

# Monthly Executive Report

## Financial & Capital Program Updates

As of March 31, 2024



# MONTHLY EXECUTIVE REPORT

## March 31, 2024

### 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

## March 31, 2024

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# MONTHLY EXECUTIVE REPORT

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### Acronyms & Abbreviations

AEAP	Additional Early Action Projects
APCD	Air Pollution Control District
AO	Agreed Order
B	Billions
BC	Bullitt County
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
COP	Commencement of Performance
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
JC	Jefferson County
KPDES	Kentucky Pollutant Discharge Elimination System
LG	Louisville Green Biosolids Processing System

### Acronyms & Abbreviations – Continued

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
MFWQTC	Morris Forman Water Quality Treatment Center
MS4	Municipal Separate Storm Sewer System Program

# MONTHLY EXECUTIVE REPORT

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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

# MONTHLY EXECUTIVE REPORT

## March 31, 2024

### 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 March 2024, 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 March 31, 2024
<b>Operating Revenues</b>	Year to date, total operating revenues were \$620 thousand favorable to budget (wastewater service charges \$2.1 million unfavorable, drainage service charges \$696 million unfavorable and other operating income \$3.4 million favorable).
<b>Operating Expenses</b>	Service and administrative expenses were \$2.4 million favorable to budget and \$451 thousand more than March 2023. Year to date, service and administrative expenses were \$11.5 million favorable to budget.
<b>Interest Expense</b>	Interest expense was \$146 thousand favorable to budget and \$309 million less than March 2023. Year to date, interest expense was \$145 thousand favorable to budget.
<b>Statement of Cash Flows</b>	Cash and cash equivalents increased \$15.9 million in March. Net cash provided by operating activities was \$24.2 million. Net cash used by capital-related financing activities was \$2.2 million. Net cash used by investing activities was \$6.1 million.
<b>Commercial Paper Notes</b>	Commercial paper notes outstanding total \$219 million with an average duration to maturity of 30 days.

# MONTHLY EXECUTIVE REPORT

## March 31, 2024

### 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 March 31, 2024
<b>Consent Decree and Agreed Order Compliance</b>	All Consent Decree and Agreed Order deadlines have been satisfied through the reporting period.
<b>Emergency Repairs &amp; Reactive Equipment Replacements</b>	Three (3) emergency project started in the reporting month. Projects include sewer repairs at Clay Street and 8015 Shelbyville Rd. and FM repair at Roederer Farm. Estimated cost for these emergencies are \$435k.
<b>Cashflow Performance*</b>	Budget Performance Target is \$237.4M as of March 31, 2024. The FY24 forecasted spend is \$224.2M.

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



# MONTHLY EXECUTIVE REPORT

## March 31, 2024

### 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 March 2024
- Customer Statistics
- Employee Headcount
- Cash Balances
- Investment Summary
- Commercial Paper Program Summary

### MARCH FINANCIAL SUMMARY

#### Financial Highlights for the month of March 2024

- Total operating revenues were \$7.2 million unfavorable to budget
- Service and administrative expenses were \$2.4 million favorable to budget

#### Results of Operations for the month of March 2024

Total operating revenues were \$7.2 million unfavorable to budget and \$4.3 million less than March 2023. Wastewater service charges were \$5.3 million unfavorable to budget and \$2.9 million less than March 2023. Drainage service charges were \$1.9 million unfavorable to budget and \$1.1 million less than March 2023. Other operating revenues were \$165 thousand favorable to budget and \$348 thousand less than March 2023. Year to date, total operating revenues were \$620 thousand favorable to budget (wastewater service charges \$2.1 million unfavorable, drainage service charges \$696 million unfavorable and other operating income \$3.4 million favorable).

Service and administrative expenses were \$2.4 million favorable to budget and \$451 thousand more than March 2023. Year to date, service and administrative expenses were \$11.5 million favorable to budget. Contractual Services account for \$6.9 million of the savings to budget, Chemicals account for \$2.1 million.

Depreciation and amortization expenses were \$2.5 million unfavorable to budget and \$2 million more than March 2023. Year to date, depreciation and amortization expenses were \$18.1 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. Amortization expense is being driven by GASB 96 reporting standards for Subscription Based Information Technology Assets (SBITA). SBITA expense was originally budgeted in Contractual Services for FY25, providing savings in Operations & Maintenance to offset the increase in amortization.

Investment income was \$805 thousand favorable to budget and \$340 thousand less than March 2023. Year to date, investment income was \$8.4 million favorable to budget.

Interest expense was \$146 thousand favorable to budget and \$309 million less than March 2023. Year to date, interest expense was \$145 thousand favorable to budget.

#### Statement of Cash Flows

Cash and cash equivalents increased \$15.9 million in March. Net cash provided by operating activities was \$24.2 million. Net cash used by capital-related financing activities was \$2.2 million. Net cash used by investing activities was \$6.1 million.

# MONTHLY EXECUTIVE REPORT

## March 31, 2024

### FINANCIAL STATEMENTS – FY24

#### Comparative Statement of Net Position

Louisville & Jefferson County Metropolitan Sewer District				
Monthly Comparative Statement of Net Position				
Month Ended, March 31, 2024				
	YTD	YTD		
	Mar-2024	Mar-2023	Variance	Percent
<b>Current Assets</b>				
Unrestricted Cash & Cash Equivalents	\$162,675,023	\$123,637,245	\$39,037,778	31.57%
Sewer & Drainage Receivable	21,071,686	25,495,662	(4,423,977)	-17.35%
Assessment Warrants Receivable	131,006	147,787	(16,781)	-11.35%
Miscellaneous Receivables	(328,512)	2,033,218	(2,361,730)	-116.16%
Inventories	6,232,199	5,588,966	643,233	11.51%
Prepaid Expenses	2,362,666	4,375,078	(2,012,412)	-46.00%
Restricted Funds	200,630,238	163,839,795	36,790,444	22.46%
Accrued Interest Receivable	587,953	340,553	247,399	72.65%
<b>Total Current Assets</b>	<b>393,362,259</b>	<b>325,458,305</b>	<b>67,903,954</b>	<b>20.86%</b>
<b>Non-Current Assets</b>				
Utility Plant in Service	5,085,445,990	4,740,681,953	344,764,037	7.27%
Accumulated Depreciation	(1,761,297,544)	(1,649,110,954)	(112,186,590)	6.80%
Construction in Progress	456,830,441	553,409,088	(96,578,647)	-17.45%
Subscription Assets	5,813,871	0	5,813,871	0.00%
<b>Net Fixed Assets</b>	<b>3,786,792,758</b>	<b>3,644,980,088</b>	<b>141,812,670</b>	<b>3.89%</b>
<b>Non-Current Receivables</b>	<b>20,221,751</b>	<b>21,131,912</b>	<b>(910,161)</b>	<b>-4.31%</b>
<b>Total Assets</b>	<b>4,200,376,768</b>	<b>3,991,570,304</b>	<b>208,806,463</b>	<b>5.23%</b>
<b>Total Deferred Outflow of Resources</b>	<b>47,689,668</b>	<b>69,253,972</b>	<b>(21,564,304)</b>	<b>-31.14%</b>
<b>Total Assets &amp; Deferred Outflow of Resources</b>	<b>4,248,066,436</b>	<b>4,060,824,276</b>	<b>187,242,160</b>	<b>4.61%</b>
<b>Current Liabilities</b>				
Miscellaneous Accounts Payable	5,827,942	12,805,232	(6,977,290)	-54.49%
Accounts Payable - Construction	4,453,246	7,124,002	(2,670,756)	-37.49%
Contract Retainage	10,455,288	5,562,042	4,893,246	87.98%
Accrued Interest Payable	41,226,369	39,157,999	2,068,370	5.28%
Current Maturities of Bonds Payable	51,115,000	52,880,000	(1,765,000)	-3.34%
Current Maturities of Subordinate Debt	10,164,082	2,419,874	7,744,208	320.03%
Current Subscription Payable	68,243	0	68,243	0.00%
Deposits Payable	1,718,166	1,922,154	(203,987)	-10.61%
Accrued Salaries & Wages	1,780,617	1,403,441	377,177	26.88%
Accrued Workers' Comp Insurance	1,933,486	1,237,586	695,900	56.23%
Employee Comp Absences Payable	5,506,599	4,992,859	513,741	10.29%
<b>Total Current Liabilities</b>	<b>134,249,038</b>	<b>129,505,188</b>	<b>4,743,850</b>	<b>3.66%</b>
<b>Non-Current Liabilities</b>				
Long-Term Senior Debt Payable	2,432,239,887	2,228,405,000	203,834,887	9.15%
Long-Term Subordinate Debt Payable	262,591,805	385,020,628	(122,428,823)	-31.80%
Other Long-Term Liability	308,622,928	275,087,149	33,535,779	12.19%
<b>Total Non-Current Liabilities</b>	<b>3,003,454,620</b>	<b>2,888,512,777</b>	<b>114,941,842</b>	<b>3.98%</b>
<b>Total Liabilities</b>	<b>3,137,703,658</b>	<b>3,018,017,965</b>	<b>119,685,692</b>	<b>3.97%</b>
<b>Total Deferred Inflow of Resources</b>	<b>41,242,082</b>	<b>51,149,362</b>	<b>(9,907,280)</b>	<b>-19.37%</b>
<b>Total Liabilities &amp; Deferred Inflow of Resources</b>	<b>3,178,945,739</b>	<b>3,069,167,327</b>	<b>109,778,412</b>	<b>3.58%</b>
<b>Net Position</b>	<b>1,069,120,697</b>	<b>991,656,949</b>	<b>77,463,748</b>	<b>7.81%</b>
<b>Total Liabilities, Deferred Inflow of Resources and Net Position</b>	<b>4,248,066,436</b>	<b>4,060,824,276</b>	<b>187,242,160</b>	<b>4.61%</b>

# MONTHLY EXECUTIVE REPORT

## March 31, 2024

### 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, March 31, 2024							
	YTD	YTD	YTD	% YTD	YTD	YTD	% YTD
	Actual	Budget	Variance	Variance	Prior Year	Variance	Variance
<b>Wastewater Charges</b>							
Residential	\$ 129,868,106	\$ 133,486,124	\$ (3,618,018)	-2.7%	\$ 124,934,520	\$ 4,933,586	3.9%
Commercial	74,904,160	75,349,627	(445,467)	-0.6%	72,307,062	2,597,098	3.6%
Industrial	22,201,400	19,564,146	2,637,254	13.5%	18,662,382	3,539,018	19.0%
Other Wastewater	6,580,608	7,223,745	(643,137)	-8.9%	7,276,289	(695,681)	-9.6%
Free Wastewater Charges	(3,919,456)	(3,933,822)	14,366	-0.4%	(3,985,272)	65,817	-1.7%
<b>Total Wastewater Charges</b>	<b>229,634,818</b>	<b>231,689,821</b>	<b>(2,055,003)</b>	<b>-0.9%</b>	<b>219,194,980</b>	<b>10,439,838</b>	<b>4.8%</b>
<b>Drainage</b>							
Residential	26,984,148	26,705,813	278,335	1.0%	25,416,629	1,567,519	6.2%
Commercial	39,983,668	41,469,097	(1,485,429)	-3.6%	39,268,636	715,032	1.8%
Industrial	5,081,833	4,875,607	206,226	4.2%	4,673,171	408,661	8.7%
Other Stormwater	3,490,113	3,230,885	259,228	8.0%	3,134,967	355,146	11.3%
Free Stormwater Charges	(2,163,640)	(2,208,903)	45,263	-2.0%	(2,085,573)	(78,067)	3.7%
<b>Total Drainage Charges</b>	<b>73,376,121</b>	<b>74,072,499</b>	<b>(696,377)</b>	<b>-0.9%</b>	<b>70,407,830</b>	<b>2,968,291</b>	<b>4.2%</b>
<b>Total Service Charges</b>	<b>303,010,939</b>	<b>305,762,320</b>	<b>(2,751,380)</b>	<b>-0.9%</b>	<b>289,602,810</b>	<b>13,408,129</b>	<b>4.6%</b>
<b>Other Operating Income</b>	<b>6,745,528</b>	<b>3,374,276</b>	<b>3,371,252</b>	<b>99.9%</b>	<b>5,188,934</b>	<b>1,556,594</b>	<b>30.0%</b>
<b>Total Operating Revenue</b>	<b>309,756,467</b>	<b>309,136,596</b>	<b>619,872</b>	<b>0.2%</b>	<b>294,791,744</b>	<b>14,964,723</b>	<b>5.1%</b>
<b>Operating Expenses</b>							
Salaries & Wages	47,761,215	48,046,939	(285,724)	-0.6%	42,892,586	4,868,630	11.4%
Labor Related Overhead	20,911,546	20,113,059	798,487	4.0%	19,582,340	1,329,207	6.8%
Utilities	11,982,529	13,828,652	(1,846,123)	-13.3%	13,733,497	(1,750,968)	-12.7%
Materials & Supplies	6,514,583	7,158,489	(643,906)	-9.0%	6,405,495	109,088	1.7%
Contractual Services	22,574,951	29,467,529	(6,892,578)	-23.4%	23,031,937	(456,986)	-2.0%
Chemicals	6,208,322	8,350,419	(2,142,097)	-25.7%	5,382,302	826,020	15.3%
Fuel	1,112,445	1,536,935	(424,490)	-27.6%	1,324,093	(211,648)	-16.0%
Insurance Premiums & Claims	5,926,345	5,501,115	425,230	7.7%	5,357,220	569,125	10.6%
Bad Debt	2,497,834	2,644,802	(146,968)	-5.6%	3,119,608	(621,774)	-19.9%
Other Operating Expense	1,619,349	1,972,119	(352,770)	-17.9%	1,504,685	114,664	7.6%
Mapping/Insurance Recovery	-	-	-	0.0%	-	0	0.0%
Capitalized Overhead	(31,032,729)	(33,268,814)	2,236,084	-6.7%	(29,212,807)	(1,819,922)	6.2%
Capital Expenses (over)/under applied							
<b>Net Service and Administrative Costs</b>	<b>96,076,389</b>	<b>105,351,243</b>	<b>(9,274,854)</b>	<b>-8.8%</b>	<b>93,120,954</b>	<b>2,955,435</b>	<b>3.2%</b>
Depreciation	93,968,588	78,038,254	15,930,334	20.4%	80,597,893	13,370,694	16.6%
Amortization	3,393,704	1,132,273	2,261,431	199.7%	1,172,195	2,221,509	189.5%
<b>Total Depreciation/Amortization</b>	<b>97,362,292</b>	<b>79,170,527</b>	<b>18,191,765</b>	<b>23.0%</b>	<b>81,770,088</b>	<b>15,592,204</b>	<b>19.1%</b>
<b>Total Operating Expenses</b>	<b>193,438,681</b>	<b>184,521,770</b>	<b>8,916,911</b>	<b>4.8%</b>	<b>174,891,043</b>	<b>18,547,639</b>	<b>10.6%</b>
<b>Net Operating Income</b>	<b>116,317,786</b>	<b>124,614,825</b>	<b>(8,297,040)</b>	<b>-6.7%</b>	<b>119,900,702</b>	<b>(3,582,916)</b>	<b>-3.0%</b>
<b>Non-Operating Revenue (Expenses)</b>							
Gain/Loss Disposal of Assets	(35,639)	-	(35,639)	0.0%	(2,667,273)	2,631,633	-98.7%
Investment Income	18,721,002	10,269,900	8,451,102	82.3%	13,699,903	5,021,098	36.7%
Interest Expense	(75,015,827)	(81,293,583)	6,277,756	-7.7%	(69,692,863)	(5,322,963)	7.6%
<b>Total Non-Operating Revenue (Expenses)</b>	<b>(56,330,464)</b>	<b>(71,023,683)</b>	<b>14,693,218</b>	<b>-20.7%</b>	<b>(58,660,233)</b>	<b>2,329,768</b>	<b>-4.0%</b>
Contributions	1,295,398.16	-	1,295,398	0.0%	1,822,194	526,796	-28.9%
<b>Change in Net Position Before Swaps</b>	<b>61,282,720</b>	<b>53,591,143</b>	<b>7,691,577</b>	<b>14.4%</b>	<b>63,062,664</b>	<b>1,779,944</b>	<b>-2.8%</b>
<b>Change in Fair Value of Swaps</b>	<b>3,559,180</b>	<b>-</b>	<b>3,559,180</b>	<b>0.0%</b>	<b>5,562,464</b>	<b>2,003,284</b>	<b>-36.0%</b>
<b>Change in Net Position After Swaps</b>	<b>\$ 64,841,900</b>	<b>\$ 53,591,143</b>	<b>\$ 11,250,757</b>	<b>21.0%</b>	<b>\$ 68,625,128</b>	<b>\$ 3,783,228</b>	<b>-5.5%</b>

# MONTHLY EXECUTIVE REPORT

## March 31, 2024

### Statement of Cash Flows

Louisville and Jefferson County Metropolitan Sewer District		
Statement of Cash Flows		
For the Month Ended, March 31, 2024		
	<b>FY 2024</b>	<b>FY 2023</b>
	<b>YTD</b>	<b>YTD</b>
<b>Cash Flows from Operating Activities</b>		
Cash received from customers	\$ 317,411,265	\$ 293,326,704
Cash paid to suppliers	(84,159,841)	(78,755,019)
Cash paid to employees	(48,385,911)	(45,287,585)
<b>Net Cash Provided by Operating Activities</b>	<b>184,865,513</b>	<b>169,284,100</b>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Proceeds from issuance of revenue bonds	110,347,083	-
Proceeds from issuance of bond anticipation note	-	229,468,019
Proceeds from issuance of commercial paper	2,074,365,000	300,000,000
Proceeds from issuance of other subordinated debt	4,252,832	-
Payments for retirement of bond anticipation note	(226,340,000)	(226,340,000)
Payments for retirement of commercial paper	(1,820,170,000)	(240,000,000)
Payments for retirement of other subordinated debt	(3,848,944)	(1,674,548)
Payments for interest expense	(61,074,159)	(57,042,268)
Payments for interest on swaps	(1,304,397)	(3,438,537)
Build America bond interest subsidy	8,528,914	8,239,613
Proceeds from capital grants	2,093,698	-
Proceeds from sale of capital assets	(35,639)	(2,667,272)
Payments for capital assets	(154,966,328)	(156,021,039)
Proceeds from assessments	546,501	692,875
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(67,605,439)</b>	<b>(148,783,157)</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of investments	(248,243,158)	(99,521,259)
Maturity of investments	192,754,143	127,215,895
Investment income	6,579,301	3,590,788
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>(48,909,714)</b>	<b>31,285,424</b>
Net Increase (Decrease) in Cash and Cash Equivalents	68,350,360	51,786,367
Cash and Cash Equivalents, Beginning of Year	91,786,053	71,854,355
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 160,136,413</b>	<b>\$ 123,640,722</b>
<b>Reconciliation of Operating Income to Net Cash provided by Operating Activities</b>		
Income from operations	\$ 116,317,786	\$ 119,900,702
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	97,362,292	81,770,088
Capitalized Overhead	(31,032,729)	(29,212,807)
Accounts receivable	8,078,739	(1,467,091)
Inventories	(420,602)	(326,686)
Prepaid expense	(2,124,815)	(1,426,006)
Accounts payable	(2,297,917)	2,998,011
Customer deposits	(423,942)	2,051
Accrued liabilities	(593,299)	(2,954,162)
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 184,865,513</b>	<b>\$ 169,284,100</b>
<b>Non-Cash Capital Financing and Investing Activities</b>		
Contribution of plant, lines and other facilities by developers and property owners	\$ (798,300)	
Construction costs in accounts payable	14,908,534	12,686,044
Change in fair value of investments	(3,416,451)	(1,902,881)
Decrease in interest rate swap deferred revenue	(169,848)	(372,713)
Change in fair value - swap agreements	3,559,180	(5,562,464)
Bonds issued for refunding of debt	\$ 271,900,000	\$ -



# MONTHLY EXECUTIVE REPORT

## March 31, 2024

### MONTHLY INVESTMENT REPORT

#### Investment Compliance Summary

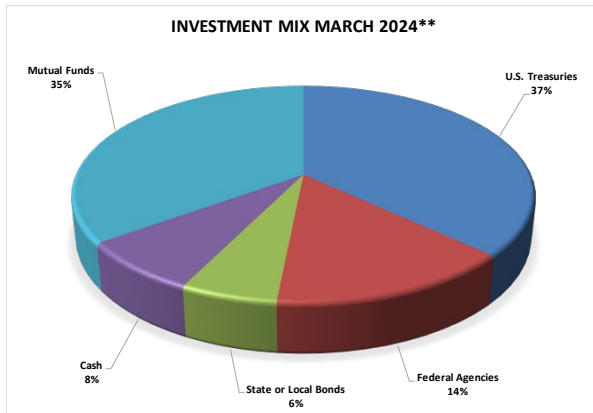
MSD is authorized by Kentucky's statute, KRS 66.480, to make certain investments. MSD maintains unrestricted reserve investments sufficient to cover at least 150 days of operating and maintenance expenses and to support MSD's long-term bond rating.

Investments of restricted funds consist of debt service sinking funds and debt reserves required to be held by MSD's General Bond Resolution.

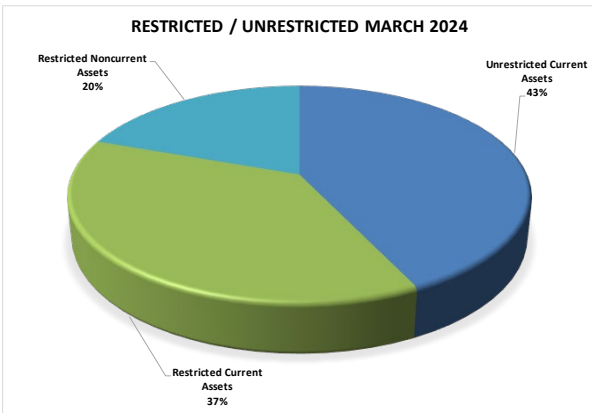
All investments are in compliance with our Investment Policy and Kentucky Statutes.

Louisville MSD Investment Statistics								
Month ended, March 31, 2024								
Investment Type	Market Value	Face / Par Value	Cost / Book Value	Weighted Average Maturity Days	Weighted Average Yield	Percentage of Total Portfolio	Compliance Limit for Total Portfolio*	Compliant
<b>Unrestricted Current Assets</b>								
U.S. Treasuries	61,849,685	62,960,000	61,290,522	353.32	4.19%	17.55%	100%	Yes
Federal Agencies	31,790,411	32,030,000	31,888,959	235.60	4.48%	9.02%	100%	Yes
Certificates of Deposit	100,000	100,000	100,000	316	3.73%	0.03%	100%	Yes
Cash	26,878,187	26,878,187	26,878,187		7.63%	7.63%	100%	Yes
Mutual Funds	30,526,063	30,526,063	30,526,063	1	5.15%	8.66%	40%	Yes
<b>Subtotal</b>	<b>151,144,346</b>	<b>152,494,250</b>	<b>150,683,732</b>	<b>150.29</b>	<b>3.06%</b>	<b>42.88%</b>		
<b>Restricted Current Assets</b>								
U.S. Treasuries	38,732,860	39,000,000	38,071,664	56.95	4.94%	10.99%	100%	Yes
Federal Agencies	2,000,400	2,000,000	1,996,100	530	4.98%	0.57%	100%	Yes
Mutual Funds	91,595,088	91,592,114	91,595,328	1	5.12%	25.98%	40%	Yes
<b>Subtotal</b>	<b>132,328,348</b>	<b>132,592,114</b>	<b>131,663,092</b>	<b>34.04</b>	<b>4.81%</b>	<b>37.54%</b>		
<b>Restricted Noncurrent Assets</b>								
U.S. Treasuries	28,686,010	28,879,000	28,591,801	133.10	4.89%	8.14%	100%	Yes
Federal Agencies	17,391,841	17,412,000	17,500,712	772.63	3.77%	4.93%	100%	Yes
Commercial Paper	2,329,300	2,407,000	2,328,905	215.00	0.00%	0.66%	20%	Yes
State or Local Bonds	20,288,341	20,820,000	21,789,822	507.58	0.91%	5.76%	20%	Yes
Mutual Funds	330,458	330,449	330,458	1	5.12%	0.09%	40%	Yes
<b>Subtotal</b>	<b>69,025,950</b>	<b>69,848,449</b>	<b>70,541,699</b>	<b>225.66</b>	<b>2.80%</b>	<b>19.58%</b>		
<b>Total</b>	<b>352,498,644</b>	<b>354,934,813</b>	<b>352,888,522</b>	<b>191.50</b>	<b>4.40%</b>	<b>100.00%</b>		

\* Per Commonwealth of Kentucky government code, KRS66.480



\*\* Graph illustrates issuers held at 5% or more









## MONTHLY EXECUTIVE REPORT

### March 31, 2024

#### *Risk Management Summary*

MSD's Investment Policy sets parameters for portfolio diversification, credit rating, and maturity. Additionally, MSD assesses portfolio yield by comparing to a selected benchmark.

<b>Louisville MSD Investment Risk Summary</b> Month ended, March 31, 2024			
Diversification	Limit	Actual	
Certificate of Deposit, Bankers Acceptance, Commercial Paper, Equity Securities, Corporate Bonds	20%	6.44%	
Equity Securities, Corporate Bonds, Mutual Funds	40%	0.00%	
Rating	Minimum	Actual	
Unrestricted	Aa2 / AA	Aa2 / AA+	
Restricted	Aa1 / AA+	Aa1 / AA+	
Interest Rate Risk	Limit	Actual	
Weighted Average Maturity Portfolio	< 1095 days	191.50	
Return on Investment	Index	Portfolio	
Weighted Average Yield vs Market Yield on U.S. Treasury Securities at Two Year	4.70%	4.40%	

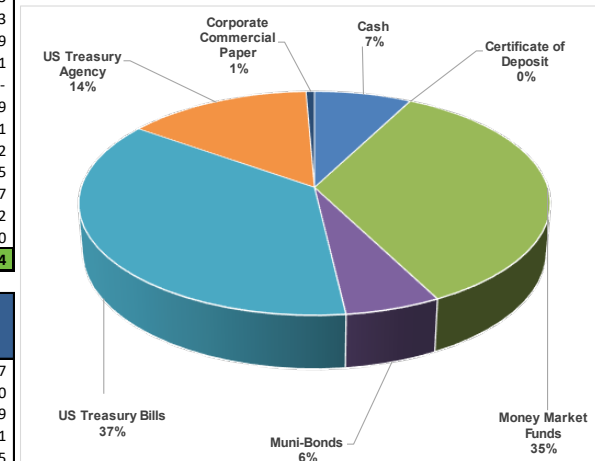
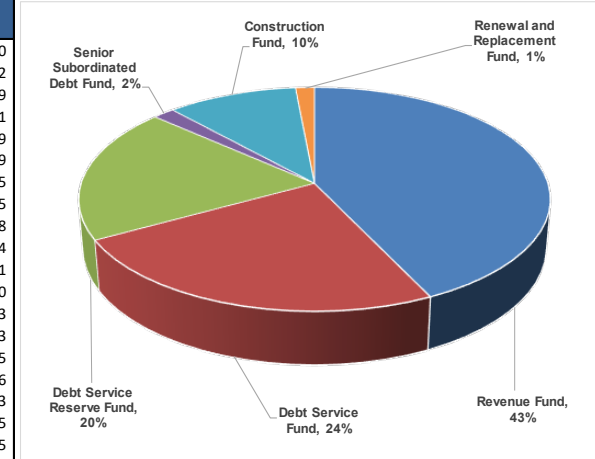
# MONTHLY EXECUTIVE REPORT

## March 31, 2024

### Current Investment Model

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

Account / Series	Revenue Fund	Debt Service Fund	Debt Service Reserve Fund	Senior Subordinated Debt Fund	Construction Fund	Renewal and Replacement Fund	Total
2008A	-	-	996,020	-	-	-	996,020
2009A	-	-	1,801,812	-	-	-	1,801,812
2009B	-	-	8,864,399	-	-	-	8,864,399
2009C	-	9,625,991	3,968,130	-	-	-	13,594,121
2010A	-	6,965,840	15,962,059	-	-	-	22,927,899
2013A	-	-	26,064,119	-	-	-	26,064,119
2013B	-	1,208,995	-	-	-	-	1,208,995
2013C	-	-	106,255	-	-	-	106,255
2014A	-	3,096,358	-	-	-	-	3,096,358
2015A	-	4,305,616	918	-	-	-	4,306,534
2015B	-	3,478,871	-	-	-	-	3,478,871
2016A	-	2,456,420	-	-	-	-	2,456,420
2016B	-	1,264,943	-	-	-	-	1,264,943
2017A	-	6,970,703	1,452,380	-	-	-	8,423,083
2017B	-	14,047,265	-	-	-	-	14,047,265
2018A	-	815,606	-	-	-	-	815,606
2020A	-	3,116,510	1,164,393	-	-	-	4,280,903
2020C	-	512,785	-	-	-	-	512,785
2021A	-	12,747,505	-	-	-	-	12,747,505
2022A	-	3,523,703	-	-	-	-	3,523,703
2023A	-	1,253,143	-	-	-	-	1,253,143
2023B	-	703,999	-	-	-	-	703,999
2023C	-	8,821,087	8,645,465	-	36,132,049	-	53,598,601
CP 2023 A-1 & A-2	-	-	-	-	-	-	-
CP Note Payment Fund	-	-	-	6,049,269	-	-	6,049,269
BNY Mellon	-	-	-	-	-	5,231,691	5,231,691
Fifth Third Rate Stabilization Fund	15,088,702	-	-	-	-	-	15,088,702
Fifth Third Securities	78,814,295	-	-	-	-	-	78,814,295
JP Morgan Chase Bank, N.A.	26,878,187	-	-	-	-	-	26,878,187
JP Morgan Securities	30,263,162	-	-	-	-	-	30,263,162
Liberty Bank	100,000	-	-	-	-	-	100,000
	<b>\$ 151,144,346</b>	<b>\$ 84,915,339</b>	<b>\$ 69,025,950</b>	<b>\$ 6,049,269</b>	<b>\$ 36,132,049</b>	<b>\$ 5,231,691</b>	<b>\$ 352,498,644</b>



Asset Description	Revenue Fund	Debt Service Fund	Debt Service Reserve Fund	Senior Subordinated Debt Fund	Construction Fund	Renewal and Replacement Fund	Total
Cash	26,878,187	-	-	-	-	-	26,878,187
Certificate of Deposit	100,000	-	-	-	-	-	100,000
Money Market Funds	30,526,063	84,915,339	330,458	6,049,269	307,269	323,211	122,451,609
Muni-Bonds	-	-	20,288,341	-	-	-	20,288,341
US Treasury Bills	61,849,685	-	28,686,010	-	35,824,780	2,908,080	129,268,555
US Treasury Agency	31,790,411	-	17,391,841	-	-	2,000,400	51,182,652
Corporate Commercial Paper	-	-	2,329,300	-	-	-	2,329,300
	<b>\$ 151,144,346</b>	<b>\$ 84,915,339</b>	<b>\$ 69,025,950</b>	<b>\$ 6,049,269</b>	<b>\$ 36,132,049</b>	<b>\$ 5,231,691</b>	<b>\$ 352,498,644</b>



# MONTHLY EXECUTIVE REPORT

## March 31, 2024

### 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	Bank	Securities	Qualified Broker	Amount
2008A Debt Reserve	Purchase	Bank of New York Mellon	Toyota Cred PR Commerical Paper	Arbitrage Management Group	334,774.10
2008A Debt Reserve	Purchase	Bank of New York Mellon	United States Treasury Note	Arbitrage Management Group	328,452.66
2008A Debt Reserve	Purchase	Bank of New York Mellon	Federal Farm Credit Banks Funding Corp	Arbitrage Management Group	333,892.63
2008A Debt Reserve	Sale	Bank of New York Mellon	City of Portsmouth VA	Arbitrage Management Group	(1,014,961.00)
2009A Debt Reserve	Purchase	Bank of New York Mellon	Toyota Cred PR Commerical Paper	Arbitrage Management Group	605,689.56
2009A Debt Reserve	Purchase	Bank of New York Mellon	United States Treasury Note	Arbitrage Management Group	595,446.39
2009A Debt Reserve	Purchase	Bank of New York Mellon	Federal Farm Credit Banks Funding Corp	Arbitrage Management Group	604,426.12
2009A Debt Reserve	Sale	Bank of New York Mellon	Lexington-Fayette Urban County Gov	Arbitrage Management Group	(1,841,453.60)
2009B Debt Reserve	Purchase	Bank of New York Mellon	United States Treasury Note	Arbitrage Management Group	600,484.01
2009B Debt Reserve	Sale	Bank of New York Mellon	State of Hawaii	Arbitrage Management Group	(505,285.00)
2009C Debt Reserve	Purchase	Bank of New York Mellon	United States Treasury Note	Arbitrage Management Group	69,519.12
2010A Debt Reserve	Purchase	Bank of New York Mellon	Toyota Cred PR Commerical Paper	Arbitrage Management Group	997,549.41
2010A Debt Reserve	Purchase	Bank of New York Mellon	Federal Farm Credit Banks Funding Corp	Arbitrage Management Group	3,020,119.20
2010A Debt Reserve	Purchase	Bank of New York Mellon	Federal Home Loan Banks	Arbitrage Management Group	3,028,172.10
2010A Debt Reserve	Sale	Bank of New York Mellon	City of El Paso TX	Arbitrage Management Group	(1,106,840.00)
2010A Debt Reserve	Sale	Bank of New York Mellon	City of New York NY	Arbitrage Management Group	(5,452,000.00)
2010A Debt Reserve	Sale	Bank of New York Mellon	University of Kentucky	Arbitrage Management Group	(1,000,000.00)
2011/2013 Debt Reserve	Purchase	Bank of New York Mellon	Federal Home Loan Banks	Arbitrage Management Group	1,312,207.91
2011/2013 Debt Reserve	Purchase	Bank of New York Mellon	Federal Farm Credit Banks Funding Corp	Arbitrage Management Group	1,294,336.80
2011/2013 Debt Reserve	Sale	Bank of New York Mellon	City of Portsmouth VA	Arbitrage Management Group	(587,609.00)
2011/2013 Debt Reserve	Sale	Bank of New York Mellon	University of Kentucky	Arbitrage Management Group	(1,000,000.00)
2017A Debt Reserve	Purchase	Bank of New York Mellon	United States Treasury Note	Arbitrage Management Group	479,581.19
2017A Debt Reserve	Sale	Bank of New York Mellon	State of Hawaii	Arbitrage Management Group	(506,833.31)
2020A Debt Reserve	Purchase	Bank of New York Mellon	Toyota Cred PR Commerical Paper	Arbitrage Management Group	390,892.26
2020A Debt Reserve	Purchase	Bank of New York Mellon	United States Treasury Note	Arbitrage Management Group	384,873.98
2020A Debt Reserve	Purchase	Bank of New York Mellon	Federal Farm Credit Banks Funding Corp	Arbitrage Management Group	391,217.57
2020A Debt Reserve	Sale	Bank of New York Mellon	State of Hawaii	Arbitrage Management Group	(202,114.00)
2023C Construction Fund	Purchase	Bank of New York Mellon	United States Treasury Bill	Fifth Third Securities INC	983,451.00
2023C Construction Fund	Redemption	Bank of New York Mellon	United States Treasury Bill	Fifth Third Securities INC	(9,807,243.33)
2023C Debt Reserve	Purchase	Bank of New York Mellon	Federal Farm Credit Banks Funding Corp	Cantor Fitzgerald L.P.	2,498,650.00
2023C Debt Reserve	Purchase	Bank of New York Mellon	United States Treasury Bill	Cantor Fitzgerald L.P.	1,929,944.44
2023C Debt Reserve	Purchase	Bank of New York Mellon	Federal Farm Credit Banks Funding Corp	JP Morgan Securities LLC	2,012,140.00
2023C Debt Reserve	Purchase	Bank of New York Mellon	United States Treasury Note	JP Morgan Securities LLC	2,008,984.38
2023C Debt Reserve	Redemption	Bank of New York Mellon	Federal Home Loan Bank Discount	Cantor Fitzgerald L.P.	(4,315,947.78)
Fifth Third Securities	Purchase	Fifth Third	United States Treasury Note	Fifth Third Securities INC	3,092,177.34
Fifth Third Securities	Purchase	Fifth Third	Federal Home Loan Bank	Fifth Third Securities INC	4,009,976.92
Fifth Third Securities	Purchase	Fifth Third	United States Treasury Note	Fifth Third Securities INC	2,983,125.00
Fifth Third Securities	Purchase	Fifth Third	United States Treasury Note	Fifth Third Securities INC	2,995,078.13
Fifth Third Securities	Purchase	Fifth Third	United States Treasury Note	Fifth Third Securities INC	2,983,476.56
Fifth Third Securities	Purchase	Fifth Third	United States Treasury Note	Fifth Third Securities INC	3,938,962.50
Fifth Third Securities	Redemption	Fifth Third	Federal Home Loan Bank	Fifth Third Securities INC	(3,000,000.00)
Fifth Third Securities	Redemption	Fifth Third	Federal Home Loan Bank	Fifth Third Securities INC	(3,000,000.00)
Fifth Third Securities	Redemption	Fifth Third	Federal Home Loan Mortgage Corp	Fifth Third Securities INC	(3,800,000.00)

MSD's qualified brokers are Arbitrage Management Group, Cantor Fitzgerald L.P., Fifth Third Securities INC & JP Morgan Securities LLC

# MONTHLY EXECUTIVE REPORT

## March 31, 2024

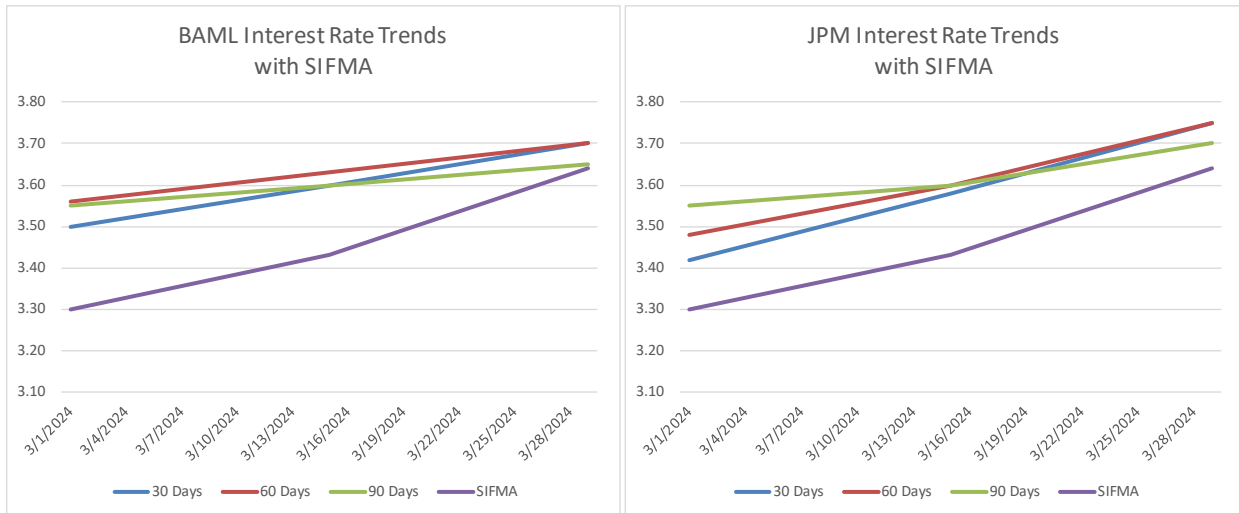
### Commercial Paper Program Summary

MSD operates a \$500 million Commercial Paper (CP) program as part of its overall capital financing program. Liquidity support is provided by JP Morgan Chase and Bank of America, NA. JP Morgan Securities and BofA Securities are dealers for the CP program. In March, we had two notes mature and were replaced with new notes with an average rate of 3.51% and average terms of 30 days. In April, we have two notes maturing totaling \$219,195,000.

The CP Construction Fund balance as of March 31, 2024, was \$0.00. Outstanding CP notes are currently split 50% with JP Morgan Chase and 50% with Bank of America, NA.

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	
3/4/2024	54660FAZ7	109,598,000	3.52%	30	4/3/2024	BAML	317,083.53	Roll	3.30%	0.22%	
3/4/2024	54660HAY6	109,597,000	3.50%	30	4/3/2024	JPM	315,279.04	Roll	3.30%	0.20%	
<b>Currently Outstanding:</b>							<b>\$ 219,195,000</b>				<b>\$ 632,363</b>

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.



MONTHLY EXECUTIVE REPORT  
**March 31, 2024**

**SUPPLEMENTAL FINANCIAL REPORTING**

*Revenue by Customer Class*

	Number of Customers		Revenue by Customer Class		Budget By Customer Class	
	Mar-2024	Mar-2023	Mar-2024	Mar-2023	Mar-2024	Mar-2023
<b>Wastewater</b>						
Residential	236,729	235,909	10,878,223	12,812,573	14,302,717	13,989,637
Commercial	21,928	21,943	7,590,494	8,485,952	9,298,177	9,264,761
Industrial	400	398	2,345,304	2,272,298	2,458,986	2,295,105
<b>Sub-Total</b>	<b>259,057</b>	<b>258,250</b>	<b>20,814,021</b>	<b>23,570,823</b>	<b>26,059,880</b>	<b>25,549,503</b>
<b>Drainage</b>						
Residential	211,109	209,888	2,105,231	2,535,924	2,828,581	2,803,148
Commercial	13,841	13,991	3,622,269	4,317,030	4,866,809	4,406,997
Industrial	283	279	548,552	551,727	597,044	574,233
<b>Sub-Total</b>	<b>225,233</b>	<b>224,158</b>	<b>6,276,052</b>	<b>7,404,680</b>	<b>8,292,434</b>	<b>7,784,378</b>
<b>Grand Total</b>			<b>\$ 27,090,072</b>	<b>\$ 30,975,503</b>	<b>\$ 34,352,315</b>	<b>\$ 33,333,881</b>

*Wastewater Revenue by County*

	Number of Customers		Revenue by Customer Class		Budget by Customer Class	
	Mar-2024	Mar-2023	Mar-2024	Mar-2023	Mar-2024	Mar-2023
<b>Jefferson County</b>						
Residential	225,196	224,462	10,058,037	12,025,978	13,417,405	13,260,398
Commercial	21,527	21,528	7,422,441	8,359,230	9,160,258	9,127,635
Industrial	398	396	2,342,711	2,270,476	2,456,828	2,292,427
<b>Sub-Total</b>	<b>247,121</b>	<b>246,386</b>	<b>19,823,189</b>	<b>22,655,684</b>	<b>25,034,490</b>	<b>24,680,460</b>
<b>Bullitt County</b>						
Residential	4,589	4,564	295,802	233,928	260,116	243,862
Commercial	165	163	109,067	75,617	87,600	87,333
Industrial	1	1	2,498	1,732	2,068	2,588
<b>Sub-Total</b>	<b>4,755</b>	<b>4,728</b>	<b>407,367</b>	<b>311,277</b>	<b>349,785</b>	<b>333,783</b>
<b>Oldham County</b>						
Residential	6,944	6,883	524,384	552,668	625,196	485,377
Commercial	236	252	58,986	51,105	50,319	49,793
Industrial	1	1	95	90	90	90
<b>Sub-Total</b>	<b>7,181</b>	<b>7,136</b>	<b>583,464</b>	<b>603,863</b>	<b>675,605</b>	<b>535,260</b>
<b>Grand Total</b>			<b>\$ 20,814,021</b>	<b>\$ 23,570,823</b>	<b>\$ 26,059,880</b>	<b>\$ 25,549,503</b>

# MONTHLY EXECUTIVE REPORT

## March 31, 2024

### 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 March 31, 2024.

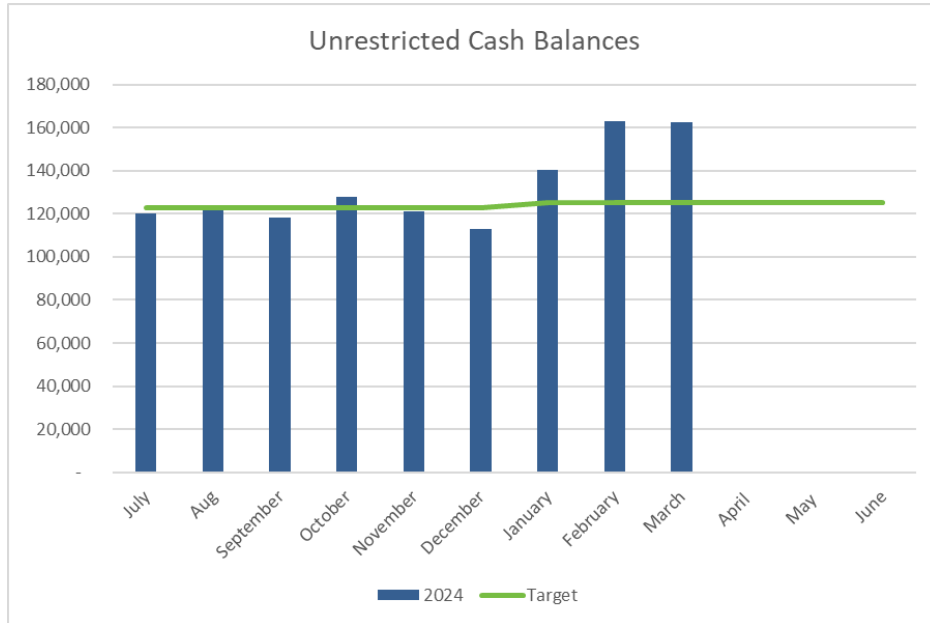
FY24 Headcount by Division			
	Budget Approved	Current Authorized	Filled
Administration			
Community Benefits & Partnerships	8	8	6
Customer Relations	21	20	18
Executive Offices	2	4	4
Government & Public Affairs	7	7	7
Innovation	5	4	4
Internal Audit	4	4	4
Records and Information Governance	9	10	8
Corporate	1	1	1
Engineering	102	102	89
Facilities, Safety & Security	39	40	33
Finance	21	23	21
Human Resources	21	22	19
Information Technology	33	33	32
Legal	12	11	8
Operations	519	520	456
Supply Chain & Economic Inclusion	27	27	23
<b>Total Authorized Positions</b>	<b>831</b>	<b>836</b>	<b>733</b>
*Excludes temporary & seasonal staff			

# MONTHLY EXECUTIVE REPORT

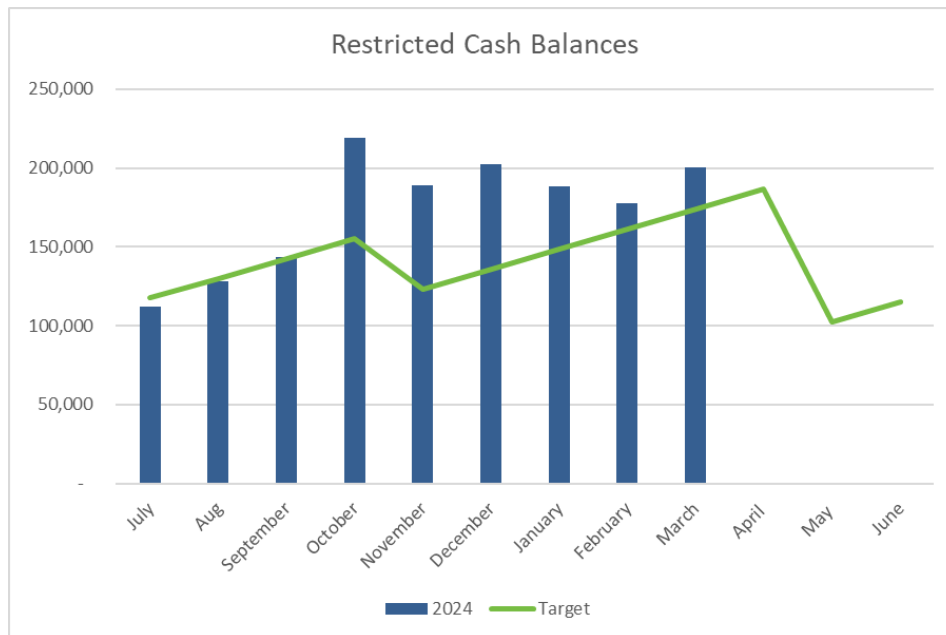
## March 31, 2024

### 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.



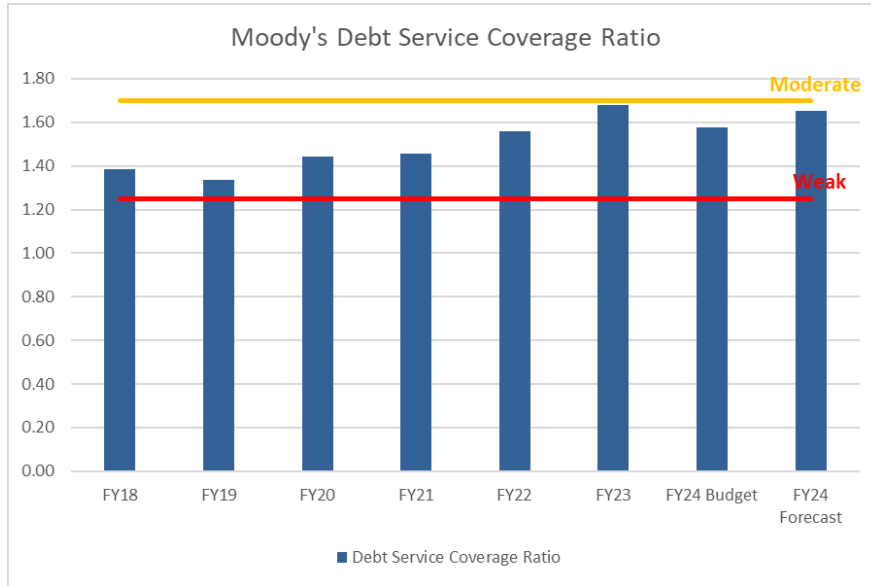
Restricted cash & cash equivalents are reserved for the purpose of bond debt service, funding of capital construction, cost of issuance, and debt service reserves. MSD supplements its restricted debt service reserve cash and investments with a \$75 million bond surety policy to meet its required level of annual debt service reserve funding.



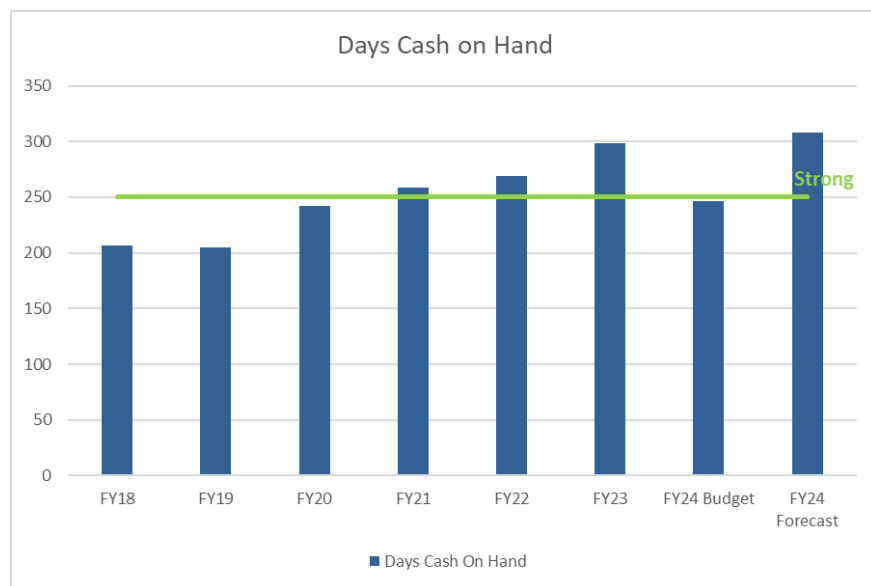
QUARTERLY FINANCIAL REPORTING

Key Performance Indicators

Debt service coverage is a key statistic assessing the financial health of a utility. The magnitude by which net revenues are sufficient to cover debt service shows a utility’s margin to tolerate business risks or declines in demand while still assuring repayment of debt. Higher coverage levels indicate greater flexibility to withstand volatile revenues, unexpected outflows, or customer resistance to higher rates. MSD has different coverage calculations required by ordinance, the General Bond Resolution and in various debt service covenants. However, for benchmarking, we focus on the Moody’s calculation which includes all debt. We strive for continuous improvement of this KPI because our ratio is near the Moody’s Baa boundary relative to our overall Aa3 rating.

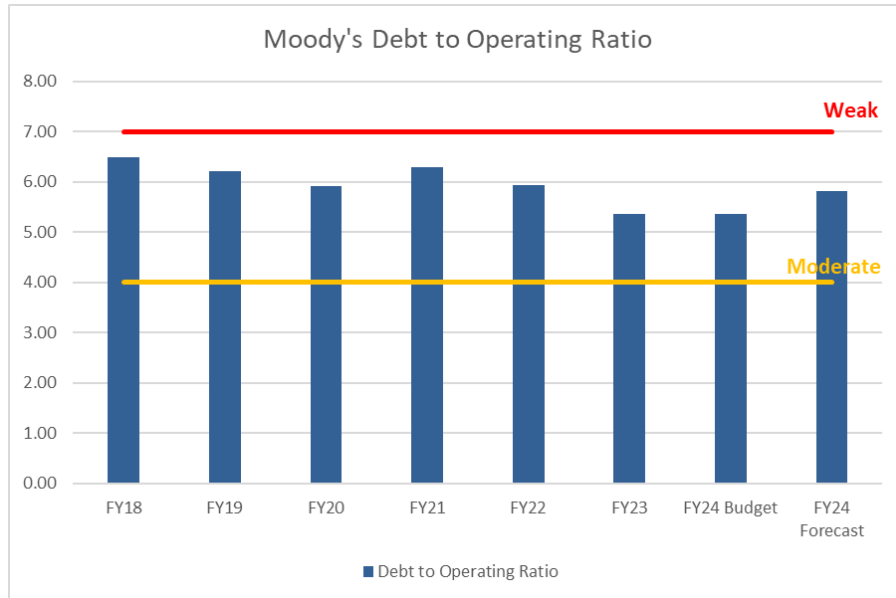


Cash is the paramount resource MSD has to meet expenses and navigate business interruptions. Utilities with a lot of cash and cash equivalents are able to survive temporary disruptions and cash flow shortfalls without missing important payments. A low cash balance indicates poor flexibility to manage contingencies. MSD is in the Aaa Moody’s rating range for this KPI.

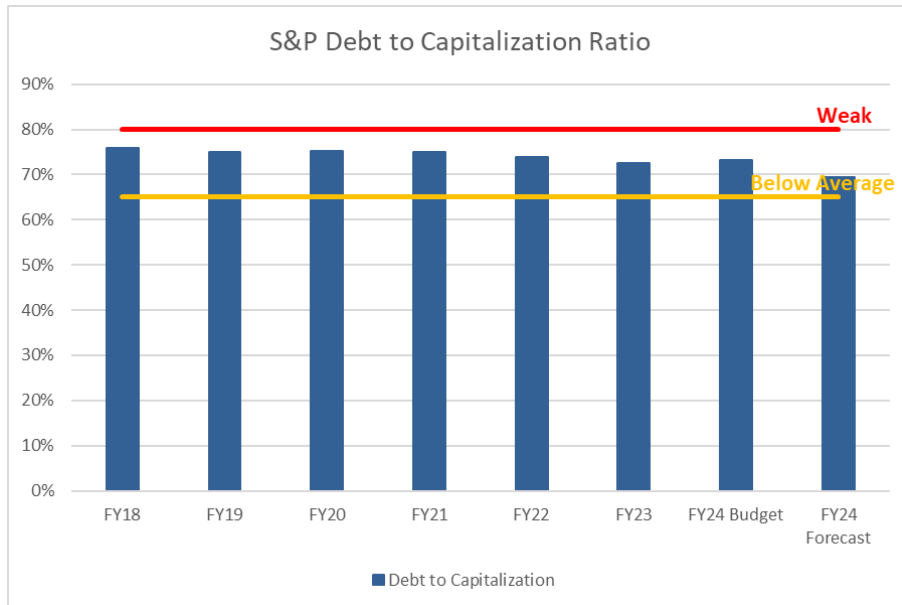


**Key Performance Indicators – Continued**

A utility’s debt profile determines its leverage and fixed costs. Utilities that carry a lot of debt have less ability to reduce costs if demand shrinks and are generally more challenged to achieve higher debt service coverage. A greater debt burden may also prohibit a utility from funding necessary capital upgrades if a covenant prevents the issuer from incurring the debt necessary to fund those upgrades. MSD focuses on continuous improvement of this KPI because our ratio is near the Moody’s Baa boundary relative to our overall Aa3 rating.



S&P Global Ratings evaluates our debt profile using a debt to total capitalization ratio. The objective is similar to what Moodys is evaluating with the debt to operating ratio. S&P considers MSD’s debt to capitalization ratio relatively weak relative to our overall rating thus this is another key benchmark for us to monitor.

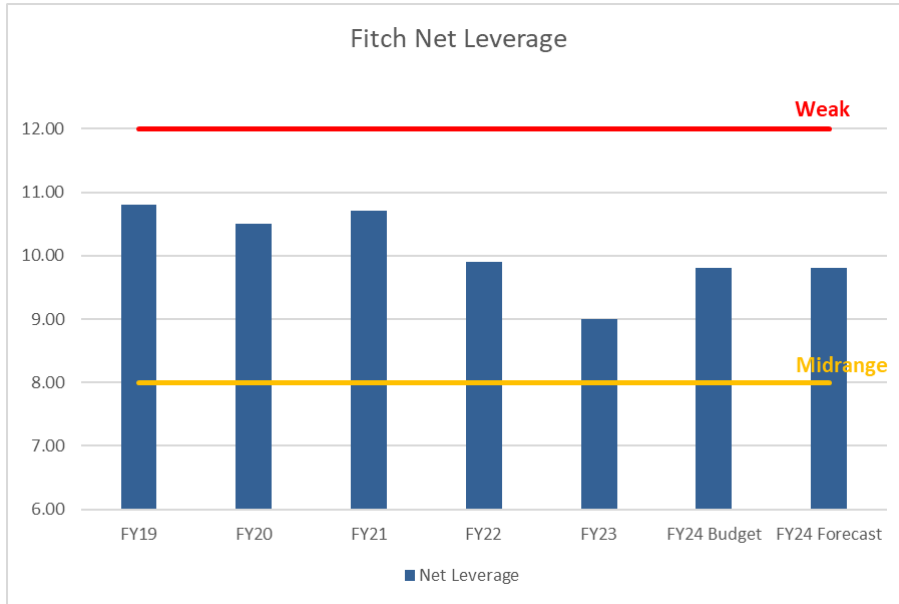


# MONTHLY EXECUTIVE REPORT

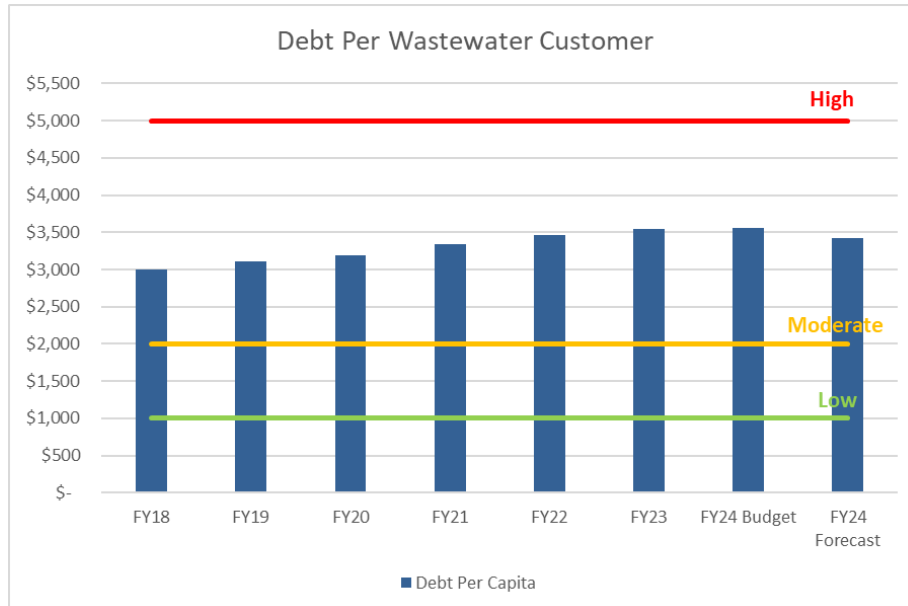
## March 31, 2024

### Key Performance Indicators – Continued

Fitch Ratings assesses the level of financial flexibility that an entity can sustain as it encounters stresses expected to occur over the relevant forecast period. Metrics are used to evaluate the entity's liquidity profile and leverage in the context of the entity's overall risk profile. Reducing operating leverage is generally seen as positive. MSD regularly reviews its Net Leverage profile as calculated by Fitch as a benchmarking measure.



MSD provides Debt per Wastewater Customer for informational purposes. We continue to be in a period where we are incurring more debt that we are paying off because of our spending commitments for the consent decree and to address aging infrastructure.





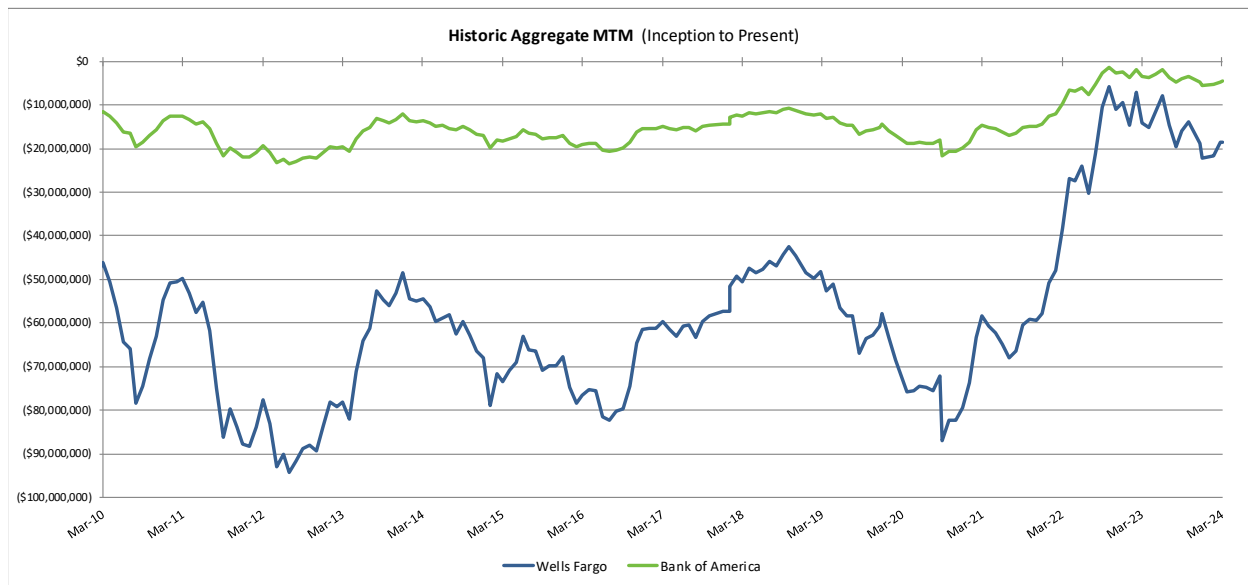
# MONTHLY EXECUTIVE REPORT

## March 31, 2024

### Market to Market on Swaps

#### Swap Valuation March 31, 2024

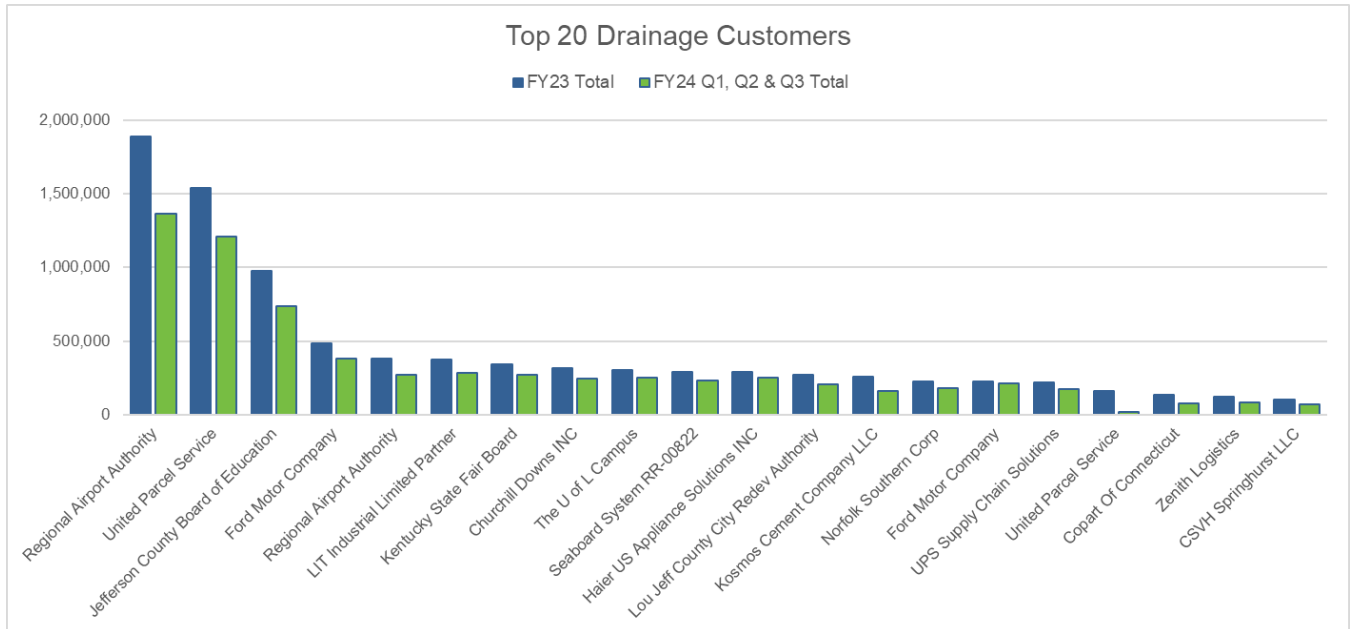
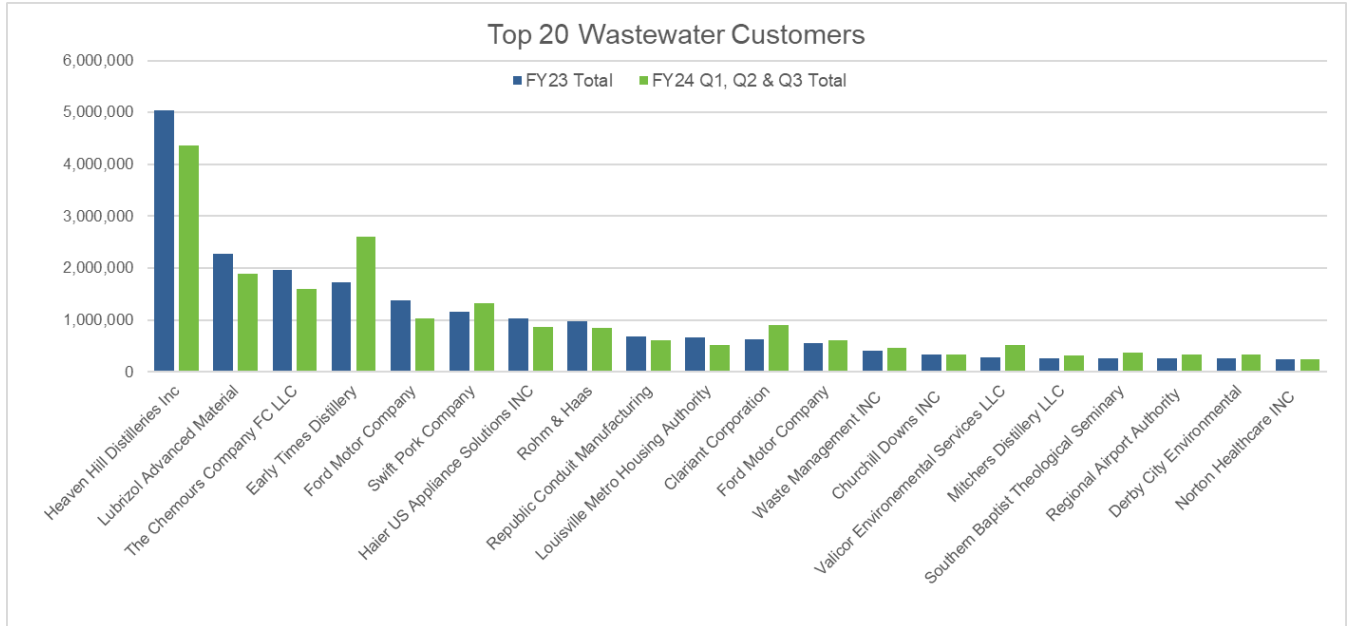
Credit Support Provider	Description	Maturity Date	Notional Amount	Outstanding Notional Amount	Clean Market Value	Accrued Interest	Market-to-Market Value
Wells Fargo NA	1999 - 1 - \$225.732M 67% SOFR Fixed Payer	5/15/2033	180,716,000.00	175,356,000.00	(18,512,817.97)	57,586.24	(18,570,404.21)
Bank of America NA	1999 - 2 - \$56.433 67% SOFR Fixed Payer	5/15/2033	56,433,000.00	43,839,000.00	(4,629,142.54)	14,398.18	(4,643,540.71)
			<b>\$ 237,149,000</b>	<b>\$ 219,195,000</b>	<b>\$ (23,141,961)</b>	<b>\$ 71,984</b>	<b>\$ (23,213,945)</b>



# MONTHLY EXECUTIVE REPORT

## March 31, 2024

### Top 20 Customers



# MONTHLY EXECUTIVE REPORT

## March 31, 2024

### 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 \$255.3M for Jefferson, Bullitt, and Oldham Counties was approved by the Board in May 2023.

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

# MONTHLY EXECUTIVE REPORT

## March 31, 2024

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
<b>Total</b>	<b>\$ 255,308,000</b>	<b>\$ 292,070,000</b>	<b>\$ 301,151,000</b>	<b>\$ 205,372,000</b>	<b>\$ 147,141,000</b>	<b>\$ 1,201,042,000</b>

### FY24 CIP OVERALL PERFORMANCE

MSD assigned funds to a Management Reserve to fund emergencies and unanticipated priorities. The baseline FY24 budget included \$13.9M 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:

- **Budget Ceiling:** This represents the total annual capital spend approved with the FY24 CIP of \$255.3M 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 G24031, W24032, and Y24032 for Jefferson, Oldham, and Bullitt Counties, respectively). This target, which will change as Management Reserve is utilized, better measures the progress of the working slate of projects.

The overall Capital Budget Performance summary is provided below.

#### Capital Budget Performance Summary

Financial Category	Jefferson	Bullitt	Oldham	Total	Comments
<b>Budget Ceiling</b>	\$244.4M	\$6.4M	\$4.5M	<b>\$255.3M</b>	MSD Board Approved
<b>Vehicles &amp; Equipment Replacement (Fleet)**</b>	\$5.9M	-	-	<b>\$5.9M</b>	
<b>Management Reserve</b>	\$21.4M	\$2.0M	\$1.7M	<b>\$25.0M</b>	Current
<b>Performance Budget Target</b>	\$226.5M	\$6.4M	\$4.5M	<b>\$237.4M</b>	Budget Ceiling minus Fleet & Mgmt. Reserve*
<b>Spending Projection</b>	\$216.9M	\$4.4M	\$2.8M	<b>\$224.2M</b>	Forecasted Spend
<b>Actuals</b>	\$122.7M	\$3.1M	\$2.8M	<b>\$128.6M</b>	54.2% of Perf. Target

\*The Performance Budget Target shall not be lower than the Budget Ceiling minus the original Fleet & Management Reserve values for the FY.

\*\*Vehicles and Equipment Replacement budget has been removed from the Performance Budget Target per the MSD Finance Division Standard Operating Procedure for Fleet Replacement prepared in March 2024.

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

# MONTHLY EXECUTIVE REPORT

## March 31, 2024

### 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.

### 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 tables below.

#### *Summary of Active Non-Appropriation Projects During Reporting Month (Jefferson)*

Current Project Activity	# of Projects	Lifetime Actuals	FY24 Budget	FY24 Actuals
Initiation & Procurement	20	\$1,594,907	\$11,386,100	\$1,497,782
Design	102	\$37,028,737	\$49,899,900	\$20,102,982
Construction	53	\$247,996,712	\$159,113,000	\$82,029,124
Studies	12	\$8,595,847	\$5,980,000	\$3,876,498
<b>TOTAL</b>	<b>187</b>	<b>\$295,216,204</b>	<b>\$226,379,000</b>	<b>\$107,506,386</b>

*Does not include projects in Closeout phase*

## MONTHLY EXECUTIVE REPORT March 31, 2024

### Summary of Active Non-Appropriation Projects During Reporting Month (Oldham)

Current Project Activity	# of Projects	Lifetime Actuals	FY24 Budget	FY24 Actuals
Design	3	\$170,248	\$1,532,332	\$23,741
<b>TOTAL</b>	<b>3</b>	<b>\$170,248</b>	<b>\$1,532,332</b>	<b>\$23,741</b>

Does not include projects in Closeout phase

### Summary of Active Non-Appropriation Projects During Reporting Month (Bullitt)

Current Project Activity	# of Projects	Lifetime Actuals	FY24 Budget	FY24 Actuals
Initiation & Procurement	1	\$-	\$220,000	\$-
Design	11	\$1,097,042	\$2,093,000	\$326,173
Closeout	1	\$536	\$-	\$536
<b>TOTAL</b>	<b>13</b>	<b>\$1,097,578</b>	<b>\$2,313,000</b>	<b>\$326,708</b>

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.

### Active Emergency Contract Work (Jefferson)

Emergency	Funding Source	Date Began	Emergency Certificate Amount (\$)	Contractor
15th Street Sewer Repair	A22183	3/7/2022	\$500,000	Temple and Temple
2021 Woodbourne Ave Sewer Repair	G24001	4/4/2024	\$150,000	MAC Construction
5th St FPS MCC's	F15012	12/22/2022	\$335,000	AES, Inc
8015 Shelbyville Rd. Sewer Repair	TBD	3/19/2024	\$50,000	TRC, LLC (WBE)

## MONTHLY EXECUTIVE REPORT March 31, 2024

Emergency	Funding Source	Date Began	Emergency Certificate Amount (\$)	Contractor
Clay Street Sewer Repair	TBD	3/15/2024	\$100,000	TRC, LLC (WBE)
DRG Aeration Basin 5 Gate Investigation and Repair	G24001	1/17/2024	\$30,000	Allied Underwater Services
DRG Bio Bed Replacement	TBD	1/15/2024	\$350,000	Various Vendors
Hancock St. Sewer Repl. (Construction)	TBD			
Hancock St. Sewer Repl. (Engineering)	TBD			
Jackson St. Sewer Replacement	A24069	1/17/2024	\$941,522	TRC, LLC (WBE)
MF Dryer Operation Assistance	TBD	4/1/2024	\$975,000	
MFWQTC DAFT Nos. 1-8 repair	D24143	1/8/2024	\$400,000	Judy Construction
MFWQTC LG Dryer Replacements	D20285	1/1/2020	\$69,668,264	Judy Construction
MFWQTC MEB East & West Freight Elevators	D23194	NTP 4/07/23 - waiting on material delivery; anticipated 4/19/24	\$500,000	Oracle Elevators
Roederer Farm FM Repair	GL 52160/CC 6030000	3/29/2024	\$35,000	Basham Construction and Rental
SGC Gates Replacement - Construction	H22022	4/1/2022	\$2,000,000	Pace Contracting, LLC
SGC Gates Replacement - Design	H22022	7/1/2021	\$-	AECOM
Southwestern Basin Emergency - WM	Ops./#7252143; G/L 52195	2/2/2024	\$500,000	
Southwestern Basin Emergency Cleaning	Ops./#7252143; G/L 52195	1/31/2024	\$500,000	Ulliman Schutte
Tree Line Pump Station	G24001	6/2/2023	\$250,000	TEM Group
Underwater Operation MF CCC	G24001	12/1/2023	\$35,000	Allied Underwater Services

*Active Emergency Contract Work (Bullitt)*

Emergency	Funding Source	Date Began	Emergency Certificate Amount (\$)	Contractor
N/A				

*Active Emergency Contract Work (Oldham)*

MONTHLY EXECUTIVE REPORT  
March 31, 2024

Emergency	Funding Source	Date Began	Emergency Certificate Amount (\$)	Contractor
N/A				



# MONTHLY EXECUTIVE REPORT

## March 31, 2024

### 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 EAC	Lifetime Actuals	FY24 Budget	FY24 Actuals	FY24 Spending Projection	Project Outlook
D22100 Morris Forman WQTC New Biosolids Facility	12/8/2027	\$313.8M	\$41.9M	\$35.7M	\$16.5M	\$27.4M	In Stage 2 Construction Phase
F18515 Paddy's Run Pump Station Capacity Improvements	12/31/2026	\$241.5	\$33.3M	\$49.9M	\$25.1M	\$45.8M	In Stage 2 Construction Phase

#### Major Projects Under Construction

Budget ID & Project Name	Substantial Completion	Current EAC	Lifetime Actuals	FY24 Budget	FY24 Actuals	FY24 Spending Projection	Project Outlook
D17042 MFWQTC Sedimentation Basin RR	9/26/2025	\$43.8M	\$33.4M	\$14.5M	\$12.2M	\$14.5M	On schedule
H20147 Western Outfall Infrastructure Rehabilitation - Maple St.	3/19/2024	\$19.0M	\$16.3M	\$10.5M	\$7.8M	\$10.5M	Substantial completion

### CIP MANAGEMENT TEAM MEETING HIGHLIGHTS

The CIP Management Team held its regular meeting on March 27, 2024. Decisions made during the meeting, facilitated by Wolfie Miller, are found below:

#### Variance Reporting

No major variance decisions required.

#### Construction Advancements

- **G23036 Main Office HVAC Chillers**
  - **Further discussion needed due to 53-week lead time on equipment.**

# MONTHLY EXECUTIVE REPORT

## March 31, 2024

### Alternative Funding

- **USACE P3 Alternative Delivery Program: Move Forward with Application**
  - **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
H23018	Cedar Creek Main Interceptor	4/2/2024
Y22124	West Triangle PS FM and Interceptor	4/15/2024
H23175	California Maple St Trap Catch Basin Rehab	4/19/2024
H24118	West Indian Trail Stormwater Improvements	5/1/2024
Y24090	BC Lower Mud Lane Interceptor	5/1/2024
E22116	South Shelby St Sanitary Sewer Improvements	5/6/2024
D24015	CCWQTC UV Improvements	5/12/2024
D24104	MFQTC Secondary Load Centers Replacement	5/30/2024
G18154	CMF Structural Repair	5/31/2024

#### *Bid Openings*

Bids opened during the reporting month are shown below.

Budget ID	Project Name	Bid Opening	Bid Award
A24132	Southwestern CSO Basin Bar Screen Replacement	3/26/2024	\$211,691
D24106	CCWQTC South Electrical Service	3/26/2024	\$938,267
H23050	WQTC Regional Lab Upgrade	3/5/2024	\$990,000

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March 31, 2024

**Construction - Notice to Proceeds (NTP) Issued**

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

Budget ID	Project Name	NTP Date
D24170	Clay Street Emergency Sewer Repair	3/16/2024
F24136	Southwestern Basin Emergency	3/20/2024

END OF REPORT