

Monthly Executive Report

Financial & Capital Program Updates

As of September 30, 2023



MONTHLY EXECUTIVE REPORT

September 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

September 30, 2023

Table of Contents

Table of Contents	3
SECTION 1: EXECUTIVE SUMMARY	6
FINANCIAL HEALTH	6
CAPITAL PROGRAM HEALTH.....	7
SECTION 2: FINANCIAL REPORT	8
SEPTEMBER FINANCIAL SUMMARY	8
FINANCIAL STATEMENTS – FY24.....	9
Comparative Statement of Net Position	9
Statement of Revenues, Expenses & Change in Net Position	10
Statement of Cash Flows.....	11
Actual vs. Budget Operating and Maintenance Expenses	12
SUPPLEMENTAL FINANCIAL REPORTING.....	13
Revenue by Customer Class	13
Wastewater Revenue by County.....	13
Headcount.....	14
Cash Balances.....	15
Current Investment Model	16
Monthly Investment Activity.....	17
Commercial Paper Program Summary	18
QUARTERLY FINANCIAL REPORTING.....	19
Key Performance Indicators	19
Key Performance Indicators – Continued	20
Key Performance Indicators – Continued	21
Market to Market on Swaps	22
Top 20 Customers	23
SECTION 3: CAPITAL PROGRAM PERFORMANCE	24
FY24 CAPITAL BUDGET BASIS	24
FY24 CIP OVERALL PERFORMANCE	25
Challenges to CIP Execution	25
MONTHLY PROJECT ACTIVITIES	27
Emergency Contracts to Repair Infrastructure Damage	27
Major Project Highlights	29
CIP MANAGEMENT TEAM MEETING HIGHLIGHTS	30
PROCUREMENT ACTIVITIES	30
Upcoming Construction Bid Openings	30
Bid Openings	30
Construction - Notice to Proceeds (NTP) Issued	31

Acronyms & Abbreviations

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

MHI Median Household Income

Acronyms & Abbreviations - Continued

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

SECTION 1: EXECUTIVE SUMMARY

The Louisville and Jefferson County Metropolitan Sewer District (MSD) provides wastewater, stormwater and flood protection services to a population of nearly 800,000 throughout the service area. The MSD operating budget supports the day-to-day operation and maintenance of all infrastructure, while the capital budget supports the infrastructure investments through its Capital Improvement Program (CIP). The organization continues to complete important projects; comply with Consent Decree and regulatory requirements; and repair/replace critical assets. This report provides a summary of the financial position and the progress made through September 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 September 30, 2023
Operating Revenues	Year to date, total operating revenues were \$601 thousand favorable to budget (wastewater service charges \$954 thousand unfavorable, drainage service charges \$410 thousand favorable and other operating income \$1.1 million favorable).
Operating Expenses	Service and administrative expenses were \$679 thousand favorable to budget and \$1 million more than September 2022. Year to date, service and administrative expenses were \$8.5 million favorable to budget. Contractual Services account for \$3.5 million of the savings to budget.
Interest Expense	Interest expense was \$320 thousand unfavorable to budget and \$1.8 million more than September 2022. Year to date, interest expense was \$335 thousand favorable to budget.
Statement of Cash Flows	Cash and cash equivalents increased \$11 million in September. Net cash provided by operating activities was \$20.9 million. Net cash used by capital-related financing activities was \$10.5 million. Net cash provided by investing activities was \$604 thousand as excess cash was reinvested.
Commercial Paper Notes	Commercial paper notes outstanding total \$200 million with an average duration to maturity of 62 days.

MONTHLY EXECUTIVE REPORT
September 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 September 30, 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	One (1) emergency project was started in the reporting period in an attempt to mitigate odors in MSD sewer system.
Cashflow Performance*	Budget Performance Target is \$247.1M as of September 30, 2023. The FY24 forecasted spend is \$247.1M

*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 September 2023
- Customer Statistics
- Employee Headcount
- Cash Balances
- Investment Summary
- Commercial Paper Program Summary

SEPTEMBER FINANCIAL SUMMARY

Financial Highlights for the month of September 2023

- Total operating revenues were \$479 thousand favorable to budget
- Service and administrative expenses were \$679 thousand favorable to budget

Results of Operations for the month of September 2023

Total operating revenues were \$479 thousand favorable to budget and \$1.9 million more than September 2022. Wastewater service charges were \$3 thousand unfavorable to budget and \$1.7 million more than September 2022. Drainage service charges were \$299 thousand favorable to budget and \$755 thousand more than September 2022. Other operating revenues were \$182 thousand favorable to budget and \$1.7 million less than September 2022. Year to date, total operating revenues were \$601 thousand favorable to budget (wastewater service charges \$954 thousand unfavorable, drainage service charges \$410 thousand favorable and other operating income \$1.1 million favorable).

Service and administrative expenses were \$679 thousand favorable to budget and \$1 million more than September 2022. Year to date, service and administrative expenses were \$8.5 million favorable to budget. Contractual Services account for \$3.5 million of the savings to budget.

Depreciation and amortization expenses were \$1.9 million unfavorable to budget and \$1.5 million more than September 2022. Year to date, depreciation and amortization expenses were \$5 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 \$626 thousand favorable to budget and \$1.2 million more than September 2022. Year to date, investment income was \$1.9 million favorable to budget.

Interest expense was \$320 thousand unfavorable to budget and \$1.8 million more than September 2022. Year to date, interest expense was \$335 thousand favorable to budget.

Statement of Cash Flows

Cash and cash equivalents increased \$11 million in September. Net cash provided by operating activities was \$20.9 million. Net cash used by capital-related financing activities was \$10.5 million. Net cash provided by investing activities was \$604 Thousand as excess cash was reinvested.

MONTHLY EXECUTIVE REPORT
September 30, 2023

FINANCIAL STATEMENTS – FY24

Comparative Statement of Net Position

Louisville & Jefferson County Metropolitan Sewer District				
Monthly Comparative Statement of Net Position				
Month Ended, September 30, 2023				
	YTD	YTD		
	Sep-2023	Sep-2022	Variance	Percent
Current Assets				
Unrestricted Cash & Cash Equivalents	\$118,252,576	\$119,908,134	(\$1,655,559)	-1.38%
Sewer & Drainage Receivable	28,265,995	30,877,136	(2,611,141)	-8.46%
Assessment Warrants Receivable	128,565	166,512	(37,946)	-22.79%
Miscellaneous Receivables	3,694,184	(2,249,635)	5,943,820	-264.21%
Inventories	5,951,156	5,384,995	566,161	10.51%
Prepaid Expenses	6,074,290	8,023,280	(1,948,990)	-24.29%
Restricted Funds	143,257,972	157,551,420	(14,293,448)	-9.07%
Accrued Interest Receivable	587,953	340,553	247,399	72.65%
Total Current Assets	306,212,690	320,002,395	(13,789,704)	-4.31%
Non-Current Assets				
Utility Plant in Service	5,088,275,885	4,731,509,374	356,766,511	7.54%
Accumulated Depreciation	(1,702,013,471)	(1,595,401,479)	(106,611,991)	6.68%
Construction in Progress	350,554,688	443,520,253	(92,965,565)	-20.96%
Net Fixed Assets	3,736,817,103	3,579,628,148	157,188,955	4.39%
Non-Current Receivables	19,714,878	21,981,840	(2,266,962)	-10.31%
Total Assets	4,062,744,671	3,921,612,383	141,132,288	3.60%
Total Deferred Outflow of Resources	59,035,472	71,157,813	(12,122,342)	-17.04%
Total Assets & Deferred Outflow of Resources	4,121,780,143	3,992,770,196	129,009,946	3.23%
Current Liabilities				
Miscellaneous Accounts Payable	6,154,749	5,907,825	246,924	4.18%
Accounts Payable - Construction	4,912,452	5,082,173	(169,720)	-3.34%
Contract Retainage	7,326,234	5,062,146	2,264,088	44.73%
Accrued Interest Payable	43,393,447	41,617,010	1,776,436	4.27%
Current Maturities of Bonds Payable	52,375,000	52,880,000	(505,000)	-0.95%
Current Maturities of Subordinate Debt	17,240,340	1,637,507	15,602,833	952.84%
Deposits Payable	1,909,938	2,128,240	(218,302)	-10.26%
Accrued Salaries & Wages	1,572,877	1,372,560	200,317	14.59%
Accrued Workers' Comp Insurance	1,956,087	1,767,997	188,090	10.64%
Employee Comp Absences Payable	4,495,723	4,204,127	291,597	6.94%
Total Current Liabilities	141,336,847	121,659,584	19,677,263	16.17%
Non-Current Liabilities				
Long-Term Senior Debt Payable	2,151,935,000	2,228,405,000	(76,470,000)	-3.43%
Long-Term Subordinate Debt Payable	460,491,280	359,207,743	101,283,537	28.20%
Other Long-Term Liability	295,581,399	283,381,828	12,199,571	4.30%
Total Non-Current Liabilities	2,908,007,679	2,870,994,571	37,013,108	1.29%
Total Liabilities	3,049,344,526	2,992,654,155	56,690,371	1.89%
Total Deferred Inflow of Resources	29,696,121	55,093,176	(25,397,055)	-46.10%
Total Liabilities & Deferred Inflow of Resources	3,079,040,647	3,047,747,331	31,293,317	1.03%
Net Position	1,042,739,495	945,022,866	97,716,630	10.34%
Total Liabilities, Deferred Inflow of Resources and Net Position	4,121,780,143	3,992,770,196	129,009,946	3.23%

MONTHLY EXECUTIVE REPORT

September 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, September 30, 2023							
	YTD	YTD	YTD	% YTD	YTD	YTD	% YTD
	Actual	Budget	Variance	Variance	Prior Year	Variance	Variance
Wastewater Charges							
Residential	\$ 44,037,313	\$ 46,239,807	\$ (2,202,494)	-4.8%	\$ 42,748,847	\$ 1,288,465	3.0%
Commercial	27,245,280	26,292,123	953,157	3.6%	25,214,003	2,031,277	8.1%
Industrial	7,220,814	6,824,269	396,544	5.8%	6,717,790	503,024	7.5%
Other Wastewater	3,250,762	3,412,455	(161,693)	-4.7%	3,849,320	(598,559)	-15.5%
Free Wastewater Charges	(2,279,960)	(2,340,321)	60,361	-2.6%	(2,682,661)	402,701	-15.0%
Total Wastewater Charges	79,474,209	80,428,333	(954,125)	-1.2%	75,847,300	3,626,909	4.8%
Drainage							
Residential	8,861,484	8,639,381	222,103	2.6%	8,369,360	492,124	5.9%
Commercial	13,515,104	13,535,047	(19,943)	-0.1%	12,835,517	679,587	5.3%
Industrial	1,678,668	1,592,105	86,563	5.4%	1,520,012	158,656	10.4%
Other Stormwater	1,091,402	1,002,651	88,751	8.9%	1,012,459	78,944	7.8%
Free Stormwater Charges	(651,189)	(683,359)	32,170	-4.7%	(650,155)	(1,035)	0.2%
Total Drainage Charges	24,495,470	24,085,825	409,645	1.7%	23,087,193	1,408,276	6.1%
Total Service Charges	103,969,678	104,514,158	(544,480)	-0.5%	98,934,493	5,035,185	5.1%
Other Operating Income	2,271,083	1,125,011	1,146,072	101.9%	2,257,987	13,096	0.6%
Total Operating Revenue	106,240,761	105,639,169	601,592	0.6%	101,192,480	5,048,281	5.0%
Operating Expenses							
Salaries & Wages	15,187,721	16,107,213	(919,492)	-5.7%	13,999,822	1,187,899	8.5%
Labor Related Overhead	6,802,070	6,743,345	58,726	0.9%	6,174,201	627,869	10.2%
Utilities	3,264,774	4,352,092	(1,087,318)	-25.0%	4,503,009	(1,238,236)	-27.5%
Materials & Supplies	225,600	2,384,358	(2,158,758)	-90.5%	2,209,947	(1,984,347)	-89.8%
Contractual Services	6,727,559	10,201,703	(3,474,144)	-34.1%	7,179,259	(451,700)	-6.3%
Chemicals	2,009,661	2,783,643	(773,982)	-27.8%	1,551,029	458,632	29.6%
Fuel	293,235	530,072	(236,837)	-44.7%	467,643	(174,408)	-37.3%
Insurance Premiums & Claims	1,954,017	1,833,705	120,312	6.6%	1,911,049	42,968	2.2%
Bad Debt	831,505	881,606	(50,101)	-5.7%	1,019,608	(188,103)	-18.4%
Other Operating Expense	687,239	750,532	(63,293)	-8.4%	370,325	316,914	85.6%
Mapping/Insurance Recovery	-	-	-	0.0%	-	0	0.0%
Capitalized Overhead	(9,432,891)	(11,176,384)	1,743,493	-15.6%	(9,403,279)	(29,613)	0.3%
Capital Expenses (over)/under applied							
Net Service and Administrative Costs	28,550,490	35,391,884	(6,841,394)	-19.3%	29,982,613	(1,432,122)	-4.8%
Depreciation	30,294,679	26,012,751	4,281,928	16.5%	27,092,500	3,202,179	11.8%
Amortization	1,139,169	377,424	761,744	201.8%	392,333	746,836	190.4%
Total Depreciation/Amortization	31,433,848	26,390,176	5,043,672	19.1%	27,484,833	3,949,015	14.4%
Total Operating Expenses	59,984,338	61,782,059	(1,797,721)	-2.9%	57,467,445	2,516,893	4.4%
Net Operating Income	46,256,423	43,857,110	2,399,313	5.5%	43,725,035	2,531,388	5.8%
Non-Operating Revenue (Expenses)							
Gain/Loss Disposal of Assets	42,509	-	42,509	0.0%	-	42,509	0.0%
Investment Income	5,422,307	3,423,300	1,999,007	58.4%	2,786,452	2,635,855	94.6%
Interest Expense	(24,536,286)	(26,916,020)	2,379,734	-8.8%	(21,872,420)	(2,663,866)	12.2%
Total Non-Operating Revenue (Expenses)	(19,071,469)	(23,492,720)	4,421,251	-18.8%	(19,085,969)	14,499	-0.1%
Contributions	(1,258,794.63)	-	(1,258,795)	0.0%	475,276	1,734,070	-364.9%
Change in Net Position Before Swaps	25,926,159	20,364,390	5,561,769	27.3%	25,114,342	(811,817)	3.2%
Change in Fair Value of Swaps	12,534,539	-	12,534,539	0.0%	(3,123,298)	(15,657,837)	-501.3%
Change in Net Position After Swaps	\$ 38,460,698	\$ 20,364,390	\$ 18,096,308	88.9%	\$ 21,991,044	\$ (16,469,654)	74.9%

MONTHLY EXECUTIVE REPORT

September 30, 2023

Statement of Cash Flows

Louisville and Jefferson County Metropolitan Sewer District		
Statement of Cash Flows		
For the Month Ended, Sept 30, 2023		
	FY 2024 YTD	FY 2023 YTD
Cash Flows from Operating Activities		
Cash received from customers	\$ 102,870,325	\$ 98,837,406
Cash paid to suppliers	(30,688,770)	(25,107,861)
Cash paid to employees	(17,031,033)	(17,214,433)
Net Cash Provided by Operating Activities	55,150,522	56,515,112
Cash Flows from Capital and Related Financing Activities		
Proceeds from issuance of revenue bonds	-	-
Proceeds from issuance of bond anticipation note	-	2,263,400
Proceeds from issuance of commercial paper	410,000,000	70,000,000
Proceeds from issuance of notes	-	-
Proceeds from issuance of other subordinated debt	-	-
Payments for retirement of revenue bonds	-	-
Payments for retirement of bond anticipation note	-	-
Payments for retirement of commercial paper	(375,000,000)	(40,000,000)
Payments for retirement of notes	-	-
Payments for retirement of other subordinated debt	68,545	(400,000)
Payments for interest expense	(2,459,235)	(702,069)
Payments for interest on swaps	(450,949)	(1,096,830)
Build America bond interest subsidy	2,746,538	2,746,538
Proceeds from capital grants	(460,495)	-
Proceeds from sale of capital assets	42,509	-
Payments for capital assets	(66,957,599)	(44,709,482)
Proceeds from assessments	181,754	240,997
Net Cash Provided (Used) by Capital and Related Financing	(32,288,932)	(11,657,446)
Cash Flows from Investing Activities		
Purchase of investments	(13,597,101)	(37,464,371)
Maturity of investments	16,425,000	22,209,531
Investment income	1,525,523	(2,026,248)
Net Cash Provided (Used) by Investing Activities	4,353,421	(17,281,088)
Net Increase (Decrease) in Cash and Cash Equivalents	27,215,011	27,576,578
Cash and Cash Equivalents, Beginning of Year	91,786,053	71,854,355
Cash and Cash Equivalents, End of Year	\$ 119,001,064	\$ 99,430,933
Reconciliation of Operating Income to Net Cash provided by Operating Activities		
Income from operations	\$ 46,256,423	\$ 43,725,035
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	31,433,848	27,484,833
Capitalized Overhead	(9,432,891)	(2,563,212)
Accounts receivable	(3,138,266)	(122,714)
Inventories	(139,559)	(5,074,208)
Prepaid expense	(5,836,440)	(3,899,396)
Accounts payable	(1,971,110)	208,137
Customer deposits	(232,170)	(3,243,363)
Accrued liabilities	(1,789,314)	-
Pension liability	-	-
OPEB liability	-	-
Net Cash Provided by Operating Activities	\$ 55,150,522	\$ 56,515,112
Non-Cash Capital Financing and Investing Activities		
Contribution of plant, lines and other facilities by developers and property owners	\$ -	\$ -
Construction costs in accounts payable	\$ 12,238,686	\$ 10,144,318
Change in fair value of investments	(985,821)	770,211
Decrease in interest rate swap deferred revenue	(56,616)	(124,238)
Change in fair value - swap agreements	\$ (12,534,539)	\$ (3,123,298)
Bonds issued for refunding of debt	-	-

MONTHLY EXECUTIVE REPORT

September 30, 2023

Actual vs. Budget Operating and Maintenance Expenses

Louisville & Jefferson County Metropolitan Sewer District Operating and Maintenance Expenses Month Ended, September 30, 2023							
	YTD Actual	YTD Budget	YTD Variance	% YTD Variance	YTD Prior Year	YTD Variance	% YTD Variance
Salaries & Wages							
51120 - Regular Salaries & Wages	\$12,955,355	\$15,437,063	\$ (2,481,708)	-16.1%	\$11,614,232	\$1,341,123	11.5%
51130 - Overtime	699,727	567,501	132,226	23.3%	710,042	(10,314)	-1.5%
51135 - Special Event Compensation	26,390	95,507	(69,117)	-72.4%	42,690	(16,300)	-38.2%
51140 - Wages pd for vacation, holidays & other	1,511,450	0	1,511,450	0.0%	1,615,650	(104,199)	-6.4%
51145 - Incentive Pay - Performance, ERT, Sugg	(20,902)	0	(20,902)	0.0%	12,334	(33,236)	-269.5%
51147 - Service & Safety Incentive Awards	16,700	7,142	8,558	119.8%	4,875	10,825	222.1%
Total Salaries & Wages	15,187,721	16,107,213	(919,492)	-5.7%	13,999,822	1,187,899	8.5%
Labor & Related Overhead							
51210 - Short-Term Disability	88,033	0	88,033	0.0%	55,226	32,807	59.4%
51220 - Workers' Compensation Insurance	87,735	75,000	12,735	17.0%	29,884	57,851	193.6%
51225 - Workers' Compensation Claims	236,175	240,000	(3,825)	-1.6%	(1,493)	237,668	-15919.6%
51230 - Long-Term Disability	12,339	0	12,339	0.0%	(12,648)	24,986	-197.6%
51240 - Group Life - AD&D Insurance	(9,145)	31,248	(40,393)	-129.3%	4,457	(13,602)	-305.2%
51250 - Tuition Assistance	4,079	22,497	(18,418)	-81.9%	(19,855)	23,934	-120.5%
51260 - Empl Assistance & Wellness Program	4,030	3,501	529	15.1%	20	4,010	20050.0%
51300 - Payroll Taxes	1,102,001	1,176,318	(74,317)	-6.3%	1,013,927	88,074	8.7%
51400 - Unemployment Insurance	0	8,321	(8,321)	0.0%	0	0	0.0%
51500 - Med Ins: MSD's port. of prem for grp	2,030,104	1,898,597	131,507	6.9%	1,541,932	488,172	31.7%
51600 - Retirement Contributions	3,246,720	3,287,862	(41,142)	-1.3%	3,562,751	(316,031)	-8.9%
51650 - Pension & OPEB Expense	0	0	0	0.0%	0	0	0.0%
Total Labor & Related Overhead	6,802,070	6,743,345	58,726	0.9%	6,174,201	627,869	10.2%
Utilities							
53110 - Electric	2,547,822	3,218,970	(671,148)	-20.8%	3,312,569	(764,746)	-23.1%
53320 - Natural Gas	103,265	251,624	(148,359)	-59.0%	310,260	(206,995)	-66.7%
53330 - Water	282,738	460,372	(177,634)	-38.6%	573,367	(290,629)	-50.7%
53340 - Telephone	66,336	74,200	(7,864)	-10.6%	84,919	(18,583)	-21.9%
53345 - Data Communications	234,613	346,926	(112,313)	-32.4%	221,895	(125,027)	-56.4%
Total Utilities	3,264,774	4,352,092	(1,087,318)	-25.0%	4,503,009	(1,238,235)	-27.5%
Materials & Supplies							
53100 - Tires & Tire Service Expense	76,869	91,401	(14,532)	-15.9%	63,536	13,333	21.0%
53140 - Materials & Supplies	49,075	2,198,457	(2,149,382)	-97.8%	2,063,359	(2,014,284)	-97.6%
53150 - Inventory Adjustments	356	0	356	0.0%	23,436	(23,080)	-98.5%
53160 - Landfill Cost of fill dirt	99,301	94,500	4,801	5.1%	59,616	39,684	66.6%
Total Materials & Supplies	225,600	2,384,358	(2,158,758)	-90.5%	2,209,947	(1,984,347)	-89.8%
Contractual Services							
51700 - Uniforms	87,717	76,789	10,928	14.2%	59,401	28,316	47.7%
52110 - Billing & Collection	1,581,590	1,790,697	(209,107)	-11.7%	1,691,424	(109,835)	-6.5%
52130 - Custodial & Watchmen	169,740	206,064	(36,324)	-17.6%	192,998	(23,258)	-12.1%
52140 - Professional Services	658,217	1,373,617	(715,400)	-52.1%	444,390	213,828	48.1%
52145 - Legal	131,862	225,000	(93,138)	-41.4%	90,726	41,136	45.3%
52155 - Banking Services	17,284	15,650	1,634	10.4%	14,016	3,267	23.3%
52160 - Maintenance & Repairs	1,038,207	1,655,021	(616,814)	-37.3%	1,123,847	(85,640)	-7.6%
52170 - Sludge & Grit Disposal	530,002	830,709	(300,707)	-36.2%	791,249	(261,247)	-33.0%
52180 - Temporary Services	50,711	26,350	24,361	92.5%	38,214	12,496	32.7%
52195 - Other Contractual Services	2,462,229	4,001,806	(1,539,576)	-38.5%	2,732,993	(270,764)	-9.9%
Total Contractual Services	6,727,559	10,201,703	(3,474,144)	-34.1%	7,179,259	(451,700)	-6.3%
Bad Debt							
54200 - Bad Debts	756,505	881,606	(125,101)	-14.2%	944,608	(188,103)	-19.9%
54210 - Bad Debt - Assessments	75,000	0	75,000	0.0%	75,000	0	0.0%
Total Bad Debt	831,505	881,606	(50,101)	-5.7%	1,019,608	(188,103)	-18.4%
Chemicals							
53205 - Peracetic Acid	29,318	100,000	(70,682)	-70.7%	0	29,318	0.0%
53210 - Chlorine	0	2,363	(2,363)	0.0%	0	0	0.0%
53215 - Sodium Hypochlorite	788,089	957,723	(169,633)	-17.7%	416,687	371,402	89.1%
53220 - Polymer	650,787	959,283	(308,496)	-32.2%	640,698	10,088	1.6%
53225 - Sodium Aluminate	39,617	101,562	(61,945)	-61.0%	41,713	(2,097)	-5.0%
53230 - Liquid Oxygen	18,373	82,129	(63,756)	-77.6%	49,243	(30,870)	-62.7%
53235 - Liquid Nitrogen	14,964	37,100	(22,136)	-59.7%	5,607	9,357	166.9%
53240 - Other Chemicals	8,404	13,796	(5,392)	-39.1%	2,396	6,008	250.7%
53250 - Dechlorination	55,655	132,740	(77,085)	-58.1%	78,556	(22,902)	-29.2%
53275 - Defoamer	0	9,250	(9,250)	0.0%	0	0	0.0%
53280 - Bioxide	407,719	387,500	20,219	5.2%	316,128	91,591	29.2%
53285 - Sodium Hydroxide	0	188	(188)	0.0%	0	0	0.0%
Total Chemicals	2,012,925	2,783,643	(770,718)	-27.7%	1,551,029	461,896	29.8%
Fuel							
53120 - Gasoline	119,827	188,326	(68,499)	-36.4%	191,689	(71,862)	-37.5%
53130 - Diesel Fuel	173,408	341,746	(168,338)	-49.3%	275,954	(102,546)	-37.2%
Total Fuel	293,235	530,072	(236,837)	-44.7%	467,643	(174,408)	-37.3%
Insurance Premiums & Claims							
54100 - Casualty Insurance	0	0	0	0.0%	0	0	0.0%
54110 - General Liability Insurance	1,084,476	1,120,758	(36,282)	-3.2%	1,047,537	36,938	3.5%
54130 - Property Insurance	726,044	569,196	156,848	27.6%	552,617	173,427	31.4%
54140 - General Liability Claims	143,497	143,751	(254)	-0.2%	310,895	(167,397)	-53.8%
54150 - Automobile Liability Claims	0	0	0	0.0%	0	0	0.0%
Total Insurance Premiums & Claims	1,954,017	1,833,705	120,312	6.6%	1,911,049	42,968	2.2%
Other Operating Expense							
53410 - Equipment Rental	51,317	60,757	(9,440)	-15.5%	119,961	(68,644)	-57.2%
53420 - Space Rent	7,800	7,500	300	4.0%	7,500	300	4.0%
53430 - Leased Parking	24,516	19,885	4,631	23.3%	20,806	3,710	17.8%
54250 - Contributions	231,534	40,750	190,784	468.2%	12,769	218,765	1713.3%
54300 - Fines, Penalties & Damages	204	0	204	0.0%	0	204	0.0%
54400 - Advertising	8,599	45,601	(37,002)	-81.1%	6,672	1,928	28.9%
54500 - Travel & Meetings	110,073	133,663	(23,590)	-17.6%	56,230	53,843	95.8%
54550 - Training	33,655	134,984	(101,329)	-75.1%	42,847	(9,192)	-21.5%
54600 - Dues, Fees and Subscriptions	216,093	303,792	(87,699)	-28.9%	100,821	115,272	114.3%
54700 - Board Members	2,175	3,600	(1,425)	-39.6%	1,400	775	55.4%
54725 - Bond Closing Cost	0	0	0	0.0%	0	0	0.0%
55555 - Over/under payments	1,273	0	1,273	0.0%	1,320	(46)	-3.5%
Total Other Operating Expense	687,239	750,532	(63,293)	-8.4%	370,325	316,914	85.6%
Grand Total	37,986,645	46,568,268	(8,581,623)	-18.4%	39,385,891	(1,524,278)	-3.6%

MONTHLY EXECUTIVE REPORT
September 30, 2023

SUPPLEMENTAL FINANCIAL REPORTING

Revenue by Customer Class

	Number of Customers		Revenue by Customer Class		Budget By Customer Class	
	Sep-2023	Sep-2022	Sep-2023	Sep-2022	Sep-2023	Sep-2022
Wastewater						
Residential	236,563	235,670	14,589,671	14,156,324	15,413,677	14,080,036
Commercial	21,920	21,918	10,243,448	9,066,348	9,599,307	8,562,016
Industrial	397	394	2,443,887	2,255,461	2,243,692	1,959,345
Sub-Total	258,880	257,982	27,277,006	25,478,133	27,256,675	24,601,397
Drainage						
Residential	211,117	209,441	2,803,066	2,691,367	2,781,657	2,547,274
Commercial	13,909	14,013	4,680,098	4,157,951	4,497,525	4,004,723
Industrial	280	275	568,562	501,740	537,168	510,978
Sub-Total	225,306	223,729	8,051,726	7,351,058	7,816,350	7,062,975
Grand Total			\$ 35,328,732	\$ 32,829,191	\$ 35,073,025	\$ 31,664,372

Wastewater Revenue by County

	Number of Customers		Revenue by Customer Class		Budget by Customer Class	
	Sep-2023	Sep-2022	Sep-2023	Sep-2022	Sep-2023	Sep-2022
Jefferson County						
Residential	225,051	224,285	13,501,290	13,416,691	14,630,167	13,343,524
Commercial	21,538	21,526	9,987,003	8,905,695	9,414,510	8,425,353
Industrial	395	392	2,440,493	2,253,535	2,241,429	1,956,899
Sub-Total	246,984	246,203	25,928,786	24,575,921	26,286,106	23,725,776
Bullitt County						
Residential	4,576	4,531	294,531	234,985	277,908	239,492
Commercial	165	116	103,835	95,277	112,735	86,870
Industrial	1	1	3,204	1,836	2,173	2,356
Sub-Total	4,742	4,648	401,570	332,099	392,816	328,718
Oldham County						
Residential	6,936	6,854	793,850	504,648	505,602	497,020
Commercial	217	276	152,611	65,376	72,062	49,793
Industrial	1	1	189	90	90	90
Sub-Total	7,154	7,131	946,650	570,114	577,754	546,903
Grand Total			\$ 27,277,006	\$ 25,478,133	\$ 27,256,675	\$ 24,601,397

MONTHLY EXECUTIVE REPORT

September 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 September 30, 2023.

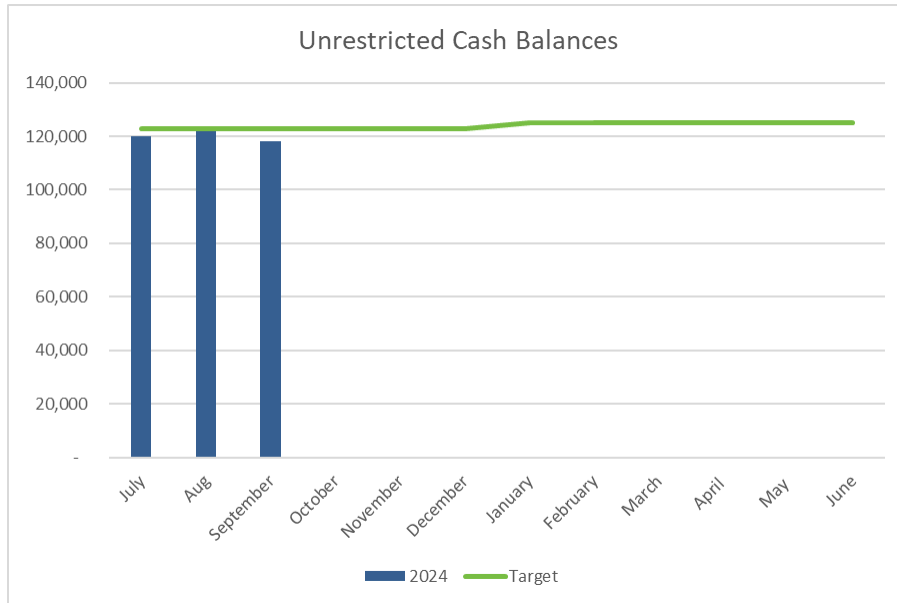
FY24 Headcount by Division			
	Budget Approved	Current Authorized	Filled
Administration			
Community Benefits & Partnerships	8	8	6
Customer Relations	21	21	16
Executive Offices	2	3	3
Government & Public Affairs	7	7	6
Innovation	5	3	3
Internal Audit	4	4	3
Records and Information Governance	9	9	8
Corporate	1	1	1
Engineering	102	99	86
Facilities, Safety & Security	39	37	29
Finance	21	22	19
Human Resources	21	21	19
Information Technology	33	33	30
Legal	12	10	8
Operations	519	509	446
Supply Chain & Economic Inclusion	27	27	22
Total Authorized Positions	831	814	705
*Excludes temporary & seasonal staff			

MONTHLY EXECUTIVE REPORT

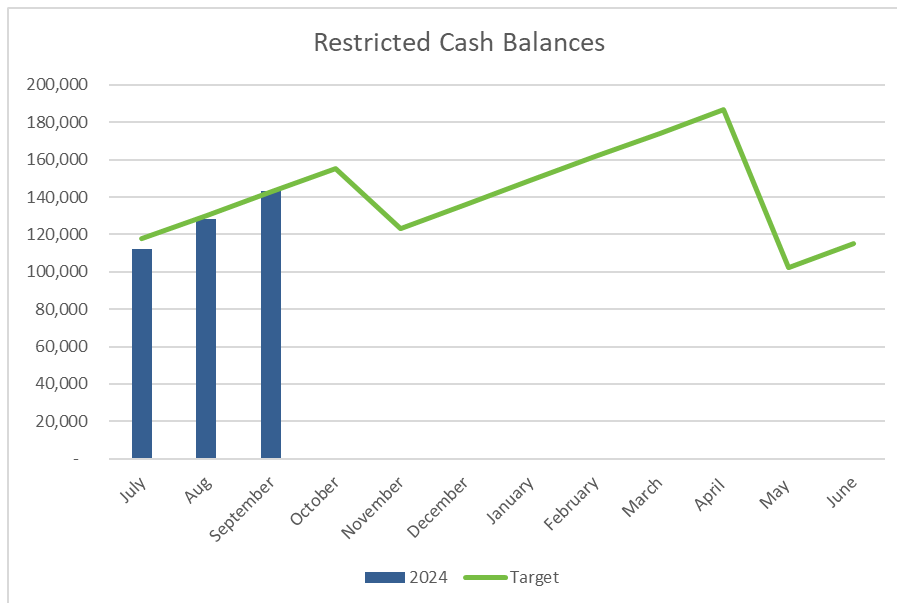
September 30, 2023

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

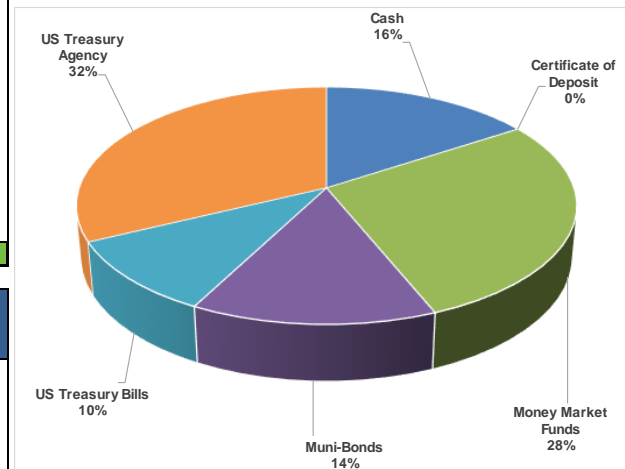
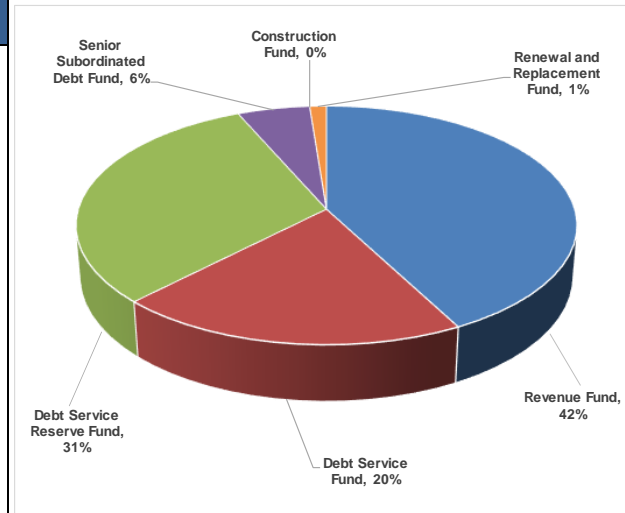
September 30, 2023

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	-	-	979,665	-	-	-	979,665
2009A	-	-	1,771,404	-	-	-	1,771,404
2009B	-	-	13,920,175	-	-	-	13,920,175
2009C	-	4,266,653	11,956,909	-	-	-	16,223,562
2010A	-	7,121,821	17,893,900	-	-	-	25,015,721
2013A	-	-	28,393,150	-	-	-	28,393,150
2013B	-	2,230,706	-	-	-	-	2,230,706
2013C	-	-	103,652	-	-	-	103,652
2014A	-	1,959,332	-	-	-	-	1,959,332
2015A	-	3,229,895	156,677	-	-	-	3,386,572
2015B	-	1,995,485	-	-	-	-	1,995,485
2016A	-	2,015,884	-	-	-	-	2,015,884
2016B	-	727,820	-	-	-	-	727,820
2016C	-	-	-	-	-	-	-
2017A	-	3,997,673	1,511,927	-	-	-	5,509,600
2017B	-	6,161,804	-	-	-	-	6,161,804
2018A	-	855,750	-	-	-	-	855,750
2020A	-	2,738,067	2,215,843	-	-	-	4,953,910
2020C	-	1,826,236	-	-	-	-	1,826,236
2021A	-	6,345,034	-	-	-	-	6,345,034
2022A	-	3,794,811	-	-	4	-	3,794,814
2022 BAN	-	-	-	13,469,436	-	-	13,469,436
2023A	-	918,582	-	-	-	-	918,582
2023B	-	702,677	-	-	-	-	702,677
CP 2018 A-1 & A-2	-	-	-	-	6,518	-	6,518
Cash	39,897,464	-	-	-	-	-	39,897,464
Certificate of Deposit	100,000	-	-	-	-	-	100,000
Money Market Funds	337,275	-	-	-	-	19,364	356,640
Muni-Bonds	-	-	-	-	-	-	-
US Treasury Bills	22,611,309	-	-	-	-	3,100,250	25,711,559
US Treasury Agency	44,220,887	-	-	-	-	-	44,220,887
Total	\$ 107,166,935	\$ 50,888,229	\$ 78,903,303	\$ 13,469,436	\$ 6,521	\$ 3,119,614	\$ 253,554,039

Asset Description	Revenue Fund	Debt Service Fund	Debt Service Reserve Fund	Senior Subordinated Debt Fund	Construction Fund	Renewal and Replacement Fund	Total
Cash	39,897,464	-	-	-	-	-	39,897,464
Certificate of Deposit	100,000	-	-	-	-	-	100,000
Money Market Funds	337,275	50,888,229	6,426,265	13,469,436	6,521	19,364	71,147,092
Muni-Bonds	-	-	35,048,230	-	-	-	35,048,230
US Treasury Bills	22,611,309	-	-	-	-	3,100,250	25,711,559
US Treasury Agency	44,220,887	-	37,428,808	-	-	-	81,649,695
Total	\$ 107,166,935	\$ 50,888,229	\$ 78,903,303	\$ 13,469,436	\$ 6,521	\$ 3,119,614	\$ 253,554,039



MONTHLY EXECUTIVE REPORT

September 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
Fifth Third Securities	Purchase	Federal Home Loan Mortgage Corp	4,905,250.00
Fifth Third Securities	Redemption	United States Treasury Note	(5,000,000.00)

MONTHLY EXECUTIVE REPORT

September 30, 2023

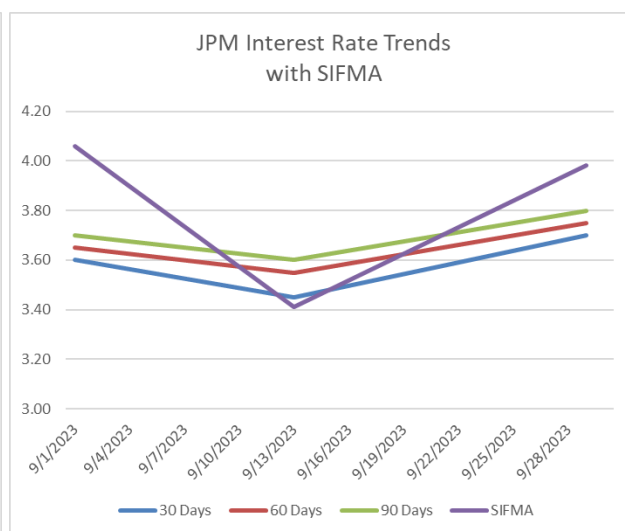
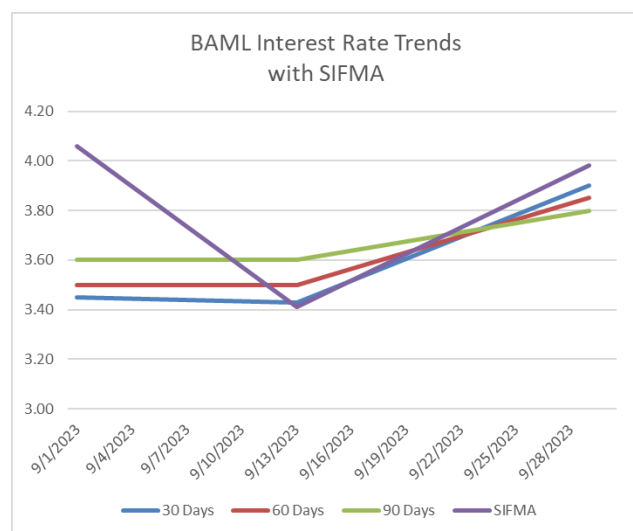
Commercial Paper Program Summary

MSD operates a \$500 million Commercial Paper (CP) program to provide interim financing for its capital program. Liquidity support is provided by JP Morgan Chase and Bank of America, NA. Merrill Lynch, Pierce, Fenner & Smith Inc and JP Morgan Securities are dealers for the program. In September, we had seven notes mature and were replaced with new notes with an average rate of 3.65% and average terms of 69 days. In September, we issued one new note at \$10M with a rate of 3.73% and a term of 31 days. In October, we have six notes maturing, totaling \$130M.

The CP Construction Fund balance as of September 30th, was \$6,517.82. Outstanding CP notes are currently split 50% with JP Morgan and 50% with Bank of America.

CP Issuance Details											
Currently Outstanding											
Issuance Date	CUSIP	CP Principal	MSD Rate	Term (# of days)	Maturity Date	Dealer (JPM/BAML)	Interest Cost	New Issuance or Roll?	SIFMA Index	Spread over (under) SIFMA	
8/18/2023	54660FAK0	20,000,000	3.50%	47	10/4/2023	BAML	90,136.99	Roll	3.30%	0.20%	
8/23/2023	54660HAL4	10,000,000	3.65%	44	10/6/2023	JPM	44,000.00	Roll	3.30%	0.35%	
9/1/2023	54660HAM2	35,000,000	3.60%	33	10/4/2023	JPM	113,917.81	Roll	4.06%	-0.46%	
9/5/2023	54660FAM6	10,000,000	3.73%	31	10/6/2023	BAML	31,679.45	New	4.06%	-0.33%	
9/8/2023	54660HANO	35,000,000	3.52%	24	10/2/2023	JPM	81,008.22	Roll	3.41%	0.11%	
9/13/2023	54660FAN4	20,000,000	3.43%	23	10/6/2023	BAML	43,227.40	Roll	3.41%	0.02%	
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%	
Currently Outstanding: \$ 200,000,000							\$ 1,280,795				

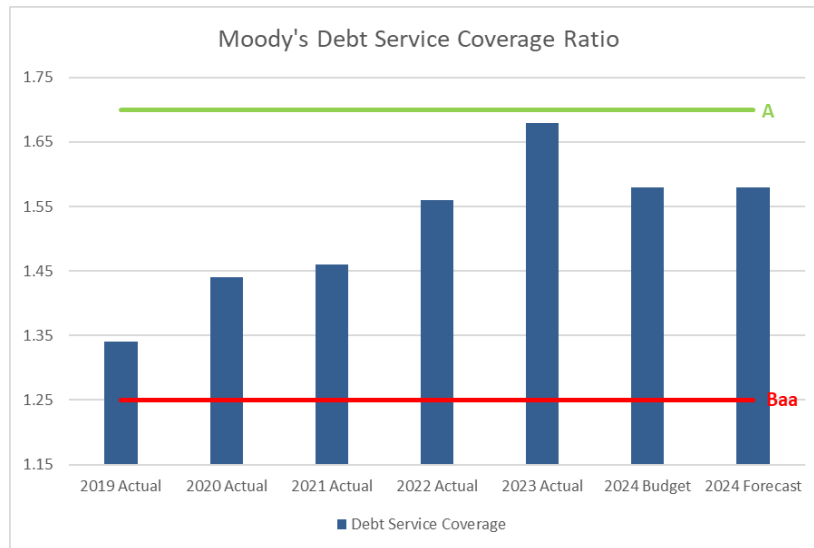
The Securities Industry and Financial Markets Association (SIFMA) publishes a 7-day high-grade market index comprised of tax-exempt Variable Rate Demand Obligations (VRDOs) with certain characteristics. The Index is calculated and published by Bloomberg and is overseen by SIFMA's Municipal Swap Index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



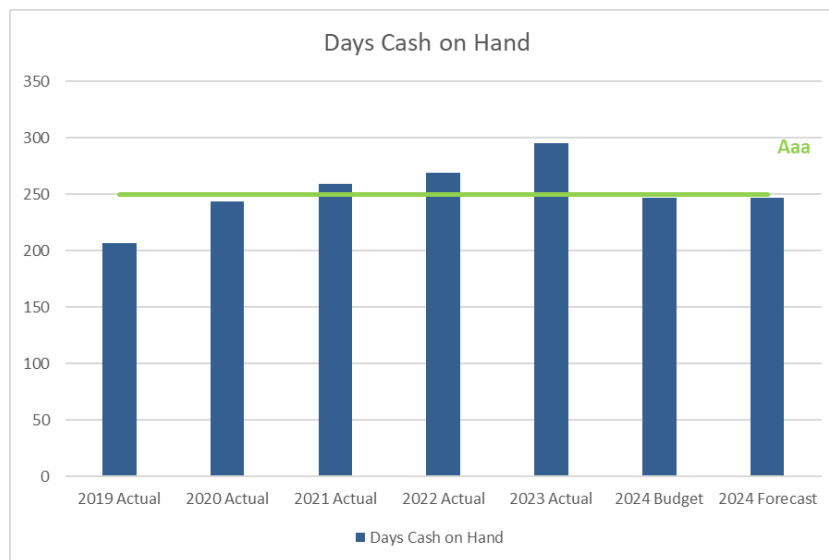
QUARTERLY FINANCIAL REPORTING

Key Performance Indicators

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



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

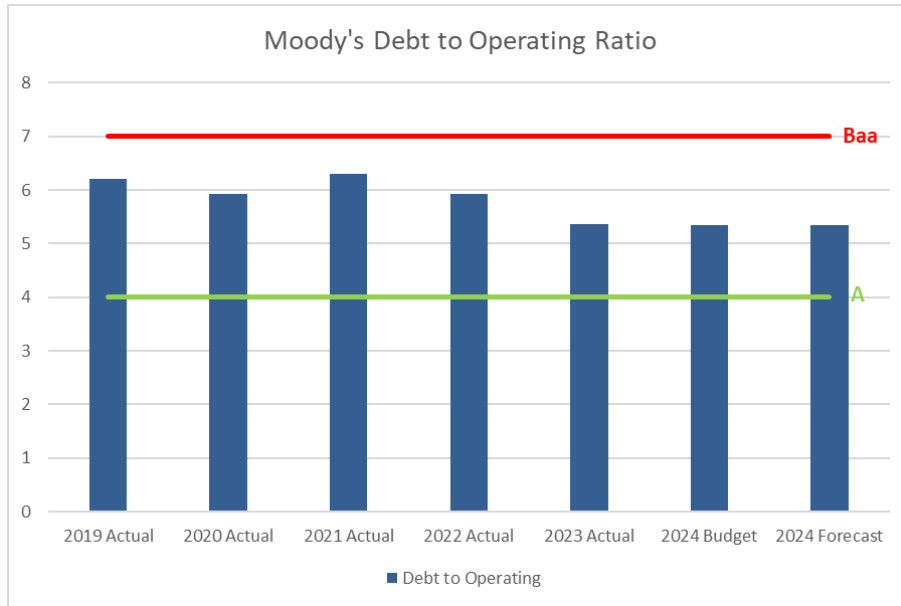


MONTHLY EXECUTIVE REPORT

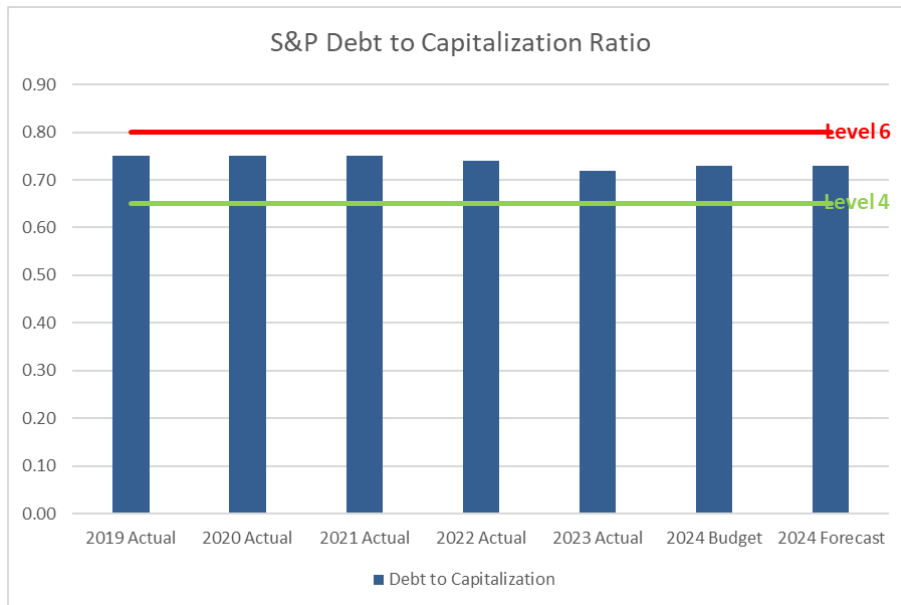
September 30, 2023

Key Performance Indicators – Continued

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

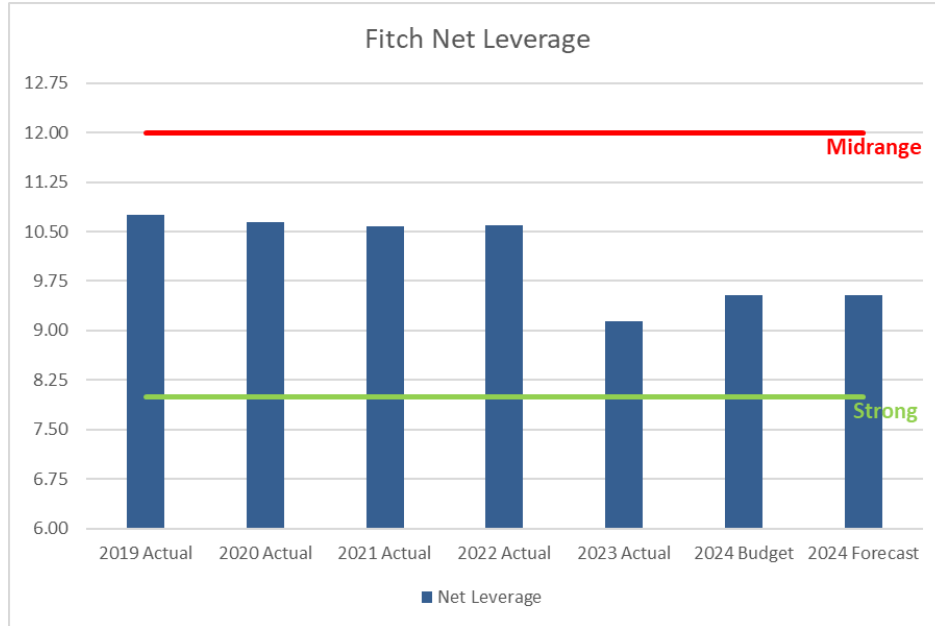


S&P Global Ratings evaluates our debt profile using a debt to total capitalization ratio. The objective is similar to what Moodys is evaluating with the debt to operating ratio. S&P considers MSD's debt to capitalization ratio relatively weak relative to our overall rating thus this is another key benchmark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

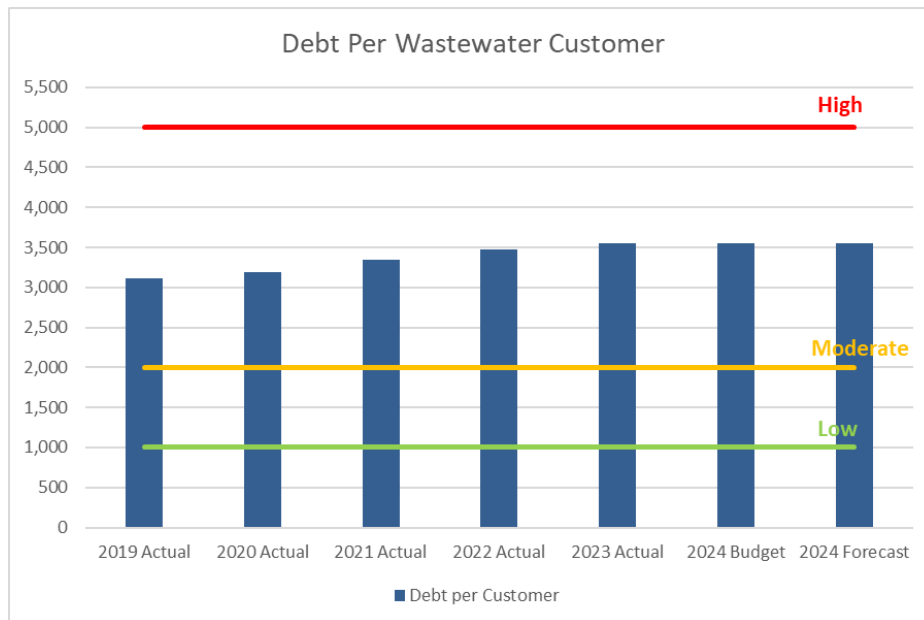


Key Performance Indicators – Continued

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



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



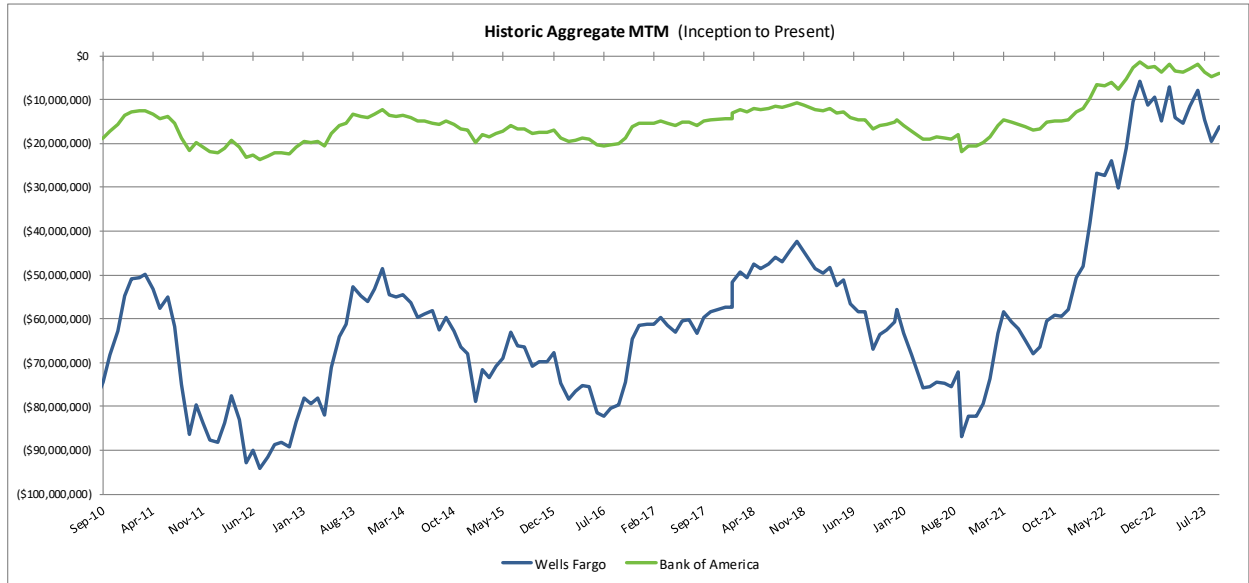
MONTHLY EXECUTIVE REPORT

September 30, 2023

Market to Market on Swaps

Swap Valuation September 30, 2023

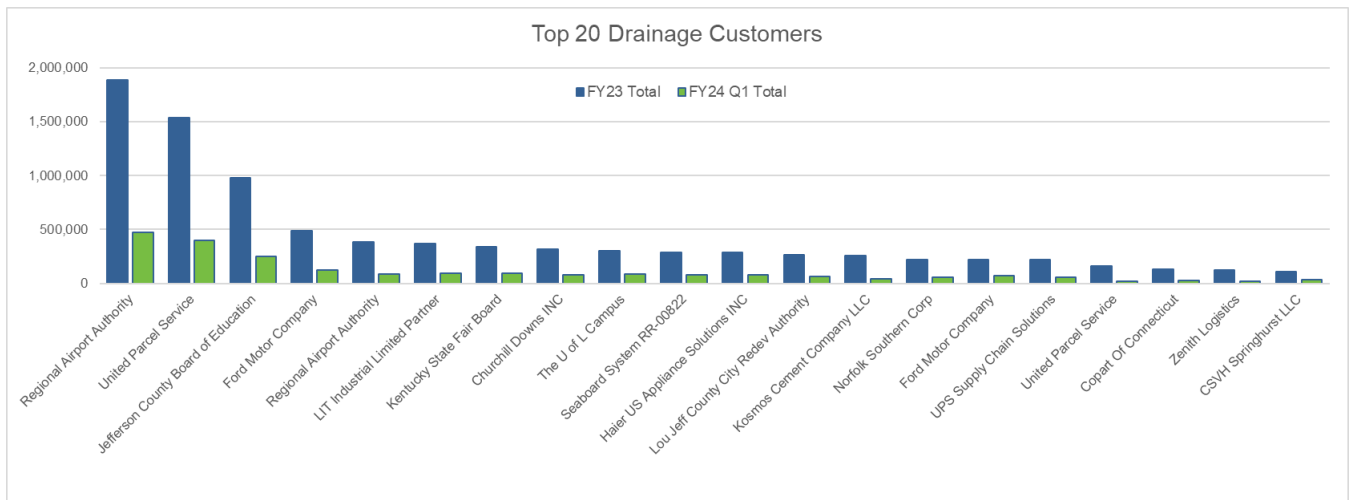
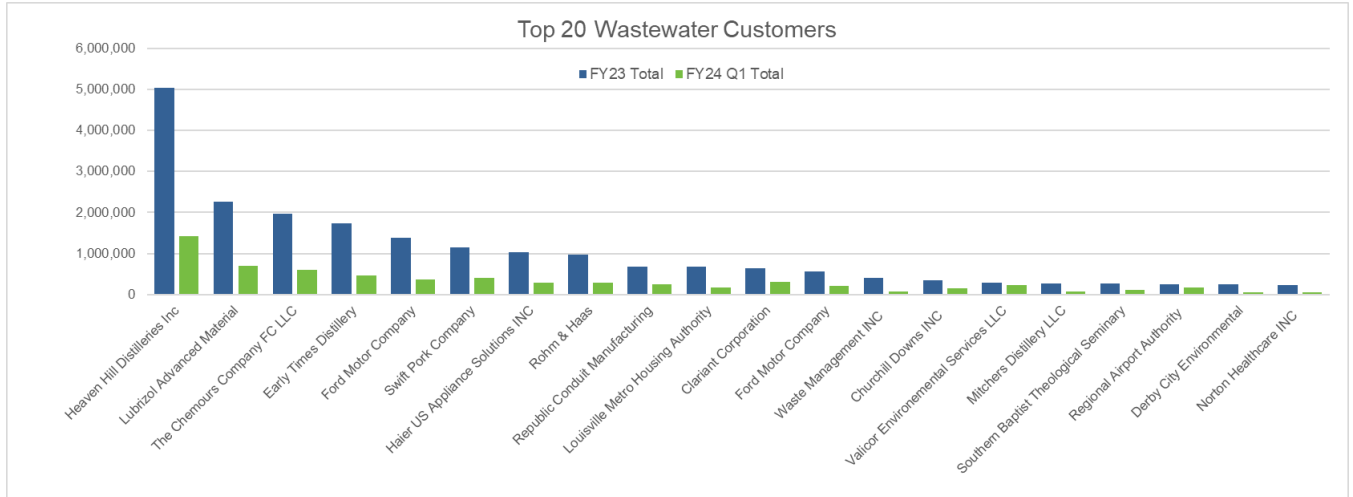
Credit Support Provider	Description	Maturity Date	Notional Amount	Outstanding Notional Amount	Clean Market Value	Accrued Interest	Market-to-Market Value
Wells Fargo NA	1999 - 1 - \$225.732M 67% LIBOR Fixed Payer	5/15/2033	180,716,000.00	175,356,000.00	(15,970,870.81)	53,588.89	(16,024,459.70)
Bank of America NA	1999 - 2 - \$56.433 67% LIBOR Fixed Payer	5/15/2033	56,433,000.00	43,839,000.00	(3,993,426.02)	13,397.22	(4,006,823.24)
			\$ 237,149,000	\$ 219,195,000	\$ (19,964,297)	\$ 66,986	\$ (20,031,283)



MONTHLY EXECUTIVE REPORT

September 30, 2023

Top 20 Customers



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 041represents 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.

MONTHLY EXECUTIVE REPORT

September 30, 2023

- **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. Use of the Management Reserve requires approval by the CIP Management Team. The baseline FY24 budget included \$11.4M in Management Reserve. MSD is reporting cash flow performance excluding this unutilized reserve position. The following new budget performance nomenclature is introduced into this monthly report:

- **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). This target, which will change as Management Reserve is utilized, better measures the progress of the working slate of projects. As of August 31, 2023, the Performance Budget Target is \$247M

FY24 capital expenditures for the Wastewater, Stormwater, and Support Services Programs totaled \$38.4M through September 30, 2023. This spend represents approximately 15% of the \$255M FY24 capital budget and 15.3% of the budget performance target. The forecasted spend for FY24 is \$247M

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	\$4M	At Current Management Reserve Levels
FY 2024 Performance Budget Target	\$251M	Budget Ceiling minus Mgmt. Reserve
FY 2024 Spending Projection	\$247M	Forecasted Spend
FY 2024 Actuals	\$38M	15% of Budget Ceiling

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.

MONTHLY EXECUTIVE REPORT

September 30, 2023

- Due to unprecedented construction escalation rates, bids are often coming in much higher than anticipated. Some non-regulatory projects will be subject to internal discussion and may be put on hold.

Supply-Chain Project Impacts

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

Third-Party Coordination Impacts

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

MONTHLY EXECUTIVE REPORT

September 30, 2023

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	29	\$518,483	\$13,361,000	\$518,483
Design	84	\$65,655,620	\$140,532,336	\$14,705,902
Construction	52	\$163,523,421	\$60,126,000	\$13,840,951
Studies	15	\$8,928,924	\$1,982,000	\$612,858
TOTAL	180	\$238,626,447	\$216,001,336	\$29,678,194

Does not include projects in Closeout phase

Emergency Contracts to Repair Infrastructure Damage

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

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

MONTHLY EXECUTIVE REPORT September 30, 2023

Active Emergency Contract Work

Emergency	Funding Source	Construction Start	Emergency Certificate Amount (\$)	Contractor
Tree Line Pump Station	G23001	6/2/2023	250,000	TEM Group
Willabrook Air Lines	Y24089	9/1/2023	60,000	MAC Construction
SGC Gates Replacement	H22022	4/1/2022	2,000,000	Pace Contracting, LLC
Levee Repair at Western FPS	F21096	5/4/2022	75,000	MAC Construction
5th St FPS MCC's	F15012	12/22/2022	335,000	AES, Inc
MFWQTC MEB East & West Freight Elevators	D23194	NTP 4/07/2023 waiting on material delivery	500,000	Oracle Elevators
MFWQTC LG Dryer Replacements	D20285	1/1/2020	69,668,264	Judy Construction
BC ProLogis Treatment Plant	Y23098	10/10/2022	75,000	MAC Construction
Jackson St. Sewer Replacement	A24069	11/27/2023	750,000	TBD
Executive Inn Basin Enhancement	G24001	8/27/2023	80,000	Metro Fence
1642 Spring Dr. PSC Repair	G24001	9/29/2023	25,000	TRC, LLC (WBE)

MONTHLY EXECUTIVE REPORT

September 30, 2023

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	Project Outlook
D22100 Morris Forman WQTC New Biosolids Facility	6/30/2027	\$298M	\$47M	\$27M	GMP in Negotiation
F18515 Paddy's Run FPS Capacity Improvements	12/31/2026	\$240M	\$45M	\$19M	Final Design Phase

Major CIP Projects Under Construction

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

MONTHLY EXECUTIVE REPORT
September 30, 2023

CIP MANAGEMENT TEAM MEETING HIGHLIGHTS

The CIP Management Team meeting was postponed until October.

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
D23165	HCWQTC Aeration Blower Buildings, Sec 1 & 2 Roof Replacement	10/3/2023
D22080	DRGWQTC Secondary Clarifiers No. 4-6 Mechanism Replacement	10/12/2023
F23171	Shawnee FPS, Sec 1 & 2 Roof Replacement	10/17/2023
Y24084	Pioneer Village WQTC – UV Disinfection Upgrades	10/17/2023
C24099	Speedway Ave DIP	10/19/2023
F19126	Starkey Flood Pump Station Hydraulic Actuator Replacement Project	10/19/2023
D20007	Peabody Gate Structure Rehabilitation	10/24/2023
F23169	Upper Mill Creek FPS Roof Replacement	10/26/2023
E15035	Lake Forest Pump Station Eliminations	10/31/2023

Bid Openings

Bids opened during the reporting month are shown below.

Budget ID	Project Name	Bid Opening	Engineer's Estimate (\$)
D22213	CCWQTC Tertiary Filtration	9/12/2023	10,800,0000
C24029	Sandness Court Drainage Improvement Project	9/12/2023	140,000
C24014	Park DuVall Catch Basin Rehab Project Phase 2	9/21/2023	210,000

MONTHLY EXECUTIVE REPORT
September 30, 2023

Construction - Notice to Proceeds (NTP) Issued

None issued during this reporting period.

Budget ID	Project Name	NTP Date

END OF REPORT