

Monthly Executive Report

Financial & Capital Program Updates

As of July 31, 2023



MONTHLY EXECUTIVE REPORT
July 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.

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Acronyms & Abbreviations

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
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
MFWQTC	Morris Forman Water Quality Treatment Center
MS4	Municipal Separate Storm Sewer System Program
MSD	Metropolitan Sewer District
NMC	Nine Minimum Controls

Acronyms & Abbreviations - Continued

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 capital program progress made through July 2023.

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 July 31, 2023
Operating Revenues	Total Operating Revenues are \$1.1 million unfavorable to budget year-to-date.
Operating Expenses	Total Operating Expenses are \$3.5 million favorable to budget year-to-date.
Interest Expense	Total Interest Expense is \$278 thousand favorable to budget year-to-date.
Statement of Cash Flows	Cash and cash equivalents increased \$1.2 million in July. Net cash provided by operating activities was \$14.7 million. Net cash used by capital-related financing activities was \$18.8 million, primarily to fund ongoing construction. Net cash provided by investing activities was \$5.3 million as investments matured.
Commercial Paper Notes	Commercial paper notes outstanding total \$175 million with an average duration to maturity of 18 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 July 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	Will be reported in August MER
Cashflow Performance*	Budget Performance Target is \$243.5M as of July 31, 2023. Performance will be reported in August MER
Change Management Notice of Advisements (NOAs)	Twenty-nine (29) NOAs were processed this month in the following advisement categories: eight (8) EAC changes, fourteen (14) new projects, twenty (20) budget impacts, three (3) status changes, two (2) construction advancements, three (3) project name change. An NOA can have more than one advisement category.

*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:

- Unaudited Annual financial results for Fiscal Year 2023
- Top 20 Customers for Fiscal Year 2023
- Draft Monthly financial results for July 2023
- Customer Statistics
- Employee Headcount
- Cash Balances
- Investment Summary
- Commercial Paper Program Summary

FISCAL YEAR 23 FINANCIAL SUMMARY

Financial Highlights for Fiscal Year 2023 (Unaudited)

- Total operating revenues were \$13.3 million favorable to budget
- Service and administrative expenses were \$6.8 million favorable to budget

Results of Operations for Fiscal Year 2023 (Unaudited)

Total operating revenues were \$13.3 million favorable to budget and \$26.6 million more than fiscal year 2022. Wastewater service charges were \$8.0 million favorable to budget and \$20.6 million more than fiscal year 2022. Drainage service charges were \$2.9 million favorable to budget and \$7.6 million more than fiscal year 2022. Other operating revenues were \$2.4 million favorable to budget and \$1.6 million less than fiscal year 2022. Wastewater and drainage rates in Jefferson County increased 5% on August 1, 2022. Wastewater rates in Oldham County decreased 11.5% on August 1, 2023. Wastewater rates in Bullitt County increased 12% on January 1, 2023.

Service and administrative expenses were \$6.8 million favorable to budget and \$21 thousand less than fiscal year 2022. Salaries and Labor Related Overhead account for \$2.0 million of the savings to budget. Materials & Supplies, Contract Services, and Chemicals make up the remainder of the budget savings.

Depreciation and amortization expenses were \$7.4 million unfavorable to budget and \$8.6 million more than fiscal year 2022. Depreciation expenses were higher than anticipated due to the large number of capital projects that were placed in service in June of 2022, including the Waterway Protection Tunnel.

Investment income was \$7.5 million favorable to budget and \$10.2 million more than fiscal year 2022. Higher interest rates during the fiscal year improved investment performance.

Interest expense was \$2.4 million favorable to budget and \$5.6 million more than fiscal year 2022. Interest expense savings are being driven by lower swap payments.

Fiscal Year 2023 Statement of Cash Flows (Unaudited)

Cash and cash equivalents increased \$19.9 million in fiscal year 2023. Net cash provided by operating activities was \$220.5 million. Net cash used by capital-related financing activities was \$224.2 million, primarily to fund principal and interest payments and ongoing construction. Net cash provided by investing activities was \$23.6 million, primarily from maturities of investments.

JULY FINANCIAL SUMMARY

Financial Highlights for the month of July 2023 (Draft)

- Total operating revenues were \$1.1 million unfavorable to budget
- Service and administrative expenses were \$3.5 million favorable to budget

Results of Operations for the month of July 2023 (Draft)

Total operating revenues were \$1.1 million unfavorable to budget and \$334 thousand more than July 2022. Wastewater service charges were \$1.7 million unfavorable to budget and \$537 thousand less than July 2022. Drainage service charges were \$218 thousand unfavorable to budget and \$175 thousand more than July 2022. Other operating revenues were \$767 thousand favorable to budget and \$696 thousand more than July 2022.

Service and administrative expenses were \$3.5 million favorable to budget and \$1.6 million more than July 2022. Year to date, service and administrative expenses were \$10.8 million favorable to budget.

Depreciation and amortization expenses were \$1.3 unfavorable to budget and \$944 thousand more than July 2022.

Investment income was \$81 thousand favorable to budget and \$76 thousand more than July 2022.

Interest expense was \$278 thousand favorable to budget and \$326 thousand more than July 2022.

Statement of Cash Flows (Draft)

Cash and cash equivalents increased \$1.2 million in July. Net cash provided by operating activities was \$14.7 million. Net cash used by capital-related financing activities was \$18.8 million, primarily to fund ongoing construction. Net cash provided by investing activities was \$5.3 million as investments matured.

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FINANCIAL STATEMENTS – FISCAL YEAR 2023

Fiscal Year 2023 Comparative Statement of Net Position – Unaudited

Louisville & Jefferson County Metropolitan Sewer District				
Monthly Comparative Statement of Net Position				
Month Ended, June 30, 2023				
	YTD	YTD		
	Jun-2023	Jun-2022	Variance	Percent
Current Assets				
Unrestricted Cash & Cash Equivalents	\$135,722,370	\$118,628,843	\$17,093,527	14.41%
Sewer & Drainage Receivable	26,681,285	26,007,733	673,551	2.59%
Assessment Warrants Receivable	140,779	178,015	(37,235)	-20.92%
Miscellaneous Receivables	2,140,629	54,056	2,086,573	3860.02%
Inventories	5,811,597	5,262,281	549,316	10.44%
Prepaid Expenses	635,003	2,949,072	(2,314,068)	-78.47%
Restricted Funds	100,312,000	114,068,252	(13,756,252)	-12.06%
Accrued Interest Receivable	587,953	340,553	247,399	72.65%
Total Current Assets	272,031,616	267,488,805	4,542,811	1.70%
Non-Current Assets				
Utility Plant in Service	5,071,733,358	4,728,202,951	343,530,406	7.27%
Accumulated Depreciation	(1,669,119,373)	(1,568,376,422)	(100,742,951)	6.42%
Construction in Progress	309,372,032	420,199,585	(110,827,553)	-26.37%
Net Fixed Assets	3,711,986,017	3,580,026,115	131,959,902	3.69%
Non-Current Receivables	20,226,486	22,486,840	(2,260,354)	-10.05%
Total Assets	4,004,244,119	3,870,001,759	134,242,360	3.47%
Total Deferred Outflow of Resources	59,456,383	72,109,734	(12,653,351)	-17.55%
Total Assets & Deferred Outflow of Resources	4,063,700,502	3,942,111,493	121,589,009	3.08%
Current Liabilities				
Miscellaneous Accounts Payable	7,610,838	9,807,221	(2,196,383)	-22.40%
Accounts Payable - Construction	32,434,258	25,767,400	6,666,858	25.87%
Contract Retainage	6,271,641	4,696,652	1,574,989	33.53%
Accrued Interest Payable	17,894,575	16,622,219	1,272,356	7.65%
Current Maturities of Bonds Payable	52,375,000	52,880,000	(505,000)	-0.95%
Current Maturities of Subordinate Debt	10,240,340	2,547,532	7,692,808	301.97%
Deposits Payable	2,142,108	1,920,103	222,006	11.56%
Accrued Salaries & Wages	3,173,723	4,322,372	(1,148,649)	-26.57%
Accrued Workers' Comp Insurance	1,902,088	1,796,748	105,340	5.86%
Employee Comp Absences Payable	4,738,189	4,468,926	269,263	6.03%
Total Current Liabilities	138,782,760	124,829,173	13,953,588	11.18%
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	432,491,280	326,434,318	106,056,962	32.49%
Other Long-Term Liability	294,710,219	290,923,262	3,786,956	1.30%
Total Non-Current Liabilities	2,879,136,498	2,845,762,580	33,373,919	1.17%
Total Liabilities	3,017,919,259	2,970,591,752	47,327,506	1.59%
Total Deferred Inflow of Resources	40,847,211	48,488,863	(7,641,652)	-15.76%
Total Liabilities & Deferred Inflow of Resources	3,058,766,469	3,019,080,615	39,685,854	1.31%
Net Position	1,004,934,033	923,030,878	81,903,155	8.87%
Total Liabilities, Deferred Inflow of Resources and Net Position	4,063,700,502	3,942,111,493	121,589,009	3.08%

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Fiscal Year 2023 Statement of Revenues, Expenses & Change in Net Position – Unaudited

Louisville & Jefferson County Metropolitan Sewer District							
Monthly Statement of Revenues, Expenses, and Changes in Net Position							
Month Ended, June 30, 2023							
	YTD	YTD	YTD	% YTD	YTD	YTD	% YTD
	Actual	Budget	Variance	Variance	Prior Year	Variance	Variance
Wastewater Charges							
Residential	\$ 167,136,256	\$ 163,442,860	\$ 3,693,396	2.3%	\$ 156,763,661	\$ 10,372,594	6.6%
Commercial	94,538,049	90,478,074	4,059,975	4.5%	86,009,714	8,528,334	9.9%
Industrial	24,937,506	24,802,376	135,130	0.5%	23,558,187	1,379,319	5.9%
Other Wastewater	9,156,342	7,578,551	1,577,791	20.8%	7,839,755	1,316,587	16.8%
Free Wastewater Charges	(5,071,411)	(3,658,850)	(1,412,560)	38.6%	(4,105,277)	(966,133)	23.5%
Total Wastewater Charges	290,696,742	282,643,011	8,053,732	2.8%	270,066,040	20,630,702	7.6%
Drainage							
Residential	34,340,120	32,850,462	1,489,658	4.5%	31,496,707	2,843,413	9.0%
Commercial	52,461,926	51,646,186	815,740	1.6%	48,525,710	3,936,216	8.1%
Industrial	6,276,646	5,893,595	383,051	6.5%	5,670,621	606,024	10.7%
Other Stormwater	4,274,503	3,899,027	375,476	9.6%	3,802,799	471,704	12.4%
Free Stormwater Charges	(2,887,198)	(2,690,267)	(196,930)	7.3%	(2,691,580)	(195,618)	7.3%
Total Drainage Charges	94,465,996	91,599,003	2,866,993	3.1%	86,804,258	7,661,739	8.8%
Total Service Charges	385,162,739	374,242,014	10,920,725	2.9%	356,870,298	28,292,441	7.9%
Other Operating Income	6,863,253	4,666,916	2,196,337	47.1%	8,497,277	(1,634,024)	-19.2%
Total Operating Revenue	392,025,991	378,908,930	13,117,062	3.5%	365,367,575	26,658,417	7.3%
Operating Expenses							
Salaries & Wages	58,763,947	61,870,707	(3,106,759)	-5.0%	55,014,040	3,749,907	6.8%
Labor Related Overhead	29,836,555	28,827,357	1,009,198	3.5%	35,263,179	(5,426,624)	-15.4%
Utilities	18,837,916	17,696,279	1,141,637	6.5%	16,594,938	2,242,978	13.5%
Materials & Supplies	6,825,634	8,831,022	(2,005,388)	-22.7%	8,012,063	(1,186,429)	-14.8%
Contractual Services	33,614,678	36,098,276	(2,483,598)	-6.9%	31,287,858	2,326,820	7.4%
Chemicals	7,598,917	9,254,919	(1,656,002)	-17.9%	6,904,857	694,060	10.1%
Fuel	1,694,213	2,115,908	(421,695)	-19.9%	1,657,915	36,298	2.2%
Insurance Premiums & Claims	7,596,801	6,277,446	6,277,446	21.0%	7,215,890	380,911	5.3%
Bad Debt	3,045,867	3,535,292	(489,425)	-13.8%	6,421,528	(3,375,661)	-52.6%
Other Operating Expense	2,033,030	2,161,073	(128,043)	-5.9%	1,496,604	536,426	35.8%
Mapping/Insurance Recovery	-	-	-	0.0%	-	0	0.0%
Capitalized Overhead	(41,151,099)	(42,400,393)	1,249,294	-2.9%	(42,165,667)	1,014,568	-2.4%
Capital Expenses (over)/under applied							
Net Service and Administrative Costs	128,696,459	134,267,885	(5,571,426)	-4.1%	127,703,205	993,255	0.8%
Depreciation	110,168,415	103,460,004	6,708,411	6.5%	102,443,760	7,724,655	7.5%
Amortization	2,463,203	1,692,901	770,302	45.5%	1,520,241	942,962	62.0%
Total Depreciation/Amortization	112,631,618	105,152,905	7,478,713	7.1%	103,964,001	8,667,617	8.3%
Total Operating Expenses	241,328,078	239,420,790	1,907,288	0.8%	231,667,205	9,660,872	4.2%
Net Operating Income	150,697,914	139,488,140	11,209,774	8.0%	133,700,369	16,997,545	12.7%
Non-Operating Revenue (Expenses)							
Gain/Loss Disposal of Assets	(14,320,199)	-	(14,320,199)	0.0%	123,947	(14,444,146)	-11653.5%
Investment Income	19,117,892	11,524,800	7,593,092	65.9%	8,877,380	10,240,511	115.4%
Interest Expense	(94,408,182)	(103,795,173)	9,386,991	-9.0%	(88,300,164)	(6,108,018)	6.9%
Total Non-Operating Revenue (Expenses)	(89,610,490)	(92,270,373)	2,659,884	-2.9%	(79,298,837)	(10,311,653)	13.0%
Contributions	13,201,319.56	-	13,201,320	0.0%	9,571,440	(3,629,879)	37.9%
Change in Net Position Before Swaps	74,288,744	47,217,766	27,070,978	57.3%	63,972,973	(10,315,771)	16.1%
Change in Fair Value of Swaps	7,614,411	-	7,614,411	0.0%	11,293,230	3,678,819	-32.6%
Change in Net Position After Swaps	\$ 81,903,155	\$ 47,217,766	\$ 34,685,389	73.5%	\$ 75,266,203	\$ (6,636,952)	8.8%

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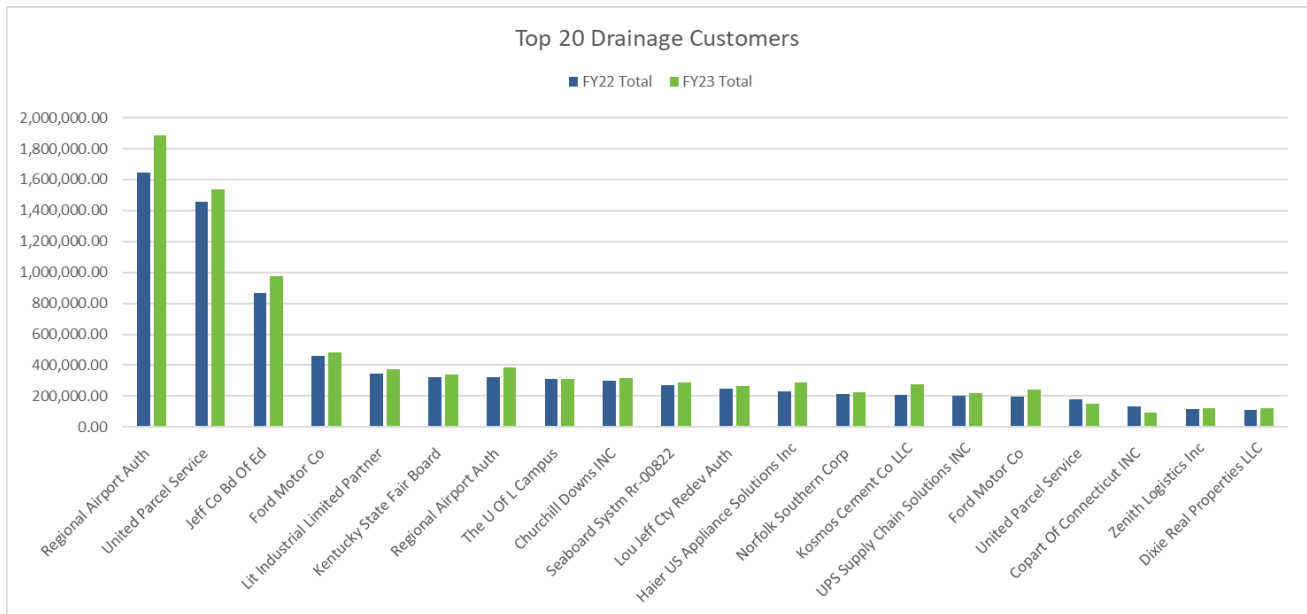
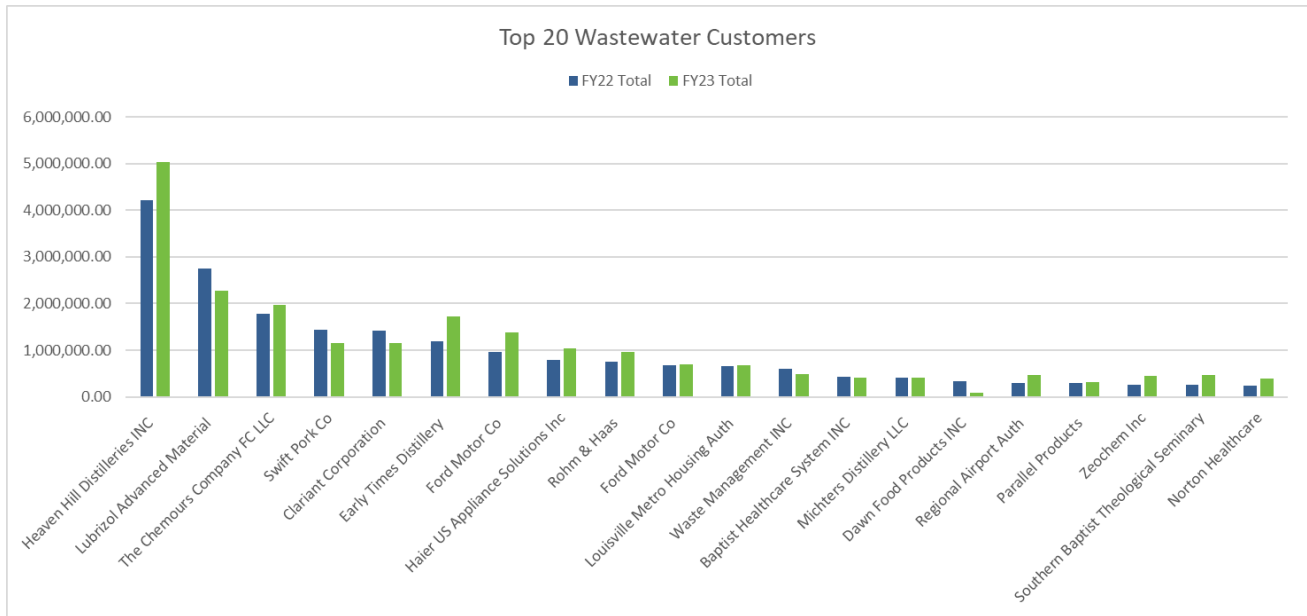
Fiscal Year 2023 Statement of Cash Flows – Unaudited

Louisville and Jefferson County Metropolitan Sewer District		
Statement of Cash Flows		
For the Year Ended, June 30, 2023		
	FY 2023 YTD	FY 2022 YTD
Cash Flows from Operating Activities		
Cash received from customers	\$ 389,490,373	\$ 362,992,284
Cash paid to suppliers	(109,278,101)	(112,467,463)
Cash paid to employees	(59,643,334)	(54,350,898)
Net Cash Provided by Operating Activities	220,568,938	196,173,923
Cash Flows from Capital and Related Financing Activities		
Proceeds from issuance of revenue bonds	-	248,821,124
Proceeds from issuance of bond anticipation note	229,468,019	232,924,231
Proceeds from issuance of commercial paper	595,000,000	375,000,000
Proceeds from issuance of other subordinated debt	1,282,303	7,824,445
Payments for retirement of revenue bonds	(57,455,017)	(55,497,021)
Payments for retirement of bond anticipation note	(226,340,000)	(226,340,000)
Payments for retirement of commercial paper	(480,000,000)	(475,000,000)
Payments for retirement of other subordinated debt	(2,532,532)	(1,926,493)
Payments for interest expense	(105,667,342)	(103,135,778)
Payments for interest on swaps	(3,987,928)	(9,501,841)
Build America bond interest subsidy	11,349,795	10,344,206
Proceeds from capital grants	1,436,189	2,610,298
Proceeds from sale of capital assets	-	123,947
Payments for capital assets	(188,757,958)	(182,495,171)
Proceeds from assessments	1,955,793	3,377,952
Net Cash Provided (Used) by Capital and Related Financing	(224,248,678)	(172,870,101)
Cash Flows from Investing Activities		
Purchase of investments	(142,893,754)	(127,427,249)
Maturity of investments	160,467,928	71,789,235
Investment income	6,037,265	2,202,753
Net Cash Provided (Used) by Investing Activities	23,611,439	(53,435,261)
Net Increase (Decrease) in Cash and Cash Equivalents	19,931,699	(30,131,440)
Cash and Cash Equivalents, Beginning of Year	71,854,356	101,985,796
Cash and Cash Equivalents, End of Year	\$ 91,786,055	\$ 71,854,356
Reconciliation of Operating Income to Net Cash provided by Operating Activities		
Income from operations	\$ 150,697,914	\$ 133,445,147
Adjustments to reconcile operating income to net cash provided by operating activities		
Capitalized overhead	(41,151,099)	(42,165,667)
Depreciation and amortization	112,631,618	104,219,223
Accounts receivable	(2,757,624)	(1,538,777)
Inventories	(549,316)	(176,193)
Prepaid expense	2,314,068	3,206,456
Accounts payable	(2,196,383)	(8,538,200)
Customer deposits	222,005	(836,514)
Accrued liabilities	(774,045)	(166,228)
Pension liability	(1,630,824)	7,070,825
OPEB liability	3,762,624	1,653,851
Net Cash Provided by Operating Activities	\$ 220,568,938	\$ 196,173,923
Non-Cash Capital Financing and Investing Activities		
Contribution of plant, lines and other facilities by developers and property owners	\$ 11,942,837	\$ 6,909,247
Construction costs in accounts payable	38,705,898	30,464,052
Change in fair value of investments	(2,039,815)	3,587,153
Decrease in interest rate swap deferred revenue	474,410	496,951
Change in fair value - swap agreements	7,614,411	11,293,230
Bonds issued for refunding of debt	91,695,000	246,555,000

MONTHLY EXECUTIVE REPORT

July 31, 2023

TOP 20 CUSTOMERS – FISCAL YEAR 2023



MONTHLY EXECUTIVE REPORT
July 31, 2023

FINANCIAL STATEMENTS – FISCAL YEAR 2024

Fiscal Year 2024 Comparative Statement of Net Position

Louisville & Jefferson County Metropolitan Sewer District Monthly Comparative Statement of Net Position Month Ended, July 31, 2023				
	YTD Jul-2023	YTD Jul-2022	Variance	Percent
Current Assets				
Unrestricted Cash & Cash Equivalents	\$120,004,325	\$113,844,415	\$6,159,910	5.41%
Sewer & Drainage Receivable	27,284,303	30,627,086	(3,342,783)	-10.91%
Assessment Warrants Receivable	131,047	177,020	(45,973)	-25.97%
Miscellaneous Receivables	3,159,841	835,653	2,324,188	278.13%
Inventories	5,745,861	5,149,683	596,178	11.58%
Prepaid Expenses	7,922,018	8,669,362	(747,344)	-8.62%
Restricted Funds	112,197,180	126,683,594	(14,486,414)	-11.44%
Accrued Interest Receivable	587,953	340,553	247,399	72.65%
Total Current Assets	277,032,527	286,327,367	(9,294,840)	-3.25%
Non-Current Assets				
Utility Plant in Service	5,074,725,255	4,729,094,519	345,630,736	7.31%
Accumulated Depreciation	(1,679,209,544)	(1,577,525,216)	(101,684,328)	6.45%
Construction in Progress	321,736,547	423,716,861	(101,980,314)	-24.07%
Net Fixed Assets	3,717,252,258	3,575,286,164	141,966,094	3.97%
Non-Current Receivables	20,044,813	22,324,918	(2,280,105)	-10.21%
Total Assets	4,014,329,599	3,883,938,449	130,391,150	3.36%
Total Deferred Outflow of Resources	59,316,076	71,792,427	(12,476,351)	-17.38%
Total Assets & Deferred Outflow of Resources	4,073,645,675	3,955,730,876	117,914,799	2.98%
Current Liabilities				
Miscellaneous Accounts Payable	10,372,144	7,102,638	3,269,507	46.03%
Accounts Payable - Construction	12,811,478	17,014,551	(4,203,073)	-24.70%
Contract Retainage	7,617,721	5,158,558	2,459,163	47.67%
Accrued Interest Payable	25,632,623	24,947,998	684,625	2.74%
Current Maturities of Bonds Payable	52,375,000	52,880,000	(505,000)	-0.95%
Current Maturities of Subordinate Debt	10,240,340	2,547,532	7,692,808	301.97%
Deposits Payable	1,868,222	1,942,503	(74,280)	-3.82%
Accrued Salaries & Wages	3,822,000	3,083,757	738,243	23.94%
Accrued Workers' Comp Insurance	1,902,088	1,796,748	105,340	5.86%
Employee Comp Absences Payable	4,551,515	4,356,447	195,069	4.48%
Total Current Liabilities	131,193,133	120,830,731	10,362,401	8.58%
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	442,491,280	336,434,318	106,056,962	31.52%
Other Long-Term Liability	292,526,633	293,657,883	(1,131,250)	-0.39%
Total Non-Current Liabilities	2,886,952,913	2,858,497,200	28,455,712	1.00%
Total Liabilities	3,018,146,045	2,979,327,932	38,818,114	1.30%
Total Deferred Inflow of Resources	29,729,681	44,646,011	(14,916,330)	-33.41%
Total Liabilities & Deferred Inflow of Resources	3,047,875,727	3,023,973,943	23,901,784	0.79%
Net Position	1,025,769,948	932,012,155	93,757,793	10.06%
Total Liabilities, Deferred Inflow of Resources and Net Position	4,073,645,675	3,955,986,098	117,659,577	2.97%

MONTHLY EXECUTIVE REPORT

July 31, 2023

Fiscal Year 2024 Statement of Revenues, Expenses & Change in Net Position

Louisville & Jefferson County Metropolitan Sewer District							
Monthly Statement of Revenues, Expenses, and Changes in Net Position							
Month Ended, July 31, 2023							
	YTD	YTD	YTD	% YTD	YTD	YTD	% YTD
	Actual	Budget	Variance	Variance	Prior Year	Variance	Variance
Wastewater Charges							
Residential	\$ 13,411,683	\$ 14,569,329	\$ (1,157,646)	-7.9%	\$ 13,614,334	\$ (202,651)	-1.5%
Commercial	8,811,620	9,246,363	(434,744)	-4.7%	9,035,014	(223,394)	-2.5%
Industrial	2,086,825	2,200,833	(114,008)	-5.2%	2,128,843	(42,018)	-2.0%
Other Wastewater	1,012,978	1,207,407	(194,429)	-16.1%	1,366,453	(353,476)	-25.9%
Free Wastewater Charges	(702,463)	(862,484)	160,021	-18.6%	(986,925)	284,462	-28.8%
Total Wastewater Charges	24,620,642	26,361,448	(1,740,806)	-6.6%	25,157,720	(537,078)	-2.1%
Drainage							
Residential	2,580,267	2,602,426	(22,160)	-0.9%	2,526,217	54,049	2.1%
Commercial	4,173,055	4,421,288	(248,233)	-5.6%	4,131,245	41,810	1.0%
Industrial	527,296	513,050	14,246	2.8%	467,071	60,226	12.9%
Other Stormwater	285,647	293,397	(7,750)	-2.6%	302,218	(16,571)	-5.5%
Free Stormwater Charges	(138,341)	(183,526)	45,184	-24.6%	(174,539)	36,198	-20.7%
Total Drainage Charges	7,427,924	7,646,636	(218,713)	-2.9%	7,252,213	175,711	2.4%
Total Service Charges	32,048,566	34,008,084	(1,959,518)	-5.8%	32,409,933	(361,367)	-1.1%
Other Operating Income	1,142,936	376,052	766,884	203.9%	446,586	696,350	155.9%
Total Operating Revenue	33,191,502	34,384,136	(1,192,634)	-3.5%	32,856,519	334,983	1.0%
Operating Expenses							
Salaries & Wages	4,835,060	5,366,432	(531,371)	-9.9%	4,581,648	253,412	5.5%
Labor Related Overhead	2,334,750	2,258,589	76,161	3.4%	1,626,712	708,038	43.5%
Utilities	983,174	1,452,166	(468,992)	-32.3%	1,344,862	(361,688)	-26.9%
Materials & Supplies	564,974	790,576	(225,601)	-28.5%	522,204	42,771	8.2%
Contractual Services	2,234,167	3,964,400	(1,730,233)	-43.6%	1,376,607	857,561	62.3%
Chemicals	430,645	927,870	(497,226)	-53.6%	357,363	73,282	20.5%
Fuel	125,226	176,021	(50,794)	-28.9%	158,300	(33,074)	-20.9%
Insurance Premiums & Claims	632,045	611,235	20,810	3.4%	584,276	47,769	8.2%
Bad Debt	278,555	293,874	(15,319)	-5.2%	350,000	(71,445)	-20.4%
Other Operating Expense	208,312	308,582	(100,270)	-32.5%	53,392	154,919	290.2%
Mapping/Insurance Recovery	-	-	-	0.0%	-	0	0.0%
Capitalized Overhead	(3,411,771)	(3,660,848)	249,077	-6.8%	(2,543,825)	(867,946)	34.1%
Capital Expenses (over)/under applied							
Net Service and Administrative Costs	9,215,137	12,488,897	(3,273,760)	-26.2%	8,411,538	803,599	9.6%
Depreciation	9,973,270	8,083	9,965,187	123280.7%	9,029,127	944,143	10.5%
Amortization	206,881	0	206,881	0.0%	130,778	76,103	58.2%
Total Depreciation/Amortization	10,180,151	8,083	10,172,068	125840.0%	9,159,904	1,020,247	11.1%
Total Operating Expenses	19,395,288	12,496,980	6,898,308	55.2%	17,571,442	1,823,846	10.4%
Net Operating Income	13,796,214	21,887,156	(8,090,942)	-37.0%	15,285,077	(1,488,863)	-9.7%
Non-Operating Revenue (Expenses)							
Gain/Loss Disposal of Assets	129,113	-	129,113	0.0%	-	129,113	0.0%
Investment Income	1,256,830	960,400	296,430	30.9%	1,284,255	(27,425)	-2.1%
Interest Expense	(6,979,430)	(7,382,145)	402,716	-5.5%	(7,343,756)	364,326	-5.0%
Total Non-Operating Revenue (Expenses)	(5,593,487)	(6,421,745)	828,259	-12.9%	(6,059,501)	466,014	-7.7%
Contributions	98,649.38	-	98,649	0.0%	-	(98,649)	0.0%
Change in Net Position Before Swaps	8,301,377	15,465,411	(7,164,034)	-46.3%	9,225,576	924,199	-10.0%
Change in Fair Value of Swaps	12,534,539	-	12,534,539	0.0%	(245,242)	(12,779,781)	-5211.1%
Change in Net Position After Swaps	\$ 20,835,916	\$ 15,465,411	\$ 5,370,505	34.7%	\$ 8,980,334	\$ (11,855,582)	132.0%

MONTHLY EXECUTIVE REPORT

July 31, 2023

Fiscal Year 2024 Statement of Cash Flows

Louisville and Jefferson County Metropolitan Sewer District		
Statement of Cash Flows		
For the Month Ended, July 31, 2023		
	FY 2024 YTD	FY 2023 YTD
Cash Flows from Operating Activities		
Cash received from customers	\$ 27,477,969	\$ 25,674,067
Cash paid to suppliers	(14,685,991)	(14,418,908)
Cash paid to employees	(5,932,742)	(5,448,626)
Net Cash Provided by Operating Activities	6,859,236	5,806,533
Cash Flows from Capital and Related Financing Activities		
Proceeds from issuance of revenue bonds	-	-
Proceeds from issuance of bond anticipation note	-	-
Proceeds from issuance of commercial paper	20,000,000	35,000,000
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	(10,000,000)	(20,000,000)
Payments for retirement of notes	-	-
Payments for retirement of other subordinated debt	-	-
Payments for interest expense	(51,392)	203,957
Payments for interest on swaps	(607,007)	(1,039,058)
Build America bond interest subsidy	915,513	865,950
Proceeds from capital grants	-	-
Proceeds from sale of capital assets	-	-
Payments for capital assets	(14,768,701)	(21,510,706)
Proceeds from assessments	71,167	116,144
Net Cash Provided (Used) by Capital and Related Financing	(4,440,420)	(6,363,713)
Cash Flows from Investing Activities		
Purchase of investments	(13,395,155)	(44,979,444)
Maturity of investments	14,559	26,000,000
Investment income	100,202	27,719
Net Cash Provided (Used) by Investing Activities	(13,280,394)	(18,951,725)
Net Increase (Decrease) in Cash and Cash Equivalents	(10,861,578)	(19,508,905)
Cash and Cash Equivalents, Beginning of Year	71,854,355	101,985,796
Cash and Cash Equivalents, End of Year	\$ 60,992,777	\$ 82,476,891
Reconciliation of Operating Income to Net Cash provided by Operating Activities		
Income from operations	\$ 15,285,613	\$ 12,769,854
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	9,159,368	8,277,126
Capitalized Overhead	(2,543,825)	-
Accounts receivable	(5,400,950)	(4,185,126)
Inventories	112,597	(7,330)
Prepaid expense	(5,720,290)	(900,441)
Accounts payable	(2,704,583)	(9,197,872)
Customer deposits	22,400	241,626
Accrued liabilities	(1,351,094)	(1,191,304)
Pension liability	-	-
OPEB liability	-	-
Net Cash Provided by Operating Activities	\$ 6,859,236	\$ 5,806,533
Non-Cash Capital Financing and Investing Activities		
Contribution of plant, lines and other facilities by developers and property owners	\$ -	\$ -
Construction costs in accounts payable	22,173,109	28,796,644
Change in fair value of investments	(176,116)	(53,491)
Decrease in interest rate swap deferred revenue	(41,413)	41,413
Change in fair value - swap agreements	245,242	6,088
Bonds issued for refunding of debt	-	-

MONTHLY EXECUTIVE REPORT
July 31, 2023

SUPPLEMENTAL FINANCIAL REPORTING

Revenue by Customer Class

	Number of Customers		Revenue by Customer Class		Budget By Customer Class	
	Jul-2023	Jul-2022	Jul-2023	Jul-2022	Jul-2023	Jul-2022
Wastewater						
Residential	236,110	234,309	13,411,683	13,614,334	14,569,329	13,526,842
Commercial	21,892	21,832	8,811,620	9,035,014	9,246,363	8,316,956
Industrial	394	397	2,086,825	2,128,843	2,200,833	2,022,765
Sub-Total	258,396	256,538	24,310,127	24,778,191	26,016,525	23,866,563
Drainage						
Residential	210,320	209,080	2,580,267	2,526,217	2,602,426	2,374,387
Commercial	13,939	14,000	4,173,055	4,131,245	4,421,288	3,804,081
Industrial	278	275	527,296	467,071	513,050	500,908
Sub-Total	224,537	223,355	7,280,618	7,124,534	7,536,765	6,679,376
Grand Total			\$ 31,590,746	\$ 31,902,725	\$ 33,553,290	\$ 30,545,939

Wastewater Revenue by County

	Number of Customers		Revenue by Customer Class		Budget by Customer Class	
	Jul-2023	Jul-2022	Jul-2023	Jul-2022	Jul-2023	Jul-2022
Jefferson County						
Residential	224,597	224,078	12,526,240	12,981,633	13,830,036	12,819,772
Commercial	21,512	21,491	8,661,093	8,868,364	9,076,264	8,180,293
Industrial	392	395	2,084,458	2,126,913	2,198,459	2,021,134
Sub-Total	246,501	245,964	23,271,791	23,976,911	25,104,760	23,021,199
Bullitt County						
Residential	4,578	3,832	275,717	258,209	305,131	221,693
Commercial	165	116	99,202	91,323	108,056	86,870
Industrial	1	1	2,277	1,930	2,283	1,541
Sub-Total	4,744	3,949	377,196	351,462	415,470	310,104
Oldham County						
Residential	6,935	6,399	609,725	374,492	434,162	485,377
Commercial	215	225	51,325	75,327	62,043	49,793
Industrial	1	1	90	-	90	90
Sub-Total	7,151	6,625	661,141	449,819	496,295	535,260
Grand Total			\$ 24,310,127	\$ 24,778,191	\$ 26,016,525	\$ 23,866,563

MONTHLY EXECUTIVE REPORT

July 31, 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 July 31, 2023.

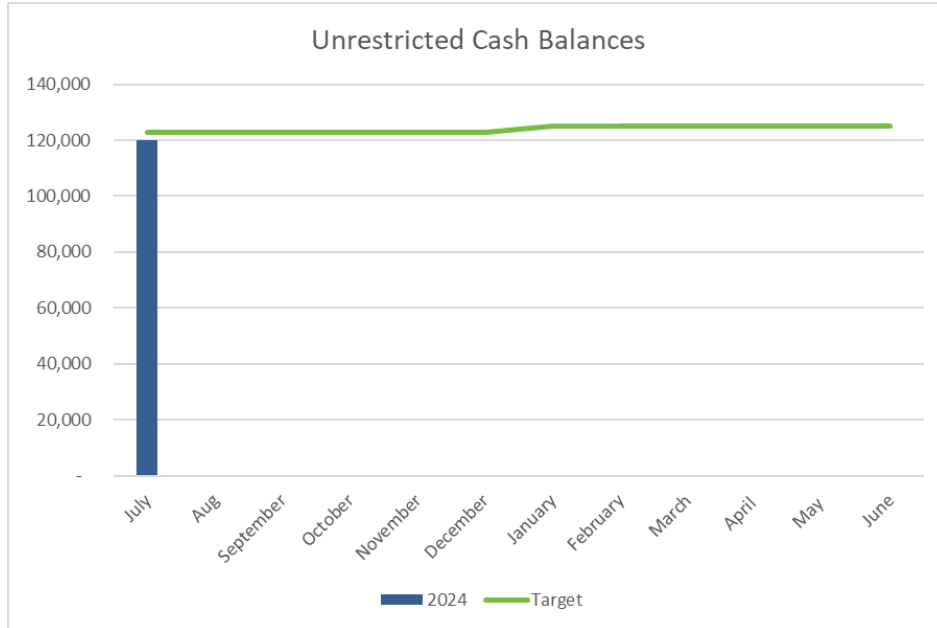
FY24 Headcount by Division			
	Budget Approved	Current Authorized	Filled
Administration			
Community Benefits & Partnerships	8	8	6
Customer Relations	21	21	14
Executive Offices	2	3	3
Government & Public Affairs	7	6	6
Innovation	5	3	2
Internal Audit	4	4	3
Records and Information Governance	9	9	8
Corporate	1	1	1
Engineering	102	98	89
Facilities, Safety & Security	39	36	29
Finance	21	22	18
Human Resources	21	21	19
Information Technology	33	33	29
Legal	12	10	8
Operations	519	505	449
Supply Chain & Economic Inclusion	27	27	23
Total Authorized Positions	831	807	707
*Excludes temporary & seasonal staff			

MONTHLY EXECUTIVE REPORT

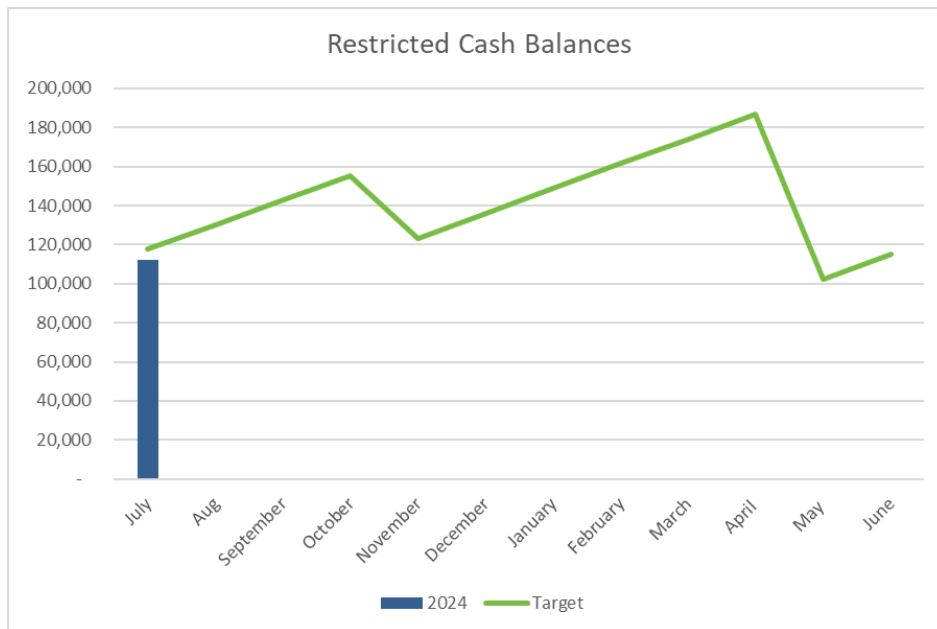
July 31, 2023

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.



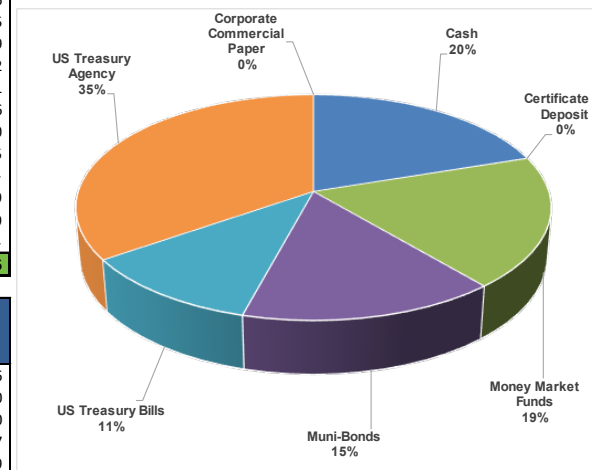
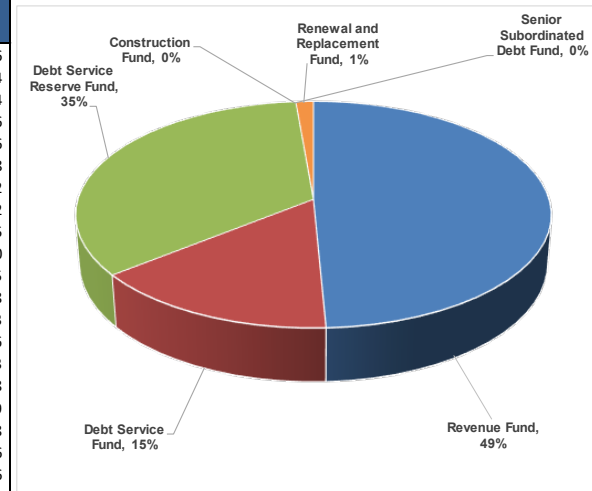
MONTHLY EXECUTIVE REPORT

July 31, 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	-	-	963,246	-	-	-	963,246
2009A	-	-	1,757,724	-	-	-	1,757,724
2009B	-	-	13,787,034	-	-	-	13,787,034
2009C	-	2,452,507	11,834,139	-	-	-	14,286,646
2010A	-	3,654,363	17,715,112	-	-	-	21,369,476
2013A	-	79	28,136,989	-	-	-	28,137,068
2013B	-	1,164,862	-	-	-	-	1,164,862
2013C	-	-	102,802	-	-	-	102,802
2014A	-	1,003,005	-	-	-	-	1,003,005
2015A	-	1,673,268	155,392	-	-	-	1,828,660
2015B	-	1,052,975	-	-	-	-	1,052,975
2016A	-	1,062,038	-	-	-	-	1,062,038
2016B	-	411,783	-	-	-	-	411,783
2016C	-	666	-	-	-	-	666
2017A	-	2,168,056	1,499,076	-	-	-	3,667,133
2017B	-	3,084,918	-	-	-	-	3,084,918
2018A	-	449,309	-	-	-	-	449,309
2020A	-	1,395,916	2,199,812	-	-	-	3,595,728
2020C	-	932,646	-	-	-	-	932,646
2021A	-	3,298,216	-	-	-	-	3,298,216
2022A	-	2,356,863	-	-	4	-	2,356,866
2022 BAN	2,930	7,122,745	-	-	-	-	7,125,675
2023A	-	498,219	-	-	-	-	498,219
2023B	-	348,612	-	-	-	-	348,612
CP 2018 A-1 & A-2	-	-	-	-	41	-	41
Cash	45,239,966	-	-	-	-	-	45,239,966
Certificate of Deposit	100,000	-	-	-	-	-	100,000
Money Market Funds	5,692,877	-	-	-	-	19,197	5,712,075
Muni-Bonds	-	-	-	-	-	-	-
US Treasury Bills	22,309,691	-	-	-	-	3,074,719	25,384,409
US Treasury Agency	38,676,429	-	-	-	-	-	38,676,429
Corporate Commercial Paper	-	-	-	-	-	-	-
Total	\$ 112,021,893	\$ 34,131,047	\$ 78,151,325	\$ -	\$ 45	\$ 3,093,916	\$ 227,398,226



Asset Description	Revenue Fund	Debt Service Fund	Debt Service Reserve Fund	Senior Subordinated Debt Fund	Construction Fund	Renewal and Replacement Fund	Total
Cash	45,242,896	-	-	-	-	-	45,242,896
Certificate of Deposit	100,000	-	-	-	-	-	100,000
Money Market Funds	5,692,877	34,131,047	3,081,613	-	45	19,197	42,924,780
Muni-Bonds	-	-	34,959,047	-	-	-	34,959,047
US Treasury Bills	22,309,691	-	-	-	-	3,074,719	25,384,409
US Treasury Agency	38,676,429	-	40,110,665	-	-	-	78,787,094
Corporate Commercial Paper	-	-	-	-	-	-	-
Total	\$ 112,021,893	\$ 34,131,047	\$ 78,151,325	\$ -	\$ 45	\$ 3,093,916	\$ 227,398,226

MONTHLY EXECUTIVE REPORT

July 31, 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	Redemption	United States Treasury Note	(5,425,000.00)

MONTHLY EXECUTIVE REPORT

July 31, 2023

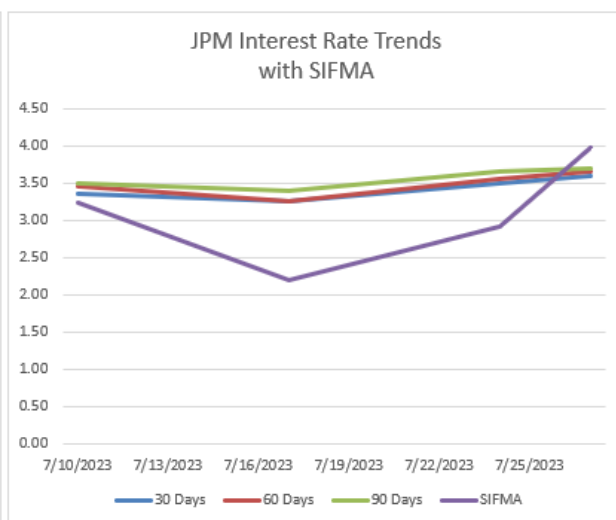
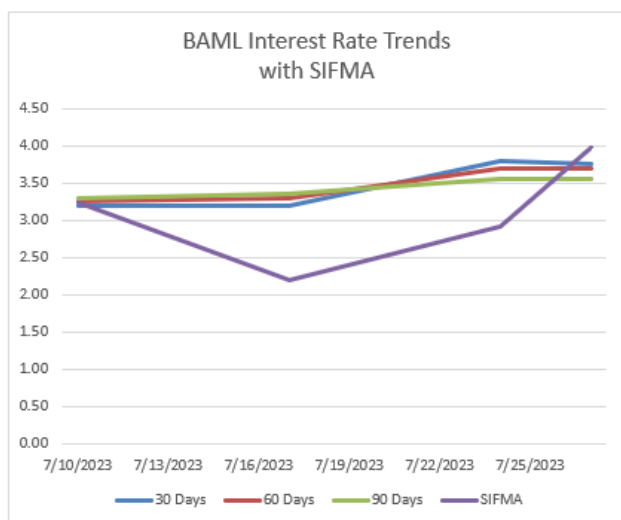
Commercial Paper Program Summary

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 July, we had three notes mature that were replaced with three new notes with an average rate of 3.25% and average terms of 30 days. In July, we issued one new \$10M note with an average rate of 3.70% and term of 28 days. In August, we have nine notes maturing totaling \$155M.

The CP Construction Fund balance as of July 31st, was \$40.77. Outstanding CP notes are currently split 48.6% with JP Morgan and 51.4% with Bank of America.

CP Issuance Details										
Currently Outstanding										
Issuance Date	CUSIP	Principal	Rate	Term (# of days)	Maturity Date	Dealer (JPM/BAML)	Interest Cost	New Issuance or Roll?	SIFMA Index	Spread over (under) SIFMA
6/21/2023	54660HAA8	20,000,000	3.50%	42	8/2/2023	JPM	80,547.95	Roll	3.04%	0.46%
6/21/2023	54660HAB6	20,000,000	3.50%	49	8/9/2023	JPM	93,972.60	Roll	2.81%	0.69%
6/21/2023	54660HAD2	20,000,000	3.53%	56	8/16/2023	JPM	108,317.81	Roll	3.86%	-0.33%
6/21/2023	54660HAE0	10,000,000	3.53%	63	8/23/2023	JPM	60,928.77	Roll	3.86%	-0.33%
6/26/2023	54660FAD6	20,000,000	3.60%	88	9/22/2023	BAML	173,589.04	New	4.18%	-0.58%
6/30/2023	54660HAF7	15,000,000	3.50%	32	8/1/2023	JPM	46,027.40	New	4.01%	-0.51%
7/12/2023	54660FAE4	20,000,000	2.85%	30	8/11/2023	BAML	46,849.32	Roll	3.20%	-0.35%
7/19/2023	54660FAF1	20,000,000	3.18%	30	8/18/2023	BAML	52,273.97	Roll	3.23%	-0.05%
7/26/2023	54660FAG9	20,000,000	3.73%	30	8/25/2023	BAML	61,315.07	Roll	2.91%	0.82%
7/28/2023	54660FAH7	10,000,000	3.70%	28	8/25/2023	BAML	28,383.56	New	3.98%	-0.28%
Currently Outstanding: \$ 175,000,000							\$ 752,205			

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. The approved budget was based upon total expenditures forecasted at that time for the projects anticipated to be active during the Fiscal Year July 1, 2023, through June 30, 2024.

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 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 estate, 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 \$11.5M 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 (for both Jefferson and Bullitt counties). This target, which will change as Management Reserve is utilized, better measures the progress of the working slate of projects. As of July 31, 2023, the Performance Budget Target is \$243.5M

FY24 capital expenditures for the Wastewater, Stormwater, and Support Services Programs totaled \$11.4M through July 31, 2023.

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.

Financial Category	Value	Comments
FY 2024 Budget Ceiling	\$254.8M	Approved by MSD Board
FY 2024 Performance Budget Target	\$243.3M	Budget Ceiling minus Mgmt. Reserve
FY 2024 Spending Projection		Will be reported in August MER
FY 2024 Actuals	\$11.4M	4.4% of Budget Ceiling

A breakdown of the monthly spend forecast as compared to actual spending is presented in the table below. Capital expense reflects total capital invoices received against purchase orders in the month.

FY24 Baseline and Actuals

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FY23	Monthly Baseline Performance Target *	Monthly Actuals
July 2023	---	\$ 11.4M
August 2023		
September 2023		
October 2023		
November 2023		
December 2023		
January 2024		
February 2024		
March 2024		
April 2024		
May 2024		
June 2024		
FY23 Performance Budget Target		\$ 11.4M

* Will be presented in August Monthly Executive Report

Challenges to CIP Execution

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

Construction bids

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

Supply-Chain Project Impacts

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

Third-Party Coordination Impacts

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

MONTHLY PROJECT ACTIVITIES

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

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

A summary of the status of projects active during the reporting period will be reported in the August Monthly Executive Report.

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

Emergency	Funding Source	Start Date	Emergency Certificate Amount (\$)	Contractor
MF Sed Basin 2 Repair	D21021	8/17/2023	\$ 50,000	Padgett, Inc
Willabrook Air Lines	G24001	TBD	TBD	TBD
MFWQTC MEB East & West Freight Elevators	D23194	7/4/2023	\$ 500,000	Oracle Elevators
Tree Line Pump Station	G23001	6/2/2023	\$ 250,000	TEM Group
Liberty Street Sewer Replacement	E23172	2/13/2023	\$ 5,000,000	MAC Construction
3024 Hilltop Ct._Albrecht PS FM Repair	G23001	1/23/2023	\$ 50,000	Oliver Excavating
5th St FPS MCC's	F15012	12/22/2022	\$ 335,000	AES, Inc
BC ProLogis Treatment Plant	Y23098	10/10/2022	\$ 75,000	MAC Construction
Levee Repair at Western FPS	F21096	5/4/2022	\$ 75,000	MAC Construction
SGC Gates Replacement - Construction	H22022	4/1/2022	\$ 2,000,000	Pace Contracting, LLC
15th Street Sewer Repair	A22183	3/7/2022	\$ 500,000	Temple and Temple
MFWQTC LG Dryer Replacements	D20285	1/1/2020	\$ 69,668,264	Judy Construction

Projects Removed from Cashflow

Projects that have been removed from the cashflow are shown in the following table.

Projects Removed from Cashflow Forecast

Budget ID and Project Name	FY23 Budget (\$)	Lifetime Actuals	Reason
E21066 Pirogue PS Elimination	\$36,000	---	Interrupted. New sewer alignment adjustments.
D24024 FFWQTC UV Gates	\$258,000	---	Cancelled project.

CIP MANAGEMENT TEAM MEETING HIGHLIGHTS

MEETING PARTICIPANTS

Voting Members

Tony Parrott (present)
Angela Akridge (present)
Brian Bingham (present)
Brad Good (present)
David Johnson (present)

Technical Support Staff

Dan French (present)
Stephanie Laughlin (present)
John Loechle (present)
Yajaira Morphonios (present)
Wolffie Miller (present)
Greg Powell (present)
Jacquelyn Quarles (present)
Wes Sydnor (present)
Daymond Talley (present)
Marc Thomas (present)
Kellie Watson (present)

Latoya English (present)
Kevin Gibson (present)
Mike Griffith (present)
Dolly Smith (present)
Troy Smith (present)
Erin Wagoner (present)
Sharma Young (present)
Leisha Pica (present)

MEETING SUMMARY

Regulatory Discussion

Consent Decree Submittals. Discussion about solids and floatables report provided twice per year.

WQTC Permit Renewals. The following permits are in progress at various stages.

- Pioneer Village and Hillview
- CCWQTC
- FFWQTC
- HCWQTC
- Mockingbird public notice for Oldham County – nothing to report
- Ohio River application submitted for Oldham County
- MFWQTC

Mandated Projects

- Paddy's Run PS project in progress
- Gunpowder PSE – route to be presented to Chiefs
- Idlewood Inline Storage – substantially complete July 2023
- Monticello PSE on schedule to be substantially complete September 2023.

Agreed Order Projects. LLP noted MSD is progressing projects from State enforcement actions in Jefferson, Oldham, and Bullitt counties.

Other Regulatory Topics – Notice of Violations. MSD received next round of NOV's.

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FY24 CIP Progress and Discussion

The following topics were discussed related to the FY24 CIP.

Construction Advancement Requests. Ms. Morphonios presented the following for consideration by the CIP Mgt Team:

- HCWQTC Roof Replacement – EAC \$233K no FY24 impact

New Project Request. Ms. Morphonios presented the following for consideration by the CIP Mgt Team:

- Property Service Connection – EAC \$400k, FY24 Impact \$400k.
- USACE design agreement \$500k. This is the minimum payment to start design priorities. MSD already signed the agreement. APPROVED.
- FY24 OC Mgmt Reserve \$570k. APPROVED.

Emergencies. Emergency budget is low and some may carry-forward as work continues.

CHANGE MANAGEMENT ACTIVITIES

Notice of Advisement (NOA)

NOAs are intended to document any change to a project scope, schedule, and budget. A standardized electronic form has been created by the MSD Project Controls Team.

The table below lists the NOA's processed during the reporting period. In general, requests by staff tend to fall into the following categories:

- **New Projects Added to the CIP:** New projects that were not known at the time the CIP was under development and subsequently approved by MSD's Board. These projects are vetted by staff before funding is requested. Projects are only added to the CIP if funding is available from the CIP Management Reserve.
- **Projects with Schedule Adjustments:** As projects progress through a standard lifecycle, schedules are adjusted. The schedule dates and project duration are used in the cashflow forecast tool. As such, it is important to track and monitor schedule adjustments to the CIP projects.
- **Projects with EAC Adjustments:** As projects advance, the estimate at completion (EAC) is adjusted. Routine adjustments are made at the 30%, 60%, 90%, and Bid Award milestones.
- **Projects Deferred to a Future Year:** Some projects are deferred based upon new information, updated planning status, or to free up funds for other more pressing capital needs.

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Notice of Advisement Log for Reporting Month

ID	Project Name	Advisement Category	FY Impact	Status
614	Beargrass Interceptor Relief Rehabilitation	Project Status	---	Approved
615	Beckley Trace Property Purchase	New Project	\$250,000	Approved
616	Paddy's Run FPS Capacity Upgrade	EAC	---	Approved
617	USACE Design Agreement	Budget	\$500,000	Approved
618	Cedar Creek Main Interceptor Rehabilitation	Project Status	---	Approved
619	Mill Creek Watershed Plan	Budget	\$30,000	Approved
620	Peabody Gate Structure Rehabilitation	EAC	---	Approved
621	Floyds Fork Ecosystem Restoration	New Project	---	Approved
622	319 Mill Creek Watershed Planning	New Project	---	Approved
623	FY24 Development Infrastructure Support	Budget, EAC	\$85,000	Approved
624	Catch Basin Rehab Odor Control	Project Name Change	---	Approved
625	Pirogue Court PS Elimination	Project Status	(\$36,000)	Approved
626	Ridge Recapture Project	New Project	---	Approved
627	SGC RTC Enhancements	Schedule	---	Approved
628	DRGWQTC Clarifier MCC Building Roof	Project Name change, Schedule,	\$57,000	Approved
630	Campbell St Lining Emergency Contract	New Project	\$725,000	Approved
631	Twin Lakes DIP	New Project	\$70,000	Approved
632	Western Outfall Infrastructure Rehabilitation	EAC	---	Approved
633	Santa Paula Lane DIP	New Project	\$50,000	Approved
634	2412 Determine Court DIP	New Project	\$65,000	Approved
635	Floodgate 33 Replacement	New Project	\$75,000	Approved
636	Starkey PS Hydraulic Actuator Replacement	New Project	\$220,000	Approved
637	HCWQTC Aeration Blower Building Roof Replacement	Construction Advancement	---	Approved
638	Taylor Boulevard RTC Decommissioning	New Project	\$40,000	Approved
639	FY24 OC Management Reserve	Budget	\$570,000	Approved
640	Pebble Point PS FM Repair	New Project	\$40,000	Approved

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ID	Project Name	Advisement Category	FY Impact	Status
642	BC Office Roof Replacement	Construction Advancement	(\$90,000)	Approved
643	PSC Program Support_FY24	New Project	\$400,000	Approved

Significant changes to budget regarding the Bullitt County FY24 budget will be reported in the August Monthly Executive Report.

PROCUREMENT ACTIVITIES

The table below presents the projects currently advertised. The bid dates represent anticipated dates and are subject to change via addendum.

Bid Openings Anticipated During August

Budget ID	Project Name	Bid Opening
D22213	CCWQTC Tertiary Filtration Improvements	8/3/2023
F23177	Beargrass Creek Flood Pumping Station Masonry Repair	8/3/2023
D23167	MFWQTC Dechlorination Building Roof Replacement	8/1/2023

Bid Openings

Bids opened during the reporting month are shown below.

Budget ID	Project Name	Bid Opening
C24008	Westeria Landing DIP	7/18/2023
C24003	509 Blankenbaker Ln DIP Redesign	7/18/2023
H23179	CSO 140 Outfall Line	7/13/2023
D23166	MFWQTC Activated Sludge Building Roof Replacement	7/6/2023

END OF REPORT