budget Performance Target is \$247.1M as of August 31, 2023. The FY24 forecasted spend is \$247.1M
Change Management Notice of Advisements (NOAs)	Twenty eight (28) NOAs were processed this month in the following advisement categories: eight (8) new projects, seven (7) EAC changes, twenty-two (22) budget impact, six (6) schedule impact, three (3) project status change, and three (3) construction advancements. 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 August 2023
- Customer Statistics
- Employee Headcount
- Cash Balances
- Investment Summary
- Commercial Paper Program Summary

AUGUST FINANCIAL SUMMARY

Financial Highlights for the month of August 2023

- Total operating revenues were \$1.3 million favorable to budget
- Service and administrative expenses were \$4.3 million favorable to budget

Results of Operations for the month of August 2023

Total operating revenues were \$1.3 million favorable to budget and \$2.8 million more than August 2022. Wastewater service charges were \$789 thousand favorable to budget and \$2.4 million more than August 2022. Drainage service charges were \$329 thousand favorable to budget and \$476 thousand more than August 2022. Other operating revenues were \$195 thousand favorable to budget and \$76 thousand less than August 2022. Year to date, total operating revenues were \$123 thousand favorable to budget (wastewater service charges \$950 thousand unfavorable, drainage service charges \$110 thousand favorable and other operating income \$963 thousand favorable).

Service and administrative expenses were \$4.3 million favorable to budget and \$4.2 million more than August 2022. Year to date, service and administrative expenses were \$7.9 million favorable to budget. Contractual Services account for \$3.4 million of the savings to budget.

Depreciation and amortization expenses were \$1.7 million unfavorable to budget and \$1.3 million more than August 2022. Year to date, depreciation and amortization expenses were \$3.0 million unfavorable to budget. Depreciation expense is being driven by the large number of capital projects that were placed in service in June of 2023.

Investment income was \$1.2 million favorable to budget and \$1.8 million more than August 2022. Year to date, investment income was \$1.3 million favorable to budget.

Interest expense was \$431 thousand unfavorable to budget and \$46 thousand more than August 2022. Year to date, interest expense was \$656 thousand favorable to budget.

Statement of Cash Flows

Cash and cash equivalents increased \$15 million in August. Net cash provided by operating activities was \$19.5 million. Net cash used by capital-related financing activities was \$2.9 million. Net cash provided by investing activities was \$1.6 million as excess cash was reinvested.

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FINANCIAL STATEMENTS – FY24

Comparative Statement of Net Position

Louisville & Jefferson County Metropolitan Sewer District				
Monthly Comparative Statement of Net Position				
Month Ended, August 31, 2023				
	YTD	YTD		
	Aug-2023	Aug-2022	Variance	Percent
Current Assets				
Unrestricted Cash & Cash Equivalents	\$122,369,125	\$123,865,137	(\$1,496,012)	-1.21%
Sewer & Drainage Receivable	26,548,340	27,439,422	(891,082)	-3.25%
Assessment Warrants Receivable	130,775	168,668	(37,893)	-22.47%
Miscellaneous Receivables	4,254,838	2,033,652	2,221,186	109.22%
Inventories	5,801,106	5,301,663	499,443	9.42%
Prepaid Expenses	6,520,973	8,315,285	(1,794,312)	-21.58%
Restricted Funds	127,947,000	146,107,800	(18,160,800)	-12.43%
Accrued Interest Receivable	587,953	340,553	247,399	72.65%
Total Current Assets	294,160,110	313,572,181	(19,412,071)	-6.19%
Non-Current Assets				
Utility Plant in Service	5,081,826,444	4,730,865,796	350,960,648	7.42%
Accumulated Depreciation	(1,691,367,536)	(1,586,341,518)	(105,026,018)	6.62%
Construction in Progress	338,320,849	433,379,307	(95,058,459)	-21.93%
Net Fixed Assets	3,728,779,757	3,577,903,586	150,876,171	4.22%
Non-Current Receivables	19,893,603	22,173,008	(2,279,405)	-10.28%
Total Assets	4,042,833,470	3,913,648,774	129,184,695	3.30%
Total Deferred Outflow of Resources	59,175,779	71,475,120	(12,299,342)	-17.21%
Total Assets & Deferred Outflow of Resources	4,102,009,248	3,985,123,895	116,885,354	2.93%
Current Liabilities				
Miscellaneous Accounts Payable	3,145,170	5,850,540	(2,705,370)	-46.24%
Accounts Payable - Construction	9,203,899	11,323,695	(2,119,796)	-18.72%
Contract Retainage	7,626,655	5,174,009	2,452,646	47.40%
Accrued Interest Payable	34,674,530	33,313,362	1,361,168	4.09%
Current Maturities of Bonds Payable	52,375,000	52,880,000	(505,000)	-0.95%
Current Maturities of Subordinate Debt	10,240,340	2,547,532	7,692,808	301.97%
Deposits Payable	1,928,825	1,957,872	(29,047)	-1.48%
Accrued Salaries & Wages	4,658,726	4,657,778	948	0.02%
Accrued Workers' Comp Insurance	1,902,088	1,796,748	105,340	5.86%
Employee Comp Absences Payable	4,489,818	4,235,031	254,787	6.02%
Total Current Liabilities	130,245,053	123,736,567	6,508,485	5.26%
Non-Current Liabilities				
Long-Term Senior Debt Payable	2,151,935,000	2,228,405,000	(76,470,000)	-3.43%
Long-Term Subordinate Debt Payable	457,491,280	356,434,318	101,056,962	28.35%
Other Long-Term Liability	295,296,440	292,343,730	2,952,709	1.01%
Total Non-Current Liabilities	2,904,722,720	2,877,183,048	27,539,672	0.96%
Total Liabilities	3,034,967,772	3,000,919,615	34,048,157	1.13%
Total Deferred Inflow of Resources	29,712,901	44,606,691	(14,893,789)	-33.39%
Total Liabilities & Deferred Inflow of Resources	3,064,680,674	3,045,526,306	19,154,368	0.63%
Net Position	1,037,328,575	939,597,589	97,730,986	10.40%
Total Liabilities, Deferred Inflow of Resources and Net Position	4,102,009,248	3,985,123,895	116,885,354	2.93%

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Statement of Revenues, Expenses & Change in Net Position

Louisville & Jefferson County Metropolitan Sewer District							
Monthly Statement of Revenues, Expenses, and Changes in Net Position							
Month Ended, August 31, 2023							
	YTD	YTD	YTD	% YTD	YTD	YTD	% YTD
	Actual	Budget	Variance	Variance	Prior Year	Variance	Variance
Wastewater Charges							
Residential	\$ 29,447,642	\$ 30,826,130	\$ (1,378,488)	-4.5%	\$ 28,592,523	\$ 855,119	3.0%
Commercial	17,001,832	16,692,816	309,016	1.9%	16,147,655	854,177	5.3%
Industrial	4,776,927	4,580,578	196,350	4.3%	4,462,329	314,598	7.1%
Other Wastewater	2,016,194	2,068,555	(52,361)	-2.5%	2,281,616	(265,422)	-11.6%
Free Wastewater Charges	(1,416,477)	(1,390,993)	(25,485)	1.8%	(1,522,799)	106,322	-7.0%
Total Wastewater Charges	51,826,118	52,777,086	(950,968)	-1.8%	49,961,324	1,864,793	3.7%
Drainage							
Residential	6,058,418	5,857,724	200,694	3.4%	5,677,993	380,425	6.7%
Commercial	8,835,006	9,037,522	(202,516)	-2.2%	8,677,566	157,440	1.8%
Industrial	1,110,106	1,054,937	55,169	5.2%	1,018,272	91,834	9.0%
Other Stormwater	767,137	706,807	60,330	8.5%	722,111	45,026	6.2%
Free Stormwater Charges	(510,661)	(507,321)	(3,340)	0.7%	(488,294)	(22,367)	4.6%
Total Drainage Charges	16,260,007	16,149,669	110,337	0.7%	15,607,649	652,358	4.2%
Total Service Charges	68,086,124	68,926,756	(840,631)	-1.2%	65,568,973	2,517,152	3.8%
Other Operating Income	1,713,210	750,841	962,369	128.2%	1,093,645	619,565	56.7%
Total Operating Revenue	69,799,334	69,677,596	121,738	0.2%	66,662,618	3,136,716	4.7%
Operating Expenses							
Salaries & Wages	9,942,746	10,732,347	(789,601)	-7.4%	9,149,065	793,681	8.7%
Labor Related Overhead	4,690,005	4,503,830	186,175	4.1%	4,732,963	(42,957)	-0.9%
Utilities	2,303,565	2,899,082	(595,517)	-20.5%	2,943,498	(639,933)	-21.7%
Materials & Supplies	(605,985)	1,593,483	(2,199,468)	-138.0%	1,363,686	(1,969,672)	-144.4%
Contractual Services	3,643,516	7,000,152	(3,356,636)	-48.0%	4,191,126	(547,610)	-13.1%
Chemicals	1,113,566	1,855,757	(742,191)	-40.0%	993,160	120,406	12.1%
Fuel	164,823	360,720	(195,897)	-54.3%	319,464	(154,641)	-48.4%
Insurance Premiums & Claims	1,275,664	1,222,470	53,194	4.4%	1,259,046	16,619	1.3%
Bad Debt	555,030	587,740	(32,710)	-5.6%	669,608	(114,578)	-17.1%
Other Operating Expense	313,581	545,995	(232,414)	-42.6%	186,063	127,517	68.5%
Mapping/Insurance Recovery	-	-	-	0.0%	-	0	0.0%
Capitalized Overhead	(5,558,023)	(7,130,607)	1,572,584	-22.1%	(6,181,531)	623,508	-10.1%
Capital Expenses (over)/under applied							
Net Service and Administrative Costs	17,838,488	24,170,970	(6,332,482)	-26.2%	19,626,149	(1,787,661)	-9.1%
Depreciation	19,934,415	16,167	19,918,248	123205.7%	18,066,595	1,867,820	10.3%
Amortization	744,765	0	744,765	0.0%	261,555	483,209	184.7%
Total Depreciation/Amortization	20,679,180	16,167	20,663,013	127812.5%	18,328,150	2,351,030	12.8%
Total Operating Expenses	38,517,667	24,187,136	14,330,531	59.2%	37,954,299	563,368	1.5%
Net Operating Income	31,281,667	45,490,460	(14,208,793)	-31.2%	28,708,319	2,573,348	9.0%
Non-Operating Revenue (Expenses)							
Gain/Loss Disposal of Assets	40,769	200	40,569	20284.4%	-	40,769	0.0%
Investment Income	3,654,437	1,920,800	1,733,637	90.3%	2,292,282	1,362,155	59.4%
Interest Expense	(15,478,992)	0	(15,478,992)	0.0%	(14,654,392)	(824,600)	5.6%
Total Non-Operating Revenue (Expenses)	(11,783,786)	1,921,000	(13,704,786)	-713.4%	(12,362,110)	578,324	-4.7%
Contributions	1,017,357.63	-	1,017,358	0.0%	464,796	(552,562)	118.9%
Change in Net Position Before Swaps	20,515,239	47,411,460	(26,896,221)	-56.7%	16,811,005	(3,704,234)	22.0%
Change in Fair Value of Swaps	12,534,539	-	12,534,539	0.0%	(245,242)	(12,779,781)	-5211.1%
Change in Net Position After Swaps	\$ 33,049,778	\$ 47,411,460	\$ (14,361,682)	-30.3%	\$ 16,565,763	\$ (16,484,015)	99.5%

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Statement of Cash Flows

Louisville and Jefferson County Metropolitan Sewer District		
Statement of Cash Flows		
For the Month Ended, August 31, 2023		
	FY 2024 YTD	FY 2023 YTD
Cash Flows from Operating Activities		
Cash received from customers	\$ 67,604,786	\$ 63,289,102
Cash paid to suppliers	(24,707,086)	(19,839,356)
Cash paid to employees	(8,706,113)	(9,047,555)
Net Cash Provided by Operating Activities	34,191,587	34,402,191
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	240,000,000	50,000,000
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	(215,000,000)	(20,000,000)
Payments for retirement of notes	-	-
Payments for retirement of other subordinated debt	43,044	-
Payments for interest expense	(960,534)	(95,623)
Payments for interest on swaps	(320,352)	(1,148,472)
Build America bond interest subsidy	1,831,025	1,831,025
Proceeds from capital grants	919,722	-
Proceeds from sale of capital assets	(40,767)	-
Payments for capital assets	(48,373,278)	(28,225,630)
Proceeds from assessments	127,295	139,638
Net Cash Provided (Used) by Capital and Related Financing	(21,773,845)	2,500,938
Cash Flows from Investing Activities		
Purchase of investments	(8,691,851)	(15,270,155)
Maturity of investments	11,425,000	14,559
Investment income	1,015,809	756,963
Net Cash Provided (Used) by Investing Activities	3,748,958	(14,498,633)
Net Increase (Decrease) in Cash and Cash Equivalents	16,166,700	22,404,496
Cash and Cash Equivalents, Beginning of Year	91,786,053	71,854,355
Cash and Cash Equivalents, End of Year	\$ 107,952,753	\$ 94,258,851
Reconciliation of Operating Income to Net Cash provided by Operating Activities		
Income from operations	\$ 31,281,667	\$ 28,708,323
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	20,679,180	18,328,150
Capitalized Overhead	(5,558,023)	-
Accounts receivable	(1,981,264)	(3,411,285)
Inventories	10,491	(39,382)
Prepaid expense	(6,283,123)	(5,366,213)
Accounts payable	(4,980,689)	(3,956,681)
Customer deposits	(213,283)	37,769
Accrued liabilities	1,236,632	101,510
Pension liability	-	-
OPEB liability	-	-
Net Cash Provided by Operating Activities	\$ 34,191,587	\$ 34,402,191
Non-Cash Capital Financing and Investing Activities		
Contribution of plant, lines and other facilities by developers and property owners	\$ -	\$ -
Construction costs in accounts payable	16,830,554	16,497,704
Change in fair value of investments	(792,373)	141,409
Decrease in interest rate swap deferred revenue	(37,744)	(82,825)
Change in fair value - swap agreements	(12,534,539)	245,242
Bonds issued for refunding of debt	-	-

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Actual vs. Budget Operating and Maintenance Expenses

Louisville & Jefferson County Metropolitan Sewer District							
Operating and Maintenance Expenses							
Month Ended, August 31, 2023							
	YTD	YTD	YTD	% YTD	YTD	YTD	% YTD
	Actual	Budget	Variance	Variance	Prior Year	Variance	Variance
Salaries & Wages							
51120 - Regular Salaries & Wages	\$ 8,697,932	\$ 10,291,375	\$ (1,593,443)	-15.5%	\$ 7,681,825	\$ 1,016,107	13.2%
51130 - Overtime	439,532	372,789	66,743	17.9%	465,947	(26,415)	-5.7%
51135 - Special Event Compensation	14,400	63,421	(49,021)	-77.3%	27,440	(13,040)	-47.5%
51140 - Wages pd for vacation, holidays & other	789,057	0	789,057	0.0%	970,627	(181,571)	-18.7%
51147 - Service & Safety Incentive Awards	1,825	4,761	(2,936)	-61.7%	3,225	(1,400)	-43.4%
Total Salaries & Wages	9,942,746	10,732,347	(789,601)	-7.4%	9,149,065	793,681	8.7%
Labor & Related Overhead							
51210 - Short-Term Disability	58,303	0	58,303	0.0%	35,109	23,194	66.1%
51220 - Workers' Compensation Insurance	57,268	50,000	7,268	14.5%	(145,294)	202,562	-139.4%
51225 - Workers' Compensation Claims	53,426	160,000	(106,574)	-66.6%	73,587	(20,161)	-27.4%
51230 - Long-Term Disability	9,567	0	9,567	0.0%	137	9,430	6895.0%
51240 - Group Life - AD&D Insurance	(3,906)	20,832	(24,738)	-118.8%	17,009	(20,915)	-123.0%
51250 - Tuition Assistance	2,578	18,330	(15,752)	-85.9%	(20,966)	23,544	-112.3%
51260 - Empl Assistance & Wellness Program	1,186	2,334	(1,148)	-49.2%	0	1,186	0.0%
51300 - Payroll Taxes	718,835	790,088	(71,253)	-9.0%	804,545	(85,710)	-10.7%
51400 - Unemployment Insurance	0	5,763	(5,763)	0.0%	0	0	0.0%
51500 - Med Ins: MSD's port. of prem for grp	1,652,801	1,265,732	387,070	30.6%	1,171,701	481,101	41.1%
51600 - Retirement Contributions	2,139,947	2,190,752	(50,805)	-2.3%	2,797,135	(657,188)	-23.5%
Total Labor & Related Overhead	4,690,005	4,503,830	186,175	4.1%	4,732,963	(42,957)	-0.9%
Utilities							
53310 - Electric	1,920,335	2,145,980	(225,645)	-10.5%	2,213,630	(293,295)	-13.2%
53320 - Natural Gas	47,011	167,749	(120,739)	-72.0%	211,629	(164,618)	-77.8%
53330 - Water	125,775	304,602	(178,826)	-58.7%	340,965	(215,190)	-63.1%
53340 - Telephone	24,871	49,467	(24,596)	-49.7%	52,644	(27,773)	-52.8%
53345 - Data Communications	185,572	231,284	(45,712)	-19.8%	124,630	(45,712)	-48.9%
Total Utilities	2,303,565	2,899,082	(595,517)	-20.5%	2,943,498	(746,587)	-21.7%
Materials & Supplies							
53100 - Tires & Tire Service Expense	16,433	60,934	(44,501)	-73.0%	63,536	(47,103)	-74.1%
53140 - Materials & Supplies	(671,233)	1,469,549	(2,140,781)	-145.7%	1,262,001	(1,933,234)	-153.2%
53160 - Landfill Cost of fill dirt	48,814	63,000	(14,186)	-22.5%	38,150	10,665	28.0%
Total Materials & Supplies	(605,985)	1,593,483	(2,199,468)	-138.0%	1,363,686	(1,969,672)	-144.4%
Contractual Services							
51700 - Uniforms	32,297	53,316	(21,019)	-39.4%	15,349	16,948	110.4%
52110 - Billing & Collection	1,034,140	1,205,048	(170,908)	-14.2%	1,128,696	(94,556)	-8.4%
52130 - Custodial & Watchmen	35,422	141,959	(106,537)	-75.0%	116,591	(81,169)	-69.6%
52140 - Professional Services	545,140	978,293	(433,153)	-44.3%	343,800	201,340	58.6%
52145 - Legal	80,562	150,000	(69,438)	-46.3%	20,627	59,934	290.6%
52155 - Banking Services	13,360	15,100	(1,740)	-11.5%	13,516	(156)	-1.2%
52160 - Maintenance & Repairs	588,968	1,044,812	(455,844)	-43.6%	679,161	(90,193)	-13.3%
52170 - Sludge & Grit Disposal	216,954	553,806	(336,853)	-60.8%	572,066	(355,112)	-62.1%
52180 - Temporary Services	36,653	18,850	17,803	94.4%	23,784	12,869	54.1%
52195 - Other Contractual Services	1,060,021	2,838,968	(1,778,947)	-62.7%	1,277,536	(217,515)	-17.0%
Total Contractual Services	3,643,516	7,000,152	(3,356,636)	-48.0%	4,191,126	(547,610)	-13.1%
Bad Debt							
54200 - Bad Debts	505,030	587,740	(82,710)	-14.1%	619,608	(114,578)	-18.5%
54210 - Bad Debt - Assessments	50,000	0	50,000	0.0%	50,000	0	0.0%
Total Bad Debt	555,030	587,740	(32,710)	-5.6%	669,608	(114,578)	-17.1%
Chemicals							
53205 - Peracetic Acid	29,318	66,667	(37,349)	-56.0%	0	29,318	0.0%
53210 - Chlorine	0	1,575	(1,575)	0.0%	0	0	0.0%
53215 - Sodium Hypochlorite	399,805	638,482	(238,676)	-37.4%	255,628	144,177	56.4%
53220 - Polymer	374,732	639,522	(264,790)	-41.4%	516,524	(141,792)	-27.5%
53225 - Sodium Aluminate	20,372	67,708	(47,336)	-69.9%	26,055	(5,683)	-21.8%
53230 - Liquid Oxygen	10,631	54,753	(44,122)	-80.6%	34,152	(23,522)	-68.9%
53235 - Liquid Nitrogen	5,413	24,733	(19,321)	-78.1%	5,607	(194)	-3.5%
53240 - Other Chemicals	5,855	9,192	(3,338)	-36.3%	(2,636)	8,491	-322.1%
53250 - Dechlorination	9,700	88,494	(78,793)	-89.0%	60,211	(50,511)	-83.9%
53275 - Defoamer	0	6,173	(6,173)	0.0%	0	0	0.0%
53280 - Bioxide	261,005	258,333	2,672	1.0%	97,620	163,385	167.4%
53285 - Sodium Hydroxide	(3,264)	125	(3,389)	-2711.2%	0	(3,264)	0.0%
Total Chemicals	1,113,566	1,855,757	(742,191)	-40.0%	993,160	120,406	12.1%
Fuel							
53120 - Gasoline	39,399	128,218	(88,819)	-69.3%	131,335	(91,936)	-70.0%
53130 - Diesel Fuel	125,424	232,502	(107,078)	-46.1%	188,129	(62,705)	-33.3%
Total Fuel	164,823	360,720	(195,897)	-54.3%	319,464	(154,641)	-48.4%
Insurance Premiums & Claims							
54110 - General Liability Insurance	722,984	747,172	(24,188)	-3.2%	697,377	25,607	3.7%
54130 - Property Insurance	484,029	379,464	104,565	27.6%	368,411	115,618	31.4%
54140 - General Liability Claims	68,651	95,834	(27,183)	-28.4%	193,258	(124,607)	-64.5%
Total Insurance Premiums & Claims	1,275,664	1,222,470	53,194	4.4%	1,259,046	16,619	1.3%
Other Operating Expense							
53410 - Equipment Rental	38,745	40,971	(2,226)	-5.4%	18,211	20,534	112.8%
53420 - Space Rent	5,200	5,000	200	4.0%	5,000	200	4.0%
53430 - Leased Parking	14,582	13,257	1,325	10.0%	13,754	828	6.0%
54250 - Contributions	4,481	34,333	(29,852)	-86.9%	12,569	(8,088)	-64.3%
54300 - Fines, Penalties & Damages	209	0	209	0.0%	0	209	0.0%
54400 - Advertising	5,675	37,667	(31,992)	-84.9%	4,442	1,234	27.8%
54500 - Travel & Meetings	55,931	92,218	(36,287)	-39.3%	36,131	19,800	54.8%
54550 - Training	18,803	79,561	(60,758)	-76.4%	28,312	(9,509)	-33.6%
54600 - Dues, Fees and Subscriptions	168,147	240,587	(72,440)	-30.1%	65,993	102,154	154.8%
54700 - Board Members	725	2,400	(1,675)	-69.8%	1,400	(675)	-48.2%
55555 - Over/under payments	1,082	0	1,082	0.0%	251	831	330.7%
Total Other Operating Expense	313,581	545,995	(232,414)	-42.6%	186,063	127,517	68.5%
Grand Total	23,396,511	31,301,576	(7,905,066)	-25.3%	25,807,680	(2,517,823)	-9.3%

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SUPPLEMENTAL FINANCIAL REPORTING

Revenue by Customer Class

	Number of Customers		Revenue by Customer Class		Budget By Customer Class	
	Aug-2023	Aug-2022	Aug-2023	Aug-2022	Aug-2023	Aug-2022
Wastewater						
Residential	236,207	235,719	16,035,959	14,978,189	16,256,801	14,506,716
Commercial	21,894	21,906	8,190,212	7,112,641	7,446,453	6,425,084
Industrial	397	396	2,690,103	2,333,486	2,379,745	2,148,561
Sub-Total	258,498	258,021	26,916,274	24,424,316	26,082,999	23,080,361
Drainage						
Residential	210,900	209,393	3,478,151	3,151,776	3,255,297	2,978,735
Commercial	13,902	13,995	4,661,951	4,546,321	4,616,234	4,511,885
Industrial	280	275	582,810	551,201	541,887	467,710
Sub-Total	225,082	223,663	8,722,912	8,249,298	8,413,418	7,958,330
Grand Total			\$ 35,639,186	\$ 32,673,613	\$ 34,496,417	\$ 31,038,691

Wastewater Revenue by County

	Number of Customers		Revenue by Customer Class		Budget by Customer Class	
	Aug-2023	Aug-2022	Aug-2023	Aug-2022	Aug-2023	Aug-2022
Jefferson County						
Residential	224,711	224,363	15,310,410	14,022,375	15,296,843	13,673,523
Commercial	21,517	21,496	8,039,734	6,864,631	7,204,477	6,288,421
Industrial	395	394	2,687,434	2,330,714	2,376,588	2,146,640
Sub-Total	246,623	246,253	26,037,579	23,217,720	24,877,907	22,108,584
Bullitt County						
Residential	4,576	4,525	279,357	260,859	308,483	221,693
Commercial	165	164	95,829	111,806	132,292	86,870
Industrial	1	1	2,578	2,592	3,067	1,831
Sub-Total	4,742	4,690	377,764	375,257	443,842	310,394
Oldham County						
Residential	6,920	6,831	446,191	694,954	651,476	611,500
Commercial	212	246	54,649	136,204	109,684	49,793
Industrial	1	1	90	180	90	90
Sub-Total	7,133	7,078	500,931	831,339	761,250	661,383
Grand Total			\$ 26,916,274	\$ 24,424,316	\$ 26,082,999	\$ 23,080,361

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Headcount

The approved fiscal year 2024 operating budget fully funded 679 staffed positions, provided partial funding for 152 vacant positions, bringing the total Budget Approved positions to 831.

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 August 31, 2023.

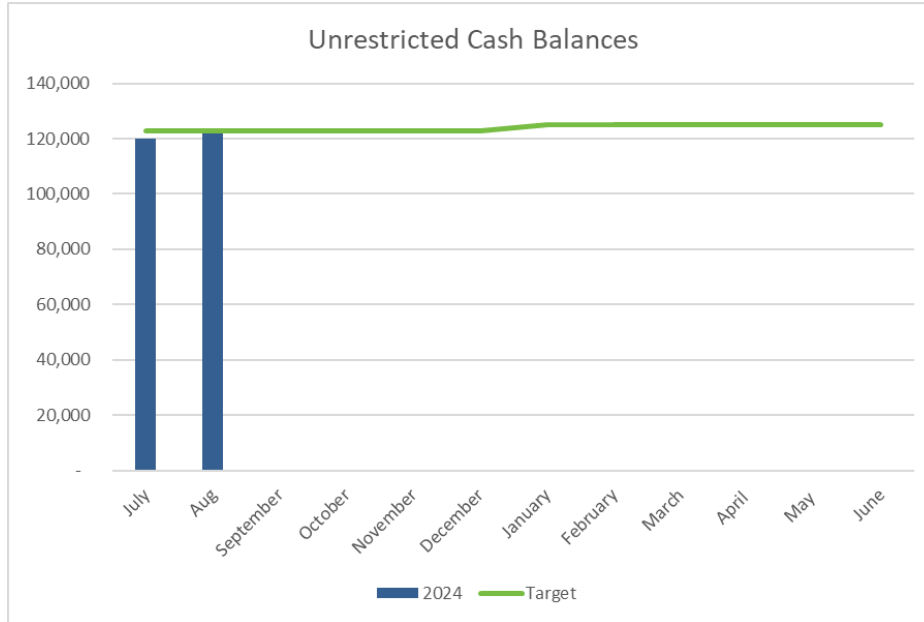
FY24 Headcount by Division			
	Budget Approved	Current Authorized	Filled
Administration			
Community Benefits & Partnerships	8	8	6
Customer Relations	21	21	14
Executive Offices	2	3	3
Government & Public Affairs	7	6	6
Innovation	5	3	3
Internal Audit	4	4	3
Records and Information Governance	9	9	8
Corporate	1	1	1
Engineering	102	98	87
Facilities, Safety & Security	39	36	29
Finance	21	22	19
Human Resources	21	21	19
Information Technology	33	33	30
Legal	12	10	8
Operations	519	509	451
Supply Chain & Economic Inclusion	27	27	23
Total Authorized Positions	831	811	710
*Excludes temporary & seasonal staff			

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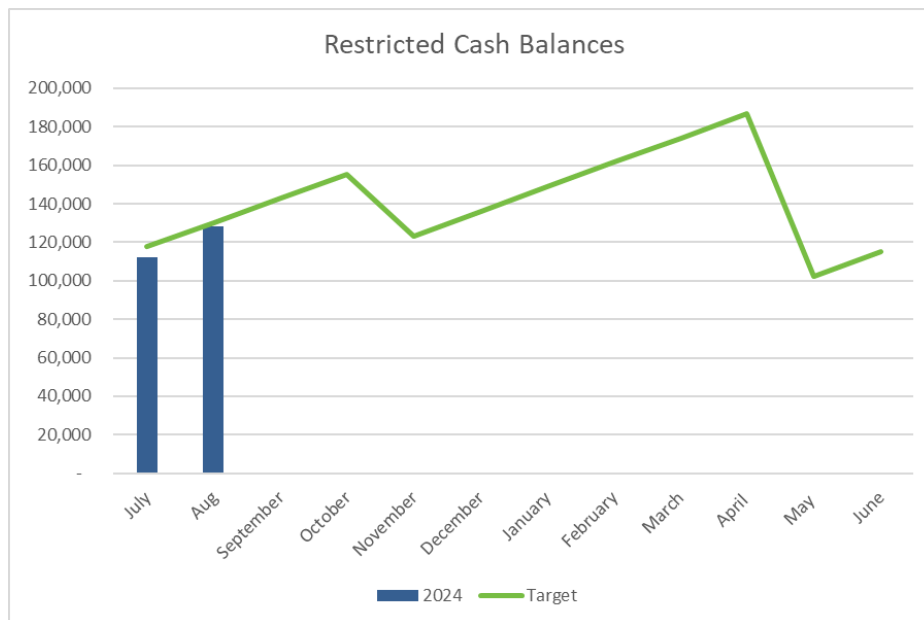
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Cash Balances

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.



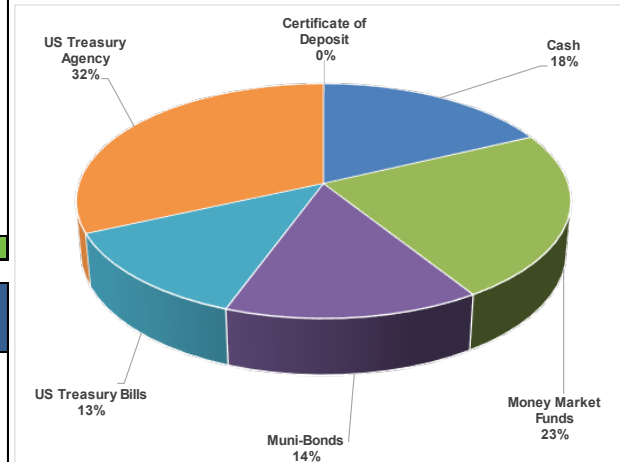
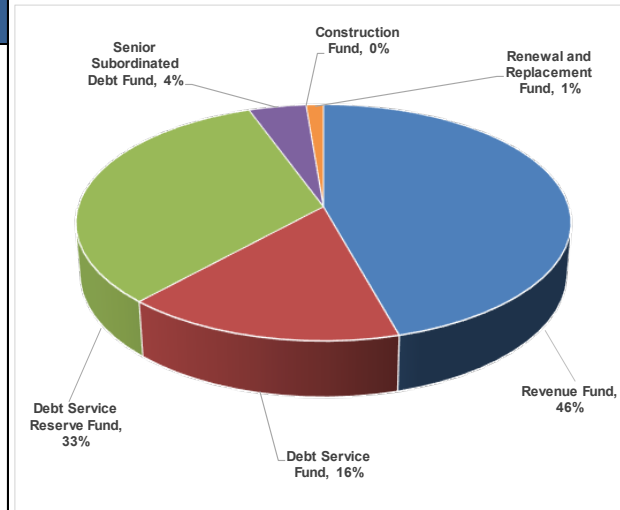
MONTHLY EXECUTIVE REPORT

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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	-	-	979,245	-	-	-	979,245
2009A	-	-	1,765,592	-	-	-	1,765,592
2009B	-	-	13,924,670	-	-	-	13,924,670
2009C	-	3,357,340	11,913,829	-	-	-	15,271,169
2010A	-	5,383,896	17,891,952	-	-	-	23,275,848
2013A	-	-	28,287,066	-	-	-	28,287,066
2013B	-	1,696,491	-	-	-	-	1,696,491
2013C	-	-	103,212	-	-	-	103,212
2014A	-	1,480,011	-	-	-	-	1,480,011
2015A	-	2,449,695	156,020	-	-	-	2,605,715
2015B	-	1,523,085	-	-	-	-	1,523,085
2016A	-	1,537,832	-	-	-	-	1,537,832
2016B	-	569,422	-	-	-	-	569,422
2016C	-	1	-	-	-	-	1
2017A	-	3,080,528	1,504,402	-	-	-	4,584,931
2017B	-	4,619,470	-	-	-	-	4,619,470
2018A	-	652,012	-	-	-	-	652,012
2020A	-	2,065,369	2,207,935	-	-	-	4,273,304
2020C	-	1,378,360	-	-	-	-	1,378,360
2021A	-	4,817,777	-	-	-	-	4,817,777
2022A	-	3,074,028	-	-	4	-	3,074,031
2022 BAN	-	-	-	10,292,446	-	-	10,292,446
2023A	-	709,026	-	-	-	-	709,026
2023B	-	526,275	-	-	-	-	526,275
CP 2018 A-1 & A-2	-	-	-	-	41	-	41
Cash	43,222,089	-	-	-	-	-	43,222,089
Certificate of Deposit	100,000	-	-	-	-	-	100,000
Money Market Funds	35,411	-	-	-	-	19,279	54,690
Muni-Bonds	-	-	-	-	-	-	-
US Treasury Bills	27,535,605	-	-	-	-	3,087,656	30,623,261
US Treasury Agency	39,291,964	-	-	-	-	-	39,291,964
Total	\$ 110,185,069	\$ 38,920,619	\$ 78,733,923	\$ 10,292,446	\$ 45	\$ 3,106,935	\$ 241,239,037



Asset Description	Revenue Fund	Debt Service Fund	Debt Service Reserve Fund	Senior Subordinated Debt Fund	Construction Fund	Renewal and Replacement Fund	Total
Cash	43,222,089	-	-	-	-	-	43,222,089
Certificate of Deposit	100,000	-	-	-	-	-	100,000
Money Market Funds	35,411	38,920,619	6,397,280	10,292,446	45	19,279	55,665,080
Muni-Bonds	-	-	35,064,870	-	-	-	35,064,870
US Treasury Bills	27,535,605	-	-	-	-	3,087,656	30,623,261
US Treasury Agency	39,291,964	-	37,271,773	-	-	-	76,563,737
Total	\$ 110,185,069	\$ 38,920,619	\$ 78,733,923	\$ 10,292,446	\$ 45	\$ 3,106,935	\$ 241,239,037

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Monthly Investment Activity

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

Account	Transaction Type	Category	Amount
BNY Mellon	Redemption	Federal National Mortgage Association	(3,000,000.00)
Fifth Third Securities	Purchase	Federal Home Loan Bank	540,251.70
Fifth Third Securities	Purchase	United States Treasury Note	2,455,138.70
Fifth Third Securities	Purchase	United States Treasury Note	5,697,420.00
Fifth Third Securities	Redemption	United States Treasury Bill	(3,000,000.00)

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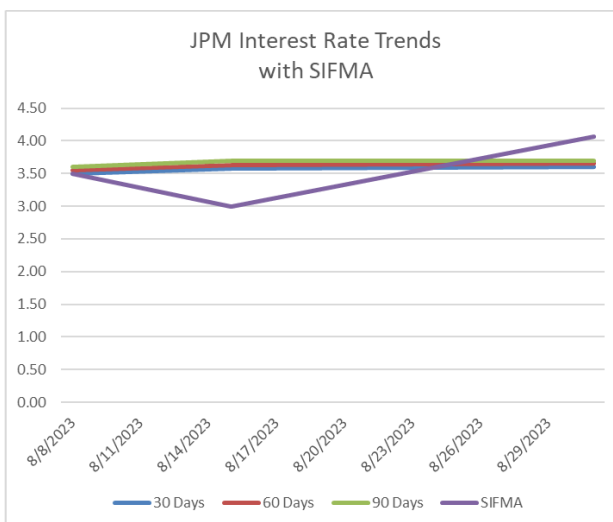
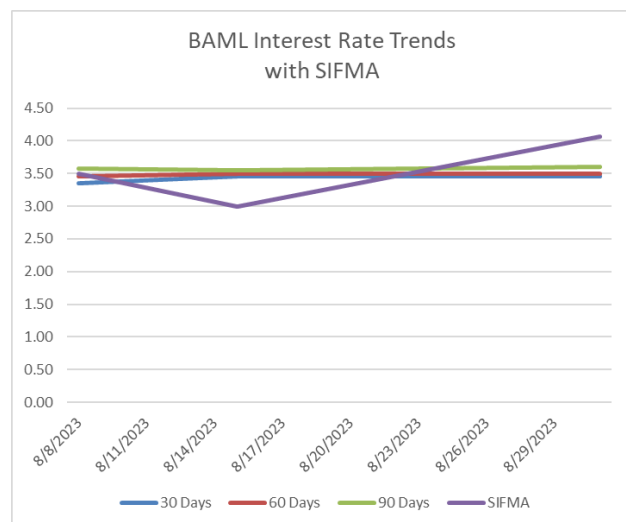
Commercial Paper Program Summary

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 August, we had nine notes mature and were replaced with new notes with an average rate of 3.45% and average terms of 40 days. In August, we issued one new note at \$15M with a rate of 3.40% and a term of 30 days. In September, we have seven notes maturing, totaling \$160M.

The CP Construction Fund balance as of August 31st, was \$4,363.27. Outstanding CP notes are currently split 52.6% with JP Morgan and 47.4% with Bank of America.

CP Issuance Details										
Currently Outstanding										
Issuance Date	CUSIP	CP Principal	MSD Rate	Term (# of days)	Maturity Date	Dealer (JPM/BAML)	Interest Cost	New Issuance or Roll?	SIFMA Index	Spread over (under) SIFMA
6/26/2023	54660FAD6	20,000,000	3.60%	88	9/22/2023	BAML	173,589.04	New	4.18%	-0.58%
8/1/2023	54660HAG5	15,000,000	3.70%	31	9/1/2023	JPM	47,136.99	Roll	3.98%	-0.28%
8/2/2023	54660HAA8	20,000,000	3.60%	30	9/1/2023	JPM	59,178.08	Roll	3.98%	-0.38%
8/9/2023	54660HAJ9	35,000,000	3.40%	30	9/8/2023	JPM	97,808.22	New / Roll	3.49%	-0.09%
8/11/2023	54660FAJ3	20,000,000	3.40%	33	9/13/2023	BAML	61,479.45	Roll	3.00%	0.40%
8/16/2023	54660HAK6	20,000,000	3.50%	42	9/27/2023	JPM	80,547.95	Roll	3.00%	0.50%
8/18/2023	54660FAK0	20,000,000	3.50%	47	10/4/2023	BAML	90,136.99	Roll	3.30%	0.20%
8/23/2023	54660HAL4	10,000,000	3.65%	44	10/6/2023	JPM	44,000.00	Roll	3.30%	0.35%
8/25/2023	54660FAL8	30,000,000	3.80%	31	9/25/2023	BAML	96,821.92	Roll	4.47%	-0.67%
Currently Outstanding: \$ 190,000,000							\$ 750,699			

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 FY24 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 FY24 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

FY24 CAPITAL BUDGET BASIS

The FY24 CIP budget of \$255M for Jefferson, Bullitt and Oldham County projects was approved by the Board in May 2023. The approved budget was based upon total expenditures forecasted at that time for the projects anticipated to be active during the Fiscal Year July 1, 2023, through June 30, 2024.

Many projects span across multiple fiscal years so the annual budget often does 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.

FY24 forecasting efforts will be particularly challenging because there are two very large projects in construction simultaneously: MFWQTC Biosolids Facility and Paddy's Run Flood Pump Station. These two projects alone could spend upwards of \$100M in this fiscal year. Additionally, emergency projects have been escalating and must be dealt with even if it required other planned projects to be deferred.

The priorities for the capital program are presented below along with a summary table of the planned 5-Yr CIP (FY24 – FY28).

- **Regulatory Compliance Programs:** Mandates per a federal, state, or local regulation, rule, code, permit, Consent Decree, Agreed Order, or Administrative Order. This includes the provision included in the Second Amendment to the Consent Decree to spend an average of \$25 million per year through the Year 2035 for maintaining MSD's existing wastewater assets. Regulatory compliance projects represent 82-percent of the 5-Year CIP.
- **Wastewater Programs (non-regulatory):** Through 2035 this program excludes asset management needs and includes development coordination and funding set aside to address infrastructure emergencies. It is envisioned after 2035 this program category will include asset management based work. This program represents 6-percent of the 5-Year CIP.
- **Stormwater & Flood Protection Programs (non-regulatory):** This program includes infrastructure improvements related to drainage and the Ohio River Flood Protection System that are not mandated by regulatory requirements. This program represents 7-percent of the 5-Year CIP.
- **Support Systems Programs:** This program includes improvements needed to keep MSD's infrastructure operating as intended including vehicles and large equipment; buildings and structures, information technology hardware and software, and general facility improvements. This program represents 3-percent of the 5-Year CIP.

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- **Management Reserve:** Funding set aside to assess unforeseen circumstances, bids over engineer's estate, and changing/new infrastructure priorities for FY24.

Service Type	FY24	FY25	FY26	FY27	FY28	5-Year
Regulatory Compliance Programs	\$ 159,953,000	\$ 210,996,000	\$ 216,395,000	\$ 127,873,000	\$ 72,554,000	\$ 787,771,000
Wastewater Programs (non-regulatory)	\$ 45,685,000	\$ 51,987,000	\$ 55,630,000	\$ 53,372,000	\$ 55,109,000	\$ 261,783,000
Stormwater & Flood Protection	\$ 14,472,000	\$ 15,999,000	\$ 21,182,000	\$ 17,459,000	\$ 10,218,000	\$ 79,330,000
Support Systems Programs	\$ 21,333,000	\$ 7,238,000	\$ 7,869,000	\$ 6,568,000	\$ 7,960,000	\$ 50,968,000
Management Reserve	\$ 13,865,000	\$ 5,850,000	\$ 75,000	\$ 100,000	\$ 1,300,000	\$ 21,190,000
Total	\$ 255,308,000	\$ 292,070,000	\$ 301,151,000	\$ 205,372,000	\$ 147,141,000	\$ 1,201,042,000

FY24 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 FY24 budget included \$11.4M in 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:

- **Performance Budget Target:** This represents the Budget Ceiling minus the current level of Management Reserve (as captured in G24031. This target, which will change as Management Reserve is utilized, better measures the progress of the working slate of projects. As of August 31, 2023, the Performance Budget Target is \$247.10M

FY24 capital expenditures for the Wastewater, Stormwater, and Support Services Programs totaled \$25.9M through August 31, 2023. This spend represents approximately 10.2% of the \$254.8M FY24 capital budget and 10.5% of the budget performance target. The forecasted spend for FY24 is \$247.10M

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 2024 Budget Ceiling	\$255M	Approved by MSD Board
FY 2024 Performance Budget Target	\$247.10M	Budget Ceiling minus Mgmt. Reserve
FY 2024 Spending Projection	\$247.10M	Forecasted Spend
FY 2024 Actuals	\$25.90M	10.5% of Budget Ceiling

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

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FY24 Evolving Spend Forecast and Actuals (in \$M)

FY24	Monthly Baseline Performance Target (\$M)	Monthly Actuals (\$M)
July 2023	\$ 10.0	\$ 11.4
August 2023	\$ 29.3	\$ 14.5
September 2023	\$ 24.4	
October 2023	\$ 25.0	
November 2023	\$ 24.4	
December 2023	\$ 23.2	
January 2024	\$ 22.3	
February 2024	\$ 22.0	
March 2024	\$ 20.1	
April 2024	\$ 16.7	
May 2024	\$ 13.2	
June 2024	\$ 16.5	
FY24 Performance Budget Target	\$ 247.1	\$ 26.9

Note: The FY24 baseline forecast excludes Management Reserve. The forecast and actuals exclude FEMA grant projects.

Challenges to CIP Execution

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

Construction bids

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

Supply-Chain Project Impacts

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

Third-Party Coordination Impacts

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

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MONTHLY PROJECT ACTIVITIES

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

- **Initiation/ Procurement Activity:** The time when a project in the approved CIP is waiting for planning to be completed; a design Project Manager (PM) assignment; or a consulting Professional Services Agreement Notice-to-Proceed (NTP).
- **Design Activity:** The time from when a project is transitioned from planning to preliminary design through final design, through bidding, until the NTP is issued for construction.
- **Construction Activity:** The time from when a project is issued a NTP through achievement of Substantial Completion of the contracted scope of work.
- **Studies:** Specific projects for assessments, evaluations, studies, and plan development.

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

Summary of Active Non-Appropriation Projects During Reporting Month

Current Project Activity	# of Projects	Lifetime Actuals	FY24 Budget	FY24 Actuals
Initiation & Procurement	30	\$ 27,483	\$ 13,327,000	\$ 27,483
Design	86	\$ 63,716,067	\$ 141,955,336	\$ 12,448,089
Construction	50	\$ 157,359,786	\$ 59,004,000	\$ 7,353,569
Studies	7	\$ 2,295,958	\$ 573,000	\$ 191,733
TOTAL	173	\$ 223,399,294	\$ 214,859,336	\$ 20,020,874

Does not include projects in Closeout phase

Emergency Contracts to Repair Infrastructure Damage

When emergencies become larger than internal resources can handle and/or present immediate public safety dangers, emergency contracts are executed. MSD issues emergency contracts under the Chief Engineer's and Executive Director's authority. In general, emergencies are any situation that disrupt service to customers and community related to wastewater treatment, stormwater management and flood protection. Often emergencies are due to the condition and age of MSD's assets, while some are due to heavy rain events and saturated soils undermining of pipe infrastructure and drainage runoff has washing away and/or eroding drainage systems. For the past decade MSD had to defer spending for asset management in order to comply with construction of new assets mandated in the Consent Decree to mitigate unauthorized discharges.

Active emergency projects are included in the table below. The amount presented typically reflects the construction contract only. The Budget ID assigned to each project is listed. Projects that are routine in nature and repaired relatively quickly are performed under the annual appropriation FY24 Renewal and Replacement - Budget ID G24001. Projects more complex or requiring more time for completion are assigned a new budget ID.

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Active Emergency Contract Work

Emergency	Funding Source	Date Began	Emergency Certificate Amount (\$)	Contractor
Tree Line Pump Station	G23001	6/2/2023	\$250,000	TEM Group
Willabrook Air Lines	G24001	TBD	TBD	TBD
SGC Gates Replacement	H22022	7/1/2021	\$2,000,000	Pace Contracting, LLC
Levee Repair at Western FPS	F21096	5/4/2022	\$75,000	MAC Construction
5th St FPS MCC's	F15012	12/22/2022	\$335,000	AES, Inc
MFWQTC MEB East & West Freight Elevators	D23194	4/7/2023	\$500,000	Oracle Elevators
Campbell Street Lining	G23001	6/26/2023	\$724,356	Temple and Temple
MFWQTC LG Dryer Replacements	D20285	1/1/2020	\$69,668,264	Judy Construction
15th Street Sewer Repair	A22183	3/7/2022	\$500,000	Temple and Temple
BC ProLogis Treatment Plant	Y23098	10/10/2022	\$75,000	MAC Construction
7725 Oxmoor Upton	G24001	9/7/2023	\$20,000	Robinson Pipe Cleaning
2200 Ridgeview Drive (Goshen KY)	TBD	TBD	TBD	TRC, LLC (WBE)
Jackson St. Sewer Replacement	A24069	TBD	TBD	TBD

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Projects Removed from Cashflow

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

Projects Removed from Cashflow Forecast

Budget ID and Project Name	FY24 Budget	Lifetime Actuals	Reason
D24024 FFWQTC UV Gates	\$258,000	---	Canceled project
E21066 Pirogue PS Elimination	\$36,000	---	Interrupted. New sewer alignment adjustments.
E24018 Deep Trail PS Elimination	\$315,000	---	Canceled project
E24027 Fox Harbor #2 PS Elimination	\$454,000	---	Canceled project
H10043 Raintree & Marian Court Pipe Upgrades	\$241,000	---	Deferred to a future year
H23048 SWPS Screen Replacement	\$1,305,000	---	Canceled project
W24041 Mockingbird Valley WWTP Elimination	\$150,000	---	Deferred to a future year
Y24086 BC Prologis WWTP Emergency Project	\$200,000	---	Canceled project

Major Project Highlights

A major project is defined as one with an FY24 budget larger than \$5M. The following tables list major projects in design and construction.

Major Design/Build Projects

Budget ID & Project Name	Substantial Completion	Current Project Estimate at Completion	FY24 Budget	Lifetime Actuals	Project Outlook
D22100 Morris Forman WQTC New Plant Biosolids Facility	6/30/2027	\$295M	\$47M	\$26M	GMP in Negotiation
F18515 Paddy's Run FPS Capacity Improvements	12/31/2026	\$240M	\$45M	\$18M	Final Design Phase

Major CIP Projects Under Construction

Budget ID & Project Name	Anticipated Substantial Completion	Current Project Estimate at Completion	FY24 Budget	Lifetime Actuals	FY24 Spending Projection	Project Outlook
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D17042 MFWQTC Sedimentation Basin	1/15/25	\$43M	\$12M	\$22M	\$15M	Project in Construction
H20147 Western Outfall Infrastructure Rehabilitation	4/1/24	\$19M	\$7M	\$10M	\$10M	Project in Construction
D21079 Fairmount Road Pump Station Force Main Extension – Phase 2 and 3	1/20/25	\$9M	\$6M	\$1M	\$5M	Bidding

CIP MANAGEMENT TEAM MEETING HIGHLIGHTS

The monthly meeting of the CIP Management Team was held August 22, 2023. The meeting summary below presents the highlights of that meeting.

MEETING PARTICIPANTS

Voting Members

Tony Parrott (present)
Angela Akridge (present)
Brian Bingham (present)
Brad Good (present)
David Johnson (present)
Greg Powell (present)
Jacquelyn Quarles (present)
Wes Sydnor (present)
Daymond Talley (present)
Marc Thomas (present)
Kellie Watson (present)

Technical Support Staff

Dan French (present)
Stephanie Laughlin (present)
John Loechle (present)
Tony Marconi (absent)
Wolffie Miller (present)
Troy Smith (absent)
Erin Wagoner (present)
Sharma Young (present)
Leisha Pica (present)

Latoya English (present)
Kevin Gibson (present)
Mike Griffith (present)
Yajaira Morphonios (present)
Dolly Smith (absent)

MEETING SUMMARY

Regulatory Discussion

Consent Decree Projects:

- No submittals were due this month. Regulatory team is working on the annual submittal due September 30th.
- Progress continues to be made as scheduled for the Consent Decree projects. Projects with little to no float are being carefully monitored.

All Agreed Order projects are moving forward as anticipated.

WQTC Permit renewal efforts were discussed.

FY24 CIP Progress and Discussion

MSD is off to a faster start in FY24 with July actuals totaling \$11.4M. Over the past three years, actuals in July were \$1.4M, \$1.3M, and \$5.3M in FY21, FY22, and FY23 respectively. So far, 4% of the FY24 budget has been spent.

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

- Rolling Hills DIP: EAC of \$150k with all funds spent during FY24 - APPROVED
- DRGWQTC Clarifier MCC, Grit Electrical Buildings Roof Replacement: EAC \$162k - APPROVED

Change Management Process discussion: Ms. Pica suggested the limits to the approval process be revised. She recommended for construction advancements and EAC changes less than \$300,000 go through the Express Approval process instead of the by the full CIP Management Team. This applies to each EAC request, not cumulative. As the approver in the Express process, Mr. Loechle has the option to kick any request in his delegated authority up the the full team for review and approval. The process change was approved to proceed on a trial basis with the revised approval limits.

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Emergencies

The table of active emergency projects was presented. The three latest emergencies were a \$50,000 repair added to the MFWQTC Sedimentation Basin Project; Air Line repairs at Willowbrook; and \$500,00 for the freight elevators at the MFWQTC Mechanical Equipment Bldg (MEB). Both MEB elevators were recommended for renewal in the CRRP.

Bidding

Three projects opened bids in early August.

- CCWQTC Tertiary Filtration Improvements
- Beargrass Creek Flood PS Masonry Repair
- MFWQTC Dechlorination Bldg Roof Replacement

ROOF PROGRAM UPDATE

Mr. Loechle presented an update to the team.

The Critical Repair and Reinvestment Plan (CRRP) identified 99 roofs to be renewed (repaired/replaced). A breakdown of the recommendations by location was presented to the group. 28 of the 99 roofs were associated with vaults. The CRRP recommended MSD invest approximately \$11.6M over ten years.

MSD has focused its budget on the Flood Pump Stations, Treatment Plants, and Central Maintenance Facility (CMF). The current Roof Program includes 71 roofs – and excludes all vault locations. Some costs remain under development, but the total cost construction cost for the Roof Program is currently approximately \$11.1M. The largest investments are for MFWQTC at \$3M and CMF at \$3.9M. If desired by Management, a Phase 2 roof inspection and renewal program can be started after FY25 to address the needs at MSD's wastewater pump stations.

Of the 71 Roof program projects, 30 have been completed. A breakdown of the 31 active roof projects is noted below:

Roof Projects In Design – 11

Under Construction – 23

CHANGE MANAGEMENT ACTIVITIES

Notice of Advisement (NOA)

NOAs are intended to document any change to a project scope, schedule, and budget. A standardized electronic form has been created by the MSD Project Controls Team.

The table below lists the NOA's processed during the reporting period. In general, requests by staff tend to fall into the following categories:

- **New Projects Added to the CIP**: New projects that were not known at the time the CIP was under development and subsequently approved by MSD's Board. These projects are vetted by staff before funding is requested. Projects are only added to the CIP if funding is available from the CIP Management Reserve.

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- **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	FY Impact	Status
644	Ohio River Service Area Lift Station Rehab	Schedule Impact	---	Approved
645	West Triangle PS FM and Interceptor	Budget	(\$13,000_	Approved
646	DRGWQTC Clarifier MCC and Grit Electric MCC B	Construction Advancement	---	Approved
647	Jackson St Sewer Repl Emer Cont	New Project, Budget	\$1,750,000	Approved
648	MFWQTC Secondary Clarifiers Structural Repairs	EAC, Budget, Project Name, Project Status	\$831,840	Approved
649	FY23 EPOR Support Services	Schedule Impact, Budget	\$40,000	Approved
650	Raintree Court and Marian Court Pipe Upgrades	Schedule Impact, Budget	(\$241,000)	Approved
651	Cypress Springs Pump Station Elimination	Schedule Impact, Budget	(\$330,000)	Approved
652	FFWQTC UV GATES	Project Status, Budget	(\$258,000)	Approved
653	Olde Copper Court PS Elimination	Schedule Impact	---	Approved
654	Mockingbird Valley WWTP Elimination	Budget, Schedule Impact, Project Status	(\$150,000)	Approved
655	FY24 CMOM Infrastructure Rehabilitation	Budget, EAC	\$50,000	Approved
656	FY24 MS4	Budget, EAC	\$132,000	Approved
657	Fox Harbor PS Elimination	EAC, Budget, Project Phasing	\$769,000	Approved
658	EPOR Support Services	New Project, Budget	\$250,000	Approved
659	GRANT 2021 Elba DR4595-008	New Project, Budget	---	Approved
660	Sandness Court DIP	New Project, Budget	\$100,000	Approved
661	Barrent Hill Bank Repair	New Project, Budget	\$300,000	Approved

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662	Western Outfall Infrastructure Rehabilitation	EAC	---	Approved
663	DRGWQTC Clarifier MCC and Grit Electric MCC	Construction Advancement	---	Approved
664	MFWQTC Secondary Improvements - DDM	Scope, Budget, Project Phasing	\$50,000	Approved
665	CCWQTC Maintenance Offices Roof Replacement	EAC, Construction Advancement	(\$113,000)	Approved
666	18702 Weymuth Lane DIP	New Project, Budget	\$85,000	Approved
667	Speedway Ave DIP	New Project, Budget	\$130,000	Approved
668	Executive Inn Basin Enhancements	New Project, Budget	\$91,000	Approved
669	IPS CDR Inspector Mobile Initiative	Budget, Project Status	(\$255,000)	Approved
670	MFWQTC Emergency Elevator	Schedule Impact, Budget	\$500,000	Approved
671	Main Office Chillers	Budget	\$500,000	Approved

PROCUREMENT ACTIVITIES

The table below presents the projects currently advertised. The bid dates represent anticipated dates and are subject to change via addendum.

Upcoming Construction Bid Openings

Budget ID	Project Name	Projected Bid Opening
D22213	CCWQTC Tertiary Filtration	9/12/2023
C24029	Sandness Court Drainage Improvement Project	9/19/2023
C24014	Park DuVall Trap Catch Basin Replacment Phase 2	9/21/2023
D23165	HCWQTC Aeration Blower Buildings, Sec 1 & 2 Roof Replacement	9/26/2023
D22080	DRGWQTC Secondary Clarifiers Nos. 4-6 Mechanism Replacement	10/5/2023

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Bid Openings

Bids opened during the reporting month are shown below.

Budget ID	Project Name	Bid Opening	Engineer's Estimate
D23167	MFWQTC Dechlorination Building Roof Replacement	8/1/2023	\$ 116,880
E24066	Taylor Boulevard RTC Vault Decommissioning	8/21/2023	\$ 40,000
D22080	DRG Clarifier 4-6 Mechanism Update	8/30/2023	\$7,678,800
C24061	Twin Lakes Drainage Improvement	8/31/2023	\$ 100,000
F23177	Beargrass Creek FPS Masonry Repair	8/3/2023	\$ 150,000

Construction - Notice to Proceeds (NTP) Issued

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

Budget ID	Project Name	NTP Date
n/a		

END OF REPORT