

# Monthly Executive Report

## Financial & Capital Program Updates

As of November 30, 2023



# MONTHLY EXECUTIVE REPORT

## November 30, 2023

### NOTE TO THE READER:

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

# MONTHLY EXECUTIVE REPORT

## November 30, 2023

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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
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

# MONTHLY EXECUTIVE REPORT

## November 30, 2023

### Acronyms & Abbreviations - Continued

MFWQTC	Morris Forman Water Quality Treatment Center
MS4	Municipal Separate Storm Sewer System Program
MSD	Metropolitan Sewer District
NMC	Nine Minimum Controls
NOA	Notice of Advisement
NOI	Net Operating Income
NTP	Notice to Proceed
OC	Oldham County
OCEA	Oldham County Environmental Agency
PM	Project Manager
PMIS	Project Information Management System
PSC	Property Service Connection
PS	Pump Station
Q	Quarter of Year
RAS	Return Activated Sludge
RFP	Request for Proposals
RR	Repair and Replacement
RTC	Real Time Control
SCADA	Supervisory Control and Data Acquisition
SIFMA	Securities Industry and Financial Markets Association
SRF	State Revolving Loan Fund Program
SSDP	Sanitary Sewer DP
SWPS	Southwestern Pump Station
TBD	To Be Determined
TSS	Total Suspended Solids
USACE	United States Army Corps of Engineers
USEPA	United States Environmental Protection Agency
VFD	Variable Frequency Drive
WIFIA	Water Infrastructure Finance and Innovation Act
WQTC	Water Quality Treatment Center
WWTF	Wet Weather Treatment Facility
WWPS	Wastewater Pump Station
YTD	Year-to-Date

# MONTHLY EXECUTIVE REPORT

## November 30, 2023

### 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 November 2023, with respect to Fiscal Year 2024 (FY24) program health and regulatory compliance.

### FINANCIAL HEALTH

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

*Summary of FY24 Financial Information*

Description	Status as of November 30, 2023
<b>Operating Revenues</b>	Year to date, total operating revenues were \$1.4 million favorable to budget (wastewater service charges \$1.1 million unfavorable, drainage service charges \$494 thousand favorable and other operating income \$2.1 million favorable).
<b>Operating Expenses</b>	Service and administrative expenses were \$581 thousand favorable to budget and \$985 thousand more than November 2022. Year to date, service and administrative expenses were \$7.9 million favorable to budget. Contractual Services account for \$4.5 million of the savings to budget.
<b>Interest Expense</b>	Interest expense was \$1.1 million unfavorable to budget and \$584 thousand less than November 2022. Year to date, interest expense was \$238 thousand unfavorable to budget.
<b>Statement of Cash Flows</b>	Cash and cash equivalents decreased \$36.5 million in November. Net cash provided by operating activities was \$12.8 million. Net cash used by capital-related financing activities was \$51.6 million. Net cash provided by investing activities was \$2.2 million as investments matured.
<b>Commercial Paper Notes</b>	Commercial paper notes outstanding total \$419 million with an average duration to maturity of 98 days.

# MONTHLY EXECUTIVE REPORT

## November 30, 2023

### 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 November 30, 2023
<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>	Four (4) emergency projects started in the reporting month. Jackson St. Sewer Replacement and the Grinstead and Petersen emergency projects will replace aged and failing sewer lines. Other emergencies include an air line repair at DRG, PVC FM repair at 1920 Grand Villa Drive and the opening of a gate at Morris Forman which requires an underwater operation.
<b>Cashflow Performance*</b>	Budget Performance Target is \$245.0M as of November 31, 2023. The FY24 forecasted spend is \$245.0M

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

# MONTHLY EXECUTIVE REPORT

## November 30, 2023

### 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 November 2023
- Customer Statistics
- Employee Headcount
- Cash Balances
- Investment Summary
- Commercial Paper Program Summary

### NOVEMBER FINANCIAL SUMMARY

#### Financial Highlights for the month of November 2023

- Total operating revenues were \$630 thousand unfavorable to budget
- Service and administrative expenses were \$581 thousand favorable to budget

#### Results of Operations for the month of November 2023

Total operating revenues were \$630 thousand unfavorable to budget and \$2.8 million more than November 2022. Wastewater service charges were \$726 thousand unfavorable to budget and \$1.6 million more than November 2022. Drainage service charges were \$43 thousand unfavorable to budget and \$865 thousand more than November 2022. Other operating revenues were \$139 thousand favorable to budget and \$285 thousand more than November 2022. Year to date, total operating revenues were \$1.4 million favorable to budget (wastewater service charges \$1.1 million unfavorable, drainage service charges \$494 thousand favorable and other operating income \$2.1 million favorable).

Service and administrative expenses were \$581 thousand favorable to budget and \$985 thousand more than November 2022. Year to date, service and administrative expenses were \$7.9 million favorable to budget. Contractual Services account for \$4.5 million of the savings to budget.

Depreciation and amortization expenses were \$2.2 million unfavorable to budget and \$1.8 million more than November 2022. Year to date, depreciation and amortization expenses were \$9.4 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.

Investment income was \$1.4 million favorable to budget and \$1.2 million more than November 2022. Year to date, investment income was \$4.1 million favorable to budget.

Interest expense was \$1.1 million unfavorable to budget and \$584 thousand less than November 2022. Year to date, interest expense was \$238 thousand unfavorable to budget.

#### Statement of Cash Flows

Cash and cash equivalents decreased \$36.5 million in November. Net cash provided by operating activities was \$12.8 million. Net cash used by capital-related financing activities was \$51.6 million. Net cash provided by investing activities was \$2.2 million as investments matured.



# MONTHLY EXECUTIVE REPORT

## November 30, 2023

### FINANCIAL STATEMENTS – FY24

#### Comparative Statement of Net Position

Louisville & Jefferson County Metropolitan Sewer District				
Monthly Comparative Statement of Net Position				
Month Ended, November 30, 2023				
	YTD Nov-2023	YTD Nov-2022	Variance	Percent
<b>Current Assets</b>				
Unrestricted Cash & Cash Equivalents	\$120,993,712	\$130,646,110	(\$9,652,398)	-7.39%
Sewer & Drainage Receivable	26,685,960	27,716,454	(1,030,493)	-3.72%
Assessment Warrants Receivable	130,806	166,966	(36,161)	-21.66%
Miscellaneous Receivables	631,251	(547,115)	1,178,366	-215.38%
Inventories	6,162,235	5,639,696	522,539	9.27%
Prepaid Expenses	4,893,381	6,505,457	(1,612,076)	-24.78%
Restricted Funds	189,229,870	122,854,877	66,374,993	54.03%
Accrued Interest Receivable	587,953	340,553	247,399	72.65%
<b>Total Current Assets</b>	<b>349,315,168</b>	<b>293,322,999</b>	<b>55,992,169</b>	<b>19.09%</b>
<b>Non-Current Assets</b>				
Utility Plant in Service	5,078,649,044	4,734,395,548	344,253,496	7.27%
Accumulated Depreciation	(1,719,715,728)	(1,613,515,160)	(106,200,568)	6.58%
Construction in Progress	388,605,252	474,806,635	(86,201,383)	-18.16%
Subscription Assets	6,820,080	0	6,820,080	0.00%
<b>Net Fixed Assets</b>	<b>3,754,358,648</b>	<b>3,595,687,023</b>	<b>151,851,546</b>	<b>4.41%</b>
<b>Non-Current Receivables</b>	<b>20,786,227</b>	<b>21,777,603</b>	<b>(991,376)</b>	<b>-4.55%</b>
<b>Total Assets</b>	<b>4,124,460,043</b>	<b>3,910,787,625</b>	<b>206,852,339</b>	<b>5.46%</b>
<b>Total Deferred Outflow of Resources</b>	<b>48,160,344</b>	<b>70,523,200</b>	<b>(22,362,855)</b>	<b>-31.71%</b>
<b>Total Assets &amp; Deferred Outflow of Resources</b>	<b>4,172,620,387</b>	<b>3,981,310,824</b>	<b>191,309,563</b>	<b>4.81%</b>
<b>Current Liabilities</b>				
Miscellaneous Accounts Payable	(2,568,597)	7,787,353	(10,355,950)	-132.98%
Accounts Payable - Construction	14,212,033	8,109,235	6,102,798	75.26%
Contract Retainage	7,609,824	5,411,081	2,198,743	40.63%
Accrued Interest Payable	7,588,899	5,504,018	2,084,880	37.88%
Current Maturities of Bonds Payable	51,115,000	52,880,000	(1,765,000)	-3.34%
Current Maturities of Subordinate Debt	9,699,464	3,080,801	6,618,663	214.84%
Current Subscriptions Payable	628,243	0	628,243	0.00%
Deposits Payable	1,826,132	2,068,919	(242,788)	-11.73%
Accrued Salaries & Wages	3,045,661	2,521,284	524,377	20.80%
Accrued Workers' Comp Insurance	1,956,087	1,767,997	188,090	10.64%
Employee Comp Absences Payable	4,296,920	4,101,263	195,658	4.77%
<b>Total Current Liabilities</b>	<b>99,409,665</b>	<b>93,231,950</b>	<b>6,177,714</b>	<b>6.63%</b>
<b>Non-Current Liabilities</b>				
Long-Term Senior Debt Payable	2,416,330,000	2,228,405,000	187,925,000	8.43%
Long-Term Subordinate Debt Payable	258,978,591	365,020,628	(106,042,037)	-29.05%
Other Long-Term Liability	311,376,684	290,325,404	21,051,280	7.25%
<b>Total Non-Current Liabilities</b>	<b>2,986,685,275</b>	<b>2,883,751,032</b>	<b>102,934,243</b>	<b>3.57%</b>
<b>Total Liabilities</b>	<b>3,086,094,939</b>	<b>2,976,982,982</b>	<b>109,111,957</b>	<b>3.67%</b>
<b>Total Deferred Inflow of Resources</b>	<b>42,708,286</b>	<b>54,367,399</b>	<b>(11,659,113)</b>	<b>-21.45%</b>
<b>Total Liabilities &amp; Deferred Inflow of Resources</b>	<b>3,128,803,225</b>	<b>3,031,350,381</b>	<b>97,452,844</b>	<b>3.21%</b>
<b>Net Position</b>	<b>1,043,817,162</b>	<b>949,960,443</b>	<b>93,856,719</b>	<b>9.88%</b>
<b>Total Liabilities, Deferred Inflow of Resources and Net Position</b>	<b>4,172,620,387</b>	<b>3,981,310,824</b>	<b>191,309,563</b>	<b>4.81%</b>

# MONTHLY EXECUTIVE REPORT

## November 30, 2023

### 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, November 30, 2023							
	YTD	YTD	YTD	% YTD	YTD	YTD	% YTD
	Actual	Budget	Variance	Variance	Prior Year	Variance	Variance
<b>Wastewater Charges</b>							
Residential	\$ 73,603,878	\$ 75,647,949	\$ (2,044,071)	-2.7%	\$ 69,529,834	\$ 4,074,044	5.9%
Commercial	43,756,586	43,310,538	446,048	1.0%	41,067,006	2,689,580	6.5%
Industrial	11,581,265	10,853,116	728,149	6.7%	10,459,968	1,121,296	10.7%
Other Wastewater	4,769,348	5,093,479	(324,131)	-6.4%	5,215,754	(446,405)	-8.6%
Free Wastewater Charges	(3,188,916)	(3,276,638)	87,722	-2.7%	(3,342,721)	153,805	-4.6%
<b>Total Wastewater Charges</b>	<b>130,522,161</b>	<b>131,628,444</b>	<b>(1,106,283)</b>	<b>-0.8%</b>	<b>122,929,841</b>	<b>7,592,320</b>	<b>6.2%</b>
<b>Drainage</b>							
Residential	15,035,004	14,611,195	423,809	2.9%	13,855,935	1,179,069	8.5%
Commercial	22,518,005	22,738,127	(220,122)	-1.0%	21,287,888	1,230,116	5.8%
Industrial	2,763,806	2,647,332	116,474	4.4%	2,518,288	245,518	9.7%
Other Stormwater	1,880,729	1,743,397	137,332	7.9%	1,692,987	187,742	11.1%
Free Stormwater Charges	(1,156,281)	(1,193,638)	37,357	-3.1%	(1,119,269)	(37,012)	3.3%
<b>Total Drainage Charges</b>	<b>41,041,262</b>	<b>40,546,413</b>	<b>494,849</b>	<b>1.2%</b>	<b>38,235,829</b>	<b>2,805,433</b>	<b>7.3%</b>
<b>Total Service Charges</b>	<b>171,563,423</b>	<b>172,174,857</b>	<b>(611,434)</b>	<b>-0.4%</b>	<b>161,165,670</b>	<b>10,397,753</b>	<b>6.5%</b>
<b>Other Operating Income</b>	<b>3,969,184</b>	<b>1,875,019</b>	<b>2,094,165</b>	<b>111.7%</b>	<b>2,892,298</b>	<b>1,076,886</b>	<b>37.2%</b>
<b>Total Operating Revenue</b>	<b>175,532,607</b>	<b>174,049,876</b>	<b>1,482,731</b>	<b>0.9%</b>	<b>164,057,968</b>	<b>11,474,639</b>	<b>7.0%</b>
<b>Operating Expenses</b>							
Salaries & Wages	25,587,666	26,607,288	(1,019,622)	-3.8%	23,228,918	2,358,747	10.2%
Labor Related Overhead	11,662,471	11,130,699	531,772	4.8%	11,085,850	576,620	5.2%
Utilities	6,542,810	7,273,112	(730,302)	-10.0%	7,032,020	(489,210)	-7.0%
Materials & Supplies	3,832,209	3,973,082	(140,873)	-3.5%	3,651,349	180,860	5.0%
Contractual Services	12,241,024	16,744,270	(4,503,246)	-26.9%	13,003,380	(762,355)	-5.9%
Chemicals	3,096,441	4,639,406	(1,542,966)	-33.3%	2,633,115	463,326	17.6%
Fuel	669,667	869,229	(199,562)	-23.0%	767,138	(97,471)	-12.7%
Insurance Premiums & Claims	3,218,936	3,056,175	162,761	5.3%	3,019,821	199,115	6.6%
Bad Debt	1,384,455	1,469,338	(84,883)	-5.8%	1,719,608	(335,153)	-19.5%
Other Operating Expense	873,456	1,285,043	(411,587)	-32.0%	805,446	68,010	8.4%
Mapping/Insurance Recovery	-	-	-	0.0%	-	0	0.0%
Capitalized Overhead	(16,983,756)	(18,491,434)	1,507,678	-8.2%	(15,780,882)	(1,202,874)	7.6%
Capital Expenses (over)/under applied							
<b>Net Service and Administrative Costs</b>	<b>52,125,378</b>	<b>58,556,208</b>	<b>(6,430,830)</b>	<b>-11.0%</b>	<b>51,165,762</b>	<b>959,616</b>	<b>1.9%</b>
Depreciation	51,522,120	43,354,585	8,167,535	18.8%	45,138,324	6,383,796	14.1%
Amortization	1,915,940	629,041	1,286,900	204.6%	652,927	1,263,013	193.4%
<b>Total Depreciation/Amortization</b>	<b>53,438,060</b>	<b>43,983,626</b>	<b>9,454,434</b>	<b>21.5%</b>	<b>45,791,251</b>	<b>7,646,809</b>	<b>16.7%</b>
<b>Total Operating Expenses</b>	<b>105,563,438</b>	<b>102,539,834</b>	<b>3,023,604</b>	<b>2.9%</b>	<b>96,957,013</b>	<b>8,606,425</b>	<b>8.9%</b>
<b>Net Operating Income</b>	<b>69,969,169</b>	<b>71,510,042</b>	<b>(1,540,873)</b>	<b>-2.2%</b>	<b>67,100,955</b>	<b>2,868,214</b>	<b>4.3%</b>
<b>Non-Operating Revenue (Expenses)</b>							
Gain/Loss Disposal of Assets	72,992	-	72,992	0.0%	(737,011)	810,003	-109.9%
Investment Income	9,871,917	5,705,500	4,166,417	73.0%	5,311,997	4,559,920	85.8%
Interest Expense	(41,353,285)	(44,521,607)	3,168,322	-7.1%	(37,580,257)	(3,773,028)	10.0%
<b>Total Non-Operating Revenue (Expenses)</b>	<b>(31,408,375)</b>	<b>(38,816,107)</b>	<b>7,407,731</b>	<b>-19.1%</b>	<b>(33,005,271)</b>	<b>1,596,895</b>	<b>-4.8%</b>
Contributions	(879,510.04)	-	(879,510)	0.0%	1,464,944	2,344,454	-160.0%
<b>Change in Net Position Before Swaps</b>	<b>37,681,283</b>	<b>32,693,935</b>	<b>4,987,348</b>	<b>15.3%</b>	<b>35,560,628</b>	<b>(2,120,656)</b>	<b>6.0%</b>
<b>Change in Fair Value of Swaps</b>	<b>1,857,494</b>	<b>-</b>	<b>1,857,494</b>	<b>0.0%</b>	<b>(8,632,006)</b>	<b>(10,489,500)</b>	<b>-121.5%</b>
<b>Change in Net Position After Swaps</b>	<b>\$ 39,538,777</b>	<b>\$ 32,693,935</b>	<b>\$ 6,844,842</b>	<b>20.9%</b>	<b>\$ 26,928,622</b>	<b>\$ (12,610,156)</b>	<b>46.8%</b>

# MONTHLY EXECUTIVE REPORT

## November 30, 2023

### Statement of Cash Flows

Louisville and Jefferson County Metropolitan Sewer District		
Statement of Cash Flows		
For the Month Ended, November 30, 2023		
	FY 2024 YTD	FY 2023 YTD
<b>Cash Flows from Operating Activities</b>		
Cash received from customers	\$ 176,721,333	\$ 163,099,235
Cash paid to suppliers	(59,168,095)	(49,700,146)
Cash paid to employees	(26,156,997)	(25,397,670)
<b>Net Cash Provided by Operating Activities</b>	91,396,241	88,001,419
<b>Cash Flows from Capital and Related Financing Activities</b>		
Proceeds from issuance of revenue bonds	94,437,196	-
Proceeds from issuance of bond anticipation note	-	229,468,019
Proceeds from issuance of commercial paper	978,390,000	150,000,000
Payments for retirement of bond anticipation note	(226,340,000)	(226,340,000)
Payments for retirement of commercial paper	(724,195,000)	(110,000,000)
Payments for retirement of other subordinated debt	(3,673,901)	(1,013,621)
Payments for interest expense	(57,095,126)	(54,271,649)
Payments for interest on swaps	(818,146)	(2,340,907)
Build America bond interest subsidy	4,577,563	4,577,563
Proceeds from capital grants	(81,210)	-
Proceeds from sale of capital assets	72,992	(737,011)
Payments for capital assets	(87,978,703)	(73,229,472)
Proceeds from assessments	304,466	394,399
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	(22,399,869)	(83,492,679)
<b>Cash Flows from Investing Activities</b>		
Purchase of investments	(124,521,790)	(64,659,318)
Maturity of investments	59,313,000	47,689,928
Investment income	2,935,555	851,338
<b>Net Cash Provided (Used) by Investing Activities</b>	(62,273,235)	(16,118,052)
Net Increase (Decrease) in Cash and Cash Equivalents	6,723,137	4,171,570
Cash and Cash Equivalents, Beginning of Year	91,786,053	71,854,355
<b>Cash and Cash Equivalents, End of Year</b>	\$ 98,509,190	\$ 76,025,925
<b>Reconciliation of Operating Income to Net Cash provided by Operating Activities</b>		
Income from operations	\$ 69,969,169	\$ 67,100,955
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	53,438,060	45,791,251
Capitalized Overhead	(16,983,756)	(15,780,882)
Accounts receivable	1,504,702	(1,107,549)
Inventories	(350,638)	(377,415)
Prepaid expense	(4,655,531)	(3,556,386)
Accounts payable	(10,694,456)	(2,019,868)
Customer deposits	(315,976)	148,817
Accrued liabilities	(515,333)	(2,197,504)
<b>Net Cash Provided by Operating Activities</b>	\$ 91,396,241	\$ 88,001,419
<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	21,821,857	13,520,315
Change in fair value of investments	(2,049,046)	823,385
Decrease in interest rate swap deferred revenue	(94,360)	(207,063)
Change in fair value - swap agreements	(1,857,494)	(8,632,006)
Bonds issued for refunding of debt	\$ 280,000,000	\$ -

# MONTHLY EXECUTIVE REPORT

## November 30, 2023

### Actual vs. Budget Operating and Maintenance Expenses

Louisville & Jefferson County Metropolitan Sewer District							
Operating and Maintenance Expenses							
Month Ended, November 30, 2023							
	YTD	YTD	YTD	% YTD	YTD	YTD	% YTD
	Actual	Budget	Variance	Variance	Prior Year	Variance	Variance
<b>Salaries &amp; Wages</b>							
51120 - Regular Salaries & Wages	\$ 21,190,432	\$ 25,494,543	\$ (4,304,111)	-16.9%	\$ 18,946,634	\$ 2,243,799	11.8%
51130 - Overtime	1,091,682	940,913	150,768	16.0%	1,020,438	71,244	7.0%
51135 - Special Event Compensation	41,970	159,928	(117,958)	-73.8%	55,560	(13,590)	-24.5%
51140 - Wages pd for vacation, holidays & other	3,281,994	0	3,281,994	0.0%	3,185,904	96,091	3.0%
51145 - Incentive Pay - Performance, ERT, Sugg	(37,413)	0	(37,413)	0.0%	12,334	(49,746)	-403.3%
51147 - Service & Safety Incentive Awards	19,000	11,903	7,097	59.6%	8,050	10,950	136.0%
<b>Total Salaries &amp; Wages</b>	<b>25,587,666</b>	<b>26,607,288</b>	<b>(1,019,622)</b>	<b>-3.8%</b>	<b>23,228,918</b>	<b>2,358,747</b>	<b>10.2%</b>
<b>Labor &amp; Related Overhead</b>							
51210 - Short-Term Disability	147,113	0	147,113	0.0%	109,685	37,427	34.1%
51220 - Workers' Compensation Insurance	147,252	125,000	22,252	17.8%	47,192	100,060	212.0%
51225 - Workers' Compensation Claims	329,790	400,000	(70,210)	-17.6%	343,713	(13,923)	-4.1%
51230 - Long-Term Disability	31,171	0	31,171	0.0%	(5,229)	36,400	-696.1%
51240 - Group Life - AD&D Insurance	(14,424)	52,080	(66,504)	-127.7%	15,075	(29,499)	-195.7%
51250 - Tuition Assistance	4,079	30,831	(26,752)	-86.8%	(14,888)	18,967	-127.4%
51260 - Empl Assistance & Wellness Program	7,955	5,835	2,120	36.3%	1,226	6,729	548.9%
51300 - Payroll Taxes	1,809,048	1,909,348	(100,300)	-5.3%	1,633,771	175,277	10.7%
51400 - Unemployment Insurance	0	14,084	(14,084)	0.0%	6,800	(6,800)	0.0%
51500 - Med Ins: MSD's port. of prem for grp	3,716,964	3,164,329	552,635	17.5%	3,026,812	690,152	22.8%
51600 - Retirement Contributions	5,483,523	5,429,192	54,331	1.0%	5,921,691	(438,168)	-7.4%
51650 - Pension & OPEB Expense	0	0	0	0.0%	0	0	0.0%
<b>Total Labor &amp; Related Overhead</b>	<b>11,662,471</b>	<b>11,130,699</b>	<b>531,772</b>	<b>4.8%</b>	<b>11,085,850</b>	<b>576,620</b>	<b>5.2%</b>
<b>Utilities</b>							
53310 - Electric	5,140,958	5,384,950	(243,992)	-4.5%	5,164,076	(23,118)	-0.4%
53320 - Natural Gas	228,295	419,623	(191,328)	-45.6%	467,609	(239,313)	-51.2%
53330 - Water	640,279	766,661	(126,382)	-16.5%	821,516	(181,237)	-22.1%
53340 - Telephone	93,914	123,667	(29,752)	-24.1%	129,662	(35,748)	-27.6%
53345 - Data Communications	439,363	578,211	(138,847)	-24.0%	449,158	(138,847)	-2.2%
<b>Total Utilities</b>	<b>6,542,810</b>	<b>7,273,112</b>	<b>(730,302)</b>	<b>-10.0%</b>	<b>7,032,020</b>	<b>(618,263)</b>	<b>-7.0%</b>
<b>Materials &amp; Supplies</b>							
53100 - Tires & Tire Service Expense	129,751	152,335	(22,584)	-14.8%	124,257	5,494	4.4%
53140 - Materials & Supplies	3,491,374	3,663,247	(171,873)	-4.7%	3,302,993	188,382	5.7%
53150 - Inventory Adjustments	356	0	356	0.0%	105,051	(104,695)	-99.7%
53160 - Landfill Cost of fill dirt	210,728	157,500	53,228	33.8%	119,047	91,681	77.0%
<b>Total Materials &amp; Supplies</b>	<b>3,832,209</b>	<b>3,973,082</b>	<b>(140,873)</b>	<b>-3.5%</b>	<b>3,651,349</b>	<b>180,860</b>	<b>5.0%</b>
<b>Contractual Services</b>							
51700 - Uniforms	141,492	134,584	6,907	5.1%	101,638	39,854	39.2%
52110 - Billing & Collection	2,622,715	2,995,745	(373,030)	-12.5%	2,851,235	(228,520)	-8.0%
52130 - Custodial & Watchmen	310,833	348,023	(37,190)	-10.7%	315,518	(4,684)	-1.5%
52140 - Professional Services	1,041,204	2,106,427	(1,065,223)	-50.6%	806,254	234,951	29.1%
52145 - Legal	209,319	375,000	(165,681)	-44.2%	166,893	42,427	25.4%
52155 - Banking Services	19,952	16,750	3,202	19.1%	25,157	(5,205)	-20.7%
52160 - Maintenance & Repairs	1,614,492	2,681,020	(1,066,510)	-39.8%	2,104,397	(469,905)	-23.3%
52170 - Sludge & Grit Disposal	1,206,236	1,384,515	(178,279)	-12.9%	1,096,091	110,145	10.0%
52180 - Temporary Services	69,327	41,350	27,977	67.7%	35,768	33,559	93.8%
52195 - Other Contractual Services	5,005,454	6,660,873	(1,655,419)	-24.9%	5,500,430	(494,976)	-9.0%
<b>Total Contractual Services</b>	<b>12,241,024</b>	<b>16,744,270</b>	<b>(4,503,246)</b>	<b>-26.9%</b>	<b>13,003,380</b>	<b>(762,355)</b>	<b>-5.9%</b>
<b>Bad Debt</b>							
54200 - Bad Debts	1,259,455	1,469,338	(209,883)	-14.3%	1,594,608	(335,153)	-21.0%
54210 - Bad Debt - Assessments	125,000	0	125,000	0.0%	125,000	0	0.0%
<b>Total Bad Debt</b>	<b>1,384,455</b>	<b>1,469,338</b>	<b>(84,883)</b>	<b>-5.8%</b>	<b>1,719,608</b>	<b>(335,153)</b>	<b>-19.5%</b>
<b>Chemicals</b>							
53205 - Peracetic Acid	29,318	166,667	(137,349)	-82.4%	0	29,318	0.0%
53210 - Chlorine	0	3,938	(3,938)	0.0%	0	0	0.0%
53215 - Sodium Hypochlorite	1,290,864	1,596,204	(305,341)	-19.1%	710,142	580,722	81.8%
53220 - Polymer	821,590	1,598,804	(777,215)	-48.6%	1,110,656	(289,067)	-26.0%
53225 - Sodium Aluminate	58,881	169,270	(110,388)	-65.2%	68,488	(9,607)	-14.0%
53230 - Liquid Oxygen	37,400	136,882	(99,482)	-72.7%	97,622	(60,223)	-61.7%
53235 - Liquid Nitrogen	17,088	61,833	(44,746)	-72.4%	26,747	(9,659)	-36.1%
53240 - Other Chemicals	11,510	22,996	(11,486)	-49.9%	5,010	6,499	129.7%
53250 - Dechlorination	100,900	221,234	(120,334)	-54.4%	139,040	(38,140)	-27.4%
53275 - Defoamer	0	15,434	(15,434)	0.0%	0	0	0.0%
53280 - Bioxide	732,155	645,833	86,322	13.4%	475,409	256,747	54.0%
53285 - Sodium Hydroxide	0	313	(313)	0.0%	0	0	0.0%
53295 - Sodium Chloride	(3,264)	0	(3,264)	0.0%	0	(3,264)	0.0%
<b>Total Chemicals</b>	<b>3,096,441</b>	<b>4,639,406</b>	<b>(1,542,966)</b>	<b>-33.3%</b>	<b>2,633,115</b>	<b>463,326</b>	<b>17.6%</b>
<b>Fuel</b>							
53120 - Gasoline	319,643	313,535	6,108	1.9%	333,626	(13,983)	-4.2%
53130 - Diesel Fuel	350,024	555,694	(205,671)	-37.0%	433,512	(83,488)	-19.3%
<b>Total Fuel</b>	<b>669,667</b>	<b>869,229</b>	<b>(199,562)</b>	<b>-23.0%</b>	<b>767,138</b>	<b>(97,471)</b>	<b>-12.7%</b>
<b>Insurance Premiums &amp; Claims</b>							
54100 - Casualty Insurance	0	0	0	0.0%	0	0	0.0%
54110 - General Liability Insurance	1,807,460	1,867,930	(60,470)	-3.2%	1,745,896	61,564	3.5%
54130 - Property Insurance	1,210,073	948,660	261,413	27.6%	921,454	288,619	31.3%
54140 - General Liability Claims	201,404	239,585	(38,181)	-15.9%	352,471	(151,067)	-42.9%
54150 - Automobile Liability Claims	0	0	0	0.0%	0	0	0.0%
<b>Total Insurance Premiums &amp; Claims</b>	<b>3,218,936</b>	<b>3,056,175</b>	<b>162,761</b>	<b>5.3%</b>	<b>3,019,821</b>	<b>199,115</b>	<b>6.6%</b>
<b>Other Operating Expense</b>							
53410 - Equipment Rental	62,965	99,228	(36,263)	-36.5%	143,023	(80,059)	-56.0%
53420 - Space Rent	13,000	12,500	500	4.0%	12,500	500	4.0%
53430 - Leased Parking	44,930	33,142	11,788	35.6%	27,708	17,222	62.2%
54250 - Contributions	177,320	224,083	(46,764)	-20.9%	165,069	12,251	7.4%
54300 - Fines, Penalties & Damages	6,705	0	6,705	0.0%	0	6,705	0.0%
54400 - Advertising	12,906	61,667	(48,761)	-79.1%	12,120	786	6.5%
54500 - Travel & Meetings	201,070	201,303	(233)	-0.1%	118,692	82,378	69.4%
54550 - Training	63,795	214,642	(150,847)	-70.3%	76,138	(12,344)	-16.2%
54600 - Dues, Fees and Subscriptions	284,758	432,479	(147,721)	-34.2%	243,649	41,109	16.9%
54700 - Board Members	4,450	6,000	(1,550)	-25.8%	3,875	575	14.8%
54725 - Bond Closing Cost	0	0	0	0.0%	0	0	0.0%
55555 - Over/under payments	1,559	0	1,559	0.0%	2,671	(1,112)	-41.6%
<b>Total Other Operating Expense</b>	<b>873,456</b>	<b>1,285,043</b>	<b>(411,587)</b>	<b>-32.0%</b>	<b>805,446</b>	<b>68,010</b>	<b>8.4%</b>
<b>Grand Total</b>	<b>69,109,134</b>	<b>77,047,642</b>	<b>(7,938,508)</b>	<b>-10.3%</b>	<b>66,946,644</b>	<b>2,033,437</b>	<b>3.2%</b>

# MONTHLY EXECUTIVE REPORT

## November 30, 2023

### SUPPLEMENTAL FINANCIAL REPORTING

#### Revenue by Customer Class

	Number of Customers		Revenue by Customer Class		Budget By Customer Class	
	Nov-2023	Nov-2022	Nov-2023	Nov-2022	Nov-2023	Nov-2022
<b>Wastewater</b>						
Residential	236,274	235,592	14,022,896	12,701,449	13,978,043	13,467,468
Commercial	21,895	21,949	8,535,912	8,210,358	9,185,000	8,966,446
Industrial	396	394	1,912,227	1,893,625	2,005,969	1,909,865
<b>Sub-Total</b>	<b>258,565</b>	<b>257,935</b>	<b>24,471,035</b>	<b>22,805,431</b>	<b>25,169,013</b>	<b>24,343,779</b>
<b>Drainage</b>						
Residential	210,941	209,634	2,816,829	2,475,429	2,741,738	2,698,679
Commercial	13,885	14,010	4,431,779	3,998,201	4,578,717	4,242,756
Industrial	278	278	497,445	464,267	512,918	503,623
<b>Sub-Total</b>	<b>225,104</b>	<b>223,922</b>	<b>7,746,053</b>	<b>6,937,897</b>	<b>7,833,373</b>	<b>7,445,058</b>
<b>Grand Total</b>			<b>\$ 32,217,088</b>	<b>\$ 29,743,328</b>	<b>\$ 33,002,385</b>	<b>\$ 31,788,837</b>

#### Wastewater Revenue by County

	Number of Customers		Revenue by Customer Class		Budget by Customer Class	
	Nov-2023	Nov-2022	Nov-2023	Nov-2022	Nov-2023	Nov-2022
<b>Jefferson County</b>						
Residential	224,741	224,224	13,179,026	11,976,315	13,251,760	12,760,398
Commercial	21,517	21,495	8,404,248	8,083,909	9,041,831	8,829,783
Industrial	394	392	1,909,647	1,891,864	2,003,902	1,907,948
<b>Sub-Total</b>	<b>246,652</b>	<b>246,111</b>	<b>23,492,921</b>	<b>21,952,087</b>	<b>24,297,493</b>	<b>23,498,129</b>
<b>Bullitt County</b>						
Residential	4,574	4,537	238,444	208,620	246,756	221,693
Commercial	165	163	78,985	73,358	86,799	86,870
Industrial	1	1	2,485	1,671	1,977	1,827
<b>Sub-Total</b>	<b>4,740</b>	<b>4,701</b>	<b>319,914</b>	<b>283,649</b>	<b>335,532</b>	<b>310,390</b>
<b>Oldham County</b>						
Residential	6,959	6,831	605,426	516,514	479,528	485,377
Commercial	213	291	52,679	53,091	56,370	49,793
Industrial	1	1	95	90	90	90
<b>Sub-Total</b>	<b>7,173</b>	<b>7,123</b>	<b>658,199</b>	<b>569,695</b>	<b>535,988</b>	<b>535,260</b>
<b>Grand Total</b>			<b>\$ 24,471,035</b>	<b>\$ 22,805,431</b>	<b>\$ 25,169,013</b>	<b>\$ 24,343,779</b>

# MONTHLY EXECUTIVE REPORT

## November 30, 2023

### 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 November 30, 2023.

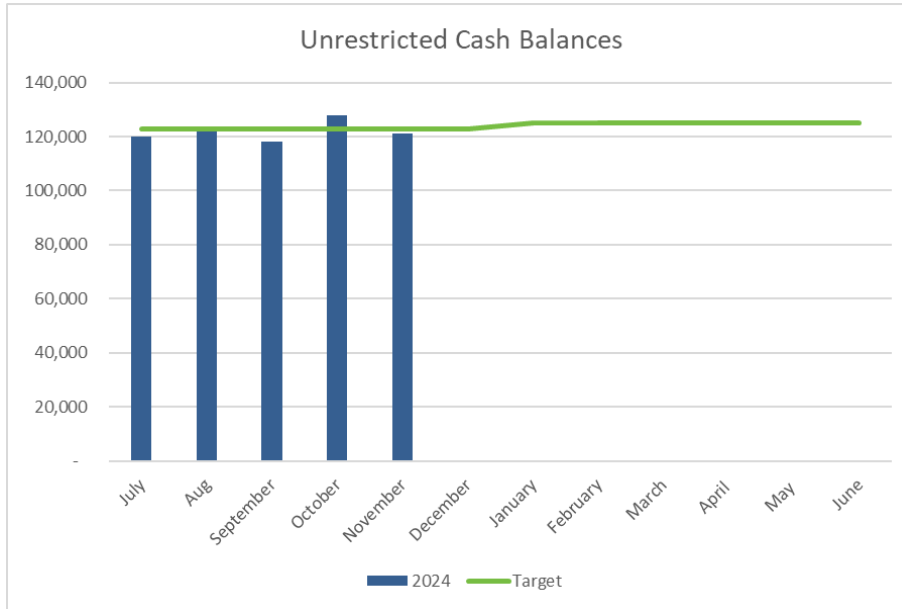
FY24 Headcount by Division			
	Budget Approved	Current Authorized	Filled
Administration			
Community Benefits & Partnerships	8	8	6
Customer Relations	21	20	15
Executive Offices	2	3	3
Government & Public Affairs	7	7	7
Innovation	5	3	3
Internal Audit	4	4	3
Records and Information Governance	9	9	7
Corporate	1	1	1
Engineering	102	102	85
Facilities, Safety & Security	39	40	31
Finance	21	23	20
Human Resources	21	21	19
Information Technology	33	33	33
Legal	12	11	8
Operations	519	520	457
Supply Chain & Economic Inclusion	27	27	22
<b>Total Authorized Positions</b>	<b>831</b>	<b>832</b>	<b>720</b>
*Excludes temporary & seasonal staff			

# MONTHLY EXECUTIVE REPORT

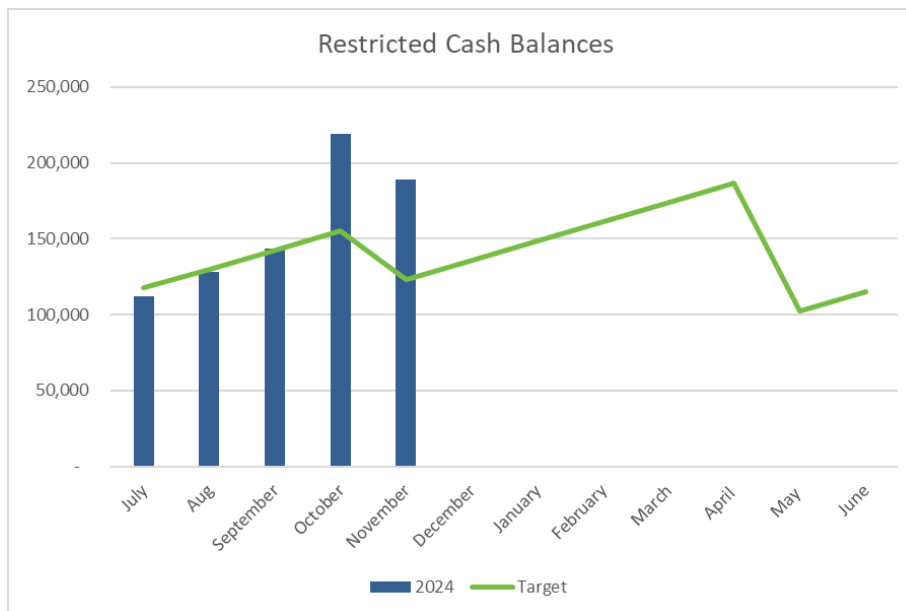
## November 30, 2023

### Cash Balances

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



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



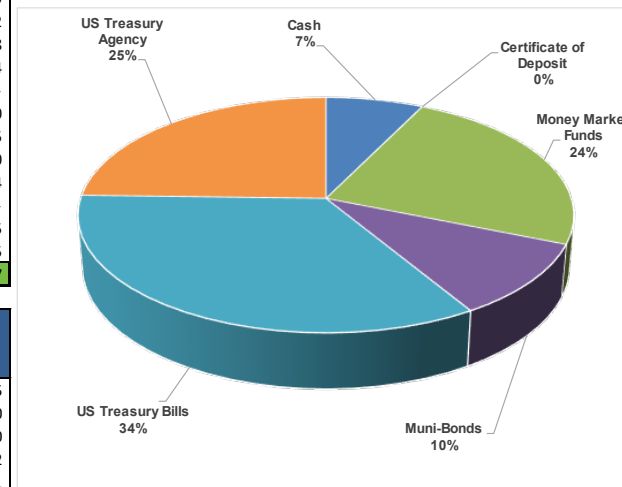
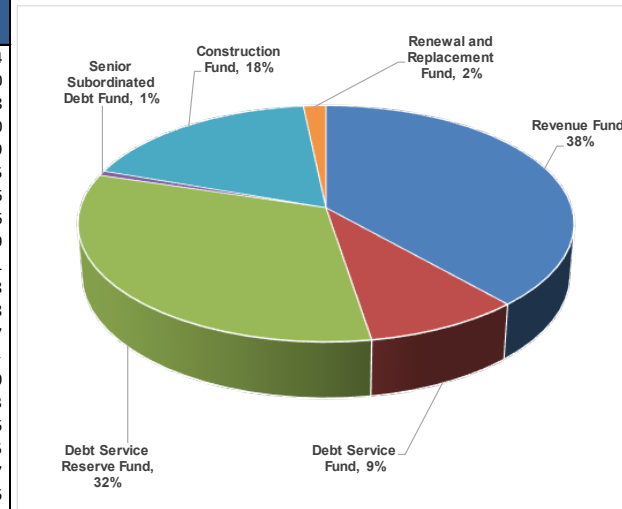
# MONTHLY EXECUTIVE REPORT

## November 30, 2023

### Current Investment Model

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

Series	Revenue Fund	Debt Service Fund	Debt Service Reserve Fund	Senior Subordinated Debt Fund	Construction Fund	Renewal and Replacement Fund	Total
2008A	-	-	984,844	-	-	-	984,844
2009A	-	-	1,795,870	-	-	-	1,795,870
2009B	-	-	14,048,688	-	-	-	14,048,688
2009C	-	19,972	12,049,217	-	-	-	12,069,190
2010A	-	33,790	18,118,298	-	-	-	18,152,089
2013A	-	-	28,630,465	-	-	-	28,630,465
2013B	-	9,546	-	-	-	-	9,546
2013C	-	-	104,516	-	-	-	104,516
2014A	-	1,169,299	-	-	-	-	1,169,299
2015A	-	1,189,058	157,982	-	-	-	1,347,041
2015B	-	1,574,438	-	-	-	-	1,574,438
2016A	-	544,428	-	-	-	-	544,428
2016B	-	625,877	-	-	-	-	625,877
2016C	-	-	-	-	-	-	-
2017A	-	2,643,741	1,527,469	-	-	-	4,171,210
2017B	-	8,423,733	-	-	-	-	8,423,733
2018A	-	4,276	-	-	-	-	4,276
2020A	-	835,500	2,240,474	-	-	-	3,075,975
2020C	-	2,172,477	-	-	-	-	2,172,477
2021A	-	6,558,986	-	-	-	-	6,558,986
2022A	-	654,829	-	-	-	-	654,829
2023A	-	7,988	-	-	8,014	-	16,002
2023B	-	58	-	-	-	-	58
2023C	-	1,116,714	19,547,245	-	55,299,745	-	75,963,704
CP 2023 A-1 & A-2	-	-	-	-	-	-	-
CP Note Payment Fund	-	-	-	2,000,000	-	-	2,000,000
Cash	20,329,165	-	-	-	-	-	20,329,165
Certificate of Deposit	100,000	-	-	-	-	-	100,000
Money Market Funds	25,059,882	-	-	-	-	3,132,813	28,192,694
Muni-Bonds	-	-	-	-	-	-	-
US Treasury Bills	28,297,195	-	-	-	-	-	28,297,195
US Treasury Agency	44,434,325	-	-	-	-	1,999,520	46,433,845
<b>Total</b>	<b>\$ 118,220,567</b>	<b>\$ 27,584,710</b>	<b>\$ 99,205,069</b>	<b>\$ 2,000,000</b>	<b>\$ 55,307,759</b>	<b>\$ 5,132,333</b>	<b>\$ 307,450,437</b>



Asset Description	Revenue Fund	Debt Service Fund	Debt Service Reserve Fund	Senior Subordinated Debt Fund	Construction Fund	Renewal and Replacement Fund	Total
Cash	20,329,165	-	-	2,000,000	-	-	22,329,165
Certificate of Deposit	100,000	-	-	-	-	-	100,000
Money Market Funds	25,059,882	27,584,710	16,560,417	-	1,069,059	3,132,813	73,406,880
Muni-Bonds	-	-	31,284,932	-	-	-	31,284,932
US Treasury Bills	28,297,195	-	22,239,406	-	54,238,700	-	104,775,301
US Treasury Agency	44,434,325	-	29,120,314	-	-	1,999,520	75,554,159
<b>Total</b>	<b>\$ 118,220,567</b>	<b>\$ 27,584,710</b>	<b>\$ 99,205,069</b>	<b>\$ 2,000,000</b>	<b>\$ 55,307,759</b>	<b>\$ 5,132,333</b>	<b>\$ 307,450,437</b>



## MONTHLY EXECUTIVE REPORT

### November 30, 2023

#### Monthly Investment Activity

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

Account	Transaction Type	Category	Amount
Bank of New York Mellon	Purchase	Federal Home Loan Bank	1,996,100.00
Bank of New York Mellon	Purchase	United States Treasury Bill	22,194,969.06
Bank of New York Mellon	Redemption	Federal Home Loan Bank Discount Notes	(22,763,000.00)
Bank of New York Mellon	Redemption	Federal Home Loan Mortgage Corp	(5,000,000.00)
Bank of New York Mellon	Redemption	United States Treasury Bill	(3,125,000.00)
Fifth Third Securities	Purchase	United States Treasury Note	4,214,207.81
Fifth Third Securities	Purchase	United States Treasury Note	4,946,203.13
Fifth Third Securities	Redemption	United States Treasury Note	(4,000,000.00)

# MONTHLY EXECUTIVE REPORT

## November 30, 2023

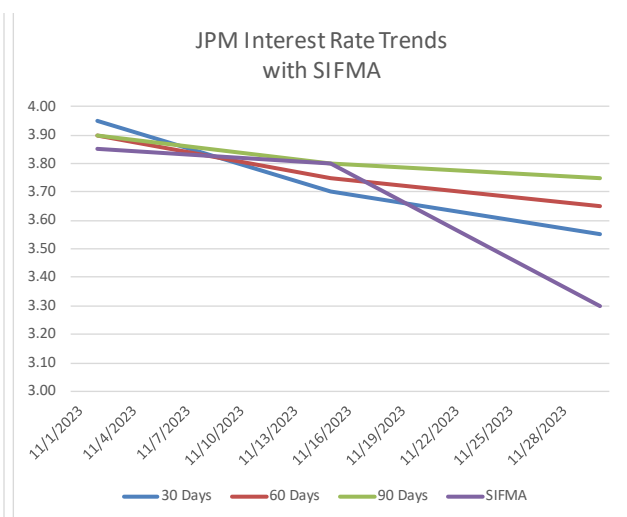
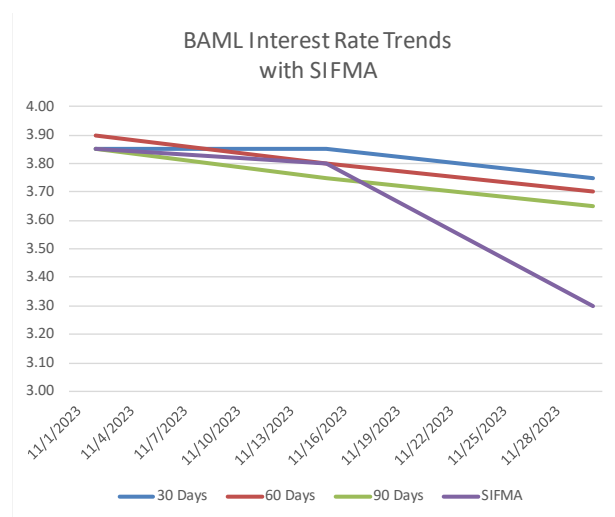
### Commercial Paper Program Summary

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 November, we had two notes mature and were replaced with new notes with an average rate of 3.91% and average terms of 31 days. In December, we have two notes maturing totaling \$219,195,000.

The CP Construction Fund balance as of November 30, 2023, was \$8,013.81. 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
9/22/2023	54660FAP9	20,000,000	3.75%	124	1/24/2024	BAML	254,794.52	Roll	4.31%	-0.56%
9/25/2023	54660FAQ7	30,000,000	3.75%	121	1/24/2024	BAML	372,945.21	Roll	4.31%	-0.56%
9/27/2023	54660HAP5	20,000,000	3.82%	119	1/24/2024	JPM	249,084.93	Roll	3.98%	-0.16%
10/2/2023	54660HAQ3	35,000,000	3.78%	114	1/24/2024	JPM	413,210.96	Roll	3.98%	-0.20%
10/4/2023	54660FAR5	20,000,000	3.80%	112	1/24/2024	BAML	233,205.48	Roll	3.98%	-0.18%
10/4/2023	54660HAR1	35,000,000	3.90%	112	1/24/2024	JPM	418,849.32	Roll	3.98%	-0.08%
10/6/2023	54660FAT1	30,000,000	3.80%	110	1/24/2024	BAML	343,561.64	Roll	3.36%	0.44%
10/6/2023	54660HAT7	10,000,000	3.90%	110	1/24/2024	JPM	117,534.25	Roll	3.36%	0.54%
11/3/2023	54660FAU8	109,598,000	3.95%	31	12/4/2023	BAML	367,678.77	Roll	3.85%	0.10%
11/3/2023	54660HAU4	109,597,000	3.87%	31	12/4/2023	JPM	360,228.82	Roll	3.85%	0.02%
<b>Currently Outstanding: \$ 419,195,000</b>							<b>\$ 3,131,094</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

## November 30, 2023

### 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

## November 30, 2023

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	Oldham	Bullitt	Total	Comments
<b>Budget Ceiling</b>	\$244.4M	\$4.5M	\$6.4M	<b>\$255.3M</b>	MSD Board Approved
<b>Management Reserve</b>	\$9.3M	\$0.5M	\$0.5M	<b>\$10.3M</b>	Current
<b>Performance Budget Target</b>	\$235.1M	\$4.0M	\$5.9M	<b>\$245.0M</b>	Budget Ceiling minus Mgmt. Reserve
<b>Spending Projection</b>	\$235.1M	\$4.0M	\$5.9M	<b>\$245.0M</b>	Forecasted Spend
<b>Actuals</b>	\$64.4M	\$1.8M	\$1.9M	<b>\$68.2M</b>	27.8% of Perf. Target

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

### 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.

# MONTHLY EXECUTIVE REPORT

## November 30, 2023

### 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	22	\$ 534,427	\$ 8,733,000	\$ 534,427
Design	70	\$ 50,560,031	\$ 77,462,886	\$ 7,151,663
Construction	49	\$ 178,511,742	\$ 101,893,890	\$ 37,868,505
Studies	9	\$ 6,185,935	\$ 1,464,777	\$ 855,715
<b>TOTAL</b>	<b>150</b>	<b>\$ 235,792,135</b>	<b>\$ 189,554,553</b>	<b>\$ 46,410,310</b>

*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	1	\$ 159,658	\$ 920,000	\$ 13,150
Construction	1	\$ 9,083,392	\$ 3,425,000	\$ 1,751,709
<b>TOTAL</b>	<b>2</b>	<b>\$ 9,243,050</b>	<b>\$ 4,345,000</b>	<b>\$ 1,764,859</b>

*Does not include projects in Closeout phase*

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

Current Project Activity	# of Projects	Lifetime Actuals	FY24 Budget	FY24 Actuals
Initiation & Procurement	1	\$ -	\$ 10,000	\$ -
Design	15	\$ 1,985,989	\$ 5,170,000	\$ 1,190,539
Construction	2	\$ 867,258	\$ 750,000	\$ 478,035
<b>TOTAL</b>	<b>18</b>	<b>\$ 2,853,247</b>	<b>\$ 5,930,000</b>	<b>\$ 1,668,574</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 (Jeferson)*

Emergency	Funding Source	Date Began	Emergency Certificate Amount (\$)	Contractor
15th Street Sewer Repair	A22183	3/7/2022	\$500,000	Temple and Temple
Jackson St. Sewer Replacement	A24069	TBD	\$941,522	TRC, LLC (WBE)
MFWQTC LG Dryer Replacements	D20285	1/1/2020	\$69,668,264	Judy Construction
DRG Air Line Repair	D21021	11/21/2023	\$100,000	Various Vendors
MFWQTC MEB East & West Freight Elevators	D23194	NTP 4/07/23 - waiting on material delivery	\$500,000	Oracle Elevators
1920 Grand Villa Drive	E21022	11/8/2023	\$50,000	TBD
5th St FPS MCC's	F15012	12/22/2022	\$335,000	AES, Inc
Levee Repair at Western FPS	F21096	5/4/2022	\$75,000	MAC Construction
Various projects	G24001	6/2/2023	\$665,000	Various Vendors

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Emergency	Funding Source	Date Began	Emergency Certificate Amount (\$)	Contractor
SGC Gates Replacement - Construction	H22022	4/1/2022	\$2,000,000	Pace Contracting, LLC
SGC Gates Replacement - Design	H22022	7/1/2021	\$-	AECOM
Odor Mitigation 2024-008	Operations (Cost center 5510311)	9/19/2023	\$250,000	Various Vendors

### Active Emergency Contract Work (Bullitt)

Emergency	Funding Source	Date Began	Emergency Certificate Amount (\$)	Contractor
BC ProLogis Treatment Plant	Y23098	10/10/2022	\$75,000	MAC Construction

### 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	FY24 Budget	Lifetime Actuals	FY24 Spending Projection	Project Outlook
D22100 Morris Forman WQTC New Biosolids Facility	12/8/2027	\$313.8M	\$47.0M	\$27.6M	\$40.0M	Contract has been executed COP 1/1/24.
F18515 Paddy's Run Pump Station Capacity Improvements	12/31/2026	\$241.4M	\$45.0M	\$21.2M	\$54.9M	Stage 2 Construction

## MONTHLY EXECUTIVE REPORT November 30, 2023

### Major Projects Under Construction

Budget ID & Project Name	Substantial Completion	Current EAC	FY24 Budget	Lifetime Actuals	FY24 Spending Projection	Project Outlook
D17042 MFWQTC Sedimentation Basin RR	2/6/2025	\$43.0M	\$11.7M	\$28.7M	\$14.1M	Construction on schedule.
H20147 Western Outfall Rehabilitation - Maple St.	4/1/2024	\$19.0M	\$7.0M	\$14.4M	\$10.5M	Construction on schedule.
D22098 CCWQTC Re-rating to 9.0 MGD	4/10/2025	\$10.2M	\$4.6M	\$0.8M	\$2.5M	Construction on schedule.

### CIP MANAGEMENT TEAM MEETING HIGHLIGHTS

No meeting was held during the reporting month.



# MONTHLY EXECUTIVE REPORT

## November 30, 2023

### 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
C24003	509 Blankenbaker Lane Redesign DIP	12/1/2023
C24097	Beargrass Creek_Barrent Hill Road Bank Repair	12/5/2023
D23161	DRGWQTC Clarifier MCC and Grit Electric MCC Buildings Roof Replacement	12/19/2023
D24045	Regional WQTC Controls Upgrades	12/25/2023
F23059	Water Stop and Concrete Repair	12/31/2023

#### Bid Openings

Bids opened during the reporting month are shown below.

Budget ID	Project Name	Bid Opening	Engineer's Estimate
F24062	Starkey PS Hydraulic Actuator Replacement	11/2/2023	\$ 261,450
F23177	Beargrass Creek FPS Masonry Repairs	11/6/2023	\$ 227,828
Y23218	Bullitt County Ofc Bldg Roof Replacement	11/9/2023	\$ 90,914
D22213	CCWQTC Tertiary Filtration	11/13/2023	\$ 10,920,000
F23170	Western FPS Roof Replacement	11/28/2023	\$ 189,000

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

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

Budget ID	Project Name	NTP Date
F23177	Beargrass Creek FPS Masonry Repairs	11/6/2023
D23165	HCWQTC Aeration Blower Buildings, Sec 1 & 2 Roof Replacement	11/6/2023
D20007	Peabody Gate Structure Rehabilitation	11/21/2023

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**November 30, 2023**

**END OF REPORT**