

Monthly Executive Report

Financial & Capital Program Updates

As of October 31, 2023



MONTHLY EXECUTIVE REPORT

October 31, 2023

NOTE TO THE READER:

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

MONTHLY EXECUTIVE REPORT

October 31, 2023

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Acronyms & Abbreviations

AEAP	Additional Early Action Projects
APCD	Air Pollution Control District
AO	Agreed Order
B	Billions
BCE	Business Case Evaluation
BOD	Biochemical Oxygen Demand
BMP	Best Management Practice
BRIC	Building Resilient Infrastructure & Communities Grant Program
CCWQTC	Cedar Creek Water Quality Treatment Center
CD	Consent Decree
CIP	Capital Improvement Program
CMF	Centralized Maintenance Facility
CMOM	Capacity, Management, Operations, and Maintenance Program
CP	Commercial Paper
CRRP	Critical Repair and Replacement Plan
CSF	Critical Success Factor
CSG	Collections System Group
CSO	Combined Sewer Overflow
CSS	Combined Sewer System
DOW	Kentucky Department of Water
DRGWQTC	Derek Guthrie Water Quality Treatment Center
DRI	Drainage Response Initiative
EAC	Estimate-at-Completion
EAP	Early Action Plan
ENV	Environmental
EPA	Environmental Protection Agency
EPM	Enterprise Program Manager
FEMA	Federal Emergency Management Agency
FEPS	Final Effluent Pump Station
FFWQTC	Floyds Fork Water Quality Treatment Center
FM	Force Main
FPS	Flood Pump Station
FY	Fiscal Year
GASB	General Accounting Standards Board
GIS	Geographical Information System
HCWQTC	Hite Creek Water Quality Treatment Center
HSE	Health and Safety Evaluation
HVAC	Heating, Ventilation, and Air Conditioning
ID	Project Budget Identification Number
IOAP	Integrated Overflow Abatement Plan
IT	Information Technology
KPDES	Kentucky Pollutant Discharge Elimination System
LG	Louisville Green Biosolids Processing System
LOJIC	Louisville Jefferson County Information Consortium
LTCP	Long Term Control Plan
LWC	Louisville Water Company
M	Millions
MBE/WBE	Minority Owned Business Enterprise/Women Owned Business Enterprise

Acronyms & Abbreviations - Continued

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

SECTION 1: EXECUTIVE SUMMARY

The Louisville and Jefferson County Metropolitan Sewer District (MSD) provides wastewater, stormwater and flood protection services to a population of nearly 800,000 throughout the service area. The MSD operating budget supports the day-to-day operation and maintenance of all infrastructure, while the capital budget supports the infrastructure investments through its Capital Improvement Program (CIP). The organization continues to complete important projects; comply with Consent Decree and regulatory requirements; and repair/replace critical assets. This report provides a summary of the financial position and the progress made through October 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 October 31, 2023
Operating Revenues	Year to date, total operating revenues were \$2.1 million favorable to budget (wastewater service charges \$379 thousand unfavorable, drainage service charges \$538 thousand favorable and other operating income \$1.9 million favorable).
Operating Expenses	Service and administrative expenses were \$1.1 million unfavorable to budget and \$2.4 million more than October 2022. Year to date, service and administrative expenses were \$7.3 million favorable to budget. Contractual Services account for \$3.7 million of the savings to budget.
Interest Expense	Interest expense was \$1.7 million unfavorable to budget and \$1.8 million more than October 2022. Year to date, interest expense was \$1.4 million unfavorable to budget. Higher than usual expense was recognized in October due to the financing activities surrounding the 2023C Bond issuance.
Statement of Cash Flows	Cash and cash equivalents increased \$16 million in October. Net cash provided by operating activities was \$23.3 million. The 2023C bond issue resulted in net cash provided by capital-related financing activities of \$61.5 million. Net cash used by investing activities totaled \$68.8 million as 2023C bond proceeds were invested.
Commercial Paper Notes	Commercial paper notes outstanding total \$419 million with an average duration to maturity of 98 days.

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CAPITAL PROGRAM HEALTH

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

Summary of FY24 Capital Program Performance To-date

Key Programs and Initiatives	Status as of October 31, 2023
Consent Decree and Agreed Order Compliance	All Consent Decree and Agreed Order deadlines have been satisfied through the reporting period.
Emergency Repairs & Reactive Equipment Replacements	Two (2) emergency projects were started in the reporting period to repair ruptured force mains located at 7808 Manslick Road and 23011 Derington Court.
Cashflow Performance*	Budget Performance Target is \$253M as of October 31, 2023. The FY24 forecasted spend is \$253M

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

SECTION 2: FINANCIAL REPORT

The Financial Report is prepared monthly to provide readers with a high-level understanding of MSD's financial position. This report contains information on the following:

- Monthly financial results for October 2023
- Customer Statistics
- Employee Headcount
- Cash Balances
- Investment Summary
- Commercial Paper Program Summary

OCTOBER FINANCIAL SUMMARY

Financial Highlights for the month of October 2023

- Total operating revenues were \$1.5 million favorable to budget
- Service and administrative expenses were \$1.1 million unfavorable to budget

Results of Operations for the month of October 2023

Total operating revenues were \$1.5 million favorable to budget and \$3.6 million more than October 2022. Wastewater service charges were \$574 thousand favorable to budget and \$2.3 million more than October 2022. Drainage service charges were \$128 thousand favorable to budget and \$531 thousand more than October 2022. Other operating revenues were \$808 thousand favorable to budget and \$778 thousand more than October 2022. Year to date, total operating revenues were \$2.1 million favorable to budget (wastewater service charges \$379 thousand unfavorable, drainage service charges \$538 thousand favorable and other operating income \$1.9 million favorable).

Service and administrative expenses were \$1.1 million unfavorable to budget and \$2.4 million more than October 2022. Year to date, service and administrative expenses were \$7.3 million favorable to budget. Contractual Services account for \$3.7 million of the savings to budget.

Depreciation and amortization expenses were \$2.2 million unfavorable to budget and \$1.8 million more than October 2022. Year to date, depreciation and amortization expenses were \$6.2 million unfavorable to budget. Depreciation expense is being driven by the large number of capital projects that were placed in service in June of 2023.

Investment income was \$715 thousand favorable to budget and \$671 thousand more than October 2022. Year to date, investment income was \$2.7 million favorable to budget.

Interest expense was \$1.7 million unfavorable to budget and \$1.8 million more than October 2022. Year to date, interest expense was \$1.4 million unfavorable to budget. Higher than usual expense was recognized in October due to the financing activities surrounding the 2023C Bond issuance.

Statement of Cash Flows

Cash and cash equivalents increased \$16 million in October. Net cash provided by operating activities was \$23.3 million. The 2023C bond issue resulted in net cash provided by capital-related financing activities of \$61.5 million. Net cash used by investing activities totaled \$68.8 million as 2023C bond proceeds were invested.

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FINANCIAL STATEMENTS – FY24

Comparative Statement of Net Position

Louisville & Jefferson County Metropolitan Sewer District				
Monthly Comparative Statement of Net Position				
Month Ended, October 31, 2023				
	YTD	YTD		
	Oct-2023	Oct-2022	Variance	Percent
Current Assets				
Unrestricted Cash & Cash Equivalents	\$127,962,633	\$128,294,775	(\$332,142)	-0.26%
Sewer & Drainage Receivable	27,821,340	29,368,663	(1,547,323)	-5.27%
Assessment Warrants Receivable	130,331	167,217	(36,886)	-22.06%
Miscellaneous Receivables	4,650,978	(1,325,835)	5,976,813	-450.80%
Inventories	6,139,300	5,496,199	643,101	11.70%
Prepaid Expenses	5,407,494	7,283,317	(1,875,823)	-25.76%
Restricted Funds	219,353,652	162,287,585	57,066,066	35.16%
Accrued Interest Receivable	587,953	340,553	247,399	72.65%
Total Current Assets	392,053,680	331,912,474	60,141,206	18.12%
Non-Current Assets				
Utility Plant in Service	5,077,967,612	4,731,415,686	346,551,926	7.32%
Accumulated Depreciation	(1,709,078,048)	(1,604,449,431)	(104,628,617)	6.52%
Construction in Progress	371,210,680	462,250,198	(91,039,518)	-19.69%
Subscription Assets	7,139,910	0	7,139,910	0.00%
Net Fixed Assets	3,747,240,154	3,589,216,453	150,883,791	4.40%
Non-Current Receivables	20,907,067	21,962,904	(1,055,837)	-4.81%
Total Assets	4,160,200,901	3,943,091,831	209,969,160	5.51%
Total Deferred Outflow of Resources	48,270,468	70,840,506	(22,570,039)	-31.86%
Total Assets & Deferred Outflow of Resources	4,208,471,368	4,013,932,337	194,539,031	4.85%
Current Liabilities				
Miscellaneous Accounts Payable	9,655,419	8,083,472	1,571,947	19.45%
Accounts Payable - Construction	9,205,269	7,633,064	1,572,205	20.60%
Contract Retainage	7,668,950	5,122,631	2,546,319	49.71%
Accrued Interest Payable	43,990,060	42,831,914	1,158,146	2.70%
Current Maturities of Bonds Payable	51,115,000	52,880,000	(1,765,000)	-3.34%
Current Maturities of Subordinate Debt	8,186,775	1,604,226	6,582,549	410.33%
Deposits Payable	1,842,628	2,064,937	(222,309)	-10.77%
Accrued Salaries & Wages	2,402,200	1,957,342	444,858	22.73%
Accrued Workers' Comp Insurance	1,956,087	1,767,997	188,090	10.64%
Employee Comp Absences Payable	4,377,881	4,122,139	255,742	6.20%
Total Current Liabilities	140,400,268	128,067,721	12,332,547	9.63%
Non-Current Liabilities				
Long-Term Senior Debt Payable	2,416,330,000	2,228,405,000	187,925,000	8.43%
Long-Term Subordinate Debt Payable	260,491,280	366,497,203	(106,005,923)	-28.92%
Other Long-Term Liability	306,499,700	285,196,695	21,303,006	7.47%
Total Non-Current Liabilities	2,983,320,980	2,880,098,898	103,222,082	3.58%
Total Liabilities	3,123,721,248	3,008,166,618	115,554,630	3.84%
Total Deferred Inflow of Resources	48,300,291	55,053,855	(6,753,564)	-12.27%
Total Liabilities & Deferred Inflow of Resources	3,172,021,539	3,063,220,474	108,801,066	3.55%
Net Position	1,036,449,829	950,712,864	85,736,965	9.02%
Total Liabilities, Deferred Inflow of Resources and Net Position	4,208,471,368	4,013,933,337	194,538,031	4.85%

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Statement of Revenues, Expenses & Change in Net Position

Louisville & Jefferson County Metropolitan Sewer District							
Monthly Statement of Revenues, Expenses, and Changes in Net Position							
Month Ended, October 31, 2023							
	YTD	YTD	YTD	% YTD	YTD	YTD	% YTD
	Actual	Budget	Variance	Variance	Prior Year	Variance	Variance
Wastewater Charges							
Residential	\$ 59,580,982	\$ 61,669,905	\$ (2,088,924)	-3.4%	\$ 56,828,385	\$ 2,752,597	4.8%
Commercial	35,220,674	34,125,538	1,095,136	3.2%	32,856,649	2,364,026	7.2%
Industrial	9,669,038	8,847,147	821,891	9.3%	8,566,344	1,102,695	12.9%
Other Wastewater	3,906,547	4,242,320	(335,774)	-7.9%	4,415,156	(508,609)	-11.5%
Free Wastewater Charges	(2,709,980)	(2,837,926)	127,946	-4.5%	(2,925,550)	215,570	-7.4%
Total Wastewater Charges	105,667,261	106,046,984	(379,723)	-0.4%	99,740,983	5,926,278	5.9%
Drainage							
Residential	12,218,175	11,869,457	348,717	2.9%	11,380,505	837,669	7.4%
Commercial	18,086,225	18,159,409	(73,184)	-0.4%	17,289,687	796,538	4.6%
Industrial	2,266,361	2,134,414	131,946	6.2%	2,054,021	212,339	10.3%
Other Stormwater	1,553,589	1,432,592	120,997	8.4%	1,417,591	135,998	9.6%
Free Stormwater Charges	(1,010,764)	(1,020,443)	9,679	-0.9%	(968,335)	(42,429)	4.4%
Total Drainage Charges	33,113,586	32,575,431	538,155	1.7%	31,173,470	1,940,116	6.2%
Total Service Charges	138,780,847	138,622,415	158,432	0.1%	130,914,453	7,866,393	6.0%
Other Operating Income	3,454,523	1,500,015	1,954,508	130.3%	2,663,500	791,023	29.7%
Total Operating Revenue	142,235,370	140,122,430	2,112,940	1.5%	133,577,953	8,657,417	6.5%
Operating Expenses							
Salaries & Wages	20,497,134	21,239,983	(742,849)	-3.5%	18,645,028	1,852,106	9.9%
Labor Related Overhead	9,374,846	8,905,548	469,297	5.3%	8,719,619	655,227	7.5%
Utilities	6,060,119	5,799,852	260,267	4.5%	5,960,007	100,112	1.7%
Materials & Supplies	1,151,009	3,186,709	(2,035,701)	-63.9%	3,022,196	(1,871,187)	-61.9%
Contractual Services	10,063,567	13,833,832	(3,770,265)	-27.3%	10,008,257	55,310	0.6%
Chemicals	2,533,943	3,711,520	(1,177,577)	-31.7%	2,065,054	468,889	22.7%
Fuel	552,291	716,714	(164,422)	-22.9%	622,740	(70,449)	-11.3%
Insurance Premiums & Claims	2,597,259	2,444,940	152,319	6.2%	2,462,283	134,976	5.5%
Bad Debt	1,107,980	1,175,472	(67,492)	-5.7%	1,369,608	(261,628)	-19.1%
Other Operating Expense	799,692	1,080,021	(280,329)	-26.0%	686,421	113,271	16.5%
Mapping/Insurance Recovery	-	-	-	0.0%	-	0	0.0%
Capitalized Overhead	(13,058,171)	(14,902,702)	1,844,531	-12.4%	(13,064,257)	6,085	0.0%
Capital Expenses (over)/under applied							
Net Service and Administrative Costs	41,679,667	47,191,889	(5,512,222)	-11.7%	40,496,957	1,182,711	2.9%
Depreciation	40,918,908	34,683,668	6,235,240	18.0%	36,106,651	4,812,258	13.3%
Amortization	1,520,514	503,232	1,017,281	202.1%	523,110	997,403	190.7%
Total Depreciation/Amortization	42,439,422	35,186,901	7,252,521	20.6%	36,629,761	5,809,661	15.9%
Total Operating Expenses	84,119,089	82,378,790	1,740,299	2.1%	77,126,718	6,992,372	9.1%
Net Operating Income	58,116,281	57,743,640	372,641	0.6%	56,451,235	1,665,045	2.9%
Non-Operating Revenue (Expenses)							
Gain/Loss Disposal of Assets	73,768	-	73,768	0.0%	(737,011)	810,779	-110.0%
Investment Income	7,278,620	4,564,400	2,714,220	59.5%	3,971,432	3,307,188	83.3%
Interest Expense	(34,342,949)	(35,665,110)	1,322,162	-3.7%	(29,948,032)	(4,394,917)	14.7%
Total Non-Operating Revenue (Expenses)	(26,990,560)	(31,100,710)	4,110,150	-13.2%	(26,713,610)	(276,949)	1.0%
Contributions	(1,293,327.59)	-	(1,293,328)	0.0%	1,066,715	2,360,043	-221.2%
Change in Net Position Before Swaps	29,832,393	26,642,930	3,189,463	12.0%	30,804,341	971,947	-3.2%
Change in Fair Value of Swaps	2,338,639	-	2,338,639	0.0%	(3,123,298)	(5,461,937)	-174.9%
Change in Net Position After Swaps	\$ 32,171,032	\$ 26,642,930	\$ 5,528,102	20.7%	\$ 27,681,043	\$ (4,489,990)	16.2%

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Statement of Cash Flows

Louisville and Jefferson County Metropolitan Sewer District		
Statement of Cash Flows		
For the Month Ended, October 31, 2023		
	FY 2024 YTD	FY 2023 YTD
Cash Flows from Operating Activities		
Cash received from customers	\$ 138,285,485	\$ 131,741,749
Cash paid to suppliers	(38,154,493)	(28,172,592)
Cash paid to employees	(21,628,966)	(21,356,847)
Net Cash Provided by Operating Activities	78,502,026	82,212,310
Cash Flows from Capital and Related Financing Activities		
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	759,195,000	130,000,000
Payments for retirement of bond anticipation note	(226,340,000)	(226,340,000)
Payments for retirement of commercial paper	(505,000,000)	(90,000,000)
Payments for retirement of other subordinated debt	(3,653,560)	(1,011,671)
Payments for interest expense	(12,827,171)	(8,239,555)
Payments for interest on swaps	(614,167)	(2,060,475)
Build America bond interest subsidy	3,662,050	3,662,050
Proceeds from capital grants	(495,028)	-
Proceeds from sale of capital assets	73,768	(737,011)
Payments for capital assets	(79,438,041)	(59,499,599)
Proceeds from assessments	244,679	298,238
Net Cash Provided (Used) by Capital and Related Financing Activities	29,244,726	(24,460,004)
Cash Flows from Investing Activities		
Purchase of investments	(91,064,937)	(37,464,371)
Maturity of investments	24,425,000	22,209,531
Investment income	2,123,154	(1,782,899)
Net Cash Provided (Used) by Investing Activities	(64,516,783)	(17,037,739)
Net Increase (Decrease) in Cash and Cash Equivalents	43,229,969	40,714,567
Cash and Cash Equivalents, Beginning of Year	91,786,053	71,854,355
Cash and Cash Equivalents, End of Year	\$ 135,016,022	\$ 112,568,922
Reconciliation of Operating Income to Net Cash provided by Operating Activities		
Income from operations	\$ 58,116,281	\$ 56,451,235
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	42,439,421	36,629,761
Capitalized Overhead	(13,058,171)	(1,981,038)
Accounts receivable	(3,650,404)	(233,919)
Inventories	(327,703)	(4,334,245)
Prepaid expense	(5,169,644)	(1,723,749)
Accounts payable	1,529,560	144,834
Customer deposits	(299,480)	(2,740,569)
Accrued liabilities	(1,077,834)	0
Net Cash Provided by Operating Activities	\$ 78,502,026	\$ 82,212,310
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	16,874,219	12,755,695
Change in fair value of investments	(1,216,176)	795,002
Decrease in interest rate swap deferred revenue	(75,488)	(165,650)
Change in fair value - swap agreements	(2,338,639)	(3,123,298)
Bonds issued for refunding of debt	\$ 280,000,000	\$ -

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Actual vs. Budget Operating and Maintenance Expenses

Louisville & Jefferson County Metropolitan Sewer District							
Operating and Maintenance Expenses							
Month Ended, October 31, 2023							
	YTD	YTD	YTD	% YTD	YTD	YTD	% YTD
	Actual	Budget	Variance	Variance	Prior Year	Variance	Variance
Salaries & Wages							
51120 - Regular Salaries & Wages	\$ 17,615,567	\$ 20,348,856	\$ (2,733,288)	-13.4%	\$ 15,679,196	\$ 1,936,371	12.3%
51130 - Overtime	899,102	753,763	145,339	19.3%	860,884	38,218	4.4%
51135 - Special Event Compensation	35,360	127,842	(92,482)	-72.3%	47,250	(11,890)	-25.2%
51140 - Wages pd for vacation, holidays & other	1,967,168	0	1,967,168	0.0%	2,039,314	(72,147)	-3.5%
51145 - Incentive Pay - Performance, ERT, SUGB	(97,413)	0	(97,413)	0.0%	12,334	(49,746)	-403.3%
51147 - Service & Safety Incentive Awards	17,350	9,523	7,827	82.2%	6,050	11,300	186.8%
Total Salaries & Wages	20,497,134	21,239,983	(742,849)	-3.5%	18,645,028	1,852,106	9.9%
Labor & Related Overhead							
51210 - Short-Term Disability	131,845	0	131,845	0.0%	80,790	51,056	63.2%
51220 - Workers' Compensation Insurance	131,451	100,000	31,451	31.5%	47,192	84,258	178.5%
51225 - Workers' Compensation Claims	275,863	320,000	(44,137)	-13.8%	217,489	58,374	26.8%
51230 - Long-Term Disability	19,570	0	19,570	0.0%	(14,245)	33,815	-237.4%
51240 - Group Life - AD&D Insurance	(5,289)	41,664	(46,953)	-112.7%	16,167	(21,455)	-132.7%
51250 - Tuition Assistance	4,079	26,664	(22,585)	-84.7%	(16,871)	20,949	-124.2%
51260 - Empl Assistance & Wellness Program	7,955	4,668	3,287	70.4%	1,246	6,709	538.4%
51300 - Payroll Taxes	1,458,700	1,536,567	(77,867)	-5.1%	1,319,850	138,851	10.5%
51400 - Unemployment Insurance	0	10,879	(10,879)	0.0%	0	0	0.0%
51500 - Med Ins: MSD's port. of prem for grp	2,975,816	2,531,463	444,352	17.6%	2,341,927	633,888	27.1%
51600 - Retirement Contributions	4,374,855	4,333,643	41,212	1.0%	4,726,073	(351,218)	-7.4%
51650 - Pension & OPEB Expense	0	0	0	0.0%	0	0	0.0%
Total Labor & Related Overhead	9,374,846	8,905,548	469,297	5.3%	8,719,619	655,227	7.5%
Utilities							
53310 - Electric	4,883,447	4,291,960	591,487	13.8%	4,373,739	509,707	11.7%
53320 - Natural Gas	185,635	335,499	(149,864)	-44.7%	418,155	(232,520)	-55.6%
53330 - Water	567,624	610,892	(43,268)	-7.1%	709,229	(141,605)	-20.0%
53340 - Telephone	70,618	98,933	(28,315)	-28.6%	110,167	(39,549)	-35.9%
53345 - Data Communications	352,795	462,568	(109,773)	-23.7%	348,717	(109,773)	1.2%
Total Utilities	6,060,119	5,799,852	260,267	4.5%	5,960,007	(13,740)	1.7%
Materials & Supplies							
53100 - Tires & Tire Service Expense	105,626	121,868	(16,242)	-13.3%	114,065	(8,440)	-7.4%
53140 - Materials & Supplies	890,831	2,938,841	(2,048,010)	-69.7%	2,712,130	(1,821,299)	-67.2%
53150 - Inventory Adjustments	356	0	356	0.0%	105,051	(104,695)	-99.7%
53160 - Landfill Cost of fill dirt	154,196	126,000	28,196	22.4%	90,949	63,247	69.5%
Total Materials & Supplies	1,151,009	3,186,709	(2,035,701)	-63.9%	3,022,196	(1,871,187)	-61.9%
Contractual Services							
51700 - Uniforms	112,687	111,342	1,345	1.2%	70,591	42,096	59.6%
52110 - Billing & Collection	2,099,920	2,410,096	(310,176)	-12.9%	2,287,562	(187,642)	-8.2%
52130 - Custodial & Watchmen	238,262	283,919	(45,656)	-16.1%	246,402	(8,140)	-3.3%
52140 - Professional Services	861,065	1,738,477	(877,412)	-50.5%	599,430	261,635	43.6%
52145 - Legal	185,585	300,000	(114,415)	-38.1%	123,189	62,397	50.7%
52155 - Banking Services	19,060	16,200	2,860	17.7%	21,312	(2,251)	-10.6%
52160 - Maintenance & Repairs	1,619,558	2,269,102	(649,544)	-28.6%	1,737,050	(117,493)	-6.8%
52170 - Sludge & Grit Disposal	764,380	1,107,612	(343,233)	-31.0%	990,092	(225,713)	-22.8%
52180 - Temporary Services	60,348	33,850	26,498	78.3%	24,862	35,486	142.7%
52195 - Other Contractual Services	4,102,701	5,563,235	(1,460,534)	-26.3%	3,907,766	194,935	5.0%
Total Contractual Services	10,063,567	13,833,832	(3,770,265)	-27.3%	10,008,257	55,310	0.6%
Bad Debt							
54200 - Bad Debts	1,007,980	1,175,472	(167,492)	-14.2%	1,269,608	(261,628)	-20.6%
54210 - Bad Debt - Assessments	100,000	0	100,000	0.0%	100,000	0	0.0%
Total Bad Debt	1,107,980	1,175,472	(67,492)	-5.7%	1,369,608	(261,628)	-19.1%
Chemicals							
53205 - Peracetic Acid	29,318	133,333	(104,015)	-78.0%	0	29,318	0.0%
53210 - Chlorine	0	3,150	(3,150)	0.0%	0	0	0.0%
53215 - Sodium Hypochlorite	1,015,668	1,276,963	(261,296)	-20.5%	589,471	426,196	72.3%
53220 - Polymer	761,471	1,279,043	(517,572)	-40.5%	868,740	(107,269)	-12.3%
53225 - Sodium Aluminate	49,306	135,416	(86,110)	-63.6%	41,713	7,592	18.2%
53230 - Liquid Oxygen	28,800	109,505	(80,705)	-73.7%	68,569	(39,769)	-58.0%
53235 - Liquid Nitrogen	14,964	49,467	(34,503)	-69.7%	5,607	9,357	166.9%
53240 - Other Chemicals	9,847	18,392	(8,545)	-46.5%	3,457	6,390	184.8%
53250 - Dechlorination	68,666	176,987	(108,322)	-61.2%	108,864	(40,199)	-36.9%
53275 - Defoamer	0	12,347	(12,347)	0.0%	0	0	0.0%
53280 - Bioxide	559,168	516,667	42,501	8.2%	378,632	180,537	47.7%
53285 - Sodium Hydroxide	0	250	(250)	0.0%	0	0	0.0%
53295 - Sodium Chloride	(3,264)	0	(3,264)	0.0%	0	(3,264)	0.0%
Total Chemicals	2,533,943	3,711,520	(1,177,577)	-31.7%	2,065,054	468,889	22.7%
Fuel							
53120 - Gasoline	271,077	255,103	15,974	6.3%	254,700	16,377	6.4%
53130 - Diesel Fuel	281,214	461,611	(180,396)	-39.1%	368,040	(86,826)	-23.6%
Total Fuel	552,291	716,714	(164,422)	-22.9%	622,740	(70,449)	-11.3%
Insurance Premiums & Claims							
54100 - Casualty Insurance	0	0	0	0.0%	0	0	0.0%
54110 - General Liability Insurance	1,445,968	1,494,344	(48,376)	-3.2%	1,396,717	49,251	3.5%
54130 - Property Insurance	968,058	758,928	209,130	27.6%	736,822	231,236	31.4%
54140 - General Liability Claims	183,233	191,668	(8,435)	-4.4%	328,744	(145,511)	-44.3%
54150 - Automobile Liability Claims	0	0	0	0.0%	0	0	0.0%
Total Insurance Premiums & Claims	2,597,259	2,444,940	152,319	6.2%	2,462,283	134,976	5.5%
Other Operating Expense							
53410 - Equipment Rental	56,834	79,942	(23,108)	-28.9%	125,951	(69,117)	-54.9%
53420 - Space Rent	10,400	10,000	400	4.0%	10,000	400	4.0%
53430 - Leased Parking	39,828	26,513	13,315	50.2%	20,656	19,172	92.8%
54250 - Contributions	195,295	213,167	(17,872)	-8.4%	164,269	31,026	18.9%
54300 - Fines, Penalties & Damages	204	0	204	0.0%	0	204	0.0%
54400 - Advertising	10,879	54,585	(43,706)	-80.1%	9,122	1,758	19.3%
54500 - Travel & Meetings	165,502	178,142	(12,640)	-7.1%	89,242	76,259	85.5%
54550 - Training	56,817	184,425	(127,608)	-69.2%	49,560	7,257	14.6%
54600 - Dues, Fees and Subscriptions	259,861	328,447	(68,586)	-20.9%	213,027	46,834	22.0%
54700 - Board Members	2,750	4,800	(2,050)	-42.7%	2,125	625	29.4%
54725 - Bond Closing Cost	0	0	0	0.0%	0	0	0.0%
55555 - Over/under payments	1,323	0	1,323	0.0%	2,469	(1,146)	-46.4%
Total Other Operating Expense	799,692	1,080,021	(280,329)	-26.0%	686,421	113,271	16.5%
Grand Total	54,737,839	62,094,591	(7,356,753)	-11.8%	53,561,214	1,062,773	2.2%

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SUPPLEMENTAL FINANCIAL REPORTING

Revenue by Customer Class

	Number of Customers		Revenue by Customer Class		Budget By Customer Class	
	Oct-2023	Oct-2022	Oct-2023	Oct-2022	Oct-2023	Oct-2022
Wastewater						
Residential	236,421	235,605	15,543,669	14,079,538	15,430,099	14,240,035
Commercial	21,906	21,952	7,975,394	7,642,646	7,833,415	6,695,278
Industrial	398	394	2,448,224	1,848,553	2,022,877	2,043,059
Sub-Total	258,725	257,951	25,967,287	23,570,737	25,286,391	22,978,372
Drainage						
Residential	211,053	209,506	3,356,691	3,011,145	3,230,077	3,078,847
Commercial	13,895	14,014	4,571,121	4,454,170	4,624,363	4,840,440
Industrial	281	277	587,693	534,010	542,309	486,753
Sub-Total	225,229	223,797	8,515,504	7,999,325	8,396,749	8,406,040
Grand Total			\$ 34,482,792	\$ 31,570,062	\$ 33,683,139	\$ 31,384,412

Wastewater Revenue by County

	Number of Customers		Revenue by Customer Class		Budget by Customer Class	
	Oct-2023	Oct-2022	Oct-2023	Oct-2022	Oct-2023	Oct-2022
Jefferson County						
Residential	224,904	224,231	14,949,436	13,310,434	14,592,306	13,473,523
Commercial	21,531	21,515	7,907,934	7,474,201	7,645,086	6,558,615
Industrial	395	392	2,445,948	1,846,802	2,020,822	2,040,613
Sub-Total	246,830	246,138	25,303,318	22,631,438	24,258,214	22,072,751
Bullitt County						
Residential	4,574	4,535	264,097	240,700	284,649	239,492
Commercial	165	163	98,108	110,719	131,007	86,870
Industrial	2	1	2,277	1,661	1,965	2,356
Sub-Total	4,741	4,699	364,482	353,080	417,621	328,718
Oldham County						
Residential	6,943	6,839	330,135	528,404	553,143	527,020
Commercial	210	274	(30,649)	57,725	57,322	49,793
Industrial	1	1	-	90	90	90
Sub-Total	7,154	7,114	299,487	586,219	610,556	576,903
Grand Total			\$ 25,967,287	\$ 23,570,737	\$ 25,286,391	\$ 22,978,372

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Headcount

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

The Currently Authorized column includes any positions that have been added or moved since the budget was adopted.

The chart below shows staffing level by division as of October 31, 2023.

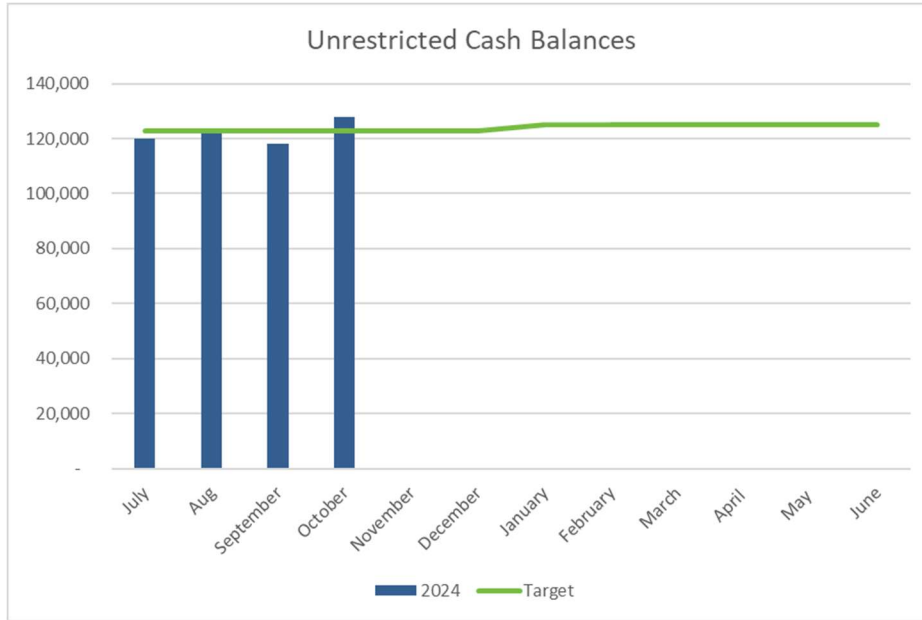
FY24 Headcount by Division			
	Budget Approved	Current Authorized	Filled
Administration			
Community Benefits & Partnerships	8	8	6
Customer Relations	21	20	16
Executive Offices	2	3	3
Government & Public Affairs	7	7	6
Innovation	5	3	3
Internal Audit	4	4	3
Records and Information Governance	9	9	8
Corporate	1	1	1
Engineering	102	101	86
Facilities, Safety & Security	39	40	30
Finance	21	23	19
Human Resources	21	21	19
Information Technology	33	33	31
Legal	12	12	8
Operations	519	521	451
Supply Chain & Economic Inclusion	27	27	22
Total Authorized Positions	831	833	712
*Excludes temporary & seasonal staff			

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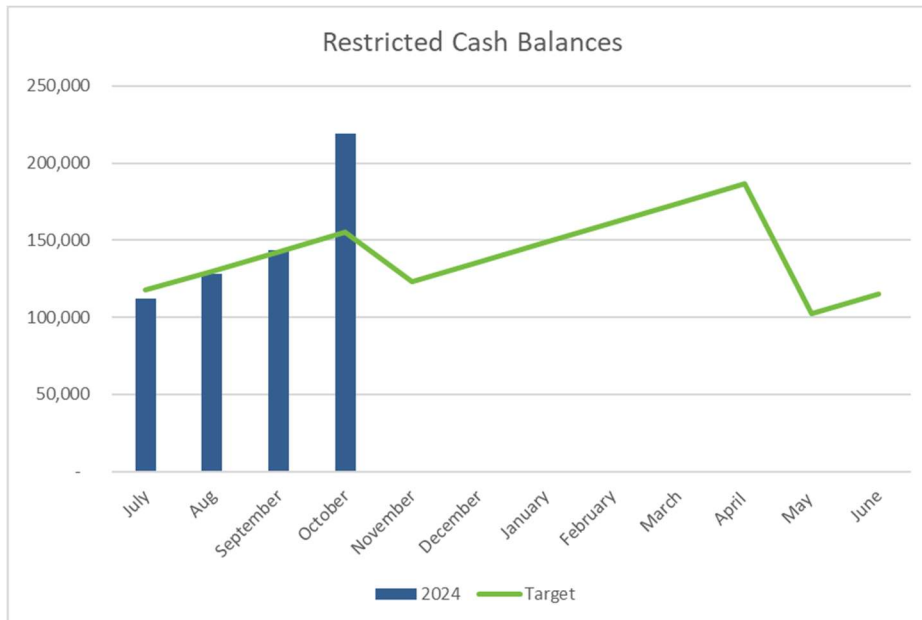
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Cash Balances

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



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



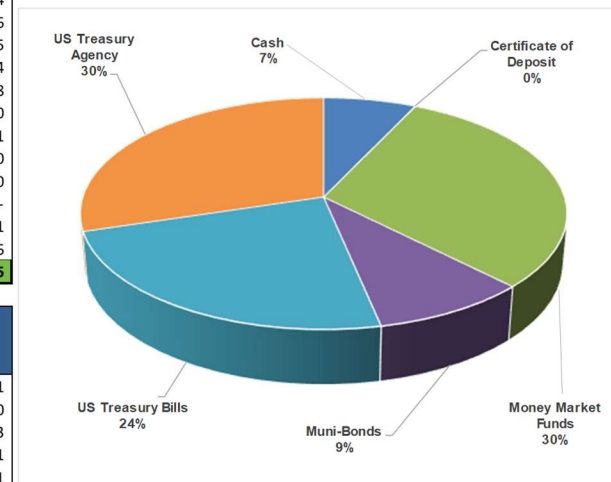
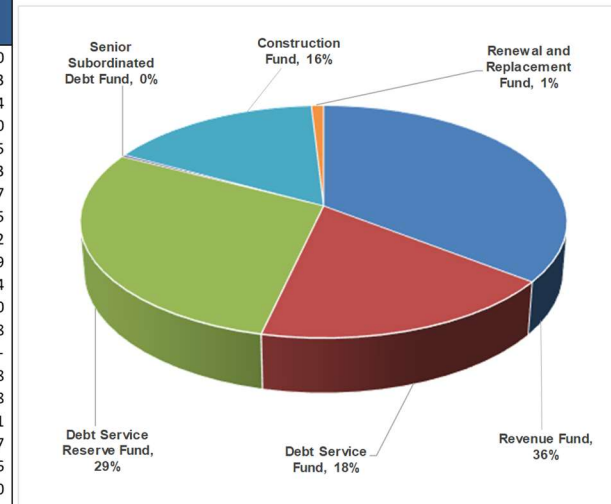
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Current Investment Model

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

Series	Revenue Fund	Debt Service Fund	Debt Service Reserve Fund	Senior Subordinated Debt Fund	Construction Fund	Renewal and Replacement Fund	Total
2008A	-	-	981,570	-	-	-	981,570
2009A	-	-	1,783,873	-	-	-	1,783,873
2009B	-	-	13,941,324	-	-	-	13,941,324
2009C	-	5,178,987	11,993,342	-	-	-	17,172,330
2010A	-	8,865,656	17,918,479	-	-	-	26,784,135
2013A	-	-	28,498,833	-	-	-	28,498,833
2013B	-	1,529,827	-	-	-	-	1,529,827
2013C	-	-	104,075	-	-	-	104,075
2014A	-	2,440,282	-	-	-	-	2,440,282
2015A	-	4,012,743	157,316	-	-	-	4,170,059
2015B	-	2,469,484	-	-	-	-	2,469,484
2016A	-	2,495,620	-	-	-	-	2,495,620
2016B	-	886,768	-	-	-	-	886,768
2016C	-	-	-	-	-	-	-
2017A	-	5,537,725	1,519,033	-	-	-	7,056,758
2017B	-	7,089,998	-	-	-	-	7,089,998
2018A	-	1,060,211	-	-	-	-	1,060,211
2020A	-	3,413,054	2,228,692	-	-	-	5,641,747
2020C	-	2,275,636	-	-	-	-	2,275,636
2021A	-	7,877,750	-	-	-	-	7,877,750
2022A	-	4,517,934	-	-	-	-	4,517,934
2023A	-	1,128,806	-	-	-	-	1,128,806
2023B	-	879,645	-	-	-	-	879,645
2023C	-	-	19,441,036	-	54,985,588	-	74,426,624
CP 2023 A-1 & A-2	-	-	-	-	7,978	-	7,978
CP Note Payment Fund	-	-	-	1,000,000	-	-	1,000,000
Cash	22,948,241	-	-	-	-	-	22,948,241
Certificate of Deposit	100,000	-	-	-	-	-	100,000
Money Market Funds	30,135,612	-	-	-	-	19,447	30,155,060
Muni-Bonds	-	-	-	-	-	-	-
US Treasury Bills	23,024,804	-	-	-	-	3,112,938	26,137,741
US Treasury Agency	44,307,356	-	-	-	-	-	44,307,356
Total	\$ 120,516,014	\$ 61,660,126	\$ 98,567,575	\$ 1,000,000	\$ 54,993,566	\$ 3,132,385	\$ 339,869,665



Asset Description	Revenue Fund	Debt Service Fund	Debt Service Reserve Fund	Senior Subordinated Debt Fund	Construction Fund	Renewal and Replacement Fund	Total
Cash	22,948,241	-	-	1,000,000	-	-	23,948,241
Certificate of Deposit	100,000	-	-	-	-	-	100,000
Money Market Funds	30,135,612	61,660,126	10,798,411	-	1,007,566	19,447	103,621,163
Muni-Bonds	-	-	31,072,351	-	-	-	31,072,351
US Treasury Bills	23,024,804	-	-	-	53,986,000	3,112,938	80,123,741
US Treasury Agency	44,307,356	-	56,696,813	-	-	-	101,004,170
Total	\$ 120,516,014	\$ 61,660,126	\$ 98,567,575	\$ 1,000,000	\$ 54,993,566	\$ 3,132,385	\$ 339,869,665

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Monthly Investment Activity

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

Account	Transaction Type	Category	Amount
Bank of New York Mellon	Purchase	Federal Home Loan Bank Discount	4,315,947.78
Bank of New York Mellon	Purchase	Federal Home Loan Bank Discount	4,947,000.00
Bank of New York Mellon	Purchase	Federal Home Loan Bank Discount	9,850,116.67
Bank of New York Mellon	Purchase	United States Treasury Bill	9,735,036.11
Bank of New York Mellon	Purchase	United States Treasury Bill	9,765,777.78
Bank of New York Mellon	Purchase	United States Treasury Bill	9,807,243.33
Bank of New York Mellon	Purchase	United States Treasury Bill	9,851,476.67
Bank of New York Mellon	Purchase	United States Treasury Bill	9,899,777.50
Bank of New York Mellon	Purchase	United States Treasury Note	4,941,101.01
Bank of New York Mellon	Redemption	Texas Transportation Commission	(2,400,000.00)
Bank of New York Mellon	Redemption	Texas Transportation Commission	(1,600,000.00)
Fifth Third Securities	Purchase	United States Treasury Note	4,354,358.56
Fifth Third Securities	Redemption	United States Treasury Bill	(4,000,000.00)

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Commercial Paper Program Summary

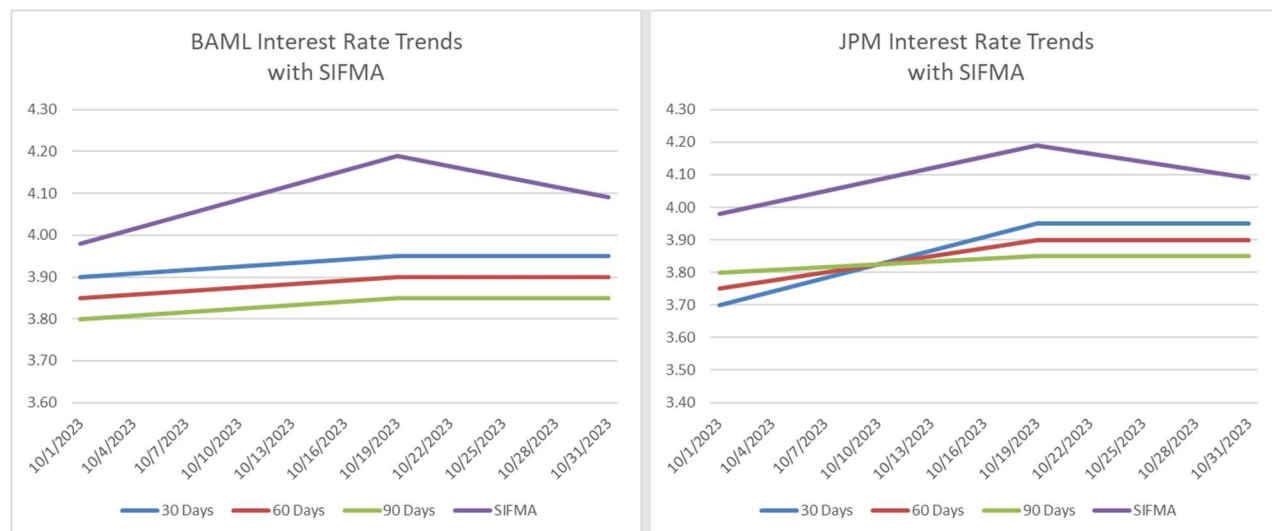
MSD operates a \$500 million Commercial Paper (CP) program as part of its overall capital financing program. Liquidity support is provided by JP Morgan Chase Bank and Bank of America, NA. JP Morgan Securities and BofA Securities are dealers for the CP program.

On October 4, 2023, MSD issued CP notes totaling \$219,195,000 to redeem the 2022 Bond Anticipation Note at maturity on October 6, 2023. These notes have an average interest rate of 3.75% and a term of 30 days. The notes will be rolled every 30 days to match the rate reset on MSD's interest rate swap agreements. MSD issued its Series 2023C Revenue Bonds on October 26, 2023. \$199,663,542 of the bond proceeds were placed in an escrow account to refund the currently outstanding CP notes with a maturity date of January 24, 2024.

The CP Construction Fund balance as of October 31, 2023, was \$7,978.36. Outstanding CP notes are currently split 50% with JP Morgan Chase Bank 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	54660FAS3	109,598,000	3.80%	30	11/3/2023	BAML	342,306.08	New	3.98%	-0.18%
10/4/2023	54660HAS9	109,597,000	3.75%	30	11/3/2023	JPM	337,798.97	New	3.98%	-0.23%
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%
Currently Outstanding: \$ 419,195,000							\$ 3,083,291			

The Securities Industry and Financial Markets Association (SIFMA) publishes a 7-day high-grade market index comprised of tax-exempt Variable Rate Demand Obligations (VRDOs) with certain characteristics. The Index is calculated and published by Bloomberg and is overseen by SIFMA's Municipal Swap Index Committee. The SIFMA is a short-term interest rate index that MSD uses to gauge the interest rates we receive on our CP placements.



SECTION 3: CAPITAL PROGRAM PERFORMANCE

The Capital Program Performance Section is prepared to provide MSD's Executive Director and the MSD Board with a high-level understanding of progress made with implementing the FY24 CIP, including Consent Decree and other mandated projects, regulatory compliance commitments, and high priority asset management needs. The following information is presented in this report:

- Comparison of forecast and expenditures to the approved FY24 budget performance target (approved budget minus Management Reserve)
- Discussion of change management activities occurring during the reporting period
- Major project highlights and program challenges
- Forecast of upcoming procurement activities

FY24 CAPITAL BUDGET BASIS

The FY24 CIP budget of \$255M for Jefferson, Bullitt and Oldham County projects was approved by the Board in May 2023.

Many projects span across multiple fiscal years so the annual budget often does not represent the total estimate for the project. Construction spending is dependent upon the Contractor's actual progress with the work contracted. Complex construction projects are difficult to predict exactly how spending will occur each month. Variations in starting project activities, equipment deliveries, weather delays, subsurface conditions, etc. can affect the speed of monthly and annual spending. For large capital projects MSD reviews the Contractor's anticipated rate of spending and compares it with MSD's cashflow forecast on a monthly basis.

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

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

- **Regulatory Compliance Programs:** Mandates per a federal, state, or local regulation, rule, code, permit, Consent Decree, Agreed Order, or Administrative Order. This includes the provision included in the Second Amendment to the Consent Decree to spend an average of \$25 million per year through the Year 2035 for maintaining MSD's existing wastewater assets. Regulatory compliance projects represent 82-percent of the 5-Year CIP.
- **Wastewater Programs (non-regulatory):** Through 2035 this program excludes asset management needs (reported in category above) 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 041 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

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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, bids over engineer's estimate, and changing/new infrastructure priorities for FY24.

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

FY24 CIP OVERALL PERFORMANCE

MSD assigned funds to a Management Reserve to fund emergencies and unanticipated priorities. The baseline FY24 budget included \$11.4M in Management Reserve. MSD is reporting cash flow performance excluding this unutilized reserve position. The following new budget performance nomenclature is introduced into this monthly report:

- **Budget Ceiling:** This represents the total annual capital spend approved with the FY24 CIP of \$255M 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.

FY24 capital expenditures for the Wastewater, Stormwater, and Support Services Programs totaled \$55.2M through October 31, 2023. This represents approximately 21.6% of the \$255M FY24 capital budget and 21.6% of the performance budget target. The forecasted spend for FY24 is \$255M

Capital Budget Performance Summary

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

Financial Category	Value	Comments
FY 2024 Budget Ceiling	\$255M	Approved by MSD Board
FY 2024 Management Reserve	\$2M	Current
FY 2024 Performance Budget Target	\$253M	Budget Ceiling minus Mgmt. Reserve
FY 2024 Spending Projection	\$253M	Forecasted Spend
FY 2024 Actuals	\$55M	

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Challenges to CIP Execution

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

Construction bids

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

Supply-Chain Project Impacts

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

Third-Party Coordination Impacts

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

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Monthly Project Activities

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

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

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

Summary of Active Non-Appropriation Projects During Reporting Month

Current Project Activity	# of Projects	Lifetime Actuals	FY24 Budget	FY24 Actuals
Initiation & Procurement	24	\$ 562,927	\$ 10,468,000	\$ 562,927
Design	92	\$ 23,415,907	\$ 39,471,527	\$ 5,278,860
Construction	53	\$ 211,141,875	\$ 152,847,890	\$ 36,197,432
Studies	6	\$ 6,592,510	\$ 1,417,000	\$ 777,119
TOTAL	175	\$ 241,713,219	\$ 204,204,417	\$ 42,816,337

Does not include projects in Closeout phase

Emergency Contracts to Repair Infrastructure Damage

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

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

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Active Emergency Contract Work

Budget ID	Project Name	Emergency Certificate \$	EAC
FY22 Start			
H22022	SGC Gates Replacement	\$ 2,000,000	\$ 7,286,800
FY23 Start			
A22183	15th Street Sewer Repair	\$ 500,000	\$ 5,500,000
D20285	MFWQTC LG Dryer Replacements	\$ 69,668,264	\$ 78,514,336
D23194	MFWQTC MEB East & West Freight Elevators	\$ 500,000	\$ 500,000
F15012	5th St FPS MCC's	\$ 335,000	\$ 75,000
F21096	Levee Repair at Western FPS	\$ 75,000	\$ 456,412
G24001	Tree Line Pump Station	\$ 250,000	\$ 250,000
Y23098	BC ProLogis Treatment Plant	\$ 75,000	\$ 750,000
FY24 Start			
A24069	Jackson St. Sewer Replacement	\$ 941,522	\$ 941,522
G24001	9th Street Sewer Repair	\$ 230,000	\$ 230,000
Operations	Executive Inn Basin Enhancement	\$ 250,000	\$ 250,000
Grand Total		\$ 74,824,786	\$ 94,754,070

Major Project Highlights

The following tables list major projects in design and construction.

Major Design/Build Projects

Budget ID & Project Name	Substantial Completion	Current Project Estimate at Completion	FY24 Budget	Lifetime Actuals	FY24 Spending Projection	Project Outlook
D22100 Morris Forman WQTC New Biosolids Facility	6/30/2027	\$314M	\$47M	\$27M	\$40M	Tentative on Board Agenda in Dec
F18515 Paddy's Run FPS Capacity Improvements	12/31/2026	\$241M	\$45M	\$19M	\$55M	Final Design Phase

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Major CIP Projects Under Construction

Budget ID & Project Name	Anticipated Substantial Completion	Current Project Estimate at Completion	FY24 Budget	Lifetime Actuals	FY24 Spending Projection	Project Outlook
D17042 MFWQTC Sedimentation Basin	2/6/2025	\$43M	\$12M	\$27M	\$14M	Project in Construction and on schedule
H20147 Western Outfall Infrastructure Rehabilitation	4/1/24	\$19M	\$7M	\$14M	\$10M	Project in Construction and on schedule
D21079 Fairmount Road Pump Station Force Main Extension – Phase 2	10/31/25	\$9M	\$300k	\$700k	\$300k	Project Realignment forced schedule delay

CIP MANAGEMENT TEAM MEETING HIGHLIGHTS

**Louisville MSD CIP Management Team Meeting
Meeting Minutes
October 24, 2023
2:30 pm – 3:20 pm**

Meeting Participants

Voting Members	Technical Support Staff	
Tony Parrott (present)	Dan French (present)	Latoya English (present)
Angela Akridge (present)	Stephanie Laughlin (absent)	Kevin Gibson (present)
Brian Bingham (present)	John Loechle (present)	Mike Griffith (present)
Brad Good (absent)	Wolffie Miller (present)	Peter Niehaus (present)
David Johnson (present)	Greg Powell (present)	Dolly Smith (present)
	Jacquelyn Quarles (present)	Troy Smith (absent)
	Wes Sydnor (present)	Erin Wagoner (present)
	Daymond Talley (present)	Sharma Young (present)
	Marc Thomas (present)	Leisha Pica (present)
	Kellie Watson (present)	Mike Brazel (present)
	Jacobs Mathis (present)	

The notes reflected herein summarize discussions held during the meeting and facilitated by Wolffie Miller.

FY24 CIP Highlights

Mr. Miller reported that actuals to date have totaled \$38.4M with the forecast ranging from \$247M - \$255M. More detailed information will be provided in later months.

The FY24 largest spending projects were discussed:

- Morris Forman WQTC New Biosolids Facility (Mathis reported)
- Paddy’s Run FPS Capacity (Mathis reported)
- MFWQTC Sedimentation Basin Rehab
- Western Outfall – Maple Street (Mathis reported)
- 32 FY24 Appropriations totaling \$25.5M with contractual commitments of \$11.4 and actuals \$1.9M

Oldham County Updates

Mr. Sydnor reported on the various planning areas and coordination going on in the County.

NOAs Presented to the CIP Mgmt Team

The following were presented by Mr. Miller and approved by the voting members.

- Fairmount Road PS Force Main (EAC increase) – motioned by DJ, seconded by BB. APPROVED
- Lantana Drive PS (EAC decrease) – BB motioned approval, DJ seconded. APPROVED
- Gunpower PSE (FY24 budget reduction) – BB motioned approval DJ seconded. APPROVED

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- Fox Harbor 1 & 2, & Deep Trail PSE (FY24 budget reduction) – DJ motioned approval, BB seconded. APPROVED.
- Ohio River SALS Rehab (FY24 budget reduction) – DJ motioned approval, BB seconded. APPROVED.
- California Trap Catch Basin Replacement Phase 2 (FY24 budget request) – BB motioned to approve contingent upon BG’s response regarding budgeted or grant status; DJ seconded.

REGULATORY DISCUSSION

Mr. Miller facilitated discussion regarding regulatory topics.

Regulatory Submittals.

- Annual Report submitted September 25th.
- Mr. Johnson, Bingham and French thanked the entire planning team for putting the report together.

Regulatory Deadlines

PROJECT INFORMATION

Mr. Miller facilitated project-level discussion.

Emergency Projects

- List presented.
- Mr. Loechle noted Jackson Street Sewer Replacement – bidding this work to start early November.

Upcoming Bidding

- List presented 4 project advertising October, 3 advertising in November.

Partnerships

- Three Forks Beargrass Creek Ecosystem Restoration
- USACE P3 Process

CAPITAL PROGRAM CONTROLS

Mr. Miller facilitated discussion regarding current activities and upcoming changes.

UPCOMING ITEMS

- Consolidate November/December meeting schedules for holidays.
- Preview FY25 Budget Development process
- WIFIA program update to be included

CONCLUSION

- Mr. Johnson and Loechle stated that Mr. Miller and Ms. Smith did a great job preparing the agenda and running this meeting.

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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
H24120	Rowan Pump Station Air Scour System	12/19/2023
Y24087	Hillview #3 WQTC - UV Disinfection Upgrades	12/12/2023
C24029	Beargrass Creek Road Bank Repair Project	12/05/2023
H23050	WQTC Regional Lab Update	11/29/2023
F23170	Western FPS Roof Replacement Project	11/28/2023

Bid Openings

Bids opened during the reporting month are shown below.

Budget ID	Project Name	Bid Opening	Engineer's Estimate (\$)	Apparent Low Bid
E15035	Lake Forest Pump Station Eliminations	10/31/2023	\$2,131,000	\$4,342,000
F23169	Upper Mill Creek FPS Roof Replacement	10/26/2023	\$222,825	\$139,815
D20007	Peabody Gate Structure Rehabilitation	10/24/2023	NA	NA
C24099	Speedway Ave DIP	10/19/2023	NA	NA
F23171	Shawnee FPS, Sec 1 & 2 Roof Replacement	10/17/2023	\$156,000	TBD
Y24084	BC Pioneer Village UV and Flow Monitoring	10/17/2023	\$403,747	\$694,850
D22080	DRG Clarifier 4-6 Mechanism Update	10/12/2023	\$6,399,000	\$5,064,000
D23165	HCWQTC Aeration Blower Buildings, Sec 1 & 2 Roof Replacement	10/3/2023	\$90,000	\$109,946

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Construction - Notice to Proceeds (NTP) Issued

None issued during this reporting period.

Budget ID	Project Name	NTP Date
D23167	MFWQTC Dechlorination Building Roof Replacement	October 2, 2023

END OF REPORT