



**Fiscal Year 2025 Adopted Budget  
July 1, 2024 – June 30, 2025  
Louisville/Jefferson County  
Metropolitan Sewer District  
Louisville, KY**









*Louisville has an abundance of waterways that provide opportunities for people to relax and connect to nature.*

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
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**Louisville and Jefferson County Metropolitan Sewer  
District  
Kentucky**

For the Fiscal Year Beginning

**July 01, 2023**

*Christopher P. Morill*

**Executive Director**

Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Louisville and Jefferson County Metropolitan Sewer District, for its fiscal year 2024 Budget for the fiscal year beginning July 1, 2023. In order to receive this award, a government unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of fiscal year 2024 only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

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*The following Budget Report is prepared and used by Louisville/Jefferson County MSD for purposes of communicating its annually adopted budget to customers and elected officials. The Report is not prepared to help investors decide whetherto purchase or sell financial obligations of Louisville/Jefferson County 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 Report a recommendation to purchase or sell financial obligations of Louisville/Jefferson County MSD. The Report does not present a complete summary of Louisville/Jefferson County MSD's financial or operational position to investors and should not be used in that manner.*



## Introduction

*Our Vision:  
The Innovative Regional Utility for Safe, Clean Waterways*



*Waterfront Park and the Ohio River create an inviting “front door” for community celebrations, large and small.*

### Message from the Executive Director

I am pleased to present the Louisville/Jefferson County Metropolitan Sewer District budget for the fiscal year 2025. Providing three utility services in one agency makes us a cornerstone protector of health and safety, and both an enabler and driver of economic activity throughout our service area.

Our Flood Protection and Stormwater Drainage services protect life and property from rising waters. Our Water Quality Treatment Centers preserve health by safely moving wastewater from homes and businesses and rendering it safe for return to the Ohio River. This budget addresses the latest priorities for upgrading, maintaining, and advancing the infrastructure and people needed to continue those services at high levels. Several major capital projects underway highlight those priorities in a \$298 million capital spending plan for the year. Largest among those is continuing work on a \$255 million project to upgrade our Morris Forman Water Quality Treatment Center including replacing the aging biosolids processing facility with a new state of the art operation. Nearly as large, and no less important, is the \$230 million project to replace our Paddy’s Run Flood Pump Station.

The Paddy’s Run station, built in 1953 and still running on original parts for which there are no longer replacements, is a major part of the flood protection system that protects 216,000 people, 87,000 structures, and \$33 billion in property. The replacement will more than double pumping capacity from the current 875 million gallons per day to 1.9 billion gallons per day.

We also plan to select a progressive design-build contractor partner by the end of fiscal year 2025 to begin work on a large diameter Upper Middle Fork Pump Station and Conveyance project. This project, estimated at approximately \$130 million, will provide storage capacity of 35 million gallons to prevent sanitary sewer overflows and replace the existing Upper Middle Fork Pump Station.



A major quality of life project is underway with our plan to replace 422 catch basins across five neighborhoods by the end of 2025 and many more in the years to follow. The replacements will swap out untrapped catch basins with trap equipped basins, enabling them to greatly reduce the escape of sewer odors into the surrounding areas.

### *Rates for Fiscal Year 2025*

The rate proposals in the fiscal year 2025 budget will add \$4.69 to the average monthly residential bill in Jefferson County (wastewater & drainage), \$8.47 to the average monthly residential bill in Bullitt County (wastewater only) and \$3.74 to the average monthly residential bill in Oldham County (wastewater only).

MSD recognizes that the affordability of the essential services it provides continues to be a concern for many. Utility rates have been under pressure in recent years as the industry addresses aging infrastructure & complies with Consent Decrees in many major population centers nationwide. MSD continues to meet our commitments while understanding that the adverse market conditions affecting us, affect our customers as well. The fiscal year 2025 budget provides over \$1.9 million in funding for MSD's customer assistance programs. Additionally, customized payment plans are available for MSD customers through our partnership with the Louisville Water Company.

### *Operations Outlook for Fiscal Year 2025*

MSD's operating budget for fiscal year 2025 totals \$202.6 million. Labor costs are the most significant driver in the operating budget. Over the last two budget cycles, MSD has added 41 positions to its Operations staff. These positions are necessary, in part, to maintain and operate new infrastructure assets including the Waterway Protection Tunnel and other stormwater retention basins that were constructed in response to MSD's Consent Decree to eliminate sewer overflows. We have developed mechanical and electrical apprenticeship programs. Fifteen new apprentice positions have been filled and the fiscal year 2025 budget includes funding for five additional apprentice positions. Additionally, the fiscal year 2025 budget includes funding for seven new positions that will be part of our response to system odors. Finally, medical insurance premiums are expected to increase 14 percent in fiscal 2025. The 2025 operating budget includes a management reserve of \$1 million to provide funding for contingencies as needed.

### *Summary*

This budget, and the priorities it supports, demonstrates our ongoing commitment to preserving safe, clean waterways in the Louisville region as responsible stewards of the environment and of ratepayer dollars. I would like to thank all at MSD who participated in the preparation of this budget, along with the Executive Leadership Team and the Board of Directors for their guidance throughout the process.

James A. Parrott  
Executive Director

## Fiscal Year 2024 Review

MSD continued to make progress in its vision to become the innovative, region utility for safe, clean waterways. The organization successfully migrated all historical financial data to the SAP S/4 HANA system which positions our utility to take advantage of new technologies to improve our budgetary and financial reporting capabilities. Innovative responses to chronic staffing shortages have continued to pay dividends with the graduation of the 1<sup>st</sup> Cohort from our mechanical apprenticeship program in August providing 5 certified Maintenance & Reliability Technicians to fill vacant Maintenance Mechanic II positions. The National Association of Clean Water Agencies (NACWA) once again recognized the transformative work MSD is doing daily. Most recently MSD received the National Environmental Achievement Public Service Award for our Community Benefits Program and the Public Information & Education: E-Media Award for the cIAIRity Program. MSD was also the recipient of the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting Award for the Fiscal Year 2023 Annual Comprehensive Financial Report and the Distinguished Budget Presentation Award for the Fiscal Year 2024 Budget.

MSD's investment in the community was on display by the opening of Alberta Jones Park in November 2023 on land donations made by MSD to Louisville Metro Government. Named for pioneering attorney and civil rights activist Alberta Odell Jones, and located in the California neighborhood, this greenspace boasts a musical themed playground, pavilion, and offers free wi-fi to visitors.

On May 15, 2024, MSD closed on a property located at 1600 West Hill Street that is set to become its new Main Office. The new facility will provide onsite parking for all employees, a fenced in greenspace with walking path, and an additional 50,000 square feet of office space compared to its current location in downtown Louisville. In addition to providing adequate space for future organizational growth, MSD will become an anchor tenant in economic revitalization efforts in the Parkhill neighborhood.

Fiscal year 2024 Operating Income is expected to finish over the budgetary projection. A 6.9 percent rate increase to wastewater and drainage charges took effect on August 1, 2023, for Jefferson County customers. Wastewater revenues are expected to finish \$2.2 million above budget. Drainage service charges are expected to finish \$894 thousand below budget. Other Operating Income is expected to finish \$5 million above budget.

<b>Operating Income - Jefferson County</b>		
<i>Dollars in 000's</i>		
	<b>FY24 Budget</b>	<b>FY24 Forecast</b>
Wastewater Service Charges	\$ 292,061	\$ 289,769
Drainage Service Charges	98,524	97,630
Other Operating Income	4,000	9,070
<b>Total Operating Income</b>	<b>\$ 394,585</b>	<b>\$ 396,469</b>

On August 1, 2023, MSD's wastewater rates for Oldham County customers were adjusted to \$74.68 per month based on an average usage of 4,000 gallons of water monthly in accordance with the terms of the Interlocal Agreement reached with the Oldham County Fiscal Court and the Oldham County Environmental Authority. Oldham County wastewater revenues are expected to finish \$46,000 below budget for fiscal year 2024.

<b>Operating Income - Oldham County</b>		
<i>Dollars in 000's</i>		
	<b>FY24 Budget</b>	<b>FY24 Forecast</b>
Wastewater Service Charges	\$ 7,025	\$ 6,979
Other Operating Income	350	350
<b>Total Operating Income</b>	<b>\$ 7,375</b>	<b>\$ 7,329</b>

On January 1, 2024, MSD's wastewater rates for Bullitt County customers increased 12 percent in accordance with the terms of the Interlocal Agreement reached with the Bullitt County Fiscal Court and Bullitt County Sanitation District. Bullitt County wastewater revenues for fiscal year 2024 are expected to finish \$225,000 below budget.

<b>Operating Income - Bullitt County</b>				
<i>Dollars in 000's</i>				
	<b>FY24 Budget</b>		<b>FY24 Forecast</b>	
Wastewater Service Charges	\$	4,749	\$	4,474
Other Operating Income		150		200
<b>Total Operating Income</b>	<b>\$</b>	<b>4,899</b>	<b>\$</b>	<b>4,674</b>

Total Operating expenses for fiscal year 2024 are expected to finish \$4.1 million, or 2 percent, below budget. Salaries and Labor Related Overhead is anticipated to be \$1.3 million more than budget. Annual open enrollment for benefits occurs during the month of May making it difficult to accurately predict Labor Related Overhead expense before the following fiscal year's budget is approved by the Board. Utilities expense is expected to save \$2 million as weather conditions were favorable reducing run-time at pump stations throughout the district. Roughly 8% of the Contractual Services budget for fiscal year 2024 was comprised of software expense which requires special treatment under GASB 96. These Subscription Based Information Technology Assets are shown separately below and combined with Contractual Services, still represent a 2% savings in expenditures. Significant savings of \$2.1 million were realized in Chemicals as new technologies continue to improve usage rates. Overall, Operating and Maintenance expense is expected to finish \$5.4 million, or 6%, under budget. At the March 25, 2024, Board Meeting an amendment was approved to increase the Operating Budget by \$205,811. This amendment was made to address additional maintenance & operating costs related to the purchase of the new MSD main office building located at 1600 West Hill Street.

<b>FY24 Operating Budget Forecast</b>			
<i>Dollars in 000's</i>			
<b>Combined Service Area</b>			
	<b>FY24 Budget</b>	<b>FY24 Forecast</b>	<b>Budget/ Forecast</b>
Salaries & Wages	\$64,303	\$64,264	0%
Labor Related Overhead	26,894	28,212	5%
<b>Total Salary &amp; LRO</b>	<b>91,197</b>	<b>92,476</b>	<b>1%</b>
Utilities	18,698	16,695	-11%
Materials & Supplies	9,527	9,745	2%
Contractual Services	39,326	35,067	-11%
Chemicals	11,133	8,998	-19%
Fuel	2,050	1,625	-21%
Insurance Premiums & Claims	7,335	7,903	8%
Bad Debt	3,527	3,379	-4%
Other Operating Expense	2,430	2,076	-15%
SBITA	-	3,098	0%
<b>Total O&amp;M</b>	<b>94,026</b>	<b>88,586</b>	<b>-6%</b>
<b>Total Operating Budget</b>	<b>\$185,223</b>	<b>\$181,062</b>	<b>-2%</b>

The fiscal year 2024 Capital Budget was set at \$255.3 million for Jefferson, Bullitt, and Oldham County

projects. At the March 25, 2024, Board Meeting, an amendment was approved to increase the Capital Budget by \$5.3 million to allow for the purchase of the new MSD main office building bringing the total Capital Budget to \$260.6 million. The forecasted capital spend for the year is \$242.5 million with current year savings on projects at Paddy's Run Flood Pump Station and Morris Forman Water Quality Treatment Center to be offset by additional fiscal year 2025 spending.

## About MSD

### History

MSD was created in 1946 as a public body corporate and subdivision of the Commonwealth of Kentucky. MSD has complete control, possession, and supervision of the sewer system within most of the Louisville Metro, which comprises all of Jefferson County, Kentucky. In addition, MSD has control, possession, and supervision of the sewer system in portions of Bullitt and Oldham counties. In 1986, MSD assumed responsibility for managing and maintaining public flood control and storm and surface water drainage services pursuant to the terms of an agreement with Louisville Metro. MSD provides these services to all of Jefferson County except for the cities of Shively, Jeffersonton, St Matthews, and Anchorage. Chapter 76 of the Kentucky Revised Statutes authorizes MSD to construct additions, betterments, and extensions within its service area and to recover the cost of its services in accordance with rate schedules adopted by its Board.

MSD is a component unit of the Louisville/Jefferson County Metro Government. The Louisville Metro Mayor appoints, with the approval of the Louisville Metro Council, the members to MSD's governing Board, its Executive Director, Chief Engineer, and Secretary/Treasurer. The Board, which has statutory authority to enter into contracts and agreements for the management, regulation, and financing of MSD, manages its business and activities. The Board has full statutory responsibility for approving and revising MSD's annual budgets for financing deficits and for disposition of surplus funds. MSD has no special financial relationship with the Louisville Metro Government.

### Strategic Plan

Water and wastewater utilities throughout the world are faced with an array of challenges, including aging infrastructure, changing workforce dynamics, increased stakeholder engagement, and tightening regulations. MSD's Strategic Business Plan, branded as Blueprint 2025, forms the foundational vision, mission, and critical success factors necessary for MSD's transformation into a Utility of the Future. Our aspirational vision under Blueprint 2025 is the driving force behind our mission to provide quality wastewater, drainage, and flood protection services to protect public health and safety through sustainable solutions, fiscal stewardship, and strategic partnerships. The framework for Blueprint 2025 follows:

**MSD Vision:** The innovative, regional utility for safe, clean waterways.

**MSD Mission:** Provide quality wastewater, drainage, and flood protection services to protect public health and safety through sustainable solutions, fiscal stewardship, and strategic partnerships.

### MSD Guiding Principles and Organizational Values

***Investing in People*** - Ensuring a sustainable future by aligning organizational architecture and enhancing leadership development, succession planning, generational inclusion and employee career planning programs that provide staff opportunity for advancement and utilize the right people in the right places to achieve greater operational excellence for the community.

- Respect - We demonstrate high regard, value and consideration for each other, our customers, and the community.
- Excellence - We strive for personal excellence, recognize exemplary performance, and seek continuous improvement.

***Focusing on Performance*** - Enhancing quality of life in the region by providing safe, clean waterways through consistent, reliable, and transparent delivery of our core business functions.



- Customer Focus - We provide value-added service to our internal and external customers.
- Integrity - We serve with high ethical standards, deliver on commitments, and maintain honesty as we advance the greater good.

**Innovating through Leadership** - Engaging in collaborative problem-solving with partners locally, regionally, and nationally to develop innovative solutions for managing our aging wastewater, drainage, and flood protection assets.

- Accountability - We account for our actions, address challenges promptly, and implement effective solutions.
- Stewardship - We manage the infrastructure, environment and resources entrusted to our care in a responsible and sustainable manner.

### **Blueprint 2025 Desired Outcomes**

- Guide alignment and allocation of organizational resources.
- Deliver MSD's three core business functions in a collaborative, efficient and innovative manner to meet regulatory requirements and community level of service through a sustainable, purpose-driven, and appropriately skilled workforce.
- Be the trusted regional provider of wastewater, stormwater, and flood protection services.

### **Blueprint 2025 Critical Success Factors**

- CSF1: Sustain Quality and Compliant Wastewater, Stormwater, and Flood Protection Services
- CSF2: Earn the Community's Trust Daily as the Leading Provider of Quality Wastewater, Stormwater & Flood Protection Services
- CSF3: Transform into an Employer of Purpose where Employees are Provided the Opportunity to Thrive
- CFS4: Ensure Financial Stewardship and Sustainability of Community Resources
- CSF5: Realize Operational Efficiencies and Revenue Generation through Strategic Partnerships and Innovation

Blueprint 2025 provides a structured approach for MSD's success, positioning the organization to deliver our three core business services to the community with confidence by providing clarity for every employee about our vision, mission, and critical success factors. It represents a plan designed to unite us and strengthen our bond as we target specific initiatives and metrics that support the services we provide to the Louisville community.



*People and pets enjoying Floyds Fork in the Parklands located in Southeastern Jefferson County.*

## Board of Directors

MSD is governed by an eight-member Board of Directors appointed by the Louisville Metro Mayor and approved by Louisville Metro Council. Each member serves three-year overlapping terms and are eligible for reappointment. Board members are residents of Louisville Metro and represent State Senatorial Districts in our city ensuring a broad-based representation for the entire community. No more than five members of the Board can be affiliated with one political party. The MSD Board meets monthly and has established the following standing committees who meet as needed: Audit Committee, Customer Service Committee, Finance Committee, Infrastructure Committee, and the Personnel Committee.

The Board, which has statutory authority to enter into contracts and agreements for the management, regulation, and financing of MSD, manages MSD's business and activities. The Board has full statutory responsibility for approving and revising MSD's annual budgets, for financing deficits and for disposition of surplus funds.

Current Board members are:

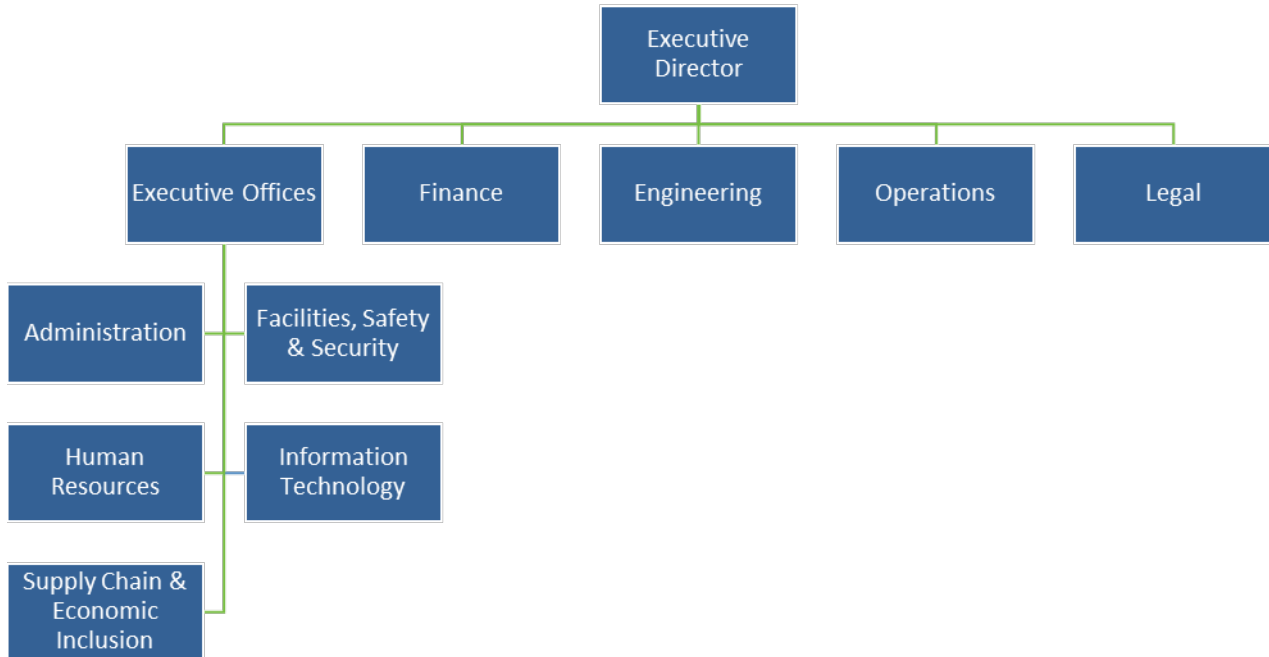
*Marita Willis, Chair*  
*Ricky Mason, Vice Chair*

*Jeff Mosley*  
*John Selent*  
*Vacant*

*Lonnie Wright*  
*Gerald Joiner*  
*Vacant*

## Organizational Chart

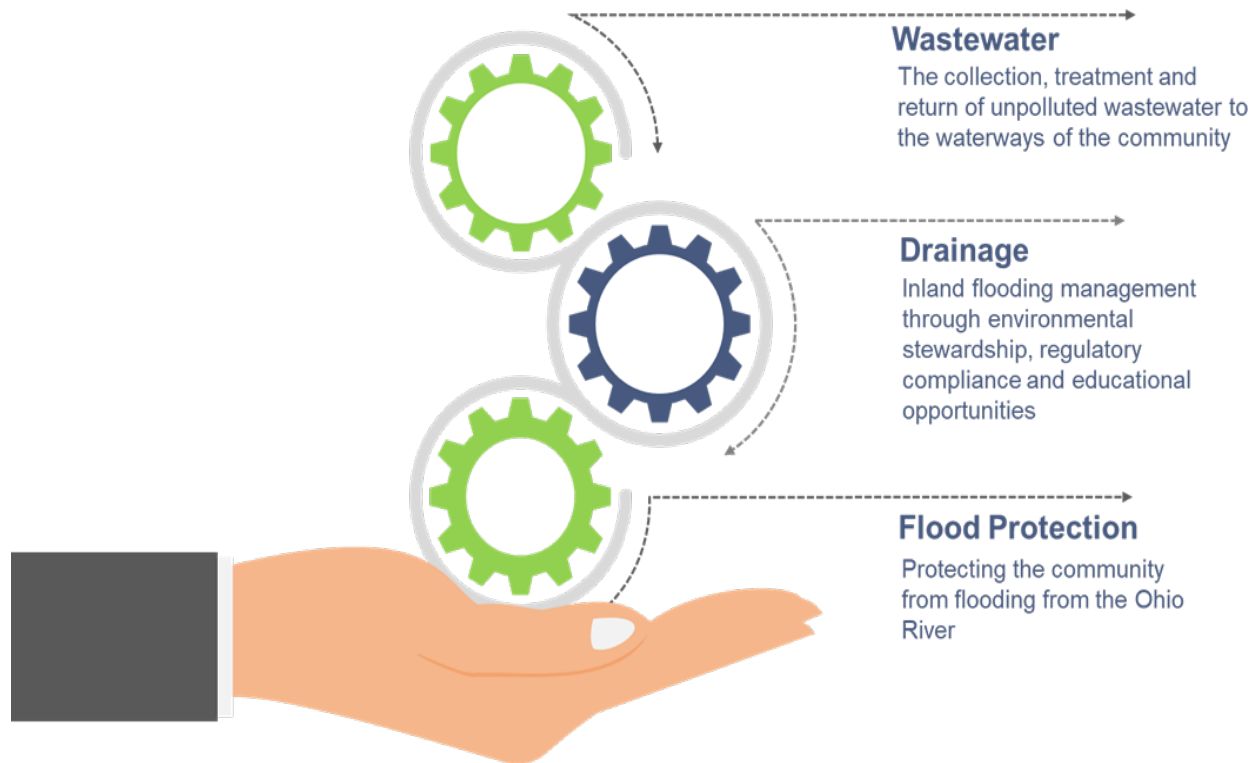
MSD's organizational structure consists of eight divisions. The Louisville Metro Mayor appoints the Executive Director, Chief Engineer, and Secretary/Treasurer. Within each division there are various departments who report to a Division Chief. There are four division chiefs and three directors who report to the Executive Director.



*MSD's future Main Office at 15<sup>th</sup> & Hill Streets in Louisville's Parkhill Neighborhood.*

## Program Descriptions

MSD can be programmatically segregated into the three core services we provide to the community:



### Wastewater

Protecting waterways throughout our service area is MSD's mission by collecting and treating wastewater before it is released back into our local waterways. MSD cleans nearly 154 million gallons of wastewater in Jefferson County every day at five regional Water Quality Treatment Centers (WQTC). In Oldham County, MSD cleans nearly 2 million gallons of wastewater each day at two regional WQTCs and five small package treatment centers. In Bullitt County, MSD operates and maintains smaller treatment plants for full compliance with all regulatory agencies. Planning is underway to decommission some smaller treatment plants that have passed their useful life and manage wastewater treatment through the Derek R. Guthrie WQTC in Jefferson County.

### Drainage

When it rains or snows the surface water runoff, known as stormwater, makes its way to drainage swales, channels, storm drains and pipes that carry it away from homes and businesses. It then flows into creeks and streams, then eventually the Ohio River. Along its journey, this stormwater runoff accumulates soil and pollutants which can harm local waterways. To help maintain safe, clean waterways MSD monitors for pollutants and removes illegal non-stormwater discharges in Jefferson County except for the cities of Anchorage, Jeffersontown, St. Matthews, and Shively which provide their own drainage services.

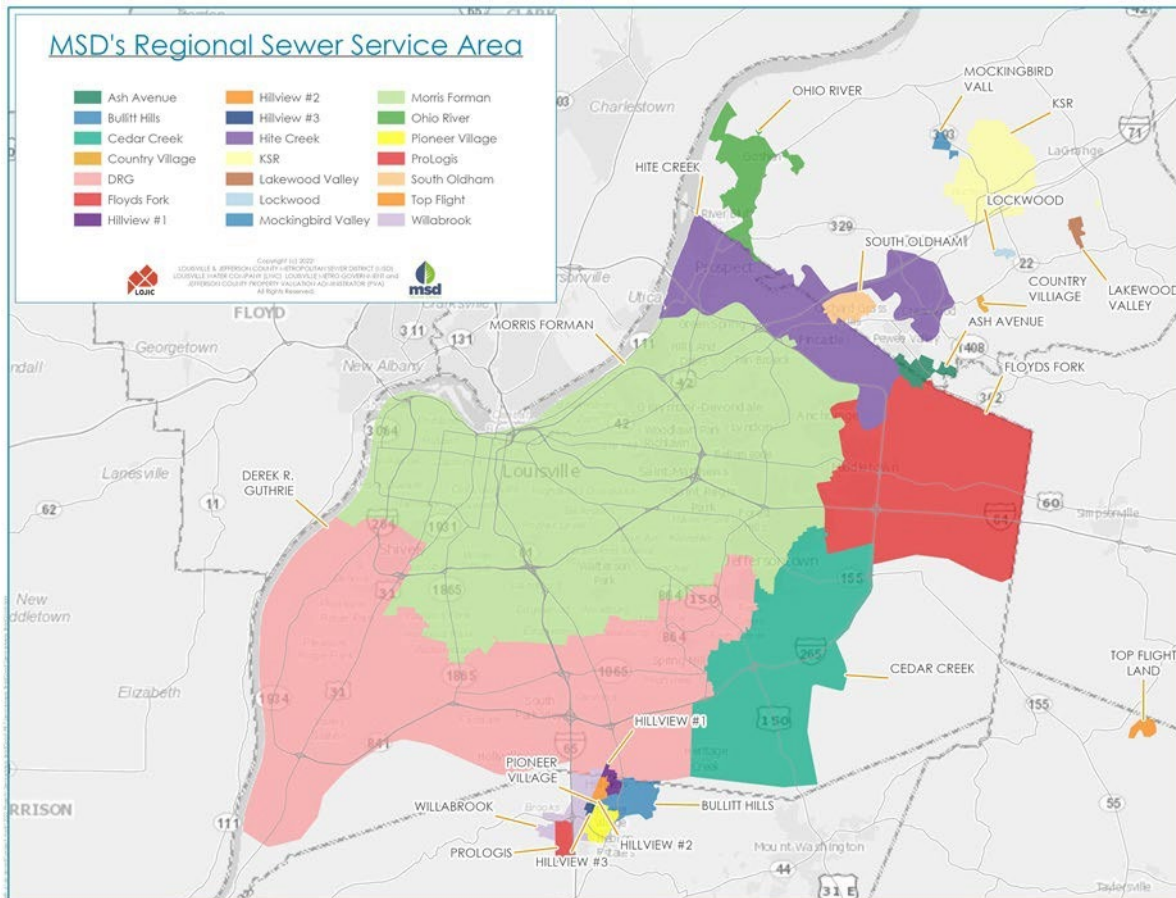
### Flood Protection

Since 1987, MSD has been responsible for maintaining Louisville Metro's Ohio River Flood Protection System that was built by the U.S. Army Corps of Engineers to keep the river at bay and out of the city. Where creeks and storm drains through the floodwall, gates can be closed to keep the river from flowing up the streams, and large pump stations at the flood pumping stations lift the water from the creeks and pump it into the river. Additional gates and pumping stations keep the river from backing up through storm drains and pipes, pumping stormwater into the river.



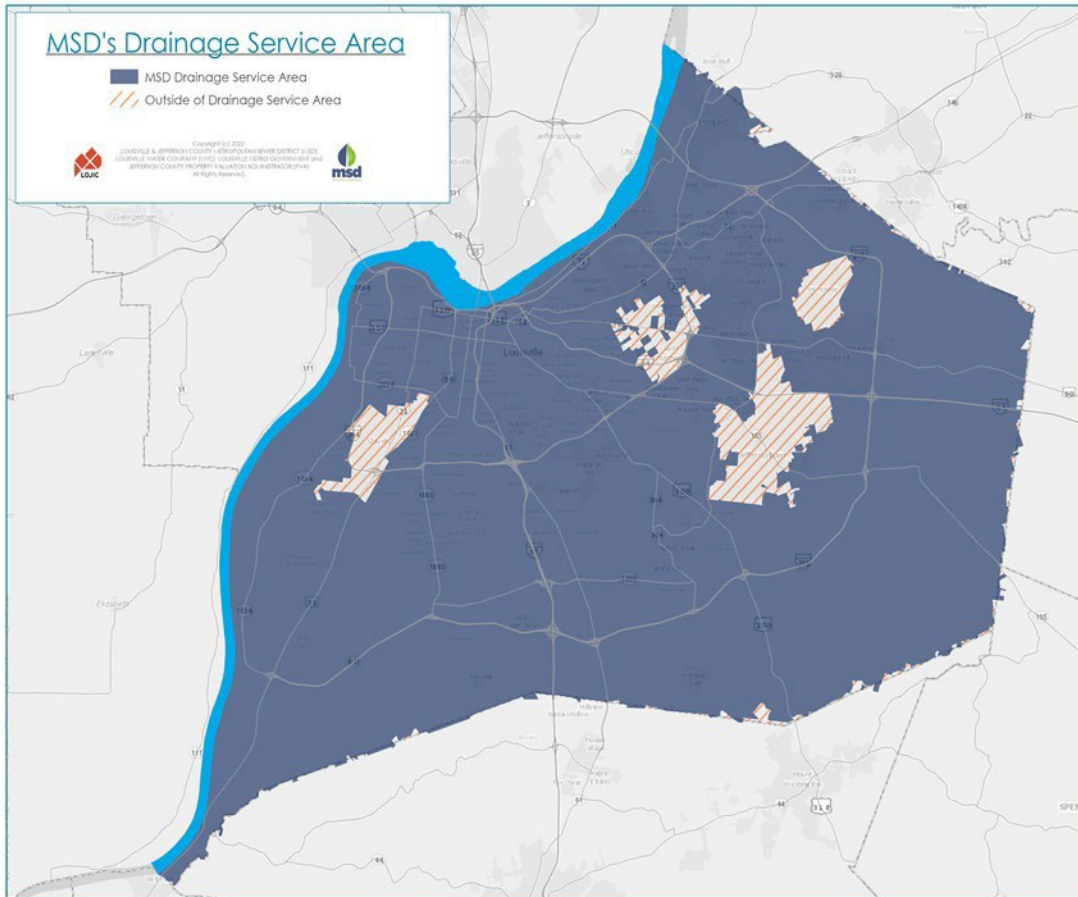
### Wastewater Service Area

MSD operates and maintains a regional wastewater service area including substantially all of Jefferson County and portions of Bullitt and Oldham counties in Kentucky. MSD serves approximately 257,000 customers across the service area. The wastewater system is comprised of five water quality treatment centers, including Morris Forman which is the largest treatment center in Kentucky, and 16 small treatment plants. MSD's plants can treat a total of 205.9 MGD of flow per day. Our collection system comprises over 3,600 miles of pipe.



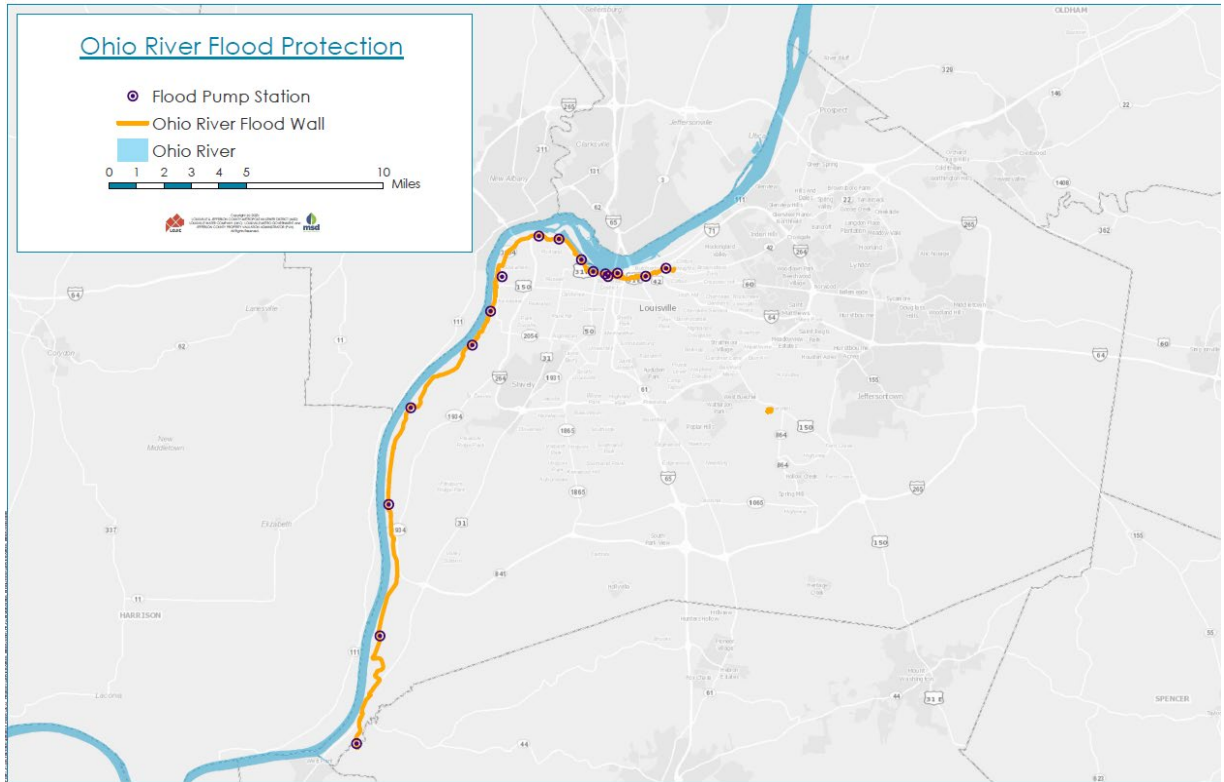
### Drainage Service Area

MSD's drainage service area includes substantially all of Jefferson County except for the cities of Shively, Jeffersontown, St Matthews, and Anchorage. Some portions of Jefferson County have a combined sewer and drainage system but outside of the Watterson Expressway there is a separate drainage system comprised of approximately 1,200 miles of dedicated drainage mains. MSD serves approximately 223,000 drainage customers.



### Flood Protection

MSD maintains Louisville Metro's Ohio River Flood Protection System. The system protects more than 200,000 people, 137,000 structures, and \$34 billion in property throughout 110 square miles of Louisville Metro. It includes 26.1 miles of floodwall and earthen levee, 16 pump stations, nearly 150 floodgates and 79 floodwall closures.



## Goals, Objectives, and Performance Measures

### Program Goals, Objectives, and Performance Measures

An enabling component of Blueprint 2025 is the establishment of an Organizational Performance Management Framework which integrates and coordinates performance accountability across MSD divisions. The foundation of the Organizational Performance Management Framework is a set of strategically chosen performance goals for the organization designed to focus on critical business activities and ensure timely completion of carefully sequenced transformational initiatives. Critical business activities are those activities that when performed well positively and directly impact the desired outcomes of a critical success factor. Performance goals for critical business activities involve moving a critical number in a favorable direction or achieving a favorable outcome. Transformational initiatives involve creating programs, processes and tools that did not previously exist. They may also involve enhancement of existing programs, processes, and tools to improve effectiveness and overall efficiencies.

The Organizational Performance Management Framework can be broken down into two types, Program Goals and Division Goals. Program Goals are specific to each of the three programmatic areas of MSD. Each goal and objective is assigned a performance measure. Following is a list of Program Goals along with the actual performance for fiscal year 2022, fiscal year 2023, and estimated performance for fiscal year 2024:

Program Goals & Objectives Blueprint 2025					
<p>Level 5 Performance significantly above the expected level</p> <p>Level 4 Performance above the expected level</p> <p>Level 3 Expected level of performance</p> <p>Level 2 Performance below the expected level</p> <p>Level 1 Performance significantly below the expected level</p>					
Critical Success Factor	Component	Goal	FY22 Actual	FY23 Actual	FY24 Estimate
1	1A	Reclaimed Water Effluent Quality	Level 5	Level 5	Level 5
1	1B	Flood Protection Pump Readiness	Level 5	Level 5	Level 5
1	2A	Sanitary Pumping Station Capacity Availability	Level 5	Level 5	Level 5
1	2B	Planned Preventive Maintenance Completion Rate	Level 5	Level 5	Level 5
1	2C	Systems Inspection Completion Rate	Level 5	Level 5	Level 4
1	3A	CSF 1 Transformational Initiatives Completed	Level 4	Level 5	Level 4



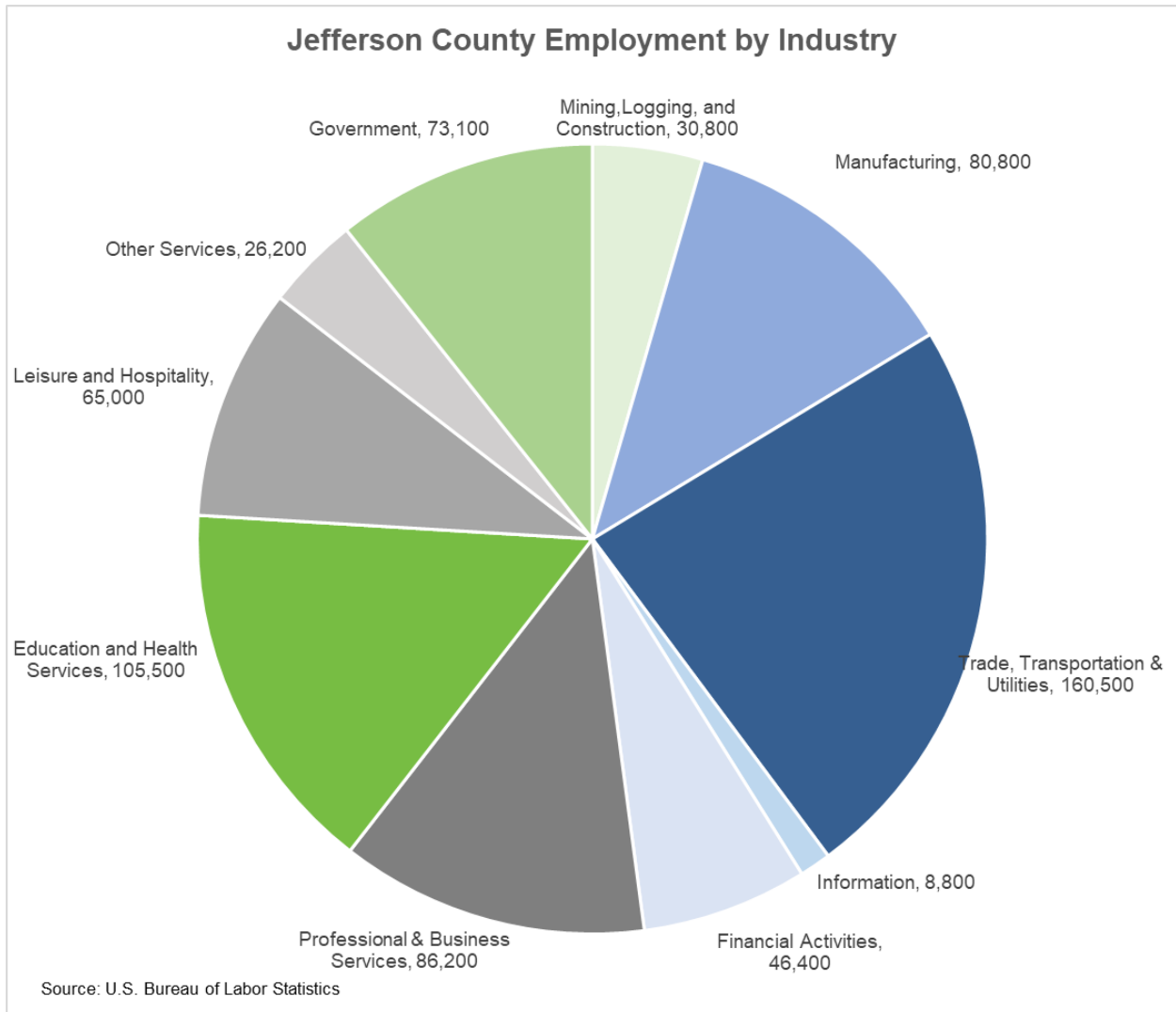
**Division Goals, Objectives, and Performance Measures**

Division Goals are specific to administrative functions of MSD. Each goal and objective is assigned a performance measure. Following is a list of Division Goals along with the actual performance for fiscal year 2022, fiscal year 2023, and estimated performance for fiscal year 2024:

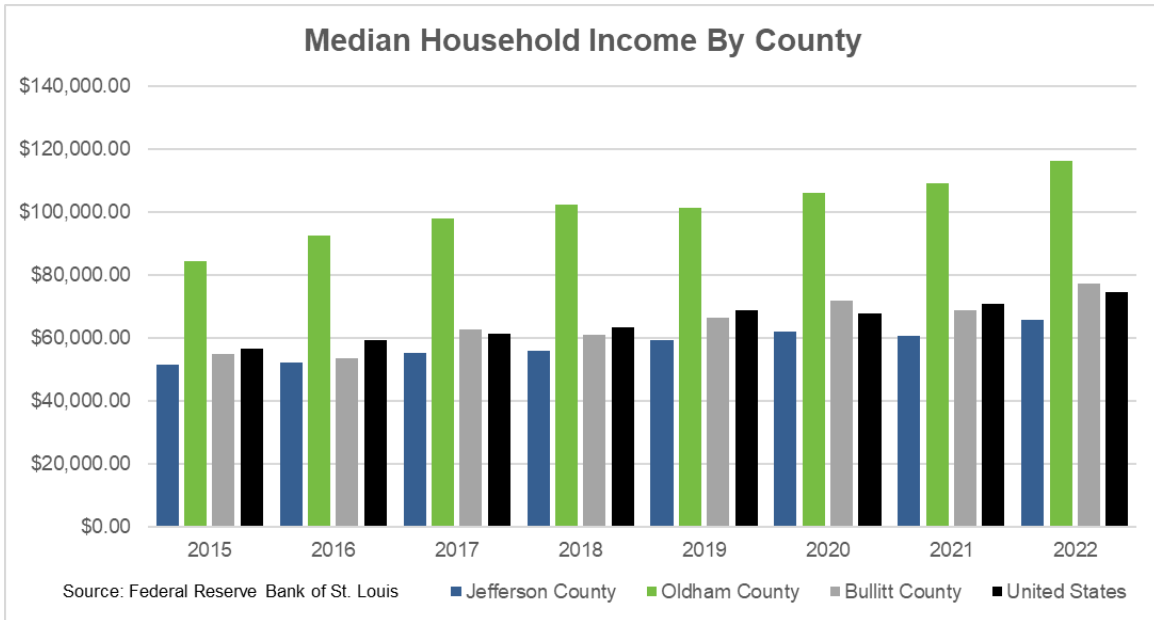
Division Goals, Objectives & Performance Measures Blueprint 2025					
<p>Level 5 Performance significantly above the expected level</p> <p>Level 4 Performance above the expected level</p> <p>Level 3 Expected level of performance</p> <p>Level 2 Performance below the expected level</p> <p>Level 1 Performance significantly below the expected level</p>					
Critical Success Factor	Component	Goal	FY22 Actual	FY23 Actual	FY24 Estimate
2	1A	Customer Service Request Responsiveness	Level 5	Level 5	Level 5
2	1B	Customer Service Call Quality	Level 5	Level 5	Level 5
2	2A	Vendor Invoice Payment Timeliness	Level 3	Level5	Level 5
2	2B	Development Plan Review Responsiveness	Level 5	Level 4	Level 3
2	2C	Supplier Diversity Commitment	Level 2	Level 5	Level 3
2	3A	CSF 2 Transformational Initiatives Completed	Level 5	Level 5	Level 3
3	1A	Total Number of Vacant Positions	N/A	N/A	Level 1
3	1B	Total Number of Positions Filled	N/A	N/A	Level 1
3	1C	Enhancements to Minimize the Number of Vacancies	N/A	N/A	Level 1
3	2A	Policy/Compliance Training Completion	Level 5	Level 5	Level 5
3	2B	Performance Management Goals	Level 5	Level 3	Level 5
3	2C	Non-Union Performance Appraisals	Level 5	Level 5	Level 5
3	2D	Union Performance Appraisals	Level 5	Level 5	Level 5
3	3A	CSF 3 Transformational Initiatives Completed	Level 5	Level 4	Level 1
4	1A	Capital Schedules Management	Level 4	Level3	Level 4
4	1B	Capital Spend Management	Level 4	Level 4	Level 5
4	1C	Capital Construction Change Orders	Level 4	Level 3	Level 4
4	2A	Operating Spend Management	Level 5	Level 4	Level 4
4	3A	CSF 4 Transformational Initiatives Completed	Level 4	Level 5	Level 4

## Demographics

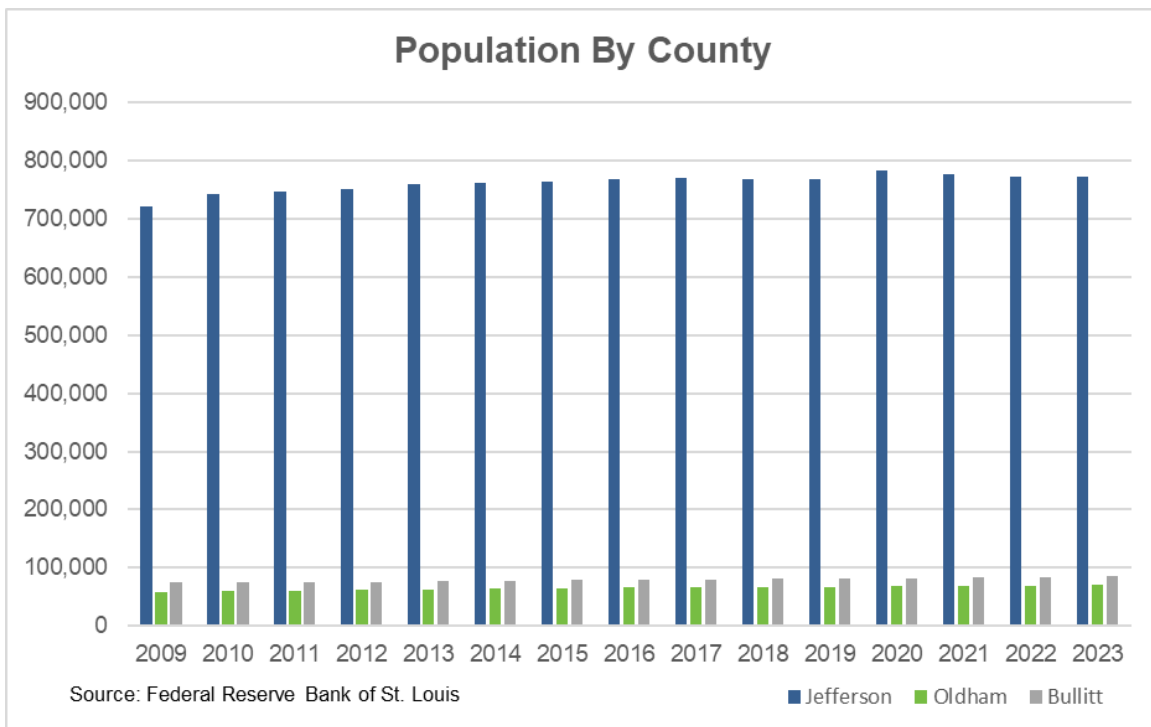
Employment: According to the U.S. Bureau of Labor Statistics, total nonfarm employment in Louisville/Jefferson County was 683,300 in January 2024. The unemployment rate was 3.8 percent. The following chart shows the distribution of employment by industry. Significant 12-month changes include a 3.23 percent increase in manufacturing employment, a 5.92 percent reduction in education and health services and 5.84 percent reduction in mining, logging, and construction.



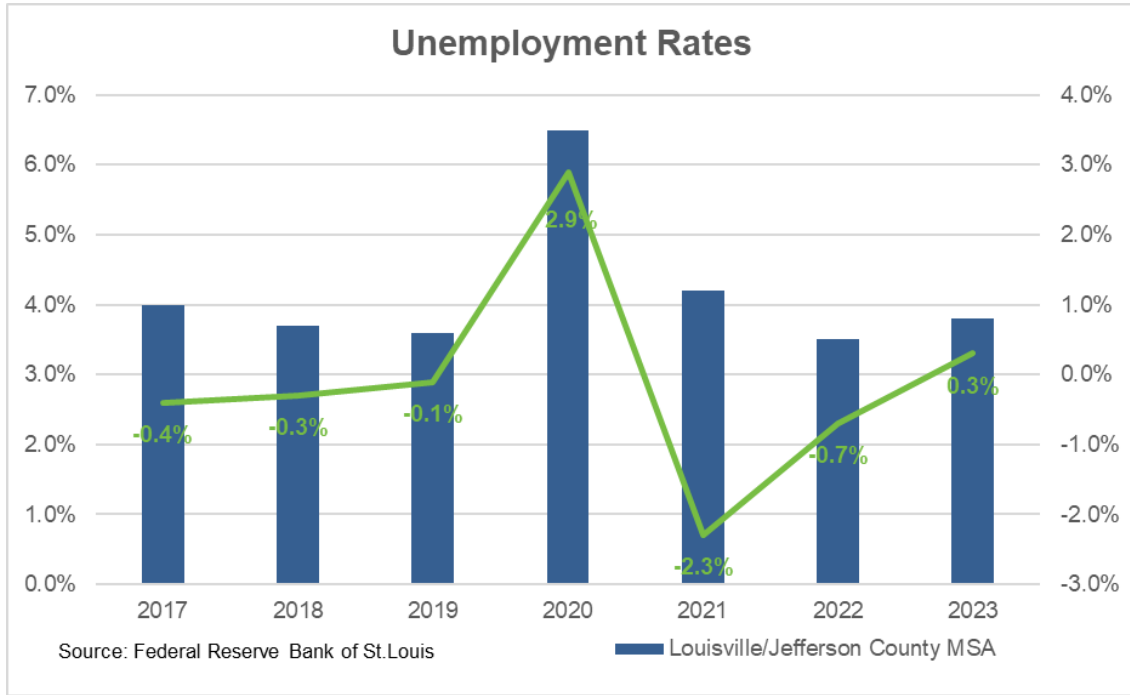
**Median Household Income:** Median Household Income in Jefferson County lags the national average, while Bullitt County remains on pace with the national average. However, Oldham County median household income far outpaces the national average. For 2022, Oldham County median household income was 43.6% higher than the national average. The following data was compiled by the U.S. Bureau of Labor Statistics and retrieved from Federal Reserve Bank of St. Louis FRED, *federal reserve economic data*.



**Population:** The following data was compiled by the U.S. Census Bureau and retrieved from Federal Reserve Bank of St. Louis FRED, *federal reserve economic data*. Population estimates are updated annually using current data on births, deaths, and migration to calculate population change since the most recent decennial census.



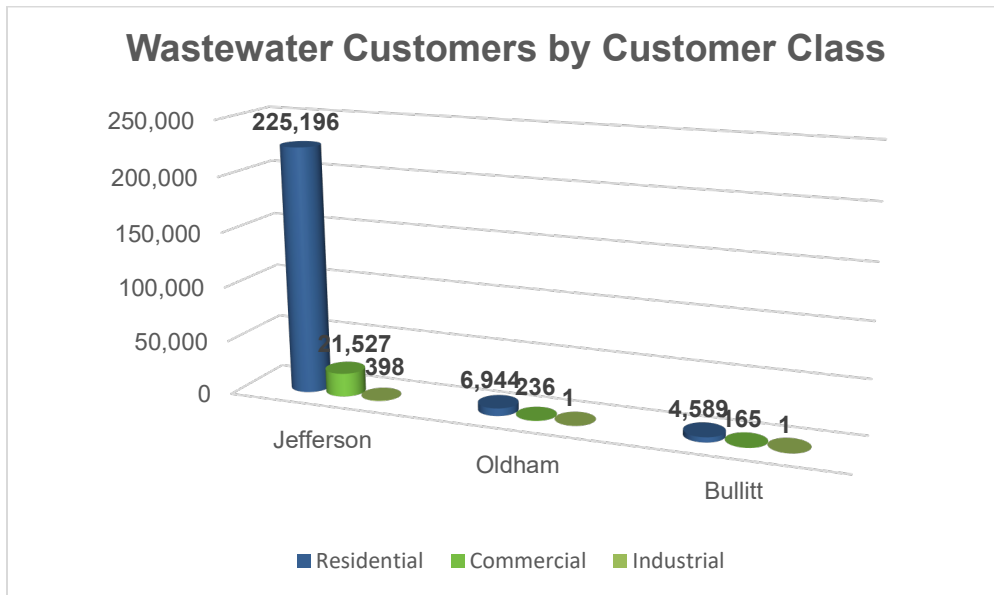
**Unemployment Rate:** The annual unemployment rate in the Louisville/Jefferson County MSA in 2023 was 3.8 percent which is slightly higher than the U.S. average rate at the time, 3.6 percent. The unemployment rate rose 0.3 percent from the prior year. The following data was compiled by the U.S. Bureau of Labor Statistics and retrieved from Federal Reserve Bank of St. Louis FRED, *federal reserve economic data*.





### Customer Composition Statistical Information

MSD classifies wastewater customers into three classes, Residential, Commercial, and Industrial. The following chart shows wastewater customers by county as of March 31, 2024.



The ten largest Jefferson County wastewater customers based on fiscal year 2023 billings are listed in the table below:

Rank	Customer Name	FY23 Wastewater Billed	Percent Total Wastewater Revenue
1	Heaven Hill Distilleries	\$ 5,035,157	1.80%
2	Lubrizol Advanced Materials	2,271,808	0.81%
3	The Chemours Company FC LLC	1,967,224	0.70%
4	Early Times Distillery	1,726,439	0.62%
5	Ford Motor Co.	1,384,127	0.49%
6	Swift Pork Co.	1,153,172	0.41%
7	Haier US Appliance Solutions	1,038,809	0.37%
8	Rohm & Haas	970,097	0.35%
9	Republic Conduit Manufacturing	675,331	0.24%
10	Louisville Metro Housing Authority	672,593	0.24%
<b>Total</b>		<b>\$ 16,894,757</b>	<b>6.04%</b>
Total FY23 Wastewater Revenue:		\$ 279,683,482	

The ten largest Oldham County wastewater customers based on fiscal year 2023 billings are listed in the table below:

Rank	Customer Name	FY23 Wastewater Billed	Percent Total Wastewater Revenue
1	Oldham Co Bd of Ed*	104,289	1.53%
2	Prospect Glen Villas Condo*	71,510	1.05%
3	Ridgeway Prop Mgmt LLC*	58,318	0.86%
4	Oldham Co Bd of Ed**	46,806	0.69%
5	Oldham Co High School**	43,029	0.63%
6	Kendall Investments**	36,225	0.53%
7	Oldham Co Bd of Ed**	24,500	0.36%
8	Gardens of Hunters Ridge HOA*	21,847	0.32%
9	Oldham Co Bd of Ed*	21,847	0.32%
10	Pulte Homes	21,634	0.32%
<b>Total</b>		<b>\$ 450,006</b>	<b>6.62%</b>
Total FY23 Wastewater Revenue:		\$ 6,800,420	

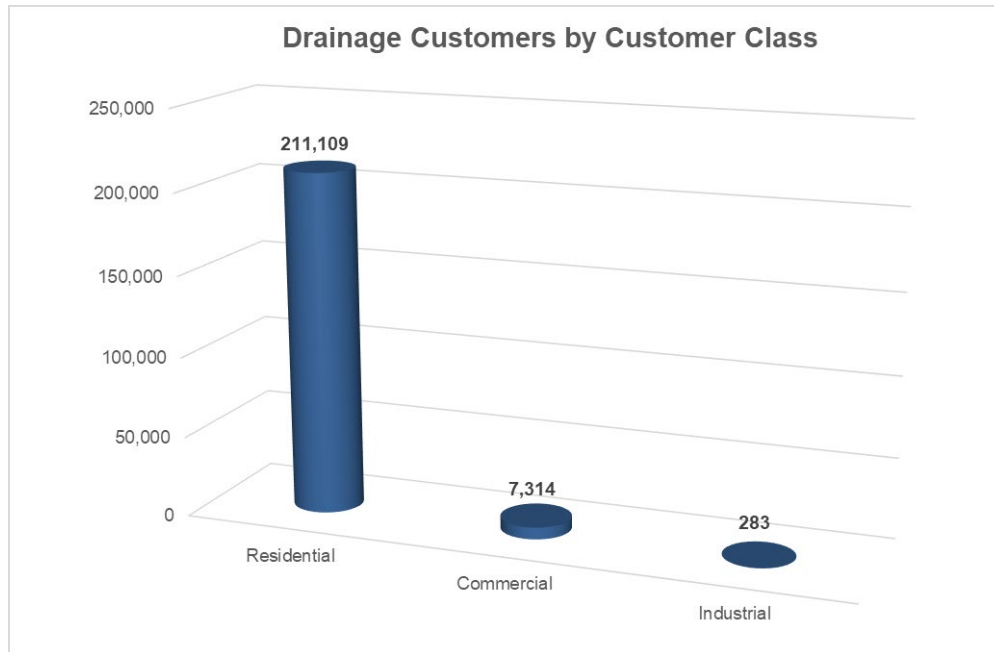
\*Louisville Water customer

\*\*Oldham County Water customer

The ten largest Bullitt County wastewater customers based on fiscal year 2023 billings are listed in the table below:

Rank	Customer Name	FY23 Wastewater Billed	Percent Total Wastewater Revenue
1	Sabert Corporation	516,715	12.27%
2	Noltemeyer Capital LLLP	349,801	8.30%
3	Jewish Hospital	292,423	6.94%
4	A M H C	161,241	3.83%
5	PC Tanyard Park LLC	108,286	2.57%
6	Prologisna2 KY V Gp	100,371	2.38%
7	True By Hilton LLC	65,761	1.56%
8	Hrs Brooks INC	63,954	1.52%
9	Linda's Place LLC	55,490	1.32%
10	Prologis Development Serv LLC	47,840	1.14%
<b>Total</b>		<b>\$ 1,761,883</b>	<b>41.82%</b>
Total FY23 Wastewater Revenue:		\$ 4,212,840	

MSD classifies drainage customers into three classes, Residential, Commercial, and Industrial. The following chart shows the distribution of drainage customers in Jefferson County as of March 31, 2024.

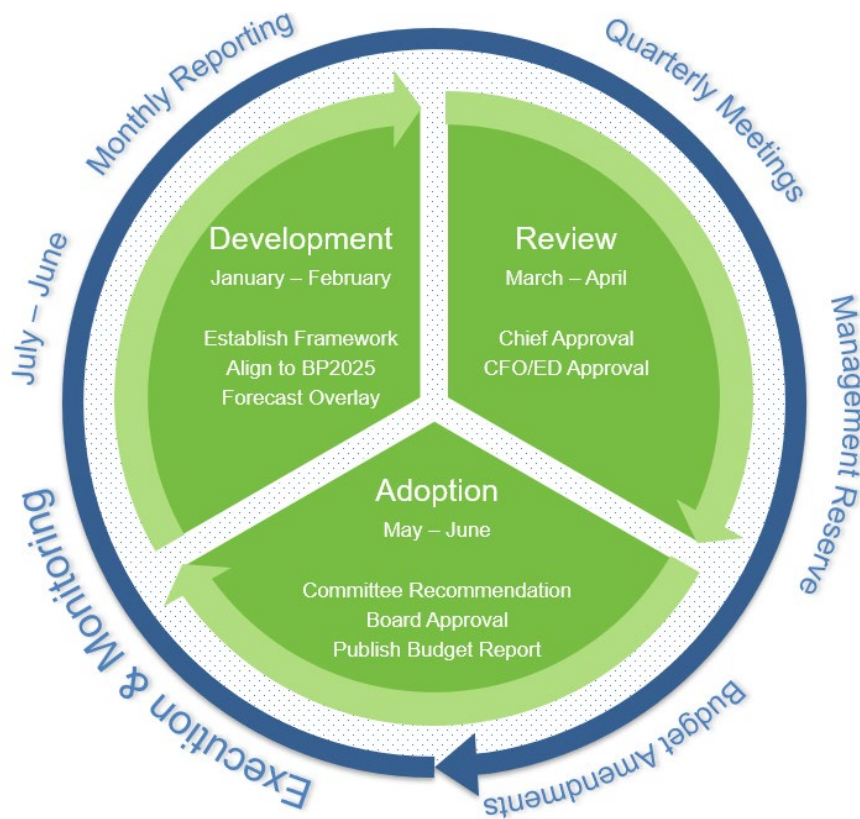


The ten largest drainage customers based on fiscal year 2023 billings are listed in the table below:

Rank	Customer Name	FY23 Wastewater Billed	Percent Total Wastewater Revenue
1	Sabert Corporation	516,715	12.27%
2	Noltemeyer Capital LLLP	349,801	8.30%
3	Jewish Hospital	292,423	6.94%
4	A M H C	161,241	3.83%
5	PC Tanyard Park LLC	108,286	2.57%
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<b>Total</b>		<b>\$ 1,761,883</b>	<b>41.82%</b>
Total FY23 Wastewater Revenue:		\$ 4,212,840	

## Budget Process and Policies

### Budget Process



A primary objective of Blueprint 2025 is for critical business activities to be performed the same way across MSD Divisions. Development of budget requests is one of those critical business activities. MSD continuously analyzes financial reports and key performance indicators throughout the year to monitor our actual performance. However, the formal budget development process begins in January of each year. Revenue forecasts for the current and up-coming fiscal years are updated by analyzing wastewater and drainage service charge data. Operating expense projections are updated including labor and benefit rates, anticipated changes in pricing for materials and other supplies and operational changes created by the CIP or other factors. Debt service assumptions are validated, and interest rate projections are updated. CIP forecasts are reviewed in order to update assumptions about the timing of debt issuances.

All changes are recorded in MSD's long-term financial model and the effect on key ratios is analyzed to ensure financial objectives and covenants can be met. The model is used to establish revenue requirements for the next fiscal year that provide sufficient funding for MSD to pay 110 percent of our outstanding revenue bond debt service, all operating expenses, all subordinated debt service, and to cash-fund a portion of the annual CIP.

In February, work begins to develop line-item expenditure budgets. For the Operating budget, Budget Preparers are identified for each division and are trained in the use of the software prior to the start of budget development. The Budget and Financial Reporting Manager creates a baseline budget in the budget system by rolling forward the current year budget into the new fiscal year budget template and reloading the current headcount, including vacancies. After the baseline budget is prepared, the budget software will open to Budget Preparers to enter departmental budgets in accordance with the budget calendar. Budget Preparers submit budget requests to their Division Chief in accordance with the budget calendar. The Budget Department schedules budget review meetings with each Division Chief, the Executive Director,

and the Chief Financial Officer. Each Division Chief presents their budget request for review and consideration. The final operating budget is approved by the Executive Director and Chief Financial Officer prior to presentation to the Finance Committee.

The Chief Engineer oversees the development of the CIP starting in January. The capital planning process begins with an evaluation of the capital needs of the system, typically identified as part of a comprehensive facilities master plan. The master plan is used to model long-term capital spending needs. A CIP is produced based on the results of the master plan and updated annually. The capital budget process includes meeting with all capital budget stakeholders to discuss priority projects. All ongoing capital projects are reviewed, and a re-assessment is made of funding requirements for the next fiscal year. A five-year project-level budget is prepared and presented to the CIP Management Team. The CIP Management Team is tasked with review of the annual CIP and makes major project and program change decisions. Voting members are the Executive Director, Chief Engineer, Chief of Operations, Chief Strategy Officer for Business Transformation and Regulatory Compliance and the Chief Financial Officer.

In March, updates are made to the Jefferson County preliminary Schedule of Rates, Rentals and Charges including any necessary rate increase based on the revenue requirements identified by the long-term financial model.

In May, the operating budget, CIP budget and the Jefferson & Oldham County preliminary rate resolutions are first presented to the applicable MSD Board Committee and then to the MSD Board for approval. Budgets become final after Board approval. Budgets may be amended during the fiscal year using a similar process. The Jefferson & Oldham County preliminary rate resolutions become final following a sixty-day notification period and final approval by the MSD Board at their July meeting. Bullitt County preliminary rate resolutions follow a similar process but are recommended to the Board in November and become effective January 1 annually.

Beginning in July and continuing throughout the entire fiscal year ending in June, operating, CIP and revenue budget monitoring and reporting occurs monthly. The budget department also facilitates quarterly budget meeting with Chiefs/Directors and the CFO and Executive Director. During this time, if the need for budget amendments arises the CFO will bring forth a recommendation to the Finance Committee and upon approval of that recommendation, the recommendation is taken to the full MSD Board for approval.



## Budget Calendar

Fiscal Year 2025 Budget Calendar	
January	Long-term financial model updates are made
January 29 <sup>th</sup>	Line-item CIP development begins Line-item Operating budget development begins
February 23 <sup>rd</sup>	Operating budgets due to Chief/Division Director for review
March 1 <sup>st</sup>	Rates, Rental and Charges planning meeting #1
March 8 <sup>th</sup>	Chief/Division Director approval of Operating budgets
March 13 <sup>th</sup> – March 29 <sup>th</sup>	Divisional Operating budget review meetings with Executive Director and CFO
March 26 <sup>th</sup>	Capital budget presentation to CIP Management Team
March 29 <sup>th</sup>	Rates, Rentals and Charges planning meeting #2
April 15 <sup>th</sup>	Rates, Rental and Charges planning meeting #3
April 26 <sup>th</sup>	Executive Director final approval of Operating budget and Rates, Rental and Charges
April 23 <sup>rd</sup>	Capital budget presentation to CIP Management Team & approval
May 8 <sup>th</sup>	Budget & Rate recommendations to Joint Finance/Infrastructure Committee
May 28 <sup>th</sup>	Budget & Rate recommendations to MSD Board

## Rate Setting Process

A preliminary rate resolution is passed by the MSD Board detailing proposed rates for Jefferson County. Rate increase recommendations more than 4 percent but less than 7 percent require a sixty-day written notice to the Louisville Metro Mayor and Louisville Metro Council prior to final MSD Board approval and implementation. MSD advertises a thirty-day public comment period for the Jefferson County preliminary rate resolution during the month of June. Public comments are received at MSD, summarized, and presented to the Board prior to approval of the final rate resolution. The final rate resolution is voted on by the Board at its July meeting following the expiration of the sixty-day notification requirement. If approved, new rates become effective on August 1 annually. Rate increases in Jefferson County more than 7 percent require Louisville Metro Council approval.

Rates for MSD's Bullitt County wastewater service area are authorized by the Interlocal Cooperation Agreement between the County and MSD. A preliminary rate resolution is passed by the MSD Board detailing new proposed rates. A thirty-day written notice of the proposed rate change is delivered to the Bullitt County Judge Executive. MSD advertises a thirty-day public comment period for the preliminary rate resolution. Public comments are received at MSD, summarized, and presented to the Board prior to approval of the final rate resolution. The final rate resolution is voted on by the Board at its December meeting. If approved, new rates become effective on January 1 annually.

Rates for MSD's Oldham County wastewater service area are authorized by the Interlocal Cooperation Agreement between the County and MSD. A preliminary rate resolution is passed by the MSD Board detailing new proposed rates. A sixty-day written notice of a proposed rate change is delivered to the Oldham County Judge Executive. MSD advertises a thirty-day public comment period for the preliminary rate resolution during the month of June. Public comments are received at MSD, summarized, and presented to the Board prior to approval of the final rate resolution. The final rate resolution is voted on by the Board at its July meeting. If approved, new rates become effective on August 1 annually.

## Financial Policies and Standard Operating Procedures

Following is a summary of the financial policies and procedures that are integral to the budget development process at MSD.

### Billing and Collection Policy

Board Adoption Date: October 21, 2018

Last Updated: November 14, 2022

Key Components:

- All fees, rates, rentals, charges, and assessments for MSD services shall be established, billed, administered, and collected in accordance with all applicable local, state and federal rules, statutes and regulations.
- Whenever any sewer rates, rentals, or charges for services rendered remain unpaid for a period of 30 days after the same becomes due and payable, MSD shall declare the property, the owner thereof, and the user of the service, delinquent until such time as all sewer rates, rentals and charges are fully paid and may cut off the sewer connection and service.

### Debt Issuance Policy

Board Adoption Date: August 30, 2021

Last Updated: November 15, 2021

Key Components:

- MSD will incur debt in accordance with federal, state, and local law under an MSD Board authorizing resolution and using only legally authorized debt instruments. The incurrence of senior revenue debt shall first be authorized by the Legislative Council of Louisville Metro Government and Louisville Metro Mayor.
- The incurrence of revenue debt is not subject to statutory debt limitation and is not subject to voter approval, however, may be limited by debt service coverage ratios and other bond provisions contained in bond covenants. It is the policy of MSD to review these limitations prior to authorizing additional bonds. MSD shall seek to structure debt to achieve the lowest cost of capital reasonably available and shall take advantage of opportunities to refinance debt at favorable terms when practical.
- The Finance Division will update the long-term financial model with actual results, forecasts, and other changes on an annual basis. The long-term financial model will be used to develop and evaluate scenarios for funding debt service, operating expenses, and the CIP. The model will be used to support debt financings that are fiscally responsible.

### Investment Policy

Board Adoption Date: November 29, 2012

Last Updated: May 28, 2024

Key Components:

- MSD's investment program is operated in conformance with KRS 66.480.
- The MSD Board of Directors, as the governing body, will retain ultimate fiduciary responsibility for all investment portfolios.

### Procurement Regulation Policy

Board Adoption Date: September 22, 2014

Last Updated: September 26, 2022

Key Components:

- MSD procurement activities are governed by KRS 45A.345 – KRS 45A.460.
- It is the policy of the MSD Board to ensure maximum practicable competition in all procurement activities.

### Reserve Policy

Board Adoption Date: November 14, 2022

Last Updated: November 13, 2023

Key Components:

- MSD will maintain an unrestricted reserve in the Revenue Fund equal to at least 150 days of annual Operating and Maintenance expenses.
- MSD will establish and maintain a Rate Stabilization Fund.
- MSD will establish and maintain a Renewal and Replacement account.

**Audited Financial Statements Standard Operating Procedure**

Adoption Date: June 29, 2021

Last Updated: May 31, 2024

Key Components:

- MSD is a component unit of Louisville/Jefferson County Metro Government.
- MSD prepares financial statements in conformity with GAAP.
- MSD uses proprietary fund accounting (enterprise fund). Due to the election as a regulated operation under Governmental Accounting Standards Board (GASB) 62, to meet industry accounting standards and follow transactional intent, MSD uses, as applicable, Accounting Standards Codification (ASC) 980, Regulated Accounting.
- MSD will issue audited financial statements no later than six months following the end of the fiscal year.

**Budget Framework Standard Operating Procedure**

Adoption Date: May 31, 2022

Last Updated: May 31, 2023

Key Components:

- MSD will adopt Board-approved budgets prior to the beginning of the fiscal year.
- MSD will follow Louisville Metro Ordinance 50.24 for debt service adjustments in Jefferson County.
- MSD will follow Interlocal agreements for rate adjustments in Bullitt and Oldham counties.

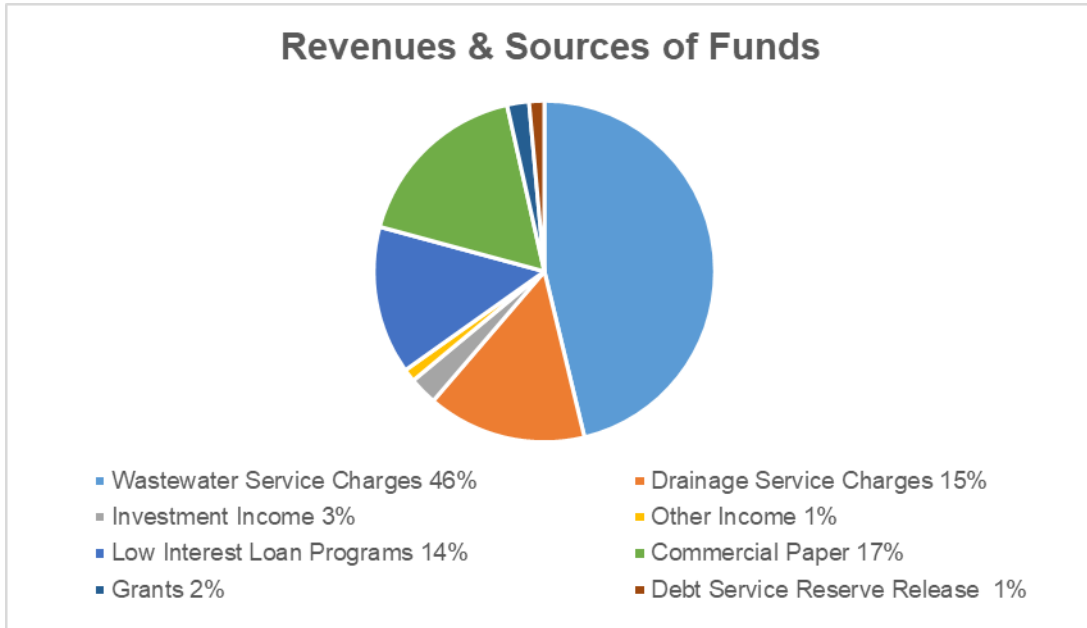
## Budget Summary

The fiscal year 2025 budget is \$692.3 million or \$134.1 million less than fiscal 2024. Details of the operating, CIP, and debt service budgets can be found in the corresponding sections of this document.

<b>Budget Summary</b>				
<i>Dollars in 000's</i>				
	<b>FY 2024</b>	<b>FY 2025</b>	<b>Budgeted</b>	
	<b>Budget</b>	<b>Budget</b>	<b>Difference</b>	
<b>Revenues &amp; Sources of Funds</b>				
Wastewater Service Charges	\$ 303,835	\$ 320,022	\$	16,187
Drainage Service Charges	98,524	104,366		5,842
Investment Income	13,754	18,451		4,697
Other Income	4,900	8,401		3,501
Proceeds from Bond Activities	208,257	-		(208,257)
Proceeds from Low Interest Loan Programs	41,600	97,189		55,589
Proceeds from Commercial Paper	105,000	119,480		14,480
Proceeds from Grants	15,000	14,400		(600)
Debt Service Reserve Release	30,000	10,000		(20,000)
Cash on Hand	5,512	-		(5,512)
<b>Total Revenue &amp; Source of Funds</b>	<b>\$ 826,382</b>	<b>\$ 692,309</b>	<b>\$</b>	<b>(134,073)</b>
<b>Expenses &amp; Uses of Funds</b>				
Salaries & Labor Related Overhead	\$ 91,197	\$ 103,508	\$	12,311
Operating & Maintenance Expenses	94,025	99,102		5,077
Senior Debt Service	144,597	156,671		12,074
Subordinate Debt Service	32,298	28,693		(3,605)
Defeasance of Commercial Paper	200,000	-		(200,000)
Capital Improvement Program (CIP)	260,615	298,831		38,216
Increase Cash Reserves	3,650	5,504		1,854
<b>Total Expense &amp; Use of Funds</b>	<b>\$ 826,382</b>	<b>\$ 692,309</b>	<b>\$</b>	<b>(134,073)</b>

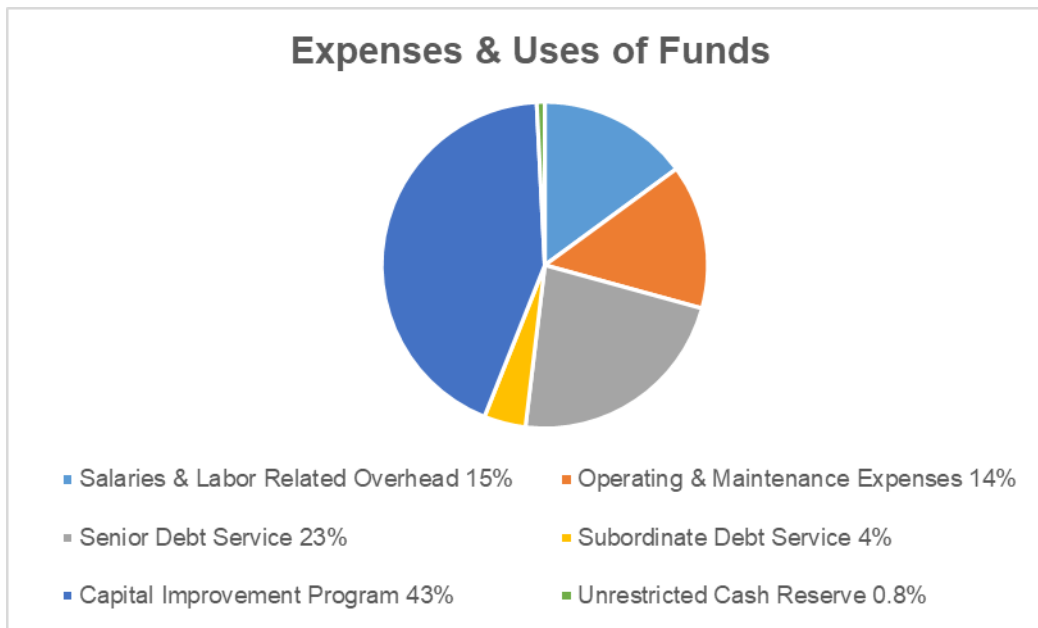
### Revenue & Sources of Funds

The chart below shows budgeted revenue and sources of funds. Budgeted user service charges are \$424.3 million, or 61 percent, of the revenue and sources of funds. Capital related sources of funds total \$241.1 million, or 35 percent.



### Expenses & Uses of Funds

The chart below shows budgeted expenses and uses of funds. The Operating budget totals \$202.6 million, or 29 percent. The CIP totals \$298.8 million, or 43 percent. Debt service totals \$185.3 million, or 27 percent.





## Fiscal Year

MSD's fiscal year runs from July 1 through June 30. Fiscal year 2025 begins July 1, 2024, and ends June 30, 2025.

## Basis of Accounting

MSD's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. MSD follows GASB Pronouncements as codified under GASB 62, including electing to report as a regulated operation. MSD uses proprietary fund accounting (enterprise fund). Due to the election as a regulated operation under GASB 62, to meet industry accounting standards and follow transactional intent, MSD uses, as applicable, ASC 980, Regulated Accounting.

The sewer and drainage system owned and operated by MSD is accounted for using a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of the system are included on the Statement of Net Position. Total net position is segregated into net investment in capital assets, restricted for payment of bond principal and interest and unrestricted. Operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net position. MSD utilizes the accrual basis of accounting wherein revenues are recorded when earned and expenses are recorded at the time the liability is incurred.

## Basis of Budgeting

MSD prepares its budget on a modified accrual basis. Revenues are recognized when earned and expenses are recognized when the liability is incurred. Proceeds from debt are treated like revenues and identified as a source of funds. Depreciation and other non-cash expenses such as GASB 68 (pension) and GASB 75 (OPEB) are not included in the budget. Capital expenditures and principal payments on debt are treated as expenses.

## Key Assumptions

- 90 percent of the rate increase for wastewater service is assumed to be realized.
- MSD's required contributions to the County Employee Retirement System (CERS) for fiscal year 2025 decreased from 23.34 percent to 19.71 percent.
- Health Insurance reflects a 14 percent premium increase.
- Salaries and wages expense for vacant positions includes a salary salvage component based on historical trend.
- Inflationary impacts to chemicals, and contractual services in the operating budget have been assessed using the applicable CPI or PPI price index.

## Financial Key Performance Indicators

MSD has established and documented a set of financial key performance indicators (KPIs) that are used to guide budgetary decisions. Actual KPI results for fiscal year 2023 are presented for context along with forecast and target results for fiscal year 2024 and fiscal year 2025 in the following table.

Key Financial Metrics					
Metric	Fiscal Year 2023	Fiscal Year 2024 Forecast	Board Policy Minimum	Management Target	FY25 Budget
Days Cash on Hand (excluding RSF)	299 Days	302 Days	150 Days	250 Days	283 Days
Days Cash on Hand (Total)	299 Days	333 Days	150 Days	275 Days	310 Days
Total Debt Service Coverage	1.79	1.69			1.68
Senior Debt Service Coverage	2.08	2.10			2.00
Debt to Capitalization	0.72	0.72			0.73
Net Leverage	9	9			9.3
Debt to Operating Revenue	5.37	5.76			5.45
Debt Per Customer	\$3,549	\$3,673			\$3,867

## Funds Description and Structure

Revenue Fund: MSD's general, operating Revenue Fund. All revenues are deposited in this fund and are used to pay all MSD expenses except for bond issuance costs. It is MSD's practice to use revenue from operations to finance construction and to reimburse the Revenue fund from the Construction and Acquisition fund. MSD may, for accounting or allocation purposes, establish one or more additional or subaccounts within the Revenue Fund. MSD maintains separate Revenue funds for Bullitt and Oldham counties.

Operating Reserve Fund: It is MSD's policy to maintain unrestricted cash and cash equivalents in reserve in the Revenue Fund equal to at least 150 days of annual Operating and Maintenance expenses. Amounts more than the minimum will be considered for contingencies. The Operating Reserve Fund is a subaccount of the Revenue Fund.

Rate Stabilization Fund: The Rate Stabilization fund was created to accumulate designated unrestricted reserves. Monies in the fund may be used to meet a portion of MSD's revenue requirements in order to mitigate impacts of prospective rate adjustments. The Rate Stabilization Fund is a subaccount of the Revenue Fund.

Debt Service Fund: The Debt Service Fund is authorized by MSD's Sewer and Drainage System Bond Resolution and used to hold the monthly sinking fund installments of the annual principal and interest due on MSD's outstanding revenue bonds.

Debt Service Reserve Fund: MSD's General Bond Resolution sets a debt service reserve requirement equal to at least 10 percent of the face amount of all bonds issued under the resolution, 100 percent of the maximum aggregate net debt service in the current or any future fiscal year or 125 percent of the average aggregate net debt service in the current or any future fiscal year. MSD funds its debt service reserve at 100 percent of the maximum aggregate net debt service in the current or any future fiscal year. The General Bond Resolution allows, in lieu of cash and investments in that amount, a letter of credit or policy of bond insurance payable in the required amount. The cash portion of the reserve requirement is held in the Debt Service Reserve fund.

Construction Fund: Construction Funds are authorized by MSD's Sewer and Drainage System Bond Resolution and Program Note Resolution and are typically used to hold debt proceeds until needed for their intended use.

Renewal and Replacement Fund: The Renewal and Replacement fund is authorized by the MSD's Sewer and Drainage System Bond Resolution. Monies in the Renewal and Replacement Account may be applied to the cost of major replacements, repairs, renewals, maintenance, betterments, improvements, reconstructions, or extensions of MSD's systems as determined by the MSD Board. MSD may, for accounting or allocation purposes, establish one or more additional or subaccounts within the Revenue and Replacement Fund

## Revenue

### Revenue Requirements

Pursuant to the provisions of Chapter 76 of the Kentucky Revised Statutes, MSD has adopted a Revenue Bond Resolution (the Resolution) and has pledged to the payment of the principal and interest on outstanding revenue bonds all revenues of the system. MSD has covenanted, pursuant to the Resolution, to fix, establish, maintain and collect rates, fees, rents and charge for services of the system so that Available Revenues are sufficient for each fiscal year to pay the sum of (i) 110% of aggregate net debt service for such fiscal year; (ii) the amount, if any, to be paid into the Reserve Account of the bond fund; (iii) all operating expenses for such fiscal year as estimated in the annual budget; (iv) an amount equal to the debt service on senior subordinated debt and any other subordinated debt of such fiscal year; and (v) amounts necessary to pay and discharge all liens payable out of Available Revenues when due and enforceable. The Resolution defines Available Revenues as "revenues from all rates, rents and charges and other operating income, any other amounts received from any other source and pledged as security for the payment on bonds, and interest received or to be received on any moneys or securities held pursuant to

the Sewer and Drainage System Bond Resolution”.

Wastewater and drainage service charges make up the largest component of Available Revenues, but it also includes Other Operating Income, the current portion of assessment payments and Non-Operating Income. Other Operating Income consists of fees for various services and fines assessed. Major categories of Other Operating Income include capacity charges, inspection fees, inflow & infiltration fees, and regional facility fees. Current assessment payments represent the portion of MSD’s assessment loans that are due and receivable in the current fiscal year. Non-operating income consists of investment income earned on MSD’s operating and debt service reserve accounts and the federal interest subsidy on MSD’s Build America Bonds.

Following is the budgeted Available Revenues for fiscal year 2025.

<b>Available Revenues Combined Service Area Dollars in 000's</b>	
	<b>FY25 Budget</b>
Wastewater Service Charges	\$ 320,022
Drainage Service Charges	104,366
Other Operating Income	8,158
Current Portion of Assessments	243
Investment Income	7,465
Build America Bond Subsidy	10,986
<b>Total Available Revenues</b>	<b>\$ 451,240</b>

### Historical Available Revenues

The following table provides a five-year history of Available Revenues along with forecast data for fiscal year 2024 and budget data for fiscal year 2025.

<b>Historical Available Revenues Dollars in 000's</b>							
	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24 F</b>	<b>FY25 B</b>
Revenues							
Service Charges	\$ 289,173	\$ 312,859	\$ 325,717	\$ 356,870	\$ 385,163	\$ 398,852	\$ 424,388
Other Operating Income	5,195	6,198	3,701	8,497	6,863	9,620	8,158
Assessments	1,258	909	799	583	429	304	243
Investment Income	18,692	15,600	12,175	8,877	18,603	13,589	7,465
<b>Total Available Revenues</b>	<b>\$ 314,318</b>	<b>\$ 335,566</b>	<b>\$ 342,392</b>	<b>\$ 374,827</b>	<b>\$ 411,058</b>	<b>\$ 422,365</b>	<b>\$ 440,254</b>

### Jefferson County Fiscal Year 2024 Rate Resolution

Louisville Metro Ordinance §50.24 requires that whenever MSD's net revenues are less than 1.1 times the debt service on MSD's outstanding revenue bonds for any consecutive six-month period, by order of the Board of MSD, the schedule of wastewater and drainage service charges shall be amended in order to maintain a 1.10 debt service coverage required by MSD's 1971 Revenue Bond Resolution, provided the aggregate of such adjustments for any 12-month period shall not generate additional revenue from wastewater and drainage service charges in excess of 7 percent. MSD performs this debt service calculation every year during the rate planning process. For the six-month period ending March 31, 2024, the debt service coverage ratio was 0.86 percent. Following is the Metro Ordinance Debt Service Coverage calculation for the period of October 1, 2023, through March 31, 2024.

<b>Metro Ordinance Debt Service Coverage Calculation</b>		
<i>Dollars in 000's</i>		
	October 2022 - March 2023	October 2023 - March 2024
Revenues	\$ 185,389	\$ 198,200
Operating Expenses	(80,896)	(85,535)
Subordinate Debt Service	(10,093)	(25,604)
<b>Net Revenues</b>	<b>\$ 94,400</b>	<b>\$ 87,061</b>
Bond Principal Maturities	\$ 52,880	\$ 51,115
Bond Interest Expense	45,805	49,882
<b>Net Debt Service</b>	<b>\$ 98,685</b>	<b>\$ 100,997</b>
<b>Metro Ordinance Debt Service Coverage Ratio</b>	<b>0.96</b>	<b>0.86</b>

On May 28, 2024, the MSD Board approved a preliminary rate resolution amending MSD's fiscal year 2024 Schedule of Rates, Rentals, and Charges for Jefferson County. The proposed fiscal year 2025 rate schedule, which was recommended pursuant to the debt service adjustment provisions of §50.24, includes a 6.9 percent rate increase in wastewater and drainage charges. This rate increase is necessary to produce available revenues to MSD sufficient for the payment of interest on and principal of all revenue bonds and other debt of the district, the expenses of operating and maintaining the sewer and drainage system, and for the payment of capital improvements to the system. The preliminary rate resolution was posted on the MSD website at [LouisvilleMSD.org/Rates](http://LouisvilleMSD.org/Rates) and notice of the rate increase was published in the Courier Journal on May 28, 2024. MSD will accept written comments on the preliminary rate resolution until July 4, 2024. Comments from the public will be delivered to the MSD Board on July 29, 2024, at which time the Board will consider adoption of a final rate resolution.

MSD defines an average residential customer as a single-family household that uses 4,000 gallons of water per month. The monthly wastewater bill for the average residential customer in Jefferson County will increase on August 1, 2024, from \$61.73 to \$65.50 or by \$3.77. The monthly residential drainage charge will increase from \$13.33 to \$14.25 or by \$0.92. The total monthly increase for the average residential customer is \$4.69.

<b>Average Monthly Residential Bill</b>		
Jefferson County Service Area	8/1/2023	8/1/2024
Wastewater	\$ 61.73	\$ 65.50
Drainage	13.33	14.25
<b>Total</b>	<b>\$ 75.06</b>	<b>\$ 79.75</b>
Monthly Wastewater Increase	\$ 3.98	\$ 3.77
Monthly Drainage Increase	0.86	0.92
<b>Total Monthly Increase</b>	<b>\$ 4.84</b>	<b>\$ 4.69</b>

### Oldham County Fiscal Year 2024 Rate Resolution

On July 1, 2020, MSD acquired the wastewater system of Oldham County Environmental Authority (OCEA) pursuant to the terms of an Interlocal Cooperation Agreement (ILA) entered on November 18, 2019. Section 11.3 of the ILA states that for fiscal year 2023 and years thereafter, MSD will raise existing OCEA customer rates no more than 5% per year until the rates equalize with the rates of MSD's other customers. A preliminary rate resolution for fiscal year 2025 was drafted to generate sufficient revenue to maintain debt service coverage, to continue the proper operation and maintenance of MSD's existing sewerage system in Oldham County, and to pay for the cost of capital improvements to the system.

On May 28, 2024, the MSD Board approved the preliminary rate resolution amending MSD's fiscal year 2024

Schedule of Rates, Rentals, and Charges for Oldham County. The proposed fiscal year 2025 rate schedule includes a 5 percent rate increase in wastewater charges. The preliminary rate resolution was posted on the MSD website at [LouisvilleMSD.org/Rates](http://LouisvilleMSD.org/Rates) and notice of the rate increase was published in the Oldham Era on June 1, 2024. MSD will accept written comments on the preliminary rate resolution until July 4, 2024. Comments from the public will be delivered to the MSD Board on July 29, 2024, at which time the Board will consider adoption of a final rate resolution.

The monthly wastewater bill for the average residential customer in Oldham County will increase on August 1, 2024, from \$74.68 to \$78.42 or by \$3.74.

<b>Average Monthly Residential Bill</b>		
<b>Oldham County Service Area</b>	<b>8/1/2023</b>	<b>8/1/2024</b>
Wastewater	\$ 74.68	\$ 78.42
<b>Total</b>	<b>\$ 74.68</b>	<b>\$ 78.42</b>
Monthly Wastewater Increase/Decrease	\$ 3.56	\$ 3.74
<b>Total Monthly Increase/Decrease</b>	<b>\$ 3.56</b>	<b>\$ 3.74</b>

### **Bullitt County Fiscal Year 2024 Rate Resolution**

On December 1, 2021, MSD acquired the wastewater system of the Bullitt County Sanitation District (BCSD), including the Big Valley and Hunters Hollow systems, pursuant to the terms of an ILA dated May 6, 2021, as amended. Article XII of the ILA provides that, beginning January 1, 2022, and each calendar year thereafter through January 1, 2026, MSD will increase wastewater charges in the former BCSD service area 12% each calendar year. A preliminary rate resolution for fiscal year 2025 will be drafted to generate sufficient revenue to maintain debt service coverage, to continue the proper operation and maintenance of MSD’s existing sewerage system in Bullitt County, and to pay for the cost of capital improvements to the system.

The preliminary rate resolution amending MSD’s fiscal year 2024 Schedule of Rates, Rentals and Charges for Bullitt County will be taken up by the MSD Board in November of 2024. The proposed fiscal year 2025 rate schedule will include a 12 percent increase in wastewater charges. The preliminary rate resolution will be posted on the MSD website at [LouisvilleMSD.org/Rates](http://LouisvilleMSD.org/Rates) and notice of the rate increase will be published in the Courier Journal and Pioneer News. MSD will accept written comments on the preliminary rate resolution for a period of 30 days. Comments from the public will be delivered to the MSD Board at the December 2024 Board meeting, at which time the Board will consider adoption of a final rate resolution.

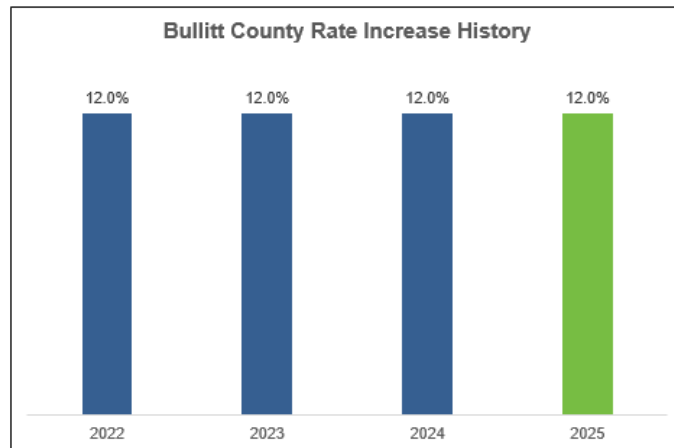
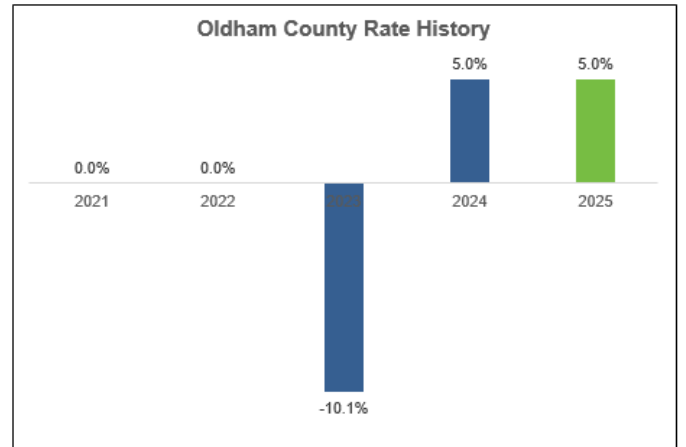
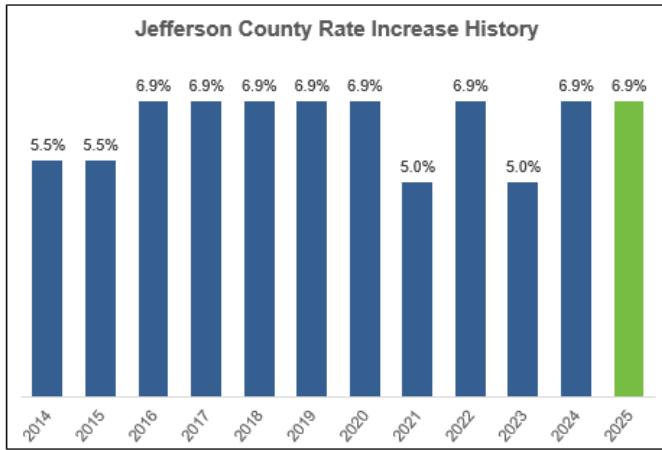
The monthly wastewater bill for the average residential customer in Bullitt County will increase on January 1, 2025, from \$70.60 to \$79.07 or by \$8.47.

<b>Average Monthly Residential Bill</b>		
<b>Bullitt County Service Area*</b>	<b>1/1/2024</b>	<b>1/1/2025</b>
Wastewater	\$ 70.60	\$ 79.07
<b>Total</b>	<b>\$ 70.60</b>	<b>\$ 79.07</b>
Monthly Wastewater Increase	\$ 7.56	\$ 8.47
<b>Total Monthly Increase</b>	<b>\$ 7.56</b>	<b>\$ 8.47</b>
*Rates vary for Big Valley & Hunters Hollow through 1/1/2026		



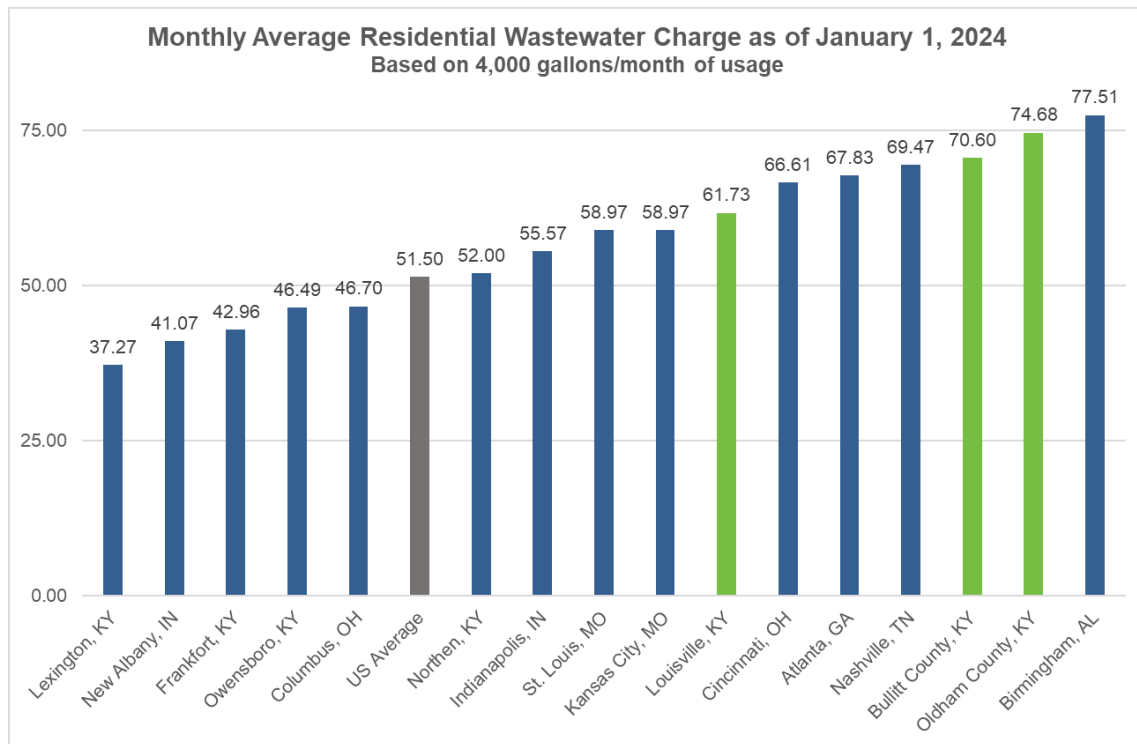
## Rate Increase History

The following tables show a 10-year history of rate increases along with the fiscal year 2025 preliminary rate increases.



## Rate Comparability

The National Association of Clean Water Agencies (NACWA) collects data from around the country on wastewater rates. Based on information collected as of January 1, 2024, MSD's Jefferson County wastewater rates remain comparable to area regional cities like Cincinnati and St. Louis.



## Customer Affordability

MSD recognizes that affordability of the essential services it provides is a concern for many. We have implemented the following programs to aid the most vulnerable in our community. MSD expects to provide over \$1,900,000 in total customer assistance in fiscal year 2025.

### EWRAP

MSD implemented the Emergency Wastewater Rate Assistance Program (EWRAP) on August 1, 2020. EWRAP provides a 30 percent discount on MSD wastewater services to customers with a total household income at or below 150 percent of the federal poverty line. Customers cannot qualify for both the Senior Discount and EWRAP discount. The fiscal year 2025 EWRAP program begins on November 1, 2024. Once a customer is approved for EWRAP, the discount will continue through October 31, 2025. Applications require household information and income verification. Program participants must re-apply for the discount annually. MSD has budgeted \$500,000 in funding for EWRAP in fiscal year 2025.

### Senior Citizens Discount

MSD offers a Senior Citizens discount program for customers 65 years old or older with an annual income of \$35,000 or less. Qualifying customers receive a 30 percent discount on wastewater services. Customers cannot qualify for both the Senior discount and EWRAP discount. Applications require household information and income verification. Program participants must re-certify periodically. MSD has budgeted \$1,400,000 in funding for the Senior Citizens discount in fiscal year 2025.

### Drops of Kindness

MSD customers can access additional payment assistance through our partnership with Louisville Water. Drops of Kindness is an umbrella assistance program that encompasses both MSD discount programs along with the Louisville Water Foundation, federal and state utility funds (when available), and residential customer payment plans through Promise Pay. The Louisville Water Foundation provides water and

wastewater funding assistance to the Association of Community Ministries, Tri-County Community Action Partnership, Multi-Purpose Community Action Agency, and Neighbor Helping Neighbor. MSD has budgeted a \$150,000 donation to the Louisville Water Foundation in fiscal year 2025. Drops of Kindness can be accessed by visiting [Drops of Kindness](#).

Questions about our customer assistance programs can be directed to [revnuegroup@louisvillemsd.org](mailto:revnuegroup@louisvillemsd.org).

## Operating Budget

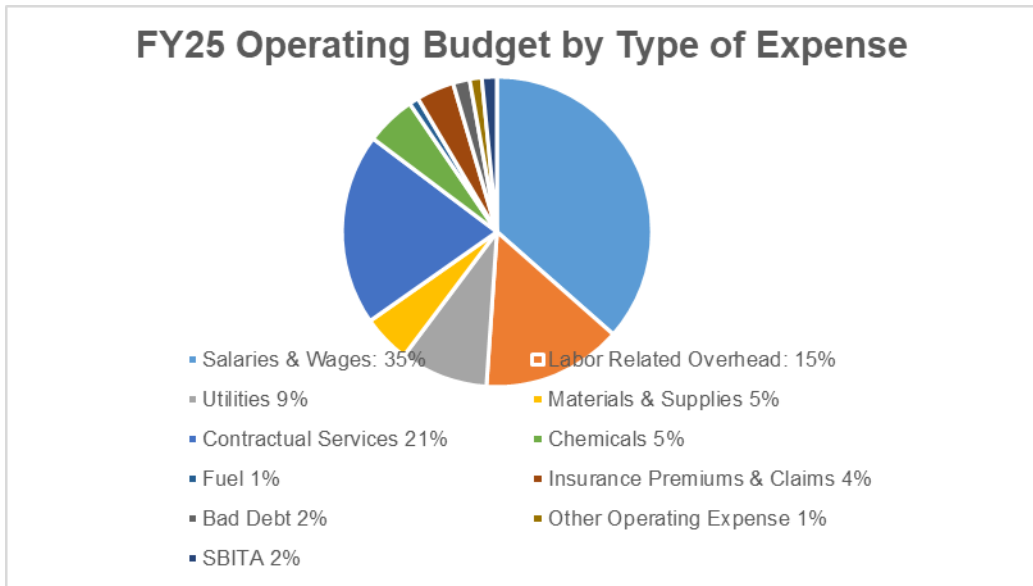
MSD's operating budget provides funding to operate and maintain its wastewater, drainage, and flood protection systems.

### Operating Budget Summary

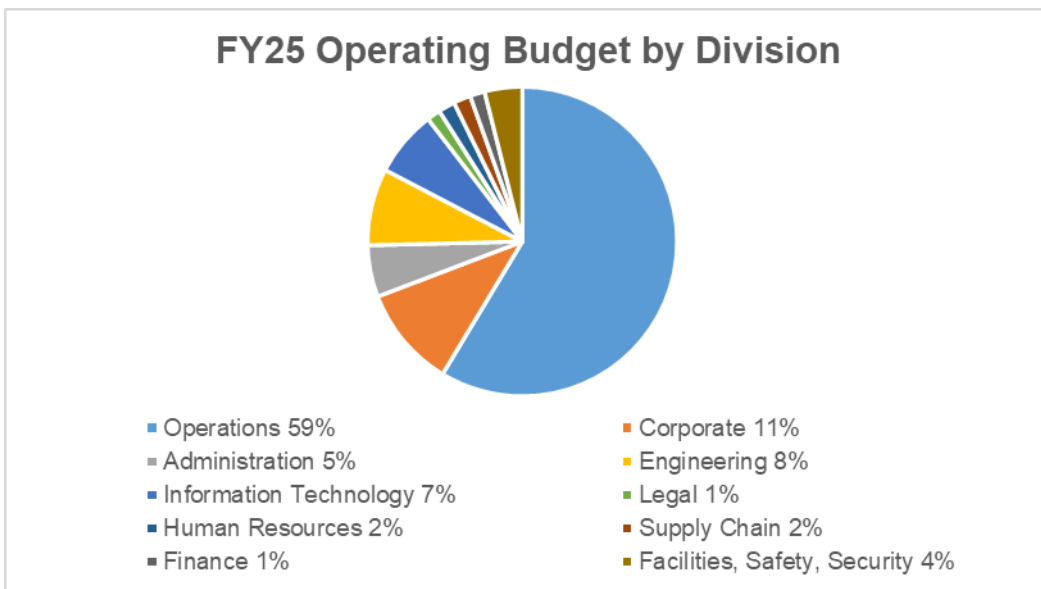
Following is a summary of the total Board-approved fiscal year 2025 operating budget.

<b>FY25 Operating Budget Request</b>						
<i>Dollars in 000's</i>						
<b>Combined Service Area</b>						
	<b>FY24 Budget</b>	<b>FY24 Forecast</b>	<b>FY25 Budget</b>	<b>Budget/ Budget</b>	<b>Budget/ Forecast</b>	
Salaries & Wages	\$ 64,303	\$ 64,264	\$ 73,933	15%	15%	
Labor Related Overhead	26,894	28,212	29,575	10%	5%	
<b>Total Salary &amp; LRO</b>	<b>91,197</b>	<b>92,476</b>	<b>103,508</b>	<b>13%</b>	<b>12%</b>	
Utilities	18,698	16,695	18,566	-1%	11%	
Materials & Supplies	9,527	9,745	10,161	7%	4%	
Contractual Services	39,326	35,067	40,512	3%	16%	
Chemicals	11,133	8,998	10,574	-5%	18%	
Fuel	2,050	1,625	2,027	-1%	25%	
Insurance Premiums & Claims	7,335	7,903	7,978	9%	1%	
Bad Debt	3,527	3,379	3,527	0%	4%	
Other Operating Expense	2,430	2,076	2,586	6%	25%	
SBITA	-	3,098	3,171		2%	
<b>Total O&amp;M</b>	<b>94,026</b>	<b>88,586</b>	<b>99,102</b>	<b>5%</b>	<b>12%</b>	
<b>Total Operating Budget</b>	<b>\$ 185,223</b>	<b>\$ 181,062</b>	<b>\$ 202,610</b>	<b>9%</b>	<b>12%</b>	

Labor and labor related overhead represent 50 percent of the operating budget which is consistent with the fiscal year 2024 Budget. Operating and maintenance expenses represent 50 percent of the operating budget.



The Operations division represents 60 percent of the total fiscal year 2024 operating budget, which is 1% decrease from fiscal year 2024.



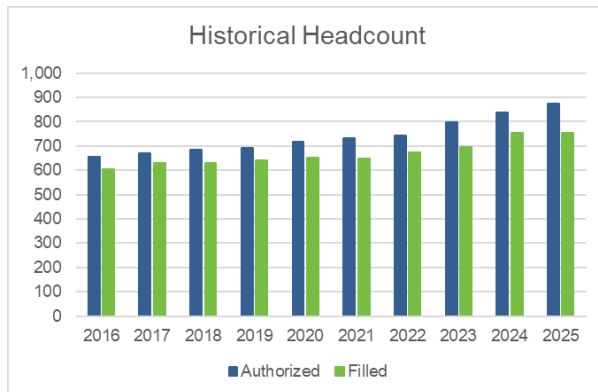
## Labor

MSD budgets for authorized headcount considering vacancy rates, performance and contractual pay adjustments, and reclassifications. MSD has contracts with two labor unions; LIUNA which represents 180 authorized positions (20.7 percent) and NAGE which represents 178 authorized positions (20.5 percent). The table to the right breaks down the total authorized headcount by division and department.

At the time of budget development there were 134 vacation positions at MSD as shown in the following table.

FY25 Budget Vacancies by Division	
Administration	6
Corporate (Reserve)	6
Engineering	12
Finance	2
Facilities, Safety & Security	15
Human Resources	4
Information Technology	1
Legal	3
Operations	82
Supply Chain & Economic Inclusion	3
<b>Total Vacant Positions</b>	<b>134</b>

Historical authorized and filled positions at the end of each fiscal year and for the beginning of fiscal year 2025 are shown below.



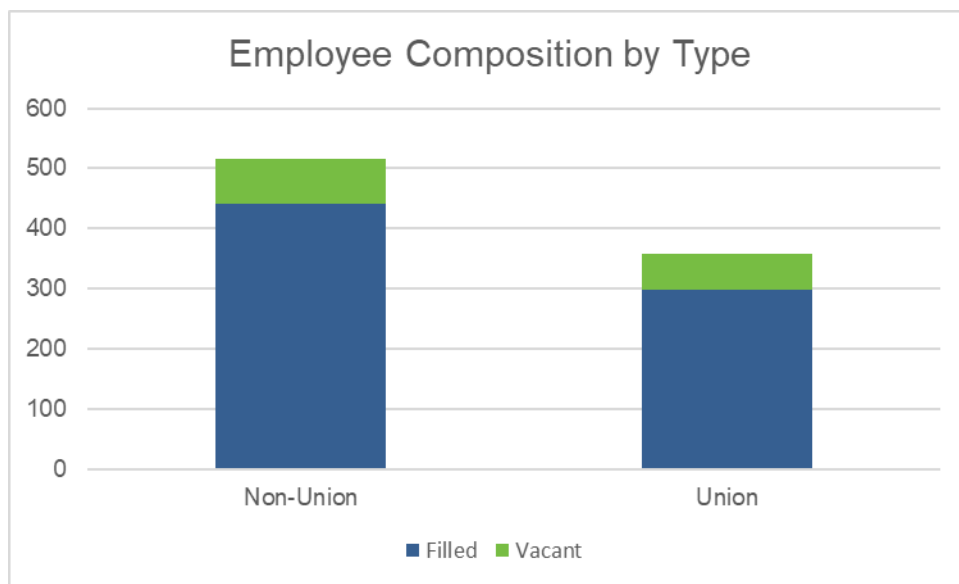
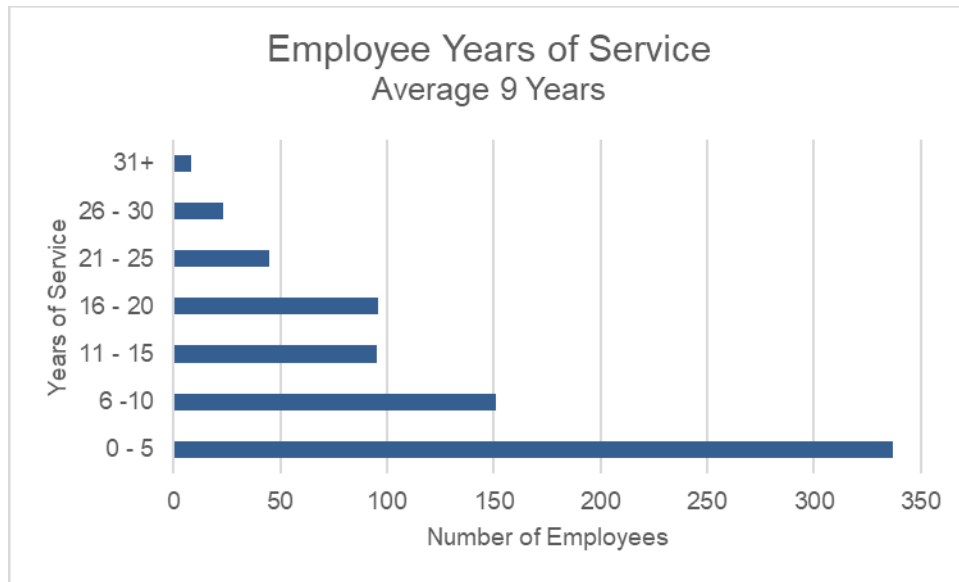
## Labor Related Overhead

Labor-related overhead includes all employer-paid payroll taxes as well as benefits including medical, dental and vision insurance and employer-paid pension contributions. MSD budgeted for a 14.9 percent increase in employer-paid medical insurance premiums. MSD employees participate in the County Employees Retirement System (CERS). Employer-paid contributions for fiscal 2025 are 19.71 percent of eligible employee creditable compensation.

FY25 Authorized Headcount by Division	
<b>Administration</b>	
Community Benefits & Partnerships	8
Corporate	6
Customer Relations	20
Executive Office	5
Government & Public Affairs	7
Innovation	4
Internal Audit	4
Records & Information Governance	10
<b>Total</b>	<b>64</b>
<b>Engineering</b>	
Administration	1
Development & Stormwater Services	30
Regulatory Compliance, Records & GIS	18
Technical Services	53
<b>Total</b>	<b>102</b>
<b>Facilities, Safety &amp; Security</b>	
Facilities	10
Safety & Security	38
<b>Total</b>	<b>48</b>
<b>Finance</b>	
Administration & Budget	7
General Accounting	7
Revenue	9
<b>Total</b>	<b>23</b>
<b>Human Resources</b>	
HR Services	14
Training	9
<b>Total</b>	<b>23</b>
<b>Information Technology</b>	
Administration	1
Information Systems	6
LOJIC	10
Support Services	16
<b>Total</b>	<b>33</b>
<b>Legal</b>	
<b>Total</b>	<b>11</b>
<b>Operations</b>	
Administration	4
Fleet	23
Linear Assets	233
Vertical Assets	283
<b>Total</b>	<b>543</b>
<b>Supply Chain &amp; Economic Inclusion</b>	
Administration	1
Procurement	9
Warehouse	10
Supplier Diversity & SBE Program	7
<b>Total</b>	<b>27</b>
<b>Total Authorized Positions</b>	<b>874</b>



## Workforce Analysis



## Operating and Maintenance Expenses

Operating and maintenance expenses in the fiscal 2025 operating budget are projected to increase 9 percent in total over the fiscal 2024 budget. While there are some incremental increases in some expense line items, the most significant budgetary increases are being driven by personnel. Salary and Labor Related Overhead expense is expected to increase 13 percent, which is result of a lower position vacancy rate in 2024 and expected growth in 2025. Chemical costs will decrease by 5 percent as usage optimization plans are implemented throughout the service area. Materials & Supplies expense is expected to increase by 7 percent and is largely reflective of the need to address deferred maintenance at multiple MSD facilities. The 2025 operating budget also includes a 9 percent budget-to-budget increase in liability and property insurance premiums and claims. This increase is due to claims history and a very difficult municipal insurance market nationwide. The fiscal year 2025 Operating budget also includes a \$1.4 million Management Reserve for contingencies.

## Division Operating Budgets

The following pages provides details on the Divisions of MSD and a summary of fiscal year 2025 Operating budgets for each.

### Administration Division

#### Mission

To support the organization's mission, operations, and strategic goals by delivering quality services through collaborative, transparent, and strategic partnerships with our internal and external stakeholders.

#### Departments

Community Benefits and Partnerships: Responsible for the oversight of the community benefits and local labor programs. Responsible for ensuring MSD actively manages and fosters intentional and equitable strategic partnerships within MSD's service area to ensure the community receives social impact and public benefits. Creates and oversees programs, such as internships and co-ops, to ensure our next generation of workers are exposed to careers in the water sector.

Customer Relations: Serves as the primary point of contact for information and support for MSD services. Manages customer inquiries from various avenues including phone calls, emails, web chat and in-person visits. Creates service orders and coordinates with field staff to address customer concerns.

Executive Offices: Office of the Executive Director and support staff. Responsible for the oversight of all MSD divisions.

Government and Public Affairs: Provides organizational support of the MSD brand through strategic internal and external communications. Facilitates discussions with elected officials, customers, and stakeholders to build community trust. Oversees regionalization and economic development strategies.

Innovation: Responsible for developing and promoting the organization's strategy for innovation. Fosters organization-wide innovation through exploration, communication, and collaboration. Responsible for leading new initiatives and supporting business units with efforts to realize operational efficiencies and revenue generation through strategic partnerships and innovation.

Internal Audit: Provides independent and objective reviews and assessments of the business activities of MSD.

Records and Information Governance: Provides guidance for records and information governance standards and collaborates with all divisions ensuring the organization's records meet accepted standards. Creates, reviews, and maintains records retention schedule. Manages open records requests, MSD's policy and procedures framework, and management of MSD's Board.

## FY24 Project Status & Accomplishments

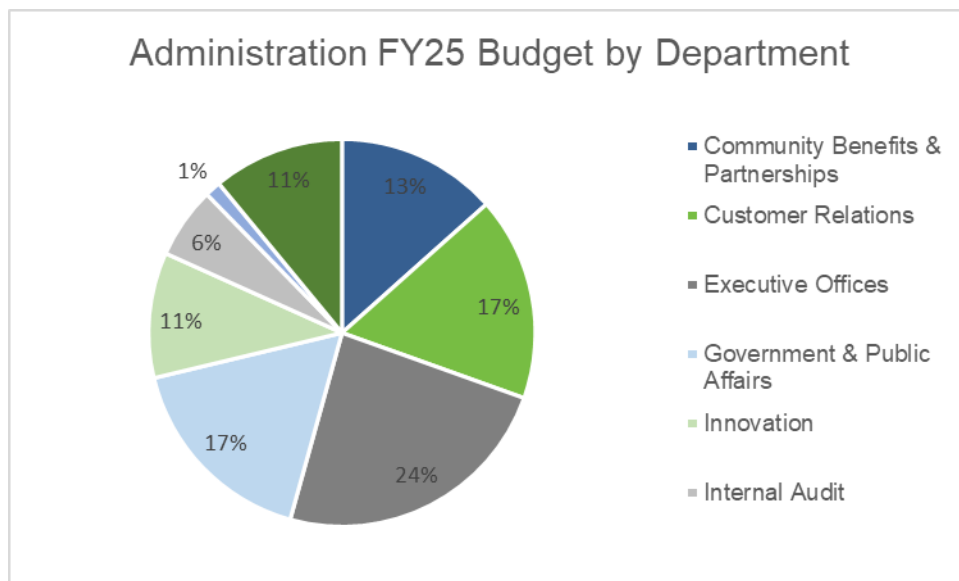
- Assisted with successful efforts to fund USACOE workplan items, Congressional Project Funding Requests, and SRF Loan coordination.
- The Inaugural Innovation Day and Innovation Shark Tank was held to recognize and foster the innovative spirit of MSD resulting in 15 innovative ideas to support our mission.
- Innovation collaborated with a consultant to conduct an assessment that explored the use of Robotic Process Automation (RPA) at MSD. Several processes were identified that would benefit from the use of the technology that will be considered for implementation in fiscal year 2025.
- Implemented 24/7 translation services for over 240 languages to better serve our diverse language speaking community.
- Led cross-functional team to review the current customer back-up and claims processes and to develop opportunities for improvement.
- The Water and Wastewater Customer Affordability Framework Report for the One Water Partnership was developed to assess the current affordability burdens customers face and to identify opportunities to promote affordable access to water and wastewater services.
- Implemented RIG Week to foster a culture of records and information management which equated to approximately 1,845 pounds of paper elimination and 148 MB of disc information.

## FY25 Budget Highlights

- CIAIRity 2.0 execution (public meetings, dashboards, collateral).
- Engage with state and federal legislators on funding for the region, regulatory issues, and affordability programs.
- Continue to engage and assist with pursuits for alternative funding.
- Continue with the Booky Oren Global Water Technologies (BOGWT) engagement to further explore solutions to some of our most pressing challenges.
- Contract Robotic Process Automation (RPA) services to enable the design and implementation of the technology at MSD.
- Utilize the Water and Wastewater Customer Affordability Framework and partnership with Louisville Water to identify improved methods to provide support to our most vulnerable customers.

## Administration Division Operating Budget

O&M Budget Total	FY2024 Budget	FY2025 Budget	\$ Increase	% Increase
<b>LABOR</b>				
51120 - Regular Salaries & Wages	\$4,503,822	\$5,636,445	\$1,132,622	25.1%
51130 - Overtime	\$63,400	\$63,400	\$0	0.0%
51300 - Payroll Taxes	\$330,639	\$404,428	\$73,789	22.3%
51400 - Unemployment Insurance	\$2,196	\$2,196	\$0	0.0%
51500 - Med Ins: MSD's port. of prem for grp	\$464,112	\$573,884	\$109,772	23.7%
51600 - Retirement Contributions	\$957,989	\$1,094,000	\$136,011	14.2%
	<u>\$6,322,158</u>	<u>\$7,774,353</u>	<u>\$1,452,195</u>	<u>23.0%</u>
<b>NON-LABOR</b>				
53140 - Materials & Supplies	\$112,184	\$118,969	\$6,785	6.0%
52140 - Professional Services	\$1,059,628	\$1,561,168	\$501,540	47.3%
52160 - Maintenance & Repairs	\$4,992	\$4,992	\$0	0.0%
52195 - Other Contractual Services	\$324,008	\$543,392	\$219,384	67.7%
54110 - General Liability Insurance	\$6,900	\$6,900	\$0	0.0%
54250 - Contributions	\$284,750	\$284,750	\$0	0.0%
54400 - Advertising	\$102,000	\$117,500	\$15,500	15.2%
54500 - Travel & Meetings	\$160,346	\$180,326	\$19,980	12.5%
54550 - Training	\$35,000	\$103,000	\$68,000	194.3%
54600 - Dues, Fees and Subscriptions	\$367,742	\$240,104	(\$127,638)	-34.7%
54700 - Board Members	\$14,400	\$14,400	\$0	0.0%
	<u>\$2,471,950</u>	<u>\$3,175,501</u>	<u>\$703,551</u>	<u>28.5%</u>
<b>Total O&amp;M Budget</b>	<b>\$8,794,108</b>	<b>\$10,949,854</b>	<b>\$2,155,746</b>	<b>24.5%</b>



## Corporate Division

### Departments

Corporate: Captures district-wide expenses such as billing and collection, bad debt, liability insurance, property insurance, liability claims, workers compensation insurance, and workers compensation claims. This division also includes funding for the Management Reserve used to address unbudgeted expenses incurred throughout the Fiscal Year.

### FY24 Project Status & Accomplishments

- Created nation's first wastewater Honor Guard.
- Implementation of Chemical Usage recommendations at Regional Treatment facilities.
- Provided an additional \$50,000 in Funding to Louisville Water Foundation's Drop of Kindness program.

### FY25 Budget Highlights

- \$1.4 Million included to fund the Management Reserve.



*The opening of Alberta O. Jones Park was a significant project that was helped by the Community Benefits Program, which has won a NACWA Award.*

**Corporate Division Operating Budget**

O&M Budget Total	FY2024 Budget	FY2025 Budget	\$ Increase	% Increase
<b>LABOR</b>				
51120 - Regular Salaries & Wages	\$240,807	\$351,328	\$110,521	45.9%
51147 - Service & Safety Incentive Awards	\$28,568	\$28,568	\$0	0.0%
51220 - Workers' Compensation Insurance	\$300,000	\$300,000	\$0	0.0%
51225 - Workers' Compensation Claims	\$960,000	\$960,000	\$0	0.0%
51230 - Long-Term Disability	\$0	\$60,000	\$60,000	100.0%
51240 - Group Life - AD&D Insurance	\$124,992	\$39,992	(\$85,000)	-68.0%
51250 - Tuition Assistance	\$60,000	\$60,000	\$0	0.0%
51260 - Empl Assistance & Wellness Program	\$14,000	\$14,000	\$0	0.0%
51300 - Payroll Taxes	\$13,070	\$27,381	\$14,311	109.5%
51500 - Med Ins: MSD's port. of prem for grp	\$12,853	\$17,460	\$4,607	35.8%
51600 - Retirement Contributions	\$56,108	\$0	(\$56,108)	-100.0%
	\$1,810,398	\$1,858,729	\$48,330	2.7%
<b>NON-LABOR</b>				
53140 - Materials & Supplies	\$20,000	\$0	(\$20,000)	-100.0%
52110 - Billing & Collection	\$7,065,966	\$6,736,500	(\$329,466)	-4.7%
52140 - Professional Services	\$29,997	\$0	(\$29,997)	-100.0%
52195 - Other Contractual Services	\$2,060,000	\$1,400,000	(\$660,000)	-32.0%
54200 - Bad Debts	\$3,500,000	\$3,500,000	\$0	0.0%
54110 - General Liability Insurance	\$4,252,668	\$4,405,081	\$152,413	3.6%
54130 - Property Insurance	\$2,162,940	\$2,991,300	\$828,360	38.3%
54140 - General Liability Claims	\$575,004	\$575,004	\$0	0.0%
54500 - Travel & Meetings	\$14,000	\$0	(\$14,000)	-100.0%
54550 - Training	\$32,800	\$0	(\$32,800)	-100.0%
54600 - Dues, Fees and Subscriptions	\$850	\$0	(\$850)	-100.0%
	\$19,714,225	\$19,607,885	(\$106,340)	-0.5%
<b>Total O&amp;M Budget</b>	<b>\$21,524,623</b>	<b>\$21,466,614</b>	<b>(\$58,010)</b>	<b>-0.3%</b>



## Engineering Division

### Mission

To enhance the internal and external customer experience through the delivery of high-quality services to achieve MSD's vision of safe, clean waterways.

### Departments

Administration: Coordinates the division, assigning short and long-term goals for successful completion of the mission of MSD while monitoring projects to ensure they stay on budget and within the projected time scheduled. Responsible for the development and implementation of each fiscal year capital budget and the five-year rolling capital budget. Coordinates with all local, state, and federal regulators, as well as government and non-government entities as needed.

Capital Program Controls: Manages the district-wide annual CIP through project and program data capture, analysis, and reporting. Drives the development activities of the annual refresh of the five-year plan, as well as the change management process for each project. Performs cash flow forecasting monthly and is the facilitator of CIP Management Team meetings. Leads continuous improvement initiatives for efficient CIP performance and delivery.

Development and Stormwater Services: Oversees the design, review and permitting of private development projects constructing and connecting to MSD assets to ensure compliance with MSD's policies, design guidelines, as well as local, state, and federal environmental laws and regulations. Provides inspection, permitting and enforcement of Louisville Metro's floodplain and ESPC ordinances along with administering MSD's MS4 (water quality) programs to ensure compliance with local, state, and federal environmental laws and regulations. Manages and administers MSD's DRI capital drainage program, plumbing modification program and the flood protection capital repair and rehabilitation.

Regulatory Compliance, Records and GIS: Responsible for Asset Management Program and works throughout MSD to build and improve efficient workflows in IPS. Manages Consent Decree activities and reporting deadlines to ensure regulatory compliance. Manages all the spatial data related to MSD's drainage, sewer and flood protection assets including data maintenance, map production and spatial analysis.

Technical Services: The Engineering Technical Services department oversees the planning, design, construction, and implementation of the CIP Program capital projects. This includes renewal/replacement and new construction of the District's wastewater, stormwater and flood protection assets. Planning staff ensures MSD is in compliance with all current regulatory activities and deadlines as well as future ever-changing regulatory guidelines and budget needs through regionalized facility planning and hydraulic modeling. Design and construction staff work to ensure each project is completed so that the final product supports MSD core services for our customers. Projects are implemented through construction and supported by inspection staff, with final coordination of MSD operations staff to ensure the performance of each project meets planning and design goals. The department also supports the budget planning for each fiscal year and regularly provides subject matter experts to consult and provide guidance in projects and special requests throughout MSD. Some examples include submissions for alternative funding, electrical technical support, and Real Time Control (RTC) System integration.

## FY24 Project Status & Accomplishments

- Issued Notice to Proceed on the Morris Forman Water Quality Treatment Center Thermal hydrolysis project (total project cost \$256 million).
- Significant progress on the Paddy's Run Flood Pump Station Capacity Upgrade. Total project cost \$236 million.
- Over \$225 million awarded through low interest loans and grants.
- Urban Reforestation planted 1,000+ trees around our community.
- 13 Funded FEMA grants secured to mitigate flood prone structures.

## FY25 Budget Highlights

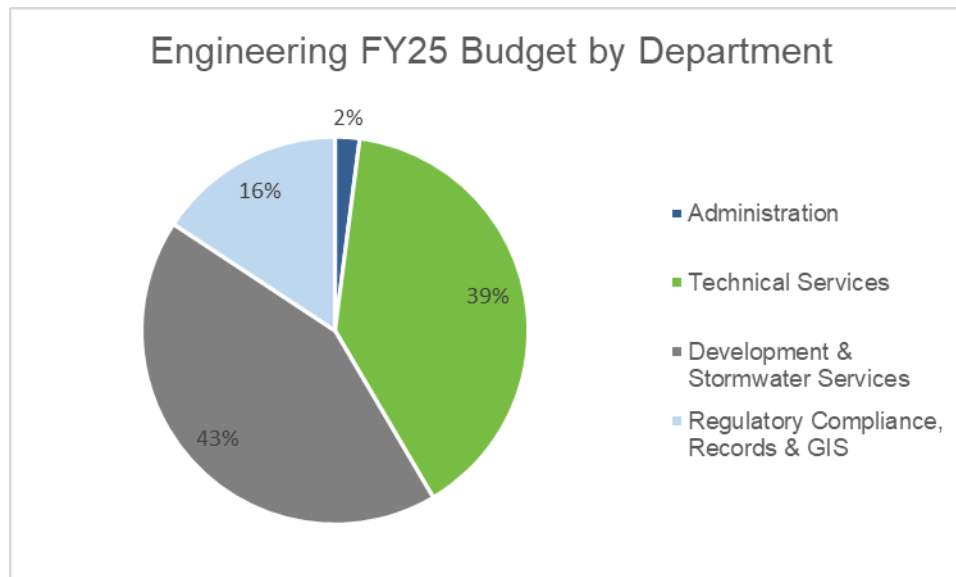
- Management of MSD's largest Capital Improvement Budget of \$299 million.
- First phase of the Morris Forman Water Quality Treatment Center's Sediment Basin Rehabilitation will be completed (total project cost is \$43 million).
- Design to begin on the Upper Middle Fork Tunnel and pump station, force main improvements (projected cost of \$130 million).
- Construction beginning on the new Cedar Creek Administration Building (projected cost of \$9 million).
- Complete impervious measurements on all single-family properties in Jefferson County.
- Complete last technical asset management plans.
- Implementation of Private Property Illicit Discharge elimination program.
- \$1.7 million increase for construction inspection and flood protection project management support.



*Assistant Secretary of the Army for Civil Works visits Paddy's Run Flood Pump Station.*

## Engineering Division Operating Budget

O&M Budget Total	FY2024 Budget	FY2025 Budget	\$ Increase	% Increase
<b>LABOR</b>				
51120 - Regular Salaries & Wages	\$9,098,715	\$9,864,536	\$765,821	8.4%
51130 - Overtime	\$47,196	\$46,196	(\$1,000)	-2.1%
51135 - Special Event Compensation	\$996	\$996	\$0	0.0%
51300 - Payroll Taxes	\$685,685	\$749,507	\$63,821	9.3%
51400 - Unemployment Insurance	\$4,992	\$4,860	(\$132)	-2.6%
51500 - Med Ins: MSD's port. of prem for grp	\$1,175,307	\$1,354,754	\$179,447	15.3%
51600 - Retirement Contributions	\$1,981,769	\$1,826,132	(\$155,637)	-7.9%
	<u>\$12,994,660</u>	<u>\$13,846,980</u>	<u>\$852,321</u>	<u>6.6%</u>
<b>NON-LABOR</b>				
53140 - Materials & Supplies	\$63,418	\$52,568	(\$10,850)	-17.1%
52140 - Professional Services	\$116,500	\$2,071,000	\$1,954,500	1677.7%
52160 - Maintenance & Repairs	\$152,000	\$197,000	\$45,000	29.6%
54500 - Travel & Meetings	\$55,275	\$53,775	(\$1,500)	-2.7%
54550 - Training	\$21,035	\$22,250	\$1,215	5.8%
54600 - Dues, Fees and Subscriptions	\$46,040	\$55,630	\$9,590	20.8%
	<u>\$454,268</u>	<u>\$2,452,223</u>	<u>\$1,997,955</u>	<u>439.8%</u>
<b>Total O&amp;M Budget</b>	<b>\$13,448,928</b>	<b>\$16,299,203</b>	<b>\$2,850,276</b>	<b>21.2%</b>



## Facilities, Safety & Security Division

### Mission

To ensure the safety of all MSD employee, contractors, vendors and visitors through safe work practices, reducing internal and external threats and providing safe, clean buildings and workspaces for proficient execution of MSD's overall mission.

### Departments

Facilities: Responsible for managing and oversight of building, grounds, and equipment to ensure workspaces are clean, safe and functional by managing service contracts and building systems. Supports day-to-day operations, coordinates renovation and updates, space and facility planning, parking and access management and control.

Safety & Security: Provides a safe working environment by eliminating hazards from all facilities, job sites, equipment and infrastructure through audits and accident investigation and teaching employees to follow all safe practices, regulations, and standards to ensure their wellbeing. Provides a safe working environment that is free from threats, violence, and vandalism by ensuring all facilities and infrastructure are secured through guards, physical barriers, deterrence, video surveillance and access control and through the investigation of incidents to prevent future occurrences and limit liability.

### FY24 Project Status & Accomplishments

- Completion of the Phase 2, Armed Security Plan to integrate MSD Armed Security at the Main Office.
- Led multi-departmental team on protection of employees and developing solutions to mitigate high levels of Hydrogen Sulfide at Morris Forman WQTC.
- Located and facilitated the purchase of a new Main Office building located at 1600 Hill Street.

### FY25 Budget Highlights

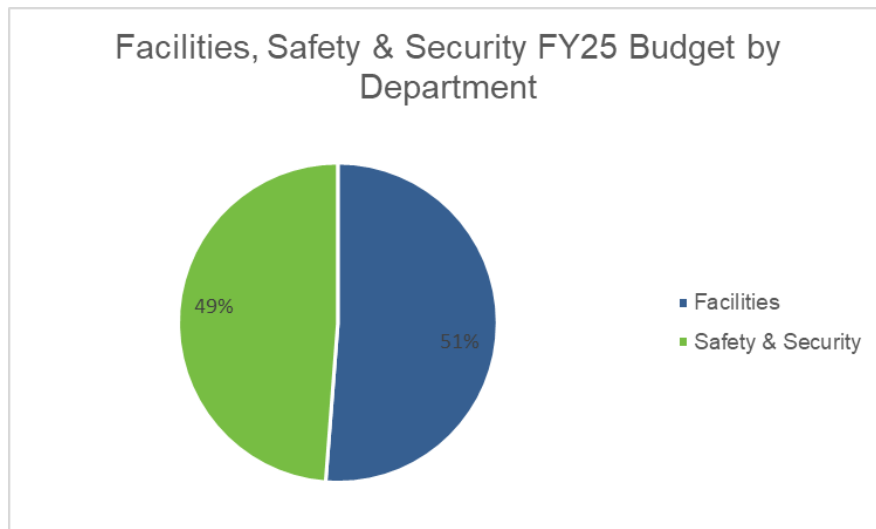
- Funding for Phase 3 of the Armed Security Plan, including 3 FT & 3 PT Armed Guards for the Central Maintenance Facility
- Funding for the Safety Shoe program that was renegotiated at a higher allowance for the Union employees.
- Funding for the integration and updates to the newly acquired facility that will function as MSD's new Main Office space.



*MSD's Honor Guard is made up of several members of the Facilities, Safety & Security team but is open to all MSD employees.*

## Facilities, Safety & Security Budget

O&M Budget Total	FY2024 Budget	FY2025 Budget	\$ Increase	% Increase
<b>LABOR</b>				
51120 - Regular Salaries & Wages	\$2,742,166	\$3,398,287	\$656,121	23.9%
51130 - Overtime	\$29,000	\$39,000	\$10,000	34.5%
51300 - Payroll Taxes	\$208,610	\$259,075	\$50,465	24.2%
51400 - Unemployment Insurance	\$912	\$276	(\$636)	-69.7%
51500 - Med Ins: MSD's port. of prem for grp	\$119,950	\$240,323	\$120,373	100.4%
51600 - Retirement Contributions	\$535,675	\$553,633	\$17,958	3.4%
	<u>\$3,636,314</u>	<u>\$4,490,594</u>	<u>\$854,281</u>	<u>23.5%</u>
<b>NON-LABOR</b>				
53310 - Electric	\$355,784	\$660,465	\$304,681	85.6%
53320 - Natural Gas	\$49,894	\$123,478	\$73,584	147.5%
53330 - Water	\$46,708	\$60,060	\$13,352	28.6%
53140 - Materials & Supplies	\$190,885	\$230,779	\$39,894	20.9%
51700 - Uniforms	\$88,700	\$117,260	\$28,560	32.2%
52130 - Custodial & Watchmen	\$771,118	\$843,951	\$72,833	9.4%
52140 - Professional Services	\$80,100	\$72,500	(\$7,600)	-9.5%
52160 - Maintenance & Repairs	\$909,006	\$1,158,758	\$249,752	27.5%
52180 - Temporary Services	\$4,472	\$26,832	\$22,360	100.0%
53410 - Equipment Rental	\$9,500	\$12,000	\$2,500	26.3%
53430 - Leased Parking	\$79,540	\$79,540	\$0	0.0%
54500 - Travel & Meetings	\$17,000	\$17,000	\$0	0.0%
54550 - Training	\$46,829	\$71,829	\$25,000	53.4%
54600 - Dues, Fees and Subscriptions	\$6,996	\$14,156	\$7,160	102.3%
	<u>\$2,656,531</u>	<u>\$3,488,607</u>	<u>\$832,076</u>	<u>31.3%</u>
<b>Total O&amp;M Budget</b>	<b>\$6,292,845</b>	<b>\$7,979,202</b>	<b>\$1,686,357</b>	<b>26.8%</b>





## Finance Division

### Mission

To ensure the fiscal integrity of Louisville MSD and provide the highest level of service to our internal and external customers.

### Departments

Administration & Budget: Ensures sound financial management through rate setting, budget development, debt issuance, debt management, cash management, and compliance.

General Accounting: Provides Accounts Payable and payment processing services, issues monthly financial statements in accordance with GAAP, manages the external financial audit and produces the Annual Comprehensive Financial Report (ACFR).

Revenue: Responsible for ensuring customers are billed correctly for wastewater and drainage service and responds to customer bill inquiries. Administers MSD's Senior Citizen and EWRAP discount programs.

### FY24 Project Status & Accomplishments

- Received MSD's 1<sup>st</sup> ever Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA) for the publication of the fiscal year 2024 Budget Book.
- Received the GFOA Certificate of Achievement for Excellence in Financial Reporting Program for the fiscal year 2023 ACFR.
- Successfully completed ERP migration from SAP ECC to S/4HANA.
- Continued mapping of property parcels in Jefferson County to support drainage tiers initiative.
- Provided \$1.8 million in EWRAP and Senior discounts in fiscal year 2024.

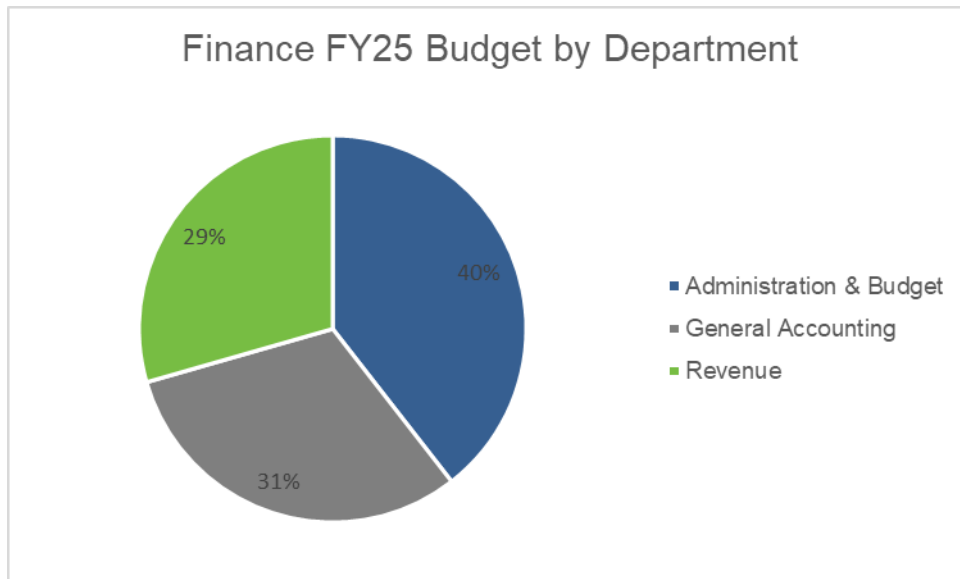
### FY25 Budget Highlights

- Funding for Fiscal Administrator position
- Capital Funding for S/4HANA Phase II to add Profit Center Accounting and Document Splitting functionality to ERP system.



**Finance Division Operating Budget**

O&M Budget Total	FY2024 Budget	FY2025 Budget	\$ Increase	% Increase
<b>LABOR</b>				
51120 - Regular Salaries & Wages	\$1,661,491	\$2,033,657	\$372,166	22.4%
51130 - Overtime	\$8,375	\$7,500	(\$875)	-10.4%
51300 - Payroll Taxes	\$124,262	\$152,545	\$28,282	22.8%
51400 - Unemployment Insurance	\$892	\$892	\$0	0.0%
51500 - Med Ins: MSD's port. of prem for grp	\$145,664	\$208,442	\$62,778	43.1%
51600 - Retirement Contributions	\$338,697	\$402,312	\$63,615	18.8%
	<u>\$2,279,381</u>	<u>\$2,805,347</u>	<u>\$525,966</u>	<u>23.1%</u>
<b>NON-LABOR</b>				
53140 - Materials & Supplies	\$6,600	\$5,560	(\$1,040)	-15.8%
52140 - Professional Services	\$171,933	\$214,119	\$42,186	24.5%
52155 - Banking Services	\$20,600	\$14,676	(\$5,924)	-28.8%
52195 - Other Contractual Services	\$21,700	\$26,200	\$4,500	20.7%
54400 - Advertising	\$12,196	\$8,300	(\$3,896)	-31.9%
54500 - Travel & Meetings	\$17,484	\$17,484	\$0	0.0%
54550 - Training	\$14,540	\$10,400	(\$4,140)	-28.5%
54600 - Dues, Fees and Subscriptions	\$6,739	\$8,779	\$2,040	30.3%
	<u>\$271,792</u>	<u>\$305,518</u>	<u>\$33,726</u>	<u>12.4%</u>
<b>Total O&amp;M Budget</b>	<b>\$2,551,173</b>	<b>\$3,110,865</b>	<b>\$559,692</b>	<b>21.9%</b>



## Human Resources Division

### Mission

To attract, retain, and develop diverse top talent by fostering a workplace where every employee has the opportunity to thrive.

### Departments

HR Services: Manages the entire employee life cycle, from recruiting the best talent, to onboarding, maintaining employee records, promotions, processing weekly payroll, setting compensation levels, communication and enforcing MSD policies, keeping up with regulations, promoting positive labor and employee relations, developing, overseeing, and administering employee benefits, and keeping up with employment laws and regulations.

Organizational Development and Training: Promotes employee career development and provides technical as well as non-technical job training through in-person and eLearning courses. Provides Utility Program training through our federally registered CDL training program as well as hands-on equipment training.

### FY24 Project Status & Accomplishments

- Implemented MSD Management Development Program.
- Created Kentucky Registered Apprenticeship for Industrial Electricians and began 1<sup>st</sup> cohort.
- Contributed to the Team that successfully completed ERP migration from SAP to S/4 HANA.
- Implemented online New Hire and Exit Interview processes.
- Conducted Retention Survey.

### FY25 Budget Highlights

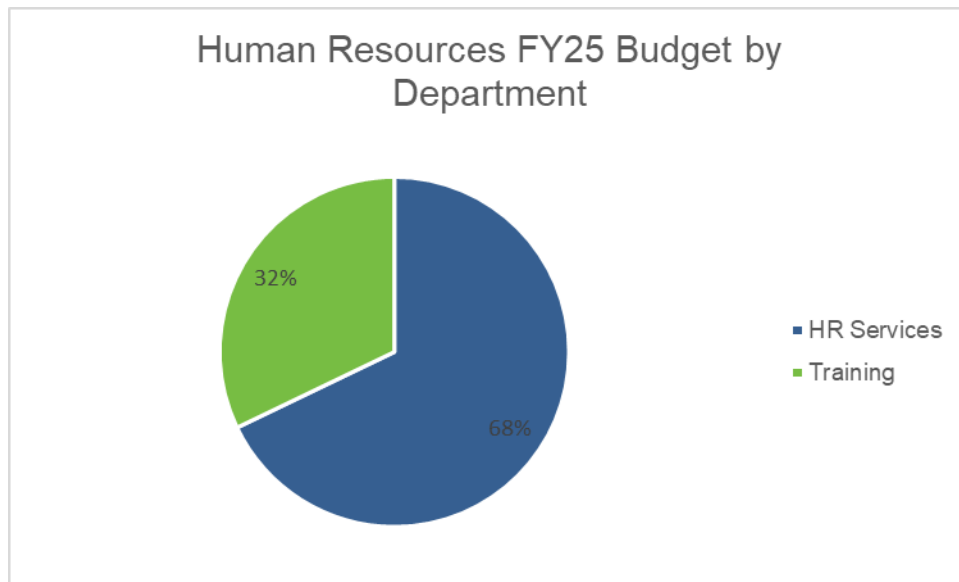
- Funding for Benefit Assistant position.
- Implementing Plan of Action for Retention Survey.



*MSD employees from the Operations Division.*

### Human Resources Division Operating Budget

O&M Budget Total	FY2024 Budget	FY2025 Budget	\$ Increase	% Increase
<b>LABOR</b>				
51120 - Regular Salaries & Wages	\$1,968,578	\$2,236,961	\$268,383	13.6%
51130 - Overtime	\$2,225	\$2,225	\$0	0.0%
51300 - Payroll Taxes	\$147,697	\$167,570	\$19,874	13.5%
51400 - Unemployment Insurance	\$1,040	\$1,040	\$0	0.0%
51500 - Med Ins: MSD's port. of prem for grp	\$177,069	\$228,056	\$50,987	28.8%
51600 - Retirement Contributions	\$440,738	\$411,883	(\$28,855)	-6.5%
	<u>\$2,737,347</u>	<u>\$3,047,735</u>	<u>\$310,388</u>	<u>11.3%</u>
<b>NON-LABOR</b>				
53140 - Materials & Supplies	\$14,750	\$14,950	\$200	1.4%
51700 - Uniforms	\$1,750	\$1,750	\$0	0.0%
52140 - Professional Services	\$310,178	\$371,798	\$61,621	19.9%
52160 - Maintenance & Repairs	\$192	\$192	\$0	0.0%
54250 - Contributions	\$5,000	\$5,000	\$0	0.0%
54400 - Advertising	\$22,110	\$22,110	\$0	0.0%
54500 - Travel & Meetings	\$13,100	\$13,100	\$0	0.0%
54550 - Training	\$25,975	\$28,575	\$2,600	10.0%
54600 - Dues, Fees and Subscriptions	\$19,053	\$18,632	(\$421)	-2.2%
	<u>\$412,108</u>	<u>\$476,107</u>	<u>\$64,000</u>	<u>15.5%</u>
<b>Total O&amp;M Budget</b>	<b>\$3,149,454</b>	<b>\$3,523,842</b>	<b>\$374,388</b>	<b>11.9%</b>



## Information Technology Division

### Mission

To empower MSD and the LOJIC partnership through innovative technology solutions, exceptional support, and strategic guidance. We are committed to fostering a culture of excellence, collaboration, and continuous improvement, driving security, efficiency, and agility across the IT Division.

### Departments

Information Systems: Responsible for developing, maintaining, and supporting custom software solutions for end users across the enterprise. Provides support and management of critical third-party systems.

IT Infrastructure and Support: Maintains and supports the technology infrastructure at MSD that includes, but is not limited to, cybersecurity, network, servers, storage, and databases. Provides first and second level support and desktop engineering for end user equipment and technology.

Louisville/Jefferson County Information Consortium (LOJIC): Responsible for building, maintaining, and supporting a comprehensive geographic information system (GIS) that serves a multi-agency partnership that includes MSD, Louisville/Jefferson County Metro Government, Louisville Water Company, and the Property Valuation Administrator (PVA).

### FY24 Project Status & Accomplishments

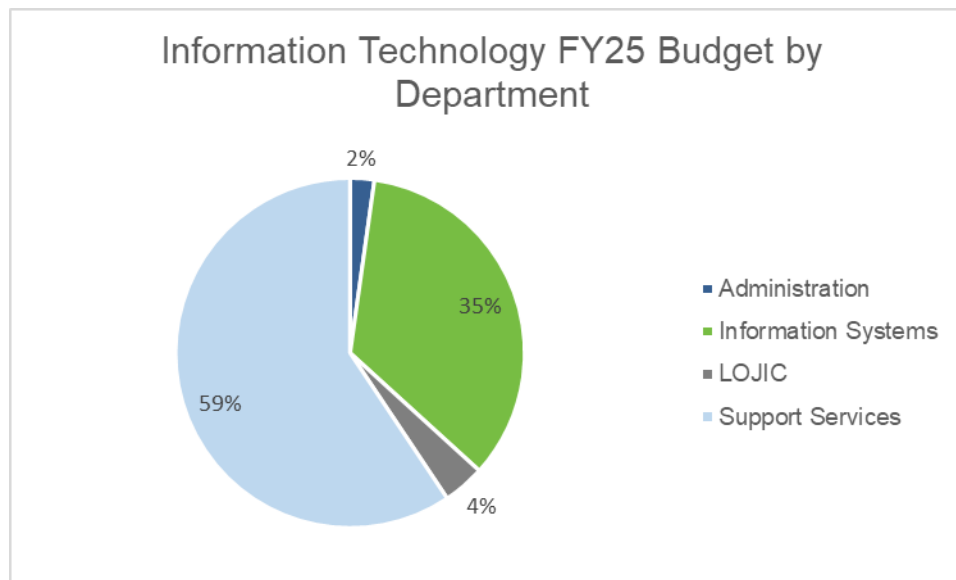
- No significant cybersecurity incidents.
- On target to achieve 100 percent reliability on key infrastructure components.
- Delivered over 50 strategic dashboards and charts for Finance and HR.
- Developed new mobile and desktop web application for investigating and reporting vehicle accidents and incidents.
- On target for on meeting service level agreement objectives on 96.5 percent of support tickets.
- Successful large-scale upgrade and migration of SAP system.

### FY25 Budget Highlights

- Add managed services for asset and work order management system.
- Purchase of VMWare by Broadcom resulted in significant increase in annual costs.
- Significant reduction in fiscal year 2025 Oracle annual costs due to SAP upgrade and reduction in Oracle footprint.

## Information Technology Division Operating Budget

O&M Budget Total	FY2024 Budget	FY2025 Budget	\$ Increase	% Increase
<b>LABOR</b>				
51120 - Regular Salaries & Wages	\$3,370,556	\$3,693,818	\$323,262	9.6%
51130 - Overtime	\$16,200	\$16,200	\$0	0.0%
51135 - Special Event Compensation	\$5,000	\$5,000	\$0	0.0%
51300 - Payroll Taxes	\$255,761	\$278,768	\$23,007	9.0%
51400 - Unemployment Insurance	\$1,908	\$1,908	\$0	0.0%
51500 - Med Ins: MSD's port. of prem for grp	\$337,026	\$431,766	\$94,740	28.1%
51600 - Retirement Contributions	\$700,753	\$725,021	\$24,268	3.5%
	<u>\$4,687,205</u>	<u>\$5,152,481</u>	<u>\$465,277</u>	<u>9.9%</u>
<b>NON-LABOR</b>				
53340 - Telephone	\$296,800	\$296,800	\$0	0.0%
53345 - Data Communications	\$1,020,105	\$1,040,280	\$20,175	2.0%
53140 - Materials & Supplies	\$522,823	\$551,866	\$29,043	5.6%
51700 - Uniforms	\$1,000	\$1,000	(\$0)	0.0%
52140 - Professional Services	\$1,400,078	\$1,456,828	\$56,750	4.1%
52160 - Maintenance & Repairs	\$2,539,746	\$1,137,909	(\$1,401,837)	-55.2%
52180 - Temporary Services	\$5,000	\$5,000	\$0	0.0%
52195 - Other Contractual Services	\$1,735,811	\$1,064,370	(\$671,441)	-38.7%
54500 - Travel & Meetings	\$39,000	\$33,500	(\$5,500)	-14.1%
54550 - Training	\$61,500	\$75,500	\$14,000	22.8%
54600 - Dues, Fees and Subscriptions	\$7,290	\$7,140	(\$150)	-2.1%
53615 - Amortization of Subscription Based IT Assets	\$0	\$3,171,058	\$3,171,058	100.0%
	<u>\$7,629,153</u>	<u>\$8,841,251</u>	<u>\$1,212,098</u>	<u>15.9%</u>
<b>Total O&amp;M Budget</b>	<b>\$12,316,358</b>	<b>\$13,993,733</b>	<b>\$1,677,375</b>	<b>13.6%</b>



## Legal Division

### Mission

To ensure that quality wastewater, stormwater, and flood protection services are provided through diligent legal counsel, safeguarding environmental integrity, and ensuring regulatory compliance within MSD.

### Departments

Legal Regulatory/Real Estate: Responsible for providing advice, counsel, and representation of MSD in all regulatory and real estate matters (e.g., Clean Water Act compliance, KPDES and MS4 permitting issues, EPSC, Hazardous Materials and Floodplain Ordinance permitting/violations, Fee Simple (including FEMA Buyouts and Easement Acquisitions, etc.) Responsible for related transactional matters (e.g., contract review) and matters requiring real estate related services and/or necessary to regulatory/environmental compliance, including matters arising out of MSD's construction contracts, planning and development approvals and regionalization.

Legal Litigation: Responsible for providing advice, counsel, and representation of MSD in all tort claims (e.g., personal injury, property damage, etc.), non-regulatory and non-construction contract disputes, foreclosures, collections, employment/labor, worker's compensation, governance, procurement, and matters involving issues related to information and/or cyber security; Responsible for matters related to budgeted, outside counsel management, Board governance, municipal bonds.

### FY24 Project Status & Accomplishments

- Centralized Legal Requests through Xakia software that intakes and manages legal matters.
- Filled two Assistant General Counsel positions.
- Assisted/supported in the acquisition of the new main office campus.

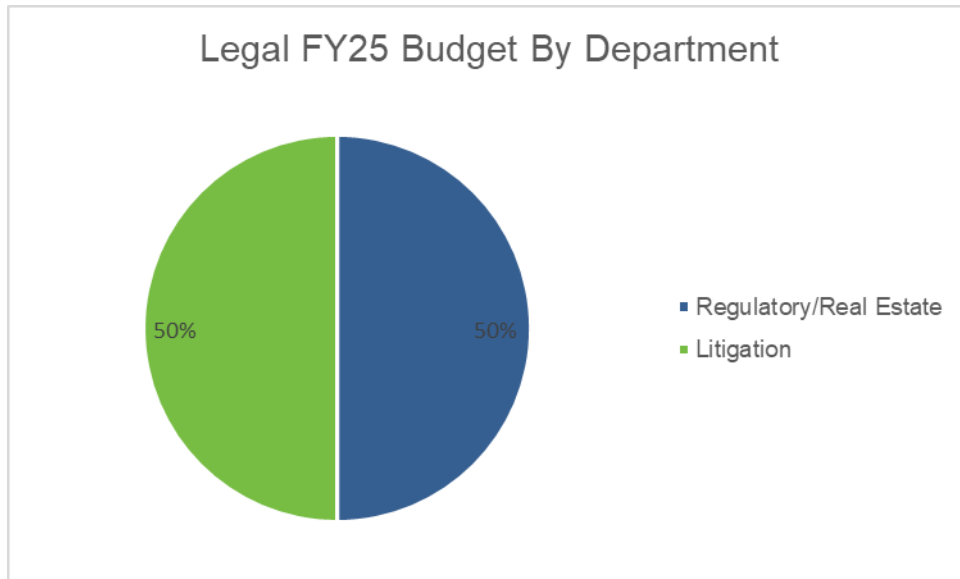
### FY25 Budget Highlights

- Continued use and expansion of Xakia software to intake and manage legal matters.
- Funding for Paralegal position



**Legal Division Operating Budget**

O&M Budget Total	FY2024 Budget	FY2025 Budget	\$ Increase	% Increase
<b>LABOR</b>				
51120 - Regular Salaries & Wages	\$1,342,948	\$1,504,765	\$161,817	12.0%
51130 - Overtime	\$3,600	\$3,600	\$0	0.0%
51300 - Payroll Taxes	\$101,039	\$109,512	\$8,472	8.4%
51400 - Unemployment Insurance	\$648	\$648	\$0	0.0%
51500 - Med Ins: MSD's port. of prem for grp	\$81,400	\$120,360	\$38,960	47.9%
51600 - Retirement Contributions	\$255,709	\$248,741	(\$6,967)	-2.7%
	<u>\$1,785,344</u>	<u>\$1,987,626</u>	<u>\$202,282</u>	<u>11.3%</u>
<b>NON-LABOR</b>				
53140 - Materials & Supplies	\$15,000	\$5,000	(\$10,000)	-66.7%
52140 - Professional Services	\$332,700	\$182,700	(\$150,000)	-45.1%
52145 - Legal	\$900,000	\$600,000	(\$300,000)	-33.3%
54500 - Travel & Meetings	\$30,000	\$30,000	\$0	0.0%
54550 - Training	\$10,000	\$10,000	\$0	0.0%
54600 - Dues, Fees and Subscriptions	\$50,918	\$50,918	\$0	0.0%
	<u>\$1,338,618</u>	<u>\$878,618</u>	<u>(\$460,000)</u>	<u>-34.4%</u>
<b>Total O&amp;M Budget</b>	<b>\$3,123,962</b>	<b>\$2,866,244</b>	<b>(\$257,718)</b>	<b>-8.2%</b>



## Operations Division

### Mission

To ensure public health and the communities MSD serves are protected through the collection, transportation, and treatment of wastewater, drainage and stormwater management and maintaining the flood protection system.

### Departments

Administration: Responsible for the administration, oversight, and management of the Operations Division. Including, but not limited to, vision, long-term planning, implementation and regulatory compliance for MSD's wastewater, drainage, and flood protection services.

Fleet: Responsible for an inventory of vehicles and equipment used in support of the district's divisions and department's operational goals and objectives. Fleet programs include preventive and corrective maintenance, roadside assistance, capital replacement, disposal, fuel, and radio activities.

Linear Assets: Responsible for the maintenance and service of wastewater and sanitary assets, drainage assets and combined sewer overflows (CSOs). Respond to wet weather flooding and sewer backups. Responsible for TVI inspection of sewer assets.

Vertical Assets: Responsible for the operations and management of the Collection System (sanitary pump stations) which pump flows to the Water Quality Treatment Centers, Water Quality Treatment Centers which take flow and remove solids and treat water based upon the permits of each plan before returning water back into streams and the Ohio River, and the Flood Protection System which oversees the flood pump stations and the flood levy and flood wall closures.

### FY24 Project Status & Accomplishments

- Operations project utilized Capital funds to improve odor issues at DRGWQTC with media replacement for the Biobed that cleans the air from the solids holding tanks.
- EUM Chemical Use project resulted in reduction of chemicals used, and more efficient operations of nutrient removal and disinfection processes at Regional WQTC.
- Successful implementation of mobile device program, including iPads, smartphones, and notebook computers at the crew level.
- Awarded multi-year Department of Homeland Security Grant to hire Operational Technologies staff to protect cyber assets in the amount of \$1.2 million.

### FY25 Budget Highlights

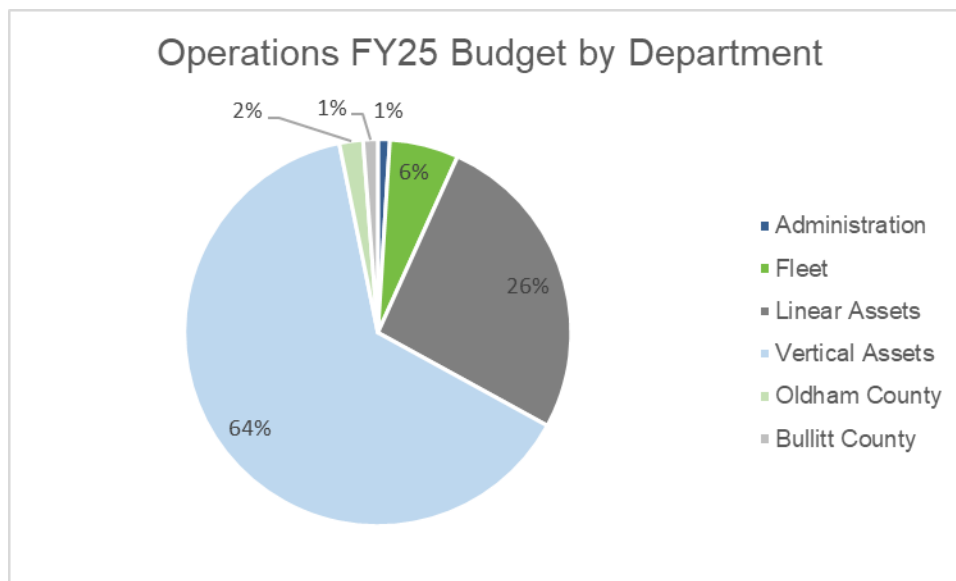
- Primary Sedimentation Basin Rehab project will be completed, allowing more efficient operation of MFWQTC removal of Total Suspended Solids (TSS) and Biochemical Oxygen Demand (BOD).
- Hydrogen Sulfide Removal System installation will be completed, which will allow MSD to utilize Digester gas to operate the rotary drum dryers, reducing the use of natural gas resulting in a Energy cost savings.
- Funding for 5 new full-time positions to address odor control.
- Increased Bioxide budget by \$970 thousand to assist in odor mitigation efforts.
- Continued funding to Modernize Supervisory Control and Data Acquisition (SCADA).
- Created 2<sup>nd</sup> Cohort (5 positions) for Electrician Apprenticeship program.

## Operations Division Operating Budget

O&M Budget Total	FY2024 Budget	FY2025 Budget	\$ Increase	% Increase
<b>LABOR</b>				
51120 - Regular Salaries & Wages	\$34,492,825	\$39,827,976	\$5,335,151	15.5%
51130 - Overtime	\$2,087,527	\$2,379,925	\$292,398	14.0%
51135 - Special Event Compensation	\$376,539	\$387,659	\$11,120	3.0%
51300 - Payroll Taxes	\$2,649,929	\$3,056,010	\$406,082	15.3%
51400 - Unemployment Insurance	\$19,704	\$19,548	(\$156)	-0.8%
51500 - Med Ins: MSD's port. of prem for grp	\$4,843,953	\$6,289,086	\$1,445,133	29.8%
51600 - Retirement Contributions	\$7,398,917	\$7,230,730	(\$168,187)	-2.3%
	\$51,869,393	\$59,190,935	\$7,321,542	14.1%
<b>NON-LABOR</b>				
53310 - Electric	\$13,757,880	\$13,133,880	(\$624,000)	-4.5%
53320 - Natural Gas	\$995,496	\$1,099,667	\$104,171	10.5%
53330 - Water	\$1,808,050	\$1,789,979	(\$18,071)	-1.0%
53345 - Data Communications	\$367,600	\$361,600	(\$6,000)	-1.6%
53100 - Tires & Tire Service Expense	\$365,604	\$365,603	(\$1)	0.0%
53140 - Materials & Supplies	\$7,810,270	\$8,239,782	\$429,512	5.5%
53160 - Landfill Cost of fill dirt	\$378,000	\$546,000	\$168,000	44.4%
51700 - Uniforms	\$227,644	\$271,834	\$44,190	19.4%
52110 - Billing & Collection	\$242,814	\$54,810	(\$188,004)	-77.4%
52140 - Professional Services	\$1,301,325	\$751,222	(\$550,103)	-42.3%
52160 - Maintenance & Repairs	\$2,505,924	\$2,843,002	\$337,078	13.5%
52170 - Sludge & Grit Disposal	\$3,322,837	\$3,408,529	\$85,692	2.6%
52180 - Temporary Services	\$101,100	\$50,100	(\$51,000)	-50.4%
52195 - Other Contractual Services	\$11,420,861	\$13,205,199	\$1,784,338	15.6%
54200 - Bad Debts	\$26,400	\$26,400	\$0	0.0%
53205 - Peracetic Acid	\$400,000	\$100,000	(\$300,000)	-75.0%
53210 - Chlorine	\$9,450	\$7,050	(\$2,400)	-25.4%
53215 - Sodium Hypochlorite	\$3,830,890	\$3,104,790	(\$726,100)	-19.0%

**Operations Division Operating Budget (continued)**

O&M Budget Total	FY2024 Budget	FY2025 Budget	\$ Increase	% Increase
53220 - Polymer	\$3,837,130	\$3,566,730	(\$270,400)	-7.0%
53225 - Sodium Aluminate	\$406,247	\$246,200	(\$160,047)	-39.4%
53230 - Liquid Oxygen	\$328,516	\$333,516	\$5,000	1.5%
53235 - Liquid Nitrogen	\$148,400	\$148,400	\$0	0.0%
53240 - Other Chemicals	\$53,906	\$87,606	\$33,700	62.5%
53250 - Dechlorination	\$530,962	\$422,100	(\$108,862)	-20.5%
53275 - Defoamer	\$37,040	\$37,040	\$0	0.0%
53280 - Bioxide	\$1,550,000	\$2,520,000	\$970,000	62.6%
53285 - Sodium Hydroxide	\$750	\$750	\$0	0.0%
53120 - Gasoline	\$741,912	\$783,976	\$42,064	5.7%
53130 - Diesel Fuel	\$1,308,159	\$1,243,582	(\$64,577)	-4.9%
54110 - General Liability Insurance	\$223,464	\$0	(\$223,464)	-100.0%
54130 - Property Insurance	\$113,844	\$0	(\$113,844)	-100.0%
53410 - Equipment Rental	\$200,226	\$248,150	\$47,924	23.9%
53420 - Space Rent	\$30,000	\$36,000	\$6,000	20.0%
54400 - Advertising	\$1,650	\$1,700	\$50	3.0%
54500 - Travel & Meetings	\$81,460	\$109,700	\$28,240	34.7%
54550 - Training	\$156,033	\$247,603	\$91,570	58.7%
54600 - Dues, Fees and Subscriptions	\$158,541	\$178,670	\$20,129	12.7%
	\$58,780,385	\$59,571,170	\$790,785	1.3%
<b>Total O&amp;M Budget</b>	<b>\$110,649,778</b>	<b>\$118,762,105</b>	<b>\$8,112,327</b>	<b>7.3%</b>



## Supply Chain & Economic Inclusion Division

### Mission

To ensure responsible stewardship of Louisville MSD's resources, while providing the highest level of quality, customer-focused services, innovation, integrity and diversity, equity and inclusion in our supply chain processes, while supporting our business operations, vendors, and our customers.

### Departments

Procurement: In accordance with the MSD Procurement Regulations, the Procurement Department is responsible for purchasing of goods and services, construction, and professional services for all departments at the best value for our customers, while promoting an open and fair competitive process.

Warehouse: Responsible for the inventorying, reordering, safeguarding, and tracking of all Warehouse equipment materials and supplies; while ensuring adequate stock levels for maintenance, repair, and operation (MRO) assets are on hand, and available for use.

Supplier Diversity – MBE/WBE Program and SBE Program: Responsible for ensuring meaningful opportunities for qualified Minority and Woman Business Enterprises and encouraging and facilitating full and equitable business opportunities for Small Local Business Enterprises to compete and participate in MSD's procurements across all business units.

### FY24 Project Status & Accomplishments

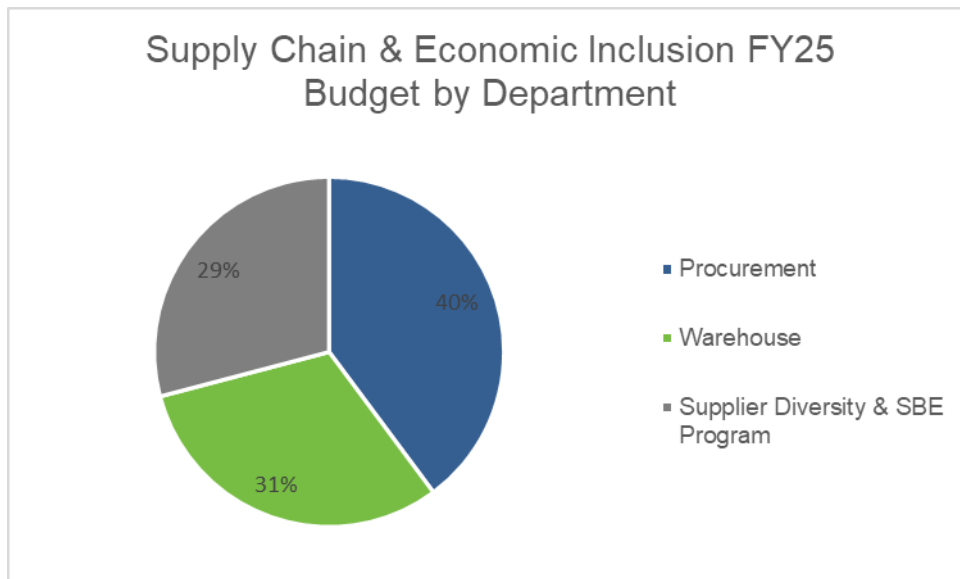
- Centralized all construction procurement activities to the Procurement Department utilizing Bonfire for bid posting and intake.
- Successfully implemented four new inventory management procedures (Capital Spare Parts, Critical Spare Parts, Obsolete Items and Refurbished equipment).
- Successfully moved the SBE Program from pilot to a permanent Program awarding \$2.3 million dollars to SBEs since its inception.
- MSD spent approximately \$22.6 million dollars with minority and woman-owned businesses across all business units.
- Successfully implemented RFID technology in the MFWQTC OGA Building for the tracking of Dryer spare parts.

### FY25 Budget Highlights

- Increased funding in professional services to implement recommendations from internal climate assessment.

**Supply Chain & Economic Inclusion Operating Budget**

O&M Budget Total	FY2024 Budget	FY2025 Budget	\$ Increase	% Increase
<b>LABOR</b>				
51120 - Regular Salaries & Wages	\$2,185,357	\$2,376,878	\$191,520	8.8%
51130 - Overtime	\$28,000	\$28,000	\$0	0.0%
51300 - Payroll Taxes	\$165,375	\$178,687	\$13,312	8.0%
51400 - Unemployment Insurance	\$992	\$992	\$0	0.0%
51500 - Med Ins: MSD's port. of prem for grp	\$237,055	\$314,548	\$77,493	32.7%
51600 - Retirement Contributions	\$458,709	\$453,878	(\$4,831)	-1.1%
	<u>\$3,075,489</u>	<u>\$3,352,982</u>	<u>\$277,493</u>	<u>9.0%</u>
<b>NON-LABOR</b>				
53140 - Materials & Supplies	\$27,600	\$29,600	\$2,000	7.2%
51700 - Uniforms	\$4,400	\$3,000	(\$1,400)	-31.8%
52140 - Professional Services	\$76,150	\$98,000	\$21,850	28.7%
52160 - Maintenance & Repairs	\$15,000	\$15,000	\$0	0.0%
52195 - Other Contractual Services	\$1,020	\$1,020	\$0	0.0%
53410 - Equipment Rental	\$10,000	\$0	(\$10,000)	-100.0%
54250 - Contributions	\$20,500	\$17,500	(\$3,000)	-14.6%
54400 - Advertising	\$30,700	\$30,498	(\$202)	-0.7%
54500 - Travel & Meetings	\$46,100	\$40,300	(\$5,800)	-12.6%
54550 - Training	\$40,344	\$46,477	\$6,133	15.2%
54600 - Dues, Fees and Subscriptions	\$25,150	\$24,150	(\$1,000)	-4.0%
	<u>\$296,964</u>	<u>\$305,545</u>	<u>\$8,581</u>	<u>2.9%</u>
<b>Total O&amp;M Budget</b>	<b>\$3,372,453</b>	<b>\$3,658,527</b>	<b>\$286,074</b>	<b>8.5%</b>





## Capital Budget

### Capital Budget Summary

The capital budget for fiscal year 2025 totals \$298.8 million. Many projects in this budget span multiple years and will continue spending beyond fiscal year 2025. Total five-year CIP spending is projected to be \$1.25 billion. The following table summarizes five-year CIP spending by service type.

<b>Five-Year CIP</b>						
<i>Dollars in 000's</i>						
<b>Service Type</b>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>FY29</b>	<b>Total</b>
Wastewater	\$ 191,831	\$ 213,540	\$ 186,561	\$ 157,164	\$ 143,787	\$ 892,883
Drainage	7,787	7,470	9,198	9,041	5,892	39,388
Flood Protection	77,798	74,481	17,661	28,792	17,349	216,081
Support Systems	16,315	14,595	12,265	8,035	9,099	60,309
Management Reserve	5,100	101	627	6,233	33,577	45,638
<b>Total</b>	<b>\$ 298,831</b>	<b>\$ 310,187</b>	<b>\$ 226,312</b>	<b>\$ 209,265</b>	<b>\$ 209,704</b>	<b>\$ 1,254,299</b>

The Wastewater, Drainage and Flood Protection service types support the core functions of MSD and, as expected, comprise the vast majority of any annual CIP. The Support Systems service type includes improvements needed to keep MSD's non-process infrastructure operating as intended including vehicles and large equipment, buildings and structures, information technology hardware and software, and general facility improvements. Management Reserve funds are set aside to compensate for unforeseen circumstances.

The following table summarizes five-year CIP spending by county.

<b>Five-Year CIP Jefferson County</b>					
<i>Dollars in 000's</i>					
<b>FY25</b>	<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>FY29</b>	<b>Total</b>
<b>\$ 289,010</b>	<b>\$ 293,392</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>	<b>\$ 1,182,402</b>

<b>Five-Year CIP Oldham County</b>					
<i>Dollars in 000's</i>					
<b>FY25</b>	<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>FY29</b>	<b>Total</b>
<b>\$ 2,553</b>	<b>\$ 4,710</b>	<b>\$ 5,935</b>	<b>\$ 6,651</b>	<b>\$ 4,278</b>	<b>\$ 24,127</b>

<b>Five-Year CIP Bullitt County</b>					
<i>Dollars in 000's</i>					
<b>FY25</b>	<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>FY29</b>	<b>Total</b>
<b>\$ 7,268</b>	<b>\$ 12,085</b>	<b>\$ 20,377</b>	<b>\$ 2,614</b>	<b>\$ 5,426</b>	<b>\$ 47,770</b>

### Sources and Uses of Funds

The CIP is funded with a mixture of cash funding, provided by operations, and debt. MSD utilizes its commercial paper program to provide short-term CIP financing. Periodically, commercial paper is redeemed with proceeds from the issuance of thirty-year revenue bonds which provide fixed-rate, long-term financing. Additionally, MSD pursues low-cost financing opportunities through the Kentucky Infrastructure Authority's (KIA) State Revolving Fund loan program and the Environmental Protection Agency's Water Infrastructure Finance and Innovation Act (WIFIA). MSD utilizes federal grant programs to purchase homes in flood prone areas. Additionally, MSD pursues budget earmarks, grant and partnership opportunities for wastewater and flood protection projects, such as the USACE P3 204 and 221 Programs.

The following table summarizes CIP funding sources for fiscal year 2025.

<b>FY25 CIP - Combined Service Area</b>	
<i>Dollars in 000's</i>	
	<b>FY25 CIP</b>
Capital Improvement Plan	\$ 298,831
Funding Sources:	
Cash Funded	\$ 67,762
Grant Funded	14,400
Debt	216,669

The following table summarized CIP funding sources for fiscal years 2025 through 2029.

<b>Five Year CIP - Combined Service Area</b>					
<i>Dollars in 000's</i>					
	<b>FY25 Budget</b>	<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>FY29</b>
Capital Improvement Plan	298,831	310,187	226,312	209,265	209,704
Funding Sources:					
Cash Funded	67,762	65,705	57,417	83,065	95,404
Grant Funded	14,400	-	-	-	-
Debt	216,669	244,482	168,895	126,200	114,300

### Table of Projects Closed in Fiscal Year 2023

The following table identifies the number of assets by asset class and the total asset value for capital projects that were completed in fiscal year 2023.

<b>Assets Placed in Service in Fiscal Year 2023</b>		
<b>Asset Class</b>	<b># of Assets</b>	<b>Asset Value</b>
Sewer Lines	23	\$ 50,394,245.91
Pump Stations	24	\$ 10,525,660.28
Wastewater Treatment Facilities	38	\$ 56,968,489.16
Administrative Facilities	11	\$ 702,007.95
Stormwater Construction Assets	130	\$ 141,641,875.72
Maintenance Facilities	6	\$ 5,994,823.75
Fleet	83	\$ 6,175,055.02
Communications Equipment	3	\$ 627,956.03
Data Processing Hardware	8	\$ 383,991.28
Data Processing Programs	3	\$ 545,045.87
LOJIC Equipment	1	\$ 136,747.32
Miscellaneous Assets	48	\$ 16,549,830.09
<b>Total</b>	<b>378</b>	<b>\$ 290,645,728.38</b>



*Dryers at Morris Forman Water Quality Treatment Center.*

## Fiscal Year 2025 Large Project Profiles

### Jefferson County

Following are project profiles for the five largest Jefferson County projects in the fiscal year 2025 CIP:

#### Paddy's Run FPS Capacity Upgrade

**Project Description:** This project will construct a new flood pumping station that shall provide a total estimated pumping capacity of 1,900 MGD. The project will include six new flood pumps, motors, trash tracks, and discharge pipes (3,062 LF of 90-in PVC). This project will also install all necessary SCADA, electrical, and mechanical components to operate the new flood pumps, in addition to the required aesthetic, plumbing, and HVAC equipment. This project is currently planned to be completed using a progressive design-build project delivery approach.

**Project Justification:** The Paddy's Run FPS was designed by USACE and put into service in 1953 to protect both the public and many critical assets within MSD's combined sewer system from river related flooding. Paddy's Run FPS pumps from the largest pipe in the Louisville combined sewer system, the Southwestern Outfall. The Paddy's Run FPS routinely pumps combined sewer overflows during wet weather events when the river is elevated, further protecting the public from contact with flood waters impacted by combined sewers. In 2017 MSD placed the Bells Lane Wet Weather Treatment Facility into service. Under some operating conditions the Paddy's Run FPS becomes the effluent pump station for the Bells Lane Facility. As such in addition to providing critical flood protection, the Paddy's Run FPS serves as essential wastewater infrastructure for combined sewer overflow control.

**Service Type:** Flood Protection  
**Driver:** AEAP - SRP

**Program:** Consent Decree - 2nd Amendment  
**Project Type:** Flood Pump Station

CIP Project Financials					
Lifetime Actuals	FY25 Budget	FY26 Budget	FY27 Budget	FY28 Budget	FY29 Budget
\$ 33,308,657	\$ 74,178,000	\$ 66,467,000	\$ 14,279,000	\$ 25,306,000	\$ -
<b>Current Estimate at Completion: \$ 241,474,292</b>					

CIP Project Schedule
Construction NTP: May 3, 2023
Substantial Completion: December 31, 2026
Final Completion: June 30, 2028
Regulatory Deadline: December 31, 2026



*Construction underway at Paddy's Run Flood Pump Station.*



## Morris Forman WQTC Biosolids Facility

**Project Description:** In 2019, MSD commissioned preparation of a District-Wide Biosolids Master Plan. The Master Plan confirmed the new Biosolids Facility to be constructed via the WIFIA loan program is the recommended long-term solution. The Master Plan identified short-term improvements that would help MSD achieve permit compliance and support construction of the new facility. The short-term improvements include replacing outdated equipment at the Morris Forman WQTC (centrifuges and dryers) and offloading regional biosolids. All six centrifuges were sent to the manufacturer for refurbishment in a phased approach. An emergency certification project was issued in 2019 to replace the Morris Forman WQTC biosolids dryers.

**Project Justification:** This project will construct a modern biosolids processing facility at the Morris Forman WQTC that utilizes a thermal hydrolysis pretreatment process (THP) to create a useable biogas. Benefits of the new facility include improved effluent quality; production of 4 MW of decreased consumption of natural gas; and reduced landfill utilization capacity.

**Service Type:** Wastewater  
**Driver:** AEAP - SRP

**Program:** Consent Decree - 2nd Amendment  
**Project Type:** WQTC

CIP Project Financials					
Lifetime Actuals	FY25 Budget	FY26 Budget	FY27 Budget	FY28 Budget	FY29 Budget
\$ 41,968,612	\$ 68,400,000	\$ 75,632,000	\$ 62,000,000	\$ 42,883,000	\$ 5,615,000
<b>Current Estimate at Completion: \$ 313,772,956</b>					

CIP Project Schedule
Construction NTP: January 1, 2024
Substantial Completion: December 8, 2027
Final Completion: April 7, 2028
Regulatory Deadline: December 31, 2030

## Morris Forman WQTC Sedimentation Basins Rehabilitation

**Project Description:** This project involves complete rehabilitation of the four primary sedimentation basins. Each rectangular basin is approximately 275 feet long, 70 feet wide, 17 feet deep, and has a capacity of nearly 88 MGD. The primary sedimentation basins were originally constructed in the 1950s. Most of the equipment serving the basins has exceeded the expected service life, and equipment performance has become unreliable. This project involves complete rehabilitation of all four basins.

**Project Justification:** The Morris Forman WQTC is limited to a maximum wet weather flow of 240 MGD due to capacity constraints with the primary sedimentation basins. When the four sedimentation basins have been fully rehabilitated, they will enable the WQTC to process up to 330 MGD. Treating ≈330 MGD of wet weather flows will reduce potential discharges from the Main Diversion Structure (CSOs 210, 211, 016) and the Southwest Pump Station (CSOs 015 and 191). This will reduce the level of pollutants discharged into the Ohio River during wet weather events.

**Service Type:** Wastewater  
**Driver:** Asset Management

**Program:** Regulatory Compliance - Agreed Order  
**Project Type:** WQTC

CIP Project Financials					
Lifetime Actuals	FY25 Budget	FY26 Budget	FY27 Budget	FY28 Budget	FY29 Budget
\$ 33,388,856	\$ 5,013,000	\$ 3,164,000	\$ -	\$ -	\$ -
<b>Current Estimate at Completion: \$ 43,843,432</b>					

CIP Project Schedule
Construction NTP: January 25, 2022
Substantial Completion: January 15, 2025
Final Completion: February 24, 2025
Regulatory Dead line: June 30, 2026

## CCWQTC Tertiary Filtration

**Project Description:** This project consists of replacing the traveling bridge sand filter currently in use at the CCWQTC with Aqua Diamond (4 duty and 1 standby) along with electrical, plumbing, and influent channel upgrades. Peak flow through the new filters will be 11 MGD. Currently the sand filters bypass 5 to 8 MGD. The project is currently in construction with a completion in the summer of 2025.

**Project Justification:** This project will be to bring consistency to the filter system throughout all of the regional plants. The existing equipment is also at its end-of-life, so replacement was deemed necessary.

**Service Type:** Wastewater  
**Driver:** Asset Management

**Program:** CMOM  
**Project Type:** WQTC

CIP Project Financials					
Lifetime Actuals	FY25 Budget	FY26 Budget	FY27 Budget	FY28 Budget	FY29 Budget
\$ 431,488	\$ 9,039,000	\$ 1,506,000	\$ -	\$ -	\$ -
<b>Current Estimate at Completion:</b>		<b>\$ 12,091,432</b>			

CIP Project Schedule
Construction NTP: January 22, 2024
Substantial Completion: May 6, 2025
Final Completion: September 3, 2025



*Cedar Creek Water Quality Treatment Center.*



## Morris Forman DAFT Rehabilitation

**Project Description:** This project will demolish and replace in kind the existing process equipment located within each of the eight DAFT tanks. In the DAFT pump room, the recirculation pumps, PVC piping, and thickened sludge valving will be demolished and replaced with upgraded materials and equipment. The storage and mixing polymer tanks, polymer delivery pumps, polymer skids, and polymer piping within the DAFT polymer room will be demolished and replaced in a fashion that will improve functionality and provided better operational control. The structural improvements will address the severe pitting, exposed rebar, cracks, and any unsound areas of each DAFT tank concrete structure. The architectural improvements will address the severe pitting, exposed rebar, cracks, and any unsound areas of each DAFT tank concrete structure. The architectural improvements are to provided better door seals at the entry and exit points of the DAFT tank room, as well as installing DAVIT ports, swing gates, and entry ladders to each tank to address safety concerns. HVAC equipment will be demolished and replaced and, new odor control equipment will be installed to treat the hazardous and foul air within the DAFT tank room. The electrical and I&C equipment associated with the DAFT process equipment is to be demolished and replaced with modernized equipment and designed to relocate certain equipment to a more centralized location.

**Project Justification:** The Morris Forman Water Quality Treatment Center Dissolved Air Flotation Thickening (DAFT) process was constructed in the 1970s during the original construction of the Main Equipment Building and rehabilitated in the 1990s. Due to the corrosive environment and age of equipment, DAFT tanks and various ancillary thickening equipment have reached the end of their service life and performance is unreliable. Rehabilitation of the DAFT process equipment will extend the service life for the next 20 years. The reliability of the DAFT process equipment is necessary as it will support the THP process that is to be implemented at Morris Forman. Additional rehabilitation to the polymer room, pump room, HVAC ventilation and ductwork, electrical and I&C infrastructure will improve process functionality, and more importantly the quality of life of the operations and maintenance personnel.

**Service Type:** Wastewater  
**Driver:** Asset Management

**Program:** NMC  
**Project Type:** WQTC

CIP Project Financials					
Lifetime Actuals	FY25 Budget	FY26 Budget	FY27 Budget	FY28 Budget	FY29 Budget
\$ 456,000	\$ 4,500,000	\$ 8,601,000	\$ 4,287,000	\$ -	\$ -
<b>Current Estimate at Completion:</b>		<b>\$ 18,515,387</b>			

CIP Project Schedule
Construction NTP: June 23, 2024
Substantial Completion: March 19, 2026
Final Completion: May 18, 2026

**Oldham County**

Following are project profiles for the two largest Oldham County projects in the fiscal year 2025 CIP:

**KSR WWTP Expansion 1.2 MGD**

**Project Description:** This project will expand the KY State Reformatory (KSR) WWTP (KPDES Permit #:KY004016) from 1 MGD to 1.2 MGD. The expansion includes influent upgrades, upgrades to secondary treatment, disinfection upgrades, and the sludge handling improvements. This expansion will also include a new electrical building that includes upgrades to VFDs and SCADA for major equipment such as aerators to improve energy efficiency. Hypochlorite disinfection will be replaced with peracetic acid, which will mitigate the occurrence of disinfection byproducts such as Chlorodibromomethane that have resulted in past NOVs. Electrical upgrades to controls will allow cybersecurity improvements at the WWTP. Upgrades to sludge storage will thicken sludge and reduce fuel consumption for hauling waste.

**Project Justification:** There is a growing demand for residential, commercial, and industrial growth within the KSR Treatment Plant service area that will require additional treatment capacity to serve. Adding to the demand on the KSR WWTP is the need to eliminate the nearby Mockingbird Valley WWTP, which is aging and has required major structural reinforcement to corroded tanks in 2022 to remain in operation. Expanding KSR WWTP would, resolve issues identified by MSD's asset management program, provide capacity for MSD to serve projected growth in the area, and eliminate Mockingbird Valley WWTP.

**Service Type:** Wastewater

**Program:** CMOM

**Driver:** Asset Management

**Project Type:** WQTC

CIP Project Financials					
Lifetime Actuals	FY25 Budget	FY26 Budget	FY27 Budget	FY28 Budget	FY29 Budget
\$ -	\$ 700,000	\$ 1,509,000	\$ 5,000,000	\$ 5,241,000	\$ -
<b>Current Estimate at Completion: \$ 12,500,000</b>					

CIP Project Schedule
Construction NTP: September 27, 2026
Substantial Completion: April 1, 2028
Final Completion: May 31, 2028

## Ohio River Service Area Lift Station Rehabilitation

**Project Description:** This "Ohio River Service Area Lift Station Rehabilitation" project has identified three lift stations out of the 69 throughout the Oldham County wastewater collection system as in direr need of either total rehabilitation or replacement. These lift stations are Club Drive, Cliffwood Drive, and Cardinal Harbor. Cardinal Harbor will be replaced, Cliffwood Drive will be replaced at a new location, and Club Drive will be eliminated.

**Project Justification:** Properly sized and functioning lift stations are critical to the operations of the wastewater system and will eliminate overflows and basement backups due to lift station failures.

**Service Type:** Wastewater  
**Driver:** Asset Management

**Program:** CMOM  
**Project Type:** PS - FM

CIP Project Financials					
Lifetime Actuals	FY25 Budget	FY26 Budget	FY27 Budget	FY28 Budget	FY29 Budget
\$ 170,248	\$ 1,034,000	\$ 689,000	\$ -	\$ -	\$ -
<b>Current Estimate at Completion:</b>		<b>\$ 1,900,000</b>			

CIP Project Schedule
Construction NTP: August 5, 2024
Substantial Completion: August 6, 2025
Final Completion: November 5, 2025

**Bullitt County**

Following are project profiles for the two largest Bullitt County projects in the fiscal year 2025 CIP:

**West Triangle PS, FM, and Interceptor**

**Project Description:** This project will include the construction of a new 1,000 Gallon Per Minute (GPM) duplex sewage pumping station and approximately 4,500 feet of 10" force main sewer. The pump station will be located near the site of the former Hunters Hollow Wastewater Treatment Plant (WWTP) and will be called the "West Triangle Pump Station." The new pump station will pump all sewage from the Hunters Hollow system through the force main and gravity system northeast to discharge into the planned lower mud lane interceptor for ultimate treatment at Louisville MSD's Derek R. Guthrie plant in Louisville Metro/Jefferson County.

**Project Justification:** This project will eliminate frequent Sanitary Sewer Overflows (SSOs) at the former Hunters Hollow Wastewater Treatment Plant (WWTP) and eliminates excessive loadings to the existing Willabrook, Hillview #3 and Pioneer Village WWTPs. These three plants will now be able to better meet permit limits and also accept additional flows from nearby areas.

**Service Type:** Wastewater  
**Driver:** BCSD

**Program:** Agreed Order  
**Project Type:** PS - FM

CIP Project Financials					
Lifetime Actuals	FY25 Budget	FY26 Budget	FY27 Budget	FY28 Budget	FY29 Budget
\$ 700,463	\$ 1,605,000	\$ 2,794,000	\$ -	\$ -	\$ -
<b>Current Estimate at Completion:</b>		<b>\$ 5,450,750</b>			

CIP Project Schedule
Construction NTP: June 15, 2024
Substantial Completion: February 14, 2026
Final Completion: March 16, 2026
Regulatory Deadline: July 1, 2026

## Pioneer Village WWTP Expansion 1.0 MGD

**Project Description:** This project will expand the existing 0.31 MGD Pioneer Village Wastewater Treatment Plant to a 1.0 MGD Water Quality Treatment Center. Additionally, the project will update equipment at the existing influent pump station. The upgraded treatment plant with greater capacity will allow for the future elimination of existing upstream wastewater treatment plants and provide adequate capacity for growth. This project is additionally necessary to improve capacity assurance and overflow abatement needs in this area. The upgrade of the influent pump station will mitigate existing SSOs in Bullitt County. It also aligns with System Capacity Assurance Plan (SCAP) and Capacity, Management, Operations, and Maintenance (CMOM) regulatory commitments.

**Project Justification:** This project will replace an existing problematic wastewater treatment plant and provide adequate capacity for existing and future conditions. Expanding this wastewater treatment plant will allow for future elimination of existing upstream wastewater treatment plants.

**Service Type:** Wastewater  
**Driver:** Regulatory

**Program:** CMOM  
**Project Type:** WQTC

CIP Project Financials						
Lifetime Actuals	FY25 Budget	FY26 Budget	FY27 Budget	FY28 Budget	FY29 Budget	
\$ -	\$ 600,000	\$ 4,138,000	\$ 9,222,000	\$ 46,000	\$ -	
<b>Current Estimate at Completion:</b>		<b>\$ 14,670,000</b>				

CIP Project Schedule
Construction NTP: July 28, 2025
Substantial Completion: June 30, 2027
Final Completion: August 29, 2027
Regulatory Deadline: December 31, 2030

### Consent Decree

MSD entered into a Consent Decree with the Commonwealth of Kentucky’s Environmental and Public Protection Cabinet (KEPPC) and the U.S. Environmental Protection Agency (EPA) on August 12, 2005. The Consent Decree called for MSD to submit a final Long-Term Control Plan (LTCP) to the KEPPC and EPA for review and joint approval. The final Sanitary Sewer Discharge Plan (SSDP) and the LTCP were certified on December 19, 2008, under the title of the Integrated Overflow Abatement Plan (IOAP). The SSDP included schedules and deadlines for capital projects to be completed by the end of 2024. The LTCP included schedules, and deadlines for combined sewer overflow projects to be completed by December 31, 2020.

On April 10, 2009, MSD entered into an Amended Consent Decree with the KEPPC and the EPA. The Amended Consent Decree resolved all pending claims of violations of the Federal Water Pollution Control Act and the Water Quality Act of 1987. The Amended Consent Decree superseded and replaced the original Consent Decree entered on August 12, 2005. The Amended Consent Decree contains stipulated penalties for MSD’s failure to comply with the provisions contained therein. The IOAP was amended in 2012 and 2014 to improve compliance and adjust capital project schedules.

Since entry of the 2009 Amended Consent Decree, MSD has spent over \$1.2 billion designing and constructing many of the IOAP projects (including required projects and programs in the Second Amended Consent Decree mentioned below). To date, all schedule milestones on IOAP projects to mitigate sewer overflows across the service area have been met. Local waterways are safer and cleaner today because of these expenditures. Spending on the Amended Consent Decree work has consumed the majority of MSD’s capital expenditures since 2009. However, the IOAP projects have only addressed a fraction of the wastewater, drainage, and flood protection assets under MSD’s purview. An unintended consequence of compliance with the Amended Consent Decree has been deferred asset management on the remaining

infrastructure.

MSD proactively approached the EPA in 2019 to renegotiate the timing for completing the remaining projects required by the Amended Consent Decree to reprioritize capital dollars for replacing MSD's aging biosolids systems, investing \$70 million in critical large diameter interceptor rehabilitation, and reliability and capacity upgrades to the 70-year Paddy's Run Flood Pump Station. As a result, MSD, the EPA, and the Commonwealth of Kentucky have negotiated the Second Amended Consent Decree, which adds the above suite of projects and grants a time extension for completing the remaining separate sewer system projects through 2035. MSD also agreed to invest a minimum of \$25 million annually for asset management projects through 2035. The United States District Court granted final approval of the Second Amended Consent Decree on September 14, 2022. In 2022, MSD's final LTCP project, the Waterway Protection Tunnel, was completed, which captures up to 50 million gallons of combined sewer overflow volume per rain event that would have otherwise flowed to Beargrass Creek and the Ohio River. Remaining IOAP projects are on schedule with Asset Management spend targets being met.

During negotiations with the EPA on the Second Amended Consent Decree, MSD engaged Black & Veatch to conduct a long-term financial analysis and financial capability analysis to evaluate the impact of required capital improvements on MSD's financial stability and customer affordability. The projected average annual residential bill for wastewater and drainage was calculated each year to evaluate the near-term and long-term impact of the capital improvements required by the Second Amended Consent Decree. The financial capability analysis showed that financing the Second Amended Consent Decree was achievable within the MSD Board's rate-setting authority.

More in-depth detail on the regulatory projects in the fiscal year 2025 and five-year CIP can be found in the following Capital Improvement Plan section.



*Demolition is underway at MFWQTC in preparation for the new Biosolids facility.*



# Capital Improvement Plan

## Capital Improvement Plan Overview

The fiscal year 2025 CIP includes 208 active and proposed projects totaling \$298.8 million, including \$5.1 million in Management Reserve funds. The projects included in the plan represent investment in MSD's highest priority assets with a particular focus on those projects needed for regulatory compliance. Emergencies and other events can lead to changes in priorities throughout the year. When these needs occur the CIP will evolve as necessary.

## Process for Developing the FY25-29 CIP

### Priorities

CIP working groups comprised of the Chief Engineer, Chief of Operations, Chief Financial Officer, Infrastructure Planning, Operations and Engineering Division staff held a series of workshops to discuss capital priorities for the fiscal year 2025 and five-year CIP.

Meetings are held with staff from various Divisions across MSD to discuss current projects and future needs. The following Division and Departments were included in these meetings: Operations (Vertical Assets, Linear Assets and Fleet), Supply Chain and Economic Inclusion, Information Technology (Information Systems, LOJIC), Facilities, Safety & Security, Administration (Community Benefits, Government & Public Affairs and Innovation) and Engineering (Development and Stormwater Services, Regulatory Compliance, Records and GIS and Technical Services). While regulatory programs continue to drive most of the five-year CIP, it is critical to ensure that high priorities in other areas are identified and included as well. Leadership approval of the recommendations occur during one-on-one meetings, ad-hoc budget meetings and monthly CIP Management Team meetings.

### CIP Assumptions

The budget development process attempts to anticipate and "build in" a variety of assumptions that could impact project progress.

- Equipment delivery – Long lead times for electrical equipment, vehicles and certain pumps continues impact projects.
- Contractor demand – MSD continues to face competition from public and private capital projects. This can lead to construction delays and increased bid prices. Additionally, contractor workforce issues can delay construction starts.
- Easement acquisitions – Anticipated delays are now built into each schedule to try and mitigate this impact on the CIP delivery.
- Complex environmental permitting – Garnering final permits from regulatory agencies can still be a lengthy process that only worsened with the pandemic.

## Processes for Managing the CIP

Throughout the year there are two tracks of CIP management efforts taking place to ensure that necessary program changes are fully endorsed.

- Project-Level Change Management – Throughout the life cycle of the project, major changes are presented, discussed and approved by the Gateway team. This team includes both engineering and operations leadership so that changes are fully vetted and understood.
- Program-Level change Management – A monthly cycle of project and program review takes place beginning with the project manager report of schedule and estimate changes leading to a Variance Meeting of Project Controls and Engineering Managers. This information is then fed into an Engineering and Operations Division leadership meeting to discuss the current year CIP progress and the cycle ends with the CIP Management Team meeting which focusses on progress metrics, high level risks and approvals of major changes.

## Regulatory Compliance

MSD's Regulatory Compliance program includes mandates per a federal, state, or local regulation, rule,

code, permit, Consent Decree, Agreed Order or Administrative Order. MSD has several Regulatory Compliance programs requiring capital investment during fiscal year 2025 and throughout the five-year CIP. Nearly 90 percent of Jefferson County’s capital investment is mandated, making it the primary driver of the five-year CIP. In Bullitt and Oldham Counties the regulatory driver is even higher at 98 percent of the five-year CIP.

<b>Regulatory CIP Summary</b>		
<i>Dollars in 000's</i>		
	<b>FY25 CIP</b>	<b>Five-Year CIP</b>
Consent Decree	\$ 153,392	\$ 609,753
State Agreed Orders	11,365	48,085
CMOM Program	69,418	299,933
NMC Program	26,844	112,480
MS4 Program	3,080	13,051
	<b>\$ 264,099</b>	<b>\$ 1,083,302</b>

## CIP by Service Type

### Wastewater

The Wastewater program is a vital core component of MSD. It provides the critical front line of the health and safety of all Jefferson County, Bullitt County and Oldham County residents that it serves. The five-year CIP includes mainly funding for regulatory projects. Additional projects support planning studies, development coordination and emergency projects. Annual appropriation projects provide funding for emergencies, equipment replacement and other repair and replacement type projects. Appropriations also fund support efforts for MSD programs.

<b>Wastewater Programs</b>		
<i>Dollars in 000's</i>		
	<b>FY25 CIP</b>	<b>Five-Year CIP</b>
Agreed Order	\$ 11,115	\$ 47,435
CMOM Program	69,418	299,934
Consent Decree	79,205	429,514
Facilities	711	711
NMC	26,844	112,480
Support Services	4,538	20,765
	<b>\$ 191,831</b>	<b>\$ 910,839</b>

### Agreed Orders

Agreed Orders between MSD and state or local regulatory agencies require improvements in the MSD system to address outstanding issues. A summary of active agreed orders follows:

#### *Kentucky Department of Environmental Protection’s Energy and Environmental Cabinet (KDEP)*

- Jefferson County: MSD entered into an Agreed Order with the KDEP to complete the \$175 million Corrective Action Plan (CAP) for mitigating permit non-compliance at the Morris Forman WQTC. MSD has been working on the CAP projects since 2015. Only one project remains, the rehabilitation of the MFWQTC Sedimentation Basins is underway with a forecasted completion date in fiscal year 2026.
- Bullitt County: An Agreed Order was signed in 2021 with KDEP related to the wastewater treatment and collection system in the Bullitt County service area. The projects associated with this Agreed Order are forecasted to commit nearly \$39M in the 5-Year CIP.

#### *Louisville Metro Air Pollution Control Board*

MSD entered into an Agreed Order with the Louisville Metro Air Pollution Control Board related to odors from its collection system. An Odor Management Plan continues to be developed and specific

improvements are underway in several communities.

<b>Wastewater   Agreed Order Projects</b>				
<i>Dollars in 000's</i>				
<b>Project ID</b>	<b>Project Name</b>		<b>FY25 CIP</b>	<b>Five-Year CIP</b>
D17042	MFWQTC Sedimentation Basin RR		\$ 5,013	\$ 8,177
D20285	MFWQTC LG Dryer Replacements		139	139
D21063	Odor Management Plan		315	315
Y22124	West Triangle PS FM and Interceptor		1,605	4,399
Y22146	Bullitt Hills and Hillview #1 WWTP Elimination		386	13,069
Y24090	BC Lower Mud Lane Interceptor		3,057	4,076
Y24134	Pioneer Village WWTP Expansion 1.0 MGD		600	14,420
			<b>\$ 11,115</b>	<b>\$ 44,595</b>

### Capacity, Management, Operation & Maintenance (CMOM) Program

Better known as “CMOM”, this regulatory program is focusses on projects that lead to better management, operations and maintenance of the collection system in the sanitary portion of the MSD service area. The goal of this program is to avoid any sanitary sewage overflow in the system.

<b>Wastewater   CMOM Projects</b>				
<i>Dollars in 000's</i>				
<b>Project ID</b>	<b>Project Name</b>		<b>FY25 CIP</b>	<b>Five-Year CIP</b>
A24044	Private Property I/I Program Pilot Project		\$ 798	\$ 798
A24133	West Goose Creek PS Rehab		130	130
D18090	CCWQTC Solids Dewatering Facility		4,600	20,411
D18132	DRGWQTC WWPS WWSB HVAC & Roof and U3 & U4 Transformer Elimination		2,072	2,582
D20008	Kirby Lane Pump Station Elimination		885	885
D20011	Northern Ditch Pump Station Replacement		800	4,071
D20149	CCWQTC Admin Building Expansion		4,986	8,772
D20351	Floyds Fork Interceptor		100	11,004
D21079	Fairmount Road Pump Station Force Main Extension - Phase 2		3,542	7,211
D21109	FY25 Regional WQTC Equipment RR		1,000	1,000
D21230	DRG RAS Pumps 2&3 Replacement		1,720	1,720
D22080	DRG Clarifier 4-6 Mechanism Update		4,231	4,916
D22098	CCWQTC Re-rating to 9.0 MGD		3,336	5,441
D22213	CCWQTC Tertiary Filtration		9,039	10,545
D24009	AI Aquasight Software at HCWQTC and FFWQTC		150	150
D24015	CCWQTC UV Improvements		2,971	2,971
D24021	FFWQTC Influent Pump VFDs		760	760
D24022	FFWQTC Sludge Storage Tank Improvements		1,985	2,985
D24038	HCWQTC Sludge Screens		2,574	6,292
D24045	Regional WQTC Controls Upgrades		249	249
D24106	CCWQTC South Electrical Service		737	1,034
D25023	CCWQTC Sludge Storage Blower Upgrade		187	869
E15035	Lake Forest Pump Station Eliminations		3,139	3,139
E21026	FY25 Linear Assets RR		200	200
E21027	FY25 CMOM Gravity Line Cleaning & Inspection		1,125	1,125
E21028	FY25 CMOM I&C Implementation		220	220

<b>Wastewater   CMOM Projects (cont'd)</b>			
<i>Dollars in 000's</i>			
<b>Project ID</b>	<b>Project Name</b>	<b>FY25 CIP</b>	<b>Five-Year CIP</b>
E21029	FY25 CMOM Infrastructure Rehabilitation Program	2,000	2,000
E21031	FY25 CMOM SCAP, AAM, FOG	112	112
E21052	FY25 Vertical Infrastructure Rehab - Collections	750	750
E21071	Wathen Lane PS Rehabilitation	101	101
E21091	Sanders Lane PS Rehabilitation	15	15
E22223	Lantana Drive PS No. 1 Elimination	2,355	3,925
E24017	Cypress Springs PS Elimination	107	142
E24026	Fox Harbor #1 & 2 and Deep Trail Pump Station Eliminations	617	1,100
E25012	Francell PS Replacement	50	5,050
G25001	FY25 Renewal & Replacement	1,500	1,500
H24193	Goose Creek I&I Rehab	788	2,816
H24194	Floydsburg Road I&I Investigation and Rehabilitation	58	58
H18168	CRRP - Five Year Update	280	1,000
H20021	Admiral Rd PS Storage Basin	1,500	24,150
H21051	FY25 Plumbing Modification Program	250	250
H22018	CCWQTC Sludge Storage Tank Improvements	44	44
H22032	DRGWQTC Sodium Bisulfite Bldg. Improvements	777	777
H23018	Cedar Creek Main Interceptor	177	6,800
H23041	Olde Copper Ct. PS Elimination	370	370
H23043	Parkwood PS Elimination	204	769
H23050	WQTC Regional Lab Upgrade	755	899
W21126	Ohio River Service Area Lift Station Rehabilitation	1,034	1,723
W24041	Mockingbird Valley WWTP Elimination	150	3,087
W25014	FY25 OC Linear Infrastructure Rehab	75	75
W25016	FY25 OC Plumbing Modification Program	50	50
W25020	FY25 OC Vertical Infrastructure Rehab - Collections	225	225
W25024	FY25 OC Vertical Infrastructure Rehab - WQTC	50	50
W25027	Buckner PS Upgrade	169	1,315
W25030	KSR WWTP Expansion 1.2 MGD	700	12,450
Y24087	BC Hillview #3 UV and Flow Monitoring	482	482
Y25015	FY25 BC Linear Infrastructure Rehab	500	500
Y25017	FY25 BC Plumbing Modification Program	50	50
Y25021	FY25 BC Vertical Infrastructure Rehab - Collections	100	100
Y25026	FY25 BC Vertical Infrastructure Rehab - WQTC	50	50
H25038	Grand Avenue Force Main Odor Mitigation Study	50	50
D25054	HCWQTC Influent PS Upgrade Study	50	50
D25055	DRGWQTC Raw Water PS Pump Rebuild	140	500
D25056	DRGWQTC Process Water Pump Filter System	789	964
H25083	Starkey PS Odor Mitigation Chemical Use Assessment	408	2,000
		<b>\$ 69,418</b>	<b>\$ 175,829</b>

### Consent Decree

#### Long-Term Control Plan Projects (LTCP)

The mandated projects required to control overflows in the combined system have all been completed.

#### Green Infrastructure Projects (GI)

The GI investment required by the Consent Decree has been satisfied. Going forward GI projects are funded under the MS4 program.

### Sanitary Sewer Discharge Plan Projects (SSDP)

SSDP projects are required to mitigate overflows that occur in the sanitary system, usually due to capacity limitations. MSD has 12 remaining SSDP projects associated with the Consent Decree. Four are in progress, with four due to begin within the 5-year CIP window.

### Specific Remedy Projects

The Second Amended Consent Decree (2021) specified two projects – the Morris Forman WQTC Biosolids Facility and the Paddy’s Run FPS Improvements. These design-build projects alone anticipate \$142.6 million in expenditures in fiscal year 2025, constituting 48% of the CIP.

### Consent Decree Critical Sewer Projects

Large diameter sewer rehab projects were included in the Second Amended Consent Decree. Of the nine projects identified, seven have been completed prior to fiscal year 2025. Buechel Trunk Sewer Rehab is included in the fiscal year 2025 CIP.

### Consent Decree Asset Management Projects

This regulatory category was also included in the Second Amended Consent Decree which requires \$375 million be invested by June 30, 2035, through wastewater projects not already included in the Decree. These projects are identified and reported annually from the list of CIP projects in progress and completed during the fiscal year.

<b>Wastewater   Consent Decree Projects</b>			
<i>Dollars in 000's</i>			
<b>Project ID</b>	<b>Project Name</b>	<b>FY25 CIP</b>	<b>Five-Year CIP</b>
A24011	Asset Management Program Implementation - \$25M AM	\$ 594	\$ 1,248
D22100	Morris Forman WQTC New Biosolids Facility	68,400	254,530
E17053	Buechel Trunk Sewer Rehab	3,494	3,592
H09165	Bardstown Road PS Improvements	103	1,000
H09171	Kavanaugh Road PS Elimination	2,000	9,835
H09186	Upper Middle Fork Pump Station, Forcemain and Interceptor	2,000	134,342
H09196	Leven Pump Station Elimination	1,464	1,464
H09242	Gunpowder PS Elimination	1,150	8,951
		<b>\$ 79,205</b>	<b>\$ 414,962</b>

### Facilities

Improvements to buildings directly related to Wastewater collection and treatment are funded within this budget category.

<b>Wastewater   Facilities Projects</b>			
<i>Dollars in 000's</i>			
<b>Project ID</b>	<b>Project Name</b>	<b>FY25 CIP</b>	<b>Five-Year CIP</b>
D23159	CCWQTC Maintenance Offices Roof Replacement	\$ 258	\$ 258
D23161	DRGWQTC Clarifier MCC and Grit Electric MCC Buildings Roof Replacement	3	3
D23168	MFWQTC Odor Control Chemical Storage Building Roof Replacement	50	50
G20018	SWPS Site Security	60	60
Y24091	BC Waffle House Pump Station Access Improvements	40	40
E25047	Muddy Fork PS Roof Replacement	150	150
E25048	Barbour Ln PS Roof Replacement	150	150
		<b>\$ 711</b>	<b>\$ 711</b>

### Nine Minimum Controls (NMC) Program

This program represents system controls that must be implemented by each CSO permittee to maximize the efficiency of existing facilities to limit the duration and impact of CSO discharges. These projects support the efficient workings of treatment plants, basins, and pump station in the CSO portion of the MSD service area.

<b>Wastewater   NMC Projects</b>			
<i>Dollars in 000's</i>			
<b>Project ID</b>	<b>Project Name</b>	<b>FY25 CIP</b>	<b>Five-Year CIP</b>
A24132	Southwestern CSO Basin Bar Screen Replacement	\$ 77	\$ 77
C24139	Shawnee Trap Catch Basin Replacement	874	2,747
D17039	MFQWTC DAFT Rehabilitation	4,500	17,388
D18160	MFQWTC Mixed Liquor Channel and HPO Batteries A, B, C Improvements	750	27,550
D18161	MFQWTC Chlorine Contact Tanks & FEPS Structural Repairs	3,500	3,987
D19286	SWPS Gas Monitoring and SP1 Odor Control	120	120
D20007	Peabody Gate Structure Rehabilitation	110	110
D21041	FY25 MFQWTC Equipment RR	1,000	1,000
D21247	MFQWTC MEB HVAC Replacement	3,921	3,921
D22186	MFQWTC Computer Room Upgrades	27	27
D23194	MFQWTC Emergency Elevator Project	250	250
D24104	MFQWTC Secondary Load Centers Replacement	1,557	4,118
D24149	MFQWTC Digester Gas Hydrogen Sulfide (H2S) Removal project	4,992	9,219
E21049	FY25 NMC RTC	250	250
E22116	South Shelby Street Sanitary Sewer Improvements	167	197
F24062	Starkey PS Hydraulic Actuator Replacement	171	171
H22014	MFQWTC Groundwater Dewatering System Automation	19	19
H22022	SGC Gate Replacements	340	340
H22038	Sneads Branch Pump Replacement	1,014	1,014
H23147	MFQWTC Planning Assistance	406	609
H23179	CSO 140 Outfall Reconstruction	35	35
H24120	Rowan Pump Station – Air Scour System	145	145
H25031	Neighborhood Odor Control Catch Basin Inspections	333	999
H25032	Chickasaw Trap Catch Basin Rehab	292	1,100
H25039	ORFM Odor Mitigation Study	50	50
H25040	Collections System Foul Air Extraction Improvements	500	500
D25051	MFQWTC Renewable Natural Gas Engineering Services	50	50
H25053	Bells Lane Odor Mitigation - EQ and HRT	349	6,200
H25059	Taylor-Berry Catch Basin Replacement	504	1,500
E25065	Inflatable Dam Replacement - SWOR2, MDS, Sneads Branch	133	500
H25082	4th St FPS Odor Mitigation Improvements	408	2,000
		<b>\$ 26,844</b>	<b>\$ 86,193</b>

### Support Services

Miscellaneous services that enable and/or develop one or more core business functions.

<b>Wastewater   Support Services Projects</b>				
<i>Dollars in 000's</i>				
<b>Project ID</b>	<b>Project Name</b>	<b>FY25 CIP</b>	<b>Five-Year CIP</b>	
A25101	FY25 PSC Program Support	\$ 500	\$	500
A23141	Supplemental Engineering Staff Support	740		925
A24103	PS CMOM Technical And Programmatic Support	61		61
E21047	FY25 NMC Support	25		25
H21025	FY25 CIP Task Assistance	1,500		1,500
H21044	FY25 System Planning and Regulatory Compliance Support	1,200		1,200
Y24083	BC DSDC for Plants	12		19
Y25034	FY25 BC Collection System Modeling	25		25
Y25035	FY25 BC System Planning and Reg. Support	100		100
E25050	OT PLC Network Upgrades	250		750
D25052	MFWQTC Lab HVAC Upgrades	75		1,050
W25084	FY25 OC System Planning and Reg. Support	50		50
		<b>\$ 4,538</b>	<b>\$</b>	<b>6,205</b>

### Drainage

In addition to managing wastewater, MSD is responsible for managing drainage and inland flooding in portions of Jefferson County. MSD's strategy has been to address localized problems throughout the Drainage Response Initiative (DRI) and Municipal Separate Storm Sewer System (MS4) Programs. Larger problem areas are the focus of the Floodplain Management Program.

The following table provides the fiscal year 2025 and five-year CIP drainage programs by type.

<b>Stormwater Programs</b>			
<i>Dollars in 000's</i>			
	<b>FY25 CIP</b>	<b>Five-Year CIP</b>	
Drainage	\$ 2,443	\$	20,463
Floodplain Management	1,790		4,238
Stormwater Quality (MS4)	3,080		13,051
Support Services	474		1,636
	<b>\$ 7,787</b>	<b>\$</b>	<b>39,388</b>

### Drainage Projects

Since 2003, MSD has been implementing an aggressive DRI program to address a wide variety of drainage issues that focuses on problems ranging from structural flooding to alleviating minor standing water problems. The fiscal year 2025 CIP includes over \$2 million dollars dedicated to DRI projects.

MSD is developing a massive drainage/stormwater asset inventory. The fiscal year 2025 work will continue collecting field inventory data and stream monitoring activities. The information collected will support drafting the Stormwater Master Plan. This plan will aid MSD in determining the best options for managing drainage/stormwater throughout Jefferson County. Projects identified in the Stormwater Master Plan will be subsequently prioritized to fit within MSD's long-term CIP.



<b>Drainage   Drainage Projects</b>			
<i>Dollars in 000's</i>			
<b>Project ID</b>	<b>Project Name</b>	<b>FY25 CIP</b>	<b>Five-Year CIP</b>
C21035	FY25 DRI	\$ 2,100	\$ 2,100
C24146	Norfolk Road DIP	80	80
C24147	Romaina Drive DIP	76	76
C24148	Rainbow Drive DIP	100	100
C24167	Hunting Creek Overflow Pipe Repair	50	50
C24172	2401 Valley Vista Road Culvert Replacement	37	37
		<b>\$ 2,443</b>	<b>\$ 2,443</b>

### **Floodplain Management Programs**

Since 1997, MSD has purchased homes located in flood prone areas through federal grant programs (particularly FEMA). Following several spring flooding events in 2015, the mayor formed a multiagency Flood Mitigation Workgroup to address impacted residents who were unable, for a variety of reasons, to get back in their homes after the floodwaters receded. The Flood Mitigation Workgroup recommended several mitigation approaches, including establishment of a “quick-buy” program to allow property owners to sell flood-impacted property in a much shorter time than would typically be possible. The Workgroup recommended an annual fund be established to provide timely relief to property owners impacted by future extreme storm events.

<b>Drainage   Floodplain Management Projects</b>			
<i>Dollars in 000's</i>			
<b>Project ID</b>	<b>Project Name</b>	<b>FY25 CIP</b>	<b>Five-Year CIP</b>
C24174	400 Shelby Station Basin Repairs	\$ 618	\$ 618
D24025	Floyds Fork Flood Modeling	65	65
F24175	Northern Ditch Flood Study	40	70
H23046	Southfork Dry Bed	934	3,120
H23116	Little Bee Lick Floodplain Modeling	11	14
H25064	Floyds Fork Tributary Modeling	122	150
		<b>\$ 1,790</b>	<b>\$ 4,037</b>

### **Municipal Separate Storm Sewer System Program (MS4)**

A Municipal Separate Storm Sewer System is a publicly-owned system of conveyances designed to collect and convey stormwater to surface waters of the State. With that environmental responsibility comes a host of regulatory permit requirements and considerations. MSD’s annual capital investments provides funding for green infrastructure installations, installing and improving monitoring sites and partnering with local entities to make improvements on their property.

<b>Drainage   Stormwater Quality (MS4) Projects</b>				
<i>Dollars in 000's</i>				
<b>Project ID</b>	<b>Project Name</b>		<b>FY25 CIP</b>	<b>Five-Year CIP</b>
A24192	Oakmount Dr. RFF Basin	\$	200	\$ 200
A24042	Monitoring Sites Safety Improvements		237	237
H21036	FY25 Env/L Data Collection – MS4 & IOAP		215	215
H21045	FY25 MS4 Program		785	785
H21054	FY25 USGS Stream Monitoring		685	685
H25010	FY25 Urban Reforestation		240	240
H25058	FY25 GI Fee In Lieu Program		200	200
H25060	Belmar Green Infrastructure Rehab		50	50
H25061	CMF Green Infrastructure Basin Retrofit		245	300
H25062	CMF Material Sorting Gutter Rehab		40	40
H25063	Story Avenue Tree Well Grate Replacement		135	135
Y25086	FY25 BC Water Quality Modeling		48	48
			<b>\$ 3,080</b>	<b>\$ 3,135</b>

### Support Services

Miscellaneous services that enable and/or develop one or more core business functions.

<b>Drainage   Support Services Projects</b>				
<i>Dollars in 000's</i>				
<b>Project ID</b>	<b>Project Name</b>		<b>FY25 CIP</b>	<b>Five-Year CIP</b>
C23031	Stormwater Service Support	\$	190	\$ 190
C25007	Stormwater Asset Inventory & Analysis		239	1,401
C25057	FY25 DRI Program Hydraulic Analysis Support		45	45
			<b>\$ 474</b>	<b>\$ 1,636</b>

### Flood Protection

Flood protection is a critical public health service that MSD provides. As the fiscal year 2025 CIP was being developed, MSD identified the elevated risk components of the Flood Protection Program. Given the fact that most of the Flood Pump Stations (FPS) have original electrical and switchgear systems and original gates dating back to the 1950s or 1960s, MSD is advancing several projects to replace outdated parts and systems.

MSD continues to coordinate with the United States Army Corps of Engineers (USACE) to garner federal support through various funding programs. Significant federal dollars are needed to update, provide redundancy and/or increase capacity at the 16 major flood pumping stations.

<b>Flood Protection System Programs</b>				
<i>Dollars in 000's</i>				
		<b>FY25 CIP</b>		<b>Five-Year CIP</b>
Consent Decree	\$	2,443	\$	20,463
Facilities		1,790		4,238
Ohio River Flood Protector		3,080		13,051
Support Services		474		1,636
		<b>\$ 7,787</b>	<b>\$</b>	<b>39,388</b>

### Consent Decree

The Second Amended Consent Decree (2021) specified one flood protection project - the Paddy's Run FPS Improvements.

Flood Protection   Consent Decree Projects			
<i>Dollars in 000's</i>			
Project ID	Project Name	FY25 CIP	Five-Year CIP
F18515	Paddy's Run FPS Capacity Upgrade	\$ 74,187	\$ 180,239
		<b>\$ 74,187</b>	<b>\$ 180,239</b>

### Facilities

Improvements to buildings directly related to Flood Protection are funded within this budget category.

Flood Protection   Facilities Projects			
<i>Dollars in 000's</i>			
Project ID	Project Name	FY25 CIP	Five-Year CIP
F25074	4th St FPS Roof Repairs	\$ 58	\$ 108
F25074	10th St FPS Roof Repairs	41	76
F25076	17th St FPS Roof Repairs	96	178
F25077	27h St FPS Roof Repairs	55	102
F25078	34th St FPS Roof Repairs	61	113
F25079	Beargrass Creek FPS Roof Repairs	71	132
F25080	Bingham Way FPS Roof Repairs	100	185
F25071	Starkey FPS Roof Repairs	86	158
		<b>\$ 568</b>	<b>\$ 1,052</b>

### Ohio River Flood Protection

Rehabilitation, repair, and replacement of the complex levee, floodwall, and pump station system that provides riverine flood protection. Much of that system was built in the 1940s and 1950s and continues to operate with original parts that are no longer available for direct replacement.

Flood Protection   Ohio River Flood Protection Projects			
<i>Dollars in 000's</i>			
Project ID	Project Name	FY25 CIP	Five-Year CIP
F15012	5th Street FPS - MCC Emergency	\$ 14	\$ 14
F20110	Upper Mill Creek FPS Transformer and MCC Replacement	1,017	3,416
F21037	FY25 Flood Structures RR	1,000	1,000
F23059	Water Stop and Concrete Repair	205	205
F24065	Floodgate 33	707	861
H23044	Pond Creek FPS Breaker Replacement	100	2,450
		<b>\$ 3,043</b>	<b>\$ 7,946</b>

### Support Systems

The funding provided for this category of capital improvements broadly support the core wastewater, stormwater, and flood protection services through facility improvements, computer systems, and vehicle acquisitions.

<b>Support Systems Programs</b>			
<i>Dollars in 000's</i>			
	FY25 CIP	Five-Year CIP	
Agreed Order	\$ 250	\$ 650	
Capital Equipment	5,995	31,237	
Facilities	6,148	12,894	
IT	2,889	12,509	
LOJIC	355	1,875	
Support Services	678	1,144	
	<b>\$ 16,315</b>	<b>\$ 60,309</b>	

### Agreed Order

Agreed Orders between MSD and state or local regulatory agencies require improvements in the MSD system to address outstanding issues.

<b>Support Systems   Agreed Order Projects</b>			
<i>Dollars in 000's</i>			
Project ID	Project Name	FY25 CIP	Five-Year CIP
A24012	A24012   Asset Management Program Implementation - Non \$25M AM	\$ 250	\$ 650
		<b>\$ 250</b>	<b>\$ 650</b>

### Capital Equipment

MSD owns 600 vehicles and portable equipment ranging from passenger vehicles and pick-up trucks to large excavators and sewer-cleaning trucks. Supply-chain issues still plague vehicle delivery so many vehicles are ordered in one fiscal year and MSD takes delivery in the subsequent fiscal year.

<b>Support Systems   Capital Equipment Projects</b>			
<i>Dollars in 000's</i>			
Project ID	Project Name	FY25 CIP	Five-Year CIP
K21055	FY25 Vehicles & Equipment	\$ 5,500	\$ 5,500
K24168	CMF Storeroom Vertical Storage Equipment	345	345
K25041	FY25 New Fleet Additions	100	100
K25042	FY25 Fleet Repair	50	50
		<b>\$ 5,995</b>	<b>\$ 5,995</b>

### Facilities Improvement Projects

MSD maintains more than 200 buildings as part of its infrastructure. Administration buildings and other buildings not directly related to treatment or collection processes are funded within this budget category. The majority of the fiscal year 2025 budget is devoted to the repurposing of the 15<sup>th</sup> & Hill Street building.

<b>Support Systems   Facilities Projects</b>				
<i>Dollars in 000's</i>				
<b>Project ID</b>	<b>Project Name</b>	<b>FY25 CIP</b>	<b>Five-Year CIP</b>	
A24173	15th & Hill Street Building Improvements	\$ 1,085	\$	1,085
G18154	CMF Structural Repairs Phase 1	505		3,935
G23036	Main Office HVAC Chillers	900		900
G24138	Warehouse Security Upgrade - MF & CMF	22		22
D25049	FFWQTC Office HVAC Replacement	100		100
G25067	15th & Hill Street Fencing	475		475
G25068	15th & Hill Street Furniture & Cubicles	1,769		1,769
G25069	15th & Hill Street Parking Lot	325		325
G25070	15th & Hill Street Security Phase 1	150		150
G25071	15th & Hill Street IT Infrastructure	640		640
G25072	15th & Hill Street Fire Panel	2		155
G25073	15th & Hill Street Security Phase 2	12		1,084
Y25085	BC Office Building Security and Buildout	163		200
		<b>\$ 6,148</b>	<b>\$</b>	<b>10,840</b>

### Information Technology Projects

It is critical to the ongoing success of MSD to continuously update and improve computer technology and business platforms and systems. Included in this area are software and hardware updates, cybersecurity initiatives, SAP HANA phase 2 enhancements, network lifecycle, aerial imagery and map updates, and survey control maintenance. It is imperative that MSD continues to make large investments in this area with increase threats related to cyber-attacks and making sure MSD stays up to date on current technology and software versions.

<b>Support Systems   IT Projects</b>				
<i>Dollars in 000's</i>				
<b>Project ID</b>	<b>Project Name</b>	<b>FY25 CIP</b>	<b>Five-Year CIP</b>	
N20073	FY25 IT End User Lifecycle	\$ 450	\$	450
N20133	SAP Upgrade To HANA	822		822
N21023	FY25 IT Network Lifecycle	150		150
N24037	HANA Phase 2 Enhancements	167		500
N25011	FY25 IPS Support	260		260
N25037	PMIS PWA Server Upgrade	50		50
N25044	FY25 IT Cybersecurity Initiatives	150		150
N25045	IT Data Center Lifecycle	840		4,927
		<b>\$ 2,889</b>	<b>\$</b>	<b>7,309</b>

### LOJIC Projects

The Louisville and Jefferson County Information Consortium (LOJIC) is responsible for building, maintaining, and supporting a comprehensive geographic information system (GIS) that serves a multi-agency partnership including MSD, Louisville/Jefferson County Metro Government, Louisville Water Company, and the Property Valuation Administrator (PVA).

<b>Support Systems   LOJIC Projects</b>				
<i>Dollars in 000's</i>				
<b>Project ID</b>	<b>Project Name</b>	<b>FY25 CIP</b>	<b>Five-Year CIP</b>	
J18107	FY24/25 Aerial Imagery & Map Updates	250		250
J21039	J21039   FY25 LOJIC HW Upgrades & Replacements	75		75
J21040	J21040   FY25 LOJIC Survey Control Maintenance	30		30
		<b>\$ 355</b>	<b>\$</b>	<b>355</b>

### Support Services Projects

Miscellaneous services that enable and/or develop one or more core business functions.

<b>Support Systems   Support Services Projects</b>					
<i>Dollars in 000's</i>					
<b>Project ID</b>	<b>Project Name</b>		<b>FY25 CIP</b>		<b>Five-Year CIP</b>
G23089	G23089   Design Manual and Specifications Updates		\$ 170	\$	170
G24165	G24165   Districtwide Security Master Plan		25		25
G25046	G25046   Districtwide Security Master Plan Development		250		250
G25066	G25066   Emergency Preparedness and Operational Resiliency Support		233		699
			<b>\$ 678</b>	<b>\$</b>	<b>1,144</b>

### Management Reserve

MSD includes Management Reserve to account for emergencies and other unforeseen, unknown circumstances that result in higher project costs. Project Managers may request use of Management Reserve funds from the CIP Management Team. Separate reserve accounts were developed for each county.

<b>Management Reserve</b>					
<i>Dollars in 000's</i>					
		<b>FY25 CIP</b>		<b>Five-Year CIP</b>	
Jefferson County	\$	5,000	\$	27,182	
Bullitt County		50		250	
Oldham County		50		250	
		<b>\$ 5,100</b>	<b>\$</b>	<b>27,682</b>	

## Detailed List of Projects Included in the FY25 Five-Year CIP

<b>Five Year CIP</b>							
<i>Dollars in 000's</i>							
Project ID	Project Name	FY25	FY26	FY27	FY28	FY29	Total
<b>Wastewater Projects</b>							
D17042	MFWQTC Sedimentation Basin RR	5,013	3,164	-	-	-	8,177
D20285	MFWQTC LG Dryer Replacements	139	-	-	-	-	139
D21063	Odor Management Plan	315	-	-	-	-	315
Y22124	West Triangle PS FM and Interceptor	1,605	2,794	-	-	-	4,399
Y22146	Bullitt Hills and Hillview #1 WWTP Elimination	386	3,094	9,091	498	-	13,069
Y22147	Hillview #2 WWTP Elimination	-	-	-	-	600	600
Y22155	Hillview PS#2 Elimination (Construction)	-	-	900	300	-	1,200
Y24090	BC Lower Mud Lane Interceptor	3,057	1,019	-	-	-	4,076
Y24134	Pioneer Village WWTP Expansion 1.0 MGD	600	4,138	9,222	460	-	14,420
Y24BD-012	Hillview #3 WWTP Elimination	-	-	-	-	1,040	1,040
23BD-018	Park Ridge Woods PS Elimination	-	-	32	218	-	250
25BD-002	Grand Avenue Force Main Odor Mitigation Improvements	-	565	2,187	2,748	-	5,500
25BD-004	ORFM Odor Mitigation Improvements	-	565	2,187	2,748	-	5,500
25BD-062	FY26/27 Regional WQTC Controls Upgrades	-	250	250	-	-	500
25BD-063	FY28/29 Regional WQTC Controls Upgrades	-	-	-	250	250	500
25BD-068	DRGWQTC Raw Water PS VFDs	-	-	642	3,087	1,271	5,000
25BD-088	Goose Creek PS & West Goose Creek PS FM Valve and ARV Rehab	-	123	627	-	-	750
A14135	KTC Greenwood Rd Assmt	-	-	-	171	63	234
A18485	Shady Villa Pump Station Elimination	-	-	204	1,070	129	1,403
A24044	Private Property I/I Program Pilot Project	798	-	-	-	-	798
A24133	West Goose Creek PS Rehab	130	-	-	-	-	130
BD-051	FY28 Linear Assets RR	-	-	-	215	-	215
BD-052	FY28 CMOM Gravity Line Cleaning & Inspection	-	-	-	1,743	-	1,743
BD-053	FY28 CMOM I&C Implementation	-	-	-	235	-	235
BD-054	FY28 CMOM Infrastructure Rehabilitation Program	-	-	-	2,300	-	2,300
BD-056	FY28 CMOM SCAP, AAM, FOG	-	-	-	174	-	174
BD-076	FY28 Plumbing Modification Program	-	-	-	325	-	325
BD-077	FY28 Vertical Infrastructure Rehab - Collections	-	-	-	900	-	900
BD-078	FY28 Regional WQTC Equipment RR	-	-	-	1,200	-	1,200
BD-079	FY28 Renewal & Replacement	-	-	-	1,600	-	1,600
BD-083	FY29 Linear Assets RR	-	-	-	-	220	220
BD-084	FY29 CMOM Gravity Line Cleaning & Inspection	-	-	-	-	1,796	1,796
BD-085	FY29 CMOM I&C Implementation	-	-	-	-	240	240
BD-086	FY29 CMOM Infrastructure Rehabilitation Program	-	-	-	-	2,400	2,400
BD-088	FY29 CMOM SCAP, AAM, FOG	-	-	-	-	180	180
BD-096	FY29 Interceptor RR	-	-	-	-	17,956	17,956
BD-109	FY29 Plumbing Modification Program	-	-	-	-	350	350
BD-110	FY29 Vertical Infrastructure Rehab - Collections	-	-	-	-	950	950
BD-111	FY29 Regional WQTC Equipment RR	-	-	-	-	1,300	1,300
BD-112	FY29 Renewal & Replacement	-	-	-	-	1,650	1,650
BD-155	Middle Fork Trunk Sewer Rehab	-	-	-	-	1,609	1,609
BD-157	Ohio River Interceptor Rehab - High Risk	-	-	-	-	2,531	2,531
D18090	CCWQTC Solids Dewatering Facility	4,600	14,906	905	-	-	20,411
D18093	DRGWQTC Alternate Outfall	-	-	-	-	1,926	1,926
D18101	FFWQTC Expansion to 10 MGD	-	-	-	-	4,286	4,286
D18103	CCWQTC Expansion To 12 MGD	-	-	-	-	4,125	4,125
	DRGWQTC WWPS WWSB HVAC & Roof and U3 & U4 Transformer Elimination	2,072	510	-	-	-	2,582
D20008	Kirby Lane Pump Station Elimination	885	-	-	-	-	885
D20011	Northern Ditch Pump Station Replacement	800	1,000	-	-	2,271	4,071
D20149	CCWQTC Admin Building Expansion	4,986	3,722	64	-	-	8,772
D20351	Floyds Fork Interceptor	100	100	-	-	10,804	11,004
D21079	Fairmount Road Pump Station Force Main Extension - Phase 2	3,542	3,669	-	-	-	7,211
D21109	FY25 Regional WQTC Equipment RR	1,000	-	-	-	-	1,000
D21230	DRG RAS Pumps 2&3 Replacement	1,720	-	-	-	-	1,720
D22080	DRG Clarifier 4-6 Mechanism Update	4,231	685	-	-	-	4,916
D22098	CCWQTC Re-rating to 9.0 MGD	3,336	2,105	-	-	-	5,441
D22213	CCWQTC Tertiary Filtration	9,039	1,506	-	-	-	10,545
D24009	AI Aquisight Software at HCWQTC and FFWQTC	150	-	-	-	-	150



**Five Year CIP**

*Dollars in 000's*

Project ID	Project Name	FY25	FY26	FY27	FY28	FY29	Total
<b>Wastewater Projects</b>							
D24015	CCWQTC UV Improvements	2,971	-	-	-	-	2,971
D24021	FFWQTC Influent Pump VFDs	760	-	-	-	-	760
D24022	FFWQTC Sludge Storage Tank Improvements	1,985	1,000	-	-	-	2,985
D24038	HCWQTC Sludge Screens	2,574	3,386	332	-	-	6,292
D24045	Regional WQTC Controls Upgrades	249	-	-	-	-	249
D24106	CCWQTC South Electrical Service	737	297	-	-	-	1,034
D25023	CCWQTC Sludge Storage Blower Upgrade	187	645	37	-	-	869
D25029	FFWQTC Dewatering Improvements	-	-	-	-	647	647
D26002	DRGWQTC Sludge Screens	-	634	2,692	3,061	113	6,500
D26029	FY26 Regional WQTC Equipment RR	-	1,000	-	-	-	1,000
D27026	FY27 Regional WQTC Equipment RR	-	-	1,100	-	-	1,100
E15035	Lake Forest Pump Station Eliminations	3,139	-	-	-	-	3,139
E21026	FY25 Linear Assets RR	200	-	-	-	-	200
E21027	FY25 CMOM Gravity Line Cleaning & Inspection	1,125	-	-	-	-	1,125
E21028	FY25 CMOM I&C Implementation	220	-	-	-	-	220
E21029	FY25 CMOM Infrastructure Rehabilitation Program	2,000	-	-	-	-	2,000
E21031	FY25 CMOM SCAP, AAM, FOG	112	-	-	-	-	112
E21052	FY25 Vertical Infrastructure Rehab - Collections	750	-	-	-	-	750
E21066	Pirogue Pump Station Elimination	-	287	175	-	-	462
E21071	Wathen Lane PS Rehabilitation	101	-	-	-	-	101
E21091	Sanders Lane PS Rehabilitation	15	-	-	-	-	15
E22223	Lantana Drive PS No. 1 Elimination	2,355	1,570	-	-	-	3,925
E24017	Cypress Springs PS Elimination	107	35	-	-	-	142
E24026	Fox Harbor #1 & 2 and Deep Trail Pump Station Eliminations	617	483	-	-	-	1,100
E25012	Francell PS Replacement	50	750	3,169	1,081	-	5,050
E25013	Brandywyne Ct. PS Elimination	-	163	854	103	-	1,120
E25018	Lea Ann Way PS Rehabilitation and Odor Control Improvements	-	852	4,148	-	-	5,000
E26005	Reality Trail Interceptor	-	-	197	314	1,242	1,753
E26007	FY26 Linear Assets RR	-	205	-	-	-	205
E26008	FY26 CMOM Gravity Line Cleaning & Inspection	-	1,125	-	-	-	1,125
E26009	FY26 CMOM I&C Implementation	-	225	-	-	-	225
E26010	FY26 CMOM Infrastructure Rehabilitation Program	-	2,100	-	-	-	2,100
E26012	FY26 CMOM SCAP, AAM, FOG	-	112	-	-	-	112
E26028	FY26 Vertical Infrastructure Rehab - Collections	-	800	-	-	-	800
E27005	FY27 Linear Assets RR	-	-	210	-	-	210
E27006	FY27 CMOM Gravity Line Cleaning & Inspection	-	-	1,050	-	-	1,050
E27007	FY27 CMOM I&C Implementation	-	-	230	-	-	230
E27008	FY27 CMOM Infrastructure Rehabilitation Program	-	-	2,200	-	-	2,200
E27010	FY27 CMOM SCAP, AAM, FOG	-	-	105	-	-	105
E27025	FY27 Vertical Infrastructure Rehab - Collections	-	-	850	-	-	850
E27030	Manning Rd/Cardinal Drive Sewer Rehab	-	-	1,174	3,994	6,934	12,102
G25001	FY25 Renewal & Replacement	1,500	-	-	-	-	1,500
G26030	FY26 Renewal & Replacement	-	1,500	-	-	-	1,500
G27027	FY27 Renewal & Replacement	-	-	1,550	-	-	1,550
H24193	Goose Creek I&I Rehab	788	2,028	-	-	-	2,816
H24194	Floydsburg Road I&I Investigation and Rehabilitation	58	-	-	-	-	58
H18168	CRRP - Five Year Update	280	480	240	-	-	1,000
H20021	Admiral Rd PS Storage Basin	1,500	2,744	8,433	11,034	439	24,150
H21051	FY25 Plumbing Modification Program	250	-	-	-	-	250
H22018	CCWQTC Sludge Storage Tank Improvements	44	-	-	-	-	44
H22032	DRGWQTC Sodium Bisulfite Bldg. Improvements	777	-	-	-	-	777
H23018	Cedar Creek Main Interceptor	177	3,815	2,808	-	-	6,800
H23039	Middletown Station PS Elimination	-	413	251	-	-	664
H23041	Olde Copper Ct. PS Elimination	370	-	-	-	-	370
H23043	Parkwood PS Elimination	204	565	-	-	-	769
H23050	WQTC Regional Lab Upgrade	755	144	-	-	-	899
H26027	FY26 Plumbing Modification Program	-	275	-	-	-	275
H27024	FY27 Plumbing Modification Program	-	-	300	-	-	300
W21126	Ohio River Service Area Lift Station Rehabilitation	1,034	689	-	-	-	1,723
W24041	Mockingbird Valley WWTP Elimination	150	-	351	1,010	1,576	3,087

**Five Year CIP**

*Dollars in 000's*

Project ID	Project Name	FY25	FY26	FY27	FY28	FY29	Total
<b>Wastewater Projects</b>							
W24BD-001	Country Village WWTP Sewer Lining and Manhole Rehab	-	-	-	-	2,302	2,302
W24BD-014	FY28 OC Plumbing Modification Program	-	-	-	50	-	50
W24BD-015	FY29 OC Plumbing Modification Program	-	-	-	-	50	50
W24BD-016	FY28 OC Vertical Infrastructure Rehab - Collections	-	-	-	150	-	150
W24BD-017	FY29 OC Vertical Infrastructure Rehab - Collections	-	-	-	-	150	150
W24BD-018	FY28 OC Linear Infrastructure Rehab	-	-	-	50	-	50
W24BD-019	FY29 OC Linear Infrastructure Rehab	-	-	-	-	50	50
W24BD-023	FY28 OC Vertical Infrastructure Rehab - WQTC	-	-	-	50	-	50
W24BD-024	FY29 OC Vertical Infrastructure Rehab - WQTC	-	-	-	-	50	50
W25014	FY25 OC Linear Infrastructure Rehab	75	-	-	-	-	75
W25016	FY25 OC Plumbing Modification Program	50	-	-	-	-	50
W25020	FY25 OC Vertical Infrastructure Rehab - Collections	225	-	-	-	-	225
W25024	FY25 OC Vertical Infrastructure Rehab - WQTC	50	-	-	-	-	50
W25027	Buckner PS Upgrade	169	1,146	-	-	-	1,315
W25030	KSR WWTP Expansion 1.2 MGD	700	1,509	5,000	5,241	-	12,450
W25BD-008	Ohio River WQTC Collector Arm Rehab	-	816	184	-	-	1,000
W25BD-009	OC WQTC Disinfection Upgrade Study	-	50	-	-	-	50
W26033	FY26 OC Vertical Infrastructure Rehab - Collections	-	225	-	-	-	225
W26034	FY26 OC Linear Infrastructure Rehab	-	75	-	-	-	75
W26036	FY26 OC Plumbing Modification Program	-	50	-	-	-	50
W26037	FY26 OC Vertical Infrastructure Rehab - WQTC	-	50	-	-	-	50
W27032	FY27 OC Vertical Infrastructure Rehab - Collections	-	-	150	-	-	150
W27033	FY27 OC Linear Infrastructure Rehab	-	-	50	-	-	50
W27035	FY27 OC Plumbing Modification Program	-	-	50	-	-	50
W27036	FY27 OC Vertical Infrastructure Rehab - WQTC	-	-	50	-	-	50
Y22151	Material Handling PS Elimination	-	-	-	562	750	1,312
Y24087	BC Hillview #3 UV and Flow Monitoring	482	-	-	-	-	482
Y24BD-024	FY28 BC Vertical Infrastructure Rehab - WQTC	-	-	-	50	-	50
Y24BD-025	FY29 BC Vertical Infrastructure Rehab - WQTC	-	-	-	-	50	50
Y24BD-028	FY28 BC Plumbing Modification Program	-	-	-	50	-	50
Y24BD-029	FY29 BC Plumbing Modification Program	-	-	-	-	50	50
Y24BD-030	FY28 BC Linear Infrastructure Rehab	-	-	-	350	-	350
Y24BD-031	FY29 BC Linear Infrastructure Rehab	-	-	-	-	350	350
Y24BD-032	FY28 BC Vertical Infrastructure Rehab - Collections	-	-	-	100	-	100
Y24BD-033	FY29 BC Vertical Infrastructure Rehab - Collections	-	-	-	-	100	100
Y25015	FY25 BC Linear Infrastructure Rehab	500	-	-	-	-	500
Y25017	FY25 BC Plumbing Modification Program	50	-	-	-	-	50
Y25021	FY25 BC Vertical Infrastructure Rehab - Collections	100	-	-	-	-	100
Y25026	FY25 BC Vertical Infrastructure Rehab - WQTC	50	-	-	-	-	50
Y26040	FY26 BC Vertical Infrastructure Rehab - Collections	-	100	-	-	-	100
Y26041	FY26 BC Linear Infrastructure Rehab	-	500	-	-	-	500
Y26042	Critical Pump Station Backup Power	-	73	381	46	-	500
Y26044	FY26 BC Vertical Infrastructure Rehab - WQTC	-	50	-	-	-	50
Y26045	FY26 BC Plumbing Modification Program	-	50	-	-	-	50
Y27038	FY27 BC Vertical Infrastructure Rehab - Collections	-	-	100	-	-	100
Y27039	FY27 BC Linear Infrastructure Rehab	-	-	350	-	-	350
Y27040	Pioneer Village WWTP Influent Pump Station Replacement	-	-	-	-	2,258	2,258
Y27042	FY27 BC Vertical Infrastructure Rehab - WQTC	-	-	50	-	-	50
Y27043	FY27 BC Plumbing Modification Program	-	-	50	-	-	50
H25038	Grand Avenue Force Main Odor Mitigation Study	50	-	-	-	-	50
D25054	HCWQTC Influent PS Upgrade Study	50	-	-	-	-	50
D25055	DRGWQTC Raw Water PS Pump Rebuild	140	360	-	-	-	500
D25056	DRGWQTC Process Water Pump Filter System	789	175	-	-	-	964
H25083	Starkey PS Odor Mitigation Chemical Use Assessment	408	1,592	-	-	-	2,000
A24011	Asset Management Program Implementation - \$25M AM	594	654	-	-	-	1,248
D22100	Morris Forman WQTC New Biosolids Facility	68,400	75,632	62,000	42,883	5,615	254,530
E17053	Buechel Trunk Sewer Rehab	3,494	98	-	-	-	3,592
H09165	Bardstown Road PS Improvements	103	712	185	-	-	1,000
H09171	Kavanaugh Road PS Elimination	2,000	5,229	2,606	-	-	9,835
H09179	Dell Road & Charlane Pkwy Interceptor Improvements	-	-	1,309	6,292	2,590	10,191

**Five Year CIP**

*Dollars in 000's*

Project ID	Project Name	FY25	FY26	FY27	FY28	FY29	Total
<b>Wastewater Projects</b>							
H09186	Upper Middle Fork Pump Station, Forcemain and Interceptor Mellwood System Improvements and Pump Station Elimination -	2,000	8,000	14,504	41,814	68,024	134,342
H09188	Winton And Mockingbird Valley Eliminations	-	-	-	243	1,311	1,554
H09192	Cinderella Pump Station Elimination	-	-	-	218	1,144	1,362
H09196	Leven Pump Station Elimination	1,464	-	-	-	-	1,464
H09200	Sutherland Interceptor	-	-	-	221	753	974
H09242	Gunpowder PS Elimination	1,150	3,809	3,992	-	-	8,951
H10043	Raintree & Marian Ct 2 - Pipe Upgrades	-	-	-	-	471	471
D23159	CCWQTC Maintenance Offices Roof Replacement	258	-	-	-	-	258
D23161	DRGWQTC Clarifier MCC and Grit Electric MCC Buildings Roof Replacement	3	-	-	-	-	3
D23168	MFQWQTC Odor Control Chemical Storage Building Roof Replacement	50	-	-	-	-	50
G20018	SWPS Site Security	60	-	-	-	-	60
Y24091	BC Waffle House Pump Station Access Improvements	40	-	-	-	-	40
E25047	Muddy Fork PS Roof Replacement	150	-	-	-	-	150
E25048	Barbour Ln PS Roof Replacement	150	-	-	-	-	150
25BD-054	MFQWQTC West Headworks Operational & Odor Improvement Design	-	-	323	1,113	64	1,500
25BD-059	MDS Gate 1 Replacement and ORI Cleaning	-	1,744	756	-	-	2,500
25BD-080	Russell Neighborhood Catch Basin Replacement Phase 1	-	1,115	4,605	280	-	6,000
25BD-098	MFWQTC OGA Replacement Analysis	-	-	-	250	-	250
25BD-113	Solids Handling Odor Control Study & Improvements post-THP	-	-	-	-	347	347
25BD-114	Park Hill Neighborhood Catch Basin Replacement	-	323	1,113	64	-	1,500
A24132	Southwestern CSO Basin Bar Screen Replacement	77	-	-	-	-	77
BD-066	FY28 MFQWQTC Equipment RR	-	-	-	1,300	-	1,300
BD-073	FY28 NMC RTC	-	-	-	200	-	200
BD-099	FY29 MFQWQTC Equipment RR	-	-	-	-	1,400	1,400
BD-106	FY29 NMC RTC	-	-	-	-	200	200
C24139	Shawnee Trap Catch Basin Replacement	874	1,873	-	-	-	2,747
D17039	MFQWQTC DAFT Rehabilitation MFQWQTC Mixed Liquor Channel and HPO Batteries A, B, C Improvements	4,500	8,601	4,287	-	-	17,388
D18160	MFQWQTC Chlorine Contact Tanks & FEPS Structural Repairs	750	3,557	12,170	11,073	-	27,550
D18161	MFQWQTC Chlorine Contact Tanks & FEPS Structural Repairs	3,500	487	-	-	-	3,987
D19286	SWPS Gas Monitoring and SP1 Odor Control	120	-	-	-	-	120
D20007	Peabody Gate Structure Rehabilitation	110	-	-	-	-	110
D20012	SGC RTC Enhancements	-	3,626	3,723	-	-	7,349
D21041	FY25 MFQWQTC Equipment RR	1,000	-	-	-	-	1,000
D21247	MFQWQTC MEB HVAC Replacement	3,921	-	-	-	-	3,921
D22186	MFQWQTC Computer Room Upgrades	27	-	-	-	-	27
D23194	MFQWQTC Emergency Elevator Project	250	-	-	-	-	250
D24104	MFQWQTC Secondary Load Centers Replacement	1,557	2,561	-	-	-	4,118
D24149	MFQWQTC Digester Gas Hydrogen Sulfide (H2S) Removal project	4,992	4,227	-	-	-	9,219
D26021	FY26 MFQWQTC Equipment RR	-	1,100	-	-	-	1,100
D27018	FY27 MFQWQTC Equipment RR	-	-	1,200	-	-	1,200
E21049	FY25 NMC RTC	250	-	-	-	-	250
E22116	South Shelby Street Sanitary Sewer Improvements	167	30	-	-	-	197
F24062	Starkey PS Hydraulic Actuator Replacement	171	-	-	-	-	171
H22014	MFQWQTC Groundwater Dewatering System Automation	19	-	-	-	-	19
H22022	SGC Gate Replacements	340	-	-	-	-	340
H22038	Sneads Branch Pump Replacement	1,014	-	-	-	-	1,014
H23013	Beargrass Interceptor Relief Rehab	-	-	-	-	991	991
H23147	MFQWQTC Planning Assistance	406	203	-	-	-	609
H23179	CSO 140 Outfall Reconstruction	35	-	-	-	-	35
H24120	Rowan Pump Station – Air Scour System	145	-	-	-	-	145
H25031	Neighborhood Odor Control Catch Basin Inspections	333	333	333	-	-	999
H2503	Chickasaw Trap Catch Basin Rehab	292	808	-	-	-	1,100
H26024	FY26 NMC RTC	-	225	-	-	-	225
H27021	FY27 NMC RTC	-	-	225	-	-	225
H25039	ORFM Odor Mitigation Study	50	-	-	-	-	50
H25040	Collections System Foul Air Extraction Improvements	500	-	-	-	-	500
D25051	MFQWQTC Renewable Natural Gas Engineering Services	50	-	-	-	-	50
H25053	Bells Lane Odor Mitigation - EQ and HRT	349	1,663	4,188	-	-	6,200
H25059	Taylor-Berry Catch Basin Replacement	504	996	-	-	-	1,500
E25065	Inflatable Dam Replacement - SWOR2, MDS, Sneads Branch	133	367	-	-	-	500

**Five Year CIP**

*Dollars in 000's*

Project ID	Project Name	FY25	FY26	FY27	FY28	FY29	Total
<b>Wastewater Projects</b>							
H25082	4th St FPS Odor Mitigation Improvements	408	1,592	-	-	-	2,000
25BD-119	FY25 PSC Program Support	500	-	-	-	-	500
25BD-120	FY26 PSC Program Support	-	550	-	-	-	550
25BD-121	FY27 PSC Program Support	-	-	600	-	-	600
25BD-122	FY28 PSC Program Support	-	-	-	650	-	650
25BD-123	FY29 PSC Program Support	-	-	-	-	700	700
A23141	Supplemental Engineering Staff Support	740	185	-	-	-	925
A24103	PS CMOM Technical And Programmatic Support	61	-	-	-	-	61
BD-050	FY28 CIP Task Assistance	-	-	-	1,500	-	1,500
BD-069	FY28 System Planning and Regulatory Compliance Support	-	-	-	1,350	-	1,350
BD-074	FY28 NMC Support	-	-	-	25	-	25
BD-082	FY29 CIP Task Assistance	-	-	-	-	1,500	1,500
BD-102	FY29 System Planning and Regulatory Compliance Support	-	-	-	-	1,400	1,400
BD-107	FY29 NMC Support	-	-	-	-	25	25
E21047	FY25 NMC Support	25	-	-	-	-	25
H21025	FY25 CIP Task Assistance	1,500	-	-	-	-	1,500
H21044	FY25 System Planning and Regulatory Compliance Support	1,200	-	-	-	-	1,200
H26006	FY26 CIP Task Assistance	-	1,500	-	-	-	1,500
H26022	FY26 System Planning and Regulatory Compliance Support	-	1,250	-	-	-	1,250
H26025	FY26 NMC Support	-	25	-	-	-	25
H27004	FY27 CIP Task Assistance	-	-	1,500	-	-	1,500
H27019	FY27 System Planning and Regulatory Compliance Support	-	-	1,300	-	-	1,300
H27022	FY27 NMC Support	-	-	25	-	-	25
W25BD-002	FY26 OC System Planning and Reg. Support	-	50	-	-	-	50
W25BD-003	FY27 OC System Planning and Reg. Support	-	-	50	-	-	50
W25BD-004	FY28 OC System Planning and Reg. Support	-	-	-	50	-	50
W25BD-005	FY29 OC System Planning and Reg. Support	-	-	-	-	50	50
Y24083	BC DSDC for Plants	12	7	-	-	-	19
Y25034	FY25 BC Collection System Modeling	25	-	-	-	-	25
Y25035	FY25 BC System Planning and Reg. Support	100	-	-	-	-	100
Y25BD-001	FY27 BC System Planning and Reg. Support	-	-	100	-	-	100
Y25BD-002	FY28 BC System Planning and Reg. Support	-	-	-	100	-	100
Y25BD-003	FY29 BC System Planning and Reg. Support	-	-	-	-	100	100
Y26038	FY26 BC Collection System Modeling	-	25	-	-	-	25
Y26039	FY26 BC System Planning and Reg. Support	-	100	-	-	-	100
Y27037	FY27 BC Collection System Modeling	-	-	35	-	-	35
E25050	OT PLC Network Upgrades	250	250	250	-	-	750
D25052	MFWQTC Lab HVAC Upgrades	75	975	-	-	-	1,050
W25084	FY25 OC System Planning and Reg. Support	50	-	-	-	-	50
<b>Total Wastewater</b>		<b>\$ 191,831</b>	<b>\$ 213,540</b>	<b>\$ 186,561</b>	<b>\$ 157,164</b>	<b>\$ 161,743</b>	<b>\$ 910,839</b>
<b>Drainage Projects</b>							
BD-060	FY28 DRI	-	-	-	3,254	-	3,254
BD-092	FY29 DRI	-	-	-	-	3,352	3,352
C21035	FY25 DRI	2,100	-	-	-	-	2,100
C23040	Oak Valley Drainage Remedies	-	-	1,912	850	-	2,762
C24146	Norfolk Road DIP	80	-	-	-	-	80
C24147	Romaina Drive DIP	76	-	-	-	-	76
C24148	Rainbow Drive DIP	100	-	-	-	-	100
C24167	Hunting Creek Overflow Pipe Repair	50	-	-	-	-	50
C24172	2401 Valley Vista Road Culvert Replacement	37	-	-	-	-	37
C26015	FY26 DRI	-	2,100	-	-	-	2,100
C27013	FY27 DRI	-	-	1,960	-	-	1,960
H17030	Stormwater Master Plan	-	-	-	2,505	-	4,592
C24174	400 Shelby Station Basin Repairs	618	-	-	-	-	618
C25008	Southern Ditch Alternatives	-	-	-	-	201	201
D24025	Floyds Fork Flood Modeling	65	-	-	-	-	65
F24175	Northern Ditch Flood Study	40	20	10	-	-	70
H23046	Southfork Dry Bed	934	2,082	104	-	-	3,120
H23116	Little Bee Lick Floodplain Modeling	11	3	-	-	-	14

**Five Year CIP**

*Dollars in 000's*

Project ID	Project Name	FY25	FY26	FY27	FY28	FY29	Total
<b>Drainage Projects</b>							
H25064	Floyds Fork Tributary Modeling	122	28	-	-	-	150
25BD-042	FY26 Urban Reforestation	-	240	-	-	-	240
25BD-043	FY27 Urban Reforestation	-	-	240	-	-	240
25BD-044	FY28 Urban Reforestation	-	-	-	240	-	240
25BD-045	FY29 Urban Reforestation	-	-	-	-	240	240
25BD-071	Monitoring Site Safety Improvements Phase 2	-	104	429	26	-	559
25BD-072	Monitoring Site Safety Improvements Phase 3	-	-	-	138	31	169
25BD-075	FY26 GI Fee In Lieu Program	-	200	-	-	-	200
25BD-076	FY27 GI Fee In Lieu Program	-	-	200	-	-	200
25BD-077	FY28 GI Fee In Lieu Program	-	-	-	200	-	200
25BD-078	FY29 GI Fee In Lieu Program	-	-	-	-	200	200
25BD-118	Logan St Basin Green Infrastructure Rehab	-	50	-	-	-	50
A24192	Oakmount Dr. RFF Basin	200	-	-	-	-	200
A24042	Monitoring Sites Safety Improvements	237	-	-	-	-	237
BD-061	FY28 EnV Data Collection – MS4 & IOAP	-	-	-	230	-	230
BD-070	FY28 MS4 Program	-	-	-	800	-	800
BD-080	FY28 USGS Stream Monitoring	-	-	-	750	-	750
BD-093	FY29 EnV Data Collection – MS4 & IOAP	-	-	-	-	235	235
BD-103	FY29 MS4 Program	-	-	-	-	805	805
BD-113	FY29 USGS Stream Monitoring	-	-	-	-	750	750
H21036	FY25 EnV Data Collection – MS4 & IOAP	215	-	-	-	-	215
H21045	FY25 MS4 Program	785	-	-	-	-	785
H21054	FY25 USGS Stream Monitoring	685	-	-	-	-	685
H24128	Goodwill Green Infrastructure Stipend	-	125	-	-	-	125
H25010	FY25 Urban Reforestation	240	-	-	-	-	240
H26016	FY26 EnV Data Collection – MS4 & IOAP	-	220	-	-	-	220
H26023	FY26 MS4 Program	-	790	-	-	-	790
H26031	FY26 USGS Stream Monitoring	-	709	-	-	-	709
H27014	FY27 EnV Data Collection – MS4 & IOAP	-	-	225	-	-	225
H27020	FY27 MS4 Program	-	-	795	-	-	795
H27028	FY27 USGS Stream Monitoring	-	-	722	-	-	722
Y25BD-008	FY26 BC Water Quality Modeling	-	48	-	-	-	48
Y25BD-009	FY27 BC Water Quality Modeling	-	-	48	-	-	48
Y25BD-010	FY28 BC Water Quality Modeling	-	-	-	48	-	48
Y25BD-011	FY29 BC Water Quality Modeling	-	-	-	-	48	48
Y25BD-013	FY29 BC Fish and Macro Sampling	-	-	-	-	30	30
H25058	FY25 GI Fee In Lieu Program	200	-	-	-	-	200
H25060	Belmar Green Infrastructure Rehab	50	-	-	-	-	50
H25061	CMF Green Infrastructure Basin Retrofit	245	55	-	-	-	300
H25062	CMF Material Sorting Gutter Rehab	40	-	-	-	-	40
H25063	Story Avenue Tree Well Grate Replacement	135	-	-	-	-	135
Y25086	FY25 BC Water Quality Modeling	48	-	-	-	-	48
C23031	Stormwater Service Support	190	-	-	-	-	190
C25007	Stormwater Asset Inventory & Analysis	239	696	466	-	-	1,401
C25057	FY25 DRI Program Hydraulic Analysis Support	45	-	-	-	-	45
<b>Total Drainage</b>		<b>\$ 7,787</b>	<b>\$ 7,470</b>	<b>\$ 7,111</b>	<b>\$ 9,041</b>	<b>\$ 5,892</b>	<b>\$ 39,388</b>
<b>Flood Protection Projects</b>							
F18515	Paddy's Run FPS Capacity Upgrade	74,187	66,467	14,279	25,306	-	180,239
F25074	4th St FPS Roof Repairs	58	50	-	-	-	108
F25075	10th St FPS Roof Repairs	41	35	-	-	-	76
F25076	17th St FPS Roof Repairs	96	82	-	-	-	178
F25077	27th St FPS Roof Repairs	55	47	-	-	-	102
F25078	34th St FPS Roof Repairs	61	52	-	-	-	113
F25079	Beargrass Creek FPS Roof Repairs	71	61	-	-	-	132
F25080	Bingham Way FPS Roof Repairs	100	85	-	-	-	185
F25081	Starkey FPS Roof Repairs	86	72	-	-	-	158
23BD-060	Lower Mill Creek FPS - Electrical Improvements	-	-	-	-	295	295
25BD-021	27th Street FPS Transformer Replacement	-	204	46	-	-	250
BD-062	FY28 Flood Structures RR	-	-	-	1,150	-	1,150

**Five Year CIP**

*Dollars in 000's*

Project ID	Project Name	FY25	FY26	FY27	FY28	FY29	Total
<b>Flood Protection Projects</b>							
BD-094	FY29 Flood Structures RR	-	-	-	-	1,200	1,200
F15012	5th Street FPS - MCC Emergency	14	-	-	-	-	14
F15013	10th Street FPS - Generator Improvements	-	-	-	-	1,289	1,289
F15014	17th Street FPS - Capacity and Generator Improvements	-	-	-	-	1,611	1,611
F18025	Western Parkway FPS - Capacity Improvements	-	-	-	-	2,611	2,611
F20107	Starkey FPS Electrical Service Improvements	-	1,815	410	-	-	2,225
F20110	Upper Mill Creek FPS Transformer and MCC Replacement	1,017	1,524	875	-	-	3,416
F21037	FY25 Flood Structures RR	1,000	-	-	-	-	1,000
F23059	Water Stop and Concrete Repair	205	-	-	-	-	205
F24046	Sluice Gate Repair/Replacement Program	-	333	951	2,336	3,838	7,458
F24065	Floodgate 33	707	154	-	-	-	861
F26018	FY26 Flood Structures RR	-	1,050	-	-	-	1,050
F27015	FY27 Flood Structures RR	-	-	1,100	-	-	1,100
H23044	Pond Creek FPS Breaker Replacement	100	2,350	-	-	-	2,450
X_0088	4th Street FPS - Capacity and Electrical Service Improvements	-	-	-	-	1,172	1,172
X_0090	27th Street FPS - Capacity and Generator Improvements	-	-	-	-	1,089	1,089
X_0091	Riverport FPS - Generator Improvements	-	-	-	-	709	709
X_0095/X_0319	Pond Creek FPS - Electrical Service Improvements	-	-	-	-	3,535	3,535
F25043	Western FPS Physical Model	-	100	-	-	-	100
<b>Total Flood Protection</b>		<b>\$ 77,798</b>	<b>\$ 74,481</b>	<b>\$ 17,661</b>	<b>\$ 28,792</b>	<b>\$ 17,349</b>	<b>\$ 216,081</b>
<b>Support Systems Projects</b>							
A24012	Asset Management Program Implementation - Non \$25M AM	250	400	-	-	-	650
25BD-009	FY26 New Fleet Additions	-	100	-	-	-	100
25BD-010	FY26 Fleet Repair	-	50	-	-	-	50
25BD-011	FY27 New Fleet Additions	-	-	100	-	-	100
25BD-012	FY27 Fleet Repair	-	-	50	-	-	50
25BD-013	FY28 New Fleet Additions	-	-	-	100	-	100
25BD-014	FY28 Fleet Repair	-	-	-	50	-	50
25BD-015	FY29 New Fleet Additions	-	-	-	-	100	100
25BD-016	FY29 Fleet Repair	-	-	-	-	50	50
25BD-099	FY26 Fleet Renewal & Replacement	-	200	-	-	-	200
25BD-100	FY27 Fleet Renewal & Replacement	-	-	200	-	-	200
25BD-101	FY28 Fleet Renewal & Replacement	-	-	-	200	-	200
25BD-102	FY29 Fleet Renewal & Replacement	-	-	-	-	200	200
BD-081	FY28 Vehicles & Equipment	-	-	-	5,500	-	5,500
BD-114	FY29 Vehicles & Equipment	-	-	-	-	5,500	5,500
G22078	CMF Automated Vehicle Wash Facility	-	1,229	-	-	-	1,842
K21055	FY25 Vehicles & Equipment	5,500	-	-	-	-	5,500
K24168	CMF Storeroom Vertical Storage Equipment	345	-	-	-	-	345
K26032	FY26 Vehicles & Equipment	-	5,500	-	-	-	5,500
K27029	FY27 Vehicles & Equipment	-	-	5,500	-	-	5,500
K25041	FY25 New Fleet Additions	100	-	-	-	-	100
K25042	FY25 Fleet Repair	50	-	-	-	-	50
25BD-006	CMF Structural Repairs Phase 2	-	-	-	-	1,238	1,238
25BD-058	MFQWTC Repaving	-	-	-	-	816	816
A24173	15th & Hill Street Building Improvements	1,085	-	-	-	-	1,085
G18154	CMF Structural Repairs Phase 1	505	1,675	1,755	-	-	3,935
G23036	Main Office HVAC Chillers	900	-	-	-	-	900
G24138	Warehouse Security Upgrade - MF & CMF	22	-	-	-	-	22
D25049	FFWQTC Office HVAC Replacement	100	-	-	-	-	100
G25067	15th & Hill Street Fencing	475	-	-	-	-	475
G25068	15th & Hill Street Furniture & Cubicles	1,769	-	-	-	-	1,769
G25069	15th & Hill Street Parking Lot	325	-	-	-	-	325
G25070	15th & Hill Street Security Phase 1	150	-	-	-	-	150
G25071	15th & Hill Street IT Infrastructure	640	-	-	-	-	640
G25072	15th & Hill Street Fire Panel	2	153	-	-	-	155
G25073	15th & Hill Street Security Phase 2	12	1,072	-	-	-	1,084
Y25085	BC Office Building Security and Buildout	163	37	-	-	-	200
25BD-022	FY28 IPS Support	-	-	-	50	-	50

**Five Year CIP**

*Dollars in 000's*

Project ID	Project Name	FY25	FY26	FY27	FY28	FY29	Total
<b>Support Systems Projects</b>							
25BD-023	FY29 IPS Support	-	-	-	-	50	50
25BD-031	FY26 IT Cybersecurity Initiatives	-	150	-	-	-	150
25BD-032	FY26 IT Network Lifecycle	-	150	-	-	-	150
25BD-033	FY27 IT Cybersecurity Initiatives	-	-	150	-	-	150
25BD-034	FY27 IT Network Lifecycle	-	-	150	-	-	150
25BD-035	FY28 IT Cybersecurity Initiatives	-	-	-	150	-	150
25BD-036	FY28 IT Network Lifecycle	-	-	-	150	-	150
25BD-037	FY29 IT Cybersecurity Initiatives	-	-	-	-	150	150
25BD-038	FY29 IT Network Lifecycle	-	-	-	-	150	150
BD-064	FY28 IT End User Lifecycle	-	-	-	450	-	450
BD-097	FY29 IT End User Lifecycle	-	-	-	-	450	450
N20073	FY25 IT End User Lifecycle	450	-	-	-	-	450
N20133	SAP Upgrade To HANA	822	-	-	-	-	822
N21023	FY25 IT Network Lifecycle	150	-	-	-	-	150
N21105	PMIS System Implementation	-	-	1,000	1,000	-	2,000
N24037	HANA Phase 2 Enhancements	167	333	-	-	-	500
N25011	FY25 IPS Support	260	-	-	-	-	260
N26001	FY26 IPS Support	-	50	-	-	-	50
N26019	FY26 IT End User Lifecycle	-	450	-	-	-	450
N27001	FY27 IPS Support	-	-	50	-	-	50
N27016	FY27 IT End User Lifecycle	-	-	450	-	-	450
N25037	PMIS PWA Server Upgrade	50	-	-	-	-	50
N25044	FY25 IT Cybersecurity Initiatives	150	-	-	-	-	150
N25045	IT Data Center Lifecycle	840	2,448	1,639	-	-	4,927
25BD-025	FY26 LOJIC Survey Control Maintenance	-	35	-	-	-	35
25BD-026	FY27 LOJIC Survey Control Maintenance	-	-	40	-	-	40
25BD-027	FY28 LOJIC Survey Control Maintenance	-	-	-	45	-	45
25BD-028	FY29 LOJIC Survey Control Maintenance	-	-	-	-	50	50
BD-049	FY28/29 Aerial Imagery & Map Updates	-	-	-	250	250	500
BD-065	FY28 LOJIC HW Upgrades & Replacements	-	-	-	90	-	90
BD-098	FY29 LOJIC HW Upgrades & Replacements	-	-	-	-	95	95
J18107	FY24/25 Aerial Imagery & Map Updates	250	-	-	-	-	250
J20070	FY26/27 Aerial Imagery & Map Updates	-	250	250	-	-	500
J21039	FY25 LOJIC HW Upgrades & Replacements	75	-	-	-	-	75
J21040	FY25 LOJIC Survey Control Maintenance	30	-	-	-	-	30
J26020	FY26 LOJIC HW Upgrades & Replacements	-	80	-	-	-	80
J27017	FY27 LOJIC HW Upgrades & Replacements	-	-	85	-	-	85
G23089	Design Manual and Specifications Updates	170	-	-	-	-	170
G24165	Districtwide Security Master Plan	25	-	-	-	-	25
G25046	Districtwide Security Master Plan Development	250	-	-	-	-	250
G25066	Emergency Preparedness and Operational Resiliency Support	233	233	233	-	-	699
<b>Total Support Services</b>		<b>\$ 16,315</b>	<b>\$ 14,595</b>	<b>\$ 11,652</b>	<b>\$ 8,035</b>	<b>\$ 9,099</b>	<b>\$ 60,309</b>
<b>Management Reserve Projects</b>							
24BD-037	FY28 Management Reserve	-	-	-	6,133	-	6,133
24BD-038	FY29 Management Reserve	-	-	-	-	15,521	15,521
G25004	FY25 Management Reserve	5,000	-	-	-	-	5,000
G26003	FY26 Management Reserve	-	50	-	-	-	50
G27003	FY27 Management Reserve	-	-	527	-	-	527
W24BD-010	FY28 OC Management Reserve	-	-	-	50	-	50
W24BD-011	FY29 OC Management Reserve	-	-	-	-	50	50
W25005	FY25 OC Management Reserve	50	-	-	-	-	50
W26035	FY26 OC Management Reserve	-	50	-	-	-	50
W27034	FY27 OC Management Reserve	-	-	50	-	-	50
Y24BD-020	FY28 BC Management Reserve	-	-	-	50	-	50
Y24BD-021	FY29 BC Management Reserve	-	-	-	-	50	50
Y25006	FY25 BC Management Reserve	50	-	-	-	-	50
Y26043	FY26 BC Management Reserve	-	50	-	-	-	50
Y27041	FY27 BC Management Reserve	-	-	50	-	-	50
<b>Total Management Reserve</b>		<b>\$ 5,100</b>	<b>\$ 150</b>	<b>\$ 627</b>	<b>\$ 6,233</b>	<b>\$ 15,621</b>	<b>\$ 27,731</b>



## Debt & Debt Service

### Purpose of Debt Obligations

MSD issues debt to finance its CIP and to refinance existing debt when possible. MSD has the following types of debt outstanding:

Type of Debt	Description
Revenue Bonds	30-year Senior Lien Sewer and Drainage System Revenue Bonds
WIFIA Bond	WIFIA Loan from US EPA, Senior Lien
Commercial Paper	Short-term notes used for interim project financing
Interest Rate Swaps	Interest rate swap used to hedge interest rate risk
KIA Loans	20-year project loans through Kentucky Infrastructure Authority

### Debt Limits & Coverage Requirements

MSD must demonstrate prior to the issuance of additional revenue bonds that it satisfied the additional bonds test prescribed by the Revenue Bond Resolution. The additional bonds test requires that net revenues for the last 12 full calendar months are equal to or greater than the aggregate net debt service on all outstanding revenue bonds and the additional, proposed bonds.

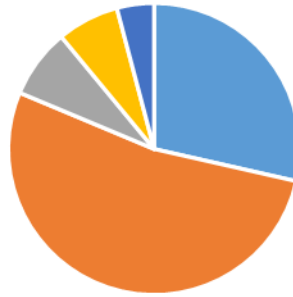
MSD has made various covenants related to debt service coverage and available revenues related to each type of debt. Budgets are established and rates set to ensure compliance with all coverage requirements and covenants.

### Debt Service Budget

MSD's fiscal year budget includes the annual principal and interest payments due on all outstanding debt.

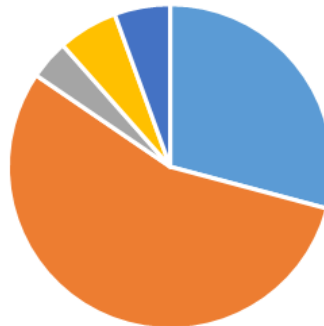
<b>Debt Service</b>						
<i>Dollars in 000's</i>						
	FY24	FY24	FY25	% Growth	% Growth	
	Budget	Forecast	Budget	to Budget	to Forecast	
Revenue Bond Principal	52,509	52,509	54,031	3%	3%	
Revenue Bond Interest	91,947	97,087	102,640	12%	6%	
Senior Subordinate Principal	5,505	14,145	7,325	0%	0%	
Senior Subordinate Interest & Expense	15,613	12,656	11,054	-29%	-13%	
Subordinate Principal & Interest	11,083	7,580	10,314	-7%	36%	
<b>Total Debt Service</b>	<b>176,657</b>	<b>183,977</b>	<b>185,364</b>	<b>5%</b>	<b>1%</b>	

### FY24 Debt Service Forecast



- Revenue Bond Principal (29%)
- Revenue Bond Interest (53%)
- Senior Subordinate Principal (8%)
- Senior Subordinate Interest & Expense (7%)
- Subordinate Principal & Interest (4%)

### FY25 Debt Service Budget



- Revenue Bond Principal (29%)
- Revenue Bond Interest (55%)
- Senior Subordinate Principal (4%)
- Senior Subordinate Interest & Expense (6%)
- Subordinate Principal & Interest (5%)

The following table summarizes projected debt service payments due in fiscal year 2025 by issue:

<b>FY25 Budgeted Principal and Interest</b>				
<i>Dollars in 000's</i>				
<b>Issue</b>	<b>Interest</b>	<b>Principal</b>	<b>Total</b>	
<b>Senior Debt</b>				
Bond Series 2009C	\$ 10,764	\$ -	\$ 10,764	
Bond Series 2010A	20,625	-	20,625	
Bond Series 2013B	3,573	-	3,573	
Bond Series 2014A	3,253	2,389	5,642	
Bond Series 2015A	6,794	2,407	9,201	
Bond Series 2015B	2,317	3,313	5,630	
Bond Series 2016A	4,548	1,194	5,742	
Bond Series 2016B	581	5,095	5,676	
Bond Series 2017A	5,357	5,516	10,873	
Bond Series 2017B	675	12,379	13,054	
Bond Series 2018A	2,415	-	2,415	
Bond Series 2020A	6,257	2,807	9,064	
Bond Series 2020C	988	-	988	
Bond Series 2021A	4,765	13,394	18,159	
Bond Series 2022A	7,724	1,167	8,891	
Bond Series 2023A	2,487		2,487	
Bond Series 2023B	2,098		2,098	
Bond Series 2024A	17,419	4,370	21,789	
<b>Total Senior Debt</b>	<b>\$ 102,640</b>	<b>\$ 54,031</b>	<b>\$ 156,671</b>	
<b>Senior Subordinate Debt</b>				
Commercial Paper	11,054	7,325	\$ 18,379	
<b>Total Senior Subordinate Debt</b>	<b>\$ 11,054</b>	<b>\$ 7,325</b>	<b>\$ 18,379</b>	
<b>Subordinate Debt</b>				
Swap Payments	\$ 4,917	\$ -	\$ 4,917	
Jefferson County	1,842	539	2,381	
Oldham County	697	2,200	2,897	
Bullitt County	59	60	119	
<b>Total Subordinate Debt</b>	<b>\$ 7,515</b>	<b>\$ 2,799</b>	<b>\$ 10,314</b>	
<b>Total FY25 Debt Service Payments</b>	<b>\$ 121,209</b>	<b>\$ 64,155</b>	<b>\$ 185,364</b>	

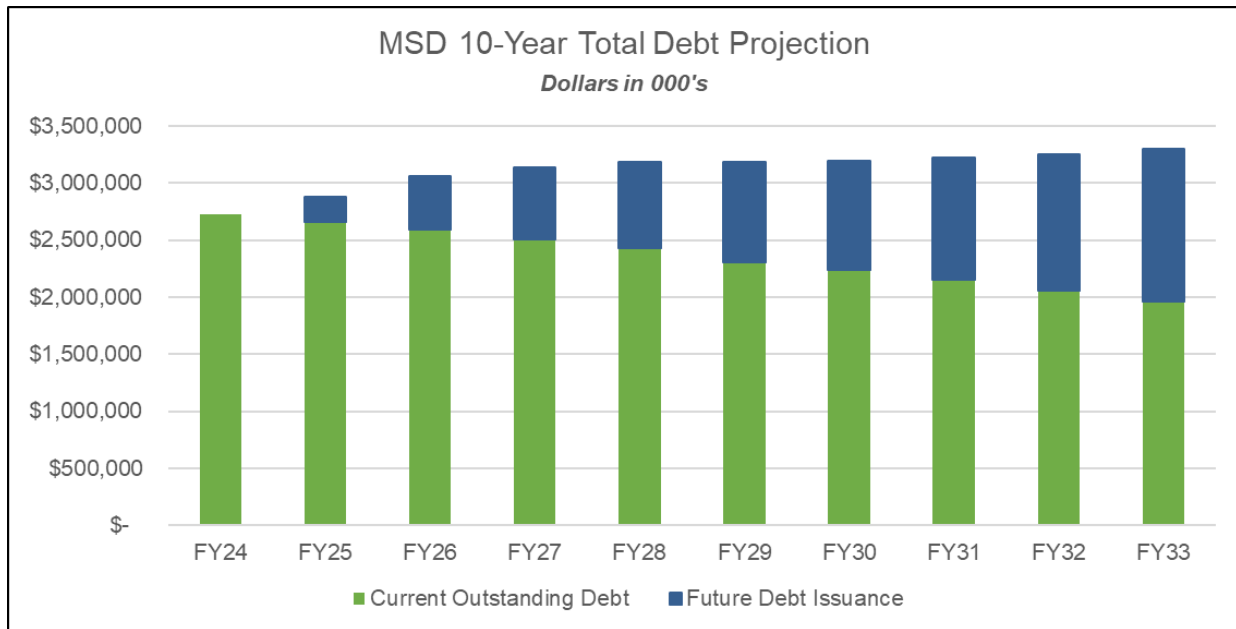
## Debt Outstanding

MSD's total debt at the end of fiscal year 2024 is projected to be \$2.7 billion. Following is a comparative, itemized schedule of debt outstanding for the last three fiscal years.

<b>Total Outstanding Debt</b>			
<i>Dollars in 000's</i>			
	<i>Actual</i>	<i>Actual</i>	<i>Projected</i>
	<b>Outstanding</b>	<b>Outstanding</b>	<b>Outstanding</b>
	<b>June 30, 2022</b>	<b>June 30, 2023</b>	<b>June 30, 2024</b>
<b>Senior Debt</b>			
Bond Series 2009C	\$ 180,000	\$ 180,000	\$ 180,000
Bond Series 2010A	330,000	330,000	330,000
Bond Series 2011A	-	-	-
Bond Series 2013A	115,790	-	-
Bond Series 2013B	109,280	107,515	89,300
Bond Series 2013C	125	-	-
Bond Series 2014A	79,650	79,600	77,280
Bond Series 2015A	171,395	170,845	168,525
Bond Series 2015B	65,975	62,995	59,865
Bond Series 2016A	147,500	146,540	145,470
Bond Series 2016B	19,910	17,830	16,585
Bond Series 2016C	12,995	-	-
Bond Series 2017A	149,390	143,280	138,035
Bond Series 2017B	31,210	30,245	13,505
Bond Series 2018A	60,380	60,380	60,380
Bond Series 2019A	8,845	-	-
Bond Series 2020A	224,000	223,000	221,355
Bond Series 2020B	-	-	31,100
Bond Series 2020C	109,605	108,415	37,790
Bond Series 2021A	240,485	227,720	214,665
Bond Series 2022A	224,750	224,250	223,500
Bond Series 2023A	-	49,745	49,745
Bond Series 2023B	-	41,950	41,950
Bond Series 2023C	-	-	348,380
<b>Total Senior Debt</b>	<b>\$ 2,281,285</b>	<b>\$ 2,204,310</b>	<b>\$ 2,447,430</b>
<b>Senior Subordinate Debt</b>			
BAN	\$ 226,340	\$ 226,340	\$ -
Commercial Paper	50,000	165,000	212,195
<b>Total Senior Subordinate Debt</b>	<b>\$ 276,340</b>	<b>\$ 391,340</b>	<b>\$ 212,195</b>
<b>Subordinate Debt</b>			
Miscellaneous Debt	\$ 52,642	\$ 51,391	\$ 48,193
<b>Total Subordinate Debt</b>	<b>\$ 52,642</b>	<b>\$ 51,391</b>	<b>\$ 48,193</b>
<b>Total Outstanding Debt</b>	<b>\$ 2,610,267</b>	<b>\$ 2,647,041</b>	<b>\$ 2,707,818</b>

### Future Debt Issuance

MSD's total debt is projected continue to increase over the next ten years as we invest in rehabilitation of our aging infrastructure and work to address consent decree and regulatory compliance requirements. The chart below summarizes total outstanding debt over the next ten fiscal years.



### Credit Ratings

MSD strives continuously to maintain strong financial performance and bond ratings. The credit ratings on our senior lien bonds remain at Aa3, AA, and AA- by Moody's Investors Service, Standard and Poor's Ratings Services, and Fitch, respectively.

MSD Credit Ratings	
Moody's	Aa3
Standard & Poor's (S&P)	AA
Fitch	AA-

# Long-Term Financial Planning

Long-Term Financial Planning enables MSD to deliver on our Mission Statement to provide quality wastewater, stormwater, and flood protection services to protect public health and safety through sustainable solutions, fiscal stewardship, and strategic partnerships. Financial planning is required by MSD’s Debt Issuance Policy and provides the framework for assessing the financial implications of rate changes, programs, capital projects, debt, and personnel. This framework includes the following elements:

- Available Revenues.
- Capacity for additional borrowing.
- Expected growth in operating expenses.
- Impacts on financial metrics.
- Implications on level of service.

## Methodology

The heart of our long-term financial planning is a 20-year financial model. The Finance Team updates the financial model with actual results as part of the annual financial planning process. Actual results drive assumptions about future performance in the model. Key assumptions are reviewed with MSD’s municipal advisor. The following tables summarizes the key assumptions that were used in the fiscal year 2025 financial model update:

<b>Key Financial Model Assumptions</b>						
<i>Next Five Years</i>						
	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>FY29</b>	
Jefferson County Rate Increase	6.9%	6.9%	6.9%	6.9%	6.9%	
Oldham County Rate Increase	5.0%	3.0%	3.0%	3.0%	3.0%	
Bullitt County Rate Increase	12.0%	12.0%	3.0%	3.0%	3.0%	
Salary & Wages	15.0%	5.1%	5.2%	5.5%	5.2%	
Retirement Contributions	-1.4%	0.0%	3.0%	4.0%	4.0%	
Other Labor-Related Overhead	20.8%	3.0%	3.0%	3.0%	3.0%	
Electric	-2.3%	0.0%	0.7%	0.8%	0.6%	
Materials & Supplies	7.0%	1.6%	4.0%	0.0%	1.7%	
Chemicals	-5.0%	2.8%	2.5%	4.0%	3.2%	
Funds Available From Operations	14.0%	14.0%	12.0%	16.0%	17.0%	
Interest Rate on Future Bond Issuance	5.0%	5.0%	5.0%	5.0%	5.0%	
Commercial Paper & Investment Interest	3.5%	3.5%	3.0%	3.0%	3.0%	

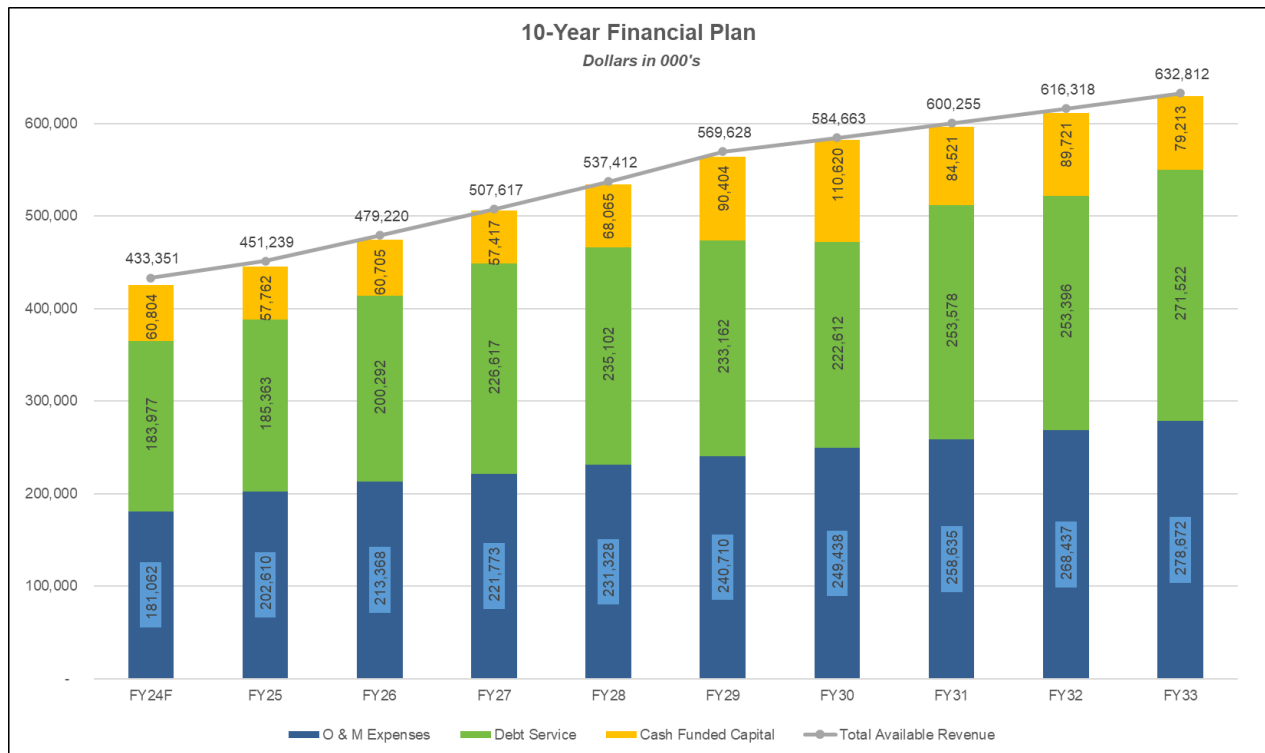


## Financial Forecast

After actual results and assumptions are updated within the model, the capacity for borrowing is evaluated. Primary focus is placed on the 5-year CIP planning window to ensure that financial plans are developed that can sustain capital planning efforts. A 5-year financial forecast is developed alongside the annual budget recommendation. The following table presents the current 5-year forecast developed as part of the fiscal year 2025 budget process.

<b>5-Year Financial Forecast</b>					
<i>Dollars in 000's</i>					
	FY25	FY26	FY27	FY28	FY29
<b>Operating Revenues</b>					
Wastewater service charges	\$ 320,022	\$ 339,857	\$ 360,729	\$ 382,669	\$ 405,959
Drainage service charges	104,366	111,568	119,266	127,495	136,292
Other operating income	8,157	8,889	8,523	8,706	8,614
<b>Total Operating Revenues</b>	<b>432,545</b>	<b>460,314</b>	<b>488,518</b>	<b>518,870</b>	<b>550,865</b>
<b>Non-Operating Revenues</b>					
Assessments	243	195	156	125	100
BAB refund	10,986	10,986	10,986	10,221	10,221
Investment income	7,465	7,726	7,958	8,197	8,442
<b>Total Non-Operating Revenues</b>	<b>18,694</b>	<b>18,907</b>	<b>19,100</b>	<b>18,543</b>	<b>18,763</b>
<b>Total Available Revenue</b>	<b>451,239</b>	<b>479,221</b>	<b>507,618</b>	<b>537,413</b>	<b>569,628</b>
<b>Operating Expenses</b>					
Total operating expenses	202,610	213,368	221,773	231,328	240,710
Capitalized cost	(46,600)	(46,941)	(46,572)	(46,266)	(48,142)
<b>Net Operating Expense</b>	<b>156,010</b>	<b>166,427</b>	<b>175,201</b>	<b>185,062</b>	<b>192,568</b>
<b>Net Revenues Available for Debt Service</b>	<b>295,229</b>	<b>312,794</b>	<b>332,417</b>	<b>352,351</b>	<b>377,060</b>
<b>Debt Service</b>					
Total senior debt service	156,671	166,406	193,096	200,185	200,327
Capitalized interest	(9,238)	(9,748)	(10,437)	(10,994)	(10,943)
Total subordinated debt service	28,693	33,885	33,521	34,917	32,925
<b>Total Debt Service</b>	<b>176,126</b>	<b>190,543</b>	<b>216,180</b>	<b>224,108</b>	<b>222,309</b>
Senior Debt Service Coverage	200%	200%	182%	186%	199%
<b>Total Debt Service Coverage</b>	<b>168%</b>	<b>164%</b>	<b>154%</b>	<b>157%</b>	<b>170%</b>

A graphical summary of the 10-year financial plan follows.



## Trend Analysis

Emerging and historical trends are evaluated during each annual planning period. Trends can inform how we make expect future predictions to play out. They may also highlight risk factors that need to be anticipated and planned for. Following is a summary of trends that were evaluated as part of the fiscal year 2025 financial planning process.

- **Salaries & Wages:** Unemployment in the Louisville market is 3.8% which makes for a competitive labor market. Annual growth in local government wages as measured by the Employment Cost Index hovers around 5% as of the period ending March 2024.
- **Medical Benefits:** Consolidation in the medical insurance market is a concern. Medical premiums for MSD's plans grew 15% for fiscal year 2025.
- **Pension Expense:** Louisville MSD employees participate in the county Employees Retirement System (CERS). The employer contribution rate has dropped from a high of 26.95 in fiscal year 2022 to 19.71% for fiscal year 2025. Higher investment returns have been behind this rate decrease but this is not a trend MSD expects to continue indefinitely.
- **Affordability:** Rate increases are necessary as MSD continues to make investments to comply with the Second Amended Consent Decree and to rehabilitate and replace other aging infrastructure. Nevertheless, MSD realizes that high rates can present affordability issues. We continue to track our rates against other similar cities and in accordance with EPA's guidance regarding affordability. We also continue to fund assistance locally and advocate for adoption of a permanent Low Income Household Water Assistance Program (LIHWAP) at the federal level.
- **CIP:** Higher bid prices due to market conditions is a trend we are watching closely with respect to our CIP. Projects are typically budgeted at the engineers estimate and included in an approved CIP budget before they are bid. There is always a risk that bids will come in high which puts pressure on other critical projects. In the last two years, MSD has had to push projects out of the 5-year CIP to prioritize the most critical projects.

## Schedule of Future Debt Issuance

MSD utilities a commercial paper program to finance its CIP program on a short-term basis. Commercial

paper is periodically fixed out with 30-year fixed rate sewer and drainage system revenue bonds. Long-term debt is typically issued on a senior lien basis. Debt service payments for the following expected issuances are included in the 5-year financial forecast presented.

<b>Schedule of Future Debt Issuance</b>	
<b>Projected Issuance</b>	<b>Issue Amount</b>
Series 2026	\$200,000,000
Series 2027	\$200,000,000
Series 2028	\$200,000,000

### **Reserves**

MSD's Reserve Policy requires the establishment and maintenance of a Rate Stabilization Fund and a Renewal and Replacement Fund. These funds provide some insurance against unknown financial challenges that may arise in the future. As of March 31, 2024, the Rate Stabilization fund had a balance of \$15.1 million and the Renewal and Replacement Fund had a balance of \$5.2 million.

## Glossary

### Acronyms

ACFR: Annual Comprehensive Financial Report  
ASC: Accounting Standard Codification  
BAN: Bond Anticipation Note  
CERS: County Employees Retirement System  
CIP: Capital Improvement Plan  
CMOM: Capacity, Management, Operations, and Maintenance Program  
CSO: Combined Sewer Overflows  
DRI: Drainage Response Initiative  
EPA: Environmental Protection Agency  
EPSC: Erosion Prevention and Sediment Control  
EWRAP: Emergency Wastewater Rate Assistance Program  
FEMA: Federal Emergency Management Association  
FY: Fiscal Year  
IOAP: Integrated Overflow Abatement Plan  
IPS: Infor Public Sector software program  
GAAP: Generally Accepted Accounting Principles  
GASB: Governmental Accounting Standards Board  
GIS: Geographical Information Systems  
KIA: Kentucky Infrastructure Authority  
KYPDES: Kentucky Pollutant Discharge Elimination System  
LIUNA: Laborer' International Union of North America  
LOC: Line of Credit  
LOJIC: Louisville/Jefferson County Information Consortium  
LTCP: Long Term Control Plan  
MSD: Louisville/Jefferson County Metropolitan Sewer District  
MS4: Municipal Separate Storm Sewer System Program  
NACWA: National Association of Clean Water Agencies  
NAGE: National Association of Government Employees  
NMC: Nine Minimum Controls Program  
O & M: Operations and Maintenance  
SBE: Small Business Enterprise  
SRF: State Revolving Fund  
SSDP: Sanitary Sewer Discharge Plan  
WQTC: Water Quality Treatment Center  
WIFIA: Water Infrastructure Finance and Innovation Act

## Terms

**Accrual:** The recording of an expense that was incurred in one accounting period but not paid until a future accounting period.

**Audit:** The independent examination of financial information of an entity.

**Biosolids:** The nutrient-rich organic materials resulting from the treatment of sewage at a wastewater treatment center.

**Bonds:** A promise by a borrower to pay the lender principal and interest on a loan.

**Capital Improvement Plan:** The annual capital budget.

**Clean Water Act:** Establishes the basic structure for regulating discharges of pollutants into waters of the United States and regulating quality standards for surface waters.

**Component Unit:** Financial reporting entity that is legally separate from the primary government entity.

**Consumer Price Index (CPI):** A measure of the average change over time in the prices paid by urban customers for a market basket of consumer goods and services. CPI is maintained by the U.S. Bureau of Labor Statistics.

**Combined Sewer Overflows:** When rain events occur, combined sewer systems, that contain both wastewater and stormwater in the same pipe, may overflow into waterways to prevent backups of sewage into residences and businesses.

**Debt Service Coverage:** The ratio of net revenues to debt service requirements.

**Depreciation:** The decreased fair value of an asset over time.

**Fiscal Year:** The 12-month period for which the annual operating and capital budgets apply. MSD's fiscal year runs from July 1 to June 30 of the following year.

**Integrated Overflow Abatement Plan (IOAP):** MSD's long-term plan to control sewer overflows (CSOs) and sanitary sewer overflows (SSOs) in the community.

**Kentucky Cleaner Water Program:** A grant program to aimed at projects that will improve drinking water and wastewater in Kentucky.

**Long-Term Control Plan (LTCP):** The suite of projects that is part of the IOAP that will result in approximately 98% capture of wet-weather combined sewer overflows.

**Producer Price Index (PPI):** Measures the average change over time in the selling prices received by domestic producers for their output. PPI is maintained by the U.S. Bureau of Labor Statistics.

**Sanitary Sewer Discharge Plan (SSDP):** The suite of projects that is part of the IOAP that will eliminate capacity-related sanitary sewer overflows up to the site-specific level of protection.

**Stormwater:** Surface water resulting from rain or snow.

**Wastewater:** Water that has been used for domestic or industrial purposes.

**Wastewater Treatment:** Physical, chemical, and biological processes used to remove pollutant from wastewater before discharging it into a water body.

