

Monthly Executive Report

Financial & Capital Program Updates

As of May 31, 2024



MONTHLY EXECUTIVE REPORT

May 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

May 31, 2024

TABLE OF CONTENTS

SECTION 1: EXECUTIVE SUMMARY	6
FINANCIAL HEALTH.....	6
CAPITAL PROGRAM HEALTH	7
SECTION 2: FINANCIAL REPORT	8
MAY FINANCIAL SUMMARY	8
FINANCIAL STATEMENTS – FY24.....	9
Comparative Statement of Net Position	9
Statement of Revenues, Expenses & Change in Net Position	10
Statement of Cash Flows	11
Actual vs. Budget Operating and Maintenance Expenses	12
MONTHLY INVESTMENT REPORT	13
Investment Compliance Summary	13
Risk Management Summary	14
Current Investment Model.....	15
Monthly Investment Activity.....	16
Commercial Paper Program Summary	17
SUPPLEMENTAL FINANCIAL REPORTING.....	18
Revenue by Customer Class.....	18
Wastewater Revenue by County.....	18
Headcount.....	19
Cash Balances	20
SECTION 3: CAPITAL PROGRAM PERFORMANCE	21
FY24 CAPITAL BUDGET BASIS	21
FY24 CIP OVERALL PERFORMANCE	22
Challenges to CIP Execution.....	23
MONTHLY PROJECT ACTIVITIES	23
Emergency Contracts to Repair Infrastructure Damage.....	24
Major Project Highlights	26
CIP MANAGEMENT TEAM MEETING HIGHLIGHTS	27
PROCUREMENT ACTIVITIES	27
Upcoming Construction Bid Openings	27
Bid Openings.....	27
Construction - Notice to Proceeds (NTP) Issued.....	28

MONTHLY EXECUTIVE REPORT

May 31, 2024

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
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

Acronyms & Abbreviations – Continued

KPDES	Kentucky Pollutant Discharge Elimination System
LG	Louisville Green Biosolids Processing System
MHI	Median Household Income
MFWQTC	Morris Forman Water Quality Treatment Center
MS4	Municipal Separate Storm Sewer System Program
MSD	Metropolitan Sewer District
NMC	Nine Minimum Controls
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

May 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 May 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 May 31, 2024
Operating Revenues	Year to date, total operating revenues were \$10.9 million favorable to budget (wastewater service charges \$4.8 million favorable, drainage service charges \$836 thousand favorable and other operating income \$5.3 million favorable).
Operating Expenses	Service and administrative expenses were \$725 thousand unfavorable to budget and \$1.5 million more than May 2023. Year to date, service and administrative expenses were \$9.8 million favorable to budget.
Interest Expense	Interest expense was \$320 thousand unfavorable to budget and \$868 thousand more than May 2023. Year to date, interest expense was \$442 thousand unfavorable to budget.
Statement of Cash Flows	Cash and cash equivalents decreased \$94.4 million in May. Net cash provided by operating activities was \$27 million. Net cash used by capital-related financing activities was \$130.2 million. Net cash provided by investing activities was \$8.8 million.
Commercial Paper Notes	Commercial paper notes outstanding total \$212 million with an average duration to maturity of 31 days.

MONTHLY EXECUTIVE REPORT

May 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 May 31, 2024
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	Five (5) emergency projects started in the reporting month. Projects include repairs to a 42" sewer on Barrett Ave, failed headwall and pipe on Freys Hill Road, scum line repair at FFWQTC, PSC repair on Grinstead Drive, and an air line repair at Bullitt Hills WQTP. Estimated cost for these emergencies are \$427k.
Cashflow Performance*	Budget Performance Target is \$242.7M as of May 31, 2024. The FY24 forecasted spend is \$235.0M.

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

MONTHLY EXECUTIVE REPORT

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

MAY FINANCIAL SUMMARY

Financial Highlights for the month of May 2024

- Total operating revenues were \$4.9 million favorable to budget
- Service and administrative expenses were \$725 thousand unfavorable to budget

Results of Operations for the month of May 2024

Total operating revenues were \$4.9 million favorable to budget and \$6.3 million more than May 2023. Wastewater service charges were \$2.7 million favorable to budget and \$3.9 million more than May 2023. Drainage service charges were \$280 thousand favorable to budget and \$579 thousand more than May 2023. Other operating revenues were \$1.9 million favorable to budget and \$1.8 million more than May 2023. Year to date, total operating revenues were \$10.9 million favorable to budget (wastewater service charges \$4.8 million favorable, drainage service charges \$836 thousand favorable and other operating income \$5.3 million favorable).

Service and administrative expenses were \$725 thousand unfavorable to budget and \$1.5 million more than May 2023. Year to date, service and administrative expenses were \$9.8 million favorable to budget. Contractual Services account for \$6.1 million of the savings to budget, Chemicals account for \$3 million.

Depreciation and amortization expenses were \$2.7 million unfavorable to budget and \$2.5 million more than May 2023. Year to date, depreciation and amortization expenses were \$23.2 million unfavorable to budget. Depreciation expense is being driven by the large number of capital projects that were placed into service in June of 2023 and assets that have been placed into service throughout FY24. 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 \$1.3 million favorable to budget and \$870 thousand more than May 2023. Year to date, investment income was \$10.5 million favorable to budget.

Interest expense was \$320 thousand unfavorable to budget and \$868 thousand more than May 2023. Year to date, interest expense was \$442 thousand unfavorable to budget.

Statement of Cash Flows

Cash and cash equivalents decreased \$94.4 million in May. Net cash provided by operating activities was \$27 million. Net cash used by capital-related financing activities was \$130.2 million. Net cash provided by investing activities was \$8.8 million. The large decrease in Net Cash was related to Revenue Bond principal and interest payments on May 15th, 2024.

MONTHLY EXECUTIVE REPORT

May 31, 2024

FINANCIAL STATEMENTS – FY24

Comparative Statement of Net Position

Louisville & Jefferson County Metropolitan Sewer District				
Monthly Comparative Statement of Net Position				
Month Ended, May 31, 2024				
	YTD	YTD		
	May-2024	May-2023	Variance	Percent
Current Assets				
Unrestricted Cash & Cash Equivalents	\$168,274,356	\$122,998,723	\$45,275,633	36.81%
Sewer & Drainage Receivable	20,231,131	25,465,781	(5,234,649)	-20.56%
Assessment Warrants Receivable	144,404	141,134	3,270	2.32%
Miscellaneous Receivables	673,395	1,296,140	(622,745)	-48.05%
Inventories	6,255,936	5,722,761	533,175	9.32%
Prepaid Expenses	1,001,847	2,838,543	(1,836,696)	-64.71%
Restricted Funds	106,845,812	87,420,318	19,425,494	22.22%
Accrued Interest Receivable	587,953	340,553	247,399	72.65%
Total Current Assets	304,014,835	246,223,954	57,790,880	23.47%
Non-Current Assets				
Utility Plant in Service	5,155,508,795	4,731,272,966	424,235,829	8.97%
Accumulated Depreciation	(1,781,997,379)	(1,656,246,272)	(125,751,107)	7.59%
Construction in Progress	458,391,709	593,356,880	(134,965,172)	-22.75%
Subscription Assets	5,243,383	0	5,243,383	0.00%
Net Fixed Assets	3,837,146,507	3,668,383,574	168,762,934	4.60%
Non-Current Receivables	19,937,152	21,188,341	(1,251,189)	-5.91%
Total Assets	4,161,098,494	3,935,795,869	225,302,625	5.72%
Total Deferred Outflow of Resources	47,469,422	68,379,916	(20,910,494)	-30.58%
Total Assets & Deferred Outflow of Resources	4,208,567,916	4,004,175,785	204,392,131	5.10%
Current Liabilities				
Miscellaneous Accounts Payable	9,414,321	9,422,992	(8,671)	-0.09%
Accounts Payable - Construction	24,115,852	9,032,268	15,083,584	167.00%
Contract Retainage	13,306,238	6,093,404	7,212,833	118.37%
Accrued Interest Payable	4,683,865	9,398,265	(4,714,399)	-50.16%
Current Maturities of Bonds Payable	53,985,000	52,375,000	1,610,000	3.07%
Current Maturities of Subordinate Debt	10,514,190	1,918,917	8,595,273	447.92%
Current Subscription Payable	68,243	0	68,243	0.00%
Deposits Payable	1,653,524	2,087,425	(433,901)	-20.79%
Accrued Salaries & Wages	1,577,570	2,678,599	(1,101,028)	-41.10%
Accrued Workers' Comp Insurance	1,933,486	1,237,586	695,900	56.23%
Employee Comp Absences Payable	5,287,682	4,851,919	435,763	8.98%
Total Current Liabilities	126,539,971	99,096,374	27,443,597	27.69%
Non-Current Liabilities				
Long-Term Senior Debt Payable	2,392,276,613	2,151,935,000	240,341,613	11.17%
Long-Term Subordinate Debt Payable	255,235,582	404,513,829	(149,278,247)	-36.90%
Other Long-Term Liability	304,292,288	290,749,504	13,542,784	4.66%
Total Non-Current Liabilities	2,951,804,483	2,847,198,333	104,606,150	3.67%
Total Liabilities	3,078,344,454	2,946,294,706	132,049,747	4.48%
Total Deferred Inflow of Resources	43,015,215	48,388,632	(5,373,416)	-11.10%
Total Liabilities & Deferred Inflow of Resources	3,121,359,669	2,994,683,338	126,676,331	4.23%
Net Position	1,087,208,247	1,009,492,447	77,715,800	7.70%
Total Liabilities, Deferred Inflow of Resources and Net Position	4,208,567,916	4,004,175,785	204,392,131	5.10%

MONTHLY EXECUTIVE REPORT

May 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, May 31, 2024							
	YTD	YTD	YTD	% YTD	YTD	YTD	% YTD
	Actual	Budget	Variance	Variance	Prior Year	Variance	Variance
Wastewater Charges							
Residential	\$ 160,370,920	\$ 161,643,895	\$ (1,272,975)	-0.8%	\$ 152,058,059	\$ 8,312,861	5.5%
Commercial	92,114,479	90,382,553	1,731,926	1.9%	87,026,199	5,088,280	5.8%
Industrial	29,038,045	23,957,278	5,080,767	21.2%	22,727,565	6,310,480	27.8%
Other Wastewater	7,706,053	8,346,036	(639,983)	-7.7%	8,315,000	(608,947)	-7.3%
Free Wastewater Charges	(4,484,491)	(4,426,361)	(58,130)	1.3%	(4,492,840)	8,349	-0.2%
Total Wastewater Charges	284,745,006	279,903,401	4,841,606	1.7%	265,633,983	19,111,023	7.2%
Drainage							
Residential	33,580,566	32,654,314	926,252	2.8%	31,138,565	2,442,001	7.8%
Commercial	49,526,187	50,398,735	(872,548)	-1.7%	47,918,473	1,607,714	3.4%
Industrial	6,270,110	5,916,297	353,813	6.0%	5,694,454	575,656	10.1%
Other Stormwater	4,381,637	3,961,170	420,467	10.6%	3,846,566	535,072	13.9%
Free Stormwater Charges	(2,692,289)	(2,700,600)	8,310	-0.3%	(2,558,999)	(133,290)	5.2%
Total Drainage Charges	91,066,211	90,229,917	836,295	0.9%	86,039,058	5,027,153	5.8%
Total Service Charges	375,811,218	370,133,317	5,677,901	1.5%	351,673,041	24,138,176	6.9%
Other Operating Income	9,376,785	4,123,937	5,252,848	127.4%	6,212,774	3,164,012	50.9%
Total Operating Revenue	385,188,003	374,257,254	10,930,749	2.9%	357,885,815	27,302,188	7.6%
Operating Expenses							
Salaries & Wages	58,871,416	58,800,265	71,151	0.1%	52,515,650	6,355,767	12.1%
Labor Related Overhead	26,546,109	24,609,800	1,936,309	7.9%	24,491,705	2,054,405	8.4%
Utilities	14,973,395	17,064,364	(2,090,970)	-12.3%	17,311,857	(2,338,462)	-13.5%
Materials & Supplies	8,707,322	8,730,354	(23,032)	-0.3%	7,651,021	1,056,301	13.8%
Contractual Services	29,512,845	35,701,072	(6,188,227)	-17.3%	27,914,640	1,598,205	5.7%
Chemicals	7,145,753	10,205,667	(3,059,915)	-30.0%	6,588,837	556,916	8.5%
Fuel	1,372,262	1,880,916	(508,654)	-27.0%	1,584,042	(211,780)	-13.4%
Insurance Premiums & Claims	7,173,239	6,723,585	449,654	6.7%	6,883,108	290,131	4.2%
Bad Debt	3,050,784	3,232,534	(181,750)	-5.6%	4,017,889	(967,105)	-24.1%
Other Operating Expense	1,957,674	2,291,921	(334,246)	-14.6%	1,752,788	204,886	11.7%
Mapping/Insurance Recovery	-	-	-	0.0%	-	0	0.0%
Capitalized Overhead	(38,764,617)	(40,593,018)	1,828,401	-4.5%	(37,435,153)	(1,329,464)	3.6%
Capital Expenses (over)/under applied							
Net Service and Administrative Costs	120,546,183	128,647,461	(8,101,279)	-6.3%	113,276,384	7,269,799	6.4%
Depreciation	115,748,356	95,380,088	20,368,269	21.4%	98,269,236	17,479,121	17.8%
Amortization	4,212,469	1,383,889	2,828,580	204.4%	1,431,829	2,780,641	194.2%
Total Depreciation/Amortization	119,960,826	96,763,977	23,196,849	24.0%	99,701,064	20,259,761	20.3%
Total Operating Expenses	240,507,008	225,411,438	15,095,570	6.7%	212,977,448	27,529,560	12.9%
Net Operating Income	144,680,995	148,845,816	(4,164,821)	-2.8%	144,908,367	(227,372)	-0.2%
Non-Operating Revenue (Expenses)							
Gain/Loss Disposal of Assets	(26,414)	-	(26,414)	0.0%	(2,759,280)	2,732,866	-99.0%
Investment Income	23,039,276	12,552,100	10,487,176	83.5%	16,790,099	6,249,177	37.2%
Interest Expense	(91,865,914)	(98,919,854)	7,053,941	-7.1%	(84,897,001)	(6,968,913)	8.2%
Total Non-Operating Revenue (Expenses)	(68,853,052)	(86,367,754)	17,514,702	-20.3%	(70,866,182)	2,013,130	-2.8%
Contributions	2,246,271.93	-	2,246,272	0.0%	1,858,362	(387,910)	20.9%
Change in Net Position Before Swaps	78,074,215	62,478,062	15,596,153	25.0%	75,900,547	(2,173,668)	2.9%
Change in Fair Value of Swaps	4,855,235	-	4,855,235	0.0%	10,560,079	5,704,844	-54.0%
Change in Net Position After Swaps	\$ 82,929,450	\$ 62,478,062	\$ 20,451,388	32.7%	\$ 86,460,626	\$ 3,531,176	-4.1%

MONTHLY EXECUTIVE REPORT

May 31, 2024

Statement of Cash Flows

Louisville and Jefferson County Metropolitan Sewer District		
Statement of Cash Flows		
For the Month Ended, May 31, 2024		
	FY 2024	FY 2023
	YTD	YTD
Cash Flows from Operating Activities		
Cash received from customers	\$ 392,616,806	\$ 357,353,005
Cash paid to suppliers	(100,327,860)	(99,489,231)
Cash paid to employees	(59,918,076)	(53,776,431)
Net Cash Provided by Operating Activities	232,370,870	204,087,343
Cash Flows from Capital and Related Financing Activities		
Proceeds from issuance of revenue bonds	124,368,809	-
Proceeds from issuance of bond anticipation note	-	229,468,019
Proceeds from issuance of commercial paper	2,286,560,000	430,000,000
Proceeds from issuance of notes	-	-
Proceeds from issuance of other subordinated debt	5,316,040	-
Payments for retirement of revenue bonds	(51,115,000)	(57,090,272)
Payments for retirement of bond anticipation note	(226,340,000)	(226,340,000)
Payments for retirement of commercial paper	(2,039,365,000)	(350,000,000)
Payments for retirement of other subordinated debt	(4,932,855)	(2,671,399)
Payments for interest expense	(116,405,908)	(104,318,023)
Payments for interest on swaps	(1,600,436)	(3,831,464)
Build America bond interest subsidy	10,359,939	10,070,638
Proceeds from capital grants	3,043,821	-
Proceeds from sale of capital assets	(26,414)	(2,759,280)
Payments for capital assets	(196,265,110)	(193,401,027)
Proceeds from assessments	658,410	833,399
Net Cash Provided (Used) by Capital and Related Financing Activities	(205,743,704)	(270,039,409)
Cash Flows from Investing Activities		
Purchase of investments	(291,873,756)	(139,409,579)
Maturity of investments	258,850,130	157,267,927
Investment income	9,295,864	5,389,041
Net Cash Provided (Used) by Investing Activities	(23,727,761)	23,247,389
Net Increase (Decrease) in Cash and Cash Equivalents	2,899,405	(5,269,524)
Cash and Cash Equivalents, Beginning of Year	91,786,053	71,854,355
Cash and Cash Equivalents, End of Year	\$ 94,685,458	\$ 66,584,831
Reconciliation of Operating Income to Net Cash provided by Operating Activities		
Income from operations	\$ 144,680,995	\$ 144,908,367
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	119,960,825	99,701,065
Capitalized Overhead	(38,764,617)	(37,435,153)
Accounts receivable	7,917,387	(700,132)
Inventories	(444,340)	(460,481)
Prepaid expense	(763,997)	110,529
Accounts payable	1,288,462	(384,230)
Customer deposits	(488,584)	167,322
Accrued liabilities	(1,046,660)	(1,819,944)
Pension liability	-	-
OPEB liability	31,399	-
Net Cash Provided by Operating Activities	\$ 232,370,870	\$ 204,087,343
Non-Cash Capital Financing and Investing Activities		
Contribution of plant, lines and other facilities by developers and property owners	\$ (798,300)	
Construction costs in accounts payable	37,422,090	12,312,979
Change in fair value of investments	(3,806,509)	(2,109,943)
Decrease in interest rate swap deferred revenue	(207,592)	(414,126)
Change in fair value - swap agreements	4,855,235	(3,929,252)
Bonds issued for refunding of debt	\$ 271,900,000	\$ -

MONTHLY EXECUTIVE REPORT

May 31, 2024

Actual vs. Budget Operating and Maintenance Expenses

Louisville & Jefferson County Metropolitan Sewer District Operating and Maintenance Expenses Month Ended, May 31, 2024							
	YTD Actual	YTD Budget	YTD Variance	% YTD Variance	YTD Prior Year	YTD Variance	% YTD Variance
Salaries & Wages							
51120 - Regular Salaries & Wages	\$48,083,841	\$56,334,125	\$ (8,250,284)	-14.6%	\$42,483,607	\$5,600,233	13.2%
51130 - Overtime	2,840,558	2,089,012	751,546	36.0%	2,682,586	157,972	5.9%
51135 - Special Event Compensation	121,880	350,941	(229,061)	-65.3%	135,540	(13,660)	-10.1%
51140 - Wages pd for vacation, holidays & other	7,846,727	0	7,846,727	0.0%	7,197,877	648,849	9.0%
51145 - Incentive Pay - Performance, ERT, Sugg	(46,864)	0	(46,864)	0.0%	1,089	(47,953)	-4403.8%
51147 - Service & Safety Incentive Awards	25,275	26,187	(912)	-3.5%	14,950	10,325	69.1%
Total Salaries & Wages	58,871,416	58,800,265	71,151	0.1%	52,515,650	6,355,767	12.1%
Labor & Related Overhead							
51210 - Short-Term Disability	244,819	0	244,819	0.0%	296,703	(51,884)	-17.5%
51220 - Workers' Compensation Insurance	292,035	275,000	17,035	6.2%	103,096	188,939	183.3%
51225 - Workers' Compensation Claims	674,247	880,000	(205,753)	-23.4%	245,259	428,988	174.9%
51230 - Long-Term Disability	61,218	0	61,218	0.0%	(14,739)	75,956	-515.4%
51240 - Group Life - AD&D Insurance	2,028	114,576	(112,548)	-98.2%	104,248	(102,220)	-98.1%
51250 - Tuition Assistance	17,134	55,833	(38,699)	-69.3%	(2,744)	19,878	-724.3%
51260 - Empl Assistance & Wellness Program	11,519	12,834	(1,315)	-10.2%	8,937	2,582	28.9%
51300 - Payroll Taxes	4,217,596	4,278,736	(61,140)	-1.4%	3,756,053	461,543	12.3%
51400 - Unemployment Insurance	0	30,726	(30,726)	0.0%	14,184	(14,184)	0.0%
51500 - Med Ins: MSO's port. of prem for grp	8,497,827	6,961,524	1,536,303	22.1%	6,726,508	1,771,319	26.3%
51600 - Retirement Contributions	12,527,687	12,000,571	527,116	4.4%	13,254,200	(726,513)	-5.5%
Total Labor & Related Overhead	26,546,109	24,609,800	1,936,309	7.9%	24,491,705	2,054,405	8.4%
Utilities							
53310 - Electric	11,398,964	12,870,782	(1,471,818)	-11.4%	12,733,078	(1,334,114)	-10.5%
53320 - Natural Gas	758,553	954,568	(196,016)	-20.5%	1,292,451	(533,899)	-41.3%
53330 - Water	1,524,053	1,694,884	(170,831)	-10.1%	1,910,616	(386,563)	-20.2%
53340 - Telephone	238,585	272,067	(33,481)	-12.3%	271,506	(32,921)	-12.1%
53345 - Data Communications	1,053,240	1,272,063	(218,823)	-17.2%	1,104,206	(218,823)	-4.6%
Total Utilities	14,973,395	17,064,364	(2,090,970)	-12.3%	17,311,857	(2,506,320)	-13.5%
Materials & Supplies							
53100 - Tires & Tire Service Expense	282,228	335,137	(52,909)	-15.8%	251,311	30,918	12.3%
53140 - Materials & Supplies	7,936,318	8,048,717	(112,399)	-1.4%	7,068,174	868,144	12.3%
53150 - Inventory Adjustments	623	0	623	0.0%	(3,864)	4,487	-116.1%
53160 - Landfill Cost of Fill dirt	488,153	346,500	141,653	40.9%	335,401	152,752	45.5%
Total Materials & Supplies	8,707,322	8,730,354	(23,032)	-0.3%	7,651,021	1,056,301	13.8%
Contractual Services							
51700 - Uniforms	258,509	296,278	(37,769)	-12.7%	196,265	62,244	31.7%
52110 - Billing & Collection	5,811,743	6,700,049	(788,306)	-11.8%	6,455,933	(544,190)	-8.4%
52130 - Custodial & Watchmen	664,108	689,902	(25,794)	-3.7%	736,566	(72,458)	-9.8%
52140 - Professional Services	2,714,131	4,477,447	(1,763,315)	-39.4%	2,429,229	284,902	11.7%
52145 - Legal	368,272	825,000	(456,728)	-55.4%	425,740	(57,468)	-13.5%
52155 - Banking Services	27,575	20,050	7,525	37.5%	42,938	(15,363)	-35.8%
52160 - Maintenance & Repairs	3,814,735	5,581,797	(1,767,063)	-31.7%	4,759,732	(944,997)	-19.9%
52170 - Sludge & Grit Disposal	3,235,842	3,045,934	189,908	6.2%	3,155,320	80,522	2.6%
52180 - Temporary Services	214,579	98,336	116,243	118.2%	73,775	140,804	190.9%
52195 - Other Contractual Services	12,303,351	13,966,279	(1,662,928)	-11.9%	9,639,142	2,664,209	27.6%
Total Contractual Services	29,512,845	35,701,072	(6,188,227)	-17.3%	27,914,640	1,598,205	5.7%
Bad Debt							
54200 - Bad Debts	2,775,784	3,232,534	(456,750)	-14.1%	3,742,889	(967,105)	-25.8%
54210 - Bad Debt - Assessments	275,000	0	275,000	0.0%	275,000	0	0.0%
Total Bad Debt	3,050,784	3,232,534	(181,750)	-5.6%	4,017,889	(967,105)	-24.1%
Chemicals							
53205 - Peracetic Acid	29,318	366,667	(337,349)	-92.0%	0	29,318	0.0%
53210 - Chlorine	0	8,663	(8,663)	0.0%	0	0	0.0%
53215 - Sodium Hypochlorite	2,958,844	3,511,649	(552,805)	-15.7%	2,062,690	896,154	43.4%
53220 - Polymer	1,922,428	3,517,369	(1,594,941)	-45.3%	2,663,817	(741,390)	-27.8%
53225 - Sodium Aluminate	118,807	372,393	(253,586)	-68.1%	201,685	(82,878)	-41.1%
53230 - Liquid Oxygen	191,523	301,140	(109,616)	-36.4%	257,240	(65,717)	-25.5%
53235 - Liquid Nitrogen	28,647	136,033	(107,386)	-78.9%	56,811	(28,164)	-49.6%
53240 - Other Chemicals	35,926	49,564	(13,638)	-27.5%	19,492	16,435	84.3%
53250 - Dechlorination	328,589	486,715	(158,127)	-32.5%	349,936	(21,347)	-6.1%
53275 - Defoamer	47,599	33,954	13,645	40.2%	24,693	22,906	92.8%
53280 - Bleach	1,487,336	1,420,833	66,502	4.7%	952,474	534,862	56.2%
53285 - Sodium Hydroxide	0	688	(688)	0.0%	0	0	0.0%
53295 - Sodium Chloride	(3,264)	0	(3,264)	0.0%	0	(3,264)	0.0%
Total Chemicals	7,145,753	10,205,667	(3,059,915)	-30.0%	6,588,837	556,916	8.5%
Fuel							
53120 - Gasoline	677,507	682,707	(5,200)	-0.8%	658,936	18,571	2.8%
53130 - Diesel Fuel	694,754	1,198,209	(503,455)	-42.0%	925,106	(230,351)	-24.9%
Total Fuel	1,372,262	1,880,916	(508,654)	-27.0%	1,584,042	(211,780)	-13.4%
Insurance Premiums & Claims							
54100 - Casualty Insurance	2,190	0	2,190	0.0%	0	2,190	0.0%
54110 - General Liability Insurance	3,977,405	4,109,446	(132,041)	-3.2%	3,865,433	111,973	2.9%
54130 - Property Insurance	2,643,361	2,087,052	556,309	26.7%	2,026,261	617,100	30.5%
54140 - General Liability Claims	550,283	527,087	23,196	4.4%	991,415	(441,132)	-44.5%
Total Insurance Premiums & Claims	7,173,239	6,723,585	449,654	6.7%	6,883,108	290,131	4.2%
Other Operating Expense							
53410 - Equipment Rental	253,272	202,791	50,481	24.9%	239,087	14,185	5.9%
53420 - Space Rent	28,600	27,500	1,100	4.0%	27,500	1,000	4.0%
53430 - Leased Parking	94,922	72,912	22,010	30.2%	76,802	18,120	23.6%
54250 - Contributions	230,979	304,833	(73,854)	-24.2%	238,713	(7,734)	-3.2%
54300 - Fines, Penalties & Damages	25,334	0	25,334	0.0%	68,518	(43,184)	-63.0%
54400 - Advertising	59,805	162,473	(102,668)	-63.2%	51,986	7,819	15.0%
54500 - Travel & Meetings	344,684	442,982	(98,298)	-22.2%	255,797	88,887	34.7%
54550 - Training	295,481	409,610	(114,130)	-27.9%	226,919	68,561	30.2%
54600 - Dues, Fees and Subscriptions	612,373	655,620	(43,247)	-6.6%	555,020	57,353	10.3%
54700 - Board Members	7,500	13,200	(5,700)	-43.2%	8,075	(75)	-7.1%
55555 - Over/under payments	4,725	0	4,725	0.0%	4,370	354	8.1%
Total Other Operating Expense	1,957,674	2,291,921	(334,246)	-14.6%	1,752,788	204,886	11.7%
Amortization							
53615 - Amortization of Subscription Based IT Assets	2,862,866	0	2,862,866	0.0%	0	2,862,866	0.0%
Total Amortization	2,862,866	0	2,862,866	0.0%	0	2,862,866	0.0%
Grand Total	162,173,666	169,240,479	(7,066,813)	-4.2%	150,711,537	11,294,271	7.6%

MONTHLY EXECUTIVE REPORT

May 31, 2024

MONTHLY INVESTMENT REPORT

Investment Compliance Summary

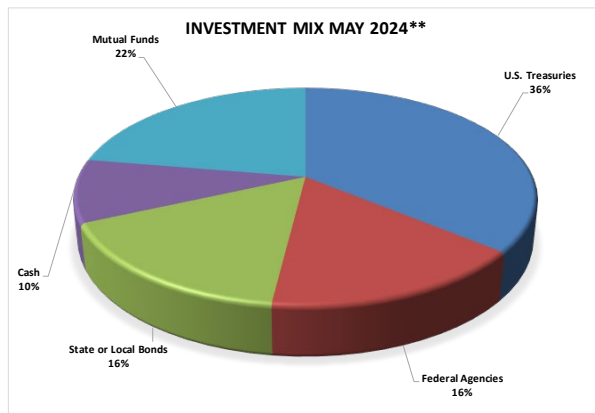
MSD is authorized by Kentucky's statute, KRS 66.480, to make certain investments. MSD maintains unrestricted reserve investments sufficient to cover at least 150 days of operating and maintenance expenses and to support MSD's long-term bond rating.

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

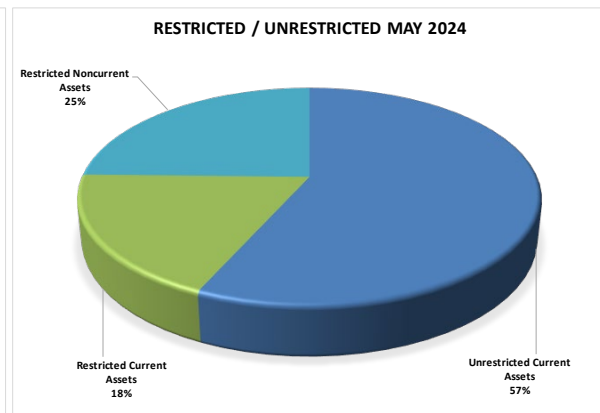
All investments are in compliance with our Investment Policy and Kentucky Statutes.

Louisville MSD Investment Statistics								
Month ended, May 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
Unrestricted Current Assets								
U.S. Treasuries	66,401,577	67,435,000	65,814,888	409.27	3.93%	25.23%	100%	Yes
Federal Agencies	27,819,455	28,030,000	27,883,559	204.86	4.44%	10.57%	100%	Yes
Certificates of Deposit	100,000	100,000	100,000	255	3.73%	0.04%	100%	Yes
Cash	24,501,494	24,501,494	24,501,494			9.31%	100%	Yes
Mutual Funds	30,487,699	30,487,699	30,487,699	1	5.13%	11.58%	40%	Yes
Subtotal	149,310,225	150,554,193	148,787,639	148.30	2.06%	56.73%		
Restricted Current Assets								
U.S. Treasuries	22,986,270	23,120,000	22,625,773	40.49	4.78%	8.73%	100%	Yes
Federal Agencies	1,998,820	2,000,000	1,996,100	469	4.98%	0.76%	100%	Yes
Mutual Funds	24,043,832	24,042,787	24,043,832	1	5.10%	9.14%	40%	Yes
Subtotal	49,028,922	49,162,787	48,665,706	70.96	13.11%	18.63%		
Restricted Noncurrent Assets								
U.S. Treasuries	4,428,705	4,440,000	4,467,342	674.95	4.75%	1.68%	100%	Yes
Federal Agencies	11,853,005	11,912,000	11,996,512	829.32	4.54%	4.50%	100%	Yes
Commercial Paper	2,351,488	2,407,000	2,328,905	154.00	0.00%	0.89%	20%	Yes
State or Local Bonds	42,495,391	43,542,000	43,984,751	221.24	0.45%	16.15%	20%	Yes
Mutual Funds	3,726,706	3,726,946	3,726,706	1	4.95%	1.42%	40%	Yes
Subtotal	64,855,294	66,027,946	66,504,217	237.56	1.41%	24.64%		
Total	263,194,441	265,744,925	263,957,562	165.36	4.36%	100.00%		

* Per Commonwealth of Kentucky government code, KRS66.480









** Graph illustrates issuers held at 5% or more



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.

Louisville MSD Investment Risk Summary			
Month ended, May 31, 2024			
Diversification		Limit	Actual
Certificate of Deposit, Bankers Acceptance, Commercial Paper, Equity Securities, Corporate Bonds		20%	17.08% 
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	240.71 
Return on Investment		Index	Portfolio
Weighted Average Yield vs Market Yield on U.S. Treasury Securities at Two Year		4.89%	3.73% 

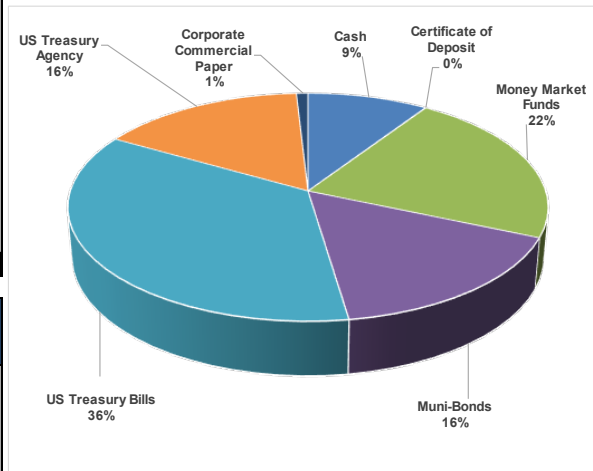
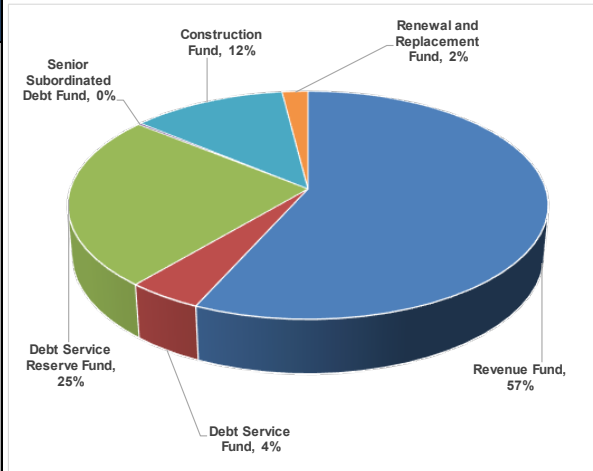
MONTHLY EXECUTIVE REPORT

May 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	-	-	1,004,645	-	-	-	1,004,645
2009A	-	-	1,817,271	-	-	-	1,817,271
2009B	-	-	8,886,242	-	-	-	8,886,242
2009C	-	4,323,903	3,985,585	-	-	-	8,309,488
2010A	-	98,030	16,058,840	-	-	-	16,156,870
2013A	-	-	26,205,094	-	-	-	26,205,094
2013B	-	15,896	-	-	-	-	15,896
2013C	-	-	107,137	-	-	-	107,137
2014A	-	49,371	-	-	-	-	49,371
2015A	-	65,461	926	-	-	-	66,387
2015B	-	57,455	-	-	-	-	57,455
2016A	-	36,034	-	-	-	-	36,034
2016B	-	21,173	-	-	-	-	21,173
2017A	-	118,129	1,468,664	-	-	-	1,586,794
2017B	-	259,875	-	-	-	-	259,875
2018A	-	11,279	-	-	-	-	11,279
2020A	-	56,638	1,174,357	-	-	-	1,230,994
2020C	-	23,014	-	-	-	-	23,014
2021A	-	232,511	-	-	-	-	232,511
2022A	-	51,152	-	-	-	-	51,152
2023A	-	20,398	-	-	-	-	20,398
2023B	-	9,622	-	-	-	-	9,622
2023C	-	6,270,394	4,146,535	-	31,395,558	-	41,812,487
CP 2023 A-1 & A-2	-	-	-	-	-	-	-
CP Note Payment Fund	-	-	-	663,556	-	-	663,556
BNY Mellon	-	-	-	-	-	5,249,473	5,249,473
Fifth Third Rate Stabilization Fund	15,147,981	-	-	-	-	-	15,147,981
Fifth Third Securities	79,297,588	-	-	-	-	-	79,297,588
JP Morgan Chase Bank, N.A.	24,501,494	-	-	-	-	-	24,501,494
JP Morgan Securities	30,263,162	-	-	-	-	-	30,263,162
Liberty Bank	100,000	-	-	-	-	-	100,000
	\$ 149,310,225	\$ 11,720,335	\$ 64,855,294	\$ 663,556	\$ 31,395,558	\$ 5,249,473	\$ 263,194,441



Asset Description	Revenue Fund	Debt Service Fund	Debt Service Reserve Fund	Senior Subordinated Debt Fund	Construction Fund	Renewal and Replacement Fund	Total
Cash	24,501,494	-	-	-	-	-	24,501,494
Certificate of Deposit	100,000	-	-	-	-	-	100,000
Money Market Funds	30,487,699	5,627,875	3,726,706	663,556	17,426,478	325,923	58,258,237
Muni-Bonds	-	-	42,495,391	-	-	-	42,495,391
US Treasury Bills	66,401,577	6,092,460	4,428,705	-	13,969,080	2,924,730	93,816,552
US Treasury Agency	27,819,455	-	11,853,005	-	-	1,998,820	41,671,280
Corporate Commercial Paper	-	-	2,351,488	-	-	-	2,351,488
	\$ 149,310,225	\$ 11,720,335	\$ 64,855,294	\$ 663,556	\$ 31,395,558	\$ 5,249,473	\$ 263,194,441

MONTHLY EXECUTIVE REPORT

May 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
2010A Debt Reserve	Redemption	Bank of New York Mellon	Federal Home Loan Mortgage Corp	Cantor Fitzgerald L.P.	(3,005,550.00)
2011/2013 Debt Reserve	Purchase	Bank of New York Mellon	Israel Government Aid Bond	Cantor Fitzgerald L.P.	22,194,929.03
2011/2013 Debt Reserve	Redemption	Bank of New York Mellon	United States Treasury Bill	Cantor Fitzgerald L.P.	(22,194,515.27)
2023C Construction Fund	Redemption	JP Morgan	United States Treasury Note	JP Morgan Securities LLC	(4,900,390.63)
Fifth Third Rate Stabilization Fund	Purchase	Fifth Third	United States Treasury Note	Fifth Third Securities INC	5,174,226.95
Fifth Third Rate Stabilization Fund	Redemption	Fifth Third	United States Treasury Bill	Fifth Third Securities INC	(5,000,000.00)
Fifth Third Securities	Purchase	Fifth Third	United States Treasury Note	Fifth Third Securities INC	3,235,400.39
Fifth Third Securities	Redemption	Fifth Third	United States Treasury Note	Fifth Third Securities INC	(2,935,781.25)

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

MONTHLY EXECUTIVE REPORT

May 31, 2024

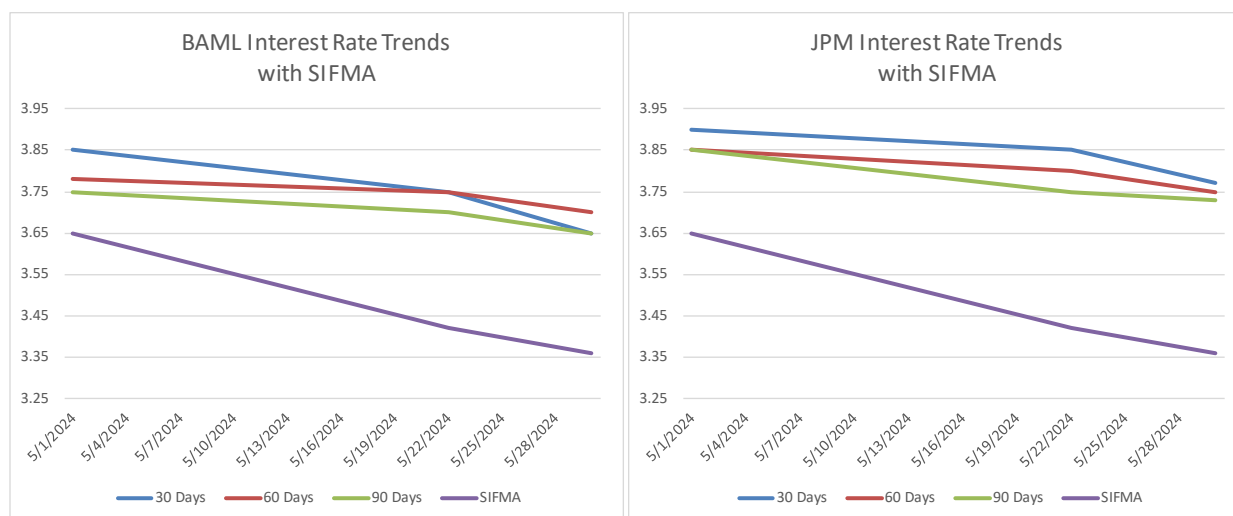
Commercial Paper Program Summary

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 May, we had two notes mature and were replaced with new notes with an average rate of 3.83% and average terms of 31 days. In June, we have two notes maturing totaling \$219,195,000.

The CP Construction Fund balance as of May 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	
5/3/2024	54660FBB9	106,098,000	3.82%	31	6/3/2024	BAML	344,222.61	Roll	0.00%	3.82%	
5/3/2024	54660HBA7	106,097,000	3.84%	31	6/3/2024	JPM	346,021.56	Roll	0.00%	3.84%	
Currently Outstanding:							\$ 212,195,000				\$ 690,244

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

May 31, 2024

SUPPLEMENTAL FINANCIAL REPORTING

Revenue by Customer Class

	Number of Customers		Revenue by Customer Class		Budget By Customer Class	
	May-2024	May-2023	May-2024	May-2023	May-2024	May-2023
Wastewater						
Residential	237,116	236,022	13,797,491	12,780,934	13,432,204	13,461,901
Commercial	21,989	21,936	9,115,725	8,216,724	8,510,642	7,711,380
Industrial	401	400	4,058,356	2,046,661	2,247,871	2,193,247
Sub-Total	259,506	258,358	26,971,572	23,044,319	24,190,718	23,366,528
Drainage						
Residential	211,327	210,718	2,754,782	2,535,525	2,653,881	2,464,412
Commercial	13,854	13,990	4,469,813	4,247,779	4,446,443	3,874,450
Industrial	282	280	613,598	538,432	522,809	444,207
Sub-Total	225,463	224,988	7,838,193	7,321,736	7,623,133	6,783,069
Grand Total			\$ 34,809,765	\$ 30,366,055	\$ 31,813,850	\$ 30,149,597

Wastewater Revenue by County

	Number of Customers		Revenue by Customer Class		Budget by Customer Class	
	May-2024	May-2023	May-2024	May-2023	May-2024	May-2023
Jefferson County						
Residential	225,596	224,522	13,020,451	11,939,114	12,627,445	12,760,399
Commercial	21,580	21,552	8,968,825	8,070,903	8,366,354	7,557,064
Industrial	399	398	4,055,919	2,043,645	2,244,970	2,190,569
Sub-Total	247,575	246,472	26,045,195	22,053,662	23,238,769	22,508,032
Bullitt County						
Residential	4,588	4,571	291,858	256,492	280,523	260,532
Commercial	165	164	89,216	93,226	100,148	104,523
Industrial	1	1	2,342	2,926	2,811	2,588
Sub-Total	4,754	4,736	383,415	352,643	383,483	367,643
Oldham County						
Residential	6,932	6,929	485,182	585,329	524,236	440,970
Commercial	244	220	57,685	52,595	44,140	49,793
Industrial	1	1	95	90	90	90
Sub-Total	7,177	7,150	542,961	638,014	568,466	490,853
Grand Total			\$ 26,971,572	\$ 23,044,319	\$ 24,190,718	\$ 23,366,528

MONTHLY EXECUTIVE REPORT

May 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 May 31, 2024.

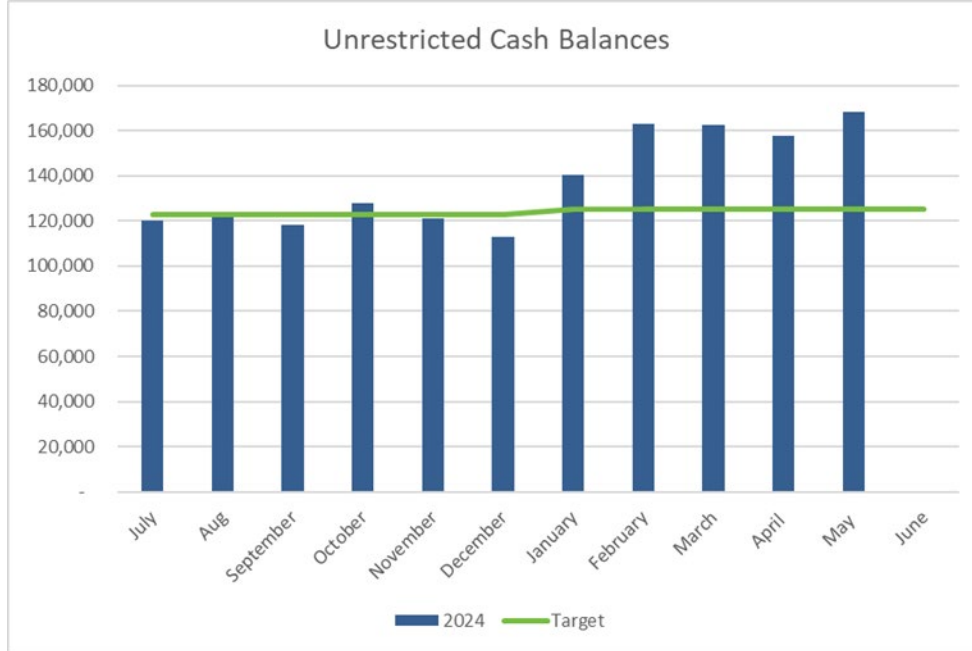
FY24 Headcount by Division			
	Budget Approved	Current Authorized	Filled
Administration			
Community Benefits & Partnerships	8	8	6
Customer Relations	21	19	18
Executive Offices	2	4	4
Government & Public Affairs	7	7	7
Innovation	5	5	5
Internal Audit	4	4	4
Records and Information Governance	9	10	7
Corporate	1	1	1
Engineering	102	102	92
Facilities, Safety & Security	39	40	35
Finance	21	23	21
Human Resources	21	22	21
Information Technology	33	33	32
Legal	12	11	8
Operations	519	520	466
Supply Chain & Economic Inclusion	27	27	24
Total Authorized Positions	831	836	751
*Excludes temporary & seasonal staff			

MONTHLY EXECUTIVE REPORT

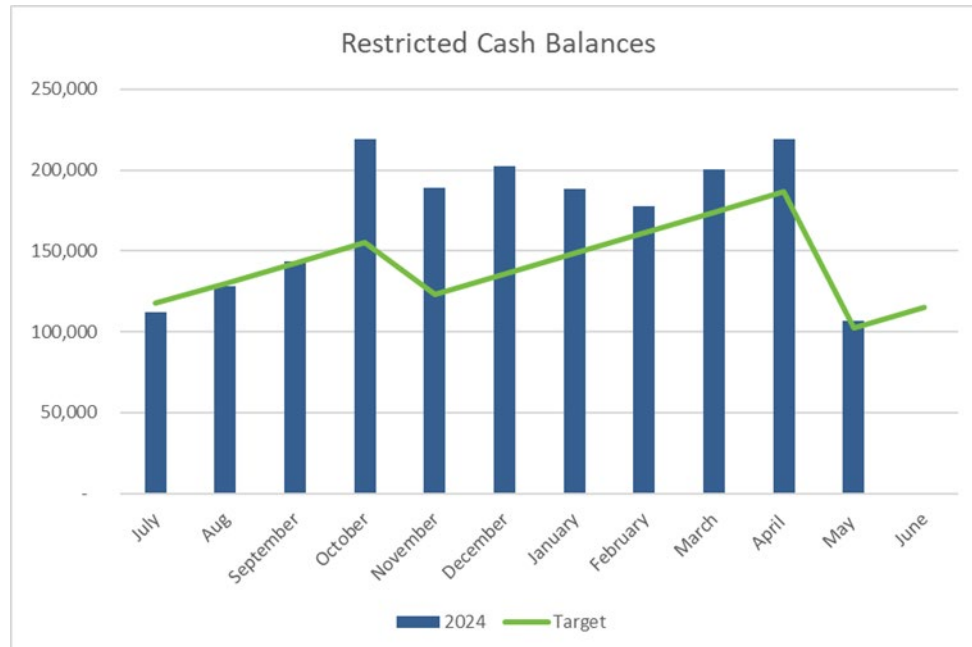
May 31, 2024

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.



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. The FY24 Budget Ceiling was amended by Board approval on March 25, 2024 to include an additional \$5,307,175, a total of \$260,615,175.

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 May 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
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. 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 \$260.6M 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
Budget Ceiling	\$249.7M	\$6.4M	\$4.5M	\$260.6M	MSD Board Approved
Management Reserve	\$15.9M	\$2.1M	\$1.6M	\$19.7M	Current
Vehicles & Equipment Replacement (Fleet)**	\$5.9M	-	-	\$5.9M	
Performance Budget Target	\$231.8M	\$6.4M	\$4.5M	\$242.7M	Budget Ceiling minus Fleet & Mgmt. Reserve*
Spending Projection	\$227.8M	\$4.3M	\$2.9M	\$235.0M	Forecasted Spend
Actuals	\$185.1M	\$3.4M	\$2.8M	\$191.4M	78.9% 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

May 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.

MONTHLY EXECUTIVE REPORT May 31, 2024

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	32	\$ 7,023,559	\$ 9,861,000	\$ 6,926,434
Design	65	\$ 24,397,282	\$ 21,241,916	\$ 10,282,329
Construction	52	\$ 216,194,659	\$ 155,123,100	\$ 126,941,638
Studies	13	\$ 4,129,872	\$ 1,860,000	\$ 1,379,588
TOTAL	162	\$ 251,745,372	\$ 188,086,016	\$ 145,529,990

Does not include projects in Closeout phase

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

Current Project Activity	# of Projects	Lifetime Actuals	FY24 Budget	FY24 Actuals
Design	2	\$ 212,458	\$ 72,210	\$ 65,951
TOTAL	2	\$ 212,458	\$ 72,210	\$ 65,951

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
Design	11	\$ 1,258,133	\$ 1,527,000	\$ 487,263
Closeout	1	\$ 140,705	\$ 786,000	\$ 140,705
TOTAL	12	\$ 1,398,838	\$ 2,313,000	\$ 627,969

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.

MONTHLY EXECUTIVE REPORT May 31, 2024

Active Emergency Contract Work (Jefferson)

Emergency				Funding Source	Date Began	Emergency Certificate Amount (\$)	Contractor
SGC Gates Replacement - Design	H22022	7/1/2021	\$ -	AECOM			
15th Street Sewer Repair	A22183	3/7/2022	\$ 500,000	Temple and Temple			
SGC Gates Replacement - Construction	H22022	4/1/2022	\$ 2,000,000	Pace Contracting, LLC			
5th St FPS MCC's	F15012	12/22/2022	\$ 335,000	AES, Inc			
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			
Southwestern Basin Emergency - WM	Ops.#7252143;G/L52195	2/2/2024	\$ 500,000	Waste Management			
Hancock St. Sewer Repl. Engineering and Construction	A24176	3/1/2024	\$ 1,600,000	TRC, LLC (WBE)			
MF Dryer Operation Assistance	G/L52195/CC7310072	4/1/2024	\$ 975,000	Judy Construction			
MFWQTC LG Dryer Replacements - Operation support	G/L52195/CC7310072	4/30/2024	\$ 106,000				
Grinstead Drive Sewer Repair	G24001	5/29/2024	\$ 150,000	MAC Construction			
Bullitt Hills Digester Decommissioning	G24001	6/1/2024	\$ 50,000	Cornerstone Engineering			
4514 Cod Drive Sewer Repair				G24001	6/1/2024	\$ 75,000	TRC, LLC (WBE)
Brown School Sewer Repair				TBD	6/10/2024	\$ 500,000	Various Vendors
MFWQTC MEB East & West Freight Elevators				D23194	6/1/2024	\$ 500,000	Oracle Elevators

Active Emergency Contract Work (Bullitt)

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

MONTHLY EXECUTIVE REPORT

May 31, 2024

Active Emergency Contract Work (Oldham)

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

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	\$315.2M	\$58.2M	\$35.7M	\$32.7M	\$40.0M	In Stage 2 Construction Phase
F18515 Paddy's Run Pump Station Capacity Improvements	12/31/2026	\$241.5M	\$53.1M	\$49.9M	\$44.9M	\$53.8M	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	\$46.0M	\$34.2M	\$14.5M	\$13.1M	\$14.5M	On schedule
H20147 Western Outfall Infrastructure Rehabilitation - Maple St.	3/19/2024	\$19.0M	\$17.3M	\$10.5M	\$8.7M	\$10.5M	Substantially complete

MONTHLY EXECUTIVE REPORT

May 31, 2024

CIP MANAGEMENT TEAM MEETING HIGHLIGHTS

The CIP Management Team held its regular meeting on May 29, 2024. Decisions made during the meeting, facilitated by Woffie Miller, are found below:

Variance Reporting

No major variance decisions required.

Construction Advancements

- **E22116: South Shelby Street Sanitary Sewer Improvements – Approved**
- **D24104: MFWQTC Secondary Load Center Replacement – 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
E22223	Lantana Drive Pump Station No. 1 Elimination	6/20/2024
D20149	CCWQTC Administration Building Expansion	6/20/2024
H24118	West Indian Trail Drainage Improvement Project	6/27/2024
D24104	MFWQTC Secondary Load Centers Replacement	7/16/2024

Bid Openings

Bids opened during the reporting month are shown below.

Budget ID	Project Name	Bid Opening	Bid Award
C24177	5002 Mt. Holyoke Drive Pipe Replacement Project	5/28/2024	\$50,100
D23159	CCWQTC Maintenance Offices Roof Replacement	5/21/2024	\$260,439
C24172	2401 Valley Vista Culvert Replacement Project	5/2/2024	\$93,900

MONTHLY EXECUTIVE REPORT

May 31, 2024

Construction - Notice to Proceeds (NTP) Issued

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

Budget ID	Project Name	NTP Date
C24167	Hunting Creek Overflow Pipe Repair	5/1/2024
D23168	MFWQTC Odor Control Chemical Storage Building Roof Replacement	5/6/2024
F23059	Water Stop and Concrete Repair	5/13/2024
C24139	Shawnee Trap Catch Basin Replacement	5/14/2024

END OF REPORT